altura ENERGY INC.

Altura Energy Inc. Announces First Quarter 2018 Results, Sale of Assets for $28.4 Million and Acceleration of Leduc-Woodbend Development

May 15, 2018

Calgary, Alberta - Altura Energy Inc. ("Altura" or the "Corporation") (TSXV: ATU) is pleased to announce its financial and operating results for the three months ended March 31, 2018, an agreement for the sale of its east central Alberta and Saskatchewan assets for cash consideration of $28,375,000, subject to customary post-closing adjustments, and an expanded 2018 capital program focused on accelerating growth at Leduc-Woodbend. The unaudited interim condensed consolidated financial statements, and related management's discussion and analysis ("MD&A") will be available at www.sedar.com and www.alturaenergy.ca.

OPERATIONAL AND FINANCIAL SUMMARY

	Three months ended		
	March 31, 2018	December 31, 2017	March 31, 2017
OPERATING			
Average daily production			
Medium oil (Bbls/d)	**408**	414	539
Heavy oil (Bbls/d)	**547**	544	309
Natural gas (Mcf/d)	**1,336**	1,286	909
NGLs (Bbls/d)	**37**	30	16
Total (Boe/d)	**1,215**	1,202	1,015
Total Boe/d per million shares – diluted	**11.1**	11.0	9.3
Average realized prices			
Medium oil ($/Bbl)	**51.06**	55.73	53.47
Heavy oil ($/Bbl)	**45.58**	48.54	45.86
Natural gas ($/Mcf)	**2.14**	1.81	2.96
NGLs ($/Bbl)	**50.44**	45.46	40.56
Total ($/Boe)	**41.58**	44.22	45.62
NETBACK ($/Boe)			
Petroleum and natural gas sales	**41.58**	44.22	45.62
Royalties	**(4.54)**	(3.24)	(4.20)
Operating	**(11.01)**	(9.72)	(9.96)
Transportation	**(1.65)**	(1.86)	(2.12)
Operating netback(1)	**24.38**	29.40	29.34
General and administrative	**(4.05)**	(6.20)	(3.83)
Interest and financing expense	**(0.51)**	(0.38)	(0.07)
Interest income	**-**	-	0.16
Corporate netback(1)	**19.82**	22.82	25.60
FINANCIAL ($000, except per share amounts)			
Petroleum and natural gas sales	**4,547**	4,892	4,165
Adjusted funds flow(1)	**2,168**	2,526	2,337
Per share – diluted(1)	**0.02**	0.02	0.02
Cash flow from operating activities	**2,443**	1,940	2,794
Per share – diluted	**0.02**	0.02	0.03
Income (loss)	**177**	(1,032)	13
Per share – diluted(2)	**-**	(0.01)	-
Capital expenditures, acquisitions and dispositions	**7,345**	2,728	8,952
Net debt (working capital surplus)(1)	**8,561**	3,729	(2,436)
Common shares outstanding (000)			
End of period – basic	**108,921**	108,921	108,921
Weighted average for the period – basic(2)	**108,921**	108,921	108,921
Weighted average for the period – diluted(2)	**109,133**	109,570	109,289

(1) Adjusted funds flow, adjusted funds flow per share, net debt, corporate netback, 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. Refer to the Non-GAAP Measures paragraph in the Advisories section of the MD&A.

(2) Basic weighted average shares are used to calculate diluted per share amounts when the Corporation is in a loss position.

FIRST QUARTER 2018 HIGHLIGHTS

- Production volumes averaged 1,215 Boe per day (82 percent oil and NGLs), a per share increase of 20 percent from the first quarter of 2017. First quarter production from the assets being sold averaged 668 Boe per day.
- Drilled and brought on production a 1.5-mile extended reach horizontal ("ERH") oil well at Leduc-Woodbend and a horizontal oil well at Macklin.
- Leduc-Woodbend production volumes averaged 532 Boe per day (83 percent oil and NGLs), an increase of 398 percent from the first quarter of 2017.
- Total company operating and transportation costs were $12.66 per Boe, up 9 percent from the first quarter of 2017, while Leduc-Woodbend operating and transportation costs were $8.79 per Boe, down 29 percent from the first quarter of 2017 and down 3 percent from the fourth quarter of 2017.
- Capital expenditures totaled $7.3 million, including $4.3 million on drilling, completions and equipping, plus $2.4 million on facilities and a new natural gas gathering pipeline at Leduc-Woodbend that connects Altura's northern producing wells to a second third-party gas plant. The significant infrastructure investment positions Altura to continue to reduce operating costs and grow production profitably as it develops Leduc-Woodbend.
- Adjusted funds flow was $2.2 million ($19.82 per Boe) with an operating netback of $24.38 per Boe.
- Net debt at March 31, 2018 was $8.6 million or 1.0 times annualized first quarter adjusted funds flow.

