SEVEN GENERATIONS
ENERGY LTD

NEWS RELEASE

Seven Generations Energy Ltd. Reports First Quarter Results

CALGARY, May 29, 2014 - Seven Generations Energy Ltd. ("7G" or the "Company") is pleased to report its first quarter 2014 operating and financial results. First quarter production averaged a record 20,231 boe per day and funds from operations also set a record at nearly $54 million. Year over year first quarter production more than tripled from the first quarter of 2013, including a 75% increase from the fourth quarter of 2013. The Company drilled 10 wells in the quarter with a 100% success ratio, and brought 7 new Montney horizontal wells on production. In the summer of 2013, the Company commenced an initiative of larger fracs, longer wells and restricted initial production. On a preliminary analysis of early data, those wells constructed under this new initiative demonstrate both gas and liquids production each exceeding our 25% production improvement target. Vice President Reservoir Engineering, Frank Kuppe said, "While it is too soon to definitively characterize the effect of these well construction changes, the outlook for productivity and recovery improvement is very positive".

Operational Highlights

- During the first quarter of 2014, 7G initiated the drilling of 11 new wells, rig released 10 wells with an average horizontal lateral length of approximately 2,400m, and brought 7 new wells on production.
- The Company increased its active drilling rig count to 8 rigs during the quarter (from 7 rigs at the beginning of the year).
- 7G achieved operating netbacks of $38.56 per boe, a 45% increase over the first quarter of 2013 and a 21% increase over the fourth quarter of 2013.
- During and subsequent to the quarter, 7G completed a number of land transactions which resulted in a net acquisition of 118 net sections of Montney land and a key access road for a total net capital consideration of C$29.5 million. These transactions bring 7G's total Montney acreage position to 516 net sections (as of April 3, 2014).

Financial Update

- In the first quarter of 2014 the Company re-opened its existing US$400 million senior unsecured notes and issued an additional US$300 million in aggregate principal amount bearing an 8.25% interest rate. The notes were sold at 107% of par, implying a yield of 6.65% at the time of closing.
- Subsequent to the quarter, the Company also completed a C$633 million secondary equity offering providing partial liquidity to founding shareholders and broadening the shareholder base with greater than 15 new institutional investors. Shares were allocated to the new investors largely on the basis of the advice the Company received as to the likelihood the investors would continue to invest in 7G though its next phase of growth.
- As a result of significant increases in production volumes and strong commodity pricing, revenue increased 365% in the first quarter of 2014 versus the same period last year, and 103% over the fourth quarter of 2013.
- Cash flow for the quarter was $0.51 per share (diluted), a 240% increase over the first quarter of 2013, and a 113% increase over the fourth quarter of 2013.
- Net capital expenditures for the quarter totaled C$193.0 million, with approximately 64% spent on drilling and completions and 34% on facilities and well equipment.

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	Three Months Ended March 31		
	2014	**2013**	**Change**
OPERATIONAL			
Total land holdings			
Gross acres	**289,120**	190,880	51%
Net acres	**281,977**	183,601	54%
Undeveloped land holdings			
Gross acres	**225,916**	148,636	52%
Net acres	**222,150**	144,550	54%
Rig Count	**8**	2	300%
Production			
Oil and NGL (bbl/d)	**11,608**	3,509	231%
Gas (mcf/d)	**51,739**	16,386	216%
Total (boe/d)	**20,231**	6,240	224%
Liquids Ratio	**57%**	56%	2%
Product Prices (1)			
Crude oil and NGL ($/bbl)	**73.07**	53.25	37%
Natural gas ($/mcf)	**5.80**	3.65	59%
Operating and transportation expense ($/boe)	**12.42**	10.09	23%
Operating netback ($/boe) (2)	**38.56**	26.67	45%
General administrative expenses ($/boe) (3)	**1.74**	3.35	(48%)
FINANCIAL ($000, EXCEPT PER SHARE)			
Revenue	**103,331**	22,205	365%
Royalties	**5,386**	2,120	154%
Cash flow	**53,958**	13,156	310%
Cash flow per share (diluted)	**0.51**	0.15	240%
Net earnings (loss)	**1,164**	876	33%
Net earnings per share (diluted)	**0.01**	0.01	-
Capital expenditures, net of dispositions	**193,049**	132,469	46%
Weighted average shares outstanding (diluted)	**106,017**	86,626	22%
Working capital (deficit) (4)	**424,581**	(23,559)	1902%
Net debt (5)	**(349,269)**	(23,559)	1383%

(1) Prices excluded realized gains and losses on financial instruments
(2) Operating netback is calculated on a per-boe basis and is defined as revenue (including realized risk management contracts and processing income) less royalties, transportation costs and operating expenses
(3) Excludes interest and financing charges
(4) Working capital excludes unrealized financial instruments and deferred credits
(5) Debt as reported represents US$700.0 million converted to Canadian dollars at the closing exchange rate at March 31, 2014

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About 7G

Seven Generations Energy Ltd. is a tight gas developer with a single asset, the Kakwa River Project. 7G has its corporate headquarters in Calgary, Alberta and operating headquarters in Grande Prairie, Alberta, approximately 100 kilometers from the Project. The Project includes more than 500 square miles of rights in the Alberta Deep Basin, targeting, mainly, the Montney formation. By management's projection, the Project has the potential to yield more than 25 trillion cubic feet of marketable gas and more than 2.6 billion barrels of natural gas liquids (including over 1.0 billion barrels of condensate), with the potential to produce approximately 2 billion cubic feet of gas and 200,000 barrels of natural gas liquids daily for nearly 20 years.

Advisories

This press release may contain forward-looking information and statements regarding the Company. Any statements included in this press release that address activities, events or developments that the Company "expects," "believes," "plans," "projects," "estimates" or "anticipates" will or may occur in the future are forward-looking statements. Actual results may differ materially due to a variety of important factors. Among other items, such factors might include: planned and unplanned capital expenditures; changes in general economic conditions; uncertainties in reserve, resource and production estimates; unanticipated recovery or production problems; weather-related interference with business operations; the effects of delays in completion of, or shut-ins of, gas and liquids gathering systems, pipelines and processing facilities; potential costs associated with complying with new or modified regulations; oil and natural gas prices and competition; the impact of derivative positions; production expense estimates; cash flow and cash flow estimates; drilling and operating risks; the ability to replace oil and gas reserves; volatility in the financial and credit markets or in oil and natural gas prices. Except as required by law, the Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change. Do not place undue reliance on forward-looking information. This Press Release includes references to barrel equivalents (boes) which are calculated at a conversion rate of one barrel of oil to six thousand cubic feet of gas. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 1bbl : 6mscf is based on an approximation of energy equivalence conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head. In addition, given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalent of six to one, utilizing a boe conversion ratio of 1bbl:6mscf would be misleading as an indication of value.

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