

## **PetroTal Provides Additional Details on 65 Million Term Loan to Finance Erosion Control Investments at Bretana**

**Calgary, AB and Houston, TX- May 13, 2025** - Further to its announcement on May 12, 2025, PetroTal Corp. ("PetroTal" or the "Company") (TSX: TAL, AIM: PTAL and OTCQX: PTALF) is pleased to provide additional details on the syndicated term loan facility it has entered into with Banco Interamericano de Finanzas ("BanBif") and Corporación Financiera de Desarrollo ("COFIDE"), the Development Bank of Peru. All amounts are in US dollars unless stated otherwise.

### **Key Highlights**

- The Term Loan has been established for the purpose of financing PetroTal's ongoing investments in erosion control infrastructure in the vicinity of the Bretana oil field; for the common benefit of the operations and the community;
- Drawable in two tranches ( 50 million and 15 million), with total commitments of up to 65 million, for a 4-year amortizing term;
- Fixed annual percentage rate of 8.65%, with manageable covenants and no material restrictions on distributions to shareholders - highly competitive terms in a challenging macro environment; and
- This is COFIDE's first loan focused on environmental and social financing in Peru's extractive resource sector. PetroTal's long-standing commitment to the district of Puinahua, and the permanent benefits of the erosion control project for the village of Bretana, were key factors in the Company's ability to secure the credit facility.

### **Manuel Pablo Zuniga-Pflucker, President and Chief Executive Officer of PetroTal, commented:**

*"We are very happy to work with BanBif and COFIDE on this credit facility. Since PetroTal began operations in 2017, our stakeholders in the district of Puinahua have been integral to the success of our Company. Our ongoing commitment to the residents of Puinahua has been evidenced by the establishment of the 2.5% social fund, through which we have now returned a total of 21 million to the district. The erosion control project, which will benefit the village of Bretana for decades to come, is a continuation of our commitment to the region."*

### **Camilo McAllister, Executive Vice President and Chief Financial Officer of PetroTal, commented:**

*"PetroTal has evaluated a number of options to finance our ongoing investments in erosion control, and we are pleased to have found valued partners in BanBif and COFIDE. This term loan will be used to fund the construction of critical erosion control infrastructure, allowing us to unlock the full value of the Bretana field, while protecting the surrounding community. Importantly, this loan reinforces our liquidity position and should relieve any doubt about our ability to finance this project without compromising our ongoing development program."*

### **Jose Antonio Sarmiento Giove, General Manager COFIDE, commented:**

*"PetroTal has played an important role in the district of Puinahua, since 2017. The Company has always sought to ensure that the local communities benefit from production at Bretana, through improvements in education, health, infrastructure, and sustainability, and this erosion control project is another example of that. The project will aim to reduce further erosion along the river line, protecting local communities and ensuring that villagers can continue to go about their day to day lives without further worry. We look forward to working with the PetroTal team on this project."*

### **Juan C. García-Vizcaíno, General Manager of BanBif, commented:**

*"This loan represents a milestone in our commitment to strengthening collaboration and trust between the private banking sector and the extractive resources industry. The recent formalization of the loan with PetroTal reflects our shared dedication to a stronger and more sustainable energy future. "*

### **Rationale for the Term Loan**

Although PetroTal remains well capitalized to execute its 2025 capital program, which includes investments in erosion control infrastructure, the Company has been evaluating alternate means of financing the project. PetroTal sees the erosion control project as critical infrastructure that will ensure the Company captures the full value of Bretana resource for years to come. However, these costs are ultimately expected to be non-recurring, and the Company acknowledges investor concerns that the project represents a drain on near-term free cash flow. With that in mind, this loan essentially ring-fences erosion control expenses within a credit facility, allowing PetroTal to repay project costs over the next four years on favorable terms. There are no material changes to cost estimates for the erosion control project at this time. PetroTal

favorable terms. There are no material changes to cost estimates for the erosion control project at this time; PetroTal continues to guide to total project costs of 65-75 million, of which 35-40 million has been budgeted for 2025.

## **Additional Information on the Term Loan**

The Term Loan is drawable in two tranches, the first for 50 million and the second for 15 million. With the signing of the contract and the disbursement documents, the amount of the first tranche will be deposited in the escrow account, from which PetroTal will be able to withdraw amounts corresponding to the disbursements already paid. The balance will be held in the escrow account until it is withdrawn to fund cash expenses associated with the erosion control project. The project will begin with the construction of breakwaters 1, 2, and 3, which are for the benefit of the community and in which COFIDE is involved. The second tranche can be drawn within 18 months of the first tranche and will come due at the same date. This is an amortizing term loan, with a maturity date of April 2029. The loan is being extended to PetroTal's Peruvian subsidiary, PetroTal Peru, with a parent guarantee in place.

The term loan carries a fixed annual interest rate of 8.65%, plus a 1.4% structuring fee payable at loan execution. Key covenants include a liquidity ratio greater than 1.2x, a debt ratio less than 2.0x, and a debt service coverage ratio greater than 1.2x. Dividends may be distributed as long as this does not lead to a breach of financial covenants.

## **ABOUT BANBIF**

Banco Interamericano de Finanzas (BanBif) is one of Peru's leading private banks, offering a comprehensive portfolio of financial services to individuals, small and medium-sized enterprises (SMEs), and corporations. Established in 1990 and headquartered in Lima, BanBif is a subsidiary of the Spanish Fierro Group and ranks among the top five banks in Peru by market share in loans and deposits. The bank is known for its customer-centric approach, innovative financial solutions, and commitment to responsible banking. BanBif actively supports sustainable development through its green finance initiatives and maintains partnerships with global institutions such as the International Finance Corporation (IFC). With a focus on transparency, efficiency, and growth, BanBif continues to play a vital role in Peru's financial ecosystem.

