CALGARY, ALBERTA--(Marketwired - Apr 15, 2016) - PetroShale Inc. ("PetroShale" or the "Company") (TSX VENTURE:PSH)(OTCQX:PSHIF) is pleased to announce its financial and operating results for the three and twelve month periods ended December 31, 2015, along with its updated reserves as at December 31, 2015.

PetroShale will file its audited consolidated financial statements as at and for the year ended December 31, 2015 and the corresponding Management's Discussion and Analysis on SEDAR at www.sedar.com, on the OTCQX website at www.otcqx.com, and post the information on PetroShale's website at www.petroshaleinc.com. Copies of the materials can also be obtained upon request without charge by contacting the Company directly.

2015 HIGHLIGHTS:

PetroShale continued to execute our strategy focused in the heart of the North Dakota Bakken, with demonstrated success growing our asset base, productive capacity, reserves and reserves value through 2015, positioning the Company for future growth. During the year, we achieved the following:

- Achieved substantial production growth with annual production increasing fourfold to 1,336 boe/d from 309 boe/d in 2014, and fourth quarter production increasing by 178% to 1,444 boe/d from 519 boe/d in the same period in 2014.
- Realized operating netbacks of $25.66 per boe (Company interest, gross of royalty; $32.89 per boe net of royalty), reflecting our high-quality, light oil weighted asset base, despite weakness in the benchmark price of crude oil.
- Generated earnings before interest, taxes, depletion and amortization ("EBITDA") of $9.7 million for the year ended December 31, 2015 compared to $2.6 million for 2014, an increase of 265%.
- Significantly increased oil and natural gas reserves and estimated net present value (discounted at 10% -"NPV10") across all categories at year end 2015 compared to December 31, 2014:
  - Total proved plus probable ("P+P") reserves increased 148% to 25.5 million boe ("MMboe"), from 10.3 MMboe.
  - NPV10 of the P+P reserves increased 117% to US$308.7 million, compared to US$142.0 million, despite a significantly lower price forecast used in the 2015 report by our independent reserve evaluators.
- Participated in 122 gross (2.57 net) wells at various stages of completion, for a total drilling and completions expenditure of $17.3 million.
- Further streamlined the asset base and sharpened our focus on acreage located in the heart of the Bakken core by completing several asset transactions:
  - Purchased oil and gas leases within our core focus areas featuring 1,378 net acres of land and interests in 1.0 net producing wells for total cost of approximately $26.6 million.
  - Increased PetroShale's land holdings in North Dakota to 3,882 net acres at year end 2015, with 2,412 net acres, or approximately 61%, situated in the heart of the Bakken core.
  - Acquired operatorship of a key drilling spacing unit ("DSU") adjacent to highly prolific wells completed by other companies.
  - Disposed of non-core Canadian assets.
  - Disposed of certain drilling locations in North Dakota that were outside our focus areas for gross proceeds of US$2.6 million, recording a $1.2 million gain.
- Experienced declining operating costs per boe for the three and twelve months ended December 31, 2015 compared to the same periods in 2014 due to increasing production in the Company's core North Dakota assets.

RESULTS OF OIL AND GAS ACTIVITIES

	Three months ended		Twelve months ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Sales volumes				
Crude Oil (Bbl/d)	1,278	489	1,202	294
Natural gas (Mcf/d)	993	179	802	90
Barrel of oil equivalent (Boe/d)	1,444	519	1,336	309
Operating Netbacks ($/Boe)				
Revenue	$ 42.23	$ 65.27	$ 47.11	$ 82.21
Royalties	(9.02)	(13.98)	(10.34)	(18.01)
Realized hedge loss	-	-	-	(0.47)
Operating costs	(6.22)	(8.04)	(7.32)	(9.86)
Production taxes	(3.60)	(5.00)	(3.79)	(6.21)
Operating netback	$ 23.39	$ 38.25	$ 25.66	$ 47.66
Operating netback prior to hedging, on a net of royalty basis	$ 29.69	$ 48.76	$ 32.89	$ 61.68

2015 YEAR-END RESERVES

The reserves data in this press release is based upon an evaluation by Netherland, Sewell & Associates, Inc. ("NSAI") with respect to our assets in the United States with an effective date of December 31, 2015. The reserves data summarizes PetroShale's crude oil and natural gas reserves and the net present value of future net revenue for these reserves using forecast prices and costs. All references to reserves are to gross Company reserves, meaning PetroShale's working interest reserves before consideration of royalty interests. The reserve report has been prepared in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in NI 51-101 and CSA 51-324. No attempt was made to evaluate possible reserves.

