



DOXA PROVIDES OPERATIONAL UPDATE

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TSX Venture Exchange - DXA

VANCOUVER, CANADA – Doxa Energy Ltd. (“Doxa” or the “Company”) is pleased to announce that it recently participated in two successful exploratory wells on its Sarco Creek Project in Bee County, Texas. These are the first two of several conventional oil & gas exploration prospects identified on the reprocessing and evaluation of its proprietary 3D seismic covering that area. The two successful wells are operated by Dynamic Production, Inc. of Fort Worth, Texas and both targeted Basal Frio formation sands at approximately 5,000 feet subsurface.

The first of these, being the MK O’Brien Unit No. 1, was drilled in Q1 2017 to a depth of 5,100 feet, logged and side wall cored. Based on favorable results of the logging and coring, the well was completed in the Basal Frio formation, producing from perforations at 4,938-4,943 feet subsurface. The well was flow tested on a 7/64th inch choke at an initial rate of 60 BOPD and 100 MCFD, flowing with 1,160 psi tubing pressure. Following installation of surface treating and oil storage facilities the well was put on line May 18, 2017. The well is currently flowing at a sustained rate of 60 BOPD along with a nominal amount of natural gas in its fourth months of production.

Approximately 3.4 miles to the southeast of the O’Brien Unit well, Dynamic also drilled the Hiller No. 1 in Q1 2017 to a depth of 5,400 feet, logged and cored. Favorable results from logging and testing the Hiller well were obtained and thereafter the well was also completed in the Basal Frio formation, producing from perforations at 5,216-5,221 feet subsurface. The Hiller was production tested on a 7/64th inch choke at an initial rate of 95 BOPD and 110 MCF, flowing with 1,200 psi tubing pressure. The well was put on line May 24, 2017 flowing 95+ BOPD and 110 MCFD. Nearly four months later the well is still producing at a sustained rate of 80 BOPD and 80 MCFD.

Doxa farmed out a portion of its interests in four of the above-mentioned drilling projects to a third party, retaining 5.37% participating interest along with a reversionary interest equal to 1.775% which it will receive upon the occurrence of payout of the project. The farmout



provided the Company with capital necessary to fund its share of the drilling and completion cost associated with the retained interest. Estimated gross completed well costs for this project average \$650,000 per well, with Doxa's share being \$35,000 per well. Payout is expected to occur within 8-10 months at the current production and price levels.

Plans are underway to drill two additional wells identified on this Project in Q3, 2017, subject to possible delay from the ongoing effects of Hurricane Harvey, which passed directly through Bee County last weekend. Doxa intends to participate directly for its share of the future activities without further dilution by farmout or sale. Reserve estimates for the foregoing wells will be announced at a later date as that information becomes available.

In addition to participation in the resumption of drilling operations at Sarco Creek, Doxa announced that it agreed to participate in the ongoing acquisition of various base oil and gas leases within the well-known Permian Basin of West Texas. Along with its partners last year, the Company acquired approximately 200 gross acres of base leases and initiated various sales of portions of the leases late in 2016, continuing into Q2, 2017. To date Doxa has realized a gain of approximately \$460,000 from lease sales through the second quarter of 2017. The Company continues its efforts to acquire leases for resale to third parties as opportunities arise. Details on this project will be released as the project moves forward.

Management plans to largely continue to direct net proceeds realized from the ongoing drilling and completion activity, as well as gains derived from lease sales from the West Texas, to further reduce debt, ultimately positioning the Company to build shareholder value.

Because most of the producing properties owned by Doxa are situated along the Texas Gulf Coast or in South Texas, Hurricane Harvey is expected to disrupt the Company's ongoing producing operations and resulting cash flow in the short term. Management hopes that various wells that were shut-in in anticipation of the arrival of the hurricane, will be restored to producing status within approximately one week.

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Statements in this press release other than purely historical information, including statements relating to the Company's future plans, objectives or expected results, constitute forward-looking statements. Forward-looking statements are based on numerous assumptions and are subject to the risks and uncertainties inherent in the Company's business, including risks inherent in oil and gas exploration and development, and uncertainties in connection with anticipated commodity prices for oil and natural gas, growth of worldwide market demand, exploration capital requirements, length of asset life and availability of qualified personnel, among others.

This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company in the United States. The securities of Doxa have not been registered under the U.S. Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States or to or for the account or benefit of a U.S. person unless so registered or pursuant to an available exemption from the registration requirements of such Act or laws.