



news release

Cona Resources Ltd. Announces Borrowing Base Redetermination and Amendments to its Credit Facility

CALGARY, ALBERTA (May 14, 2018) – Cona Resources Ltd. ("**Cona**" or the "**Company**") (TSX: CONA) is pleased to announce that the annual review of its credit facility (the "**Credit Facility**") has been completed and certain terms of the Credit Facility were amended.

The borrowing base and commitment amount of the Credit Facility was reduced to \$300 million from \$325 million. As of March 31, 2018, there was \$198.9 million drawn on the Credit Facility. The reduced commitment amount will result in lower standby fees on unutilized amounts available under the Credit Facility.

The revolving period under the Credit Facility is extendible annually by 364 days at Cona's request, subject to the approval of each lender. If the Credit Facility is not renewed at the end of the revolving period, outstanding borrowings under the Credit Facility are converted to a one-year loan. The revolving period of the Credit Facility was extended to July 12, 2019 and the maturity date to July 12, 2020.

Cona currently has a \$140.0 million term loan due July 28, 2020. The term loan can be repaid using cash flow from operations and proceeds from asset sales, debt or equity issuances, subject to certain restrictions under the Credit Facility. In the event Cona's term loan remains outstanding as of July 12, 2019 (the end of the Credit Facility's current revolving period) and the term loan maturity date is not extended to a date later than October 12, 2020, the maturity date of the Credit Facility will be advanced to April 28, 2020.

Cona is required to comply with two financial covenants under the Credit Facility: a senior debt to EBITDA ratio (not to exceed 3.0 times) and an interest coverage ratio (not less than 2.5 times). Cona was in compliance with both covenants at March 31, 2018. In response to volatile oil prices and heavy oil differentials, the financial covenants were amended as a precautionary measure. As a result, for the quarters ending September 30, 2018 through to and including September 30, 2019, the senior debt to EBITDA ratio was increased to 4.0 times and the interest coverage ratio was decreased to 2.0 times.

Cona Resources Ltd.

Cona is a Canadian crude oil production and development company focused on maximizing recovery from its large-scale oil resource base. The Company's operations, infrastructure and land position are located 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:

Cona Resources Ltd.
Telephone: 403-930-3000

Rob Morgan
President & Chief Executive Officer

Michael Makinson
Vice President, Finance & Chief Financial Officer