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Saturn Oil & Gas Inc. Announces Q3 2019 Results Highlighted by EBITDAX of \$9.6 Million in Nine Months of 2019

CALGARY, ALBERTA – November 29, 2019 - Saturn Oil & Gas Inc. ("Saturn" or the "Company") (TSX.V: SOIL) (FSE: SMK) today announced its financial and operating results for the three and nine month periods ended September 30, 2019.

The Company's unaudited interim financial statements and corresponding Management's Discussion and Analysis ("MD&A") for the three and nine month periods ended September 30, 2019, are available on SEDAR at www.sedar.com and on Saturn's website at www.saturnoil.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.

Q3 and Year-to-Date 2019 Highlights

- Achieved strong production volumes of 686 barrels of oil per day (bbls/d) during the third quarter, an increase of 209% compared to the same period in 2018, and average volumes of 761 bbls/d over the first nine months of 2019, a level 307% higher than in the first nine months of 2018.
- Generated revenue of \$3.8 million in Q3 2019, \$2.9 million or 318% higher than the same period in 2018, while year-to-date 2019 revenue of \$13.8 million was \$10.8 million, or 352%, higher than first nine months of 2018, directly related to Saturn's successful drilling program, production growth and effective cost control initiatives.
- Realized record operating netbacks¹ (before realized loss on derivative instruments) in Q3 2019 and the first nine months of 2019 of \$51.44 per bbl and \$52.09 per bbl, respectively, due to lower royalties and operating costs relative to the same periods last year as Saturn continues to drive down costs.
- Recorded net income of \$2.3 million (\$0.01 per share basic and diluted) for the first nine months of 2019, compared to a net loss of \$108,000 for the same period in 2018.
- Strengthened the balance sheet by delivering robust adjusted EBITDAX¹ (before pro-forma adjustments) of \$2.6 million in Q3 2019, an increase of \$2.3 million over Q3 2018, and \$9.6 million for the first nine months of 2019, more than \$8.4 million higher than the same period last year, with the increases in both periods attributable to Saturn's successful drilling program and higher operating netbacks.

¹ Non-IFRS Measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Information Regarding Disclosure on Oil and Gas Operational Information and Non-IFRS Measures".

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- Through the first nine months of 2019, drilled, completed and tied-in 13 100% working interest extended reach horizontal (“ERH”) wells at an average cost per well of approximately \$1.04 million, which included the following:
 - Two wells in Kerrobert posted an average initial production rate after 30 days (“IP30”) of 144 bbls/d², with the top producing well in the area posting an IP30 of 153 bbls/d²;
 - Two wells in Milton posted an average IP30 of 62 bbls/d², with the top producing well in the area posting an IP30 of 74 bbls/d²; and
 - Nine wells in Prairiedale posted an average IP30 of 101 bbls/d², with the top producing well in the area posting an IP30 of 133 bbls/d².
- Expanded the asset portfolio through the first nine months of 2019 with the acquisition of 23.2 net sections of land within the highly economic light oil Viking play in Saskatchewan at an average cost of approximately \$190 per hectare, bringing Saturn’s total acreage to 57.3 net sections as at September 30, 2019.
- At September 30, 2019, Saturn had US\$18.56 million of borrowings (CAD\$24.58 million using September 30, 2019 exchange rate) drawn against the Company’s US\$20.0 million Revolving Note (CAD\$26.49 million using the period-end exchange rate).

“I am very pleased with Saturn’s continued operating success through the third quarter as we maintained strong production volumes, reduced operating costs and generated record operating netbacks despite ongoing pricing and broad energy market challenges,” said John Jeffrey, CEO of Saturn. “With our high-quality, oil-weighted asset base, Saturn is well positioned to continue generating robust adjusted EBITDAX that can be directed to fund our conservative budget for the balance of 2019, improve our balance sheet strength as well as enhance our financial flexibility.”

² Information Regarding Disclosure on Oil and Gas Operational Information and Non-IFRS Measures

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Results of Oil and Gas Activities

	Three months ended September 30,		Nine months ended September 30,	
(\$, except per unit amounts)	2019	2018	2019	2018
Financial				
Oil revenue	3,798,438	908,561	13,840,095	3,058,970
Net income (loss)	(552,890)	(442,632)	2,272,847	(107,680)
Per share – basic & diluted	(0.00)	(0.00)	0.01	(0.00)
Production Volumes				
Crude oil (bbls/d)	686	158	761	187
Natural gas (Mcf/d)	-	-	-	-
Natural gas liquids (bbls/d)	-	-	-	-
Total (bbls/d)	686	158	761	187
% liquids	100%	100%	100%	100%
Average Realized Prices				
Crude Oil (\$/bbl)	64.55	62.84	65.98	65.54
Natural gas (\$/Mcf)	-	-	-	-
Natural gas liquids (\$/bbl)	-	-	-	-
Total (\$/boe)	64.55	62.84	65.98	65.54
Operating Netback (\$/bbl)				
Realized price	64.55	62.84	65.98	65.54
Royalties	(2.93)	(8.90)	(3.05)	(8.70)
Operating costs	(10.19)	(11.26)	(10.84)	(11.89)
Operating netback¹	51.44	42.68	52.09	44.95
Realized loss on derivative instruments	(0.01)	-	(1.10)	-
Operating netback, after realized loss on derivative instruments ¹	51.43	42.68	50.99	44.95

¹ Non-IFRS Measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled “Information Regarding Disclosure on Oil and Gas Operational Information and Non-IFRS Measures”.

