

CALGARY, ALBERTA--(Marketwired - April 27, 2016) - [Leucrotta Exploration Inc.](#) (TSX VENTURE:LXE) ("Leucrotta" or the "Company") is pleased to announce its financial and operating results for the three months and year ended December 31, 2015. All dollar figures are Canadian dollars unless otherwise noted.

HIGHLIGHTS

- Maintained a cash and working capital balance of \$45.6 million at December 31, 2015
- Successfully drilled and completed three horizontal wells targeting the Lower Montney Turbidite play resulting in two liquids-rich natural gas wells and one light oil well
- Acquired an additional 10 net sections in the Montney play adjacent to recent successful drilling by the Company in the Greater Dawson-Doe area of Northeast BC
- Reduced pipeline commitments by \$50.0 million to increase financial and capital flexibility

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

(\$000s, except per share amounts)	Three Months Ended December 31			Year Ended December 31		
	2015	2014	% Change	2015	2014	% Change
Oil and natural gas sales	2,819	6,801	(59)	10,859	29,322	(63)
Funds from operations ⁽¹⁾	464	2,995	(85)	615	15,210	(96)
Per share - basic and diluted	-	0.02	(100)	-	0.12	(100)
Net (loss) earnings	(15,205)	(171)	8,792	11,412	3,090	269
Per share - basic and diluted	(0.09)	-	(100)	0.07	0.02	250
Capital expenditures and acquisitions	29,544	35,234	(16)	59,237	102,868	(42)
Proceeds from property dispositions	-	-	-	79,342	-	100
Working capital				45,633	25,003	83
Common shares outstanding (000s)						
Weighted average - basic and diluted	165,227	165,227	-	165,227	126,329	31
End of period - basic				165,227	165,227	-
End of period - diluted				189,272	185,049	2

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

OPERATING RESULTS ⁽¹⁾

	Three Months Ended December 31			Year Ended December 31		
	2015	2014	% Change	2015	2014	% Change
Daily production						
Oil and NGLs (bbls/d)	479	486	(1)	316	376	(16)
Natural gas (mcf/d)	3,585	12,309	(71)	6,112	10,750	(43)
Oil equivalent (boe/d)	1,076	2,538	(58)	1,335	2,168	(38)

Revenue											
Oil and NGLs (\$/bbl)	46.85	62.08	(25	)	45.74	78.98	(42)		
Natural gas (\$/mcf)	2.29	3.55	(35	)	2.50	4.71	(47)		
Oil equivalent (\$/boe)	28.47	29.13	(2	)	22.29	37.06	(40)		
Royalties											
Oil and NGLs (\$/bbl)	8.90	6.66	34		6.91	4.14	67				
Natural gas (\$/mcf)	0.12	0.53	(77	)	0.08	0.31	(74)		
Oil equivalent (\$/boe)	4.37	3.84	14		1.98	2.24	(12)			
Production expenses											
Oil and NGLs (\$/bbl)	16.58	6.61	151		12.58	6.73	87				
Natural gas (\$/mcf)	0.96	1.10	(13	)	1.16	1.12	4			
Oil equivalent (\$/boe)	10.56	6.61	60		8.29	6.72	23				
Transportation expenses											
Oil and NGLs (\$/bbl)	5.35	3.51	52		4.54	3.43	32				
Natural gas (\$/mcf)	0.32	0.24	33		0.30	0.21	43				
Oil equivalent (\$/boe)	3.46	1.85	87		2.47	1.63	52				
Operating netback ⁽²⁾											
Oil and NGLs (\$/bbl)	16.02	45.30	(65	)	21.71	64.68	(66)		
Natural gas (\$/mcf)	0.89	1.68	(47	)	0.96	3.07	(69)		
Oil equivalent (\$/boe)	10.08	16.83	(40	)	9.55	26.47	(64)		
Depletion and depreciation (\$/boe)	(52.91)	(8.02)	560	(17.67)	(10.40)	70	
Asset impairment (\$/boe)	(83.53)	-		100	(18.91)	-		100	
General and administrative expenses (\$/boe)	(7.50)	(4.73)	59	(9.46)	(4.27)	122	
Share based compensation (\$/boe)	(10.82)	(4.16)	160	(11.02)	(2.59)	325	
Finance expenses (\$/boe)	(0.46)	(0.24)	92	(0.49)	(3.31)	(85)
Finance income (\$/boe)	2.26	0.80	183		1.38	0.24	475				
(Loss) gain on sale of assets (\$/boe)	(3.35)	-		100	93.19	-		100		
Deferred tax expense (\$/boe)	(7.28)	(1.21)	502	(23.14)	(2.23)	938	
Net (loss) earnings (\$/boe)	(153.51)	(0.73)	20,929	23.43	3.91	499			

