

ROOSTER ENERGY ENTERS INTO LIMITED FORBEARANCE AGREEMENT WITH HOLDERS OF SENIOR SECURED NOTES

CALGARY, ALBERTA (February 6, 2017) ROOSTER ENERGY LTD. (or the “Company”) (www.roosterenergyltd.com) (TSXV: COQ) today announces that effective February 3, 2017, it entered into a Limited Forbearance and Reservation of Rights Agreement (the “Forbearance Agreement”) with the holders of the senior secured notes (the “Notes”) issued pursuant to the Amended and Restated Note Purchase Agreement dated as of November 17, 2014 as amended and restated as of June 25, 2015 (the “Second Amendment”). The Notes are secured by a first priority security interest, lien and mortgage on all of the assets of the Company. As previously reported, the Company received a notice of default for non-compliance with certain covenants of the Second Amendment and that it was operating under a waiver of same that expired on December 31, 2016.

Pursuant to the Forbearance Agreement, the holders of the Notes have agreed to forbear from exercising certain of their rights and remedies under the Second Amendment during a standstill period that terminates on March 3, 2017, or earlier if there is a default of the terms of the Forbearance Agreement or if an acceptable restructuring agreement of the obligations of the Company under the Second Amendment is reached with the holders of the Notes. In consideration of the Forbearance Agreement, among other things, the Company agreed that from January 1, 2017, until termination of the Forbearance Agreement, in addition to the applicable rate of interest due on the Notes, additional interest at 8% per annum shall be payable in kind and a forbearance fee in an amount equal to 50 basis points of the aggregate principal amount of the Notes outstanding shall be payable in kind. To the extent that an acceptable restructuring agreement is reached prior to the expiration of the standstill period, both the additional interest and the forbearance fee shall be waived. Additionally, upon execution of the Forbearance Agreement, the Company paid the sum of US\$2.5 million that has been applied to reduce the principal amount of the Notes. As of this date, the principal balance due under the Notes is approximately US\$54.7 million.

During the standstill period, the Company will conduct business as usual and intends to continue in negotiations with the holders to restructure the terms and conditions of the Second Amendment and its obligations thereunder. However, if the Company is unable to restructure the financial and performance covenants of the credit facility or extend the term of the standstill period before expiration, then the holders of the Notes may exercise their remedies against the Company. In that event, the Company will in all likelihood seek relief under applicable bankruptcy or reorganization laws to preserve the going concern value of the Company.

ABOUT ROOSTER ENERGY LTD.

Rooster Energy Ltd. is a Houston, Texas, based vertically integrated oil and gas production company combined with a well service intervention/plugging and abandonment subsidiary focused in the shallow waters of the U.S. Gulf of Mexico. Our primary business is a service company whose assets consist of rigless well plugging and abandonment/intervention units and our oil and gas assets consist of producing oil and gas wells located on US federal oil and gas leases. Investors are welcome to visit our website at www.roosterenergyLtd.com or contact the following for all corporate updates and investor inquiries:

Gary L. Nuschler, Jr.
Chief Financial Officer
16285 Park Ten Place, Suite 120
Houston, Texas, USA 77084
Telephone: (832) 772-6313 ext. 555

Forward Looking Information and Statements

Certain statements and information in this press release may constitute "forward-looking information" or statements as such terms are used in applicable Canadian securities laws. Any statement that expresses, involves or includes expectations of the anticipated benefits of the refinancing or modification of existing debt or future operations (including drill rig commitments and use of proceeds), commerciality of any hydrocarbon discovered, production rates, operating costs, commodity prices, administrative costs, commodity price risk and other components of cash flow and earnings, management activity, acquisitions and dispositions, capital spending, access to credit facilities taxes, regulatory changes, projections, objective, assumptions or future events that are not statements of historical fact should be viewed as "forward-looking statements". Events or circumstances may cause actual results to differ materially from those predicted, a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. These risks include, but are not limited to, the risks associated with the oil and gas industry, commodity prices, and interest and exchange rate changes. Industry related risks could include, but are not limited to, operational risks in exploration, development and production, delays or changes in plans, risks associated with the uncertainty of reserve estimates, or reservoir performance, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. The reader is cautioned not to place undue reliance on any forward-looking statement in this press release. The Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Financial outlook information contained in this press release about the Company's prospective cash flows and/or financial position is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that any such financial outlook information contained herein should not be used for purposes other than for which it is disclosed herein.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICE PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS PRESS RELEASE.