Long Run Exploration Ltd. and Crocotta Energy Inc. Announce Completion of Arrangement

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CALGARY, Aug 6, 2014 - Long Run Exploration Ltd. ("Long Run" or the "Company") (TSX:LRE) and Crocotta Energy Inc. ("Crocotta") (TSX:CTA) are pleased to announce the successful completion of the previously announced acquisition of Crocotta pursuant to a plan of arrangement (the "Arrangement") under the provisions of the Business Corporations Act (Alberta). The Arrangement was approved by greater than a 99% majority of the Crocotta shareholders who voted on the Arrangement and by greater than a 99% majority of the Long Run shareholders who voted on the issuance of the Long Run common shares in connection therewith. The Arrangement also received approval of the Court of Queen's Bench of Alberta today.

Pursuant to the Arrangement, Long Run has acquired all of the issued and outstanding common shares of Crocotta. Crocotta shareholders received a combination of Long Run common shares as well as common shares and warrants of a newly established Montney-focused exploration company called Leucrotta
ExploreCo") to be led by Crocotta's previous management team. For each Crocotta share held, shareholders of Crocotta will receive 0.415 of a Long Run common share, one common share of ExploreCo, and 0.2 arrangement warrants of ExploreCo. Each arrangement warrant entitles the holder to purchase one ExploreCo common share at a price of \$1.70 for a period of 30 days following closing of the Arrangement. The assets excluded from Long Run's acquisition of Crocotta (the "Sold Assets") consist of Crocotta's assets in northeast British Columbia and northwest Alberta, which were transferred to ExploreCo in connection with the Arrangement.

Under the Arrangement, Long Run issued approximately 44 million common shares of Long Run and assumed \$115 million of Crocotta net debt, inclusive of transaction costs. The transaction implies a value of approximately \$346 million for Crocotta (excluding the Sold Assets). After giving effect to the Arrangement, Long Run has approximately 193 million common shares outstanding. Concurrent with the closing of the Arrangement, Long Run's credit facilities have been increased to \$695 million from the previous \$575 million. Immediately following completion of the Arrangement, Long Run and Crocotta amalgamated and continued under the name "Long Run Exploration Ltd."

It is anticipated that Crocotta common shares will be delisted from trading on the TSX in the next few days. Crocotta shareholders who have not already done so should submit their certificates representing Crocotta common shares to CST Trust Company, the depositary agent pursuant to the Arrangement, together with applicable letters of transmittal in accordance with the instructions set out therein in order to receive the Long Run common shares, ExploreCo common shares and ExploreCo arrangement warrants that they are entitled to receive pursuant to the Arrangement. Letters of transmittal were previously sent to Crocotta shareholders and additional copies may be obtained by contacting CST Trust Company by telephone at 1-800-387-0825 or by email at inquiries@canstockta.com.

The Crocotta acquisition gives Long Run a major presence in the strategic oil and liquids-rich natural gas Deep Basin fairway at Pine Creek, focusing on the Cardium and Bluesky formations. This acquisition, in concert with the Deep Basin acquisition which closed on May 30, 2014, creates a new core area which will provide exploration and development opportunities and adds strategic ownership in gathering and processing infrastructure.

For the remainder of 2014, as part of its strategic business plan, Long Run will continue to focus on actively managing its portfolio of properties, improving operational efficiencies and maintaining a strong capital structure. As announced on June 12, 2014, Long Run expects 2014 production to average 32,100 BOE/d (50% oil + NGLs).

Macquarie Capital Markets Canada Ltd. acted as financial advisor to the board of directors of Long Run with respect to the Arrangement and Scotiabank and FirstEnergy Capital Corp. acted as strategic advisors. National Bank Financial Inc. acted as financial advisor to the board of directors of Crocotta with respect to the Arrangement and Haywood Securities Inc. acted as financial advisor to the special committee of the board of directors of Crocotta with respect to ExploreCo. GMP Securities LP acted as strategic advisor to Crocotta and Paradigm Capital Inc. acted as strategic advisor to ExploreCo.

Long Run is a Calgary-based intermediate oil and natural gas company focused on light-oil development and

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exploration in western Canada. For further information about Long Run, visit the Company's website at www.longrunexploration.com.

Advisories

Certain information contained in this press release constitutes forward-looking information or statement including, without limitation, Long Run's expected 2014 average production. By their very nature, forward-looking information and statements involve inherent risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward-looking information and statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to vary materially from the forward-looking information or statements. Crocotta does not assume responsibility for the accuracy and completeness of the forward-looking information or statements and such information and statements should not be taken as guarantees of future outcomes. Subject to applicable securities laws, neither Long Run nor Crocotta undertakes any obligation to revise these forward-looking information or statements to reflect subsequent events or circumstances. Furthermore, the forward-looking information contained in this press release is made as of the date of this document and neither Long Run nor Crocotta undertakes any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking information and statements contained in this press release are expressly qualified by this cautionary statement.

Barrels of oil equivalent ("BOE") may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of crude oil 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 from the energy 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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