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## G2 Energy Signs Purchase and Sale Agreement for Additional Oil Properties

Vancouver, B.C. July 7, 2022 - **G2 Energy Corp. (CSE:GTOO, OTCQB:GTGEF, FWB:1NZ.F)** (the “**Company**” or “**G2**”) is pleased to announce the Company’s wholly owned subsidiary G2 Energy TX2, Inc. has signed a Purchase and Sale Agreement (the “**PSA**”) dated April 12, 2022 with subsequent amendments dated June 22, 2022 and July 5, 2022 with a Texas company (the “**Seller**”) to acquire additional oil and gas properties (the “**HEXP Assets**”) located in the Permian Basin in Cochran County, Texas (the “**Transaction**”).

G2 is targeting August 15, 2022 as the closing date (the “**Closing Date**”) of the Transaction. The consideration for the acquisition of the HEXP Assets is the cash sum of US\$7,600,000 (approximately CDN\$9,907,360) and US\$200,000 (approximately CDN\$260,720) worth of G2’s common shares, being 1,002,765 common shares at a price of US\$0.20 (approximately CDN\$0.26) per common share to be issued within ten (10) days after the Closing Date, subject to any necessary regulatory approvals. To secure the transaction, G2 has paid a USD\$400,000 (approximately CDN\$521,440) non-refundable deposit. The deposit paid is non-interest bearing and will be applied against the purchase price of the Transaction.

### About the Assets:

The latest opportunity is the Levelland Field Assets of HEXP in Cochran County, Texas. The HEXP Assets are situated in the Permian Basin which produces from the prolific San Andres formation. The San Andres formation is a carbonate formation that responds well to acid, fracturing, and horizontal well drilling. The San Andres vertical is refractable as the wells respond well to acid stimulations, potentially doubling production at minimal cash costs.

### Overview:

The HEXP Assets consist of five leases comprising 3,876 producing acres located within the vast, billion-barrel Levelland Field in Cochran County, Texas.

### Key Attributes:

- 4,826/3,876 gross/net acres • 100% HBP
- 100% Working Interest / 83% Net Revenue Interest
- Current Production - 130 BOPD and 35 MCFD from 54 active wells
- Proved Reserves of 863 MBOE with a PV10 of \$12.5 MM<sup>[1]</sup>
- Current operating cash flow is US\$2.8 MM/year

<sup>[1]</sup> Reserve Commodity Price Assumptions: NYMEX and HH Strip March 2022



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Slawomir (Slawek) Smulewicz, President and CEO commented:

*“We are very pleased to be including the HEXP Assets to our portfolio of producing properties. With the addition of the HEXP Assets, it allows for further immediate cash flow from existing production and infrastructure that can produce economically. Furthermore, this Project will allow G2 to establish a strong base of operations in the Permian Basin in Texas, ensuring G2 to become more of a cash-flowing oil and gas operator, and offer a generous return on reserves.”*

On Behalf of the Board,

**“Slawek Smulewicz”**

Slawek Smulewicz

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### **About G2 Energy Corp.**

G2 Energy Corp. is a profitable junior oil and gas producer listed on the CSE exchange. Its primary focus is to acquire and develop additional overlooked, low risk, high return opportunities in the oil and gas sector. G2's strategy is to obtain a portfolio of risk-managed production and development opportunities onshore, U.S.A. In May 2022, G2 acquired the Masten Unit in the Permian Basin, Texas. The Masten Unit is the Company's first producing asset. G2 is targeting top tier projects with operating netbacks and infrastructure facilities which will fast track overall oil and gas production growth.

*The Canadian Securities Exchange has neither approved nor disapproved the information contained herein.*

### **Forward Looking Statements Caution**

*Statements in this press release regarding the Company which are not historical facts are “forward-looking statements” that involve risks and uncertainties. Such information can generally be identified by the use of forwarding-looking wording such as “may”, “expect”, “estimate”, “anticipate”, “intend”, “believe” and “continue” or the negative thereof or similar variations. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. The Company provides forward-looking statements for the purpose of conveying information about current expectations and plans relating to the future, and readers are cautioned that such statements may not be appropriate for other purposes. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions may not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities may not be achieved. These risks and uncertainties include but are not limited those identified and reported in the Company's public filings under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Statements relating to “reserves” are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. Actual results could differ materially from those currently anticipated due to factors such as: the performance of wells, the availability and performance of facilities and pipelines, the geological characteristics of G2's properties, prevailing weather and break-up*



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*conditions, commodity prices, price volatility, price differentials and the actual prices received for the Company's products, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the availability of capital, labour and services, the creditworthiness of industry partners, and G2's ability to acquire additional assets. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially.*