CALGARY, ALBERTA--(Marketwired - Nov. 25, 2015) - Leucrotta Exploration Inc. (TSX VENTURE:LXE) ("Leucrotta" or the "Company") is pleased to announce its financial and operating results for the three and nine months ended September 30, 2015. All dollar figures are Canadian dollars unless otherwise noted.

HIGHLIGHTS

- Maintained a cash and working capital balance of $74.7 million at September 30, 2015
- Commenced drilling mid-September the first of three horizontal wells targeting the Lower Montney Turbidite play
- Tied-in the previously drilled Montney Oil well at Mica with production commencing in early October of a restricted rate of approximately 480 boe/d for the first 30 days
- Completed the battery and water handling facility for its Baldonnel oil well at Stoddart which came on production in August at a controlled rate of over 200 bbls/d

Leucrotta commenced active oil and natural gas operations on August 6, 2014 as a result of the closing of an arrangement agreement between Leucrotta, Crocotta Energy Inc. ("Crocotta") and Long Run Exploration Ltd. ("Long Run") whereby Crocotta transferred its oil and natural gas assets located in British Columbia ("BC Assets") to Leucrotta (the "Arrangement"). Long Run acquired all of the issued and outstanding common shares of Crocotta in exchange for 0.415 of a common share of Long Run. Immediately prior to the exchange for Long Run common shares, Crocotta transferred the BC Assets to Leucrotta and each Crocotta shareholder received 1.0 common share of Leucrotta and 0.2 of a Leucrotta common share purchase warrant.

The financial and operating results below present the historic financial position, results of operations and cash flows of the transferred BC Assets for all prior periods up to and including August 6, 2014 on a carve-out basis as if they had operated as a stand-alone entity subject to Crocotta's control (carve-out financial statements). The financial position, results of operations and cash flows from June 10, 2014 (the date of incorporation of Leucrotta) to August 6, 2014 include both the BC Assets and Leucrotta on a combined basis and from August 6, 2014 forward include the actual historical results of Leucrotta after assuming the BC Assets upon close of the Arrangement.

FINANCIAL RESULTS

	Three Months Ended September 30			Nine Months Ended September 30		
($000s, except per share amounts)	2015	2014	% Change	2015	2014	% Change
Oil and natural gas sales	972	7,586	(87)	8,040	22,521	(64)
Funds from (used in) operations [1]	(808)	3,740	(122)	151	12,215	(99)
Per share - basic and diluted	(0.01)	0.03	(133)	-	0.11	(100)
Net (loss) earnings	(3,086)	199	(1,651)	26,617	3,261	716
Per share - basic and diluted	(0.02)	-	(100)	0.16	0.03	433
Capital expenditures and acquisitions	7,876	31,295	(75)	29,693	67,634	(56)
Proceeds from property dispositions	-	-	-	79,342	-	100
Working capital				74,746	57,762	29
Common shares outstanding (000s)						
Weighted average - basic and diluted	165,227	128,186	29	165,227	113,220	46
End of period - basic				165,227	165,227	-
End of period - diluted				185,074	180,377	3

OPERATING RESULTS [2]	Three Months Ended September 30			Nine Months Ended September 30		
	2015	2014	% Change	2015	2014	% Change
Daily production						
Oil and NGLs (bbls/d)	157	325	(52)	261	339	(23)
Natural gas (mcf/d)	2,244	12,548	(82)	6,964	10,224	(32)
Oil equivalent (boe/d)	531	2,416	(78)	1,422	2,043	(30)
Revenue						
Oil and NGLs ($/bbl)	45.00	79.72	(44)	45.06	87.14	(48)

Natural gas ($/mcf)	1.55	4.51	(66)	2.54	5.18	(51)
Oil equivalent ($/boe)	19.89	34.12	(42)	20.71	40.37	(49)
Royalties						
Oil and NGLs ($/bbl)	7.65	4.42	73	5.68	2.92	95
Natural gas ($/mcf)	0.14	0.29	(52)	0.07	0.22	(68)
Oil equivalent ($/boe)	2.85	2.13	34	1.37	1.57	(13)
Production expenses						
Oil and NGLs ($/bbl)	20.83	6.65	213	10.11	6.78	49
Natural gas ($/mcf)	0.92	1.11	(17)	1.20	1.13	6
Oil equivalent ($/boe)	10.06	6.65	51	7.72	6.77	14
Transportation expenses						
Oil and NGLs ($/bbl)	9.24	5.01	84	4.03	3.39	19
Natural gas ($/mcf)	0.43	0.25	72	0.30	0.19	58
Oil equivalent ($/boe)	4.56	1.95	134	2.22	1.53	45
Operating netback (1)						
Oil and NGLs ($/bbl)	7.28	63.64	(89)	25.24	74.05	(66)
Natural gas ($/mcf)	0.06	2.86	(98)	0.97	3.64	(73)
Oil equivalent ($/boe)	2.42	23.39	(90)	9.40	30.50	(69)
Depletion and depreciation ($/boe)	(14.29)	(11.23)	27	(8.68)	(11.39)	(24)
Asset impairment ($/boe)	(19.29)	-	100	(2.43)	-	100
General and administrative expenses ($/boe)	(24.36)	(4.49)	443	(9.95)	(4.07)	144
Share based compensation ($/boe)	(25.71)	(3.25)	691	(11.07)	(1.93)	474
Finance expenses ($/boe)	(0.75)	(2.17)	(65)	(0.50)	(4.60)	(89)
Finance income ($/boe)	5.49	-	100	1.16	-	100
Gain on sale of assets ($/boe)	-	-	-	117.82	-	100
Deferred tax recovery (expense) ($/boe)	13.40	(1.36)	(1,085)	(27.19)	(2.66)	922
Net (loss) earnings ($/boe)	(63.09)	0.89	(7,189)	68.56	5.85	1,072

(1) See "Non-GAAP Measures" section.

