PetroShale
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PETROSHALE ANNOUNCES FINANCIAL AND OPERATING RESULTS FOR THE THIRD QUARTER OF 2018 AND EXECUTIVE APPOINTMENT

CALGARY, ALBERTA, November 29, 2018 – PetroShale Inc. ("PetroShale" or the "Company") (TSXV: PSH, OTCQX: PSHIF) is pleased to announce its financial and operating results for the three and nine month periods ending September 30, 2018. In addition, the Company announces the appointment of Mr. Caleb Morgret as Chief Financial Officer (CFO), who will assume the role from Mr. David Rain, who is retiring effective November 30, 2018.

The Company's unaudited consolidated financial statements and corresponding Management's Discussion and Analysis (MD&A) for the period will be available on SEDAR at www.sedar.com, on the OTCQX website at www.otcqx.com, and on PetroShale's website at www.petroshaleinc.com. Copies of the materials can also be obtained upon request without charge by contacting the Company directly. Please note, currency figures presented herein are reflected in Canadian dollars, unless otherwise noted.

THIRD QUARTER 2018 HIGHLIGHTS

- Production averaged 6,797 barrels of oil equivalent per day ("boepd") (85% liquids), which is 259% higher than the third quarter of 2017 and 7% higher than the second quarter of 2018.

- Revenue totaled $40.1 million, an increase of 450% over the third quarter of 2017 and 11% over the second quarter of 2018, driven by higher production and realized prices.

- Adjusted EBITDA increased to $22.0 million, which is 645% higher than the third quarter of 2017 and 8% higher than the second quarter of 2018.

- Operating netback, prior to the impact of hedging, was $41.28 per boe, an increase of 81% over the third quarter of 2017 and 1% over the previous quarter.

- Capital expenditures totaled $167.6 million in the first nine months of 2018 with approximately $93.5 million (56%) directed towards acquisitions and $74.1 million (44%) for drilling and completions activities on 10.4 net wells.

- Closed a strategic acquisition of assets within PetroShale's North Dakota Bakken core area for US$51.7 million, including approximately 550 boepd of low decline light oil production and approximately 1,980 net acres in three 100% operated drilling units which are largely undeveloped (the "Acquisition").

- Funded the Acquisition with proceeds of a concurrent $46.0 million "bought deal" equity financing, a $12.5 million private placement financing, and a draw under the Company's senior credit facility of US$10.5 million.

- Increased PetroShale's borrowing base under our senior credit facility to US$92 million upon closing of the Acquisition and following the senior lenders' semi-annual review of the Company's borrowing base in November, increased it further to US$125 million.

FINANCIAL & OPERATING HIGHLIGHTS

	Three months ended		Nine months ended	
FINANCIAL (in thousands, except per share & share data)	**September 30, 2018**	September 30, 2017	**September 30, 2018**	September 30, 2017
Oil and natural gas revenue	**$ 40,123**	$ 7,292	**$ 95,566**	$ 32,939
Net income (loss)	**10,449**	(854)	**19,074**	(1,611)
Per share - diluted	**0.06**	(0.01)	**0.11**	(0.01)
Adjusted EBITDA(1)	**22,018**	2,954	**53,253**	15,535
Capital expenditures	**90,045**	14,959	**167,606**	32,578
Net debt(1)			**150,281**	60,417
Common shares outstanding			**190,789,972**	157,097,767
Weighted average – basic	**175,322,589**	156,990,553	**164,068,659**	111,872,688
Weighted average – diluted	**179,017,367**	156,990,553	**167,820,840**	111,872,688

OPERATING				
Sales volumes				
Crude Oil (Bbl/d)	**4,784**	1,411	**4,116**	1,988
Natural gas (Mcf/d)	**6,257**	1,211	**4,101**	1,759
NGLs (Bbl/d)	**971**	281	**700**	274
Barrels of oil equivalent (Boe/d)(2)	**6,797**	1,894	**5,500**	2,555
Average realized prices				
Crude Oil ($/Bbl)	**$ 86.77**	$ 53.76	**$ 81.86**	$ 57.95
Natural gas ($/Mcf)	**1.09**	1.38	**1.14**	1.92
NGLs ($/Bbl)	**14.63**	6.06	**12.00**	7.37
Barrels of oil equivalent ($/Boe)	**$ 64.16**	$ 41.85	**$ 63.64**	$ 47.23
Operating netback ($/Boe) (1)				
Revenue	$ **64.16**	$ 41.85	**$ 63.64**	$ 47.23
Royalties	**(13.01)**	(8.92)	**(12.50)**	(9.95)
Realized loss on derivatives	**(3.75)**	-	**(3.63)**	-
Operating costs	**(3.48)**	(5.79)	**(3.71)**	(6.21)
Production taxes	**(4.82)**	(3.16)	**(4.91)**	(3.56)
Transportation expense	**(1.57)**	(1.20)	**(1.22)**	(1.10)
Operating netback(1)	**$ 37.53**	$ 22.78	**$ 37.67**	$ 26.41
Operating netback prior to hedging(1)	**$ 41.28**	$ 22.78	**$ 41.30**	$ 26.41

