

CALGARY, ALBERTA--(Marketwired - Nov 9, 2015) - [Long Run Exploration Ltd.](#) ("Long Run" or the "Company") (TSX:LRE) announces that due to current market conditions, Long Run has amended the terms of its previously announced private placement with Maple Marathon Investments Limited ("Maple Marathon") and MIE Holdings Corporation ("MIE") and commenced a formal asset rationalization program. The amended terms of the private placement along with the asset rationalization program ensure that the Company has maximum flexibility to consider options available to accomplish debt reduction while maximizing stakeholder value.

AMENDED PRIVATE PLACEMENT

Long Run, Maple Marathon and MIE have entered into an amended and restated investment agreement (the "Amended Investment Agreement") pursuant to which Long Run will issue to Maple Marathon, by way of private placement (the "Private Placement"), 125,000,000 units ("Units") at an issue price of \$0.80 per Unit for gross proceeds of approximately \$100 million. The proceeds from the Private Placement will be used for debt reduction.

Each Unit will be comprised of one common share of Long Run and 0.728 of a common share purchase warrant (the "Warrants"). Each Warrant will entitle the holder to acquire one common share of Long Run at an exercise price of \$1.10 for a period of 12 months from closing of the Private Placement, for additional proceeds of approximately \$100 million to Long Run, if exercised.

After giving effect to the Private Placement, Maple Marathon will hold approximately 39% 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 the exercise of the Warrants).

The closing of the Private Placement is subject to various conditions including the approval by a majority of the disinterested shareholders of Long Run, approval of the shareholders of MIE, the receipt of required regulatory approvals (including the Toronto Stock Exchange and approvals required under the *Investment Canada Act* and the *Competition Act (Canada)*) but is no longer conditional on Maple Marathon securing financing to fund its subscription.

AMENDED INVESTMENT AGREEMENT

Pursuant to the Amended Investment Agreement, an information circular is required to be mailed to the holders of Long Run common shares prior to December 21, 2015 for the Long Run special meeting required to be held no later than January 22, 2016 where disinterested Long Run shareholders will vote on the Private Placement. Completion of the Private Placement is expected to occur following the receipt of regulatory and shareholder approvals and is currently expected to occur in late January 2016.

The Amended Investment Agreement permits Long Run to respond to unsolicited acquisition proposals and to pursue asset dispositions. Certain asset dispositions require the prior consent of Maple Marathon, however, Long Run has the right to terminate the Amended Investment Agreement in order to complete such dispositions if Maple Marathon does not consent, provided it reimburses Maple Marathon for certain of its expenses up to an amount not to exceed \$2 million. Long Run has engaged financial advisors in respect of a formal asset disposition process as further described below under "Strategic Asset Rationalization".

Long Run has agreed to pay a termination fee of \$5 million to Maple Marathon in certain circumstances, including if Long Run terminates the Amended Investment Agreement to enter into an agreement with respect to an alternative corporate acquisition proposal (the payment of which does not apply to asset dispositions). Maple Marathon has agreed to deposit \$10 million with an escrow agent in Canada, on or before November 30, 2015, in accordance with the Amended Investment Agreement. The \$10 million to be held in escrow shall be applied to Maple Marathon's subscription under the Private Placement and would also be utilized to satisfy amounts that are payable to Long Run by Maple Marathon or reimbursement of Long Run's expenses in certain circumstances.

GOVERNANCE AGREEMENT

Under the revised terms of the Governance Agreement to be entered into on closing of the Private Placement, the size and composition of the board of directors of Long Run (the "Board") will be determined, from time to time, in part by the share ownership of Maple Marathon. Maple Marathon will have the right to nominate from one up to four directors, depending on its level of share ownership, however in no case shall Maple Marathon have the right, under the Governance Agreement, to nominate a majority of the directors of the Board. On closing of the Private Placement, Long Run expects the Board will be comprised of eight directors including three nominees from Maple Marathon and five incumbent directors including Mr. William E. Andrew who will remain as Chairman of the Board.

