CALGARY, ALBERTA--(Marketwired - Dec 14, 2015) - Anderson Energy Inc. ("Anderson" or the "Company") (TSX:AXL) announces that the notice of meeting and management information circular (the "Circular") related to the previously announced proposal to the holders of its outstanding convertible debentures (the "Debentureholders") was mailed on December 11, 2015.

The meeting will be held on January 11, 2016 for Debentureholders of record on December 7, 2015. At the meeting, Debentureholders will be asked to consider, and if thought advisable, to pass an extraordinary resolution pursuant to which all of the 7.50% Series A convertible unsecured subordinated debentures due January 31, 2016 (the "Series A Debentures") and all of the 7.25% Series B convertible unsecured subordinated debentures due June 30, 2017 (the "Series B Debentures", and together with the Series A Debentures, the "Debentures") will be repaid by issuing common shares in the capital of Anderson ("Common Shares") and certain interest payments will be made in cash (the "Exchange Transaction").

If the Exchange Transaction is approved by the Debentureholders, the following will occur:

Series A Debentures

- The Company will repay the entire principal amount of the Series A Debentures, on the basis of a price of $0.0361 per Common Share, by issuing approximately 1.385 billion Common Shares from treasury representing approximately 48.9% of the pro forma Common Shares outstanding on the closing of the Exchange Transaction which is expected to be on or before January 31, 2016 (the "Effective Date"). Debentureholders can expect to receive approximately 27,700 Common Shares for every $1,000 in principal amount of Series A Debentures held.
- The Company will pay, on the Effective Date, $1.875 million in cash to the holders of the Series A Debentures which represents the interest that would have otherwise accrued on the Series A Debentures up to January 31, 2016. Debentureholders can expect to receive approximately $37.50 in cash for every $1,000 in principal amount of Series A Debentures held.

Series B Debentures

- The Company will repay the entire principal amount of the Series B Debentures, on the basis of a price of $0.0361 per Common Share, by issuing approximately 1.274 billion Common Shares from treasury representing approximately 45.0% of the pro forma Common Shares outstanding on the Effective Date. Debentureholders can expect to receive approximately 27,700 Common Shares for every $1,000 in principal amount of Series B Debentures held.
- The Company will pay, on the Effective Date, $1.667 million in cash to the holders of the Series B Debentures which represents the interest that would have otherwise accrued on the Series B Debentures up to the first possible date the Series B Debentures could be redeemed, being June 30, 2016. The holders of the Series B Debentures will receive this final cash interest payment five months earlier than it would otherwise be due. Debentureholders can expect to receive approximately $36.25 in cash for every $1,000 in principal amount of Series B Debentures held.
- Approval of the Exchange 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.

The following table sets forth the pro forma Common Share interests as of September 30, 2015, assuming the completion of the Exchange Transaction:

(thousands of shares) (unaudited)	*Number of Shares*	*Percentage*
Common Shares outstanding at September 30, 2015	172,550	6.1%
Series A Debentureholder Common Shares issued as part of Exchange Transaction	1,385,042	48.9%
Series B Debentureholder Common Shares issued as part of Exchange Transaction	1,274,238	45.0%
Common Shares outstanding after completion of Exchange Transaction	2,831,830	100.0%

RECOMMENDATION OF THE BOARD

Anderson's board of directors (the "Board") has unanimously endorsed the Exchange Transaction and is recommending that Debentureholders vote FOR the Exchange Transaction. The decision by the Board to recommend approval of the Exchange Transaction was made based on a range of factors, including an opinion received by the Board from Cormark Securities Inc. ("Cormark") that, as at the date of and subject to the assumptions, limitations and qualifications contained therein, the consideration to be received by the Debentureholders pursuant to the Exchange Transaction is fair, from a financial point of view, to the Debentureholders and current shareholders of Anderson. The full text of the Fairness Opinion is included in the Circular and the Board urges the Debentureholders to read it in its entirety.

ADVANTAGES OF THE EXCHANGE TRANSACTION

Both management and the Board believe that the Exchange Transaction is in the best interest of all stakeholders.

The Exchange Transaction will allow Debentureholders to receive full face value recognition for their Debentures in Common Shares, even though the Debentures are trading at a substantial discount in the market, and will provide cash, not Common Shares, to Debentureholders for the final interest payments, which in the case of the Series B Debentures, will be received 5 months earlier than would otherwise be the case.

The Exchange Transaction will provide certainty with respect to the dilution resulting from the conversion of the Debentures into Common Shares and will ensure that each class of Debentureholder is treated equitably.

The Exchange Transaction will eliminate Anderson's overall debt of $96.0 million, and thereby reduce the financial risk for the Company in a difficult economic and commodity price environment. The pro forma annual interest burden will be reduced by $7.1 million from 2015 levels, which will result in increased cash flow available to actively invest into Anderson's high quality asset base and enhance Anderson's net asset value. By maintaining and developing its asset base and simplifying its capital structure, the Company will be better able to attract future capital and ultimately create more investor interest in the Company.

The Exchange Transaction better positions the Company to move forward successfully, which the Company believes is to the benefit of its Debentureholders and shareholders, who will have the opportunity to share in a stronger entity with potential future liquidity options and alternatives.

PRICE USED FOR THE EXCHANGE TRANSACTION

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 Exchange Transaction represents the volume weighted average trading price ("VWAP") on the TSX for the 5 trading days ended November 6, 2015 (the last trading prior to the public announcement of the Exchange Transaction), in accordance with the TSX definition.

