

NORTHERN SPIRIT RESOURCES INC.

Northern Spirit Resources Inc. Announces Reorganization and Investment Agreement and New Management Team

FOR IMMEDIATE RELEASE

July 7, 2015 - Calgary, Alberta - Northern Spirit Resources Inc. ("**Northern Spirit**" or the "**Corporation**") (TSX Venture: NS) is pleased to announce that it has entered into a definitive reorganization and investment agreement (the "**Agreement**") with John McAleer, David Burghardt, Travis Stephenson, Rob Pinckston, Maureen Keough and Jeff Mazurak (collectively, the "**Initial Investor Group**") which provides for: (i) a non-brokered private placement of an aggregate minimum of approximately \$20 million and up to an aggregate maximum of approximately \$25 million (the "**Private Placement**"); (ii) the appointment of a new management team (collectively, the "**New Management Team**") and Board of Directors; and (iii) a rights offering (the "**Rights Offering**") to current holders of common shares ("**Common Shares**") of Northern Spirit (collectively, the "**Transaction**"). Completion of the Transaction is subject to customary closing conditions, including the approval of the TSX Venture Exchange (the "**TSXV**"). Upon completion of the Transaction, it is anticipated that the shareholders of Northern Spirit will be asked to approve, at a special meeting called for such purposes: (i) a change of the Corporation's name to "Altura Energy Inc."; and (ii) a consolidation of the Common Shares.

The New Management Team will be led by David Burghardt as President and Chief Executive Officer, Travis Stephenson as Vice President, Engineering, Rob Pinckston as Vice President, Exploration, Maureen Keough as Vice President, Land, and Jeff Mazurak as Vice President, Operations. The New Management Team has a proven track record of generating shareholder value in profitably growing junior and intermediate oil and gas companies through an integrated strategy of acquisition, exploitation and exploration. This past experience will be relied upon to grow Northern Spirit through a combination of organic growth and acquisitions, with an initial focus on conventional crude oil plays in central Alberta. Northern Spirit's current Chief Financial Officer, John Cassels, will continue in his role on an interim basis until a permanent Chief Financial Officer is confirmed by the Corporation.

Upon closing of the Transaction, the Board of Directors is to be comprised of Darren Gee, Brian Lavergne, Robert Maitland, John McAleer and David Burghardt. These individuals have strong track records in both the oil and gas industry and capital markets and have held leadership positions within a range of successful companies.

Biographies for the New Management Team and the proposed Board of Directors are provided at the end of this release.

Corporate Strategy

The New Management Team and proposed Board of Directors have extensive experience in creating shareholder value through a focused full-cycle business plan and the current market environment is expected to provide an excellent opportunity to reposition Northern Spirit for profitable, long-term growth.

Following the completion of the Transaction, Northern Spirit expects to pursue conventional crude oil and liquids-rich natural gas plays in the Western Canadian Sedimentary Basin, with an initial focus on central Alberta targeting the shallow, multi-zone, oil-weighted section of the Cretaceous. Building upon Northern Spirit's current production base of approximately 350 barrels of oil equivalent ("**BOE**") per day, growth will come from the exploitation of Northern Spirit's drilling inventory, the pursuit of defined organic growth in areas where the application of horizontal drilling and multi-stage fracturing has not been fully exploited and a targeted acquisition and consolidation strategy. The New Management Team and proposed Board of Directors have demonstrated strong historical focus on operatorship, capital efficiency and cost control which will guide the Corporation's business strategy.

Upon completion of the Transaction and assuming the maximum Private Placement is completed, Northern Spirit is expected to have a net cash position of approximately \$23.75 million with no debt. This starting point provides a strong platform for profitable future growth in the current business environment. The New Management Team will maintain a conservative balance sheet and will not expose the Corporation to capital investment risk that could jeopardize its future growth.

Commenting on the Transaction, proposed director John McAleer stated, "The New Management Team and proposed directors are very pleased to execute this reorganization of Northern Spirit. It's the culmination of 11 months of careful preparation and focused effort, as we've methodically established a strong team, honed our corporate strategy, developed organic growth prospects and evaluated acquisition opportunities."

Proposed CEO David Burghardt continued, "Northern Spirit is an excellent fit for our strategy. It will enable us to use publicly-traded equity to pursue growth transactions, and its asset base provides development potential in central Alberta, a region in which our team has substantial experience and one in which organic growth and acquisition potential has been identified. Further, Northern Spirit's clean balance sheet enables capital raised through the Private Placement and Rights Offering to be focused on growth initiatives."

