

## CEQUENCE ENERGY ANNOUNCES ASSET SALES AND OPERATION UPDATE

CALGARY, December 21, 2017 – Cequence Energy Ltd. (the "Company" or "Cequence") (TSX:CQE) is pleased to announce that it has completed two asset dispositions for total proceeds of \$4.3 million. The dispositions include the sale of a non-core property located in B.C. which is producing approximately 100 boe/d and the sale of 25 sections of Lower Montney rights in the Simonette area.

As part of Simonette transaction, the acquirer has agreed to drill and complete a Lower Montney horizontal well prior to the end of 2018. Cequence and other oil and gas companies active in the area have historically drilled wells in the upper half of the Montney formation within the greater Simonette area. Cequence is retaining its full 82 net sections of Upper Montney rights and 57 net sections of Lower Montney rights at Simonette.

### Operations Update

Cequence is continuing its winter 2017/2018 Dunvegan oil development program with 2 gross (1 net) horizontal wells rig released to date and another 1 gross (1 net) horizontal well recently spud. The first 2 gross wells were cased with an average of 2,220 m of pay and 39 frac stages cemented in place. The completions for all 3 gross (2 net) wells are planned to begin in January with production expected by the end of Q1 2018.

The Dunvegan program follows up on the success of the 2 gross (1 net) Q1 2017 wells that, on a combined basis, have produced a gross total of approximately 150,000 bbls of oil and 1 bcf of gas in 10 months. Cequence estimates it has 30 to 35 net locations to drill in the Dunvegan oil play.

### 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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### 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 may include, but are not limited to, statements or information with respect to future drilling activities of Cequence and other industry participants, operational activities and drilling locations. 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. In addition to other factors and assumptions which may be identified in this press release, assumptions have been made regarding, among other things: the impact of increasing competition; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the ability of the*

*Company to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters; and the ability of the Company to successfully market its oil and natural gas products. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.*

*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.*

**Additional Advisories**

*The press release contains references to terms commonly used in the oil and gas industry.*

*BOEs are presented on the basis of one BOE for six Mcf of natural gas. Disclosure provided herein in respect of BOEs 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 equivalency at the wellhead.*

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