

CALGARY, ALBERTA--(Marketwired - Aug 15, 2016) - [Traverse Energy Ltd.](#) ("Traverse" or "the Company") (TSX VENTURE:TVL) presents financial and operating results for the six months ended June 30, 2016.

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Highlights (unaudited)				
Financial (\$ thousands, except per share amounts)				
Petroleum and natural gas revenue	1,969	3,273	3,604	6,786
Cash provided by operations	647	2,189	1,259	4,189
Funds from operations ⁽¹⁾	491	1,739	880	3,478
Per share - basic and diluted	0.01	0.02	0.01	0.05
Net income (loss)	(793)	) 5,525	(1,464)	) 4,970
Per share - basic and diluted	(0.01)	) 0.08	(0.02)	) 0.07
Capital expenditures before dispositions	951	1,090	1,949	3,412
Capital dispositions	-	(8,914)	) -	(8,914)
Total assets	39,037	46,752	39,037	46,752
Working capital	2,215	4,460	2,215	4,460
Common shares				
Outstanding (millions)	78.6	70.8	78.6	70.8
Weighted average (millions)	74.4	70.6	73.2	70.6
Operations (Units as noted)				
Average production				
Natural gas (Mcf/day)	2,293	2,658	2,248	2,794
Oil and NGL (bbls/ day)	366	481	388	554
Total (BOE/day)	748	924	762	1,020
Average sales price				
Natural gas (\$/Mcf)	1.88	2.98	2.04	3.33
Oil and NGL (\$/bbl)	47.38	58.29	39.27	50.86
Netback (\$/BOE)				
Petroleum and natural gas revenue	28.93	38.92	25.99	36.77
Royalties	(0.53)	) (0.84)	) (0.69)	) (1.57)
Operating costs	(15.19)	) (11.27)	) (13.21)	) (10.78)
Transportation costs	(1.68)	) (1.93)	) (1.73)	) (1.80)
Operating netback ⁽²⁾	11.53	24.88	10.36	22.62
General and administrative	(4.17)	) (3.74)	) (3.87)	) (3.40)
Finance expense ⁽³⁾	(0.15)	) (0.69)	) (0.14)	) (0.59)
Current income tax recovery	-	0.24	-	0.22
Funds from operations ⁽¹⁾	7.21	20.69	6.35	18.85

⁽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 the second quarter of 2016, Traverse completed the installation of the water disposal facility at Coyote and installed a pump jack on a previously flowing Mannville horizontal well. The water disposal facility was commissioned in late May and became fully operational in June, reducing current water disposal costs and improving economics for future development. Production maintenance activities at Coyote during the second quarter involved several downhole pump changes and workovers. Traverse is currently reviewing alternative methods of downhole pump optimization to reduce future maintenance expenses. In addition, workovers were performed on previously shut-in wells to reactivate them during the quarter as commodity prices improved. At Turin, activities during the second quarter included the annual turnaround at the battery and production maintenance.

Traverse closed a private placement of flow-through common shares in late May for aggregate gross proceeds of approximately \$2.8 million. The proceeds will be used to fund a portion of the 2016 drilling program. Two exploratory wells will be drilled in the third quarter to evaluate Mannville and Banff targets in the Coyote and Watts area.

Undeveloped land holdings at June 30, 2016 were 188,900 gross (188,300 net) acres. At June 30, 2016 the Company had

working capital of approximately \$2.2 million and unutilized credit facilities of \$7.0 million. The 2016 exploration and development program was reduced to \$10 million in April 2016 in response to the commodity price environment which Traverse will continue to monitor.

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 six months ended June 30, 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 anticipated future operational plans and activity and Traverse's 2016 capital budget. 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 the 2015 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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