CALGARY, ALBERTA--(Marketwired - Nov 9, 2015) - Anderson Energy Inc. ("Anderson" or the "Company") (TSX:AXL) announces a proposed transaction to exchange its outstanding convertible debentures (the "Debentures") for equity (the "Transaction").

THE PROPOSAL

The Company intends to mail a proposal to the holders of the Debentures (the "Debentureholders") to restructure the Debentures as follows:

$50.0 million 7.50% Series A convertible debentures due on January 31, 2016

(the "Series A Debentures")

- The Company will exchange the entire principal amount of the Series A Debentures, on the basis of a price of $0.0361 per share, for approximately 1.385 billion common shares issued from treasury representing approximately 48.9% of the pro forma common shares outstanding on the closing of the Transaction which is expected to be on or before January 31, 2016 (the "Closing Date").
- Provided the Transaction is approved, the Company will pay, on the Closing Date, $1.875 million in cash to the Series A Debentureholders which represents the interest that would be accrued and unpaid on the Series A Debentures on January 31, 2016.
- If the Transaction is not approved, the Company will, pursuant to and in accordance with the terms of the indenture (as supplemented) governing the Debentures (the "Indenture"), exercise its right to pay both the principal and accrued and unpaid interest on the Series A Debentures in common shares on the maturity date of January 31, 2016.
- Prior to December 22, 2015, the Company intends to send a separate maturity notice to the Series A Debentureholders notifying them of its intention to exercise the common share repayment right on maturity if the Transaction is not approved.

$46.0 million 7.25% Series B convertible debentures due on June 30, 2017

(the "Series B Debentures")

- The Company will exchange the entire principal amount of the Series B Debentures, on the basis of a price of $0.0361 per share, for approximately 1.274 billion common shares issued from treasury representing approximately 45.0% of the pro forma common shares outstanding on the Closing Date.
- Provided the Transaction is approved, the Company will pay, on the Closing Date, $1.667 million in cash to the Series B Debentureholders which represents the interest that would be accrued and unpaid on the Series B Debentures at the first possible redemption date of June 30, 2016. The Series B Debentureholders will receive this final interest payment five months earlier than it would otherwise be due.
- Approval of the Transaction will not affect the Series B Debentures interest payment of $1.667 million due on December 31, 2015. The Company intends to make this interest payment in cash.
- If the Transaction is not approved, Anderson intends to, pursuant to and in accordance with the terms of the Indenture:

  i. redeem the Series B Debentures one year early, at the first possible redemption date of June 30, 2016; and

  ii. exercise its right to pay both the principal and accrued and unpaid interest on the Series B Debentures in common shares on the redemption date of June 30, 2016.

EXCHANGE PRICE

The rules of the Toronto Stock Exchange (the "TSX") require the exchange price to be at market. The price of $0.0361 per common share underlying the proposed Transaction represents the volume weighted average trading price ("VWAP") on the TSX for the 5 trading days ending November 6, 2015, in accordance with the TSX definition. If the Transaction is not approved, the Debentures will be repaid or redeemed, as applicable, pursuant to and in accordance with the terms of the Indenture.

ADVANTAGES OF THE PROPOSAL

Management and the Board of Directors of Anderson (the "Board") believe that the Transaction is in the best interests of all stakeholders, and provides a number of benefits including the following:

- Eliminates Anderson's overall debt of $96.0 million;
- Pro forma interest burden reduced by $7.1 million over 2015 levels resulting in increased cash flow available to actively invest in its asset base and enhance the Company's net asset value;
- Reduces financial risk for the Company in a difficult economic environment;
- Simplifies the capital structure of the Company;
- Removes the uncertainty surrounding the settlement of the Debentures in the future;
- Positions the Company to attract future capital, retain staff and ultimately create more investor interest in the Company;
- Allows Debentureholders to receive full face value of the Debentures even though they are trading at a substantial discount in the market;
- Provides cash, not common shares, to Debentureholders for remaining interest payments; and
- Provides certainty with respect to the dilution resulting from the conversion of the Debentures into common shares.

ANDERSON PRO FORMA THE PROPOSAL

Assuming the Transaction is approved, Anderson will have increased cash flow available to actively invest in its high quality Cardium asset base and will have the following attributes:

- Production of 2,167 barrels of oil equivalent per day (45% oil and liquids) in the third quarter of 2015;
- 107 gross (69.8 net) light oil horizontal drilling locations identified in the Cardium and Glauconite zones (91% in the Cardium zone);
- No debt;
- One class of security holder; and
- Approximately 2.832 billion common shares outstanding.

BACKGROUND TO THE PROPOSAL

The Series A Debentures in the principal amount of $50.0 million mature on January 31, 2016 and the Series B Debentures in the principal amount of $46.0 million mature on June 30, 2017. On or after June 30, 2016 and prior to the maturity date, the Series B Debentures are redeemable at the option of the Company.

The dramatic decrease in commodity prices has impacted the Company's options with respect to payment of these Debentures when they become due.

The Company will not have sufficient funds to settle the Debentures in cash upon their maturity.

The Company has the option to settle all or a portion of the outstanding Debentures at maturity or redemption through the issuance of common shares by giving notice of such intent to Debentureholders not more than 60 and not less than 40 days prior to the applicable maturity or redemption date.

The current economic environment remains very challenging in terms of low commodity prices, the uncertainty related to economic and environmental policy changes that may result from new provincial and federal governments in Canada, the uncertainty related to the magnitude and duration of the TransCanada Pipelines Ltd. ("TCPL") restrictions of natural gas volume receipts in Alberta that is impacting production from both gas and oil wells, geopolitical risks and challenging economic conditions throughout the world.

