Iona Energy Inc.: Huntington Field Update

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CALGARY, ALBERTA -- (Marketwired - Oct. 1, 2014) - Iona Energy Inc. ("Iona" or the "Company") (TSX VENTURE:INA), a Canadian independent oil & gas company with assets in the UK North Sea, has previously announced that Huntington production was expected to be shut down from 30th October 2014 until 5th December 2014 to coincide with the scheduled maintenance shutdown of the Central Area Transmission System ("CATS") riser platform. CATS is the third party infrastructure used to offtake gas from the Huntington field. Iona has been informed by the operator of the Huntington field that a problem has occurred with a third party field exporting gas within the CATS pipeline. The exact nature of the incident is currently unknown. As a result of this field incident, Huntington gas export will be reduced until October 18th and is then likely to be shut in from October 18th until the end of the planned shut down on December 5th. This restriction will allow Huntington to produce up to approximately 2,500 boe/d net to Iona up until October 18th.

The Huntington operator continues to explore whether there is any possibility for some gas export through CATS during the shutdown. Options to dispose of produced gas after October 18th to allow limited oil production are actively being considered, which may include gas re-injection.

Huntington production for the month of September 2014 has been stable following the August shut down. Production average for the field for September to Saturday September 27th was approximately 23,070 boe/day gross of wet bbls oil and wet gas, 3,460 boe/d net to Iona.

The Company notes the statement from Norwegian Energy Company ASA ("Noreco"), a partner in Huntington, which has today announced the possibility of a write down on its book value of Huntington reserves as a result of its own internal interpretation of technical data relating to the field provided by the operator. Based on current data Iona considers that any carrying value write down on its Huntington reserve base would not be justified. Iona carries a gross Huntington 2P reserve assumption of c. 29 mmboe (1).

Tom Reynolds, newly appointed CEO, said:

"We have outlined a strategy for Iona that will strengthen and diversify the Company's producing asset base through acquisition; today's announcement highlights the necessity for this. We will update shareholders as soon as there is additional clarity on the CATS shutdown."

Additional information relating to the Company is available on SEDAR at www.sedar.com.

About Iona Energy:

Iona is an oil and gas company with assets in the United Kingdom's North Sea.

Note: (1) Iona's estimate of the gross proved plus probable (2P) reserves for the Huntington field as evaluated by its independent reserves evaluators, Gaffney, Cline & Associates Ltd. as at December 31, 2013.

Forward-Looking Statements

Some of the statements in this announcement are forward-looking, including statements regarding business plans of Iona, Huntington timelines and Huntington reserve estimates. Forward-looking statements include statements regarding the intent, belief and current expectations of Iona Energy Inc. or its officers with respect to various matters. When used in this announcement, the words "expects", "believes", "anticipate", "plans", "may", "will", "should", "scheduled", "targeted", "estimated" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, are based on various assumptions by Iona's management, including assumptions which are beyond Iona's control, and are subject to risks and uncertainties that could cause actual outcome to differ materially from those suggested by any such statements. These forward-looking statements speak only as of the date of this announcement. Iona Energy Inc. expressly disclaims any obligation or undertaking to release *publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based except as required by applicable securities laws.*

Notes on Oil and Gas Disclosure

As used in this press release, "boe" means barrel of oil equivalent on the basis of 6 mcf of natural gas to 1 bbl of oil. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

The reserves estimates contained in this press release are estimates only and the actual results may be greater than or less than the estimates provided herein. The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

Additionally, this press release uses certain abbreviations as follows:

Oil and Natural Gas Liquids
bbls ... Barrels
mmboe ... Million barrels of oil equivalent
boe/d ... Barrels of oil equivalent per day

Natural Gas
mcf ... thousand cubic feet

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