Canbriam

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February 8, 2018

Canbriam Energy Outlines 2018 Capital Budget, Announces Strategic Land Transaction and Provides Operational Update

CALGARY, AB, February 8, 2018 (CNW)—Canbriam Energy (Canbriam) is pleased to announce a number of corporate updates including plans to invest between $50 million to $60 million in the first half of 2018, which is expected to support full year production between 37,000 and 39,000 boe per day, including approximately 15 percent liquids component. Production expectations represent effective capacity of Canbriam's 100 percent owned and operated processing facilities. The full year 2018 capital budget is expected to remain within Canbriam's cash flow expectations based on current commodity price levels and hedge positions.

Canbriam also announces that it has reached an agreement with Suncor Energy Inc. (Suncor) to exchange all of Suncor's northeast British Columbia mineral land holdings and consideration of $52 million for a 37 percent equity interest in Canbriam. The transaction is subject to regulatory approval and is expected to close in Q1 2018.

"Our prudent approach to development supports a 2018 capital budget that is expected to be funded entirely with cash flow due to challenging natural gas price levels." said Paul Myers, Canbriam's President & Chief Executive Officer. "The additional lands will complement our existing Montney land position and infrastructure to support the scalable, profitable development of liquids rich natural gas."

2018 Capital Budget

Canbriam is targeting a capital budget that will be directed toward sustaining full capacity at its Altares Montney asset, based on nameplate capacity of 40,000 boe per day including liquids. The company's full year production expectations, between 37,000 and 39,000 boe per day, reflect routine downtime as existing wells are temporarily taken offline to accommodate the completion and tie-in of new wells.

Canbriam has deferred construction of Phase 3 of its Altares Processing Facility. Canbriam has purchased long lead items and expects to commence construction once commodity prices increase to a level that supports production growth beyond the current capacity. Phase 3 is expected to add an incremental 120 million cubic feet per day, or approximately 20,000 boe per day including liquids, of processing capacity once complete.

Canbriam continues to pursue hedging opportunities to protect its capital program and support full cycle returns. As of January 31, 2018 Canbriam has 80,000 gigajoules (Gj) per day of its natural gas production hedged at $2.37 per Gj, which combined with basis hedges represents over 65 percent of full year production expectations. For 2018 basis hedges, Canbriam has physical sales contracts tied to the Sumas, Chicago, AECO and SoCal natural gas price hubs less a fixed differential, which help diversify away from Station 2 prices. Canbriam has 3,750 barrels per day of liquids production hedged at C$68.32 per barrel, which represents over 80 percent of 2018 liquids production expectations.

Q4 2017 Operational highlights

On December 11, 2017 Canbriam recommissioned its b-24-H facility, adding 50 million cubic feet per day of processing, or approximately 10,000 boe per day with liquids. The b-24-H facility had been offline since May 2017 due to an unplanned outage. Canbriam's production averaged 39,000 boe per day for the final two weeks of 2017.

Canbriam also commissioned its liquids pipeline in November 2017, which represents a major milestone for the company's marketing transportation strategy. This liquids pipeline provides safe, efficient and reliable transportation of NGL and condensate production to marketing hubs in Alberta and will eliminate the need to truck liquid hydrocarbons.

RBC Capital Markets acted as exclusive financial advisor to Canbriam in connection with the transaction. Please refer to our website www.canbriam.com for more details which will be provided in our corporate presentation on February 8, 2018.

About Canbriam

Canbriam Energy Inc. is a private intermediate exploration and production Company with a focus on liquids rich natural gas development. Its principal producing properties and acreage positions are in the Altares Montney of northeast British Columbia. Canbriam is focused on generating full cycle value creation from its Montney asset in all commodity price cycles through ownership of all processing and water handling infrastructure, maintaining a low operating cost structure and through proactive risk management that includes hedging commodity price exposure. The Company was founded in 2007 and is headquartered in Calgary, Alberta with an office in Fort St. John, British Columbia.

Forward-Looking Statements & Advisory

This news release contains forward-looking statements within the meaning of securities legislation. All statements, other than historical facts, that address activities that Canbriam intends, assumes, plans, expects, believes or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements. Forward-looking statements herein relate to business strategy and objectives; development and exploration plans, including the anticipated benefits resulting therefrom and the timing thereof; the timing and expected benefits of the transaction with Suncor; future production levels; facility construction; drilling plans; and the timing of well completions.The forward-looking statements are based on management's current beliefs, based on currently available information, as to the outcome and timing of future events. These forward-looking statements involve certain risks and uncertainties that could cause the results to differ materially from those expected by the management of Canbriam. Canbriam undertakes no obligation to update or revise any forward-looking statements. Any forward-looking statements in this release are expressly qualified by this cautionary statement.

This press release uses the measure of barrel of oil equivalent (“boe”). Boe is presented on the basis of one boe for six thousand cubic feet (Mcf) of natural gas. Disclosure provided herein in respect of boe 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. Given that the value ratio based on the current price of crude oil as compared to 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.

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