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**MONTANA EXPLORATION CORP. TO ACQUIRE WALDRON ENERGY CORPORATION TO
FORM A DIVERSIFIED JUNIOR DEVELOPMENT AND EXPLORATION COMPANY**

Calgary, Alberta - July 31, 2013. Montana Exploration Corp. ("Montana") (TSXV:MTZ) and Waldron Energy Corporation ("Waldron") (TSX:WDN) are pleased to announce that they have entered into an arrangement agreement (the "Arrangement Agreement") pursuant to which Montana will acquire all of the issued and outstanding common shares of Waldron (the "Arrangement"). Under the Arrangement, shareholders of Waldron may elect to receive: (a) 1.8 common shares of Montana for each Waldron share held (a "Waldron Share"); or (b) \$0.45 cash for each Waldron Share held; or (c) a combination of common shares of Montana and cash, subject to potential proration (as described below).

The consideration offered for the Waldron Shares pursuant to the Arrangement represents a 23% premium to the closing price of the Waldron Shares on the Toronto Stock Exchange ("TSX") on July 31, 2013 of \$0.365 and a premium of 43% to the 30 trading day volume weighted average trading price. The combined asset base following completion of the Arrangement will consist of liquids rich natural gas development opportunities in west central Alberta, a Shaunavon light oil exploration play in the State of Montana and low decline natural gas production from the Eagle formation in the State of Montana. At closing of the Arrangement, total base production will be approximately 2,200 boe/d (25% liquids).

Montana has entered into equity subscription agreements with its controlling shareholders to raise aggregate gross proceeds of \$25 million at a price of \$0.25 per share of Montana (the "Private Placement"). The closing of the Private Placement is conditional upon the closing of the Arrangement and the receipt of all necessary regulatory approvals, including the TSX Venture Exchange. The proceeds from the Private Placement will be used to fund the cash portion of the consideration for the Arrangement, reduce combined bank debt and fund a portion of Montana's future capital program. Montana has received a term sheet from a Canadian financial institution for a reserves based credit facility for \$30 million (the "Facility") to be available upon closing of the Arrangement. The combination of the Private Placement and the Facility will allow Montana to execute a focused development plan for the remainder of 2013 and 2014.

Completion of the Arrangement is conditional on customary closing conditions and is subject to conditions precedent with respect to net indebtedness of Waldron, including transaction costs, at closing and production for the month of June, 2013.

The cash consideration payable pursuant to the Arrangement is subject to potential proration. Provided that the aggregate net indebtedness of Waldron, including transaction expenses, is less than or equal to \$35.5 million immediately prior to closing of the Arrangement, shareholders of Waldron will be permitted to elect the cash consideration for 100% of their shares of Waldron. To the extent the aggregate Waldron indebtedness, including transaction expenses, exceeds \$35.5 million immediately prior to closing of the Arrangement, the aggregate cash consideration available for election by Waldron's shareholders will be reduced on a one for one basis for each dollar in excess of \$35.5 million and if the amount exceeds \$36.5 million, on a two for one basis for each dollar in excess of \$35.5 million; to the extent shareholders of Waldron elect to receive more cash than available, the cash consideration will be subject to proration. Waldron expects net indebtedness, including transaction expenses, to be less than or equal to \$35.5 million immediately prior to closing.

All outstanding share options and share purchase warrants of Waldron at the effective time of the Arrangement will be cancelled for no consideration pursuant to the Plan of Arrangement.

APPROVALS

The Arrangement will be carried out by way of a court approved plan of arrangement and will require the approval of, among others, the holders of at least 66 $\frac{2}{3}$ % of the Waldron Shares present in person or represented by proxy at a special meeting of Waldron shareholders (the "Waldron Meeting") to be called to consider the Arrangement. The Arrangement is also subject to obtaining the approval of a majority of the votes cast by the holders of Montana shares at the annual and special meeting of Montana shareholders (the "Montana Meeting") to be called to consider the issuance of Montana shares in connection with the Private Placement and the approval of the Arrangement. In addition to shareholder and court approvals, the Arrangement is subject to applicable regulatory approvals and the satisfaction of certain other closing conditions customary in transactions of this nature, including stock exchange approvals.

