



MONTANA EXPLORATION CORP. TO ACQUIRE GALE FORCE PETROLEUM INC. AND CONSOLIDATE LAND POSITION IN MONTANA

Calgary, Alberta – June 24, 2015. Montana Exploration Corp. ("**MTZ**") (TSXV:MTZ) and Gale Force Petroleum Inc. ("**Gale Force**" or "**GFP**") (TSXV:GFP) (OTCQX:GFPMF) are pleased to announce that they have entered into an arrangement agreement (the "**Arrangement Agreement**") pursuant to which MTZ will acquire all of the issued and outstanding common shares (the "**GFP Common Shares**") and Series III preferred shares (the "**GFP Preferred Shares**") of Gale Force by way of a statutory plan of arrangement under the *Canada Business Corporations Act* (the "**Arrangement**"). The purpose of the Arrangement is to combine the Shaunavon oil and Eagle gas exploration and development potential on MTZ's substantial land base in Montana with the cash resources of Gale Force.

Under the Arrangement, securityholders of Gale Force will receive: (i) 0.465 common shares of MTZ (the "**MTZ Common Shares**") for each GFP Common Share; and (ii) 0.555 MTZ Common Shares for each GFP Preferred Share. In connection with the Arrangement, all outstanding vested and unvested options of Gale Force ("**GFP Options**") shall be exchanged for replacement options of MTZ on equal terms (collectively, the GFP Options, the GFP Common Shares and the GFP Preferred Shares are referred to as, the "**GFP Securities**"). The consideration offered for the GFP Common Shares pursuant to the Arrangement represents an 86% premium to the closing price of the GFP Common Shares on the TSX Venture Exchange ("**TSXV**") on June 23, 2015 of \$0.025 per share and a premium of 115% to the 30 trading day volume weighted average trading price.

Upon closing of the Arrangement, approximately \$360,000 of Gale Force's short-term debts (including directors' fees, trade accounts payable and severance pay) shall be paid by the issuance of MTZ Common Shares at a price of \$0.10 per share (the "**Gale Force Debt Conversion**").

The completion of the Arrangement is conditional on MTZ entering into lock-up agreements with the MTZ shareholders to convert debt of approximately \$8,900,000 into MTZ Common Shares on the closing of the Arrangement at a price of \$0.10 per share (the "**MTZ Debt Conversion**"). In aggregate, Gale Force shareholders will hold approximately 19% of the combined entity upon completion of the Arrangement (not inclusive of the effects of the separate Acreage Acquisition described below). There will be no bank indebtedness in the combined entity that will seek to fund its future drilling program with new equity.

Acreage Acquisition & Prospects

Parallel to the negotiation of the Arrangement, MTZ has also entered into an agreement to acquire approximately 46,000 additional undeveloped acres on the Shaunavon oil trend, which is all of the lands in Montana held by its joint venture partner for \$700,000 payable by way of \$200,000 in cash and \$500,000 in MTZ Common Shares (at a price based upon the 10-day weighted average share trading price of the MTZ Common Shares on the TSXV prior to the date of closing of the acquisition). Closing is expected to occur on or about the same date as the closing of the Arrangement (the "**Acreage Acquisition**"). MTZ's total acreage on the Shaunavon oil trend in Montana will be approximately 135,000 net acres upon completion of the Acreage Acquisition.

MTZ has identified 13 Shaunavon oil prospects following a 54 square mile proprietary 3D seismic program and proposes to embark upon a \$5 million, 10 well conventional drilling program comprised of 5 Shaunavon oil wells and 5 Eagle gas wells. To fund this program, MTZ shall seek additional equity funding of approximately \$5 to 10 million in conjunction with implementing the Arrangement.

The combined property base following completion of the Arrangement and the Acreage Acquisition will consist of approximately 135,000 net acres in Montana, a 20% carried working interest in Gale Force's Pine Mills property in Wood County, East Texas and a 15% membership interest in a limited liability company, which owns producing wells and drilling rights to a 10,000 acre prospect operated by a major oil and gas company in the Marcellus, West Virginia. MTZ also holds minority working interests in Canadian oil and gas leases located in the Viking Kinsella area of Alberta. The activity of the combined company will be focused upon conventional Shaunavon oil prospects and conventional Eagle gas prospects within the company's large land base in Montana.

Arrangement Approvals

Gale Force Meeting

The Arrangement will be carried out by way of a court approved plan of arrangement and is subject to customary conditions for a transaction of this nature, which include court approvals, applicable regulatory and TSXV approvals, and will require the approval of the holders of at least 66⅔% of the GFP Common Shares and 66⅔% of the GFP Common Shares and GFP Options (voting together as a single class), present in person or represented by proxy, at a special meeting of GFP security holders (the "**Gale Force Meeting**") to be called to consider the Arrangement and a "majority of the minority" as required by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* after excluding the votes cast in respect of shares held by certain interested parties.