Private Placement

Total gross proceeds from the non-brokered Private Placement are expected to be a maximum of \$25 million, with the New Management Team and proposed Board of Directors subscribing for approximately 95.9 million units (the "**Units**") at a price of \$0.03375 per Unit for proceeds of approximately \$3.2 million while additional investors will subscribe for up to a maximum of 644.9 million Common Shares at a price of \$0.03375 per Common Share for maximum proceeds of approximately \$21.8 million. The New Management Team, the proposed Board of Directors and subscribers identified by the New Management Team may increase the number of Units subscribed for to not more than approximately 118.5 million Units, in which case the maximum number of Common Shares that may be subscribed for will be reduced by a number of Common Shares equal to the amount of such increase in Unit subscriptions. Each Unit shall be comprised of one Common Share and one Common Share purchase warrant (a "**Warrant**") of Northern Spirit. Each Warrant will entitle the holder to purchase one Common Share at a price of \$0.045 for a period of five years. The Warrants will vest and become exercisable as to one-third upon the 20-day weighted average trading price of the Common Shares (the "**Market Price**") equaling or exceeding \$0.0675, an additional one-third upon the Market Price equaling or exceeding \$0.09 and a final one-third upon the Market Price equaling or exceeding \$0.112.

Andylian Investors Limited Partnership 2012 (the "**Andylian LP**") will subscribe for \$5 million of the Common Shares pursuant to the Private Placement. John McAleer is President of Andylian Capital Strategies Ltd. ("**Andylian**"), portfolio manager to the Andylian LP. Andylian will ultimately seek to distribute the Andylian LP's Common Shares pro rata to its limited partner investors in conjunction with the orderly wind-up of the Andylian LP.

The deadline for subscriptions to the Private Placement has been set at July 24, 2015. The completion of the Private Placement is expected to occur on or about July 31, 2015, and may be completed in one or more tranches (the "**Closing**"). The resignation of the current board of directors and management team of Northern Spirit and the appointment of the New Management Team and proposed Board of Directors will occur contemporaneous with the Closing.

Proceeds from the Private Placement will be used to continue the development of Northern Spirit's existing properties, to pursue organic growth initiatives, to fund potential acquisitions and for working capital.

Rights Offering

Upon completion of the Transaction, Northern Spirit shareholders will be entitled to participate in the Rights Offering, which is expected to be conducted, after Closing, by way of a rights offering circular. Pursuant to the Rights Offering, each shareholder as of the record date for such offering (the "**Record Date**") will be issued one right ("**Right**") for each Common Share held on the Record Date, entitling that holder to purchase one Common Share for each nine Rights held at a price of \$0.03375 per Common Share at or before the expiry time of the Rights Offering, following which all outstanding Rights shall terminate and expire. Subscribers of Common Shares and/or Units under the Private Placement will not be entitled to participate in the Rights Offering with respect to any securities acquired pursuant to the Private Placement. The Rights Offering is subject to applicable regulatory approval, including the TSXV.

Convertible Instruments

The holders of the outstanding share purchase options ("**Options**") of Northern Spirit have agreed with Northern Spirit that all Options held by them having an exercise price of \$0.10 per share and 50% of the Options held by them having an exercise price of \$0.05 per share (the "**\$0.05 Options**") will not be exercised prior to Closing and will terminate at

Closing and have further agreed that the balance of the \$0.05 Options held by them will terminate at Closing, if not exercised on or prior to Closing. No additional share purchase options are expected to be granted by Northern Spirit to the New Management Team or proposed Board of Directors in connection with the Closing, but may be granted in the future subject to a shareholder-approved option plan and regulatory approval. In addition, Northern Spirit has agreed to use reasonable commercial efforts to seek the agreement from the holders of the outstanding share purchase warrants ("**Existing Warrants**") of Northern Spirit to accelerate the expiry date of their Existing Warrants to the Closing date, in consideration of the payment to such holders of their pro rata share of an aggregate cash payment (for all Existing Warrants) of \$100,000. The Existing Warrants are exercisable into an aggregate of 86.2 million Common Shares at an exercise price of \$0.10 per share and expire on December 31, 2015.

