NEWS RELEASE

GEAR ENERGY LTD. ANNOUNCES THIRD QUARTER 2017 OPERATING RESULTS

CALGARY, ALBERTA (November 8, 2017) Gear Energy Ltd. ("Gear" or the "Company") (TSX:GXE) is pleased to provide the following third quarter operating update to shareholders. Gear's Interim Financial Statements and related Management's Discussion and Analysis ("MD&A") for the period ended September 30, 2017 are available for review on Gear's website at www.gearenergy.com and on www.sedar.com.

Financial Summary

(Cdn$ thousands, per boe amounts)	Three months ended			Nine months ended	
	Sep 30, 2017	Sep 30, 2016	Jun 30, 2017	**Sep 30, 2017**	Sep 30, 2016
FINANCIAL					
Cash flow from operations (1)	**9,960**	6,864	10,248	**28,937**	19,181
Per weighted average basic share	**0.05**	0.04	0.05	**0.15**	0.17
Per weighted average diluted share	**0.05**	0.04	0.05	**0.14**	0.17
Cash flow from operating activities	**9,197**	9,793	5,362	**26,804**	18,415
Net income (loss)	**(2,705)**	(2,470)	3,001	**3,282**	(11,496)
Per weighted average basic share	**(0.01)**	(0.01)	0.02	**0.02**	(0.10)
Per weighted average diluted share	**(0.01)**	(0.01)	0.01	**0.02**	(0.10)
Capital expenditures	**10,513**	7,034	6,161	**35,458**	8,300
Net acquisitions (2)	**1,635**	58,141	127	**1,695**	57,687
Net debt outstanding (1)	**44,568**	41,791	43,409	**44,568**	41,791
Weighted average shares, basic (thousands)	**193,158**	168,926	192,922	**192,975**	113,711
Weighted average shares, diluted (thousands)	**193,158**	168,926	208,971	**209,430**	113,711
Shares outstanding, end of period (thousands)	**194,968**	190,472	192,935	**194,968**	190,472
OPERATING					
Production					
Heavy Oil (bbl/d)	**4,054**	3,854	3,887	**3,894**	4,133
Light and Medium Oil (bbl/d)	**1,290**	716	1,412	**1,263**	240
Natural gas liquids (bbl/d)	**279**	145	322	**273**	49
Natural gas (mcf/d)	**5,415**	4,232	5,334	**5,316**	2,261
Total (boe/d)	**6,525**	5,420	6,510	**6,316**	4,799
Average prices					
Heavy oil ($/bbl)	**44.00**	37.74	44.72	**43.96**	32.56
Light oil ($/bbl)	**53.12**	51.60	59.64	**57.76**	51.60
Natural gas liquids ($/bbl)	**27.28**	20.04	28.11	**26.51**	20.04
Natural gas ($/mcf)	**1.52**	2.43	2.91	**2.46**	2.04
Netback ($/boe)					
Commodity and other sales	**40.41**	36.08	43.77	**42.05**	31.75
Royalties	**(4.50)**	(3.97)	(4.96)	**(4.49)**	(2.94)
Operating costs	**(16.57)**	(16.33)	(17.78)	**(16.89)**	(15.12)
Operating netback (1)	**19.34**	15.78	21.03	**20.67**	13.69
Realized risk management gains (losses)	**0.11**	3.03	(0.77)	**(0.61)**	6.59
General and administrative	**(2.06)**	(2.13)	(2.13)	**(2.37)**	(2.97)
Interest	**(0.81)**	(0.94)	(0.83)	**(0.84)**	(1.31)
Transaction costs	**-**	(1.97)	-	**-**	(1.13)
Other	**-**	-	-	**(0.07)**	(0.37)
Corporate netback (1)	**16.58**	13.77	17.30	**16.78**	14.50
TRADING STATISTICS					
($ based on intra-day trading)					
High	**0.86**	0.78	0.94	**1.26**	0.82
Low	**0.65**	0.54	0.60	**0.60**	0.25
Close	**0.82**	0.75	0.74	**0.82**	0.75
Average daily volume (thousands)	**326**	492	253	**377**	301

(1) Cash flow from operations, net debt, operating netback and corporate netback are non-GAAP measures and additional information with respect to these measures can be found under the heading "*Non-GAAP Measures*" in Gear's MD&A.

(2) Net acquisitions exclude non-cash items for decommissioning liability and deferred taxes and is net of post-closing adjustments.

QUARTERLY HIGHLIGHTS

- Drilled 13 gross (13 net) wells with 100 per cent success with development capital expenditures during the third quarter totaling $10.5 million. In addition, Gear closed a minor acquisition for $2.0 million in Wildmere, Alberta.

  Paradise Hill McLaren
  - Drilled ten McLaren heavy oil wells in the third quarter at Paradise Hill for an average all-in cost to drill, complete, and equip of approximately $650,000 per well. Initial results are averaging as expected between 70 to 80 barrels of oil per day per well.