Under the Arrangement, if approved by at least 66⅔% of the holders of GFP Preferred Shares (the "**GFP Preferred Shareholders**") in a separate class vote, MTZ will also acquire the outstanding GFP Preferred Shares. However, closing of the Arrangement is not conditional upon approval by the GFP Preferred Shareholders. If the requisite GFP Preferred Shareholder approval is not obtained, the GFP Preferred Shares will be excluded from the Arrangement and will remain outstanding following completion of the Arrangement, and the holders of GFP Preferred Shares will ultimately receive MTZ Common Shares upon conversion of their GFP Preferred Shares.

At the Gale Force Meeting, in addition to the approval of the Arrangement outlined above, the holders of GFP Common Shares will also be asked to approve a resolution to reduce the legal stated capital account in respect of the GFP Common Shares in order to permit the conditions necessary for the implementation of the Arrangement to be satisfied (the "**GFP Stated Capital Reduction**").

MTZ Meeting

At the annual and special meeting of the holders of MTZ Common Shares (the "**MTZ Meeting**"), holders of MTZ Common Shares will be asked to approve: (i) the fixing of the number of directors of MTZ; (ii) the election of the board of directors of MTZ; (iii) the appointment of the auditors of MTZ; and (iv) the ratification of MTZ's stock option plan in accordance with TSXV Policy 4.4 (collectively, the "**MTZ Resolutions**").

Arrangement Details and Closing

Further information regarding the Arrangement and the respective shareholders' meetings will also be contained in the respective information circulars that MTZ and Gale Force will each prepare, file and mail in due course to their respective securityholders in connection with the MTZ Meeting and the Gale Force Meeting. It is expected that the MTZ Meeting and the Gale Force Meeting will take place in early August, with closing of the Arrangement expected to occur in August.

All shareholders are urged to read the applicable information circular once it becomes available as it will contain additional information concerning the Arrangement, the GFP Stated Capital Reduction and the MTZ Resolutions.

The complete details of the Arrangement are set out in the Arrangement Agreement, which will be filed by each of MTZ and Gale Force with SEDAR and will be available for viewing under each company's respective profile at www.sedar.com.

Benefits of the Arrangement

The board of directors of Gale Force believes that the company's remaining oil and gas assets, for which the development has already been funded, will grow in value, and that deploying the company's cash resources towards the development, de-risking and proving-up of Montana's large acreage position provides the Gale Force shareholders with an excellent opportunity for substantial additional value creation.

The board of directors of MTZ believes that the combined entity, with its significantly improved balance sheet and extensive prospects in Montana, will have the ability to access additional capital to pursue a low risk balanced program of conventional oil and gas exploration and development.

MTZ's Shaunavon acreage is an extension of the Shaunavon play from Saskatchewan. More than 350 million barrels has been produced from both the Upper and Lower Shaunavon North of the border and only 20 million barrels has been produced from acreage offsetting MTZ from the Shaunavon in Montana. MTZ has identified 13 separate prospects to date based upon 54 square miles of 3D seismic conducted on MTZ's acreage. MTZ will focus primarily on prospects in the Upper Shaunavon that can be drilled and completed conventionally through vertical wells

at a casing point cost of approximately \$350,000 and a fully tied in cost of approximately \$550,000. MTZ will also pursue shallow Eagle gas prospects identified on 3D seismic. Gas fields in the Bearspaw Uplift area of Montana have produced in excess of 0.8 Tcf of gas to date. Conventional gas prospects can be drilled for under \$150,000. MTZ projects a 10 well exploration and development program for approximately \$5 million.

Pro Forma Operational and Financial Data

- Total Montana Acreage (net) of 135,000 acres
- Approximately 240 million MTZ common shares outstanding following the completion of the Arrangement

Management intends to set a formal drilling and development program upon the closing of the Arrangement. The specific budget for this capital program will be dependent on the cash position of the combined entity following closing and upon completion of additional private placement equity financing.

The capital program is expected to be focused on development and exploration opportunities in Montana, to grow production and de-risk the Shaunavon play. Additionally, MTZ expects to continue looking for opportunities to pursue strategic acquisitions targeting undervalued asset bases that complement MTZ's business.

Recommendations of the Board of Directors of Montana and Gale Force

The board of directors of Gale Force has unanimously approved the Arrangement and, based in part on the fairness opinion from Roche Securities Limited (as discussed below), unanimously determined that the Arrangement is in the best interests of Gale Force and recommends that Gale Force securityholders vote at the Gale Force Meeting in favor of the GFP Stated Capital Reduction and of the Arrangement.

