FOR IMMEDIATE RELEASE
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Athabasca Oil Corporation Reports Third Quarter 2014 Financial and Operating Results and Provides an Update on Key Strategic Initiatives

CALGARY – Athabasca Oil Corporation (TSX: ATH) ("Athabasca" or "the Company") is pleased to report its third quarter 2014 financial and operating results, the initiation of a Board renewal process and an update on the continued implementation of its refined business strategy.

Third quarter highlights:

- closed the Dover transaction for net proceeds of $1.2 billion. The Company has a very strong liquidity position which will be used to fund the development of its core assets over the mid-term including a focused development program in the Duvernay and the completion and ramp-up of production at Hangingstone Project 1, Athabasca's 12,000 barrels per day ("bbl/d") steam assisted gravity drainage ("SAGD") project;
- produced an average of 6,381 barrels of oil equivalent per day ("boe/d") with 51% liquids, in line with guidance of 6,000 to 6,500 boe/d for the second half of 2014;
- commenced the Duvernay focused Light Oil winter drilling program. Four rigs will be active in the field with the primary goal to accelerate production and cash flow growth through 2015; and
- reached 94% completion on Hangingstone Project 1. The project costs are tracking in-line with sanctioned budget costs, with first steam expected by the end of the first quarter of 2015.

"Athabasca recognizes that we need to transition into being a producer that is focused on delivering strong production and cash flow growth while at the same time preserving a strong balance sheet and financial flexibility," says Tom Buchanan, President and CEO. "Since assuming the role of President and CEO in early October, I have embarked on a detailed review of Athabasca's operations and the organizational structure. I am also meeting with many of our shareholders and I am listening to their concerns. Our key near-term priorities include the disciplined execution of our capital plan and the competitiveness of our cost structure. We are also undertaking a process to bolster our corporate governance and enhance the execution of our business plan."

Athabasca has filed its financial statements and management's discussion and analysis ("MD&A") for the three and nine months ended September 30, 2014. These documents are available on the Company's website www.atha.com and later this morning from SEDAR www.sedar.com. Selected financial and operating information is outlined below and should be read in conjunction with Athabasca's audited financial statements and MD&A.

Strategic Update

Governance Initiative, Cost Structure Review and Value Optimization
The Company announced its refined business strategy in early September, highlights of which are below, and it is committed to implementing the changes needed to achieve this business strategy, including strong governance and improving its cost structure as it advances towards its strategic goals.

As the Company transitions and refocuses its priorities, the Board of Directors believes that undertaking a continued Board renewal process is an important initiative in achieving strong governance. The Company has retained Korn Ferry, a leading international recruiting firm, to assist the Company with this initiative. This recruiting process will include a thorough review of the composition of the Board, its size, independence, leadership and the requisite skills of Board members.

The Company's cost structure is being evaluated with a view towards identifying areas where efficiencies can be achieved. The goal of this review is to better align Athabasca's cost structure to its strategic plan to ensure the Company is competitive and maintains a strong balance sheet.

Recognizing that the Company has a diverse and capital intensive, high-quality asset base, Athabasca's Board and Management are working closely, together with its external advisors, to best position the Company to optimize its asset base, deliver strong growth in production and cash flow, have continued access to capital, implement and maintain an efficient cost structure and realize strong value appreciation for its shareholders.

The Company expects to provide shareholders with updates on these initiatives in the coming months.

Strategic Goals
Athabasca's refined strategy is focused on leveraging its high quality asset base to grow shareholder value through strong operational performance. The four core principles that will guide the Company's business activities and investment priorities to position Athabasca for success are:

Cash Flow Growth	• Accelerate Near-Term Cash Flow • Focus on Returns
Balance Sheet Strength	• Capital and Cost Discipline • Focus on Core Assets
Execution Excellence	• Technical Rigor Drives Investment • Maintain Operational Agility
Delivering on Commitments	• Set Achievable Plans • Deliver on Targets

