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[Stonehaven Exploration Ltd.](#) ("Stonehaven" or the "Company") (TSX VENTURE:SE) announces that it has entered into an arm's length amalgamation agreement dated June 3, 2016 (the "Amalgamation Agreement") with Deventa Energy Inc. ("Deventa"), a private corporation incorporated pursuant to the laws of Alberta, and 1973747 Alberta Ltd. ("Stonehaven Subco"), a wholly-owned subsidiary of the Company established to effect a "three-cornered" amalgamation (the "Merger"), whereby Deventa and Stonehaven Subco will amalgamate, with holders of Deventa each receiving 0.8261 of a common share of Stonehaven ("Stonehaven Share") for each common share of Deventa ("Deventa Share") held.

Deventa currently holds 128 net sections (81,920 acres) of Crown Montney petroleum and natural gas ("P&NG") rights with terms to at least January 1, 2018 in three areas in Alberta; Pepper, Harley and Wapiti. At Pepper, Deventa holds a 100% operated working interest in 24 sections of Montney P&NG rights. In the fourth quarter of 2014, Deventa drilled and completed an exploratory Montney vertical test well on its Pepper acreage. At Harley, Deventa holds a 100% operated working interest in 96 sections of Montney P&NG rights. Deventa also holds a non-operated 25% working interests in 32 (8 net) sections of Montney P&NG rights at Wapiti.

Stonehaven currently holds approximately 24 gross sections (9.1 net sections) of P&NG rights in Alberta at Bigstone, Fir and Wilson Creek, which produced an aggregate of approximately 21,100 boe during the first quarter of 2016 and averaged 232 boe/d.

Upon completion of the Merger, there will be approximately 24.3 million Stonehaven Shares outstanding with existing shareholders of Stonehaven holding approximately 46.6% of the outstanding Stonehaven Shares and existing shareholders of Deventa holding approximately 53.4% of the outstanding Stonehaven Shares. Stonehaven Shares issued pursuant to the Merger will, subject to receipt of the final approval of the TSX Venture Exchange (the "TSXV"), be listed on the TSXV.

MERGER

Upon completion of the Merger, Stonehaven will be managed by Malcolm Todd as Chief Executive Officer, Peter Cowling as President, Gordon Mayr as Chief Operating Officer and Sarah Hundal as Chief Financial Officer. The Board of Directors of Stonehaven will consist of six members, being Daniel Halyk, Todd McAllister, Bruce Pachkowski, Malcolm Shaw, Malcolm Todd and Colin Watt.

The Merger is anticipated to close at the end of July 2016. Closing of the Merger is subject to, among other conditions, the approval by holders of at least 50% of the Stonehaven Shares, after excluding the votes of Non-Arm's Length Parties (as defined in the policies of the TSXV) voted at Stonehaven's meeting of shareholders, the approval by holders of at least 66 2/3% of the Deventa Shares voted at Deventa's meeting of shareholders, the receipt of all necessary regulatory and stock exchange approvals and satisfaction of certain other closing conditions that are customary for a transaction of this nature.

It is anticipated that separate Stonehaven and Deventa shareholder meetings will be held in July 2016 following the mailing of a joint information circular regarding the Merger in June 2016 to shareholders of each company. The Amalgamation Agreement contains customary representations and warranties of each party, non-solicitations covenants by each of Stonehaven and Deventa and right to match provisions in favour of each party. In addition, each party has agreed to pay a non-completion fee of \$100,000 in certain circumstances as set forth in the Amalgamation Agreement, and upon the termination of the Amalgamation Agreement.

The Board of Directors of Stonehaven has unanimously approved the Amalgamation Agreement, determined that the Merger is in the best interests of Stonehaven and, based on the fairness opinion provided by Industrial Alliance Securities Inc., determined that the Merger is fair from a financial point of view to Stonehaven and has unanimously resolved to recommend that Stonehaven shareholders vote in favour of the Merger.

The Board of Directors of Deventa has unanimously approved the Amalgamation Agreement, determined that the Merger is in the best interests of Deventa and, based on the fairness opinion provided by FirstEnergy Capital Corp., determined that the consideration to be received by Deventa shareholders pursuant to the Merger is fair from a financial point of view, to the shareholders of Deventa and has unanimously resolved to recommend that Deventa shareholders vote in favour of the Merger.

The directors and officers of Stonehaven and Deventa, holding approximately 18% and 22% of the outstanding Stonehaven Shares and Deventa Shares, respectively, have entered into support agreements pursuant to which each has agreed to vote their securities in favour of the Merger.

STRATEGIC RATIONALE

The key benefits to Stonehaven shareholders pro forma the Merger are as follows:

- the Merger will result in a growth oriented, debt free Montney focused exploration and production company;
- the Merger will provide a large, high working interest land base which includes significant adjacent industry activity;
- the combined company will have increased financial capacity with estimated positive net working capital of approximately \$3.5 million and no bank debt upon closing of the Merger;
- the complementary nature of Stonehaven and Deventa's combined asset base provides significant exploration and development upside and the potential for improved efficiencies;
- the Merger provides Stonehaven shareholders and Deventa shareholders with an opportunity to participate in a larger entity with an experienced management team which will be comprised of the existing management team of Stonehaven and the addition of Peter Cowling, Deventa's current President and Chief Executive Officer, as well as an experienced board of directors which will include certain members of each of Stonehaven and Deventa's existing boards of directors who will collectively have a strong ownership interest in the combined company; and
- each of the Stonehaven shareholders and Deventa shareholders will maintain upside exposure in their respective asset bases of Stonehaven and Deventa through their pro-forma ownership in the combined entity.

