altura ENERGY INC.

Altura Energy Inc. Provides an Operational Update and Announces its Preliminary 2018 Capital Budget

December 14, 2017

Calgary, Alberta - Altura Energy Inc. ("Altura", or the "Corporation") (TSX Venture: ATU) is pleased to provide an operational update on its Leduc-Woodbend core area and its preliminary 2018 capital budget.

OPERATIONAL UPDATE

In the third quarter of 2017, Altura drilled two 1.5-mile extended reach horizontal ("ERH") wells in the Leduc-Woodbend Upper Mannville Rex oil pool that commenced production on October 27, 2017. Each well was drilled to a vertical depth of 1,300 meters with a horizontal length of approximately 2,000 meters, and completed with an average of 43 frac stages. Drilling and completion costs are estimated at $2.5 million per well.

Altura's operational efficiencies continue to improve on this play with the most recent spud to rig release time on the second ERH well at 10.2 days (344 meters per day) compared to a one-mile horizontal well drilled in January 2017 at 8.8 days (329 meters per day).

A summary of the current ERH well production rates and initial production rates over the first 45 calendar days ("IP45") is as follows:

	CURRENT RATE(3)			IP45		
Well UWI	**BOEPD**	**Oil & Liquids(1)**	**Water Cut (1)**	**BOEPD**	**Oil & Liquids(1)**	**Water Cut (1)(2)**
100/03-02-049-26W4 ("03-02")(4)	478	92%	47%	289	95%	56%
102/13-14-049-26W4 ("13-14")(5)	306	71%	62%	292	74%	62%

(1) Production rates, oil and liquids percentages and water cuts are averaged over the referenced calendar days.
(2) Referenced water cut is inclusive of completion load fluid recovery.
(3) Current rate is the average over the last seven calendar days.
(4) 03-02 well run-time: IP45 – 94%; current rate – 100%
(5) 13-14 well run-time: IP45 – 82%; current rate – 83%

The 03-02 well production rates progressively increased over the first 45 days of production due to decreasing water cut and upsizing the artificial lift. The 13-14 well production rates have been consistent over the first 45 days of production.

Current production rates from both ERH wells are exceeding ERH type curve expectations. With limited production history to date, Altura is modeling each well to follow type curve decline rates which average approximately 160 boe per day over the first 12 months of production and exit the 12-month period at 105 boe/d. For detailed production plots, type curves and related economics, please refer to Altura's corporate presentation on the Corporation's website at www.alturaenergy.ca.

The Corporation is encouraged with the results of its first four horizontal wells drilled into the Upper Mannville Rex oil pool at Leduc-Woodbend. The pool is stratigraphically trapped and defined by nearly 700 vertical wellbore penetrations with bypassed pay. Altura currently has only five proven and probable drilling locations that were assigned reserves in the mid-year update (see Altura's press release from August 10, 2017) on its 60 net sections of land at Leduc-Woodbend, providing Altura with significant future potential.

Altura is in the early stages of evaluation of this large oil pool and has acquired 10 multi-well surface leases that can initially accommodate up to 30 potential drilling opportunities.

PRELIMINARY 2018 CAPITAL BUDGET

The board of directors of the Corporation has approved a capital development budget of $15 million for 2018, funded with cash flow from operating activities and Altura's $10 million credit facility. The capital development budget is split approximately 60% to drilling, completion, equipping and tie-in ("DCET") capital and 40% to infrastructure and other capital. The significant weighting to infrastructure investments positions Altura to reduce operating costs and grow production profitably as it continues to evaluate the Leduc-Woodbend pool.

The capital budget is forecasted to grow 2018 annual average production by 12% to 1,260 boe per day. Based on $9.5 million of well-related capital, the proposed budget is forecasted to deliver a capital efficiency on an annual basis of approximately $17,000/boe per day.

Management intends to continuously monitor commodity prices and control capital expenditures as necessary throughout the year and may at any time adjust the 2018 capital program if oil prices deteriorate or strengthen. The preliminary budget leaves Altura with a conservative balance sheet and the flexibility to accelerate development in the second half of 2018 if results and commodity prices are supportive.

ABOUT ALTURA ENERGY INC.

Altura is a junior oil and gas exploration, development and production company with operations in central and east central Alberta. Altura predominantly produces from the Sparky and Rex reservoirs in the Upper Mannville group and is focused on delivering per share growth and attractive shareholder returns through a combination of organic growth and strategic acquisitions.

An updated corporate presentation is available on Altura's website at www.alturaenergy.ca.

READER ADVISORIES

Forward-looking Information and Statements

This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "budget", "forecast", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this press release contains forward-looking information and statements pertaining to 2018 capital budget guidance, number of Leduc-Woodbend drilling locations, number of Leduc Woodbend potential drilling opportunities, forecasted 2018 annual production, and forecasted capital efficiency.

The forward-looking information and statements contained in this press release reflect several material factors and expectations and assumptions of Altura including, without limitation:

- the continued performance of Altura's oil and gas properties in a manner consistent with its past experiences;
- that Altura will continue to conduct its operations in a manner consistent with past operations;
- the general continuance of current industry conditions;
- the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes;
- the accuracy of the estimates of Altura's reserves and resource volumes;
- certain commodity price and other cost assumptions;
- the continued availability of oilfield services; and
- the continued availability of adequate debt and equity financing and cash flow from operations to fund its planned expenditures.

Altura believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. To the extent that any forward-looking information contained herein may be considered future oriented financial information or a financial outlook, such information has been included to provide readers with an understanding of management's assumptions used for budgeted and developing future plans and readers are cautioned that the information may not be appropriate for other purposes.

The forward-looking information and statements included in this press release are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation:

- changes in commodity prices;
- changes in the demand for or supply of Altura's products;
- unanticipated operating results or production declines;
- changes in tax or environmental laws, royalty rates or other regulatory matters;
- changes in development plans of Altura or by third party operators of Altura's properties,
- increased debt levels or debt service requirements;
- inaccurate estimation of Altura's oil and gas reserve and resource volumes;
- limited, unfavorable or a lack of access to capital markets;
- increased costs;
- a lack of adequate insurance coverage;
- the impact of competitors; and
- certain other risks detailed from time to time in Altura's public documents.

The forward-looking information and statements contained in this press release speak only as of the date of this press release, and Altura does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Oil and Gas Advisories

Barrels of Oil Equivalent

The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. Per boe amounts have been calculated by using the conversion ratio of six thousand cubic feet (6 mcf) of natural gas to one barrel (1 bbl) of crude oil. The boe conversion ratio of 6 mcf to 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 equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Drilling Locations

This news release discloses drilling locations and potential drilling opportunities at Leduc-Woodbend. Proven locations and probable locations, which are sometimes collectively referred to as "booked locations", are derived from the Corporation's most recent independent reserves evaluation as of June 30, 2017 and account for drilling locations that have associated proved or probable reserves, as applicable. Potential drilling opportunities are internal estimates based on the Corporation's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Potential drilling opportunities do not have attributed reserves or resources. Potential drilling opportunities have specifically been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves data on prospective acreage and geologic formations. The drilling locations on which Altura will actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results and other factors. While certain of the potential drilling opportunities have been derisked by drilling existing wells in relative close proximity to such potential drilling opportunities, the majority of other potential drilling opportunities are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Initial Production Rates

Any references in this press release to initial production rates 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. Oil and gas formations are inherently unpredictable, particularly in the early stage of their development. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Corporation.

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