



Briko Energy Announces its 2020 Year-End Reserves and Corporate Update

Calgary, Alberta - March 3, 2021 - Briko Energy Corp. (“Briko” or the “Corporation”) is pleased to announce its 2020 year-end reserves and corporate update.

2020 Reserve Highlights

- Proved (“1P”) reserves of 2.3 million barrels of oil equivalent (“BOE”) at December 31, 2020 compared to 2.4 million BOE at December 31, 2019;
- 1P net present value of \$14.5 million (\$1.29 per share) at a 10% discount rate at December 31, 2020;
- Proved plus probable (“2P”) reserves of 3.0 million BOE at December 31, 2020 compared to 3.8 million at December 31, 2019;
- Conservative 1P reserve position that represents 77% of 2P reserves, compared to 63% at December 31, 2019;
- Future development costs (“FDC”) requirement of only \$0.1 million on a 1P and 2P basis; and
- Low annual production decline rates provided a strong reserves life index of 12 years based on 1P reserves and 15 years based on 2P reserves.

2020 Summary of Reserves

The detailed reserves data set forth below are based on an independent reserves assessment and evaluation prepared by Deloitte LLP (“Deloitte”) with an effective date of December 31, 2020, which is contained in the report dated February 22, 2021 (the “Deloitte Report”).

Reserves Category	2020 YE ⁽¹⁾		2019 YE ⁽²⁾		2020YE & 2019YE Comparison
	(MBOE)	NPV10% (\$M)	(MBOE)	NPV10% (\$M)	Reserves (%)
Proved Developed Producing	1,207	\$9,564	1,582	\$14,448	(24%)
Proved Non-producing ⁽³⁾	1,125	\$4,909	865	\$1,760	30%
Total Proved	2,332	\$14,473	2,448	\$16,208	(5%)
Total Proved plus Probable	3,009	\$17,196	3,755	\$18,304	(20%)

Notes:

(1) Deloitte Report effective as of December 31, 2020.

(2) Deloitte Report effective as of December 31, 2019.

(3) Reserves from the Corporation’s Kiskiu area has been reclassified to proved non-producing at December 31, 2020 due to the unscheduled shut in of production during the fourth quarter of 2020. The shut in production is anticipated to be back on production in April 2021.

Corporate Reserves

The detailed reserves data set forth below are based on the Deloitte Report. The following presentation summarizes the Corporation's crude oil, natural gas liquids and natural gas reserves and the net present values before income tax of future net revenue for the Corporation's reserves using forecast prices and costs as set out in the Deloitte Report. The Deloitte Report has been prepared in accordance with definitions, standards, and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*. The reserves evaluation was based on the consensus forecast escalated pricing and foreign exchange rates at December 31, 2020 ("Consensus Price") as outlined in the table herein entitled "Price Forecast". This Consensus Price forecast is the average of the escalated price forecasts of four independent reserve evaluators, namely Deloitte, GLJ Petroleum Consultants Ltd. ("GLJ"), McDaniel & Associates Consultants Ltd ("McDaniel") and Sproule Associates Limited ("Sproule").

All evaluations and summaries of future net revenue are stated prior to provision for interest, debt service charges or general administrative expenses and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future capital expenditures. It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of Briko's crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater or less than the estimates provided herein. Reserves included herein are stated on a company gross basis (working interest before deduction of royalties without including any royalty interests) unless noted otherwise. In addition to the detailed information disclosed in this press release, more detailed information will be included in the Corporation's Annual Information Form ("AIF") which will be filed on the Corporation's profile at www.sedar.com on or before April 30, 2021.

See "Forward Looking Information and Statements" for a statement of principal assumptions and risks that may apply.

The preparation and audit of Briko's 2020 annual financial statements is not yet complete, and accordingly, all financial amounts referred to in this press release are unaudited and represent management's estimates. Readers are advised that these financial estimates may be subject to change. Year-end financial statements for 2020 will be released no later than April 30, 2021.

Reserves Category⁽¹⁾	Light and Medium Crude Oil (Mbbl)	Natural Gas Liquids (Mbbl)	Non-Associated Natural Gas⁽²⁾ (Mmcf)	Barrels of Oil Equivalent⁽³⁾ (Mboe)
Proved				
Proved Developed Producing (“PDP”)	444	34	4,370	1,207
Proved Non-producing (“PNP”)	22	139	5,786	1,125
Proved Developed (“PD”)	466	173	10,156	2,332
Proved Undeveloped (“PUD”)	-	-	-	-
Total Proved (“1P”)	466	173	10,156	2,332
Probable	104	50	3,135	677
Total Proved plus Probable (“2P”)	570	223	13,291	3,009

Notes:

- (1) Reserves have been presented on a “gross” basis which is defined as Briko’s working interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of the Corporation.
- (2) Includes solution gas.
- (3) Oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil.
- (4) Columns may not add due to rounding.

