

PENTANOVA ENERGY CORP.

Energy — for Latin America's future
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**PENTANOVA ENERGY CORP. ANNOUNCES ASSET RATIONALIZATION MANDATE,
ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AND RESULTS AND YEAR
END RESERVES HIGHLIGHTS**

VANCOUVER, B.C., April 30, 2018 – PentaNova Energy Corp. (the “**Company**”) (TSXV: PNO), announces that the Company’s Board, following a review of the annual financial statements and ongoing commitments, has charged senior management with a mandate to rationalize the asset portfolio of the Company, and implement significant cost reduction initiatives. The Company has filed its Annual Audited Consolidated Financial Statements and Management Discussion & Analysis for the years ended December 31, 2017 and December 31, 2016, as well as its 2017 Year End Reserves Report. All dollar values in this news release and the Company’s financial disclosures are in United States dollars, unless otherwise stated.

Asset Rationalization Mandate

On February 15, 2018, the Company announced the appointment of a new executive management team. The new management team has now reviewed in detail the asset portfolio and financial commitments of the Company and the Board has given management a mandate to refocus and continue building the Company (the “**Mandate**”). The Mandate comprises three potential elements:

- Reorganize the Company’s asset base, with a focus on lowering the overall risk profile of the portfolio. This will include targeting the acquisition of a cash-flowing production asset and lowering the Company’s overall financial commitments through selective divestiture.
- Streamline the Company’s operations with the objective of reducing the Company’s burn rate through cost savings and head count reduction initiatives. These initiatives are underway, with a more than 30% reduction in burn rate already implemented.
- Evaluate possible financing alternatives for the Company’s short and long-term plans which may include share consolidation.

The aim of the Mandate is to build a profitable and self-sustaining energy company with a focus on delivering value in the near-term. The Mandate reflects an evaluation of the Company, the market and the plans of the previous management team. As management continues to implement the Mandate, the timing of the development of the Company’s reserves may be affected. The Company will provide updates as management continues to progress the Mandate.

Financial Statements

Revenues for the year-end were obtained from the working interest in the Llançanelo and Mariposa Assets, which represent only 153 days of production during the year-end period as the closing date on the Alianza acquisition was July 31, 2017.

The Company incurred numerous one-time expenses associated with the various acquisitions completed during the year-end period.

Highlights include:

Llancanelo Operations

During the three months and year ended December 31, 2017, the Llancanelo concession produced a total of 40,672 net barrels of oil equivalent (“boe”) and 63,091 net boe (113,885 gross boe and 191,089 gross boe), respectively. This equated to average daily production of 452 net boe/day for the three months and 410 net boe/day for the year ended December 31, 2017. The Llancanelo net production recorded for Q3 2017 is for the 29% working interest held during this time period. Subsequent to the closing of the Roch acquisition on October 27, 2017, which included an additional 10% working interest in Llancanelo, the Company’s Llancanelo net production increased to 39% working interest. Oil and natural gas revenue derived from the production for the three months and year ended December 31, 2017 was \$1,904,186 (\$46.82 per boe) and \$2,834,762 (\$44.93 per boe), respectively. Attributable royalties and operating expenses of \$382,642 (\$9.41 per boe) and \$1,209,798 (\$29.75 per boe) for the three months ended and of \$574,554 (\$9.11 per boe) and \$1,982,364 (\$31.42 per boe) for the year ended were recognized on Llancanelo operations for 2017. This resulted in an operating netback of \$7.66 per boe and \$4.40 per boe on Llancanelo operations for the three months and year ended December 31, 2017, respectively.

Mariposa Operations

The Company holds a net working interest in the Estancia La Mariposa block of 18%, entitling it to 18% of the oil, natural gas and condensate sales, while the operator carries 100% of the capital expenditures and field operating costs. The net revenue figures associated with the Mariposa Asset are presented net of any applicable royalties and certain operating costs of transportation, treatment and processing. Oil and natural gas production is sold on behalf of the Company, for which the Company receives proceeds from the operator, net of the aforementioned royalties and operating costs. The net revenue generated from this asset has not been included in any “per barrel” pricing herein. Mariposa revenue, net of royalties, of \$351,313 and \$607,174 were realized for the three months and year ended December 31, 2017, respectively, since acquisition of the Mariposa Asset effective July 31, 2017. These revenue amounts were derived from net sales of 14,668 boe and 25,200 boe during the respective periods up to year-end.

