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PEMBINA AND VERESEN TO CREATE LEADING NORTH AMERICAN ENERGY INFRASTRUCTURE COMPANY

Pembina Pipeline Corporation (TSX: PPL; NYSE: PBA) ("Pembina" or the "Company") and Veresen Inc. (TSX: VSN) ("Veresen") are pleased to announce they have entered into an arrangement agreement to create one of the largest energy infrastructure companies in Canada with a pro-forma enterprise value of approximately $33 billion (the "Transaction").

Overview of the Combination – Highlights:

The combined company will feature an asset base supported by long-life, economic hydrocarbon reserves concentrated in some of the most prolific resource plays in North America. The diversified portfolio will include crude oil, liquids and natural gas pipelines, terminal, storage and midstream operations, gas gathering and processing facilities as well as fractionation facilities. The combined company expects to drive significant shareholder value through the following benefits of the Transaction:

i.
The combined asset base is highly integrated across the value chain and extends the geographical reach of the combined company while enhancing its customer service offering.

ii.
The combined company will benefit from diversification across basins and products, as well as customers and currency.

iii.
The cash flows of the combined entity will be over 85 percent fee-for-service weighted, ensuring the maintenance of a strong balance sheet.

iv.
The Transaction creates an organization of meaningful scale able to pursue larger growth projects.

"This Transaction is highly strategic for Pembina and Veresen alike, providing clear visibility to creating long-term value for our respective shareholders," said Mr. Randy Findlay, Pembina's Chair of the Board of Directors. "It represents an ideal opportunity to continue building on our respective low-risk, long-term, fee-for-service business models while growing and substantially diversifying our respective asset bases. The combined platform offers compelling customer service offering enhancements, as well as integration and investment potential, exceeding what we could do individually. Combined, these factors give us confidence to increase our dividend by 5.9 percent upon close of the Transaction."

"The creation of an integrated business across the energy infrastructure value chain results in a combined entity that is greater than the sum of its parts," added Mr. Stephen Mulherin, Veresen's Chairman of the Board of Directors. "The combined scale and financial strength, along with a proven track record of safe, on-time and on-budget project delivery, gives us confidence that the collective growth program currently under construction of approximately $6 billion will translate into meaningful value for shareholders. Furthermore, we believe combining these two organizations augments our ability to compete for future investment opportunities and execute on a larger, more complex suite of opportunities than each company on a standalone basis."

Summary of Transaction Terms

Under the terms of the arrangement agreement, Pembina is offering to acquire all the issued and outstanding shares of Veresen by way of a plan of arrangement under the Business Corporations Act (Alberta). The Transaction is valued at approximately $9.7 billion including the assumption of Veresen's debt (including subsidiary debt) and preferred shares.

Pembina is offering to acquire all of the outstanding Veresen common shares in exchange for either (i) 0.4287 of a common share of Pembina or (ii) $18.65 in cash, subject to pro-ration based on maximum share consideration of approximately 99.5 million Pembina common shares and maximum cash consideration of approximately $1.523 billion. Assuming full pro-ration, each Veresen shareholder would receive $4.8494 in cash and 0.3172 of a common share of Pembina for each Veresen common share. This offer represents a 21.8 percent premium to Veresen's 20 day weighted average price of $15.31 and a 22.5 percent premium to Veresen's closing share price of $15.23 on April 28, 2017.

The Transaction was unanimously approved by the Boards of Directors of both companies and is expected to close late in the third quarter or early in the fourth quarter of 2017. The Transaction is subject to approval of at least 662/3 percent of holders of Veresen's common shares represented in person or by proxy at a special meeting of Veresen common shareholders to be called to consider the Transaction, approval of the Court of Queen's Bench, certain regulatory approvals in Canada and the United States ("U.S."), and other customary conditions. Upon completion of the Transaction, Pembina's common shareholders are expected to own approximately 80 percent of the combined company and Veresen's shareholders are expected to own approximately 20 percent. Affirming their belief in the value of the Transaction, the Board of Directors and executive management of Veresen will elect to receive share consideration.

Furthermore, Veresen will be seeking approval of holders of outstanding Veresen preferred shares to effect the exchange of such shares for Pembina preferred shares with the same terms and conditions as the outstanding Veresen preferred shares. For such exchange to occur at closing of the Transaction, approval of at least 662/3 percent of holders of Veresen's preferred shares is required, voting as one class, represented in person or by proxy at a special meeting of Veresen preferred shareholders to be called to consider the Transaction. Closing of the Transaction is not conditional on the approval of the holders of Veresen's preferred shares.

Benefits of the Combination – Details:

i) The combined asset base is highly integrated across the value chain and extends the geographical reach of the combined company while enhancing its customer service offering.

