



CHINOOK ENERGY PROVIDES UPDATE IN RESPECT OF CRAFT OIL LTD.

Calgary, Alberta – October 31, 2016 – Chinook Energy Inc. (TSX:CKE) ("**Chinook**") announced today that further to its news release dated October 17, 2016, Craft Oil Ltd. ("**Craft**"), an approximate 70% owned subsidiary of Chinook, has completed the previously announced asset disposition (the "**Asset Disposition**") for gross proceeds of \$13.5 million, comprised of \$9.0 million cash and \$4.5 million of tradeable debentures. For further details regarding the Asset Disposition, please see Chinook's October 17, 2016 news release, a copy of which is available under Chinook's profile on SEDAR at www.sedar.com or on Chinook's website at www.chinookenergyinc.com.

About Chinook Energy Inc.

Chinook is a Calgary-based public oil and natural gas exploration and development company with multi-zone conventional production and resource plays in western Canada.

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Reader Advisory

The information concerning Craft in this news release has been provided by Craft. Although Chinook has no knowledge that would indicate that any of such information is untrue or incomplete, Chinook does not assume any responsibility for the accuracy or completeness of such information or the failure by Craft to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Chinook.