CALGARY, ALBERTA--(Marketwired - Sept. 28, 2015) - Athabasca Oil Corp. (TSX:ATH) ("Athabasca" or "the Company") is pleased to provide an update on recent operational activities.

Athabasca achieved first oil at Hangingstone in July. The Company now has 15 well pairs on production with an additional six well pairs on circulation. Bitumen production has averaged 3,200 bbl/d to date in September with current production in excess of 4,000 bbl/d. Reservoir response, plant reliability and initial production ramp-up continues to meet management's expectations. Athabasca has already achieved the low-end of its 2015 year-end Thermal Oil exit guidance of 3,000 - 6,000 bbl/d (December average). Production is expected to ramp up to the planned 12,000 bbl/d in Q4 2016 with no additional development capital required.

In the Duvernay, Athabasca resumed drilling operations in early September on a two well pad in the volatile oil window at Kaybob East (Section 5-65-18W5). Completions operations are expected in October with an on-stream date in Q1 2016. The purpose of this pad is to test higher completion proppant loading and continue validation of the potential of the volatile oil window where Athabasca holds a significant land position. The Company expects to see significant cost improvements through multi-well pad efficiencies, utilization of a new fit for purpose rig and reductions from the current service cost environment. The Company has also spud a Montney well at Placid 11-17-60-23W5 to follow up on two successful wells drilled in winter 2015. Athabasca expects that this limited Montney development will provide economic returns in today's market while ensuring the Placid area is set up for development in the future when commodity prices improve. Athabasca reiterates its 2015 Light Oil capital guidance of $203 million and exit rate guidance of 7,000 - 8,000 boe/d (December average).

As at September 28, 2015 the Company has cash and cash equivalents of approximately $687 million and funding in place of approximately $1 billion, including cash and cash equivalents, undrawn credit facilities and the last promissory note. Athabasca anticipates 2015 year-end funding in place in excess of $800 million. The Company maintains significant flexibility to adapt its capital program to protect its balance sheet and is prepared to implement a minimal 2016 capital budget with continued uncertain market conditions.

About Athabasca Oil Corporation

Athabasca Oil Corp. is a Canadian energy company with a focused strategy on the development of thermal and light oil assets. Situated in Alberta's Western Canadian Sedimentary Basin, the Company has amassed a significant land base of extensive, high quality resources. Athabasca's common shares trade on the TSX under the symbol "ATH". For more information, visit www.atha.com.

Reader Advisory:

This News Release contains forward-looking information that involves various risks, uncertainties and other factors. All information other than statements of historical fact is forward-looking information. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "predict", "pursue", "target", "potential" and similar expressions are intended to identify forward-looking information. The forward-looking information is not historical fact, but rather is based on the Company's current plans, objectives, goals, strategies, estimates, assumptions and projections about the Company's industry, business and future financial results. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that these expectations will prove to be correct and such forward-looking information included in this News Release should not be unduly relied upon. This information speaks only as of the date of this News Release. In particular, this News Release may contain forward-looking information pertaining to the following: the timing of the ramp-up of production and of achieving plateau production from Hangingstone Project 1; the Company's 2015 year-end production guidance range from Hangingstone Project 1; the improvements in Duvernay well drilling and completion costs expected to be realized by the Company, including from employing pad drilling; the timing of completion operations in the Company's Light Oil division in the third quarter of 2015; the timing of the on-stream date the Company's Kaybob East wells; the Company's 2015 year-end production guidance from its Light Oil division; the economic returns expected to be realized from the Company's Montney wells at Placed; the benefits expected to be realized from the use of recovery technologies in the Company's Light Oil division, including multi-stage, energized hybrid completion technology and the utilization of a high proppant loading completion design; the Company's expected flexibility in its pace of development; the Company's drilling plans, in particular, with respect to the Duvernay and Montney formations and the costs of such drilling operations; the Company's estimated future commitments; the Company's expected funding-in-place at the end of 2015; the Company's business and financing strategies and plans; expectations regarding the Company's 2015 capital budget; and the future allocation of capital.

With respect to forward-looking information contained in this News Release, assumptions have been made regarding, among other things: commodity prices for petroleum and natural gas; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts and will conduct its business and the effects that such regulatory framework will have on the Company, including on the Company's financial condition and results of operations; Athabasca's cash-flow break-even commodity price; geological and engineering estimates in respect of Athabasca's reserves and resources; the applicability of technologies for the recovery and production of the Company's reserves and resources; the Company's ability to demonstrate the quality of its asset base and to build large-scale projects; future capital expenditures to be made by the Company; future sources of funding for the Company's capital programs; the Company's future debt levels; the Company's ability to obtain equipment in a timely and cost-efficient manner; the geography of the areas in which the Company is conducting exploration and development activities; and the Company's ability to obtain equipment in a timely and cost-efficient manner.

Actual results could differ materially from those anticipated in this forward-looking information as a result of the risk factors set forth in the Company's Annual Information Form ("AIF") dated March 11, 2015 that is available on SEDAR at www.sedar.com, including, but not limited to: fluctuations in market prices for crude oil, natural gas and bitumen blend; political and general economic, market and business conditions in Alberta, Canada, the United States and globally; changes to royalty regimes, environmental risks and hazards; alternatives to and changing demand for petroleum products; the substantial capital requirements of Athabasca's projects and the ability to obtain financing for Athabasca's capital requirements; operational and business interruption risks associated with the Company's facilities; failure by counterparties to make payments or perform their operational or other obligations to Athabasca in compliance with the terms of contractual arrangements between Athabasca and such counterparties, including in compliance with the time schedules set out in such contractual arrangements, and the possible consequences thereof;
aboriginal claims; failure to obtain regulatory approvals or maintain compliance with regulatory requirements; failure to meet development schedules and potential cost overruns; variations in foreign exchange and interest rates; factors affecting potential profitability; risks related to future acquisition and joint venture activities; reliance on, competition for, loss of, and failure to attract key personnel; uncertainties inherent in estimating quantities of reserves and resources; changes to Athabasca's status given the current stage of development; risks and uncertainties inherent in SAGD and other bitumen recovery processes; risks related to hydraulic fracturing, including those related to induced seismicity; expiration of leases and permits; risks inherent in Athabasca's operations, including those related to exploration, development and production of petroleum, natural gas and oil sands reserves and resources; risks related to gathering and processing facilities and pipeline systems; availability of drilling and related equipment and limitations on access to Athabasca's assets; increases in costs could make Athabasca's projects uneconomic; the effect of diluent and natural gas supply constraints and increases in the costs thereof; environmental risks and hazards; failure to accurately estimate abandonment and reclamation costs; the potential for management estimates and assumptions to be inaccurate; long term reliance on third parties; reliance on third party infrastructure; seasonality; hedging risks; risks associated with maintaining systems of internal controls; insurance risks; claims made in respect of Athabasca's operations, properties or assets; competition for, among other things, capital, export pipeline capacity and skilled personnel; the failure of Athabasca or the holder of certain licenses, leases or permits to meet specific requirements of such licenses, leases or permits; risks related to the Athabasca's amended credit facilities; senior secured notes and term loans; and risks related to the Athabasca's common shares.

The forward-looking statements included in this News Release are expressly qualified by this cautionary statement. Athabasca does not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws.

Oil and Gas Information:

"BOEs" may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (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. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil 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.

Test Results and Initial Production Rates:

The well test results and initial production rates provided in this News Release should be considered to be preliminary. Test results and initial production rates disclosed herein may not necessarily be indicative of long term performance or of ultimate recovery.

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