

Karve Energy Announces Strategic Acquisition of High Ground Energy Inc.

CALGARY, ALBERTA (Jul. 15, 2019) – Karve Energy Inc. (“Karve” or the “Company”) is pleased to announce that it has closed the acquisition of High Ground Energy Inc. (the “Acquisition”) effective July 15, 2019.

The Acquisition adds sweet, light oil-weighted Viking assets which are contiguous to Karve’s existing core area at Monitor, including approximately 2,000 boe/d of production (52% liquids). The Acquisition increases Karve’s dominant footprint in the Alberta Viking and enables near term expansion of the Company’s waterflood project on acquired lands.

Karve will provide additional information about the Acquisition and an update on 2019 guidance in its quarterly reporting to shareholders for the three and six months ended June 30, 2019 on August 7, 2019.

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READER ADVISORIES

FORWARD-LOOKING STATEMENTS: This announcement may contain certain statements that may be deemed to be forward-looking statements. Such statements relate to possible future events, including, but not limited to, the Company’s strategy and objectives, the assets of High Ground Energy Inc., the completion of the Acquisition and impact thereof, including in respect of the Company’s footprint, waterflood and production, and the timing of release of the Company’s results for the three and six months ended June 30, 2019. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “believe”, “expect”, “plan”, “estimate”, “potential”, “will”, “should”, “continue”, “may”, “objective” and similar expressions. The forward-looking statements are based on certain key expectations and assumptions made by the Company, including, but not limited to, expectations and assumptions concerning the Acquisition, the current legislation, receipt of required regulatory approval, the success of future drilling and development activities, the performance of existing wells, the performance of new wells, the Company’s strategy, general economic conditions, availability of required equipment and services and prevailing commodity prices. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements 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, 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; as the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations, changes in legislation affecting the oil and gas industry and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. The forward-looking statements contained in this announcement are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

BARRELS OF OIL EQUIVALENT: The term “BOE” or barrels of oil equivalent may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (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. Additionally, 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 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.