SPECIAL COMMITTEE AND ADVISORS

The special committee comprised of independent directors of Long Run (the "Special Committee") initially formed to consider the Private Placement, has continued to consider and make recommendations to the Board in connection with, among other things, the Private Placement.

With respect to the Private Placement, Scotia Waterous Inc. ("Scotia Waterous") and National Bank Financial Inc. ("National Bank") are acting as financial advisors to Long Run. Macquarie Capital Markets Canada Ltd. ("Macquarie Capital"), FirstEnergy Capital Corp. and Cormark Securities Inc. are acting as strategic advisors to Long Run. Macquarie Capital has provided the Board of Directors of Long Run with an opinion, that as at the date of the Amended Investment Agreement, 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").

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 favor of the Private Placement at the Long Run special meeting.

STRATEGIC ASSET RATIONALIZATION

Long Run continues to examine strategic and financial means to improve the capital structure of the Company. Long Run remains committed to debt reduction and continues to actively evaluate opportunities to strengthen its balance sheet. In conjunction with the proposed Private Placement, Long Run is proceeding with strategic asset rationalization to improve its capital structure.

The Board and management team of Long Run have initiated a formal asset disposition process of both core and non-core assets from the Company's diversified asset base to address the Company's non-revolving syndicated facility which is due by May 29, 2016. Long Run has engaged Macquarie Capital, Scotia Waterous and National Bank to act as financial advisors for this process. Given the nature of the process, Long Run does not intend to provide updates until such time as the Board approves a definitive transaction or otherwise determines that further disclosure is advisable.

As previously disclosed, the Company expects that during 2015, it will apply part of its funds flow from operations in excess of net capital expenditures to repay a portion of its non-revolving syndicated facility. On closing of the proposed Private Placement, the proceeds of \$100 million will be used to further reduce indebtedness under the Company's non-revolving syndicated facility. Long Run intends to repay the remaining balance on the non-revolving syndicated facility through the additional asset dispositions contemplated by the strategic asset rationalization process.

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's October 2015 average production was approximately 29,200 Boe/d.

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

FOR REQUESTS IN RELATION TO THE STRATEGIC ASSET RATIONALIZATION PROCESS

Please visit Macquarie Capital's website at www.macquarietristone.com.

ADVISORIES

Forward Looking Information & Statements

This press release contains forward-looking information and forward-looking statements within the meaning of applicable securities laws relating to the timing of the Long Run Proposed Special Meeting. Forward-looking statements and forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future. The forward-looking information and forward-looking statements are based on certain key expectations and assumptions made by Long Run's management, including the percentage holding of Long Run common shares by 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); the anticipated timing for completion of the Private Placement; the constitution of the Board following the completion of the Private Placement; the use of proceeds of the Private Placement; the Company's plans to apply part of its funds flow from operations in 2015 in excess of net capital expenditures to repay a portion of its non-revolving syndicated facility; and the Company's plans to repay the remaining balance on its non-revolving syndicated facility through additional asset dispositions. Completion of the private placement is subject to a number of conditions. Failure to satisfy any of these conditions, the emergence of an alternative acquisition proposal or the failure to obtain approval of the shareholders may result in the termination of the investment agreement.

Although the Company believes that the expectations and assumptions on which such forward-looking information and forward-looking statements is based are reasonable, undue reliance should not be placed on the forward-looking information and forward-looking statements because Long Run can give no assurance that they will prove to be correct. Since forward-looking information and forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information or forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Company will derive there from. Management has included the above summary of assumptions and risks related to forward-looking information and forward-looking statements provided in this press release in order to provide a more complete perspective on Long Run's future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

Long Run disclaims any intention or obligation to update or revise any forward-looking information or forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Barrels of Oil Equivalent

Barrels of oil equivalent 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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