VANCOUVER, BRITISH COLUMBIA--(Marketwired - Feb 16, 2016) - Lynden Energy Corp. (TSX VENTURE:LVL) (the "Company" or "Lynden") reports financial and operating results for the three and six months ended December 31, 2015. This press release should be read in conjunction with the Company's Form 10-Q for the three and six months ended December 31, 2015 (the "Form 10-Q") filed today with the Securities and Exchange Commission ("SEC") and applicable Canadian Securities Regulators. All monetary references in this press release are to U.S. dollars.

Highlights

The Company's financial and operating performance for the three months ended December 31, 2015, included the following highlights:

- Primarily as a result of a significant drop in commodity prices, petroleum and natural gas sales decreased by 38% as compared to the three months ended December 31, 2014;
- Realized prices decreased 38% per Bbl of oil, 41% per Mcf of gas and 62% per Bbl of NGL compared to the three months ended December 31, 2014; and
- Average daily production was 1,451 Boe/d in the three months ended December 31, 2015, compared to 1,392 Boe/d in the three months ended December 31, 2014.

Results of Operations

Three months ended December 31, 2015

Net loss for the three months ended December 31, 2015, was ($7,379,901) and ($0.06) per share and diluted share, compared to net income of $509,461 and $0.00 per share and diluted share for the three months ended December 31, 2014. Net income decreased by $7,889,362 for the three months ended December 31, 2015, compared to December 31, 2014, primarily due to lower oil and gas revenues of $2,264,789, higher production and operating expenses of $116,667, lower depletion, depreciation and accretion of $128,401, higher general and administrative expenses of $322,897, higher exploration and impairment charges of $6,567,237, and lower income tax expense of $772,400 in the three months ended December 31, 2015.

Six months ended December 31, 2015

Net loss for the six months ended December 31, 2015, was ($7,620,946) and ($0.06) per share and diluted share, compared to net income of $2,144,930 and $0.02 per share and diluted share for the six months ended December 31, 2014. The large decrease in net income was primarily due to: 1) a $6,806,200 decrease in oil and gas revenues; and 2) a $6,119,738 increase in exploration and impairments. The net loss for the six months ended December 31, 2015 also resulted in an income tax recovery of $574,300 compared to income tax expense of $1,788,000 for the six months ended December 31, 2014.

Petroleum and Natural Gas Revenues

The following table provides summary information regarding oil, natural gas and NGL revenues, production and average product prices for the three and six months ended December 31, 2015 and 2014. We determine a barrel of oil equivalent using the ratio of six Mcf of natural gas to one Boe, and one barrel of NGL to one Boe. The ratios of six Mcf of natural gas to one Boe and one barrel NGL to one Boe do not assume price equivalency and, given price differentials, the price for a Boe for natural gas or NGL may differ significantly from the price for a barrel of oil.

	Three Months Ended December 31,		Six Months Ended December 31,	
	2015	2014	2015	2014
Net Revenues				
Oil	$ 3,000,918	$ 4,461,778	$ 5,655,630	$ 10,709,854
Natural gas	364,205	616,750	766,922	1,300,288
NGL	328,760	880,144	664,787	1,883,397
	3,693,883	5,985,672	7,087,339	13,893,539
Production and operating expenses	(1,482,924)	(1,366,257)	(3,021,775)	(2,692,187)
Net back	$ 2,210,959	$ 4,592,415	$ 4,065,564	$ 11,201,352
Production				
Oil (Bbl)	74,693	69,013	134,488	141,415
Natural gas (Mcf)	170,138	170,501	356,007	340,322
NGL (Bbl)	30,434	30,668	57,534	60,973

Total barrel of oil equivalent (Boe)	133,483	128,098	246,356	259,108
Daily production averages				
Oil (Bbls/d)	812	750	731	769
Natural gas (Mcf/d)	1,849	1,853	1,772	1,850
NGL (Bbl/d)	331	333	313	331
Total barrel of oil equivalent (Boe/d)	1,451	1,392	1,339	1,408
Average prices				
Oil (per Bbl)	$ 40.17	$ 64.65	$ 42.05	$ 75.73
Natural gas (per Mcf)	$ 2.14	$ 3.62	$ 2.35	$ 3.82
NGL (per Bbl/d)	$ 10.80	$ 28.70	$ 11.55	$ 30.89
Total barrel of oil equivalent (per Boe)	$ 27.70	$ 46.52	$ 28.80	$ 53.62

Capital Requirements and Sources of Liquidity

The Company's primary sources of liquidity have been available cash on hand, cash generated from operations, borrowings under our Credit Facility, and proceeds from asset dispositions. To date, the Company's primary use of capital has been for the acquisition, development and exploration of oil and natural gas properties.

During the six months ended December 31, 2015, we spent approximately $11.0 million on capital expenditures on property, plant and equipment.

Our fiscal 2016 (July 1, 2015 to June 30, 2016) capital budget for drilling, completion, recompletion and infrastructure was originally established at approximately $18.9 million, and has since been revised downwards to approximately $10.4 million, for the following:

- $4.7 million, or 45, for the participation in the drilling and completion of 6 gross vertical Midland Basin wells, 5 of which wells have been drilled, completed and tied-into production as of December 31, 2015;

- $4.1 million, or 39% for the participation in the drilling and completion of 1 gross horizontal Midland Basin wells, which well has been drilled, completed and tied-into production as of December 31, 2015; and

- $1.6 million, or 16%, for the participation in the drilling and completion of 3 gross vertical Mitchell Ranch Project wells, one of which has been drilled as of December 31, 2015.

