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ROOSTER ENERGY LTD. ANNOUNCES PROPOSED OFFERING OF US\$100 MILLION OF SENIOR SECURED NOTES AND PROVIDES OPERATIONAL UPDATES AND GUIDANCE

CALGARY, ALBERTA (July 17, 2014) ROOSTER ENERGY LTD. (the “**Company**” or “**Rooster**”) (www.roosterenergy.com) (TSXV: COQ) today announced that it intends to commence a private offering to eligible purchasers, subject to market and other conditions, of US\$100 million in aggregate principal amount of senior secured notes due 2019. The Company intends to use the net proceeds from the proposed offering to repay existing indebtedness, fund the cash portion of the acquisition of all of the membership interest of Morrison Well Services, LLC, and (“**Well Services**”) and for general corporate purposes. The Company will issue a comprehensive press release with further details regarding the issuance of the notes once pricing of the notes has been determined.

The notes to be offered have not been registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws and, unless so registered, may not be offered or sold in the United States or to U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The notes also will not be qualified for public distribution under the securities laws of any Canadian jurisdiction and may not be offered or sold in Canada, except pursuant to an exemption from the prospectus requirements of such laws.

The notes will be offered only to persons reasonably believed to be qualified institutional buyers in the United States in reliance on Rule 144A under the Securities Act and non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act.

This announcement shall not constitute an offer to sell or the solicitation of an offer to buy the notes, nor shall there be any sale of the notes, in any state, province or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state, province or other jurisdiction.

Robert P. Murphy, President & Chief Executive Officer, comments that “we are very excited to announce the proposed note offering. Proceeds from this notes offering, combined with the proposed new credit facility, will enable Rooster to fully execute on its 2014 drilling and recompletion program. Concurrent with the closing of the proposed notes offering, Rooster will consummate the acquisitions of Cochon and Well Services that was approved by a special shareholders’ vote on May 16, 2014. The acquisition of Cochon along with Well Services creates a vertically-integrated “cradle to grave” oil & gas producer that enables Rooster to continue its strategy of near infrastructure exploration and development with the added ability to dismantle the infrastructure in a timely and efficient manner. Well Services, an established leader for well abandonment services in the Gulf, will be a key enabler for Rooster to continue its near infrastructure strategy while still providing the same safe and efficient plug and abandonment services for existing and new clients in the Gulf of Mexico and beyond.”

Operational Update

Proposed New Credit Facility

The Company also announced today that it has received a proposal for a new revolving credit facility (the “**New Credit Facility**”) of up to US\$25.0 million from Wells Fargo Bank, National Association, which will be secured by a first priority lien on substantially all of our assets and those of our subsidiaries

including Well Services and Cochon Properties, LLC, (“**Cochon**”) once our acquisition of same are complete. We expect the New Credit Facility will provide us and our subsidiaries with an initial borrowing base of approximately US\$11.5 million based solely upon a recent evaluation of eligible assets of Well Services. Further borrowing capacity is expected to be made available dependent upon the lender’s review of oil and gas collateral of our subsidiaries. The New Credit Facility is expected to be finalized and made available substantially concurrently with the issuance of the notes, but remains subject to satisfactory completion of lender due diligence and credit and security documentation. Accordingly, the availability of the New Credit Facility is not a condition to the closing of the notes and there is no assurance the New Credit Facility will be made available on the terms described or at all following issuance of the notes.

Extension of Membership Interest Contribution Agreements

On March 7, 2014, the Company announced that it entered into two separate Membership Interest Contribution Agreements to acquire all of the ownership of Well Services and Cochon which acquisitions were subsequently approved by the shareholders on May 16, 2014. The Company is pleased to announce that it has entered into agreements with the members of Cochon and Well Services to extend the time to close its acquisitions of Well Services and Cochon from July 7, 2014 until August 15, 2014. It is expected that the acquisitions will close on or about the same time as the sale of the US\$100 million senior secured notes but the acquisitions are not conditioned upon the sale of the notes.

Extension of Limited Consent

In order to enter into the membership interest contribution agreements for Well Services and Cochon, the Company obtained the consent of the holders of its current first priority secured notes in the amount of US\$22.5 million pursuant to a limited consent and forbearance agreement dated March 7, 2014 (the “**Limited Consent**”). Therein, the holders of the notes and the Company acknowledged that at the end of fourth quarter of 2013, the Company was in existing and continuing default of the collateral coverage ratio covenant of the notes (the “**Specified Default**”) and in order to allow for the acquisition of Cochon and Well Services, the Limited Consent provides that, the holders of the notes will forbear from exercising certain rights and remedies under its loan agreements in respect of the Specified Default until, among other things, payment in full of the obligations owed to the holders by the Company or July 7, 2014. The Company has entered into an agreement with the holders extending from July 7, 2014 to August 31, 2014 the date of the Limited Consent.