OPERATIONAL REVIEW

Leduc-Woodbend

Since acquiring its initial land position in 2015 and drilling its first horizontal well in August 2016, Altura has accumulated 66 sections of 100 percent working interest land in this Upper Mannville Rex oil pool. Altura believes this pool to be one of the largest conventional oil pools discovered in the Western Canada Sedimentary Basin within the last 20 years. The Corporation is in the very early stages of delineating this large discovery, with only five horizontal wells drilled to date out of a significant inventory of development locations.

In the first quarter of 2018, Altura drilled and completed a 1.5-mile ERH well (100/02-02-049-26W4 or "02-02"), its third ERH well in the pool. The well was drilled to a vertical depth of 1,300 meters with a horizontal length of approximately 2,000 meters with 46 frac stages. Drilling and completion costs for 02-02 including access roads and pad construction are estimated at $2.6 million.

The 02-02 well was placed on production on February 24th and produced a total of 10,626 Bbls of 17° API oil over the first 45 calendar days ending April 9th. The well was shut-in on April 9th and remained shut-in for a period of 23 days while waiting for lease conditions to dry during spring break-up and allow access to repair a broken rod. On May 2nd, the well was repaired and subsequently resumed production.

The initial ERH wells, 102/13-14-049-26W4 ("13-14") and 100/03-02-049-26W4 ("03-02"), were placed on production on October 27, 2017. Current production rates from all three ERH wells (13-14, 03-02 and 02-02) are exceeding management's expectations. Based on production history to date, Altura is forecasting each well to range between 150-175 Boe per day over the first 12 months of production. For more detailed information, please refer to Altura's corporate presentation on the Corporation's website at www.alturaenergy.ca.

The Corporation continues to invest in critical infrastructure in the area. In March, Altura constructed a key natural gas gathering pipeline that connects Altura's northern producing wells to a second third-party gas plant. This pipeline was commissioned on March 23rd and will increase Altura's natural gas gathering and processing capacity, reduce processing fees, and enable Altura to avoid periodic production curtailments related to third-party gas gathering systems.

EAST CENTRAL ALBERTA AND SASKATCHEWAN ASSET DISPOSITION

The Corporation has entered into an agreement (the "Transaction") for the sale of its east central Alberta and Saskatchewan assets, which includes the Eyehill, Eyehill South, Macklin, Wildmere, Killam and Provost Minor areas (the "Assets"), for cash consideration of $28,375,000, subject to customary post-closing adjustments. The adjustment date of the Transaction is April 1, 2018 and closing is expected to occur on May 31, 2018, subject to the receipt of all necessary regulatory approvals and the satisfaction of other customary closing conditions. The board of directors of Altura has unanimously approved the Transaction.

The reserves associated with the Assets as at December 31, 2017, based on the evaluation by Altura's independent reserves evaluator, McDaniel & Associates Consultants Ltd. (the "McDaniel Report"), include:

Category	Crude Oil (Mbbl)[1]	Conventional Natural Gas (MMcf) [1]	Natural Gas Liquids (Mbbl) [1]	Oil Equivalent (Mboe) [1]	Future Development Costs (000)
Total Proved	1,511	2,064	18	1,873	$9,154
Total Probable	1,197	810	9	1,341	$8,852
Total Proved + Probable[2]	2,707	2,874	27	3,213	$18,006

(1) Based on McDaniel's January 1, 2018 forecast prices.
(2) Numbers may not add due to rounding.

The Assets encompass approximately 56 (44 net) sections of land and sales volumes of 668 Boe per day (530 Bbls per day of oil, 11 Bbls per day of NGLs and 766 Mcf per day of natural gas) with an operating netback of $23.33 per Boe for the first quarter of 2018.

Transaction metrics include:

Proceeds on disposition ($)	$28,375,000
Annualized production volumes (Boe/d)[1]	668
Annualized operating income ($)[2]	$5,688,000
$/flowing Boe per day ($/Boe/d)[3]	$42,478
Cash flow multiple (times)[4]	5.0

(1) Actual production volumes produced for the first quarter of 2018.
(2) Annualized operating income equals annualized production volumes times Q1 2018 operating netback times days in the year (668 Boe/d x $23.33/Boe x 365 days).
(3) $/flowing Boe per day equals proceeds on disposition divided by annualized production volumes ($28,375,000/668 Boe/d).
(4) Cash flow multiple equals proceeds on disposition divided by annualized operating income ($28,375,000/$5,688,000).

The Assets carry a Liability Management Rating ("LMR") of 7.0 and subsequent to the close of the Transaction Altura is expected to have an LMR of 8.4. The sale of the Assets exits Altura from east central Alberta and Saskatchewan, allowing the Corporation to concentrate entirely on its large conventional oil pool at Leduc-Woodbend.

