



For Immediate Release

Calgary, Alberta, May 24, 2019

GEAR ENERGY LTD. ANNOUNCES UPDATE TO CREDIT FACILITIES

Gear Energy Ltd. ("Gear") (TSX: GXE) today announces that the annual borrowing base redetermination of its credit facilities has been finalized. The amended credit facilities have been reduced from a total \$115 million to \$90 million and is now comprised of a \$70 million syndicated revolving term credit facility and a \$20 million operating credit facility. The reduction is the result of a variety of factors including the recent Supreme Court of Canada ruling on Redwater whereby any financial resources of a bankrupt entity will first be used to satisfy the outstanding abandonment obligations of its unproductive assets ahead of any secured creditors.

Currently, Gear is \$70 million drawn on its credit facilities. As of May 31, 2019, net debt inclusive of convertible debentures is forecasted to be approximately \$74 million. The terms of the amended credit facilities remain unchanged with the exception of additional compliance, consent and reporting requirements relating to Gear's provincial liability management rating and decommissioning obligation. These addendums are normal course and are being applied industry-wide in Canada.

For further information, please contact:

Gear Energy Ltd.

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

David Hwang
Vice President Finance & CFO
(403) 538-8437

Forward-looking Information and Statements

This news release contains forward-looking statements and forward-looking information within the meaning of Canadian 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 forecasted net debt as at May 31, 2019.

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; that current operations will produce results consistent with management's expectations; the general continuance of current industry conditions; certain commodity prices for May 2019 (including assumptions of US\$62WTI and 0.74 FX) and other cost assumptions; and 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 development plans of Gear or by third party operators of Gear's properties; limited, unfavorable or a lack of access to capital markets; increased costs; 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.