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PRESS RELEASE

MANITOK ENERGY INC. ANNOUNCES A SIGNIFICANT ASSET ACQUISITION AND A \$20.0 MILLION OFFERING OF UNITS CONSISTING OF COLLATERALIZED EXCHANGE LISTED NOTES™ AND WARRANTS

September 29, 2016, Calgary, Alberta – Manitok Energy Inc. (the "**Corporation**" or "**Manitok**") (TSX-V: MEI) is pleased to announce that it has entered into an asset purchase agreement with an Alberta based private oil and gas company to acquire certain assets that averaged 1,934 boe/d 32% light oil and NGLs) of production in the second quarter of 2016, and that are anticipated to average approximately 1,750 boe/d (34% light oil and NGLs) in November 2016, upon the closing of the Acquisition (the "**Acquisition**"). A majority of the assets being acquired pursuant to the Acquisition are comprised of mature Cardium light oil and natural gas assets in the Willisden Green area of west central Alberta and the balance of the assets are found in the Wildcat Hills and Enchant areas of Alberta (the "**Assets**"). The Acquisition is complementary to Manitok's existing asset base and technical expertise, providing the Corporation with an accretive increase in reserves and production relative to its outstanding common shares.

The total consideration for the Acquisition is \$13.5 million before closing adjustments, payable in a combination of cash and Units (as defined below). The Units will have a deemed value of \$100 per each Unit issued (the "**Unit Consideration**"). The total Unit Consideration to be issued to the vendor by Manitok shall be determined by Manitok in its sole discretion, up to a maximum of \$4.5 million of Units. The cash consideration shall be an amount equal to the total consideration of \$13.5 million less the Unit Consideration. It is anticipated that the Acquisition will close on or before November 30, 2016.

The Acquisition is expected to provide Manitok with a 37% increase to its anticipated corporate production for November 2016 and additional growth potential in areas where it has significant expertise. The Acquisition includes approximately 90,000 acres (55,800 net) of undeveloped land, and facilities in Willisden Green which include an emulsion handling facility with capacity of approximately 2,500 bbls/d and a natural gas compressor station with capacity of 11 Mmcfd. The oil facility is pipeline connected to a terminal owned and operated by Pembina Pipeline Corporation and is only 70 kilometres east of Manitok's Stolberg assets. The Corporation anticipates potential transportation cost savings and oil blending synergies between the Stolberg and Willisden Green assets.

The Acquisition has the following approximate metrics:

- Initial production anticipated at closing of 1,750 boe/d (34% light crude oil and NGL's) with an anticipated production decline of 20% annually;
- An estimated \$4.5 million operating netback for the twelve months ended June 30, 2016 attributable to the Assets (the amount of which is based on management's belief after such financial and operational due diligence in connection with the Acquisition as was deemed reasonable by management, and which has not been audited or subject to review by any external auditor);
- Proved Developed Producing ("**PDP**") Reserves of 4,091 Mboe, a 68% increase to Manitok's PDP reserves at December 31, 2015⁽¹⁾;

- Total Proved ("TP") Reserves of 7,747 Mboe, a 78% increase to Manitok's TP reserves at December 31, 2015⁽¹⁾;
- Total Proved plus Probable ("TPP") reserves of 10,783 Mboe, a 61% increase to Manitok's TPP reserves at December 31, 2015 ⁽¹⁾;
- The reserves and valuation multiples indicated in the following table:

Reserves Summary⁽¹⁾	Volume	NPV10
December 31, 2015	(mboe)	(\$mm)
Proved Developed Producing	4.1	\$33.4
Total Proved	7.7	\$47.4
Total Proved Plus Probable	10.8	\$77.9
Valuation Multiples		
Transaction Value / Production	(\$/boe/d)	\$6,515
Transaction Value / Operating Netback		3.0x
Transaction Value / PDP Reserves	(\$/boe)	\$3.30
Transaction Value / 1P Reserves	(\$/boe)	\$1.74
Transaction Value / 2P Reserves	(\$/boe)	\$1.25
Transaction Value / PDP NPV10		0.4x
Transaction Value / 1P NPV10		0.3x
Transaction Value / 2P NPV10		0.2x

- Purchase price of 3.0 times the estimated operating netback for the 12 months ended June 30, 2016 attributable to the Assets.

