



Arsenal Energy Inc.



Arsenal and Lone Pine Securityholders Approve Business Combination

Calgary, Alberta – September 8, 2016 – Lone Pine Resources Canada Ltd. ("**Lone Pine**") and Arsenal Energy Inc. ("**Arsenal**") (TSX: AEI) (OTCQX: AEYIF) are pleased to jointly announce the approval by securityholders of Lone Pine and Arsenal of their previously-announced business combination by way of plan of arrangement (the "**Arrangement**"). The approvals were obtained at special meetings held today in Calgary Alberta, at which more than 98% of the votes cast by Lone Pine's securityholders and more than 99% of the votes cast by Arsenal's securityholders were voted in favour of the Arrangement.

Under the Arrangement, Lone Pine and Arsenal will combine under a new parent corporation named Prairie Provident Resources Inc. ("**Prairie Provident**"). Upon completion, shareholders of Lone Pine and Arsenal will receive common shares of Prairie Provident in substitution for their existing shares, with Prairie Provident in turn holding the combined undertakings of Lone Pine and Arsenal. At closing, Prairie Provident will have a fully-diluted share count of 100 million common shares, of which 77 million shares will be issued or issuable to former Lone Pine stakeholders with the remaining 23 million shares issued to former Arsenal shareholders.

Completion of the Arrangement remains subject to certain conditions, including the approval of the Court of Queen's Bench of Alberta. Lone Pine and Arsenal intend to apply for a final order of the Court approving the Arrangement at a hearing scheduled for tomorrow morning. The anticipated closing date of the Arrangement is expected to be on or about **September 12, 2016**, assuming receipt of Court approval and the satisfaction of all other conditions.

For further details regarding the Arrangement are set out in the joint information circular of Lone Pine and Arsenal dated August 5, 2016, which is available under Arsenal's profile on the SEDAR website and on Lone Pine's website at www.lonepineresources.com.

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Forward-Looking Statements

This news release contains forward-looking statements. More particularly, this news release contains forward-looking statements concerning the timing and completion of the Arrangement, and satisfaction of conditions to completion.

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Arsenal and Lone Pine. Although Arsenal and Lone Pine believe that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Arsenal and Lone Pine cannot give any assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the failure to obtain necessary Court approvals for the Arrangement.

The forward-looking statements contained in this document are made as of the date hereof and Arsenal and Lone Pine undertake no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.