



## CRAFT OIL LTD. ANNOUNCES STRATEGIC DISPOSITION OF ASSETS

**CALGARY, ALBERTA (January 24, 2017) – Craft Oil Ltd.** ("Craft" or the "Company") is pleased to announce that it has entered into a definitive agreement with Cardinal Energy Ltd. ("Cardinal") to sell assets (the "Cardinal Assets") for \$41 million, prior to any closing adjustments (the "Cardinal Disposition"), consisting of approximately \$4.0 million in cash and approximately 4.0 million common shares of Cardinal ("Cardinal Shares") at a deemed price of \$9.1727 per Cardinal Share (collectively, the "Cardinal Proceeds"). The Company is also pleased to announce that has entered into a definitive agreement with Point Loma Resources Ltd. ("Point Loma") to sell assets (the "Point Loma Assets") for \$1.6 million, prior to any closing adjustments (the "Point Loma Disposition"), consisting of approximately 4.0 million common shares of Point Loma ("Point Loma Shares") at a deemed price of \$0.40 per Point Loma Share (the "Point Loma Proceeds", and collectively with the Cardinal Proceeds, the "Disposition Proceeds").

The Cardinal Assets include Q4, 2016 production of approximately 1,625 barrels of oil equivalent ("boe") per day, weighted 36% oil and NGL, located in the Grande Prairie area of Northwest Alberta. The Cardinal Disposition will have an effective date of March 1, 2017 and is expected to close on or before March 15, 2017. The Cardinal Disposition is subject to standard customary closing conditions. In addition, as the Cardinal Disposition comprises a sale of substantially all of the assets of the Company, the Cardinal Disposition is also subject to approval of the Craft shareholders. It is anticipated that a special meeting of the Craft shareholders will be held in or around late February 2017 to approve the Cardinal Disposition. Listing on the Toronto Stock Exchange (the "TSX") of the Cardinal Shares to be received as partial consideration for the Cardinal Disposition is subject to the approval of the TSX.

National Bank Financial Inc. acted as financial advisor to Craft with respect to the Cardinal Disposition.

The Point Loma Assets include Q4, 2016 production of approximately 410 boe per day weighted 95% to natural gas, located in the Judy Creek and Thornbury-Portage areas of Alberta. The Point Loma Disposition will have an effective date of January 1, 2017 and is expected to close on or about February 17, 2017. The Point Loma Disposition is subject to standard customary closing conditions. Listing on the TSX Venture Exchange (the "TSXV") of the Point Loma Shares to be received as consideration for the Point Loma Disposition is subject to the approval of the TSXV.

The Company is currently in discussions in respect of the disposition of the remainder of its assets (the "Remaining Assets"). While the Company is in discussions regarding potential transactions with certain third parties, no agreement has been reached and there is no assurance that these discussions will continue or that any transactions will be agreed upon. Craft will provide further information at such time as it is appropriate to make a public announcement on any potential transactions, should they occur. Any announcements regarding potential transactions will be disclosed in accordance with applicable legal and regulatory requirements.

Craft currently anticipates that the Company will distribute the Disposition Proceeds, as well as any additional proceeds received in connection with any disposition of the Remaining Assets, to the Craft shareholders following the completion of the disposition of its Remaining Assets.

## FURTHER INFORMATION

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## READER ADVISORY

**BOE Disclosure.** *The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet per barrel (6mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in the report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.*

**Forward Looking Statements.** *Certain statements contained in this news release include statements which contain words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "will", "believe" and similar expressions, statements relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by the Company derived from its experience and perceptions. In particular, this news release contains statements regarding the value of the Cardinal Shares and the value of cash to be received from the Cardinal Disposition, the value of the Point Loma Shares to be received from the Point Loma Disposition, anticipated distribution of the Disposition Proceeds, the timing of the special meeting of Craft shareholders to approve the Cardinal Disposition, the anticipated closing date of each of the Cardinal Disposition the Point Loma Disposition, the listing of the Cardinal Shares on the TSX and the listing of the Point Loma Shares on the TSXV and the potential disposition of the Remaining Assets. The foregoing statements assume all the conditions, including applicable regulatory approvals and, in respect of the Cardinal Disposition, Craft shareholder approval, to completion of each of the Disposition will be satisfied. There is no assurance that all of the conditions to the Cardinal Disposition and the Point Loma Disposition will be met and therefore there is a risk that either or both of the Cardinal Disposition and the Point Loma Disposition will not be completed in the form described above or at all. In the event the Cardinal Disposition or the Point Loma Disposition does not close as presently anticipated, Craft will not realize the anticipated benefits of the Cardinal Disposition or the Point Loma Disposition, respectively. Because of the risks, uncertainties and assumptions contained herein, readers should not place undue reliance on these forward-looking statements.*

*Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do, what benefits will be derived there from.*

*The forward-looking information contained in this press release is made as of the date hereof and Craft undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward looking information contained in this press release is expressly qualified by this cautionary statement.*

*Not for distribution to U.S. news wire services or dissemination in the United States.*