(1) See "Frequently Recurring Items" section.

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

Selected financial and operational information outlined in this news release should be read in conjunction with Leucrotta's audited financial statements and related Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2015, which are available for review at www.sedar.com and on our website at www.leucrotta.ca.

PRESIDENT'S MESSAGE

In Q4 2015, Leucrotta made major strides in furthering the Company's major objectives. Three very successful Lower Montney Turbidite wells were drilled and highly prospective lands were acquired offsetting the most productive of the three wells.

The drilling program covered a large area of Leucrotta's expansive land base with each well serving a specific purpose to support the larger objective of proving up the land base for future development.

The first well yielded a test rate of 1,290 boe/d of liquids-rich gas and helped prove up the rate and composition of Leucrotta's East Doe area. Following up on the well, Leucrotta was able to acquire approximately 10 net sections of land contiguous to this discovery through Crown and private land sales. The second well was an offset to Leucrotta's original discovery well at Doe and helped prove up the area-specific type curve with an IP30 of 878 boe/d of liquids-rich gas. This well was immediately placed on production given its proximity to Leucrotta's owned and operated infrastructure. The third Montney Lower Turbidite well was drilled approximately 5 miles southwest of Leucrotta's previous Mica oil discovery well. The well encountered light oil and tested 713 boe/d including 300 boe/d of light oil over an 8-day test period. This test significantly expanded the known boundary of the oil window in the Lower Montney and places significant potential oil reserves on Leucrotta's lands.

Leucrotta currently has approximately \$40 million in cash and no debt. This position will allow the Company to dictate the pace of its development as well as react to opportunities as they arise.

Leucrotta has developed a longer-term plan to expand its infrastructure to East Doe as well as through the oil window located northeast of the current Doe plant site while delineating the large Montney resource base. Any infrastructure capital to be spent would be dependent on commodity prices allowing a satisfactory return on such projects and the Company will look to mitigate commodity risk through financial derivatives prior to commencing these projects. In conjunction with the infrastructure, Leucrotta will look to drill additional development wells in the vicinity of the infrastructure to augment the payback and rates of return on the project.

Leucrotta is currently in process of surveying and licensing the infrastructure and drilling projects to provide flexibility with respect to the timing of the capital projects. Management will make a decision on the extent and pace of development by mid-July based on the forward prices at the time and Leucrotta's ability to hedge volumes sufficient to secure a reasonable payback and a reasonable rate of return on capital employed.

FREQUENTLY RECURRING TERMS

The Company uses the following frequently recurring industry terms in the MD&A: "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 MD&A. 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 operations", "funds from 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 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, if any. Funds from 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, asset impairment, (loss) gain on sale of assets, 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 operations per share whereby amounts per share are calculated using weighted average shares outstanding, consistent with the calculation of earnings per share. Funds from operations is reconciled from cash flow (used in) from operating activities under the heading "Funds from 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, and working capital. 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.

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.](#)

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

[Leucrotta Exploration Inc.](#)

Mr. Nolan Chicoine
Vice President, Finance and Chief Financial Officer
(403) 705-4526
(403) 705-4525