

CALGARY, ALBERTA--(Marketwired - April 29, 2015) - [Leucrotta Exploration Inc.](#) (TSX VENTURE:LXE) ("Leucrotta" or the "Company") is pleased to announce its financial and operating results for the three months and year ended December 31, 2014. All dollar figures are Canadian dollars unless otherwise noted.

## HIGHLIGHTS

- Commenced active oil and natural gas operations on August 6, 2014 as a result of the closing of an arrangement agreement between Leucrotta, [Crocotta Energy Inc.](#) ("Crocotta") and [Long Run Exploration Ltd.](#) ("Long Run") (the "Arrangement") whereby Crocotta transferred its oil and natural gas assets located in British Columbia ("BC Assets") to Leucrotta. Long Run acquired all of the issued and outstanding common shares of Crocotta in exchange for 0.415 of a common share of Long Run. Immediately prior to the exchange for Long Run common shares, Crocotta transferred the BC Assets to Leucrotta and each Crocotta shareholder received 1.0 common share of Leucrotta and 0.2 of a Leucrotta common share purchase warrant (one whole warrant being an "Arrangement Warrant").
- Raised \$93.3 million in Q3 2014 by issuing 54.9 million common shares at a price of \$1.70 per common share through a bought deal private placement, an insider private placement and the exercise of Arrangement Warrants.
- Averaged 2,168 boe/d of production during 2014 (Q4 2014 averaged 2,538 boe/d).
- Acquired 111,100 gross (99,000 net) acres of Montney rights during 2014 in exchange for \$51.3 million cash and 4.7 million common shares.
- Exited 2014 with working capital of \$25.0 million.
- Entered into a \$25.0 million revolving operating demand loan credit facility with a Canadian chartered bank during Q3 2014.

The financial and operating results below present the historic financial position, results of operations and cash flows of the transferred BC Assets for all prior periods up to and including August 6, 2014 on a carve-out basis as if they had operated as a stand-alone entity subject to Crocotta's control (carve-out financial statements). The financial position, results of operations and cash flows from June 10, 2014 (the date of incorporation of Leucrotta) to August 6, 2014 include both the BC Assets and Leucrotta on a combined basis and from August 6, 2014 forward include the actual historical results of Leucrotta after assuming the BC Assets upon close of the Arrangement.

## FINANCIAL RESULTS

(\$000s, except per share amounts)	Three Months Ended December 31			Year Ended December 31		
	2014	2013	% Change	2014	2013	% Change
Oil and natural gas sales	6,801	5,062	34	29,322	12,509	134
Funds from operations <sup>(1)</sup>	2,995	2,430	23	15,210	3,571	326
Per share - basic and diluted	0.02	0.02	-	0.12	0.03	300
Net earnings (loss)	(171	) 333	(151	) 3,090	(1,276	) 342
Per share - basic and diluted	-	-	-	0.02	(0.01	) 300
Capital expenditures and acquisitions	35,234	13,962	152	102,868	39,854	158
Working capital (deficiency)				25,003	(1,300	) 2,023
Common shares outstanding (000s)						
Weighted average - basic and diluted	165,227	105,613	56	126,329	105,613	20
End of period - basic				165,227	-	na
End of period - diluted				185,049	-	na

## OPERATING RESULTS <sup>(2)</sup>

	Three Months Ended December 31			Year Ended December 31		
	2014	2013	% Change	2014	2013	% Change
Daily production						
Oil and NGLs (bbls/d)	486	305	59	376	136	176
Natural gas (mcf/d)	12,309	8,387	47	10,750	6,538	64
Oil equivalent (boe/d)	2,538	1,703	49	2,168	1,226	77