Shareholder and Stock Exchange Approvals

Completion of the Transaction is subject to a number of conditions and approvals including, but not limited to, the approval of the TSXV. Under the policies of the TSXV, the completion of the Private Placement is subject to the approval of the shareholders of Northern Spirit as the completion of the Private Placement will result in the creation of a new "control person" (as defined under the policies of the TSXV). In addition thereto, the appointment of the New Management Team is subject to shareholder approval under the policies of the TSXV. The required disinterested shareholder approval may be obtained by Northern Spirit either by receipt of written consents from holders of more than 50% of the issued and outstanding Common Shares (the "**Written Consent**") on or before July 30, 2015, or by approval of a resolution at a special meeting of shareholders of Northern Spirit (the "**Northern Spirit Meeting**"). Pursuant to the Agreement, Northern Spirit has agreed to obtain the Written Consent on or before July 30, 2015 failing which the Initial Investor Group has the right to terminate the Agreement. In the event that the Written Consent is not obtained on or before July 30, 2015 and the Initial Investor Group waives its right to terminate the Agreement, Northern Spirit has agreed to convene and hold the Northern Spirit Meeting on or before September 15, 2015.

The Corporation

Northern Spirit has production totaling approximately 350 BOE per day (approximately 87% oil and NGLs) in east central Alberta and has approximately 347 million Common Shares outstanding on a basic basis, 15.1 million Options outstanding having an exercise price of \$0.10 per share, 15.5 million Options outstanding having an exercise price of \$0.05 per share, and Existing Warrants that are exercisable into an aggregate of 86.2 million Common Shares at an exercise price of \$0.10 per share and expiring in December 2015.

Northern Spirit is expected to have net debt of approximately \$0.25 million (before costs related to the Transaction) as at the expected Closing date on or about July 31, 2015. Northern Spirit's operating netback (revenue less royalties and operating and transportation expenses) for the month of April 2015 was \$35.48 per BOE. Northern Spirit had tax pools of \$17.2 million as at December 31, 2014 and its Alberta Energy Regulator defined Licensee Liability Rating ("**LLR**") was 6.89 as at July 4, 2015, well in excess of the required rating of 1.0.

Upon completion of the maximum Private Placement and assuming: (i) approximately 95.9 million Units are issued; (ii) the exercise of all Rights issued in connection with the Rights Offering; (iii) all outstanding Existing Warrants are terminated at Closing and not exercised; and (iv) 50% of the \$0.05 Options are exercised in connection with Closing and all other outstanding Options are terminated at Closing, Northern Spirit will have approximately 1,134.9 million Common Shares outstanding (basic) and 1,230.8 million Common Shares outstanding, on a fully diluted basis (assuming approximately 95.9 million Units are issued).

Board of Directors' Recommendation

The board of directors of Northern Spirit has determined that the transactions contemplated by the Agreement are in the best interests of its shareholders and has unanimously approved such transactions.

Directors and officers of Northern Spirit who, in aggregate, own, directly or indirectly, approximately 31.6% of the Common Shares, have entered into support agreements or agreed to enter into support agreements pursuant to which they have agreed or will agree, among other things, to execute the Written Consent.

The Agreement

The Agreement contains a number of customary representations, warranties and conditions and provides for termination by the Initial Investor Group or Northern Spirit, in certain circumstances, including the inability of the parties to complete the Private Placement. The complete Agreement will be accessible on Northern Spirit's SEDAR profile at www.sedar.com.

Advisors

GMP Securities L.P. is acting as financial advisor to Northern Spirit.

Biographies of New Management Team and Proposed Board of Directors

David Burghardt
President and Chief Executive
Officer

Mr. Burghardt is a Professional Engineer with 28 years of multi-discipline domestic and international experience with a background in all industry functions, particularly asset exploitation, reservoir management and production engineering. Most recently, Mr. Burghardt was the Managing Director of the French Business Unit for Vermilion Energy Inc. ("**Vermilion**"). Stewarding production of approximately 11,000 BOE/d, he was responsible for a staff of 150 employees and approximately 350 contracting/consulting employees. Prior to this position, Mr. Burghardt was the Director Exploitation Europe and Manager Exploitation for Vermilion's French subsidiary based in southwest France.

