



CRAFT OIL LTD. ANNOUNCES CLOSING OF DISPOSITION OF OIL AND GAS ASSETS

CALGARY, ALBERTA (March 20, 2017) - Craft Oil Ltd. (“**Craft**” or the “**Company**”) is pleased to announce that it has closed the previously announced sale of assets (the “**Disposition**”), comprised of approximately 1,625 boe per day (weighted 36% oil and NGLs), located in the Grande Prairie area of northwest Alberta, to Cardinal Energy Ltd. (“**Cardinal**”). The Disposition was completed on March 17, 2017. Pursuant to the Disposition, Craft received approximately 4.0 million common shares of Cardinal (the “**Shares**”), at a deemed price of \$9.1727 per Share plus cash consideration of \$4.0 million. In connection with the closing, Cardinal has paid approximately \$3.7 million of the cash consideration into escrow, which funds will be released upon receipt from the Alberta Energy Regulator of approval of the licence transfer application in respect licences representing at least 90% of the net asset value of the licences comprising assets subject to the Disposition.

The Disposition represents the sale of substantially all of the assets of Craft. In accordance with the requirements of the *Business Corporations Act* (Alberta), the Disposition was approved by 99.95% of the votes cast by Craft shareholders at the Craft special meeting held on March 17, 2017.

FURTHER INFORMATION

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President and Chief Executive Officer

OR

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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 Escrow Amount and the expected release of the Escrow Amount. The foregoing statements assume approval of the licence transfer applications by the Alberta Energy Regulator. There is no assurance that the licence transfer applications will be approved. In the event the licence transfer applications are not approved, the Escrow Amount may not be released or may only be released subject to conditions that may be adverse to Craft. 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.