Further information regarding the Arrangement will be contained in a joint information circular that Montana and Waldron will prepare, file and mail in due course to their respective shareholders in connection with the Montana Meeting and Waldron Meeting. It is expected that the Montana Meeting and Waldron Meeting will take place in late September, with closing of the Arrangement expected to occur at the end of September. Further details regarding the respective shareholders' meetings will be provided in the joint information circular. All shareholders are urged to read the information circular once it becomes available as it will contain additional information concerning the Arrangement.

Complete details of the Arrangement are set out in the Arrangement Agreement, which will be filed by each of Montana and Waldron with SEDAR and will be available for viewing under each company's respective profile at www.sedar.com.

BENEFITS OF THE ARRANGEMENT

The board of directors of Montana believes that the combined entity, with its improved balance sheet, will have the means to execute the remaining 2013 and 2014 capital expenditure program, consisting of a balance between targeted base development as well as high impact exploration opportunities. The capital expenditure program for the remainder of 2013 will be to drill one exploration well in west central Alberta that is required to meet Waldron's flow through commitment as well as participate in the Shaunavon oil drilling program being conducted by

Montana's farm-in partner, which partner has committed \$2 million of the first \$3 million of drilling on the Shaunavon program that is scheduled to begin in August of this year. To date, six locations have been surveyed and licenses received which will allow for sequential drilling on the Montana lands during the remainder of 2013.

Management of Montana has determined, based on its business model, that the development of the combined assets is sustainable and has highlighted a few of the key forecasted attributes below:

Pro Forma Operational and Financial Data

- Production on closing of approximately 2,200 boe/d (25% liquids)
- Total proved producing reserves of approximately 3.7 million boe, future net revenue of \$48 million (discounted at 10%)⁽¹⁾
- Total proved reserves of approximately 5.3 million boe, future net revenue of \$56 million (discounted at 10%)⁽¹⁾
- Total proved plus probable reserves of approximately 10.9 million boe, future net revenue of \$86 million (discounted at 10%)⁽¹⁾
- Undeveloped land (net) of 190,000 acres
- Approximately 185 million⁽²⁾ Montana shares outstanding following the completion of the Arrangement
- Credit facility capacity of \$30 million

Notes:

⁽¹⁾ Reserves information from reserves reports prepared by GLJ Petroleum Consultants Ltd. for each of Montana and Waldron, each with an effective date of December 31, 2012.

⁽²⁾ Assuming the maximum allowed cash election under the plan of arrangement and the issuance of 100 million common shares of Montana under the Private Placement. The number of Montana shares outstanding on closing of the Arrangement may be different depending on the elections made by the Waldron shareholders.

Management intends to set a formal budget upon closing of the Arrangement. The future capital program over the next 24 month period will be dependent on the cash position of the combined entity on closing once the final share and cash consideration is determined. The budget will implement a focused capital program for the remainder of 2013 and into 2014 designed to balance debt repayment with capital expenditures. With a modest, high impact targeted capital program for the remainder of 2013 and 2014 focused on development opportunities on the Waldron lands and exploration opportunities in Montana, Montana believes it is positioned for growth in production, cashflow and reserves while at the same time reducing leverage. Montana expects to protect a portion of its base production with an active hedging program potentially utilizing a combination of fixed price swaps and participating products designed to reduce cashflow volatility and maintain a base cashflow available to fund the capital program. Montana expects to continue looking for opportunities to expand its investor base and pursue strategic acquisitions targeting undervalued asset bases that complement Montana's business.

