

CALGARY, ALBERTA--(Marketwired - Jul 18, 2016) - [Marksmen Energy Inc.](#) (TSX VENTURE:MAH)(OTCQB:MKSEF) ("Marksmen" or the "Company") is pleased to announce that its wholly owned subsidiary, Marksmen Energy USA, Inc., as operator, and its joint operating partner Houghton Investments LLC ("Houghton" or "Partner"), have production tested the Davis-Holbrook #1 well, in Pickaway County, Ohio. Marksmen has a 75% working interest in the well.

The well was production tested over a 24-hour period beginning at noon on July 14, 2016. The well pumped continuously over this time and averaged a steady (no peaks) 8.4 barrels of oil per hour for a total of just over 200 barrels of light sweet crude per day. During the test period there was no produced water and no production decline or pressure decline.

The well is now on production and will be evaluated at various production rates to determine the optimal rate based on the reservoir characteristics and market conditions. The first load of oil, totaling 159 barrels, was delivered to market on July 15, 2016.

Archie Nesbitt, CEO and President of Marksmen says, "I believe this oil well is a game changer for Marksmen. The initial production numbers are proof that our 3D seismic interpretation can find exceptional wells. We look forward to the drilling of the development wells in close proximity to our discovery well and additional 3D seismic acquisition programs that we plan on our adjacent land position."

In a press release dated June 21, 2016 Marksmen reported that the well was drilled to a total depth of 2,475 feet. The well was logged and production casing was run to a depth of 2,458 feet. In a subsequent press release on July 5, 2016 Marksmen reported that two intervals within the top 57 feet of pay in the Cambrian Knox formation were completed. The two zones were stimulated with acid and then swabbed tested.

As of July 13, 2016, the well has been equipped with tubing, rods and a pump-jack. The lease has been completed and surface equipment including electrical power, berms and production tanks etc. have been installed.

The AFE (Authority for Expenditure) or budget for the well is \$155,000 USD to drill, and \$141,000 USD to complete and equip, totaling \$296,000 USD. Based on actual expenditures to date it is expected that the total capital cost of the well will be approximately 10% under budget.

Operating netbacks are calculated by deducting royalties and operating costs from revenues. The revenue Marksmen receives is based on West Texas Intermediate ("WTI") oil prices and is currently in the range of \$45 USD per barrel. Royalties are 12.5% of revenue or approximately \$5.63 USD per barrel at current prices. Operating cost are a combination of fixed and variable costs and for this well are expected to be approximately \$1.80 USD per barrel. The operating netback for this well at current prices and operating costs is estimated to be approximately \$37.50 USD per barrel.

Marksmen has identified four direct offset development wells to the Davis-Holbrook #1 and Strittmatter #1, all in the same Cambrian Knox remnant, for drilling and completion.

In addition to the above, Marksmen has identified approximately 20 other potential drilling opportunities in the approximately 12 square miles of 3D seismic that the Company has undertaken to date. With the success of this well, Marksmen will initiate further land acquisitions on adjacent lands followed by new 3D seismic programs.

Neither the 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.

This news release may contain certain forward-looking information and statements, including without limitation, statements pertaining to the Company's drilling and seismic plans, well production results, land acquisition, operations and operating netbacks. Initial oil and gas production rates are not necessarily indicative of long-term performance or of ultimate recovery. A pressure transient gradient analysis or well-test interpretation has not been carried out and the data should be considered preliminary until such analysis or interpretation is completed. All statements included herein other than statements of historical fact, are forward-looking information and such information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. A description of assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in Marksmen's disclosure documents on the SEDAR website at www.sedar.com. Marksmen does not undertake to update any forward-looking information except in accordance with applicable securities laws.

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