Closes Debt Settlement Agreement and Completes Consolidation

VANCOUVER, Oct. 16, 2015 /CNW/ - Cardero Resource Corp. ("Cardero" or the "Company") (TSX: CDU) is pleased to announce that it has initiated the process of closing the Company's comprehensive restructuring plan (the "Plan"), by closing the debt settlement agreement ("Settlement Agreement") with the Kopple Family Partnerships, L.P. and E.L. II Properties trust (together the "Lenders") and completing the consolidation ("Consolidation") at a rate of 10 old for 1 new share.

The Plan received shareholder approval at the Annual and Special Meeting on August 26, 2015 and conditional approval has been received from the Toronto Stock Exchange ("TSX" or the "Exchange") for all aspects of the Plan.

The Plan will close in four stages as follows:

Stage 1 – Closing the Settlement Agreement and completing the share consolidation.

Stage 2 – Closing the first tranche of the private placement.

Stage 3 – Closing the acquisition of the Zonia copper oxide deposit ("Zonia") in Arizona.

Stage 4 – Closing remaining tranches of the private placement.

"The Company's restructuring plan is complex and will be closed in several stages. Having closed the settlement agreement and completed the consolidation today, we expect to complete Stage 2 within a few business days and will move to close the entire transaction before the end of the month." stated Henk van Alphen, Cardero's President and CEO. "It will be a great pleasure to close this transaction and to begin moving forward with our advanced-stage copper oxide deposit in Arizona."

Details of the Consolidation and Debt Settlement

As of today's date, the Company has completed the previously announced Consolidation of the Company's common shares on a ten old for one new basis. Trading of the Company's common shares on a post-Consolidation basis is expected to occur on or about October 20, 2015. The Company's name will not change and its shares will continue to trade under the symbol CDU.TO. A letter of transmittal has been mailed to all shareholders pursuant to which, they may receive certificates representing their post-Consolidation shares. Until surrendered, existing share certificates are deemed, for all purposes, to represent the number of post-Consolidation shares to which the holder is entitled.

The result of the Settlement Agreement is that US$8.5 million of debt owed to the Lenders has been restructured. As part of the restructuring, Cardero Coal Ltd. ("Cardero Coal") has been sold to the Lenders to settle US$3.6 million of debt. An additional US$2.0 million has been settled via issuance of 12 million preferred shares with a par value of $0.20 per share ("the Preferred Shares") at a deemed price of $0.20. The Preferred Shares have voting rights equivalent to common shares of the Company, priority over the common shares in relation to the payment of dividends, are convertible into common shares of the Company and carry an 8% fixed cumulative dividend rate, payable in arrears. Should any annual dividend not be paid, the cumulative dividend rate will increase to 10%. The Preferred shares can be redeemed by the Company at any time for up to 5 years at a price equal to the par value, plus any accrued and unpaid dividends. The holders may convert up to 50% of the Preferred Shares (as well as any accrued and unpaid dividends as at the conversion date) into common shares of the Company at a price of $0.20 per share. A further, US$2.9 million of debt will be settled via the issuance of 17.4 million units ("Units") at a deemed price of $0.20 per Unit, each Unit being comprised of one common share of the Company and one half of one common share purchase warrant (the "Warrants") exercisable at a price of $0.20 per Warrant. Finally, on the closing of the Settlement Agreement, the balance on the Company's debt of (US$189,174) remains outstanding under the terms of an amended and restated secured line of credit facility granted by the Lenders. All outstanding amounts under the line of credit are subject to an interest rate of 10% per annum, must be repaid within one year from closing and is convertible, as to one half of the facility into common shares at any time prior to maturity at a price of $0.20 per share.

In connection with the debt settlement, management of the Company has entered into a management Agreement (the "Management Agreement") under the terms of which, the Company will continue to manage the Carbon Creek Joint Venture on behalf of Cardero Coal. In addition, the Company will participate in any sale ("Retained Right") of the Carbon Creek metallurgical coal asset for a period of 10 years from closing. The Retained Right has been negotiated on a sliding scale such that the Company will receive a greater percentage of the proceeds if the asset is sold sooner. For example, if Carbon Creek was sold in 2015, the Lenders would retain the first US$15 million in net proceeds and Cardero would receive 95% of the remaining sale price (Table 1). The time at which the asset can be monetized, if at all, will be dependent on recovery of the metallurgical coal market.

Table 1: Retained Right

Year of Sale	Initial Amount Retained by the Lenders	Percentage of Remaining Sale Proceeds Retained by Cardero
2015	US$15,000,000	95%
2016	$20,000,000	80%
2017	$25,000,000	50%
2018	$30,000,000	35%
2019	$30,000,000	30%
2020-24	$30,000,000	25%

Next Steps

The Company intends to close the first tranche of the private placement within a few business days. Thereafter, the initial payment of US$150,000 to the Zonia vendors will be completed within 5 business days. It is intended to close all aspects of the restructuring before the end of October 2015.

For further information on the Consolidation, the Plan, the Settlement Agreement and the acquisition of Zonia, please see the Company's management information circular dated July 24, 2015, which has been filed under the Company's SEDAR profile at www.sedar.com.

ABOUT CARDERO RESOURCE CORP.

The common shares of the Company are currently listed on the Toronto Stock Exchange (symbol CDU), and the Frankfurt Stock Exchange (symbol CR5). For further details on the Company readers are referred to the Company's web site (www.cardero.com) and Canadian regulatory filings on SEDAR at www.sedar.com.

On Behalf of the Board of Directors of
Cardero Resource Corp.

"Henk van Alphen" (signed)
Henk van Alphen, CEO and President

Cautionary Note Regarding Forward-Looking Statements

Forward Looking Information: This news release includes certain information that may be deemed "forward looking information". Forward-looking information can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. All information in this release, other than information of historical facts, including, without limitation, the potential of Zonia general future plans and objectives for the Zonia project, the completion of the Plan and receipt of shareholder and regulatory approval therefore, the likelihood of receipt of value from the Retained Right, the availability of financing to the Company and the Company's plan in relation to its listing review are forward-looking information that involve various risks and uncertainties. Although the Company believes that the expectations expressed in such forward-looking information are based on reasonable assumptions, such expectations are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking information. Forward-looking information is based on a number of material factors and assumptions. Factors that could cause actual results to differ materially from the forward-looking information include changes in project parameters as plans continue to be refined, future metal prices, availability of capital and financing on acceptable terms, general economic, market or business conditions, regulatory changes, delays in receiving approvals, and other risks detailed herein and from time to time in the filings made by the Company with securities regulatory authorities in Canada. Mineral exploration and development of mines is an inherently risky business. Accordingly, actual events may differ materially from those projected in the forward-looking information. For more information on the Company and the risks and challenges of our business, investors should review our continuous disclosure filings which are available at www.sedar.com. Readers are cautioned not to place undue reliance on forward-looking information. The Company does not undertake to update any forward looking information, except in accordance with applicable securities laws.

This press release is not, and is not to be construed in any way as, an offer to buy or sell securities in the United States.

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