

THIS PRESS RELEASE IS NOT FOR PUBLICATION OR DISSEMINATION IN THE UNITED STATES. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAW.



PRESS RELEASE

MANITOK ENERGY INC. AND QUESTFIRE ENERGY CORP. PROVIDE UPDATED INFORMATION ON THE PROPOSED PLAN OF ARRANGEMENT

October 6, 2017, Calgary, Alberta

Manitok Energy Inc. ("**Manitok**") (TSXV: MEI) and Questfire Energy Corp. ("**Questfire**") (TSXV: Q.A) are pleased to provide additional information to its press release dated July 5, 2017 where Manitok and Questfire had announced that they had entered into a definitive agreement (the "**Arrangement Agreement**") providing for the acquisition by Manitok of all the issued and outstanding common shares of Questfire (the "**Questfire Shares**") pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) (the "**Acquisition**"). Manitok and Questfire are continuing to progress the transaction towards an anticipated closing on or before October 31, 2017.

Update on Corporate Information

Below is a table of individual corporate information for both Manitok and Questfire:

		Manitok	Questfire
Shares outstanding ⁽¹⁾	(MM)	363.7	22.8
Market capitalization ⁽²⁾	(\$MM)	\$25.5	\$3.0
Net debt as at June 30, 2017 ⁽³⁾	(\$MM)	\$73.4	\$52.9
Average Daily Production for Six months ended June 30, 2017 Production	(boe/d)	5,926 (62% gas)	4,075 (77% gas)
Gross Reserves⁽⁴⁾			
Proved Developed Producing	(MMboe)	9.7 (59% gas)	13.5 (66% gas)
Proved	(MMboe)	17.0 (55% gas)	17.6 (68% gas)
Proved Plus Probable	(MMboe)	28.2 (57% gas)	28.9 (62% gas)
NPV10% Before Tax⁽⁴⁾			
Proved Developed Producing	(\$MM)	\$114.9	\$94.6
Proved	(\$MM)	\$188.3	\$113.6
Proved Plus Probable	(\$MM)	\$299.8	\$170.2
Total Undeveloped Land ⁽⁵⁾	(000 acres)	336	93

- (1) Common Shares outstanding for Manitok and Questfire as at September 20, 2017, being the date that Manitok announced that it had completed its acquisition of Corinthian Oil Corp. Manitok's Common Shares are subject to certain post-closing adjustment pursuant to its transaction with Craft Oil Ltd. and Corinthian Oil Corp.
- (2) Assumes Manitok Share price of \$0.07 and Questfire Share price of \$0.13 as of October 5, 2017, being the closing price of Manitok Shares prior to the date of this press release.

- (3) Net debt does 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 this press release.
- (4) Gross Reserves (gross interest before royalties) and net present value numbers are based on a reserves report prepared by Sproule Associates Ltd., Manitok's independent qualified reserves evaluator, dated April 28, 2017 with an effective date of December 31, 2016 (the "**Manitok Report**") and the reserves report prepared by GLJ Petroleum Consultants Ltd., Questfire's independent qualified reserves evaluator, dated March 10, 2017 with an effective date of December 31, 2016 (the "**Questfire Report**"). The full text of the Manitok Report and the Questfire Report, including full summary of net present values of future revenues associated with the applicable reserves using applicable price forecast, before and after deducting income taxes, and calculated without discount and using discount rates of 5%, 10%, 15% and 20%, are contained, and previously disclosed, in Manitok's and Questfire's respective annual information forms for the year ended December 31, 2016, which are available electronically on Manitok's and Questfire's profile on SEDAR at www.sedar.com. The Manitok Report and the Questfire Report have been prepared in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*. Gross reserves are Manitok's and Questfire's working interest share before deduction of royalty obligations and without including any royalty interests. Estimates of future net revenues whether discounted or not do not represent fair market value.
- (5) The undeveloped land as at June 30, 2017 for Manitok and as at December 31, 2016 for Questfire.
- (6) Readers should note that the pro forma numbers and the adjusted-EBITDA numbers presented by Manitok and Questfire in their joint press release dated July 5, 2017 cannot be relied upon on a combined basis due to Manitok and Questfire having different accounting procedures in determining non-GAAP measures. See "Non-GAAP Financial Measures" cautionary language at the end of this press release.

