



STERLING RESOURCES LTD. ANNOUNCES CLOSING OF THE SALE OF STERLING RESOURCES (UK) LTD.

Calgary, Alberta, Canada, May 16, 2017 - Sterling Resources Ltd. (TSXV:SLG) ("Sterling" or the "Company") is pleased to announce that it has successfully closed the previously announced sale of the entire issued share capital of Sterling Resources (UK) Ltd. ("SRUK") pursuant to the share purchase agreement dated March 3, 2017 between the Company, SRUK Holdings Ltd. and Oranje-Nassau Energie B.V. (the "Transaction"). The purchase price paid to SRUK Holdings Ltd. at closing of the Transaction was US\$97.0 million. In addition, intercompany debt was settled between SRUK and the Company of US\$16.8 million bringing the total cash proceeds at closing to US\$113.8 million. The expected aggregate distribution to shareholders remains in the range of US\$109.3 million and US\$112.5 million as stated in the Management Information Circular dated April 5, 2017.

As a result of the completion of the Transaction, the Company no longer has active business operations or assets other than the cash proceeds from the Transaction. The Company now plans to focus on the efficient winding-up of the affairs of the Company, including the distribution of the net proceeds from the Transaction to the Sterling shareholders (the "Shareholders"), after payment of all Transaction costs and satisfaction of all outstanding liabilities of the Company. The Company does not intend to apply for delisting of the Common Shares from the TSX Venture Exchange (the "TSXV"), but the TSXV may on its own initiative delist the Common Shares or transfer the listing to the NEX Board prior to the completion of the distributions of the Company's assets (including the net proceeds of the Transaction) and the subsequent winding-up.

The Transaction will as previously indicated result in a full redemption of the outstanding principal and accrued and unpaid interest relating to the bonds issued by SRUK with Nordic Trustee ASA as bond trustee, with ISIN NO 001 0675671 and ticker STRE01 PRO on Nordic ABM. The settlement date for the bond redemption is expected to be May 19, 2017, after which all bonds will be cancelled and cease to be listed on the Nordic ABM.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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FORWARD-LOOKING STATEMENTS

All statements included in this news release that address activities, events or developments that Sterling expects, believes or anticipates will, should or may occur in the future are forward-looking statements. In particular, this news release contains forward-looking statements with respect to the aggregate distributions to be made to Shareholders and the listing of the Common Shares on the TSXV and the NEX.

These forward-looking statements involve numerous assumptions made by Sterling based on its experience, perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. In addition, these statements involve substantial known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will prove inaccurate, certain of which are beyond Sterling's control, including: the impact of general economic conditions in the areas in which Sterling operates, civil unrest, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in commodity prices, foreign exchange or interest rates, stock market volatility and obtaining required approvals of regulatory authorities. In addition, there are risks and uncertainties associated with oil and gas operations. Readers should also carefully consider the matters listed under the heading "Risk Factors" in the Company's MD&A.

Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Sterling's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. These statements speak only as of the date of the news release. Sterling does not intend and does not assume any obligation to update these forward-looking statements except as required by law.

ABOUT STERLING

Sterling Resources Ltd. is a Canadian-listed international oil and gas company whose registered office is in Calgary, Alberta. The shares are listed and posted for trading on the TSX Venture Exchange under the symbol "SLG".

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