



TEINE ENERGY LTD. ANNOUNCES CLOSING OF SIGNIFICANT ASSET ACQUISITION

CALGARY, June 24, 2016 - Teine Energy Ltd. (“Teine” or the “Company”) announces that it has closed its previously announced asset acquisition of South Western Saskatchewan oil-weighted assets from Penn West Petroleum Ltd. for cash consideration of \$975 million. The acquisition includes a core position within the Saskatchewan Viking light oil play as well as low decline conventional Bakken heavy oil properties currently under water flood.

“This was an increasingly rare opportunity to acquire a scalable high netback oil position within one of North America’s most economic light oil plays,” said Jason Denney, President and Chief Executive Officer of Teine Energy. “Our team is excited to apply our skillsets to the assets.”

Acquisition Metrics

Key acquisition statistics are noted below:

Purchase Price:	\$975 million
1H 2016E Production ⁽²⁾ :	15,495 boe/d (91% liquids)
Proven plus Probable Reserves ⁽¹⁾ :	53.2 MMboe
Risked Hz Viking locations ⁽²⁾ :	>1,000
Undeveloped land:	409,000 Acres (640 sections)

Key acquisition metrics are as follows:

2016E production	\$62,924/boe/d
Proved plus Probable Reserves:	\$18.33/boe
Proved plus Probable RLI:	9.7 years

Teine has identified over 1,000 undeveloped Viking horizontal drilling locations which include extended reach horizontal opportunities within the acquired Viking lands. The acquired lands contain some of the largest original oil in place (OOIP) within the play and over 50 Viking sections containing water flood potential.

The asset includes approximately 7,000 bbl/d⁽²⁾ of low decline conventional Bakken heavy oil pools of which 98% are under water flood which has resulted in a stable and predictable base decline of approximately 10%. Currently active polymer injection within the Coleville Pool has exhibited a promising response and through further expansion may result in significant additional reserve recovery and further decline mitigation.

The acquisition adds to Teine’s extensive infrastructure, growing the Company’s owned and operated oil treating capacity to approximately 55,000 bbl/d and water treating and injection capability to over 200,000 bbl/d. Teine’s early and continued focus on infrastructure is reflected

in its industry leading cost structure and will support the Company's multi-decade drilling plan and secondary recovery schemes.

Teine remains focused on delivering a cash flow neutral capital program and will adjust spending in response to changes in commodity pricing. Teine is now the largest landholder and producer within the Saskatchewan Viking fairway, controlling over 1,000 net sections (640,000 acres) of undeveloped land containing over 5,000 risked Viking horizontal locations.

About Teine Energy Ltd.

Teine is a private Calgary-based exploration, development and production company focused on acquiring and developing oil and natural gas properties in the Western Canadian Sedimentary Basin. Approximately 90% of Teine's production is weighted towards crude oil and natural gas liquids.

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1. Gross company reserves, as prepared by Sproule Associates Limited in a report effective December 31, 2015 in accordance with National Instrument 51-101 Standards of Disclosure of Oil and Gas Activities and the Canadian Oil and Gas Evaluation Handbook.
2. Based on Q1 actuals and Management's best estimates.

Note Regarding Forward-Looking Statements and Other Advisories

This news release contains certain statements and information that constitute forward-looking statements and forward-looking information as defined under applicable securities legislation (collectively, "forward-looking statements"). These forward-looking statements relate to future events or future performance of Teine. All statements, other than statements of historical fact, are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential", "assume" and "capable" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. These statements speak only as of the date of this news release.

In particular, and without limitation, in this news release there are forward-looking statements pertaining to: potential drilling locations associated with the acquired assets; first half 2016 estimated average production for the acquired assets; the decline rate associated with the heavy oil pools; and the number of potential drilling locations of the Company in the Viking formation.

With respect to forward-looking statements contained in this news release, assumptions have been made regarding, among other things: future crude oil, NGL and natural gas prices; commodity pricing differentials; future exchange rates, Teine's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which Teine conducts its business and any other jurisdictions in which Teine may conduct its business in the future; Teine's ability to market production of oil and natural gas successfully to customers; Teine's future production levels; the applicability of technologies for recovery and production of Teine's reserves; the recoverability of Teine's reserves (including the acquired assets); future capital expenditures to be made by Teine; future cash flows from production meeting the expectations assumed in this news release; future sources of funding for Teine's capital program; Teine's future debt levels; geological and engineering estimates in respect of Teine's reserves (including the acquired assets); the geography of the areas in which Teine is conducting exploration and development activities; the impact of competition on Teine; and Teine's ability to obtain future financing on acceptable terms or at all.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of those risk factors described in Teine's Corporate Presentation dated April 2016 and available on Teine's website at www.teine-energy.com. The forward-looking statements included in this news release are expressly qualified by this cautionary statement and are made as of the date of this news release. Teine does not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws.

The calculation of barrels of oil equivalent ("boe") is based on the widely recognized conversion rate of 6,000 cubic feet ("Mcf") of natural gas for 1 barrel ("bbl") of oil. Boe conversions may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalence at the wellhead. As the value ratio between crude oil and natural gas based on the current price of crude oil and 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.