Financial Results & Balances

- The Company had a positive current working capital balance of \$2.0 million as of December 31, 2017

\$ (U.S. dollars)		
Periods ended December 31, 2017	3 Months	12 Months
Cash and cash equivalents	8,962,371	8,962,371
Working Capital	1,931,860	1,931,860

Exploration and Evaluation Assets	67,609,348	67,609,348
Property, Plants, and Equipment	4,283,111	4,283,111
Total Assets	98,596,379	98,596,379
Net Oil and Natural Gas Production, boe	61,910	96,312
Net Oil and Natural Gas Revenue	1,904,186	2,834,762
Net Revenue on Carried Working Interest*	351,313	607,174
Royalty Expense	382,642	574,554
Operating Expenses	1,209,798	1,982,364
Net Operating Profit	663,059	885,018
Net Loss	867,706	14,007,177
Net Loss per Share, basic & diluted	(0.00)	(0.08)

Note:

(1) Represents net revenue results from the carried interest held by the Company in the Mariposa Asset.

Summary of 2017 Reserves

The reserve report for the Company's Argentina properties (the "**Sproule Report**") and the reserve report for the Company's Colombian properties (the "**Petrotech Report**") were prepared in accordance with the definitions, standards and procedures contained in National Instrument 51-101 - *Standards of Disclosure For Oil and Gas Activities* ("**NI 51-101**") and the Canadian Oil & Gas Handbook (the "**COGE Handbook**") by Sproule Associates Limited and Petrotech Engineering Ltd. Reserves estimates stated herein as at December 31, 2017 are extracted from the relevant report. The Sproule and Petrotech Reports contain several cautionary statements that are required by NI 51-101 and the reserves information presented is subject to the contents of the full reports.

Year-End 2017 Reserves Highlights:

- Total Company proved plus probable ("**2P**") Gross Reserves are 11,270 thousand barrels of oil equivalent ("**Mboe**") which includes Argentina 2P reserves of 2,262 Mboe ⁽¹⁾; and
- Total Company 2P net present value ("**NPV**") 10% Before Tax is \$107.5 million, with Argentina 2P NPV 10% Before Tax of \$18.4 million and Colombia's 2P NPV 10% Before Tax of \$89.1 million.

As the new management team continues to implement the Mandate given by the board, the timing and nature of the development of the Company's reserves may be affected.

The following tables provide a summary of the Company's oil and gas working interest reserves before royalties and NPV of future net revenue at December 31, 2017 using forecast prices and costs:

Reserves Summary ⁽¹⁾

Reserves Category	Light & Med. Oil		Heavy Crude Oil		Natural Gas		Natural Gas Liquids		Total	
	Gross Mbbbl	Net Mbbbl	Gross Mbbbl	Net Mbbbl	Gross MMcf	Net MMcf	Gross Mbbbl	Net Mbbbl	Gross Mboe	Net Mboe
Proved Producing	6	5	193	159	1,041	895	-	-	373	314
Proved Non-Producing	-	-	-	-	-	-	-	-	-	-
Proved Undeveloped	-	-	180	148	10,715	10,029	17	16	1,983	1,836
Total Proved	6	5	373	308	11,756	10,924	17	16	2,355	2,149
Total Probable	1	1	1,682	1,476	42,974	40,211	69	63	8,914	8,242
Total Proved + Probable	7	6	2,055	1,784	54,729	51,135	86	79	11,270	10,391

Summary of Net Present Values of Future Net Revenue ⁽¹⁾

Forecasted Prices and Costs ⁽²⁾

Before Income Taxes, Discounted at (%/year)

