

Hammerhead Resources Inc. Announces Equity Commitment and Provides Operational Update

Calgary, AB – September 14, 2018. Hammerhead Resources Inc. (“Hammerhead”, “HHR” or the “Company”), a privately owned oil and gas producer focused on the liquids-rich Montney play in Alberta, is pleased to provide an operational update and announce an equity commitment that will provide financial flexibility to continue HHR’s organic growth program across the Company’s high-quality resource base.

Equity Commitment

The preferred share equity commitment of up to \$300 million, priced at \$3.00/share will be led by affiliates of Riverstone Holdings LLC (“Riverstone”), collectively HHR’s largest shareholder. The financing will also feature a rights offering to certain existing common shareholders, to provide all current investors who are permitted to do so under exemptions from applicable securities laws the opportunity to participate in the financing.

HHR believes this significant equity commitment confirms the prospectivity of HHR’s asset base, which has been underpinned by the Company’s drilling results, with individual well performance that consistently ranks amongst the most attractive in the Western Canadian Sedimentary Basin.

HHR expects to concentrate its development activities principally in the Gold Creek and Karr areas, driving continued optimized capital efficiency with the use of multi-well pads in areas of existing infrastructure, combined with implementation of leading completion technologies. HHR believes that its balance sheet strength, industry-leading liquids growth, and secured firm egress differentiate the Company from its peers.

Operational Update

Current production is over 28,000 boe/day, with a 42% weighting towards light oil and liquids. Annual production is expected to average over 27,000 boe/day in 2018, representing a 40% increase over 2017 levels. Since Riverstone’s initial investment in 2014, the Company has increased production at a compound annual growth rate of over 70%, with a substantial corresponding increase in cash flow and reserves.

Hammerhead continues to see strong well results in both Gold Creek and Karr, with the Company’s 2017 and 2018 wells performing above type curve in aggregate. These results support an economic uplift from increased completion intensity, and continued refinement of HHR’s completion approach.

Further delineation of the Karr area has proved successful, with three additional Montney wells that are performing above type curve expectations. One of these wells has validated the multi-bench development potential across HHR’s land base.

Through the first half of 2018, HHR invested in infrastructure to support future growth and enhance operational reliability. Combined with efficiency gains through pad drilling, the Company expects to see significant reductions in capital and operating costs, and improvements in netbacks while delivering

material economic growth into 2019. The Company believes it has secured sufficient oil and gas egress to various downstream markets to support the Company's ongoing, high-growth development program.

HHR prides itself in collaboratively working with its stakeholders, and highly values the communities in which it operates. The Company appreciates the opportunity to demonstrate its commitment with a recent sponsorship of \$400,000 to the Grande Prairie Regional Hospital.

Robert Tichio, Partner & Managing Director of Riverstone Holdings, remarked: "Riverstone is excited to lead this next round of financing into Hammerhead to support the further development of the Company's leading position in the liquids-rich, light oil fairway of the Montney. Since our initial investment in 2014, we viewed this asset as unique in our investment program, given the size of the acreage position and the compelling economics of the Company's drilling inventory. Hammerhead has spent considerable capital and organizational effort in the last several years prosecuting an execution strategy that differs from most private equity-backed companies: its investment in front-loaded infrastructure build-out, single-well drills dedicated to acreage delineation resulting in a substantially expanded fairway of economic inventory, and continuous drilling and completion enhancements have positioned Hammerhead to pursue a full-field development program with industry-leading growth, return and efficiency metrics."

Scott Sobie, CEO of Hammerhead, added: "Hammerhead is a leading Montney light oil producer. We are encouraged by our operational results, and eager to continue demonstrating the development potential of our unconventional resource play. This equity injection provides us with the capital to continue on a path of peer-leading growth, while maintaining capital discipline and a strong balance sheet. The continued support from Riverstone and other major shareholders re-affirms the strength of our relationship as well as their confidence in the quality of our assets and management team."

The equity commitment and rights offering are subject to the negotiation and execution of definitive agreements, the final approval of HHR's Board of Directors and customary closing conditions.

