

CALGARY, ALBERTA--(Marketwired - May 5, 2015) - [Lightstream Resources Ltd.](#) (the "Company" or "Lightstream") (TSX:LTS) announces our first quarter financial and operating results.

FIRST QUARTER FINANCIAL & OPERATING HIGHLIGHTS

- First quarter production averaged 35,179 barrels of oil equivalent per day ("boepd") (76% light oil and liquids), a 4% decrease from fourth quarter 2014 production, attributable to our reduced 2015 capital and drilling programs.
- Funds flow from operations was \$52 million (\$0.26 per basic share), representing a 70% decrease from first quarter 2014 primarily as a result of lower commodity prices.
- Our operating netback for the first quarter was \$20.87/boe, a 63% decrease from the first quarter of 2014 largely driven by lower commodity prices.
- Capital expenditures of \$60 million (before acquisitions and dispositions ("A&D")) in first quarter 2015 were 50% lower than fourth quarter 2014 and 70% lower than first quarter 2014. This is consistent with our reduced capital program in the current economic environment and our commitment to spend within cash flow in 2015.
- In the first quarter of 2015, we funded capital expenditures through funds flow from operations and a \$12.4 million asset disposition.
- We continue to be proactive in managing our debt and are in the advanced stages of negotiating the debt terms of our credit facility. We are currently in compliance with all covenants under the existing credit facility.
- We expect to generate funds flow well above our capital spending in 2015, with all excess net cash being applied to debt.

SUMMARY OF RESULTS

	Three months ended March 31	
	2015	2014
Oil and natural gas sales	121,131	325,234
Funds flow from operations ⁽¹⁾	51,928	174,970
Per share - basic ⁽¹⁾	0.26	0.88
Adjusted Net income (loss) ⁽¹⁾	(127,162)	14,399
Per share - basic ⁽¹⁾	(0.64)	0.07
Net Capital Expenditures ⁽¹⁾	48,931	85,603
Total debt ⁽¹⁾	1,731,248	2,248,702
Dividends per share (\$)	-	0.12
Common Shares, end of period (000) ⁽²⁾	197,388	200,001
Operating netback (\$/boe) ^{(1) (3) (4)}	20.87	56.11
Average daily production (boe) ⁽³⁾	35,179	43,959

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

(2) Denotes basic common shares outstanding.

(3) Six Mcf (thousand cubic feet) of natural gas is equivalent to one barrel of oil equivalent ("boe").

(4) Net of transportation expenses.

OPERATING RESULTS

Our first quarter average production of 35,179 boepd (76% light oil and liquids) was 20% below first quarter 2014 average production due primarily to the disposition of assets representing 6,315 boepd of production and our decision to reduce capital spending in response to lower commodity prices. Cardium production decreased 7%, Bakken production decreased 12% and Alberta/BC production decreased 14% from first quarter 2014 levels.

AVERAGE DAILY PRODUCTION

	Three months ended March 31, 2015		
Business Unit	Oil & NGL (bbl/d)	Gas (Mcf/d)	Total (boe/d)
Cardium	11,331	37,980	17,661
Bakken	12,755	6,334	13,811
Alberta/BC	2,521	7,115	3,707
	26,607	51,429	35,179

Production expenses decreased from \$13.90/boe in Q1 2014 to \$12.48/boe in the first quarter 2015, largely due to the disposition of relatively higher cost production in our southeast Saskatchewan Conventional business unit in the third quarter of 2014. On a total dollar basis, total production expenses for the first quarter in 2015 have decreased by almost 30% from the first quarter 2014, attributable to lower variable production costs associated with decreased production levels.

With a reduced capital expenditure program, we drilled 14 wells in the first quarter of 2015 compared to 50 wells during the same period last year and brought 20 wells on production compared to 25 a year ago. At the end of the quarter, there were seven wells waiting to be completed and/or brought on production, five of which are expected to be brought on-stream during the second quarter of 2015, including two high impact Falher gas wells. The remaining two wells are planned to be brought on in the third quarter of the year.