The success of Pembina's business model is largely predicated on integration along the hydrocarbon value chain in the prolific geographic areas in which it operates. Through its existing gas gathering and processing, conventional pipelines and midstream businesses, which are primarily concentrated in the Western Canadian Sedimentary Basin ("WCSB"), Pembina provides customers with a comprehensive suite of services from field production to end use markets.

The majority of the combined asset base is already physically connected or presents the opportunity to be connected with relative ease in the future, which allows for operational integration, the potential to realize significant synergies and overall enhancements to customer service. For example, Pembina's Redwater and Empress Facilities are key receipt points on Veresen's Alberta Ethane Gathering System ("AEGS"). Additionally, the AEGS system is connected to Pembina's Vantage Pipeline and Empress Assets, which serves as a key link between Bakken ethane production and the Alberta Petrochemical market.

Veresen is also actively pursuing development of midstream infrastructure in the British Columbia ("B.C.") Montney, which is one of the most prolific resource plays in the WCSB. Veresen is currently progressing construction of 1.5 billion cubic feet per day ("bcf/d") (gross) of gas processing and related compression, gathering and liquids handling network under a long-term, fee-based agreement, with line of sight to sanction additional capital projects to support expected future development. This infrastructure is very complementary to Pembina's approximately 1.7 bcf/d of field gas processing capacity in the Deep Basin, Duvernay and Alberta Montney, as well as its previously announced pipeline expansion and lateral development in the B.C. Montney, which feed into Pembina's $2.4 billion Phase III Expansion (expected to be complete in July 2017).

The enhanced customer service offering will also benefit from a joint interest in the Alliance Pipeline, a marquee North American energy infrastructure asset. With a gross capacity of 1.65 bcf/d, the long-haul pipeline, which is readily expandable to 2.1 bcf/d, transports natural gas produced in the WCSB and the U.S. Bakken into the Chicago market, and enables shippers to access numerous end-use markets. Originating in Northeastern B.C., the Alliance Pipeline serves some of the fastest growing resource plays in western Canada, including the Montney and the Duvernay. The Aux Sable natural gas extraction and fractionation facility is located at the terminus of the Alliance Pipeline. Aux Sable has natural gas processing capacity of 2.1 bcf/d (gross) and natural gas liquids ("NGL") fractionation capacity of 131,500 barrels per day (gross). The opportunities to integrate its gas processing infrastructure in the WCSB with the Alliance Pipeline and Aux Sable will be explored, with the aim of increasing market access for its customers, thereby enhancing its customer service offering.

In addition to allowing for integration along the hydrocarbon value chain and enhanced customer service within existing operating areas, the Transaction also represents an attractive opportunity to meaningfully extend the reach of the joint asset base, creating new opportunities to build an integrated service model in other areas across the continent. As mentioned above, the Alliance Pipeline provides the opportunity to connect a substantial asset base in the WCSB to new end-use markets. There is a similar opportunity with the non-operated preferred interest in the Ruby Pipeline, which extends from the Opal Hub in southwest Wyoming to the Malin Hub in southern Oregon and transports natural gas from the major U.S. Rockies basin to consumers in California, Nevada and the Pacific Northwest.

ii) The combined company will benefit from diversification across basins and products, as well as customers and currency.

The combined company will benefit from a strong position in the WCSB, with Pembina's assets primarily located in the prolific Deep Basin, Duvernay and Alberta Montney being well complemented by Veresen's position in the B.C. Montney.

Combined, Pembina and Veresen will own approximately 5.8 bcf/d (net) of gas processing infrastructure across the WCSB by 2018. The combined infrastructure is very complementary and will be integrated with Pembina's previously announced pipeline expansions in the Alberta and B.C. Montney, including the Company's $2.4 billion Phase III Expansion (expected to be complete in July 2017).

The combined entity will also have exposure to long-life, economic hydrocarbon reserves in key producing basins in the U.S. Rockies, where Pembina does not currently have a position, by way of the Ruby Pipeline. The Ruby Pipeline provides for 1.5 bcf/d (gross) of transportation capacity from numerous resource plays in the U.S. Rockies that present an attractive combination of supportive supply/demand market fundamentals.

Pembina's existing assets are primarily focused on NGL, condensate, crude oil and heavy oil, while Veresen's assets provide size and scale in natural gas midstream infrastructure.

The combined company will attain a more diverse customer base, while creating the opportunity to strengthen relationships with its respective largest customers. Further, the combined company will also benefit from currency diversity, with approximately 25 to 30 percent contribution expected to be in U.S. dollars.

iii) The cash flows of the combined entity will be over 85 percent fee-for-service weighted, ensuring the maintenance of a strong balance sheet.

