



News Release

For Immediate Release

## **TANAGER ENERGY ANNOUNCES CLOSING OF ACQUISITION OF WORKING INTERESTS IN TEXAS OIL AND GAS PROPERTIES FOR US \$8 MILLION AND CLOSING OF SUBSCRIPTION RECEIPT PRIVATE PLACEMENT**

June 27, 2016 - Calgary, Alberta – Tanager Energy Inc. ("**Tanager**" or the "**Corporation**") (TSX-V: TAN) announced today that further to its news releases dated April 27, 2016, May 6, 2016 and June 8, 2016, it has completed the acquisition, through its US subsidiary, of an undivided 50% interest in a producing well and in certain lease holdings, including well lease holdings, and a 50% joint venture participation right in the drilling of prospects underlying 200+ square miles of 3D seismic data within an AMI of approximately 200,000 acre (312.5 square mile) geographical area, in Polk County and Tyler County, Texas, to formations which include the Woodbine and the Yegua sandstones (the "**Transaction**"), subject to final approval of the TSX Venture Exchange.

The aggregate purchase price of US\$8,000,000 was satisfied by a cash payment in the amount of US\$2,000,000 and the issuance of 6% secured convertible notes ("**Notes**") in the aggregate principal amount of US\$6,000,000. The Notes bear interest at a rate of six percent (6%) per annum, calculated and payable monthly and will mature on the date that is three years from the date of issuance. The Notes are secured against all of the real and personal property of the Corporation and the principal amount is convertible at any time prior to maturity at the holder's option into common shares of the Corporation ("**Common Shares**") at a conversion price of CDN\$0.07 per Common Share. The Notes and the Common Shares issued upon conversion, if applicable, issued in connection with the Transaction are subject to a hold period that expires on October 28, 2016.

In addition, upon the closing of the Transaction, the Board of Directors of Tanager is now comprised of John Squarek, Roland Oberlin, Craig Davis and Thomas M. Crain Jr (see the Corporation's June 8, 2016 news release). Mr. Squarek, President and CEO of Tanager, advises that the closing of this Transaction begins a new phase in Tanager's ongoing development which will include several wells to the Yegua formation, and at least one well to the Woodbine formation all of which are expected to be drilled within the next 6 -12 months. The joint venture expects to drill the first shallow Yegua test during the 3<sup>rd</sup> quarter of this year. Drilling and completion is expected to take 5-7 days from commencement of drilling.

Tanager also announced that it has closed the previously announced non-brokered private placement (the "**Offering**") of subscription receipts ("**Subscription Receipts**"), subject to final approval of the TSX Venture Exchange. Pursuant to the Offering, Tanager issued 28,545,420 Subscription Receipts at a price of CDN\$0.10 per Subscription Receipt for gross proceeds of \$2,854,542. Upon the closing of the Transaction, each Subscription Receipt was automatically converted into one Common Share without payment of additional consideration. The Subscription Receipts and the Common Shares issued on conversion of the Subscription Receipts are subject to a hold period that expires on October 25, 2016. This Offering closed

early in order to meet the timing requirements of the closing of the Transaction and therefore the amount raised was less than originally proposed.

The net proceeds from the Offering will be used as follows: approximately \$2,200,000 for the payment of the purchase price and the transaction costs for the Transaction; and the balance of the gross proceeds to retire outstanding liabilities and to replenish working capital.

Pursuant to the Transaction, Chris Pettit & Associates PC, as trustee of a trust (the "Trust") acquired a Note in the principal amount of US\$3,000,000 (approx. CDN\$3,381,600). Assuming the exercise of the Note, the Trust would own or control 54,737,143 Common Shares, or approximately 39.5% of the total issued and outstanding Common Shares. Pursuant to the Transaction, Roger S. Braugh, Jr. acquired a Note in the principal amount of US\$3,000,000 (approx. CDN\$3,381,600). Assuming the exercise of the Note, Mr. Braugh would own or control 54,737,143 Common Shares, or approximately 39.5% of the total issued and outstanding Common Shares. The Trust and Mr. Braugh may increase or decrease their investment in Tanager depending on market conditions or any other relevant factors.

John Squarek, President and CEO of Tanager said: "These are exciting times for Tanager as it enters into the US market with highly prospective acreage in a mature oil and gas basin while leveraging the downturn in the industry and significantly reduced service costs. We have put together a world class executive team and look forward to aggressively developing our prospects while carefully managing costs and risks".

***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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*This news release may contain certain forward-looking information. All statements included herein, other than statements of historical fact, is forward-looking information and such information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. A description of assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in the Corporation's disclosure documents on the SEDAR website at [www.sedar.com](http://www.sedar.com). The Corporation does not undertake to update any forward-looking information except in accordance with applicable securities laws.*