Reserve Values

The estimated before tax net present value (“NPV”) of future net revenue associated with Briko’s reserves effective December 31, 2020 and based on the Deloitte Report and the Consensus Price forecast are summarized in the following table:

Reserves Category	0% (M\$)	5% (M\$)	10% (M\$)	15% (M\$)	20% (M\$)
Proved					
Developed Producing	10,811	11,550	9,564	7,981	6,838
Developed Non-Producing	9,408	6,537	4,909	3,896	3,218
Undeveloped	-	-	-	-	-
Total Proved	20,219	18,087	14,473	11,877	10,056
Probable	9,624	4,713	2,723	1,774	1,261
Total Proved plus Probable	29,843	22,800	17,196	13,651	11,317

Notes:

- (1) Based on Deloitte’s December 31, 2020 Consensus Price forecast.
- (2) The estimated future net revenues are stated prior to provision for interest, debt service charges or general and administrative expenses and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future capital expenditures.
- (3) See the Corporation’s AIF, once filed, for the after-tax present values of future net revenue attributed to Briko’s reserves.
- (4) Columns may not add due to rounding.

Price Forecast

Year	Canadian Light Sweet Crude ⁽²⁾ 40° API (\$C/Bbl)	Western Canada Select ⁽³⁾ 20.5° API (\$C/Bbl)	Alberta AECO-C (\$C/Mcf) ⁽⁵⁾	Edmonton Pentanes Plus (\$C/Bbl) ^(4,6)	Edmonton Butane (\$C/Bbl) ^(4,6)	Edmonton Propane (\$C/Bbl) ^(4,6)	\$US/\$C Exchange Rate
2021	55.13	44.19	2.75	57.75	25.76	18.30	0.77
2022	60.62	48.55	2.70	63.10	33.27	23.49	0.77
2023	64.68	52.90	2.65	67.58	40.49	26.11	0.77
2024	66.73	54.68	2.69	69.74	41.80	26.94	0.77
2025	68.11	55.78	2.74	71.15	42.66	27.50	0.77
2026	69.52	56.89	2.81	72.58	43.55	28.07	0.77
2027	70.95	58.03	2.86	74.04	44.44	28.64	0.77
2028	72.40	59.19	2.91	75.52	45.36	29.23	0.77
2029	73.89	60.37	2.97	77.03	46.28	29.82	0.77
2030	75.37	61.58	3.02	78.58	47.21	30.42	0.77
<i>Escalation Rate of 2.0% Thereafter</i>							

Notes:

- (1) This Consensus Price forecast is an average of four independent reserve evaluators' forecasts at December 31, 2020 including Deloitte, GLJ, McDaniel and Sproule.
- (2) Edmonton city gate prices based on historical light oil par prices posted by the government of Alberta and Net Energy differential futures (40 Deg. API < 0.5% Sulphur).
- (3) Western Canada Select prices are forecasted at Hardisty WCS
- (4) Natural Gas Liquid prices are forecasted at Edmonton therefore an additional transportation cost must be included to plant gate sales point.
- (5) 1 Mcf is equivalent to 1 MMBtu.
- (6) NGL prices have been switched from a mix reference to a spec reference.

Reserves Reconciliation

The table below reconciles reserves volumes from opening balances at December 31, 2019 to closing balances at December 31, 2020. Technical revisions include positive revisions to the Associated and Non-Associated Gas category as the result of reduced operating costs. Dispositions include the disposal of a non-core gas well. Infill drilling include a non-operated farm in well that was brought on production in November 2020. As part of the farm in agreement, the Corporation incurred nil capital costs to earn a 15% working interest in the well.

TOTAL PROVED	Light and Medium Crude Oil (Mbbl)	Natural Gas Liquids (Mbbl)	Associated and Non-Associated Gas (Mmcf)	Oil Equivalent (Mboe)
December 31, 2019	500	224	10,344	2,448
Production	(45)	(18)	(867)	(207)
Technical Revisions	33	(23)	1,135	199
Extensions & Improved Recovery	-	-	-	-
Exploration Discoveries	-	-	-	-
Acquisition	-	-	-	-
Dispositions	-	(2)	(77)	(15)
Economic factors	(22)	(9)	(595)	(130)
Infill Drilling	-	2	215	37
December 31, 2020	466	173	10,156	2,332

TOTAL PROVED PLUS PROBABLE	Light and Medium Crude Oil (Mbbl)	Natural Gas Liquids (Mbbl)	Associated and Non-Associated Gas (Mmcf)	Oil Equivalent (Mboe)
December 31, 2019	1,258	282	13,296	3,755
Production	(45)	(18)	(867)	(207)
Technical Revisions	(583)	(24)	1,578	(344)
Extensions & Improved Recovery	-	-	-	-
Exploration Discoveries	-	-	-	-
Acquisition	-	-	-	-
Dispositions	-	(3)	(101)	(20)
Economic factors	(60)	(15)	(860)	(218)
Infill Drilling	-	2	245	43
December 31, 2020	570	223	13,291	3,009

Note:

⁽¹⁾ Columns may not add due to rounding.

