

CALGARY, ALBERTA--(Marketwired - May 14, 2015) - [Terra Energy Corp.](#) ("Terra" or the "Corporation") (TSX:TT) announces its financial and operating results for the three month period ended March 31, 2015. Copies of Terra's first quarter results may be obtained at www.sedar.com or www.terraenergy.ca.

First Quarter 2014 Results

(\$ in thousands, except per share and boe amounts)	Three months ended March 31			
	2015	2014	2015	2014
	\$	\$	(\$/boe)	(\$/boe)
Revenue before Royalties	5,806	13,242	19.50	41.58
Realized Gain (Loss) on Derivative Instruments	1,479	(1,597)	4.97	(5.01)
Royalties	(940)	(3,336)	(3.16)	(10.48)
Net Revenue	6,345	8,309	21.31	26.09
Production Expenses	(5,911)	(4,642)	(19.85)	(14.57)
Operating Netback	434	3,667	1.46	11.52
General and Administrative Expenses	(1,514)	(1,447)	(5.09)	(4.54)
Financing Costs	(462)	(473)	(1.55)	(1.49)
Unrealized Gain (Loss) on Derivative instruments	(967)	230	(3.25)	0.72
Other Non-cash Expenses	(4,856)	(4,869)	(16.31)	(15.28)
Loss before Income Taxes and Other Income	(7,365)	(2,892)	(24.75)	(9.08)
Gain on Disposition of Other Assets	93	(23)	0.31	(0.07)
Income Tax Recovery	-	-	-	-
Net Income (Loss)	(7,272)	(2,915)	(24.42)	(9.15)

There continues to be uncertainty with respect to natural gas pricing in North America. At the same time, there is continued uncertainty with respect to oil pricing despite the recovery of WTI pricing from the \$42 US level to the \$60 US level. There is significant speculation on the duration of these prevailing circumstances, but the Corporation's mandate is to continue to operate with discipline and within the limits of its cash flow from operations.

The Corporation's operational strategy for 2015 is to not participate in any new drilling activity until such time as current economic conditions and pricing become more favorable, and to limit capital spending to those projects which involve operational efficiencies, cost reductions, productivity improvements or very short payback periods (6 months or less). In pursuing this strategy during 2015, the key objective will be to offset production declines. In addition, management will endeavor to reduce both the Operating Cost and the G&A Cost on a per BOE unit of production. Further, the Corporation is considering the sale of various assets/properties which are not considered to be core to the Corporation's business strategy.

The Corporation's continued business strategy to pursue predominantly oil and gas liquids projects over a multi-year time horizon, with a view towards becoming a more balanced (50% oil and liquids - 50% gas) energy producer, has been impeded by the combination of both continued low natural gas prices in North America and low oil prices. The Corporation is confident, as commodity prices recover from current levels and as the Corporation's business plan unfolds, that increased cashflows will allow the Corporation to further develop the potential of our various oil properties for the benefit of all stakeholders of the Corporation.

Terra is a junior oil and gas corporation engaged in the exploration for, and development and production of, natural gas and oil in Western Canada. Terra's common shares trade on the Toronto Stock Exchange under the symbol 'TT'.

Reader Advisory

All amounts in Canadian dollars unless otherwise specified.

Information Regarding Disclosure in Oil and Gas Reserves and Operational Information

A boe conversion ratio of six thousand cubic feet per barrel (6mcf/bbl) of natural gas to barrels of oil equivalence is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency for the individual products at the wellhead. Such disclosure of boe's may be misleading, particularly if used in isolation. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1; utilizing a conversion of a 6:1 basis may be misleading as an indication of value.

Forward-Looking Statements

All forward looking information and statements ("forward looking statements") contained herein that are not clearly historical in

nature constitute forward looking statements, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", or the negative of these terms or other comparable terminology are generally intended to identify forward looking statements. In particular, without limiting the foregoing, this media release contains statements concerning the Company's plans, expectations, operational strategy, operating and G&A cost reductions. Although Terra believes that the expectations reflected in our forward-looking statements are reasonable, our forward-looking statements have been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond the Company's control, including, without limitation: volatility in the market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; geological, technical, drilling and processing problems; fluctuations in foreign exchange or interest rates; health, safety and environmental risks; stock market volatility; global economic events or conditions; and other factors, many of which are beyond the control of the Company. We caution that the forgoing list of risks and uncertainties is not exhaustive.

Terra's actual results, performance or achievement could differ materially from those anticipated in these forward-looking statements and accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur. As such, readers are cautioned not to place undue reliance on the forward-looking statements, as no assurance can be provided as to future results, levels of activity or achievements. The risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in further detail in our Annual Information Form and other documents available at www.sedar.com.

The reader is cautioned that historical results are not necessarily indicative of future performance. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and, except as required by applicable law, Terra does not undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

The Company and its management believe that the financial outlook information contained herein has been prepared on a reasonable basis, reflecting the best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected expenditures and results of operations. However, because this information is highly subjective and subject to numerous risks, including the risks discussed herein and in Terra's Annual Information Form and Management's Discussion and Analysis, it should not be relied on as necessarily indicative of future results. Except as required by applicable law, Terra undertakes no obligation to update any financial outlook information.

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