

Marquee Energy and Alberta Oilsands Announce Strategic Business Combination to Create a Well Capitalized Company With a Focused Oil Asset Base Positioned for Growth

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CALGARY, August 19, 2016 - [Marquee Energy Ltd.](#) ("Marquee") (TSX VENTURE: MQL) and [Alberta Oilsands Inc.](#) ("Alberta Oilsands") (TSX VENTURE: AOS) are pleased to announce that they have entered into an arrangement agreement (the "Arrangement Agreement") whereby Alberta Oilsands will acquire all of the issued and outstanding common shares of Marquee (the "Marquee Shares") pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) (the "Arrangement"). Immediately following the completion of the Arrangement, AOS will amalgamate with Marquee and the amalgamated company will adopt the name "[Marquee Energy Ltd.](#)" ("New Marquee"). Under the terms of the Arrangement Agreement, holders ("Marquee Shareholders") of common shares in the capital of Marquee ("Marquee Shares") will receive, for each Marquee Share held, 1.67 common shares in the capital of Alberta Oilsands ("Alberta Oilsands Shares"). On completion of the Arrangement, Marquee Shareholders will own approximately 49% of the common shares of New Marquee. New Marquee will be led by the current management team of Marquee and the board of directors of New Marquee will include an equal number of the current directors of Marquee and of Alberta Oilsands, respectively.

The boards of directors of Marquee and Alberta Oilsands have approved the Arrangement and believe the business combination of Marquee and Alberta Oilsands will provide significant benefits to Marquee Shareholders and Alberta Oilsands Shareholders. The Arrangement is expected to create a growth-oriented oil-weighted company with top-tier oil resource and a strong balance sheet which will be uniquely positioned for future value creation. Directors, management and significant shareholders of Marquee (representing approximately 23% of the currently issued and outstanding Marquee Shares) have entered into agreements with Alberta Oilsands pursuant to which they have agreed to, among other things, vote their Marquee Shares in favour of the Arrangement. Directors, management and significant shareholders of Alberta Oilsands, including Bruce Mitchell, the largest shareholder of Alberta Oilsands, have entered into agreements with Marquee pursuant to which they have agreed to, among other things, support the transactions contemplated in the Arrangement Agreement.

STRATEGIC RATIONALE

The combination of Marquee and Alberta Oilsands represents a significant recapitalization opportunity for Marquee Shareholders, and enables shareholders of Marquee and Alberta Oilsands to emerge from a volatile commodity price environment as a well-funded growth vehicle focused on the sustainable development of a top tier oil resource play. In particular, New Marquee will be able to accelerate the development of its highly economic and well defined light oil fairway at Michichi, consisting of 370 million barrels of discovered petroleum initially in place (based on the Sproule Associates Limited contingent resources report as of December 31, 2015, prepared in accordance with the Canadian Oil and Gas Evaluation Handbook and National Instrument - 51-101), and over 300 identified drilling locations targeting the Detrital/Banff reservoir. Marquee has control of fully established infrastructure and year round drilling access that will enable a low cost structure going forward. In addition to the seismically defined inventory of low risk drilling opportunities, New Marquee will also be positioned to take advantage of low cost workovers and recompletion opportunities, while balancing future capital allocation towards attractive new exploitation plays and waterflood upside.

Upon the completion of the Arrangement, it is expected that New Marquee will have the liquidity to act upon organic and strategic opportunities within its core area which have resulted from the current low commodity price environment. New Marquee will remain focused on maintaining a clean balance sheet and has the ability to adjust its capital program and growth plans based on the prevailing commodity price environment, with a view to maintaining a net debt to cashflow ratio of less than 2.0 to 1.0.

Over the past 24 months, Marquee has drilled and placed on production 18 horizontal wells in the Michichi area of Alberta. Based on the expected well production profiles and cost structure of its recent wells, Marquee estimates a 1.4 year payout for a typical Michichi horizontal well, generating returns in excess of

50%, based on current strip pricing. Michichi wells finding and development costs average approximately \$10 per boe, which ranks in the top quartile relative to competing resource plays. Marquee believes that its recent cost reduction efforts, coupled with the industry's deflationary cost environment, will create opportunities for further operating and capital cost reductions through realization of infrastructure and land and development synergies, the application of continually improving drilling and completion techniques, and scalability of drilling programs.

Alberta Oilsands, after adjustment for the expected transaction costs associated with the Arrangement, is anticipated to have \$30.5 million of net cash, or approximately \$0.14 per basic share. Alberta Oilsands also holds 44,000 acres of bitumen leases in the Athabasca oil sands region of northeast Alberta. Alberta Oilsands expects that the Ministry of Mines and Energy of the Republic of Namibia will approve the full relinquishment of Blocks 2712A and 2812A and with such relinquishment, Alberta Oilsands will no longer have any assets or obligations in Africa.