Outlook

As previously announced, Saturn’s fourth quarter 2019 drilling program commenced in November and will include the drilling of 4.0 net new ERH wells. Two of the wells will be drilled in the Company’s core Prairiedale area and two wells in the Company’s new development area, Loverna. All of these wells are expected to be on-line and producing by the end of the year, setting the stage for further drilling in Q1 2020. Saturn confirms its full-year 2019 capital program at approximately \$22.7 million, which will result in a total of 17 wells being drilled, completed, equipped and tied-in within its Viking light oil areas. With increases in reserves, production and cash flow, the Company anticipates improved financial flexibility and access to capital to underpin future growth strategies and deliver meaningful shareholder returns. Further, in keeping with strong corporate governance practices, Saturn is pleased to confirm that its Board of Directors recently approved a new Insider Trading and Blackout Periods Policy which will be implemented immediately and made available on the Company’s website.

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About Saturn Oil & Gas Inc.

Saturn Oil & Gas Inc. (TSX.V: SOIL) (FSE: SMK) is a public energy Company focused on the acquisition and development of undervalued, low-risk assets. Saturn is driven to build a strong portfolio of cash flowing assets with strategic land positions. De-risked assets and calculated execution will allow Saturn to achieve growth in reserves and production through retained earnings. Saturn's portfolio will become its key to growth and provide long-term stability to shareholders.

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Information Regarding Disclosure on Oil and Gas Operational Information and Non-IFRS Measures

This news release contains metrics commonly used in the oil and natural gas industry, such as "operating netbacks" and "Adjusted EBITDAX". These terms are not defined in IFRS and do not have standardized meanings or standardized methods of calculation and therefore may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons.

Operating Netback: *equals petroleum sales (before realized hedging gains or losses on derivative instruments) less royalties and operating costs calculated on a boe basis.*

Adjusted EBITDAX: *equals Consolidated Net Income adding back items deducted in determining Consolidated Net Income, including financing charges, exploration expenses, income taxes, depreciation, depletion, amortization and other non-cash items, losses attributable to extraordinary and non-recurring losses for such period minus all non-cash items of income which were included in determining such Consolidated Net Income and earnings attributable to extraordinary and non-recurring gains for such period. Management believes that such a measure provides an insightful assessment of Saturn's operational performance on a continuing basis by eliminating certain non-cash charges and charges that are non-recurring or discretionary and utilizes the measure to assess its ability to finance capital expenditures and debt repayments. Adjusted EBITDAX as presented is not intended to represent cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS.*

Such metrics have been included herein to provide readers with additional information to evaluate the Company's performance, however such metrics should not be unduly relied upon. Management uses oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Saturn's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes. See "Non-IFRS Measures" contained within Saturn's MD&A for applicable definitions, calculations, rationale for use and reconciliations to the most directly comparable measure under IFRS.

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Boe equivalent

Where applicable, oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. The use of boe amounts 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 is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Test Results and Initial Production Rates

References herein to average 30-day initial production rates and other short-term production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating aggregate production for Saturn or the assets for which such rates are provided. A pressure transient analysis or well-test interpretation has not been carried out in respect of all wells. Accordingly, the Company cautions that the test results should be considered to be preliminary.

Forward-Looking Information and Statements

Certain statements contained in this release include statements which contain words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "will", "believe" and similar expressions, relating to matters that are not historical facts, and such statements of our beliefs, intentions and expectations about development, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this release includes, but is not limited to: expected cash flow provided by continuing operations; future capital expenditures, including the amount and nature thereof; oil and natural gas prices and demand; expansion and other development trends of the oil and gas industry; business strategy and outlook; expansion and growth of our business and operations; and maintenance of existing customer, supplier and partner relationships; supply channels; accounting policies; credit risks; and other such matters.

All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; the ability of oil and natural gas companies to raise capital; the effect of weather conditions on operations and facilities; the existence of operating risks; volatility of oil and natural gas prices; oil and gas product supply and demand; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; stock market volatility; opportunities available to or pursued by us; and other factors, many of which are beyond our control.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this 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, what benefits will be derived there from. Except as required by law, Saturn disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

The forward-looking information contained herein is expressly qualified by this cautionary statement.