

CALGARY, ALBERTA--(Marketwired - April 27, 2016) - [Leucrotta Exploration Inc.](#) ("Leucrotta" or the "Company") (TSX VENTURE:LXE) is pleased to announce its 2015 year-end reserves as independently evaluated by GLJ Petroleum Consultants Ltd. ("GLJ") effective December 31, 2015, in accordance with National Instrument 51-101 ("NI 51-101") and Canadian Oil and Gas Evaluation (COGE) Handbook.

## 2015 Highlights

- Increased proved plus probable reserves by 9% to 17.1 million barrels of oil equivalent ("boe") (excluding dispositions of 9.8 million boe)
- Increased proved reserves by 11% to 8.2 million boe (excluding dispositions of 6.7 million boe)
- Reserve replacement of 386% on a proved plus probable basis and 267% on a proved basis
- Achieved finding and development costs including changes in FDC but excluding land and property acquisitions/dispositions on a proved plus probable basis of \$6.48 per boe
- Recycle ratio of 1.0 times on a proved plus probable basis based on Q4 2015 average netback of \$10.08 per boe
- Net asset value of \$1.44 per share

## Capital Expenditures

Leucrotta's capital expenditures were focused predominantly in the greater Dawson area to expand its land base, improve and expand infrastructure, and start to delineate its large Montney land base. Capital allocation by category is as follows:

Category	(\$000's)
Undeveloped land	15,381
Facility equipment not in use and held for sale	18,040
Property disposition	(79,342 )
Sub-total acquisitions/dispositions	(45,921 )
Drilling and Completion	19,460
Facilities and related infrastructure	5,643
Geological, geophysical and other	713
Sub-total capital expenditures	25,816
Total all-in capital	(20,105 )

Drilling and completions capital of \$19.5 million was spent in the delineation and development of its Montney projects. During 2015 Leucrotta drilled four net wells at Dawson, British Columbia, which resulted in two successful liquids-rich natural gas wells, one successful light oil well and one vertical test well awaiting results. Leucrotta will continue to spend a portion of its capital on drilling development wells and a portion of its capital on delineation of its large potential Montney resource.

Leucrotta invested \$15.4 million, through both Crown land sales and private land acquisitions, to increase its Montney acreage that was adjacent to its East Doe 13-19 Montney delineation well that tested 1,290 boepd. Leucrotta's overall Montney land position strengthened to 193 gross (177 net) sections of land in the Greater Dawson-Doe area as at December 31, 2015.

During the second quarter of 2015 Leucrotta sold a property located in Dawson, BC for a cash consideration of \$79.3 million. The disposed assets were producing approximately 1,300 boepd and was not integral to Leucrotta's overall development plan. Approximately half of the proceeds were used to fund the fall capital program and the purchase of the Montney acreage noted above. The remaining proceeds will be used for future capital operations.

Leucrotta also spent \$18.0 million on newly fabricated gas plant equipment in 2015 that was committed to in 2014. Leucrotta had originally planned a significant expansion of its current sweet gas plant, but stopped the process when commodity prices and the business environment deteriorated. Although all components can be used for a future expansion, Leucrotta is open to selling all or a portion of such equipment and rebuilding as needed in the future.

## Reserve Additions

Leucrotta continued to have positive results in its Montney delineation and development in the Dawson area of British Columbia.

The Lower Montney zone experienced positive technical revisions as wells outperformed previous reserve predictions. Well performance and new wells also had a material effect on proved reserves as 1.1 mmoes were either moved from the probable to the proved category or from un-booked directly to the lower-risk proved category.

Leucrotta has only booked reserves to a portion of 6 sections of its total 177 net sections of Montney land in the greater Dawson area. The bookings leave a material amount of land for potential future bookings and provides for a manageable amount of FDC booked (\$69.0 million on a proved plus probable basis) relative to Leucrotta's current financial capabilities.

## Reserves Summary

Leucrotta's December 31, 2015 reserves as prepared by GLJ and based on the GLJ (2016-01) future price forecast are as follows <sup>(1,4)</sup>:

Working Interest Reserves <sup>(2)</sup>	Light/ Medium Oil (Mbbbl)	Tight Oil (Mbbbl)	Conventional Natural Gas (Mbbbl)	Shale Natural Gas (Mmcf)	NGLs (Mbbbl)	Total Oil Equiv.
Proved						
Producing	80	68	167	7,418	283	1,694
Developed non-producing	0	75	0	6,230	183	1,296
Undeveloped	0	0	0	26,128	830	5,185
Total proved	80	143	167	39,776	1,296	8,176
Probable	38	44	69	44,173	1,507	8,963
Total proved & probable	118	187	235	83,950	2,803	17,139

### Notes:

- (1) Numbers may not add due to rounding.
- (2) "Working Interest" reserves means Leucrotta's working interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of Leucrotta.
- (3) Oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil.
- (4) See the Company's Annual Information Form ("AIF") available on SEDAR at <http://www.sedar.com/> for the disclosure of Net reserves. "Net" reserves means Leucrotta's working interest (operated and non-operated) share after deduction of royalties, plus Leucrotta's royalty interest in reserves.