REVISED CREDIT FACILITIES

Altura's lender has indicated the Corporation's credit facility will be amended to approximately $3 million (the "New Facility") upon the closing of the Transaction, which will be undrawn. This New Facility will amend and replace Altura's existing $10 million credit facility.

Upon closing the Transaction, Altura forecasts its working capital surplus to be approximately $20 million, with no debt.

POST-TRANSACTION STRATEGY

Post-closing, Altura will have the financial resources to aggressively develop its prolific Leduc-Woodbend Upper Mannville oil property in the second-half of 2018 and through 2019. Following the Transaction, Altura will have a land base of 66 net sections within the Leduc-Woodbend pool, approximately 550 Boe per day of production (80 percent oil and NGLs), and approximately 1,221 Mboe of proved reserves and 2,140 Mboe of proved plus probable reserves based on the McDaniel Report.

The Corporation plans to commence drilling at Leduc-Woodbend with an eight (7.7 net) ERH well program starting mid-June 2018. Additionally, Altura will accelerate the expansion of its multi-well battery at 12-14-049-26W4 to a processing capacity of 3,000 to 3,500 barrels of oil per day, which was previously planned for 2019. Total forecasted capital expenditures for 2018, excluding dispositions, will increase from $15 million to $33 million and production is forecasted to exit 2018 at approximately 1,900 Boe per day.

ADVISORS AND FAIRNESS OPINION

GMP Securities LP ("GMP FirstEnergy") is acting as financial advisor to Altura on the Transaction and has provided an opinion to the Altura board of directors to the effect that the consideration to be received by Altura under the Transaction is fair, from a financial point of view, to the Corporation.

ANNUAL GENERAL MEETING

The Annual General Meeting of shareholders will be held at 9:30 a.m. on Thursday, May 17, 2018 in the Devonian Room at the Calgary Petroleum Club, 319 – 5th Avenue SW, Calgary, Alberta.

AAPG 2018 ANNUAL CONVENTION AND EXHIBITION

Rob Pinckston, Vice-President, Exploration has been invited to present Altura's Leduc-Woodbend discovery at the American Association of Professional Geologists (AAPG) Division of Professional Affairs (DPA) "Discovery Thinking Forum-Awakening Sleeping Giants" on Monday, May 21, 2018 at the Salt Palace Convention Center in Salt Lake City, Utah. The Discovery Thinking Forum will be the twentieth presentation of the AAPG 100th Anniversary Committee's program recognizing "100 Who Made a Difference" and will feature five invited speakers who will describe major and significant discoveries. A copy of the presentation will be available on Altura's website at www.alturaenergy.ca.

ABOUT ALTURA ENERGY INC.

Altura is a junior oil and gas exploration, development and production company with operations in central and east central Alberta and Saskatchewan. Altura predominantly produces from the Sparky and Rex members 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:

- plans concerning the expansion of a future multi-well battery at Leduc-Woodbend;
- ability to reduce processing fees and reduce production curtailments with the new natural gas gathering pipeline;
- the anticipated closing date of the Transaction;
- Altura's expected LMR upon completion of the Transaction;
- the New Facility that will be available to Altura upon completion of the Transaction;
- Altura's working capital surplus following the Transaction;
- Altura's assets and projected production, reserves and land holdings following completion of the Transaction;
- Altura's business plans and strategy following the Transaction, including its 2018 drilling plans and capital expenditure guidance; and
- Altura's forecasted 2018 exit production rate.

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, 2017 and a preparation date of February 21, 2018 and was prepared in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and NI 51-101. The reserve evaluation was based on McDaniel's forecast pricing and foreign exchange rates at January 1, 2018. 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.

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.

Non-GAAP Measures

This press release contains references to measures used in the oil and natural gas industry such as "adjusted funds flow", "net debt", "corporate netback", " adjusted funds flow per share", "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 the press release to provide shareholders and potential investors with additional information regarding the Corporation's liquidity and its ability to generate funds to finance its operations.

Adjusted funds flow 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 Altura's performance or liquidity. Adjusted funds flow is used by Altura to evaluate operating results and the Corporation's ability to generate cash flow to fund capital expenditures and repay indebtedness. Adjusted funds flow denotes cash flow from operating activities as it appears on the Corporation's statement of cash flows before decommissioning expenditures, if any, transaction costs and changes in non-cash operating working capital. Adjusted funds flow per share is calculated as adjusted funds flow divided by the weighted average number of basic and diluted common shares outstanding. Operating income denotes total sales less royalty expenses and operating and transportation costs. Operating netback is operating income calculated on a per Boe basis. Corporate netback denotes operating netback less general and administrative, interest and financing expense, exploration expense plus interest income on a per Boe basis. Altura uses net debt as a measure to assess its financial position. Net debt is equivalent to working capital deficit.

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