CALGARY, April 14, 2015 /CNW/ - Petroamerica Oil Corp. (TSX-V: PTA) ("Petroamerica" or the "Company"), a Canadian oil and gas company operating in Colombia, is pleased to announce the financial and operating results for the three and twelve months ended December 31, 2014, and to provide an operational update on the Company's activities in Colombia.

Copies of the Company's Management Discussion and Analysis ("MD&A"), Audited Financial Statements and Annual Information Form ("AIF") have been filed with the Canadian Securities Regulatory authorities and can be viewed or downloaded at the Company's website at www.petroamericaoilcorp.com or at www.sedar.com. The financial results for all periods presented are in United States dollars unless otherwise indicated.

2014 highlights:

- Closed the strategic corporate acquisition of Suroco Energy Inc. adding significant new acreage, reserves and production in the Putumayo basin of Colombia;
- Increased Proved plus Probable reserves ("2P") from 4.9 million barrels at the end of 2013 to 8.1 million barrels at the end of 2014, an increase of 66%;
- Increased the total 2P reserve life index from 2.1 years at the end of 2013 to 4.1 years as at December 31, 2014;
- Generated revenue (before royalty) for the year of approximately $216 million with an operating netback of approximately $50 per barrel and an average realised price of $94.55 per barrel;
- Achieved average daily production of 6,246 barrels of oil equivalent per day ("boepd");
- Drilled the Langur-1x oil discovery on the LLA-19 Block which is currently on long-term test;
- Farmed down a 44.5% working interest ("WI") and acquired an additional 5% interest in the LLA-10 block, ultimately retaining a 50% WI. The farmee will pay 89% of the costs of the next exploration well;
- Succesfully bid for the Putumayo exploration block, PUT-31, in the 2014 Colombia Bid Round in a consortium with Gran Tierra Energy Inc.

Quarterly highlights include:

- Despite sliding oil prices in the fourth quarter of 2014, generated over $37 million in revenue (before royalty) realising a price of approximately $70 per barrel and a net back of $28 per barrel;
- Achieved an average daily production of 5,988 boepd;
- Closed the year with over $73 million in cash.

Financial and Operating Results

The following table presents the highlights of Petroamerica's financial and operating results.

(in $000 US except share, per share or unless otherwise noted)	Q4 2014	Q3 2014	Year ended December 31, 2014	Year ended December 31, 2013
Oil revenue – net of royalties	$31,540	$43,150	$174,217	$203,255
Funds flow from operations	$16,719	$1,048	$62,616	$108,790
Funds flow per share- basic	$0.02	$0.00	$0.09	$0.19
Funds flow per share- diluted	$0.02	$0.00	$0.09	$0.18
(Loss) income for period	$(54,121)	$(7,947)	$(38,027)	$53,877
Total comprehensive (loss) income	$(51,030)	$(14,182)	$(43,221)	$49,357
(Loss) income per share - basic	$(0.06)	$(0.01)	$(0.05)	$0.09
(Loss) income per share - diluted	$(0.06)	$(0.01)	$(0.05)	$0.09
Total assets	$290,430	$361,906	$290,430	$213,171
Total cash and short-term investments	$73,296	$63,221	$73,296	$66,631
Notes payable				

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Shareholders' equity	$180,992	$229,246	$180,992	$136,098
Exploration costs	$1,232	$715	$1,586	$12,803
Capital expenditures - excluding acquisition	$19,449	$9,564	$46,586	$73,942
Finding & development costs - 3 year /boe			$26.54	$23.63
Common shares outstanding (000's)	872,521	871,751	872,521	589,908
Weighted average shares outstanding:				
Basic (000's)	872,156	825,877	722,271	579,818
Diluted (000's)	872,156	825,877	722,271	602,797
Average production - bopd	5,988	6,009	6,246	5,451
Selling price $/bbl	$70.07	$94.59	$94.59	$105.13
Royalty $/bbl	$(10.56)	$(18.57)	$(18.41)	$(8.80)
Average transportation costs $/bbl	$(14.36)	$(14.87)	$(16.43)	$(17.46)
Average production cost $/bbl	$(17.38)	$(15.46)	$(10.05)	$(3.24)
Operating netback $/bbl	$27.77	$45.69	$49.70	$75.63
Cash netback$/bbl	$12.90	$39.10	$39.47	$67.13
Share trading				
High	$0.44	$0.44	$0.44	$0.40
Low	$0.14	$0.28	$0.14	$0.21
Close	$0.14	$0.30	$0.14	$0.35
Trading volume (000's)	127,071	171,755	448,586	259,425

Fourth Quarter Financial Summary

For the three months ended December 31, 2014, the Company reported $37 million in revenue (before royalties) from the sale of 530 thousand barrels of oil equivalent ("boe"). The realized sales price was $70.07 per boe generating an operating netback of approximately $28 per barrel.

