NEWS RELEASE

ALVOPETRO ANNOUNCES OPERATIONAL UPDATE AND THIRD QUARTER FINANCIAL AND OPERATING RESULTS

Calgary, Alberta, November 14, 2018 – Alvopetro Energy Ltd. (TSX-V:ALV) announces an operational update and our third quarter financial and operating results.

Operational Update

We continue to focus our efforts on the development of our strategic natural gas assets in Bahia State in Brazil. Our partner in the Caburé unit has completed construction of the low-pressure facilities and two of the four existing wells have been completed, tied-in and the field is on production at the maximum early production rate of 5.3 mmcfpd (150,000 m3/d), attributable to our partner. All remaining joint upstream development for the Caburé unit, including construction of high-pressure facilities and drilling of up to four new development wells will be completed by the end of 2019, with a planned gross field production rate of 15.9 mmcfpd (450,000 m3/d) when we commence production from the unit. We will pay for virtually all of our share of joint unit capital (currently estimated at $7 million), when we commence production from the unit.

Our share of gas from the Caburé unit will be shipped via an 11-kilometre transfer pipeline to our natural gas processing facility and sold to Bahiagás under the terms of our May 2018 long-term gas sales agreement ("GSA"). In September 2018, we executed a Gas Treatment Agreement with Enerflex. Under the terms of the Gas Treatment Agreement, Enerflex will construct and own the natural gas processing facility (the "Facility"), provide ongoing operations and maintenance, and warranty the delivery schedule and on-stream performance of the Facility. The Facility is scheduled to begin commissioning in November 2019 and be operational by the end of 2019. Alvopetro will pay an integrated service fee for the Facility of $2.9 million per year over the 10-year term of the agreement once the Facility is operational. In November 2018, we plan to award the contract to construct our 11-kilometre pipeline on a turnkey basis. Construction is planned for 2019. In late-October, we ordered all the necessary pipe for the pipeline construction. The pipeline construction costs are estimated at $3.5 million.

We have secured the land for the Facility, completed all initial field survey and permitting work, and the application for construction was submitted for regulatory approval in April 2018. We are responding to a supplemental request from the regulator and expect to receive the necessary regulatory approvals in the first quarter of 2019. We plan to commence pipeline construction and site preparation for the Facility in the first quarter of 2019. Firm gas deliveries under the GSA are currently set to commence on January 1, 2020. The January 1, 2020 start date for the commencement of firm gas sales is automatically extended to the extent Bahiagas or Alvopetro receive their required permits after December 1, 2018. The parties may elect to commence deliveries on an interruptible basis earlier and Alvopetro plans to be in a position to deliver first gas at the end of 2019.

In October 2018, we completed a private placement issuing a total of 11,504,000 common shares for gross proceeds of $4.0 million. An additional 3,676,000 warrants at an exercise price of $0.50 (CAD$0.64) per common share were granted as part of the private placement. Funds from the private placement will be used to advance our Caburé project as well as for ongoing general corporate purposes. We anticipate approximately $0.5 million in capital expenditures for Caburé permitting and the Caburé pipeline in the fourth quarter of 2018, an additional $4.1 million in 2019, and an estimated $7 million owing to our partner for the joint upstream development when we commence production in 2020. In addition, we plan to stimulate our 183(1) well in the coming months and connect this field to the Facility via an 8-kilometre transfer pipeline, at a total cost of $2.1 million. In 2019, we plan to complete additional financing of between $11 and $15 million and are focusing primarily on debt capital solutions.

Financial and Operating Highlights – Third Quarter of 2018

- Our third quarter production decreased to 19 bopd, a 42% decrease from the second quarter of 2018, largely due to reduced production from our Bom Lugar well which has been offline since mid-August awaiting a down-hole pump replacement.
- Capital expenditures of $1.9 million in the third quarter included $1.5 million for our share of Caburé unit development costs, Caburé permitting costs of $0.1 million and capitalized G&A of $0.2 million.
- We reported a net loss of $0.9 million in the quarter largely due to negative funds flow from operations of $0.8 million.
- On September 27, 2018, we entered into an agreement to sell our Jiribatuba field, eliminating all associated obligations with respect to this mature field, including abandonment obligations. Total proceeds on the sale were $0.1 million, with $0.03 million received on signing of the agreement and the remainder receivable on approval of the transfer by the National Agency of Petroleum, Natural Gas and Biofuels ("ANP"). A loss of $0.06 million was recognized in the third quarter on this disposition.
- Our cash, restricted cash and working capital resources total $4.4 million, including cash and cash equivalents of $4.5 million. Long-term liabilities of $1.7 million as at September 30, 2018 relate to our share of Caburé unit development costs. Under the terms of the UOA, these costs are initially funded by our partner and are to be repaid by Alvopetro when we commence production allocations, or March 2020, whichever occurs first.

