TORONTO, ONTARIO--(Marketwired - Oct 27, 2016) - Dundee Energy Ltd. ("Dundee Energy" or the "Corporation") (TSX:DEN) today announced its financial results for the three and nine months ended September 30, 2016. The Corporation's unaudited condensed interim 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 or the Corporation's website at www.dundee-energy.com.

FINANCIAL HIGHLIGHTS

- Net loss attributable to owners of the parent for the three months ended September 30, 2016 was $2.1 million or a loss of $0.01 per share. This compares with a net loss attributable to owners of the parent of $1.9 million or $0.01 per share incurred in the same period of the prior year.
- Revenues before royalty interests earned from oil and natural gas sales during the third quarter of 2016 were $6.4 million, compared with $7.5 million of revenues earned in the same quarter of 2015, reflecting reduced production volumes and a decrease in the realized sales price for commodities on a comparative period-over-period basis.
- Production volumes during the third quarter of 2016 averaged 11,403 Mcf/d (three months ended September 30, 2015 - 11,681 Mcf/d) of natural gas and 502 bbls/d (three months ended September 30, 2015 - 549 bbls/d) of oil and liquids. The decline in production was better than historical natural declines due to summer maintenance work completed in the third quarter of 2016, which improved production volumes in the current quarter.
- Field netbacks during the three months ended September 30, 2016, before realized amounts related to derivative financial instruments, were $0.91/Mcf (three months ended September 30, 2015 - $0.81/Mcf) from natural gas and $26.17/bbl (three months ended September 30, 2015 - $22.72/bbl) from oil and liquids. Despite the decline in commodity prices, field level cash flows increased during the quarter, due to reduced discretionary spending and the prioritization of maintenance activities while commodity prices remain at low levels.

SOUTHERN ONTARIO ASSETS

(in thousands)

	Natural Gas	Oil and Liquids	Total
Net Sales			
Three months ended September 30, 2016	$ 3,284	$ 2,165	$ 5,449
Three months ended September 30, 2015	3,809	2,591	6,400
Net decrease in net sales	$ (525)	$ (426)	$ (951)
Effect of changes in production volumes	$ (91)	$ (218)	$ (309)
Effect of changes in commodity prices	(434)	(208)	(642)
	$ (525)	$ (426)	$ (951)

During the third quarter of 2016, sales of oil and natural gas, net of royalty interests, were $5.4 million, a decrease of $1.0 million from net sales generated in the third quarter of the prior year. Decreases in production volumes accounted for approximately $0.3 million of the decrease in revenues, with the remaining $0.7 million decrease resulting from lower realized commodity prices.

Field Level Cash Flows and Field Netbacks

(in thousands)

For the three months ended September 30,			2016			2015
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
Total sales	$ 3,869	$ 2,545	$ 6,414	$ 4,481	$ 3,061	$ 7,5
Royalties	(585)	(380)	(965)	(672)	(470)	(1,1
Production expenditures	(2,328)	(955)	(3,283)	(2,935)	(1,445)	(4,3
	956	1,210	2,166	874	1,146	2,0
Realized loss on derivative financial instruments	(75)	-	(75)	-	-	-
Field level cash flows	$ 881	$ 1,210	$ 2,091	$ 874	$ 1,146	$ 2,0

For the three months ended September 30,			2016			2015
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
	$/Mcf	$/bbl	$/boe	$/Mcf	$/bbl	$/boe
Total sales	$ 3.69	$ 55.07	$ 29.01	$ 4.17	$ 60.66	$ 32.
Royalties	(0.56)	(8.23)	(4.37)	(0.63)	(9.31)	(4.9
Production expenditures	(2.22)	(20.67)	(14.85)	(2.73)	(28.63)	(19
	0.91	26.17	9.79	0.81	22.72	8.8
Realized loss on derivative financial instruments	(0.07)	-	(0.34)	-	-	-
Field netbacks	$ 0.84	$ 26.17	$ 9.45	$ 0.81	$ 22.72	$ 8.8

UPDATE TO THE CREDIT FACILITY

At September 30, 2016, the Corporation had cash of $0.1 million and it had drawn $57.2 million against its current $60.0 million demand credit facility available to its operating subsidiary. During the third quarter of 2016, lenders to the Corporation's operating subsidiary initiated discussions with the Corporation, expressing concerns regarding their valuation of the subsidiaries' assets which have been pledged as security under the terms of the demand credit facility, and which have decreased in value as a result of corresponding decreases in the price of commodities. As a result, the lenders are currently requiring that the Corporation reduce its borrowings to below $38.0 million by January 2017. There can be no assurance that the Corporation will be able to reduce its borrowings to the level requested by its lenders, or that the Corpooration will have access to alternative capital, either on terms acceptable to the Corporation, or at all.

CASTOR UNDERGROUND GAS STORAGE PROJECT

Evidentiary hearings, in connection with the binding arbitration proceedings filed in 2015, were completed in late July, and the Corporation anticipates that the arbitral tribunal will reach its decision in December 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: expectations regarding the Corporation's ability to raise capital; volatility of commodity prices; 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 operating 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.

Contact

Dundee Energy Ltd.
Bruce Sherley
President & CEO
(403) 774-9966
(416) 363-4536
www.dundee-energy.com