The following benefits are anticipated to result from the completion of the Arrangement:

- Provides Alberta Oilsands Shareholders with exposure to a dominant land position in the Michichi oil fairway, with 2,600 boe/d of production and sustainable growth opportunities at current commodity prices; and
- Provides Marquee Shareholders with reduced operating leverage, continued exposure to a top tier oil resource play, and the financial flexibility to sustainably develop its resource base and focus on strategic acquisition opportunities within its core Michichi area; and
- New Marquee will be a well-capitalized company with a balance sheet that is in line with the best companies in its peer group; and
- Provides shareholders of Marquee and Alberta Oilsands with exposure to significant upside beyond the current drilling inventory over the longer term in the event of an improvement in commodity prices.

Richard Thompson, Marquee's President and CEO, commented, "We are excited about this transaction and believe it will provide the ability to focus New Marquee's efforts on operational execution and a focused development plan, becoming a top-tier oil-weighted company with a clear path towards repeatable and sustainable growth."

Binh Vu, Interim CEO, commented "Alberta Oilsands views this as a successful outcome to a publically announced strategic review process initiated in December 2014 that will add shareholder value."

KEY ATTRIBUTES OF NEW MARQUEE

New Marquee's pro forma financial profile after giving effect to the Arrangement is currently anticipated to be as follows:

Shares Outstanding	Approximately 418.2 million
Current Production ⁽¹⁾	2,600 boe/d (48% oil & NGLS)
Net Debt	\$16 million pro forma
Drilling Locations ⁽²⁾	300+ horizontal locations at Michichi
Tax Pools	Approximately \$220 million

In conjunction with the Arrangement, Marquee expects to execute a winter drilling program of eight horizontal development wells. The capital budget is designed to focus on continued development of New Marquee's interests in Michichi and is intended to take advantage of the current deflationary pressures in capital costs as well as New Marquee's deep inventory of drilling prospects.

Notes:

1. Based on Marquee's average monthly July 2016 field estimates.
2. Based on internally identified locations.

The Marquee management team, led by Richard Thompson, President and Chief Executive Officer, will manage New Marquee. Upon closing of the Arrangement, it is anticipated that the board of directors of New Marquee will include four nominees from Alberta Oilsands and four nominees from Marquee.

ARRANGEMENT

The board of directors of Marquee supports the Arrangement, has determined that the Arrangement is fair to Marquee Shareholders and is in the best interests of Marquee. The board of directors of Marquee has agreed to recommend that Marquee Shareholders vote in favour of the Arrangement at the upcoming meeting of Marquee Shareholders called to consider the Arrangement (the "Marquee Meeting"). Certain Marquee shareholders, including all officers and directors, who collectively hold approximately 23% of the issued and outstanding Marquee Shares, have entered into agreements with Alberta Oilsands pursuant to which they have agreed to, among other things, vote their Marquee Shares in favour of the Arrangement at the Marquee Meeting.

The board of directors of Alberta Oilsands supports the Arrangement, and has determined that the consideration to be paid by Alberta Oilsands to Marquee Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Alberta Oilsands Shareholders. Directors, management and significant shareholders of Alberta Oilsands, including Bruce Mitchell, the largest shareholder of Alberta Oilsands, have entered into agreements with Marquee pursuant to which they have agreed to, among other things, support the transactions contemplated in the Arrangement Agreement.

Under the terms of the Arrangement Agreement, both Marquee and Alberta Oilsands have agreed that they will not solicit or initiate any inquiries or discussions regarding any other business combination or sale of assets, subject to compliance with their fiduciary duties as directors in the event that Marquee or Alberta Oilsands, as applicable, receives an unsolicited superior proposal. Marquee and Alberta Oilsands have each granted the other the right to match any such superior proposal, and have agreed to pay a non- \hat{a} -completion fee of \$1.5 million to the other in certain circumstances as set forth in the Arrangement Agreement, including upon the acceptance of a superior proposal.

The completion of the Arrangement is subject to receipt of the approval of the Alberta Court of Queen's Bench, the receipt of all necessary regulatory and stock exchange approvals, the receipt of the requisite approval of Marquee Shareholders, and the satisfaction or waiver of certain other closing conditions that are customary for a transaction of this nature. It is anticipated that the Marquee Meeting will be held on September 21, 2016 following the mailing of an information circular (the "Information Circular") to Marquee Shareholders on August 25, 2016 in connection with the Marquee Meeting. Assuming receipt of the requisite approval of the Arrangement by Marquee Shareholders at the Marquee Meeting, the Arrangement is expected to close shortly following the Marquee Meeting.

CREDIT FACILITIES UPDATE

Marquee has a syndicated credit facility with two chartered banks. The credit facility has a borrowing base of \$50 million, comprised of a \$40 million revolving demand facility and a \$10 million operating demand facility. It is anticipated that a review of the credit facility will occur by August 31, 2016. As a result of recent asset sales and the current economic environment, it is expected that the credit facility availability will be decreased, however, Marquee will have ample credit facility liquidity to execute its business plan and will be in full compliance with the credit facility.