Acquisition of Additional Interest in Vermilion 376 and Settlement of Litigation

On July 16, 2014, the Company acquired an additional 25% working interest in the Vermilion 376 #A-3 and #A-4 wells which are operated by the Company in consideration of payment of the sum of US\$3,500,574. The seller of the interest retained a first priority mortgage and security interest on the working interest pending payment in full by the Company. The working interest was acquired pursuant to the terms of settlement of that certain litigation the Company has been involved with concerning its 2012 assignment of the interest to an affiliate of the seller.

Second Quarter Pro Forma Guidance

While we have not yet finalized our second quarter 2014 results, set forth below are certain preliminary estimates of our results of operations for that period and the comparable prior period assuming completion of the acquisitions of Well Services and Cochon. These estimates are subject to completion of our financial closing procedures and therefore may be subject to revision. Our independent auditors,

Collins Barrow Calgary LLP, have not audited, reviewed, compiled or otherwise verified the accuracy of these estimates. These estimates are not a comprehensive statement of our financial results for the months of second quarter of 2014 and our actual results may differ materially from these estimates as a result of the completion of our financial closing procedures, final adjustments and other developments arising between now and the time that our financial results for this period are finalized.

Pro forma revenues for the second quarter ended June 30, 2014, assuming completion of the acquisitions, are expected to be between US\$28.0 million and US\$31.0 million, compared to US\$16.1 million for the quarter ended March 31, 2014. Increased revenues were primarily driven by the start-up of production at West Delta 44/45, improved utilization at Well Services and the initiation of our 2014 plugging & abandonment program at offshore fields that Cochon purchased from Nexen Petroleum Offshore U.S.A. Inc. and Nexen Petroleum U.S.A. Inc. Pro forma production is expected to average between 2,400 Boe/d and 2,500 Boe/d for the second quarter ended June 30, 2014, compared to 1,822 Boe/d for the quarter ended March 31, 2014; our pro forma 7-day average daily net production at June 30, 2014 was approximately 3,300 Boe/d. Pro forma Adjusted EBITDAX is expected to be between US\$9.0 million and US\$11.0 million for the second quarter ended June 30, 2014, compared to US\$3.3 million pro forma for the first quarter ended March 31, 2014.

Refiling of First Quarter Financial Materials

The Company also announces that it has filed Amended Condensed Interim Consolidated Financial Statements of the Company for the Three Months Ended March 31, 2014 and 2013 and corresponding Amended Management's Discussion and Analysis (the "**Q1 Filings**"). In the context of the review by the Company's auditors of the Q1 filings in connection with the offering of notes, the Q1 filings have been amended and restated to include disclosure of certain events subsequent to March 31, 2014.

ABOUT ROOSTER ENERGY LTD.

Rooster Energy Ltd. 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. At March 31, 2014, our primary assets consist of interests in 20 producing oil and/or natural gas wells and 14 federal leases or blocks. 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 or contact the following for all corporate updates and investor inquiries:

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Caution to Reader

Forward Looking Information and Statements

Certain statements and information in this press release are forward-looking statements, including statements made with respect to the note offering, the New Credit Facility and the acquisitions and the completion of the same.

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 note offering, the New Credit Facility and the acquisitions, the parties' ability to close the note offering, the New Credit Facility and the acquisitions 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 note offering, the New Credit Facility and the acquisitions 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.

Financial outlook information contained in this press release about prospective results of operations, financial position or cash flows 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 such financial outlook information contained in this press release should not be used for purposes other than for which it is disclosed herein.

Non-GAAP Measures

Certain financial measures presented in this press release such as EBITDAX and Adjusted EBITDAX were derived based on methodologies other than in accordance with GAAP. EBITDAX and Adjusted EBITDAX are not alternative measures of operating results of cash flows from operations. We have included EBITDAX and Adjusted EBITDAX because we believe they are indicative measures of operating performance and are used by investors and analysts to evaluate companies with our capital structure. As presented by us, EBITDAX and Adjusted EBITDAX may not be comparable to similarly titled measures reported by other companies. EBITDAX and Adjusted EBITDAX should be considered in addition to, not as a substitute for, operating income, net income (loss), cash flow and other measures of financial performance and liquidity reported in accordance with GAAP.

Note Regarding BOE

The term barrel of oil equivalent (“Boe”) may be misleading, particularly if used in isolation. A conversion ratio for gas of 6 Mcf/1 Boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is misleading as an indication of value.

Notice to Readers

This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been and will not be registered under the Securities Act, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and other applicable securities laws.

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