

## **ROOSTER ENERGY ENTERS INTO SECOND AMENDMENT AND WAIVER OF NOTE PURCHASE AGREEMENT AND ANNOUNCES DECOMMISSIONING CONTRACT**

CALGARY, ALBERTA (July 18, 2016) ROOSTER ENERGY LTD. (or the “Company”) ([www.roosterenergy.com](http://www.roosterenergy.com)) (TSXV: COQ) today announces that effective June 30, 2016, it entered into a Second Amendment and Waiver to the Amended and Restated Note Purchase Agreement (the “Second Amendment”) pursuant to which it issued senior secured notes in the amount of US\$60 million (the “Notes”) due on June 25, 2018.

The Notes are secured by a first priority security interest, lien and mortgage on all of the assets of the Company. Pursuant to the Second Amendment, the EBITDA and leverage ratio covenants of the credit facility are waived for the fiscal quarter ending September 30, 2016, and the asset coverage ratio covenant is waived for the fiscal quarter ending December 31, 2016. The scheduled loan amortization has been waived for the remainder of fiscal year 2016, and replaced with a requirement for principal repayments summing to no less than \$7,532,000 for the six months ending December 31, 2016. The Notes will continue to bear interest at a rate equal to Libor + 11.5% per annum (minimum of 13.0%) with interest payments due monthly; the Notes will also continue to bear additional interest for the term of the waiver period at the rate of eight percent (8.0%) per annum that shall be payable in kind. Lastly, the Company has agreed to enter into fixed price commodity swap agreements covering 50% of its estimated proved developed producing natural gas production for a 24 month period, thru August 2018.

The Company is also pleased to announce that it has entered into a new decommissioning contract in the Gulf of Mexico. Total revenues under the “lump sum” contract will be approximately \$22 million when the work is completed. The work is scheduled to commence in August, 2016.

Robert P. Murphy, Chief Executive Officer, commented “the Second Amendment demonstrates our lenders’ confidence in the Company’s ability to implement its unique strategy during this low commodity price environment. This new contract reflects the demand for creative business solutions for decommissioning oil and gas fields and will provide a beneficial source of revenue in 2016. Additionally, the Company continues to evaluate new business opportunities from both the production and decommissioning arenas during this unique, but challenging time in our industry.”

If the Company is unable to restructure the financial and performance covenants of the credit facility or extend the term of the waiver on or before the end of the fiscal quarter ending December 31, 2016, then the Company may be in default of one or more of the covenants and in that event the holders of the Notes may exercise their remedies against the Company. No assurances can be given that the Company will be able to reach agreement with the holders of the Notes on the consequences of any possible default at that time and in that event the Company may not be able to continue as a going concern.

## **ABOUT ROOSTER ENERGY LTD.**

Rooster Energy Ltd. is a Houston, Texas, based vertically integrated oil and gas exploration 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 oil and gas assets consist of producing oil and gas wells located on US federal and state oil and gas leases and service company assets consisting of rigless well plugging and abandonment/intervention units.

Investors are welcome to visit our website at [www.roosterenergyltd.com](http://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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