

Santonia Energy Closes Asset Sale and Announces Executive Appointment

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CALGARY, ALBERTA -- (Marketwired - Sep 17, 2013) - [Santonia Energy Inc.](#) ("Santonia" or the "Company") (TSX:STE) provides the following update.

Clive Asset Sale

On September 17, 2013 Santonia signed and closed an agreement for the sale of its assets in the Clive area for \$15 million in cash (of which \$1 million was previously received as a deposit) and a gross overriding royalty of up to \$10 million, subject to certain production level hurdles associated with the proposed Clive CO2 project. If certain conditions are met prior to December 1, 2014 the purchaser has the option to acquire the gross overriding royalty for \$7 million, subject to a possible extension which would result in an increased price for the gross overriding royalty.

The assets divested have the following characteristics;

Production - 470 boe/d
Q2 netback - \$33/boe
Q2 operating income - \$1.4 million
Total Wells - 342

Reserves as of Dec 31, 2012

PDP	1.1 mmboe
Proven	1.6 mmboe
Proven + Probable	2.3 mmboe

Future Development Capital (undiscounted)*

PDP	\$ 0
Proven	\$ 6.0 million
Proven + Probable	\$ 11.7 million

* no capital included for reclamation and abandonment

Financial Position

Santonia's current credit facility is \$100 million and the Company does not anticipate any immediate changes to the credit facility. Current net debt, after giving effect to the Clive proceeds, is approximately \$15 million. The Company anticipates with the balance of third quarter capital activity it will exit the quarter with net debt of \$15 - \$20 million.

Executive Appointment

Santonia is pleased to announce the addition of Mr. George Ardies as the Company's new Vice President of Exploration. Mr. Ardies brings with him nearly 20 years of geological and management experience in Western Canada working for a variety of companies, most recently as Manager of Geology for an intermediate sized, Alberta focused exploration and production company.

Santonia is a crude oil and natural gas exploration, development and production company headquartered in Calgary, Alberta, Canada. Santonia's common shares trade on the Toronto Stock Exchange under the symbol "STE".

Forward-Looking Statements

Certain information set forth in this press release contain forward-looking statements including management's assessment of future plans, including estimated net debt at the end of the third quarter of 2013. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Santonia's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, delays resulting from or the inability to obtain required regulatory approvals, inability to retain and delays in retaining drilling rigs and other services, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions and ability to access sufficient capital from internal and external sources. The foregoing list is not exhaustive. Additional information on these and other risks that could affect Santonia's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), or at Santonia's website (www.santoniaenergy.com). Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The actual results, performance or achievement of Santonia could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Santonia will derive there from. Santonia disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Barrels of Oil Equivalency

Natural gas volumes are converted to barrels of oil equivalent (boe) on the basis of 6,000 cubic feet (mcf) of gas for 1 barrel (bbl) of oil. The term "barrels of oil equivalent" may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf to 1 bbl 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 different than the energy equivalency of the 6:1 conversion ratio, utilizing the 6:1 conversion ratio may be misleading as an indication of value.

Reserves

Reserve disclosure herein is based on the reserve evaluation prepared by GLJ Petroleum Consultants effective December 31, 2012. The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

Contact

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