



BLACK SWAN ENERGY ANNOUNCES CLOSING OF STRATEGIC ACQUISITION & EQUITY FINANCING

Calgary, Alberta, July 6, 2015 – Black Swan Energy Ltd. is pleased to announce the closing of its acquisition of Carmel Bay Exploration Ltd. On June 9, 2015, Carmel Bay announced it had entered into an Arrangement Agreement with Black Swan whereby Black Swan would acquire all of the issued and outstanding shares of Carmel Bay for cash consideration in a transaction valued at approximately \$200 million.

The acquisition includes 82,600 acres of 100% working interest lands within the liquids-rich, over-pressured Montney fairway in NE British Columbia (“NEBC”). At year-end 2014 Carmel Bay had booked 22.5 MMboe of total Proved plus Probable (“2P”) independently evaluated reserves. Acquired lands in the Jedney area delivered an average 815 boe/d (78% natural gas) in Q1 2015, from two Lower Montney horizontal wells and acquired lands in the Nig area, which are contiguous to Black Swan’s position, include incremental behind-pipe volumes from three standing wells. The Nig volumes are from two Upper Montney horizontal wells which delivered final test rates up casing of 12 MMcf/d and 13 MMcf/d respectively (at >1,500 psi and lease condensate yields of 10-20 bbl/MMcf), and one Lower Montney horizontal well, which tested at 3.5 MMcf/d (at 900 psi and a lease condensate yield of 65 bbl/MMcf).

As part of Black Swan’s 2015 development program the company plans to drill up to 10 wells on the acquired Nig lands, with drilling expected to commence prior to month end. These wells, and current behind-pipe volumes will be brought on-stream in 2016 through Black Swan’s recently permitted 100% owned and operated gas plant, which is centrally located between the acquired Nig lands and Black Swan’s well at c-45-D (200/a-034-D 094-H-04/02). Black Swan’s c-45-D well has been on production since June 2014, and cumulatively produced over 1.7 Bcf of gas with more than 17,000 bbls of lease condensate and is still flowing at a choked rate of approximately 4 MMcf/d.

In conjunction with the acquisition, Black Swan completed a \$350 million increase in the equity capital commitment from its existing shareholders, which include Canada Pension Plan Investment Board and investment funds managed by KERN Partners and Warburg Pincus, bringing the total capital commitment from shareholders to \$850 million. The increased capital commitment was utilized to fund the acquisition and will be available to fund the ongoing Montney development program in NEBC, supporting continued growth of both production and reserves.

Black Swan exited 2014 at approximately 6,100 boe/d, demonstrating material growth versus the prior year exit rate of 920 boe/d. During 2014, the company executed a successful capital program which increased total Proved reserves by 58% to 38 MMboe and total 2P reserves by 48% to 218 MMboe.

Black Swan recently drilled an eight-well development pad offsetting its c-45-D well and plans to commence completions in July. The company’s gas plant will be constructed with 40 MMcf/d of initial capacity with future expansions planned to accommodate long-term growth. Black Swan has secured firm egress capacity for 11 years to support the first phase of the plant.

With over 227,600 net acres (324 net DSUs) of land in the liquids-rich Montney formation in NEBC, Black Swan holds a risked inventory of over 2,900 potential horizontal drilling locations representing approximately 16 Tcfe (liquids converted at 1 bbl : 6 mcf for gas equivalency) of estimated recoverable resource. Black Swan’s estimate of well inventory and recoverable resource represents approximately

90% of the company's Montney lands and assumes the development of only two of the four potential landing intervals within the Montney formation.

Black Swan Energy is a private-equity backed exploration and production company headquartered in Calgary, Alberta. For additional details relating to production and development activities please refer to Black Swan's most recent corporate presentation which is available on the website.

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