



ORACLE PROVIDES UPDATE ON TEXAS EAGLE FORD ACQUISITION, RESULTS OF NI 51-101 REPORT AND FUNDING PLANS

Fort Worth, Texas August 27 2018 – Oracle Oil and Gas LLC (**Oracle Oil and Gas**) a wholly owned subsidiary of Oracle Energy Corp. (“**Oracle**” or the “**Company**”) (TSX.V: OEC) (Frankfurt: O2E) is pleased to provide an update on the acquisition of Texas Eagle Ford assets described in the June 19 news release.

The Assets

Oracle has completed initial payments, each for US\$500,000, on 2 assets in the Eagle Ford.

The first asset is the subject of a Purchase and Sale Agreement dated June 7, 2018 with an arm’s length private limited liability company qualified to do business in Texas whereby Oracle is to acquire specific infrastructure and oil and gas mineral acreage which are held by production (the “HBP Assets”), located in South Texas. The productive formations which are present throughout the area are the Buda (the deepest), the Eagle Ford (upper and lower) and the Austin Chalk (the shallowest). The HBP Assets include 2547 net acres of mineral lease rights, of which 613 acres are to the base of the Buda, 640 acres are to the base of the Eagle Ford and 1294 acres are to the base of the Austin Chalk. The HBP Assets also include; 7 producing wells, 6 shut in wells, a water disposal well and the production infrastructure situated on the properties. The July production from the HBP Assets was 1273 barrels of oil and 5020 thousand cubic feet of gas. There is opportunity with the existing wells for workovers to significantly increase production. Pursuant to the terms of the Purchase Agreement the Company will acquire a 100% working interest and a 74% net revenue interest. The total consideration to be paid by the Company for the Assets is US\$5,000,000 (the “Purchase Price”) payable by September 28, 2018 (the “Closing Date”) subject the payment of a 10% down payment (US\$500,000) by July 1, 2018, which was completed on June 28.

The second asset is the subject of an Option Agreement, dated May 19, 2018, with four arm’s length private entities doing business in Texas (collectively the “Optionors”) which own acreage adjoining the HBP Assets (the Adjoining Lands). This Option Agreement will result a total (including the HBP acreage) of 6310 net acres of which 4923 acres are for all depths, 613 acres are to the base of the Buda, 640 acres are to the base of the Eagle Ford and 134 acres to the base of the Austin Chalk. In accordance with this agreement Oracle has paid the option payment of US\$500,000 and is required to sign an Oil and Gas Lease and a Surface Lease and to pay the balance for the leases by September 28, 2018. This full consideration will earn; a working interest of 100%, a 3 year right to drill, an option to extend the lease for another 2 years and the subsequent right to retain the productive acreage by payment of a 25% royalty on production. The lease includes a requirement to drill 2 wells in the first year of the lease.

Oracle is focused on exploiting the Lower Eagle Ford in addition it is aware of the production potential in this acreage in the Buda and the Austin Chalk formations.

In addition to the 2 Agreements described above and as reported in the June 19 press release Oracle has also entered into an agreement, dated May 1, 2018, with a private Texas entity in respect to obtaining oil and gas rights relating to “Additional Lands” which are adjoining the HBP Assets and the Adjoining Lands.

The NI 51-101 Report

Oracle commissioned RPS Energy Limited (RPS) an independent qualified evaluator, to prepare a report of the oil and gas recovery potential from the Lower Eagle Ford in the proposed acreage. Based on the results of the

evaluation conducted by RPS, with an effective date of May 1, 2018, Oracle expects commercially recoverable volumes of 31 million barrels of oil and 59 billion cubic feet of gas from the Lower Eagle Ford formation in the lease area. These volumes are currently classified as 2C Contingent Resources in the Development Pending subclass. The 2C classification indicates there is a 50% probability the recovered volumes will exceed these estimates and a 50% probability that the recovered volumes will be less than these estimates. The un-risked, after tax, net present value, discounted at 10%, for these assets is \$329 MM US. The project development, based on a conceptual development plan, would begin with drilling commencing in early 2019 and completing in early 2023. First production would occur the first half of 2019. The development plan calls for 50 horizontal, long lateral, wells and a development cost of \$358 MM US. There is uncertainty that it will be commercially viable to produce any portion of the resources.

