Canamax Announces Expanded Capital Expenditure Program and Increased Credit Facilities

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CALGARY, AB -- (Marketwired - September 19, 2014) - Canamax Energy Ltd. ("Canamax" or the "Company") (TSX VENTURE: CAC) is pleased to announce that the Company's board of directors has approved an increased capital expenditure program for the period from June 2014 through to December 31, 2014 to approximately $20.5 million from the previously announced $14.0 million. The increase partially reflects additional drilling at Flood and Retlaw as a result of positive results from the current drilling program. The additional capital expenditures will be financed from proceeds of a $2.4 million property disposition that occurred in early September and through increased bank credit facilities.

Expanded Capex Program

The planned, additional $6.5 million in capital expenditures for the period from June - December 2014 is broken down as follows:

Core Area	Description	Working interest	Net cos ($000
Flood	Drill & complete 2 additional vertical wells	100%	$1,700
	Increased costs of expanded infrastructure	100%	$1,200
	Increased well re-completion costs	100%	$500
	Additional property acquisitions, GORR buyout	100%	$800
Retlaw	Drill and complete 1 new vertical well	100%	$1,000
	Increased well re-completion costs, property acquisitions	100%	$800
Wapiti	Additional tie-in costs for a previously budgeted well	70%	$500
		TOTAL	$6,500

**Note: a further $0.7 million of capital expenditures carried over from May 2014 was incurred in June and July 2014.*

As a result of drilling the additional wells at Flood and Retlaw, Canamax is raising its targeted December 31, 2014 production exit rate to be in the range of 1,575 to 1,675 boe/d -- an increase from the previous target of 1,500 - 1,600 boe/d.

Flood

As previously announced, Canamax had positive results from the two wells drilled at Flood in June and July (which came on production in late July) and the recent re-completions of three producing wells which were acquired as part of a property acquisition in the area this past spring. As a result of the success of its drilling and re-completion programs, the Company is increasing the number of wells to be drilled in Flood this fall to eight, from the previously planned six wells. Drilling of the first six wells commenced in mid-September (ahead of schedule), with the first three wells scheduled to be completed by the end of September and the remaining three wells scheduled to be completed prior to the end of October. The two additional wells are scheduled to be drilled prior to the end of the year.

As a result of better than expected production levels at Flood, and to provide for an increased overall development in the area, Canamax has re-sized the gathering and water disposal infrastructure in the area, including installation of a free water knock-out system at the Company's central battery. This infrastructure construction has just commenced, with a targeted completion date by the end of November. Once all of the area wells are tied into the gathering system, significant reductions in operating costs are expected to be realized.

Retlaw

As a result of the successful recompletion of several wells re-in Retlaw, Canamax is planning to drill a vertical well prior to year-end targeting Glauconite oil. If this well is successful, there are additional, potential drilling locations in the area.

Wapiti

The Company's initial capital program at Wapiti included the drilling of a horizontal Cardium oil well (net 0.7), scheduled for this October. This well is a follow-up to the initial Cardium earning well drilled in March 2014 as part of a farm-in agreement. As a result of capacity constraints at the originally planned pipeline tie-in point, Canamax will have to re-route the natural gas production to an alternative tie-in point which will cost approximately $0.5 million (net) more than originally budgeted.

Property Disposition

Effective September 1, 2014, Canamax sold its Delta West property in southwest Saskatchewan for proceeds of $2.4 million. This non-core property (acquired as part of the Ki Exploration acquisition on April 30, 2014) was producing approximately 50 bbl/d of medium crude at the sale date.

Increased Banking Facilities

In July 2014, Canamax announced the establishment of a $6 million credit facility with the National Bank of Canada. As a result of increased production levels and reserve additions, this facility has recently been increased to $10 million. The facility will be used to finance a portion of the Company's capital expenditure program for the remainder of 2014.

Change in year-end

The directors of Canamax recently approved a change in the Company's year-end from the current February 28 to December 31. The calendar year-end will better align the Company with its industry peers. As a result, Canamax will have a ten-month stub period ended December 31, 2014 this year, and regular twelve-month calendar fiscal periods going forward.

About Canamax

Canamax is a junior oil and gas company in the business of consolidating micro-cap oil and gas companies and exploiting low risk development opportunities in the Western Canadian Sedimentary Basin.

(Not for dissemination in the United States of America)

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

Reader Advisories

The Company anticipates remaining disciplined but flexible in respect of its planned capital expenditures as it monitors drilling and completion results, business conditions, prospective acquisitions and commodity prices throughout calendar 2014. Where deemed prudent, the Company may make adjustments to its planned capital expenditures. Actual spending may vary due to a variety of factors, including drilling and completion results, crude oil and natural gas prices, economic conditions, prevailing debt and/or equity markets, field services and equipment availability, permitting and any future acquisitions. The timing of most capital expenditures is discretionary. Consequently, the Company has a significant degree of flexibility to adjust the level of its capital expenditures as circumstances warrant. Additionally, to enhance flexibility of its capital program, the Company typically does not enter into material long-term obligations with any of its drilling contractors or service providers with respect to its operated crude oil and natural gas properties.

Certain information in this press release constitutes forward-looking statements under applicable securities law. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expects", "seeks", "potential", "plans", "estimates", "targets" and similar *expressions. Specific forward-looking statements included in this press release include comments related to the Company's planned capital expenditures; projected exit rates of production for calendar 2014; the nature, timing and amounts of planned capital expenditures; infrastructure and tie-ins for the Company's production; drilling locations on the Company's properties; reduction of operating costs and improved netbacks resulting from planned capital expenditures; and the sources of funding for planned capital expenditures discussed herein.*

Forward-looking statements necessarily involve known and unknown risks and uncertainties, including, without limitation, the impact of general economic conditions, the risks and liabilities inherent in oil and natural gas operations; marketing and transportation; loss of markets; volatility of commodity prices; currency and interest rate fluctuations; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions or dispositions; inability to access sufficient capital from internal and external sources; changes in legislation, including but not limited to income tax, environmental laws and regulatory matters, including changes in how they are interpreted and enforced; changes in incentive programs related to the oil and natural gas industry generally; and geological, technical, drilling and processing problems and other difficulties in producing petroleum and natural gas reserves; and obtaining required approvals of regulatory authorities. Readers are cautioned that the foregoing list of factors is not exhaustive.

Readers are cautioned not to place undue reliance on forward-looking statements. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits the Company will derive from them. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

The forward looking statements contained in this news release are made as of the date of this news release, and Canamax does not undertake 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 expressly required by securities law.

Conversion

BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: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. In addition, 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 of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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