



PETROFRONTIER CORP. ANNOUNCES MAJOR RESOURCE PROPERTY ASSET ACQUISITION IN ALBERTA

Calgary, June 1, 2016 - PetroFrontier Corp. ("**PetroFrontier**") (TSX-V: **PFC**) is very pleased to announce that it has entered into an arm's length non-binding letter of intent with Kasten Energy Inc. ("**Kasten**"), an Alberta corporation, effective May 17, 2016, to acquire certain resource assets of Kasten (the "**Assets**") in the Cold Lake area of northeastern Alberta (the "**Acquisition**").

PetroFrontier will pay to Kasten an aggregate of approximately \$17.49 million as consideration for the Assets as follows:

- (a) by the issuance of 70 million common shares of PetroFrontier ("**PetroFrontier Shares**") at a deemed value of \$0.157 per share;
- (b) by the payment of \$3.5 million in cash at closing; and
- (c) by the issuance by PetroFrontier of a secured debenture in the amount of \$3 million in favor of Kasten, which will be convertible into PetroFrontier Shares at a price of \$0.157 per common share under certain conditions.

The Acquisition is expected to close on or about June 30, 2016 and will be effective as of June 1, 2016, subject to certain conditions and regulatory approvals.

Prior to closing the Acquisition, PetroFrontier will prepare and file on SEDAR a filing statement ("**Filing Statement**"), which will provide further details regarding the Acquisition, the Assets, Kasten and PetroFrontier, assuming completion of the Acquisition. PetroFrontier will issue a news release advising its securityholders when the Filing Statement is available for review on SEDAR.

The PetroFrontier Shares issuable to Kasten as partial consideration for the Acquisition will result in Kasten becoming a new Control Person (as such term is defined in the policies of the TSX Venture Exchange (the "**TSXV**"). PetroFrontier intends to hold an annual and special meeting of its shareholders on June 24, 2016 to approve, among other items of business, the creation of Kasten as a new Control Person of PetroFrontier.

In connection with the Acquisition, PetroFrontier will use its commercially reasonable efforts to complete a private placement during the next few months of PetroFrontier Shares issued on a "flow-through" basis pursuant to the Income Tax Act (Canada) (renouncing "Canadian exploration expense") (the "**Flow-Through Private Placement**"). If completed, the proceeds of this offering will be used by PetroFrontier for general corporate purposes, including drilling and completing additional wells. PetroFrontier has not yet determined whether this will be a brokered or non-brokered offering. The Flow-Through Private Placement is not a condition to the completion of the Acquisition.

Management Appointments

Upon completion of the Acquisition, the following officers of Kasten will be added to PetroFrontier's management team:

Kelly Kimbley - President

Mr. Kimbley, LL.B., has 25 years of industry experience and has been a senior officer of a number of public and private oil and gas companies, including Kasten, Border Petroleum Corp., Westrock Energy Ltd., El Paso Oil & Gas Canada and Velvet Exploration Ltd.

Ulrich Wirth - Vice President Exploration

Mr. Wirth has over 20 years of petroleum geology experience, including 10 years in senior management positions as co-founder and Vice President Exploration of Kasten and Reveal Resources Ltd. He has also served as a senior geologist for numerous companies, including Canadian Hunter Exploration Ltd., Koch Exploration Canada, Baytex Energy Trust and Bonavista Energy Trust.

Omar El-Hajjar - Vice President Operations

Mr. El-Hajjar has over 18 years of petroleum engineering experience, including 10 years in senior management positions co-founder and Vice President of Kasten and Reveal Resources Ltd. Mr. El-Hajjar has also held operations and exploitation positions at Bellator Exploration Inc. and Harvest Energy Trust.

David Orr - Vice President Business Development

Mr. Orr has over 20 years of industry related experience in senior management positions with a number of public and private companies.

Strategic Rationale

The Assets include a highly contiguous land base of 15.5 sections in the Cold Lake area of northeastern Alberta. Production from these lands in the first quarter of 2016 reached approximately 340 barrels of oil per day ("**bopd**"), although current volumes have been curtailed to approximately 250 bopd as a result of the recent depressed oil price environment. Of the 11 earning wells drilled by Kasten to date, 6 remain cased but not yet completed. There are in excess of 20 existing wells that can be completed or worked over in the near term to bring the current productive capacity on the lands to over 1000 bopd with very low capital expenditures. Furthermore, management of PetroFrontier is of the view that on the existing land base, there are over 200 additional potential drilling locations holding multi-zone potential for oil in the Mannville sequence (Colony, Sparky, Rex, Lloyd and Cummings zones).

Outlook

PetroFrontier has maintained a disciplined approach over the past 15 months when considering acquisitions in the recent industry downturn, with the goal of protecting PetroFrontier's balance sheet while seeking out a transaction that would involve high quality assets with significant future development potential. The Acquisition meets these criteria by providing not only existing productive capacity but also an inventory of economic drilling locations. Management of PetroFrontier is of the belief that the Acquisition will deliver meaningful production and reserves additions as oil prices generally improve, with the opportunity for value creation through potential expansion opportunities beyond the Acquisition.

Conditions Precedent

Closing of the Acquisition and the Flow Through Private Placement remain subject to certain conditions precedent. These include the execution of a definitive agreement setting out in more detail the proposed terms of the Acquisition, obtaining regulatory body approvals including the approval of the TSXV and Shareholder approval of Kasten as a new Control Person of PetroFrontier. There can be no assurance that the transaction will be completed as proposed or at all.

PetroFrontier will provide additional details regarding the Acquisition, including the Flow-Through Private Placement and the directors and officers of PetroFrontier upon completion of the Acquisition, in a subsequent news release.

About PetroFrontier Corp.

PetroFrontier currently has in excess of \$8.9 million in working capital and no debt.

PetroFrontier's head office is in Calgary, Alberta and its common shares are listed for trading on the TSX-V under the symbol "PFC".

Trading in PetroFrontier Shares on the TSXV will remain halted until the documentation required by TSXV has been reviewed and accepted by the TSXV.

Forward-Looking Statements

This press release may contain forward-looking information that involves substantial known and unknown risks and uncertainties, most of which are beyond the control of PetroFrontier, including, without limitation, statements pertaining to the Acquisition, the anticipated benefits of the Acquisition, the closing of the Flow-Through Private Placement, obtaining necessary approvals from the TSXV and to management's future plans and operations. All statements included herein, other than statements of historical fact, are forward-looking information and such information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. Any forward-looking statements are made as of the date of this release and, other than as required by applicable securities laws, PetroFrontier does not assume any obligation to update or revise them to reflect new events or circumstances.

Completion of the transaction is subject to a number of conditions, including TSXV acceptance and disinterested Shareholder approval of the creation of a new Control Person. The transaction cannot close until the required Shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Filing Statement, any information released or received with respect to the Acquisition may not be accurate or complete and should not be relied upon. Trading in the securities of PetroFrontier should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the Acquisition and has neither approved nor disapproved the contents of this press release.

For More Information Contact

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