

Iona Energy Inc. Announces Orlando Field Development Update-Offtake Route Agreed, Bond in Good Order, Trent and Tyne Acquisition at an End and Updated Corporate Presentation

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CALGARY, ALBERTA -- (Marketwired - Oct. 8, 2014) - [Iona Energy Inc.](#) ("Iona" or the "Company") (TSX VENTURE:INA), an independent oil & gas company with assets in the UK North Sea is pleased to announce a number of operational and financial updates.

Highlights:

- All necessary agreements have been signed with CNR International (U.K.) Limited ("CNR"), the Operator of the Ninian Central Platform ("NCP") securing the offtake arrangements for the Orlando field development (Iona 75% and Operator)
 - • Construction and Tie-in Agreement ("CTIA") signed
 - • Processing and Operating Services Agreement ("POSA") signed
 - • Common Stream Agreement ("CSA") signed
 - • Individual Gas Sales Agreement ("ISA") signed
 - • Target first oil to be delivered end of 2016
- The Iona 9.5% Senior Secured Bond (the "Bond") is in compliance with its covenants
- The acquisition of an additional 80% of Trent and Tyne is highly unlikely to complete
- New Corporate Presentation available on the Company's website

Orlando Field Development Update

Orlando, the single well development, whose Field Development Plan was approved in April 2013, which will tie-back to the CNR-operated NCP, is expected to initially deliver approximately 8,000 boe/d net to Iona from a net 2P reserve base of 11.5 MMboe(1). This constitutes a significant part of Iona's production growth plans from existing assets. The CTIA describes how the parties will work together to deliver first oil from the Orlando development and states a joint objective target of end of 2016. Integrated planning is already at an advanced stage to commence the installation of brownfield equipment on NCP in 2015. Subsea installation and drilling activities are planned to commence in spring 2016.

The development plan for Orlando comprises the re-entering of the suspended 3/3b-13z well, drilling a 3,000 foot horizontal production well, and completion with dual Electric Submersible Pumps ("ESPs"). A subsea pipeline, power supply and control umbilical will be laid between the well-head and NCP approximately 10 km to the south west of the Orlando field.

The manufacture of the Orlando line pipe is complete as are the power cables for the ESPs. Umbilical manufacturing is underway for delivery in early 2016. Manufacture of the control system and Xmas Tree is ongoing. Contractual arrangements for the balance of the subsea equipment are in the process of being finalised in line with the 2016 first oil schedule.

Tom Reynolds, CEO of Iona Energy said:

"Orlando is an important asset for Iona and will not only help diversify the production portfolio, it will also significantly increase production levels when it comes on stream. With the offtake route established and contracted this development will move ahead at pace."

Dave Whitehouse, Vice President of Development Operations of CNR said:

"CNR is pleased to be working with Iona to bring additional production volumes back to the Ninian Central host platform. The Orlando development is an important development for this key North Sea hub."

Bond Covenants Update

As of Q2 2014 the Company was in compliance with its covenants under the Bond and a compliance certificate stating this was, as customary, provided to the Nordic Bond Trustee. The Company does not foresee any breaches of covenants in Q3 or Q4 2014 notwithstanding the longer shutdown of Huntington as previously disclosed.

Trent and Tyne Transaction Update

The Company owns a 20% interest in the Trent and Tyne fields. In April 2014 the Company signed a Sale and Purchase Agreement ("SPA") with Perenco to acquire the remaining 80% interest. That SPA had a number of conditions which were required to be satisfied by 28 October 2014. The Company intimated in recent letters to Perenco that it did not believe that the conditions could be satisfied by 28 October. Perenco has disagreed with the position of the Company and has now written to Iona attempting to terminate the SPA on the grounds of the Company's alleged breach of contract, stating that it was entitled to retain the deposit of US\$2 million and reserving its rights to claim damages. The Company strongly believes that it has complied with its obligations under the SPA and accordingly is entitled to the repayment of the deposit and will robustly defend any action raised by Perenco.

Updated Corporate Presentation

An updated corporate presentation will be available on the Company's website today at www.ionaenergy.com.

Conference call

Tom Reynolds, CEO will be hosting a conference call for investors and analysts today at 14.00BST (London) / 07.00MDT (Calgary). To join the call please dial in 5-10 minutes prior to the start time using the information below.

Dial in details:

UK: 020 3139 4830

Canada: +1 1866 404 5783

US: +1 1 718 873 9077

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

About Iona Energy:

Iona is an oil and gas exploration, development and production company focused on oil and gas development and exploration in the United Kingdom's North Sea.

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.

Note (1) - Orlando 2P reserve estimate based on proved plus probable reserves net to Iona as at December

31, 2013, as independently evaluated by Gaffney, Cline & Associates Ltd.

Additionally, this press release uses certain abbreviations as follows:

MMboe - million barrels of oil equivalent

boe/d - barrels of oil equivalent per day

Forward-Looking Statements

Some of the statements in this announcement are forward-looking, including statements regarding the Orlando development (including timing) and future bond covenants. 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 regarding future production levels, and are subject to risks and uncertainties that could cause actual outcomes, including development costs and timelines, 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.

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Camarco is a financial public relations group assisting the Company with this press release.

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