## **ABOUT COFIDE**

COFIDE (Corporación Financiera de Desarrollo S.A.) is Peru's national development bank, dedicated to promoting sustainable and inclusive economic growth. Established in 1971, COFIDE plays a critical role in strengthening the country's financial ecosystem by facilitating access to financing for micro, small, and medium-sized enterprises (MSMEs), as well as supporting projects aligned with environmental, social, and governance (ESG) principles. Through strategic partnerships and innovative financial instruments such as social and thematic bonds-COFIDE drives investments in renewable energy, financial inclusion, and climate resilience. The strategy is grounded in a triple bottom line approach, aiming to create positive impacts across economic, social and environmental dimensions, focused on closing gaps. -

## **ABOUT PETROTAL**

PetroTal is a publicly traded, tri-quoted (TSX: TAL, AIM: PTAL and OTCQX: PTALF) oil and gas development and production Company domiciled in Calgary, Alberta, focused on the development of oil assets in Peru. PetroTal's flagship asset is its 100% working interest in the Breña Norte oil field in Peru's Block 95, where oil production was initiated in June 2018. In early 2022, PetroTal became the largest crude oil producer in Peru. The Company's management team has significant experience in developing and exploring for oil in Peru and is led by a Board of Directors that is focused on safely and cost effectively developing its portfolio of assets. It is actively building new initiatives to champion community sensitive energy production, benefiting all stakeholders.

For further information, please see the Company's website at [www.petrotal-corp.com](http://www.petrotal-corp.com), the Company's filed documents at [www.sedarplus.ca](http://www.sedarplus.ca), or below:

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**FORWARD-LOOKING STATEMENTS:** This press release contains certain statements that may be deemed to be forward-looking statements. Such statements relate to possible future events, including, but not limited to: oil production levels and production capacity; PetroTal's 2025 development program for drilling, completions and other activities; plans and expectations with respect to the erosion control project; and PetroTal's expectations with respect to dividends and share buybacks. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "estimate", "potential", "will", "should", "continue", "may", "objective", "intend" and similar expressions. The forward-looking statements provided in this press release are based on management's current belief, based on currently available information, as to the outcome and timing of future events. The forward-looking statements are based on certain key expectations and assumptions made by the Company, including, but not limited to, expectations and assumptions concerning the ability of existing infrastructure to deliver production and the anticipated capital expenditures associated therewith, the ability to obtain and maintain necessary permits and licenses, the ability of government groups to effectively achieve objectives in respect of reducing social

maintain necessary permits and licenses; the ability of government groups to effectively enforce objectives in respect of reducing social conflict and collaborating towards continued investment in the energy sector, reservoir characteristics, recovery factor, exploration upside, prevailing commodity prices and the actual prices received for PetroTal's products, including pursuant to hedging arrangements, the availability and performance of drilling rigs, facilities, pipelines, other oilfield services and skilled labour, royalty regimes and exchange rates, the impact of inflation on costs, the application of regulatory and licensing requirements, the accuracy of PetroTal's geological interpretation of its drilling and land opportunities, current legislation, receipt of required regulatory approval, the success of future drilling and development activities, the performance of new wells, future river water levels, the Company's growth strategy, general economic conditions and availability of required equipment and services. PetroTal cautions that forward-looking statements relating to PetroTal are subject to all of the risks, uncertainties and other factors, which may cause the actual results, performance, capital expenditures or achievements of the Company to differ materially from anticipated future results, performance, capital expenditures or achievement expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to, risks associated with 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; and health, safety and environmental risks), business performance, legal and legislative developments including changes in tax laws and legislation affecting the oil and gas industry and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures, credit ratings and risks, fluctuations in interest rates and currency values, changes in the financial landscape both domestically and abroad, including volatility in the stock market and financial system, wars (including Russia's war in Ukraine and the Israeli-Hamas conflict), regulatory developments, commodity price volatility, price differentials and the actual prices received for products, exchange rate fluctuations, legal, political and economic instability in Peru, access to transportation routes and markets for the Company's production, changes in legislation affecting the oil and gas industry, changes in the financial landscape both domestically and abroad (including volatility in the stock market and financial system) and the occurrence of weather-related and other natural catastrophes. Readers are cautioned that the foregoing list of factors is not exhaustive. Please refer to the annual information form for the year ended December 31, 2023 and the management's discussion and analysis for the three months ended March 31, 2024 for additional risk factors relating to PetroTal, which can be accessed either on PetroTal's website at [www.petrotal-corp.com](http://www.petrotal-corp.com) or under the Company's profile on [www.sedarplus.ca](http://www.sedarplus.ca). The forward-looking statements contained in this press release are made as of the date hereof and 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.

**OIL REFERENCES:** All references to "oil" or "crude oil" production, revenue or sales in this press release mean "heavy crude oil" as defined in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

**SHORT TERM RESULTS:** References in this press release to peak rates, initial production rates, current production rates, 30-day production rates and other short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of PetroTal. The Company cautions that such results should be considered to be preliminary.

**FOFI DISCLOSURE:** This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about PetroTal's prospective results of operations and production results, 2024 drilling program and budget, well investment payback, cash position, liquidity and components thereof, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this press release was approved by management as of the date of this press release and was included for the purpose of providing further information about PetroTal's anticipated future business operations. PetroTal and its management believe that FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. PetroTal disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein. All FOFI contained in this press release complies with the requirements of Canadian securities legislation, including NI 51-101. Changes in forecast commodity prices, differences in the timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in PetroTal's guidance. The Company's actual results may differ materially from these estimates.

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