



## **United Hunter Oil and Gas Corp. Announces the Results of the Reservoir Engineering Study on the Proposed Purchase of Oil and Gas Interests in Archer County, Texas**

Vancouver, British Columbia – February 6, 2017, United Hunter Oil & Gas Corp. (UHO: TSX-V) (“**UHO**” or the “**Corporation**”) is pleased to provide an update on the exclusive Option Agreement (“**Option**”) it has entered into through its US subsidiary, United Hunter Texas, LLC (“**UHT**”), with Wilson Operating Company, et al, for the option to purchase 100% of the vendors’ oil and gas interests in the Hull Silk Sikes 4,300’ Sand Unit (“**HSS Unit**”), which is the same zone covered by the HSS Unit, in Archer County, Texas (the “**Property Interest**”).

Further to the press release dated December 12, 2016, as part of its diligence process, UHT contracted with Forrest A. Garb & Associates, Inc., (“**FGA**”), an international petroleum engineering and geologic consulting firm staffed by registered engineers and geologists, to prepare a more detailed evaluation and report on the proposed acquisition in accordance with the guidelines set out in National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* (the “**Report**”) effective December 31, 2016, as independent reserves auditor. FGA’s final report focused on the gross barrels of original oil in place and total proved recoverable reserves remaining from the Property Interest, being defined as a “quantity of oil estimated with reasonable certainty to be economically producible”.

The Corporation is pleased to announce the results of the FGA study, which honored the geologic and engineering parameters used to determine the remaining reserves and the proposed development plan from the 2004 report. FGA’s current evaluation included an update to the log analysis, including additional well logs from more recent wells drilled in the unit. This resulted in an increase in the porosity value, increasing the original-oil-in- place (“**OOIP**”) and the remaining reserves over and above the original estimates calculated in 2004. Additionally, estimated oil prices, capital costs, and development timing were also updated.

The remaining oil-in-place for the 4,300-foot sand was estimated by the volumetric method considering well logs, a geologic structure map, and an isopach map. The total recoverable oil is estimated to be 41 percent of the OOIP by analogy to comparable reservoirs. The remaining recoverable reserves for the 4,300-foot sand, within the 4,300-foot unit boundary, were estimated based on the proposed reactivation of the waterflood and infill drilling program developed on 10-acre spacing.

The revised OOIP for the 4,300-ft sand is estimated to be 101,680 thousand barrels of oil (MBbls) (or 101,680,000 Bbls) and a calculated recoverable estimate of 41,690 MBbls. After subtracting the cumulative production to date (which is estimated to be 26,890 MBbls) the remaining reserves are estimated to be 14,800 MBbls. The estimated gross remaining recoverable reserves are thus calculated at 14,425 MBbls of oil and an estimated net recoverable of 11,286 MBbls and are categorized as total, proved reserves, as of December 31, 2016.

Benchmark oil and gas prices, for this evaluation, were based on NYMEX futures contract pricing, as of the close of business December 30, 2016, for 5 years, then escalated at 2% per year thereafter. Oil prices have been adjusted by lease for gravity (38-40°API), transportation fees, and regional

price differentials, thus resulting in an average realized oil price for the life of the project is \$65.50/bbl. Over the proposed life of the project, the gross revenue is estimated at \$944,880M.

The estimated future net revenues, those which should be realized from the sale of estimated oil and gas reserves after the deduction of severance taxes, royalties, ad valorem taxes, direct operating costs, and future capital expenditures, are estimated to be \$470,323M.

A more quantitative analysis of additional well logs warranted the increase in reserve calculations over the previous study. This work also was influenced by additional information that indicates notably higher formation water salinity. The results in the log calculations attributing more of the observed log resistivity to the presence of oil and gas and, therefore, to slightly lower water saturation. These new analyses rendered average porosity of 12.9 percent and average water saturation of 35.9 percent. The porosity was revised upwards from 12.0% to 12.9% in the current reserve calculations.

The field redevelopment is estimated to start in the second quarter of 2017 with 3D seismic being run and processed, after which drilling will commence. First production is scheduled to begin on or about July 1, 2017. For the purpose of this proposed project, two drilling rigs were utilized to drill and complete both producers and injectors at a rate of approximately two wells per month and will continue until all wells are drilled. It was assumed that no existing wells will be used due to degraded wellbore condition. The plan includes the drilling of 112 producers and 102 injection wells.

The redevelopment of the field utilizes 112 producers and 102 water injectors. FGA has accepted UHT's intent to redevelop the Hull-Silk Sikes field by drilling the proved undeveloped new wells, drilling the injection wells, and installing the surface facilities as planned.

The HSS Unit is approximately 12 miles southwest of Wichita Falls, Texas and comprises roughly 2,300 acres in a single operating unit. UHO has been advised that the overall size of the reservoir is approximately 5,200 acres in size and the HSS Unit, which sits in the heart of the field, has produced approximately 27,000,000 barrels since its discovery in 1938 through primary and secondary efforts.

Timothy Turner, CEO of the Corporation, stated that "We are very pleased with the significant increase in the calculated recoverable reserves over and above what the estimated reserves were when we signed the option exclusive Option Agreement with the sellers. The new estimates include an additional 2,300 MBbls of net recoverable reserves. We believe such a redevelopment program, as it has been proposed, will see significant returns for the Corporation going forward and we will continue our due diligence efforts in our further efforts to finalize this acquisition."

Further details will be provide as they become available.

Certain statements in the documents referred to in this press release may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include, but are not limited to, statements concerning (i) the acquisition of the Property Interest; and (ii) potential results from the Property Interest. Forward-looking statements generally can be identified by the use of forward looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. Such forward-looking statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements including, without limitation, the risks that: (1) UHO may not achieve the results currently anticipated; (2) UHO may not be able to obtain the financing necessary to complete these activities; (3) the results of the Report may be incorrect. Although UHO believes that the expectations reflected in its forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because UHO 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 and are implicit in, among other things, the timely receipt of required regulatory approvals. Details of the risk factors relating to UHO and its business are discussed under the heading "Risk Factors" in the Management Discussion & Analysis dated November 22, 2016, a copy of which is available on UHO's SEDAR profile at [www.sedar.com](http://www.sedar.com). Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used. Forward-looking information is 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 UHO and described in the forward looking information. The forward-looking information contained in this press release is made as of the date hereof and UHO 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.

Neither the TSX Venture Exchange nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For additional information, please contact:

Timothy Turner  
CEO  
(832) 487-0813  
[info@unitedhunteroil.com](mailto:info@unitedhunteroil.com)

Jeff Ratcliffe  
CFO  
(778) 987-3925  
[jratcliffe@unitedhunteroil.com](mailto:jratcliffe@unitedhunteroil.com)  
28385644.2