CALGARY, ALBERTA--(Marketwired - May 6, 2015) - Trilogy Energy Corp. (TSX:TET) ("Trilogy") is pleased to announce its financial and operating results for the three months-end March 31, 2015 and to provide webcast information for its annual meeting of shareholders.

Financial and Operating Highlights

- Reported sales volumes for the first quarter of 2015 were lower at 33,041 Boe/d as compared to 35,938 Boe/d for the previous quarter.
- Net capital expenditures totaled $47.7 million as compared to $174.3 million for the first quarter of 2014.
- In total 13 (7.2 net) wells were drilled in the quarter as compared to 31 (24.1 net) wells in the first quarter of 2014.
- Operating expenditures decreased to $27.7 million or $9.32 per Boe in the quarter compared to $36.5 million or $12.23 per Boe for first quarter of 2014.
- Funds flow from operations (1) decreased to $33.9 million as compared to $78 million for the previous quarter (Q1 2014 - $81.2 million).
- Capacity under Trilogy's revolving credit facility as at March 31, 2015 was $246.1 million.

The reduced production, capital and operating expenditure levels reflect Trilogy's commitment to preserve shareholder value and promote financial sustainability during the low liquids and gas commodity price environment. Significant effort was placed on reducing Trilogy's cost structure and on negotiating reductions on supplier costs. Capital spent was to participate in prudent operated and non-operated joint interest operations while most operated completion activities were delayed until commodity prices show meaningful signs of improvement from first quarter lows.

(1) Refer to Non-GAAP measures in this release and MD&A

Financial and Operating Highlights Table

(In thousand Canadian dollars except per share amounts and where stated otherwise)

	Three Months Ended		
	March 31, 2015	December 31, 2014	Change %
FINANCIAL			
Petroleum and natural gas sales	81,846	129,555	(37)
Funds flow			
From operations(1)	33,898	78,011	(57)
Per share - diluted	0.27	0.62	(57)
Earnings			
Loss before tax	(28,447)	(54,464)	(48)
Per share - diluted	(0.23)	(0.43)	(47)
Loss after tax	(20,662)	(133,331)	(85)
Per share - diluted	(0.16)	(1.06)	(84)
Dividends declared	-	8,819	(100)
Per share	-	0.070	(100)
Capital expenditures			
Exploration, development, land, and facility	47,263	63,299	(25)
Acquisitions (dispositions) and other - net	466	9,330	(95)
Net capital expenditures	47,729	72,629	(34)
Total assets	1,592,668	1,618,953	(2)
Net debt(1)	765,041	751,603	2
Shareholders' equity	554,719	572,135	(3)
Total shares outstanding (thousands)			
- As at end of period (2)	125,854	125,854	-
OPERATING			
Production			
Natural gas (MMcf/d)	125	130	(4)
Oil (Bbl/d)	6,874	8,251	(17)
Natural gas liquids (Boe/d)	5,396	6,058	(11)
Total production (Boe/d @ 6:1)	33,041	35,938	(8)
Average prices before financial instruments			

Natural gas ($/Mcf)	3.20	4.06	(21)
Crude Oil ($/Bbl)	48.58	70.95	(32)
Natural gas liquids ($/Boe)	32.77	48.78	(33)
Average realized price	27.52	39.18	(30)
Drilling activity (gross)			
Gas	8	7	14
Oil	5	10	(50)
Total wells	13	17	(24)

(1) Funds flow from operations and net debt are non-GAAP terms. Please refer to the advisory on Non-GAAP measures below.

(2) Excluding shares held in trust for the benefit of Trilogy's officers and employees under the Company's Share Incentive Plan. Includes Common Shares and Non-voting Shares. Refer to the notes to the interim consolidated financial statements for additional information.

