altura ENERGY INC.

Altura Energy Inc. Announces Operations Update and New Upper Mannville Oil Pool

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Calgary, Alberta - Altura Energy Inc. ("Altura" or the "Corporation") (TSX Venture: ATU) is pleased to provide an operations update which includes results from a horizontal well drilled in a new Upper Mannville oil pool in the Leduc-Woodbend area of Alberta and a new Sparky oil prospect in the Macklin area on the Alberta/Saskatchewan border.

OPERATIONS UPDATE

- Drilled 4.0 (3.5 net) wells in the fourth quarter and 7.0 (6.5 net) wells during 2016.
- Fourth quarter production averaged approximately 970 boe per day (85% oil and liquids) based on field estimates, exceeding the Corporation's exit guidance of 900 boe per day. This represents a 69% increase from the third quarter of 2016 on an absolute and per share basis.
- During the fourth quarter, a 100% working interest ("WI") Upper Mannville horizontal well started producing with the rate over the first 30 producing days averaging 230 boe per day.
- 2016 capital expenditures, excluding asset acquisitions and dispositions are estimated at $12.3 million[1], compared to the original budget of $11 million with the increase due to additional undeveloped land purchases in the Leduc-Woodbend area.
- Asset acquisitions for 2016 are estimated at $5.1 million[1], which includes an acquisition in the Killam area of Alberta for $4.1 million and a non-producing property and undeveloped land acquisition in the Macklin area of Saskatchewan for $1 million.
- At year end, Altura’s land position totaled 75,441 net acres, an increase of 110% year over year.

NEW UPPER MANNVILLE OIL POOL AT LEDUC-WOODBEND

In the third quarter of 2016, Altura drilled and completed an Upper Mannville oil well in the Leduc-Woodbend area of Alberta which represents a new Upper Mannville oil pool for the Corporation. There are approximately 700 vertical wells drilled in the area that provide a means to identify and map the hydrocarbon accumulation. The region has extensive gas gathering infrastructure with year-round access.

The 100/13-15-048-26W4 horizontal exploration well was drilled in the southern region of the pool to a true vertical depth of 1,375 meters. The one-mile horizontal well was completed with a multi-stage hydraulic fracture stimulation. Drilling and completion costs totaled $1.7 million[1].

The well was placed on production in the fourth quarter and the initial production rates over the first 30 and 45 producing days (IP30 and IP45 rates) are 230 boe per day and 210 boe per day, respectively, of 17° API oil, at an average water cut of 68% and gas/oil ratio of 500 scf/bbl (approximately 93% oil and liquids). The well is currently producing 160 boe per day, based on field estimates. There is no evidence at this time of an underlying water aquifer; however, the Corporation expects water saturations to vary across the pool.

The Corporation has accumulated 50 sections of 100% WI land in the estimated pool. The land holding is comprised of approximately 50% freehold and 50% Crown leases. Overall, this land was acquired at an average cost of $80 per acre.

[1] 2016 capital expenditures and asset acquisitions are estimated and unaudited.

Altura has licensed a second well and is expected to spud in late January 2017. This well has an estimated drilling and completion cost of $1.8 million.

This new oil pool is at a very early stage of development and there is no certainty that it will be commercially viable to produce. Initial well production rates may not be indicative of longer term rates, and pool parameters may be adjusted as new data emerges. Altura will continue to assess the prospect and delineate the opportunity. Please refer to the "Reader Advisories" section of this press release.

NEW SPARKY OIL PROSPECT AT MACKLIN

Through various transactions the Corporation added 6.5 sections of land at a 100% WI for a Sparky oil prospect in the Macklin area on the Alberta/Saskatchewan border. The Corporation expects to drill a horizontal well on this prospect in the first quarter of 2017.

2017 CAPITAL BUDGET

On November 10, 2016, the Corporation announced its capital development budget of $17.0 million for 2017, funded with cash flow from operating activities and working capital. The budget includes 11.0 gross (10.2 net) horizontal wells targeting the Upper Mannville across the Corporation's core focus areas for total drilling, completion, equipping and tie-in capital of $12.4 million. In addition, up to $2.0 million will be allocated to acquiring undeveloped land and seismic, $2.1 million will be allocated to waterflood infrastructure in the Eyehill area and $0.5 million will be allocated to abandonment, reclamation and other corporate costs.

Based on the $12.4 million of well related capital and other assumptions, the proposed 11 well drilling program is forecasted by Altura to add approximately 750 boe per day by December 2017 which delivers a risked capital efficiency of approximately $16,500/boe per day. The incremental production will offset forecast base declines and is forecast to grow overall production to exit 2017 at a rate of approximately 1,350 boe per day.

About Altura Energy Inc.

Altura Energy Inc. is a public oil and gas Company active in the exploration and development of oil and natural gas in east central Alberta.

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 following: 2017 capital expenditure budget, including details of expected drilling and completion plans relating to such budget, risked capital efficiency and 2017 exit production rate.

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 report 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.

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.

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. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Corporation.

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