(1) Based upon combined independent engineering evaluations prepared by McDaniel & Associates Consultants Ltd. and Sproule Associates Ltd. effective December 31, 2015 using their respective December 31, 2015 price forecasts ("**Acquisition Reserves Report**"). The Acquisition Reserves Report evaluated the oil, NGL and natural gas reserves attributable to the assets and has been prepared in accordance with Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101- *Standards of Disclosure for Oil and Gas Activities*.

Manitok's management has identified additional benefits of the Acquisition including:

- Approximately 53 gross development drilling locations, with about 25 in the Willisden Green area and 16 in the Wildcat Hills area, with the potential to increase this inventory in the future with further technical work;
- Over 10 exploration drilling locations have also been identified on the Acquisition lands;
- Opportunities for well recompletions and optimization of existing producing and suspended wells. Manitok anticipates an initial 2 to 4 well recompletion program in Wildcat Hills before year end 2016;
- Recently negotiated natural gas processing and transportation costs totalling about \$0.75/mcf at Wildcat Hills with a senior producer in the area with excess capacity in its gas plant. The revised costs provide an opportunity for future economic natural gas development at current gas price levels; and
- The Acquisition is anticipated to lower Manitok's corporate royalty rate from approximately 32% to 25% and to lower general and administrative expenses to below \$2.60 per boe.

OFFERING

In conjunction with the Acquisition, Manitok is pleased to announce it has filed a preliminary prospectus supplement dated September 29, 2016 (the "**Preliminary Prospectus Supplement**") in connection with a marketed underwritten offering, of 200,000 units of Manitok (the "**Units**"), for total aggregate proceeds of \$20.0 million (the "**Offering**"). Raymond James Ltd. and Integral Wealth Securities Limited are acting as joint lead bookrunners for the Offering (collectively, the "**Bookrunners**").

DETAILS OF THE OFFERING

Each Unit will consist of a \$100 principal amount senior secured note due 2021 with an interest rate of 10.5% per annum ("**Collateralized Exchange Listed Notes™**" or "**CEL Notes™**" and collectively, "**CEL Notes**") and common share purchase warrants ("**Warrants**") in an amount to be determined upon the completion of marketing of the deal. The Units will immediately separate into CEL Notes and Warrants upon issuance. The CEL Notes will mature at 5:00 p.m. (Calgary time) on November 15, 2021. Interest on the CEL Notes will be payable quarterly in arrears. Each Warrant will entitle the holder thereof to purchase one common share of Manitok upon payment of the exercise price therefor. The Warrants will be exercisable at any time until 5:00 p.m. (Calgary time) on November 15, 2021.

The CEL Notes and the Warrants will be governed by a note indenture and a warrant indenture, respectively, each of which will be entered into on the closing date of the Offering by the Corporation and Computershare Trust Company of Canada. Closing of the Offering is scheduled to occur on or about October 20, 2016 or such later date as may be agreed to between Manitok and the underwriters but no later than the date that is 42 days after the filing of Manitok's final prospectus supplement in connection with the Offering.

The Corporation will use the net proceeds of the Offering for the Acquisition and the remaining net proceeds will be used to temporarily reduce borrowings under Manitok's senior secured credit facility.

Completion of the Offering is subject to necessary regulatory approvals, including the approval of the TSX Venture Exchange. The Corporation has applied to list the CEL Notes, the Warrants and the common shares issuable on the exercise of the Warrants on the TSX Venture Exchange. Listing will be subject to the Corporation fulfilling all of the applicable listing requirements of the TSX Venture Exchange.

