

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Gear Energy Ltd. ("Gear" or the "Company") (TSX:GXE) is pleased to announce that in connection with its previously announced bought deal financing, Gear and the syndicate of underwriters led by Peters & Co. Limited, and including AltaCorp Capital Inc., FirstEnergy Capital Corp., National Bank Financial Inc., and GMP Securities L.P., have agreed to increase the size of the financing. Gear will now issue 25.0 million common shares ("Common Shares") at a price of \$0.70 per Common Share for gross proceeds of \$17.5 million (the "Offering"). The underwriters will have an option to purchase up to an additional 15% of the Common Shares issued under the Offering at a price of \$0.70 per Common Share to cover over-allotments exercisable in whole or in part at any time until 30 days after the closing.

The net proceeds from the Offering will initially be used to repay outstanding bank indebtedness thereby freeing up borrowing capacity which may be used to fund a portion of the Company's ongoing capital program and for working capital purposes.

The Offering will be completed by way of short form prospectus to be filed in certain provinces of Canada and on a private placement basis in the United States pursuant to exemptions from the registration requirements of the U.S. Securities Act of 1933, as amended. The Offering is subject to normal regulatory approvals and is expected to close on or about June 29, 2016.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities issued pursuant to the Offering described herein may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Gear Energy Ltd.

Gear is a Canadian exploration and production company with predominantly horizontal heavy oil production in east central Alberta and west central Saskatchewan. The current and ongoing business plan is to continue focusing on being a low cost heavy oil operator, drilling economic wells and acquiring assets on an accretive basis.

Contact

[Gear Energy Ltd.](#)

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