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**JOINT PRESS RELEASE**

**MANITOK ENERGY INC. AND CRAFT OIL LTD. ENTER INTO  
ARRANGEMENT AGREEMENT**

**May 1, 2017, Calgary, Alberta** – ManitoK Energy Inc. ("**Manitok**") (TSX-V: MEI) and Craft Oil Ltd. ("**Craft**") are pleased to announce that ManitoK and Craft have entered into an arrangement agreement dated as of April 28, 2017 (the "**Arrangement Agreement**"). Under the terms of the Arrangement Agreement, ManitoK will acquire all of the issued and outstanding common shares of Craft ("**Craft Shares**") by way of a plan of arrangement under the *Business Corporations Act* (Alberta) (the "**Arrangement**") for \$6.6 million of common shares of ManitoK ("**Manitok Shares**") at the ManitoK Share Price (defined below). Craft's assets include approximately \$3.5 million of net working capital (includes about \$3.0 million of cash), 430 boe/d (about 30% oil and liquids) of production and approximately 62,000 acres of gross total land (48,000 net) and 31,000 acres of gross undeveloped land (26,490 net) in the Peace River Arch area of Alberta. Based on the reserves report prepared by McDaniel & Associate Consultants effective December 31, 2016, total proved reserves of Craft are about 1.3 million boe (about 30% oil and liquids), after giving effect to certain dispositions of assets completed by Craft in 2017. Craft has no debt. Craft's assets are complimentary to ManitoK's existing assets in the Peace River Arch area of Alberta. When combined following the completion of the Arrangement, ManitoK's total production in the Peace River Arch area will be approximately 675 boe/d. Craft also has approximately \$33 million in total tax pools, including approximately \$17 million in non-capital losses.

Pursuant to the Arrangement, each Craft shareholder will receive, for each Craft Share, such number of ManitoK Shares that is obtained by dividing \$6.6 million by the ManitoK Share Price (as defined below) and dividing that number by the total issued and outstanding Craft Shares and the number of Craft Shares that would be issued on the cashless exercise of all "in-the-money" options and performance warrants of Craft. The "**ManitoK Share Price**" will be such price as is mutually agreed between the parties prior to 5 trading days preceding the date that is 5 calendar days preceding the meeting of Craft shareholders to be convened to approve the Arrangement (the "**Craft Meeting Date**"), or in the event that the parties cannot come to a mutual agreement, the volume weighted average trading price of ManitoK Shares on the TSX Venture Exchange ("**TSX-V**"), calculated by using 5 trading days preceding the date that is 5 calendar days preceding the Craft Meeting Date.

The Arrangement Agreement contains customary representations and warranties of each party, and non-solicitation and interim operations covenants. The Arrangement is subject to customary conditions for a transaction of this nature, which include court and regulatory approvals (including the approval of the TSX-V) and the approval of 66 2/3% of the votes cast by Craft shareholders represented in person or by proxy at a meeting of Craft shareholders to be called to consider the Arrangement. As part of the Arrangement, certain officers, directors and shareholders of Craft have entered into a share lock-up

agreement for a total of approximately 14% of the total common shares outstanding for Craft. Both parties of the Arrangement have agreed to a mutual break fee of \$250,000 subject to certain conditions. A special meeting of the shareholders of Craft to approve the Arrangement is anticipated to be held on or about June 5, 2017.

The Board of Directors of Craft has unanimously agreed to recommend the approval of the Arrangement.

A copy of the Arrangement Agreement will be available under each of Manitok's and Craft's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **About Craft**

Craft is engaged in the exploration for, development of and production of oil and natural gas properties in Western Canada and is a reporting issuer in all provinces and territories of Canada. Craft common shares are not listed on any recognized exchange in Canada. Craft was incorporated under the *Business Corporations Act* (Alberta) and has its head office in Calgary, Alberta.

For further information on Craft contact:

#### **Craft Oil Ltd.**

Trevor Spagrud, President & Chief Executive Officer  
Telephone: 403-264-1592

Or view Craft's website at [www.craftoil.ca](http://www.craftoil.ca).

### **About Manitok**

Manitok is a public oil and gas exploration and development company focused 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.

For further information on Manitok contact:

#### **Manitok Energy Inc.**

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### **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.*

### **Forward-looking Information Cautionary Statement**

*This press release contains forward-looking statements. More particularly, this press release contains statements concerning the terms of the Arrangement, the timing and completion of the Arrangement, the timing of the special meeting of Craft shareholders and anticipated benefits of the Arrangement to Manitok.*

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

*Although Manitok and Craft 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 Craft 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 Craft to complete the Arrangement 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 Craft's SEDAR profiles at [www.sedar.com](http://www.sedar.com).*

*Forward-looking statements are based on estimates and opinions of management of Manitok and Craft at the time the statements are presented. Manitok and Craft 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 Craft 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*

***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.***