Summary of Q3 2018 Financial and Operating Results

The following table provides a summary of Alvopetro's financial and operating results for the three and nine months ended September 30, 2018 and September 30, 2017. The consolidated financial statements with the Management's Discussion and Analysis ("MD&A") are available on our website at www.alvopetro.com and will be available on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

SELECTED QUARTERLY AND ANNUAL RESULTS

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
Financial				
($000s, except where noted)				
Oil sales	**125**	120	**457**	377
Net loss	**(878)**	(3,331)	**(2,895)**	(5,038)
Per share – basic and diluted ($)(1)	**(0.01)**	(0.04)	**(0.03)**	(0.06)
Funds flow from operations (2)	**(759)**	(959)	**(2,445)**	(2,479)
Per share – basic and diluted ($)(1)	**(0.01)**	(0.01)	**(0.03)**	(0.03)
Capital expenditures(3)	**1,889**	1,663	**4,095**	4,998
Total assets	**60,866**	73,440	**60,866**	73,440
Long-term liabilities	**1,690**	-	**1,690**	-
Net working capital surplus (2) (4)	**4,391**	9,980	**4,391**	9,980
Common shares outstanding, end of year (000s)				
Basic	**85,167**	85,167	**85,167**	85,167
Diluted (1)	**93,008**	91,806	**93,008**	91,806
Operations				
Operating netback ($/bbl) (2)				
Brent benchmark price	**75.85**	52.18	**72.64**	52.59
Discount	**(5.70)**	(5.27)	**(4.34)**	(5.39)
Sales price	**70.15**	46.91	**68.30**	47.20
Transportation expenses	**(1.68)**	(2.35)	**(1.79)**	(2.38)
Realized sales price	**68.47**	44.56	**66.51**	44.82
Royalties and production taxes	**(7.30)**	(4.69)	**(6.73)**	(5.13)
Production expenses	**(104.94)**	(72.71)	**(89.97)**	(81.50)
Operating netback	**(43.77)**	(32.84)	**(30.19)**	(41.81)
Average daily crude oil production (bopd)	**19**	28	**25**	29

Notes:

(1) Consists of outstanding common shares and stock options of the Company.
(2) Non-GAAP measure. See "*Non-GAAP Measures*" section within this news release.
(3) Includes non-cash capital expenditures of $0.1 million and $0.4 million, respectively in three and nine months ended September 30, 2017.
(4) Includes current restricted cash of $0.1 million (September 30, 2017 - $0.1 million) and assets held for sale of $0.2 million (September 30, 2017 - $0.2 million).

Stock Option Grant

In connection with our stock based compensation program, Alvopetro's stock option plan provides for annual rolling grants to officers, directors and certain employees. The Board of Directors has approved a grant of stock options to purchase 1,240,000 common shares under Alvopetro's stock option plan, of which 860,000 are being granted to directors and officers. Each stock option will be granted on November 23, 2018 and will have an exercise price based on the volume weighted average trading price of Alvopetro's shares on the TSX Venture Exchange for the five (5) consecutive trading days up to and including November 23, 2018. All stock options granted expire five (5) years from the date of grant.

Updated Corporate Presentation

Alvopetro's updated corporate presentation is available at: http://www.alvopetro.com/corporate-presentation.

Alvopetro Energy Ltd.'s *vision is to become a leading independent upstream and midstream operator in Brazil. Our strategy is to unlock the on-shore natural gas potential in the state of Bahia in Brazil, building off the development of our Caburé and Gomo natural gas assets and the construction of strategic midstream infrastructure.*

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

All amounts contained in this new release are in United States dollars, unless otherwise stated and all tabular amounts are in thousands of United States dollars, except as otherwise noted.

Abbreviations:

bopd	=	*barrels of oil per day*
m3	=	*cubic metre*
m3/d	=	*cubic metre per day*
mmboe	=	*million barrels of oil equivalent*
mmbtu	=	*million British Thermal Units*
mmcf	=	*million cubic feet*
mmcfpd	=	*million cubic feet per day*

BOE Disclosure*. The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet per barrel (6Mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in this news release are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.*

Forward-Looking Statements and Cautionary Language. *This news release contains "forward-looking information" within the meaning of applicable securities laws. The use of any of the words "will", "expect", "intend" and other similar words or expressions are intended to identify forward-looking information. More particularly and without limitation, this news release contains forward-looking information concerning the anticipated use of proceeds from the private placement, anticipated outcomes and timing of regulatory determinations, future results from operations, projected financial results and financing requirements, future capital and operating costs, future production rates, proposed exploration and development activities, sources and availability of capital, and capital spending levels. Forward-looking statements are necessarily based upon assumptions and judgments with respect to the future including, but not limited to, the success of future drilling, completion, recompletion and development activities, the outlook for commodity markets and ability to access capital markets, the performance of producing wells and reservoirs, well development and operating performance, general economic and business conditions, weather and access to drilling locations, the availability and cost of labour and services, environmental* *regulation, including regulation relating to hydraulic fracturing and stimulation, the ability to monetize hydrocarbons discovered, the regulatory and legal environment and other risks associated with oil and gas operations. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Although Alvopetro believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Alvopetro can give no assurance that it will prove to be correct. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Alvopetro are included in our annual information form which may be accessed through the SEDAR website at* www.sedar.com*. The forward-looking information contained in this news release is made as of the date hereof and Alvopetro undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

Non-GAAP Measures. *This news release contains financial terms that are not considered measures under International Financial Reporting Standards ("IFRS"), such as funds flow from operations, funds flow per share, net working capital surplus and operating netback. These measures are commonly utilized in the oil and gas industry and are considered informative for management and shareholders. Specifically, funds flow from operations and funds flow per share reflect cash generated from operating activities excluding changes in non-cash working capital. Management considers funds flow from operations and funds flow per share important as they help evaluate performance and demonstrate the Company's ability to generate sufficient cash to fund future growth opportunities. Net working capital surplus includes current assets (including current restricted cash and assets held for sale) less current liabilities and is used to evaluate the Company's financial resources. Operating netback is determined by dividing oil sales less royalties and production taxes, transportation and operating expenses by sales volume of produced oil. Management considers operating netback important as it is a measure of profitability per barrel sold and reflects the economic quality of production. Funds flow from operations, funds flow per share, net working capital surplus and operating netbacks may not be comparable to those reported by other companies nor should they be viewed as an alternative to cash flow from operations, net income or other measures of financial performance calculated in accordance with IFRS.*

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