Revenue							
Oil and NGLs (\$/bbl)	62.08	74.11	(16	)	78.98	79.47 (1 )	
Natural gas (\$/mcf)	3.55	3.86	(8	)	4.71	3.59 31	
Oil equivalent (\$/boe)	29.13	32.31	(10	)	37.06	27.96 33	
Royalties							
Oil and NGLs (\$/bbl)	6.66	0.54	1,133		4.14	0.30 1,280	
Natural gas (\$/mcf)	0.53	0.03	1,667		0.31	0.01 3,000	
Oil equivalent (\$/boe)	3.84	0.23	1,570		2.24	0.08 2,700	
Production expenses							
Oil and NGLs (\$/bbl)	6.61	6.11	8		6.73	7.74 (13 )	
Natural gas (\$/mcf)	1.10	1.02	8		1.12	1.48 (24 )	
Oil equivalent (\$/boe)	6.61	6.11	8		6.72	8.74 (23 )	
Transportation expenses							
Oil and NGLs (\$/bbl)	3.51	2.19	60		3.43	4.98 (31 )	
Natural gas (\$/mcf)	0.24	0.12	100		0.21	0.20 5	
Oil equivalent (\$/boe)	1.85	1.00	85		1.63	1.62 1	
Operating netback <sup>(1)</sup>							
Oil and NGLs (\$/bbl)	45.30	65.27	(31	)	64.68	66.45 (3 )	
Natural gas (\$/mcf)	1.68	2.69	(38	)	3.07	1.90 62	
Oil equivalent (\$/boe)	16.83	24.97	(33	)	26.47	17.52 51	
Depletion and depreciation (\$/boe)	(8.02	) (10.05	) (20	)	(10.40	) (9.93	) 5
General and administrative expenses (\$/boe)	(4.73	) (4.81	) (2	)	(4.27	) (3.64	) 17
Share based compensation (\$/boe)	(4.16	) (1.87	) 122		(2.59	) (1.34	) 93
Finance expenses (\$/boe)	(0.24	) (4.73	) (95	)	(3.31	) (5.94	) (44 )
Finance income (\$/boe)	0.80	-	100		0.24	-	100
Deferred tax (expense) recovery (\$/boe)	(1.21	) (1.39	) (13	)	(2.23	) 0.48	(565 )
Net earnings (loss) (\$/boe)	(0.73	) 2.12	134		3.91	(2.85	) 237

(1) See "Non-GAAP Measures" section.

(2) See "Frequently Recurring Items" section.

Selected financial and operational information outlined in this news release should be read in conjunction with Leucrotta's audited financial statements and related Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2014, which are available for review at [www.sedar.com](http://www.sedar.com) and on our website at [www.leucrotta.ca](http://www.leucrotta.ca).

## PRESIDENT'S MESSAGE

On August 6, 2014 Leucrotta became a stand-alone entity with the mandate to further its predecessor's (Crocotta's) development of its highly prolific and liquids-rich Montney assets located in Northeast British Columbia.

During Q4 2014, Leucrotta commenced the drilling of its large Montney block of land in the Dawson-Sunrise area of Northeast British Columbia. Two step-out wells were drilled with one encountering liquids-rich gas and the other encountering light oil. As previously announced, the IP30 rates of the wells were 447 boepd (61% oil and liquids) and 442 boepd (37% oil and liquids), respectively. The oil well was of particular significance given estimated oil in place of 26 million barrels per section and success of other operators in the area developing Montney oil. While further delineation is needed to determine the extent of the oil pool, such accumulations are generally over a larger area and could be a very material oil resource play for Leucrotta.

The original Lower Montney discovery well at Doe (B4-19) continues to outperform and was upgraded to 1.1 million boes in the latest independent reserve report. The well has been on production for over a year and is still producing over 600 boepd.

Subsequent to year-end, Leucrotta also tested its horizontal Baldonnel oil well at Stoddart. The Baldonnel zone is a high water cut carbonate zone analogous to the Mississippian zone in Southeast Saskatchewan and is estimated to have over 15 million barrels of oil in place per section. The well was producing over 1,500 barrels of water and 315 barrels of light oil at a low draw-down on the well. The Company is very encouraged by this rate and will construct a battery and water disposal to produce the well. Leucrotta has approximately 45 sections of land prospective for Baldonnel oil and if successful, would drill 4 to 8 wells per section to develop this potentially large light oil resource.

