

LUCERO ENERGY CORP. ANNOUNCES 2023 CAPITAL BUDGET AND PRODUCTION GUIDANCE

Unless otherwise noted, all monetary amounts in this news release are stated in Canadian dollars.

CALGARY, ALBERTA, December 15, 2022 – Lucero Energy Corp. ("Lucero" or the "Company") (TSXV: LOU, OTCQB: PSHIF) is pleased to announce that the Company's Board of Directors has approved an initial 2023 capital budget¹ of US\$70 million (C\$95 million). Lucero's strategic objectives associated with the 2023 capital budget are consistent with the Company's long-term objectives of achieving disciplined per share growth in combination with maintaining financial flexibility.

Lucero's 2023 capital budget is specifically focused on:

- Investing in higher rate of return, lower-risk light oil opportunities across the Company's high quality development drilling inventory;
- Maximizing free funds flow through an efficient capital program targeting high-graded development drilling opportunities;
- Maintaining the sustainability of the Company's production decline profile to minimize maintenance capital expenditure requirements;
- Investing in infrastructure to drive future efficiencies while also providing positive environmental impacts; and
- Continual enhancement of Lucero's strong financial position and flexibility to capitalize on additional growth opportunities as they arise.

Lucero's capital program in 2023 is expected to be directed to light oil development projects, with the majority of the capital (greater than 75%) directed to drilling, completions and tie-ins with the remainder for infrastructure and optimization development designed to enhance production efficiency.

With the strong performance of the Company's underlying production base, Lucero anticipates that the US\$70 million (C\$95 million) 2023 capital budget will result in annual average production of approximately 11,500 boepd (80% weighted to light oil & natural gas liquids) and drive an exit production rate of 12,000 boepd (80% light oil and natural gas liquids), representing year-over-year production growth of 9% while maintaining the corporate production decline profile at less than 30%.

OUTLOOK AND SUSTAINABILITY

Lucero has a solid growth platform of lower-risk, light oil assets located in the heart of the prolific Bakken/Three Forks play. The Company's assets are characterized by compelling rates of return driven by robust operating netbacks, strong production rates and high estimated recoveries. With a corporate production decline profile forecast at less than 30% for 2023, coupled with high operating netbacks, the Company's assets yield significant free funds flow in the current commodity price environment. Given the high-quality of Lucero's asset base, the Company remains well positioned to create value through a disciplined long-term focused growth strategy. Consistent with this strategy, Lucero intends to allocate free funds flow to continued debt repayment, positioning the Company to capitalize on further potential growth initiatives. Supporting the Company's future growth is a US\$180 million credit facility which was reconfirmed as part of the regular semi-annual review process on November 30, 2022, and affords Lucero ample flexibility to pursue strategic acquisitions, further drilling and completion opportunities or other compelling growth initiatives.

The Company is proud to highlight the following key operational and financial attributes:

Production Guidance	2022E Average: 10,850 boepd (~80% light oil and natural gas liquids)
	2022E Exit: 11,000 boepd (~80% light oil and natural gas liquids)
	2023E Average: 11,500 boepd (~80% light oil and natural gas liquids)
	2023E Exit: 12,000 boepd (~80% light oil and natural gas liquids)
Total Proved plus Probable Reserves⁽¹⁾	~72 MMboe (85% light oil and liquids)
Development Inventory	>40 net undrilled locations
Corporate Production Decline	~28% (2023E)
2023 Capital Program⁽²⁾	US\$70 million (C\$95 million)
Net Debt¹ as at September 30, 2022	C\$99.2 million
Common Shares Outstanding (basic)	662 million

⁽¹⁾ All reserves information in this press release are gross Company reserves, meaning Lucero's working interest reserves before deductions of royalties and before consideration of Lucero's royalty interests. The reserve information for Lucero in the foregoing table is derived from the independent engineering report effective December 31, 2021 prepared by Netherland, Sewell & Associates, Inc. ("NSAI") evaluating the oil, NGL and natural gas reserves attributable to all of the Company's properties.

⁽²⁾ Assumes a foreign exchange rate of US\$1.00 = C\$1.36.

¹ See "Non-GAAP Measures" within this press release.

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READER ADVISORIES

Forward Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans, strategy, business model, focus, objectives and other aspects of Lucero's anticipated future operations and financial, operating and drilling and development plans and results, including, expected future production, production mix, reserves, drilling inventory, net debt, funds flow, operating netbacks, decline rate and decline profile, product mix, capital expenditure program, capital efficiencies, and commodity prices. In addition, and without limiting the generality of the foregoing, this press release contains forward-looking information regarding: Lucero's 2023 capital budget (including on the types of expenditures contemplated thereunder) and production guidance; anticipated average and exit production rates, anticipated funds flow and free funds flow, management's view of the characteristics and quality of the opportunities available to the Company; the Company's intention to allocate free funds flow to debt repayments; and other matters ancillary or incidental to the foregoing.

Forward-looking information typically uses words such as "anticipate", "believe", "project", "target", "guidance", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future. The forward-looking information is based on certain key expectations and assumptions made by Lucero's management, including expectations concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; capital efficiencies; decline rates; future production rates and estimates of operating costs; performance of existing and future wells; reserve and resource volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labor and services; the impact of increasing competition; the availability of transportation services; the impact of inflation on costs and expenses; ability to market oil and natural gas successfully and Lucero's ability to access capital. Statements relating to "reserves" are also deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Lucero can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that the Company will derive there from. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on Lucero's future operations and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect Lucero's operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). These forward-looking statements are made as of the date of this press release and Lucero disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Non-GAAP Measures

This document includes non-GAAP measures commonly used in the oil and natural gas industry. These non-GAAP measures do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS", or alternatively, "GAAP") and therefore may not be comparable with the calculation of similar measures by other companies. For additional details, descriptions and reconciliations of these and other non-GAAP measures, see the section entitled "Non-GAAP and Other Financial Measures" in the Company's Management's Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2022, which information is incorporated by reference in this news release and is available on SEDAR at www.sedar.com.

"Net debt" represents total liabilities, excluding decommissioning obligation, deferred tax liability, lease liability and financial derivative liability, less current assets, excluding financial derivative assets. Lucero believes net debt is a key measure to assess the Company's liquidity position at a point in time. Net debt is not a standardized measure and may not be comparable with similar measures for other entities.

"Capital budget" or "Exploration and development expenditures" represents additions to property, plant and equipment in the cash flow used in investing activities, less capitalized general and administrative expenses. Exploration and development expenditures is a measure of the Company's investments in property, plant and equipment.

Oil and Gas Disclosures

The term "boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

This press release discloses drilling locations in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from the reserves evaluation prepared by NSAI as of December 31, 2021 and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates prepared by a qualified reserves evaluator based on Lucero's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves. Of the 42 net drilling locations identified herein, 24 are proved locations, 6 are probable locations and 12 are unbooked locations. Unbooked locations have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Lucero will drill all unbooked drilling locations and, if drilled, there is no certainty that such locations will result in additional oil and gas reserves or production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been derisked by drilling existing wells in relative close proximity to such unbooked drilling locations, some of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and the refore there is more uncertainty whether wells will be drilled in such locations and, if drilled, there is more uncertainty that such wells will result in additional oil and gas reserves or production.