

CALGARY, ALBERTA--(Marketwired - Aug 4, 2015) - [Long Run Exploration Ltd.](#) ("Long Run" or the "Company") (TSX:LRE) is pleased to announce that it has entered into an agreement for a private placement to Maple Marathon Investments Limited for gross proceeds of approximately \$200 million. The proceeds from the private placement will be used for debt reduction to improve Long Run's capital structure.

Maple Marathon Investments Limited ("Maple Marathon") is owned by MIE Holdings Corporation ("MIE"), an independent oil and gas exploration company listed on the Hong Kong Stock Exchange (the "HKSE").

## PRIVATE PLACEMENT

Long Run, Maple Marathon and MIE have entered into an investment agreement (the "Investment Agreement") pursuant to which Long Run will issue, by way of private placement (the "Private Placement"), to Maple Marathon 155,000,000 units ("Units") at an issue price of \$1.30 per Unit.

Each Unit will comprise of: (i) one common share of Long Run ("Common Share"); (ii) one-fifth (1/5) of a Common Share purchase warrant ("18 Month Warrants") and (iii) one-fifth (1/5) of a Common Share purchase warrant ("24 Month Warrants"). Each whole 18 Month Warrant will entitle the holder to acquire one Common Share at an exercise price of \$1.40 for a period of 18 months from closing of the Private Placement. Each whole 24 Month Warrant will entitle the holder to acquire one Common Share at an exercise price of \$1.80 for a period of 24 months from closing of the Private Placement.

After giving effect to the Private Placement, Maple Marathon will hold approximately 43.9% of the issued and outstanding Common Shares of Long Run (after giving effect to the issuance of Common Shares pursuant to outstanding restricted awards and prior to giving effect to any exercise of the warrants). The Common Shares and warrants to be issued pursuant to the Private Placement will be subject to statutory resale restrictions for a period of six months and a day following closing of the Private Placement.

The closing of the Private Placement is subject to various conditions including approval by a majority of the shareholders of Long Run, approval of the shareholders of MIE, the receipt of required regulatory approvals (including the Toronto Stock Exchange (the "TSX") and approvals required under the *Investment Canada Act* and the *Competition Act (Canada)*). The closing of the Private Placement is also conditional on Maple Marathon securing financing to fund its subscription for the Units.

As Maple Marathon will acquire more than 20% of the outstanding Common Shares of Long Run, the TSX rules require that the Private Placement be approved by the shareholders of Long Run at a special meeting to be called for such purpose (the "Long Run Special Meeting"). In addition, pursuant to the rules of the HKSE, the Private Placement will require approval of the shareholders of MIE.

Pursuant to the Investment Agreement, an information circular is required to be mailed to the holders of Long Run Common Shares prior to October 15, 2015 for the Long Run Special Meeting required to be held prior to November 15, 2015, where Long Run shareholders will vote on the Private Placement. Completion of the Private Placement is expected to occur following the receipt of shareholder and regulatory approvals and is currently expected to occur in late November 2015.

Directors, officers and other shareholders of Long Run, holding in aggregate approximately 11% of the issued and outstanding Common Shares (on a non-diluted basis), have agreed to vote their Common Shares in favour of the Private Placement at the Long Run Special Meeting. The principal shareholder of MIE, holding in the aggregate approximately 54% of the issued and outstanding common shares of MIE (on a non-diluted basis), has agreed to vote in favour of the Private Placement at the MIE meeting of shareholders to be held to consider the Private Placement.

## INVESTMENT AGREEMENT

Under the terms of the Investment Agreement, Long Run has agreed that it will not solicit or initiate any inquiries or discussions regarding alternate business combinations or acquisition proposals. In certain circumstances, Long Run has agreed to pay a termination fee of \$25 million to Maple Marathon, including if Long Run terminates the Investment Agreement to enter into an agreement with respect to a superior proposal or if the board of directors of Long Run (the "Board") withdraws or modifies its recommendation with respect to the Private Placement. Maple Marathon has agreed to pay a termination fee of \$25 million to Long Run in the event that the Investment Agreement is terminated as a result of the failure of Maple Marathon to secure the required financing.

The Investment Agreement does not preclude Long Run from pursuing certain asset dispositions.

## GOVERNANCE

Pursuant to a governance agreement to be entered into on closing of the Private Placement, the Board of Long Run will be

reconstituted to be comprised of seven directors. Maple Marathon will have the right to nominate: (i) three directors when its holdings are equal to or more than 40% of the outstanding Common Shares; (ii) two directors when its holdings are equal to or more than 20% but less than 40% of the outstanding Common Shares; and (iii) one director when its holdings are more than 10% but less than 20% of the outstanding Common Shares. At closing of the Private Placement, the remaining Board seats will be filled by independent directors. Mr. William E. Andrew will remain as Chairman of the Board.

