



News Release

For Immediate Release

Tanager Energy Announces Pricing and Terms of Previously Announced Private Placement

May 11, 2016 - Calgary, Alberta – Tanager Energy Inc. (“Tanager” or the “Corporation”) (TSX-V: TAN) announced today that further to its news release dated May 6, 2016, Tanager has set the pricing and the terms for its previously announced private placement offering for gross proceeds of up to \$3,750,000 (the “Offering”). Pursuant to the Offering, Tanager will issue up to 37,500,000 subscription receipts (“Subscription Receipts”) at a price of \$0.10 per Subscription Receipt. The gross proceeds of the Offering will be held in trust by Tanager’s counsel, as Subscription Receipts agent.

Upon the closing of the proposed acquisition of an undivided 50% interest in certain lease holdings and a 50% participation right in certain wells to be drilled on those leases, in Polk County and Tyler County, Texas (the “Proposed Transaction”; see Tanager’s April 27, 2016 and May 6, 2016 news releases) on or prior to July 29, 2016, each Subscription Receipt will automatically be converted into one common share of Tanager without payment of additional consideration. If the closing of the Proposed Transaction does not occur, is terminated or Tanager has announced to the public that it does not intend to proceed with the Proposed Acquisition on or before July 29, 2016, each holder of Subscription Receipts will be reimbursed the original subscription price and the Subscription Receipts will be cancelled.

Closing of the Offering is subject to regulatory approval, including approval of the TSX Venture Exchange. A finder’s fee of up to 5% of the gross proceeds of the Offering may be paid in cash or common shares, on all or any portion of the Offering to persons authorized under applicable law to receive such fees. The securities issued in connection with the Offering will be subject to a four month and 1 day hold period from the closing date. The net proceeds from the Offering will be used as follows: approximately \$600,000 for Tanager’s 50% working interest in the drilling and completion of a new Leduc D3 well at Joffre; approximately \$2,200,000 for the payment of the purchase price and the transaction costs for the Proposed Transaction; and the balance of the gross proceeds to pay costs of the Offering, retire outstanding liabilities and to replenish working capital.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as the term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Tanager Energy Inc. is a Lethbridge, Alberta based corporation engaged in the exploration for oil and gas and minerals with its operations office in Calgary, Alberta. The Corporation’s common shares are listed on the TSX Venture Exchange under the trading symbol “TAN”.

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Forward-Looking Information: This news release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, this news release contains forward-looking information regarding: the Offering; the use of proceeds of the Offering; the Proposed Transaction and completion of the Proposed Transaction. There can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking information. This forward-looking information reflects Tanager’s current beliefs and is based on information currently available to Tanager and on assumptions Tanager believes are reasonable. These assumptions include, but are not limited to: TSXV acceptance of the Offering, and the Proposed Transaction; satisfaction of the conditions to the completion of the Proposed Transaction; market acceptance and approvals, including TSXV acceptance; and the anticipated closing date for the offering and the Proposed Acquisition. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Tanager to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; geological, technical, drilling and processing problems; general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; delay or failure to receive board or regulatory approvals; the actual results of future operations; competition; changes in legislation, including environmental legislation, affecting Tanager; the timing and availability of external financing on acceptable terms; and lack of qualified, skilled labour or loss of key individuals. A description of additional assumptions used to develop such forward-looking information and a description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in Tanager’s disclosure documents on the SEDAR website at www.sedar.com. Although Tanager has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this news release is expressly qualified by this cautionary statement. The forward-looking information contained in this news release represents the expectations of Tanager as of the date of this news release and, accordingly, is subject to change after such date. However, Tanager expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.