



FOR IMMEDIATE RELEASE
August 9, 2024

Athabasca Oil Announces Closing of C\$200 Million Unsecured Notes Offering

CALGARY, ALBERTA – Athabasca Oil Corporation (“Athabasca” or the “Company”) (TSX: ATH) announced today that it has closed its previously announced private placement (the “Offering”) of \$200 million aggregate principal amount of 6.75% senior unsecured notes due August 9, 2029 (the “Notes”).

The net proceeds from the Offering together with cash on hand were used to redeem its US\$157 million aggregate principal amount of 9.75% senior secured second lien notes due November 1, 2026.

Prudent long-term balance sheet management is a core tenet of Athabasca’s strategy. The Company proactively refinanced its term debt on attractive terms, supported by strong business fundamentals and constructive credit markets. The Offering supports a lower level of outstanding debt and provides strategic flexibility and business resiliency throughout commodity price cycles, and aligns the Company’s long term debt maturity to its asset development horizon. Pro forma the Offering, the Company is in a Net Cash position of ~\$110 million with Liquidity of ~\$400 million (including ~\$270 million of cash). The Company estimates a ~\$6 million reduction in annual debt servicing costs as a result of the optimized capital structure.

The Notes were offered for sale in Canada on a private placement basis pursuant to certain prospectus exemptions. The Notes have not been registered under the U.S. Securities Act, or any state securities laws, and were offered and sold in the United States only to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act and applicable state securities laws and outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

About Athabasca Oil Corporation

Athabasca Oil Corporation is a Canadian energy company with a focused strategy on the development of thermal and light oil assets. Situated in Alberta’s Western Canadian Sedimentary Basin, the Company has amassed a significant land base of extensive, high quality resources. Athabasca’s light oil assets are held in a private subsidiary (Duvernay Energy Corporation) in which Athabasca owns a 70% equity interest. Athabasca’s common shares trade on the TSX under the symbol “ATH”. For more information, visit www.atha.com.

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Reader Advisory:

Certain information included herein is forward-looking. Many of these forward looking statements can be identified by words such as “believe”, “expects”, “expected”, “will”, “intends”, “projects”, “projected”, “anticipates”, “estimates”, “continues”, “objective” or similar words and include, but are not limited to, statements regarding Athabasca’s strategy, its pro forma position after the Offering, its estimates of reduced annual debt servicing costs, prudent long-term balance sheet management being a core tenet of Athabasca’s strategy, maintaining a similar level of outstanding debt providing strategic flexibility and business resiliency throughout commodity price cycles and the Company’s debt maturity to asset development horizon. Athabasca believes the expectations reflected in such forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

The forward-looking statements contained herein are based upon certain assumptions and factors including, without limitation: historical trends, current and future economic and financial conditions, and expected future developments. Athabasca believes such assumptions and factors are reasonably accurate at the time of preparing this press release. However, forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties some of which are described in Athabasca’s annual information form dated February 29, 2024 (the “AIF”) available on SEDAR+ at www.sedarplus.ca. Such forward-looking statements necessarily involve known and unknown risks and uncertainties and other factors, which may cause Athabasca’s actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward looking statements. Such factors include, but are not limited to, risks associated with general economic, market and business conditions; and other factors, many of which are beyond the control of Athabasca. Readers are directed to, and are encouraged to read, Athabasca’s management discussion and analysis for the year ended December 31, 2023, management discussion and analysis for the six months ended June 30, 2024 and the AIF, including the disclosure contained under the heading "Risk Factors" therein.

Non-GAAP and Other Financial Measures

The “Net Cash” and “Liquidity” supplementary financial measures in this press release do not have standardized meanings which are prescribed by IFRS.

Net Cash

Net Cash is defined as the face value of term debt, plus accounts payable and accrued liabilities, plus current portion of provisions and other liabilities less current assets, excluding risk management contracts and warrant liability. Net Cash as at June 30, 2024 pro forma the refinancing transaction.

Liquidity

Liquidity is defined as cash and cash equivalents plus available credit capacity. Liquidity as at June 30, 2024 pro forma the refinancing transaction.