

TORONTO, ONTARIO--(Marketwired - Feb 19, 2016) - [Dundee Energy Ltd.](#) ("Dundee Energy" or the "Corporation") (TSX:DEN) today announced its financial results for the year ended December 31, 2015. The Corporation's annual audited consolidated financial statements, along with management's discussion and analysis have been filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") and may be viewed under the Corporation's profile at [www.sedar.com](http://www.sedar.com) or the Corporation's website at [www.dundee-energy.com](http://www.dundee-energy.com).

## FINANCIAL HIGHLIGHTS

- Proved reserves at December 31, 2015 were 17,219 Mboe, a 5% increase over 16,417 Mboe of proved reserves at December 31, 2014.
- Production volumes during the year ended December 31, 2015 averaged 11,660 Mcf/d (2014 - 10,594 Mcf/d) of natural gas and 563 bbls/d (2014 - 582 bbls/d) of oil and liquids.
- Revenues before royalty interests earned from oil and natural gas sales during the year ended December 31, 2015 were \$29.6 million, compared with \$46.2 million of revenues earned in the prior year, reflecting substantial decreases in the realized sales price for commodities compared with the prior year.
- Net loss attributable to owners of the parent for the year ended December 31, 2015 was \$8.3 million or a loss of \$0.04 per share. The net loss in the current year includes an impairment of \$0.9 million against certain oil-based properties, reflecting a decrease in the value of estimated reserves relating to those properties. This compares with net earnings attributable to owners of the parent of \$1.3 million or \$0.01 per share generated in the prior year.
- Field netbacks for the year ended December 31, 2015, before realized amounts related to derivative financial instruments, were \$1.19/Mcf (2014 - \$3.18/Mcf) from natural gas and \$20.69/bbl (2014 - \$51.85/bbl) from oil and liquids.

## SOUTHERN ONTARIO ASSETS

During the year ended December 31, 2015, sales of oil and natural gas, net of royalty interests, generated revenues of \$25.1 million, a decrease of \$14.2 million from net sales of \$39.3 million earned during the prior year.

	Natural Gas	Oil and Liquids	Total
Net Sales			
Year ended December 31, 2015	\$ 14,635	\$ 10,451	\$ 25,086
Year ended December 31, 2014	21,555	17,725	39,280
Net decrease in net sales	\$ (6,920	) \$ (7,274	) \$ (14,194 )
Effect of changes in production volumes	\$ 2,168	\$ (569	) \$ 1,599
Effect of changes in commodity prices	(9,088	) (6,705	) (15,793 )
	\$ (6,920	) \$ (7,274	) \$ (14,194 )

Substantially lower commodity prices realized during 2015 decreased net sales by \$15.8 million compared to 2014, although the decrease was partially offset by increased production volumes, which resulted in an increase of \$1.6 million in net sales on a year-over-year basis. The increase in production volumes reflects an acquisition by the Corporation in August 2014 of the remaining 15% working interest in certain offshore gas properties in southern Ontario that it did not already own.

## Field Level Cash Flows and Field Netbacks

(in thousands)

For the years ended December 31,

	2015					
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	
Total sales	\$ 17,233	\$ 12,348	\$ 29,581	\$ 25,298	\$ 20,932	\$ 46,230
Royalties	(2,598	) (1,897	) (4,495	) (3,743	) (3,207	) (6,950
Production expenditures	(9,557	) (6,196	) (15,753	) (9,223	) (6,706	) (15,929
	5,078	4,255	9,333	12,332	11,019	23,351
Gain (loss) on derivative financial instruments	-	341	341	-	(45	) (45
Field level cash flows	\$ 5,078	\$ 4,596	\$ 9,674	\$ 12,332	\$ 10,974	\$ 23,306

