



DUALEX CLOSES ACQUISITION OF ALBERTA OIL & GAS ASSETS, PRIVATE OIL & GAS COMPANIES, AND PRIVATE PLACEMENT OF UNITS

Calgary, October 21, 2016 - DualEx Energy International Inc. (“**DualEx**” or the “**Company**”) (TSXV: DXE) announced that, further to its news release dated September 30, 2016, it has closed the acquisition of producing assets in the Peace River Arch area of northern Alberta, closed the acquisition of two private corporations and closed the non-brokered private placement offering of 81,050,000 units at a price of \$0.01 per unit for gross proceeds of \$810,500.

Company President & CEO Ken Tompson commented, “We exceeded the minimum sought under the private placement, and the funds generated, combined with those held in the private companies acquired, will provide DualEx with the financial wherewithal to undertake optimization initiatives planned for the Peace River arch asset acquisition and to lay the groundwork for development activities going forward.”

The Asset Acquisition

DualEx acquired 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 was \$285,000 cash, subject to adjustments, and the issuance of two million non-interest bearing, non-voting Series I Preferred Shares (the “**Preferred Shares**”). Subject to restrictions on becoming an insider of DualEx as a result of conversion of 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 is 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 (the “**Market Price**”). Each whole Asset Acquisition Warrant entitles the holder to purchase one (1) Common Share during the period expiring on the five year anniversary of the closing date of the Asset Acquisition upon payment of the Asset Acquisition Warrant exercise price which is equal to the Market Price, subject to TSXV minimum pricing rules.

The Private Company Acquisitions

Concurrent with the completion of the Asset Acquisition, DualEx purchased two private oil and gas companies for the collective consideration of \$550,000 paid by the issuance of 55,000,000 units of DualEx (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 consists 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 is 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.

The Private Placement Offering

In conjunction with the completion of the Asset Acquisition and the Private Company Acquisitions discussed above, DualEx completed a non-brokered private placement of 81,050,000 units (each an “**Offering Unit**”) at a price of \$0.01 per Offering Unit for gross proceeds of \$810,500 (the “**Offering**”). Each Offering Unit consists 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. The Common Shares and Offering Warrants issued in connection with the Offering are subject to a hold period that expires on February 21, 2017.

The Consolidation and Annual General and Special Meeting

DualEx also announces that its 2016 Annual General and Special Meeting of Shareholders will be held in Calgary on December 15, 2016 (the “**Meeting**”). At the Meeting, shareholders will be asked to approve, among other things, the consolidation (the “**Consolidation**”) of DualEx’s Common Shares on the basis of one post-consolidation Common Share for every 10 pre-consolidation Common Shares (as was announced in its September 30, 2016 news release). Details of the Meeting will be contained in materials mailed out to shareholders of record as at November 10, 2016.

After the completion of the Private Company Acquisitions and the Offering announced above, DualEx has 250,088,939 Common Shares issued and outstanding. After the completion of the Consolidation, and assuming no Preferred Shares are converted and no warrants are exercised, it is anticipated that DualEx will have, on a post-Consolidation basis, approximately 25,008,893 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

As was first announced in the September 30, 2016 news release, Mr. Jason Schoenfeld, P.Eng, was appointed Vice President, Engineering of DualEx effective October 20. Mr. Schoenfeld is a professional engineer with twenty years of diverse operations experience in the western Canadian oil and gas industry.

Other Information

The Private Company Acquisitions are considered “related party transactions” under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) and TSXV Policy 5.9 as approximately 20% of the shares of both private companies were

held or controlled, directly or indirectly, by a director of the Company. In addition, directors or officers of the Company purchased 2,500,000 Offering Units and such purchases are considered “related party transactions” under MI 61-101 and TSXV Policy 5.9. 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 and share purchases, 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 were created, nor did any change of control occur, as a result of the above transactions.

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.dualexen.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 use of proceeds for the Offering; the timing for the Meeting; and the Consolidation. 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: DualEx shareholder approval of the Consolidation; market acceptance of the transactions announced in this new release; 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 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.