  - Paradise Hill production averaged approximately 1,100 barrels of oil per day and generated approximately $2.9 million of cash flow from operations through the third quarter. With the completion of the 2017 Paradise drilling program early in the fourth quarter, there are now 28 horizontal wells on production currently producing over 1,700 barrels of oil per day for the month of October 2017.

  Wildmere GP
  - Drilled three dual-lateral GP heavy oil wells in the third quarter at Wildmere for an average all-in cost to drill, complete, and equip of approximately $800,000 per well. For the month of October 2017, these three wells produced approximately 135 barrels of oil per day per well.

  Fourth quarter expected capital activities
  - The current budget includes plans to drill six more wells through the fourth quarter with four of those completed to date. Full year 2017 will include the drilling of 33 gross (33 net) new wells and capital expenditures continue to be forecasted at approximately $45 million.

- Realized quarterly cash flow from operations of $10.0 million, a three per cent decrease from the second quarter cash flow of $10.2 million. The small decrease in quarterly cash flow was primarily due to lower realized prices partially offset by a decrease in operating costs.

- Average production for the third quarter of 6,525 boe per day was stable from the second quarter with the majority of new wells coming on late in the quarter and into October. With the bulk of summer drilling now on production, October sales have averaged over 7,200 boe per day providing a solid foundation for the fourth quarter which is currently forecast to average between 7,300 and 7,400 boe per day, yielding forecasted production growth of approximately 18 per cent over the fourth quarter of 2016.

- Operating costs for the third quarter decreased by seven per cent from the second quarter to $16.57 per boe. Fourth quarter operating costs per boe are expected to decline further as production grows through the end of the year.

- Third quarter net debt of $44.6 million is a slight increase over the second quarter amount of $43.4 million. Gear continues to maintain a strong balance sheet with a net debt to annualized cash flow ratio of 1.1 times for the third quarter and a forecasted total 2017 net debt to cash flow ratio at or under 1.0 times.

- Gear expects to release its 2018 capital budget and guidance in December 2017.

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Forward-looking Information and Statements

This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this press release contains forward-looking information and statements pertaining to the following: expectations of the wells to be drilled in the remainder of 2017; expectations of the full year 2017 capital budget; expectations of 2017 fourth quarter production and year-over-year production growth; expectations of declining operating costs in the fourth quarter of 2017; forecasted total 2017 net debt to cash flow ratio at or under 1.0 times; and expectation that Gear will release its 2018 capital budget and guidance in December 2017.

The forward-looking information and statements contained in this press release reflect several material factors and expectations and assumptions of Gear including, without limitation: that Gear will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the accuracy of the estimates of Gear's reserves and resource volumes; certain commodity price and other cost assumptions; and the continued availability of adequate debt and equity financing and cash flow from operations to fund its planned expenditures. Gear believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

To the extent that any forward-looking information contained herein may be considered a financial outlook, such information has been included to provide readers with an understanding of management's assumptions used for budgeting and developing future plans and readers are cautioned that the information may not be appropriate for other purposes. The forward-looking information and statements included in this press release are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of Gear's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Gear or by third party operators of Gear's properties, increased debt levels or debt service requirements; inaccurate estimation of Gear's oil and gas reserve and resource volumes; limited, unfavorable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time to time in Gear's public documents including in Gear's most current annual information form which is available on SEDAR at www.sedar.com.

The forward-looking information and statements contained in this press release speak only as of the date of this press release, and Gear does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws**.**

NON-GAAP Measures

This press release contains the terms cash flow from operations, net debt, operating netback and corporate netback, which do not have standardized meanings under Canadian generally accepted accounting principles ("GAAP") and therefore may not be comparable with the calculation of similar measures by other companies. Management believes that these key performance indicators and benchmarks are key measures of financial performance for Gear and provide investors with information that is commonly used by other oil and gas companies. Cash flow from operations is calculated as cash flow from operating activities before changes in noncash operating working capital and decommissioning liabilities settled. Net debt is calculated as debt less current working capital items, excluding risk management contracts. Operating netbacks are presented both before and after taking into account the effects of hedging and are calculated based on the amount of revenues received on a per unit of production basis after royalties and operating costs. Corporate netbacks are presented after taking into account the effects of hedging and are calculated based on the amount of revenues received on a per unit of production basis after royalties, operating costs, general and administrative expenses, interest and foreign exchange gain or loss. Additional information relating to certain of these non-GAAP measures, including the reconciliation between cash flow from operations and cash flow from operating activities, can be found in the MD&A.

Barrels of Oil Equivalent

Disclosure provided herein in respect of BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of six Mcf to one Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and do not represent a value equivalency at the wellhead. Additionally, 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 ratio of 6:1 may be misleading as an indication of value.

Initial and Other Production Rates

Any references in this document to initial production rates or production rates of new wells over a period of time are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells or other future wells will continue production and decline thereafter. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. There is no certainty that other wells on such properties will achieve such production levels. Readers are cautioned not to place reliance on such rates in calculating the aggregate production for Gear.