"Drawing on many years of combined experience and expertise in the oil and gas industry, Rob Broen, our Chief Operating Officer, and Kim Anderson, our Chief Financial Officer, have been working hard with their teams to implement and sustain capital and financial discipline at Athabasca. In addition, we have recently bolstered our leadership team with the additions of Kevin Smith, Vice President, Light Oil and Matt Taylor, Vice President, Capital Markets. The other members of the senior leadership team include Rob Bowie, Vice President, Corporate Development, Anne Schenkenberger, Vice President Legal and Corporate Secretary and Rick Koshman, Vice President Projects and Thermal Operations. Under their revitalized leadership, we are emphasizing a strong culture of accountability and capital discipline. I have full confidence in Athabasca's leadership team and our ability to deliver on our commitments. This culture is essential for us to create sustainable shareholder value appreciation as we develop our world-class assets," stated Tom Buchanan.

The core growth pillars at the foundation of Athabasca's strategy remain clear. In the Light Oil division, the Kaybob Region will continue to be Athabasca's focus, with the Duvernay serving as the Company's primary growth driver. Within the Thermal Oil division, Athabasca will continue to focus on the commissioning and ramp-up of Hangingstone Project 1. Both of these core areas provide unique return characteristics, a platform for material growth and have the potential to generate significant free cash flow for the Company. Combined, these core areas provide business portfolio diversification and complementary cash flow growth characteristics.

Although the Company is very well funded, with a strong balance sheet, it will continue evaluating partnership opportunities and other funding strategies for its assets both in Light Oil and in Thermal Oil. Athabasca views joint ventures as an excellent tool for securing additional future funding, acceleration of development plans, reduction of risk and leveraging partner's expertise and skills.

The Company's medium to longer term asset development strategy is based on a view of the longer term commodity price environment. Athabasca acknowledges the current weakness in commodity prices and intends to continue to retain flexibility in its capital program to adapt to market conditions as appropriate.

($ Thousands, except per share and boe amounts)	Three months ended September 30, 2014	Three months ended September 30, 2013	Nine months ended September 30, 2014	Nine months ended September 30, 2013
LIGHT OIL NETBACK[1]				
Petroleum and natural gas sales	$ 33,411	$ 27,957	$ 102,683	$ 91,679
Midstream revenues	600	348	2,158	708
Royalties	(4,119)	(3,098)	(11,941)	(7,327)
Operating expenses and transportation	(8,738)	(9,148)	(26,597)	(26,517)
	$ 21,154	$ 16,059	$ 66,303	$ 58,543
CASH FLOWS				
Funds Flow from Operations[1]	$ 7,203	$ (5,343)	$ 15,728	$ (11,452)
Funds Flow from Operations per share (basic &diluted)	$ 0.02	$ (0.01)	$ 0.04	$ (0.03)
NET LOSS AND COMPREHENSIVE LOSS				
Net loss and comprehensive loss	$ (19,939)	$ (30,501)	$ (98,054)	$ (85,976)
Net loss and comprehensive loss per share (basic & diluted)	$ (0.05)	$ (0.07)	$ (0.24)	$ (0.21)
SALES VOLUMES				
Oil (bbl/d)	2,398	2,094	2,328	2,524
Natural gas (Mcf/d)	18,634	17,604	18,401	18,584
Natural gas liquids (bbl/d)	877	569	755	675
Total (boe/d)	6,381	5,597	6,149	6,296
Oil and Natural gas liquids %	51%	48%	50%	51%
REALIZED PRICES				
Oil ($/bbl)	$ 92.80	$ 103.48	$ 95.26	$ 89.96
Natural gas ($/Mcf)	4.40	2.83	5.24	3.45
Natural gas liquids ($/bbl)	66.76	65.46	76.78	66.61
Realized price ($/boe)	56.90	54.27	61.16	53.37
Royalties ($/boe)	(7.01)	(6.01)	(7.11)	(4.27)
Operating expenses and transportation[2] ($/boe)	(13.86)	(17.09)	(14.56)	(15.06)
Light Oil Netback[1] ($/boe)	$ 36.03	$ 31.17	$ 39.49	$ 34.04
CAPITAL EXPENDITURES				
Light Oil Division	$ 19,772	$ 18,573	$ 112,068	$ 241,993
Thermal Oil Division	89,455	120,325	337,969	286,927
Assets held for sale	1,520	5,031	8,120	14,414
Corporate	3,032	2,204	5,534	9,887
	$ 113,779	$ 146,133	$ 463,691	$ 553,221

