GEAR ENERGY LTD. ANNOUNCES 2015 CAPITAL BUDGET

CALGARY, ALBERTA, November 11, 2014 – Gear Energy Ltd. ("Gear" or the "Company") is pleased to announce the approval of a $95 to $105 million development capital budget for 2015, designed to provide approximately 20 per cent growth in production and over 15 per cent growth on a per share basis.

The Board of Directors has approved a budget that targets low risk growth balanced between development drilling, cost reducing infrastructure opportunities and continued funding to expand and grow multiple new core heavy oil assets. The budget is estimated to provide value creation through production growth on a per debt adjusted share basis and will be funded entirely through a combination of cash flow and debt. Management will closely monitor prices, project returns and capital expenditures to ensure maintenance of a strong balance sheet.

Details of the 2015 budget are as follows:

Development drilling

Approximately 67 per cent of the 2015 budget will be dedicated to low risk growth opportunities. Gear plans to drill 61 gross (58 net) horizontal and vertical wells into existing core de-risked heavy oil pools. Included in this number are 26 gross, (24 net) multi-lateral horizontal wells to follow up on six multi-laterals drilled in 2014. Early results from these wells have been encouraging, with 70 to 100 per cent productivity increases relative to a single leg horizontal well, realized from only a 40 per cent increase in capital costs.

Inventory growth

As a result of successful land acquisition and exploration activities, Gear has again expanded the inventory of future growth opportunities. Undeveloped land grew by 40 per cent through 2014 and currently stands at over 130 net prospective sections. It is estimated that Gear will enter 2015 with approximately 410 net economic drilling locations across its core asset base. Gear intends to build upon this success by again dedicating approximately 20 per cent of the budget towards heavy oil inventory expansion. The funds will be invested in eight horizontal wells targeting new plays, as well as focused seismic and land acquisition prospects.

Facilities and corporate capital

Approximately six per cent of the capital budget will be invested in new and expanded facilities including gas gathering and water disposal systems designed to lower long term costs of operation. An additional seven per cent will be focused on corporate costs including workovers, tank upgrades, well abandonments and environmental reclamation.

2015 Guidance

Annual Production (boe/d)	**7,300 to 7,700**
Royalties (%)	**15 to 17**
Operating Costs ($/boe)	**19.75 to 21.75**
G&A Costs ($/boe)	**3.10 to 3.30**
Interest Costs ($/boe)	**1.20 to 1.40**
Capital Expenditures ($ million)	**95 to 105**
Drilling Locations	**69 gross (66 net)**

The 2015 budget has been designed around a realized price of approximately $65 per barrel which is roughly equivalent to WTI price of $80US, a WCS heavy oil differential of $18US and a foreign exchange rate of $0.88 CAD/US. Gear will monitor realized prices closely throughout the year and employ a nimble and opportunistic investment strategy to accomplish meaningful growth while ensuring that the balance sheet remains strong. Ultimately Gear remains bullish on the long term outlook for heavy oil prices.

The Gear team is excited about the strength of our opportunities and look forward to building upon the diverse foundation of value by generating continued debt adjusted per share growth.

Gear Energy Ltd. is Canadian energy company focused on the exploration and development of heavy oil weighted production primarily in east central Alberta and west central Saskatchewan. For recent corporate and investor information please access www.SEDAR.com or www.gearenergy.com.

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FORWARD LOOKING INFORMATION

Certain information in this news release is forward-looking within the meaning of certain securities laws, and is subject to important risks, uncertainties and assumptions. This forward looking information includes, among other things, 2015 annual production, 2015 capital expenditure budget, 2015 heavy oil prices, 2015 royalty rate, 2015 operating costs, 2015 general and administrative costs, 2015 interest, and 2015 drilling locations. The words "future", "may", "could", "targeted", "should", "would", "suspect", "outlook", "believe", "anticipate", "estimate", "expect", "intend", "plan", "target", "potential" and similar words and expressions are used to identify forward-looking information. The forward-looking information in this news release describes the Company's expectations as of the date of this news release.

The results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events. Material factors which could cause actual results or events to differ materially from such forward-looking information include, among others, risks arising from general economic conditions and adverse industry events, risks arising from operations generally, reliance on contractual rights such as licenses and leases in the conduct of its business, reliance on third parties, reliance on key personnel, possible failure of the business model or business plan or the inability to implement the business model or business plan as planned, competition, environmental matters, and insurance or lack thereof.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

When used in this news release, Boe means a barrel of oil equivalent on the basis of 1 Boe to 6 thousand cubic feet of natural gas. Boe/d means a barrel of oil equivalent per day. Boe's may be misleading, particularly if used in isolation. A Boe conversion ratio of 1 Boe for 6 thousand cubic feet of natural gas 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.

Any references in this news release to initial production rates and/or 30 day production rates are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company.

The forward-looking information and statements contained in this news release speak only as of the date of this news release. The Company 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. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date.