CONTACT INFORMATION

Manitok Energy Inc.
Massimo M. Geremia
President, Chief Executive Officer and Director
(403) 984-1751

Questfire Energy Corp.
Richard H. Dahl
President, Chief Executive Officer and Director
(403) 263-6691

About Manitok

Manitok is a public oil and gas exploration and development company focusing on Lithic Glauconitic light oil in southeast Alberta and Cardium light oil in west central Alberta. The Corporation utilizes its expertise, combined with the latest recovery techniques, to develop the remaining oil and liquids-rich natural gas pools in its core areas of the Western Canadian Sedimentary Basin.

Forward-looking Information Cautionary Statement

This press release contains forward-looking statements. More particularly, this press release contains statements concerning the terms of the Acquisition.

The forward-looking statements in this press release are based on certain key expectations and assumptions made by Manitok and Questfire, including expectations and assumptions concerning the prevailing market conditions, the intentions of their lenders, commodity prices, and the availability of capital.

Although Manitok and Questfire believe that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Manitok and Questfire 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. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with adverse market conditions, the inability of Manitok or Questfire to complete the Acquisition at all or on the terms announced, not obtaining the required court, shareholder and regulatory approvals,

a lender not approving the amendment to a credit facility and the risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses; and health, safety and environmental risks), uncertainty as to the availability of labour and services, commodity price and exchange rate fluctuations, unexpected adverse weather conditions, general business, economic, competitive, political and social uncertainties, capital market conditions and market prices for securities and changes to existing laws and regulations. More information about certain of these risks are set out in the documents filed from time to time with the Canadian securities regulatory authorities, available on Manitok's and Questfire's SEDAR profiles at www.sedar.com.

Forward-looking statements are based on estimates and opinions of management of Manitok and Questfire at the time the statements are presented. Manitok and Questfire may, as considered necessary in the circumstances, update or revise such forward-looking statements, whether as a result of new information, future events or otherwise, but Manitok and Questfire undertake no obligation to update or revise any forward-looking statements, except as required by applicable securities laws.

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.

Non-GAAP Financial Measures

This press release contains a reference to "Net Debt". Such measure does not have standardized meanings prescribed by generally accepted accounting principles ("GAAP"), including International Financial Reporting Standards ("IFRS") and therefore should not be considered in isolation. Such reported amount and the underlying calculation are not necessarily comparable or calculated in an identical manner to a similarly titled measure of other companies where similar terminology is used. Where such measure is used it should be given careful consideration by the reader. Such measure has been described and presented in this press release in order to provide shareholders and potential investors with additional information regarding the Corporation's liquidity and to assess its financial position.

For Manitok, Net Debt includes outstanding bank indebtedness plus adjusted working capital deficit plus the senior secured notes and the long-term financial obligations as per the period ended June 30, 2017 and as disclosed in Manitok's 2017 second quarter results. Adjusted working capital deficit includes current assets less current liabilities excluding the current portion of the amount drawn on the credit facilities, the current portion of the fair value of financial instruments and provisions. For Questfire, Net Debt includes their working capital deficit and their long term contract obligation as per the period ended June 30, 2017 and as disclosed in Questfire's 2017 second quarter results.

Caution Respecting BOE

The term barrels of oil equivalent ("BOE") may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 Bbl and an Mcfe conversion ratio of 1 Bbl:6 Mcf are based on an approximate energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Since the value ratio based on the current price of crude oil compared to natural gas is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion based on a 6:1 ratio is misleading as an indication of value.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities issued pursuant to the Acquisition and/or the financing described herein may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements.

Neither the 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.