## Reserves Values

The estimated future net revenues before taxes associated with Leucrotta's reserves effective December 31, 2015 and based on the GLJ (2016-01) future price forecast are summarized in the following table <sup>(1,2,3,4)</sup>:

(\$000s)	Discount factor per year				
	0%	5%	10%	15%	20%
Proved					
Producing	21,366	17,912	15,451	13,652	12,295
Developed Non-producing	21,208	14,315	10,160	7,484	5,650
Undeveloped	73,484	44,311	28,979	20,133	14,607
Total proved	116,059	76,538	54,591	41,268	32,552
Probable	184,525	95,758	57,992	38,916	27,938
Total proved & probable	300,584	172,296	112,583	80,184	60,490

### Notes:

- (1) Numbers may not add due to rounding.
- (2) The estimated future net revenues are stated prior to provision for interest, debt service charges or general administrative expenses and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future capital expenditures.
- (3) The estimated future net revenue contained in the table does not necessarily represent the fair market value of the reserves. There is no assurance that the forecast price and cost assumptions contained in the GLJ Report will be attained and variations could be material. The recovery and reserve estimates described herein are estimates only. Actual reserves may be greater or less than those calculated.
- (4) See the Company's AIF available on SEDAR at <http://www.sedar.com/> for the after-tax present values of future net revenue attributed to Leucrotta's reserves.

## Price Forecast

The GLJ (2016-01) price forecast is as follows:

Year	WTI Oil @ Cushing (\$US / Bbl)	Edmonton Light Oil (\$Cdn / Bbl)	AECO Natural Gas (\$Cdn / Mmbtu)	Foreign Exchange (US\$/Cdn\$)
2016	44.00	55.86	2.76	0.725
2017	52.00	64.00	3.27	0.750
2018	58.00	68.39	3.45	0.775
2019	64.00	73.75	3.63	0.800
2020	70.00	78.79	3.81	0.825
2021	75.00	82.35	3.90	0.850
2022	80.00	88.24	4.10	0.850
2023	85.00	94.12	4.30	0.850
2024	87.88	96.48	4.50	0.850
2025	89.63	98.41	4.60	0.850
Escalate thereafter <sup>(1)</sup>	2.0% per year	2.0% per year	2.0% per year	

Note:

(1) Escalated at two per cent per year starting in 2025 in the January 1, 2016 GLJ price forecast with the exception of foreign exchange, which remains flat.

### Finding and Development Costs ("F&D")

All-in F&D costs including FDC were \$11.81 per boe on a proved basis and \$10.13 on a proved plus probable basis. The three-year comparative which normalizes the period costs was \$26.00 on a proved basis and \$16.45 on a proved plus probable basis.

F&D costs were significantly affected by the large amount expended for land and gas plant equipment which was not in use and held for sale during 2014 and 2015 with no direct reserve additions during these periods for these expenditures. Certain infrastructure costs (see above) were also incurred during the period that affect all future projects as well as current projects. Long-term F&D will normalize both these cost areas but the 2014 and 2015 years were negatively affected.

F&D costs including FDC and excluding net property acquisitions/dispositions, undeveloped land acquisitions, and gas plant equipment which was not in use and held for sale were \$14.29 per boe on a proved basis and \$6.48 on a proved plus probable basis.

Leucrotta has presented F&D costs below both including and excluding property acquisitions/dispositions, undeveloped land acquisitions, and gas plant equipment which was not in use and held for sale.