About Manitok

Manitok is a public oil and gas exploration and development company focused on conventional Mannville and Cardium oil and gas reservoirs in both southeast, and west central Alberta. The Corporation will utilize its experience to develop the untapped conventional oil and liquids-rich natural gas pools in its core areas of the Western Canadian Sedimentary Basin.

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Forward-looking Information Cautionary Statement

This press release contains forward-looking statements. More particularly, this press release contains statements concerning the expectations and assumptions concerning the amount of proceeds to be raised under the Offering, use of proceeds from the Offering, satisfaction of certain conditions of the Offering, completion

of the Offering and timing thereof, the timing and completion of the distribution of the Units pursuant to the Offering, listing of the CEL Notes and Warrants on the TSX Venture Exchange, satisfying certain conditions of the Acquisition will be met in a timely manner and that the Acquisition will close, anticipated benefits of the Acquisition and pro forma outlook of Manitok (including with respect to initial production metrics and transportation cost savings) following the successful completion of the Offering and the Acquisition.

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Manitok, including without limitation the successful completion of the Offering, the successful completion of the Acquisition, the impact of increasing competition, the general stability of the economic and political environment in which Manitok operates, the timely receipt of any required regulatory approvals, equipment and services in a timely and cost-efficient manner, drilling results, the ability of the operator of the projects in which Manitok has an interest to operate the field in a safe, efficient and effective manner, the ability of Manitok to obtain financing on acceptable terms, field production rates and decline rates, the ability to replace and expand oil and natural gas reserves through acquisition, exploration and development, the timing and costs of pipeline, storage and facility construction and expansion and the ability of Manitok to secure adequate product transportation, future oil and natural gas prices, currency exchange and interest rates, the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Manitok operates, and the ability of Manitok to successfully market its oil and natural gas products, the ability of Manitok to obtain qualified staff, prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates, the performance of existing wells, the success of drilling new wells, the availability of capital to undertake planned activities and the availability and cost of labour and services.

Although Manitok 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 Manitok 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, competitive factors in the oil and gas industry, prevailing economic conditions, and other factors, many of which are beyond the control of the Corporation. Certain of these risks are set out in more detail in Manitok's current Annual Information Form, which is available on Manitok's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and on the Corporation's website at www.manitokenergy.com.

Forward-looking information is based on estimates and opinions of management of Manitok at the time the information is presented. Manitok may, as considered necessary in the circumstances, update or revise such forward-looking information, whether as a result of new information, future events or otherwise, but Manitok undertakes no obligation to update or revise any forward-looking information, except as required by applicable securities laws.

Non-GAAP Measures

In this press release, there are references to the term "operating netback" which is not a recognized measure under International Financial Reporting Standards ("IFRS"). This measure does not have a standardized meaning prescribed by IFRS and therefore should not be considered in isolation. These reported amounts and their underlying calculations are not necessarily comparable or calculated in an identical manner to a similarly titled measure of other companies where similar terminology is used. Where this measure is used, it should be given careful consideration by the reader. Manitok uses this measure to provide shareholders and potential investors with additional information regarding Manitok's liquidity and its ability to generate funds to finance its operations. Operating netback is used by management to measure operating results of discrete oil and gas properties' performance without reference to capital and organizational structure and corporate and general administrative costs. Operating netback denotes petroleum and natural gas revenue and realized

gains or losses on financial instruments less royalty expenses, operating expenses and transportation and marketing expenses.

Initial Production Rates

Any references in this press release to initial and/or final raw test or production rates and/or "flush" production rates are useful in confirming the presence of hydrocarbons, however, such rates are not necessarily determinative of the rates at which such wells will commence production and decline thereafter. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Corporation. The initial production rate may be estimated based on other third party estimates or limited data available at this time. In all cases in this press release, initial production or test are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.

BOE Conversions

The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. Per boe amounts have been calculated using a conversion ratio of six thousand cubic feet of natural gas (6 mcf) to one barrel of oil (1 bbl). The boe conversion ratio of 6 mcf to 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 equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. 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 U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.