(1) Refer to "Advisories and Other Guidance" on page 18 of the MD&A for additional information on Non-GAAP Financial Measures.
(2) For the nine months ended September 30, 2014, operating expenses and transportation expenses in the Netback figure includes midstream revenues of $1.28/boe (2013 - $0.41/boe) and for the three months ended September 30, 2014, $1.02/boe (2013 - $0.68/boe).

As at ($ Thousands)	September 30, 2014	December 31, 2013
AVAILABLE FUNDING		
Cash and cash equivalents	$ 722,747	$ 298,995
Short-term investments	-	23,795
Promissory notes	583,892	-
Undrawn credit facilities	125,000	350,000
Term Loan – delayed draw (US$50.0 million)	56,040	-
Available Funding(1)	$ 1,487,679	$ 672,790
BALANCE SHEET		
Total assets	4,413,935	4,342,325
Long-term debt	777,528	533,210
Shareholders' equity	3,289,083	3,373,957

(1) Refer to "Advisories and Other Guidance" on page 18 of the MD&A for additional information on Non-GAAP Financial Measures.

Operations Update

Light Oil

Athabasca's Light Oil production averaged 6,381 boe/d with 51% liquids in the third quarter of 2014. Production remained in line with guidance of 6,000 to 6,500 boe/d for the second half of 2014 which incorporated 18 days of third-party downtime in September. Athabasca was able to minimize the production impact from this scheduled and unscheduled downtime by accessing its interconnect to the SemCAMS' KA gas plant. The Company views its regional infrastructure as a competitive advantage, providing egress to two large midstream plants and facilitating operational flexibility for future growth. No additional wells were brought on stream during the quarter.

Athabasca recognized a Light Oil netback of $36.03/boe in the third quarter of 2014. Light Oil capital expenditures were approximately $20 million in the third quarter of 2014, primarily consisting of base maintenance and preparation for the winter drilling program that commenced in late September.

Kaybob Region

The Company's 2014/15 winter drilling program is underway. The objectives of the program are to accelerate near term production and cash flow growth at Saxon/Simonette and Kaybob West while retaining Duvernay lands that are prospective for commercial development into the intermediate term. A large part of the winter program is designed to drill in areas where there is higher confidence in well productivity based on results from both Company and industry activity. Athabasca is currently running three rigs in the Duvernay play with a fourth rig expected to be operational next week. The majority of the production and cash flow growth from this program is expected to materialize in the second half of 2015 and early 2016.

Approximately 95 percent of Athabasca's core 200,000 acre land position at Kaybob will be held into intermediate term at the end of the winter drilling program. Athabasca has an extensive land position across the liquids-rich thermal maturity windows in the Kaybob basin and has considerable flexibility in controlling the pace of development. This allows the Company to focus on lower risk production growth in the near term while continuing to appraise the potential of its long term well inventory at a measured pace. Future activity will be continually evaluated in the context of drilling results and prevailing commodity prices to maintain balance sheet strength.

In the greater Saxon area, Athabasca spud the horizontal 15-15-62-23W5 well in late September, which it expects to complete in the new year and bring on-stream near the end of the first quarter of 2015.

In Simonette, Athabasca successfully completed a horizontal well at 16-36-63-25W5, in October with all 14 fracture stages placed. The Company drilled the well last winter and delayed completions operations due to break-up conditions. The well is anticipated to be placed on production early in the new year following tie-in and a planned soak period.

At Kaybob West, Athabasca spud 8-34-62-20W5, in early October. Completions operations are scheduled before year-end with a similar design to Athabasca's adjacent 2-34-62-20W5 ("2-34 well"). The 2-34 well remains one of the top wells in the basin with cumulative production in excess of 370 Mboe (48% liquids) in 22 months. The Company is encouraged by an uptick in industry activity in this area with a number of larger producers commencing pad development.

