

CALGARY, ALBERTA--(Marketwired - May 11, 2015) - [Traverse Energy Ltd.](#) ("Traverse" or "the Company") (TSX VENTURE:TVL) presents financial and operating results for the three months ended March 31, 2015.

		Three Months Ended	
Highlights <i>(unaudited)</i>	March 31, 2015	December 31, 2014	March 31, 2014
Financial <i>(\$ thousands, except per share amounts)</i>			
Petroleum and natural gas revenue	3,513	5,508	4,535
Cash flow from operating activities	2,000	3,473	2,088
Funds from operations ⁽¹⁾	1,739	3,420	2,596
Per share - basic and diluted	0.02	0.05	0.04
Net income	(555)	) (6,358	) 746
Per share - basic and diluted	(0.01	) (0.10	) 0.01
Capital expenditures, net of dispositions	2,322	7,725	6,964
Total assets	43,676	44,038	46,223
Working capital (deficiency)	177	(3,201	) 8,641
Bank debt	(5,417	) (1,440	) -
Common shares			
Outstanding <i>(millions)</i>	70.5	70.5	67.9
Weighted average <i>(millions)</i>	70.5	69.6	56.5
Operations <i>(Units as noted)</i>			
Average production			
Natural gas <i>(Mcf/day)</i>	2,932	3,287	1,809
Oil and NGL <i>(bbls/day)</i>	627	701	455
Total <i>(BOE/day)</i>	1,116	1,249	756
Average sales price			
Natural gas <i>(\$/Mcf)</i>	3.66	3.96	5.49
Oil and NGL <i>(\$/bbl)</i>	45.09	66.83	88.98
Operating netback <i>(\$/BOE)</i> ⁽²⁾			
Petroleum and natural gas revenue	34.97	47.94	66.65
Realized loss on financial derivatives	-	(0.01	) (1.15
Royalties	(2.17	) (4.60	) (9.30
Operating costs	(10.37	) (11.20	) (10.32
Transportation costs	(1.69	) (1.66	) (0.90
Operating netback	20.74	30.47	44.98

(1) Funds from operations represents cash flow from operating activities prior to changes in non-cash working capital and settlement of decommissioning obligations. Funds from operations does not have a standardized measure prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other companies.

(2) Operating netback represents revenue and realized gain or loss on financial derivatives, less royalties, operating and transportation expenses and is calculated on a per unit basis. Operating netback does not have a standardized measure prescribed by IFRS and therefore may not be comparable with the calculation of similar measures by other companies.

Operations Review

In February 2015 Traverse announced a reduction in the 2015 exploration and development program to \$15 million. The reduced program contains an estimated seven wells, including two horizontals. The 2015 program will continue to focus on light oil projects at Coyote and Michichi in southern Alberta. The budget is to be financed by cash flow and new equity issues or debt where appropriate.

In the first quarter of 2015, Traverse drilled one well in the Coyote area resulting in a potential oil well. This well appears to extend the Coyote oil pool approximately 0.4 miles further to the west. The well awaits tie-in (to conserve the associated natural gas) when field conditions permit after spring break up. Activity on the Turin property included workovers of three existing wellbores resulting in minor natural gas production additions. In the Hanna area, the Company re-entered an existing wellbore which was abandoned after testing minor hydrocarbons and water. No drilling activities are planned for the second quarter.

In the third quarter, Traverse is planning to drill two horizontal wells from padsites that can be tied into existing infrastructure. In 2014 the Coyote battery was expanded to accommodate production from new wells to be drilled in the area. One horizontal development well will be drilled into the Mannville Q13Q pool (Ellerslie) as a follow up to the two horizontal wells completed in mid-November 2014. One horizontal well continues to flow and has produced 34 Mstb of oil and 32 Mmcf of gas to March 31, 2015. The other horizontal well is a pumping oil well and has produced a total of 13.6 Mstb and 9 Mmcf of gas to March 31, 2015.

A second horizontal well planned for the third quarter will be drilled into a new Upper Mannville zone. This zone was discovered when drilling to develop the deeper Ellerslie oil pool and was delineated by vertical wells drilled in 2013 and 2014. One well is now producing from this Upper Mannville zone at modest rates, confirming oil production from the zone. The production capability of this zone will be tested with a horizontal well which, if successful, will lead to exploitation of the pool with further horizontal drilling. In addition, several vertical exploration wells are planned for the Coyote-Michichi area.

Undeveloped land holdings in Alberta at March 31, 2015 were 188,800 gross (188,100 net) acres. At March 31, 2015 the Company had working capital of approximately \$177,000 and had drawn \$5.4 million on the approved credit facility of \$10 million.

April 20, 2015 press release correction

The April 20, 2015 press release regarding the grant of stock options erroneously disclosed the exercise price of the stock options granted as \$0.62. The stock options granted on April 20, 2015 were granted with an exercise price of \$0.64 per share.

Non-IFRS measures

This news release makes reference to terms commonly used in the oil and gas industry. Funds from operations, funds from operations per share, operating netback per BOE and working capital are not defined by IFRS and therefore may not be comparable to performance measures presented by others. Funds from operations represents cash flow from operating activities prior to changes in non-cash working capital and settlement of decommissioning obligations as detailed under the heading "Cash and funds from operations and net income (loss)" within the Company's management's discussion and analysis for the three months ended March 31, 2015. Funds from operations per share is calculated based on the weighted average number of common shares outstanding consistent with the calculation of net income per share. Working capital is calculated as current assets (excluding financial derivative assets) less current liabilities (excluding financial derivative liabilities). Operating netback represents revenue and realized gain or loss on financial derivatives, less royalties, operating and transportation expenses and is calculated on a per unit basis. The calculation of Traverse's operating netback is detailed under the heading "Operating netback" within the Company's management's discussion and analysis for the three months ended March 31, 2015. Management believes that in addition to net income, the aforementioned non-IFRS measures are useful supplemental measures as they assist in the determination of the Company's operating performance, leverage and liquidity. Investors should be cautioned however, that these measures should not be construed as an alternative to both net income and net cash from operating activities, which are determined in accordance with IFRS, as indicators of the Company's performance.

BOE equivalent

Unless otherwise stated, the volume conversion of natural gas to barrel of oil equivalent (BOE) is presented on the basis of 6 thousand cubic feet of natural gas being equal to 1 barrel of oil. This conversion ratio is based upon an energy equivalent conversion method primarily applicable at the burner tip and does not represent value equivalence at the wellhead. BOE figures may be misleading, particularly if used in isolation.

Forward-looking information

This news release contains forward-looking information which is not comprised of historical fact. Forward -looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward -looking information. Forward-looking information in this news release includes the Company's statements with respect to the number of wells to be drilled in 2015; intentions for funding capital expenditures during 2015 and drilling plans for the third quarter of 2015. This forward looking information is subject to a variety of substantial known and unknown risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward looking information. The Company's Annual Information Form filed on April 15, 2015 with securities regulatory authorities (accessible through the SEDAR website www.sedar.com) describes the risks, material assumptions and other factors that could influence actual results and which are incorporated herein by reference.

Although the Company believes that the material assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur. The Company disclaims any intention or obligation to update or review any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

Further details on the Company including the 2014 year end audited financial statements, the related management's discussion and analysis and Annual Information Form are available on the Company's website (www.traverseenergy.com) and SEDAR.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX

Venture Exchange) accept responsibility for the adequacy or accuracy of the content of this release.

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