



NEWS RELEASE

Hunter Oil Corp. Releases Mid-Year Reserve Evaluation

HOUSTON, TEXAS – September 9, 2016 – Hunter Oil Corp. (TSX-V: HOC; OTCQX: HOILD; CUSIP 44570P201 and ISIN CA44570P2017; 8,070,881 common shares outstanding) (the "**Company**") is pleased to announce the results of an independent updated evaluation of the Company's oil and gas reserves located in the Permian Basin San Andres formation of the Chaveroo and Milnesand Fields in New Mexico. Since the end of year 2015, the Company has added additional acreage and updated its business model based on other Permian Basin activity. This results in a development of all of the Company's larger acreage position rather than a partial development as foreseen in its annual reserve report for the year ended December 31, 2015.

The evaluation, prepared as of August 26, 2016 with an effective date of January 1, 2017, was conducted by the Company's independent reserve evaluator in accordance with the definitions, standards and procedures set out in the Canadian Oil and Gas Evaluation Handbook ("**COGE**") and National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**").

Mid-Year 2016 Gross Reserves Summary

- **Total Proved Reserves 14.2 million Barrels of oil (15.3 MMBOE)**
 - an increase of 102% over the December 31, 2015 reserves estimate
 - an increase of 124% over the December 31, 2014 reserves estimate
- **Proved plus Probable Reserves 19.95 million Barrels of oil (21.4 MMBOE)**
 - an increase of 158% over the December 31, 2015 estimate
 - no Probable reserves were reported in December 31, 2014
- **Proved plus Probable plus Possible 36.2 million Barrels of oil (38.9 MMBOE)**
 - no Possible reserves were reported in December 31, 2015

Net Present Value of Reserves discounted at 10%

- **Total Proved Reserves before tax of U.S. \$258.1 million**
- **Proved plus Probable Reserves before tax of U.S. \$424.5 million**
- **Proved plus Probable plus Possible Reserves before tax of U.S. \$918.3 million**

The above total Proved reserves are attributed to the drilling of 87 horizontal wells over the next 6 years. The Probable reserves are attributed to incremental volumes of the 87 horizontal wells and the drilling of 8 additional wells. Possible reserves are attributed to incremental volumes of the 95 horizontal wells and the drilling of an additional 11 wells. The wells in the Company's report (the "**Report**") are planned at 160-acre spacing (4 wells per section) on approximately 22,000 acres.

The Report summarizing the results of the evaluation is available for viewing under the Company's profile at <http://www.sedar.com>, or by request to the Company.

The tables set forth below summarize the Company's oil and natural gas reserves, and the net present values before and after income tax of future net revenue for the Company's reserves using forecast prices and costs assumptions.

Summary of Oil and Gas Reserves				
As of January 1, 2017				
Forecast Prices and Costs – U.S. Dollars				
Reserves				
	Light and Medium Oil		Natural Gas (non-associated & associated)	
Reserve Category	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)
PROVED				
Developed Producing	61	49	0	0
Proved Undeveloped	<u>14,169</u>	<u>11,351</u>	<u>6,284</u>	<u>5,050</u>
TOTAL PROVED	14,230	11,400	6,284	5,050
PROBABLE	5,718	4,573	2,449	1,964
Total Proved Plus Probable	19,948	15,973	8,733	7,015
POSSIBLE	16,260	13,063	7,358	5,928
Total Proved plus Probable plus Possible	36,208	29,036	16,090	12,942

SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE											
As of January 1, 2017											
FORECAST PRICES AND COSTS – U.S. Dollars											
RESERVES CATEGORY	NET PRESENT VALUE OF FUTURE NET REVENUE										
	BEFORE INCOME TAXES (BFIT) DISCOUNTED AT (%/year)					AFTER INCOME TAXES (AFIT) DISCOUNTED AT (%/year)					UNIT VALUE BEFORE INCOME TAXES DISCOUNTED AT 10%/year
	(MM\$) at 0%	(MM\$) at 5%	(MM\$) at 10%	(MM\$) at 15%	(MM\$) at 20%	(MM\$) at 0%	(MM\$) at 5%	(MM\$) at 10%	(MM\$) at 15%	(MM\$) at 20%	(\$/BOE)
PROVED											
Developed Producing	-0.4	-	0.1	0.2	0.2	-0.5	-0.1	0.1	0.1	0.2	2.32
Undeveloped	<u>444.6</u>	<u>336.7</u>	<u>258</u>	<u>199.6</u>	<u>155.7</u>	<u>291.2</u>	<u>224.6</u>	<u>174.9</u>	<u>137.5</u>	<u>108.8</u>	21.16
TOTAL PROVED	444.3	336.7	258.1	199.8	155.9	290.7	224.5	175	137.6	109	21.08
PROBABLE	264.1	207.8	166.4	135.3	111.4	199.2	161.0	132.2	109.9	92.4	33.96
TOTAL PROVED PLUS PROBABLE	708.4	544.5	424.5	335.1	267.4	489.8	385.5	307.2	247.5	201.4	24.76
POSSIBLE	798	621.4	493.8	398.9	326.6	599.4	479.8	390.9	322.9	269.8	35.15
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	1,506.4	1,165.9	918.3	734.0	594	1,089.2	865.4	698.1	570.4	471.2	29.44

Note: All dollar values are expressed in U.S. dollars (MM\$ = millions of U.S. Dollars).