The management philosophies underlying both Pembina and Veresen are very much aligned, particularly with respect to generating long-term, sustainable shareholder value through low-risk, highly-contracted asset bases and business models.

Through 2018, the combined company is expecting its low-risk, fee-for-service adjusted EBITDA to increase to in excess of 85 percent while pro-forma adjusted EBITDA is expected to increase to $2.55 - $2.75 billion in 2018.

Pembina expects the Transaction to be accretive to adjusted cash flow per share on a run-rate basis beginning in 2018. Executing on longer-term strategic initiatives and growth projects, many of which are described below, provides visibility to meaningfully increasing and extending the expected accretion from the Transaction.

The combined company anticipates realizing significant near-term synergies through the Transaction including, but not limited to, corporate, financing and operating cost savings and tax efficiencies. On a run-rate basis, before tax, these synergies are expected to average $75 to $100 million annually.

The combined entity also anticipates maintaining one of the strongest balance sheets of its Canadian infrastructure peers and preserving its 'BBB' credit rating, with debt to adjusted EBTIDA estimated at approximately 4 times pro-forma the Transaction in 2018.

Subject to successful completion of the Transaction, Pembina intends to increase its monthly common share dividend by 5.9 percent (from $0.17 per common share per month to $0.18 per common share per month) upon closing, reflecting the positive accretion expected beginning in the first full year of ownership, the strong fee-for-service pro-forma cash flow and the combined entity's continued financial strength and diversification.

iv) The Transaction creates an organization of meaningful scale able to pursue larger growth projects.

The combined company, with a pro-forma enterprise value of $33 billion, will be ideally-positioned to execute on Pembina's and Veresen's aggregate secured growth portfolio totaling approximately $6 billion through 2018. The Transaction is expected to result in an organization that has enhanced capabilities to progress projects of increasing scale and complexity than the companies could on a standalone basis.

Together, the combined entity will pursue an ambitious portfolio of both secured and unsecured growth, building on the Company's respective track records of safe, on time and on budget project execution and delivery.

Pembina is nearing the completion of over $4 billion in growth projects this year and is actively working towards longer-term development. In its Midstream business, Pembina continues to advance its proposed propane dehydrogenation and polypropylene facility and recently announced that a site has been identified for a potential propane export terminal. In Pembina's Gas Services business, the Company continues to progress opportunities under the recently announced Duvernay infrastructure agreement and other initiatives to support its customer base in key producing areas.

Veresen is advancing a number of large-scale, longer-term growth opportunities across the energy infrastructure value chain. The entirety of Veresen's approximately $1.5 billion secured growth projects are directly connected into Pembina's Conventional Pipeline infrastructure. Further, the growth projects, both under development and evaluation, in Veresen Midstream, represent attractive opportunities to grow in one of the most prolific resource plays in the WCSB and could provide for additional growth along Pembina's existing value chain. The combination of these projects could also serve to bolster the potential expansion of the Alliance Pipeline, which is currently under discussion.

In addition to the capital discussed above, the combined company is expected to have an unsecured growth portfolio of approximately $20 billion, which provides a strong foundation to support its long-term adjusted cash flow per share growth target of 8 percent to 10 percent.

The combined entity will continue to build upon the momentum of the Jordan Cove liquefied natural gas ("LNG") development project as it progresses toward key regulatory and commercial milestones. Jordan Cove is the most advanced LNG export project on the west coast of North America and can compete with LNG from brownfield expansion in the Gulf of Mexico on a delivered to Tokyo basis.

Additional Transaction Details

The Transaction is subject to certain closing conditions, including the approval of Veresen's common shareholders and the Court of Queen's Bench of Alberta, as well as certain regulatory and government approvals and other customary closing conditions. In Canada, completion of the Transaction is subject to acceptance of the Toronto Stock Exchange and approval under the Competition Act and the Canada Transportation Act. In the U.S., the Transaction will be subject to the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976. Pembina currently expects the Transaction will close late in the third quarter or early in the fourth quarter of 2017.

The arrangement agreement in respect of the Transaction includes customary provisions relating to non-solicitation, fiduciary outs for Veresen with respect to financially superior alternate proposals and Pembina's right to match such proposals until the date of the Veresen shareholders' approval of the Transaction.

The cash consideration associated with the Transaction will be initially funded through the company's $2.5 billion unsecured credit facility. Subsequently, Pembina expects to refinance this with a combination of internally generated cash flows and the issuance of Medium Term Notes and preferred shares.

