LUCERO ENERGY CORP. ANNOUNCES 2024 CAPITAL BUDGET AND PRODUCTION GUIDANCE

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

CALGARY, ALBERTA, December 14, 2023 – Lucero Energy Corp. ("Lucero" or the "Company") (TSXV: LOU, OTCQB: PSHIF) is pleased to announce that the Company's Board of Directors has approved a 2024 capital budget[1] of US$65 million (approximately C$88 million). Lucero's strategic objectives associated with the 2024 capital budget align with the Company's long-term objectives of achieving disciplined per share growth while maintaining financial flexibility.

Lucero's 2024 capital budget is specifically focused on:

- Maximizing free funds flow within a sustainable and organic growth model;
- Investing in light oil opportunities offering higher rates of return and lower risk across the Company's high-quality development drilling inventory;
- Creating future production flexibility by carrying drilled uncompleted wells into 2025;
- Maintaining the sustainability of the Company's production decline profile to minimize required maintenance capital expenditures;
- Investing in infrastructure to drive future efficiencies while also mitigating environmental impacts; and
- Continuing to enhance Lucero's strong financial position, resulting in greater flexibility to capitalize on growth opportunities and return of capital initiatives.

Lucero's 2024 capital program is directed towards light oil development projects, with over 80% allocated to drilling and completion activities[5]. With the strong performance of the Company's underlying production base, Lucero anticipates that the US$65 million (approximately C$88 million) 2024 capital budget is expected to result in annual average production of approximately 10,100 Boepd[4] and drive an exit production rate of approximately 10,300 Boepd[4], representing year-over-year production growth of 3% while maintaining the corporate production decline profile at approximately 30%.

OUTLOOK AND SUSTAINABILITY

Lucero has established a unique position among Canadian-listed, growth-oriented exploration and production companies. With working capital exceeding $52 million at September 30, 2023, and 100% exposure to light oil-weighted U.S. assets, the Company offers a unique growth platform comprised of lower-risk, high-impact development opportunities in the heart of the prolific North Dakota Bakken/Three Forks play.

The Company remains well-positioned to continue generating measured growth and robust operating netbacks, while targeting high expected recoveries. These characteristics are anticipated to support Lucero's ability to generate meaningful rates of return that can directly contribute to shareholder value creation. With a corporate production decline profile of approximately 30%, Lucero's assets are expected to yield significant free funds flow that can be allocated to the Company's Normal Course Issuer Bid (the "NCIB") or other initiatives that can drive shareholder value.

The Company is proud to share the following key operational and financial highlights:

Production Guidance	**2023E Average**: 10,600 Boepd[4] **2023E Exit**: 10,000 Boepd[4] **2024E Average**: 10,100 Boepd[4] **2024E Exit**: 10,300 Boepd[4]
Total Proved plus Probable Reserves[2]	Approx. 53 MMboe (83% light oil and natural gas liquids)
Development Inventory	Greater than 30 net undrilled locations as at September 30, 2023
2024 Capital Budget[1,3]	US$65 million (approx. C$88 million)
Working capital[1] **as at September 30, 2023**	C$52.6 million
Common Shares Outstanding (basic)	651 million as at September 30, 2023

1 *See "Non-GAAP Measures" within this press release.*
2 *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 pro forma the asset disposition of approximately 2,300 Boepd, press released on June 15, 2023, and derived from the independent engineering report effective December 31, 2022 prepared by Netherland, Sewell & Associates, Inc. ("NSAI") evaluating the oil, NGL and natural gas reserves attributable to all of the Company's properties.*
3 *Assumes a foreign exchange rate of US$1.00 = C$1.36.*
4 *Approximately 60% light oil, 20% NGL and 20% conventional natural gas.*
5 *In 2024, Lucero plans to drill 6 (4.9 net) wells, of which 4 (3.0 net) will be completed during the year, leaving 2 (1.9 net) wells for completion in 2025. Additionally, Lucero plans to complete 2 (1.7 net) DUCs from 2023.*

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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, working capital/net debt, funds flow, operating netbacks, decline rate and decline profile, capital expenditure program/budget, efficiencies, and commodity prices. In addition, and without limiting the generality of the foregoing, this press release contains forward-looking information regarding: Lucero's 2024 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, the availability and quality of growth opportunities; the focus of the capital budget; the elements of the planned expenditures in the capital budget, including allocating 80% to drilling and completion activities, with plans to drill 6 (4.9 net) wells, of which 4 (3.0 net) will be completed during the year, leaving 2 (1.9 net) wells for completion in 2025, and additionally, plans to complete 2 (1.7 net) DUCs from 2023; expected results to Lucero's annual average production and exit production rates and Company's corporate production decline profile; Lucero's expectation that the capital budget expenditures are anticipated to support Lucero's ability to generate meaningful rates of return that can directly contribute to shareholder value creation; the Company's intention to allocate free funds flow, including towards the NCIB and other initiatives that can drive shareholder value; 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, acquisitions and divestitures, 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; effects of inflation and other cost escalations results of operations; performance; business prospects and opportunities; the availability and cost of financing, labor and services; the impact of increasing competition; 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. These 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); a re-allocation of budgeted amounts for other expenditures or uses of capital; disruptions to the Canadian and global economy resulting from major public health events, the Russian-Ukrainian war, the Israeli-Hamas conflict and other international conflicts and the impacts on the global economy and commodity prices; the impacts of inflation and supply chain issues and steps taken by central banks to curb inflation; terrorist events, political upheavals and other similar events; events impacting the supply and demand for oil and gas including actions taken by the OPEC + group; 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), commodity price and exchange rate fluctuations, changes in 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, asset integrity and potential disruption of operations which could affect the Company's results, business, financial conditions or liquidity. 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.sedarplus.ca). 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, 2023, which information is incorporated by reference in this news release and is available on SEDAR+ at www.sedarplus.ca.

"Working capital" represents total current assets (excluding financial derivative assets), less: total liabilities (excluding decommissioning obligation, deferred tax liability, lease liability and financial derivative liability). Lucero believes Working capital or net debt is a key measure to assess the Company's liquidity position at a point in time. Working capital or 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. Capital Budget or exploration and development expenditures are 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. "DUCs" are wells that have been drilled but have not undergone completion activities.

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, 2022 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 greater than 30 net drilling locations identified herein, 15 are proved locations, 10 are probable locations and the remaining 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 therefore 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.