The Company's reserves are derived from non-conventional tight-oil activities from which gas and natural gas liquids may be produced as by-products. "Tight-oil" means crude oil (a) contained in dense organic-rich rocks, including low-permeability shales, siltstones and carbonates, in which the crude oil is primarily contained in microscopic pore spaces that are poorly connected to one another, and (b) that typically requires the use of hydraulic fracturing to achieve economic production rates.

The Company is not required to pay income taxes for its most recently completed financial year. Subject to current assumptions of production levels, operating and capital expense, commodity prices and currently available operating loss carryforwards, the Company may have an income tax liability in the year 2020. The After Income Tax net present values reflect the tax burden on the Company's field interests. The financial statements and the management's discussion and analysis of the Company should be consulted for information at the level of the business entity.

Readers are referred to the Company's Statement of Reserves Data and Other Oil & Gas Information dated August 26, 2016 with an effective date of January 1, 2017, prepared in accordance with the definitions, standards and procedures set out in the COGE Handbook and NI 51-101, which can be accessed electronically from the SEDAR website at <http://www.sedar.com>.

BOEs/boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of provided plus probable plus possible reserves. The present value of estimated future net revenues referred to herein does not represent fair market value and should not be construed as the current market value of estimated crude oil and natural gas reserves attributable to the Company's properties.

About Hunter Oil Corp.

Hunter Oil Corp. owns and operates two large historic Permian Basin oil fields in New Mexico, the Milnesand and Chaveroo oil fields. Recorded production of these two fields is approximately 37 million barrels, representing less than 10% recovery of the oil in place. The Company plans to unlock the value in these resource-rich fields by increasing the efficiency of its operations, and by applying new and proven unconventional production technologies.

ON BEHALF OF THE BOARD OF DIRECTORS

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Cautionary Statement Regarding Forward-Looking Information

Certain statements contained in this news release constitute "forward-looking information" as such term is used in applicable Canadian securities laws, including statements regarding estimates of reserves and future net revenue,

expectations regarding additional reserves and statements regarding Chaveroo and Milnesand wells development, including plans, anticipated results and timing. Forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information.

Estimated reserves and future net revenue have been independently evaluated by the Company's independent reserves evaluator, with an effective date as of January 1, 2017. This evaluation is based on a limited number of wells with limited production history and includes a number of assumptions relating to factors such as availability of capital to fund required infrastructure, commodity prices, production performance of the wells drilled, successful drilling of infill wells, the assumed effects of regulation by government agencies and future capital and operating costs. All of these estimates will vary from actual results. Estimates of the recoverable oil and natural gas reserves attributable to any particular group of properties, classifications of such reserves based on risk of recovery and estimates of future net revenues expected therefrom, will vary. The Company's actual production, revenues, taxes, development and operating expenditures with respect to its reserves will vary from such estimates, and such variances could be material. Estimates of after-tax net present value are dependent on a number of factors including utilization of tax-loss carry forwards. In addition to the foregoing, other significant factors or uncertainties that may affect either the Company's reserves or the future net revenue associated with such reserves include material changes to existing taxation or royalty rates and/or regulations and changes to environmental laws and regulations.

Forward-looking information regarding Chaveroo and Milnesand well development and expectations regarding additional reserves are based on plans and estimates of management and interpretations of exploration information by the Company's exploration team at the date the information is provided and is subject to several factors and assumptions of management, including that required regulatory approvals will be available when required, that no unforeseen delays, unexpected geological or other effects, equipment failures, permitting delays or labor or contract disputes or shortages are encountered, that the development plans of the Company will not change, and is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information, including that anticipated results and estimated costs will not be consistent with managements' expectations, the Company or its subsidiaries not being able for any reason to obtain and provide the information necessary to secure required approvals or that required regulatory approvals are otherwise not available when required, that unexpected geological results are encountered and that equipment failures, permitting delays or labor or contract disputes or shortages are encountered.

Information on other important economic factors or significant uncertainties that may affect components of the reserves data and the other forward looking statements in this release are contained in the Company's Statement of Reserves Data and Other Oil & Gas Information dated August 26, 2016 with an effective date of January 1, 2017, prepared in accordance with the definitions, standards and procedures set out in the COGE Handbook and NI 51-101, and the Company's Management Discussion and Analysis under "Risk Factors", which are available under the Company's profile at www.SEDAR.com. The Company undertakes no obligation to update forward-looking statements, other than as required by applicable law.

For further information, visit our website at www.hunteroil.com