

PetroShale Inc. Announces Strategic Asset Acquisition in North Dakota

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Transformative deal adds attractive acreage with substantial future upside

CALGARY, ALBERTA -- (Marketwired - Jan. 15, 2014) - [PetroShale Inc.](#) ("PetroShale" or the "Company") (TSX VENTURE:PSH) is pleased to announce that it has finalized an agreement to acquire an 18.75% Working Interest in a proposed drilling unit in McKenzie County, North Dakota, for a total purchase price of US\$3.25 million, including 200,000 common shares issued at a price of \$1.34 per share. The Company intends to use existing credit facilities and cash resources to fund the cash portion of the purchase price and anticipates the transaction will close before the end of January.

This transaction is a continuation of PetroShale's strategy to selectively acquire acreage that offers highly economic upside potential, and is operated by a leading Basin operator.

Transaction Details

The acquired acreage is being spaced for 8 wells and will be operated by EOG Resources, Inc. Of these 8 gross drilling locations, 4 locations have reserves assigned to them as outlined below. The following reserve information relates solely to this transaction, and does not reflect the Company's pre-existing reserves. These reserve volumes are presented on a net working interest basis, before royalties.

Proved reserves (2)	474.8 Mboe	
Proved plus probable reserves (2)	697.7 Mboe	
Proved reserves (discounted 10%/year) (1)(2)		US\$9.3 million
Proved plus probable reserves (discounted 10%/year) (1)(2)		US\$14.9 million

Notes:

- Based on a December 31, 2013 forecast of West Texas Intermediate ("WTI") for oil prices and NYMEX Henry Hub for natural gas prices, adjusted for quality and transportation costs.

- Based on the working interest to be acquired in the reserves before the calculation for royalties, and before the consideration of the vendor's royalty interest reserves. Reserve estimates for the assets were prepared by PetroShale's independent reserves evaluator Netherland, Sewell & Associates Inc. ("NSAI") as of December 31, 2013. The reserves data summarizes the crude oil, natural gas liquids and natural gas reserves and the net present values of future net revenue for these reserves using forecast prices and costs. The reserves information has been prepared in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in NI 51-101, with the exception that the effective date of the report precedes the date of the acquisition.

Investor Relations Firm Retained

PetroShale also announces it has retained 5 Quarters Investor Relations, Inc. ("5QIR") to provide strategic investor relations (IR) services on behalf of the Company. 5QIR is a Calgary-based capital markets communications firm providing strategic counsel on financial communications, continuous disclosure compliance and proactive corporate outreach programs for public and private companies.

Under the terms of the agreement, 5QIR will provide investor relations services to the Company for a term of three months, after which the agreement will automatically renew on the same terms, subject to termination upon 14 days' written notice by either party. As consideration for the services, 5QIR will be paid a retainer fee of \$3,000 per month. 5QIR acts at arm's length to PetroShale and does not have any interest, directly or indirectly, in PetroShale or its securities, or any right or intent to acquire such an interest.

The appointment of 5QIR remains subject to approval by the TSX Venture Exchange.

About PetroShale

PetroShale is a growing oil company committed to value creation by identifying and consolidating interests in the prolific, multi-zone Williston Basin in North Dakota and Montana. Through a strategic relationship with Denver-based Slawson Exploration Company, Inc. (SECI), a division of Slawson Companies, PetroShale seeks to leverage SECI's operating expertise to effectively and efficiently exploit this high-impact resource. PetroShale manages its risk and capital exposure by acquiring working interests in fields being developed by large, experienced and capable operators who employ leading-edge technologies to maximize production, optimize ultimate recoveries and enhance rates of return.

About 5QIR

Based on the belief that effective Investor Relations goes beyond four quarters, 5 Quarters Investor Relations, Inc. was established to support public companies with financial communications, continuous disclosure compliance and proactive investor outreach programs. The firm is based in Calgary, Alberta, and is owned and operated by Cindy Gray, a seasoned IR professional with over 16 years of experience working in IR as well as leading the oil & gas business development practice for TSX and TSX Venture Exchange from Calgary. For further information, please visit www.5qir.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Note Regarding Forward-Looking Statements and Other Advisories

It should not be assumed that the discounted future revenue estimated by NSAI represents the fair market value of the reserves. Company interest means, in relation to the Company's interest in production and reserves, the Company's working interest (operating and non-operating) before the deduction of royalties payable and including such entity's royalty interest in production and reserves.

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Transaction, the Company's plans, the closing of the Transaction, the timing of the Operator's development and drilling of the assets, and other aspects of management focus, objectives, strategies and business opportunities. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future. Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and that the reserves or resources can be profitably produced in the future. The forward-looking information is based on certain key expectations and assumptions made by the Company's management, including expectations and assumptions concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserve and resource volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labor and services; the impact of increasing competition; ability to market oil and natural gas successfully; the Company's ability to access capital, and obtaining the necessary regulatory approvals.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that the Company will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on the Company's future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these

and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). These forward-looking statements are made as of the date of this press release and the Company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Where amounts are expressed on a barrel of oil equivalent ("boe") basis, natural gas volumes have been converted to boe using a ratio of 6,000 cubic feet of natural gas to one barrel of oil (6 Mcf: 1 Bbl). This boe conversion ratio 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 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 Mcf: 1 Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.

Where volumes of reserves and production have been presented, they have been presented as company working interest, gross of royalties.

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