In addition, a special meeting of the holders of preferred shares of Veresen will be called to approve the Transaction. If the holders of Veresen preferred shares, voting together as a single class, approve the Transaction, each preferred share of Veresen would be exchanged, on a one for one basis, for a new preferred share of Pembina having the same terms and conditions as the Veresen preferred shares. Completion of the Transaction is not conditional upon the approval of the Transaction by holders of Veresen's preferred shares.

If the holders of Veresen's preferred shares do not approve the Transaction, voting as a single class but separate from common shares, the Veresen preferred shares will remain outstanding following completion of the Transaction.

Subject to successful completion of the proposed Transaction, Pembina's Senior Executive Team will be responsible for leading the combined company with Mick Dilger as President and Chief Executive Officer. Further, three of the current members of the Veresen Board of Directors will be appointed to the Pembina Board of Directors at closing of the Transaction and Don Althoff, Veresen's President and Chief Executive Officer will continue to be involved in the combined company. Mr. Findlay will maintain his position as Chair of the Board of Pembina.

Further information regarding the proposed Transaction will be contained in an information circular that Veresen will prepare, file and mail in due course to its shareholders in connection with the common and preferred shareholder meetings. Veresen expects the meeting will take place on or about July 11, 2017, with closing expected to occur as soon as possible thereafter following receipt of the final order of the Court of Queen's Bench of Alberta and subject to receipt of all the required court and regulatory approvals.

A copy of the arrangement agreement with respect to the Transaction will be filed on Pembina's and Veresen's SEDAR profile and will be available for viewing at www.sedar.com.

Conference Call & Webcast

Pembina and Veresen will host a joint conference call and webcast to discuss the Transaction on May 1, 2017 at 6:30 am MT (8:30 am ET). A presentation will be available prior to the conference call at http://www.pembina.com/investor-centre/presentations-and-events/ and at http://www.vereseninc.com/invest/events-presentations.

The conference call dial-in numbers for Canada and the U.S. are 888-231-8191 or 647-427-7450. A recording of the conference call will be available for replay until May 10, 2017. To access the replay, please dial either 416-849-0833 or 855-859-2056 and enter the passcode 10261314.

A live webcast of the call can be accessed on Pembina's website at www.pembina.com or by entering http://event.on24.com/r.htm?e=1412733&s=1&k=08119FE1A202513249DCD37801A45185 in your web browser. Shortly after the call, an audio archive will be posted on www.pembina.com for 90 days.

Advisors

CIBC World Markets Inc. is acting as financial advisor to Pembina with respect to the Transaction. CIBC World Markets Inc. has provided an opinion to the Pembina Board of Directors stating that, as of the date thereof and subject to the assumptions, limitations and qualifications contained therein, the consideration payable pursuant to the arrangement agreement is fair, from a financial point of view, to Pembina. Blake, Cassels & Graydon LLP is acting as Canadian legal advisor to Pembina and Bracewell LLP is acting as United States legal advisor to Pembina.

Scotiabank is acting as financial advisor to Veresen with respect to the Transaction. Scotiabank has provided verbal opinions to the Veresen Board of Directors stating that, as of the date thereof and subject to the assumptions, limitations and qualifications contained therein, the consideration to be received by the Veresen common shareholders and the Veresen preferred shareholders is fair, from a financial point of view, to the Veresen common shareholders and the Veresen preferred shareholders, respectively. Osler, Hoskin & Harcourt LLP is acting as legal advisor to Veresen.

About Pembina

Calgary-based Pembina is a leading transportation and midstream service provider that has been serving North America's energy industry for over 60 years. Pembina owns and operates an integrated system of pipelines that transport various products derived from natural gas and hydrocarbon liquids produced primarily in western Canada. The Company also owns and operates gas gathering and processing facilities and an oil and natural gas liquids infrastructure and logistics business. Pembina's integrated assets and commercial operations along the majority of the hydrocarbon value chain allow it to offer a full spectrum of midstream and marketing services to the energy sector. Pembina is committed to working with its community and aboriginal neighbours, while providing value for investors in a safe, environmentally responsible manner. This balanced approach to operating ensures the trust Pembina builds among all of its stakeholders is sustainable over the long term. Pembina's common shares trade on the Toronto and New York stock exchanges under, respectively. Pembina's preferred shares also trade on the Toronto stock exchange. For further information, please visit www.pembina.com.

