



HWN ENERGY LTD. ANNOUNCES CLOSING OF TWO ACQUISITIONS, GREATLY EXPANDING OVERALL CANADIAN FOOTPRINT

(February 6, 2023) – Hawthorne Energy, LLC (“Hawthorne”) through its Canadian subsidiary HWN Energy Ltd. (“HWN Energy”) today announced the closing of two large complementary asset acquisitions located in Central and Northern Alberta.

Pro forma for the transactions, HWN Energy will have a substantial, low decline production base of more than 15,000 boe/d (~50% oil/liquids) with significant reserve value and cash flow generation capacity. The company’s land base includes ~667,000 largely held-by-production net acres with a deep inventory of light oil drilling opportunities in the Dunvegan, Cardium and other Cretaceous zones of interest. Additionally, both acquisitions include substantial infrastructure in place to accommodate future development.

“We are excited to continue our growth in Alberta,” said John Oberg, HWN Energy’s Chief Executive Officer. “These transactions add complementary, high-quality assets that will benefit from our team’s focused and efficient operating model. We intend to continue our growth both through our light oil-focused development program and other potential consolidation opportunities in our key areas.”

“We are proud of the platform that the Hawthorne team has built, and we are excited to support their growth,” added Dillon MacDonald, a Carnelian Principal. “We believe the Canadian E&P sector offers a compelling value proposition, and we are enthusiastic about deploying more capital to capture this opportunity.”

ATB Capital Markets, CIBC Capital Markets and BMO Capital Markets acted as credit partners and financial advisors to HWN Energy with respect to the acquisitions. Gibson, Dunn & Crutcher LLP and Lawson Lundell LLP acted as legal advisors to HWN Energy with respect to the acquisitions.

HWN Energy thanks its equity and credit partners for their continued support, as well as its financial and legal advisors for their significant efforts to consummate the transactions.

About Hawthorne Energy, LLC and HWN Energy Ltd.

Hawthorne Energy, through its Canadian subsidiary HWN Energy Ltd., is an oil and natural gas exploration and production company with operations focused in Central and Northern Alberta. For more information, please contact Hawthorne at info@hwnenergy.com or visit www.hwnenergy.com.

About Carnelian Energy Capital Management, L.P.

Carnelian Energy Capital is an energy investment firm based in Houston, Texas. With approximately \$2.8 billion of cumulative capital commitments, Carnelian is dedicated to bringing its strategic expertise and nimble approach to partnerships with leading businesses and best-in-class management teams in the North American energy sector. For more information, please contact Carnelian at info@carnelianec.com or visit www.carnelianenergy.com.