BLUE SKY ENERGY INC.

NEWS RELEASE

NOT FOR DISSEMINATION IN THE UNITED STATES OR TO U.S. NEWS WIRE SERVICES

BLUE SKY CLOSES PRIVATE PLACEMENT FINANCING

October 24, 2016, Toronto, Ontario – Blue Sky Energy Inc. (TSXV: BSI) has completed its previously announced non-brokered private placement financing by issuing 222,222 common shares of the company (the “Common Shares”) at a price of $0.45 per Common Share, for aggregate gross proceeds of $100,000 (the “Offering”).

The gross proceeds of the Offering will be used to strengthen the corporate balance sheet, pay outstanding liabilities and for general corporate purposes. The Common Shares will be subject to a four month hold period that expires on February 25, 2017. Closing of the Offering is subject to receipt of regulatory approval, including final TSX Venture Exchange approval. No finder fees were paid in connection with the Offering.

This press release is not an offering of securities for sale in the United States. The Common Shares have not been 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 an exemption from the registration requirements of that Act.

About Blue Sky:

Blue Sky Energy Inc. is a Canadian independent oil exploration company.

For more information, contact:

Ahmed Said
President & CEO
Blue Sky Energy Inc.
Phone: 416-309-2963
asaid@forbesenergygroup.com

Forward-looking information

This news release contains forward-looking information relating to the Company's growth and corporate strategy, and other statements that are not historical facts. Forward-looking information relates to management's future outlook and anticipated events or results, and may include statements or information regarding the private placement offering; use of funds; and the future plans or prospects of the Company. Although management of the Company 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.

Forward looking-information is subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what is currently expected. These factors include risks and uncertainties associated with oil and gas exploration, development, exploitation, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, reliance on key personnel, regulatory risks and delays and other risks and uncertainties discussed in the management discussion and analysis section of the Company's interim and most recent annual financial statement or other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulations. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, the Company undertakes no obligation to comment on the expectations of, or statements made by, third parties in respect of the matters discussed above.