

PRESS RELEASE



**CALEDONIAN ANNOUNCES COMPLETION OF \$48 MILLION OFFERING OF  
7.50% SENIOR SECURED FIRST LIEN NOTES DUE AUGUST 2016**

**Calgary, Alberta: September 9, 2013** – Caledonian Royalty Corporation ("**Caledonian**") is pleased to announce the completion of its private placement new issue offering of 7.50% Senior Secured First Lien Notes due August 31, 2016 (the "**Notes**") for gross proceeds in the amount of \$48 million (the "**Offering**"). Scotiabank acted as sole placement agent on the Offering.

The Notes will be senior secured indebtedness of Caledonian, secured by first-priority liens on the collateral, paying interest on a monthly basis. Net proceeds of the Offering will be used for repayment of indebtedness under Caledonian's credit facilities and for general corporate purposes.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration is available.

About Caledonian Royalty Corporation:

Caledonian is a private Calgary-based oil and gas company focusing on the strategic acquisition of oil and gas royalties and non-operating working interests in Western Canada. Caledonian was established in 2009 to provide investors with attractive tax-effective income paid monthly from gross overriding royalties that have limited risk and are not subject to capital and operating expenses associated with operated oil and gas assets. Caledonian's investors receive their returns in the form of monthly cash distributions on royalty units. The royalty units are essentially a direct royalty interest on the oil and gas interests held by Caledonian. Caledonian attempts to grow distributions through an active acquisitions model, activity on its lands, the application of new technologies and potential long-term commodity price increases.

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