



news release

Cona Resources Ltd. (formerly Northern Blizzard Resources Inc.) Announces Results of Change of Control Offer for 7.25% Senior Notes due 2022 and Redemption of Remaining Senior Notes

CALGARY, ALBERTA (July 31, 2017) – Cona Resources Ltd. (formerly Northern Blizzard Resources Inc.) (“Cona” or the “Company”) announces the final results and settlement of its offer (the “Offer”) to purchase for cash any and all of its US\$269.7 million outstanding 7.25% Senior Notes due 2022 (the “Notes”). The Company offered to purchase for cash any and all of the outstanding Notes at a purchase price equal to 101% of the principal amount of the Notes plus accrued and unpaid interest up to, but not including, the date of payment, on the terms and subject to the conditions set forth in the Company’s Change of Control Notice and Offer to Purchase and accompanying Letter of Transmittal dated June 9, 2017.

The Offer expired at 5 p.m., New York City time, on July 26, 2017, with US\$262.2 million in aggregate principal amount or 97.2% of Notes validly tendered and not validly withdrawn. All tendered Notes were accepted by the Company for purchase and payment was made on July 31, 2017. After giving effect to the purchase of the tendered Notes, an aggregate principal amount of US\$7.5 million of the Notes remains outstanding.

The indenture governing the Notes provides that if holders of at least 90% of the Notes accept the Offer and Cona purchases all such Notes, Cona has the right to redeem all of the Notes that remain outstanding at a purchase price equal to 101% of the principal amount of such Notes plus accrued and unpaid interest up to, but not including, the date of such redemption. Accordingly, the Company notified holders of the remaining Notes that on August 31, 2017 it will redeem all such Notes at a purchase price equal to 101% of the principal amount of such Notes plus accrued and unpaid interest up to, but not including, August 31, 2017.

The purchase of the Notes plus accrued and unpaid interest totalled US\$274.4 million (CAD\$345.2 million). The payment was financed through a draw of \$186.8 million on the Company’s existing credit facility, a \$160.0 million second lien term loan entered into for the purposes of financing the Offer and cash on hand. The term loan matures on July 28, 2020, and is repayable at par during the first year, 102.5% during the second year and 105% during the third year. The term loan bears interest at the Canadian Dollar Offered Rate (“CDOR”) plus 7.5% (today, approximately 8.7%) during the first year, and CDOR plus 10.0% thereafter. RBC Capital Markets and TD Securities acted as joint lead arrangers and bookrunners for the term loan.

After the redemption of the remaining Notes, all of the Company’s debt will be denominated in Canadian dollars.

Cona Resources Ltd.

Cona is a Canadian crude oil production and development company focused on maximizing oil recovery from its large-scale oil resource base. The Company’s operations, infrastructure and concentrated land position are focused in southwest Saskatchewan. Cona’s common shares trade on the Toronto Stock Exchange under the symbol CONA.

For further information about Cona Resources Ltd., please visit our website at www.conaresources.com or contact:

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John Rooney
Chief Executive Officer

Michael Makinson
Vice President, Finance & Chief Financial Officer

ADVISORIES

This news release contains forward-looking information or forward-looking statements (collectively, “forward-looking statements”) within the meaning of applicable securities laws, including with respect to the redemption of the outstanding Notes by the Company. The reader is cautioned that forward-looking statements are based on certain assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking information will not occur. Readers should also refer to the risk factors set forth in the Company’s annual information form dated March 10, 2017 available at www.sedar.com. There can be no assurance that the plans, intentions or expectations upon which forward-looking statements is based will be realized. Actual results may differ, and the difference may be material and adverse to the Company and its shareholders.