



NEWS RELEASE

Perpetual Energy Inc. Announces CFO Succession Plan and Common Share Private Placement

Calgary, Alberta – March 17, 2021 (TSX:PMT) – Perpetual Energy Inc. ("Perpetual" or the "Company") announces today the planned retirement of Vice President Finance and Chief Financial Officer ("CFO") Mark Schweitzer. Mr. Schweitzer joined the Company in January 2017 and will remain in his existing capacity until the spring of 2021.

"We thank Mark for his exceptional leadership and strategic insights that have positioned Perpetual for future success. Mark's contributions to Perpetual have been invaluable and while he will be missed, we will celebrate with him in his upcoming retirement." said President and CEO Sue Riddell Rose. "As a Board, we continually assess and address our succession plans and are pleased to announce that one of our Directors, Ryan Shay, will be joining the Perpetual team as Vice President Finance and CFO upon Mark's retirement. To ensure a smooth transition, Ryan joined Perpetual's Executive Leadership Team on February 1, 2021 and has been fully engaged in our year-end reporting and balance sheet refinancing process."

Mr. Shay brings more than 25 years of industry experience and was most recently Managing Director, Head of Investment Banking at Cormark Securities. Mr. Shay holds Chartered Professional Accountant – Chartered Accountant and Chartered Financial Analyst designations, and a Bachelor of Commerce in Accounting from the University of Saskatchewan. Mr. Shay will remain on Perpetual's Board of Directors.

In connection with Mr. Shay's pending appointment as Vice President, Finance and CFO and for executive share ownership and shareholder alignment purposes, the Company has issued Mr. Shay, on a non-brokered private placement basis, 1,000,000 common shares at a price of \$0.23 per share for gross proceeds to the Company of \$230,000. Perpetual will use the proceeds from this private placement for working capital purposes. No commissions or finder fees were payable in connection with this private placement. The shares issued to Mr. Shay are subject to a statutory four month hold period expiring June 16, 2021. Pro forma this private placement, Perpetual will have 62,530,227 net shares outstanding.

The private placement is subject to final Toronto Stock Exchange approval. As the shares were issued to an officer of the Company, this private placement is a related party transaction (as defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**")). The Company relied upon the exemptions from security holder approval and formal valuation requirements in sections 5.5(a) and 5.7(1)(a) of MI 61-101 [*Fair Market Value Not More Than 25 Per Cent of Market Capitalization*], as neither the fair market value of the common shares nor the consideration paid for the common shares exceeds 25% of the Company's market capitalization, as calculated in accordance with MI 61-101.

ADDITIONAL INFORMATION

About Perpetual

Perpetual is an oil and natural gas exploration, production and marketing company headquartered in Calgary, Alberta. Perpetual owns a diversified asset portfolio, including liquids-rich conventional natural gas assets in the deep basin of West Central Alberta, heavy crude oil and shallow conventional natural gas in Eastern Alberta, and undeveloped bitumen leases in Northern Alberta. Additional information on Perpetual can be accessed at www.sedar.com or from the Corporation's website at www.perpetualenergyinc.com.

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.

For additional information please contact:

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W. Mark Schweitzer Vice President Finance and Chief Financial Officer

Forward-Looking Information

Certain information regarding Perpetual in this news release may constitute forward-looking information or statements under applicable securities laws. Undue reliance should not be placed on forward-looking information, which is not a guarantee of performance and is subject to a number of risks or uncertainties, including without limitation those described herein and under "Risk Factors" in Perpetual's Annual Information Form and MD&A for the year ended December 31, 2020 and in other reports on file with Canadian securities regulatory authorities which may be accessed through the SEDAR website (www.sedar.com) and at Perpetual's website (www.perpetualenergyinc.com). Readers are cautioned that the foregoing list of risk factors is not exhaustive. Forward-looking information is based on the estimates and opinions of Perpetual's management at the time the information is released, and Perpetual disclaims any intent or obligation to update publicly any such forward-looking information, whether as a result of new information, future events or otherwise, other than as expressly required by applicable securities law.