

## **ROOSTER ENERGY ANNOUNCES THIRD QUARTER 2016 FINANCIAL RESULTS**

CALGARY, ALBERTA (November 30, 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 third quarter ended September 30, 2016 (“Q3 2016”).

### **HIGHLIGHTS:**

- **Q3 2016 EBITDAX Totaled \$5.0 Million, Up 59% From Q3 2015**
- **Year-To-Date EBITDAX Totaled \$15.2 Million, Up 19% From Last Year**
- **EBITDAX Growth In Q3 2016 Driven By Decommissioning Margin & Lower Costs**

Production in Q3 2016 dropped 19% from year-ago levels to 1,800 BOEPD. Lower sales volumes, lower commodity prices, and lower realized gains on commodity contracts resulted in a 66% drop in Oil & Gas segment revenues in Q3 2016 to \$3.6 million. However, lower revenues continue to be offset by lower operating expenses, which fell to a four-year low in Q3 2016. The Oil & Gas segment reported EBITDAX of \$0.3 million in Q3 2016, which compares to \$1.0 million in Q3 2015.

Well Services segment utilization averaged 36% in Q3 2016, compared to 49% in Q3 2015, a decline of 27%, as lower commodity prices continued to weigh on activity levels. As a result, Well Services revenues declined 62% in Q3 2016 to \$2.9 million. However, the decline in revenues was partially offset by a 54% drop in operating expenses. Decommissioning contracts revenues totaled \$1.8 million as the Company plugged and abandoned 12 wells and removed two platforms. The Well Services segment reported EBITDAX of \$6.2 million in Q3 2016 compared to \$4.6 million in Q3 2015.

The Company’s consolidated EBITDAX totaled \$5.0 million in Q3 2016 compared to \$3.1 million in Q3 2015. For the nine months ended September 30, 2016, consolidated EBITDAX totaled \$15.2 million compared to \$12.7 million for the same period in 2015.

The Company generated \$3.2 million of cash flow from operating activities in Q3 2016, and applied \$3.0 million towards reduction of its Senior Secured Notes. Under the terms of the Second Amendment and Waiver to Amended Note Purchase Agreement (the “Waiver”) that is governing and expires on December 31, 2016, the Company is obligated to further reduce the outstanding principal balance of the Senior Secured Notes by \$4.5 million prior to year-end.

Robert P. Murphy, Chief Executive Officer, commented that “the seasonal improvement in Well Services activity levels combined with higher commodity prices is reflected in the Q3 2016 financial results. The Company’s ongoing efforts to reduce operating expenses enabled the Oil & Gas segment to report a small profit in EBITDAX (excluding derivative contracts) when compared to Q3 2015. Diligent cost control and execution related to our decommissioning contracts resulted in a \$3.5 million gain on the settlement of asset retirement obligations. While we are pleased with the Q3 2016 financial results, the working capital deficit and non-compliance with the terms of the Waiver present immediate challenges for the Company. As a result, the Company continues to pursue refinancing and/or restructuring of the terms of its Senior Secured Notes”.

## SUMMARY OF OPERATING AND FINANCIAL RESULTS FOR Q3 2016

	For the three months ended September 30,		For the nine months ended September 30,	
	2016	2015	2016	2015
<b>Oil &amp; Gas Sale Volumes</b>				
Crude oil (Bbls)	25,485	43,334	86,191	181,449
NGLs (Bbls)	20,318	17,682	66,523	42,847
Natural gas (Mcf)	719,022	864,596	2,203,378	3,278,324
Total (BOE) <sup>(a)</sup>	165,639	205,115	519,943	770,683
Daily (BOE per day) <sup>(a)</sup>	1,800	2,230	1,898	2,823
<b>Financials</b>				
Revenues	\$ 8,284,942	\$ 18,953,043	\$ 23,043,144	\$ 44,052,395
Operating Expenses	(7,946,654)	(13,482,981)	(24,466,122)	(42,031,005)
Operating income (loss)	338,288	5,470,062	(1,422,978)	2,021,390
Gain on asset retirement obligations	3,540,549	427,574	5,286,950	3,786,673
Unrealized gain on financing warrants	-	-	-	1,000
Finance expense <sup>(b)</sup>	(3,893,617)	(3,279,103)	(10,688,860)	(9,427,485)
Income (Loss) before income taxes	(14,781)	2,618,533	(6,824,888)	(3,618,422)
Deferred income tax expense (recovery)	12,000	2,473,000	(2,344,000)	682,000
Net income (loss)	\$ (26,781)	\$ 145,533	\$ (4,480,888)	\$ (4,300,422)
Net income (loss) per share				
Basic	(0.00)	0.00	(0.01)	(0.01)
Diluted	(0.00)	0.00	(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 <sup>(c)</sup>				
Oil & Gas	\$ 287,949	\$ 1,034,888	\$ 6,944,604	\$ 4,932,637
Well Services	6,234,168	4,583,580	11,025,710	12,616,884
Corporate allocation & eliminations	(1,552,681)	(2,487,002)	(2,789,907)	(4,806,003)
Total EBITDAX	\$ 4,969,436	\$ 3,131,466	\$ 15,180,407	\$ 12,743,518

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

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

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

In late November 2016, the Company received a notice of default for non-compliance with two covenants of the Waiver and while the holders of the Senior Secured Notes did accelerate payment, they did reserve all legal rights and remedies. If the Company is unable to restructure the financial and performance covenants or extend the term of the Waiver, then the holders of the Senior Secured Notes may exercise their legal remedies against the Company. No assurances can be given that the Company will be able to reach agreement with the holders of the Senior Secured Notes on the consequences of the default and in that event the Company may not be able to continue as a going concern.

## **ABOUT ROOSTER ENERGY LTD.**

Rooster Energy Ltd. is an integrated energy company operating an Oil & Gas segment and a Well Services segment. The Oil & Gas segment assets consist of producing wells and oil and gas leases located in the shallow waters of the Gulf of Mexico, and the Well Service segment assets consists primarily of rigless well plugging and abandonment/intervention units. Investors are welcome to visit the Company 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 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.*

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