



NEWS RELEASE

GEAR ENERGY LTD. PROVIDES CLARIFICATION ON APPLICATION TO TRANSFER CERTAIN NON-CORE HEAVY OIL ASSETS

CALGARY, ALBERTA (June 5, 2022) Gear Energy Ltd. ("Gear" or the "Company") (TSX:GXE) (OTCQX: GENG) recently submitted an application to the Alberta Energy Regulator ("AER") to transfer certain non-core Alberta heavy oil assets. As the information related to the application is publicly available, Gear is issuing this press release to provide additional clarifying details relating to the application.

The application relates to a purchase and sale agreement entered into by Gear and an arm's length unrelated third party pursuant to which Gear has agreed to divest of a selection of non-core Alberta heavy oil assets to such third party. The non-core assets consist of 450 wellbores, 84 facilities and 19 pipelines with a total aggregate current production of approximately 400 boe/d.

The transfers are currently classified as "Pending" with an estimated 60 to 90 days required for review by the AER. In addition to the required AER approvals for the transfers, there are a number of other conditions for closing the sales transaction and as such there is a high degree of uncertainty as to whether the transaction will ultimately be completed. If and when the sales transaction is completed, Gear will determine whether any update or adjustment to its 2022 production or financial guidance is necessary.

Forward-looking Information and Statements

This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this press release contains forward-looking information and statements pertaining to the following: the terms of the potential sales transaction; the conditions for closing the transaction; the timing for review of the transfers by the AER; and the approvals required for the sales transactions.

The forward-looking information and statements contained in this press release reflect several material factors and expectations and assumptions of Gear. Gear believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking information and statements included in this press release are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: the ability to receive AER approval for the transfers; the ability of the other conditions of the sales transaction to be satisfied on terms acceptable to Gear; the ability of the purchaser to satisfy its covenants and conditions for closing the sales transaction; and certain other risks detailed from time to time in Gear's public documents including in Gear's most current annual information form which is available on SEDAR at www.sedar.com.

The forward-looking information and statements contained in this press release speak only as of the date of this press release, and Gear does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

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