Montana's management and board of directors believe the proposed transaction will result in a combined entity that has improved access to capital which will be utilized to develop and explore oil and natural gas properties in Canada and the United States.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The board of directors of Waldron has unanimously approved the Arrangement and, based in part on the verbal fairness opinion from National Bank Financial Inc. (as discussed below),

unanimously determined that the Arrangement is in the best interests of Waldron. Each of the directors and officers of Waldron, representing in aggregate approximately 17% of the issued and outstanding Waldron Shares (on a non-diluted basis), has agreed to vote their Waldron Shares in favour of the Arrangement at the Waldron Meeting.

The board of directors of Montana has unanimously approved the Arrangement and unanimously determined that the Arrangement is in the best interests of Montana. Each of the directors (or their holding company through which they hold Montana Shares), officers and controlling shareholders of Montana, representing in aggregate approximately 70% of the issued and outstanding Montana shares (on a non-diluted basis), has agreed to vote their Montana shares in favour of the resolutions to be considered by shareholders of Montana at the Montana Meeting.

Under the terms of the Arrangement Agreement, each of Montana and Waldron shall not solicit or initiate any inquiries or discussions regarding any other business combination or sale of assets, subject to the fiduciary duty of the Montana or Waldron board of directors, respectively, in the event that an unsolicited superior proposal is received by either Montana or Waldron. Both Montana and Waldron have agreed to pay a non-completion fee of \$1.2 million to the other in certain circumstances as set forth in the Arrangement Agreement.

MANAGEMENT

Montana will continue to be led by its existing management team of Charles Selby as Executive Chairman and CEO, Don Foulkes as President, Don Jackson as Executive Vice President and COO and Bradley Plosz as Vice President Finance and CFO. At the Montana Meeting, among other matters, the shareholders of Montana will elect the board of directors of Montana for the ensuing year which will include Charles Selby, Don Foulkes, James Collins, Julian McIntyre, Dr. Alex Kulpec and Michael Hibberd.

ADVISORS

Cornerstone Capital Partners LP acted as advisors in regards to the Private Placement and Macquarie Capital Markets Canada Ltd. and Cornerstone Capital Partners LP acted as financial advisors to Montana with respect to the Arrangement. Bennett Jones LLP acted as legal counsel to Montana.

National Bank Financial Inc. acted as financial advisor to Waldron in respect of the Arrangement and has provided the board of directors of Waldron with the verbal opinion that, as of the date hereof and subject to its review of the final form of the documentation effecting the Arrangement, the consideration to be received by Waldron shareholders pursuant to the Arrangement is fair, from a financial point of view, to Waldron shareholders. Gowling Lafleur Henderson LLP acted as legal counsel to Waldron.

About Montana Exploration Corp.

Montana is a Canadian junior oil and gas exploration and production company focusing on the Shaunavon oil opportunities underlying its extensive land holdings in the state of Montana. In the United States the company operates through its wholly owned subsidiary, Montana Land & Exploration, Inc. Montana's common shares are listed on the TSX Venture Exchange under the trading symbol "MTZ". Additional information regarding Montana is available under Montana's profile at www.sedar.com or at Montana's website, www.montanaexplorationcorp.com.

About Waldron Energy Corporation

Waldron is a Calgary, Alberta based corporation engaged in the exploration, development and production of petroleum and natural gas. Waldron's common shares are currently listed on the TSX under the trading symbol "WDN". Additional information regarding Waldron is available under Waldron's profile at www.sedar.com or at Waldron's website, www.waldronenergy.ca.

FORWARD LOOKING STATEMENTS

This press release contains statements that constitute "forward-looking information" or "forward-looking" statements" (collectively "forward-looking information") within the meaning of applicable securities legislation. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project", "guidance", "may", "will", "should", "could", "estimate", "predict" or similar words suggesting future outcomes or language suggesting an outlook. This forward-looking information includes, among others, statements regarding: the Arrangement, the anticipated benefits of the Arrangement to Montana and Waldron and their respective securityholders; the completion of the Private Placement; transaction values and accretion; the completion of the Arrangement and the outcome of the Arrangement; future net indebtedness of Waldron; planned capital expenditures in 2013 and 2014; estimates of reserves; plans for drilling; estimates of production; the timing and anticipated receipt of required regulatory, court, stock exchange and securityholder approvals for the Arrangement; the composition of the board of directors of Montana; and other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations or performance.