About Veresen

Veresen is a publicly-traded dividend paying corporation based in Calgary, Alberta that owns and operates energy infrastructure assets across North America. Veresen is engaged in three principal businesses: a pipeline transportation business comprised of interests in the Alliance Pipeline, the Ruby Pipeline and the Alberta Ethane Gathering System; a midstream business which includes a partnership interest in Veresen Midstream Limited Partnership, which owns assets in western Canada, and an ownership interest in Aux Sable, which owns a world-class natural gas liquids (NGL) extraction facility near Chicago, and other natural gas and NGL processing energy infrastructure; Veresen is also developing Jordan Cove LNG, a 7.8 million tonne per annum natural gas liquefaction facility proposed to be constructed in Coos Bay, Oregon, and the associated Pacific Connector Gas Pipeline. In the normal course of business, Veresen regularly evaluates and pursues acquisition and development opportunities.

Veresen's Common Shares, Cumulative Redeemable Preferred Shares, Series A, Cumulative Redeemable Preferred Shares, Series C, and Cumulative Redeemable Preferred Shares, Series E trade on the Toronto Stock Exchange under the symbols, respectively. For further information, please visit www.vereseninc.com.

X-TERRA RESOURCES RECEIVES FINAL GEOPHYSICAL RESULTS ON VERONNEAU PROPERTY

X-Terra Resources Inc. (TSXV: XTT) (FRANKFURT: XTR) is pleased to announce it has received the final results and interpretation of an airborne geophysical survey on its Veronneau property from MB Geosolutions.

The survey conducted by SkyTEM is very positive and has identified multiple apparent new precious metal targets. More than 1,400 electromagnetic (EM) conductors have been characterized and traced as a multitude of conductive horizons. Advanced data processing of the magnetic data has also highlighted major and minor interpreted structures, potentially favorable for gold mineralization. A careful geophysical analysis of the known showings has been undertaken.

Additionally, the survey highlights that the magnetic signature as well as electromagnetic conductors, when compared with the stratiform trend of the magnetic survey is blurred in this particular area, which is one-half kilometre per two kilometres. The magnetic survey is blurred in this particular area due to the mineralization and local east-west striking primary stratigraphy observed on the Veronneau showing's outcrops being cross-cut by the main regional foliation, which is oriented north-east. The same correlation is associated with the samples collected during the fall of 2016: the majority of the mineralization appears to have occurred prior to the main deformation event. However, stratigraphy as well as a part of the alteration / mineralization may also be reoriented along the regional foliation pointing north-east. The understanding of this singular structural fabric has a major impact for the strategic exploration of the Veronneau property for a potential continuity of the mineralization.

Michael Ferreira, President and Chief Executive Officer of X-Terra Resources, states "We are extremely pleased with the results of our geophysical survey and have already identified numerous high-quality targets while also focusing on the Veronneau showing. The geophysical results along with the additional technical data generated by our management team and highly-specialized consultants provide high confidence that the project has the capability to increase shareholder value and achieve our overall goals."

X-Terra Resources has also received the results of its petrographic analysis on samples taken from the Veronneau showing, which was performed by IOS Geoservices. Michel Chapdelaine, a director of X-Terra Resources and a member of the Technical Committee of its Board of Directors, is pleased to see that the IOS Geoservices' report completed by Réjean Girard, President of IOS Geoservices outlined that collected samples are mafic gneiss rich in Ca, Fe, Mg and Ti. The photolith is either a metabasalt, a sheared gabbro or a mafic volcaniclastic. Multiple severe strain indicators were noted in petrography. Biotite replacement of hornblende is indicative of high temperature potassic metasomatism. Biotite abundance suggests that K-feldspar might be present, unnoticed among the un-twinned granular plagioclase. K-feldspar is known as being an indicator of gold deposits in the Archean rocks of the James Bay area. Gold is for the most part associated as inclusions in arsenopyrite and loellingite. Free gold in gangue mineral is far less abundant and no association is noted with pyrrhotite and chalcopyrite. The scanning electron microscopy observation analysis detected abundant gold grains (80) in one thin section including abundant free gold along fractures in silicates. Quartz is also present as veins and disseminated clots, associated with augite. The quartz veins were likely set prior to peak metamorphism and deformation, as indicated with the augite association. The quartz veins are impoverished in sulfides, but have a dozen free gold grains located in quartz fractures. In conclusion, gold can be either free in gangue or associated with arsenopyrite and loellingite. Mineralization is hosted in severely altered and strained mafic rocks, which are suitable metallotect for gold to accumulate.

"The lithology, alteration and style of mineralization in the suite of samples from the Veronneau showing show us that gold was introduced at an early stage in the system with a strong potassic alteration. These observations, combined with the structural trends observed on the field and outlined by the electromagnetic survey, will allow us to prioritize targets along structures that are different in orientation from the main foliation of the belt" commented Michel Chapdelaine, a director of X-Terra Resources and a member of the Technical Committee of its Board of Directors.

