



**Chinook energy announces mailing of meeting materials
for special meeting of shareholders**

**NOT FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION
MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAWS.**

Calgary, Alberta – November 16, 2016 - Chinook Energy Inc. (TSX:CKE) ("**Chinook**" or the "**Company**") is pleased to announce that it has mailed an information circular and proxy statement and related meeting materials (collectively, the "**Meeting Materials**") in connection with the special meeting of the shareholders of Chinook currently scheduled to be held at the offices of Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta, at 9:00 a.m. (Calgary time) on December 12, 2016 (the "**Meeting**"). At the Meeting, shareholders of Chinook will be asked to consider and vote upon, among other things, a plan of arrangement (the "**Arrangement**") under the provisions of the *Business Corporations Act* (Alberta) among Chinook and the shareholders of Chinook.

Pursuant to the Arrangement, each issued and outstanding common share of Chinook ("**Chinook Share**") at the time the Arrangement is completed, which is currently anticipated to occur on or about December 13, 2016, will be exchanged for one (1) new common share in the capital of Chinook (a "**New Chinook Share**") having the terms set forth in the Plan of Arrangement (as defined below) and a pro rata entitlement to an aggregate of 152,251,953 common shares ("**Craft Shares**") in the capital of 1947577 Alberta Ltd. (to be renamed Craft Oil Ltd.) ("**Craft**"). Pursuant to the letter of transmittal mailed to Chinook shareholders as part of the Meeting Materials, the exchange of the Chinook Shares for New Chinook Shares and Craft Shares by a registered holder of Chinook Shares will occur upon the registered holder tendering their share certificate(s) representing Chinook Shares, together with the duly completed letter of transmittal, to Alliance Trust Company, Chinook's depository under the Arrangement. Shareholders whose Chinook Shares are registered in the name of a broker, dealer, bank, trust company or other nominee must contact their nominee to deposit their Chinook Shares. At the time the Arrangement is completed, all Chinook Shares will be deemed to be cancelled and will represent only an entitlement to receive New Chinook Shares and an applicable pro-rata entitlement to the 152,251,953 Craft Shares. The New Chinook Shares outstanding subsequent to the time the Arrangement is completed, whether acquired pursuant to the Arrangement or through the facilities of a stock exchange, will not represent any entitlement to Craft Shares.

Based on the 216,442,834 Chinook Shares issued and outstanding as at the date hereof (on a non-diluted basis), holders of Chinook Shares will be entitled to receive one (1) New Chinook Share and approximately 0.7034 of a Craft Share for each Chinook Share held at the time the Arrangement is completed. The final exact allocation of the Craft Shares will be determined at the time the Arrangement is completed based on the number of Chinook Shares then issued and outstanding.

The board of directors of Chinook unanimously recommends that shareholders of Chinook vote their Chinook Shares in favour of the Arrangement. Further details on the proposed Arrangement, including relevant Canadian federal income tax information, are included in the Meeting Materials which may be accessed through the SEDAR website (www.sedar.com) or Chinook's website (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

This news release contains forward-looking statements as to Chinook's internal projections, forecasts, expectations or beliefs relating to future events or future performance, including: anticipated timing for the completion of the Arrangement, the date of the Meeting and the estimated pro-rata entitlement to Craft Shares represented by a Chinook Share. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expects", "projects", "plans", "anticipates" and similar expressions. These statements represent the expectations or beliefs of management of Chinook. The projections, estimates and beliefs contained in such forward-looking statements are based on certain assumptions that management of Chinook believes is reasonable at this time, including the timing of receipt of the necessary regulatory approvals and the satisfaction of and time necessary to satisfy the conditions to the closing of the Arrangement, including all necessary court, stock exchange, shareholder and other third party approvals and consents. These dates may change for a number of reasons, including the inability to secure necessary regulatory approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Arrangement. In addition, there are no assurances the Arrangement will be completed. The completion of the Arrangement also involves known and unknown risks and uncertainties, including the risks the assumptions set forth herein may not be accurate, that additional conditions or requirements to complete the Arrangement will be imposed such that the Arrangement and the Meeting cannot be completed and held, as applicable, in the manner set forth herein, or at all, which risks may cause actual results in the future to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Chinook's operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), or Chinook's website (www.chinookenergyinc.com).

The forward-looking statements and information contained in this news release are made as of the date hereof and Chinook 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 so required by applicable securities laws.

The Chinook Shares, the New Chinook Shares and the Craft Shares have not and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold in the United States or to any U.S. person except in certain

transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.