Q1 2015 DRILLING ACTIVITY

Business Unit	Drilled		Completed		On Production		Inventory ⁽¹⁾	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Cardium	10	8	12	8	13	10	6	5
Bakken	8	6	9	8	13	10	3	2
Alberta/BC	-	-	-	-	-	-	-	-
Total	18	14	21	16	26	20	9	7

⁽¹⁾ Inventory refers to the number of wells pending completion and/or tie-in at March 31, 2015.

FINANCIAL RESULTS AND LIQUIDITY

First quarter 2015 production of 35,179 boepd and an operating netback of \$20.87/boe resulted in funds flow from operations of \$52 million (\$0.26 per basic share), a 70% decrease from the first quarter of 2014 largely due to lower commodity prices. As a result of our hedging program, Lightstream realized gains of \$28 million on crude oil contracts during the first quarter of 2015. We continue to expect full year 2015 funds flow to exceed capital expenditures with the excess being directed toward reducing debt.

Our adjusted net loss for the first quarter was \$127 million (-\$0.64 per basic share) compared to net income for the first quarter of 2014. The net loss is attributable to lower realized prices, lower sales volumes and a larger non-cash foreign exchange loss, partially offset by lower royalties, a larger gain on risk management contracts, and lower depletion and depreciation.

First quarter 2015 is expected to be our highest spending quarter, with capital expenditures of \$60 million representing over half of anticipated spending for the year. This spending was funded through funds flow from operations and a \$12.4 million asset disposition, which closed early in the quarter. Capital spending will be significantly lower during the second half of the year as we do not intend to invest in an operated, new well drilling program at current commodity prices. We continue to monitor the commodity price environment with flexibility to increase capital spending should prices improve. To provide greater certainty over future cash flows, we have also increased our 2015 hedge position and continue to monitor the futures market to augment our hedge portfolio.

We are in advanced stages of renegotiating debt terms with our credit facility lenders. As of March 31, 2015, we had \$638 million of debt drawn on our credit facility compared to \$1.07 billion as of March 31, 2014. We are currently in compliance with all covenants under the existing credit facility and expect to successfully renegotiate terms to maintain financial flexibility through the downside of this commodity cycle.

INVESTOR CONFERENCE CALL

In order to maximize the utility of the first quarter conference call, we have decided to reschedule the call in order to provide shareholders with the renegotiated terms of our credit facility concurrent with our first quarter update. We expect to announce this conference call prior to our Annual General Meeting on May 14, 2015.

ANNUAL GENERAL MEETING NOTICE

Lightstream will host our Annual General Meeting for shareholders on May 14, 2015 at 9:00am (MDT) at the Metropolitan Conference Centre (333 - 4th Ave SW) in Calgary, Alberta. The meeting will also be available via webcast using the following link: <http://www.gowebcasting.com/6234>. Those in attendance or participating in the webcast will have the opportunity to have questions responded to by management of the Company.

FINANCIAL & OPERATING TABLES

Financial (\$000s, except where noted)	Three months ended March 31,		% Change
	2015	2014	
Oil and natural gas sales	121,131	325,234	(63)

