



## HNRC ACQUIRES 100% INTEREST IN CUNNINGHAM ENERGY LLC

July 11, 2023

### Increasing HNRC's Net Asset Value \$3.35 Per Share

HOUSTON, July 11, 2023 /PRNewswire/ -- Houston Natural Resources Corp (OTC: HNRC) ("HNRC or the Company") announced today that it has completed the acquisition of a 100% interest in Cunningham Energy, LLC ("CE" or "Cunningham Energy"), increasing HNRC's net asset value (NAV) \$3.35 Per Share.

The Company previously announced the completion of the acquisition of a 9.9% interest in Cunningham Energy, LLC. The acquisition of the additional 90.1% interest takes the Company's total investment in Cunningham Energy LLC to a 100% interest. Ryan Cunningham will continue to manage Cunningham Energy, LLC. The acquisition was completed through the issuance of common and preferred stock. The purchase price includes an escrow of preferred shares for certain liabilities of Cunningham Energy, LLC.

The Company intends to change its name from Houston Natural Resources Corp to Cunningham Natural Resources Corp ("CNRC") and CNRC will be focused on traditional oil and gas opportunities and energy transition materials including mining opportunities in copper, lithium, gold, as well as other precious and rare earth metals. The investment focus will be global with sustainability at the core of the strategy.

Cunningham Energy has engaged auditors to complete its prior two years of audited statements for a listing on the NASDAQ or NYSE in 2023 with an underwriting commitment of \$10 million dollars.

An independent engineering firm completed an updated evaluation of the oil & gas assets of Cunningham Energy. The updated independently appraised value of the CE's leasehold position, as of December 31<sup>st</sup>, 2022, is \$352 million dollars, assuming the current proposed sixty-eight (68) well drilling program is completed. The acquisition of the 100% interest of CE, in cash and securities, increases the Company appraised asset value by \$3.35 per share, based on the current shares outstanding.

Cunningham Energy is an independent producer of oil and gas. Cunningham Energy conducts operations and oil/gas interests in the Appalachian Basin with over 30,000 net acres of leasehold. Cunningham Energy was formed in 2008 and was a pioneer of shallow horizontal oil drilling in West Virginia starting in 2014. During its future phase 1 development program in West Virginia, Cunningham Energy plans to permit, drill, and complete twenty (20) shallow horizontal Big Injun, Weir, and Berea sandstone oil wells to fulfill legacy drilling & lease obligations. Identified currently are sixty-eight potential development well sites on existing leases with plans to expand the CE's leasehold footprint through future acquisitions and leasing.

Cunningham Energy of Canada Inc. controls an interest in more than 965,000 acres in the Matapedia Valley, Gaspesie, Quebec Canada from Marzcorp Inc. on a 75% NRI (net revenue interest) basis through an executed farmout agreement. Over \$14 million has been invested in the project to date through collaboration with Marzcorp Inc.

Cunningham Oilfield Services (COS), a division of Cunningham Energy, provides a variety of oilfield services and equipment within the Appalachian Basin. From drilling and support of horizontal and vertical wells to general well service, rigs, and equipment. The recent US Government Bipartisan Infrastructure Deal includes a \$16 Billion investment in legacy pollution clean-up, including \$11.3 billion for abandoned mine land and water reclamation projects and \$4.7 billion for orphaned well site plugging, remediation, and restoration activities. Cunningham Oilfield Services projects meaningful participation in the program moving forward which includes recently allocated funds for West Virginia and Texas.

Cunningham Energy will enter into a separate agreement/and or joint ventures with Viper Capital Partners LLC on a deal-by-deal basis for further development of acreage, minerals, and drilling projects in the lower 48 states, including West Virginia, Ohio, Texas, Louisiana, and Illinois.

### About Houston Natural Resources Corp

Houston Natural Resources Corp. (OTCMKTS: HNRC) ([www.hnrholdings.com](http://www.hnrholdings.com)) is a diversified energy company with oil and gas interests. The Company has recently acquired a 100% interest in Cunningham Energy LLC, with appraised reserves of \$352 million. The Company also has minority investments in Rhino Energy Ltd, CE Energy Sponsors, LLC and HNR Acquisition Corp. The Company will also continue to seek new energy and energy transitions opportunities as it focuses on creating more value for shareholders.

### About Cunningham Energy LLC

Cunningham Energy ([www.cunninghamenergy.com](http://www.cunninghamenergy.com)) is an independent producer of oil and gas based in Charleston, West Virginia. CE was formed in 2008 for the purpose of acquiring, exploring, and producing oil and gas in the Appalachian, Illinois, and Williston Basins. Since inception we have relied on previous experience in parallel with the application of modern technologies to succeed in the ever-changing field of efficient energy production. Cunningham Energy is uniquely positioned to take advantage of current and future trends in oil and natural gas production throughout these basins with a technically driven and capital disciplined approach.

### About Viper Capital Partners LLC

Viper Capital Partners LLC ([www.vipercapitalpartners.com](http://www.vipercapitalpartners.com)) was formed to facilitate capital formation for the oil and gas industry in the areas of drilling & production, leasing, as well as mineral acquisition. The company is based in Houston, TX.

### About Cunningham Natural Resources Corp

Cunningham Natural Resources Corp ([www.cunninghamnaturalresources.com](http://www.cunninghamnaturalresources.com)) will be focused on traditional oil and gas opportunities and energy transition materials including mining opportunities in copper, lithium, gold, as well as other precious and rare earth metals. The investment focus will be

global with sustainability at the core of the strategy.

**FORWARD-LOOKING STATEMENTS:**

This press release may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical facts included in this press release may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of risks and uncertainties.

**Contact:**

Houston Natural Resources Corp  
12 Greenway Plaza, Suite 1100  
Houston, Texas 77046  
Phone: (713) 425-4901  
E-mail: [frank@hnrcholdings.com](mailto:frank@hnrcholdings.com)

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