



NEWS RELEASE

LEUCROTTA EXPLORATION ANNOUNCES RESULTS OF PHASE 1 MICA PAD DEVELOPMENT

Calgary, Alberta, December 9, 2021 – Leucrotta Exploration Inc. (“Leucrotta” or the “Company”) (TSXV - LXE) is pleased to announce that its 4-well Montney Phase 1 Mica Test Pad is fully on production and has produced an average rate of approximately 1,700 barrels of light oil per day and 10 mmcf/d of liquids-rich gas per day for a total Pad production rate of 3,300 boepd over the last 10 days. Leucrotta’s 2021 exit rate production is estimated at 5,000 boe/d after adding base production of approximately 1,700 boe/d to the new production. Gas production from the wells is being restricted to optimize oil recoveries in addition to the wells flowing against approximately 400 psi of line pressure. The wells were completed and then tested individually and together under varying operating conditions over a total combined time period of over 45 days to gather as much information as possible for future development.

While initial rates are not indicative of average annual rates, the oil rates are encouraging and the oil to gas ratio is significantly higher than anticipated.

Leucrotta has outlined a development plan in its Corporate Presentation ⁽¹⁾ to reach 30,000 boe/d within a 5-year period and the Mica Test Pad is the first major milestone to be achieved. The next milestones outlined in the Presentation are the construction of the Mica Oil Battery and concurrent drilling and completion of Pads II and III.

Leucrotta is a Montney oil and gas producer with operations located in British Columbia and Alberta and is one of the largest landholders in the Light Oil Window of the Montney Fairway holding in excess of 240 contiguous net sections of land.

Leucrotta is also well-capitalized and estimates that it will have no debt and approximately \$30 million cash and working capital at the end of 2021.

We look forward to reporting on future developments as we continue to execute our plan and attain various milestones.

(1) Please refer to the Company’s website at www.leucrotta.ca for a copy of the Corporate Presentation dated December 2021.

Oil and Gas Terms

MMcf/d Millions of cubic feet per day
Boe/d Barrels of oil equivalent per day

Disclosure provided herein in respect of a boe may be misleading, particularly if used in isolation. A boe conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalent has been used for the calculation of boe amounts in the MD&A. This boe conversion rate is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Product Types

The Company uses the following references to sales volumes in this news release:

Liquids-rich gas refers to shale gas.

Light oil refers to tight oil.

Oil equivalent or boe refers to the total oil equivalent of shale gas, tight oil, and NGLs combined, using the conversion rate of six thousand cubic feet of shale gas to one barrel of oil equivalent as described above.

Currency

All dollar figures are Canadian dollars unless otherwise noted.

Forward-Looking Information

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “may”, “will”, “should”, “believe”, “intends”, “forecast”, “plans”, “guidance” and similar expressions are intended to identify forward-looking statements or information.

More particularly and without limitation, this document contains forward-looking statements and information relating to the Company's production estimates and capital programs. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company, including expectations and assumptions relating to prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates, the performance of existing wells, the success of drilling new wells, the availability of capital to undertake planned activities and the availability and cost of labour and services.

Although the Company believes that the expectations reflected in such forward-looking statements and information are reasonable, it can give no assurance that such expectations will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, the uncertainty of estimates and projections relating to production rates, costs and expenses, commodity price and exchange rate fluctuations, marketing and transportation, environmental risks, competition, the ability to access sufficient capital from internal and external sources and changes in tax, royalty and environmental legislation. The forward-looking statements and information contained in this document are made as of the date hereof for the purpose of providing the readers with the Company's expectations for the coming year. The forward-looking statements and information may not be appropriate for other purposes. 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.

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