FOR IMMEDIATE RELEASE - April 2, 2020

Athabasca Oil Corporation Takes Further Actions in Response to the Current Environment

CALGARY – Athabasca Oil Corporation (TSX: ATH) ("Athabasca" or the "Company") is taking further immediate actions in response to the significant decline in global oil prices to bolster balance sheet strength and corporate resiliency.

Shut-in of Hangingstone Asset

Due to the significant decline in oil prices combined with the economic uncertainty associated to the ongoing COVID crisis, Athabasca has decided to suspend the Hangingstone SAGD operation. This suspension was initiated on April 2, 2020 and will involve shutting in the well pairs, halting steam injection to the reservoir, and taking measures to preserve the processing facility and pipelines in a safe manner so that it could be re-started at a future date when the economy has recovered.

The Hangingstone asset has an operating break-even of approximately US$37.50 Western Canadian Select and this action is expected to significantly improve corporate resiliency in the current environment.

As part of this action, Athabasca is reducing its corporate staff count by 15%. Hangingstone was Athabasca's first operated oil sands project that began construction in 2013 and was commissioned in 2015. The Company would like to thank all staff that have worked hard over the years to bring this asset on stream. It is unfortunate that made-in-Alberta assets like Hangingstone cannot continue operations under current prices.

Revised 2020 Guidance

Annual corporate guidance is 30,000 – 31,500 boe/d and reflects a ~2,500 boe/d reduction related to the shut-in. The Company is prepared to self-curtail additional production volumes as required by the price environment. Production optimization initiatives will be aimed at maximizing corporate funds flow while maintaining the integrity of booked reserves.

Athabasca has now cancelled a total of $40 million of capital expenditures, representing a 30% reduction from the original 2020 budget. The revised $85 million budget includes the recent completion of its winter Light Oil program (10 Montney wells and 16 Duvernay wells). The Company has no additional Light Oil activity planned for the balance of the year. The Company already had a minimal capital program in place and has no additional capital requirements to sustain its remaining liquids weighted production base.

Balance Sheet and Risk Management

As at year-end 2019, Athabasca had liquidity of $340 million ($255 million cash equivalents & $85 million available credit facilities), inclusive of $80 million undrawn on the $120 million reserve-based credit facility (RCF). The RCF is revolving until May 31, 2020, and has been routinely extended with bi-annual reviews, with a current maturity date of May 31, 2021. Athabasca's existing high yield debt has term until February 2022 with no financial or maintenance covenants. The Company's risk management program will mitigate near term pricing volatility. The current 2020 hedge book has market to market gains of $58 million (April 1). Maximizing corporate funds flow and maintaining strong corporate liquidity during the current extreme price volatility is Athabasca's top priority.

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.

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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”, “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. In particular, this News Release contains forward-looking information pertaining to, but not limited to, the following: the Company’s updated 2020 guidance; 2020 capital expenditures; and future credit facility reviews and other matters.

With respect to forward-looking information contained in this News Release, assumptions have been made regarding, among other things: commodity prices, including for petroleum, natural gas and blended bitumen; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts and will conduct business and the effects that such regulatory framework will have on the Company, including on the Company’s financial condition and results of operations; the Company’s financial and operational flexibility; Athabasca's cash flow break-even commodity price; the Company’s ability to obtain qualified staff and equipment in a timely and cost-efficient manner; 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; future production levels; operating costs; compliance of counterparties with the terms of contractual arrangements; collection risk of outstanding accounts receivable from third parties; geological and engineering estimates in respect of the Company’s reserves and resources; recoverability of 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 Annual Information Form (“AIF”) dated March 4, 2020 available on SEDAR at 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, including those that may be related to the COVID crisis; 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.

The risks and uncertainties referred to above are described in more detail in Athabasca’s most recent AIF, which is available on the Company’s SEDAR profile at www.sedar.com. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. The forward-looking information included in this News Release is expressly qualified by this cautionary statement and is made as of the date of this News Release. The Company does not undertake any obligation to publicly update or revise any forward-looking information 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.

Operating break-even reflects the estimated WCS oil price per barrel required to generate an asset level operating income of Cdn $0. Break-even is used to assess the impact of changes in WCS oil prices on operating income of an asset and could impact future investment decisions. Break-even does not have any standardized meaning and therefore should not be used to make comparisons to similar measures presented by other issuers.