

## **ROOSTER ENERGY LTD.**

August 28, 2013

### **ROOSTER ENERGY ANNOUNCES SECOND QUARTER 2013 FINANCIAL AND OPERATING RESULTS**

CALGARY, ALBERTA (August 28, 2013) ROOSTER ENERGY LTD. (the “Company” or “Rooster”) ([www.roosterenergy.com](http://www.roosterenergy.com)) (TSXV: COQ) is pleased to announce it has filed on SEDAR ([www.sedar.com](http://www.sedar.com)) its unaudited interim financial statements, and related Management Discussion and Analysis (“MD&A”) for the three and six months ended June 30, 2013 (“Q2 2013”). Selected financial and operational information for Q2 2013 and subsequent thereto is outlined below and should be read in conjunction with the financial statements and related MD&A.

#### **Q2 2013 HIGHLIGHTS**

- **Production Increased 22% Year-Over-Year to 2,315 boe/day (40% Liquids)**
- **EBITDAX of \$6.2 Million vs. \$2.2 Million in Q2 2012**
- **Two Recent High Bid, Offshore Gulf of Mexico Acreage Blocks Awarded**
- **Completion Operations Underway at High Island Block A-494 #B-4 Well**

Robert P. Murphy, President & Chief Executive Officer, comments that “the Company’s operating results continue to benefit from the execution of strategic decisions made in 2012. Production volumes increased 22% from year-ago levels due primarily to: 1) Rooster’s successful three-well exploratory and developmental drilling program at Vermilion Block 376 completed in June, 2012; and 2) increased production volumes at East Cameron Block 37 resulting from a major work over on an existing non-producing well, which was acquired in the takeover of Probe Resources Ltd in April, 2012.

The Bureau of Ocean Energy Management has awarded the Company both of the leases it bid at the Central Gulf of Mexico Lease held in March 2013. With these two new leases, and two leases acquired in 2012, Rooster has expanded its acreage position over 18,000 net acres in the Gulf of Mexico over the past year. Following the Company’s strategy to maximize the value of its existing infrastructure, the majority of this new acreage is located adjacent to Company operated production facilities allowing for rapid turnover time from drilling to production for the newly exploited acreage.

Rooster has drilled its High Island Block A-494 #B-4 exploratory well to 14,796’ measured depth and has logged multiple apparent zones of interest. Completion operations are underway to test the commercial viability of the well. Results should be known by the end of September, 2013. The #B-4 well was drilled from an existing operated production platform and if successful could be on production in Q4 2013. The Company operates and owns a 75% working interest in the well. We remain excited about the Company’s future growth potential and look forward to growing reserves and production in the remainder of 2013 and into 2014.”

## SUMMARY FINANCIAL RESULTS

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2013	2012	2013	2012
<b>Sales</b>				
Oil (Bbl)	76,498	30,903	151,063	57,181
NGL (Bbl)	8,816	6,483	18,691	8,413
Natural gas (Mcf)	752,227	811,970	1,698,390	1,127,483
Total (BOE/day) <sup>(a)</sup>	2,315	1,898	2,502	1,393
<b>Revenue</b>	\$ 10,731,229	\$ 5,403,881	\$ 22,289,783	\$ 9,161,802
Total costs and expenses	7,103,388	5,873,134	19,008,695	11,715,853
Operating income (loss)	3,627,841	(469,253)	3,281,088	(2,554,051)
Unrealized loss on financing warrants	(1,515,000)	-	(1,464,000)	-
Finance expenses <sup>(b)</sup>	(1,295,045)	(149,838)	(2,564,765)	(361,660)
<b>Income (loss) before tax expense</b>	817,796	(619,091)	(747,677)	(2,915,711)
Deferred tax expense (recovery)	759,000	-	(85,000)	-
<b>Income (loss)</b>	58,796	(619,091)	(662,677)	(2,915,711)
Income (loss) per share				
Basic	0.00	(0.01)	(0.01)	(0.03)
Diluted	0.00	(0.01)	(0.01)	(0.03)
Capital expenditures	\$ 9,677,716	\$ 15,612,345	\$ 9,920,031	\$ 30,226,964
<b>EBITDAX<sup>(c)</sup></b>	\$ 6,186,928	\$ 2,217,349	\$ 13,171,150	\$ 764,934

(a) Gas volumes are converted to BOE on the basis of 6 Mcfe per 1 barrel.

(b) Finance expense includes accretion for asset retirement obligations.

(c) EBITDAX is a non-IFRS measure commonly used in the oil and gas industry. Such measures do not conform to IFRS and may not be comparable to those reported by other companies nor should they be viewed as an alternative to other measures of financial performance calculated in accordance with IFRS. The company defines EBITDAX as net income before finance expense, taxes, depreciation, amortization, accretion, exploration and evaluation, bad debt, impairments, stock-based compensation, and the non-cash portion of plug and abandonment expense.

## ABOUT ROOSTER ENERGY LTD.

The Company is an independent oil and natural gas exploration and production company based in Houston, Texas that is focused on the development of resources in the shallow waters of the U.S. Gulf of Mexico. At June 30, 2013, our primary assets consist of interests in 17 producing oil and/or natural gas wells and interest in 19 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](http://www.roosterenergy.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 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 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 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.*

### *Note Regarding BOEs*

*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.*

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