For the fourth quarter of 2014, the Company's net loss was $54.1 million ($0.06 per share diluted), a result of lower realised oil prices and an impairment charge of $70 million as a result of carrying value adjustments on assets held due to the 2014 year-end reserves evaluation that was primarily driven by lower oil price projections for future years. This charge, which was not seen in 2013, coupled with the lower realized price of oil in the fourth quarter of 2014, were strong contributing factors behind the Company having a comprehensive loss of approximately $43 million for the current year, versus comprehensive income of approximately $49 million for fiscal 2013. The Company's capital expenditures for the fourth quarter were $19 million, all invested in Colombia. As at December 31, 2014, the Company held 42 thousand barrels of oil ("Mbbls") in inventory.

Current Financial Status

The Company currently holds approximately $55 million in cash and an additional $11 million in restricted cash. It also has a $35 million Canadian dollar denominated debenture outstanding, currently valued at approximately $28 million, with a due date of April 19, 2015. It is the Company's intention to pay the debenture off in full at the maturity using cash-on-hand. The Company is also in advanced discussions with several parties to establish a new debt facility. The Company expects to finalise this facility and have it in place by the end of the second quarter of 2015. The Company has no other debt outstanding.

Updated 2014 Reserves Information

Updated reserves information as of December 31, 2014 prepared by independent reserves evaluator GLJ Petroleum Consultants Ltd. has been included as part of the MD&A for the year ended December 31, 2014. Additional reserves information as required under NI 51-101 and updated net present value figures revised from the February 25, 2015 press release have also been included in the Company's AIF, which has been filed on SEDAR.

2015 First Half Guidance

The Company has revised its capital spending projection for the first half of 2015 from $20 million as announced on January 12, 2015 to $12.9 million. This reduction is due to a combination of movement of the drilling of the Langur-2 appraisal well (on the LLA-19 block) to the third quarter of 2015, and the removal of the Calatea-2 exploration well on the (El Porton block) from the current drilling plans. The Company was notified by its farmin partner on the El Porton block that it intended to withdraw from the El Porton farmout agreement and not drill the Calatea-2 exploration well. Petroamerica is presently evaluating all options that are available to protect its interests in the block.

In addition, due to a combination of the delay in the Langur-2 well and a number of operational issues, including pump failures on key production wells on both the Las Maracas and Suroriente fields, the Company projects that production for the first six months of 2015 will average approximately 4,200 boepd, down from the 5,400 boepd that had been previously projected and announced in January 2015. In general, cost control objectives are the primary focus in all the producing fields, which has impacted the normal production maximization measures that would occur under a stronger oil price environment. The Company estimates that 75% of this shortfall is a result of the revised drilling plan, and the higher than projected downtime resulting from temporary problems with downhole pumps and production reduction related to the current cost-reduction focus of our well and infrastructure operations.

A summary of activity expected to take place over the first six months of 2015 is provided below:

Prospect/Well	Activity Type	Block	Working Interest	Timing/Status
La Casona-2	Long-Term Test	El Eden	40%	Continuing
Langur-1	Long-Term Test	LLA-19	50%	Continuing

Operations Update

Company WI production (before royalties) for the fourth quarter averaged 5,988 boepd, exiting the year at 5,441 boepd for December 31, 2014. First quarter 2015 production averaged 4,587 boepd, with 2,546 boepd coming from the Llanos Basin and 2,041 bopd from the Putumayo Basin.

After commencing long-term testing with an electro-submersible pump ("ESP") in January, the Langur-1X exploration well (refer to the Company's press release of January 12, 2015) produced for a period of 33 days before being shut-in due to an ESP failure in mid-February. The well was returned to production on March 26, after a delay that allowed negotiation of a reduced daily tariff, with the same rig used to drill the well. After restarting the well, the average rate over the most recent 17 days has been 466 barrels of oil per day ("bopd") and a watercut of 55%, or 208 bopd net to the Company before royalty. The ESP is currently being operated at a restricted rate to minimize fluid handling costs while continuing to evaluate the long-term production potential.

Operations have been suspended at the Quinde-3 well, after a workover that included a fracture treatment and installation of sand control measures failed to establish inflow from the well despite early indications of connection with the reservoir. A go forward plan is under discussion that will balance cost control concerns with evaluation of the reasons for the lack of inflow from a zone that, by log analysis, appears to have similar reservoir properties and oil saturations to other wells in the Quinde producing field.