The board of directors of MTZ has unanimously approved the Arrangement and unanimously determined that the Arrangement is in the best interests of MTZ and recommends that MTZ shareholders vote at the MTZ Meeting in favor of the MTZ Resolutions. Each of the directors (or their holding company through which they hold MTZ Common Shares), officers and controlling shareholders of MTZ, representing in aggregate approximately 70% of the issued and outstanding MTZ Common Shares (on a non-diluted basis), has agreed to vote their MTZ Common Shares in favor of the MTZ Resolutions to be considered by shareholders of MTZ at the MTZ Meeting.

Under the terms of the Arrangement Agreement, each of MTZ and Gale Force shall not solicit or initiate any inquiries or discussions regarding any other business combination or sale of assets, subject to the fiduciary duty of the MTZ or Gale Force board of directors, respectively, in the event that an unsolicited superior proposal is received by either MTZ or Gale Force.

Management

MTZ will continue to be led by its existing management team of Charles Selby as Executive Chairman and CEO, Don Foulkes as President, and Don Jackson as Executive Vice President and COO. The current CEO of Gale Force, Michael McLellan, will work on a consulting basis for MTZ (and will act as the interim CFO of MTZ). At the MTZ Meeting, among other matters, the shareholders of MTZ will be asked to elect the board of directors of MTZ for the ensuing year,

which will include Charles Selby, Don Foulkes, James Collins, Julian McIntyre, and Michael Hibberd, along with Allan Bezanson as the board nominee of Gale Force.

Advisors to Gale Force

Roche Securities Limited acted as financial advisor to Gale Force in respect of the Arrangement and has provided the board of directors of Gale Force with the verbal opinion that, as of the date hereof and subject to its review of the final form of the documentation effecting the Arrangement, the consideration to be received by Gale Force shareholders pursuant to the Arrangement is fair, from a financial point of view, to Gale Force shareholders. Blake, Cassels & Graydon LLP acted as legal counsel to Gale Force.

ABOUT MONTANA EXPLORATION CORP.

MTZ is a Canadian junior oil and gas exploration and production company focusing on the Shaunavon oil and Eagle gas opportunities underlying its extensive land holdings in the state of Montana. In the United States the company operates through its wholly owned subsidiary, Montana Land & Exploration, Inc. MTZ's common shares are listed on the TSX Venture Exchange under the trading symbol "MTZ". Additional information regarding MTZ is available under MTZ's profile at www.SEDAR.com or at www.MontanaExploration.com.

For further information on MTZ and the Arrangement, please contact:

Charles Selby, Chairman and Chief Executive Officer, or, Don Foulkes, President at +1.403.265.9091

ABOUT GALE FORCE PETROLEUM INC.

Gale Force is a public corporation that was focused on acquiring and exploiting underdeveloped oil and gas reserves in mature basins, investing capital in lower-risk, development-type projects. Until recently, Gale Force held producing non-operated oil and gas properties in Texas, Tennessee and West Virginia. However, as part of its publicly announced strategic review process, Gale Force has concluded a process of selling its oil and gas assets in order to monetize their value. Gale Force's common shares are listed on the TSX Venture Exchange under the trading symbol "GFP". Additional information regarding Gale Force is available under Gale Force's profile at www.SEDAR.com or at www.GaleForcePetroleum.com.

For further information on Gale Force and the Arrangement, please contact:

Michael McLellan, CFA, Chief Executive Officer at +1.888.440.3411.

Forward Looking Statements

This press release contains statements that constitute "forward-looking information" or "forward-looking" statements" (collectively "**forward-looking information**") within the meaning of applicable securities legislation. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project", "guidance", "may", "will", "should", "could", "estimate", "predict" or similar words suggesting future outcomes or language suggesting an outlook.

Forward-looking statements and information contained in this press release are based on our current beliefs as well as assumptions made by, and information currently available to, us.

Although we consider these assumptions to be reasonable based on information currently available to us, they may prove to be incorrect.

By their very nature, the forward-looking statements included in this press release involve inherent risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, the volatility of oil and gas prices; production and development costs and capital expenditures; the imprecision of reserve estimates and estimates of recoverable quantities of oil, natural gas and liquids; MTZ's ability to replace and expand oil and gas reserves; environmental claims and liabilities; incorrect assessments of value when making acquisitions; increases in debt service charges; the loss of key personnel; the marketability of production; defaults by third party operators; unforeseen title defects; fluctuations in foreign currency and exchange rates; inadequate insurance coverage; compliance with environmental laws and regulations; changes in tax and royalty laws; MTZ's ability to access external sources of debt and equity capital; MTZ's ability to obtain equipment in a timely manner to carry out development activities; and the obtaining of all judicial, regulatory and securityholder approvals necessary to allow for the completion of the Arrangement in accordance with its terms. Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to MTZ and Gale Force, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Furthermore, the forward-looking statements contained in this press release are made as of the date of this document and we do not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

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.