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**PETROSHALE ANNOUNCES EQUITY OFFERING AND AMENDMENTS TO ITS SENIOR CREDIT FACILITY**

March 21, 2017 – PetroShale Inc. ("**PetroShale**" or the "**Company**") (TSXV: PSH, OTCQX: PSHIF) is pleased to announce today that it has filed, and obtained a receipt for, a preliminary short form prospectus in each of the provinces of Alberta, British Columbia, Ontario and Saskatchewan in respect of a commercially reasonable best efforts marketed public offering (the "**Offering**") of a minimum (the "**Minimum Offering**") of 77,777,778 common voting shares (the "**Shares**") and a maximum (the "**Maximum Offering**") of 111,150,000 Shares, each at a price of \$0.90 per Share, for minimum proceeds of \$70,000,000 and maximum proceeds of \$100,035,000. The Offering will be conducted by Haywood Securities Inc. (the "**Agent**") as the Company's sole agent. In connection with the Offering, the Company has granted to the Agent an over-allotment option, exercisable in whole or in part for a period of 30 days from closing of the Offering, to offer for sale up to an additional 10% of the number of Shares sold under the Offering, at a price of \$0.90 per Share, to cover over-allotments, if any.

Mr. M. Bruce Chernoff ("**Chernoff**"), the Company's largest shareholder, Executive Chairman, Chief Executive Officer and a Director has advised the Company and the Agent that, and it is a condition of the Offering that, he will purchase, either directly or indirectly through affiliated entities beneficially owned or controlled by him, a minimum of 38,888,889 Shares pursuant to the Offering (being a minimum of approximately \$35 million of Shares, which amounts may form part of the Minimum Offering, and may purchase up to 55,555,556 Shares (approximately \$50 million of Shares) pursuant to the Offering. Such participation by Chernoff in the Offering is considered to be a "related party transaction" (as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**")) and is exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 as a result of available exemptions thereunder, which are described in greater detail in the Company's preliminary short form prospectus. It is also a condition of the Offering that at least 38,888,889 Shares will be issued (exclusive of any Shares purchased by Chernoff).

The Offering is subject to regulatory approval, including approval of the TSX Venture Exchange, and the entering into by the Company and the Agent of an agency agreement, and is expected to close on or about April 11, 2017. The Company intends to use the net proceeds of the Offering for debt repayment, its increased capital program and for general corporate purposes.

PetroShale is also pleased to announce that it has entered into an agreement with its lender under its senior secured revolving credit facility ("**Senior Credit Facility**"), to provide for an increase in the borrowing base and credit available thereunder to US\$30.9 million and an extension of the revolving term of the Senior Credit Facility to February 28, 2018. A copy of the amendment to the Senior Credit Facility is available on SEDAR at [www.sedar.com](http://www.sedar.com) under PetroShale's SEDAR profile.

**About PetroShale Inc.**

PetroShale is an oil company engaged in the acquisition, development and consolidation of interests in the North Dakota Bakken / Three Forks.

## Note Regarding Forward Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively "**forward-looking information**") within the meaning of applicable securities laws. The use of any of the words "plan", "expect", "intend", "believe", "should", "anticipate" or other similar words, or statements that certain events or conditions "may" or "will" occur are intended to identify forward-looking information. Such statements represent the Company's internal beliefs concerning, among other things, future growth, future capital, business prospects and opportunities. These statements are only predictions and actual events or results may differ materially. Although the Company's management believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, PetroShale.

In particular, forward-looking statements contained in this document include, but are not limited to, statements concerning the Offering, including the timing of closing of the Offering, the Shares to be issued pursuant to the Offering, regulatory and other approvals required for the Offering and the use of proceeds from the Offering. These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to, the impact of general economic conditions in Canada and the U.S.; industry conditions including changes in laws and regulations including adoption of new environmental laws and regulations, and changes in how they are interpreted and enforced, in Canada and the U.S.; competition; lack of availability of qualified personnel; the results of exploration and development drilling and related activities; obtaining required approvals of regulatory authorities, in Canada and the U.S.; volatility in market prices for oil; fluctuations in foreign exchange or interest rates; environmental risks; changes in income tax laws or changes in tax laws and incentive programs relating to the oil industry; ability to access sufficient capital from internal and external sources; risk that the board of directors of PetroShale determines that it would be in the best interests of PetroShale to deploy the proceeds of the Offering for some other purpose; failure to receive all required regulatory and other approvals for the Offering; risk that the Offering does not close on the timing anticipated or at all; and other factors, many of which are beyond the control of the Company. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could effect PetroShale's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

Although the forward-looking statements contained in this document are based upon assumptions which Management believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this document, PetroShale has made assumptions regarding among other things, receipt of regulatory and other approvals for the Offering; current commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; future exchange rates; the price of oil; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; royalty rates, future operating costs that PetroShale will continue to conduct its operations in a manner consistent with past operations; recoverability of reserves and future production rates; the accuracy of the estimates of PetroShale's reserve volumes; the continued availability of adequate equity financing and funds from operations to fund its planned expenditures; timing of drilling and completion of wells; and other matters.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this document in order to provide shareholders with a more complete perspective on PetroShale's current and future operations and such information may not be appropriate for other purposes. PetroShale's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits PetroShale will derive there from.

These forward-looking statements are made as of the date of this press release and PetroShale disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the Shares in any jurisdiction. The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold in the United States

except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

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