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MANITOK
ENERGY INC.



Craft Oil LTD

JOINT PRESS RELEASE

MANITOK ENERGY INC. AND CRAFT OIL LTD. ANNOUNCE CLOSING OF ARRANGEMENT

Calgary, Alberta, June 8, 2017 (CNW) – Manitok Energy Inc. ("**Manitok**") (TSX-V: MEI) and Craft Oil Ltd. ("**Craft**") are pleased to announce that the previously announced plan of arrangement under the *Business Corporations Act* (Alberta) (the "**Arrangement**") involving Manitok, Craft and the holders (the "**Craft Shareholders**") of class "A" common shares of Craft ("**Craft Shares**") was completed on June 6, 2017. The Arrangement was approved at the special meeting of Craft Shareholders held on June 5, 2017 and the final order regarding the Arrangement was granted by the Court of Queen's Bench of Alberta on June 6, 2017.

Craft assets include approximately \$3.5 million of net working capital which will be applied to Manitok's revolving bank credit facility to provide increased liquidity. In addition to the positive working capital, Craft's assets include approximately 420 boe/d (30% oil and liquids), a small working interest in a non-operated gas plant and 31,000 acres (approximately 26,490 net) of undeveloped land in the Peace River Arch area of Alberta. Craft also has approximately \$33.0 million in total tax pools, including approximately \$17.0 million in non-capital losses. When combined with Manitok's current assets, total production in the Peace River Arch area will be approximately 675 boe/d.

Pursuant to the Arrangement, Manitok has acquired all of the issued and outstanding Craft Shares, by way of a plan of arrangement, for aggregate consideration of \$6.6 million common shares of Manitok ("**Manitok Shares**") being issued to the Craft Shareholders at a deemed price of \$0.116 per Manitok Share (the "**Manitok Share Price**"), which represents an exchange ratio of 0.25175 of a Manitok Share for each Craft Share held by the former Craft Shareholders. A total \$1.0 million Manitok Shares out of the \$6.6 million Manitok Shares are being held in escrow by the escrow agent until September 4, 2017 in connection with any potential post-closing adjustments. Pursuant to the Arrangement, Craft was amalgamated with Manitok's wholly owned subsidiary and the amalgamated entity will carry on under the name of Raimount Energy Corp.

The Manitok Share Price represents the volume weighted average trading price of Manitok Shares on the TSX Venture Exchange, calculated in accordance with the arrangement agreement in respect of the Arrangement (the "**Arrangement Agreement**"), by using five trading days preceding the date that is five calendar days preceding the meeting of Craft shareholders held on June 5, 2017.

Additional information with respect to the Arrangement is set out in the joint press release of the parties dated May 1, 2017 and the Arrangement Agreement, a copy of which is available under each of Manitok's and Craft's SEDAR profile at www.sedar.com.

Craft Shareholders whose Craft Shares are held by a broker, agent or other intermediary should contact their broker or agent in respect of the exchange of their Craft Shares pursuant to the Arrangement. Registered holders of Craft Shares must deposit their certificates with a duly completed letter of transmittal in order to receive the consideration to which they are entitled pursuant to the Arrangement, as set forth in the management information circular of Craft dated May 5, 2017. Certificates formerly representing Craft Shares now represent only the right to receive the consideration to which the holders thereof are entitled pursuant to the Arrangement.

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: 403-290-1132

Or view Craft's website at www.craftoil.ca.

About Manitek

Manitek 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 Manitek contact:

Manitek Energy Inc.

Massimo M. Geremia, President & Chief Executive Officer
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Or view Manitek's website at www.manitekenergy.com.

Forward-looking Information Cautionary Statement

This press release contains forward-looking statements. More particularly, this press release contains statements concerning the intended use by Manitek of Craft's net working capital and the anticipated benefits of the Arrangement to Manitek.

The forward-looking statements in this press release are based on certain key expectations and assumptions made by Manitek 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.

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.

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 using a 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 equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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.