



**CEQUENCE ENERGY ANNOUNCES OPERATIONS UPDATE AND EXECUTIVE APPOINTMENT**

CALGARY, February 12, 2019– Cequence Energy Ltd. ("Cequence" or the "Company") (TSX: CQE) is pleased to provide an operational update and announce an Executive Management change at the Company.

**Operations Update:**

Field production for the 2018 calendar year averaged approximately 6,490 boe/d (23% liquids), with January 2019 field estimates averaging 5,900 boe/d (27% liquids). The Company’s recent two gross, two net Dunvegan oil wells that were drilled and completed in the fourth quarter of 2018 were brought on production December 28, 2018. The wells were set up with downhole pumps and tied into permanent facilities on January 10, 2019. The below table represents the field estimated production rates for each well for the month of January, 2019.

| Well UWI      | CQE Interest % | January 2019 Field Estimates (gross) |               |             |          |
|---------------|----------------|--------------------------------------|---------------|-------------|----------|
|               |                | Oil (bbl/d)                          | Water (bbl/d) | Gas (mcf/d) | BS&W (%) |
| 10-04-62-26W5 | 100%           | 266                                  | 127           | 650         | 32%      |
| 16-02-62-26W5 | 100%           | 225                                  | 95            | 372         | 30%      |

Water production associated with the wells is still well below fracture treatment load recovery. Management is encouraged by the early production results from the wells and expects the BS&W volumes to decrease to under 5% with time. Cequence continues to optimize the pumping system to increase total rates.

**2019 Guidance**

With the current continued volatility in Western Canadian commodity prices Cequence plans to release its 2019 guidance on March 12<sup>th</sup> in conjunction with its year end 2018 results. Cequence will be stewarding toward a budget that has the Company continuing to refine costs and spending within cash flow.

**Executive Team Update**

Cequence is pleased to announce that Allan Mowbray, CPA, CA, will be joining the Company as Chief Financial Officer effective March 15, 2019. Mr. Mowbray has over 25 years of public

accounting, financial reporting and leadership experience and was most recently Chief Financial Officer at a publicly traded Canadian oilfield services company. Mr. Mowbray's background and experience will be a significant asset to Cequence as the organization continues to pursue various strategies for the benefit of the Company and its stakeholders.

The Board of Directors of the Company would like to thank Mr. Kevin Nielsen for his assistance and support assuming the role of Interim Contract CFO during the Company's financial restructuring in 2018 and this transitional period. We wish Mr. Nielsen continued success in his career.

### **About Cequence**

Cequence is a publicly traded Canadian energy company involved in the acquisition, exploitation, exploration, development and production of natural gas and crude oil in western Canada. Further information about Cequence may be found in its continuous disclosure documents filed with Canadian securities regulators at [www.sedar.com](http://www.sedar.com).

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### Advisories

*Boe Conversions: Barrel of oil equivalent ("boe") amounts have been calculated by using the conversion ratio of six thousand cubic feet (6 Mcf) of natural gas to one barrel of oil (1 bbl). Boe amounts may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf to 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. Given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.*

*Mcfе Conversions: Thousands of cubic feet of gas equivalent ("Mcfе") amounts have been calculated by using the conversion ratio of one barrel of oil (1 bbl) to six thousand cubic feet (6 Mcf) of natural gas. Mcfе amounts may be misleading, particularly if used in isolation. A conversion ratio of 1 bbl to 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of natural gas as compared to oil is significantly different from the energy equivalent of 1:6, utilizing a conversion on a 1:6 basis may be misleading as an indication of value.*

### Forward-looking Statements or Information

*Certain statements included in this press release constitute forward-looking statements or forward-looking information under applicable securities legislation. Such forward-looking statements or information are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements or information in this press release include, but are not limited to, statements relating to the Company's production and future performance expectations of the recently completed Dunvegan wells; the timing for the release of the Company's 2019 guidance; the objectives of the Company's anticipated budget for 2019; and the start date for the Company's new Chief Financial Officer. Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will*

*prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking statements or information. These risks and uncertainties may cause actual results to differ materially from the forward-looking statements or information. The material risk factors affecting the Company and its business are contained in the Company's Annual Information Form which is available on SEDAR at [www.sedar.com](http://www.sedar.com).*

*The forward-looking statements or information contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise unless required by applicable securities laws. The forward-looking statements or information contained in this press release are expressly qualified by this cautionary statement.*

*The TSX has neither approved nor disapproved the contents of this news release.*