Reserves Highlights:

- P+P reserves increased 148% to 25,483 Mboe, compared to 10,260 Mboe as at December 31, 2014;
- Proved developed producing reserves increased by 84% to 3,612 Mboe, and total proved reserves increased by 195% to 19,454 Mboe;
- Before tax NPV10 of the Company's P+P reserves increased by 117% to US$308.7 million, while the NPV10 of total proved reserves increased 144% to US$249.5 million;
- Proved plus probable finding, development and acquisition costs ("FD&A") were $9.69 per boe for 2015 (twelve months ended December 31, 2014 - $20.35) (including changes in future development capital) reflecting a strong recycle ratio of 2.6 times; while total proved FD&A was $9.88 per boe (twelve months ended December 31, 2014 - $21.87);
- Proved plus probable finding and development costs ("F&D") were $14.21 per boe for 2015 (including changes in future development capital) and total proved F&D was $14.94 per boe (2014 comparables are difficult to calculate because the majority of the reserve additions in 2014 arose from acquisitions); and
- Proved developed producing reserves represent 19% of PetroShale's total proved reserves, and 14% of total P+P reserves, reflecting the largely undrilled nature of our acreage.

Gross Company Interest Reserves

	Reserves					
	Tight Oil		Shale Gas		BOE	
	Gross	Net	Gross	Net	Gross	Net
Reserves Category	(Mbbls)	(Mbbls)	(Mmcf)	(Mmcf)	(Mboe)	(Mboe)
PROVED:						
Developed Producing	2,934.5	2,327.3	4,067.8	3,222.6	3,612.5	2,864.4
Undeveloped	13,260.3	10,548.2	15,485.1	12,324.4	15,841.2	12,602.3
TOTAL PROVED	16,194.8	12,875.5	19,552.9	15,547.0	19,453.6	15,466.7
PROBABLE	5,122.0	4,082.7	5,443.4	4,341.1	6,029.2	4,806.2
TOTAL PROVED PLUS PROBABLE	21,316.8	16,958.2	24,996.3	19,888.2	25,482.9	20,272.9

Columns may not add due to rounding.

All of our shale gas reserves represent solution gas associated with our tight oil reserves.

Net Present Value of Future Net Revenue ($ US)

	Before Income Taxes Discounted at (%/year)				
Reserves Category	0%	5%	10%	15%	20%
	($US 000s)	($US 000s)	($US 000s)	($US 000s)	($US 000s)
PROVED:					
Developed Producing	110,717.4	77,434.5	59,293.3	48,214.4	40,844.5
Undeveloped	474,546.3	287,259.9	190,194.5	133,250.8	96,810.2
TOTAL PROVED	585,263.7	364,694.4	249,487.8	181,465.2	137,654.6
PROBABLE	158,344.7	93,767.0	59,226.4	39,054.7	26,471.4
TOTAL PROVED PLUS PROBABLE	743,608.4	458,461.4	308,714.2	220,519.9	164,126.1

Notes:

(1) Columns may not add due to rounding

As a reporting issuer in Canada, PetroShale is required to report its reserves and NPV10 using forecast pricing and costs, as stipulated under NI 51-101. The forecast prices reflected in the NPV10 is included in Note 8 to our consolidated financial statements.

Reserves Reconciliation

	Total (Mboe)		
	Gross Proved	Gross Probable	Gross Proved Plus Probable
December 31, 2014	6,599.7	3,660.2	10,259.9
Discoveries	-	-	-
Extensions and Improved Recovery	-	-	-
Technical Revisions (1)	7,373.3	2,003.3	9,376.6
Acquisitions (2)	6,156.9	1,061.8	7,218.7

Dispositions	(21.5)	(494.0)	(515.5)
Economic Factors	(123.2)	(200.9)	(324.1)
Production [3]	(531.5)	(1.3)	(532.7)
December 31, 2015	19,453.6	6,029.2	25,482.9

Notes:

(1) Technical revisions include additional well locations assigned proved undeveloped and probable reserves as well as increased proved and probable reserve assignments to well locations included in the December 31, 2014 reserve report. These revisions are based on additional information gathered in 2015 from analogous wells drilled and completed near our lands and increases in the number of wells planned by operators on our lands.

