

ROOSTER ENERGY ANNOUNCES STATUS OF SENIOR SECURED NOTES

CALGARY, ALBERTA (January 3, 2016) ROOSTER ENERGY LTD. (the “Company”) (www.roosterenergyltd.com) (TSXV: COQ) previously reported, in late November 2016, that the Company received a notice of default for non-compliance with two covenants of the Second Amendment and Waiver to Amended Note Purchase Agreement (the “Waiver”) that it was operating under and which was due to expire on December 31, 2016. While the holders of the Senior Secured Notes did not accelerate payment, they did reserve all legal rights and remedies. Additionally, the Company was obligated to further reduce the outstanding principal balance of the Senior Secured Notes by US\$4.5 million prior to year-end.

To date, the Company has failed to negotiate an extension of the Waiver and it has not made the scheduled US\$4.5 million principal payment. Notwithstanding those facts, the holders of the Senior Secured Notes still have not accelerated payment and the Company continues to engage in discussions with the holders to restructure the terms of its senior secured obligations. However, no assurances can be given that the Company will be able to reach agreement with the holders of the Senior Secured Notes on the consequences of the default.

The holders of the Senior Secured Notes may exercise their legal remedies against the Company at any time. In that event, the Company will in all likelihood seek relief under applicable bankruptcy or reorganization laws to preserve the going concern value of the Company.

ABOUT ROOSTER ENERGY LTD.

Rooster Energy Ltd. is an integrated energy company operating an Oil & Gas segment and a Well Services segment. The Oil & Gas segment assets consist of producing wells and oil and gas leases located in the shallow waters of the Gulf of Mexico, and the Well Service segment assets consists primarily of rigless well plugging and abandonment/intervention units. Investors are welcome to visit the Company website at www.roosterenergyltd.com or contact the following for all corporate updates and investor inquiries:

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Forward Looking Information and Statements

Certain statements and information in this press release may constitute “forward-looking information” or statements as such terms are used in applicable Canadian securities laws. Any statement that expresses, involves or includes expectations of the anticipated benefits of the refinancing or modification of existing debt or future operations (including drill rig commitments and use of proceeds), commerciality of any hydrocarbon discovered, production rates, operating costs, commodity prices, administrative costs, commodity price risk and other components of cash flow and earnings, management activity, acquisitions and dispositions, capital spending, access to credit facilities taxes, regulatory changes, projections, objective, assumptions or future events that are not statements of historical fact should be viewed as “forward-looking statements”. Events or circumstances may cause actual results to differ materially from those predicted, a result of numerous known and unknown risks, uncertainties, and other factors, many of which are

beyond the control of the Company. These risks include, but are not limited to, the risks associated with the oil and gas industry, commodity prices, and interest and exchange rate changes. Industry related risks could include, but are not limited to, operational risks in exploration, development and production, delays or changes in plans, risks associated with the uncertainty of reserve estimates, or reservoir performance, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. The reader is cautioned not to place undue reliance on any forward-looking statement in this press release. The Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Financial outlook information contained in this press release about the Company's prospective cash flows and/or financial position is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that any such financial outlook information contained herein should not be used for purposes other than for which it is disclosed herein.

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