

## **HARVEST OPERATIONS ANNOUNCES SALE OF NEWFOUNDLAND REFINERY AND RELATED MARKETING AND RETAIL OPERATIONS**

Calgary, Alberta – September 5, 2014 – Harvest Operations Corp. (Harvest) announced today it has reached an agreement to sell its 100 percent ownership in North Atlantic Refining Limited (NARL) to SilverRange Financial Partners LLC (SilverRange) of New York, New York. The sale includes NARL's Canadian refining and marketing businesses in Newfoundland. The refining business is comprised of a 115,000 barrel-per-day crude oil refinery in Come By Chance, Nfld. while the marketing business includes gas stations and other assets that sell petroleum products to local markets. Terms of the sale were not disclosed.

"We are very pleased to announce the sale of NARL, our Newfoundland-based subsidiary. Given Harvest's focus on investment in Canada's upstream business, we remain committed to maintaining and growing our operations in Western Canada," said Mr. John Wearing, Harvest's Chief Operating Officer. "At the same time, the Come By Chance refinery will remain an integral part of the local economy in Newfoundland and an important component of the energy supply chain on the Atlantic seaboard."

As part of the transaction, SilverRange will purchase inventories of crude oil and refined products as well as NARL's North Atlantic-branded marketing, marine and home heating businesses. The sale includes 53 North Atlantic and Home Town branded gasoline stations, as well as convenience stores, including 14 Orangestore branded locations.

"This agreement provides a unique opportunity for SilverRange. NARL is strategically located along Atlantic crude oil shipping routes and provides access to petroleum markets in Europe and the U.S. Eastern seaboard. Its clean fuel technology enables the refinery to produce low-sulphur, clean fuels, providing flexibility to refine crudes from many parts of the world. In addition, the marketing business is a unique and attractive stable margin asset," said Harsh Rameshwar of SilverRange. "We look forward to becoming a part of the Newfoundland community."

Separately, SilverRange has entered in to a multi-year feedstock supply and product off-take arrangement with a global oil firm, and debt and inventory finance arrangements with major financial institutions.

The Government of Newfoundland and Labrador worked closely with all parties to ensure current employment and economic benefits contributed by North Atlantic Refining Limited will be maintained. Government supported this agreement by providing assurances that SilverRange's acquiring entity will not be responsible for any pre-existing environmental liabilities at the refinery site relating to soil, sediment, groundwater and surface water. The site undergoes regular environmental monitoring by the Provincial Government. SilverRange has committed to investing capital and improving operations at the refinery to support continued operations, employment, and economic benefits in the province. More specifically, SilverRange will be reducing overall sulphur dioxide emissions at the refinery and undertaking a capital investment program at the tank farm.

"The successful agreement for the sale of North Atlantic Refining Limited is good news for the people of the province, particularly those who make their living from the oil refinery in Come by Chance as well as the other operations throughout the province," said the Honourable Derrick Dalley, Minister of Natural

Resources, Government of Newfoundland and Labrador. "This agreement, along with a solid commitment from the new owner, will support the long-term viability of the operation in Newfoundland and Labrador. On behalf of the Provincial Government, I thank Harvest and the Korea National Oil Corporation for its tenure as owner and for its contribution to the provincial economy. I would also like to welcome SilverRange as the new owner and thank them for their commitment to North Atlantic Refining Limited, its employees, and the province."

The NARL transaction is subject to satisfaction of normal closing conditions, as well as regulatory approvals, and is expected to close in the fourth quarter of 2014.

#### **About Harvest**

Harvest, a wholly-owned subsidiary of Korea National Oil Corporation, is a significant operator in Canada's energy industry. Harvest holds conventional oil and gas assets as well as oil sands assets in Western Canada. Our upstream oil and gas production is weighted approximately 64% to crude oil and liquids and 36% to natural gas.

KNOC is a state-owned oil and gas company engaged in the exploration and production of oil and gas along with storing petroleum resources. For more information on KNOC, please visit its website at [www.knoc.co.kr/ENG/main.jsp](http://www.knoc.co.kr/ENG/main.jsp).

#### **About SilverRange**

SilverRange is an energy and commodities focused Merchant Bank in New York. The principals at SilverRange have a strong track record in building commodities businesses at leading Wall Street firms. The principals include Neal Shear, who was head of the commodities franchise at Morgan Stanley, and Kaushik Amin, who started the commodities franchise at Lehman Brothers and was the CEO of RBS Sempra Commodities.

#### **FOR FURTHER INFORMATION PLEASE CONTACT:**

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