Pimee Energy Inc
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SHAREHOLDER UPDATE | OCTOBER 30, 2026

Dear Valued Shareholders,

We are pleased to provide an update on the continued progress of Pimee Energy Inc. ("Pimee" or the "Company"), including recent developments involving our Alberta land holdings, drilling activities, independent engineering assessments, and ongoing efforts to secure the capital necessary to advance our development program.

Our primary objective remains focused on unlocking the significant potential of our oil assets through a disciplined development strategy while positioning the Company for sustainable growth and long-term shareholder value creation.

Land Holdings and Strategic Asset Development

Pimee continues to maintain a substantial land position in north-central Alberta, comprising 46 contiguous sections, representing approximately 29,440 acres, with 100% ownership of the Wabiskaw formation rights, which remain our primary development focus.

As part of our strategy to maximize the value of these assets, the Company previously entered into a farmout agreement involving the Clearwater formation rights on 20 sections of its land holdings.

The Clearwater rights were initially farmed out to Durham Creek Exploration Ltd., which was subsequently acquired by Spur Petroleum Ltd., a substantial Canadian oil and gas producer with reported production exceeding 52,000 barrels of oil equivalent per day and an estimated corporate valuation of approximately $3 billion.

Under the terms of the agreement, Pimee retained a 2% gross overriding royalty on Clearwater production from the 20 farmed-out sections, providing the Company with an opportunity to benefit financially from future development activities without directly funding the associated drilling and operating costs.

As a result, Pimee retains its Wabiskaw rights across all 46 contiguous sections, together with Clearwater rights on 26 sections and a 2% gross overriding royalty on Clearwater production from the remaining 20 sections.

The Clearwater formation lies above the Wabiskaw formation. While our primary development strategy has focused on the Wabiskaw, supported by extensive geological research and independent engineering assessments, we also recognize the potential value associated with the Clearwater.

Importantly, the farmout arrangement allows Pimee to maintain its focus and financial resources on developing the Wabiskaw while retaining economic exposure to the Clearwater formation through Spur Petroleum's ongoing activities.

Recent Drilling Activity and Clearwater Potential

In August 2026, Spur Petroleum drilled a multilateral horizontal well targeting the Clearwater formation on one of the farmed-out sections. The well has since been placed into production, and we are currently awaiting the initial production results.

We view this development as an encouraging milestone, as it demonstrates active industry investment in evaluating the Clearwater formation on lands associated with Pimee's existing asset portfolio.

Successful production results could provide valuable geological and reservoir information, potentially supporting further evaluation of the Clearwater formation and its contribution to the Company's overall asset value.

Although it is premature to quantify the potential economic impact, the drilling activity represents an opportunity for Pimee to benefit from additional exploration and development work undertaken by an established industry operator, without assuming the direct capital costs associated with those activities.

Independent Engineering and Resource Evaluation

The Company has engaged Deloitte LLP, our independent engineering firm, to prepare an updated National Instrument 51-101 (NI 51-101) engineering assessment in support of our proposed public listing and ongoing asset evaluation.

These independent engineering assessments are an important component of our development strategy, providing technical support for evaluating the potential of our Wabiskaw interests and informing future development and investment decisions.

As part of this process, we explored the possibility of incorporating the recently drilled Spur Petroleum Clearwater well into the assessment.

Deloitte advised that sufficient production data would be required before proved or probable reserves could be attributed to the relevant Clearwater interests.

Once reliable production information becomes available, we intend to review the findings with Deloitte to determine whether the Clearwater formation warrants further technical evaluation and whether additional value can be supported through future independent assessments.

We believe the Clearwater formation represents an additional opportunity to enhance the Company's overall asset potential, complementing our primary Wabiskaw development strategy.

Phase I Development Program

Pimee continues to advance its efforts to secure the financing necessary to initiate Phase I of our development program.

Our current development plan contemplates drilling:

- Two vertical wells targeting the Wabiskaw formation.
- Four horizontal wells designed to further evaluate and develop the production potential of our land holdings.
- Additional evaluation of the Clearwater formation where technically and operationally appropriate.

The proposed drilling program is intended to establish additional production data, validate reservoir performance, and provide the technical foundation for subsequent development phases.

Information obtained through these activities will also be shared with Deloitte to support future independent engineering assessments of the Company's reserves and resource potential.

Successful execution of Phase I would represent a significant milestone in advancing Pimee toward commercial production and demonstrating the economic potential of its land holdings.

Capital Formation and Corporate Development

Securing the capital necessary to execute our development strategy remains one of the Company's highest priorities.

Management is actively engaged with capital markets firms, prospective financing partners, and strategic investors while reviewing various financing proposals and potential transaction structures.

Our objective is to establish a financing arrangement that provides the capital required to execute our initial drilling program while remaining mindful of the interests of existing shareholders and the Company's long-term growth objectives.

In parallel, we continue to evaluate opportunities to advance Pimee toward a public market listing, which we believe could provide shareholders with improved liquidity and create additional opportunities for future capital formation.

While these initiatives remain subject to negotiations, financing commitments, and applicable regulatory requirements, management remains focused on securing the appropriate financial and strategic partnerships to advance the Company's development plans.

We will continue to provide shareholders with updates as material developments occur.

Looking Ahead

We believe Pimee is well positioned to advance the development of its Alberta oil assets.

Our substantial contiguous land position, independent engineering work, and continued industry investment in the Clearwater formation provide a foundation for the Company's next phase of growth.

Our priorities remain clear: secure the required development capital, initiate our drilling program, obtain meaningful production data, and continue advancing our plans for a public listing.

We recognize that shareholders are looking for tangible progress, and we remain committed to pursuing opportunities that can translate the underlying potential of our assets into measurable long-term value.

On behalf of Pimee Energy Inc., we sincerely thank you for your continued patience, confidence, and support. We look forward to sharing further developments as we advance our corporate objectives.

Sincerely,

Michael Kamis, P.Eng.
President and Chief Executive Officer
Pimee Energy Inc.