



Jericho Oil Reports December 31, 2016 Reserves *Company Increases 2P Reserves by 147%*

VANCOUVER, BC and TULSA, OK, May 4, 2017 - Jericho Oil Corporation (“Jericho”) (TSX-V: JCO; OTC: JROOF), announces the results of its 2016 year-end reserves evaluation of its Kansas and Oklahoma properties as prepared by Cawley, Gillespie & Associates, Inc. (“CGA”), the Company’s independent reserves evaluator. The evaluation was prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook (“COGE Handbook”) and National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (“NI 51-101”).

Highlights of the Reserve Report (all dollar amounts in \$USD):

Jericho for the year ending December 31, 2016 achieved significant reserve value growth (all dollar amounts are the Present Value of future cash flows discounted at 10% before tax derived from YE2016 Independent Reserve Report using forecast pricing, \$USD):

- Proved plus Probable (2P) reserves total \$41.9mm or 4.2mm barrels of oil equivalent, 147% increase y-o-y
- Proved (1P) reserves total \$27.9mm or 2.3mm barrels of oil equivalent, 77% increase y-o-y
- Proved Developed (PDP + PDNP) reserves totaled 1.6mm barrels of oil equivalent, 72% increase y-o-y
- Jericho replaced¹ its 2016 production by 144% with the increase in PDP reserves and 1,289% with the increase in 1P reserves mostly through a successful acquisition and the deployment of incremental capital to field-level initiatives
- The Company’s 2016 average finding, development and acquisition (“FD&A”) costs are \$4.34/boe² for Proved Developed reserves
- In comparing the cost of getting that Proved Developed boe out of the ground with the cash earned per boe, the Company generated a 1.78x recycle ratio³, based on a full-year 2016 operating netback of \$7.74/boe despite a challenging oil price environment
- Proved Developed reserves accounted for 78% of the Total Proved reserves value
- Approximately 75% of Proved reserves were crude oil (boe basis)
- The net asset value on a 2P NPV10% valuation is approximately \$40.7mm or USD\$0.52 per common share outstanding, excluding any value for undeveloped land and assuming net debt⁴ of \$(1.27mm) and 78,840,404 common shares outstanding.

¹ Replacement ratio, a non-IFRS financial measure, is an indicator of a company’s ability to replace its production and grow reserves, calculated as the sum of the reserve additions from defined sources divided by production for the corresponding period.

² Recycle ratio, a non-IFRS financial measure, represents the cash earned per boe produced (the numerator) versus the cost of getting that boe out of the ground (the denominator). It serves as a proxy for a company’s return on capital over a defined period of time.

³ The Company deployed approximately \$3.03mm on exploration costs plus Proved Property Acquisition Costs plus Development Costs which yielded an increase in year-over-year Proved Develop reserves of approximately 699k barrels of oil equivalent.

⁴ Net debt as defined by the Company’s credit agreement as of 12.31.16; Total debt of approximately \$2.48mm less cash on hand of approximately \$3.75mm

Note: Barrels of oil equivalent (“boe”) amounts have been calculated using a conversion ratio of six thousand cubic feet (6 mcf) of natural gas to one barrel (1 bbl) of crude oil. 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.

Allen Wilson, CEO of Jericho Oil, stated, “We continued to execute on Jericho’s growth strategy throughout the prolonged oil price downturn resulting in increased production and reserves, the main drivers of our Company’s

intrinsic value. We increased Total Proved reserves NPV-10 by over 75%. Our current asset base is producing strong field-level cash margins at current oil prices and have significant development optionality.”

Below, please find the charts outlining the Present Value and Per Barrel Reserves summary of Jericho’s asset base in addition to its net asset value and operating netback calculations:

Reserve Category	Net BOE	Net Present Value (\$M, USD) Discounted at:				
		0%	5%	10%	15%	20%
Proved Producing	853,767	28,055	18,292	13,423	10,554	8,679
Proved Non-Producing	812,600	24,630	13,593	8,389	5,490	3,685
Proved Undeveloped	662,533	17,629	10,293	6,169	3,614	1,924
Total Proved	2,328,900	70,314	42,178	27,981	19,658	14,288
Total Probable	1,878,267	43,266	24,684	13,965	7,432	3,301
Proved plus Probable	4,207,167	113,580	66,862	41,946	27,090	17,589

Net Asset Value	NPV10 (\$mm)		\$ / Share
Total Proved	27,981	\$	0.36
Total Probable	13,965	\$	0.18
Proved plus Probable	41,946	\$	0.53
Net Debt	(1,269)	\$	(0.02)
Net Asset value	40,677	\$	0.52

Operating Netback (\$/boe)		
Avg. Realized Sales Price (net of royalties)	\$	30.62
Operating Expenses	\$	20.85
O&G Production Taxes	\$	2.03
Operating Netback	\$	7.74

About Jericho Oil Corporation

Jericho is a growth-oriented oil and gas company engaged in the acquisition, exploration, development and production of overlooked and undervalued oil properties in the Mid-Continent. For more information, please visit www.jerichooil.com.

Cautionary Note Regarding Forward-Looking Statements: This news release includes certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and Canadian securities laws. There can be no assurance that such statements will prove to be accurate and actual results and

future events could differ materially from those anticipated in such statements. Important factors that could cause actual events and results to differ materially from Jericho's expectations include risks related to the exploration stage of Jericho's project; market fluctuations in prices for securities of exploration stage companies; and uncertainties about the availability of additional financing.

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.

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