

CALGARY, ALBERTA--(Marketwired - Feb 1, 2016) - [Long Run Exploration Ltd.](#) ("Long Run" or the "Company") (TSX:LRE) is pleased to announce that it has successfully entered into an amending credit facilities agreement with its bank syndicate. This is a significant milestone towards the completion of the plan of arrangement announced on December 21, 2015 (the "Arrangement"). As a next step in this process, Long Run expects to mail an information circular to its securityholders in early February in connection with the special meeting scheduled for February 29, 2016 to approve the Arrangement. Closing of the Arrangement remains on track to occur in April 2016.

The Company's total credit facilities have been amended to \$620 million, of which approximately \$580 million is currently drawn. The credit facilities are comprised of a \$240 million revolving syndicated facility, a \$30 million operating facility and a \$350 million non-revolving syndicated facility. Interest and fees have been reduced, including the removal of the additional 350 basis points charged on the Company's non-revolving syndicated facility. The financial covenants have also been removed. The credit facilities terminate six months following the close of the Arrangement, which is consistent with the purchaser's plan to repay the credit facilities in due course following the completion of the Arrangement.

The existing terms of the credit agreement have been amended to include events of default which relate to the completion of the Arrangement. The bank syndicate has waived the previously announced event of default and has consented to the change of control that will result upon completion of the Arrangement.

As previously announced on January 25, 2016, the amended terms of the credit facilities continue to restrict the Company from making any payment of interest or other amounts on its outstanding 6.40% convertible unsecured subordinate debentures (the "Debentures"), including the semi-annual interest payable on February 1, 2016. This accrued and unpaid interest will be paid on closing of the Arrangement in connection with the acquisition of the Debentures, together with all other accrued and unpaid interest on the Debentures, in accordance with the Arrangement. The bank syndicate has agreed to forbear from exercising any rights or remedies that arise as a result of Long Run's failure to pay interest on the Debentures as provided in the amended credit facilities agreement.

In connection with the amendment of the Company's credit facilities, the terms of the arrangement agreement dated December 20, 2015 have been amended to reflect the revised credit agreement terms. The amended and restated arrangement agreement dated January 29, 2016 includes revised terms related to the escrow agreement, non-completion fees and updated timing of the Long Run special meeting. The \$5 million of escrow funds initially planned for release on receipt of the bank amendments have been deferred until close of the Arrangement resulting in the mutual non-completion fee being fixed at \$20 million whether payable by Long Run or the purchaser in the event the Arrangement is not completed or is terminated in certain circumstances. The updated timing allows the Company to have its special meeting on February 29, 2016 and has no impact on the anticipated closing of the Arrangement in April 2016. At the special meeting, Long Run securityholders will be asked to vote on the Arrangement pursuant to which the purchaser will acquire: (i) all of the outstanding common shares of Long Run for cash consideration of \$0.52 per share; and (ii) all of the outstanding Debentures of Long Run for cash consideration of \$750 per \$1,000 principal amount of Debentures plus accrued and unpaid interest.

Further details can be found in the Company's waiver, consent, forbearance and third amending agreement to the amended and restated credit agreement dated May 29, 2015 as well as the amended and restated arrangement agreement that will be filed on Long Run's SEDAR profile at www.sedar.com.

ADVISORY

Forward Looking Statements

Certain information set forth in this press release, including information and statements which may contain words such as "could", "plans", "should", "anticipates", "expects", "believes", "will" and similar expressions and statements relating to matters that are not historical facts, contain forward-looking statements, including but not limited to statements regarding: the proposed Arrangement and anticipated closing of the Arrangement, timing on mailing of the information circular and the holding of the special meeting of Long Run securityholders, expectation that the interest payable on the Debentures on February 1, 2016 will not be paid on such date but will be paid in connection with the acquisition of the Debentures under the Arrangement and Long Run's plans to file the waiver, consent, forbearance and third amending agreement to the amended and restated credit agreement and the amended arrangement agreement on SEDAR. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Long Run's control. Completion of the Arrangement is subject to a number of conditions. Failure to satisfy any of these conditions, the emergence of a superior proposal or the failure to obtain approval of Long Run's shareholders, optionholders or debentureholders may result in the termination of the arrangement agreement. The foregoing list is not exhaustive. Additional information on these and other risks that could affect completion of the Arrangement will be set forth in the information circular, which will be available on SEDAR at www.sedar.com. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The actual results, performance or achievement of Long Run could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Long Run will derive therefrom. Long Run disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

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