CALGARY, ALBERTA--(Marketwired - Nov 16, 2015) - Long Run Exploration Ltd. (TSX:LRE) ("Long Run" or the "Company") announces financial and operational results for the third quarter of 2015. While 2015 continues to be challenging, Long Run remains on target to meet our annual capital, production and funds flow guidance as a result of our disciplined capital spending and operational results.

In light of the current market conditions, Long Run continues to examine strategic and financial means to improve the capital structure of the Company. Long Run is committed to debt reduction and is actively working toward the completion of the proposed private placement with Maple Marathon Investments Limited ("Maple Marathon") while concurrently executing on a formal asset rationalization program. Together these initiatives are aimed at providing Long Run with maximum flexibility to pursue all opportunities to strengthen the Company's financial position.

THIRD QUARTER 2015 HIGHLIGHTS

- Generated funds flow from operations of $35.5 million ($0.18/share) compared to $80.2 million ($0.45/share) in 2014, primarily reflecting lower commodity prices and lower oil production, partially offset by a gain on financial derivatives, lower royalties and lower operating costs. Over the first nine months of 2015, funds flow from operations totaled $121.4 million ($0.62/share).

- Averaged 30,733 Boe/d of production compared to 34,795 Boe/d in 2014, including the impact of the Alliance pipeline outage and the shut in of high operating cost wells of approximately 700 Boe/d. Production over the first nine months of 2015 averaged 33,579 Boe/d, including the reduction of approximately 300 Boe/d due to outages, non-core dispositions and the shut-in of high operating cost wells.

- Completed a targeted 12.0 well drilling program in our light oil Redwater Viking property. Results to date from these wells have exceeded expectations both in terms of well performance and cost efficiency. Over the first 30 days of production (post clean-up), these wells averaged 101 Boe/d (89% oil) per well. This average rate has exceeded our internal forecast expectations by approximately 40%. Long Run was able to take advantage of improved operational efficiencies to reduce finding and development costs by approximately 25% per well.

- Advanced the Company's enhanced oil recovery ("EOR") projects in the Montney at Normandville and Girouxville and the Viking at Redwater. In our Montney projects, the impact of our efforts began to be realized in the third quarter with response in the form of stabilizing and increasing fluid and oil rates as well as a downward trend in gas-oil ratios in certain areas within the projects.

  Successful EOR implementation in the Montney area has the potential to substantially improve recoveries, reduce production declines and improve capital efficiencies. Full field implementation of EOR at Normandville and Girouxville could ultimately cover approximately 30 net sections.

- Incurred capital expenditures in the third quarter of $19.4 million compared to $75.8 million in 2014, reflecting our controlled capital program in response to the depressed commodity price environment. Capital expenditures over the first nine months of 2015 totaled $73.5 million and were concentrated on our Deep Basin Cardium, Redwater Viking and Peace River Montney core areas.

- Executed on $19.2 million in non-core dispositions with proceeds directed towards debt repayment. Proceeds from non-core divestures over the first nine months of 2015 totaled $31.3 million.

- Reduced bank debt over the quarter by $30.3 million to $595.6 million on a total credit facility of $695.0 million, in accordance with our goal of debt reduction. The reduction was a result of disposition proceeds and funds flow from operations exceeding our controlled capital expenditures.

- Reported a net loss of $305.1 million compared to net earnings of $40.6 million in 2014. The loss was primarily a result of non-cash property impairment charges of $285.0 million due to the decline in future commodity price forecasts at September 30, 2015. Over the first nine months of 2015, a net loss of $378.0 million was recorded.

- Entered into a private placement agreement on August 2, 2015 with Maple Marathon and MIE Holdings Corporation. On November 8, 2015, Long Run amended the terms of the previously announced private placement (the "Private Placement") pursuant to which Long Run will issue to Maple Marathon 125,000,000 units at an issue price of $0.80 per unit for gross proceeds of $100 million. The proceeds from the Private Placement will be used for debt reduction to improve Long Run's capital structure.

  Each unit will consist of one common share of the Company and 0.728 of a common share purchase warrant (the "Warrants"). Each Warrant will entitle the holder to acquire one common share of the Company at an exercise price of $1.10 for a period of 12 months from closing of the Private Placement. Closing is subject to various conditions including obtaining shareholder and regulatory approvals.