For the years ended December 31,

	2015					
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	
	\$/Mcf	\$/bbl	\$/boe	\$/Mcf	\$/bbl	
Total sales	\$ 4.05	\$ 60.04	\$ 32.33	\$ 6.54	\$ 98.50	\$ 55.04
Royalties	(0.61	) (9.22	) (4.91	) (0.97	) (15.09	) (16.06
Production expenditures	(2.25	) (30.13	) (17.22	) (2.39	) (31.56	) (33.95
	1.19	20.69	10.20	3.18	51.85	20.61

Gain (loss) on derivative financial instruments	-	1.66	0.37	-	(0.21)	)	(
Field netbacks	\$ 1.19	\$ 22.35	\$ 10.57	\$ 3.18	\$ 51.64		\$ 2

## Capital Expenditures and the 2016 Work Program

In response to declining commodity prices for both crude oil and natural gas, the Corporation reduced its planned 2015 capital expenditure program significantly to \$0.9 million. In the absence of a significant upswing in the underlying prices for commodities, the Corporation anticipates that it will curtail its 2016 work program to \$0.8 million, which is the amount required in order to maintain the Corporation's oil and natural gas land portfolio.

## Amendment to Credit Facility

On February 18, 2016, the Corporation amended its credit facility, reducing the amounts available pursuant to the facility from \$70 million to \$60 million.

## CASTOR UNDERGROUND GAS STORAGE PROJECT

During 2015, the Corporation commenced binding arbitration proceedings to resolve contractual disputes with ACS Servicios Comunicaciones y Energia S.L., its 67% partner in the underlying Castor project. The Corporation continues to prepare for the binding arbitration in anticipation of a decision before the end of 2016.

## NON-IFRS MEASURES

The Corporation believes that important measures of operating performance include certain measures that are not defined under International Financial Reporting Standards ("IFRS") and as such, may not be comparable to similar measures used by other companies. While these measures are non-IFRS, they are common benchmarks in the oil and natural gas industry, and are used by the Corporation in assessing its operating results, including net earnings and cash flows.

- "Field Level Cash Flows" are calculated as revenues from oil and gas sales, less royalties and production expenditures, adjusted for realized gains or losses on risk management contracts.
- "Field Netbacks" refer to field level cash flows expressed on a measurement unit or barrel of oil equivalent basis.

## ABOUT THE CORPORATION

[Dundee Energy Ltd.](#) is a Canadian-based oil and natural gas company with a mandate to create long-term value for its shareholders through the exploration, development, production and marketing of oil and natural gas, and through other high impact energy projects. Dundee Energy holds interests, both directly and indirectly, in the largest accumulation of producing oil and gas assets in Ontario and, through a preferred share investment, in certain exploration and evaluation programs for oil and natural gas offshore Tunisia. The Corporation's common shares trade on the Toronto Stock Exchange under the symbol "DEN".

## FORWARD-LOOKING STATEMENTS

Certain information set forth in these documents, including management's assessment of each of the Corporation's future plans and operations, contains forward-looking statements. Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions and may include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions.

In particular, forward-looking statements contained in this document include, but are not limited to, statements with respect to: volatility of commodity prices; expectations regarding the Corporation's ability to raise capital; effectiveness of hedging strategies; exploration, development and production; quantity of oil and natural gas reserve and recovery estimates; pending legal actions; treatment under government regulatory regimes and tax laws; financial and business prospects and financial outlook; performance characteristics of the Corporation's oil and natural gas properties; the Corporation's capital expenditure programs; supply and demand for oil and natural gas; drilling plans and strategy; availability of rigs, equipment and other goods and services; continually adding to reserves through acquisitions, exploration and development; anticipated work programs and land tenure; the granting of formal permits, licenses or authorities to prospect; the timing of acquisitions; the realization of the anticipated benefits of the Corporation's acquisitions and dispositions and other risk factors discussed or referred to in the section entitled "Risk Factors" in the Corporation's Annual Information Form for the year ended December 31, 2015.

Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by

the forward- looking statements will transpire or occur, or if any of them do so, what benefits the Corporation will derive from them. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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