



For Immediate Release

AIMCo Announces Significant Investment in Perpetual Energy Inc.

Edmonton, Alberta (February 17, 2017) – Alberta Investment Management Corporation (“AIMCo”) is pleased to announce that it has signed a letter of commitment and a subscription agreement, on behalf of certain of its clients, to enter into a strategic financing relationship with Perpetual Energy Inc., (“Perpetual”) (TSE: PMT). The transaction is anticipated to close in early March 2017.

Based upon the terms of the commitment letter and the subscription agreement, the financing relationship provides for a CAD \$45 million debt-with-warrants financing, and the agreement by AIMCo to purchase 2,571,500 units of Perpetual (“Units”) at a price of CAD \$1.75 per Unit for gross proceeds of approximately CAD \$4.5 million, with each Unit consisting of one common share of Perpetual and 0.21 of a common share purchase warrant of Perpetual (a “Warrant”). The debt-with-warrants component consists of a second lien senior secured term loan to Perpetual, repayable four years following the date of closing and bearing interest at 8.1% per annum, as well as 120 Warrants for every \$1,000 committed under the Second Lien Facility, resulting in the issuance of 5,400,000 additional Warrants.

AIMCo’s investment in Perpetual provides its clients an attractive opportunity to gain direct exposure to a Calgary-based Canadian energy company focused on long-term value creation through oil and gas based exploration, development, production and marketing. Perpetual has built a spectrum of resource-style opportunities spanning heavy oil, liquids-rich natural gas and bitumen. These balance a base of legacy shallow gas assets. With a track record of innovation and operational excellence, Perpetual is positioned to grow and prosper throughout the dynamic cycles of the energy business.

“On behalf of our clients, AIMCo is very pleased to have the opportunity to enter into this strategic financing relationship with Perpetual Energy,” states Peter Pontikes, Executive Vice-President, Public Equities of AIMCo. “Perpetual has a demonstrated history of resiliency in its ability to manage through the cyclicity of Alberta’s energy sector. Led by an accomplished management team, we are confident that our investment provides this innovative company with the flexibility to weather the current market downturn and allow them to position for future growth.”

Sue Riddell Rose, President and CEO of Perpetual Energy Inc. commented, “Perpetual is pleased to enter into a long term relationship with a strong and prudent institutional investor that has purposefully chosen to align with our equity shareholders, while providing a comprehensive debt refinancing solution. With ample liquidity now confirmed to successfully execute our 2017 growth-focused capital program and effectively manage our senior notes maturity in March 2018, we look forward to converting the inherent value in our asset base to positive returns for our investors.”

About Alberta Investment Management Corporation (AIMCo)

AIMCo is one of Canada's largest and most diversified institutional investment managers with more than \$90 billion of assets under management. AIMCo was established on January 1, 2008 with a mandate to provide superior long-term investment results for its clients. AIMCo operates at arms-length from the Government of Alberta and invests globally on behalf of 31 pension, endowment and government funds in the Province of Alberta. For more information on AIMCo please visit www.aimco.alberta.ca.

About Perpetual Energy Inc. (Perpetual)

Perpetual Energy Inc. is a Canadian energy company with a spectrum of resource-style opportunities spanning liquids-rich natural gas in the Alberta deep basin, shallow gas, heavy oil and bitumen. Perpetual's shares are listed on the Toronto Stock Exchange under the symbol "PMT". Further information with respect to Perpetual can be found at its website at www.perpetualenergyinc.com.

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Media Contact

Dénes Németh

Corporate Communication

O: 780-392-3857

M: 780-932-4013

E: denes.nemeth@aimco.alberta.ca