



For Immediate Release

Calgary, Alberta, September 18, 2018

**GEAR ENERGY LTD. ANNOUNCES CLOSING OF ACQUISITION OF
STEPPE RESOURCES INC. AND INCREASE TO CREDIT FACILITIES**

Gear Energy Ltd. ("Gear") (TSX: GXE) is pleased to announce the successful completion of the acquisition of Steppe Resources Inc. ("Steppe"), a private oil and gas company, pursuant to the previously announced plan of arrangement (the "Arrangement"). Pursuant to the Arrangement, shareholders of Steppe received 0.1445 of a Gear common share ("Gear Share") for each Steppe common share ("Steppe Share"). As a result, Gear issued approximately 21.9 million Gear Shares.

Concurrent with the closing of the Arrangement, Gear entered into an amending agreement in respect of its existing syndicated credit agreement, providing for an increase of the senior secured credit facilities by \$40 million to an aggregate principal amount of up to \$115 million, of which approximately \$69 million has been drawn, net of cash on hand, as at the date hereof, which includes Steppe's net debt that was assumed pursuant to the Arrangement after taking into account expected Steppe transaction costs. Steppe's senior secured credit facility has been re-paid in full and terminated in connection with the closing of the Arrangement.

Shareholders whose Steppe Shares are held by a broker, agent or other intermediary should contact their broker or agent in respect of the exchange of their Steppe Shares pursuant to the Arrangement. Registered holders of Steppe Shares must deposit their certificates with a duly completed letter of transmittal in order to receive their Gear Shares, as set forth in the management information circular and proxy statement of Steppe dated August 24, 2018. Certificates formerly representing Steppe Shares now represent only the right to receive Gear Shares to which the holders thereof are entitled pursuant to the Arrangement.

For further information, please contact:

Gear Energy Ltd.

Ingram B. Gillmore
President and Chief Executive Officer
(403) 538-8463