



NEWS RELEASE

PERPETUAL ENERGY INC. ANNOUNCES THE COMPLETION OF THE EARLY REDEMPTION OF ITS SENIOR SECURED NOTES

Calgary, Alberta – April 25, 2024 (TSX:PMT) – Perpetual Energy Inc. (“Perpetual”, or the “Company”) is pleased to announce the completion of its previously announced early redemption of its 8.75% senior secured third-lien notes maturing January 23, 2025 (the “2025 Senior Notes”), with the opportunity for noteholders to elect to continue to hold such notes subject to certain amendments. Of the \$33.2 million aggregate principal amount of 2025 Senior Notes outstanding, approximately \$7.0 million were redeemed for cash plus accrued interest equal to \$22.29 per \$1,000 principal amount of 2025 Senior Notes, for a total repayment of approximately \$7.2 million which was funded from cash on hand.

The remaining approximately \$26.2 million face value of 2025 Senior Notes will continue to be held by certain noteholders on amended terms. These amended terms provide the Company with continuation of committed capital and transactional flexibility including the right to convert all or a portion of the 2025 Senior Notes into common shares of the Company or other securities at its discretion at any time prior to the maturity date, subject to regulatory approval, as well as to permit the second lien security which is required in connection with the previously announced resolution of the Sequoia Litigation, subject to Court approval. Entities controlled or directed by the President and Chief Executive Officer, holding \$26.2 million of 2025 Senior Notes, elected to agree to the amended terms and to be a continuing holder of 2025 Senior Notes as amended.

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, and undeveloped bitumen leases in Northern Alberta. Additional information on Perpetual can be accessed at SEDAR+ at www.sedarplus.ca or from the Company'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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Susan L. Riddell Rose President and Chief Executive Officer
Ryan A. Shay Vice President Finance and Chief Financial Officer

FORWARD-LOOKING INFORMATION

Certain information in this news release including management's assessment of future plans and operations may constitute forward-looking information or statements (together "forward-looking information") under applicable securities laws. The forward-looking information includes, without limitation, statements with respect to: the benefits of the redemption of the 2025 Senior Notes and the amended terms of the 2025 Senior Notes by providing the Company with continuation of committed capital and transactional flexibility; and Perpetual's business plan.

Forward-looking information is based on current expectations, estimates and projections that involve a number of known and unknown risks, which could cause actual results to vary and in some instances to differ materially from those anticipated by Perpetual and described in the forward-looking information contained in this news release. In particular and without limitation of the foregoing, material factors or assumptions on which the forward-looking information in this news release is based include: forecast commodity prices and other pricing assumptions; forecast production volumes based on business and market conditions; foreign exchange and interest rates; near-term pricing and continued volatility of the market including inflationary pressures; accounting estimates and judgments; future use and development of technology and associated expected future results; the ability to obtain regulatory approvals; the successful and timely implementation of capital projects; ability to generate sufficient cash flow to meet current and future obligations including those under the Settlement Agreement; the ability of Perpetual to obtain and retain

qualified staff and equipment in a timely and cost-efficient manner, as applicable; the retention of key properties; forecast inflation, supply chain access and other assumptions inherent in Perpetual's current guidance and estimates; climate change; severe weather events (including wildfires and drought); the continuance of existing tax, royalty, and regulatory regimes; the accuracy of the estimates of reserves volumes; ability to access and implement technology necessary to efficiently and effectively operate assets; risks of wars or other hostilities or geopolitical events (including the ongoing war in Ukraine and conflicts in the Middle East), civil insurrection and pandemics; risks relating to Indigenous land claims and duty to consult; data breaches and cyber attacks; risks relating to the use of artificial intelligence; changes in legislation, including but not limited to tax laws, royalties and environmental regulations (including greenhouse gas emission reduction requirements and other decarbonization or social policies) and general economic and business conditions and markets, among others.

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, 2023 and in other reports on file with Canadian securities regulatory authorities which may be accessed through the SEDAR+ website (www.sedarplus.ca) 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.