Outlook

Trilogy has continued to develop its land position and technical expertise in large, tight liquids-rich gas and oil resource plays in the Deep Basin. The Company believes that it has accumulated a large inventory of high quality vertical and horizontal drilling prospects that should provide the opportunity, in the long term, to grow annual production and replace produced reserves. Trilogy believes it is positioned at the end of the first quarter to meet its annual guidance for 2015 as follows:

Average production	30,000 Boe/d (~35 percent oil and natural gas liquids)
Average operating costs	$10.00 /Boe
Capital expenditures	$100 million

In the current natural gas and crude oil commodity price environment, Trilogy expects to manage its balance sheet through continued production, non-core asset rationalization and disciplined capital spending. As a growth-oriented corporation, Trilogy must remain flexible in order to respond to changes in commodity prices and believes it can manage its assets prudently through the year as its production base declines. Trilogy is confident in its strategy, its high quality assets and the proven expertise of its employees.

Annual Meeting of Shareholders to be Webcast

Trilogy also announces that the annual meeting of its shareholders, to be held at 2:00 p.m. (Calgary time), Friday, May 8, 2015 in the Conference Centre at Centrium Place, 332 - 6th Avenue S.W., Calgary, Alberta, will be webcast. To listen to the annual meeting and view the presentation to be provided at the meeting, please go to the following internet address:

http://www.gowebcasting.com/6483

The link to the webcast is also available on Trilogy's website at www.trilogyenergy.com. The webcast will be available at the same internet address for a period of time following the annual meeting.

Additional Information

Trilogy's financial and operating results for the first quarter of 2015, including the Review of Operations, Management's Discussion and Analysis and the Company's unaudited Interim Consolidated Financial Statements and related notes as at and for the quarter ended March 31, 2015 can be obtained at http://media3.marketwire.com/docs/Q1-2015-Quarterly-Report.pdf.These reports will also be made available at a later date through Trilogy's website at www.trilogyenergy.com and SEDAR at www.sedar.com.

About Trilogy

Trilogy is a growing petroleum and natural gas-focused Canadian energy corporation that actively develops, produces and sells natural gas, crude oil and natural gas liquids. Trilogy's geographically concentrated assets are primarily, high working interest properties that provide abundant low-risk infill drilling opportunities and good access to infrastructure and processing facilities, many of which are operated and controlled by Trilogy. Trilogy's common shares are listed on the Toronto Stock Exchange under the symbol "TET".

Non-GAAP Measures

Certain measures used in this document, including "adjusted EBITDA", "consolidated debt", "finding and development costs", "funds flow from operations", "operating income", "net debt", "operating netback", "payout ratio", "recycle ratio" and "senior debt" collectively the "Non-GAAP measures" do not have any standardized meaning as prescribed by IFRS and previous GAAP and, therefore, are considered Non-GAAP measures. Non-GAAP measures are commonly used in the oil and gas industry and by Trilogy to provide Shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. However, given their lack of standardized meaning, such measurements are unlikely to be comparable to similar measures presented by other issuers.

"Adjusted EBITDA" refers to "Funds flow from operations" in addition to cash interest and tax expenses and certain other items that do not appear individually in the line items of the Company's financial statements.

"Consolidated debt" generally includes all long-term debt plus any issued and undrawn letters of credit.

"Finding and development costs" refers to all current year net capital expenditures, excluding property acquisitions and dispositions with associated reserves, and including changes in future development capital on a proved or proved plus probable basis. "Finding and development costs per Barrel of oil equivalent" ("F&D $/Boe") is calculated by dividing finding and development costs by the current year's reserve extensions, discoveries and revisions on a proved or proved plus probable reserve basis. Management uses finding and development costs as a measure to assess the performance of the Company's resources required to locate and extract new hydrocarbon reservoirs.

"Funds flow from operations" refers to the cash flow from operating activities before net changes in operating working capital as shown in the consolidated statements of cash flows. Management utilizes funds flow from operations as a key measure to assess the ability of the Company to finance dividends, operating activities, capital expenditures and debt repayments.

"Operating income" is equal to petroleum and natural gas sales before financial instruments and bad debt expenses minus royalties, operating costs, and transportation costs. "Operating netback" refers to Operating income plus realized financial instrument gains and losses and other income minus actual decommissioning and restoration costs incurred. Operating income and operating netback are used by management to measure operating results of discrete oil and gas properties' performance without reference to capital and organizational structure and corporate and general administrative costs.

