



DUALEx ENTERS INTO AGREEMENTS TO PURCHASE ALBERTA OIL AND GAS ASSETS AND PRIVATE OIL AND GAS COMPANIES, PLANS PRIVATE PLACEMENT AND ANNOUNCES MANAGEMENT CHANGES AND SHARE CONSOLIDATION

Calgary, September 30, 2016 - DualEx Energy International Inc. ("**DualEx**" or the "**Company**") (TSXV: DXE) announced today that it has entered into an Alberta oil and gas asset purchase and sale agreement, entered into two private Alberta oil and gas company share purchase agreements, launched a non-brokered private placement offering of units at a price of \$0.01 per unit, appointed Mr. Ken Tompson, P.Geol, as President and CEO of DualEx and will seek shareholder approval to undertake a 10 for 1 consolidation of the Company's common shares.

The Asset Acquisition

DualEx has entered into an asset purchase and sale agreement executed on September 28, 2016 (the "**Asset Purchase Agreement**") to acquire producing oil and gas assets in the Peace River Arch area of northwest Alberta (the "**Asset Acquisition**") from a private company (the "**Vendor**"). The consideration paid to the Vendor will consist of \$285,000 cash (subject to final adjustments) and the issuance of two million non-interest bearing, non-voting series I preferred shares (the "**Preferred Shares**"). The Vendor may, at any time and at its option, convert all or part of the Preferred Shares into units ("**Asset Acquisition Units**") of DualEx. Each such Asset Acquisition Unit will be comprised of one (1) common share in the capital of DualEx (each a "**Common Share**") and one-half (1/2) of a Common Share purchase warrant (each whole such warrant, an "**Asset Acquisition Warrant**"). The number of Asset Acquisition Units issuable upon the conversion of the Preferred Shares is equal to the number of Preferred Shares to be converted multiplied by \$1.00 and divided by the volume weighted average of the trading price of the Common Shares on the TSX Venture Exchange (the "**TSXV**") during the immediately prior twenty (20) consecutive day period prior to conversion, subject to TSXV minimum pricing rules (the "**Market Price**"). Each whole Asset Acquisition Warrant will entitle the holder to purchase one (1) Common Share during the period expiring on the five year anniversary of closing date of the Asset Acquisition upon payment of the Asset Acquisition Warrant exercise price which shall equal the Market Price. No conversions of Preferred Shares may occur within 30 days of a prior conversion, and no conversion of Preferred Shares may occur when, after such conversion into Asset Acquisition Units, the Vendor would own (including shares owned prior to the conversion) 10% or more of the outstanding Common Shares after conversion. In addition, the terms of the Preferred Shares allow DualEx to redeem, at any time from the date of issuance, the whole of the then outstanding Preferred Shares on payment for each Preferred Share to be redeemed of (a) \$1.00 plus (b) that number of Asset Acquisition Warrants equal to the quotient of the number of Preferred Shares to be redeemed multiplied by \$1.00 divided by the Market Price divided by two. The exercise price for such Asset Acquisition Warrants issued on the redemption of the Preferred

Shares shall be the Market Price and such Asset Acquisition Warrants will expire on the five year anniversary of the closing date of the Asset Acquisition.

Conditions to the Asset Acquisition

The Asset Acquisition is not a related party transaction but is subject to TSXV acceptance. The Asset Acquisition is not conditional on the completion of the Private Company Acquisitions, but is conditional on the completion of the Offering (both discussed below). In addition to the above conditions, the obligations of both the Company and the Vendor to complete the closing of the Asset Acquisition are subject to the satisfaction of other customary closing conditions for oil and gas asset acquisitions.

The Oil and Gas Assets Being Purchased Pursuant to the Asset Acquisition

The oil and gas assets to be acquired pursuant to the Asset Acquisition consist of 330 BOE/day (20% light oil and liquids), from Cretaceous and Triassic reservoirs predominantly in the Rycroft, Valhalla and Gordondale areas of northwest Alberta, and include associated gathering systems and a 50% owned and operated natural gas processing plant. The Vendor's independent reserve report prepared by Sproule Associates Limited ("**Sproule**"), dated effective December 31, 2015 (the "**Reserve Report**"), identifies total proved reserves of 904,200 BOE (including 630,500 BOE of proved developed producing; 141,800 BOE of proved developed non-producing; 131,900 BOE proved undeveloped) and proved plus probable reserves of 1,400,000 BOE. Before tax net present values discounted at 10% contained in the Reserve Report equal \$5,600,000 for total proved reserves and \$8,900,000 for proved plus probable reserves. The assets include approximately 37,000 net acres of land, 12,000 of which are undeveloped.

