

ROOSTER ENERGY ANNOUNCES SECOND QUARTER 2016 FINANCIAL RESULTS

CALGARY, ALBERTA (August 29, 2016) ROOSTER ENERGY LTD. (the “Company”) (www.roosterenergyltd.com) (TSXV: COQ) is pleased to announce it has filed on SEDAR (www.sedar.com) its interim financial statements and management discussion and analysis (MD&A) for the second quarter ended June 30, 2016 (“Q2 2016”).

HIGHLIGHTS:

- **Q2 2016 EBITDAX \$3.7 million**
- **Q2 2016 Production Averaged 1,893 BOEPD**
- **Decommissioning Activity Sees Seasonal Increase in Q2 2016 compared to Q1 2016**

In the Oil & Gas segment, production averaged 1,893 boepd in Q2 2016, down 39% from year-ago levels as the Company shut-in and began to abandon three fields. The decline in sales volumes, combined with significantly lower commodity prices, resulted in a 54% drop in oil and gas revenues in Q2 2016 to \$3.1 million. The Oil & Gas segment reported EBITDAX of \$0.2 million in Q2 2016 compared to \$2.7 million in Q2 2015.

Well Services segment utilization averaged 25% in Q2 2016 compared to 42% last year. Utilization continued to be hindered by lower spending on plugging & abandonment projects by external clients. Segment revenues fell 22% in Q2 2016 to \$4.9 million compared to \$6.3 million in Q2 2015. Well Services was able to offset low external utilization by increased activity related to its internal decommissioning contracts. The segment reported EBITDAX of \$4.6 million in Q2 2016, in line with Q2 2015. On a consolidated basis, the Company generated EBITDAX of \$3.7 million in Q2 2016 compared to \$5.8 million in Q2 2015.

Robert P. Murphy, Chief Executive Officer, commented that “while the improvement in commodity prices over the last few months has offered some relief, the operating environment remains challenging. Despite lower oil & gas production and lower Well Services utilization, the Company’s efforts to right-size its cost structure has resulted in a 42% drop in operating expenses over the first half of the year. These efforts, combined with our team’s ongoing execution of decommissioning contracts, have enabled the Company to withstand the operating environment while generating positive cash flow (\$10 million of EBITDAX over the first half of the year) and continue servicing our Senior Secured Notes.

In June, 2016, the Company entered into a \$21.8 million turnkey decommissioning contract in the Gulf of Mexico. The work, which commenced in August, 2016, is expected to be completed by the end of the year. The Company also continues to evaluate acquisition opportunities from both the production and decommissioning arenas where we believe our hybrid strategy offers a competitive advantage.”

SUMMARY OF OPERATING AND FINANCIAL RESULTS FOR Q2 2016

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Oil & Gas Sale Volumes				
Crude oil (Bbls)	27,614	75,873	60,706	138,115
NGLs (Bbls)	20,272	11,498	46,205	25,165
Natural gas (Mcf)	746,064	1,180,441	1,484,356	2,413,729
Total (BOE) ^(a)	172,231	284,111	354,304	565,568
Daily (BOE per day) ^(a)	1,893	3,122	1,947	3,125
Financials				
Revenues	\$ 8,208,483	\$ 10,625,832	\$ 14,758,202	\$ 25,099,352
Operating Expenses	(8,450,556)	(14,744,121)	(16,519,468)	(28,548,024)
Operating income (loss)	(242,073)	(4,118,289)	(1,761,266)	(3,448,672)
Gain on asset retirement obligation	1,807,484	2,308,657	1,746,401	3,359,099
Unrealized gain on financing warrants	-	-	-	1,000
Finance expenses ^(b)	(3,267,741)	(3,114,069)	(6,795,243)	(6,148,382)
Income before income taxes	(1,702,330)	(4,923,701)	(6,810,107)	(6,236,955)
Deferred income tax expense (recovery)	(577,599)	(1,396,000)	(2,356,000)	(1,791,000)
Net income (loss)	\$ (1,124,731)	\$ (3,527,701)	\$ (4,454,107)	\$ (4,445,955)
Net income (loss) per share				
Basic	0.00	(0.01)	(0.01)	(0.01)
Diluted	0.00	(0.01)	(0.01)	(0.01)
Weighted average shares outstanding				
Basic	324,099,502	324,099,502	324,099,502	324,099,502
Diluted	324,099,502	324,099,502	324,099,502	324,099,502
EBITDAX ^(c)				
Oil & Gas	\$ 159,472	\$ 2,626,773	\$ 6,911,414	\$ 7,256,848
Well Services	4,647,074	4,607,962	4,791,542	4,674,205
Corporate allocation & eliminations	(1,154,458)	(1,455,890)	(1,491,986)	(2,319,001)
Total EBITDAX	\$ 3,652,089	\$ 5,778,845	\$ 10,210,971	\$ 9,612,052

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

(b) Finance expenses include accretion for asset retirement obligations.

(c) EBITDAX is a non-IFRS measure commonly used in the oil and gas industry; see MD&A.

As previously disclosed, effective June 30 2016, the Company entered into the Second Amendment and Waiver to the Amended and Restated Note Purchase Agreement, which extended the waiver for the financial and performance covenants associated with the Senior Secured Notes for the third and fourth fiscal quarters of 2016. Absent a prior default, if the Company is unable to restructure the covenants or extend the term of the waiver on or before December 31, 2016, then the Company will be in default of one or more of the loan covenants and the outstanding balance will become current; in that event the holders of the senior secured indebtedness 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 indebtedness 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 US 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 the well service assets consists primarily of rigless well plugging and abandonment/intervention units.

Investors are welcome to visit our website at www.roosterenergyltd.com or contact the following for all corporate updates and investor inquiries:

Gary Nuschler, Jr.

Chief Financial Officer

Rooster Energy Ltd.

16285 Park Ten Place, Suite 120

Houston, Texas, USA 77084

Telephone: (832) 463-0625

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.

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.

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.