In addition, statements relating to "reserves" are by their nature forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future. The recovery and reserves estimates provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Montana and Waldron caution that their future oil, natural gas and natural gas liquids production, revenues, cash flows, liquidity, plans for future operations, expenses, outlook for oil and natural gas prices, timing and amount of future capital expenditures, and other forward-looking information is subject to all of the risks and uncertainties normally incident to the exploration for and development and production and sale of oil and gas.

Various assumptions were used in drawing the conclusions or making the forecasts and projections contained in the forward-looking information contained in this press release. In respect of the forward-looking statements and information concerning the anticipated completion of the Arrangement and the anticipated timing thereof, Montana and Waldron have provided such in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the time required to prepare and mail the Montana and Waldron securityholder meeting materials; the ability of the parties to receive, in a timely manner, the necessary regulatory, court, stock exchange, securityholder and other third party approvals; and the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Arrangement.

Forward-looking information is based on current expectations, estimates and projections that involve a number of risks, which could cause actual results to vary and in some instances to differ materially from those anticipated by Montana and described in the forward-looking information contained in this press release. Undue reliance should not be placed on forward-looking information. The material risk factors include, but are not limited to: failure of Montana or Waldron to obtain necessary securityholder, regulatory, court, stock exchange and other third party approvals, failure to realize anticipated synergies, the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Arrangement, the uncertainty of estimates and projections relating to production and reserves; the imprecision of reserves estimates and estimates of recoverable quantities of oil, natural gas and liquids; the possibility that government policies or laws may change or governmental approvals may be delayed or withheld; changes in tax laws; changes in royalty rates; and Montana's ability to implement its business strategy. Readers are cautioned that the foregoing list of risk factors is not exhaustive. Failure to obtain the necessary approvals, or the failure of Montana or Waldron to otherwise satisfy the conditions to the Arrangement, may result in the Arrangement not being completed on the proposed terms, or at all.

The forward-looking statements and information contained in this press release are also affected by the risk factors, forward-looking statements and assumptions and uncertainties described in Montana's and Waldron's reports on file with applicable securities regulatory authorities and which may be accessed on each party's SEDAR profile at www.sedar.com. Readers are cautioned that the foregoing list of factors that may affect future results is not

exhaustive. When relying on our forward-looking statements to make decisions with respect to Montana, Waldron and the Arrangement, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Furthermore, the forward-looking statements contained in this press release are made as of the date of this press release and Montana and Waldron do not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this joint press release are expressly qualified by this cautionary statement.

NOTE ON MONTANA AND WALDRON INFORMATION

All statements and information contained in this press release relating to Montana, all pro forma calculations and information relating to the combined entity following completion of the Arrangement and all statements as to the future business plans and prospects following completion of the Arrangement have been prepared and provided by Montana. All statements and information contained in this press release relating to Waldron (not including pro forma calculations and information or relating to future business plans and prospects following completion of the Arrangement) have been prepared and provided by Waldron. Neither Montana nor Waldron assumes any responsibility or liability for any misrepresentation or untrue or misleading statement, calculation or other information contained herein and provided by the other party.

BOE ADVISORY

Disclosure provided herein in respect of barrels of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf to one 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. 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 equivalency conversion ratio of six to one, utilizing a boe conversion ratio of six Mcf to one bbl may be misleading as an indication of value.

DISCLAIMER

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities law and may not be offered or sold in the United States absent registration or applicable exemption from those registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

For further information on Montana and the Arrangement, please contact:

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