(2) The acquisitions amount is the estimate of reserves at December 31, 2015 plus any production since the acquisition dates.

(3) Approximately 300.7 MMcf of our gross proved shale gas production was flared by the operators of certain wells and not sold.

(4) Columns may not add due to rounding.

2015 Capital Program Efficiency

	Finding, Development & Acquisition[1]		Finding & Development[1]	
	Total Proved	Proved plus Probable	Total Proved	Proved plus Probable
Capital Costs ($000s):				
Acquisitions	26,602.0	26,602.0		
Dispositions	(2,378.0)	(2,378.0)		
Capital expenditures	17,338.0	17,338.0	17,338.0	17,338.0
Change in future development capital	90,224.5	110,572.2	90,224.5	110,572.2
Total FD&A / F&D Costs	131,786.5	152,134.2	107,562.5	127,910.2
Reserves additions (Mboe)				
Net change in reserve volumes	12,853.9	15,223.0	12,853.9	15,223.0
Add back production	482.7	482.7	482.7	482.7
Reserves associated with acquisitions	-	-	(6,156.9)	(7,218.7)
Reserves associated with dispositions	-	-	21.5	515.5
Total additions	13,336.6	15,705.7	7,201.2	9,002.6
FD&A and F&D Costs ($/boe)	$ 9.88	$ 9.69	$ 14.94	$ 14.21
Recycle Ratio[2]	2.6	2.6	1.7	1.8

Notes:

(1) The calculation of F&D and FD&A costs incorporates the change in future development capital ("FDC") required to bring proved undeveloped and probable reserves into production. In all cases, the F&D or FD&A number is calculated by dividing the identified capital expenditures by the applicable reserves additions after changes in FDC.

(2) Recycle ratio is defined as operating netback divided by F&D or FD&A costs, as applicable, on a per boe basis. Operating netback is calculated as revenue (including realized hedging gains and losses) minus royalties, operating costs and production taxes. PetroShale's operating netback in 2015 averaged $25.66 / boe.

Net Asset Value ("NAV") per Share as at December 31, 2015

($ thousands, except share and per share amounts)	
Proved Plus Probable Reserve Value (NPV10 Before Tax)	$ 411,359
Undeveloped Land (not associated with reserves)	11,383
Net Debt (including Decommissioning Obligation)	(120,031)
Total Net Assets	$ 302,711
Common Shares Outstanding	34,207,574
Estimated Net Asset Value per Diluted Common Share	$ 8.37

Notes:

(1) Net asset value is calculated as at a particular date and is, by its nature, historical, and may not be reflective of PetroShale's future performance. Includes the NPV10 of the remaining Canadian royalty interest reserves as at December 31, 2015 ($0.8 million) and reflects the NPV10 of the Company's US reserves at an exchange rate of US$1.00 = Cdn$1.33.

AMENDED SUBORDINATED LOAN

We are also pleased to announce that we have entered into an amended loan agreement with our subordinated lenders, pursuant to which they have agreed to provide an additional US$20.0 million of capacity to the subordinated loan facility (bringing the new capacity to US$80.0 million) and extend the maturity date to December 31, 2017. The amended subordinated loan agreement will continue to bear interest at a rate of 12% per annum and payment of interest will continue to be deferred until cash flows and senior loan covenants permit cash settlement. As partial consideration for providing these enhanced terms and continuing to defer cash interest payments, with the approval of our independent directors, we have agreed to issue 2.0 million common share purchase warrants to the subordinated lenders. Each warrant will allow the holder to acquire one common share at $0.75 for a period of two years from the date of issue. The issuance of the warrants is subject to the acceptance of the TSX Venture Exchange.

Our subordinated lenders are Alpine Capital Corp. and Todd Slawson Trust, entities owned, or controlled (directly or indirectly) by Mr. M. Bruce Chernoff, our Chairman, CEO and a major shareholder, and Mr. Todd Slawson, another significant shareholder. As such, the subordinated facility and the proposed issuance of warrants are "related party transactions" within the meaning of Multilateral Instrument 61- 101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). PetroShale is not required to obtain a formal valuation under MI 61-101 with respect to the subordinated loan because the subordinated loan is a related party transaction described in paragraph (j) of the definition of "related party transaction" in MI 61-101. Section 5.4(1) of MI 61-101 provides that only related party transactions described in paragraphs (a) to (g) of the definition of related party transaction are subject to the formal valuation requirement. PetroShale is also exempt from the minority approval requirement of MI 61-101 in respect of the subordinated loan, as pursuant to Section 5.7(1)(f) of MI 61-101, the subordinated loan was negotiated on reasonable commercial terms and does not feature an equity conversion privilege.

