

Post Transaction, Jericho to Have More Than 75,000 Net Acres in Core Focus Area

TULSA, OK and VANCOUVER, BC--(Marketwired - August 08, 2016) - [Jericho Oil Corp.](#) ("Jericho" or the "Company") (TSX VENTURE: JCO) (OTC PINK: JROOF) announces its affiliate Eagle Road Oil, LLC (a JV with its private family partner, owned 50% by Jericho) has signed a definitive agreement with an affiliate of Enervest Ltd., to acquire operated and non-operated producing wells and drillable leaseholds in Central Oklahoma for a cash consideration of USD\$3.951 million (\$1.975 million net to Jericho), subject to customary post-closing adjustments. The asset package is in an area complementary to Jericho Oil's existing operations in Oklahoma and represents the Company's fifth acquisition within Central and Northeast Oklahoma since January 2015.

Acquisition Highlights (1):

- Eagle Road Oil, LLC acquires 91% average working interest and will assume operatorship upon closing
- The Enervest asset is comprised of 62 operated wellbores (60HZ, 2VT) and 31,200 net acres (~77% HBP) and 19 non-op wellbores
 - Operated wellbores: 21 producing wells (PDP), 41 shut-in wells (PDSI)
- The asset has 5 SWD wells tied into a 60-mile pipeline system (100% owned)
- 20 identified HZ in-fill drilling locations
- Average 1Q16 net production of 225 boepd acquired at ~\$18,000 per flowing Boe
 - 77% Liquids, 23% Gas

(1) Based on internal reserve estimates, marketing materials and preliminary internal assumptions

The acquisition is located in Noble, Pawnee, Payne and Garfield County across two contiguous land packages. All of the acquired production is located in the Noble, Pawnee, Payne tri-county region producing primarily out of the Woodford and Mississippi Lime formations. In addition to the 21 operated producing wells, there are 41 shut-in wells which Jericho will look to target through workovers, cleanouts and re-fracs as well as approximately 20 identified HZ in-fill drilling locations. The asset comes with significant in-place infrastructure ready-made for a future re-work and drilling program as commodity prices recover.

Ryan Breen, Director of Corporate Development, comments, "We continue to take advantage of the current depressed marketplace in order to set up Jericho Oil's platform to be 'the' rate of change story as oil prices recover over the next 12-24 months. Current A&D market valuations for assets in out-of-favor basins are largely underpinned by current low-oil price driven cash flows allowing the Company to acquire free development upside optionality which, over time, should drive a step change in cash flow growth" adding, "this acquisition demonstrates our commitment to acquiring high-quality assets that have generally fallen out of favor as larger institutions retrench to their core assets."

The acquisition will be funded through its newly established Senior Secured Revolving Credit Facility (the "Facility") with East West Bank. Pro-forma for the transaction, Jericho's Facility has an undrawn amount under the initial borrowing base of \$4.63mm.

The acquisition is subject to customary post-closing adjustments and has an effective date of July 1, 2016.

About Jericho Oil Corporation

Jericho is a growth-oriented oil and gas company engaged in the acquisition, development and production of overlooked and undervalued oil properties in the Mid-Continent. For more information, please visit www.jerichooil.com.

Cautionary Note Regarding Forward-Looking Statements

This news release includes certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and Canadian securities laws. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual events and results to differ materially from Jericho's expectations include risks related to the exploration stage of Jericho's project; market fluctuations in prices for securities of exploration stage companies; and uncertainties about the availability of additional financing.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact

CONTACTS:

Tony Blancato
Director, Investor Relations
(215) 383.2433
t.blancato@jerichooil.com

or

Adam Rabiner
Director, Corporate Communications
(604) 343.4534
a.rabiner@jerichooil.com