



Press Release

HARVEST OPERATIONS CORP. CONFIRMS DECISION TO START ITS BLACKGOLD OIL SANDS PROJECT

Calgary, Alberta – DECEMBER 21, 2017: Harvest Operations Corp. (“Harvest” or the “Company”) announced today its decision to re-sanction and complete the construction and commissioning of its 10,000 bbl/d BlackGold SAGD oil sands project near Conklin, Alberta. Harvest had previously suspended work in early 2015 due to the drastic fall in oil prices. Major work at site has already commenced and will progress through the winter with the aim of commissioning wells and commencing steam injection in the second quarter of 2018, followed by electric submersible pump conversion in the third quarter.

Harvest, which is a subsidiary of Korea National Oil Corporation (“KNOC”), cites the stabilization of crude oil pricing and improved the operational and financial performance of Harvest’s conventional business as factors in its decision to move forward with BlackGold. With the support of KNOC, in 2017 Harvest was able to refinance \$1.36 billion of maturing debt and last month raised an additional \$250 million in financing, a portion of which will be used to fund the start-up of BlackGold. Harvest is presently reviewing other opportunities to raise non-debt sources of finance, the proceeds of which will be used to fund its conventional business and pay down debt.

HARVEST CORPORATE PROFILE

Harvest is a wholly-owned, subsidiary of KNOC. Harvest is a significant operator in Canada's energy industry offering stakeholders exposure to exploration, development and production of crude oil and natural gas (Upstream) and an oil sands project under construction and development in northern Alberta (BlackGold).

KNOC is a state owned oil and gas company engaged in the exploration and production of oil and gas along with storing petroleum resources. KNOC will fully establish itself as a global government-run petroleum company by applying ethical, sustainable and environment-friendly management and by taking corporate social responsibility seriously at all times. For more information on KNOC, please visit their website at www.knoc.co.kr/ENG/main.jsp.

ADVISORY

Certain information in this press release contains forward-looking information that involves risk and uncertainty. For this purpose, any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements often contain terms such as "may", "will", "should", "anticipate", "expects" and similar expressions. Such risks and uncertainties in respect of such forward-looking information include, but are not limited to, risks associated with: imprecision of reserve estimates; conventional oil and natural gas operations; volatility in commodity prices and currency exchange rates; risks associated with realizing the value of acquisitions; general economic, market and business conditions; changes in environmental legislation and regulations; the availability of sufficient capital from internal and external sources; and, such other risks and uncertainties described from time to time in Harvest's regulatory reports and filings made with securities regulators.

Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results

may differ materially from those anticipated. Harvest assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

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