



## North Sea Energy Corporate Update

Toronto, Ontario – June 28, 2017 – North Sea Energy Inc. (“NSE” or the “Company”) (TSX-V: NUK) provides a corporate update of the current status of activities for the Company pertaining to its 20% interest in the Bagpuss and Blofeld prospects located in blocks 13/24c and 13/25 of the UKCS, held through its wholly owned subsidiary, North Sea Energy (UK No2) Limited (“NSE2”).

### Bagpuss and Blofeld Prospect

During 2016, the 13/25-1 Bagpuss well (“Well”) was spudded 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 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 was 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, always planned to be an informational well only, 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](http://www.sedar.com).

In early 2017, the UK Oil and Gas Association (“the OGA”) approved the renewal of the Bagpuss/Blofeld Licence P.1943 into the second 4 year term. Reach Halibut Limited has been approved by the OGA as Operator. Following reassignment of Maersk’s 25% working interest in the Bagpuss on a pro-rata basis, NSE2’s working interest in Bagpuss increased from 15 % to 20%. The working interests in the Bagpuss JV going forward are as follows: Encounter - 17.67%, Groliffe - 8.83%, NSE2 - 20.0%, Reach Halibut Limited - 53.5%, Total - 100%.

### Gemini Negotiations

The Company and Gemini have intensified their discussions to reach a settlement agreement pertaining to the current \$8,452,935 outstanding amount as a result of an Arbitration decision.

The Company wishes to confirm that management is unaware of any other material changes in the Company’s operations that would account for the recent increase in market activity.

### 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.

For further information, please contact:

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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.*

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