In August 2015, the Company completed the previously announced sale of certain shallow gas assets for net proceeds of approximately $3.0 million. While the Company is currently undrawn on its bank line, the amount of the available bank line was established in May 2015 with better commodity prices than we are seeing today. The Company's next review of its bank lines is scheduled for May 2016 and with today's commodity prices and outlook, the available bank lines could be reduced. Cash on hand and available bank lines will be needed to continue to develop the Company's Cardium light oil base.

The Board hired Cormark Securities Inc. ("Cormark") in March 2015 to act as its exclusive financial advisor to assess the

Company's options with respect to the convertible debentures. Anderson and Cormark have thoroughly investigated and exhausted a variety of financial and strategic alternatives, including the sale of the Company, production royalty structures and alternative financing vehicles, as well as extensions or other amendments to the terms of the existing Debentures. As part of that process, a data room with confidential data was opened generating a significant amount of interest in Anderson from a broad group of counterparties. However, with the complexity of Anderson's capital structure and the challenging conditions in both commodity pricing and capital markets discussed above, the process failed to generate any acceptable proposals. The complexity of Anderson's capital structure was also identified as a concern in Anderson's strategic alternatives process in 2012 and 2013.

Anderson's Board has determined that the Transaction is in the best interests of the Company and its stakeholders given, among other considerations, that it will eliminate Anderson's overall debt of $96.0 million, simplify its capital structure, provide for a more orderly issuance of common shares to Debentureholders relative to the alternatives and provide considerable improvement in Anderson's financial liquidity. The determination to approve the Transaction was made based on a range of factors, including a verbal opinion received by the Board from Cormark that the consideration to be received by the Debentureholders pursuant to the Transaction, if implemented, is fair, from a financial point of view, to the Debentureholders and current shareholders of the Company. A written fairness opinion from Cormark, addressed to the Board will be included in the information circular to be circulated to Debentureholders in connection with the Transaction.

KEY STEPS IN THE TRANSACTION

Anderson expects to hold a meeting of the Debentureholders to consider the Transaction in January 2016. Pursuant to the Indenture, an extraordinary resolution approving the Transaction is required to be passed at a meeting of Debentureholders in which the holders of not less than 25% of the principal value of each series of Debentures outstanding are present in person or by proxy. The resolution must be passed by 66 2/3% of the votes for each series of Debentures and for all the Debentures in total. If a quorum is not achieved at the initial meeting, the meeting will be adjourned to a date approximately 14 days later. At the adjourned meeting, Debentureholders present in person or by proxy shall constitute a quorum. Votes submitted by proxy for the initial meeting shall remain valid for the adjourned meeting, unless withdrawn by the Debentureholder.

The Transaction will not require any action by shareholders and is not subject to any shareholder vote.

The Transaction is subject to approval by the Toronto Stock Exchange.

Further information about the Transaction and the meeting of Debentureholders will be provided in an information circular expected to be distributed to Debentureholders in the coming weeks, as well as in other Anderson continuous disclosure filings available on SEDAR (www.sedar.com), on the Company's website (www.andersonenergy.ca) or from the Company on request.

FORWARD-LOOKING STATEMENTS

Certain statements in this news release including, without limitation, management's business strategy and assessment of future plans and operations; benefits of the Transaction and the impact of the Transaction on Anderson and its capital structure, financial position, liquidity and net asset value, including that the Transaction will create a financially stronger company and better allow for the pursuit of its business and operational goals; growth potential of Anderson's asset base; the results of the annual review of Anderson's bank facility; Anderson's common share interests assuming the completion of the Transaction; Anderson's ability to implement its plans relating to the Transaction; anticipated dates and information relating to the Debentureholder meeting and the closing of the Transaction; Anderson's intentions if the Transaction is not approved; impact of changes in commodity prices, TCPL outages and other economic conditions on the Company; commodity price outlook; and general economic outlook may constitute "forward-looking information" within the meaning of applicable securities laws and necessarily involve risks and assumptions made by management of the Company including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation; loss of markets; volatility of commodity prices; currency fluctuations; imprecision of reserves estimates; environmental risks; competition from other producers; inability to retain drilling rigs and other services; adequate weather to conduct operations; sufficiency of budgeted capital, operating and other costs to carry out planned activities; wells not performing as expected; failure to realize the anticipated benefits of acquisitions and farm-ins; delays resulting from or inability to obtain required regulatory approvals; changes to government regulation; availability of third-party transportation and processing facilities; ability to access sufficient capital from internal and external sources; ability of Anderson 's common shares to remain listed on the TSX; the receipt, in a timely manner, of regulatory and Debentureholder approval in respect of the Transaction; the plans of Debentureholders and other counterparties related to the Transaction; the expected costs of the Transaction; and other factors, many of which are beyond the Company's control.

The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as the factors are interdependent, and management's future course of action would depend on its assessment of all information at the time. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements and readers should not place undue reliance on the assumptions and forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Anderson's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or at Anderson's website (www.andersonenergy.ca).

The forward-looking statements contained in this news release are made as at the date of this news release and the Company 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 may be required by applicable securities laws.

CONVERSION MEASURES

Production volumes and reserves are commonly expressed on a barrel of oil equivalent ("BOE") basis whereby natural gas volumes are converted at the ratio of six thousand cubic feet to one barrel of oil. Although the intention is to sum oil and natural gas measurement units into one basis for improved analysis of results and comparisons with other industry participants, BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of six Mcf to one 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 recent years, the value ratio based on the price of crude oil as compared to natural gas has been significantly higher than the energy equivalency of 6:1, and utilizing a conversion of natural gas volumes on a 6:1 basis may be misleading as an indication of value.

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