

Briko Energy Corp. Enters into Arrangement Agreement with Journey Energy Inc.

Calgary, Alberta--(Newsfile Corp. - June 24, 2021) - Briko Energy Corp. ("Briko" or the "Corporation") is pleased to announce that it has entered into an arrangement agreement (the "Arrangement Agreement") with Journey Energy Inc. ("Journey"), pursuant to which Journey will acquire all the issued and outstanding common shares of Briko by way of Plan of Arrangement under the *Business Corporations Act* (Alberta) (the "Acquisition").

Consideration for Briko shareholders from the Acquisition includes \$2.9 million of cash (the "Cash Maximum") and the issuance of 3.5 million common shares of Journey ("Journey Shares"), on the basis of \$0.26 in cash and 0.31 Journey Shares for each common share of Briko ("Briko Shares") held. Holders of Briko Shares may also elect to receive their consideration all in cash or in Journey Shares, subject to the Cash Maximum being payable by Journey. Assuming the Cash Maximum, based on the 20 day volume weighted average price per Journey Share preceding June 23, 2021 of \$1.06 per share, the total consideration for the Acquisition is approximately \$6.6 million (or approximately \$0.59 per Briko Share based on 11.2 million Briko Shares outstanding).

The Acquisition is expected to close on or about August 18, 2021. Completion of the Acquisition is subject to the approval of at least 66 2/3 percent of Briko Shareholders voting at an annual and special meeting scheduled to be held on August 12, 2021. Completion of the proposed transaction is also subject to, among other things, the receipt of court approval and other customary closing conditions.

The Board of Directors of Briko has unanimously approved the Acquisition. Based in part on a verbal opinion from Briko's financial advisor Sayer Energy Advisors, the Briko Board of Directors determined that the Acquisition is in the best interests of Briko and is fair from a financial point of view to Briko shareholders. The Briko Board of Directors has resolved to recommend that Briko shareholders vote their common shares in favor of the Acquisition. All the directors and officers of Briko, holding approximately 8.4% of the outstanding common shares of Briko, have entered into support agreements to vote their Briko common shares in favour of the Acquisition.

The Arrangement Agreement provides for non-solicitation covenants on behalf of Briko which are subject to the fiduciary duty obligations of the Board of Directors of Briko and provides Journey with the right to match any superior proposal received by Briko. The Arrangement Agreement also provides for mutual non-completion fees of \$375,000 in the event the Transaction is not completed or is terminated by either party in certain circumstances.

About Briko Energy Corp.

Briko Energy Corp. is an Alberta Foothills Cardium focused company with undeveloped land, crude oil and natural gas reserves and a production base with associated infrastructure. Corporate information can be found at: www.brikoenergy.com.

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Forward-Looking Statements and Information and Cautionary Statements

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws including, without limitation, those listed under "Risk Factors" and "Forward-looking Statements and Information" in its filings available on SEDAR at www.sedar.com. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking statements or information. Forward-looking statements and information in this press release include, but are not limited to, the anticipated receipt of required regulatory, court and securityholder approvals for the Arrangements, the ability of the parties to satisfy the conditions to, and to complete the closing of the Acquisition and the anticipated closing date of the Acquisition.. The Corporation's actual results may differ materially from those expressed in, or implied by, the forward-looking statements. Forward-looking statements or information is based on several factors and assumptions which have been used to develop such statements and information, but which may prove to be incorrect, including but not limited to the ability of each of the parties to receive, in a timely manner, the necessary regulatory, court and securityholder approvals, the ability of each of the parties to satisfy, in a timely manner, the other conditions to the closing of the Acquisition. Although Briko believes that the expectations and assumptions on which the forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Briko cannot give any assurance that they 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 could differ materially from those currently anticipated due to several factors and risks. These include but are not limited to the risks associated with unforeseen delays and the ability to secure required approvals and other conditions to the closing of the Acquisition, 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; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; failure to obtain necessary regulatory approvals for planned operations; health, safety and environmental risks; uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures; volatility of commodity prices, currency exchange rate fluctuations; imprecision of reserve estimates; and competition from other explorers) as well as general economic conditions, stock market volatility, and the ability to access sufficient capital. We caution that the foregoing list of risks and uncertainties is not exhaustive. The forward-looking statements and information contained in this press release are made as of the date hereof and Briko undertakes no obligation to update publicly or revise any forward-looking statement or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.



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