SUMMARY OF QUARTERLY RESULTS	Three months ended September 30		Nine months ended September 30	
($000s, except per share amounts or unless noted otherwise noted)	2015	2014	2015	2014
Funds flow from operations[1]	35,477	80,199	121,359	223,678
Per share, basic[1]	0.18	0.45	0.63	1.54

Per share, diluted[1]	0.18	0.45	0.62	1.53
Net earnings (loss)	(305,058)	40,644	(378,012)	68,257
Per share, basic	(1.58)	0.23	(1.95)	0.47
Per share, diluted	(1.58)	0.23	(1.95)	0.47
Production				
Oil *(Bbl/d)*	7,990	13,071	9,316	12,745
NGLs *(Bbl/d)*	4,277	3,031	4,711	2,223
Total Liquids *(Bbl/d)*	12,267	16,102	14,027	14,968
Natural Gas *(Mcf/d)*	110,799	112,161	117,311	86,414
Total *(Boe/d)*	30,733	34,795	33,579	29,370
Prices, including derivatives				
Oil *($/Bbl)*	68.27	84.66	68.44	86.67
NGLs *($/Bbl)*	20.74	57.98	22.61	69.28
Total Liquids *($/Bbl)*	51.69	79.64	53.05	84.09
Natural Gas *($/Mcf)*	3.34	4.23	3.27	4.68
Total *($/Boe)*	32.81	50.75	33.80	56.80
Revenues, before royalties	72,271	166,978	247,031	477,542
Capital expenditures	19,367	75,759	73,452	233,938
Net acquisitions (divestitures)	(17,914)	(8,147)	(28,836)	(26,878)
Net capital expenditures	1,453	67,612	44,616	207,060
Total assets	1,468,690	2,166,379	1,468,690	2,166,379
Bank loan	595,618	632,377	595,618	632,377
Net debt[1]	678,768	718,981	678,768	718,981
Non-current financial liabilities, excluding bank loan	69,286	68,381	69,286	68,381

[1]*See Non-GAAP Measures section.*

Selected financial and operational information outlined in this news release should be read in conjunction with Long Run's unaudited interim financial statements and related Management's Discussion and Analysis for the period ended September 30, 2015, which will be available for review at www.sedar.com and on our website at www.longrunexploration.com.

THIRD QUARTER 2015 OPERATIONS UPDATE

Third quarter 2015 production averaged 30,733 Boe/d (40% oil and NGLs), including Deep Basin production of 11,284 Boe/d (31% oil and NGLs), Peace River Montney production of 7,497 Boe/d (54% oil and NGLs) and Redwater Viking production of 2,942 Boe/d (87% oil and NGLs). Production in the Deep Basin Edson field was temporarily impacted by the Alliance Pipeline outage in August which curtailed approximately 6,050 Boe/d of production over the six day suspension, resulting in a loss of approximately 400 Boe/d on the third quarter average. Average production in the third quarter was impacted by the shut-in of high operating cost wells which further decreased production by approximately 300 Boe/d.

Capital expenditures in the third quarter of 2015 totaled $19.4 million and were focused primarily on the Redwater Viking property. Long Run drilled 12.0 net Viking wells during the quarter with all wells on-stream by mid-October. Average costs for the Viking wells were approximately 25% below Long Run's realized costs in 2014, primarily as a result of an improvement in drilling times and lower rates and costs for services, materials and equipment. Over the first 30 days of production (post clean-up), these wells averaged 101 Boe/d (89% oil) per well, exceeding our internal forecast expectations by approximately 40%.

Long Run executed on $19.2 million in non-core dispositions in the third quarter of 2015 primarily relating to the sale of a minor non-core property in the Redwater area which closed September 30, 2015 and was producing approximately 600 Boe/d. Dispositions over the first nine months of 2015 primarily related to a pipeline sale and the sale of minor properties producing a combined total of approximately 650 Boe/d for total proceeds of $31.3 million. Proceeds from the dispositions have been directed towards debt repayment.

