



NEWS RELEASE

June 1, 2016

LGX OIL + GAS INC. ANNOUNCES THAT IT WILL NOT OPPOSE THE APPOINTMENT OF A RECEIVER AND RESUMES TRADING

Calgary, Alberta – June 1, 2016 LGX Oil + Gas Inc. ("LGX", or the "Company") (TSXV: OIL) announces that the Company's lender will file an application with the Court of Queen's Bench of Alberta to place the Company into Receivership and appoint Ernst & Young Inc. as Receiver to manage the Company's affairs (the "**Receiver**"). The application is anticipated to be heard in Court on Tuesday, June 7, 2016 at 11:00 a.m. (MST) and it is expected the Court will grant the application. The Receiver will be charged with managing the day to day affairs of the Company during the period of appointment and should be contacted with respect to any questions concerning the assets and liabilities of LGX. Commencing at market open June 2, 2016 the Company's shares will resume trading.

LGX's daily operations, financial position and strategic alternative process have been significantly disrupted and impacted due to LGX's Manyberries property being subject to an Emergency Order for the Protection of the Greater Sage-Grouse pursuant to *the Species at Risk Act* (Canada) ("Emergency Order") which came into effect on February 18, 2014 to address the imminent threats to the survival and recovery of the Greater Sage-Grouse. This was the first and only time that an Emergency Order has been issued under *the Species at Risk Act* (Canada), even though the legislation has been in existence since 2002.

Due to the extreme limitations to LGX's development and operational activities, the Emergency Order has had a significant adverse effect on LGX's ability at Manyberries to maintain and increase production and drill new wells that may result in potential revisions to the reserves attributable to the Manyberries property in any future estimate of such reserves.

In December 2015, the Company and its working interest partners brought a claim against the Attorney General of Canada seeking compensation in the amount of \$60 million for the de facto expropriation and injurious affection of their working interests in the oil and gas assets in the Manyberries oilfields that are affected by the Emergency Order, SOR/2013-202 published in Part II of the Canada Gazette on December 4, 2013.

LGX has been unable to secure additional financing or sell the Manyberries property due to the pervasive ramifications of the Emergency Order. Any operating guidelines developed to-date by Environment Canada are far from being comprehensive, transparent and reliable and the Company does not believe satisfactory resolution will be forthcoming. However, the Company continues to operate its Manyberries property in accordance with the prohibitions of the Emergency Order and is in compliance with the Alberta Energy Regulator rules, regulations and requirements.

Therefore, as the Company is unable to repay the demanded debt of \$31.3 million by June 10, 2016, compounded by the systemic damage of the Emergency Order, the Company's Board of Directors has decided not to oppose the appointment of the Receiver and have resigned effective immediately upon the appointment of the Receiver. As a result, the Annual General and Special Meeting of Shareholders scheduled for June 30, 2016 is cancelled.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Reader Advisory and Note Regarding Forward Looking Information

Certain statements contained within this press release, and in certain documents incorporated by reference into this document constitute forward looking statements. These statements relate to future events or future performance. All statements, other than statements of historical fact, may be forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements.

In particular, this press release contains the following forward looking statements pertaining to, without limitation, the following: (i) LGX' ability to repay the debt; (ii) whether the Court will grant the Receivership Application; and (iii) the anticipated timing of the Receivership application hearing.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward looking statements contained in this press release and the documents incorporated by reference herein are expressly qualified by this cautionary statement. The forward looking statements contained in this press release speak only as of the date thereof and LGX does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws