



VELVET ENERGY LTD. & IRON BRIDGE RESOURCES INC. JOINTLY ANNOUNCE AMALGAMATION AGREEMENT

CALGARY, Alberta, Oct. 11, 2018 (GLOBE NEWSWIRE) -- Velvet Energy Ltd. ("Velvet") and Iron Bridge Resources Inc. (TSX: IBR) ("Iron Bridge") today announced that Iron Bridge has entered into an amalgamation agreement (the "Amalgamation Agreement") with Velvet Acquisition Company Ltd. ("AcquisitionCo"), a wholly-owned subsidiary of Velvet, under which Iron Bridge will amalgamate with AcquisitionCo, with the amalgamated entity ("Amalco") becoming a wholly-owned subsidiary of Velvet (the "Amalgamation"). The Amalgamation, which is subject to the approval of the holders (the "Iron Bridge Shareholders") of common shares of Iron Bridge (the "Iron Bridge Shares"), will constitute the subsequent acquisition transaction proposed by Velvet in order to acquire all of the Iron Bridge Shares that Velvet did not acquire under its offer to purchase all of the outstanding Iron Bridge Shares (the "Offer"), which expired on October 5, 2018. Velvet acquired an aggregate of 143,788,237 Iron Bridge Shares under the Offer, representing approximately 87.7% of the number of outstanding Iron Bridge Shares.

A special meeting (the "Meeting") of the Iron Bridge Shareholders has been called for 9:00 a.m. (Calgary time) on November 6, 2018 at 2400, 525 - 8th Avenue S.W., Calgary, Alberta to consider, and if thought advisable, pass a special resolution in relation to the Amalgamation (the "Amalgamation Resolution"). The Amalgamation Resolution must be passed by 66 2/3% of the votes cast by Iron Bridge Shareholders, voting in person or by proxy at the Meeting. In addition, pursuant to applicable securities laws, the Amalgamation must also be approved by a simple majority of the votes cast by "minority" Iron Bridge Shareholders represented in person or by proxy at the Meeting. Velvet currently holds approximately 87.7% of the issued and outstanding Iron Bridge Shares, all of which are entitled to be treated as "minority" Iron Bridge Shares, and Velvet has advised that it intends to vote all of its Iron Bridge Shares in favour of the Amalgamation. An information circular and proxy statement (the "Information Circular") and related documents are expected to be mailed on or about October 16, 2018 to Iron Bridge Shareholders of record on October 2, 2018 and will be filed on SEDAR (under Iron Bridge's profile) at www.sedar.com.

Subject to the terms of the Amalgamation Agreement, each Iron Bridge Shareholder (other than Velvet and any of its affiliates or any Iron Bridge Shareholder who validly exercises dissent rights in relation to the Amalgamation) will, upon completion of the Amalgamation, receive one redeemable preferred share of Amalco (each, a "Redeemable Preferred Share") for each Iron Bridge Share. The Redeemable Preferred Shares will be automatically redeemed immediately following the completion of the Amalgamation for \$0.845 in cash per Redeemable Preferred Share (the "Amalgamation Consideration"). The Amalgamation Consideration is the same as the consideration that was available to Iron Bridge Shareholders under the Offer.

As Velvet intends to vote the Iron Bridge Shares held by it in favour of the Amalgamation Resolution, and, under applicable securities laws, all such votes, are entitled to be counted in respect of the Amalgamation Resolution at the Meeting, it is anticipated that the Amalgamation will be approved and take effect on or about November 6, 2018 (the "Effective Date"). At that time, Amalco will become a wholly owned subsidiary of Velvet, the Iron Bridge Shares will thereafter cease to trade on the Toronto Stock Exchange and Iron Bridge will apply to cease to be a reporting issuer under applicable securities laws as soon as reasonably practicable following the Effective Date.

Important Notice

Certain statements contained in this news release constitute forward-looking information within the meaning of applicable securities laws. Forward-looking information can be generally identified by the use of words such as "anticipate", "continue", "estimate", "expect", "expected", "intend", "may", "will", "project", "plan", "should", "believe" and similar expressions. In particular, this news release contains forward-looking information concerning the timing of the Meeting, the manner in which the Iron Bridge Shares held by Velvet will be voted at the Meeting, that Amalco will become a wholly-owned subsidiary of Velvet upon completion of the Amalgamation, the completion of the Amalgamation and the timing thereof, the Amalgamation Consideration, the redemption of the Redeemable Preferred Shares and the timing thereof, the anticipated de-listing of the Iron Bridge Shares from the Toronto Stock Exchange following the Amalgamation, Iron Bridge ceasing to be a reporting issuer under applicable securities laws following the Amalgamation and the timing thereof, the mailing and filing on SEDAR of the Information Circular and related documents.

Forward-looking statements are based upon the opinions and expectations of management of Velvet and Iron Bridge as at the effective date of such statements and, in some cases, information supplied by third parties. Although Velvet and Iron Bridge believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from third parties is reliable, it can give no assurance that those expectations will prove to have been correct. Forward-looking statements are subject to certain risks and uncertainties that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, such things as new laws and regulations, failure to obtain approval of the Amalgamation Resolution by Iron Bridge Shareholders and/or complete the Amalgamation in the manner contemplated by the parties or at all. Having regard to the various risk factors, readers should not place undue reliance upon the forward-looking statements contained in this news release and such forward-looking statements should not be interpreted or regarded as guarantees of future outcomes. The forward-looking statements contained in this news release are made as of the date hereof neither Velvet or Iron Bridge undertake any obligation to update or to revise any of the included forward-looking statements, except as required by applicable securities laws in force in Canada. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

For further information:

Ken Woolner
President and Chief Executive Officer
(403) 781-9134

Chris Theal
Chief Financial Officer
(403) 781-9162

Peter Henry
Vice President, Finance
(403) 781-9133