## SPECIAL COMMITTEE AND ADVISORS

A special committee comprised of independent directors of Long Run (the "Special Committee") was constituted to consider and make recommendations to the Board in connection with, among other things, the Private Placement.

Scotia Waterous Inc. and National Bank Financial Inc. are acting as financial advisors to Long Run. Scotia Waterous Inc. is of the opinion, as of the date hereof, that the consideration to be received by Long Run pursuant to the Private Placement is fair, from a financial point of view, to Long Run (the "Fairness Opinion"). Macquarie Capital Markets Canada Ltd, FirstEnergy Capital Corp. and Cormark Securities Inc. are acting as strategic advisors to Long Run with respect to the Private Placement.

## RECOMMENDATION OF THE BOARD

Based on the Fairness Opinion and the recommendation of the Special Committee, among other things, the Board has unanimously approved the Private Placement and determined that the Private Placement is in the best interests of Long Run. The Board unanimously recommends that Long Run shareholders vote in favour of the Private Placement at the Long Run Special Meeting.

## ABOUT LONG RUN EXPLORATION

Long Run is a Calgary-based intermediate oil and natural gas company focused on development, exploration and production in the Western Canadian Sedimentary Basin. Targeting a production mix balanced between oil and natural gas, activities are concentrated in its core areas which include the Peace River Montney, the Deep Basin Cardium, the Redwater Viking and the Boyer Bluesky.

Long Run is listed on the Toronto Stock Exchange under the symbol LRE.

## ABOUT MIE HOLDINGS CORPORATION

MIE (together with the subsidiaries, the "Group") is an independent oil and gas company engaged in the exploration and production of oil and gas in China, Kazakhstan and the USA. The Group operates the Daan and Moliqing oilfields in the Songliao Basins under separate production sharing contracts with PetroChina, the largest oil company in China. MIE holds a 51% stake in Sino Gas & Energy Limited that operates Linxing and Sanjiaobei unconventional gas assets located in the Ordos Basin under two separate production sharing contracts. The Group also holds an exploration contract and four production contracts that allow the Group to conduct exploration and production activities in the Mangistau province in the southwestern region of Kazakhstan. In addition, the Group pursues other development and production opportunities in China, and exploration, development and production opportunities internationally, both independently and in partnership with other major and independent oil companies.

MIE is listed on the Main Board of the Stock Exchange of Hong Kong Limited with stock code 1555.HK.

## FOR FURTHER INFORMATION ON LONG RUN

Visit the Company's website at [www.longrunexploration.com](http://www.longrunexploration.com).

## ADVISORIES

### *Forward-Looking Statements*

Certain information set forth in this press release, including information and statements which may contain words such as "could", "plans", "should", "anticipates", "expects", "believes", "will" and similar expressions and statements relating to matters that are not historical facts, contains forward-looking statements, including but not limited to statements regarding: the proposed Private Placement and the anticipated timing of closing of the Private Placement; timing of mailing of the information circular related to the Long Run Special Meeting and the timing of the Long Run Special Meeting; the use of proceeds from the Private Placement; percentage holdings of Maple Marathon after giving effect to the Private Placement (assuming the issuance of

approximately 4.8 million Common Shares pursuant to the terms of the restricted awards, which will vest as a result of the Private Placement); and the constitution of the Board following the completion of the Private Placement. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Long Run's control. Completion of the Private Placement is subject to a number of conditions. Failure to satisfy any of these conditions, the emergence of a superior proposal or the failure to obtain approval of the shareholders may result in the termination of the Investment Agreement. The foregoing list is not exhaustive. Additional information on these and other risks that could affect completion of the Private Placement will be set forth in the information circular to be provided in connection with the Long Run Special Meeting, which will be available on SEDAR at [www.sedar.com](http://www.sedar.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 Long Run 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 Long Run will derive therefrom. Long Run 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.

## Contact

### [Long Run Exploration Ltd.](#)

William E. Andrew  
Chair and Chief Executive Officer  
(403) 261-6012

### [Long Run Exploration Ltd.](#)

Corine Bushfield  
Senior Vice President and Chief Financial Officer  
(403) 261-6012

### [Long Run Exploration Ltd.](#)

Lauren Kimak  
Investor Relations  
(403) 716-3222 / (888) 598-1330  
[information@longrunexploration.com](mailto:information@longrunexploration.com)  
[www.longrunexploration.com](http://www.longrunexploration.com)