(\$000's, except where noted)	2015		2014		3 Year Average	
	Proved	Proved & Probable	Proved	Proved & Probable	Proved	Proved & Probable
F&D costs (excluding net acquisitions / dispositions)						
Exploration and development expenditures	25,816	25,816	31,016	31,016	94,307	94,307
Change in FDC <sup>(1)</sup>	(7,251 )	(13,642 )	28,652	51,659	37,105	4,312
F&D costs excluding net acquisitions / dispositions (Including FDC)	18,565	12,174	59,668	82,675	131,412	98,619
All-in F&D costs (including net acquisitions / dispositions)						
Exploration and development expenditures	25,816	25,816	31,016	31,016	94,307	94,307
Net acquisitions (dispositions)	(45,921 )	(45,921 )	71,851	71,851	28,308	28,308
All-in F&D costs including net acquisitions / dispositions	(20,105 )	(20,105 )	102,867	102,867	122,615	122,615
Change in FDC	(43,795 )	(60,077 )	28,652	51,659	561	(3,708 )
All-in F&D costs including net acquisitions / dispositions (Including FDC)	(63,900 )	(80,182 )	131,519	154,526	123,176	118,907
Reserve Additions (Mboe) <sup>(2)</sup>						
Exploration and development	1,299	1,880	5,491	11,783	10,818	10,818
Net acquisitions / dispositions	(6,708 )	(9,796 )	627	804	(6,081 )	(6,081 )
Total Reserve Additions	(5,409 )	(7,916 )	6,118	12,587	4,737	4,737
F&D costs excluding net acquisitions / dispositions (\$/boe)						
Excluding FDC	19.87	13.73	5.65	2.63	8.72	5.65
Including FDC	14.29	6.48	10.87	7.02	12.15	8.72

All-in F&D costs (\$/boe)						
Excluding FDC	3.72	2.54	16.81	8.17	25.88	1
Including FDC	11.81	10.13	21.50	12.28	26.00	1

Notes:

- (1) Future development capital ("FDC") expenditures required to recover reserves estimated by GLJ. The aggregate of the exploration and development costs incurred in the most recent financial period and the change during that period in estimate future development costs generally may not reflect total finding and development costs related to reserve additions for that period.
- (2) Sum of drilling extensions, technical revisions and economic factors in the reserves reconciliation included in the Company's available on SEDAR at <http://www.sedar.com/>.
- (3) Leucrotta was incorporated on June 10, 2014. Leucrotta commenced active oil and natural gas operations on August 6, 2014 as a result of the closing of a plan of arrangement involving Leucrotta, [Crocotta Energy Inc.](#) ("Crocotta"), [Long Run Exploration](#) and shareholders of Crocotta, whereby Crocotta transferred its oil and natural gas assets located in British Columbia ("BC Assets") to Leucrotta. The exploration and development expenditures, acquisitions expenditures, and reserve additions presented above include those of Leucrotta from July 10, 2014 as well as prior periods up to August 6, 2014 from the transferred BC Assets on a carve-out basis as if they had operated as a stand-alone entity subject to Crocotta's control.

Net Asset Value ("NAV")

Leucrotta's NAV as at December 31, 2015 and based on the GLJ (2016-01) future price forecast is as follows:

(\$000s, except per share amounts)	Discounted @ 10%
Pre-tax net present value of proved & probable reserves	112,583
Undeveloped land <sup>(1)</sup>	79,225
Working capital	45,633
Net asset value	237,441
Shares outstanding (basic)	165,227
Net asset value per share	\$1.44

Note:

- (1) Undeveloped land is included at cost of approximately \$550 per acre

Reserve Life Index

Leucrotta's Reserve Life Index presented below is based on Q4 2015 average production of 1,076 boepd.

Reserve Category	Reserve Life Index
Proved plus Probable Reserves	43.6
Proved	20.8

For Leucrotta's full NI51-101 disclosure related to its 2015 year-end reserves please refer to the Company's AIF available on SEDAR at [www.sedar.com](http://www.sedar.com).

*Forward-Looking Information*

*This press 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 document contains forward looking statements and information relating to the Company's oil, NGLs and natural gas production and reserves and reserves values, capital programs, and oil, NGLs, and natural gas commodity prices. 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.*

*Any references in this press release to initial and/or final raw test or production rates and/or "flush" production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter. These test results are not necessarily indicative of long-term performance or ultimate reserve recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production.*

#### **BOE Conversions**

*BOE's may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 Bbl 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**

*Netback per barrel and its components are calculated by dividing revenue, royalties, operating and sales and transportation expenses by the gross production volume during the period. Netback per barrel is a non-GAAP measure and it is commonly used by oil and gas companies to illustrate the unit contribution of each barrel produced.*

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 release.

#### **Contact**

##### [Leucrotta Exploration Inc.](#)

700, 639 -5th Ave SW  
Calgary, Alberta T2P 0M9  
(403) 705-4526  
(403) 705-4525  
[www.leucrotta.ca](http://www.leucrotta.ca)

##### [Leucrotta Exploration Inc.](#)

Robert Zakresky  
President and Chief Executive Officer  
(403) 705-4525

##### [Leucrotta Exploration Inc.](#)

Nolan Chicoine  
Vice President, Finance and Chief Financial Officer  
(403) 705-4525