

CALGARY, ALBERTA--(Marketwired - May 17, 2016) - Trilogy Energy Corp. ("Trilogy" or "the Company") (TSX:TET) is pleased to announce that following its semi-annual borrowing base review, certain amendments to the Company's existing credit facility agreement with its syndicated group of lenders have been agreed to, including the following:

- The borrowing base has been re-determined at \$300 Million;
- The maturity date has been extended from April 30, 2017 to April 30, 2018;
- The calculation of the consolidated debt to EBITDA covenant has been suspended until June 30, 2017, at which time the covenant will be 6.75:1, scaling down quarterly to 4.0:1 at December 31, 2018;
- The senior debt to EBITDA covenant has been increased to:
 - 3.5 for fiscal quarters ending March 31, 2016 and June 30, 2016;
 - 4.5 for fiscal quarters ending September 30, 2016, December 31, 2016 and March 31, 2017;
 - 3.75 for fiscal quarters ending June 2017, September 2017 and December 2017; and
 - 3.25 for fiscal quarters ending March 31, 2018 and thereafter;
- An increase in pricing for all borrowings in excess of \$250 Million.

As at March 31, 2016, Trilogy is drawn, inclusive of its working capital deficit and outstanding letters of credit, \$264 Million under its bank credit facility. Based on Trilogy's current assumptions regarding commodity prices for crude oil, natural gas and related products for the balance of 2016 and forecast production levels, Trilogy intends to incur capital and other expenditures that are, in total, less than pro forma funds flow from operations and expects to continue to pay down its debt over the balance of the year.

About Trilogy

Trilogy is a growing petroleum and natural gas-focused Canadian energy corporation that actively develops, produces and sells natural gas, crude oil and natural gas liquids. Trilogy's geographically concentrated assets are primarily high working interest properties that provide abundant low-risk infill drilling opportunities and good access to infrastructure and processing facilities, many of which are operated and controlled by Trilogy. Trilogy's common shares are listed on the Toronto Stock Exchange under the symbol "TET".

Non-GAAP Measures

Certain measures used in this document, including "consolidated debt", "Adjusted EBITDA", "funds flow from operations" and "senior debt" do not have any standardized meaning as prescribed by IFRS and previous GAAP and, therefore are considered Non-GAAP measures. Non-GAAP measures are commonly used in the oil and gas industry and by Trilogy to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. However, given their lack of standardized meaning, such measurements are unlikely to be comparable to similar measures presented by other issuers.

"Consolidated debt" generally includes all long-term debt plus any issued and undrawn letters of credit, less any cash held.

"EBITDA" is defined as "Adjusted EBITDA" in the Company's financial statements and refers to "funds flow from operations" plus cash interest and tax expenses and certain other items that do not appear individually in the line items of the Company's financial statements.

"Funds flow from operations" refers to the cash flow from operating activities before net changes in operating working capital as shown in the Company's consolidated statements of cash flows. Management utilizes funds flow from operations as a key measure to assess the ability of the Company to finance dividends, operating activities, capital expenditures and debt repayments.

"Senior debt" is generally defined as "consolidated debt" but excluding any indebtedness under the Company's senior unsecured notes.

Forward-Looking Statements

Certain information included in this news release constitutes forward-looking statements under applicable securities legislation. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "will" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements or information in this news release pertain to, without limitation: statements regarding Trilogy's intention to maintain 2016 spending within funds flow from operations and the Company's intention to reduce debt.

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. Such assumptions include: current commodity price forecasts for petroleum, natural gas and natural gas liquids; current reserves estimates; current production forecasts and the relative mix of crude oil, NGLs and natural gas therein; cash flow consistent with

expectations; assumptions regarding royalties and expenses and the continuity of royalty regimes and government incentive programs and their applicability to Trilogy; operating and other costs; currency exchange and interest rates; expected timelines and budgets being met in respect of drilling programs and other operations; budget allocations and capital spending flexibility; credit facility availability and access to sources of funding for Trilogy's planned operations, expenditures and financial and other commitments; ability of Trilogy to service its debt and repay its debt when due; estimates of deferred tax amounts, tax assets and tax pools; estimates and projections in respect of the application of tax laws; the ability of Trilogy and its partners to achieve drilling, completion construction and other operational results consistent with our expectations; general business, economic, and market conditions; the ability of Trilogy to obtain equipment, services and supplies in a timely manner to carry out its activities; the ability of Trilogy to market its crude oil, natural gas and natural gas liquids successfully to current and new customers; expectations that counterparties will fulfill their obligations under operating, processing, midstream and marketing agreements; the timing and costs of pipeline, storage and facility construction and expansion facility run-times; the ability to secure adequate product processing, transmission, transportation, fractionation and storage capacity on acceptable terms; the scope and terms of applicable environmental laws and regulations and the timely receipt of required regulatory approvals: among others.

Although Trilogy believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Trilogy can give no assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Trilogy and described in the forward-looking statements or information. These risks and uncertainties include, but are not limited to: fluctuations in oil, natural gas, condensate and other natural gas liquids and commodity prices, foreign currency, exchange rates and interest rates; volatile economic and business conditions; the ability of management to execute its business plan; the risks of the oil and gas industry, such as operational risks in exploring for, developing and producing crude oil, natural gas, condensate and other natural gas liquids and market demand; the ability of Trilogy to add production and reserves through development and exploration activities; risks and uncertainties involving geology of oil and gas deposits; risks inherent in Trilogy's marketing operations, including credit risk and the risk that Trilogy may not be able to enter into suitable arrangements for the sale of its crude oil, natural gas and gas liquids on acceptable terms or at all; the uncertainty of reserves estimates and reserves life; the uncertainty of estimates and projections relating to future production, NGL yields, costs and expenses; uncertainty in amounts and timing of royalty payments and applicability of and change to applicable royalty regimes and government incentive programs including, without limitation, the Natural Gas Deep Drilling Program, and uncertainties regarding the application of the Alberta Government's recently announced Modernized Royalty Framework; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; uncertainties as to the availability and cost of financing, including under Trilogy's credit facility, on an ongoing basis; Trilogy's ability to maintain targeted or required ratios within its credit and debt arrangements, and the risks of not maintaining such required ratios including early debt repayment and/or other penalties; the risk and effect of a downgrade in Trilogy's credit rating; Trilogy's ability to generate sufficient cash flow from operations and other sources of financing at an acceptable cost to fund Trilogy's exploration, development and construction plans and meet current and future obligations and to service and repay debt; Trilogy's ability to secure adequate product transmission, transportation, fractionation and storage capacity on acceptable terms and on a timely basis or at all; Trilogy's ability to enter into or renew leases; health, safety and environmental risks; weather conditions; the possibility that government policies, regulations or laws, including without limitation those relating to the environment and taxation, may change; imprecision in estimates of product sales, commodity prices, capital expenditures, tax pools, tax shelters, tax deductions available to Trilogy, changes to and the interpretation of tax legislation and regulations applicable to Trilogy, and timing and amounts of reversals of temporary differences between assets and liabilities recognized for accounting and tax purpose; the possibility that regulatory approvals may be delayed or withheld; risks associated with existing and potential future lawsuits and regulatory actions against Trilogy; uncertainty regarding aboriginal land claims and co-existing local populations; hiring/maintaining staff; the impact of market competition; and other risks and uncertainties described elsewhere in this document or in Trilogy's other filings with Canadian securities authorities.

The forward-looking statements and information contained in this news release are made as of the date hereof and Trilogy 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.

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