CA$184+ MILLION OF EQUIPMENT SOLD AT RITCHIE BROS.' BIGGEST CANADIAN AUCTION OF THE YEAR

13,800 bidders from 60+ countries vied for 8,650+ items sold in four-day Edmonton, AB auction

EDMONTON, AB, May 1, 2017 / CNW/ - Ritchie Bros.' April auction in Edmonton is always a big event, as thousands of people from across Canada and around the world compete for equipment consigned by top companies in Alberta. This year's auction attracted 13,800 people from 60+ countries, as 8,650+ items were sold over four days (April 25 – 28, 2017) for CA$184+ million (US$134+ million).

Approximately 66 percent of the bidders in the auction registered to participate online and purchased CA$105+ million (US$77+ million) of the equipment. Canadian buyers purchased 86 percent of the equipment, including 50 percent bought by Albertans. International buyers purchased 14 percent, from such countries as Finland, New Zealand, and Japan.

"As activity levels are picking up in the Alberta market, and spring work projects get underway, we witnessed huge crowds and positive pricing across all equipment categories this week at our four-day Edmonton auction," said Brian Glenn, Senior Vice President, Ritchie Bros. "Western Canadian buyers outpaced all others, demonstrating brewing confidence in the oil and gas sector. Last week's auction was a display of best-in-class customer service, as the team in Edmonton delivered solid returns for the hundreds of consignors who put their trust in Ritchie Bros."

Equipment in the auction was sold for 1,190+ owners—a new site record. Highlights included 235+ excavators, 230+ compactors, 145+ bulldozers, 85+ loaders, 70+ articulated dump trucks, 55+ motor graders, 40+ agricultural tractors, 140+ dump trucks, 135+ flatbed trucks, 90+ boom trucks, 50+ winch tractors, 180+ aerial work platforms, 250+ truck tractors, 935+ trailers, 315+ pickup trucks, and a large selection of consumer items and real estate. All items were sold unreserved, no minimum bids or reserved prices.

Auction quick facts: Edmonton, AB (April 2017)

Gross auction proceeds – CA$184+ million (US$134+ million)

Amount sold to online bidders – CA$105+ million (US$77+ million)

Total registered bidders (onsite and online) – 13,800

Online registered bidders – 9,450+

Number of lots sold – 8,650+

Number of sellers – 1,190+ *new site record

TRILOGY ENERGY CORP. ANNOUNCES AGREEMENT TO SELL CERTAIN ASSETS IN THE GRANDE PRAIRIE AREA OF ALBERTA FOR $50 MILLION AND PROVIDES AN UPDATE ON ITS BORROWING BASE AND DEBT LEVELS

Trilogy Energy Corp. ("Trilogy" or the "Company") (TSX – TET) is pleased to announce that it has agreed to sell certain assets located in the Grande Prairie area of Alberta for cash consideration of $50 Million (before customary adjustments). The transaction is conditional upon the purchaser's receipt of the Alberta Energy Regulator ("AER") approvals for the transfer of the wells, pipelines and facilities. Payment of the purchase price has been deposited with Trilogy's legal counsel and will be released upon satisfaction of this condition. The assets being sold consist of approximately 44,427 total net acres of mineral rights (including approximately 11,500 net acres of Montney and/or Doig mineral rights) in the Valhalla area along with current production of approximately 1,100 Boe/d (16% oil and natural gas liquids) net to Trilogy, estimated Total Proved Developed Producing reserves of approximately 1,800 MBoe and Total Proved plus Probable reserves of approximately 5,500 MBoe, each as at December 31, 2016, net of Q1 2017 production.

The sale is effective May 1, 2017 and is expected to be completed before the end of May, 2017, provided the purchaser receives the above mentioned AER approvals. Proceeds from the sale will be applied to reduce Trilogy's indebtedness under its revolving credit facility.

Debt

The annual review for Trilogy's revolving credit facility has concluded and, subject to the completion of customary documentation, has resulted in an extension of the term for one year to April, 2019 and a borrowing base of $300 Million, which will be reduced to $290 Million on closing to reflect the sale of the assets in the Grande Prairie area.

About Trilogy

Trilogy is a petroleum and natural gas-focused Canadian energy corporation that actively develops, produces and sells natural gas, crude oil and natural gas liquids. Trilogy's geographically concentrated assets are primarily high working interest properties that provide abundant low-risk infill drilling opportunities and good access to infrastructure and processing facilities, many of which are operated and controlled by Trilogy. Trilogy's common shares are listed on the Toronto Stock Exchange under the symbol "TET".