Current operations are primarily focused on Saxon, Simonette and Kaybob West. These are areas where well productivity has been demonstrated and Athabasca can tie-in production to its established infrastructure. A part of the winter program will continue appraisal work in the volatile oil window where Athabasca has a significant land position. The Company believes this appraisal program will significantly advance its understanding of the volatile oil window. Athabasca remains encouraged by over pressured data points and high quality condensate production on and near its northern acreage, both of which have been leading indicators of economic success in other resource plays across North America.

The wells completed from last winter's program continue to perform well and an overview is provided in the table below. Of note, the higher liquids wells at Kaybob West are exhibiting stabilizing liquids yields following extended production history.

Well ID	On Stream Date	30 day IP (boe/d)	Cumulative Production (mboe)(1)	Average Liquids (%)
100/01-07-064-20W5/02	March 15, 2014	750	91	66
100/01-25-062-25W5/02	May 9, 2014	1,461	113	59
100/04-29-064-20W5/02	June 16, 2014	615	41	72
100/08-29-064-20W5/00	June 21, 2014	784	56	79

(1) Cumulative production is based on data up to and including September 30, 2014.

Over the next few drilling seasons the Company expects well costs to range between $10 to $15 million. This winter's program reflects well costs at the upper end of the range. Athabasca anticipates a reduction in well costs as the play moves towards the development stage, consistent with reductions realized in other North American shale plays. Athabasca is confident in its ability to reduce costs over time, particularly with pad drilling and increased completion efficiencies. The next phase of drilling includes wells on the Company's extensive land base across the basin with varying depths and pressures. The 2015 program will include some pad operations consisting of two to three wells, in addition to some single well pads. At this time, the goal is to achieve a balance between production growth and cost savings with cycle time to first production being an important consideration. Athabasca also intends on drilling wells with varying horizontal lengths, with the intent of continuing to optimize capital and production efficiency.

In addition to the Duvernay program, the Company is planning a two-well Montney appraisal program at Placid directly offsetting recent industry success. The objective of the program is to execute a limited program to demonstrate both the quality and extent of the resource to consider for future funding. The Company intends to drill horizontal laterals over 2,000 meters and will use a slickwater hybrid completion design similar to regional competitors which has aided in impressive initial rates and shallower initial declines.

Thermal Oil

In the third quarter of 2014, Thermal Oil capital expenditures totaled $89 million primarily weighted towards Hangingstone Project 1 and regional infrastructure.

Athabasca continued to advance its development of Hangingstone Project 1. Mechanical and electrical construction continued at the central plant, the five well pads and regional infrastructure. At the end of the quarter, Hangingstone Project 1 was approximately 94% complete with costs trending in line with sanctioned budget costs. The teams will be ready to transition from construction to commissioning activities near the end of the year to achieve first steam, which remains targeted towards the end of the first quarter of 2015. First production is planned to follow four to six months thereafter with a plateau of 12,000 bbl/d expected in 2016.

Achieving targeted production ramp-up at Project 1 will be an important milestone for Athabasca as it will demonstrate the Company's ability to build and operate larger-scale projects and demonstrate the quality of the Hangingstone resource base, both of which will set the stage for future expansion phases. Engineering will continue to advance for Hangingstone Project 2A, an 8,000 bbl/d incremental debottleneck project, however, future expansion phases are not expected to be sanctioned until the Company demonstrates a successful production ramp-up profile for Project 1.

Capital & Production Outlook

Athabasca expects fourth quarter 2014 production to average between 5,500 – 6,000 boe/d, which will put total second half 2014 guidance at the lower end of the previously stated 6,000 – 6,500 boe/d. The 2014 capital budget remains at $667 million, excluding capitalized interest and capitalized general and administrative expenses. As described above, these funds are primarily directed towards the Duvernay program, completion of Hangingstone Phase 1 and a two-well appraisal program in the Montney at Placid.

