



NEWS RELEASE

CHINOOK ENERGY PROVIDES SUD REMADA WELL COMPLETION RESULTS AND TUNISIA SECURITY UPDATE

CALGARY, Alberta, May 24, 2011 – Chinook Energy Inc. (CKE-TSX) ("**Chinook**") announced today that it has released the fracture equipment working on its Sud Remada completion program. A rig is in the process of equipping the wells for production which is expected to commence within the next 15 days.

The completion program involved the fracture stimulation of the tight Ordovician reservoir in the Jeffara (Upper and Lower) and Lower Bir Ben Tartar formations in the TT2, TT3 and TT4 wells, the completion of the better quality Upper Bir Ben Tartar formation in the TT3 well, and an experimental completion in the Tannezuft shale in the TT3 well.

The completion results from the Tannezuft shale in TT3 are still being analyzed and will be released at a later date.

The following information summarizes the results received to date from the completion operations. Chinook intends to release IP30 data once it is available. It should be cautioned that the flow rates experienced thus far have not fully stabilized and include significant percentages of load fluid (water). The flow rates may not be indicative of rates under long-term production conditions.

TT2

The producing Upper Bir Ben Tartar zone, which has produced over 110,000 bbls of oil to date from the discovery well under natural flow, was recompleted in a single stimulation within the Lower Jeffara with a 100,000 lbs fracture stimulation. After a 228 hour flow period, during which Chinook recovered a water volume equal to approximately 90% of the load water volume, the final 24 hour rate was 266 bbls of fluid per day with a 19% water cut. The gas rate averaged 273 mcf/d for a total hydrocarbon production of 265 boe/d. The Lower Bir Ben Tartar and Upper Jeffara pay zones in this well have not been completed.

TT3

Four separate fracture stimulations were successfully performed on the Lower Bir Ben Tartar (60,000 lbs), Lower Jeffara (108,000 lbs), Upper Jeffara (68,000 lbs) and the Tannezuft shale (114,000 lbs). The Lower Bir Ben Tartar was completed below the pool oil water contact and confirmed water wet. After a 70 hour flow period, during which Chinook recovered a water volume equal to approximately 25% of the load water volume, the final 10 hour rate was 1,452 bbls of fluid per day with a 41% water cut. The gas rate averaged 1,030 mcf/d for total hydrocarbon production of 1,020 boe/d. The Upper Bir Ben Tartar perforations were added after this flow test but Chinook believes it is most likely that this zone was connected and contributing to flow from the fracture. The potential rate contribution from the Tannezuft shale was not determined and this zone will be isolated and evaluated prior to the well being put on production.

TT4

A single fracture treatment (125,000 lbs) was performed on perforations in the Upper Bir Ben Tartar and Lower Jeffara intervals combined. The Upper Jeffara is not developed at this location. After a 191 hour flow period, during which Chinook recovered a water volume equal to approximately 75% of the load water volume, the final 24 hour

rate was 95 bbls of fluid per day with a 40% water cut. The gas rate averaged 1,373 mcf/d for total hydrocarbon production of 285 boe/d. The zones were isolated post this test and the flow contribution from the lower perforations in the Upper Bir Ben Tartar was minimal. These perforations may be re-stimulated at a later date. Chinook has seen gas rates drop off and oil rates increase in other completions in the field and will put this well on production to determine the presence or possible extent of a gas cap on the southeast side of the field.

Chinook is extremely encouraged by these results which, as a whole, are in line with its expectations. Matt Brister, President and Chief Executive Officer of Chinook, commented "We clearly are at the very early stages of understanding the reservoir distribution, productive capability and recoveries but the high percentage of successful stimulations will allow us to unlock the large percentage of oil in place attributable to the poorer quality Ordovician reservoirs. With these completion results and the granting of the Bir Ben Tartar concession on April 27, 2011, we are now in a position to program the next phase of development drilling which will be discussed with our partner Cygam, and ETAP."

The Sud Remada area is in very close proximity to the Libyan frontier and Dehibat border crossing that has been the subject of military activity immediately over the border in Libya over the past several weeks. Chinook's operations are in regular contact with the Tunisian military which is in control of the area. Trucking of production from Sud Remada and sales from La Skira have not been interrupted and are expected to continue once the new wells are brought onto production. Preparations continue for an initial round of Tunisian elections scheduled to be held on July 24, 2011. Political parties are organizing, local labor and political demonstrations occur and are disbursed, sometimes with force.

About Chinook Energy Inc.

Chinook is a Calgary-based public oil and gas exploration and development company that combines high quality natural gas-weighted assets in Western Canada with an exciting high growth oil business onshore and offshore Tunisia in North Africa.

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Reader Advisory

Certain information regarding Chinook in this news release including management's assessment of the future plans and operations of Chinook and the timing thereof constitute forward-looking statements under applicable securities laws. In particular, this news release contains, without limitation, forward-looking statements pertaining to the following: management's assessment of the future plans and operations of Chinook and the timing thereof, anticipated timing of updates by way of further news releases on the production volumes from the results disclosed herein, further completion activities on Chinook's Tannezuft shale in the TT3 well and future perforations that may be re-stimulated at the TT4 well.

With respect to the forward-looking statements contained in this news release, Chinook has made assumptions regarding, among other things: the ability of Chinook to continue to operate in Tunisia with limited logistical security and operational issues, future capital expenditure levels, future oil and natural gas prices, future oil and natural gas production levels, Chinook's ability to obtain equipment in a timely manner to carry out development activities and the ability of Chinook to obtain sustained and reliable production information. Although Chinook believes that the expectations reflected in the forward-looking statements contained in this news release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this news release, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that predictions, forecasts, projections and other forward-looking statements will not occur, which may cause Chinook's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, without limitation, political and security risk associated with Chinook's Tunisian operations, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve and resource estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, capital expenditure costs, including drilling, completion and facilities costs, unexpected decline rates in wells, delays in projects and/or operations resulting from surface conditions, wells not performing as expected, delays resulting from or inability to obtain the

required regulatory approvals and ability to access sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the forgoing list of factors is not exhaustive. Additional information on these and other factors that could affect Chinook's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) and at Chinook's website (www.chinookenergyinc.com). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Chinook does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Barrels of oil equivalent (boe) is calculated using the conversion factor of 6 mcf (thousand cubic feet) of natural gas being equivalent to one barrel of oil. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl (barrel) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.