(1) See "Non-IFRS measures".
(2) See "Oil and Gas Advisories".

MESSAGE FROM THE CEO

PetroShale had an active third quarter resulting in a 259% increase in quarterly production over the same period in 2017. This increase reflects our active drilling and completions program during the first nine months of this year.

During the third quarter, PetroShale drilled four (3.3 net) operated wells: two at our Horse Camp unit in the South Berthold area and two at our Primus unit in the Antelope area. The same drilling rig was then moved to our Bear Chase unit in South Berthold where we have started drilling three (1.5 net) wells. The two (1.8 net) Horse Camp wells were recently completed and will be placed on production in early December. The two (1.5 net) Primus wells are expected to be completed in the first quarter of 2019.

During the quarter, we closed a strategic acquisition of assets within our North Dakota Bakken core area which included approximately 550 boepd of low decline production (~90% light oil and liquids), as well as significant working interests in three primarily undeveloped drilling units that will be operated by PetroShale. The Acquisition increased our inventory of low-risk infill drilling locations by 24% and our undeveloped land position by 34%.

Concurrent with the Acquisition, the Company closed a bought deal public equity financing and private placement financing (the "Equity Financings") in August 2018, raising aggregate gross proceeds of $58.5 million. Net proceeds from the Equity Financings, along with a US$10.5 million draw on the Company's credit facility, were used to fund the Acquisition.

WTI benchmark prices continued to strengthen during the third quarter and averaged approximately $69.50 per Bbl. The improved oil price environment and increase in production volumes led to higher revenue, cash flow from operations and adjusted EBITDA relative to the same period in 2017.

During the quarter, our realized Bakken differential (relative to WTI) averaged US$3.11 per Bbl, compared to US$5.26 per Bbl in the comparative period in 2017 and US$4.40 per Bbl in the second quarter of 2018. Subsequent to the end of the quarter, a number of factors including refinery shut downs caused a widening of the Bakken differential. We do not believe this to be a structural change and anticipate that the Bakken differential will narrow in the first half of 2019 following a return of refinery capacity, anticipated delivery of new rail cars to expand crude by rail and a possible expansion of throughput capacity of the Dakota Access Pipeline (DAPL).

We increased the borrowing capacity of our senior credit facility to US$125 million. This increase provides us with substantial undrawn credit capacity of US$81 million to carry out our ongoing drilling and completion programs and to pursue strategic acquisitions.

David Rain, our CFO, will be retiring effective November 30, 2018. We wish to thank David for his years of service to the Company and his instrumental role in successfully securing debt and equity financings which have facilitated the growth of PetroShale's asset base, both organically and through accretive acquisitions. I am also proud to announce and welcome David as a new Director who will join our Board of Directors effective December 3, 2018.

We are also pleased to announce that Mr. Caleb Morgret has been appointed as Chief Financial Officer (CFO) of PetroShale effective December 3, 2018. Caleb is the former CFO of private-equity backed White Star Petroleum, and previously served as Vice President & Treasurer for Chesapeake Energy Corporation. Caleb brings over 18 years of industry experience across international borders, including Germany and the United Kingdom, with expertise in both energy and investment banking. He holds a Bachelor of Business Administration from the University of South Carolina, an MBA from Southern Methodist University and has been a CFA Charterholder since August of 2009. Caleb's skills, background and breadth of knowledge are welcome additions to the PetroShale team. Caleb will be based in our Denver office.

PetroShale had another great quarter with substantial growth in both production and cash flow year over year as we continue to execute our strategy in the core of the Bakken play. Going forward, we will continue to carry out our development plan with anticipation that results from these high-value opportunities will generate per share growth in production, reserves and EBITDA.

As always, we wish to thank all of PetroShale's employees, directors and shareholders for your continued support and look forward to updating you on our progress and achievements in the future.