2014 Capital Budget ($ Millions)		
THERMAL OIL DIVISION		
Hangingstone Project	$	227
Hangingstone regional infrastructure and production support		58
Hangingstone Expansion		55
Other		14
		354
LIGHT OIL DIVISION		
Duvernay		237
Montney		33
Other		21
		291
CORPORATE	**$**	**14**
DOVER JOINT VENTURE	**$**	**8**
TOTAL CAPITAL SPENDING	**$**	**667**

The Company will release its 2015 capital budget and production guidance in early December following Board approval. Athabasca intends to maintain significant financial flexibility and the pace of activity will continually be evaluated in the context of drilling results and the commodity price environment.

Liquidity

At September 30, 2014, Athabasca had funding in place of almost $1.5 billion, including cash and cash equivalents, short-term investments, the promissory notes received on the closing of the Dover transaction, and undrawn credit facilities.

Going forward, maintaining a strong balance sheet will be a key priority for Athabasca. The Company intends to maintain sufficient liquidity to execute projects and pursue strategic partnerships and will evaluate alternatives to lower its cost of capital over time. Based on its capital spending and production outlook, Athabasca anticipates exiting 2014 with funding in place of close to $1.2 billion.

Conference Call, November 7, 2014
7:30 am Mountain Time (9:30 am Eastern Time)

A conference call to discuss the third quarter will be held for the investment community and media on November 7, 2014 at 7:30 a.m. MT (9:30 a.m. ET). To participate, please dial 888-231-8191 (toll-free in North America) or 647-427-7450 approximately 15 minutes prior to the conference call. An archived recording of the call will also be available from approximately 12:30 p.m. ET on November 7 until midnight on November 13, 2014 by dialing 855-859-2056 (toll-free in North America) or 416-849-0833 and entering conference password 12741028.

An audio webcast of the conference call will also be available on Athabasca's website, www.atha.com or the following link below:
http://www.newswire.ca/en/webcast/detail/1418352/1575374.

About Athabasca Oil Corporation

Athabasca Oil Corporation is a Canadian energy company with a diverse portfolio of thermal and light oil assets. Situated in Alberta's Western Canadian Sedimentary Basin, the Company has amassed a significant land base of extensive, high quality resources. Athabasca's common shares trade on the TSX under the symbol "ATH". For more information, visit www.atha.com.

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Reader Advisory:

This News Release contains forward-looking information that involves various risks, uncertainties and other factors. All information other than statements of historical fact is forward-looking information. The use of any of the words "anticipate," "forecast", "plan," "continue", "estimate", "expect", "may", "will", "project", "target", "should", "believe", "pursue" and "potential" and similar expressions are intended to identify forward-looking information. The forward-looking information is not historical fact, but rather is based on the Company's current plans, objectives, goals, strategies, estimates, assumptions and projections about the Company's industry, business and future financial results. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that these expectations will prove to be correct and such forward-looking information included in this News Release should not be unduly relied upon. This information speaks only as of the date of this News Release. In particular, this News Release may contain forward-looking information pertaining to the following:; the expected timing of the completion of the construction and commissioning of Hangingstone Project 1 and of first steam into Hangingstone Project 1; the expected timing of the first production from Hangingstone Project 1; the anticipated regulatory review/approval process in respect of the Hangingstone Expansion; the timing of the construction of the facilities and infrastructure related to the Hangingstone Projects;

estimated production and production goals in respect of the Company's projects, including the anticipated production capacity of the Hangingstone Projects with the addition of the Hangingstone Expansion; the expected in-situ recovery methods to be utilized in respect of the Company's Thermal Oil projects, including SAGD; the potential for future joint venture opportunities, the receipt of proceeds from the Promissory Notes; the Company's anticipated capital budget for 2015; the Company's drilling and development plans, including in particular with respect to the Montney and Duvernay formations; the Company's capital expenditure programs and expected future capital expenditures; targets and guidance for production of the Company's Light Oil division; the number of drilling rigs to be utilized; the number of wells to be completed and tied-in a part of the 2014/2015 winter drilling program; the expected timing of material production from the Company's Light Oil Division; the Company's other plans for, and results of, exploration and development activities with respect to the Thermal Oil and Light Oil assets and the expected benefits to be received by Athabasca from such assets; allocations of capital; the Company's expectations with respect to its Board renewal process; and the Company's business plans.