Petroamerica Oil Corp.
Consolidated Statements of Financial Position

(thousands of United States dollars)	As at December 31, 2014	As at December 31, 2013
Assets		
Current assets		

Cash and cash equivalents	$ 73,296	$ 63,737
Short-term investments	-	2,894
Trade and other receivables	13,825	42,754
Prepayments and deposits	463	508
Crude oil inventory	2,096	348
	89,680	110,241
Non-current assets		
Restricted cash	11,065	5,170
Property, plant and equipment	134,711	72,889
Exploration and evaluation assets	54,974	24,871
	200,750	102,930
Total assets	$ 290,430	$ 213,171
Liabilities		
Current liabilities		
Current equity tax	$ -	$ 377
Current income tax	2,459	19,546
Accounts payable and accrued liabilities	38,803	15,400
Notes payable	29,933	-
	71,195	35,323
Non-current liabilities		
Stock appreciation rights liability	1,554	2,085
Notes payable	-	31,587
Deferred tax liability	26,750	2,818
Decommissioning liabilities	9,939	5,260
Total liabilities	109,438	77,073
Shareholders' equity		
Share capital	226,492	138,936
Contributed surplus	24,638	24,079
Translation reserve	(6,366)	(1,172)
Deficit	(63,772)	(25,745)
	180,992	136,098
Total liabilities and shareholders' equity	$ 290,430	$ 213,171

Petroamerica Oil Corp.
Consolidated Statements of income (loss) and comprehensive income (loss)

	Year ended December 31	
(thousands of United States dollars, except per share amounts)	2014	2013
Revenue		
Oil revenue - net of royalties	$ 174,217	$ 203,255
	174,217	203,255
Expenses		
Production	(22,981)	(6,833)
Transportation	(37,566)	(36,835)
Purchased oil	(1,625)	(3,434)
Exploration and evaluation	(1,586)	(12,803)
Depletion and depreciation	(45,119)	(31,928)
Impairment of property, plant and equipment	(69,869)	(3,228)
General and administration	(18,822)	(13,338)
Transaction costs	(8,495)	-
Share-based payments	(769)	(2,998)
	(206,832)	(111,397)
Finance and other	(6,021)	(5,197)
Foreign exchange gain	1,345	5,186
	(4,676)	(11)
Income (loss) before income taxes	(37,291)	91,847
Current income tax expense	(8,556)	(28,173)
Deferred tax recovery (expense)	7,820	(9,797)
Net (loss) income for the period	(38,027)	53,877
Other comprehensive loss		
Items that will be reclassified subsequently to income or (loss):		
Reserve on translation of foreign operations	(5,194)	(4,520)
Total comprehensive (loss) income	$ (43,221)	$ 49,357
Basic income (loss) per share	$ (0.05)	$ 0.09
Diluted income (loss) per share	$ (0.05)	$ 0.09
Weighted average number of basic		
common shares outstanding	722,270,745	579,818,429
Weighted average number of diluted		
common shares outstanding	722,270,745	602,796,899

Petroamerica Oil Corp.
Consolidated Statements of Changes in Equity

(thousands of United States dollars)	Share Capital	Contributed surplus	Translation reserve	Deficit	Total equity
Balance at January 1, 2014	$ 138,936	$ 24,079	$ (1,172)	$ (25,745)	$ 136,098
Net loss for the year	-	-	-	(38,027)	(38,027)
Other comprehensive loss	-	-	(5,194)	-	(5,194)
Total comprehensive loss	-	-	(5,194)	(38,027)	(43,221)
Issue of share capital	79,300	-	-	-	79,300
Warrants exercised	8,273	(495)	-	-	7,778
Stock options exercised	172	(65)	-	-	107
Share-based payments	-	1,119	-	-	1,119
Cancellation of shares	(189)	-	-	-	(189)
Balance at December 31, 2014	$ 226,492	$ 24,638	$ (6,366)	$ (63,772)	$ 180,992

(thousands of United States dollars)	Share Capital	Contributed surplus	Translation reserve	Deficit	Total equity
Balance at January 1, 2013	$ 136,417	$ 23,630	$ 3,348	$ (79,622)	$ 83,773
Net income for the year	-	-	-	53,877	53,877
Other comprehensive loss	-	-	(4,520)	-	(4,520)
Total comprehensive (loss) income	-	-	(4,520)	53,877	49,357
Warrants exercised	2,426	(361)	-	-	2,065
Stock options exercised	93	(35)	-	-	58
Share-based payments	-	845	-	-	845
Balance at December 31, 2013	$ 138,936	$ 24,079	$ (1,172)	$ (25,745)	$ 136,098

