



**For Immediate Release**

Calgary, Alberta, December 16, 2020

**GEAR ENERGY LTD. ANNOUNCES SHAREHOLDER APPROVAL FOR AMENDMENTS TO CONVERTIBLE DEBENTURES**

Gear Energy Ltd. (TSX: GXE) ("**Gear**" or the "**Company**") is pleased to announce that Gear shareholders have approved the amendments to Gear's outstanding convertible unsecured subordinated debentures (the "**Debentures**") at a special meeting (the "**Meeting**") of shareholders held today. The amendments were approved by shareholders holding in excess of 97% of the Gear common shares who voted in person or by proxy at the Meeting. There is presently approximately \$13.2 million principal amount outstanding under the Debentures.

Under the amended terms of the Debentures, effective December 1, 2020 the Debentures will bear interest at a rate of 7.0% per annum and will mature on November 30, 2023. In addition, the Company will have the option to pay interest in-kind on the Debentures for the period from December 1, 2020 to November 30, 2021 by issuing additional Debentures to the holders of the Debentures. The Debentures are convertible at any time at the option of the holder of any Debentures and the conversion price of the Debentures has been amended from \$0.87 per common share to \$0.32 per common share. The Debentures will be redeemable by the Company at any time by fully repaying the principal amount and all accrued interest owing on the Debentures on the date selected for redemption or, at the option of the Company, by issuing common shares in respect of the principal amount owing at an issue price equal to 95% of the volume weighted average trading price of the common shares on the Toronto Stock Exchange (the "**TSX**") for the 20 trading days ending 5 trading days prior to the redemption date.

Burgundy Asset Management Ltd. ("**Burgundy**") currently holds Debentures in an aggregate \$9,402,000 principal amount of Debentures, representing 71.3% of the issued and outstanding Debentures. Burgundy also currently holds approximately 23,135,776 Gear common shares representing approximately 10.7% of the issued and outstanding common shares. The shareholder approval was required in accordance with the rules of the TSX because Burgundy would receive greater than 10% of the currently issued and outstanding Gear common shares on conversion of the Debentures based on the amended conversion price.

Further details regarding the amendments to the Debentures can be found in Gear's management information circular dated November 16, 2020 delivered to shareholders in respect of the Meeting, which is available on Gear's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

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