

News Release
Red Rock Energy Inc.

Red Rock Provides Reorganization Update

May 4, 2017 – Red Rock Energy Inc. (NEX - RRK.H) ("**Red Rock**" or the "**Corporation**") is pleased to announce that further to its press release of January 25, 2017 with respect to its reorganization plan (the "**Reorganization**"), the Corporation has completed the following steps of the Reorganization: (i) the shares for debt transaction; (ii) the consolidation of the common shares of the Corporation; (iii) the non-brokered private placement of units of the Corporation; and (iv) the change in the board of directors and management of the Corporation.

Shares for Debt Transaction

The Corporation issued 9,037,322 pre-Consolidation (as defined herein) common shares at \$0.08 per share to satisfy \$722,986 of existing indebtedness with certain directors, officers and related parties of the Corporation (the "**Shares for Debt Transaction**"). The Corporation has determined that exemptions from the various requirements of the TSX Venture Exchange ("**TSX-V**") Policy 5.9 and Multilateral Instrument 61-101 are available for the issuance of the shares to such directors, officers and related parties (Formal Valuation - Issuer Not Listed on Specified Markets; Minority Approval - Fair Market Value Not More than 25% of market Capitalization).

Share Consolidation

The Corporation completed a consolidation (the "**Consolidation**") of its common shares on the basis of one new post-Consolidation common share for every 13.35 pre-Consolidation common shares. Shareholders of the Corporation approved a resolution relating to the Consolidation at the annual and special meeting of shareholders held on February 14, 2017 (the "**Meeting**").

The 60,075,000 common shares of the Corporation outstanding (which includes the common shares issued in connection with the Shares for Debt Transaction but excludes the common shares issued in connection with the Unit Private Placement (as defined herein)) have been reduced to 4,500,000 common shares. The Corporation's name and trading symbol will remain unchanged.

Unit Private Placement

The Corporation completed a non-brokered private placement of 10,000,000 units ("**Units**") at a price of \$0.05 per Unit for gross proceeds of \$500,000 to a new investor group (the "**Unit Private Placement**"). Each Unit is comprised of one post-Consolidation common share and one warrant (a "**Warrant**"), with each Warrant entitling the holder thereof to purchase one additional post-Consolidation common share at a price of \$0.10 per share until May 3, 2018. The securities issued pursuant to the Unit Private Placement are subject to a four month hold period that expires on September 4, 2017. Following the completion of the Unit Private Placement, the Corporation has 14,500,000 post-Consolidation common shares issued and outstanding.

Each of Jose Francisco Arata, Marino Ostos, Wuilian Mauco and Krishna Vathyam subscribed for 2,500,000 Units under the Unit Private Placement, thereby becoming new Control Persons (as defined in TSX-V Policy 4.1) in respect of Red Rock. Shareholders of the Corporation approved a resolution authorizing the creation of such new Control Persons at the Meeting. Please see

below under "New Directors and Officers" and the management information circular prepared in connection with the Meeting for further information with respect to these individuals.

Completion of the Unit Private Placement is subject to the receipt of all necessary regulatory approvals including TSX-V acceptance.

New Directors and Officers

The Corporation also announces that Jose Francisco Arata, Marino Ostos and Krishna Vathyam have been appointed directors of Red Rock and that Krishna Vathyam will be appointed interim Chief Executive Officer and Bruce Cameron will be appointed interim Chief Financial Officer.

Jose Francisco Arata – Mr. Arata was the President of Pacific Exploration & Production Corp. (TSX) ("**Pacific Exploration**") from January 23, 2008 until July 2015. He was also Chief Executive Officer and director of Pacific Stratus International Energy Ltd. (TSX) ("**Pacific Stratus**") from August 21, 2006 to January 23, 2008. Mr. Arata was also a director of Pacific Coal Resources Ltd. and CGX Energy Inc. (TSX-V) ("CGX"). Mr. Arata is a geologist with vast experience in Latin America markets. He presently serves on boards of various private companies.

Marino Ostos – Mr. Ostos was Senior Vice President, New Business Areas for Pacific Exploration from January 23, 2008 until July 2016. He was also Chief Operating Officer of Pacific Stratus from August 2006 to October 2007, President of Colombian Operations of Pacific Stratus from May 2006 to May 2007 and President and Chief Executive Officer of Pacific Stratus from October 2004 to August 2006. Mr. Ostos was Principal of Estudios de Ingenieria Geologica LITOS C.A. from December 1999 to October 2004. Mr. Ostos was also a director of CGX until December 2016.

Krishna Vathyam – Mr. Vathyam is currently an independent businessman and serves in various private oil and gas companies and oilfield services companies as President and/or director, and was previously the Chairman and CEO of Petrodorado Energy Ltd. (TSX-V), a Colombia focused junior E&P which Mr. Vathyam founded in early 2009. He has extensive experience in international markets, having spent 23 years with Schlumberger, a leading global oilfield services company.

Bruce Cameron – Mr. Cameron is a CPA (CMA) and President of Frontera Services Inc. a private consulting company. He provides CFO/Controller services to early stage and recap private and public clients to establish financial reporting and internal control procedures.

The Corporation is also announcing that David M. Lewis, Michael Matishak and Brent J. Walter have each resigned as a director of the Corporation in order to make room for the new directors and Sandy L. Loutitt will resign as President and Chief Executive Officer and Michael Matishak will resign as Chief Financial Officer of the Corporation.

Reactivation

The Corporation intends to re-list the Corporation on the TSX-V (the "**Reactivation**"), which will include the commissioning of a new work program on one of the Corporation's existing properties, or such other opportunity as may present itself to the Corporation.

Concurrent with the completion of the Reactivation and the re-listing of the Corporation on the TSX-V, the Corporation intends to complete a non-brokered private placement of 20,000,000 post-Consolidation common shares at a price of \$0.10 per share for gross proceeds to Red Rock of \$2,000,000.

Completion of the Reorganization is conditional upon satisfaction of a number of conditions precedent, including completion of the aforementioned financing and the receipt of all necessary corporate and regulatory approvals, including approval of the TSX-V.

Trading in the common shares of Red Rock on the NEX is halted and may remain so until completion of the Reactivation.

Early Warning Information

Each of Jose Francisco Arata, Marino Ostos, Wuilian Mauco and Krishna Vathyam subscribed for 2,500,000 Units under the Unit Private Placement. Each of Mr. Arata, Mr. Ostos, Mr. Mauco and Mr. Vathyam now own a total of 2,500,000 post-Consolidation common shares and 2,500,000 warrants of the Corporation, representing approximately 17.2% of the issued and outstanding voting securities of the Corporation on a non-diluted basis, respectively, and 20.4% of the issued and outstanding securities of the Corporation, assuming exercise of the warrants held by Mr. Arata, Mr. Ostos, Mr. Mauco and Mr. Vathyam, respectively. The Units were acquired for investment purposes and either Mr. Arata, Mr. Ostos, Mr. Mauco or Mr. Vathyam may increase or decrease his beneficial ownership or control depending on market or other conditions. Copies of the Early Warning Reports will be filed on www.SEDAR.com.

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Reader Advisory

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any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The offered securities mentioned in this press release will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act.*

This new release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

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