CALGARY, ALBERTA--(Marketwired - Nov. 19, 2015) - Trilogy Energy Corp. ("Trilogy") (TSX:TET) announced today that it has entered into a definitive agreement to sell 11 net sections of its Duvernay mineral rights in the volatile oil window of its Kaybob Duvernay play for cash consideration of US$85 million. In connection with the sale, and in an effort to consolidate Trilogy's Duvernay land position, Trilogy will also swap 5.25 net sections of its Duvernay undeveloped lands for an equivalent number of sections of Duvernay rights for no additional consideration.

The predominantly non-operated Duvernay sale assets had an average production (net to Trilogy) of approximately 780 Boe/d (1.9 MMcf/d of natural gas and 470 Bbl/d of natural gas liquids) for the first nine months of 2015, with October production estimated to be 580 Boe/d (1.4 MMcf/d and 350 Bbl/d of natural gas liquids). The transaction includes Trilogy's net proved plus probable reserves attributable to such assets of approximately 2.9 MMBoe as of the October 1, 2015 effective date based on Trilogy's internal adjustment to the December 31, 2014 year end reserves estimate completed by its independent reserves evaluator to take into account production from January 1, 2015 to September 30, 2015 and no other factors. Trilogy estimates that net of current reserves value and the developed acreage being disposed, it is selling the equivalent acreage of approximately 9 undeveloped net sections for approximately CDN$14,000/acre. After completion of this sale, Trilogy will continue to hold a substantial land position in the Kaybob area Duvernay play with approximately 190 sections of land (121,600 acres) in areas prospective for Duvernay shale development.

As a result of the sale of these lands, Trilogy's capital expenditure commitments are expected to be reduced by approximately $15 million for the fourth quarter of 2015 and up to $75 million for 2016. Trilogy is reducing its capital expenditure budget for 2015 to $85 million while maintaining the remaining aspects of its previously disclosed public guidance.

On completion of the sale, and in conjunction with its semi-annual credit facility borrowing base review, Trilogy's borrowing base will be reduced from $538 million to $450 million and the $125 million development facility will be eliminated. After factoring in the sale proceeds and the reduced 2015 fourth quarter capital commitments, Trilogy is expected to be drawn approximately $270 million on its total facility of $450 million at December 31, 2015.

The sale is expected to be completed on or about November 30, 2015.

BMO Capital Markets acted as financial advisor to Trilogy with respect to the Duvernay sale.

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".

Oil and Gas Advisory

This document contains disclosure expressed as "Boe/d" and "Boe". 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 Q3 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 Q3 2015 average realized oil price of $52.23 (CAD$/Bbl) and the Q3 2015 average realized natural gas price of $3.41 (CAD$/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 estimates of reserves attributed to the Duvernay sale assets may not reflect the same confidence level as estimates of reserves for all of Trilogy's properties due to the effects of aggregation. The value attributed to the undeveloped lands being sold pursuant to this transaction is not necessarily indicative of the value attributable to Trilogy's remaining undeveloped Duvernay lands.

Forward-Looking Statements

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", "will" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements or information in this news release pertain to, without limitation: the sale of the Duvernay sale assets and the timing thereof; the use of proceeds from such sale; the effect of such sale on Trilogy's borrowing base under its bank facility and its indebtedness thereunder at year end and on Trilogy's forecast 2015 and 2016 capital expenditures and production estimates for the Duvernay sale assets for October, 2015.

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; the extent and development potential of Trilogy's assets (including, without limitation, the Duvernay Shale Gas play, among others); 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, expenditures and financial and other commitments; 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; the scope and terms of applicable environmental laws and regulations 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; 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.

Contact

For further information, please contact:
J.H.T. (Jim) Riddell, Chief Executive Officer
J.B. (John) Williams, President and Chief Operating Officer
M.G. (Mike) Kohut, Chief Financial Officer

Trilogy Energy Corp.
#1400, 332 - 6th Avenue S.W.
Calgary, Alberta T2P 0B2
(403) 263-8915
(403) 290-2900