AZABACHE ENERGY INC. ANNOUNCES THE SALE OF ITS PANAMANIAN SUBSIRIARY

FOR IMMEDIATE RELEASE

Calgary, Alberta (May 7, 2015) – Azabache Energy Inc. (TSX-Venture: AZA) ("Azabache" or the "Company") announces that it has sold 100 % of its Panamanian subsidiary Azabache Energía Corp. to Evolvere Capital, an independent private equity firm. The result of the sale will cause the Company to take an impairment charge related to certain exploration assets of approximately C$3.5 M in the final quarter of the current fiscal year, ending June 30, 2015.

As a result of this transaction, Azabache will be focused solely on developing its properties in Argentina, primarily its assets in Vaca Muerta.

FOR FURTHER INFORMATION PLEASE CONTACT:

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This press release contains forward-looking statements. More particularly, this press release contains statements concerning the terms of the sale of Azabache´s Panamanian Subsidiary. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Azabache. Although Azabache believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Azabache can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks.

These include, but are not limited to, the failure to obtain necessary regulatory approvals, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations. The forward-looking statements contained in this document are made as of the date hereof and Azabache undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.