



NEWS RELEASE

March 6, 2014

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR
DISSEMINATION IN THE UNITED STATES

**GEAR ENERGY LTD. ANNOUNCES INCREASE TO BOUGHT DEAL EQUITY FINANCING
TO \$56.0 MILLION**

CALGARY, ALBERTA – Gear Energy Ltd. ("Gear" or the "Company") (TSX:GXE) is pleased to announce that it has agreed with the underwriters for its bought-deal financing announced today to increase the size of the bought deal financing to 14,000,000 common shares from 12,500,000 common shares at a price of \$4.00 per common share for gross proceeds of \$56,000,000. The syndicate of underwriters is co-led by FirstEnergy Capital Corp. and Peters & Co. Limited and including RBC Capital Markets Inc., GMP Securities L.P., Haywood Securities Inc. and AltaCorp Capital Inc. (together, the "Underwriters").

In addition, the Underwriters have been granted an over-allotment option, which may be exercised in whole or in part up to 30 days after closing of the offering, to purchase up to 1,875,000 additional Common Shares at a price of \$4.00 per Common Share. If the over-allotment is fully exercised, gross proceeds from the offering will be approximately \$63,500,000.

The Company intends to use the net proceeds from the offering to fund ongoing capital expenditures and for general corporate purposes.

The offering is scheduled to close on or about March 28, 2014 and is subject to the customary conditions including receipt of all necessary regulatory and stock exchange approvals.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities of Gear in any jurisdiction in which such offer, solicitation or sale would be unlawful. These securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold in the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws or pursuant to an exemption therefrom.

About Gear Energy Ltd.

Gear is a Canadian exploration and production company with predominantly horizontal heavy oil production in east central Alberta and west central Saskatchewan. The current and ongoing business plan is to continue focusing on being a low cost heavy oil operator, drilling economic wells and acquiring assets on an accretive basis.

Forward-Looking Statements

The information in this press release contains certain forward-looking statements. These statements relate to future events or the Company's future performance. More particularly, this press release

contains statements concerning the anticipated closing date of the offering and the anticipated use of the net proceeds of the offering. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions. These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Gear's control, including: the failure to receive all regulatory approvals for the offering; that the intended use of the net proceeds of the offering might change if the board of directors of Gear determines that it would be in the best interests of Gear to deploy the proceeds for some other purpose; the impact of general economic conditions; industry conditions; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; fluctuations in commodity prices and foreign exchange and interest rates; stock market volatility and market valuations; 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; competition for, among other things, capital, acquisitions, of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry and income trusts; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; and obtaining required approvals of regulatory authorities. With respect to forward-looking statements contained in this press release assumptions have been made regarding, but not limited to: receipt of all required regulatory approvals for the offering; commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future exchange rates; the price of oil and natural gas; the impact of increasing competition; and conditions in general economic and financial markets. Gear's actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Gear will derive from them. Except as required by law, Gear undertakes no obligation to publicly update or revise any forward-looking statements.

For more information, please contact:

Ingram B. Gillmore
President and Chief Executive Officer
Tel: (403) 538-8463
igillmore@gearenergy.com

David Hwang
Vice President Finance & Chief Financial Officer
Tel: (403) 538-8437
dhwang@gearenergy.com