Previously, Mr. Burghardt was President, CEO and a director of Kerogen Petroleum Ltd. (a formative entity of Twin Butte Energy Ltd.) and prior to that the Managing Director – International Engineering for Equatorial Energy Inc., an Alberta-based public company with operations in Canada & Indonesia. He was a co-founder of two Alberta-based companies including Kerogen Petroleum Ltd. (private) and Bison Resources Ltd. (public), where he held the position of VP Engineering and Director. He previously worked with Northstar Energy Corp. and Chevron Canada Resources in various reservoir and exploitation engineering roles. Mr. Burghardt received a BSc in Chemical Engineering in 1987 from the University of Saskatchewan.

Travis Stephenson
Vice President, Engineering

Mr. Stephenson is a Professional Engineer with 15 years of engineering and management experience in the oil and gas sector. From 2010 to December 2014, Mr. Stephenson worked for Chinook Energy Inc. (originally named Storm Ventures International Inc.) ("**Chinook**") where he was VP Engineering, International as well as the Country Manager for Chinook's operations in Tunisia. During this period, Chinook's Tunisian production increased from 200 to 3,000 BOE/d. Mr. Stephenson managed a staff of 80 personnel and helped bring new technologies to Tunisia, such as horizontal wells and multi-stage hydraulic fracture completions. From 2007 to 2010, he progressed from Sr. Exploitation Engineer to Engineering Manager within the Chinook/Storm organization.

Mr. Stephenson started his career with Renaissance Energy Ltd. ("**Renaissance**") in 1999 as an Exploitation Engineer and subsequently worked with Husky Energy Inc., Chamaelo Exploration Ltd., Vault Energy Trust and Trident Exploration Corp. in exploitation engineering roles.

Mr. Stephenson graduated from the University of Saskatchewan with a Bachelor of Science Degree in Mechanical Engineering, and is a member of the Association of Professional Engineers and Geoscientists of Alberta ("**APEGA**").

Rob Pinckston
Vice President, Exploration

Mr. Pinckston has 26 years of exploration and development experience in the oil and gas industry. Mr. Pinckston was employed with Vermilion from 2010 to 2015. His most recent role was as Team Lead Conventional Exploration, in which his team was instrumental to the corporate evaluation and purchase of Elkhorn

Resources Inc. in March 2014 for \$400 million. Prior to that, he was Chief Geoscientist, where his role was to provide functional leadership to all geologists working on Vermilion's Canadian asset base and to ensure that a consistent and high level of technical work was being performed on all geologic activities within the Western Canadian Sedimentary Basin ("**WCSB**"), including Vermilion's successful Cardium and liquids-rich Mannville programs in Drayton Valley.

From 2007 to 2010, Mr. Pinckston managed his own consulting business which involved prospect generation and consultation to industry. In 2005, he co-founded and was VP Exploration of White Fire Energy Ltd., which was purchased by Highpine Oil & Gas Limited in 2006, with Mr. Pinckston assuming the VP Exploration role and leading all gas-related activities for the company. From 2001 to 2005, he was co-founder of Tempest Energy Corp., a highly successful start-up company that discovered multiple oil pools in Alberta in the W4M and W5M regions. Prior to 2001, he worked with increasing responsibilities at Renaissance, Tarragon Oil & Gas Limited and Opinac Exploration Ltd. Mr. Pinckston graduated with an MSc degree from the University of Alberta in 1989, and is a Professional Geologist registered with APEGA.

Maureen Keough
Vice President, Land

Ms. Keough has over 19 years of experience in oil and gas management and negotiations.

She recently held the position of Vice President of Absolute Land and Lease, an acquisition and divestitures firm. Previously, she was Lead of Business Support and Evaluations at Encana Corporation, where she was instrumental in attracting deal flow and executing large scale acquisitions, divestments and joint ventures. Earlier, she was the Land Manager at Quarry Oil & Gas Ltd., a Calgary-based E&P company.

Ms. Keough began her career at Amoco Canada Petroleum Co. and PanCanadian Petroleum Limited. She holds a BA from the University of Calgary and is a member of the Canadian Association of Petroleum Landmen.

Jeff Mazurak
Vice President, Operations

Mr. Mazurak is a Professional Engineer with 11 years of oil and gas engineering and management experience. As a Production Engineering Manager at Bonavista Energy Corporation ("**Bonavista**"), Mr. Mazurak recently led the production, completion and field operations in the company's Deep Basin and Central Alberta assets. Such operations encompassed daily production of up to 47,000 BOE/d and annual capital expenditures of up to \$350MM. Previously, he worked as a Production and Completions Engineer in various areas within Bonavista.

