



## CHINOOK ENERGY ANNOUNCES CLOSING OF ARRANGEMENT

**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 – December 12, 2016 – Chinook Energy Inc. (TSX:CKE) ("**Chinook**" or the "**Company**") is pleased to announce that it has completed its previously announced plan of arrangement (the "**Arrangement**") under the provisions of the *Business Corporations Act* (Alberta) involving Chinook and the shareholders of Chinook. The Arrangement was approved by 99.98% of the votes cast by shareholders present in person or represented by proxy at Chinook's special meeting of shareholders (the "**Meeting**") held earlier today. Pursuant to the Arrangement, each common share (a "**Chinook Share**") in the capital of Chinook outstanding as at 4:00 p.m. (Calgary time) on December 12, 2016 (the "**Effective Time**") has been exchanged for, and now represents the right to receive, one new common share (a "**New Chinook Share**") in the capital of Chinook and 0.70343 of a common share ("**Craft Share**") in the capital of Craft Oil Ltd. The Craft Share amount represents the pro-rata entitlement per Chinook Share to the 152,251,953 Craft Shares held by Chinook, immediately prior to the Effective Time, based on the 216,442,934 Chinook Shares issued and outstanding at such time.

As the Arrangement has been completed, all Chinook Shares are deemed to be cancelled and now represent only the entitlement to receive New Chinook Shares and Craft Shares, as described above. The New Chinook Shares do not represent any entitlement to Craft Shares. It is anticipated that the Chinook Shares will be delisted and the New Chinook Shares (CUSIP: 169588100) concurrently listed and posted for trading on the Toronto Stock Exchange ("**TSX**") within two to three trading days of the Company delivering the required documents to the TSX. The stock symbol for the New Common Shares on the TSX will remain unchanged as "CKE".

Pursuant to the letter of transmittal mailed to Chinook shareholders as part of the materials in connection with the Meeting, in order to receive the New Chinook Shares and Craft Shares to which they are entitled, registered holders of Chinook Shares will be required to deposit their share certificate(s) representing Chinook Shares, together with the duly completed letter of transmittal, with Alliance Trust Company, Chinook's depositary 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.

Shareholders who have questions in respect of Craft are referred to Craft's website at [www.craftoil.ca](http://www.craftoil.ca).

## 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.

### FOR FURTHER INFORMATION PLEASE CONTACT:

Walter Vratarić  
President and Chief Executive Officer  
Chinook Energy Inc.  
Telephone: (403) 261-6883

Jason Dranchuk  
Vice President, Finance and Chief Financial  
Officer  
Chinook Energy Inc.  
Telephone: (403) 261-6883

Website: [www.chinookenergyinc.com](http://www.chinookenergyinc.com)

### 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: the anticipated timing of the listing of the New Chinook Shares and the de-listing of the Chinook Shares on the TSX. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expects", "projects", "plans", "anticipates" and similar expressions. 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 timely receipt of the necessary stock exchange approval of the listing of the New Chinook Shares and the de-listing of the Chinook Shares on the TSX and the timing thereof. The listing of the New Chinook Shares and the de-listing of the Chinook Shares on the TSX and the timing thereof involves known and unknown risks and uncertainties, including that additional conditions or requirements to complete such transactions may be imposed, 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. 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](http://www.sedar.com)), or Chinook's website ([www.chinookenergyinc.com](http://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 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.