

2016 estimated production averaged 117,500 boe/d with less than \$1 billion of capital investment

7G confirms 2017 production guidance of 180,000 - 190,000 boe/d with capital investments of \$1.5 billion to \$1.6 billion

CALGARY, ALBERTA--(Marketwired - Jan 6, 2017) - [Seven Generations Energy Ltd.](#) (TSX:VII) invested less than \$1 billion in its 2016 capital program, compared to the company's forecast of \$1.05 to \$1.1 billion. This reduced capital investment resulted in lower than forecast fourth quarter production, which is now expected to result in 2016 average production of about 117,500 barrels of oil equivalent per day (boe/d), compared to 2016 production guidance of 120,000 to 125,000 boe/d. Corporate liquids yields for 2016 remain at the high end of the 55 to 60 percent guidance range.

"Production in 2016 was 95 percent higher than in 2015. This growth was about 85 percent organic, and about 15 percent from our Montney asset acquisition. We remain confident in the long-term growth potential of our Kakwa River Project and we confirm our 2017 capital program, which is expected to increase production by more than 50 percent this year," said Marty Proctor, 7G's President & Chief Operating Officer.

As published on November 2, 2016, 7G expects to produce 180,000 to 190,000 boe/d in 2017 with capital investments of \$1.5 billion to \$1.6 billion.

"Annual production was impacted by completion delays and the temporary shutting in of producing wells adjacent to completion operations. As a result of the delays, we invested about 7 percent less capital than expected in 2016, which resulted in production that was about 4 percent lower than forecast," said Glen Nevokshonoff, Senior Vice President, Operations. "We continue to be encouraged by improving well performance, and later this month we plan to publish details on well production type curves, operational performance and corporate initiatives in our CEO's annual business strategy update letter."

Seven Generations plans to issue a formal report on its year-end 2016 financial and operating results on March 8, 2017.

Seven Generations Energy

Seven Generations is a low-cost, high-growth Canadian natural gas developer generating long-life value from its liquids-rich Kakwa River Project, located about 100 kilometres south of its operations headquarters in Grande Prairie, Alberta. 7G's corporate headquarters are in Calgary and its shares trade on the TSX under the symbol VII.

Further information on Seven Generations is available on the company's website: www.7genergy.com.

Reader Advisory

This news release contains certain forward-looking information and statements that involves various risks, uncertainties and other factors. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "should", "believe", "plans", and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to the following: expected production and capital investment for 2016 and 2017; anticipated liquids yields; and the release of 7G's 2016 year-end financial and operating results on March 8, 2017

With respect to forward-looking information contained in this news release, assumptions have been made regarding, among other things: future oil, natural gas liquids and natural gas prices; the company's ability to obtain qualified staff and equipment in a timely and cost efficient manner; the company's ability to market production of oil, natural gas liquids and natural gas successfully to customers; the company's future production levels; the applicability of technologies for the company's reserves; future capital investments by the company; future funds from operations from production; future sources of funding for the company's capital program; the company's future debt levels; geological and engineering estimates in respect of the company's reserves and resources; the geography of the areas in which the company is conducting exploration and development activities; the access, economic and physical limitations to which the company may be subject from time to time; the impact of competition on the company; and the company's ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in this forward-looking information as a result of the risks and risk factors that are described in the company's annual information form dated March 8, 2016 for the year ended December 31, 2015 (the AIF) and the Short Form Prospectus dated July 19, 2016, which are available on SEDAR at www.sedar.com, including, but not limited to: volatility in market prices and demand for oil, natural gas liquids and natural gas and hedging activities related thereto; general economic, business and industry conditions; variance of the company's actual capital costs, operating costs and economic returns from those anticipated; the ability to find, develop or acquire additional reserves and the availability of the capital or financing necessary to do so on satisfactory terms; risks related to the exploration, development and production of oil and natural gas reserve and resources; negative public perception of oil sands development, oil and natural gas development and transportation, hydraulic

fracturing and fossil fuels; actions by governmental authorities, including changes in government regulation, royalties and taxation on the enforcement thereof; the rescission, or amendment to the conditions of, groundwater licenses of the company; management of the company's growth; the ability to successfully identify and make attractive acquisitions, joint ventures or investments, or successfully integrate future acquisitions or businesses; the availability, cost or shortage of rigs, equipment, raw materials, supplies or qualified personnel; the absence or loss of key employees; uncertainty associated with estimates of oil, natural gas liquids and natural gas reserves and resources and the variance of such estimates from actual future production; dependence upon compressors, gathering lines, pipelines and other facilities, certain of which the company does not control; the ability to satisfy obligations under the company's firm commitment transportation arrangements; the uncertainties related to the company's identified drilling locations; operating hazards and uninsured risks; the possibility that company's drilling activities may encounter sour gas; execution of the company's business plan; failure to acquire or develop replacement reserves; the concentration of the company's assets in the Kakwa River Project area; unforeseen title defects; Aboriginal claims; failure to accurately estimate abandonment and reclamation costs; development and exploratory drilling efforts and well operations may not be profitable or achieve the targeted return; dependence on employees and contractors; third-party claims regarding the company's right to use technology and equipment; expiry of certain leases for undeveloped leasehold acreage in the near future; potential conflicts of interests; actual results differing materially from management estimates and assumptions; seasonality of the company's activities and the Canadian oil and gas industry; weather related risks, fires and natural disasters; extensive competition in the company's industry; changes in the company's credit ratings; dependence upon a limited number of customers; terrorist attacks or armed conflict; loss of information and computer systems; security deposits may be required under provincial liability management programs; reassessment by taxing authorities of the company's prior transactions and filings; variations in foreign exchange rates and interest rates; third-party credit risk including risk associated with counterparties in risk management activities related to commodity prices and foreign exchange rates; sufficiency of insurance policies; litigation; sufficiency of internal controls; third-party breach of agreements or failure of counterparties to meet their commitments; impact of expansion into new activities on risk exposure; risks related to the company's senior unsecured notes and other indebtedness, including potential inability to comply with the covenants in the credit agreement related to the company's credit facilities and/or the covenants in the indentures in respect of the senior secured notes.

The forward-looking information and statements contained in this news release speak only as of the date hereof, and the company does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Definitions and Abbreviations

[Seven Generations Energy Ltd.](#) is also referred to as Seven Generations, 7G or the company.

bbl barrel or barrels
boe barrels of oil equivalent ⁽¹⁾
boe/d barrels of oil equivalent per day
Mcf thousand cubic feet

(1) 7G has adopted the standard of 6 Mcf:1 bbl when converting natural gas to oil equivalent. Condensate and other natural gas liquids are converted to oil equivalent at a ratio of 1 bbl:1 bbl. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based roughly on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at 7G's sales point. Given the value ratio based on the current price of 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.

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