If the Exchange Transaction is not approved, the Debentures will be repaid or redeemed, as applicable, pursuant to and in accordance with the terms of the existing indenture. Under the existing indenture, the Company has the option to repay the principal amount of the Debentures at maturity or redemption, plus any accrued and unpaid interest (i.e., the last interest payment) in Common Shares. Under the existing indenture, the price used to determine the number of Common Shares to be issued is calculated as 95% of the 20 day VWAP of the Common Shares on the TSX ending 5 days prior to the maturity or redemption date, as applicable.

The price calculation based on 95% of the VWAP for the 20 trading days immediately prior to the record date for the Meeting (December 7, 2015) was $0.0131 per Common Share. If this price would have been used in the Exchange Transaction to repay the principal amount the Debentures, the Debentureholders would own 97.7% of the Common Shares after the Exchange Transaction instead of the 93.9% being proposed (approximately a 4% increase). However, an additional 4.669 billion Common Shares would need to be issued (more than a 175% increase).

Therefore, management and the Board believe that proposing the Exchange Transaction using the required 5 day VWAP as of the November 9, 2015 announcement date provides the following benefits when compared to waiting for maturity of the Series A Debentures at January 31, 2016 and redemption of the Series B Debentures at June 30, 2016:

- Improves the trading liquidity of the Common Shares subsequent to the Exchange Transaction, as significantly fewer Common Shares will be issued;
- Does not materially change the overall value of the ownership interest being offered to the Debentureholders;
- Increases the certainty with respect to the timing and magnitude of the dilution for all stakeholders and ensures that each class of Debentureholder is treated equitably;
- Provides cash to the Debentureholders for the final interest payment, and permits the Series B Debentureholders to receive the final interest payment 5 months earlier than would otherwise be the case;
- Increases the certainty with respect to the TSX approval process; and
- Allows the Company to simplify its capital structure and move forward with its business plans as quickly as possible.

The Company's payment of cash in satisfaction of interest amounts that would have otherwise accrued for periods extending beyond the Exchange Transaction are being paid to compensate the Series B Debentureholders for the early repayment of the Series B Debentures prior to their maturity.

BACKGROUND TO THE EXCHANGE TRANSACTION

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 the Debentures when they become due.

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

The Company has the option to settle all or a portion of the outstanding Debentures (including accrued and unpaid interest) 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 is 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. 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.

While the Company is currently undrawn on its $31 million bank line, the amount available under the bank line was established in May 2015 with better commodity prices than those prevailing 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 in March 2015 to act as its exclusive financial advisor to assess the Company's options with respect to the 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 added to Anderson's capital structure by the Debentures 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.

IF THE EXCHANGE TRANSACTION IS NOT COMPLETED

If the Exchange Transaction is not approved by both the Series A and Series B Debentureholders, the Company intends to exercise its right under the terms of the existing indenture to repay both the principal and the accrued and unpaid interest at maturity or redemption in Common Shares (the "Common Share Repayment Right"). There will be no separate cash payment for the final interest payment. The interest will be paid, along with the principal, by issuing Common Shares. For the Series A Debentures, this will be effective January 31, 2016. For the Series B Debentures, this will be effective June 30, 2016.

Changes in market conditions, including market volatility and liquidity, as well as changes in economic or other factors may affect the Common Share price to be used at the time of repayment of the two series of Debentures and may result in a different price per Common Share, and a different number of Common Shares per Debenture, being issued to the two series of Debentureholders.

If the Exchange Transaction is not completed, it may also result in changes to or delays in the Company's business plans.

As the results of the Debentureholders meeting will not be known prior to the required notice period, notice of the Company's contingent exercise of its Common Share Repayment Right (the "Maturity Notice") will be sent to the registered holder of the Series A Debentures this week. If the Exchange Transaction is subsequently completed, the Maturity Notice will be deemed to have been withdrawn.

OTHER INFORMATION

An extraordinary resolution approving the Exchange 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. 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 Exchange Transaction will not require any action by shareholders and is not subject to any shareholder vote.

The TSX has conditionally approved the listing of the Common Shares to be issued as a result of the Exchange Transaction. Anderson will apply to have the Debentures delisted following the completion of the Exchange Transaction. The Common Shares will continue to trade on the TSX under the symbol "AXL".

Shorecrest Group Ltd. ("Shorecrest") will assist the Company in the solicitation of proxies. If Debentureholders require assistance, they can contact Shorecrest by telephone at 1-888-637-5789 (toll free in North America) or 1-647-931-7454 (collect outside North America) or by email at contact@shorecrestgroup.com.

Further information about the Exchange Transaction and the meeting of Debentureholders can be found in the Circular which is filed on SEDAR (www.sedar.com) and 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 Exchange Transaction and the impact of the Exchange Transaction on Anderson and its capital structure, financial position, liquidity and net asset value, including that the Exchange 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 Exchange Transaction; Anderson's ability to implement its plans relating to the Exchange Transaction; anticipated dates and information relating to the Debentureholder meeting and the closing of the Exchange Transaction; Anderson's intentions if the Exchange Transaction is not approved and the impact on Anderson and its stakeholders; 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 Exchange Transaction; the plans of Debentureholders and other counterparties related to the Exchange Transaction; the expected costs of the Exchange 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 the Circular and 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.

Contact

Anderson Energy Inc.
Brian H. Dau
President & Chief Executive Officer
(403) 262-6307
info@andersonenergy.ca