



**GEAR ENERGY LTD. ANNOUNCES COMPLETION OF PREVIOUSLY ANNOUNCED PLAN OF ARRANGEMENT AND TRANSFER OF ASSETS TO NEWLY FORMED LOTUS CREEK EXPLORATION INC.**

CALGARY, ALBERTA (February 5, 2025) – Gear Energy Ltd. ("Gear" or the "Company") (TSX: GXE) (OTCQX: GENG) and Lotus Creek Exploration Inc. ("Lotus Creek") (TSXV: LTC) are pleased to announce the completion of the acquisition by a large publicly traded company of all of the outstanding common shares of Gear (the "Gear Shares") pursuant to its previously announced plan of arrangement under Section 193 of the *Business Corporations Act* (Alberta) (the "Arrangement") including all of Gear's heavy oil assets (other than its Tucker Lake property) and the completion of the transfer of Gear's other property and assets, which includes its light oil assets in Central Alberta and Southeast Saskatchewan and its heavy oil assets in Tucker Lake, to Lotus Creek.

It is anticipated that the Gear Shares will be delisted from trading on the Toronto Stock Exchange ("TSX") within two to three business days following the date hereof. The common shares of Lotus Creek (the "Lotus Creek Shares") issued to former shareholders of Gear (the "Gear Shareholders") have been conditionally approved for listing on the TSX Venture Exchange ("TSXV"). Trading in respect of the Lotus Creek Shares is expected to commence on February 11, 2025 under the symbol "LTC", subject to Lotus Creek meeting and fulfilling all exchange requirements.

Under the Arrangement, Gear Shareholders had the option of electing to receive, for each full Gear Share held: (i) \$0.607 in cash per Gear Share; (ii) 0.3035 of a Lotus Creek Share per Gear Share; or (iii) a combination thereof, with Gear Shareholders who did not make an election prior to the election deadline, being deemed to have elected to receive 50% of the consideration in cash and 50% of the consideration in Lotus Creek Shares. Additionally, the consideration to be received by Gear Shareholders under the Arrangement, was subject, in all cases, to adjustment if elections, and deemed elections, exceeded cash of \$80,000,000 (which was the maximum cash available pursuant to the Arrangement) or 40,000,000 Lotus Creek Shares (which was the maximum Lotus Creek Shares available pursuant to the Arrangement). As a result of the aggregate amount of cash elected, or deemed to have been elected, to be received by Gear Shareholders exceeding the maximum available cash, there will be adjustments to the cash distributed to Gear Shareholders who have elected to receive 100% cash or have elected, or been deemed to have elected, to receive a combination of cash and Lotus Creek Shares. Gear Shareholders who have elected to receive 100% cash, will receive approximately \$0.449 in cash and 0.079 of a Lotus Creek Share for each Gear Share held and, Gear Shareholders who have elected, or have been deemed to have elected, to receive 50% of the consideration in cash and 50% of the consideration in Lotus Creek Shares will receive approximately \$0.225 in cash and 0.191 of a Lotus Creek Share for each Gear Share held. There will be no adjustment for Gear Shareholders who have elected to receive 100% in Lotus Creek Shares with such shareholders receiving 0.3035 of a Lotus Creek Share for each Gear Share held. Fractional Lotus Creek Shares will not be transferred. In lieu of any fractional Lotus Creek Share, each holder of Gear Shares otherwise entitled to a fractional interest in a Lotus Creek Share will only be entitled to receive the lowest whole number of Lotus Creek Shares (with all fractions being rounded down). Any amount of cash consideration to be paid will be rounded to the nearest whole cent.

In order for Gear Shareholders to receive the consideration to which they are entitled pursuant to the Arrangement, registered Gear Shareholders are required to deposit the certificate(s) or direct registration statement ("DRS") advice(s) (if any) representing the Gear Shares held by them along with a completed letter of transmittal and election form with Odyssey Trust Company at the address indicated in the letter of transmittal and election form. Registered Gear Shareholders who do not deposit a completed letter of transmittal and election form, together with the certificate(s) or DRS advice(s) representing their Gear Shares, will not receive the consideration to which they are otherwise entitled pursuant to the Arrangement until the deposit of such materials is made. Registered Gear Shareholders should have received a letter of transmittal and election form from Odyssey Trust Company with the materials for the special meeting of the Gear Shareholders (the "Gear Meeting"). If you are a registered Gear Shareholder and have not received your letter of transmittal and election form contact Odyssey Trust Company by phone at 1-888-290-1175 or by e-mail at [corp.actions@odysseytrust.com](mailto:corp.actions@odysseytrust.com).

Beneficial Gear Shareholders (i.e. Gear Shareholders who hold their Gear Shares in a brokerage account (including in a direct investing or other discount brokerage or trading account)) will receive the consideration through their intermediary/broker.

The materials in connection with the Gear Meeting are available on Gear's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on Gear's website at <https://gearenergy.com/>

## **ABOUT LOTUS CREEK**

Lotus Creek is a Canadian oil exploration and production company focusing on maximizing full cycle profits and delivering superior total shareholder returns through share price appreciation. It aims to deliver best-in-class organic growth in cashflow, production and producing reserves per debt adjusted share through investing in high quality, internally generated growth opportunities. With an oil prone and opportunity rich undeveloped land base, Lotus Creek is both well positioned and capitalized to deliver significant profitable growth in 2025 and beyond.

## **FOR FURTHER INFORMATION ABOUT LOTUS CREEK PLEASE CONTACT:**

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## **Forward-Looking Information and Statements**

Certain information contained herein may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities legislation, as amended, that involve known and unknown risks, assumptions, uncertainties and other factors. Undue reliance should not be placed on any forward-looking statements. Forward-looking statements may be identified by words like "expects", "may", "should", "will", "aims" and similar expressions, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this press release include but are not limited to, statements regarding: the expectation the Company and Lotus Creek will be able to receive all required regulatory and stock exchange approvals; the anticipated benefits of the Arrangement to the Company and Lotus Creek; expectations that the Gear Shares will be de-listed from the TSX and the Lotus Creek Shares will be listed on the TSXV and the anticipated timing thereof; the adjustments to the consideration to be received by Gear Shareholders pursuant to the Arrangement; Lotus Creek's focus on maximizing full cycle profits and delivering superior total shareholder returns through share price appreciation; Lotus Creek's plans to deliver best-in-class organic growth in cashflow, production and producing reserves per debt adjusted share; and Lotus Creek's plans to deliver significant profitable growth. Such forward-looking statements reflect the current views of the Company and Lotus Creek with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause results to differ materially from those expressed in the forward-looking statements. These risks and uncertainties include but are not limited to: the occurrence of any event, change or other circumstances that could give rise to the Company and/or Lotus Creek not receiving all required regulatory and stock exchange approvals when anticipated, or at all; the risk that Lotus Creek's financial and operating results may not be consistent with its expectations; and other matters. Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties. With respect to forward-looking statements contained in this press release, Gear and Lotus Creek have made assumptions regarding, among other things: the Company and/or Lotus Creek will receive all required regulatory and stock exchange approvals; and the Arrangement will benefit the Company and Lotus Creek. Details of the adjustments to the cash and Lotus Creek Shares to be received by former Gear Shareholders is subject to the terms of the Arrangement and if there is any inconsistency between this press release and the Arrangement, the Arrangement will prevail. Although the Company and Lotus Creek believe that the expectations reflected in the forward-looking statements contained in this press release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list is not an exhaustive list of all assumptions which have been considered. The forward-looking statements contained in this press release are made as of the date hereof and neither Gear nor Lotus Creek undertake any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.