Reserves Category	Before Tax NPV @				
	0%	5%	10%	15%	20%
	M\$	M\$	M\$	M\$	M\$
Proved Producing	111	2,930	3,746	3,877	3,780
Proved Non-Producing	-	-	-	-	-
Proved Undeveloped	15,428	9,375	4,767	1,206	(1,588)
Total Proved	15,539	12,306	8,514	5,083	2,192
Total Probable	181,028	132,668	99,009	74,890	57,135
Total Proved + Probable	196,567	144,974	107,523	79,973	59,327

Notes:

- (1) It should not be assumed that the present value of estimated future net cash flows shown above are representative of the fair market value of the reserves. Boe have been reported based on natural gas conversions of six thousand cubic feet (6 Mcf) of natural gas to one barrel of oil:(1 Bbl). A boe conversation ratio of 6 Mcf:1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf:1 Bbl, utilizing a conversion ratio at 6 Mcf:1 Bbl may be misleading as an indication of value.
- (2) Based on Sproule's and Petrotech's forecasted prices for Argentina and Colombia, respectively, as of December 31, 2017.
- (3) Tables may not add due to rounding.

As at December 31, 2017, PentaNova held a 39% working interest in the Llanquanelo heavy oil field, 100% working interest in the KM8 heavy oil field and a 18% carried participating interest in the Mariposa Light oil and Natural gas field, all in Argentina, and an 80% working interest in the Maria Conchita gas property in Colombia, which includes all of the oil and gas reserves disclosed above.

About PentaNova Energy Corp.

PentaNova Energy Corp. is a publicly traded E&P company focused on proven oil & gas plays in Latin America. The Company holds a large diversified portfolio of producing, development and unexploited assets in Colombia and Argentina where it will leverage its amplitude of technical expertise and proven track record building companies and creating value.

Additional information is available about the Company on SEDAR at www.sedar.com and on the Company's website www.pentanovaenergy.com.

Forward-Looking Information

Estimates of reserves and resources in this news release are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated, and that the reserves described can be profitably produced in the future.

This news release contains certain “forward-looking statements” or “forward-looking information” (collectively referred to herein as “forward-looking statements”) within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or are events or conditions that “will”, “would”, “may”, “could” or “should” occur or be achieved. This news release contains forward-looking statements, pertaining to, among other things, the following: estimates of recoverable reserves volumes and the future net revenues associated with those reserves; the rationalization of the asset portfolio of the Company; future acquisitions; cost reductions and head count and financial commitment reductions; possible financing alternatives, including a share consolidation; the Mandate; the goals of the board and management relating to the Mandate and the Company generally; and changes in the plans of the previous management team, including to plans in respect of the development of the Company’s reserves. Statements regarding future production, capital expenditures and development plans are subject to all of the risks and uncertainties normally incident to the exploration for and development and production of oil and gas that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These risks include, but are not limited to, inflation or lack of availability of goods and services, environmental risks, drilling risks, regulatory changes and certain other known and unknown risks detailed from time to time in the Company’s public disclosure documents, copies of which are available on the Company’s SEDAR profile at www.sedar.com.

Although the Company believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance. The Company’s actual results may differ materially from those expressed or implied in forward-looking statements and readers should not place undue importance or reliance on the forward-looking statements. Statements including forward-looking statements are made as of the date they are given and, except as required by applicable securities laws, the Company disclaims any intention or obligation to publically update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Any “financial outlook” contained in this news release, as such term is defined by applicable securities laws, is provided for the purpose of providing information about management’s current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes

Reserves Advisory

The Company's reserves estimates have been prepared and evaluated in accordance with NI 51-101 and the COGE Handbook. Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. There is at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. There is at least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves.

It should not be assumed that the estimates of future net revenues presented herein represent the fair market value of the reserves or resources. Future net revenue values, whether calculated without discount or using a discount rate, are estimated values only and do not represent fair market value. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The reserve estimates provided herein are estimates only and there is no assurance that the estimated reserves will be recovered. Actual oil reserves may be greater than or less than the estimates provided herein.

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.

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