

NORTHERN SPIRIT RESOURCES INC.

NORTHERN SPIRIT RESOURCES INC. ANNOUNCES FILING OF SECOND QUARTER 2015 FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR IMMEDIATE RELEASE

Calgary, Alberta – August 28, 2015 – (Calgary, Alberta) Northern Spirit Resources Inc. ("Northern Spirit" or the "Corporation") (TSX-V: NS) is pleased to announce that it has today filed its unaudited financial statements for the three and six months ended June 30, 2015 together with the related management's discussion and analysis ("MD&A") on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

HIGHLIGHTS

	Three months ended June 30			Six months ended June 30		
	2015	2014	Change %	2015	2014	Change %
FINANCIAL (\$)						
Revenue	1,579,699	874,295	81	3,068,735	2,072,414	48
Funds from operations ⁽¹⁾	790,641	484,041	66	1,528,359	1,105,857	38
Comprehensive income	201,411	158,089	27	563,457	1,797,668	(69)
Earnings per share (basic and diluted)	0.00	0.00		0.00	0.01	(100)
Total assets	20,549,151	18,762,341	10	20,549,151	18,762,341	10
Working capital (deficiency)	(515,142)	108,710	(574)	(515,142)	108,710	(574)
Total long term liabilities	2,757,260	1,697,272	62	2,757,260	1,697,272	62
Operating Income ⁽¹⁾	1,039,369	628,946	65	2,026,443	1,368,807	48
Total net capital expenditures	967,996	2,305,626	(58)	1,356,454	1,848,206	(27)
Common shares outstanding	347,033,993	343,275,993	1	347,033,993	343,275,993	1
OPERATIONS						
Average production sales						
Oil (bbl/d)	282	102	176	318	113	181
Natural gas (mcf/d)	238	241	(1)	253	271	(7)
NGL (bbl/d)	5	12	(58)	4	9	(56)
Total (boe per day @ 6 mcf: 1 bbl)	327	154	112	364	167	118
Average pricing						
Oil (\$/bbl)	58.23	89.25	(35)	50.20	85.23	(41)
Natural gas (\$/mcf)	2.82	4.83	(42)	2.91	5.38	(46)
NGL (\$/boe)	63.98	28.41	125	55.24	44.62	24
BOE (\$/boe)	53.02	62.56	(15)	46.48	68.69	(32)
Netbacks						
Revenue (\$/boe)	53.02	62.56	(15)	46.48	68.69	(32)
Royalty expenses (\$/boe)	2.21	4.33	(49)	2.04	5.96	(66)
Production expenses (\$/boe)	15.93	13.22	20	13.74	17.36	(21)
Operating netback ⁽¹⁾ (\$/boe)	34.88	45.01	(22)	30.70	45.37	(32)
Net G&A expenses (\$/boe)	8.14	10.99	(26)	7.39	9.14	(19)
Interest expense (income) (\$/boe)	0.21	(0.62)	(134)	0.16	(0.43)	(136)
Funds from operations ⁽¹⁾ (\$/boe)	26.53	34.64	(23)	23.15	36.66	(37)

- (1) Funds from operations, funds from operations netback, operating income and operating netback do not have standardized meanings prescribed by generally accepted accounting principles and therefore should not be considered in isolation. These reported amounts and their underlying calculations are not necessarily comparable or calculated in an identical manner to a similarly titled measure of other companies where similar terminology is used. Where these measures are used they should be given careful consideration by the reader.

2015 SECOND QUARTER HIGHLIGHTS

- Northern Spirit produced an average of 327 boe per day (88% oil plus liquids), a 112% increase from an average of 154 boe per day (74% oil plus liquids) in Q2 of 2014.
- Revenue reached \$1,579,699, an 81% increase from \$874,295 for the second quarter of 2014. Funds from operations increased 66% to \$790,641 from \$484,041 for Q2 of 2014. Net income increased 27% to \$201,411 from \$158,089 for the second quarter of 2014.
- Revenue averaged \$53.02/boe, a decrease of 15% from an average of \$62.56/boe in Q2 of 2014. Operating (field) netback averaged \$34.88/boe in the second quarter of 2015 a decrease of 22% from an average of \$45.01/boe in the second quarter of 2014.
- The Corporation has deferred all 2015 drilling and completion expenditures until the third and fourth quarters of 2015, pending improved commodity prices. Capital investment in the second quarter totaled \$967,996 with \$588,634 spent at Crown land sales and \$256,960 spent to acquire additional working interests from industry partners at Wildmere.
- The Corporation has increased its line of credit with its bankers from \$5.0 million to \$6.5 million effective May 25, 2015. As at June 30, 2015, the Corporation's credit facility was drawn \$580,000.