About Hammerhead

Hammerhead is a growth-oriented private company with a large, contiguous land base in the heart of two of the most prolific resource plays in North America, with over 200,000 net acres in each of the Montney and Duvernay formations. The Company's development has been focused on the Upper/Middle Montney, where delineation activity has proven the repeatability of the laterally continuous light oil-rich fairway.

About Riverstone

Riverstone is an energy and power-focused private investment firm founded in 2000 by David M. Leuschen and Pierre F. Lapeyre, Jr. with approximately US\$38 billion of capital raised. Riverstone conducts buyout and growth capital investments in the E&P, midstream, oilfield services, power, and renewable sectors of the energy industry. With offices in New York, London, Houston, and Mexico City, Riverstone has committed over US\$37 billion to more than 170 investments in North America, Latin America, Europe, Africa, Asia, and Australia.

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Reader Advisory

Forward Looking Statements

Certain statements contained in this press release constitute forward-looking statements or information (collectively "forward-looking statements") within the meaning of applicable securities legislation, including, but not limited to, management's assessment of future plans, operations and strategies; the Company's plans to concentrate its development activities in certain of its operating areas; the focus of the Company's operations; the Company's drilling, completion and evaluation plans; the Company's strategy for its business and assets; anticipated annual production for 2018; the anticipated impact of the Company's infrastructure investment and improved efficiencies on operating costs, netbacks and growth in 2019; the Company's belief that it has secured sufficient oil and gas egress to various downstream markets to support the Company's development program; terms of the proposed preferred share equity commitment and rights offering; and other matters related to the foregoing. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "potential", "target" and similar words suggesting future events or future performance or may be identified by reference to a future date. Accordingly, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct.

With respect to forward-looking statements contained in this press release, the Company has made assumptions regarding, among other things: availability of future acquisition opportunities; future capital expenditure levels; future oil and natural gas prices; future oil and natural gas production levels; future currency exchange rates and interest rates; ability to obtain equipment and services in a timely manner to carry out development activities; ability to market oil and natural gas successfully to current and new customers; the impact of competition; the ability to obtain financing on acceptable terms; the general stability of the economic and political environments in which the Company operates; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; that the Company will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Company's conduct and results of operations will be consistent with its expectations; that the Company will have the ability to develop its oil and gas properties in the manner currently contemplated; the estimates of the Company's reserves and production volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; that the Company will have the ability to add production and reserves through development and exploitation activities; satisfaction of the conditions to completion of the equity commitment, including the negotiation, approval and execution of definitive agreements; that the equity commitment is completed on the terms anticipated; and other matters. Although the Company believes that the expectations reflected in the forward-looking statements contained in this press release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no

assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list is not exhaustive of all assumptions which have been considered.

Readers are cautioned not to place undue reliance on forward-looking statements included in this press release, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the Company's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the ability of management to execute its business plan; general economic and business conditions; the risks of the oil and natural gas industry, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand; the possibility that government policies or laws may change or governmental approvals may be delayed or withheld; failure to satisfy the conditions to completion of the equity commitment, including the negotiation and execution of definitive agreements and obtaining all required consents and approvals; failure to complete the equity commitment and rights offering on the terms anticipated or at all; possibility that there are changes to or delays in the structure or timing of the equity commitment or rights offering; risks and uncertainties involving geology of oil and natural gas deposits; the Company's ability to enter into or renew leases; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to production (including decline rates), costs and expenses; fluctuations in oil and natural gas prices, foreign currency exchange rates and interest rates; health, safety and environmental risks; risks associated with unexpected potential future law suits and regulatory actions against the Company; and uncertainties as to the availability and cost of financing. This press release contains references to type well production and economics, which are derived, at least in part, from available information respecting certain other HHR wells and, as such, there is no guarantee that HHR will achieve the stated or similar results for each of its wells. Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties.

The forward-looking statements contained in this press release speak only as of the date of this press release. Except as expressly required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Other Information

"BOEs" may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 mcf: 1 bbl) 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 that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

