

CALGARY, Oct. 3, 2016 /CNW/ - (TSX:PMT) - [Perpetual Energy Inc.](#) ("Perpetual", the "Corporation" or the "Company") is pleased to announce that it has closed the previously disclosed strategic disposition of certain of its mature shallow gas properties in east central and northeast Alberta (the "Shallow Gas Properties"). Macquarie Capital Markets Canada Ltd. acted as financial advisor to the Corporation with respect to the transaction.

Pursuant to the transaction, Perpetual will materially increase its liability management ratio as defined by the Alberta Energy Regulator to over 4.2 through the disposition of all of the liabilities associated with the Shallow Gas Properties, and through the retention of its higher netback core, liquids-rich natural gas assets in West Central Alberta as well as heavy oil and natural gas assets in the Mannville and Panny areas in northeast Alberta. Despite the loss of close to 35.5 MMcf/d of current production from the Shallow Gas Properties, Perpetual's funds flow is expected to be positively impacted as a result of the disposition using current forward prices for natural gas. Furthermore, through gas marketing arrangements related to the transaction, Perpetual retains essentially full natural gas price upside exposure on the forecast base production from the Shallow Gas Properties should AECO natural gas prices exceed \$2.81/GJ through August 2018, with no operating exposure or future capital spending commitments.

Forward-Looking Information

Certain information regarding Perpetual in this news release including management's assessment of future plans and operations may constitute forward-looking statements under applicable securities laws. The forward-looking information includes, without limitation, statements regarding the anticipated value and benefits including the expected impact on the Corporation's financial position and benefits for Perpetual's shareholders; the impact of the transaction on the Corporation's net asset value; forecast and realized commodity prices and future funds flow. Various assumptions were used in drawing the conclusions or making the forecasts and projections contained in the forward-looking information contained in this press release, which assumptions are based on management analysis of historical trends, experience, current conditions, and expected future developments pertaining to Perpetual and the industry in which it operates as well as certain assumptions regarding the matters outlined above. Forward-looking information is based on current expectations, estimates and projections that involve a number of risks, which could cause actual results to vary and in some instances to differ materially from those anticipated by Perpetual and described in the forward looking information contained in this press release. Undue reliance should not be placed on forward-looking information, which is not a guarantee of performance and is subject to a number of risks or uncertainties, including without limitation those described under "Risk Factors" in Perpetual's Annual Information Form and MD&A for the year ended December 31, 2015 and those included in other reports on file with Canadian securities regulatory authorities which may be accessed through the SEDAR website (www.sedar.com) and at Perpetual's website (www.perpetualenergyinc.com). Readers are cautioned that the foregoing list of risk factors is not exhaustive. Forward-looking information is based on the estimates and opinions of Perpetual's management at the time the information is released and Perpetual disclaims any intent or obligation to update publicly any such forward-looking information, whether as a result of new information, future events or otherwise, other than as expressly required by applicable securities laws.

Volume Conversions

Barrel of oil equivalent ("boe") may be misleading, particularly if used in isolation. In accordance with National Instrument 51-101, a conversion ratio for natural gas of 6 Mcf:1 bbl has been used, which is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, utilizing a conversion on a 6 Mcf:1 bbl basis may be misleading as an indicator of value as the value ratio between natural gas and crude oil, based on the current prices of natural gas and crude oil, differ significantly from the energy equivalency of 6 Mcf:1 bbl.

About Perpetual

[Perpetual Energy Inc.](#) is a Canadian energy company with a spectrum of resource-style opportunities spanning liquids-rich natural gas in the Alberta deep basin, shallow gas, heavy oil and bitumen. Perpetual's shares are listed on the Toronto Stock Exchange under the symbol "PMT". Further information with respect to Perpetual can be found at its website at www.perpetualenergyinc.com.

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.

SOURCE [Perpetual Energy Inc.](#)

Contact

[Perpetual Energy Inc.](#), Suite 3200, 605 - 5 Avenue SW Calgary, Alberta, Canada T2P 3H5; Telephone: 403 269-4400, Fax: 403 269-4444, Email: info@perpetualenergyinc.com; Susan L. Riddell Rose, President and Chief Executive Officer; Claire Rosehill, Investor Relations and Business Analyst