

## NEWS RELEASES

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### **CALGARY, ALBERTA--(Marketwired - Sept. 19, 2016) - Lightstream**

Resources Ltd. (the "Company" or "Lightstream") (TSX:LTS) announces that the Company has not been able to reach a satisfactory settlement agreement with respect to the litigation (the "Unsecured Noteholder Litigation") that has been commenced by certain holders of the Company's 8.625% unsecured notes due February 1, 2020 (the "Unsecured Notes"). Under the terms of a restructuring support agreement dated July 12, 2016, as amended and restated August 26, 2016 (the "Support Agreement") between the Company and an ad hoc committee (the "Ad Hoc Committee") of certain holders (the "Secured Noteholders") of the Company's 9.875% second lien secured notes due 2019, a settlement of the Unsecured Noteholder Litigation, acceptable to both the Company and the Ad Hoc Committee, had to be reached on or before September 16, 2016.

As a result of the failure to reach such a settlement, in accordance with the terms of the Support Agreement, the Company is required to discontinue our currently contemplated plan of arrangement under the *Canada Business Corporations Act* (the "CBCA Arrangement"), commence proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA") and seek an initial order under the CCAA for the purposes of implementing a sale transaction under the CCAA (a "CCAA Sale Transaction") by way of a credit bid by the Secured Noteholders or other form of transaction within the CCAA proceedings acceptable to both the Company and the Ad Hoc Committee, all subject to the terms and conditions of the Support Agreement.

Accordingly, the Company intends to initiate proceedings at the Court of Queen's Bench of Alberta (the "Court") to implement the CCAA Sale Transaction pursuant to an initial order (the "CCAA Initial Order") on September 26, 2016. The Company anticipates that the stay prohibiting any person, including holders of the Company's Unsecured Notes ("Unsecured Noteholders") and Secured Noteholders, other than the lenders under the Company's revolving credit facility (the "Lenders"), from terminating, making any demand, accelerating, amending or declaring in default or taking any enforcement steps under any contract or other agreement to which the Company is a party, that was initially granted on July 13, 2016 and re-confirmed on August 29, 2016 will be supplemented and replaced by a broad stay of proceedings pursuant to the terms of the CCAA Initial Order.

Trading of Lightstream securities on the Toronto Stock Exchange has been halted. The Company expects that trading will be suspended indefinitely and that the Toronto Stock Exchange will begin de-listing review proceedings on an expedited basis.

In addition to the foregoing, the Company has entered into a second forbearance agreement (the "Forbearance Agreement") with The Toronto-Dominion Bank, as Administrative Agent and other Lenders. Under the terms of the Forbearance Agreement, among other things, the Lenders have agreed, subject to customary conditions and provided that the Company commences proceedings under the CCAA in accordance with the Support Agreement and the Forbearance Agreement, to forbear from exercising their enforcement rights and remedies arising on account of the cross defaults that have occurred under the revolving credit facility, including in respect of the Company's hedging liabilities, until December 31, 2016. A copy of the Forbearance Agreement will be filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

On July 13, 2016 we began a robust sale and investment solicitation process (the "SISP"). We anticipate that the Court will approve the continuation of the SISP under the CCAA proceedings as part of the CCAA Initial Order to consummate the CCAA Sale Transaction pursuant to further order of the Court.

The commencement of the CCAA Sale Transaction is not expected to affect normal course business operations. We continue to have cash on-hand and are continuing to pay all service providers, suppliers, contractors and employees as we pursue completion of the CCAA Sale Transaction.

As result of the commencement of the CCAA process, the Company will not be holding the special meetings of Secured Noteholders or Unsecured Noteholders that were called to approve the CBCA Arrangement on September 30, 2016, as previously announced and will not be proceeding with its scheduled application for a final order of the Court of Queen's Bench of Alberta to approve the CBCA Arrangement on October 5, 2016. The meeting of holders of Lightstream's common shares ("Shareholders") will still be held as planned on September 30, 2016 to conduct the required annual meeting matters including the election of directors and appointment of auditors, but the CBCA Arrangement will not be considered at the meeting. The AGM is scheduled to commence at 9:00 am on September 30, 2016 and will be held at Eighth Avenue Place, Fourth Floor, 525 - 8<sup>th</sup> Avenue S.W., Calgary, Alberta.

Readers are urged to consult the Company's press releases issued July 12, 2016, July 13, 2016, July 28, 2016, August 5, 2016, August 10, 2016, August 26, 2016 and September 9, 2016 as well as its management information circular dated August 29, 2016, for further details respecting the proposed recapitalization, the CCAA Sale Transaction and the AGM.

**Lightstream Resources Ltd.** is an oil and gas exploration and production company focused on light oil in the Bakken and Cardium resource plays. We are committed to delivering industry leading operating netbacks, strong cash flows and consistent operating results through leading edge technology applied to a multi-year inventory of existing and emerging resource play opportunities. Our long-term strategy is to efficiently develop our assets and deliver an attractive dividend yield.

**Forward-Looking Information.** Certain information provided in this press release constitutes forward-looking information (within the meaning of applicable Canadian securities laws). Specifically, this press release contains forward-looking information in respect of the Company's proposed Arrangement, including the anticipated timing of the AGM, the commencement of the CCAA proceedings, the ability of the Company to successfully complete the CCAA Sale Transaction, the approval by the Court of the continuance of the SISP, the trading and de-listing of Lightstream's securities and the ability of the Company to continue normal course business operations and the payment of all service providers, suppliers and contractors as it pursues completion of the CCAA Sale Transaction. The forward-looking statements are based on information currently available as well as certain expectations and assumptions. Although Lightstream believes 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 Lightstream can give no 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, which risks include, without limitation that the Company may not be able to complete the recapitalization, including the CCAA Sale Transaction, on the timeline or on the terms currently contemplated or at all, the Court may make an order or determine a matter

relating to the CCAA Sale Transaction or the SISP not currently anticipated by the Company, the Company may not be able to continue normal course business operations and the payment of all service providers, suppliers and contractors as it pursues completion of the CCAA Sale Transaction, the recapitalization may have an effect on the Company other than what is currently anticipated, the pursuit of the recapitalization, Arrangement and related activities may divert management time and attention away from other business matters, and that the Company's business is exposed to commodity price and exchange rate fluctuations and changes in the general conditions in the oil and gas industry and in general economic conditions. In addition, the Company is exposed to each of the risks set forth in the <http://www.lightstreamresources.com/news/news-releases.cfm?newsReleaseAction=view&releaseId=196>

general economic conditions. In addition, the Company is exposed to each of the risks set forth in the AIF which has been filed on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com). Except as may be required by applicable securities laws, Lightstream assumes no obligation to publicly update or revise any forward-looking information provided herein or otherwise, whether as a result of new information, future events or otherwise.

**Contact**

John D. Wright  
President and Chief Executive Officer

Peter D. Scott  
Senior Vice President and Chief Financial Officer

Annie. C. Belecki  
General Counsel

Lightstream Resources Ltd.  
403.268.7800  
403.218.6075 (FAX)  
[ir@lightstreamres.com](mailto:ir@lightstreamres.com)  
[www.lightstreamresources.com](http://www.lightstreamresources.com)