

CALGARY, ALBERTA--(Marketwired - Nov. 14, 2016) - [Traverse Energy Ltd.](#) ("Traverse" or "the Company") (TSX VENTURE:TVL) presents financial and operating results for the nine months ended September 30, 2016.

	Three months ended Sept. 30,		Nine months ended Sept. 30,		
Highlights (unaudited)	2016	2015	2016	2015	
Financial (\$ thousands, except per share amounts)					
Petroleum and natural gas revenue	1,788	2,924	5,392	9,710	
Cash provided by operations	750	1,767	2,009	5,956	
Funds from operations ⁽¹⁾	440	1,760	1,319	5,238	
Per share - basic and diluted	0.01	0.02	0.02	0.07	
Net income (loss)	(1,115	) (4,011	) (2,579	) 959	
Per share - basic and diluted	(0.01	) (0.06	) (0.03	) 0.01	
Capital expenditures before dispositions	1,790	4,119	3,739	7,531	
Capital dispositions	-	(2	) -	(8,916	)
Total assets	38,685	42,790	38,685	42,790	
Working capital	840	2,063	840	2,063	
Common shares					
Outstanding (millions)	78.6	70.8	78.6	70.8	
Weighted average (millions)	78.6	70.8	75.0	70.7	
Operations (Units as noted)					
Average production					
Natural gas (Mcf/day)	1,861	2,917	2,118	2,836	
Oil and NGL (bbls/ day)	322	465	365	524	
Total (BOE/day)	632	951	718	997	
Average sales price					
Natural gas (\$/Mcf)	2.46	3.01	2.16	3.22	
Oil and NGL (\$/bbl)	46.17	49.49	41.31	50.45	
Netback (\$/BOE)					
Petroleum and natural gas revenue	30.74	33.42	27.39	35.69	
Royalties	(1.02	) (0.77	) (0.79	) (1.31	)
Operating costs	(16.54	) (11.56	) (14.20	) (11.03	)
Transportation costs	(1.72	) (1.68	) (1.72	) (1.76	)
Operating netback ⁽²⁾	11.46	19.41	10.68	21.59	
General and administrative	(3.81	) (2.60	) (3.85	) (3.15	)
Finance expense ⁽³⁾	(0.09	) (0.12	) (0.13	) (0.44	)
Current income tax recovery	-	3.43	-	1.25	
Funds from operations ⁽¹⁾	7.56	20.12	6.70	19.25	

⁽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 third quarter of 2016, Traverse drilled two Banff test wells (100% interest) resulting in one well at Watts and one abandoned well in the west Coyote area. The Watts well was completed as a Mannville oil well. Subsequent to the third quarter, one additional well at Watts was successfully re-entered for natural gas. Both Watts wells will be tied in and placed on production in the fourth quarter. Additional drilling activity is anticipated for the Watts area in the first quarter of 2017.

Recompletion activities during the third quarter included a well in the Coyote area that will be placed on production for Mannville natural gas once a pipeline is completed in the fourth quarter. In October the Company acquired two wells (100% interest); one a low rate producing natural gas well and a suspended well. The suspended well has been recompleted as a natural gas well and is awaiting tie in. At Michichi, an existing producing well was recompleted in an uphole Mannville zone for natural gas. This gas zone has subsequently been commingled with the previously producing zone in the wellbore.

In the Turin area the Company previously acquired three wells (100% interest); one suspended well and two non-completed wellbores near the Turin oil battery. The suspended well was tested as a natural gas well. One additional well was completed as

an oil well and the third well is currently being completed and evaluated for oil production. The two completed wells will be tied into the Turin battery in the fourth quarter and placed on production after a pipeline is constructed.

Undeveloped land holdings at September 30, 2016 were 169,300 gross (168,700 net) acres. At September 30, 2016 the Company had working capital of approximately \$0.8 million and unutilized credit facilities of \$7.0 million. Traverse anticipates total capital expenditures for 2016 to be approximately \$6.5 million. The 2016 capital program was reduced from the previously announced \$10 million in response to the continuing low commodity markets. Activities in the fourth quarter will include production tie ins and recompletion activities in existing wellbores targeting production additions from new zones.

The Board of Directors has approved an initial exploration and development program for 2017 of \$14 million to be financed by cash flow, working capital and new equity issues or debt as appropriate. The 2017 capital program is weighted towards the second half of the year and consistent with 2016 will be adjusted throughout the year in response to both commodity prices and exploration results.

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 nine months ended September 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 the timing of tie ins and commencement of production from wells in the Watts, Coyote and Turin areas; additional drilling in the Watts area and Traverse's 2017 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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