THIRD QUARTER 2015 FINANCIAL UPDATE

Funds flow from operations for the third quarter of 2015 was $35.5 million compared to $80.2 million in 2014. The change in funds flow reflects lower revenue associated with decreased commodity prices and lower oil production volumes, partially offset by increased revenue from higher NGLs and natural gas production volumes, a gain on financial derivatives, lower royalties and lower operating costs. The net loss was $305.1 million in the third quarter compared to net earnings of $40.6 in 2014. The loss was primarily a result of non-cash property impairment charges of $285.0 million due to the decline in future commodity price forecasts at September 30, 2015.

Realized oil prices in the third quarter of 2015, including derivatives, averaged $68.27/Bbl compared to $84.66/Bbl in 2014. The decrease in pricing was primarily a result of a lower West Texas Intermediate benchmark price partially offset by a gain on oil financial derivatives and an increase in the U.S. dollar exchange rate. Long Run's realized NGLs price in the third quarter of 2015 averaged $20.74/Bbl compared to $57.98/Bbl in 2014. The lower NGLs price primarily reflects lower market pricing for NGLs. Realized natural gas prices, including derivatives, for the third quarter of 2015 averaged $3.34/Mcf compared to $4.23/Mcf in 2014. Lower realized natural gas prices were primarily a result of lower AECO benchmark prices partially offset by a gain on natural gas financial derivatives.

Long Run's on-going risk management program significantly impacted the Company's realized prices in the third quarter. Financial derivatives contributed $22.68/Bbl to the realized oil price and $0.39/Mcf to the realized natural gas price. Long Run reported a gain of $16.7 million on oil financial derivatives and $4.0 million on natural gas financial derivatives in the third quarter of 2015.

Third quarter 2015 operating netback of $18.55/Boe and corporate netback of $12.56/Boe reflect weak commodity prices partially offset by lower royalties and operating costs as well as a gain on financial derivatives. Long Run's royalty rate averaged 9% in the third quarter compared to 12% in 2014, primarily due to lower commodity prices and lower oil production, with annual royalty rates for 2015 expected to average approximately 8 - 9%. Operating costs in the third quarter of 2015 averaged $10.62/Boe compared to $11.63/Boe in 2014 as a result of lower fuel, chemical and trucking costs. Annual operating costs for 2015 are expected to average approximately $12.00 - $12.25/Boe. General and administration expense, excluding the $1.3 million in transaction costs associated with the proposed Private Placement, averaged $2.22/Boe. Long Run continues to forecast that general and administration expense, excluding transaction costs, will average approximately $2.50/Boe for 2015.

At September 30, 2015, Long Run's net debt was $678.8 million and we were in compliance with all covenants, obligations and conditions of our credit agreement. Over the first nine months of 2015, Long Run has reduced net debt by $60.8 million as a result of disposition proceeds and funds flow from operations exceeding our controlled capital expenditures. The semi-annual review by the Company's lending syndicate is currently in progress and is expected to be completed by November 30, 2015. The Company's current credit facilities consist of a $410 million revolving syndicated facility, a $40 million revolving operating facility and a $245 million non-revolving syndicated facility due by May 29, 2016.

OUTLOOK

Long Run remains focused on debt reduction and continues to evaluate strategic and financial alternatives to strengthen our balance sheet. In conjunction with the proposed Private Placement, the Board and management team of Long Run have initiated a strategic asset rationalization process to address the balance due on the Company's non-revolving syndicated facility. The disposition process includes both core and non-core assets from the Company's diversified asset base.

For 2015, Long Run expects funds flow from operations of $135 - $140 million to exceed net capital expenditures of $70 million and intends to use part of the excess funds flow to repay a portion of the Company's non-revolving syndicated facility. On closing of the proposed Private Placement, the proceeds of $100 million will be used to further reduce indebtedness under the non-revolving syndicated facility. The remaining balance on the non-revolving syndicated facility is planned to be repaid through asset dispositions.

Long Run is increasing our 2015 funds flow guidance to $135 - $140 million as a result of better than anticipated funds flow over the first nine months of the year, in part due to the significant reduction in operating costs and royalty rates.

For the fourth quarter of 2015, Long Run has reallocated our development capital based on current anticipated cost structures and forecast commodity prices. The Company is planning to drill 2.0 Kakwa Cardium wells in place of the previously forecast 3.0 Edson Cardium wells in the quarter. Long Run continues to expect average annual production of 32,000 - 33,000 Boe/d (41% oil and NGLs) based on planned capital expenditures of $100 million. The production guidance takes into account the impact of approximately 500 Boe/d of annual production lost as a result of dispositions, outages and shut-in wells. Long Run's October 2015 average production was approximately 29,200 Boe/d.

