

ROOSTER ENERGY ENTERS INTO LIMITED FORBEARANCE AGREEMENT WITH HOLDERS OF SENIOR SECURED NOTES

CALGARY, ALBERTA (February 6, 2017) ROOSTER ENERGY LTD. (or the “Company”) (www.roosterenergy ltd.com) (TSXV: COQ) today announces that effective February 3, 2017, it entered into a Limited Forbearance and Reservation of Rights Agreement (the “Forbearance Agreement”) with the holders of the senior secured notes (the “Notes”) issued pursuant to the Amended and Restated Note Purchase Agreement dated as of November 17, 2014 as amended and restated as of June 25, 2015 (the “Second Amendment”). The Notes are secured by a first priority security interest, lien and mortgage on all of the assets of the Company. As previously reported, the Company received a notice of default for non-compliance with certain covenants of the Second Amendment and that it was operating under a waiver of same that expired on December 31, 2016.

Pursuant to the Forbearance Agreement, the holders of the Notes have agreed to forbear from exercising certain of their rights and remedies under the Second Amendment during a standstill period that terminates on March 3, 2017, or earlier if there is a default of the terms of the Forbearance Agreement or if an acceptable restructuring agreement of the obligations of the Company under the Second Amendment is reached with the holders of the Notes. In consideration of the Forbearance Agreement, among other things, the Company agreed that from January 1, 2017, until termination of the Forbearance Agreement, in addition to the applicable rate of interest due on the Notes, additional interest at 8% per annum shall be payable in kind and a forbearance fee in an amount equal to 50 basis points of the aggregate principal amount of the Notes outstanding shall be payable in kind. To the extent that an acceptable restructuring agreement is reached prior to the expiration of the standstill period, both the additional interest and the forbearance fee shall be waived. Additionally, upon execution of the Forbearance Agreement, the Company paid the sum of US\$2.5 million that has been applied to reduce the principal amount of the Notes. As of this date, the principal balance due under the Notes is approximately US\$54.7 million.

During the standstill period, the Company intends to continue in negotiations with the holders to restructure the terms and conditions of the Second Amendment and its obligations thereunder. However, if the Company is unable to restructure the financial and performance covenants of the credit facility or extend the term of the standstill period before expiration, then the holders of the Notes may exercise their remedies against the Company. 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 a Houston, Texas, based vertically integrated oil and gas production company combined with a well service intervention/plugging and abandonment subsidiary focused in the shallow waters of the U.S. Gulf of Mexico. Our primary business is a service company whose assets consist of rigless well plugging and abandonment/intervention units and our oil and gas assets consist of producing oil and gas wells located on US federal oil and gas leases. Investors are welcome to visit our 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

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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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