The Private Company Acquisitions

Concurrent with the above described Asset Acquisition, DualEx has entered into share purchase agreements executed on September 28, 2016 (the "**Share Purchase Agreements**") to purchase two private oil and gas companies for the collective consideration of \$550,000 paid by the issuance of 55,000,000 units of the Company (each a "**Private Company Acquisition Unit**") at a deemed value of \$0.01 per Private Company Acquisition Unit (collectively, the "**Private Company Acquisitions**"). Each Private Company Acquisition Unit will consist of one (1) Common Share and one-half (1/2) of a Common Share purchase warrant (each such whole warrant, a "**Private Company Acquisition Warrant**"). Each whole Private Company Acquisition Warrant will be convertible into one (1) Common Share at the exercise price of \$0.015 per Common Share, for a period of two years from the closing date. Collectively, these two private companies have assets consisting of approximately 7 barrels per day of light oil production in central Alberta, \$500,000 of cash, approximately \$336,000 of restricted cash (AER deposits) and approximately \$336,000 of future abandonment liabilities. The private companies have no other material assets or liabilities.

The Private Company Acquisitions are related party transactions and are subject to TSXV acceptance. The Private Company Acquisitions are conditional on the closing of the Asset Acquisition, the closing of each of the Private Company Acquisitions and the closing of the Offering (discussed below). In addition to the above conditions, the obligations of both the Company and the private companies to complete the closing of the Private Company Acquisitions are subject to the satisfaction of other customary closing conditions for oil and gas share purchase acquisitions.

The Offering

In conjunction with the Asset Acquisition and the Private Company Acquisitions discussed above, subject to the final acceptance of the TSXV, DualEx will undertake a non-brokered private placement offering to qualified investors consisting of a minimum of 50,000,000 units (each an “**Offering Unit**”) at a price of \$0.01 per Offering Unit for gross proceeds of a minimum of \$500,000, and a maximum of up to 100,000,000 Offering Units for gross proceeds of up to a maximum of \$1,000,000 (the “**Offering**”). Each Offering Unit will consist of one (1) Common Share and one-half of a (1/2) Common Share purchase warrant (each such whole warrant, an “**Offering Warrant**”). Each whole Offering Warrant is exercisable into one (1) Common Share at a price of \$0.015 per Common Share for a period of two years from the issuance of such Offering Warrant. The proceeds of the Offering will be used for working capital and general corporate purposes.

Parties interested in participating in the Offering are encouraged to contact the Company.

The Consolidation

As a condition to the TSXV conditionally accepting the Offering, the Company has provided an undertaking to the TSXV to seek approval of the holders of its Common Shares for a consolidation of its Common Shares on the basis of one post-consolidation Common Share for every 10 pre-consolidation Common Shares no later than the earlier of its next annual general meeting and six months from the date of completion of the Offering, and to give effect to the share consolidation as expeditiously as possible after receiving the requisite shareholder approval (the “**Consolidation**”). Shareholders of the Company holding an aggregate of 5,914,169 Common Shares representing approximately 5.2% of the current issued and outstanding Common Shares have signed or have confirmed that they will sign confirmations prior to the closing of the Transactions (as defined below) that they will vote in favour of the Consolidation. In addition, shareholders issued Common Shares pursuant to the Private Company Acquisitions will hold in aggregate approximately 25.11% of the issued and outstanding Common Shares after the completion of the Private Company Acquisitions and the Offering (assuming that no warrants are exercised and assuming no Preferred Shares are converted) and such shareholders have signed confirmations that they will vote in favour of the Consolidation. Furthermore, potential subscribers of Offering Units under the minimum Offering will hold in aggregate approximately 22.83% of the issued and outstanding Common Shares after the Private Company Acquisitions and the minimum Offering (assuming that no warrants are exercised and assuming no Preferred Shares are converted) and such subscribers will have signed confirmations that they will vote in favour of the Consolidation as part of their subscription agreements to the Offering.

It is anticipated that after the Private Company Acquisitions, the completion of the minimum Offering (assuming no warrants are exercised) and the completion of the Consolidation, and assuming no Preferred Shares are converted, DualEx will have, on a post-Consolidation basis, approximately 21.9 million Common Shares issued and outstanding.

Unless otherwise stated, all Common Share, Unit, warrant and other securities figures in this news release are pre-Consolidation figures.

Management Changes

Effective immediately, Garry Hides has resigned as President and Chief Executive Officer of DualEx. Going forward, Mr. Hides will advise the Company on land, business development and general corporate matters. Mr. Ken Tompson, P.Geol, has replaced Mr. Hides as President and CEO of DualEx. Mr. Tompson has been Executive Vice President and Chief Operating Officer of DualEx since inception, and is a director of the Company.

It is anticipated that effective upon closing of the Transactions, Mr. Jason Schoenfeld, P.Eng, will be appointed Vice President, Engineering of the Company. Mr. Schoenfeld is a professional engineer with twenty years of diverse operations experience in the western Canadian oil and gas industry.

Closing of the Transactions and Comments from Ken Tompson, CEO

The Asset Acquisition, the Private Company Acquisitions and the Offering are anticipated to close in October 2016, and it is anticipated that the Consolidation will occur after the next annual general meeting of the Company which is expected to occur in the fourth quarter of 2016.