LISTING OF MARQUEE SHARES ON OTCQX

Effective the close of market on August 17, 2016, the Marquee Shares were voluntarily delisted from the OTCQX. The Marquee Shares continue to trade on the TSX Venture Exchange under the symbol "MQL".

ADVISORS

GMP Securities L.P. and National Bank Financial Inc. are acting as financial advisors to Marquee in respect of the Arrangement. GMP Securities L.P. has provided the board of directors of Marquee with an opinion that, subject to the various assumptions, qualifications and limitations contained therein, the consideration to be received by Marquee Shareholders pursuant to the Arrangement is fair, from a financial view, to the Marquee Shareholders. Additionally Acumen Capital Finance Partners Limited is acting as a strategic advisor to Marquee.

Tiger Capital Advisors Inc. acted as financial advisor to Alberta Oilsands in respect of the Arrangement. Cormark Securities Inc. has provided the board of directors of Alberta Oilsands with a verbal opinion that, subject to review of final documentation relating to the Arrangement and the assumptions, qualifications and limitations contained therein, the consideration to be paid by AOS to Marquee Shareholders pursuant to the Arrangement is fair, from a financial view, to the AOS Shareholders.

ABOUT MARQUEE

[Marquee Energy Ltd.](#) is a Calgary based, junior energy company focused on high rate of return light oil development and production. Marquee is committed to growing the company through exploitation of existing opportunities and continued consolidation within its core area at Michichi. Marquee Shares are traded on the TSX Venture Exchange under the trading symbol "MQL". Additional information about Marquee may be found on its website www.marquee-energy.com and in its continuous disclosure documents filed with Canadian securities regulators on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

ABOUT ALBERTA OILSANDS

Alberta Oilsands holds bitumen leases in the Athabasca oil sands region of northeast Alberta. The Company's head office is located in Calgary, Alberta, Canada and its common shares are traded on the TSX Venture Exchange under the trading symbol "AOS".

FORWARD-LOOKING STATEMENTS OR INFORMATION

Certain statements included or incorporated by reference in this news release may constitute forward-looking statements under applicable securities legislation. Such forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements or information in this news release may include, but are not limited to: business plans and expectations; volumes of reserves and resources; the number and quality of future potential drilling and development opportunities; anticipated capital budgets and expenditures; anticipated net debt to cash flow ratio; anticipated Michichi well payouts and returns; petroleum and natural gas sales; the size and extent of the Michichi oil fairway; opportunities for further operating and capital cost reductions; anticipated full relinquishment of Blocks 2712A and 2812A by the Ministry of Mines and Energy of the Republic of Namibia; anticipated net cash of Alberta Oilsands at closing; anticipated pro forma net debt; the size and sufficiency of Marquee's credit facility at closing; and Marquee's expected financial position and drilling inventory when commodity prices improve.

Such forward-looking statements or information are based on a number of assumptions all or any of which may prove to be incorrect. In addition to any other assumptions identified in this document, assumptions have been made regarding, among other things: the ability of Marquee to obtain equipment, services and supplies in a timely manner to carry out its activities; the ability of Marquee to market crude oil, natural gas liquids and natural gas successfully to current and new customers; the ability to secure adequate product transportation; the timely receipt of required regulatory approvals; the ability of Marquee to obtain financing on acceptable terms; interest rates; regulatory framework regarding taxes, royalties and environmental matters; future crude oil, natural gas liquids and natural gas prices; the ability to identify and consummate transactions and management's expectations relating to the timing and results of development activities.

Forward-looking statements and 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 Marquee and described in the forward-looking statements or information. Material risk factors affecting Marquee and its business are described in Marquee's Annual Information Form, which is available under Marquee's issuer profile on SEDAR at www.sedar.com.

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

This press release contains the term "net debt". For purposes of this press release, net debt is defined as current assets less current liabilities (excluding fair value of commodity contracts and flow-through share premiums). Management considers net debt as an important additional measure to monitor debt repayment requirements and track the financial viability of Marquee.

DRILLING LOCATIONS

This press release discloses drilling locations in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from Marquee's most recent independent reserves report prepared by Sproule as at December 31, 2015 and account for drilling

locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on Marquee's prospective acreage and assumptions as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves. Of the 300 (net) Michichi drilling locations identified herein, 57 are proved locations, 25 are probable locations. Unbooked locations have been identified by management as an estimation of Marquee's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Marquee will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves or production. The drilling locations on which Marquee will actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves or production.

ADDITIONAL ADVISORIES

oes are presented on the basis of one Boe for six Mcf of natural gas. Disclosure provided herein in respect of Boe may be misleading, particularly if used in isolation. A Boe conversion ratio of 6 Mcf: 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 crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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