

Moved to covenant-based facility and increased facility term to four years

CALGARY, ALBERTA--(Marketwired - June 12, 2017) - [Seven Generations Energy Ltd.](#)'s (TSX:VII) lenders have agreed to increase the size of the company's senior secured credit facility by about 27 percent, from \$1.1 billion to \$1.4 billion. With this increase, 7G had available funding of about \$1.9 billion as of March 31, 2017 on a pro-forma basis.

7G's credit facility has moved from a reserve-based structure, with lending capacity re-determined on a semi-annual basis, to a covenant-based facility governed by senior secured leverage and interest coverage metrics. The new facility structure provides 7G with four years of funding and ensures committed credit capacity across the commodity price cycle.

"Our financial strength is reflected in this additional credit capacity and flexibility. Shifting away from reserves-based security to a four-year covenant-based facility recognizes the high quality of our assets, their capacity to generate profitable growth, a large established production base with processing, transportation and markets, as well as our track record of successfully converting our significant resources to reserves, production, cash flow and earnings. We plan to continue our conservative approach to debt and draws on our credit facility. We now have access to \$1.4 billion in addition to adjusted working capital of about \$500 million that we had at the end of the first quarter of 2017. Our credit facility remains undrawn," said Chris Law, 7G's Chief Financial Officer.

The credit facility was led by RBC Capital Markets and had participation from a syndicate of 12 other financial institutions. The credit facility matures on June 9, 2021. A copy of the Credit Agreement is available at www.sedar.com.

Seven Generations Energy

Seven Generations is a low-supply-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 Advisories

Non-IFRS Financial Measures

This news release includes references to "available funding" and "adjusted working capital", which are not defined under International Financial Reporting Standards ("IFRS"). These references are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS and should be read in conjunction with the company's financial statements and accompanying notes. Readers are cautioned that "available funding" and "adjusted working capital" do not have any standardized meaning and should not be used to make comparisons between the company and other companies without also taking into account any differences in the way the calculations were prepared.

For more information regarding "available funding" and "adjusted working capital", see "Non-IFRS Financial Measures" in the company's Management Discussion and Analysis dated May 3, 2017, for the three months ended March 31, 2017.

Forward-Looking Information

This news release contains certain forward-looking information and statements that involve various risks, uncertainties and other factors. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to: the funding that will be available to the company; the continued conservative approach to debt and draws on the credit facilities that is anticipated; the profitable growth expected from the development of the company's assets; and the long-life value that is expected from the development of the company's Kakwa River Project.

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 being consistent with current commodity price forecasts after factoring in quality adjustments at the company's points of sale; the company's continued ability to obtain qualified staff and equipment in a timely and cost-efficient manner; infrastructure and facility design concepts that have been applied by the company in its Kakwa River Project may be successfully applied elsewhere in the Kakwa River Project; the consistency of the regulatory regime and framework governing royalties, taxes and environmental matters in the jurisdictions in which the company conducts its business and any other jurisdictions in which the company may conduct its business in the future; the company's ability to market production of oil, natural gas liquids and natural gas successfully to customers; the company's future production

levels and amount of future capital investment will be consistent with the company's current development plans and budget; the applicability of new technologies for recovery and production of the company's reserves and resources may improve capital and operational efficiencies in the future; the recoverability of the company's reserves and resources; sustained future capital investment by the company; future cash flows from production; the 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, and the access, economic, regulatory 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 the forward-looking information that is contained herein as a result of the risks and risk factors that are set forth in the company's Annual Information Form for the year ended December 31, 2016, dated March 7, 2017 (the "AIF"), which is 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 reserves 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 legislation, regulation, royalties and taxation; changes to the interpretation of legislation or regulations; management of the company's growth; 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; uncertainties related to the company's identified drilling locations; execution risks associated with 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; third-party claims regarding the company's right to use technology and equipment; expiry of certain leases for the undeveloped leasehold acreage in the near future; failure to realize the anticipated benefits of acquisitions or dispositions; failure of properties acquired now or in the future to produce as projected and inability to determine reserve and resource potential, identify liabilities associated with acquired properties or obtain protection from sellers against such liabilities; 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; alternatives to and changing demand for petroleum products; extensive competition in the company's industry; changes in the company's credit ratings; third party credit risk; dependence upon a limited number of customers; terrorist attacks or armed conflict; cyber-security risks, loss of information and computer systems; 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; potential litigation; variation in future calculations of non-IFRS measures; sufficiency of internal controls; breach of agreements by counterparties and potential enforceability issues in contracts; impact of expansion into new activities on risk exposure; and the risks related to the common shares that are publicly traded and the company's senior notes and other indebtedness.

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

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