As at December 31, 2014 Leucrotta had \$25 million of cash and positive working capital and a \$25 million undrawn bank credit facility. Leucrotta will be conservative with its go forward spending and will watch for stabilization in the commodity market before it invests material amounts of capital in the future. The Company expects that it will commence development drilling at Doe offsetting its B4-19 well in the fall and work towards filling its 25 mmcf/d sweet gas plant. Other than development wells at Doe, Leucrotta will spend capital to tie-in the Montney oil well, set up the Stoddart facilities and recomplete existing wells in the Montney. Currently, Leucrotta does not have any plans to draw on its bank credit facility in 2015.

Leucrotta's business plan is to increase production and cash flow through development drilling at Doe and slowly delineate its large resource base in the Montney with a combination of recompletions, vertical drills and horizontal drills.

## INFORMATION REGARDING OIL AND GAS VOLUMES

Well test results are not necessarily indicative of long-term performance or of ultimate recovery.

OOIP and OGIP are not a defined terms within National Instrument 51-101 and are considered equivalent to Discovered Petroleum Initially In Place ("DPIIP"). DPIIP is defined in the Canadian Oil and Gas Evaluation Handbook ("COGEH") as the quantity of hydrocarbons that are estimated to be in place within a known accumulation. DPIIP is divided into recoverable and unrecoverable portions, with the estimated future recoverable portion classified as reserves and contingent resources. There is no certainty that it will be economically viable or technically feasible to produce any portion of this DPIIP except for those portions identified as proved or probable reserves.

## FREQUENTLY RECURRING TERMS

The Company uses the following frequently recurring industry terms in this news release: "bbls" refers to barrels, "mcf" refers to thousand cubic feet, and "boe" refers to barrel of oil equivalent. Disclosure provided herein in respect of a boe may be misleading, particularly if used in isolation. A boe conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalent has been used for the calculation of boe amounts in the news release. This boe conversion rate is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

## NON-GAAP MEASURES

This new release refers to certain financial measures that are not determined in accordance with IFRS (or "GAAP"). This news release contains the terms "funds from operations", "funds from operations per share", and "operating netback" which do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures used by other companies. The Company uses these measures to help evaluate its performance.

Management uses funds from operations to analyze performance and considers it a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investments and to repay debt. Funds from operations is a non-GAAP measure and has been defined by the Company as net earnings (loss) plus non-cash items (depletion and depreciation, share based compensation, non-cash finance expenses, and deferred income taxes) and excludes the change in non-cash working capital related to operating activities and expenditures on decommissioning obligations. The Company also presents funds from operations per share whereby amounts per share are calculated using weighted average shares outstanding, consistent with the calculation of earnings per share. Funds from operations is reconciled from cash flow from operating activities under the heading "Funds from Operations" in the Company's MD&A for the year ended December 31, 2014.

Management considers operating netback an important measure as it demonstrates its profitability relative to current commodity prices. Operating netback, which is calculated as average unit sales price less royalties, production expenses, and transportation expenses, represents the cash margin for every barrel of oil equivalent sold. Operating netback per boe is reconciled to net earnings per boe under the heading "Operating Netback" in the Company's MD&A for the year ended December 31, 2014.

## FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intends", "forecast", "plans", "guidance" and similar expressions are intended to identify forward-looking statements or information.

More particularly and without limitation, this news release contains forward looking statements and information relating to the Company's risk management program, oil, NGLs, and natural gas production, capital programs, oil, NGLs, and natural gas

commodity prices, production expenses, working capital and oil and gas volumes. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company, including expectations and assumptions relating to prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates, the performance of existing wells, the success of drilling new wells, the availability of capital to undertake planned activities, and the availability and cost of labour and services.

Although the Company believes that the expectations reflected in such forward-looking statements and information are reasonable, it can give no assurance that such expectations will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, the uncertainty of estimates and projections relating to production rates, costs, and expenses, commodity price and exchange rate fluctuations, marketing and transportation, environmental risks, competition, the ability to access sufficient capital from internal and external sources and changes in tax, royalty, and environmental legislation. The forward-looking statements and information contained in this document are made as of the date hereof for the purpose of providing the readers with the Company's expectations for the coming year. The forward-looking statements and information may not be appropriate for other purposes. 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.

Leucrotta is an oil and natural gas company, actively engaged in the acquisition, development, exploration, and production of oil and natural gas reserves in northeastern British Columbia, Canada.

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.

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