Ken Tompson, DualEx's CEO, commented: "These transactions are the first stage of the Company's operational return to Western Canada, and in themselves provide opportunities for growth going forward. The Peace River arch region of the Western Canadian Sedimentary Basin provides multi-zone potential for both light oil and natural gas, with solid access to infrastructure and is an area where the management team has enjoyed success in the past."

Other Information

Completion of the Asset Acquisition and the Private Company Acquisitions are subject to a number of conditions as disclosed above, and as set forth in the Asset Acquisition Agreement and the Share Purchase Agreements, respectively, including, but not limited to, TSXV acceptance, satisfactory due diligence and completion of the Offering. There can be no assurance that the Asset Acquisition, the Private Company Acquisitions, the Offering or the Consolidation (collectively, the "**Transactions**") will be completed as proposed or at all. The TSXV has in no way passed upon the merits of the Transactions and has neither approved nor disapproved the contents of this news release.

The Private Company Acquisitions are considered "related party transactions" under MI 61-101 and TSXV Policy 5.9 as approximately 20% of the shares of both private companies are held or controlled, directly or indirectly, by a director of the Company. The Company is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101 and TSXV Policy 5.9, in respect of these acquisitions, pursuant to Section 5.5(b) (Issuer Not Listed on Specified Markets) and Section 5.7(a) (Fair Market Value Not More Than 25% of Market Capitalization) of MI 61-101, respectively.

No new insiders will be created, nor will any change of control occur, as a result of the Transactions.

"BOE" means barrels of oil equivalent using a conversion factor of one barrel of oil equaling 6 thousand cubic feet of natural gas. This conversion ratio is based on an energy equivalency

conversion method, primarily applicable at the burner tip and does not necessarily represent a value equivalency at the wellhead. It should be noted that the use of BOE might be misleading, particularly if used in isolation. The Reserve Report has been prepared by Sproule Associates Limited in accordance with National Instrument 51-101 and COGEH reserve definitions. The forecast cost and price assumptions used in the Reserve Report assume increases in wellhead selling prices and take into account inflation with respect to future operating and capital costs. Light crude oil, conventional natural gas and natural gas liquids benchmark reference pricing, inflation and exchange rates utilized by Sproule in the Reserve Report were Sproule's forecast as at December 31, 2015. Net present value of reserves do not represent fair market value.

Trading Halt

Trading in DualEx's Common Shares on the TSXV is halted and will remain halted until the documentation required by the TSXV in relation to the Transactions has been reviewed and accepted by the TSXV.

About DualEx Energy International Inc.

DualEx Energy International Inc. is an oil and gas exploration and production company with operations in Western Canada. DualEx's Common Shares trade on the TSXV under the symbol "DXE".

For further information:

This press release is reproduced on DualEx's website at www.dualex.com. For this and other information about DualEx, please visit the website or contact Ken Tompson (President & CEO) at 403-265-8011 ext. 224.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Information: This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information. In particular, this news release contains forward-looking information in relation to: the proposed Asset Acquisition, the proposed Private Company Acquisitions, the proposed Offering and the proposed Consolidation and the closing of these Transactions; the assets of the Vendor being acquired in the proposed Asset Acquisition and proposed Private Company Acquisitions; the timing for completion of the proposed Asset Acquisition, the proposed Private Company Acquisitions, the proposed Offering and the proposed Consolidation; the use of proceeds for the proposed Offering; the satisfaction of the conditions for completion of the proposed Asset Acquisition and the proposed Private Company Acquisitions; the timing for the next annual general meeting of DualEx; and the appointment of Jason Schoenfeld as Vice President, Operations of the Company upon completion of the Transactions. This forward-looking information reflects DualEx's current beliefs and is based on information currently available to DualEx and on assumptions DualEx believes are reasonable. These assumptions include, but are not limited to: the satisfactory fulfilment of all of the conditions precedent to the proposed Asset Acquisition and the proposed Private Company Acquisitions; the receipt of all required approvals for the Transactions including, TSXV acceptance of the Transactions and DualEx shareholder approval of the proposed Consolidation; market acceptance of the proposed Transactions; the participants and the amounts subscribed for by participants in the Offering; the amount and extent of future abandonment liabilities in the assets being acquired pursuant to the Private Company Acquisitions; the accuracy of reserve reports in relation to the Asset Acquisition; equipment and crew availability for any work that may be conducted in relation to the assets acquired pursuant to the proposed Asset Acquisition or the Private Company Acquisitions; and DualEx's financial capability. Forward looking

information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of DualEx to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: reservoir performance, labour, equipment and material costs; interest and currency exchange rates; general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; delay or failure to receive board, shareholder or regulatory approvals; the actual results of future operations; competition; changes in legislation, including environmental legislation, affecting DualEx; the timing and availability of external financing on acceptable terms; and lack of qualified, skilled labour or loss of key individuals. A description of additional assumptions used to develop such forward-looking information and a description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in DualEx's disclosure documents on the SEDAR website at www.sedar.com. Although DualEx has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this news release is expressly qualified by this cautionary statement. The forward-looking information contained in this news release represents the expectations of DualEx as of the date of this news release and, accordingly, is subject to change after such date. However, DualEx expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.