

Athabasca Enters into Option Agreement to Sell a Portion of its Light Oil Infrastructure

CALGARY, Sept. 18, 2013 /CNW/ - Athabasca Oil Corporation (TSX: ATH) ("Athabasca" or "AOC") has entered into an option agreement with a third party giving the right to Athabasca, at its discretion, to sell up to a 50% interest in its Kaybob area light oil infrastructure for cash consideration of up to \$145 million.

Under the terms of the agreement, AOC has the right on or before December 31, 2013 to sell to the counterparty a 25% to 50% working interest in AOC's light oil pipeline and other infrastructure assets in the Kaybob area of northwestern Alberta. If Athabasca decides to sell a 50% interest in its Kaybob area infrastructure assets, AOC's cash proceeds would be \$145 million.

If Athabasca exercises its rights under the option agreement, the counterparty will have the right to acquire, an equivalent interest in certain infrastructure assets in the Simonette area (also known as the Saxon area) of northwestern Alberta for cash consideration of up to an additional \$15 million. AOC would remain operator of both the Kaybob and Simonette infrastructure assets.

The option agreement does not prevent AOC from including the infrastructure related to the option agreement as part of a joint venture, other material transaction involving P&NG rights, or exploring other avenues to monetize the infrastructure.

The closing of the two transactions, if exercised, are subject to standard closing conditions, including receipt of any necessary regulatory approvals and receipt by AOC of its lenders' consent.

"This option, if exercised, provides us the flexibility to redeploy capital to advance our projects in 2014 without sacrificing production volumes or strategic optionality for the remainder of the year" said Sveinung Svarte, AOC's president and chief executive officer. "The transaction validates our view that the greater Kaybob area is an increasingly important growth area for future Canadian oil and gas production." AOC is one of the largest lease holders in the area with more than 350,000 acres of prospective Duvernay leases of which 200,000 acres have been high-graded.

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 is positioned to become a major oil producer. Athabasca's common shares trade on the TSX under the symbol "ATH". For more information, visit www.atha.com.

Reader Advisory:

This news release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information concerning the closing of the divestiture of certain of Athabasca's light oil infrastructure assets, and the expected receipt of the cash consideration from such divestiture. The forward-looking information is based on certain key expectations and assumptions made by the company's management, including expectations and assumptions concerning Athabasca's ability to obtain the necessary regulatory approvals and satisfaction of the other conditions to closing the put transaction, including Athabasca's ability to obtain the consent of its lenders pursuant to the terms of its November 30, 2012 Credit Agreement.

Although Athabasca believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Athabasca can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. The put transaction may not be completed on the anticipated time frames or at all or may be renegotiated and Athabasca's actual results could differ materially from those expressed in, or implied by, the 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 so, what benefits that the company will derive there from.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Further risks and uncertainties regarding Athabasca, its operations, business plans and expectations are described in more detail in Athabasca's Annual Information Form dated March 28, 2013, which is available on the SEDAR website at www.sedar.com. See also Athabasca's financial statements and Management's Discussion and Analysis for the year ended December 31, 2012 and for the current interim financial period, which are also available on SEDAR. These forward-looking statements are made as of the date of this press release and Athabasca disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

SOURCE: Athabasca Oil Corporation

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