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## **Loan Agreement**

**August 25, 2017** – On July 17, 2017, Halio Energy Inc. (“Halio Energy” or the “Company”) (TSXV – HOIL) entered into a Loan Agreement and Demand Promissory Note with Halio Holdings International, Inc. (“Halio Holdings”) in the amount of \$171,205.44 USD, The Loan Agreement and Promissory Note mature on October 30, 2017. The Promissory Note also provides for additional future advances to Halio Energy, subject to the terms and provisions of the aforementioned Agreements, which advances may be made solely at the discretion of Halio Holdings. The note bears interest at 8% percent per year payable annually in arrears. As security for the Loan, Halio Energy pledged the Farm-in agreement between Halio Energy and Trendwell West Inc. On July 17, 2017, proceeds from the Loan Agreement totalling \$171,205.44 were utilized to pay, in full and complete remediation, the past due and outstanding financial obligations owed by the Company under the Farm-in Agreement. With the payment of the past due obligations under the Farm-in agreement, the Farm-in Agreement is deemed to be current as of this date and all defaults are deemed to have been cured. Halio Holdings will not receive bonus shares for the loan.

Halio Holdings is domiciled in British Columbia, 600-1090 West Georgia Street, Vancouver, BC, V6E 3V7, Canada.

Halio Holdings does not own any shares of Halio Energy. Halio Capital Inc owns a controlling interest in Halio Energy. Miodrag Andric, a director and officer of Halio Energy is also a director and minority shareholder of Halio Holdings and minority shareholder of Halio Capital Inc. Sak Narwal, a consultant of Halio Energy is also an officer, director and minority shareholder of Halio Holdings. and a minority shareholder of Halio Capital.

Halio Energy is currently in discussions with a number of groups in order to obtain sufficient funding to satisfy current and future financial obligations relating to the Company's obligations under the aforementioned Farm-in agreement, current operating costs and expenses and funds to pay the principle and interest relating to the aforementioned mentioned Loan Agreement & Demand Promissory Note, as well as additional financing to develop the farm-in acreage specified in the Farm-in agreement. Halio Energy, presently, has no revenue sources. Repayment of the loan referenced above on the specified maturity date, is, at this time, entirely dependent on the successful results of future capital raise efforts.

### **ABOUT HALIO ENERGY:**

Halio Energy Inc. (TSX-V: HOIL) plans to invest North and South American-based oil and gas upstream and producing properties, and intends to procure direct working interests on a non-operated basis as well as limited partnership, joint venture, and MLP interests. Our proposed acquire-and-exploit strategy is focused on properties that show significant opportunities for future scalability, growth and consolidation, targeting assets that provide long-life, high-quality production with relatively predictable decline curves, as well as low-risk development opportunities.

### **ON BEHALF OF THE BOARD OF DIRECTORS OF HALIO ENERGY INC.**

Per: Joseph E. Casabona, Director

### **For further information, please contact:**

Halio Energy Inc.  
Telephone: 604-638-5817

*This press release contains forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Company, such as statements that the Company intends to: (i) negotiate and enter into the Definitive Agreement; (ii) invest in conventional and unconventional oil and gas upstream and producing properties; and (iii) procure direct working interests on a non-operated basis as well as limited partnership, joint venture and MLP interests. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information, including: (i) adverse market conditions; (ii) risks inherent in the oil and gas industry in general; (iii) the inability of the Company to finance its growth; or (iv) the inability to identify and acquire suitable property interests. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Company does not intend to update these forward-looking statements.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*