altura ENERGY INC.

Altura Energy Inc. Announces a Funding Arrangement for up to $10.0 Million and Drilling Plans at Entice

December 4, 2019

Calgary, Alberta - Altura Energy Inc. ("Altura" or the "Corporation") (TSXV: ATU) is pleased to announce it has entered into a definitive agreement for an asset sale with a private company ("PrivateCo"). Under the terms of the agreement, PrivateCo will acquire a 12.5% working interest (the "Disposition Assets") in the Corporation's production, wells, lands and facilities for $7.0 million in two transactions. The asset sale provides Altura the funding to advance drilling its oil prospect in the Entice area of Alberta while maintaining financial strength and flexibility to continue development of the Rex pool at Leduc-Woodbend.

The first transaction closed on December 4, 2019, whereby Altura divested Disposition Assets equal to 7.0% of corporate assets for $3.5 million. Proceeds will primarily be used to drill a horizontal well in the Entice area on or before March 31, 2020. Altura will carry PrivateCo for a 7.0% working interest in the well.

The second transaction will close on or before December 31, 2020 whereby Altura will divest 5.5% of corporate assets for $3.5 million. Proceeds will primarily be used to drill a second horizontal well in the Entice area or a horizontal well in the Leduc-Woodbend area on or before December 31, 2020. If the well is drilled in Entice, PrivateCo will be carried for a 5.5% working interest in the well.

In the event a second well is drilled in Entice and both parties agree to drill a third well in Entice, the agreement provides for a third transaction whereby Altura will divest an additional 4.0% of corporate assets for $3.0 million. Proceeds would primarily be used to drill a horizontal well in Entice on or before December 31, 2021. Altura would carry PrivateCo for a 4.0% working interest in the well.

If all three transactions close, Altura will have sold a total working interest of 16.5% of corporate assets, including asset retirement obligations ("ARO"), for total consideration of $10.0 million. PrivateCo is arms-length to Altura and the transaction with PrivateCo constitutes an "exempt transaction" pursuant to TSXV Policy 5.3 because it satisfies the requirements of Section 3.1 of that policy.

TRANSACTION METRICS

Metrics for the first and second transactions comprising the sale of a total of 12.5% of corporate assets for $7.0 million are shown below.

The reserves as at December 31, 2018, based on the evaluation by Altura's independent reserves evaluator, McDaniel & Associates Consultants Ltd. (the "McDaniel Report"), assigned to a PrivateCo 12.5% working interest are:

Category	Crude Oil (Mbbl)(1)	Conventional Natural Gas (MMcf) (1)	Natural Gas Liquids (Mbbl) (1)	Oil Equivalent (Mboe) (1)	Future Development Costs ("FDC") (000)
Proved Developed Producing ("PDP")	153.4	320	8.9	215.6	-
Total Proved ("1P")	555.1	1,188	30.6	783.7	$9,416
Total Probable	331.7	783	19.8	482.0	$2,518
Total Proved + Probable(2) ("2P")	886.7	1,971	50.4	1,265.7	$11,934

(1) Based on the average of the published price forecasts for McDaniel & Associates Consultants Ltd., GLJ Petroleum Consultants Ltd., and Sproule Associates Ltd. at January 1, 2019.

(2) Numbers may not add due to rounding.

The PrivateCo 12.5% working interest includes approximately 152 (19 net) sections of land and third quarter 2019 sales volumes of 235 boe per day (67% oil and liquids) with an operating netback of $23.04 per boe.

Transaction metrics include:

Total proceeds	$7,000,000
Allocated to capital carries	($354,000)
Allocated to asset sale	$6,646,000
$/PDP reserves (1)	$30.83/boe
$/1P reserves(2)	$20.49/boe
$/2P reserves(3)	$14.68/boe

(1) Equals proceeds allocated to asset sale divided by PDP reserves.
(2) Equals proceeds allocated to asset sale plus 1P FDC divided by 1P reserves.
(3) Equals proceeds allocated to asset sale plus 2P FDC divided by 2P reserves.

At a 12.5% working interest, PrivateCo would assume net ARO of $0.8 million, thereby reducing Altura's September 30, 2019 ARO liability from $6.7 million to $5.9 million. Altura's Liability Management Rating ("LMR") is currently 9.75 and will not be impacted by the sale of assets as Altura will remain the operator of the assets.

POST-TRANSACTION STRATEGY

In June 2019, Altura drilled a vertical stratigraphic well at Entice, south of Strathmore, Alberta to evaluate geological and geophysical data of an under exploited formation, targeting light to medium API oil. There are a number of vertical wells, combined with extensive 3D seismic coverage in the area that provided a means to identify and map the hydrocarbon accumulation. The Corporation has secured 84 sections (53,760 acres) of land in the area which has year-round access.

Post-closing the asset sale, Altura will have the financial resources to advance drilling at Entice to evaluate the commerciality of this new prospect and to continue development of its Rex oil pool at Leduc-Woodbend. Altura plans to provide guidance on the Corporation's 2020 capital program in early 2020.

REVISED CREDIT FACILITIES

Upon the closing of the first transaction the Corporation's credit facility will be amended to $9.0 million and replaces Altura's existing $10.0 million credit facility.

ABOUT ALTURA ENERGY INC.

Altura is a junior oil and gas exploration, development and production company with operations in central Alberta. Altura predominantly produces from the Rex member 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.

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:

- the timing of closing the second transaction on or before December 31, 2020;
- the timing of closing the potential third transaction on or before December 31, 2021;
- plans to drill the first, second, and third horizontal wells at Entice;
- plans to drill an additional Leduc-Woodbend well if the second well at Entice is not drilled;
- the new credit facility that will be available to Altura upon completion of the first transaction;

- Altura's business plans and strategy including its financial resources to advance the drilling of a horizontal well at Entice to assess commerciality; and
- plans to provide guidance on its 2020 capital program in early 2020.

Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

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

Reserves

McDaniel & Associates Consultants Ltd. is the Corporation's independent "qualified reserve evaluator" as defined in National Instrument 51-101. The McDaniel Report has an effective date of December 31, 2018 and a preparation date of March 4, 2019 and was prepared in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and NI 51-101. The reserve evaluation was based on the average of the published price forecasts for McDaniel, GLJ Petroleum Consultants Ltd., and Sproule Associates Ltd. at January 1, 2019. The Reserves Committee of the Board and the Board of Directors of Altura have reviewed and approved the evaluation prepared by McDaniel.

All reserve references in this press release are "company share reserves". Company share reserves are the Corporation's total working interest reserves before the deduction of any royalties and including any royalty interests of the Corporation.

It should not be assumed that the present value of estimated future net revenue presented in the tables above represents the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. The recovery and reserve estimates of Altura's crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.

All future net revenues are estimated using forecast prices, arising from the anticipated development and production of our reserves, net of the associated royalties, operating costs, development costs, and abandonment and reclamation costs and are stated prior to provision for interest and general and administrative expenses. Future net revenues have been presented on a before tax basis. Estimated values of future net revenue disclosed herein do not represent fair market value.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

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.

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