((signed))

Mike Wood
President & CEO

About PetroShale

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

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Note Regarding Forward-Looking Statements and Other Advisories

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to, among other things, available aspects of management focus, objectives, strategies and business opportunities. More particularly and without limitation, this press release contains forward-looking information concerning: the Company's belief that the Bakken differential will narrow again in the first half of 2019 following a return of existing refinery capacity, delivery of new rail cars to expand crude by rail capacity in the second quarter of 2019 and a possible expansion of throughput capacity of the DAPL, that the Company will have the availabilities under its credit facility to pursue the opportunities discussed herein and that the Company will continue to execute on its development plan which may generate per share growth in production, reserves and EBITDA; and the general outlook of the Company. PetroShale provided such forward-looking statements in reliance on certain expectations and assumptions that it believes are reasonable at the time, including expectations and assumptions concerning prevailing commodity prices, liquidity, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; plant turnaround times and continued rail service to transport products; reserve volumes; business prospects and opportunities; the availability and cost of financing, labor and services; the impact of increasing competition; ability to market oil and natural gas successfully; and the Company's ability to access capital (including its senior credit facility.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Forward-looking information addresses future events and conditions, which by their very nature involve inherent risks and uncertainties. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on the Company's future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). These forward-looking statements are made as of the date of this press release and the Company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Non-IFRS Measures:

Within this press release, references are made to “operating netback”, “operating netback prior to hedging”, “net debt” and “adjusted EBITDA”, which are not recognized measures under IFRS and therefore may not be comparable to performance measures presented by others. Adjusted EBITDA represents cash flow from operating activities prior to changes in non-cash working capital. Operating netback represents revenue, plus or minus any realized gain or loss on financial derivatives, less royalties, production taxes, operating costs and transportation expense, with the net amount divided by the working interest production volumes to derive the operating netback on a per Boe basis. Operating netback prior to hedging represents operating netback prior to any realized gain or loss on financial derivatives. Net debt represents total liabilities, excluding any decommissioning obligation and financial derivative liability, less current assets. The Company believes that adjusted EBITDA provides useful information to the reader in that it measures the Company’s ability to generate funds to service its debt and other obligations and to fund its operations, without the impact of changes in non-cash working capital which can vary based solely on timing of settlement of accounts receivable and accounts payable. Management believes that in addition to net income (loss) and cash flow from operating activities, operating netback and adjusted EBITDA are useful supplemental measures as they assist in the determination of the Company’s operating performance, leverage and liquidity. Operating netback is commonly used by investors to assess performance of oil and gas properties and the possible impact of future commodity price changes on energy producers. Readers are cautioned, however, that these measures should not be construed as an alternative to net income (loss) or cash flow from (used in) operating activities as determined in accordance with IFRS as an indication of our performance or value.

Oil and Gas Advisories:

Where amounts are expressed on a barrel of oil equivalent (“Boe”) basis, natural gas volumes have been converted to Boe using a ratio of 6,000 cubic feet of natural gas to one barrel of oil (6 Mcf: 1 Bbl). **This Boe conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1 Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value. In this release, mboe refers to thousands of barrels of oil**

equivalent, while mbbls refers to thousands of barrels of oil, and mmcf refers to millions of cubic feet of natural gas.

This press release discloses an increase in the Company's drilling locations (on a percentage basis) as a result of the Acquisition, which are based on two categories: (i) proved plus probable locations as at December 31, 2017; (ii) unbooked locations as at December 31, 2017; and (iii) proved and probable locations attributable to the Acquisition as at March 1, 2018. Proved plus probable drilling locations set forth herein (prior to the Acquisition) are based on the Company's most recent independent reserves evaluation as prepared by Netherland, Sewell and Associates, Inc. ("NSAI") as of December 31, 2017, updated for the acquisition of additional working interests in existing drilling spacing units ("DSUs") where drilling locations have been booked as proved and probable locations. Proved plus probable locations related to the Acquisition are derived from our internal reserves evaluation in respect of the Acquisition as prepared by a member of our management who is a qualified reserves evaluator in accordance with NI 51-101 effective March 1, 2018. Unbooked locations are internal estimates based on the Company's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Reflected in the drilling locations described herein, of the 501 gross (71.8 net) drilling locations identified herein on the Company's acreage (not including the Acquisition) on 880' spacing, 257 gross (49.4 net) are proved plus probable locations, and 244 gross (22.4 net) are unbooked locations. Additionally, as it relates to the Acquisition, 19 gross (14.3 net) drilling locations have been ascribed on an 880' spacing basis, and all of such locations are proved plus probable locations. Unbooked locations have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill any unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations may have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, management has less certainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.