

Mineral Hill Industries Ltd Enters Into Agreement to Acquire an Oil & Gas Production Leasehold Estate in Oklahoma

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VANCOUVER, Feb. 21, 2018 - Further to the Company's news releases dated December 7, 2017 and December 14, 2017, [Mineral Hill Industries Ltd.](#) ("MHI" or the "Company") wishes to announce that it has signed a binding Letter of Intent ("LOI") to acquire an Oil and Gas operated Leasehold Estate of approximately 4300 acres, located in close proximity of one of Oklahoma's "STACK play" in the Anadarko Basin one of the best unconventional oil plays in the US with plenty of historical reports and geological data available.

The entire Leasehold Estate is privately held by seven corporate owners and includes any entity which holds an interest in the Leasehold Estate (the "Seller") and consists of certain Oil & Gas producing wells of the Estate and properties in the reported categories of "Non-Producing", Proved Undeveloped and "Probable Undeveloped locations (jointly referred to as "Estate-Assets") as well as certain operating equipment and Seller's assignment of an established operating company registered in Oklahoma which will serve MHI as future operating entity. The closing of the transaction is subject to TSX Venture Exchange approval, satisfactory due diligence including commission a NI 51-101 report performed by an independent "Qualified Person" to confirm the data provided by Seller and by MHI.

The purchase price for the acquisition is US\$ 3,000,000 ("Acquisition-Price") to be fulfilled through scheduled cash payments over a period of three years (the "Transaction-Period"). The Acquisition-Price will be secured through a mortgage carried by Seller as mortgagee, bearing annual interest payments of 5% which have to be paid in monthly installments as an Overriding Royalty Interest for the balance of the Acquisition-Price until paid off in full.

MHI will generate its initial working capital, the initial maintenance and development payments of US\$110,000 due on or before March 15, 2018 and the related interest payments due to the Seller on each month-end for the next 15 months, through an initial private placement ("Stage-1 Funding" or "PP#1") and the improved cashflow from OIL production resulting from rework activities on existing well bores which will raise production in the coming months. The Company plans to employ some of the cash flows also towards securing additional assets.

MHI also agreed that the first major premium payment of US\$1,500,000 will be made within the first 15 months of the Transaction-Period ("Premium-Payment#1") and that once Premium-Payment#1, including all other payments due during the first 15 months of the Transaction-Period have been satisfied by Buyer, Seller will transfer the full operations of the Leasehold Estate including its operating company to Buyer and will initiate the transfer of all revenue derived from the Leasehold Estate under the full control and administered to the Buyer.

According to the U.S. Energy Information Administration (EIA), the oil drilling activities in the state of Oklahoma alone, increased Oklahoma's production from a low of about 150,000 barrels (bbl) of oil a day in 2005 to some 370,000 this past summer. In order for the Company to meet the challenges of the new acquisitions Mineral Hill will add additional oil and gas industry experienced directors to its board and will change officer responsibilities within its present board members.

The Company seeks Safe Harbor

The securities being offered have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to U.S. persons without registration or applicable exemption from the registration requirement of such Act. This release does not constitute an offer for sale of such securities in the United States of America.

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.

SOURCE [Mineral Hill Industries Ltd.](#)

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