

CALGARY, May 19, 2016 /CNW/ - On May 17, 2016, [Connacher Oil and Gas Ltd.](#) ("Connacher" or the "Corporation") commenced proceedings and obtained court protection under the Companies' Creditors Arrangement Act ("CCAA") pursuant to an initial order granted by the Court of Queen's Bench, in the Province of Alberta (the "Initial Order"). Ernst & Young Inc. has been appointed Monitor (the "Monitor") of the Corporation for the CCAA proceedings.

Pursuant to the Initial Order, the Corporation obtained approval to initiate a sale and investment solicitation process ("SISP") to be conducted in conjunction with the CCAA proceedings. The SISP is intended to generate interest in either the business or the assets of the Corporation. The Initial Order provides that the Monitor will assist the Corporation in conducting the SISP.

Connacher and the Monitor are currently seeking parties interested in acquiring or investing in the business or the assets of the Corporation.

The assets of Connacher include a 100% working interest in approximately 87,000 net acres of oil sands leases located southwest of Fort McMurray, Alberta, with estimated gross 2P reserves of 436 million barrels. The Company has two SAGD facilities at Great Divide, Pod One and Algar, that produced approximately 14,500 bbl/d in 2015 (and are currently producing approximately 8,000 bbl/d due to low commodity prices), with the opportunity for medium term development to increase capacity to 20,000 bbl/d. Connacher has 41 existing SAGD well pairs and 13 infill wells at Algar and Pod One and an approximately 40 year reserve life at 2015 production rates.

Under the SISP, the deadline for delivery of initial non-binding letters of intent is 12:00 p.m. (Mountain Time) on June 30, 2016.

Interested parties are invited to contact the Monitor by phone or email or to go to the Monitor's website at www.ey.com/ca/connacheroilandgas for further information on the SISP.

Ernst & Young Inc., in its capacity as Court-appointed Monitor of
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Forward Looking Statements

This news release contains certain statements that constitute forward-looking statements under applicable securities legislation. All statements other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", or the negative of these terms or other comparable terminology. These statements are only as of the date of this document and the Company does not undertake to publicly update these forward-looking statements except in accordance with applicable securities laws. Forward-looking statements, including but without limitation, statements concerning the implementation of CCAA proceedings, the sale and investment solicitation process and projected life of reserves, are based on current expectations, estimates, projections and assumptions, which the Company believes are reasonable but which may prove to be incorrect and therefore such forward-looking statements should not be unduly relied upon. These forward-looking statements involve known and unknown risks, uncertainties which may cause actual results or performance to be materially different from any future results or performance expressed or implied herein. These risks, uncertainties and other factors relating to the Company include, but are not limited to, the level of indebtedness of the Company, the implementation and impact of obtaining any reorganization or restructuring of the assets, business and financial affairs of the Company, future co-operation of the creditors of the Company, the Company's ability to generate sufficient cash flow from operations or to obtain adequate financing to fund capital expenditures and working capital needs and to meet the Company's ongoing obligations during the CCAA process and thereafter, the ability to maintain relationships with suppliers, customers, employees, stockholders and other third parties in light of the Company's current liquidity situation and the CCAA proceedings, as well as other general assumptions regarding, among other things: industry activity; the general stability of the economic and political environment; effect of market conditions on demand for the Company's products; the ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability to operate its business in a safe, efficient and effective manner; the effect of current plans; the timing and costs of capital expenditures; future commodity prices; currency, exchange and interest rates; the regulatory framework regarding environmental matters in the jurisdictions in which the Company operates; and the ability of the Company to successfully market its products.

Additional risks and uncertainties affecting the Company and its business and affairs are described in further detail in the Company's AIF for the year ended December 31, 2015. Although the Company believes that the expectations in such forward looking information are reasonable, there can be no assurance that such expectations shall prove to be correct. Any forward looking information included in this press release is expressly qualified in its entirety by this cautionary statement. Any forward looking information included herein is made as of the date of this press release and the Company assumes no obligation to update or revise any forward looking information to reflect new events or circumstances, except as required by law.

SOURCE [Connacher Oil and Gas Ltd.](#)

Contact

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