

## Athabasca Oil Corporation Reports Second Quarter 2013 Results

CALGARY, July 31, 2013 /CNW/ - Athabasca Oil Corporation (TSX: ATH) ("Athabasca" or "the Company") is pleased to report its second quarter 2013 results.

### Highlights

- Capital expenditures during the second quarter totalled \$143 million, \$92 million in the Thermal Oil Division and \$48 million in the Light Oil Division and the remainder for corporate assets;
- Production in the second quarter averaged 7,258 barrels of oil equivalent per day ("boe/d"), with an average production of 8,552 boe/d for June;
- Average netback during the second quarter was \$36.55 per barrel of oil equivalent;
- In the Thermal Oil Division, construction at Hangingstone ("HS") Project 1 continued as planned.

Athabasca has filed its financial statements and management's discussion and analysis for the three and six month periods ended June 30, 2013. These documents are available on the Company's website [www.atha.com](http://www.atha.com) and later this morning from SEDAR [www.sedar.com](http://www.sedar.com).

### Thermal Oil Division

The HS Project 1, a 12,000 barrel per day ("bbl/d") SAGD facility, construction budget remained on track with over 64% of the project costs committed. Engineering and procurement being over 85% complete allowed field construction to start. Mechanical site construction and drilling are on schedule for a third quarter start. In May, the regulatory application for the HS Expansion, a 70,000 bbl/d SAGD project, was submitted. The HS Expansion is planned in two phases of 40,000 bbl/d and 30,000 bbl/d respectively.

The hearing in respect of the Dover Commercial Project, in which Athabasca holds a 40% interest, was held from April 23 to 29, 2013. The Alberta Energy Regulator (formerly ERCB) panel is considering the information provided and is expected to provide its decision shortly. Athabasca's view is that regulatory approval of this project is expected later this year which would trigger rights under the Company's Put/Call Option Agreement.

Athabasca completed the third production cycle of the Dover West Carbonates TAGD test. The results of the TAGD field test have successfully met or exceeded all design objectives which included demonstrating the ability to heat the reservoir with thermal conduction and produce bitumen by gravity drainage from the Leduc carbonate formation.

### Light Oil Division

Light Oil production averaged 7,258 boe/d (50% liquids) in the second quarter with an

average of 8,552 boe/d in June. Since the occurrence of the March and April service interruptions at the Simonette gas plant Keyera has initiated plant modifications aimed at improved sour gas processing and liquid handling. Operational run-times continuously improved since early May and Athabasca has steadily increased its production throughout the quarter. Keyera will have a scheduled shutdown in September, lasting approximately three weeks, for planned maintenance and completion of the plant modifications. As a result, Athabasca's September production will be low, bringing its expected average production for the third quarter of 2013 into the range of 5,700 to 6,200 boe/d. Five Montney horizontal wells were completed during the quarter. All development wells from the winter drilling program are now tied-in.

Athabasca continues to be encouraged by the strong performance of its three Duvernay horizontal wells and results reported by other industry operators. Athabasca has initiated a formal joint venture process for its Duvernay holdings. Athabasca holds approximately 350,000 prospective acres (net) of liquids-rich Duvernay potential, including approximately 200,000 high-graded acres (net) near Kaybob which contain greater than 20 metres of net pay and lie in the heart of the Duvernay Fairway.

"Athabasca's strategy has been and continues to be growth through joint ventures," says Sveinung Svarte, president and CEO. "The Duvernay production potential is very good and full development will require significant capital investment. A joint venture partner would allow Athabasca to accelerate the development and value realization from the Duvernay."

Athabasca expects a decision from the Alberta Energy Regulator regarding the Dover Commercial Project in the third quarter. Once a decision has been received, a review of the Light Oil capital budget for the remainder of 2013 will be undertaken.

***Conference Call, July 31, 2013***  
***7:30 am Mountain Time (9:30 am Eastern Time)***

A conference call to discuss the second quarter will be held for the investment community and media on July 31, 2013 at 7:30 a.m. MT (9:30 a.m. ET). To participate, please dial 1-888-231-8191 (toll-free in North America) or 1-647-427-7450 approximately 15 minutes prior to the conference call. An archived recording of the call will be available from approximately 12:30 p.m. ET on July 31, 2013 until midnight on August 14, 2013 by dialing 1-855-859-2056 (toll-free in North America) or 1-416-849-0833 and entering conference password 13327904.

An audio webcast of the conference call will also be available via Athabasca's website, [www.atha.com](http://www.atha.com) or via the following URL:  
<http://www.newswire.ca/en/webcast/detail/1191885/1306669>.

**About Athabasca Oil Corporation**

Athabasca Oil Corporation is a dynamic, Canadian energy company with a diverse portfolio of thermal and light oil assets. Situated in Alberta's Western Canadian

Sedimentary Basin, the Company has amassed a significant land base of extensive, high quality resources. With 10.6 billion barrels of bitumen resources (contingent resources, best estimate) and growing light oil production, Athabasca aspires to become a major oil producer. Athabasca's common shares trade on the TSX under the symbol 'ATH'.

