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PENTANOVA ENERGY CORP. CLOSES \$16.5M FINANCING

VANCOUVER, B.C., August 1, 2017 – PentaNova Energy Corp. (the “**Company**”) (TSXV: PNO), is pleased to announce that it has closed its previously announced private placement of 20,625,000 subscription receipts at \$0.80 per Subscription Receipt for gross proceeds of \$16.5 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 until July 31, 2022. The proceeds from the financing have been placed into escrow pending completion of the Company’s acquisition of Patagonia Oil Corp. by way of plan of arrangement. In addition, the Company has signed the definitive Arrangement Agreement with Blue Pacific Assets Corp. and Patagonia Oil Corp. The Company intends to seek the final order from the Supreme Court of British Columbia for the Arrangement on Thursday, August 3, and close the Acquisition on Friday, subject to receipt of Exchange approval.

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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.