Forward-Looking Information

Certain information included in this news release constitutes forward-looking statements under applicable securities legislation. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "budget", "goal", "objective", "possible", "probable", "projected", scheduled", or state that certain actions, events or results "may", "could", should", "would," "might", or "will" be taken, occur or be achieved, or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements or information in this news release include, but are not limited to:

the expected timing of the asset sale and the use of proceeds from the sale;

the terms of Trilogy's renewed revolving credit facility;

the effect of the sale on Trilogy's estimated reserves as at December 31, 2016; and

other statements regarding the Company's business strategy and objectives.

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to other assumptions identified in this document, assumptions have been made regarding, among other things:

future crude oil, natural gas, condensate, NGLs and other commodity pricing and supply;

funds flow from operations and cash flow consistent with expectations;

current reserves estimates;

credit facility availability and access to sources of funding for Trilogy's planned operations and expenditures;

the ability of Trilogy to service and repay its debt when due;

current production forecasts and the relative mix of crude oil, natural gas and NGLs therein;

geology applicable to Trilogy's land holdings;

the extent and development potential of Trilogy's assets;

the ability of Trilogy and its industry partners to obtain drilling and operational results, improvements and efficiencies consistent with expectations (including in respect of anticipated production volumes, reserves additions and NGL yields);

well economics;

decline rates;

foreign currency, exchange and interest rates;

royalty rates, taxes and capital, operating, general & administrative and other costs and expenses;

assumptions regarding royalties and expenses and the applicability and continuity of royalty regimes and government incentive programs to Trilogy's operations;

general business, economic, industry and market conditions;

projected capital investment levels and the successful and timely implementation of capital projects;

anticipated timelines and budgets being met in respect of drilling programs and other operations;

the ability of Trilogy to obtain equipment, services, supplies and personnel in a timely manner and at an acceptable cost to carry out its evaluations and activities;

the ability of Trilogy to secure adequate product processing, transportation, fractionation and storage capacity on acceptable terms or at all and assumptions regarding the timing and costs of run-times, outages and turnarounds;

the ability of Trilogy to market its oil, natural gas, condensate, other NGLs and other products successfully to current and new customers;

expectation that counterparties will fulfill their obligations under operating, processing, marketing and midstream agreements;

the timely receipt of required regulatory approvals;

the continuation of assumed tax regimes, estimates and projections in respect of the application of tax laws and estimates of deferred tax amounts, tax assets and tax pools;

the extent of Trilogy's liabilities; and

assumptions used in calculating

the provisions made for the cost of the Kaybob North Montney pipeline release and the third party prior year production reallocations.

Although Trilogy 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 Trilogy 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 Trilogy and described in the forward-looking statements or information. These risks and uncertainties include but are not limited to:

fluctuations in crude oil, natural gas, condensate and other natural gas liquids and commodity prices;

the ability to generate sufficient funds flow from operations and obtain financing on acceptable terms to fund planned exploration, development, construction and operational activities and to meet current and future obligations ;

the possibility that Trilogy will not commercially develop its Duvernay shale assets in the near future or at all;

uncertainties as to the availability and cost of financing;

Trilogy's ability to satisfy maintenance covenants within its credit and debt arrangements;

the risk and effect of a downgrade in Trilogy's credit rating;

fluctuations in foreign currency, exchange rates and interest rates;

the risks of the oil and gas industry, such as operational risks in exploring for, developing and producing crude oil, natural gas, condensate and other natural gas liquids, and market demand;

risks and uncertainties involving the geology of oil and gas;

the uncertainty of reserves estimates reserves life;

the uncertainty of estimates and projections relating to future production and NG yields as well as costs and expenses;

the ability of Trilogy to add production and reserves through development and exploration activities and acquisitions;

Trilogy's ability to secure adequate product processing, transmission, transportation, fractionation and storage capacity on acceptable terms and on a timely basis or at all;

potential disruptions or unexpected technical difficulties in designing, developing, or operating new, expanded, or existing pipelines or facilities (including third party operated pipelines and facilities);

risks inherent in Trilogy's marketing operations, including credit and other financing risks and the risk that Trilogy may not be able to enter into arrangements for the sale of its sales volumes;

volatile business, economic and market conditions;

general risks related to strategic and capital allocation decisions, including potential delays or changes in plans with respect to exploration or development projects or capital expenditures and Trilogy's ability to react to same;

availability of equipment, goods, services and personnel in a timely manner and at an acceptable cost;

health, safety, security and environmental risks;

the timing and cost of future abandonment and reclamation obligations and potential liabilities for environmental damage and contamination;

risks and costs associated with environmental, regulatory and compliance, including those potentially associated with hydraulic fracturing, greenhouse gases and "climate change" and the cost to Trilogy in order to comply with same;

