

CALGARY, ALBERTA--(Marketwired - Nov 21, 2016) - [PetroShale Inc.](#) ("PetroShale" or the "Company") (TSX VENTURE:PSH)(OTCQX:PSHIF) is pleased to announce its financial and operating results for the third quarter ended September 30, 2016. The Company's unaudited consolidated financial statements and corresponding Management's Discussion and Analysis (MD&A) for the three and nine month periods ended September 30, 2016 are available on SEDAR at www.sedar.com, on the OTCQX website at www.otcqx.com, and on PetroShale's website at www.petroshaleinc.com. Copies of the materials can also be obtained upon request without charge by contacting the Company directly. Currency figures presented herein are reflected in Canadian dollars, unless otherwise noted.

Q3 2016 HIGHLIGHTS:

During the three months ended September 30, 2016, we remained focused on advancing the drilling and completion of PetroShale's first operated well, and achieved the following:

- Drilled the first well on our operated drilling spacing unit ("DSU") (73% working interest) in the prolific Antelope area, which is anticipated to be completed and placed on production before year end. PetroShale's DSU is immediately adjacent to an industry record Bakken well drilled in 2015, in which PetroShale has an 18.8% interest. That well has produced over 610,000 boe during its first 16 months on production, reinforcing our view that the Company's operated acreage is high-quality.
- Participated in the drilling of three gross (0.7 net) non-operated wells, in one of our other core properties, all of which are expected to be completed and placed onto production by year end.
- Produced an average of 1,540 boe/d (83% liquids weighted) in the quarter.
- Generated operating netbacks of \$20.55/boe (Company interest, gross of royalty; \$25.70/boe net of royalty), consistent with the previous quarter and which we believe are indicative of the strong economic returns of our assets in a low commodity price environment.

RESULTS OF OIL AND GAS ACTIVITIES

	Three months ended		Nine months ended	
	Sept 30, 2016	Sept 30, 2015	Sept 30, 2016	Sept 30, 2015
Sales volumes				
Crude Oil (Bbl/d)	1,138	1,566	1,186	1,176
Natural gas and NGLs (Mcf/d)	2,409	1,339	2,202	737
Barrel of oil equivalent (Boe/d)	1,540	1,789	1,553	1,299
Operating Netbacks (\$/Boe)				
Revenue	\$ 39.74	\$ 45.45	\$ 36.65	\$ 48.94
Royalties	(7.99)	(9.98)	(7.43)	(10.83)
Operating costs	(8.16)	(7.60)	(7.96)	(7.73)
Production taxes	(3.04)	(3.84)	(2.82)	(3.86)
Operating netback	\$ 20.55	\$ 24.03	\$ 18.44	\$ 26.52
Operating netback, on a net of royalty basis	\$ 25.70	\$ 30.88	\$ 23.14	\$ 34.10
Benchmark WTI price during the period (US\$ / bbl)	\$ 44.85	\$ 46.65	\$ 41.35	\$ 50.93

MESSAGE FROM THE CEO

We are very pleased to report that during the third quarter of 2016, we successfully drilled the first well on our operated, 73% working interest DSU which is located in the prolific Antelope area in the heart of the North Dakota Bakken. The well is currently being completed and we anticipate bringing it onto production before year end. In addition, we participated in three gross (0.7 net) wells in a non-operated, 24% working interest DSU in Antelope, which are also expected to be completed and brought on-line before the end of this year. The Company invested a total of \$6.7 million during the quarter advancing this drilling activity and progressing to the completion stage.

PetroShale's average production in the third quarter was 1,540 boe/d. With four new gross (1.5 net) wells currently being completed, equipped and tied-in, we anticipate a material increase to our corporate production volumes by the end of the year. Despite oil prices remaining below US\$50 / bbl, our drilling activity is anticipated to generate an economic, risk-adjusted rate of return, further demonstrating the high-quality nature of our acreage.

