NEWS RELEASE

PETROCAPITA ANNOUNCES CORPORATE UPDATES

Calgary, Alberta – August 15th, 2018 – Petrocapita Income Trust (**CSE:PCE.UN**) ("**Petrocapita" or the "Trust**") announces horizontally drilled well in the Lloydminster area, termination of the non-binding letter of intent, end of Can-World Finance Services fund raising engagement, disposition of certain assets/liabilities, suspension of interest payments on certain debt instruments and plans for meeting regulatory and debt obligations.

Petrocapita has rig released and is currently production testing (with their partners) a horizontal well drilled in the Lloydminster area. This well was spud on June 27, 2018, rig released on July 17, 2018 and had a total of 5,000 plus meters of horizontal lateral distance in the targeted formation. If economic production is achieved from this well and pending the availability of capital, further drilling opportunities will be pursued.

Petrocapita confirms that the previous extension to the non-binding letter of intent to sell certain midstream assets has terminated. Though both parties tried to meet the terms of the pursued letter of intent for a midstream transaction; agreement on the final consideration, the make-up of said consideration and the time frame in which to be paid to Petrocapita could not be reached. Petrocapita will continue to review avenues to which it can realize value on their midstream assets.

Petrocapita has to suspend interest payments on certain debt instruments. Currently these are the 9% preferred shares and the 12.5% debentures. Petrocapita does not currently have the funds to maintain these payments. This is a result of decreased oil production and low Western Canadian Select heavy oil prices as a direct result of high differentials to West Texas Intermediate. The net result has been lower than anticipated cash flow from operations. Petrocapita remains focused on increasing Company netbacks through reducing operating costs, increasing production and maximizing field prices.

Petrocapita has ended its relationship and efforts to seek funds through the services of Can-World Finance Services.

Petrocapita has disposed of (at a financial loss) the Dollard Unit interest acquired in the Crucible transaction.

Petrocapita will continue to do all that it can to meet it's regulatory and debt obligations and has initiated a number of pursuits on both fronts (such as but not limited to - conversion of debt to equity, participation in certain regulatory lead environmental initiatives, participation with partners in production optimization operations, reduction of the number of inactive wells, and securing potential funding for joint venture projects). How ever, there is no certainty that Petrocapita will be able to meet all of its regulatory and or debt obligations unless these endeavours are successful and adequate funds and time to implement these pursuits is secured.

This press release may be viewed on the Canadian Securities Exchange (CSE) and the System for Document Analysis and Retrieval ("**SEDAR**") and may be accessed at www.sedar.com.

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FORWARD LOOKING INFORMATION:

*Certain statements and information contained in this news release constitute forward-looking statements and forward-looking information as defined under applicable securities legislation (collectively, "**forward-looking statements**"). These forward-looking statements relate to future events or Petrocapita's future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward-looking statements. In particular, and without limitation, these statements contain forward-looking statements pertaining to Petrocapita's estimated operational cost savings and pertaining to the valuation of its water disposal facilities and central treating facility ("**facilities**"). These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although management believes that the expectations conveyed by any forward-looking statements are reasonable, no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. With respect to forward-looking statements contained in this news release, assumptions have been made regarding, among other things: future crude oil prices; the magnitude of per barrel cost savings which may be realized by Petrocapita through upgrading its central treating facility; the level of future utilization of Petrocapita's facilities; the magnitude of future net revenues derived from utilization of Petrocapita's facilities; the duration over which future revenues may be derived from Petrocapita's facilities; and the ability of Petrocapita to maintain reasonably stable operating and general administrative expenses. The forward-looking statements contained in this news release involve significant risks and uncertainties and should not be read as guarantees of future performance or results. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the risks related to: volatility in market prices and demand for crude oil; general economic, market and business conditions; difficulties encountered in the development and production of Petrocapita's reserves; difficulties encountered in the upgrading and/or operation of Petrocapita's facilities; the loss of key personnel; the failure to realize the benefits of upgrading Petrocapita's central treating facility; the inability to generate sufficient cash flow from operations to meet current and future obligations; the inability to obtain required debt and/or equity capital on acceptable terms or at all; changes in tax law or other adverse regulatory, royalty or tax changes; diversion of management to manage unforeseen business or operating issues; current global financial conditions.*

Information and statements in this news release relating to valuation of Petrocapita's facilities have been prepared by a third-party engineering firm and are based on various estimates and assumptions, many of which have been referred to above. Estimates of future net revenues associated with Petrocapita's facilities as prepared by different engineers, or by the same engineers at different times, may vary. Petrocapita's actual future net revenues associated with its facilities will vary from estimates thereof and such variations could be material.

Readers are cautioned that the risk factors set forth above should not be construed as exhaustive. Additional information on risks, uncertainties and factors that could affect the foregoing forward-looking information and/or Petrocapita's operations or results *therefrom is included in its filings with the securities commissions which have been filed under Petrocapita's profile on SEDAR (www.sedar.com).*

Although the forward-looking statements contained in this news release are based upon what Petrocapita's management believes to be reasonable assumptions, Petrocapita cannot assure investors that actual results will be consistent with such information. Forward-looking statements reflect management's current beliefs and are based on information currently available to Petrocapita. Petrocapita cautions readers not to place undue reliance on Petrocapita's forward-looking statements. The forward-looking statements are made as of the date of this news release and Petrocapita assumes no obligation to update or revise such information to reflect new events or circumstances, except as may be required by applicable securities laws.