"Net debt" is calculated as current liabilities minus current assets plus long-term debt. Management utilizes net debt as a key measure to assess the liquidity of the Company.

"Payout ratio" refers to dividends divided by cash flow from operations. This measure assists in providing a more complete understanding of the Company's ability to fund future dividends to Shareholders from cash flow from operations.

"Recycle ratio" is equal to "Operating netback" on a production barrel of oil equivalent for the year divided by "F&D $/Boe" (computed on a proved or proved plus probable reserve basis as applicable). Management uses this metric to measure the profitability of the Company in turning a barrel of reserves into a barrel of production.

"Senior debt" is generally defined as "Consolidated debt" but excluding any indebtedness under the Senior Unsecured Notes.

Investors are cautioned that the Non-GAAP measures should not be considered in isolation or construed as alternatives to their most directly comparable measure calculated in accordance with IFRS, as set forth above, or other measures of financial performance calculated in accordance with IFRS.

Forward-Looking Information

Certain information included in this news release constitutes forward-looking statements under applicable securities legislation. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "budget" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements or information in this news release pertain to, without limitation: expected average daily production volumes in 2015 and the relative content of crude oil and natural gas liquids therein; projected average operating costs and capital expenditures for 2015; statements regarding management's intention to manage its balance sheet and control capital spending; Trilogy's intention to evaluate non-core asset dispositions; and statements regarding management's intention to grow production and replace reserves.

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. Such assumptions include: current commodity price forecasts for petroleum, natural gas and natural gas liquids; current reserves estimates; current production forecasts and the relative mix of crude oil, NGLs and natural gas therein; geology applicable to Trilogy's land holdings; the extent and development potential of Trilogy's assets (including, without limitation, Trilogy's Kaybob area Montney oil and gas assets, the Duvernay Shale Gas development program and the Gething oil pool, among others); continuity of the mutually beneficial NGL Recovery Agreement with Aux Sable Canada LP and pricing thereunder until November 2015 and Trilogy's ability to thereafter enter into one or more other arrangements having, in the aggregate, less favorable terms relative to the existing Aux Sable Agreement; cash flow consistent with expectations; assumptions regarding royalties and expenses and the continuity of royalty regimes and government incentive programs and their applicability to Trilogy; operating and other costs; currency exchange and interest rates; expected timelines and budgets being met in respect of drilling programs and other operations; budget allocations and capital spending flexibility; credit facility availability and access to sources of funding for Trilogy's planned operations and expenditures; ability of Trilogy to service its debt and repay its debt when due; estimates of deferred tax amounts, tax assets and tax pools; estimates and projections in respect of the application of tax laws; the ability of Trilogy and its partners to achieve drilling, completion construction and other operational results consistent with our expectations; general business, economic, and market conditions; the ability of Trilogy to obtain equipment, services and supplies in a timely manner to carry out its activities; the ability of Trilogy to market its crude oil, natural gas and natural gas liquids successfully to current and new customers; the timing and costs of pipeline, storage and facility construction and expansion facility run-times; the ability to secure adequate product processing, transmission, transportation, fractionation and storage capacity on acceptable terms and the timely receipt of required regulatory approvals: among others.