ADVISORIES

Non-GAAP Measures

The press release contains terms commonly used in the oil and gas industry, such as funds flow from operations and net debt. These terms are not defined by International Financial Reporting Standards ("IFRS") and should not be considered an alternative to, or more meaningful than, cash provided by operating activities as determined in accordance with IFRS as an indicator of Long Run's performance. These measures are commonly used in the oil and gas industry and by Long Run to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Long Run's determination of these measures may not be comparable to that reported by other companies. Funds flow from operations is calculated as cash flow from operating activities before changes in non-cash working capital and abandonment expenditures. Net debt is calculated as bank debt plus working capital deficiency and principal amount of outstanding convertible debentures. Long Run has provided information on how these measures are calculated in the Management's Discussion and Analysis for the year ended December 31, 2014 and the third quarter ended September 30, 2015, which are available under the Company's SEDAR profile at www.sedar.com.

Barrels of Oil Equivalent

Barrels of oil equivalent may be misleading, particularly if used in isolation. A Boe conversion ratio of six thousand cubic feet of natural gas to one barrel of crude oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. 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 conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is misleading as an indication of value.

Initial Production Rates

Initial production rates disclosed herein are not determinative of the rates at which the well will continue to produce and decline thereafter and are not necessarily indicative of long-term performance or ultimate recovery.

Netbacks

Netbacks are calculated by subtracting royalties, transportation costs and operating costs from revenue.

Forward Looking Statements

This press release contains forward-looking information within the meaning of applicable securities laws relating to the Company's plans and other aspects of Long Run's anticipated future operations, management focus, objectives, strategies and priorities including 2015 capital expenditure budget, the nature and timing of expenditures and expectation that expenditures will be within funds flow from operations, 2015 forecast annual production, possible coverage of full field implementation of EOR projects and potential effects of successful EOR implementation, 2015 expected royalty rates, operating and general and administration expense, use of proceeds from the Private Placement, use of proceeds from dispositions, expected 2015 annual funds flow from operations and expectation that it will exceed net 2015 capital expenditures, drilling plans and timing thereof, targeted debt reduction in the year and use of disposition proceeds and funds flow from operations in excess of annual capital spending for debt reduction, plans to repay non-revolving syndicated facility and timing of semi-annual review by lending syndicate. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future.
The forward-looking information is based on certain key expectations and assumptions made by Long Run's management, including expectations and assumptions concerning commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs and general and administrative costs; performance of existing and future wells; reserve volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labor and services; the impact of increasing competition; ability to market oil and natural gas successfully; Long Run's ability to access capital, and obtaining the necessary regulatory approvals; and Long Run's ability to dispose of assets to reduce debt. Included herein is an estimate of Long Run's 2015 funds flow from operations based on assumptions provided herein and WTI US$50.00/Bbl, AECO $2.60/GJ and FX CDN/USD $0.79 and other assumptions utilized in arriving at Long Run's capital budget. To the extent such estimate constitutes a financial outlook, it was approved by management November 16, 2015 and is included herein to provide readers with an understanding of the anticipated funds available to fund its capital expenditures, debt reduction and for other purposes and readers are cautioned that the information may not be appropriate for other purposes.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Long Run can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that the Company will derive there from. Closing of the Private Placement is subject to a number of conditions including obtaining the required shareholder and regulatory approvals as summarized in the press release of the Corporation of November 9, 2015. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide a more complete perspective on Long Run's future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

These forward-looking statements are made as of the date of this press release and Long Run disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

ABBREVIATIONS		Natural Gas	
Oil and Natural Gas Liquids			
Bbl	barrels	Mcf	thousand cubic feet
Bbl/d	barrels per day	Mcf/d	thousand cubic feet per day
NGL	natural gas liquids	MMcf/d	Million cubic feet per day
Boe	barrels of oil equivalent		
Boe/d	barrels of oil equivalent per day		
Liquids	light oil, heavy oil, and NGLs		
MBoe	thousand barrels of oil equivalent		
US$	US$ U.S. dollar currency		
$ or C$	Canadian dollar currency		

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