(2) See "Frequently Recurring Items" section.

Selected financial and operational information outlined in this news release should be read in conjunction with Leucrotta's unaudited condensed interim financial statements and related Management's Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2015, which are available for review at www.sedar.com and on our website at www.leucrotta.ca.

PRESIDENT'S MESSAGE

In Q3 2015, Leucrotta approved a $20 million capital budget to start the delineation and development of its large liquids-rich Montney project located in the greater Dawson area of northeast BC. The project mainly targets the Lower Montney Turbidite play that is being successfully developed by Leucrotta and other operators along an emerging trend.

The Montney drilling program that entailed 3 horizontal and 2 vertical wells commenced in mid-September with all 3 horizontals expected to be completed by the end of 2015. Two of the horizontal wells are significant step-out locations that could help prove up the reserve potential of material portions of Leucrotta's acreage. Leucrotta expects to have results of the first two wells disseminated into the market in early to mid-December.

As at the end of Q3 2015, Leucrotta maintained a cash and working capital balance of approximately $75 million plus has approximately $20 million of newly fabricated gas plant equipment that is anticipated to be sold over the next 12 months.

During the quarter, Leucrotta tied-in the previously drilled Montney Oil well at Mica with production commencing in early October. In the first 30 days, the well produced at a restricted average rate of 320 bbls/d of light oil and 1.0 mmcf/d of gas for a total of approximately 480 boe/d (previously tested for 30 days at 447 boe/d). The production performance to date of this well has exceeded our expectations. Leucrotta also completed the battery and water handling facility for its Baldonnel oil well at

Stoddart which came on production in August. Leucrotta experienced various mechanical issues with the well, but produced at a controlled rate of over 200 bbls/d when on-stream. Further data is required to determine the actual capability and long term production curve for the well, but Management is very encouraged with the initial results.

Production and netbacks for Q3 2015 were significantly lower than average due to material pipeline disruptions in northeast BC. Q4 2015 production and pricing will also be affected by the extended pipeline disruptions; however, pricing will be substantially alleviated on December 1, 2015 when Leucrotta's firm service pipeline and marketing contract begins.

Production was also affected given Leucrotta shut in production at times due to pricing. Given significant financial and operating flexibility, Leucrotta will continue to execute its business plan of systematically delineating and developing its large Montney resource base located primarily in northeast BC.

FREQUENTLY RECURRING TERMS

The Company uses the following frequently recurring industry terms in this news release: "bbls" refers to barrels, "mcf" refers to thousand cubic feet, and "boe" refers to barrel of oil equivalent. Disclosure provided herein in respect of a boe may be misleading, particularly if used in isolation. A boe conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalent has been used for the calculation of boe amounts in the news release. This boe conversion rate is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

NON-GAAP MEASURES

This news release refers to certain financial measures that are not determined in accordance with IFRS (or "GAAP"). This news release contains the terms "funds from (used in) operations", "funds from (used in) operations per share", and "operating netback" which do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures used by other companies. The Company uses these measures to help evaluate its performance.

Management uses funds from (used in) operations to analyze performance and considers it a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investments and to repay debt. Funds from (used in) operations is a non-GAAP measure and has been defined by the Company as net (loss) earnings plus non-cash items (depletion and depreciation, share based compensation, non-cash finance expenses, gain on sale of assets, asset impairment, and deferred income taxes) and excludes the change in non-cash working capital related to operating activities and expenditures on decommissioning obligations. The Company also presents funds from (used in) operations per share whereby amounts per share are calculated using weighted average shares outstanding, consistent with the calculation of earnings (loss) per share. Funds from (used in) operations is reconciled from cash flow from operating activities under the heading "Funds from (used in) Operations".

Management considers operating netback an important measure as it demonstrates its profitability relative to current commodity prices. Operating netback, which is calculated as average unit sales price less royalties, production expenses, and transportation expenses, represents the cash margin for every barrel of oil equivalent sold. Operating netback per boe is reconciled to net (loss) earnings per boe under the heading "Operating Netback".

FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intends", "forecast", "plans", "guidance" and similar expressions are intended to identify forward-looking statements or information.

More particularly and without limitation, this news release contains forward looking statements and information relating to the Company's risk management program, oil, NGLs, and natural gas production, capital programs, oil, NGLs, and natural gas commodity prices, production expenses, working capital, and the ability to sell the fabricated gas plant components and firm transportation capacity. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company, including expectations and assumptions relating to prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates, the performance of existing wells, the success of drilling new wells, the availability of capital to undertake planned activities, and the availability and cost of labour and services.

Although the Company believes that the expectations reflected in such forward-looking statements and information are reasonable, it can give no assurance that such expectations will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, the uncertainty of estimates and projections relating to production rates, costs, and expenses, commodity price and exchange rate fluctuations, marketing and transportation, environmental risks, competition, the ability to access sufficient capital from internal and external sources and changes in tax, royalty, and environmental legislation. The forward-looking statements and information contained in this document are made as of the date hereof for the purpose of providing the readers with the Company's expectations for the coming year. The forward-looking statements and information may not be appropriate for other purposes. The Company 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.

Leucrotta is an oil and natural gas company, actively engaged in the acquisition, development, exploration, and production of oil and natural gas reserves in northeastern British Columbia, Canada.

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