



**CEQUENCE ENERGY ANNOUNCES ASSET SALE AND OPERATIONS UPDATE**

CALGARY, April 19, 2018– Cequence Energy Ltd. ("Cequence" or the "Company") (TSX: CQE) is pleased to announce that it has disposed of its remaining assets located in north eastern British Columbia effective April 1, 2018, for nominal consideration.

Upon closing of this transaction, Cequence becomes a pure Alberta operating entity with a corporate April, 2018 Alberta Energy Regulatory Licensee Liability Rating of 5.7. In the fourth quarter 2017, production associated with the B.C. assets was approximately 663 boe/d with an operating loss of \$172,000 for the same period due to low commodity prices. The Company's asset abandonment and reclamation obligation for B.C. at December 31, 2017 was \$8.8 million or 23% of Cequence's total reported year end 2017 liability of \$38.5 million.

**Operations Update:**

Field production estimates for the first quarter of 2018 have averaged approximately 6,900 boe/d of which 6,250 boe/d (17% liquids) was derived from its Alberta properties. The Company's three gross, two net winter Dunvegan oil wells were completed and pipeline connected in the first quarter of 2018 with in-line production commencing via artificial lift at the end of March. As a result of the unusual cold weather conditions in late March and early April the existing volume of remaining completion water created start-up challenges with freeze offs and pipeline hydrates. Since start-up, over a ten calendar day period, an estimated 6,750 bbls of gross oil has been produced from 2 gross (1.5 net) oil wells with consistent run times being achieved for the past 7 days. The following are the recent 24 hour in line separator rates:

Well UWI	CQE Interest %	Last 24 hour separator rate (gross)			
		Oil (bbl/d)	Water (bbl/d)	Gas (mcf/d)	BS&W (%)
15-04-62-26W5	100%	721	63	359	8%
12-14-62-26W5	50%	318	65	142	17%
11-14-62-26W5	50%	Started April 18th			

The above three wells all had lateral lengths greater than 2 km with an average of 39 slick water frac stages placed. Water production associated with the wells are still below fracture treatment load recovery. The original estimated Corporate IP 30 rate per well was 300 bbl/d. With spring break up conditions occurring, consistent run times for the new wells may be challenging. In order to accommodate the increased new oil volumes and achieve stable run

times, base Dunvegan oil production has been temporarily curtailed. While management is very encouraged by the early production results from these wells, such results are not necessarily indicative of long-term performance or of ultimate recovery from the wells.

Cequence estimates there are approximately 26.5 net Dunvegan oil locations remaining on its land.

### **About Cequence**

Cequence is a publicly traded Canadian energy company involved in the acquisition, exploitation, exploration, development and production of natural gas and crude oil in western Canada. Further information about Cequence may be found in its continuous disclosure documents filed with Canadian securities regulators at [www.sedar.com](http://www.sedar.com).

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### Advisories

*Boe Conversions: Barrel of oil equivalent ("boe") amounts have been calculated by using the conversion ratio of six thousand cubic feet (6 Mcf) of natural gas to one barrel of oil (1 bbl). Boe amounts may be misleading, particularly if used in isolation. A 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 oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.*

*Mcfe Conversions: Thousands of cubic feet of gas equivalent ("Mcfe") amounts have been calculated by using the conversion ratio of one barrel of oil (1 bbl) to six thousand cubic feet (6 Mcf) of natural gas. Mcfe amounts may be misleading, particularly if used in isolation. A conversion ratio of 1 bbl to 6 Mcf 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 natural gas as compared to oil is significantly different from the energy equivalent of 1:6, utilizing a conversion on a 1:6 basis may be misleading as an indication of value.*

### Forward-looking Statements or Information

*Certain statements included in this press release constitute forward-looking statements or forward-looking information under applicable securities legislation. Such forward-looking statements or information are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements or information in this press release include, but are not limited to, statements relating to the Company's production and future performance expectations of the recently completed Dunvegan wells, and the estimated number of oil locations remaining on the Company's land. Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking statements or information. These risks and uncertainties may cause actual results to differ materially from the forward-looking statements or*

*information. The material risk factors affecting the Company and its business are contained in the Company's Annual Information Form which is available on SEDAR at [www.sedar.com](http://www.sedar.com).*

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

*The TSX has neither approved nor disapproved the contents of this news release.*