

CALGARY, ALBERTA--(Marketwired - May 16, 2016) - [Traverse Energy Ltd.](#) ("Traverse" or "the Company") (TSX VENTURE:TVL) presents financial and operating results for the three months ended March 31, 2016.

Highlights (<i>unaudited</i>) Financial (\$ <i>thousands, except per share amounts</i>)	Three Months Ended		
	March 31, 2016	December 31, 2015	March 31, 2015
Petroleum and natural gas revenue	1,635	3,172	3,513
Cash flow from operating activities	612	1,642	2,000
Funds from operations ⁽¹⁾	389	2,024	1,739
Per share - basic and diluted	0.01	0.03	0.02
Net loss	(671)	) (3,720	) (555)
Per share - basic and diluted	(0.01)	) (0.05	) (0.01)
Capital expenditures, net of dispositions	998	3,913	2,322
Total assets	37,288	38,786	43,676
Working capital (deficiency)	126	767	(5,240)
Common shares			
Outstanding (<i>millions</i>)	71.9	71.9	70.5
Weighted average (<i>millions</i>)	71.9	71.6	70.5
Operations (<i>Units as noted</i>)			
Average production			
Natural gas (<i>Mcf/day</i>)	2,203	2,951	2,932
Oil and NGL (<i>bbls/day</i>)	409	563	627
Total (<i>BOE/day</i>)	776	1,055	1,116
Average sales price			
Natural gas (<i>\$/Mcf</i>)	2.21	2.72	3.66
Oil and NGL (<i>\$/bbl</i>)	32.01	47.02	45.09
Netback (<i>\$/BOE</i>)			
Petroleum and natural gas revenue	23.15	32.69	34.97
Royalties	(0.84)	) (0.61	) (2.17)
Operating costs	(11.31)	) (10.77	) (10.37)
Transportation costs	(1.77)	) (1.64	) (1.69)
Operating netback ⁽²⁾	9.23	19.67	20.74
General and administrative	(3.59)	) (2.25	) (3.12)
Finance expense ⁽³⁾	(0.14)	) (0.05	) (0.51)
Current income tax recovery	-	3.49	0.20
Funds from operations ⁽¹⁾	5.50	20.86	17.31

⁽¹⁾ Funds from operations represents cash flow from operating activities prior to changes in non-cash working capital and settlement of decommissioning obligations. Funds from operations per BOE is funds from operations divided by barrels of oil equivalent production volumes for the applicable period.

⁽²⁾ Operating netback represents revenue, less royalties, operating and transportation expenses. Operating netback per BOE is the operating netback divided by barrels of oil equivalent production volumes for the applicable period.

⁽³⁾ Excludes non-cash accretion.

Operations Review

In April 2016 Traverse announced a reduction in the 2016 exploration and development program to \$10 million and the deferral of drilling activities to the second half of 2016. Traverse will continue to monitor the commodity environment and adjust activity accordingly.

In the first quarter, Traverse finished installing a one kilometer water disposal line at Coyote. The water disposal facility will be completed in the second quarter and is expected to be commissioned by late May. At the Coyote 15-31 battery site the tank vent piping system was upgraded to allow for tank vapour recovery. The battery tank farm was also modified and upgraded for increased water storage in conjunction with the water disposal facility. At Turin, one previously flowing well was equipped with a pumpjack and a suspended well was acquired from a third party. This well will be further evaluated and tested in the second quarter.

Undeveloped land holdings in Alberta at March 31, 2016 were 191,700 gross (191,000 net) acres. At March 31, 2016 the Company had working capital of approximately \$126,000 and unutilized credit facilities. On May 4, 2016 the Company announced a brokered private placement offering of up to \$3.0 million in flow-through common shares. The offering is anticipated to close in late May.

Non-IFRS measures

This news release makes reference to terms commonly used in the oil and gas industry. Funds from operations and operating netback do not have standardized meanings prescribed by IFRS and therefore may not be comparable to the calculation of similar measures by other entities. Management uses certain industry benchmarks such as operating netback to analyze financial and operating performance. There are no comparable measures in accordance with IFRS for operating netback. Management believes that in addition to net income (loss), these non-IFRS measures are useful supplemental measures as they assist in the determination of the Company's operating performance, leverage and liquidity. Details of the calculation of these measures are disclosed in the Company's Management's Discussion and Analysis for the three months ended March 31, 2016 and 2015. Investors should be cautioned however, that these measures should not be construed as an alternative to both net income (loss) and net cash from operating activities, which are determined in accordance with IFRS, as indicators of the Company's performance.

BOE equivalent

The term "BOE" or barrels of oil equivalent may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1, utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

Forward-looking information

This news release contains forward-looking information which is not comprised of historical fact. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information in this news release includes the Company's statements with respect to the completion and commissioning of the Coyote water disposal facilities; evaluation and testing of a suspended well at Turin and the closing of the flow-through share brokered private placement in late May. This forward looking information is subject to a variety of substantial known and unknown risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward looking information. The Company's Annual Information Form filed on April 14, 2016 with securities regulatory authorities (accessible through the SEDAR website www.sedar.com) describes the risks, material assumptions and other factors that could influence actual results and which are incorporated herein by reference.

Although the Company believes that the material assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur. The Company disclaims any intention or obligation to update or review any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

Further details on the Company including the 2015 year end audited financial statements, the related management's discussion and analysis and Annual Information Form are available on the Company's website (www.traverseenergy.com) and SEDAR.

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

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