

CALGARY, ALBERTA--(Marketwired - Mar 31, 2015) - [Terra Energy Corp.](#) ("Terra" or the "Company") (TSX:TT) announces the results of its year-end reserves evaluation, as prepared by GLJ Petroleum Consultants Ltd. ("GLJ") as at December 31, 2014 (the "GLJ Report"). This evaluation was performed in accordance with the requirements of National Instrument 51-101, *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). In addition, the Company would like to announce the results of its independent valuation of undeveloped lands, as prepared by Seaton-Jordan & Associates Ltd. ("Seaton-Jordan") as at December 31, 2014.

Summary

The rapid decline in commodity pricing experienced by the industry has had a significant impact on the valuation of the Company reserves at December 31, 2014 and the Company's ability to replace those reserves during the year. The following are reserves evaluation highlights for year-end 2014, comparing results as at December 31, 2014 and those as at December 31, 2013:

- Total proved and probable reserves decreased 2,579 mboes or 15% from 17,360 mboe to 14,781 mboe, inclusive of 1,308 mboe produced during the year
- Net Present Value (before tax) of total proved and probable reserves (NPV 10%) decreased from \$175.6 million as at December 31, 2013 by 34% to \$ 115.4 million as at December 31, 2014
- Total proved reserves decreased 18% from 11,698 mboe to 9,624 mboe
- Reserve life index calculated at year-end 2014 is 7.4 years on total proved reserves and 11.3 years on total proved and probable reserves, using average daily production from the 4th quarter 2014 of 3,584 boe/d
- NAV per share as at December 31, 2014 is estimated at approximately \$1.11 basic and \$1.05 diluted

Oil and Gas Reserves

The following tables summarize certain information contained in the GLJ Report effective December 31, 2014. Detailed reserves information as required under NI 51-101 will be included in Terra's Annual Information Form which has been filed on SEDAR at www.sedar.com. Oil equivalent amounts have been calculated using a conversion rate of 6,000 cubic feet of natural gas to one barrel of oil.

Reconciliation Summary

	Oil Equivalent (Mboe)		Total Proved plus Probable
	Proved	Probable	
Opening - Dec 31, 2013	11,697	5,663	17,360
Technical revisions	(631)	(733)	(1,363)
Drilling Extensions	260	163	423
Improved Recovery	45	7	51
Acquisitions	3	-	3
Economic Factors	(443)	56	(387)
Current Year Production (1,308)	-	-	(1,308)
Closing - Dec 31, 2014	9,624	5,156	14,781

Summary of Reserves by Category

Reserves Category	Forecast Prices and Costs December 31, 2013, December 31, 2014					
	Total (mboe)	Oil (mdbl)	Natural Gas (mmcf)	Liquids (mbls)	Total (mboe)	% Change
Proved Producing	7,781	863	29,540	538	6,324	-19%
Proved Non-Producing	3,917	924	13,090	195	3,300	-16%
Total Proved	11,698	1,787	42,630	733	9,624	-18%
Total Probable	5,663	1,275	21,338	325	5,156	-9%
Total Proved + Probable	17,360	3,062	63,968	1,058	14,781	-15%

The estimated future net revenues are presented before deducting future estimated site restoration costs and are reduced for future abandonment costs and estimated future capital for future development associated with non-producing, undeveloped and probable additional reserves.

Summary of Net Present Values of Future Net Revenue (\$000's) Discounted Before Income Taxes

Forecast Prices	31-Dec-2013		31-Dec-2014		% Change		
	0%	10%	0%	10%	0%	10%	
Reserves Category							
Proved Producing	128,708	84,713	75,419	47,337	-41	%	-44
Proved Non-Producing	61,749	39,620	54,673	29,134	-11	%	-26
Total Proved	190,457	124,332	130,091	76,470	-32	%	-38
Total Probable	108,231	51,290	91,863	38,965	-15	%	-24
Total Proved + Probable	298,688	175,622	221,953	115,435	-26	%	-34

The forecast prices used in the GLJ Report were GLJ's forecast prices as at January 1, 2015 as presented below.

AECO (CDN\$/mmBtu)

Year	Dec 31, 2013 Evaluation	Dec 31, 2014 Evaluation	% Difference Year over Year
2015	\$4.03	\$3.31	-17.87%
2016	\$4.26	\$3.77	-11.50%
2017	\$4.50	\$4.02	-10.67%
2018	\$4.74	\$4.27	-9.92%
2019	\$4.97	\$4.53	-8.85%

WTI (US\$/BBL)

2015	\$97.50	\$62.50	-35.90%
2016	\$97.50	\$75.00	-23.08%
2017	\$97.50	\$80.00	-17.95%
2018	\$97.50	\$85.00	-12.82%
2019	\$97.50	\$90.00	-7.69%

Inflation is accounted for at 2.0% per year

Land Valuation

Terra's gross undeveloped land holdings decreased from 462,693 gross acres (311,921 net) as at December 31, 2013 to 358,529 gross acres (217,905 net) as at December 31, 2014, representing a decrease of 23% (30% net). The decrease was largely attributable to undeveloped land expiring and being sold by the Company.