The warrants will fall under the definition of a related party transaction described in paragraphs (a) to (g) of the definition of related party transaction. PetroShale is exempt from the formal valuation requirement in respect of the warrants pursuant to Section 5.5(a) of MI 61-101, on the basis that the fair market value of the warrants (when issued) will not exceed 25% of the market capitalization of PetroShale. PetroShale is also exempt from the minority approval requirement of MI 61-101 in respect of the warrants pursuant to Section 5.7(1)(a) of MI 61-101 because the fair market value of the warrants (when issued) will not exceed 25% of the market capitalization of PetroShale.

The warrants and the underlying common shares will be subject to a four month hold period from the date of issue of the warrants.

MESSAGE FROM THE CEO

Through the past year, PetroShale has continued to focus on acquiring and consolidating working interests in the prolific Williston Basin. Our wells in the heart of the North Dakota Bakken and Three Forks play have demonstrated resilient economics with better type curves than many other comparable North American basins. Despite the significant downturn in commodity prices, our wells continue to generate positive cash flow and solid economic returns.

PetroShale completed several transactions that further expanded our core land position, while high-grading our average land quality through select dispositions. Included in these transactions was the acquisition of operatorship and significant interest in a key drilling unit in the core of the Antelope area. These transactions were made possible due to the financial flexibility offered by our US$22.5 million senior revolving credit facility coupled with our subordinated revolving credit facility provided by our two largest shareholders. As a result of these acquisitions, we exited 2015 with a total of 2,412 net acres of oil and gas leases concentrated in the most prolific part of the Bakken / Three Forks play.

Our annual production volumes increased substantially through the year, with our third quarter production reaching a corporate record, averaging 1,789 boe per day. PetroShale's fourth quarter volumes declined slightly from the third quarter, averaging 1,444 boe per day, related to wells being shut-in at a single property while the operator carried out incremental drilling activity, and the impact of production curtailments by other operators due to low oil prices. Production volumes are expected to remain sub-optimized until there is a sustained increase in oil prices.

As a result of our active development and acquisition program over the past 12 to 18 months, and our focus on the best quality acreage, we are pleased with the significantly higher reserves volume and value across all categories within our year end 2015 reserves evaluation. Our proved plus probable ("P+P") reserves increased to 25.5 million boe, from 10.3 million boe at December 31, 2014, representing growth of 148%. In addition, despite the weakness in commodity prices, the NPV10 of our US P+P reserves increased to US$308.7 million, compared to US$142.0 million last year. This growth was achieved responsibly, which is demonstrated by PetroShale's proved plus probable FD&A cost averaging $9.69 per boe (including the change in future development capital), generating an attractive P+P recycle ratio of 2.6 times based on our average 2015 operating netback of $25.66 per boe. These capital efficiencies provide evidence of the quality of our land base as well as the benefit of partnering with the basin's leading operators who are able to successfully manage through a variety of price cycles. As a result of our strong reserve additions through 2015, PetroShale did not record an impairment on our core US assets, despite the significant decline in oil prices.

As we continue to focus on accretive land accumulation and prepare to operate our first drilling spacing unit, PetroShale is dependent on cash on hand, possible equity issuances and liquidity under our debt facilities to finance our capital expenditures and property acquisitions. To continue to support our activities and provide the Company with flexibility on timing of an equity raise, our subordinated lenders have agreed to enhance the terms of our subordinated loan facility as described above.

This enhanced liquidity sets the Company apart from many of our peers and will enable PetroShale to carry out our 2016 business plan. In addition, we believe the current price environment may present opportunities to undertake additional disciplined acquisitions within our focus area in the Williston Basin and to undertake select development initiatives on our acreage. We continue to seek opportunities to enhance our high-quality asset base within or adjacent to our core area.

We would like to thank all of our employees, directors and shareholders for your continued support of our strategy and our

Company, and we look forward to updating you on our progress and achievements during 2016.

