

CALGARY, ALBERTA--(Marketwired - Aug. 26, 2016) - [Lightstream Resources Ltd.](#) (the "Company" or "Lightstream") (TSX:LTS) announces that, in connection with our previously announced proposed recapitalization transaction to be implemented by way of a plan of arrangement (the "Arrangement") under the *Canada Business Corporations Act* (the "CBCA"), the Company has obtained commitments from a syndicate of lenders to provide a new CDN\$400 million revolving credit facility to the Company upon completion of the Arrangement (the "New Facility Commitments").

In conjunction with obtaining the New Facility Commitments, the Company and the ad hoc committee (the "Ad Hoc Committee") of certain holders (the "Secured Noteholders") of the Company's 9.875% second lien secured notes due 2019 (the "Secured Notes") have agreed to certain amendments to the previously announced restructuring support agreement dated July 12, 2016 (the "Support Agreement"). The amendments generally require that the Company's shareholder and noteholder meeting be moved from September 13, 2016 and be held no later than September 30, 2016, as described in further detail below, and require that the Company reach an acceptable settlement of the litigation (the "Unsecured Noteholder Litigation") with certain holders of the Company's US\$254 million of 8.625% unsecured notes due February 1, 2020 (the "Unsecured Notes") on or before September 16, 2016. If the Unsecured Noteholder Litigation is not settled in a manner satisfactory to both the Company and the Ad Hoc Committee on or before September 16, 2016, the revised Support Agreement requires the Company, subject to the consent of the Ad Hoc Committee, to discontinue the CBCA Arrangement (without having held the shareholder and noteholder meetings described below), commence proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA") and seek an initial order under the CCAA for the purposes of implementing a sale transaction under the CCAA (a "CCAA Sale Transaction") by way of a credit bid by the Secured Noteholders or other form of transaction within the CCAA proceedings acceptable to both the Company and the Ad Hoc Committee, all subject to the terms and conditions of the amended and restated Support Agreement.

A copy of the amended and restated Support Agreement will be filed under the Company's profile on SEDAR at www.sedar.com.

As contemplated by the amended and restated Support Agreement, the Company has postponed the special meetings of the holders of our common shares, the holders of the Secured Notes and the holders of our Unsecured Notes to approve the Arrangement until September 30, 2016, with an anticipated closing in early October 2016. The record dates for attendance and voting at such meeting will now be September 6, 2016. The Company intends to seek an amended Interim Order of the Court of Queen's Bench of Alberta that contemplates the amended transaction timeline.

As previously announced on August 10, 2016, the forbearance by the Company's existing lenders, under which the lenders agreed to forbear from exercising their enforcement rights and remedies arising on account of defaults under the Company's existing revolving credit facility, has expired. The Company is in ongoing discussions with our existing lenders with respect to the forbearance extension. While there is no forbearance currently in place, the lenders have not indicated to the Company that they have any current intention to exercise any enforcement rights in respect of the Company's existing credit facility. In connection with the completion of the Arrangement, the Company will use the New Facility Commitments to repay the Company's existing credit facility in full.

Readers are urged to consult the Company's press releases issued July 12, 2016, July 13, 2016, July 28, 2016, August 5, 2016 and August 10, 2016 for further details respecting the proposed recapitalization and the Arrangement.

Lightstream Resources Ltd. is an oil and gas exploration and production company focused on light oil in the Bakken and Cardium resource plays. We are committed to delivering industry leading operating netbacks, strong cash flows and consistent operating results through leading edge technology applied to a multi-year inventory of existing and emerging resource play opportunities. Our long-term strategy is to efficiently develop our assets and deliver an attractive dividend yield.

Forward Looking Information. Certain information provided in this press release constitutes forward-looking information (within the meaning of applicable Canadian securities laws). Specifically, this press release contains forward-looking information in respect of the Company's proposed Arrangement or CCAA proceedings and the matters related thereto, including the anticipated timing of the shareholder and noteholder meetings and closing of the transaction, certain milestones and other events, the current intention of the Company's lenders to not take any enforcement action and the use of the New Facility Commitments to repay the Company's existing credit facility. The forward-looking statements are based on information currently available as well as certain expectations and assumptions. Although Lightstream believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Lightstream can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks, which risks include, without limitation that the Company may not be able to complete the recapitalization, including the Arrangement or a CCAA transaction, on the timeline or on the terms currently contemplated or at all, that the Company's lenders may undertake actions to enforce their security, the recapitalization may have an effect on the Company other than what is currently anticipated, the pursuit of the recapitalization, Arrangement and related activities may divert management time and attention away from other business matters, and that the Company's business is exposed to commodity price and exchange rate fluctuations and changes in the general conditions in the oil and gas industry and in general economic conditions. In addition, the Company is exposed to each of the risks set forth in the AIF which has been filed on SEDAR and can be accessed at www.sedar.com. Except as may be required by applicable securities laws, Lightstream assumes no obligation to publicly update or revise any forward-looking information provided herein or otherwise, whether as a result of new information, future events or otherwise.

Contact

[Lightstream Resources Ltd.](#)

John D. Wright
President and Chief Executive Officer

Peter D. Scott
Senior Vice President and Chief Financial Officer

Annie C. Belecki
General Counsel
403.268.7800
403.218.6075
ir@lightstreamres.com
www.lightstreamresources.com