weather conditions;

the possibility that government policies, regulations or laws may change, including risks related to the imposition of moratoriums;

the possibility that regulatory approvals may be delayed or withheld;

risks associated with Trilogy's ability to enter into and maintain leases and licenses;

uncertainty with regard to royalty payments and the applicability of and changes to royalty regimes and incentive programs including, without limitation, applicable royalty incentive regimes and the Modernized Royalty Framework, the Emerging Resources Program and the Enhanced Hydrocarbon Recovery Program, among others;

imprecision in estimates of product sales, commodity prices, capital expenditures, tax pools, tax deductions available to Trilogy, changes to and the interpretation of tax legislation and regulations;

uncertainty regarding results of objections to Trilogy's exploration and development plans by third party industry participants, aboriginal and local populations and other stakeholders;

risks associated with existing and potential lawsuits, regulatory actions, audits and assessments;

changes in land values paid by industry;

risks associated with Trilogy's mitigation strategies including insurance and hedging activities;

risks related to the actions and financial circumstances of Trilogy agents and contractors, counterparties and joint venture partners, including renegotiation of contracts;

risks relating to cybersecurity, vandalism, and terrorism;

the ability of management to execute its business plan;

the risk that the assumptions used by Management to estimate the provision for the costs resulting from the recent Kaybob North Montney pipeline release and the third party prior year production reallocation prove to be incorrect; and

other risks and uncertainties described elsewhere in this document and in Trilogy's other filings with Canadian securities authorities, including its Annual Information Form.

The forward-looking statements and information contained in this news release are made as of the date hereof and Trilogy 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 so required by applicable securities laws.

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RE/MAX® Of the Battlefords

Turtle Lake & Brightsand Lake, SK Properties

BRIGHTSAND LAKE
110 Peterson Way - Eastview Beach
$104,900
Total of .29 acre water front lot
Amazing view & Easy Access to the Lake
Buyer Responsible for GST

MLS ® 598567

TURTLE LAKE
Rm of Mervin
$249,000
1,208 sq. ft. bungalow home
2 bedrooms, 1 bath
Bright cozy sunroom 16x6
Oak kitchen cabinets &
built in china cabinet

MLS ® 585316

TURTLE LAKE
808 Lakeshore Drive
$215,000
Year round 2 BDRMS Cabin
768 sq ft cabin
Very large 73 x 103 fenced lot
32x805 ft deck, 10x10

MLS® 571194

TURTLE LAKE
2016 Spruce - Indian Point Cres
$585,000
1,296 sq ft four season
1¾ Story Cabin
3 Bedroom 2 Bath
Storage shed, F/S/W/D included
Deck on the front & back of the cabin

MLS® 592034

TURTLE LAKE
Rm of Mervin
$79,000
Build your dream home
Total of 1.42 acres
parcel of land
Power and gas near by
Road built to RM specs

MLS® 580412

Turtle Lake
1 ZULYNIK-KIVIMAA
MOONLIGHT BAY PLACE
$245,600
768 sq. ft. cabin
1 bedrooms, 1 bath
Open floor plan
F / S & storage included
MLS® 606156

Turtle Lake
216 Bruce
$212,500
600 sq. ft. cabin
2 bedrooms, 1 bath
Large 95 x 143 ft. lot
Close to playgrounds,
beach & boat launch
MLS® 605867

Brightsand Lake
112 Peterson Way - Eastview Beach
$114,900
.29 Acre Water Front Lot
1000 gallon holding tank
Older Mobile Home
This lot has a well,
Storage Shed Included

MLS® 598569

Brightsand Lake
114 Peterson Way - Eastview Beach
$99,900
.22 acre water front lot on the
west side os Brightsand Lake
Amazing View & Easy
Access to Lake
Buyer Responsible for GST

MLS® 598570

Evergreen
509 Mariana Place
$299,900
977 / 2 sq ft cabin
Year round home
3 BDRMS, gas fireplace,
Vaulted ceiling,
Patio door opening
Single detached garage

MLS® 575507

TURTLE LAKE
2406 Spruce-Indian Pt
Golden Sands Crescent
$439,900
1,340 sq. ft. year round cabin
3 bedrooms, 2 baths
Deck and fire pit in private backyard
F/S/W/D & storage shed included

MLS® 601835

Turtle Lake Lot 1
Sunshine Kivimaa
Moonlight Bay Place
$130,000
65 x 130 ft bare lot
Corner of Sunshine Place
&
Lake Shore Drice

MLS® 601835

RE/MAX OF THE BATTLEFORDS
REMAX OF BATTLEFORD
INDEPENDENTLY OWNED AND OPERATED

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