

TORONTO, ONTARIO--(Marketwired - Feb 16, 2017) - [Dundee Energy Ltd.](#) ("Dundee Energy" or the "Corporation") (TSX:DEN) today announced its financial results for the year ended December 31, 2016. The Corporation's annual audited consolidated financial statements, along with its 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

- Proved and probable reserves at December 31, 2016 were 22,360 Mboe, a 12% increase over 20,047 Mboe at December 31, 2015. A 4.3% drop in proved reserves from oil and natural gas production was more than offset by positive revisions related to improved well performance at several of the Corporation's oil and gas producing properties and the assignment of proved undeveloped reserves to several recompletion and development drilling prospects.
- Natural gas production volumes during the year ended December 31, 2016 averaged 11,001 Mcf/d (2015 - 11,660 Mcf/d). This 6% decline is consistent with historical decline rates for these long life reserves.
- Oil production volumes decreased to an average of 485 bbls/d during the year ended December 31, 2016 (2015 - 560 bbls/d). This decrease of 13% falls in the lower range of the expected decline rates for these reserves. The successful and ongoing downhole maintenance program implemented in 2014 is the contributing factor to these improved decline rates.
- Revenues before royalty interests earned from oil and natural gas sales during the year ended December 31, 2016 were \$23.9 million, compared with \$29.6 million of revenues earned in the prior year, reflecting reduced production volumes and a decrease in the realized sales price for commodities on a comparative period-over-period basis.
- Net loss attributable to owners of the parent for the year ended December 31, 2016 was \$19.1 million or \$0.10 per share. This compares with a net loss attributable to owners of the parent of \$8.3 million or \$0.04 per share incurred in the prior year. Included in the net loss during the current year is an impairment of \$11.9 million against certain natural oil and gas properties.
- Field netbacks during the year ended December 31, 2016, before realized amounts related to derivative financial instruments, were \$1.01/Mcf (2015 - \$1.19/Mcf) from natural gas and \$21.65/bbl (2015 - \$20.69/bbl) from oil and liquids.

SOUTHERN ONTARIO ASSETS

(in thousands)

	Natural Gas	Oil and Liquids	Total
Net Sales			
Year ended December 31, 2016	\$ 12,196	\$ 8,114	\$ 20,310
Year ended December 31, 2015	14,635	10,451	25,086
Net decrease in net sales	\$ (2,439) \$ (2,337) \$ (4,776)
Effect of changes in production volumes	\$ (790) \$ (1,391) \$ (2,181)
Effect of changes in commodity prices	(1,649) (946) (2,595)
	\$ (2,439) \$ (2,337) \$ (4,776)

Approximately \$2.2 million of the decrease in net revenues results directly from lower realized prices for the underlying commodities. The remaining \$2.6 million decrease in net revenues reflects lower production volumes as a consequence of scheduled overhaul work completed on two compressors related to the offshore gas manufacturing facilities, as well as reduced workover activities in the oilfield during the year as a result of financial restrictions relating to the Corporation's borrowing capacity.

Field Level Cash Flows and Field Netbacks

(in thousands)

For the years ended December 31,	2016			2015		
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
Total sales	\$ 14,349	\$ 9,542	\$ 23,891	\$ 17,233	\$ 12,348	\$ 29,581
Royalties	(2,153)	(1,428)	(3,581)	(2,598)	(1,897)	(4,495)
Production expenditures	(8,130)	(4,255)	(12,385)	(9,557)	(6,196)	(15,753)
	4,066	3,859	7,925	5,078	4,255	9,333
Realized gain on derivative financial instruments	289	-	289	-	341	341
Field level cash flows	\$ 4,355	\$ 3,859	\$ 8,214	\$ 5,078	\$ 4,596	\$ 9,674
For the years ended December 31,	2016			2015		
	Natural Gas	Oil and Liquids	Total	Natural Gas	Oil and Liquids	Total
	\$/Mcf	\$/bbl	\$/boe	\$/Mcf	\$/bbl	\$/boe
Total sales	\$ 3.56	\$ 53.52	\$ 28.13	\$ 4.05	\$ 60.04	\$ 32.33
Royalties	(0.53)	(8.01)	(4.22)	(0.61)	(9.22)	(4.91)
Production expenditures	(2.02)	(23.86)	(14.58)	(2.25)	(30.13)	(17.22)

	1.01	21.65	9.33	1.19	20.69	10.20
Realized gain on derivative financial instruments	0.07	-	0.34	-	1.66	0.37
Field netbacks	\$ 1.08	\$ 21.65	\$ 9.67	\$ 1.19	\$ 22.35	\$ 10.57

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 the first quarter of 2017.

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, 2016.

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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