OPERATIONS REVIEW

Northern Spirit's asset base is located approximately 20 km south of the town of Provost, in east central Alberta. The Corporation produces 25° API sweet oil and natural gas from horizontal wells drilled in the Sparky formation at depths between 650 and 850 meters true vertical depth.

Klein North

Second quarter production from Klein North averaged 242 boe per day (87% oil plus liquids), a year-over-year increase of 1,078%. Production from Klein North was shut-in for a five day period in May 2015 due to a curtailment imposed by the gas plant operator where the Corporation's natural gas is processed. This five day shut in reduced Corporation production by 43 boe per day for the month of May 2015 or 15 boe day for the second quarter.

During the second quarter of 2014, there was one directional well on production in Klein North with the balance of the production coming online in September 2014 after drilling three (3.0 net) horizontal Sparky oil wells. Activity in the second quarter of 2015 was limited to a routine workover on a horizontal well to replace a worn progressive cavity pump.

Klein South

Second quarter production from Klein South was 41 boe per day (100% oil), a year-over-year decrease of 6%. The Klein South area consists of four horizontal wells (2.2 net) and one vertical well (1.0 net). The most recent area activity was placing a horizontal well on production in January 2014. There were no operational activities in the area for the second quarter of 2015.

Provost Minors

Production in the second quarter was 44 boe per day (82% oil plus liquids), a year-over-year decrease of 47%. This property consists of seven operated wells (7.0 net) and two non-operated wells (0.5 net). During the quarter the operational activity in this area was limited to one routine workover to repair a bottom hole insert pump.

OUTLOOK

On July 31, 2015 the Corporation closed a definitive reorganization and investment agreement (the "Agreement") with John McAleer, David Burghardt, Travis Stephenson, Robert Pinckston, Maureen Keough and Jeff Mazurak (collectively, the "Initial Investor Group") which provided for: (i) a non-brokered private placement of an aggregate minimum of approximately \$20 million and up to an aggregate maximum of approximately \$25 million (the "Private Placement"); (ii) the appointment of a new management team (collectively, the "New Management Team") and Board of Directors; and (iii) a rights offering (the "Rights Offering") to current holders of common shares ("Common Shares") of Northern Spirit (collectively, the "Transaction"). Completion of the Transaction is subject to customary closing conditions, including the approval of the TSX Venture Exchange (the "TSXV"). Upon completion of the Transaction, it is anticipated that the shareholders of Northern Spirit will be asked to approve, at a special meeting called for such purposes: (i) a change of the Corporation's name to "Altura Energy Inc."; and (ii) a consolidation of the Common Shares.

The New Management Team is led by David Burghardt as President and Chief Executive Officer, Travis Stephenson as Vice President, Engineering, Robert Pinckston as Vice President, Exploration, Maureen Keough as Vice President, Land, and Jeff Mazurak as Vice President, Operations. The New Management Team has a proven track record of generating shareholder value in profitably growing junior and intermediate oil and gas companies through an integrated strategy of acquisition, exploitation and exploration. This past experience will be relied upon to grow Northern Spirit through a combination of organic growth and acquisitions, with an initial focus on conventional crude oil plays in central Alberta. Northern Spirit's current Chief Financial Officer, John Cassels, will continue in his role on an interim basis until a permanent Chief Financial Officer is confirmed by the Corporation.

The New Management Team and Board of Directors have extensive experience in creating shareholder value through a focused full-cycle business plan and the current market environment is expected to provide an excellent opportunity to reposition Northern Spirit for profitable, long-term growth.