((signed))

M. Bruce Chernoff, Executive Chairman and CEO

About PetroShale

PetroShale is an oil company engaged in the acquisition, development and consolidation of interests in the North Dakota Bakken / Three Forks.

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 release.

Note Regarding Forward-Looking Statements and Other Advisories

Company interest means, in relation to the Company's interest in production and reserves, the Company's working interest (operating and non-operating) before the deduction of royalties payable and including such entity's royalty interest in production and reserves. Where volumes of reserves and production have been presented, they have been presented as company working interest, gross of royalties, except where otherwise noted. All operating netbacks referenced in this press release are Company working interest, except where otherwise noted. All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.

Within this press release, references are made to terms commonly used in the oil and natural gas industry. The terms "netback", "operating netback", "NAV" or "EBITDA" in this press release are not recognized measures under IFRS and therefore may not be comparable to performance measures presented by others. PetroShale uses "netback" as a key performance indicator and it is used by the Company to evaluate the operating performance of its petroleum and natural gas assets and is determined by deducting royalties, production taxes, and operating expenses from petroleum and natural gas revenue. EBITDA means net income (loss) before taxes, depletion and depreciation, impairments, finance expense, any gain or loss on property dispositions, foreign exchange gain or loss and share-based compensation. NAV means net asset value, which is the NPV10 before tax of the Company's proved plus probable reserves, plus an estimated value for undeveloped land less net debt. Management believes that in addition to net income (loss) and cash flow from (used in) operating activities, netback and EBITDA are useful supplemental measures as they assist in the determination of the Company's operating performance, leverage and liquidity. Management believes NAV or net asset value is a useful measure as it assists the reader in determining the Company's value per share. Readers are cautioned, however, that these measures should not be construed as an alternative to net income (loss) or cash flow from (used in) operating activities determined in accordance with IFRS as an indication of our performance.

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to aspects of management focus, objectives, strategies and business opportunities. More particularly and without limitation, this press release contains forward-looking information concerning: the sufficiency of the Company's financial flexibility and capital requirements; the Company's growth and development plans; the Company's participation in drilling opportunities and the future prospects for new wells; the impact of changes to commodity prices and general industry economics; and the general outlook of the Company. In addition, this press release contains forward-looking statements with respect to the amended subordinated loan agreement and the issuance of the warrants in consideration on the amended agreement. PetroShale provided such forward-looking statements in reliance on certain expectations and assumptions that it believes are reasonable at the time, including expectations and assumptions concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserve and resource volumes; business prospects and opportunities; the availability and cost of financing, labor and services; the impact of increasing competition; ability to market oil and natural gas successfully; the Company's ability to access capital; and the acceptance of the TSX Venture Exchange.

Statements relating to "reserves" are also deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

Although the Company 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 the Company can give no assurance that they will prove to be correct. Forward-looking information addresses future events and conditions, which by their very nature involve inherent risks and uncertainties. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on the Company's future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). These forward-looking statements are made as of the date of this press release and the Company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Oil and Gas Advisories:

This press release contains certain oil and gas metrics such as finding and development costs and finding development and acquisition costs which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included in this document to provide readers with additional measures to evaluate the performance of our oil and gas activities however, such measures are not reliable indicators of our future performance and future performance may not compare to our performance in previous periods and therefore such metrics should not be unduly relied upon. We have disclosed both finding and development costs and finding, development and acquisition costs as measures in this press release because acquisition costs have been a significant component of our total capital expenditures and strategy, and also due to the difficulty in allocating changes in future development costs between reserve additions from drilling, technical revisions and acquisitions. For purposes of calculating finding and development costs, we have chosen to include the full increase in future development costs in this measure, rather than allocating only a portion of it to finding and development costs as such an allocation would be complex, and the method we have chosen is conservative. We believe both measures are useful measures for readers to determine the efficiency of our acquisition and development program.

Where amounts are expressed on a barrel of oil equivalent ("Boe") basis, natural gas volumes have been converted to Boe using a ratio of 6,000 cubic feet of natural gas to one barrel of oil (6 Mcf: 1 Bbl). This Boe conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1 Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value. In this release, mboe refers to thousands of barrels of oil equivalent, while mbbls refers to thousands of barrels of oil, and mmcf refers to millions of cubic feet of natural gas.

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