



Advantage Announces \$87.5 Million Equity Financing

(TSX: AAV, NYSE: AAV)

Calgary, Alberta, February 18, 2016: Advantage Oil & Gas Ltd. ("Advantage" or the "Corporation") is pleased to announce that it has entered into an agreement with a syndicate of underwriters led by FirstEnergy Capital Corp. pursuant to which the underwriters have agreed to purchase, on a bought deal basis, 11,750,000 common shares of Advantage ("Common Shares") at a price of \$7.45 per Common Share, for aggregate gross proceeds of \$87.5 million (the "Offering"). The Corporation has also granted the underwriters an option to purchase up to an additional 15% of the Common Shares issued under the Offering at a price of \$7.45 per Common Share to cover over-allotments, if any, and for market stabilization purposes, exercisable in whole or in part at any time until 30 days after the closing date of the Offering. The maximum gross proceeds that could be raised under the Offering is approximately \$100.7 million should the over-allotment option be exercised in full.

The net proceeds of the Offering will be initially used to temporarily reduce indebtedness, partially fund the Corporation's planned next expansion of its 100% owned Glacier gas plant, future acquisition opportunities and for general corporate purposes.

The Offering will be completed by way of short form prospectus in each of the provinces of Canada, other than Quebec, and on a private placement basis in the United States pursuant to exemptions from the registration requirements of the *U.S. Securities Act of 1933*, as amended. Closing is expected to occur on or about March 8, 2016 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and the New York Stock Exchange.

The Board of Directors and Management of Advantage believes the current commodity price environment will result in an increasing number of high quality organic growth opportunities which would enhance our strategic position and long term value creation model. Accordingly, we view it as prudent to further strengthen the Corporation's financial flexibility and position Advantage to capture growth opportunities when they are available. Additionally, Advantage is planning to proceed with another significant expansion of its 100% owned Glacier gas plant beginning in the second half of 2017 to increase processing capacity by 100 million cubic feet per day ("mmcf/d") to a total of 350 mmcf/d. This will facilitate additional production growth in 2018 through 2020 and position the Corporation to maintain its industry leading low cost structure to capitalize on stronger natural gas pricing which we believe will materialize in the future.

The Common Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This news release does not constitute an offer to sell or the solicitation of any offer to buy nor will there be any sale of Common Shares in any province, state or

jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such province, state or jurisdiction.

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Advisory

The information in this press release contains certain forward-looking statements, including within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future intentions or performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "demonstrate", "expect", "may", "can", "will", "project", "predict", "potential", "target", "intend", "could", "might", "should", "guidance", "believe", "would" and similar expressions and include statements relating to, among other things, statements concerning the Offering, including the timing of closing of the Offering, the Common Shares to be issued pursuant to the Offering, the terms of the over-allotment option, regulatory and other approvals required for the Offering and the use of proceeds from the Offering; the beliefs of the Board of Directors and Management of Advantage that the current environment will result in an increasing number of high quality organic growth opportunities which would enhance the Corporation's strategic position and long term value creation model; Advantage's plans to proceed with a significant expansion of its Glacier gas plant, including the anticipated timing thereof and the increased volumes resulting from such expansion; the effect of the expansion of the Glacier gas plant on additional production growth; the Corporation's future plans and beliefs about natural gas pricing; and other matters. Advantage's actual decisions, activities, results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Advantage will derive from them.

These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Advantage's control, including, but not limited to: changes in general economic, market and business conditions; industry conditions; actions by governmental or regulatory authorities including increasing taxes and changes in investment or other regulations; changes in tax laws, royalty regimes and incentive programs relating to the oil and gas industry; the effect of acquisitions; Advantage's success at acquisition, exploitation and development of reserves; unexpected drilling results; changes in commodity prices, currency exchange rates, capital expenditures, reserves or reserves estimates and debt service requirements; the occurrence of unexpected events involved in the exploration for, and the operation and development of, oil and gas properties, including hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; changes or fluctuations in production levels; delays in anticipated timing of drilling and completion of wells; delays in completion of the expansion of the Glacier gas plant; failure to achieve the anticipated processing capacity as a result of the Glacier gas plant expansion on the timing expected or at all; failure to achieve the anticipated benefits of the Glacier gas plant expansion; individual well productivity; competition from other producers; the lack of availability of qualified personnel or management; credit risk; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; our ability to comply with current and future environmental or other laws; stock market volatility and market valuations; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; ability to obtain required approvals of regulatory authorities; ability to access sufficient capital from internal and external sources; risk that the Board of Directors of Advantage determines that it would be in the best interests of Advantage to deploy the proceeds of the Offering for some other purpose; failure to receive all required regulatory and other approvals for the Offering; and risk that the Offering does not close on the timing anticipated or at all. Many of these risks and uncertainties and additional risk factors are described in the Corporation's Annual Information Form which is available at www.sedar.com ("SEDAR") and www.advantageog.com. Readers are also referred to risk factors described in other documents Advantage files with Canadian securities authorities.

With respect to forward-looking statements contained in this press release, Advantage has made assumptions regarding, but not limited to: receipt of regulatory and other approvals for the Offering; conditions in general economic and financial markets; effects of regulation by governmental agencies; current and future commodity prices and royalty regimes; future exchange rates; royalty rates; future operating costs; availability of skilled labor; availability of drilling and related equipment; timing and amount of capital expenditures; the impact of increasing competition; the price of crude oil and natural gas; that the Corporation will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Corporation's conduct and results of operations will be consistent with its expectations; that the Corporation will have the ability to develop the Corporation's properties in the manner currently contemplated; current or, where applicable, proposed assumed industry conditions, laws and regulations will continue in effect or as anticipated; and the estimates of the Corporation's production and reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects.

Management has included the above summary of assumptions and risks related to forward-looking information above and in its continuous disclosure filings on SEDAR in order to provide shareholders with a more complete perspective on Advantage's future operations and such information may not be appropriate for other purposes. Advantage's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Advantage will derive there from. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this news release and Advantage disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Barrels of oil equivalent (boe) and thousand cubic feet of natural gas equivalent (mcf) may be misleading, particularly if used in isolation. Boe and mcf conversion ratios have been calculated using a conversion rate of six thousand cubic feet of natural gas equivalent to one barrel of oil. A boe and mcf conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.