Although Trilogy believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Trilogy can give no assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Trilogy and described in the forward-looking statements or information. These risks and uncertainties include, but are not limited to: fluctuations in oil, natural gas, condensate and other natural gas liquids and commodity prices, foreign currency, exchange rates and interest rates, volatile economic and business conditions, the ability of management to execute its business plan; the risks of the oil and gas industry, such as operational risks in exploring for, developing and producing crude oil, natural gas, condensate and other natural gas liquids and market demand; the ability of Trilogy to add production and reserves through development and exploration activities; risks and uncertainties involving geology of oil and gas deposits; risks inherent in Trilogy's marketing operations, including credit risk and the risk that Trilogy may not be able to enter into suitable arrangements for the sale of its crude oil, natural gas and gas liquids on acceptable terms or at all; the uncertainty of reserves estimates and reserves life; the uncertainty of estimates and projections relating to future production, NGL yields, costs and expenses; uncertainty in amounts and timing of royalty payments and applicability of and change to royalty regimes and government incentive programs including, without limitation, the Natural Gas Deep Drilling Programs and the Drilling Royalty Credit Program;
potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the availability of financing; the ability to generate sufficient cash flow from operations and other sources of financing at an acceptable cost to fund Trilogy's exploration, development and construction plans and meet current and future obligations and repay debt; Trilogy's ability to secure adequate product transmission, transportation, fractionation and storage capacity on a timely basis or at all; the possibility Trilogy will not commence or complete a process to evaluate opportunities with respect to its Duvernay shale assets in the near future or at all; Trilogy's ability to enter into or renew leases; health, safety and environmental risks; weather conditions; the possibility that government policies, regulations or laws, including without limitation those relating to the environment and taxation, may change; imprecision in estimates of product sales, commodity prices, capital expenditures, tax pools, tax shelters, tax deductions available to Trilogy, changes to and the interpretation of tax legislation and regulations applicable to Trilogy, and timing and amounts of reversals of temporary differences between assets and liabilities recognized for accounting and tax purpose; the possibility that regulatory approvals may be delayed or withheld; risks associated with existing and potential future lawsuits and regulatory actions against Trilogy; uncertainty regarding aboriginal land claims and co-existing local populations; hiring/maintaining staff; the impact of market competition; and other risks and uncertainties described elsewhere in this document or in Trilogy's other filings with Canadian securities authorities.

The forward-looking statements and information contained in this news release are made as of the date hereof and Trilogy 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.

Refer to Trilogy's Management's Discussion and Analysis for additional information on forward-looking information.

Oil and Gas Advisory

This document contains disclosure expressed as "Boe", "MBoe", "Boe/d", "Mcf", "Mcf/d", "MMcf", "MMcf/d", "Bcf", "Bbl", and "Bbl/d". All oil and natural gas equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one barrel of oil (6:1). Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head. For Q1 2015, the ratio between Trilogy's average realized oil price and the average realized natural gas price was approximately 15:1 ("Value Ratio"). The Value Ratio is obtained using the Q1 2015 average realized oil price of $48.58 (CAD$/Bbl) and the Q1 2015 average realized natural gas price of $3.20 (CAD$/mcf). This Value Ratio is significantly different from the energy equivalency ratio of 6:1 and using a 6:1 ratio would be misleading as an indication of value.

The (i) reserves, (ii) future net revenue and related forecast prices and costs and (iii) production history and estimates disclosed herein and reported in the InSite Report include certain of those NGL within Trilogy's natural gas stream that are currently, and are in the future expected to be, quantified or extracted and for which Trilogy is paid based on market rates. For such purposes, it has been assumed that (a) the NGL Volumes Recovery Agreement with Aux Sable Canada LP ("NGL Volumes Recovery Agreement") will be in place until November 30, 2015 and (b) after November 30, 2015, annual volumes of Trilogy's NGL sold under the NGL Volumes Recovery Agreement will be instead sold under one or more other arrangements having, in the aggregate, less favorable terms relative to the existing agreement. As a result of such change in Trilogy's arrangements for selling its NGL, future net revenues from Trilogy's NGL are currently expected to be lower in the foreseeable future as it is anticipated that Trilogy will receive a smaller share of the market price for its NGL. As at December 31, 2014, the NGL sold under the NGL Volumes Recovery Agreement represented approximately 13.6% of Trilogy's proved plus probable NGL reserve volumes, approximately 2.8% of Trilogy's total proved plus probable reserve volumes, approximately 3.0% of the net present value of Trilogy's future net revenue before taxes discounted at 10% using forecast prices and costs and approximately 5.2% of Trilogy's production. If these NGL were instead reported as part of Trilogy's natural gas, it would increase Trilogy's natural gas reserves (since these are notionally reduced for shrinkage attributable to the extraction of these NGL) and decrease Trilogy's NGL reserves and production accordingly, but would have no effect on Trilogy's future net revenues.

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