



News Release

For Immediate Release

## TANAGER ENERGY ANNOUNCES SECOND QUARTER 2018 RESULTS

**CALGARY, ALBERTA – August 29, 2018** Tanager Energy Inc. (“Tanager” or the “Corporation”) (TSX-V: TAN, OTCQB: TANEF) announces its financial and operating results for the three and six months ended June 30, 2018. This press release contains forward looking statements. Please refer to our cautionary language on forward-looking statements and other matters set forth at the end of this press release and the end of the Management’s Discussion and Analysis (the “MD&A”) for the three and six months ended June 30, 2018 and 2017. Tanager’s unaudited interim condensed consolidated financial statements and notes, and the MD&A for the three and six months ended June 30, 2018 and 2017 are filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### Second Quarter 2018 Highlights

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
<b>Selected Financial Results</b> (Unaudited) ( <i>CDN\$ except share and per share amounts</i> )				
Revenue	249,787	44,089	561,882	80,970
Royalties	75,358	10,281	143,358	14,475
Production taxes	16,071	-	40,081	-
Operating expenses	78,956	34,297	151,358	74,231
General and administrative expenses	342,450	389,525	651,907	689,040
Finance expenses	87,087	358,020	491,705	769,582
Gain on unrealized embedded derivatives	-	210,841	818,338	369,107
Foreign exchange loss (gain)	3,757	(150,186)	179,012	(192,376)
Net loss	(514,146)	(481,867)	(626,178)	(1,031,329)
Per share – basic and fully diluted	\$(0.00)	\$(0.01)	\$(0.00)	\$(0.01)
Comprehensive loss	(380,666)	(761,377)	(307,436)	(1,404,665)
Cash flow from operating activities	(298,122)	(403,667)	(476,249)	(1,309,812)
Per share – basic and fully diluted	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)
Total capital expenditures (excluding acquisitions)	48,101	1,232,866	188,818	2,733,041
Total assets	16,522,573	16,393,940	16,522,573	16,393,940
Total liabilities	10,124,304	14,393,314	10,124,304	14,393,314
Shareholders’ equity (deficiency)	6,398,269	1,970,626	6,398,269	1,970,626
<b>Common shares</b>				
Common shares outstanding	235,286,816	107,716,388	235,286,816	107,716,388
Weighted average number of common shares outstanding	235,286,816	107,716,388	183,417,361	107,716,388
<b>TSX Venture Share Trading Statistics</b> ( <i>CDN\$/share except volumes based on intra-day trading</i> )				
High	0.135	0.200	0.135	0.200
Low	0.045	0.135	0.045	0.085
Close	0.045	0.160	0.045	0.160
Average daily volume	29,746	72,166	26,312	110,625

## Financial highlights

Three months ended June 30

Operations by operating segment	2018			2017		
	Canada	U.S.	Total	Canada	U.S.	Total
Crude oil	38,080	-	38,080	36,530	-	36,530
Natural gas liquids	2,870	-	2,870	3,657	-	3,657
Natural gas	994	207,507	208,501	3,839	-	3,839
Petroleum and natural gas sales	41,944	207,507	249,451	44,026	-	44,026
Other income	336	-	336	63	-	63
Total revenue	42,280	207,507	249,787	44,089	-	44,089
Royalties	8,065	67,293	75,358	10,821	-	10,821
Production taxes	-	16,071	16,071	-	-	-
Operating expenses	35,647	43,309	78,956	34,297	-	34,297
Sales volumes						
Light oil and natural gas liquids (bbls)	543	-	543	720	-	720
Natural gas (mcf)	694	60,153	60,847	1,242	-	1,242
Total sales volumes (boe)	659	10,025	10,684	927	-	927

Six months ended June 30

Operations by operating segment	2018			2017		
	Canada	U.S.	Total	Canada	U.S.	Total
Crude oil	78,005	-	78,005	64,600	-	64,600
Natural gas liquids	6,419	-	6,419	6,802	-	6,802
Natural gas	3,122	473,630	476,752	6,722	-	6,722
Petroleum and natural gas sales	87,546	473,630	561,176	78,124	-	78,124
Other income	706	-	706	2,846	-	2,846
Total revenue	88,252	473,630	561,882	80,970	-	80,970
Royalties	14,778	128,580	143,308	14,475	-	14,475
Production taxes	-	40,081	40,081	-	-	-
Operating expenses	78,195	73,164	151,359	74,231	-	74,231
Sales volumes						
Light oil and natural gas liquids (bbls)	1,222	-	1,222	1,242	-	1,242
Natural gas (mcf)	1,757	130,922	132,679	2,165	-	2,165
Total sales volumes (boe)	1,515	21,820	23,335	1,603	-	1,603

## Upcoming Changes in Issuer's GAAP / Foreign Private Issuer Status

Under the US Securities Exchange Act of 1934, a foreign private issuer ("FPI") is an entity incorporated or organized under the laws of a jurisdiction outside of the US, unless:

- more than 50% of its outstanding voting securities are directly or indirectly owned of record by US residents; and
- any of the following applies: (i) the majority of its executive officers or directors are US citizens or residents; (ii) more than 50% of its assets are located in the United States; or (iii) its business is administered principally in the United States.

A company's ongoing FPI status is tested annually at the end of the most recently completed second fiscal quarter. If an issuer fails to qualify as a FPI at the end of its second fiscal quarter, it remains eligible to use the forms and rules applicable to FPIs until the end of that financial year.

As of June 30, 2018, Tanager has determined that it no longer qualifies as a FPI. Therefore, Tanager must transition to U.S. domestic company reporting status and become subject to SEC reporting requirements applicable to a U.S. domestic company, beginning in 2019. These reporting requirements will require that the Company's financial statements and selected financial data be recast into US GAAP and US dollar reporting currency for all periods presented, which will include the 2018 annual filings. The extent of the impact of adoption of these standards has not yet been determined. In addition, Tanager will be required to file annual, quarterly and current report filing with the SEC, comply with US insider filing requirements under the Exchange Act, and follow Regulation FD for "fair disclosure" of materially non-public information through public disclosure that is broadly available to all members of the public at the same time.

***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 an oil and natural gas and mineral exploration company headquartered in Calgary, Alberta, with executive offices in Houston, Texas. The Corporation's common shares are listed on the TSX Venture Exchange under the trading symbol "TAN" and on the OTCQB as "TANEF".

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### **Forward Looking Statements**

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 business of Tanager. 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: market acceptance and approvals, and future costs and expenses being based on historical costs and expenses.

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; uncertainties associated with estimating oil and natural gas reserves; 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](http://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.