Mr. Mazurak started his career with EnCana Corporation where he initially worked as a Facilities Engineer and later as a Completions Engineer in the Deep Basin Business Unit, focused on Montney horizontal development and piloting various completion techniques on 40 to 60 wells per year.

Mr. Mazurak graduated from the University of Regina with a Bachelor of Science Degree in Petroleum Systems Engineering, and is a member of APEGA.

Darren Gee

Mr. Gee is President, CEO and a director of Peyto Exploration & Development Corp. ("**Peyto**"). He joined Peyto in 2001 as VP Engineering and assumed the role of CEO in 2007. Previously, Mr. Gee worked for Petro-Canada, Anderson Exploration Ltd., Renaissance and Husky Energy Inc. Mr. Gee earned a BSc in Mechanical Engineering from the University of Alberta (1989) and is registered as a P.Eng. with APEGA.

Brian Lavergne

Mr. Lavergne is President, CEO and a director of Storm Resources Ltd. and was an executive with the prior Storm entities since 1998. From 1994 to 1998, Mr.

Lavergne was employed by Renaissance in positions of increasing responsibility including Exploitation Manager and Operations District Manager. Mr. Lavergne earned a BSc in Mechanical Engineering from the University of Alberta (1989) and is registered as a P.Eng. with APEGA.

Robert Maitland

Mr. Maitland is a Chartered Accountant with over 35 years of senior business experience, primarily in the oil and gas industry. He is a director of Perpetual Energy Inc. and Rock Energy Inc. He graduated from the University of Calgary in 1975 with a BComm degree and obtained his C.A. designation in 1977. He was the VP, Finance and Chief Financial Officer of various private and publicly listed oil and gas companies from 1985 until he retired from active employment in 2007. Mr. Maitland completed his designation from the Institute of Corporate Directors (ICD.D) in 2006.

John McAleer

Mr. McAleer is President and Portfolio Manager of Andylan Capital Strategies Ltd. He has 25 years of experience in the Canadian energy sector in the areas of oil and gas operations, investment bank research, and private and public equity investment management. Mr. McAleer's previous positions have included Managing Director of Livingstone Energy Management, Managing Director of CanFund, VP, Institutional Research with FirstEnergy Capital Corp., and Manager, Gas Projects with Renaissance. He earned a BASc in Mechanical Engineering from the University of Waterloo, and is registered as a P.Eng. with APEGA and as a Portfolio Manager with the Alberta Securities Commission.

About Northern Spirit Resources Inc.

Northern Spirit Resources Inc. is a public oil and gas company active in the exploration and development of oil and natural gas in East Central, Alberta.

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Forward-Looking and Cautionary Statements

This news release may include forward-looking statements including opinions, assumptions, estimates, the New Management Team's assessment of future plans and operations, and, more particularly, statements concerning the completion of the Transaction contemplated by the Agreement, the number of securities issued by way of the Private Placement, the business plan of the New Management Team, the change of name of the Corporation and use of proceeds of the Private Placement.

When used in this document, the words "will," "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "should," and similar expressions are intended to be among the statements that identify forward-looking statements.

The forward-looking statements are founded on the basis of expectations and assumptions made by Northern Spirit and the New Management Team which include, but are not limited to, the timing of the receipt of the required shareholder,

regulatory and third party approvals, the future operations of, and transactions completed by Northern Spirit as well as the satisfaction of other conditions pertaining to the completion of the Transaction.

Forward-looking statements are subject to a wide range of risks and uncertainties, and although Northern Spirit believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized:

Any number of important factors could cause actual results to differ materially from those in the forward -looking statements including, but not limited to, shareholder, regulatory and third party approvals not being obtained in the manner or timing set forth in the Agreement, the ability to implement corporate strategies, the state of domestic capital markets, the ability to obtain financing, changes in general market conditions and other factors more fully described from time to time in the reports and filings made by Northern Spirit with securities regulatory authorities.

Except as required by applicable laws, neither Northern Spirit nor the Initial Investor Group undertake any obligation to publicly update or revise any forward-looking statements.

The term "BOE" may be misleading, particularly if used in isolation. A BOE conversion of 6 Mcf. 1 bbl is based upon an energy equivalency conversion method primarily applicable at the burner tip and it does not represent a value equivalency at the well head.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States or to United States Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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