North Sea Energy Announces Third Quarter 2016 Results

For Immediate Release:

Toronto, Ontario – November 3, 2016 – North Sea Energy Inc. ("**NSE**" or the "**Company**") (TSX-V: NUK) announces its unaudited financial results for the period ended September 30, 2016. The summary of the selected financial information should be read in conjunction with the Company's Condensed Interim Consolidated Financial Statements (Unaudited) and the related Management Discussion and Analysis for the quarter ended September 30, 2016 dated November 3, 2016, which have been filed on SEDAR (www.sedar.com).

Highlights and subsequent events for the three months ended September 30, 2016:

Financial Highlights:

- The Company reported a net profit of $4,348 for three months ended September 30, 2016 compared to a net loss of $(161,647) in three months ended September 30, 2015.
- The compensation and consulting fees decreased by 56% in the three months ended September 30, 2016 (3m 2016: $79,992; 3m 2015: $180,231)
- The general and administrative expenses for the nine month period ended September 30, 2016 decreased by 32% (3m 2016: $30,116; 3m 2015: $44,503)

Statoil Bottom Hole Agreement:

- During the three months ended September 30, 2016, the company received $86,000 (US$65,250) from Premier Oil UK Limited ("Premier") pursuant to the 'Bottom Hole Contribution Agreement' between Statoil (U.K.) Limited ("Statoil") and Premier, in its capacity as the P.1943 Operator as agent for the P.1943 Group in respect of the Well. This income was included as other income in the "Interest, Finance and Other Income" of the Interim Consolidated Statements of Comprehensive Loss.
- Under the agreement, Statoil would pay up to US$260,000 ($338,234) for data recovered from drilling and up to an additional US$175,000 ($227,658) for data from testing of the Bagpuss well under certain conditions. Within 90 days of completion of the drilling and testing operations, Premier is to provide the final actual costs incurred to Statoil and any credits resulting of the reconciliation will be repaid back to Statoil.

Bagpuss Well Results Update:

- The geotechnical report has taken longer than expected to complete with the final results expected in November, 2016. Furthermore, all other JV partners must elect whether they will continue with the Bagpuss and Blofeld licence into the next 4 year term by the end of November 2016.

Gemini Negotiations:

- Subsequent to the period end, the Company and Gemini have intensified their discussions to reach a settlement agreement pertaining to the current $8,163,060 outstanding amount as a result of the Arbitration decision.

The Drilling and Results of the Bagpuss Well:

- The spudding of the 13/25-1 Bagpuss well ("the Well") occurred on July 18th, shortly after the Ocean Valiant offshore drilling rig arrived on site at the Bagpuss prospect.
- On August 5, 2016, NSE announced that the Well which was targeting the Bagpuss prospect on the Halibut Horst in the Outer Moray Firth reached a total depth of 1,532 feet (TVDSS) in granite basement. The Well was drilled approximately 2 km from the 1981 Amoco well in the same structure.
- The Well encountered 41 feet of hydrocarbon-bearing sands within a 68 feet hydrocarbon column. This is in line with pre-drill estimates. The sands have between 25%-33% porosity and initial indications were that the oil is heavy which was expected. The Well was plugged and abandoned in accordance to the drilling plan. For further information on the Bagpuss and Blofeld Prospects in our Independent Prospective Resource Assessment, please refer to the press release dated June 27, 2013 posted on www.sedar.com.
- The Bagpuss Well, a vertical well, was always planned to be an informational well only and in accordance with the original Well Plan it was plugged and abandoned upon completion.
- Premier's Director of Exploration commented:*"The Bagpuss well has successfully proven a significant volume of oil in place."*
- NSE's costs relating to the Well have been carried by Maersk Oil UK. The Company is also funded for 50% of its costs on a Bagpuss subsequent well, should one be drilled, subject to a cap, through its farm-in agreement with Maersk Oil UK. To date, Maersk Oil has paid approximately $3,600,000 on behalf of NSE for past costs, site survey costs and the initial Bagpuss well planning costs.
- On August 19, 2016, NSE provided a further update on the Bagpuss drilling results (see full release dated August 19, 2016 filed on www.sedar.com).
- On September 29, 2016, NSE announced that Premier have informed the Bagpuss joint-venture ("JV") partnership that they are resigning as Operator of the Bagpuss joint-venture (Licence P.1943) with the effective date of December 31, 2016. In addition, Premier stated they have agreed in principle to sell their 40.1% working interest in the Bagpuss JV to Reach Halibut Limited subject to approval by the JV partners and regulatory consent from the OGA.

SELECTED QUARTERLY INFORMATION

	For the three months ended		For the nine months ended	
	September 30, 2016 (Unaudited) CAD ($)	September 30, 2015 (Unaudited) CAD ($)	September 30, 2016 (Unaudited) CAD ($)	September 30, 2015 (Unaudited) CAD ($)
Revenues	0	0	0	49
Net income/ (loss)	4,348	(161,647)	(481,217)	(201,864)
Basic and diluted net loss per share	**0.0001**	**(0.003)**	**(0.008)**	**(0.003)**
Total comprehensive loss	(152,780)	(734,864)	(76,268)	(1,316,016)

	As at		
	September 30, 2016 (Unaudited) CAD ($)	**December 31, 2015 (Unaudited) CAD ($)**	**September 30, 2015 (Unaudited) CAD ($)**
Assets	982,636	1,191,540	2,244,105
Long-term liabilities	10,276	31,076	53,700
Shareholders' Deficit	(7,588,801)	(7,512,533)	(6,094,540)

The above noted financial data should be read in conjunction with the period ended September 30, 2016 condensed interim consolidated financial statements. The condensed interim consolidated financial statements are prepared in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting.

About NSE:

The Company, founded in February 2007, is a UK focused oil and gas exploration and appraisal company quoted on the TSX-V. NSE, along with its wholly owned subsidiary, North Sea Energy (UK NO2) Limited, holds two high impact opportunities in the UK North Sea. These opportunities are the Bagpuss and Blofeld prospects located in blocks 13/24c and 13/25 of the UKCS.

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Forward-looking statements

Except for statements of historical fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "forecast", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information. Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information.

In particular, there can be no certainty that analysis of the hydrocarbons and reservoir will result in commerciality being established. Factors which may cause commerciality not to be established include risks and uncertainties such as analysis concluding that the hydrocarbons are not of a commercially interesting grade, logistical challenges associated with extracting in the North Sea, oil prices, access to financing (for a full list of risks please refer to our financial statements and management discussion and analysis filed on www.sedar.com).

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