PetroShale plans to use the incremental liquidity available from undrawn capacity on our US\$80 million subordinated loan, which was drawn US\$68.0 million at September 30, 2016, to complete the fourth quarter capital activity. In light of anticipated additional production, we continue to monitor incremental hedging opportunities.

Over the past three years, PetroShale has demonstrated our ability to acquire high-quality lands and we are now in a position to grow our asset base in the heart of the North Dakota Bakken / Three Forks. We believe that PetroShale is well positioned to

deliver strong returns for our shareholders across a variety of price environments. The team is very excited about the upcoming results from our first operated well and its impact on the longer-term production and reserves potential for our Company. This will help support future development and capital allocation decisions for PetroShale. With the anticipated incremental volumes from our operated well coupled with the three new non-operated wells, PetroShale is poised for significant production expansion by year end 2016. We look forward to providing further updates and more information as results become available.

Until then, we wish to extend our gratitude to all employees, directors and shareholders for your continued support of PetroShale, and we look forward to updating you.

M. Bruce Chernoff, Executive Chairman and CEO

About PetroShale

PetroShale is an oil company engaged in the acquisition, development and consolidation of interests in the North Dakota Bakken / Three Forks.

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 release.

Note Regarding Forward-Looking Statements and Other Advisories

Company interest means, in relation to the Company's interest in production and reserves, the Company's working interest (operating and non-operating) before the deduction of royalties payable and including such entity's royalty interest in production and reserves. Where volumes of reserves and production have been presented, they have been presented as company working interest, gross of royalties, except where otherwise noted. All operating netbacks referenced in this press release are Company working interest, except where otherwise noted. All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.

Within this press release, references are made to terms commonly used in the oil and natural gas industry. The term "operating netback", in this press release is not a recognized measure under IFRS and therefore may not be comparable to performance measures presented by others. PetroShale uses "operating netback" as a key performance indicator and it is used by the Company to evaluate the operating performance of its petroleum and natural gas assets and is determined by deducting royalties, production taxes, and operating expenses from petroleum and natural gas revenue. Management believes that in addition to net income (loss) and cash flow from (used in) operating activities, operating netback is a useful supplemental measure as it assists in the determination of the Company's operating performance, leverage and liquidity. Readers are cautioned, however, that these measures should not be construed as an alternative to net income (loss) or cash flow from (used in) operating activities determined in accordance with IFRS as an indication of our performance.

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to aspects of management focus, objectives, strategies and business opportunities. More particularly and without limitation, this press release contains forward-looking information concerning: the sufficiency of the Company's financial flexibility and capital requirements; the Company's growth and development plans; the Company's participation in drilling and completion opportunities and the future prospects for new wells; the timing for the completion of the Company's first operated well and the timing of production being put on stream; the timing for the completion of non-operated wells and the timing of related production being commenced; the rate of return of the Company's operated well; the impact of changes to commodity prices; the results of PetroShale's optimization strategies and general industry economics; and the general outlook of the Company. PetroShale provided such forward-looking statements in reliance on certain expectations and assumptions that it believes are reasonable at the time, including expectations and assumptions concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserve and resource volumes; business prospects and opportunities; the availability and cost of financing, labor and services; the impact of increasing competition; ability to market oil and natural gas successfully; and the Company's ability to access capital.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Forward-looking information addresses future events and conditions, which by their very nature involve inherent risks and uncertainties. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on the Company's future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities

and may be accessed through the SEDAR website (www.sedar.com). These forward-looking statements are made as of the date of this press release and the Company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Oil and Gas Advisories:

Where amounts are expressed on a barrel of oil equivalent ("Boe") basis, natural gas volumes have been converted to Boe using a ratio of 6,000 cubic feet of natural gas to one barrel of oil (6 Mcf: 1 Bbl). This Boe conversion ratio 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 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 Mcf: 1 Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value. In this release, mboe refers to thousands of barrels of oil equivalent, while mbbls refers to thousands of barrels of oil, and mmcf refers to millions of cubic feet of natural gas.

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