

NORTHERN SPIRIT RESOURCES INC.

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

FOR IMMEDIATE RELEASE

Calgary, Alberta – May 26, 2015 – (Calgary, Alberta) Northern Spirit Resources Inc. ("Northern Spirit" or the "Company") (TSX-V: NS) is pleased to announce that it has today filed its unaudited financial statements for the three months ended March 31, 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 FROM THE FIRST QUARTER OF 2015

- **Production:** The Company produced an average of 404 boe/d in Q1 of 2015 (89% oil), a 112% increase from an average of 191 boe/d (74% oil) in Q1 of 2014.

- **Revenue, Funds From Operations⁽¹⁾ and Net Income:** Revenue for the first quarter of 2015 reached \$1.5 million, a 24% increase from \$1.2 million for the first quarter of 2014. Funds from operations increased 17% to \$725,328 in Q1 of 2015 from \$621,816 for Q1 of 2014. Net income decreased 78% to \$362,046 in the first quarter of 2015 from \$1.6 million for the first quarter of 2014.

- **Operating Netbacks⁽²⁾:** Revenue averaged \$40.84/boe in Q1 of 2015, a decrease of 41% from an average of \$69.58/boe in Q1 of 2014. Operating (field) netbacks averaged \$26.90/boe in the first quarter of 2015 a decrease of 37% from an average of \$42.64/boe in the first quarter of 2014.

- **2015 Capital Expenditures:** The Company has deferred all 2015 drilling and completion expenditures until the third and fourth quarters of 2015, pending improved commodity prices.

- **Bank Loan Facility:** The Company has increased its line of credit with its bankers from \$5 million to \$6.5 million effective May 25, 2015. As at March 31, 2015, the Company's credit facility was undrawn and as at May 26, 2015, the Company had \$150,000 drawn on the credit facility.

Notes:

- (1) Funds from operations is a non-IFRS measure. The comparable IFRS measure is cash flow from operating activities.
- (2) Netback is a non-IFRS measure. Netback per boe is calculated by dividing the revenue and costs in total for the Company by the total production of the Company measured in boe.

About Northern Spirit Resources Inc.

Northern Spirit Resources Inc. is a public oil and gas company active in the exploration and development of oil and natural gas in East Central, Alberta.

For more information please contact:

Northern Spirit Resources Inc.
850, 396 – 11th Avenue SW
Calgary, Alberta T2R 0C5
Fax: (403) 294-1820

Kevin R. Baker Q.C., President & Chief Executive Officer
Dir: (403) 476-7010

John H. Cassels, Vice President Finance, Chief Financial Officer & Secretary
Dir: (403) 476-7008

ADVISORY ON FORWARD-LOOKING 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", "continue", "estimate", "may", "will", "should", "believe", "plans", "cautions" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this press release contains statements concerning the timing for incurring drilling and completion expenditures in 2015.

Forward-looking statements or information are based on a number of material factors, expectations or assumptions of Northern Spirit which have been used to develop such statements and information but which may prove to be incorrect. Although Northern Spirit believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them because Northern Spirit can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. In particular, in addition to other factors and assumptions which may be identified herein, no assurances can be given respecting: whether the Company's continued exploration and development activities on its lands will be successful or that additional material volumes of petroleum and natural gas reserves will be encountered, or if encountered can be produced on a commercial basis; the ultimate size and scope of any hydrocarbon bearing formations on the Company's lands; that additional drilling and completion operations will be successful such that further development activities in this area is warranted; that Northern Spirit will continue to conduct its operations in a manner consistent with past operations; results from drilling and development activities will be consistent with past operations; the general stability of the economic and political environment in which Northern Spirit operates; drilling results; field production rates and decline rates; the general continuance of current industry conditions; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Northern Spirit to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Northern Spirit operates; and the ability of Northern Spirit to successfully market its oil and natural gas products.

Further, events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, including, without limitation: changes in commodity prices; changes in the demand for or supply of the Company'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 Northern Spirit or by third party operators of Northern Spirit's properties, increased debt levels or debt service requirements; inaccurate estimation of Northern Spirit's oil and gas reserve and resource volumes; limited, unfavourable 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 Northern Spirit's public disclosure documents. Additional information regarding some of these risk factors may be found under "Risk Factors" in the Company's Management's Discussion and Analysis prepared for the year ended December 31, 2014. The reader is cautioned not to place undue reliance on this forward-looking information. The forward-looking statements contained in this press release are made as of the date hereof and Northern Spirit undertakes no obligations to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

CERTAIN DEFINED TERMS:

boe – barrels of oil equivalent

boe/d – 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-IFRS MEASUREMENTS: Within this press release references are made to terms commonly used in the oil and gas industry. Funds from operations and operating netbacks do not have any standardized meaning under IFRS and are referred to as non-IFRS measures. Operating netbacks equal total petroleum and natural gas sales net of royalties less operating and transportation expenses calculated on a boe basis. Management utilizes these measures to analyze operating performance. The Company's calculation of the non-IFRS measures included herein may differ from the calculation of similar measures by other issuers. Therefore, the Company's non-IFRS measures may not be comparable to other similar measures used by other issuers. Funds from operations is not intended to represent operating profit for

the period nor should it be viewed as an alternative to operating profit, net income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. Non-IFRS measures should only be read in conjunction with the Company's annual audited and interim financial statements.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.