Funds flow from operations ⁽¹⁾	51,928	174,970	(70)
Per share - basic (\$) ⁽¹⁾	0.26	0.88	(70)
- diluted (\$) ^{(1) (2)}	0.26	0.86	(70)
Adjusted Net Income ^{(1) (3)}	(127,162)	14,399	(983)
Per share - basic (\$) ⁽¹⁾	(0.64)	0.07	(1,014)
- diluted (\$) ^{(1) (2)}	(0.64)	0.07	(1,014)
Dividends ⁽¹⁾	-	24,298	(100)
Per share (\$) ⁽¹⁾	-	0.12	(100)
Capital expenditures ⁽³⁾	60,254	199,283	(70)
Net capital expenditures	48,931	85,603	(43)
Total debt ^{(1) (4)}	1,731,248	2,248,702	(23)
Basic common shares, end of period (000)	197,388	200,001	(1)
Operations			
Operating netback			
(\$/boe except where noted) ⁽¹⁾⁽⁵⁾			
Oil, NGL and natural gas revenue ⁽⁶⁾	37.96	81.77	(54)
Royalties	4.61	11.76	(61)
Production expenses	12.48	13.90	(10)
Operating netback	20.87	56.11	(63)
Average daily production (boe/d)			
Oil and NGL (bbl/d)	26,607	35,209	(24)
Natural gas (mcf/d)	51,429	52,503	(2)
Total (boe/d) ⁽⁵⁾	35,179	43,959	(20)

⁽¹⁾ Non-GAAP measure. See "Non-GAAP Measures" section within this document.

⁽²⁾ Consists of common shares, stock options, deferred common shares, incentive shares and convertible debentures as at the period end date.

⁽³⁾ Prior to asset acquisitions and dispositions.

⁽⁴⁾ Total debt is calculated as secured credit facility outstanding plus accounts payable less accounts receivable, prepaid expense and long-term investments plus the full value outstanding on the senior unsecured notes and convertible debentures converted to Canadian dollars at the exchange rate on the period end date.

⁽⁵⁾ Six Mcf of natural gas is equivalent to one barrel of oil equivalent ("boe").

⁽⁶⁾ Net of transportation expenses.

Lightstream Resources Ltd. is an oil and gas exploration and production company focused on light oil in the Bakken and Cardium resource plays. We are committed to delivering industry leading operating netbacks, strong cash flows and consistent operating results through leading edge technology applied to a multi-year inventory of existing and emerging resource play opportunities. Our long-term strategy is to efficiently develop our assets and deliver an attractive dividend yield.

Forward Looking Statements. Certain information provided in this press release constitutes forward-looking statements. Specifically, this press release contains forward-looking statements relating to, but not limited to Lightstream's guidance for 2015, planned capital spending, proposed exploration and development activities (including the number of wells to be drilled, completed and put on production); sources of capital, including the renegotiation and amendment of our credit facility; our liquidity position; expectation that funds flow will exceed capital expenditures in 2015; and a number of other matters.

The forward-looking statements are based upon certain material factors and expectations and assumptions of Lightstream including, without limitation: that Lightstream will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes, the accuracy of the estimates of Lightstream's reserves and resource volumes; certain commodity price and other cost assumptions; and the continued availability of adequate financing and cash flow to fund its planned expenditures. Although Lightstream believes the material factors, expectations and assumptions on which the forward-looking statements are based are reasonable, no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking statements in this press release are not guarantees of future performance and should not be unduly relied upon. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, but not limited to: changes in commodity prices and exchange rates; general conditions in the oil and gas industry; operational risks in development, exploration and production; unanticipated operating results or production declines; delays or changes in exploration or development plans; the uncertainty of oil and gas reserve estimates; increase in costs; reliance on industry partners; availability of equipment and personnel; changes in tax or environmental laws, royalty rates or other regulatory matters; increased debt levels or debt service requirements; limited, unfavorable or lack of access to capital markets; a lack of adequate insurance coverage; and the impact of competition. Certain of these risks are set out in more detail in our Annual Information Form which has been filed on SEDAR and can be accessed at www.sedar.com. Except as may be required by applicable securities laws,

Lightstream assumes no obligation to publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

BOEs. Natural gas volumes have been converted to barrels of oil equivalent ("boe"). Six thousand cubic feet ("Mcf") of natural gas is equal to one barrel of oil equivalent based on an energy equivalency conversion method primarily attributable at the burner tip and does not represent a value equivalency at the wellhead. Boes may be misleading, especially if used in isolation.

Well Counts. All references to well counts are on a net basis.

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