



FOR IMMEDIATE RELEASE
February 9, 2017

Athabasca Oil Corporation Commences Cash Tender Offer and Related Consent Solicitation for Outstanding Canadian Dollar 7.50% Senior Secured Second Lien Notes due 2017

CALGARY – Athabasca Oil Corporation (TSX: ATH) (“Athabasca” or the “Company”), announced today that it has commenced a cash tender offer (the “Offer”) for any and all of its outstanding Canadian dollar denominated 7.50% Senior Secured Second Lien Notes due 2017 (CUSIP No. 04682RAB3/04682RAA5; ISIN CA04682RAB39/CA04682RAA55) (the “Notes”), upon the terms and subject to the conditions set forth in the Offer to Purchase and Consent Solicitation Statement, dated the date hereof (as it may be amended or supplemented from time to time, the “Statement”). In connection with the Offer, and on the terms and subject to the conditions set forth in the Statement, the Company is also soliciting consents (the “Consent Solicitation”) of holders of Notes to authorize the elimination of most of the restrictive covenants and certain of the events of default contained in the indenture governing the Notes (the “Proposed Amendments”). Holders may not tender their Notes without delivering their consents to the Proposed Amendments and may not deliver consents to the Proposed Amendments without tendering their Notes.

The early tender deadline is 5:00 p.m., Eastern time, on February 23, 2017 (such time and date, as it may be extended, the “Early Tender Deadline”), and the Offer will expire at 11:59 p.m., Eastern time, on March 9, 2017 (such time and date, as it may be extended, the “Expiration Time”), in each case, unless earlier terminated by the Company. Notes tendered may be withdrawn at any time at or before 5:00 p.m., Eastern time, on February 23, 2017 (such time and date, as it may be extended, the “Withdrawal Deadline”) but not thereafter, except as required by law. The Company may extend the Early Tender Deadline without extending the Withdrawal Deadline.

The table below summarizes certain payment terms of the Offer and the Consent Solicitation:

CUSIP Nos./ISINs	Outstanding Principal Amount of Notes	Description of Notes	Tender Offer Consideration*	Early Tender Payment*	Total Consideration*
CUSIP: 04682RAB3/04682RAA5 ISIN: CA04682RAB39/CA04682 RAA55	Cdn. \$550,000,000	7.50% Senior Secured Second Lien Notes due 2017	Cdn. \$974.25	Cdn. \$30	Cdn. \$1,004.25

* Per Cdn. \$1,000 principal amount of Notes

Holders validly tendering Notes at or before the Early Tender Deadline will be eligible to receive the Total Consideration. Holders validly tendering Notes after the Early Tender Deadline but at or before the Expiration Time will be eligible to receive only the Tender Offer Consideration, which is equal to the

Total Consideration less the Early Tender Payment. In addition, holders whose Notes are purchased in the Offer will receive accrued and unpaid interest in respect of their purchased Notes from the last interest payment date to, but not including, the applicable payment date for the Notes. The Company reserves the right, at any time following the Early Tender Deadline but prior to the Expiration Time (the “Early Acceptance Date”), to accept for purchase all Notes validly tendered and not validly withdrawn on or before the applicable Early Acceptance Date. If the Company elects to exercise this option, the Company will pay the Total Consideration or Tender Offer Consideration, as the case may be, for the Notes accepted for purchase promptly following the acceptance of Notes for purchase (the date of such payment, being referred to as the “Early Payment Date”). The Company currently expects the Early Payment Date to be on or about February 24, 2017.

Subject to the terms and conditions of the Offer being satisfied or waived, the Company will, promptly after the Expiration Time, accept for purchase all Notes validly tendered at or before the Expiration Time (and not validly withdrawn at or before the Withdrawal Deadline) (or if the Company has exercised its early purchase option as described above, all Notes validly tendered after the Early Acceptance Date and at or before the Expiration Time). The Company will pay the Total Consideration or Tender Offer Consideration, as the case may be, for Notes accepted for purchase promptly following the acceptance of such Notes for purchase.

Subject to the terms and conditions of the Offer being satisfied or waived, the Company will, promptly after the Expiration Time (the “Final Acceptance Date”), accept for purchase all Notes validly tendered at or before the Expiration Time (and not validly withdrawn at or before the Withdrawal Deadline) (or if the Company has exercised its early purchase option as described above, all Notes validly tendered after the Early Acceptance Date and at or before the Expiration Time). The Company will pay the Total Consideration or Tender Offer Consideration, as the case may be, for Notes accepted for purchase promptly following the acceptance of such Notes for purchase (the date of such payment being referred to as the “Final Payment Date”).

The Company’s obligation to consummate the Offer is subject to the satisfaction or waiver of certain conditions, which are more fully described in the Statement, including, among others, the consummation of the Debt Financing (as defined in the Statement) on terms satisfactory to us and resulting in the issuance of indebtedness having an aggregate principal amount of not less than the equivalent of US \$450 million.

The tender agent for the Offer and Consent Solicitation is TSX Trust Company (“TSX Trust”). Holders with questions or who would like additional copies of the Statement may call the tender agent, TSX Trust, toll-free at 1-866-600-5869 or 416-342-1091. Questions regarding the terms of the Offer and Consent Solicitation can be directed to the dealer manager for the Offer and solicitation agent for the Consent Solicitation, RBC Capital Markets, LLC (1-877-381-2099 toll-free or 416-842-6311 collect or 212-618-7822 collect).

This news release is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell the Notes. The Offer and the consent solicitation are being made only pursuant to the Statement that the Company will be distributing to noteholders promptly. Noteholders

and investors should read carefully the Statement because it contains important information, including the various terms of and conditions to the Offer and the Consent Solicitation. None of the Company, the dealer manager and the solicitation agent, the tender agent or their respective affiliates is making any recommendation as to whether or not holders should tender all or any portion of their Notes in the Offer or deliver their consents in the Consent Solicitation.

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.

For more information, please contact:

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Reader Advisory:

This news release contains forward-looking information and forward-looking statements within the meaning of applicable securities laws (collectively, "forward-looking statements") that are based on expectations, estimates and projections as of the date of this news release. These forward-looking statements can often, but not always, be identified by the use of forward-looking terminology such as "will", "expect", "may" or similar words suggesting future outcomes.

This forward-looking statements include, among others, statements regarding the terms and timing for completion of the Offer.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Actual results may differ materially from those expressed or implied by the forward-looking statements and are subject to a number of risks that could cause actual results to vary and in some instances to differ materially from those anticipated by the Company and described in the forward-looking statements contained in this news release. Material risks include, but are not limited to, risks related to the successful completion of the Offer and the risks described in the Statement (including the documents incorporated by reference therein).

The forward-looking statements contained in this news release are made as of the date hereof and unless required by law, the Company does not undertake any obligation to update publicly or revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.