With respect to the recoverable resources evaluated in the RPS report Oracle notes that the specific contingencies which prevent the classification of the resources as reserves are related to obtaining the necessary financing to develop the resource; and that the technical risks associated with the recovery of the resources are minimal, as there are existing producing analog wells surrounding and within the lease area. The significant positive factors relevant to the estimate are the potential to bring undrilled lands, with proven production potential in the subject producing formation, on production within a very short time frame by application of modern horizontal well drilling and completion practices. The significant negative factors relevant to the estimate relate to the recovery technology being primary recovery by fluid expansion drive and the potential variability in long term production rates due to unpredictable variations in oil shale quality within the license area.

Funding

The forecast spending on the HBP assets and the Adjoining Lands for the first 6 months is \$18.7 million US of which \$10.3 million US is for land acquisition and A&G with the remaining \$8.4 million for the drilling of an Eagle Ford long lateral horizontal well.

Oracle's funding plan for developing this program includes an equity raise in Canada for the land acquisition and a structured debt raise in the US for drilling funds. Oracle is discussing the Canadian equity raise with several Canadian institutions and expects to appoint a lead banker in August. Oracle has also retained Petrie Partners Securities, LLC (with its affiliate, Petrie Partners, LLC, "Petrie"), a preeminent boutique investment banking firm to the oil and gas industry, to assist in raising development capital for the drilling portion of the Eagle Ford Development Project.

Resumption of Trading

The Company expects that its shares will resume trading on the TSX Venture Exchange within the next few days.

Chairman Comments

Chairman and CEO, Darrell McKenna commented "Oracle's contingent resource evaluation is a critical step in planning for the exploitation of and making the case for our Eagle Ford assets. The report supports and bolsters the magnitude and scale of Oracle's opportunity. Furthermore, the report verifies our views of ultimate recoveries and confirms the economics. We are confident that we are in the right basin – the Eagle Ford - and are taking the necessary steps to bring value to our stakeholders. Oracle is bullish on the Eagle Ford and intends to continue growing a position in this resource play. We believe the application of 'cutting edge' technology to drilling, completing and operating the Eagle Ford will provide superior returns to our shareholders. We are excited about the partnership with Petrie and view them as the ideal advisor to help secure funds for Oracle's long-term strategic plan to execute on its exciting Eagle Ford drilling opportunity."

The acquisition of the acreage HBP Acreage, the Additional Lands and the Adjoining Lands is subject to the receipt of approval from the TSX Venture Exchange.

About Petrie

Petrie is a boutique investment banking firm offering financial advisory services to the oil and gas industry. Petrie provides specialized advice on mergers, divestitures and acquisitions and private placements.

The firm was formed in 2011 by senior bankers formerly with Bank of America Merrill Lynch and Petrie Parkman & Co., an investment bank that built a reputation as a trusted advisor to energy clients during the nearly two decades leading up to its merger into Merrill Lynch in 2006. Through tenure with Petrie Parkman, Merrill Lynch and Bank of America Merrill Lynch, the senior members of the Petrie team bring to bear an average of more than 25 years of energy investment banking experience, including over 300 energy M&A and capital raising transactions representing over \$350 billion of aggregate consideration.

ON BEHALF OF THE BOARD OF DIRECTORS.

Darrell McKenna; Chairman and CEO

About Oracle Energy Corp.

Oracle Energy Corp. (TSX.V: OEC) (Frankfurt: O2E) is a junior oil and gas development company focused on acquiring development assets in North America and with current focus on the Texas Eagle Ford.

For further information, please contact:

Darrell L McKenna

Chairman & CEO

Mobile: 1-832-212-1930

Email: dmckenna@oracleenergy.com

Nasim Tyab

Founder & Capital Markets Strategist

Mobile: 778-373-6911

nasim@oracleenergy.com

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