Petroamerica Oil Corp.
Consolidated Statements of Cash Flows

	Year ended December 31	
(thousands of United States dollars)	2014	2013
Operating activities		
Net income (loss) for the year	$ (38,027)	$ 53,877
Items not involving cash:		
Share-based payments	769	2,998
Depletion and depreciation	45,119	31,928
Unrealized foreign exchange gain	(8,677)	(6,634)
Deferred tax (recovery) expense	(7,820)	9,797
Accretion and amortization	1,901	1,062
Abandonment expenditures	(518)	-
Impairment of property, plant and equipment	69,869	3,228
Impairment of exploration and evaluation assets	-	12,534
	62,616	108,790
Net changes in non-cash working capital	24,593	(2,734)
Cash provided by operating activities	87,209	106,056
Investing activities		
Exploration and evaluation expenditures	(16,068)	(16,375)
Property, plant and equipment expenditures	(27,564)	(53,465)
Restricted cash investments	-	(1,376)
Corporate acquisition, net of cash acquired	(10,777)	-
Cash used in investing activities	(54,409)	(71,216)
Financing activities		
Repayment of long-term debt	(28,500)	-
Stock options exercised	107	58
Warrants exercised	5,341	2,065
Cancellation of shares	(189)	-
Cash (used in) provided by financing activities	(23,241)	2,123
Increase in cash and cash equivalents during the period	9,559	36,963
Cash and cash equivalents, beginning of year	63,737	26,774
Cash and cash equivalents, end of year	$ 73,296	$ 63,737

Forward Looking Statements:

This news release includes information that constitutes "forward-looking information" or "forward-looking statements". Statements relating to "reserves" or "resources" are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future. More particularly, this news release contains statements concerning expectations regarding regulatory and partner approvals on the Company's development plan, drilling and operational opportunities and the timing associated therewith, test results and the timing thereof, anticipated reserve life of the combined Company's assets, potential future acquisitions and other statements, expectactions, beliefs, goals, objectives, assumptions and information about possible future conditions, results of operations or performance, the use of available cash on hand in addition to the potential exploration and development opportunities and expectations regarding regulatory approval and the overall strategic direction of the Company. The forward-looking statements contained in this document, including expectations and assumptions concerning the obtaining of the necessary regulatory approvals, including ANH approval, and the assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts which are uncertain and subject to risks.

A multitude of factors can cause actual events to differ significantly from any anticipated developments and although the Company believes that the expectations represented by such forward-looking statements are reasonable, undue reliance should not be placed on the forward-looking statements because there can be no assurance that such expectations will be realized. Material risk factors include, but are not limited to: the inability to obtain regulatory approval, including ANH approval, for the transfer of participating interests and/or operatorship for the Company's properties, the risks of the oil and gas industry in general, such as operational risks in exploring for, developing and producing crude oil and natural gas, market demand and unpredictable shortages of equipment and/or labour, changes or fluctuations in production levels, the size of oil and natural gas reserves or resources; incorrect assessments of the value of acquisitions and exploration and development programs; geological, technical, drilling, production and processing problems; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; fluctuations in oil and gas prices, foreign currency exchange rates and interest rates, and reliance on industry partners.

Data obtained from the initial testing results at the referenced wells, which may include barrels of oil produced and levels of water-cut, should be considered to be preliminary until a further and detailed analysis or interpretation has been done on such data. The test results disclosed in this press release are not necessarily indicative of long-term performance or of ultimate recovery. The reader is cautioned not to unduly rely on such results as such results may not be indicative of future performance of the well or of expected production results for the Company in the future.

Readers should also note that even if the drilling program as proposed by the Company is successful, there are many factors that could result in production levels being less than anticipated or targeted, including without limitation, greater than anticipated declines in existing production due to poor reservoir performance, mechanical failures or inability to access production facilities, among other factors.

Neither the Company nor any of its subsidiaries nor any of its officers, directors or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does any of the foregoing accept any responsibility for the future accuracy of the opinions expressed in this document or the actual occurrence of the forecasted developments.

The forward-looking statements contained in this document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Use of "boe"

'boe' may be misleading if used in isolation. Throughout this press release the calculation of barrels of oil equivalent ("boe") is at a conversion rate of 6,000 cubic feet ("cf") of natural gas for one barrel of oil and is based on an energy conversion method at the burner tip and does not represent a value equivalence at the wellhead.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE Petroamerica Oil Corp.

Contact
Ralph Gillcrist, President and CEO; Colin Wagner, CFO; Tel Bogota, Colombia: +57-1-744-0644, Tel Calgary, Canada: +1-403-237-8300; Email: investorrelations@pta-oil.com, Web Page: www.PetroamericaOilCorp.com