

## **ROOSTER ENERGY LTD. TO ISSUE 218,631,179 COMMON SHARES TO ACQUIRE COCHON PROPERTIES, LLC, AND MORRISON WELL SERVICES, LLC**

CALGARY, ALBERTA (May 14, 2014) ROOSTER ENERGY LTD. (the “Company” or “Rooster”) ([www.roosterenergy.com](http://www.roosterenergy.com)) (TSXV: COQ) previously announced that it had entered into: (i) a membership interest contribution agreement (the “**Cochon Agreement**”) dated March 7, 2014 with the members of Cochon Properties, LLC (“**Cochon**”) to acquire 100% of the membership interests in Cochon (the “**Cochon Acquisition**”); and (ii) a membership interest contribution agreement (the “**Well Services Agreement**”) and, together with the Cochon Agreement, the “**Agreements**”) dated March 7, 2014 with Morrison Energy Group, LLC, (“**MEG**”) to acquire 100% of the membership interest in Morrison Well Services, LLC (“**Well Services**”) (the “**Well Services Acquisition**”). The Well Services Acquisition together with the Cochon Acquisition, are hereinafter referred to as the “**Transaction**”.

The Transaction contemplates the purchase of Well Services for US\$95 million and Cochon for US\$30 million, for aggregate consideration of US\$125 million (the “**Purchase Price**”), subject to adjustments for working capital. The Purchase Price will be comprised of US\$115 million in common shares of Rooster (the “**Rooster Common Shares**”), of which US\$85 million will be in respect of Well Services and the remaining US\$30 million will be in respect of Cochon, and US\$10 million in cash, all in respect of Well Services.

The Agreements provide that the number of Rooster Common Shares issued to satisfy the Rooster Common Share portion of the Purchase Price will equal that number obtained by dividing US\$115 million by the average daily closing price for the Rooster Common Shares for the twenty (20) consecutive trading days on which shares are actually traded and quoted on the TSX Venture Exchange (the “**TSXV**”) ending on and including the date that is ten (10) business days prior to the special shareholder meeting to approve the Transaction (the “**Meeting**”), provided that for the purposes of the exchange ratio the closing price of such Rooster Common Shares shall be subject to a minimum price of Cdn\$0.40 and a maximum price of Cdn\$0.70.

The average daily closing price for the Rooster Common Shares for the twenty (20) consecutive trading days on which shares were actually traded and quoted on the TSXV ending on and including May 2, 2014 (i.e., 10 business days prior to the Meeting) was Cdn\$0.577 per share and US\$0.526 per share after considering an average currency exchange rate (US\$/Cdn\$) of \$0.911. As a result, upon closing of the Transaction, a total of 218,631,179 Rooster Common Shares will be issued to satisfy the Rooster Common Shares portion of the Purchase Price. Cochon members will receive a total of 57,034,221 Rooster Common Shares and MEG will receive 161,596,958 Rooster Common Shares.

### **Conditions to Completion of the Transaction**

The Transaction constitutes a reviewable transaction under Policy 5.3 of the TSXV and, accordingly, is subject to final acceptance by the TSXV. The Transaction is also subject to certain other conditions set out in the Agreements, including: (i) that all of the requirements to closing each of the Well Services Acquisition and Cochon Acquisition shall have been satisfied including but not limited to the payment of US\$10 million to MEG; (ii) minority approval by the Rooster Shareholders of the Transaction; and (iii) certain other customary closing conditions for a transaction of this nature.

## **ABOUT ROOSTER ENERGY LTD.**

The Company is a Houston, Texas, based independent oil and natural gas exploration & production company focused on the development of resources in the shallow waters of the Gulf of Mexico adjacent to the states of Louisiana and Texas. At December 31, 2013, the primary assets of the Company consist of interests in 19 producing oil and/or natural gas wells and 14 oil and gas leases. The Company is the operator of the majority of its properties and daily oil and gas production.

Investors are welcome to visit our website at [www.roosterenergy.com](http://www.roosterenergy.com) or contact the following for all corporate updates and investor inquiries:

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## **Caution**

*Completion of the Transaction is subject to a number of conditions, including final TSXV approval and approval of the Rooster Shareholders. The Transaction cannot close until the required Rooster Shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the circular of Rooster prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Rooster should be considered highly speculative.*

*The TSXV has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.*

## **Forward Looking Information and Statements**

*Certain statements and information in this press release are forward-looking statements, including statements made with respect to: the Transaction; and the completion of the Transaction; ; and other matters.*

*The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Rooster that are subject to inherent risks and uncertainties and other factors that may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Such factors include expectations and assumptions concerning timing of receipt of the required regulatory approvals, the satisfaction of other conditions to the completion of the Transaction, the parties' ability to close the Transaction and within the currently anticipated timeline; risks associated with the oil and gas industry (e.g. 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), commodity prices and exchange rates.*

*Although Rooster believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Rooster can give no assurance that they will prove to be correct. The Transaction may not be completed on the terms described or at all.*

*Rooster's forward-looking statements are qualified in their entirety by these cautionary statements. The forward-looking statements contained in this document are made as of the date hereof and Rooster undertakes no obligation to update publically or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities law.*

**NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICE PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THE RELEASE.**