



Zedcor Energy Inc. Announces Refinancing

CALGARY, March 28, 2018 /CNW/ - Zedcor Energy Inc. (the "Company" or "Zedcor") (TSX VENTURE: ZDC) is pleased to announce that it has signed a \$13.5 million credit facility with ATB Financial. The facility is comprised of a \$3 million operating loan facility, which replaces the previous \$1 million operating loan facility, a \$2.5 million term loan facility, which will be used to pay out the guarantee from the Loan and Security Agreement with Maynbridge Capital, and a new \$8.0 million equipment finance facility.

The operating loan is a revolving facility that bears interest at a rate of prime plus 3.3% and is secured by the Company's accounts receivable. The term facility will mature in two years, bears interest at a rate of prime plus 3.3% and is secured by a shareholder guarantee. Monthly interest payments are required over the term of the loan with a bullet payment at maturity. The shareholder guarantee bears interest at a rate of 5.0% per annum and is paid monthly through the issuance of shares.

The \$8.0 million equipment finance loan will be used to finance 75% of the purchase of new rental assets for which there is strong demand. This facility can be drawn in tranches, is amortized over 36 months, bears interest at a rate of 6.1% and is repayable in equal monthly installments of principal and interest over the term.

The \$13.5 million credit facility has industry standard positive and negative lending covenants and has financial covenants that requires the Company's current ratio does not fall below 1.50:1.00, the debt service coverage ratio does not fall below 1.25:1.00 and the share value of the shares pledged under the shareholder guarantee not be less than 1.25 times the value of the outstanding term facility.

On March 28, 2018, the Company also renewed the Loan and Security Agreement with Maynbridge Capital in the amount of \$17.5 million for an additional six months with an option to renew for an additional six months at the satisfaction of the lender. The renewed Loan and Security Agreement bears interest at 12.75% and will be serviced by six months of interest only payments, followed by six months of principal and interest payments in the event that the loan is renewed. The facility no longer has any shareholder guarantees pledged as security, and all covenants and collateral remain unchanged. The Company now has the option to repay \$7 million of the facility at any time without penalty. The Company also amended its Warrant Agreement with Maynbridge to increase the exercise price to \$0.27 per share from \$0.25 per share and to extend the expiry date of the warrants by one year to July 21, 2020.

Ian McKinnon, President & CEO, stated "This new refinancing is the next step in our strategy to strengthen our balance sheet and reduce our cost of capital, while also financing new growth opportunities which we expect to deliver positive cash flow".

Forward-Looking Statements and Information

Certain statements included or incorporated by reference in this press release constitute forward-looking statements or forward-looking information. Forward-looking statements or information may contain statements with the words "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "budget", "should", "project", "or similar words suggesting future outcomes or expectations. In particular, forward-looking statements and information contained in this press release, include, but are not limited to, expected benefits of the appointment of new directors of the Company. Although the Company believes that the expectations implied in such forward-looking statements or information are reasonable, undue reliance should not be placed on these forward-looking statements because the Company can give no assurance that such statements will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of assumptions about the

future and uncertainties. Although management believes these assumptions are reasonable, there can be no assurance that they will be proved to be correct, and actual results will differ materially from those anticipated. For this purpose, any statements herein that are not statements of historical fact may be deemed to be forward-looking statements. The forward-looking statements or information contained in this press release are made as of the date hereof and the Company assumes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new contrary information, future events or any other reason, unless it is required by any applicable securities laws. The forward-looking statements or information contained in this press release are expressly qualified by this cautionary statement.

About Zedcor Energy Inc.

Zedcor Energy Inc. is a Canadian public corporation and parent company to Zedcor Energy Services Corp. ("Zedcor Corp."). Zedcor Corp. is engaged in the rental of surface equipment and accommodations to the Western Canadian Oil and Gas Industry. The Company trades on the TSX Venture Exchange under the symbol "ZDC".

Neither 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.

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