Northern Spirit expects to pursue conventional crude oil and liquids-rich natural gas plays in the Western Canadian Sedimentary Basin, with an initial focus on central Alberta targeting the shallow, multi-zone, oil-weighted section of the Cretaceous. Building upon Northern Spirit's current production base of approximately 325 barrels of oil equivalent ("BOE") per day, growth will come from the exploitation of Northern Spirit's drilling inventory, the pursuit of defined organic growth in areas where the application of horizontal drilling and multi-stage fracturing has not been fully exploited and a targeted acquisition and consolidation strategy. The New Management Team and proposed Board of Directors have demonstrated strong historical focus on operatorship, capital efficiency and cost control which will guide the Corporation's business strategy.

Assuming the maximum of \$25 million is raised in the Private Placement, Northern Spirit is expected to have a net cash position of approximately \$23.5 million with no debt. This starting point provides a strong platform for profitable future growth in the current business environment. The New Management Team will maintain a conservative balance sheet and will not expose the Corporation to capital investment risk that could jeopardize its future growth.

The New Management Team would like to thank the previous board of directors and management team of Northern Spirit for their cooperation in the reorganization of the Corporation and greatly appreciates the support of the Corporation's new institutional and individual shareholders through the Private Placement.

About Northern Spirit Resources Inc.

Northern Spirit Resources Inc. is a public oil and gas Corporation active in the exploration and development of oil and natural gas in east central Alberta.

For more information please contact:

Northern Spirit Resources Inc.
200, 640 – 5th Avenue SW
Calgary, AB T2P 3G4
Telephone (403) 984-5197

David Burghardt
President and Chief Executive Officer
Direct (403) 984-5195

Forward-Looking Cautionary Statements

The reader is advised that some of the information contained herein may constitute forward-looking statements within the meaning assigned by National Instrument 51-102 and other relevant securities legislation. Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “scheduled”, “potential”, or other similar words, or statements that certain events or conditions “may”, “should” or “could” occur. Forward-looking information contained herein includes, but is not limited to, statements with respect to: the timing for incurring drilling and completion expenditures in 2015.

Forward-looking statements are based on the Corporation’s expectations regarding its future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity, environmental matters, business prospects and opportunities. Such forward-looking information reflects management’s current beliefs and assumptions and is based on information currently available to it.

The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by the Corporation at the time of preparation, may prove to be incorrect and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date hereof. The Corporation does not undertake any obligation to release publicly any revisions to forward-looking information contained herein to reflect events or circumstances that occur after the date hereof or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. Forward-looking information involves significant known and unknown risks and uncertainties.

Any number of important factors could cause actual results to differ materially from those in the forward -looking statements including, but not limited to, the ability to implement corporate strategies, the state of domestic capital markets, the ability to obtain financing, changes in general market conditions and other factors more fully described from time to time in the reports and filings made by Northern Spirit with securities regulatory authorities.

Certain Defined Terms

boe – barrels of oil equivalent
boe per day – barrels of oil equivalent per day

Advisory on use of "boes": "boes" may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Non-GAAP Financial Measures

This press release contains references to measures used in the oil and natural gas industry such as "funds from operations", "funds from operations netback", "Operating income", and "operating netback",. These measures do not have standardized meanings prescribed by generally accepted accounting principles ("GAAP") and therefore should not be considered in isolation. These reported amounts and their underlying calculations are not necessarily comparable or calculated in an identical manner to a similarly titled measure of other companies where similar terminology is used. Where these measures are used, they should be given careful consideration by the reader. These measures have been described and presented in this press release in order to provide shareholders and potential investors with additional information regarding the Corporation's ability to generate funds to finance its operations.

Funds from operations should not be considered an alternative to, or more meaningful than, cash provided by operating, investing and financing activities or net income as determined in accordance with GAAP, as an indicator of Northern Spirit's performance or liquidity. Funds from operations is used by the Corporation to evaluate operating results and Northern Spirit's ability to generate cash flow to fund capital expenditures. Funds from operations denotes cash flow from operating activities as it appears on the Corporation's Statement of Cash Flows before changes in non-cash operating working capital. Funds from operations is also derived from net income plus non-cash items including deferred income tax expense, depletion and depreciation expense, share-based payment expense, accretion expense, fair value of investment, the flow-through share renunciation and gains or losses on asset dispositions. Funds from operations netback is calculated on a per boe basis. Operating income denotes total petroleum and natural gas sales net of royalties less production expenses. Operating netback is operating income calculated on a per boe basis.

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