



TSX Venture Exchange: GA

December 12, 2014

**GOLCONDA RESOURCES LTD. AGREES TO SELL
COLD LAKE JOINT VENTURE INTEREST**

CALGARY, ALBERTA — Golconda Resources Ltd. (the "**Corporation**" or "**Golconda**") announces that it has entered into a definitive purchase and sale agreement (the "**PSA**") with Kasten Energy Inc., a Calgary-based private oil and gas company ("**Kasten**"), that provides for the sale of the Corporation's interest in the joint venture agreement among the Corporation, Kasten and Tri-Rez Ebay Energy Ltd. (the "**JVA**") with respect to oil and gas exploration and development on approximately 1,600 acres of lands in the Cold Lake area in northeast Alberta (the "**Asset Sale Transaction**"). Completion of the Asset Sale Transaction will result in the sale of substantially all of the assets of the Corporation and requires approval by not less than 66⅔% of the votes cast by the Corporation's shareholders, voting in person or by proxy, at the Corporation's upcoming annual and special meeting of shareholders which is currently expected to be held on January 23, 2015 (the "**Meeting**").

A brief summary of the key terms of the PSA (a copy of which will be filed on SEDAR) are as follows:

- Kasten will acquire all of the Corporation's interest in the JVA such that after the completion of the Asset Sale Transaction, Kasten will be the 100% owner, and operator, of the JVA;
- the Corporation will receive that number of common shares of Kasten equal to 35% of the outstanding shares of Kasten following the completion of the Asset Sale Transaction;
- it is a condition to closing that a minority shareholder of Kasten (the "**Funding Kasten Shareholder**") advance to Kasten the amount of \$821,530, representing the amount currently owing from the Corporation to Kasten for payment of the Corporation's unfunded portion of costs incurred to date under the JVA, and Kasten will forbear upon the collection of such amount;
- the Corporation has agreed to assign to Kasten any interest in property located in the Cold Lake area that may be acquired by the Corporation pursuant to a joint venture agreement between the Corporation and Kasten prior to the completion of the Asset Sale Transaction;
- the Corporation has made normal-course representations and warranties, including warranties associated with corporate authority and the absence of claims and contingencies; and
- other conditions to closing include, among other things, the approval of the Asset Sale Transaction at the Meeting, the approval of the TSX Venture Exchange, the Corporation and the Funding Kasten Shareholder entering into a shareholder agreement (the "**Shareholder Agreement**"), the representations and warranties of each party being correct at the time of closing and no material adverse change having occurred at the time of closing.

The Shareholder Agreement to be entered into between the Corporation and the Funding Kasten Shareholder at closing of the Asset Sale Transaction will govern certain of the operations of Kasten and will provide the Corporation with two nominees to the board of directors of Kasten, which will be fixed at four members.

In the event that the Asset Sale Transaction is ultimately approved and completed according to the terms of the PSA, the Corporation will not have any ongoing business operations or assets. The Board of Directors intends to explore potential strategic alternatives following the closing of the Asset Sale Transaction.

The details of the Asset Sale Transaction together with the risks, processes and procedures associated therewith, and subsequent to completion thereof, will be disclosed in greater detail in the information circular of the Corporation (the "**Circular**") for the Meeting which will be filed on SEDAR.

For more information please contact:

David Orr
Ph: (403) 910-1836
e-mail: dorr@golconda.ca
web site: www.golcondaresources.com

Forward Looking Statements

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. All statements included herein, other than statements of historical fact, constitute forward-looking information and such information involves various risks and uncertainties. Specifically, and without limitation, this press release contains forward-looking statements and information relating to: the anticipated benefits of the Asset Sale Transaction to the Corporation and the Corporation's shareholders including anticipated timing and results from the Asset Sale Transaction, the anticipated timing of the mailing of the Circular; the anticipated timing for the holding of the Meeting and the anticipated timing for the closing of the Asset Sale Transaction. In respect of the forward-looking statements and information set out in this press release, the Corporation has provided such in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the time required to prepare and mail securityholder meeting materials, including the required Circular; the ability of the Corporation to receive, in a timely manner, the necessary securityholder, stock exchange and other third party approvals and the ability of the Corporation to satisfy, in a timely manner, the other conditions to the closing of the Asset Sale Transaction. The anticipated dates provided may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary securityholder, stock exchange or other third party approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Asset Sale Transaction. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include risks and uncertainties inherent in the nature of the Asset Sale Transaction including the failure of the Corporation to obtain necessary securityholder, stock exchange and other third party approvals, or to otherwise satisfy the conditions to the Asset Sale Transaction, in a timely manner, or at all. Failure to so obtain such approvals, or the failure of the Corporation to otherwise satisfy the conditions to the Asset Sale Transaction, may result in the Asset Sale Transaction not being completed on the proposed terms, or at all. The Corporation does not undertake to update any forward-looking information except in accordance with applicable securities laws.

Neither 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 release.