



Chinook Energy Clarifies Aer Pipeline Performance Report

Calgary, Alberta – February 22, 2017 – **Chinook Energy Inc. (TSX: CKE)** ("**Chinook**" or the "**Company**") today clarified the recent Alberta Energy Regulator ("**AER**") Pipeline Performance Report (the "**Report**") published on the AER's new webpage www.aer.ca/data-and-publications/pipeline-performance and laid out a balance set of facts as a result of the punitive and inaccurate rating imposed on Chinook by the AER's calculations contained in the Report.

On February 21, 2017, the AER launched a new webpage summarizing pipeline safety, incidents and industry performance for all operators in the province over the past two years on which the Report was published. Chinook wishes to commend the AER on this initiative and is supportive of the improved pipeline performance mandate and the added public disclosure of safety and environmental incidents.

During 2016, Chinook had one reportable pipeline incident. The incident was classified as "low consequence" and involved a sweet low pressure natural gas pipeline leak during annual pressure testing at its Granlea property in southern Alberta. Chinook no longer owns or operates the Granlea property.

Chinook completed the disposition of the majority of its producing properties in Alberta during 2016, resulting in it having only 19.5 kilometres of pipeline under licence in Alberta as at year end. It was this 19.5 kilometre number that was used in the AER published ratio of "incidents per 1,000 kilometre of pipeline", unfavourably exaggerating the resulting data in light of the fact that the singular incident reported by Chinook was on a segment of pipe no longer owned by the Company at year end. At the time of the incident, and prior to its divestiture of its non-core Alberta properties, Chinook had approximately 1,300 kilometres of total pipeline under licence and approximately 880 kilometers of operating pipeline in Alberta. Had the AER's pipeline reporting analysis been calculated at the time of incident, Chinook would have scored a 0.8 incident factor per 1,000 kilometres of total pipeline, in comparison to the 52 incident factor reported by the AER in the Report. It is also notable that Chinook operates greater than 650 kilometres of pipeline in British Columbia with no reportable incidents in 2015 or 2016.

Chinook's board of directors, management and staff would like to reaffirm to its shareholders that the Company's commitment to all safety and environmental matters is a top priority at Chinook.

About Chinook Energy Inc.

Chinook is a Calgary-based public oil and natural gas exploration and development company which is focused on realizing per share growth from its large contiguous Montney liquids-rich natural gas position at Birley/Umbach, British Columbia.

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