

Greenfire Acquisition Corporation announces acquisition of JACOS including a 75% working interest in the Hangingstone Expansion Site

Calgary, Canada – Greenfire Acquisition Corporation (“GAC”) announces that it has signed a definitive sale and purchase agreement to acquire all of the shares of Japan Canada Oil Sands Limited (“JACOS”), which has a 75% working interest in the Hangingstone Site (“JACOS Hangingstone”). GAC, which is backed by McIntyre Partners (“McIntyre”) and Griffon Partners (“Griffon”), is making the acquisition via a special purpose acquisition vehicle.

The acquisition unites the nearby Greenfire Hangingstone asset, owned by GAC, with the JACOS Hangingstone site, and together creates a leading low-cost oil sands producer in Canada.

The JACOS Hangingstone site is a well-invested, tier-one oil sands asset located 50km southwest of Fort McMurray, Alberta. The site achieved first oil on August 3, 2017 and has a good track record of production, running at over 20,000 bbl/d of production with capacity for 35,000 bbls/d. GAC believes it is one of only five tier-one oil sands assets in Canada. By acquiring JACOS, GAC will have ownership of 75% of the site’s production.

The acquisition follows GAC’s purchase of the smaller Greenfire Hangingstone facility, a 10,000 bbl/d nameplate facility located in the same reservoir, in April 2021. The Greenfire Hangingstone facility had been shut-in during the course of the pandemic and since acquiring the site, GAC has rapidly returned it to pre-pandemic production rates and it is currently producing approximately 4,700 bbl/d. With the addition of the JACOS Hangingstone site, GAC expects combined production from its portfolio to be in excess of 20,000 bbl/d in the near-term and in excess of 30,000 bbl/d in the mid-term.

GAC plans to increase production sustainably at the JACOS Hangingstone site in the same way it has optimised conditions at Greenfire Hangingstone through the site’s existing infrastructure. Leveraging its deep expertise, GAC expects these improvements to decrease the site’s carbon intensity per barrel of oil.

GAC continues to see a range of investment opportunities in the oil and gas sector in Canada and internationally.

Robert Logan, CEO of GAC, said: “This asset is an excellent addition to the GAC portfolio, offering us a high-quality reservoir with substantial scope for optimising conditions to deliver improved production and greater efficiencies, while also improving the site’s environmental credentials and continuing GAC’s track record of investing in Alberta’s economy. We look forward to developing the site as we continue to increase GAC’s barrel per day output.”

Julian McIntyre of McIntyre Partners commented: “JACOS Hangingstone is a first-class asset and significantly increases GAC’s footprint in the region. We believe the unrivalled expertise

of the GAC team in operating assets of this nature, and their specific experience with JACOS's assets, make GAC uniquely positioned to develop this asset and unlock significant value for all stakeholders."

Jonathan Klesch, founding partner of Griffon Partners, said: "We are pleased to announce this second acquisition at the Hangingstone site for a high-quality tier one asset, bringing two of Canada's five tier one oil sands assets under GAC's ownership. We have full confidence in the attractive fundamentals underpinning this investment and look forward to optimising the site's production while also delivering lower carbon intensity. GAC's long-term outlook, expertise in natural resources and infrastructure, and access to capital mean that we are strategically placed to develop assets like these, and we look forward to further developing our presence in the sector over time."

GAC is making the acquisition via a GAC-affiliated special purpose acquisition vehicle named HE Acquisition Corporation ("HAC").

Imperial Capital and Pareto Securities acted as Financial Advisors and Co-Placement Agents for the financing of the acquisition. Burnet, Duckworth & Palmer LLP acted as GAC's Canadian legal counsel, Carter Ledyard & Milburn LLP acted as GAC's US legal counsel, and FTI Consulting acted as communications adviser.

imperialcapital.com

paretosec.com

bdplaw.com

clm.com

fticonsulting.com

About Greenfire Acquisition Corporation

GAC explores, acquires, develops and produces oil and gas in the Canadian energy sector and internationally. In 2020, GAC's operations teams was awarded the Energy Excellence Awards Champion for Project Excellence in Oilsands, voted by its peers to recognize energy excellence and focused on advancement and collaboration with Canada's energy sector. GAC is well capitalized to seek additional oil and gas assets within Canada.

About McIntyre Partners and Griffon Partners

McIntyre Partners and Griffon Partners are private investment firms focused on long-term investments and acquisitions in the natural resources and infrastructure sectors.

Contact

Japan Canada Oil Sands