**Reader Advisory:**

This News Release contains forward-looking information that involves various risks, uncertainties and other factors. All information other than statements of historical fact is forward-looking information. The use of any of the words "anticipate", "project", "plan", "continue", "estimate", "expect", "may", "would", "will", "project", "should", "believe", "predict", "pursue" and "potential" and similar expressions are intended to identify forward-looking information. The forward-looking information is not historical fact, but rather is based on the Company's current plans, objectives, goals, strategies, estimates, assumptions and projections about the Company's industry, business and future financial results. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that these expectations will prove to be correct and such forward-looking information included in this News Release should not be unduly relied upon. This information speaks only as of the date of this News Release. In particular, this News Release may contain forward-looking information pertaining to the following: the expected timing of receipt of regulatory approval for the Dover Commercial Project; expected timing of receipt of first significant revenues from the Company's assets; the Company's capital expenditure programs; the Company's drilling plans; the Company's plans for, and results of, exploration and development activities; the Company's estimated future commitments; business plans; sanctioning of projects; development of the Company's Thermal Oil Division and Light Oil and Gas Division projects; timing of facilities construction and timing of production; the use of in-situ recovery methods such as Steam Assisted Gravity Drainage (SAGD) for production of recoverable bitumen, including the potential benefits of such methods; estimated average production rates for the third quarter of 2013 and long term production goals; estimated initial and full production of the Company's projects; Athabasca's plans with respect to the Company's Light Oil Division and Thermal Oil assets and the expected benefits to be received by Athabasca from such assets; and expectations regarding the Company's Light Oil Division development areas including anticipated production levels and timing of receipt of significant revenues and operating results therefrom.

With respect to forward-looking information contained in this News Release, assumptions have been made regarding, among other things: the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the Company's ability to successfully complete a Duvernay joint venture; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts and will conduct its business; the applicability of technologies for the recovery and production of the Company's reserves and resources; future capital expenditures to be made by the Company; future sources of funding for the Company's capital programs; the Company's future debt levels; geological and engineering estimates

in respect of the Company's reserves and resources; the geography of the areas in which the Company is conducting exploration and development activities; the impact that the agreements relating to the PetroChina Transaction (the "PetroChina Transaction Agreements") will have on the Company, including on the Company's financial condition and results of operations; and the Company's ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in this forward-looking information as a result of the risk factors set forth in the Company's most recent Annual Information Form filed on March 27, 2012 ("AIF") that is available on SEDAR at [www.sedar.com](http://www.sedar.com), including, but not limited to: fluctuations in market prices for crude oil, natural gas and bitumen blend; general economic, market and business conditions; dependence on Phoenix Energy Holdings Limited ("Phoenix") as the joint venture participant in the Dover oil sands projects; failure to satisfy certain conditions in connection with the Company's debt and credit facilities; variations in foreign exchange and interest rates; factors affecting potential profitability; factors affecting funding, including the development of new business opportunities, the availability of financing, developments in technology, the priorities of the Company and of its current and future joint venture partners and general economic conditions; uncertainties inherent in estimating quantities of reserves and resources; uncertainties inherent in SAGD ; the potential impact of the exercise of the Dover put/call options on the Company; failure to meet the conditions precedent to the exercise by the Company of the Dover put option, including failure to obtain necessary regulatory approvals for completion of the Dover put/call option transaction in 2013 or at all; failure to obtain regulatory approval for the Hangingstone Expansion Project or other oil sands projects when anticipated or at all; failure to meet development schedules and potential cost overruns; increases in operating costs making projects uneconomic; the effect of diluent and natural gas supply constraints and increases in the costs thereof; gas over bitumen issues affecting operational results; the potential for adverse consequences in the event that the Company defaults under certain of the PetroChina Transaction Agreements; environmental risks and hazards and the cost of compliance with environmental regulations; failure to obtain or retain key personnel; the substantial capital requirements of the Company's projects; the need to obtain regulatory approvals and maintain compliance with regulatory requirements; changes to royalty regimes; political risks; failure to accurately estimate abandonment and reclamation costs; risks inherent in the Company's operations, including those related to exploration, development and production of oil sands, crude oil and natural gas reserves and resources, including the production of oil sands reserves and resources using SAGD and the production of crude oil and natural gas using multi-stage fracture and other stimulation technologies; the potential for management estimates and assumptions to be inaccurate; reliance on third party infrastructure for project facilities; failure by counterparties (including without limitation Phoenix) to comply with contractual arrangements between the Company and such counterparties; the potential lack of available drilling equipment and limitations on access to the Company's assets; Aboriginal claims; seasonality; hedging risks; insurance risks; claims made in respect of the Company's operations, properties or assets; the potential for adverse consequences as a result of the change of control provisions in the PetroChina Transaction Agreements;

competition for, among other things, capital, the acquisition of reserves and resources, export pipeline capacity and skilled personnel; the failure of the Company or the holder of certain licenses or leases to meet specific requirements of such licenses or leases; risk of reassessments of the Company's tax filings by taxation authorities; risks arising from future acquisition and joint venture activities; risks that joint venture arrangements will not perform as expected; volatility in the market price of the common shares; and the effect that the issuance of additional securities by the Company could have on the market price of the common shares. The forward-looking statements included in this News Release are expressly qualified by this cautionary statement. Athabasca does not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws.

**Oil and Gas Information:**

"BOEs" 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 equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

SOURCE: Athabasca Oil Corporation

For further information:

**Media and Financial Community**

Andre De Leebeeck  
Vice President, Investor Relations and  
External Communications  
1-403-817-8048  
[adeleebeeck@atha.com](mailto:adeleebeeck@atha.com)

**Financial Community**

Tracy Robinson  
Manager, Investor Relations  
1-403-532-7446  
[trobenson@atha.com](mailto:trobenson@atha.com)