

PENTANOVA ENERGY CORP.
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PENTANOVA ENERGY CORP. ANNOUNCES FINALIZED TERMS

**ON ACQUISITION OF PATAGONIA OIL CORP AND FINANCING TALLING \$45.6
MILLION IN UNITS.**

VANCOUVER, B.C., July 24, 2017 – PentaNova Energy Corp. (the “**Company**”) (TSXV: PNO) is pleased to provide an update on the acquisition of 100% of the shares of Patagonia Oil Corp.

Patagonia is a private British Virgin Islands company focused on oil and gas plays in Argentina. Patagonia has renegotiated certain of its agreements to acquire oil and gas assets in Argentina and now has binding agreements to acquire 39% interest in the Llançanelo Exploitation asset, 100% of the Km8 assets, 18% carried interest in La Mariposa, 54.14% in SRDE Production, 7.92% in SRDE Exploitation which were previously described in the Company’s May 3, 2017 news release. The revised agreements result in payments in cash of US\$1.9 million (previously advanced) and further cash payments of US\$9.5 million at closing, US\$5.5 million within 5 months of closing and US\$7.8 million from future production at Llançanelo, a further payment of US\$800,000 on KM8 is due on the next equity or debt financing by the Company and the vendors participating in the financing by taking approximately 37 million units instead of cash, this is equivalent to CDN\$29.6 million. The Company has also negotiated an extension until Oct 18, 2017 of the exclusivity period to negotiate a farm in on a further 11% of Llançanelo by paying a US\$500,000 deposit.

The Company has placed a concurrent non-brokered financing of subscription receipts at a price of \$0.80 per subscription receipt for minimum gross proceeds of \$16 million and maximum gross proceeds of \$20 million. Each subscription receipt will automatically exchange into a unit (the “**Units**”) of the Company concurrently with closing of the acquisition of the outstanding shares of Patagonia. Each Unit will consist of one common share and one share purchase warrant exercisable into one additional common share at a price of \$1.05 per share for a period of five years. If there is sufficient distribution, the Company will apply to the TSX.V to list the warrants. A fee will be payable on a portion of the financing.

Finder and success fees of 2,250,000 million shares is payable to third parties.

The Company is also pleased to announce that Serafino Iacono, Hernan Martinez, Jaime Perez-Branger, Francisco Sole, Frank Giustra, Jeffrey Scott, Susannah Pierce and Gord Keep have been appointed to the Board of Directors of the Company and Serafino Iacono as Executive Chairman of the Company. The Company has also appointed Luciano Biondi as CEO, Gregg Vernon as President, Chris Reid as CFO, Francisco Bustillos as V.P. Corporate Development & Admin and Warren Levy as President, Argentinian Operations.

The Company also announces that 77,750,000 common shares of the Company that were issued on closing of its RTO with PentaNova BVI Ltd. and which are subject to TSXV resale restrictions will also be subject to a one year voluntary pooling restriction, and will afterwards be released as to 25% every six months.

Trading in the common shares of the Company has been halted in accordance with the policies of the Exchange and will remain halted until such time as all required documentation has been filed with and accepted by the Exchange in connection with the Patagonia acquisition and permission to resume trading has been obtained from the Exchange.

For further information please contact:

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

Forward-Looking Information

Except for the statements of historical fact, this news release contains “forward-looking information” within the meaning of the applicable Canadian securities legislation that is based on expectations, estimates and projections as at the date of this news release. The information in this news release about the completion of the transaction described herein, and other forward-looking information includes but is not limited to information concerning the intentions, plans and future actions of the parties to the transactions described herein and the terms of such transaction.

Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, risks related to the Company’s or Patagonia’s inability to satisfy a condition precedent to the completion of the transaction (including obtaining necessary regulatory approvals), other risks related to completion of the transactions and risks related to the inability of either of the Company or Patagonia to perform their respective obligations under the transactions.

The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information contained in this news release, the Company has made assumptions about the Company’s ability to complete the transactions and Patagonia’s ability to complete the acquisition of the Assets. The Company has also assumed that no significant events will occur outside of the Company’s normal course of business. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.