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NEWS RELEASE

TSX Venture Exchange: VHO

**VIRGINIA HILLS OIL CORP. ANNOUNCES CLOSING OF THE ACQUISITION OF
A PRIVATE OIL AND GAS PRODUCER**

April 27, 2015 – Calgary, Alberta – Virginia Hills Oil Corp. ("**Virginia Hills**" or the "**Company**") and its wholly-owned subsidiary, 1834163 Alberta Ltd., have completed the acquisition (the "**Acquisition**") of a private oil and gas producer ("**PrivateCo**") with approximately 100 boe/d (85% light oil) of production, 24,000 net undeveloped acres in the Greater Red Earth area and \$51 million of high quality tax pools.

In connection with the Acquisition, Virginia Hills issued an aggregate of 4,000,000 share purchase warrants of Virginia Hills ("**Series C Warrants**"), 2,165,556 common shares of Virginia Hills ("**Virginia Hills Shares**") and assumed approximately \$11.8 million in debt. Each Series C Warrant entitles the holder to purchase one (1) Virginia Hills Share at a price of \$0.50 for a period of three (3) years.

Of the 2,165,556 Virginia Hills Shares issued in connection with the Acquisition, 983,624 Virginia Hills Shares at a deemed price of \$0.25 per share were issued to former executive officers of PrivateCo ("**PrivateCo Executives**") in satisfaction of a portion of their severance. Up to a maximum of an additional 1,229,530 Virginia Hills Shares may be issued at a deemed price of the greater of \$0.30 and the Market Price (as such term is defined in the TSX Venture Exchange Company Finance Manual) at the time of issuance, in satisfaction of the balance of severance obligations owing to the PrivateCo Executives. To the extent that the PrivateCo Executives elect to receive the remainder of their severance in cash, such payments shall be subject to approval by Virginia Hills' senior lender.

Amended and Restated Credit Facilities

Following the completion of the Acquisition, PrivateCo, the wholly-owned subsidiary of Virginia Hills entered into an agreement with a financial institution to amend and restate the terms of the credit facilities which were in place prior to the Acquisition. The amended and restated credit facilities (the "**New Facilities**") provide for an operating loan facility of \$6 million and a non-revolving reducing loan facility of \$5 million. Pursuant to the terms of the New Facilities, the financial institution is entitled from the date hereof until April 15, 2016, to convert up to \$4 million of outstanding debt under the non-revolving reducing loan into Virginia Hills Shares at a deemed price of the greater of \$0.30 and the Market Price at the time of issuance.

Conversion of Subscription Receipts

Virginia Hills previously issued 11,974,300 subscription receipts ("**Subscription Receipts**") at a price of \$0.25 per Subscription Receipt for gross proceeds of approximately \$3 million on April 15, 2015. In accordance with their terms, each Subscription Receipt was exchanged for one (1) unit of Virginia Hills (a "**Unit**") upon the closing of the Acquisition and the proceeds from the sale of the Subscription Receipts were released from escrow. Holders of Subscription Receipts are not required to take any action in order to receive the Units to which they are entitled.

Each Unit is comprised of one (1) Virginia Hills Share, one (1) share purchase warrant exercisable at a price of \$0.30 ("**Series A Warrant**") and one (1) share purchase warrant exercisable at a price of \$0.35 ("**Series B Warrant**"). Each Series A Warrant and Series B Warrant will entitle the holder thereof to purchase one (1) Virginia Hills Share for a period of five (5) years. The Series A Warrants and Series B Warrants vest and become exercisable in tranches of 1/3 per series, upon the volume weighted average price of the Virginia Hills Share for twenty days equalling or exceeding \$0.35, \$0.40 and \$0.45, respectively.

Following completion of the Acquisition and issuance of the Units pursuant to the terms of the Subscription Receipts, Virginia Hills has a total of 16,311,981 Virginia Hills Shares, 17,376,989 arrangement rights and 11,974,300 Series A Warrants, 11,974,300 Series B Warrants and 4,000,000 Series C Warrants issued and outstanding.

Exercise of Arrangement Rights

Former registered holders of Pinecrest Energy Inc. ("**Pinecrest**") common shares (the "**Pinecrest Shareholders**") are encouraged to complete, execute and submit the letter of transmittal included in the accompanying materials sent to Pinecrest Shareholders for the special meeting of Pinecrest Shareholders held on March 19, 2015 as soon as possible. **The rights ("Arrangement Rights") issued to former Pinecrest Shareholders under the arrangement involving Pinecrest, Virginia Hills and Cardinal Energy Ltd. (the "Arrangement") will expire on May 15, 2015.**

Pursuant to the terms of the Arrangement Rights, former Pinecrest Shareholders who subscribe for all of the Virginia Hills Shares underlying the Arrangement Rights to which they are entitled under the Arrangement will also have the right to subscribe for those Virginia Hills Shares underlying the Arrangement Rights which are not exercised by other shareholders of Virginia Hills, on a *pro rata* basis.

Any questions and requests for assistance in respect of the Letter of Transmittal may be directed to Valiant Trust Company at its (403) 233-2801, or toll free at 1-866-313-1872 as set out in the Letter of Transmittal.

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Conversion of Natural Gas to Barrels of Oil Equivalent (boe)

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil (boe). We use the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 boe ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the boe ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio, based on the current price of crude oil to natural gas, is significantly different from the 6:1 energy equivalency ratio, using a 6:1 conversion ratio 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 press release.