With respect to forward-looking information contained in this News Release, assumptions have been made regarding, among other things: the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts and will conduct its business; the applicability of technologies for the recovery and production of the Company's reserves and resources; future capital expenditures to be made by the Company; future sources of funding for the Company's capital programs; the Company's future debt levels; the Company's ability to obtain financing and/or enter into joint venture arrangements, on acceptable terms; geological and engineering estimates in respect of the Company's reserves and resources; the geography of the areas in which the Company is conducting exploration and development activities; and the quality of its assets.

Actual results could differ materially from those anticipated in this forward-looking information as a result of the risk factors set forth in the Company's most recent Annual Information Form ("AIF") dated March 18 2014, available on SEDAR at www.sedar.com, including, but not limited to: the substantial capital requirements of Athabasca's projects and the ability to obtain financing for Athabasca's capital requirements; failure by counterparties to make payments or perform their obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties, including in compliance with the expressed or implied time schedules set out in such contractual arrangements, and the possible consequences thereof; aboriginal claims; fluctuations in market prices for crude oil, natural gas and bitumen blend; general economic, market and business conditions in Canada, the United States and globally; failure to obtain regulatory approvals or maintain compliance with regulatory requirements; failure to meet development schedules and potential cost overruns; variations in foreign exchange and interest rates; factors affecting potential profitability; risks related to future acquisition and joint venture activities; reliance on, competition for, loss of, and failure to attract key personnel; global financial uncertainty; uncertainties inherent in estimating quantities of reserves and resources; changes to status given the current stages of development; uncertainties inherent in SAGD and other bitumen recovery processes; expiration of leases and permits; risks inherent in Athabasca's operations, including those related to exploration, development and production of petroleum, natural gas and oil sands reserves and resources, including the production of oil sands reserves and resources using SAGD or other in-situ technologies; risks related to gathering and processing facilities and pipeline systems; availability of drilling and related equipment and limitations on access to Athabasca's assets; increases in operating costs could make Athabasca's projects uneconomic; the effect of diluent and natural gas supply constraints and increases in the costs thereof; gas over bitumen issues affecting operational results; environmental risks and hazards and the cost of compliance with environmental regulations, including greenhouse gas regulations and potential Canadian and U.S. climate change legislation; extent of, and cost of compliance with, government laws and regulations and the effect of changes in such laws and regulations from time to time; risks related to Athabasca's filings with taxation authorities, including the risk of tax related reviews and reassessments; changes to royalty regimes; political risks; failure to accurately estimate abandonment and reclamation costs; exploration, development and production risks inherent in crude oil and natural gas operations, including the production of crude oil and natural gas using multi-stage hydraulic fracture and other stimulation technologies; the potential for management estimates and assumptions to be inaccurate; long term reliance on third parties; reliance on third party infrastructure for project facilities; seasonality; hedging risks; risks associated with establishing and maintaining systems of internal controls; insurance risks; claims made in respect of Athabasca's operations, properties or assets; the effect of a change of control under the PetroChina Transaction Agreements; competition for, among other things, capital, the acquisition of reserves and resources, export pipeline capacity and skilled personnel; the failure of Athabasca or the holder of certain licenses, leases or permits to meet specific requirements of such licenses, leases or permits; failure to satisfy certain conditions in connection with the Company's debt and credit facilities; breaches of confidentiality; costs of new technologies; alternatives to and changing demand for petroleum products; risks related to the Common Shares; and risks pertaining to the Company's debt facilities.

The forward-looking statements included in this News Release are expressly qualified by this cautionary statement. Athabasca does not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws.

Oil and Gas Information:
"BOEs" may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (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. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Test Results and Initial Production Rates:
The well test results and initial production rates provided in this News Release should be considered to be preliminary. Test results and initial production rates disclosed herein may not necessarily be indicative of long term performance or of ultimate recovery.