

News Release

For Immediate Release

TANAGER ENERGY PROVIDES UPDATE ON PROPOSED ACQUISITION AND ANNOUNCES PROPOSED PRIVATE PLACEMENT

May 6, 2016 - Calgary, Alberta – Tanager Energy Inc. ("**Tanager**" or the "**Corporation**") (TSX-V: TAN) announced today that further to its news release dated April 27, 2016, Tanager has applied to the TSX Venture Exchange for approval of the proposed acquisition of an undivided 50% interest in certain lease holdings and a 50% participation right in certain wells to be drilled on those leases, in Polk County and Tyler County, Texas (the "**Proposed Transaction**").

The working interest in the leases proposed to be acquired is contiguous to and offsets the nearby Polk County discovery well drilled by Vision Resources LLC as operator and Pantheon Resources LLC ("**Pantheon**") which well is known as the "VOBM#1 well". The following quote is from a news release by Pantheon (independent of Tanager), on October 28, 2015:

"Pantheon announces that the JV has successfully completed flow testing operations at the VOBM#1 well, in which Pantheon has a 50% working interest. The well encountered 62 feet of net pay, at a depth of c.14,200 feet, in the Eagle Ford sandstone, the primary target of the well. The well flowed natural gas at a stabilised flow rate of 6,145 Mcfpd (with a calorific value of 1,100 BTU/cubic foot) and 504 bblpd oil on a 12/64ths choke with a flowing tubing pressure of 7,350 psi. Gross production from the VOBM#1 well equates to over 1,500 boepd."

In addition, the subject leases are located within 3 miles and on trend with the existing Double A Wells Field producing from the Woodbine Sandstone. The following information is from a publication of the Gulf Coast Association of Geological Societies by William A. Ambrose, Tucker F. Hentz, and David Smith; GCAGS Journal 2014, vo.3 p1-19 (independent of Tanager);

"Double A Wells Field, discovered in 1985, produces oil and gas mainly from sandy fluvial-dominated and wave-modified deltaic deposits (Ambrose and Hentz, 2012⁽¹⁾) and has an expected ultimate recovery of ~0.5 Tcf (trillion cubic ft) of gas and 20 MMbbl (million barrels) of condensate (Stricklin, 2002⁽²⁾; Adams and Carr, 2010⁽³⁾). Cumulative production in the field is >450 Bcfe (billion cubic ft of gas equivalent) (Bunge, 2011⁽⁴⁾)."

The information disclosed in the above quotes is considered "analogous information" as defined in National Instrument 51-101. See the additional disclosure regarding "Analogous Information" below.

Tanager also announced that it intends to complete a non-brokered private placement offering for gross proceeds of up to \$3,750,000 (the "**Offering**"), on such terms, including the offering price, to be determined later. Closing of the Offering will be conditional on closing of the Proposed Transaction and is subject to regulatory approval, including approval of the TSX Venture Exchange. A finder's fee of up to 5% of the gross proceeds of the Offering may be paid in cash or common shares, on all or any portion of the Offering. The securities issued in connection with the Offering will be subject to a four month and 1 day hold period from the closing date. The net proceeds from the Offering will be used as follows: approximately \$600,000 for Tanager's 50% working interest in the drilling and completion of a new Leduc D3 well at Joffre; approximately \$2,200,000 for the payment of the purchase price and the transaction costs for the Proposed Transaction; and the balance of the gross proceeds to pay costs of the Offering, retire outstanding liabilities and to replenish working capital.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as the term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Tanager Energy Inc. is a Lethbridge, Alberta based corporation engaged in the exploration for oil and gas and minerals with its operations office in Calgary, Alberta. The Corporation's common shares are listed on the TSX Venture Exchange under the trading symbol "TAN".

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- (1) Ambrose, W. A., and T. F. Hentz, 2012, Shelf-edge deltaic depositional systems in the Upper Woodbine succession, Double A Wells Field, Polk County Texas: Gulf Coast Association of Geological Societies Transactions, v. 52, p. 3–12.
- (2) Stricklin, F. L., 2002, Evolution and high dissolution porosity of Woodbine sandstones in a slope submarine fan, Double A Wells Field, Polk County, Texas—A deep water Gulf of Mexico model onshore: Houston Geological Society Bulletin, v. 44, no. 7, p. 19–23.
- (3) Adams, R. L., and J. P. Carr, 2010, Regional depositional systems of the Woodbine, Eagle Ford, and Tuscaloosa of the U.S. Gulf Coast: Gulf Coast Association of Geological Societies Transactions, v. 60, p. 3–27.
- (4) Bunge, R. J., 2011, Woodbine Formation sandstone reservoir prediction and variability, Polk and Tyler counties, Texas: American Association of Petroleum Geologists Search and Discovery Article 10331, 32 p.

BOE Presentation: References herein to "boe" mean barrels of oil equivalent derived by converting gas to oil in the ratio of six thousand cubic feet (Mcf) of gas to one barrel (bbl) of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Analogous Information: Certain information contained herein is considered "analogous information" as defined in National Instrument 51-101 ("**NI 51-101**") including the disclosure of flow rates and production results of wells offsetting the leases that Tanager would acquire an interest in pursuant to the Proposed Transaction. Such analogous information has not been prepared in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook and Tanager is unable to confirm whether such flow rates and production results have been prepared by a qualified reserves evaluator. The information has been provided to provide evidence of oil production in the proximity of the leases that Tanager would acquire an interest in pursuant to the Proposed Transaction.

Forward-Looking Information: This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budgets", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, this news release contains forward-looking information regarding: the offering; the use of proceeds of the offering; the Proposed Transaction and completion of the Proposed Transaction. There can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking information. This forward-looking information reflects Tanager's current beliefs and is based on information currently available to Tanager and on assumptions Tanager believes are reasonable. These assumptions include, but are not limited to: TSXV acceptance of the offering, the amendment to the loan and the Proposed Transaction; satisfaction of the conditions to the completion of the Proposed Transaction; market acceptance and approvals, including TSXV acceptance; and the anticipated closing date for the offering and the Proposed Acquisition. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Tanager to be materially different from those expressed or implied

by such forward-looking information. Such risks and other factors may include, but are not limited to: volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; geological, technical, drilling and processing problems; general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; delay or failure to receive board or regulatory approvals; the actual results of future operations; competition; changes in legislation, including environmental legislation, affecting Tanager; the timing and availability of external financing on acceptable terms; and lack of qualified, skilled labour or loss of key individuals. A description of additional assumptions used to develop such forward-looking information and a description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in Tanager's disclosure documents on the SEDAR website at www.sedar.com. Although Tanager has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this news release is expressly qualified by this cautionary statement. The forward-looking information contained in this news release represents the expectations of Tanager as of the date of this news release and, accordingly, is subject to change after such date. However, Tanager expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.