Connacher Oil and Gas Limited Announces Creditor and Court Approval of Restructuring

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CALGARY, Oct. 4, 2018 - Connacher Oil and Gas Ltd. ("Connacher" or the "Company") is pleased to announce the ap the Company's Amended and Restated Plan of Compromise and Arrangement (the "Plan") by the required majorities o creditors and the Court of Queen's Bench of Alberta (the "Court") in the Company's proceedings under the Companies' Arrangement Act (the "CCAA"). As previously announced, the Plan effects a transaction to sell the Company to East R and Gas Ltd. ("East River") through the acquisition of Connacher's share capital.

The resolution (the "Plan Resolution") approving the Plan pursuant to the CCAA was approved by 100% of the Compar lien lenders (the "First Lien Lenders") and 100% of the Company's general unsecured creditors (the "General Creditors were present and voted in person or by proxy on the Plan Resolution at the creditors' meetings held on October 3, 201 accordance with the Creditors' Meetings Order granted by the Court on August 22, 2018.

Following the positive vote at the creditors' meetings, the Court sanctioned the Plan on October 4, 2018. The Compan working towards satisfying conditions precedent to the Plan and consummating the transaction with East River, which i expected to occur after November 8, 2018, subject to the right of East River to extend the closing date in certain circur

The approval of the Plan by affected creditors and subsequent Court sanction of the Plan, are key steps towards the C implementation of the Plan transaction with East River and its emergence from protection under the CCAA. The Plan re the best alternative for the long-term interests of Connacher which eliminates its existing funded debt, improves liquidit beneficial to employees, customers, suppliers and the communities where Connacher operates.

As previously announced, in the event of a circumstance where the Plan cannot be implemented, the transaction with E would be consummated pursuant to the Approval and Vesting Order granted by the Court on August 22, 2018.

A copy of the Plan and materials related thereto are available on the Monitor's website at www.ey.com/ca/connacheroil and on SEDAR.

Connacher Oil and Gas Ltd. is a Calgary-based in situ oil sands developer, producer, and marketer of bitumen. The Co principal asset is a 100 per cent interest in the Company's Great Divide oil sands leases near Fort McMurray, Alberta. T Company operates two steam-assisted gravity drainage facilities at these oil sands leases.

Forward Looking Statements

This news release contains certain statements that constitute forward?looking statements under applicable securities le All statements other than statements of historical fact are forward?looking statements. In some cases, forward?lookin statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "esti "predict", "potential", "continue", or the negative of these terms or other comparable terminology. These statements are of the date of this document and the Company does not undertake to publicly update these forward?looking statements accordance with applicable securities laws. Forward?looking statements, including but without limitation, statements c the CCAA proceedings and the reorganization or restructuring of the assets, business and financial affairs of the Comp based on current expectations, estimates, projections and assumptions, which the Company believes are reasonable b may prove to be incorrect and therefore such forward?looking statements should not be unduly relied upon. These forward?looking statements involve known and unknown risks, uncertainties which may cause actual results or perform be materially different from any future results or performance expressed or implied herein. These risks, uncertainties ar factors relating to the Company include, but are not limited to, that the conditions precedent to the implementation of th may not be satisfied; that the Company may not prevent third parties from obtaining court orders or approvals that are the Company's interests, risks relating to the future co-operation of the creditors of the Company, risks related to the le indebtedness of the Company, the implementation and impact of any reorganization or restructuring on the assets, bus financial affairs of the Company, the Company's ability to generate sufficient cash flow from operations or to obtain ade financing to fund capital expenditures and working capital needs and to maintain the Company's ongoing obligations du CCAA process and thereafter, the ability to maintain relationships with suppliers, customers, employees, shareholders third parties in light of the Company's current liquidity situation and the CCAA proceeding, as well as the risks associate the oil and gas industry (e.g., operational risks in development, exploration and production; delays or changes in plans respect to exploration or development projects or capital expenditures; the uncertainty of reserve and resource estimat uncertainty of geological interpretations; the uncertainty of estimates and projections relating to production, costs and e and health, safety and environmental risks), risk of commodity price and foreign exchange rate fluctuations, risks assoc the impact of general economic conditions, risks and uncertainties associated with maintaining the necessary regulator approvals and securing the financing to continue operations and increase production to levels previously achieved.

Additional risks and uncertainties affecting the Company and its business and affairs are described in further detail in th Company's AIF for the year ended December 31, 2015. Although the Company believes that the expectations in such f looking information are reasonable, there can be no assurance that such expectations shall prove to be correct. Any for looking information included in this press release is expressly qualified in its entirety by this cautionary statement. Any f looking information included herein is made as of the date of this press release and the Company assumes no obligatio update or revise any forward looking information to reflect new events or circumstances, except as required by law.

SOURCE Connacher Oil and Gas Ltd.

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