



FOR IMMEDIATE RELEASE  
March 17, 2015

## **Athabasca Oil Corporation Announces Executive Changes and Cost Initiatives Update**

**CALGARY** – Athabasca Oil Corporation (TSX: ATH) (“Athabasca” or the “Company”) announces the separation of the Chair of the Board and Chief Executive Officer (“CEO”) role effective April 20, 2015. Additionally, in conjunction with the strategic initiatives outlined in the fall the Company has now also concluded a thorough review and realignment of its corporate cost structure.

### **Executive Changes**

On October 1, 2014 Mr. Buchanan, Board Chair, was appointed President and CEO of the Company replacing Sveinung Svarte who retired on September 30, 2014. Mr. Buchanan’s tenure as CEO was intended to be short-term for the purpose of assessing and implementing immediate changes, as required, to the strategic direction, operation, management and business priorities of the Company. Mr. Buchanan’s objectives included: (1) working with management to validate Athabasca’s business strategy; (2) improving the Company’s cost structure; (3) considering and assessing strategic opportunities to unlock the potential of Athabasca’s substantial resource base and enhance shareholder value; (4) working with the Compensation and Governance Committee to enhance the Board’s governance structure; and (5) developing and mentoring Athabasca’s talented executive team, including assessing Mr. Broen’s readiness to assume the CEO role. While the ultimate timeframe needed to achieve these important objectives was not determinable at the time of his appointment it was intended that once Mr. Buchanan had substantially progressed the objectives, Mr. Broen would be appointed as CEO and Mr. Buchanan would step back into the Chair role.

The Board believes that with Mr. Buchanan’s oversight and guidance as CEO, the Company has made significant progress on these objectives over the past several months. The Company has focused its capital allocation priorities toward its core growth areas of the Kaybob Duvernay in its Light Oil Division and Hangingstone in the Thermal Oil Division. In addition, a flexible capital program was developed for the Light Oil Division to allow Athabasca to manage through market cycles, preserve its balance sheet strength and better manage capital resources. Athabasca has also completed a successful review and realignment of its cost structure resulting in a significant reduction of annualized general and administration (“G&A”) expense. The Company now has a cost structure that is properly aligned with its strategic business plan and more competitively aligned with its peers.

With the objectives largely achieved and in light of the Board’s assessment that Mr. Broen is ready to assume the responsibilities of CEO, Mr. Buchanan is stepping down as CEO effective April 20, 2015 and will remain as Chair to continue his focus on the Board’s renewal process. Mr. Broen will assume the President and CEO role effective April 21, 2015. The Board expresses its immense gratitude to Mr. Buchanan for

having taken on the CEO role, for his intelligent, astute leadership in guiding Athabasca through some challenging times and for his commitment to acting in the best interests of the Company.

### **Board Renewal Update**

Mr. Buchanan played an instrumental role in the Board renewal process which commenced in the fall of 2014 and to date has included a full review of the Board composition, skills assessment and relevant experience. In January, Mr. Carlos Fierro and Mr. Paul Haggis were appointed as independent directors. Both individuals bring extensive financial and energy sector experience that will be of great value to shareholders. Effective March 11, 2015 Mr. Haggis was appointed Chair of the Governance and Compensation Committee.

As Chair, Mr. Buchanan will continue to play a key role in the ongoing renewal process on behalf of the Compensation and Governance Committee. This will include further review of the Board's governance and leadership structure. The Board expects to conclude its renewal process within 18 months, after which Mr. Buchanan will step down as Chair and a new Independent Chair will be appointed.

### **Cost Realignment**

In October 2014, the Company undertook an initiative to complete a thorough cost structure review with a goal to streamline costs and better align the organization to the current operating environment, its capital plans and growth objectives. The Company has now concluded its review and has reduced costs in all areas including a reduction in the size of its head office workforce by approximately 50% since the beginning of 2014. The Company forecasts a significant reduction in annualized G&A costs going forward and is targeting gross G&A of approximately \$60 million in 2016. The company also expects to realize substantial cost savings through streamlining of operations and lower related service costs.

### **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).

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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 11, 2015, available on SEDAR at [www.sedar.com](http://www.sedar.com) including, but not limited to the potential for management estimates and assumptions to be inaccurate.

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.