

CALGARY, ALBERTA--(Marketwired - Sep 20, 2017) - Chinook Energy Inc. (TSX:CKE) ("Chinook") is pleased to provide the following operational update on its Birley/Umbach property.

During the second quarter of 2017, Chinook successfully completed a four well (3.63 net) (the a-81-F, b-90-G, 02/d-5-K, and b-14-K wells) drilling program at Birley/Umbach with average drilling costs of approximately \$1.55 million per well (\$1.38 million, net). The wells were subsequently completed during the third quarter of 2017, at an average cost of approximately \$2.69 million (\$2.43 million, net).

The gross test results for the four wells are as follows ⁽¹⁾:

To view table please click the following link: <http://media3.marketwire.com/docs/Chinkook920.pdf>

Chinook is encouraged by the results of its recent wells and new completion design which included more frac stages with less proppant per stage (from 65 tonnes/stage to 55 tonnes/stage) and tighter frac spacing (from 65 metre to 52 metre frac spacing). Chinook completed these wells using a 'zipper frac' technique whereby adjacent wells are fracked in an alternating stage sequence. This technique assists adjacent well fractures to avoid each other while maximizing the exposure of new reservoir rock. Chinook anticipates incorporating this new completion design into its future drilling operations.

The new wells will be equipped in October with the a-81-F and b-90-G commencing production at restricted rates at that time. Chinook continues the construction of its compressor expansion at Birley/Umbach which will see its capacity at this facility increase from 25mmcf to 50mmcf of raw natural gas. The expansion is expected to be completed in early December and the 02/d-5-k and b-14-k wells brought on at that time.

About Chinook Energy Inc.

Chinook is a Calgary-based public oil and natural gas exploration and development company which is focussed on realizing per share growth from its large contiguous Montney liquids-rich natural gas position at Birley/Umbach, British Columbia.

Reader Advisory

Abbreviations

Oil and Natural Gas Liquids Natural Gas

bbl	barrel	mcf	thousand cubic feet
bbls	barrels	mmcf	million cubic feet
bbls/d	barrels per day	mcf/d	thousand cubic feet per day
		GJ	gigajoules
		GJ/d	gigajoules per day

Other

boe	barrel of oil equivalent on the basis of 6 mcf/1 boe for natural gas and 1 bbl/1 boe for crude oil and nat
boe/d	barrel of oil equivalent per day
psi	pounds per square inch

Forward-Looking Statements

In the interest of providing shareholders and readers with information regarding Chinook, including management's assessment of the future plans and operations of Chinook, certain statements contained in this news release constitute forward-looking statements or information (collectively "forward-looking statements") within the meaning of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "potential", "target" and similar words suggesting future events or future performance. In particular, this news release contains, without limitation, forward-looking statements pertaining to: that Chinook will incorporate the new completion design into its future drilling operations, expectations with respect to Chinook's 2017 four well drilling program at Birley/Umbach, and future operations to be conducted in the Birley/Umbach area and the timing thereof, including the expected timing of the completion of Chinook's facility expansion at Birley/Umbach and the timing that the new wells will be equipped and brought on-steam.

With respect to the forward-looking statements contained in this news release, Chinook has made assumptions regarding, among other things: that Chinook will continue to conduct its operations in a manner consistent with that expressed herein, future capital expenditure levels, future oil and natural gas prices, future oil and natural gas production levels, future currency,

exchange and interest rates, Chinook's ability to obtain equipment in a timely manner to carry out exploration and development activities, the impact of increasing competition, field production rates and decline rates, anticipated production volumes, certain cost assumptions, that the budgeted 2017 capital program, which is subject to the discretion of Chinook's Board of Directors, will not be amended in the future, and the continued availability of adequate debt and cash flow to fund Chinook's planned expenditures. Although Chinook believes that the expectations reflected in the forward-looking statements contained in this news release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this news release, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that predictions, forecasts, projections and other forward-looking statements will not occur, which may cause our actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements.

These risks and uncertainties include, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices and currency fluctuations, Chinook's Board of Directors may amend the 2017 capital program based on its discretion; environmental risks, competition from other producers, inability to retain drilling rigs and other services, unanticipated increases in or unforeseen capital expenditure costs, including drilling, completion and facilities costs, unexpected decline rates in wells, delays in projects and/or operations resulting from surface conditions, wells not performing as expected, delays resulting from or inability to obtain the required regulatory approvals and inability to access sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the forgoing list of factors is not exhaustive. Additional information on these and other factors that could affect Chinook's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) and at Chinook's website (www.chinookenergyinc.com). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Chinook does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Initial Production Rates

Any reference in this news release to initial, early and/or test or production/performance rates (including IP30, IP60 and IP90) are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating our aggregate production. The initial production or test rates may be estimated based on other third party estimates or limited data available at this time. In all cases in this news release initial production or test rates are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons. Well-flow test result data should be considered to be preliminary until a pressure transient analysis and/or well-test interpretation has been carried out.

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