Below is a summary of the Company's undeveloped land holdings, broken down by province:

Province	31-Dec-13		31-Dec-14	
	Gross Acreage	Net Acreage	Gross Acreage	Net Acreage
Alberta	206,191	159,764	122,675	83,822
British Columbia	256,095	152,117	235,327	133,938
Saskatchewan	406	40	527	145
Totals	462,693	311,921	358,529	217,905

Province	Undeveloped Land Values		
	2013	2014	% Change
Alberta	\$ 12,453,639	\$ 7,269,808	-42
British Columbia	\$ 20,909,598	\$ 19,163,427	-8
Saskatchewan	\$ 15,403	\$ 44,181	187
Totals	\$ 33,378,640	\$ 26,477,416	-21

The undeveloped land holdings of the Company were evaluated as at December 31, 2014 by Seaton-Jordan. The value of Terra's net undeveloped land holdings is estimated to be approximately \$26.5 million as at December 31, 2014. This valuation represents a decrease of 21% compared to last year's valuation of undeveloped land as prepared by Seaton-Jordan.

Net Asset Value (NAV)

Terra's NAV per share as at December 31, 2014 is calculated as follows:

As at December 31	2013	2014
(\$000's)		
P+P Reserves (NPV 10%)	\$ 175,622	\$ 115,436

Undeveloped Land ¹	\$ 33,379	\$ 26,477
Net Debt	\$ (20,982)	\$ (23,173)
Net Asset Value	\$ 188,019	\$ 118,740
Shares Outstanding	101,663	106,663
Basic NAV per Share	\$ 1.85	\$ 1.11
Option and Warrant Value	\$ 4,316	\$ 2,573
Option and Warrant Shares	4,795	9,355
Diluted Net Asset Value	\$ 192,335	\$ 121,313
Diluted Shares Outstanding	106,458	116,018
Fully Diluted NAV per Share	\$ 1.81	\$ 1.05

¹ Based on December 31, 2013 and 2014 Seaton-Jordan reports

[Terra Energy Corp.](#) is a junior oil and gas company engaged in the exploration for, and the development and production of, natural gas and oil in Western Canada. Terra's Common Shares trade on the Toronto Stock Exchange under the symbol "TT".

Reader Advisory

All amounts in Canadian dollars unless otherwise specified.

Information Regarding Disclosure in Oil and Gas Reserves and Operational Information

A boe conversion ratio of six thousand cubic feet per barrel (6mcf/bbl) of natural gas to barrels of oil equivalence is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency for the individual products at the wellhead. Such disclosure of boe's may be misleading, particularly if used in isolation. Additionally, given the value ratio based on the current price of crude oil compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

In accordance with Canadian practice, production volumes are reported on a company gross basis, before deduction of Crown and other royalties, unless otherwise stated. Unless otherwise specified, all reserve volumes in this media release and all information derived there from are based on "company interest reserves" using forecast prices and costs. "Company interest reserves" consist of "company gross reserves" (as defined in NI 51-101) plus Terra's royalty interests in reserves. "Company interest reserves" are not a measure defined in NI 51-101 and does not have a standardized meaning under NI 51-101. Accordingly our Company interest reserves may not be comparable to reserves presented or disclosed by other issuers. Our oil and gas reserves statement for the year ended December 31, 2014, which will include complete disclosure of our oil and gas reserves and other oil and gas information in accordance with NI 51-101, will be contained within our Annual Information Form which will be available on our SEDAR profile at www.sedar.com. In relation to the disclosure of estimates in the operations update discussion, such estimates for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

In relation to the disclosure of net asset value ("NAV"), the NAV table shows what is normally referred to as a "produce-out" NAV calculation under which the current value of the Company's reserves would be produced at forecast future prices and costs and do not necessarily represent a "going concern" value of the Company. The value is a snapshot in time and is based on various assumptions including commodity prices and foreign exchange rates that vary over time. The future net revenues estimated by GLJ do not represent the fair market value of the reserves, nor should it be assumed that Terra's internally estimated value of its undeveloped land holdings represent the fair market value of the lands.

Forward Looking Statements

All forward looking statements contained herein that are not clearly historical in nature constitute forward looking statements, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", or the negative of these terms or other comparable terminology are generally intended to identify forward looking statements. Although Terra believes that the expectations reflected in our forward-looking statements are reasonable, our forward-looking statements have been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond the Company's control, including, without limitation: volatility in the market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; geological, technical, drilling and processing problems; fluctuations in foreign exchange or interest rates; health, safety and environmental risks; stock market volatility; global economic events or conditions; and other factors, many of which are beyond the control of the Company. We caution that the forgoing list of risks and uncertainties is not exhaustive.

Terra's actual results, performance or achievement could differ materially from those anticipated in these forward-looking

statements and accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur. As such, readers are cautioned not to place undue reliance on the forward-looking statements, as no assurance can be provided as to future results, levels of activity or achievements. The risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in further detail in our Annual Information Form and other documents available at www.sedar.com.

The reader is cautioned that historical results are not necessarily indicative of future performance. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and, except as required by applicable law, Terra does not undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

The Company and its management believe that the financial outlook information contained herein has been prepared on a reasonable basis, reflecting the best estimates and judgements, and represent, to the best of management's knowledge and opinion, the Company's expected expenditures and results of operations. However, because this information is highly subjective and subject to numerous risks, including the risks discussed herein and in Terra's Annual Information Form and Management's Discussion and Analysis, it should not be relied on as necessarily indicative of future results. Except as required by applicable law, Terra undertakes no obligation to update any financial outlook information.

Contact

[Terra Energy Corp.](#)

Bud Love

Vice President of Finance, & Chief Financial Officer

403.699.7777

403.264.7189