Quattro Signs Letter of Intent to Sell Oil And Natural Gas Properties in Western Canada for $24,250,000

CALGARY, Alberta, Aug. 02, 2016 (GLOBE NEWSWIRE) -- Quattro Exploration and Production Ltd. (TSXV:QXP) ("**Quattro**" or the "**Company**") is pleased to announce the signing of a Letter of Intent for the sale of certain oil and gas production, facilities and lands in western Canada to an Alberta-based oil and gas exploration and production company (the "**Sale"**)**.**

The aggregate purchase price for the acquisition is $24,250,000 including cash payments totaling $8,000,000, the issuance of $4,000,000 class A common shares at a price of $0.50 per common share, representing a minimum 12.5% of the seller's common shares outstanding at closing and the assumption of estimated decommissioning liabilities totaling $12,250,000.

Based on Quattro's independent 2015 year end reserve report, the oil and gas assets being sold represent 40% of the Quattro's reserves and 35% of the Company's lands. Production was averaging 700 boe/d and were assigned total proven reserves (1P) estimated at 2.68 million boe, valued at $22.5 million within a land base of 212,997 acres (gross) or 147,576 (net) acres (the "Properties").

All conditions for closing of the purchase of the Properties are anticipated to be completed on or about October 15th, 2016, with the Acquisition having an effective date of August 1, 2016, and is subject to a number of customary conditions including, but not limited to, completion of due diligence and approval of the TSX Venture Exchange.

"Quattro intends to apply the proceeds from the sale to a combination of liabilities including trade payables, and a reduction in the term debt owing, with the balance of the proceeds materially improving the Company's working capital and ability to continue to invest in its continuing operations in western Canada," said Leonard B. Van Betuw, President and CEO of Quattro. "As a result of the material equity holdings that Quattro will receive in the purchaser's company, Quattro will be taking a pro-active approach to assisting with the purchaser's seamless transition to becoming operator of the assets and the execution of ongoing development plans."

Upon the closing of the sale, Quattro estimates the average production for the Company will be approximately 1,200 barrels per day on an annualized basis in 2016, and retain the potential to grow to the Company's initial objective of more than 3,000 boe per day in a short period of time following the closing of the sale.

<u>Summary of the Sale</u>

Production:	700 boe per day with extensive operated facilities, $32,150 per boe/d on a PDP basis
Reserves:	2.68 mmbbls estimated reserves on a total proven basis**
Facilities:	Current and maintained, with excess capacity.
Land:	212,997 (gross) acres and 147,576 (net) acres.
Additional Potential:	(i) optimization, (ii) work-overs and (iii) 10 seismically defined drilling locations.

**1P reserves are estimates based on the review of 3rd party engineering provided by the seller.

About Quattro Exploration and Production Ltd.

Quattro Exploration and Production Ltd. (“QXP”) continues to focus on the conventional exploration and development of oil and natural gas reserves in Western Canada, with an expanding presence in Alberta and BC. Our core low risk production base will provide us the capacity to aggressively pursue a series of high impact exploration and development efforts in Central and South America. The company intends to balance this portfolio of activities to assure its shareholders that it achieves material growth in both reserves and production.

This release includes certain statements that may be deemed “forward-looking statements”. All statements in this release, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, Investors should review the Company's registered filings which are available at www.sedar.com*.*

This news release shall not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

BOE presentation:

Barrel ("bbl") of oil equivalent ("boe") amounts may be misleading particularly if used in isolation. All boe conversions in this report are calculated using a conversion of six thousand cubic feet of natural gas to one equivalent barrel of oil (6 mcf=1 bbl) and is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.

Trading in the securities of Quattro Exploration & Production Ltd. should be considered highly speculative. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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