



SURMONT ENERGY LTD. RECEIVES GOVERNMENT APPROVAL OF APPLICATION FOR ITS 12,000 BOPD WILDWOOD OIL SANDS PROJECT

CALGARY, ALBERTA -- (September 15, 2016) – Calgary-based Surmont Energy Ltd. (“Surmont”, “the Company”) announces that the Lieutenant Governor in Council of the Province of Alberta, Canada, has issued an Order dated September 15, 2016, authorizing the Alberta Energy Regulator (“AER”) to issue approval of the project scheme application for the Company’s 100%-owned 12,000 barrel per day (“b/d”) Wildwood oil sands project.

The Order may be viewed on the Queen’s Printer website at <http://www.qp.alberta.ca/507.cfm>.

THE WILDWOOD OIL SANDS PROJECT

The Company’s Wildwood oil sands project location is about 65 kilometres south of Ft. McMurray, Alberta, immediately west of ConocoPhillips Canada’s successful Surmont oil sands project.

The Wildwood Project is to utilize the proven steam-assisted gravity drainage (“SAGD”) method to recover bitumen, planned currently with 800-metre long horizontal well pairs drilled at depths of around 485 metres. SAGD has been effectively applied at the adjacent ConocoPhillips Surmont oil sands project and allows greatly reduced surface impacts compared to oil sands mining projects. Wildwood’s design incorporates comprehensive measures to minimize environmental impacts, including a low surface footprint, no surface water use, recycling up to 97% of water produced by the bitumen extraction process, utilization of natural gas to fuel steam generation and electricity cogeneration, and progressive surface reclamation throughout the life of the project.

The recently received approvals are valid for production of up to 12,000 b/d of bitumen from a northwest portion of Surmont’s Wildwood leases. The Company assesses the Wildwood leases to be capable of future expansions to total production of 30,000 b/d. Future expansions would require additional regulatory approvals.

WILDWOOD OIL SANDS PROJECT APPLICATION HISTORY

Surmont submitted its comprehensive Wildwood project applications to the AER in early October 2012, for approvals under the *Oil Sands Conservation Act* (“OSCA”), and to the Government of Alberta Department of Environment and Sustainable Resource Development for approvals under the *Environmental Protection and Enhancement Act* (“EPEA”). During the review process, the AER became the regulatory authority for both OSCA and EPEA approvals for this type of project.

As part the regulatory review process, Surmont conducted extensive consultation with local stakeholders, including indigenous groups, and plans to continue such consultations with the objective of growing constructive long-term relationships.

NEXT STEPS FOR THE WILDWOOD OIL SANDS PROJECT

Receiving the overall scheme approval for the Wildwood Project is an important step in the Company being able to move the Wildwood project toward a positive final investment decision.

Significantly declining project costs and the Government of Alberta's Oil Sands Royalty Regime are positive elements for oil sands projects. As well, oil sands production technologies have evolved rapidly over the period of the Wildwood project's application review process. Surmont will be incorporating improvements into its Wildwood project plans to confirm the project's economic attractiveness at or below current oil prices. This work also is intended to optimize designs toward smaller project phases having greatly reduced capital intensity, and to limit greenhouse gas emissions.

ABOUT SURMONT ENERGY LTD.

Surmont Energy Ltd. was founded in 2011 and is headquartered in Calgary, Alberta, Canada. The Company is privately held, mainly by Alberta and other Canadian shareholders.

CAUTIONARY STATEMENTS

This information release contains certain "forward-looking statements" within the meaning of such statements under applicable securities law. Forward-looking statements are frequently characterized by words such as "schedule", "plan", "expect", "estimate", "forecast", "intend", "believe", "anticipate", "proposed", "prospective", "projects" and other similar words, or statements that certain events or conditions "may", "might", "will", "would", or "could" occur. Forward-looking statements are based on Surmont's experience and current beliefs as well as assumptions made by, and information currently available to, Surmont, and are subject to a variety of risks and uncertainties including, but not limited to, those associated with resource definition, unanticipated costs and expenses, regulatory approvals, fluctuating oil and gas prices, and the ability to access sufficient capital under suitable conditions to finance future acquisitions and development. Although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the assumptions and factors discussed in this information release are not exhaustive and readers are not to place undue reliance on forward-looking statements. Surmont expressly disclaims any intention or obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise, subsequent to the date of this message, except as required under applicable securities legislation. All forward-looking statements are expressly qualified by these cautionary statements.

FURTHER INFORMATION

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