FINANCIAL ADVISORS AND FAIRNESS OPINIONS

Industrial Alliance Securities Inc. has provided the Special Committee of the Board of Directors of Stonehaven with its verbal opinion that, as of June 3, 2016 and subject to the assumptions, qualifications and limitations on which the opinion is based and subject to its review of the final form of documentation effecting the Merger, that the Merger is fair, from a financial point of view, to Stonehaven.

FirstEnergy Capital Corp. is acting as exclusive financial advisor to Deventa respecting the Merger and has provided the Board of Directors of Deventa with its verbal opinion that, as of June 2, 2016 and subject to the assumptions, qualifications and limitations on which the opinion is based and subject to its review of the final form of the documentation effecting the Merger, the consideration to be received by holders of Deventa Shares pursuant to the Merger is fair, from a financial point of view, to the holders of Deventa Shares.

Further information relating to Stonehaven is also available on its website at www.stonehavenexp.com.

ADVISORY ON FORWARD-LOOKING STATEMENTS:

This news release contains forward-looking statements and information ("forward-looking statements") within the meaning of applicable securities laws and is based on the expectations, estimates and projections of management of Stonehaven as of the date of this news release, unless otherwise stated. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking statements. More particularly and without limitation, this news release contains forward-looking statements concerning: anticipated benefits of the Merger to the securityholders of Stonehaven, the timing and anticipated receipt of required regulatory, court and securityholder approvals for the Merger; the ability of Stonehaven to satisfy the other conditions to, and to complete, the Merger; the anticipated timing of the joint information circular regarding the Merger and the holding of the securityholder meetings of each of Stonehaven and Deventa, the anticipated management team and Board of Directors of Stonehaven and the anticipated share capital of Stonehaven, including the percentage of Stonehaven Shares held by former Deventa shareholders and Stonehaven shareholders. Such forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Investors are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions.

In respect of the forward-looking statements concerning the anticipated benefits and completion of the proposed Merger and the anticipated timing for completion of the Merger, Stonehaven has provided such in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the time required to prepare and mail securityholder meeting materials, including the required information circular; the ability of each of Deventa and Stonehaven to receive, in a timely manner, the necessary regulatory, court, securityholder, stock exchange and other third party approvals, the ability of each of Deventa and Stonehaven to satisfy, in a timely manner, the other conditions to the closing of the Merger; and expectations and assumptions concerning, among other things: commodity prices and interest and foreign exchange rates; planned synergies, capital efficiencies and cost-savings; applicable tax laws; future production rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services.

The anticipated dates provided may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary securityholder, regulatory, court or other third party approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Merger. Accordingly, readers should not place undue reliance on the forward-looking statements contained in this news release. In respect of the forward-looking statements, Stonehaven has

provided such in reliance on certain assumptions that it believes are reasonable at this time, including assumptions in respect of: prevailing commodity prices, margins and exchange rates; that each of Stonehaven's and Deventa's future results of operations will be consistent with past performance and management expectations in relation thereto; the continued availability of capital at attractive prices to fund future capital requirements relating to existing assets and projects, including but not limited to future capital expenditures relating to expansion, upgrades and maintenance shutdowns; the success of growth projects; future operating costs; that counterparties to material agreements will continue to perform in a timely manner; that there are no unforeseen events preventing the performance of contracts; and that there are no unforeseen material construction or other costs related to current growth projects or current operations.

Since forward-looking statements address future events and conditions, such information by its very nature involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks associated with the industries in which each of Deventa and Stonehaven operates in general such as: operational risks; delays or changes in plans with respect to growth projects or capital expenditures; costs and expenses; health, safety and environmental risks; commodity price, interest rate and exchange rate fluctuations; environmental risks; competition; failure to realize the anticipated benefits of the Merger and to successfully integrate each of Deventa and Stonehaven; ability to access sufficient capital from internal and external sources; and changes in legislation, including but not limited to tax laws and environmental regulations. Risks and uncertainties inherent in the nature of the Merger include the failure of each of Deventa and Stonehaven to obtain necessary securityholder, regulatory, court and other third party approvals, or to otherwise satisfy the conditions to the Merger, in a timely manner, or at all. Failure to so obtain such approvals, or the failure of each of Deventa and Stonehaven to otherwise satisfy the conditions to the Merger, may result in the Merger not being completed on the proposed terms, or at all.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information regarding some of these risks, expectations or assumptions and other factors may be found in the Company's Annual Information Form for the year ended December 31, 2015 and the Company's Management's Discussion and Analysis prepared for the year ended December 31, 2015. The reader is cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements contained in this news release are made as of the date hereof and Stonehaven undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

BOEs are presented on the basis of one BOE for six Mcf of natural gas. Disclosure provided herein in respect of BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 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. 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 of 6:1, utilizing a conversion ratio on a 6:1 basis may be misleading as an indication of value.

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This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities within the United States. The securities to be offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act or other laws.

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS NEWS RELEASE.

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