Production and Capital Expenditures

Due to the unscheduled shut in of natural gas and natural gas liquids production of approximately 200 boe/d in the fourth quarter of 2020, Briko's production for the first quarter of 2021 is estimated to be in the range of 400 - 450 boe/d. The shut in production is anticipated to be back on production by April 2021. Average production for 2021 is expected to be in the range of 475 – 525 boe/d. Briko has established a prudent capital expenditure program for 2021 that is expected to focus on maintenance and optimization initiatives.

Alberta Site Rehabilitation Program

During 2020, the Corporation and its field service contractors submitted applications under the Government of Alberta's Site Rehabilitation Program ("SRP") to abandon and reclaim well sites. The Government of Alberta is administering the SRP in phases and providing grant funding directly to the service providers for the abandonment and remediation work. To date, Briko has been approved for \$182,000 in grant funding under the SRP. In January 2021, Briko abandoned an inactive well bore and is anticipating that it will be able to utilize the grant funding in full in 2021. Briko continues to monitor the provincial and federal funding developments to accelerate the decommissioning of the Corporation's asset retirement obligations. The Corporation's Liability Management Rating with the Alberta Energy Regulator remains strong at 7.03 as of February 6, 2021.

Strategic Alternatives Process

On January 6, 2021, the Corporation announced the initiation of a strategic alternatives process to maximize shareholder value. Sayer Energy Advisors ("Sayer") has now been engaged by Briko's Board of Directors to support its evaluation of all potential alternatives. Additional information relating to the strategic alternatives process will be available on Sayer's website at www.sayeradvisors.com in mid-March 2021.

About Briko Energy Corp.

Briko Energy Corp. is an Alberta Foothills Cardium focused company with undeveloped land, crude oil and natural gas reserves and a production base with associated infrastructure. Corporate information can be found at: www.brikoenergy.com.

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Definitions

The reserves evaluation, effective December 31, 2020, was conducted by Deloitte, the Corporation's independent reserves evaluators and is in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities. The reserves are provided on a Gross basis in units of barrels of oil equivalent using a forecast price deck,

adjusted for quality, in Canadian dollars. The estimated values may or may not represent the fair market value of the reserve estimates.

“Gross” in relation to the Corporation's interest in production or reserves is its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Corporation;

“Net” in relation to the Corporation's interest in production or reserves is its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interest in production or reserves;

“Proved reserves” are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves;

“Probable reserves” are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves;

Forward-Looking Statements and Information and Cautionary Statements

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws including, without limitation, those listed under “Risk Factors” and “Forward-looking Statements and Information” in its filings available on SEDAR at www.sedar.com. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify forward-looking statements or information. Forward-looking statements and information in this press release includes, but is not limited to, the Consensus Price used in the Deloitte Report, the amount of the FDC requirements, Briko’s reserves and the net present value information relating thereto, Briko’s estimated production for the first quarter of 2021, Briko’s average production for 2021, the source of funding of Briko’s 2021 capital expenditure program, the expected timing of the release of Briko’s December 31, 2020 financial and operating results and the expected timing of the shut in production to be back on production. Although Briko believes that the expectations and assumptions on which the forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Briko cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include but are not limited to the risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; failure to obtain necessary regulatory approvals for planned operations; health, safety and environmental risks; uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures; volatility of commodity prices, currency exchange rate fluctuations; imprecision of reserve estimates; and competition from other explorers) as well as general economic conditions, stock market volatility, and the ability to access sufficient capital. We caution that the foregoing list of risks and uncertainties is not exhaustive.

In addition, the reader is cautioned that historical results are not necessarily indicative of future performance. The forward-looking statements and information contained in this press release are made as of the date hereof and Briko undertakes no obligation to update publicly or revise any forward-looking statement or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Oil and Gas Advisory

In this press release, the abbreviation BOE means a barrel of oil equivalent derived by converting gas to oil in the ratio of 6 Mcf of gas to 1 bbl of oil (6 Mcf:1 bbl). BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf:1 bbl, utilizing a conversion ratio on a 6 Mcf of gas to 1 bbl of oil basis may be misleading as an indication of value.