



FOR IMMEDIATE RELEASE  
January 15, 2019

### **Athabasca Oil Corporation Closes \$265 Million Leismer Infrastructure Transaction**

CALGARY – Athabasca Oil Corporation (TSX: ATH) (“Athabasca” or the “Company”) has closed the previously announced Leismer Infrastructure Transaction with Enbridge Inc. for \$265 million cash consideration. Transaction proceeds are approximately 50% of Athabasca’s market capitalization and significantly bolster the Company’s liquidity, reduce net debt and improve financial resiliency. Leismer’s cost structure remains competitive with other top tier oil sands projects with a US\$43 WTI operating break-even price (assuming a US\$18 WCS differential).

Current funding capacity is now approximately \$550 million (\$325 million cash and cash equivalents, \$135 million available credit facilities and \$90 million Duvernay capital carry). The Company’s banking syndicate has reaffirmed its \$120 million reserve based credit facility which remains undrawn. Existing term debt is in place until 2022 with no maintenance covenants. Future use of the transaction proceeds may include share buy backs, debt reduction or growth initiatives.

Athabasca has taken strategic steps over the last few years to position the Company with competitive Light Oil and Thermal Oil assets that have exceptional opportunities to generate free cash flow. The Leismer Infrastructure Transaction coupled with a disciplined 2019 capital program and enhanced cost structure will allow the Company to remain resilient through a challenging macro environment. The Company’s long reserve life assets underpin significant value for shareholders. Athabasca offers investors excellent exposure to improving oil prices with a strong balance sheet and funds flow sensitivity of C\$80 million for each incremental US\$5/bbl increase in WTI.

#### **About Athabasca Oil Corporation**

Athabasca Oil Corporation is a Canadian energy company with a focused strategy on the development 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](http://www.atha.com).

For more information, please contact:  
Matthew Taylor  
Vice President, Capital Markets and Communications  
1-403-817-9104  
[mtaylor@atha.com](mailto:mtaylor@atha.com)

**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”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “believe”, “view”, “contemplate”, “target”, “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 operating and 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.

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 Annual Information Form (“AIF”) dated March 7, 2018 available on SEDAR at [www.sedar.com](http://www.sedar.com), including, but not limited to: fluctuations in commodity prices, foreign exchange and interest rates; political and general economic, market and business conditions in Alberta, Canada, the United States and globally; changes to royalty regimes, environmental risks and hazards; the potential for management estimates and assumptions to be inaccurate; the dependence on Murphy as the operator of the Company’s Duvernay assets; the capital requirements of Athabasca’s projects and the ability to obtain financing; operational and business interruption risks; failure by counterparties to make payments or perform their operational or other obligations to Athabasca in compliance with the terms of contractual arrangements; aboriginal claims; failure to obtain regulatory approvals or maintain compliance with regulatory requirements; uncertainties inherent in estimating quantities of reserves and resources; litigation risk; environmental risks and hazards; reliance on third party infrastructure; hedging risks; insurance risks; claims made in respect of Athabasca’s operations, properties or assets; risks related to Athabasca’s amended credit facilities and senior secured notes; and risks related to Athabasca’s common shares.