Based upon current oil and natural gas price expectations for fiscal 2016, we believe that our cash and cash equivalents on hand, our cash flow from operations and additional borrowings under our Credit Facility will provide us with sufficient liquidity to execute our current capital program excluding any acquisitions we may enter into. The Company is not contractually bound to drill any wells to which it has not first consented. In April 2015, we entered into a NYMEX-based oil price put contract for 9,000 bbls of oil per month from September 2015 until August 2016 (12 months) with a strike price of $50 per bbl as a hedge against some of the effects of commodity volatility during the period of the contract.

However, future cash flows are subject to a number of variables, including but not limited to the level of oil and natural gas production and prices, and significant additional capital expenditures which will be required to more fully develop our properties. We cannot assure that additional capital will be available on acceptable terms or at all. If we require additional capital for that or other reasons, we may seek such capital through traditional reserve base borrowings, joint venture partnerships, production payment financings, asset sales, offerings of debt and equity securities or other means. We cannot assure you that needed capital will be available on acceptable terms or at all. If we are unable to obtain capital when needed or on acceptable terms, we may be required to curtail our current drilling program, which could result in a loss of acreage through lease expirations. In addition, we may not be able to complete acquisitions that may be favorable to us or finance the capital expenditures necessary to maintain our production or replace our reserves.

A capital budget has not been formally established for the first half of fiscal 2017 (July 1, 2016 to December 31, 2016), however the Company anticipates significantly reduced levels of capital expenditures in the period compared to the prior period. Currently, plans anticipate 1 gross vertical Wolfberry well, 1 gross horizontal well in Howard County, and 3 vertical Mitchell Ranch Project wells in the first half of fiscal 2017, at an estimated capital cost to the Company of $4.9 million.

Proposed Business Combination

On December 17, 2015, Lynden and Earthstone Energy Inc. ("Earthstone") announced a definitive agreement (the "Earthstone Agreement") under which Earthstone will acquire Lynden in an all-stock transaction under a plan of arrangement pursuant to the

Business Corporations Act (British Columbia) (the "Transaction"). Under the Earthstone Agreement, Lynden shareholders will receive 0.02842 of a share of Earthstone stock in exchange for each share of Lynden common stock held. Following the Transaction, shareholders of Earthstone and Lynden are expected to own approximately 79% and 21% respectively, of the combined company on a fully diluted basis. Additional details regarding the Transaction, including but not limited to required securityholder, regulatory and court approvals, are contained in the Form 10-Q and in the Company's previous filings.

About Lynden

Lynden Energy Corp. is in the business of acquiring, exploring and developing petroleum and natural gas rights and properties. The Company has various working interests in the Midland Basin and Eastern Shelf of the Permian Basin, West Texas, USA.

Further information relating to Lynden is also available on its website at www.lyndenenergy.com.

Units of equivalency

This press release uses oil equivalents (Boe) to express quantities of natural gas, natural gas liquids and oil in a common unit. A conversion ratio of 6 Mcf of natural gas to 1 barrel of oil is used. Boe may be misleading, particularly if used in isolation. The conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Forward-looking statements

Certain statements and information in this press release may constitute "forward-looking statements" and are made pursuant to the "safe harbour" provisions of applicable Canadian securities laws and of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "anticipate," "plan," "intend," "foresee," "should," "would," "could" or other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. These forward-looking statements are based on management's current expectations and beliefs concerning future developments and their potential effect on the Company. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those anticipated. All comments concerning expectations for future revenues and operating results are based on management's forecasts for the Company's existing operations and do not include the potential impact of any future acquisitions. Forward-looking statements involve significant risks and uncertainties (some of which are beyond the Company's control) and assumptions that could cause actual results to differ materially from the Company's historical experience and management's present expectations or projections. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: the receipt by Lynden and Earthstone of all required securityholder, regulatory and court approvals for the Transaction, the volatility of commodity prices, product supply and demand; competition; access to and cost of capital; uncertainties about estimates of reserves and resource potential and the ability to add proved reserves in the future; the assumptions underlying production forecasts; the quality of technical data; environmental and weather risks, including the possible impacts of climate change; the ability to obtain environmental and other permits and the timing thereof; government regulation or action; the costs and results of drilling and operations; the availability of equipment, services, resources and personnel required to complete the Company's operating activities; access to and availability of transportation, processing and refining facilities; the financial strength of counterparties to the Company's credit facility and the purchasers of the Company's production; and acts of war or terrorism; general economic conditions and other financial, operational and legal risks and uncertainties detailed from time to time in the Company's Securities and Exchange Commission filings.

For additional information regarding known material factors that could cause actual results to differ from projected results, please see "Part I, Item 1A. Risk Factors" in the Company's Form 10-K filed with the SEC on February 16, 2016, and which is also available under its profile at the SEDAR website (www.sedar.com), and with other reports that the Company files with the SEC and with Canadian securities regulators. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements after the date they are made, whether as a result of new information, future events or otherwise, except as may be required by Canadian securities laws.

Neither the *TSX Venture Exchange* nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

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