CALGARY, ALBERTA--(Marketwired - April 5, 2017) -

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Leucrotta Exploration Inc. ("Leucrotta" or the "Company") (TSX VENTURE:LXE) is pleased to announce that it has entered into agreements with public Alberta based oil and gas companies to acquire 18.5 net sections of land located within Leucrotta's higher confidence mapping area(1) encompassing 116 gross (105 net) sections of the Lower Montney Turbidite Light Oil Resource Play (the "Lands") (see detailed Press Release dated April 4, 2017) for $36 million (the "Acquisition"). The Lands are comprised of 18 sections of 100% working interest Crown lands and one 50% working interest section (Leucrotta currently being the other 50% working interest partner). The Lands increase Leucrotta's gross acreage land base within Leucrotta's higher confidence mapping area(1) by approximately 18%.

The Lands are adjacent and intertwined with Leucrotta's lands and gathering system and are offsetting or in immediate vicinity of several significant Lower and Upper Montney wells, including Leucrotta's recently announced 8-22 Lower Montney Turbidite Light Oil well as well as Leucrotta's original Doe development block that has been drilled for both liquids-rich gas in the Upper and Lower Montney.

Leucrotta's Lower Montney Light Oil wells, using type-well curve data used by GLJ Petroleum Consultants Ltd. ("GLJ") in preparing the GLJ's reserves report in respect of the Company's reserves effective as at December 31, 2016, have an average recovery of 669 mboes and generate an average NPV10 (as defined under "Oil and Gas Metrics" under "Reader Advisories and Forward-Looking Information") of $7.1 million using GLJs January 2017 price forecast.(2) In addition, based on the aforementioned GLJ type-well curve data and GLJ's January 2017 price forecast, Leucrotta's Lower Montney Liquids-rich Gas wells have an average recovery of 1,055 mboes and an average NPV10 of $8.7 million.(2)

Leucrotta has mapped 16 of the 18.5 sections in the Light Oil window and 2.5 sections in the liquids-rich gas window. This represents a possible increase in drilling inventory of 128 Lower Montney Light Oil Wells and 10 Lower Montney Liquids-rich Gas Wells using 8 wells per section for oil and 4 wells per section for gas. The Acquisition will increase Leucrotta's total Lower Montney Oil drilling locations to 768 (20% increase) and Lower Montney Liquids-rich Gas locations to 110 (10% increase).(3)

The Acquisition will be funded with a portion of the proceeds of a $50 million bought deal equity financing (the "Financing") co-led by Haywood Securities Inc. and National Bank Financial Inc., details of which are provided below under the heading "Bought Deal Financing" in this press release.

ACQUISITION OVERVIEW & STRATEGIC RATIONALE

Leucrotta has signed definitive agreements to acquire 18.5 net sections of Montney Land in its Doe/Mica Core area for a total purchase price of $36 million. The Lands have the following characteristics and/or anticipated benefits to the Company:

- Located directly adjacent Leucrotta's Lower Montney Turbidite Resource play as more fully described in Leucrotta's press release dated April 4, 2017, a copy of which is available under Leucrotta's SEDAR profile at www.sedar.com.
- Leucrotta has drilled wells directly adjacent to a portion of the Lands and believes the Company could book additional reserves on a portion of the Lands. Montney competitors have also drilled successful wells in the immediate vicinity of the Lands for both Upper and Lower Montney.
- Leucrotta's 100% owned and operated pipeline infrastructure has been constructed through parts of the Lands creating easier access and improved half-cycle economics on the Lands.
- Majority of the Lands are located in the Oil Window of the Lower Montney Turbidite Play as mapped internally by the Company.
- Ownership of Lands will eliminate drilling offset boundaries thereby improving the effectiveness of the well spacing for both current and acquired Lands.
- Lands materially add to the resource base captured by Leucrotta in its core Doe/Mica area.

BOUGHT DEAL FINANCING

In connection with the Acquisition, Leucrotta has entered into an agreement with a syndicate of underwriters, co-led by Haywood Securities Inc. and National Bank Financial Inc. (collectively, the "Underwriters"), pursuant to which the Underwriters have agreed to purchase for resale to the public, on a bought deal basis: (i) 20,000,000 common shares of the Company ("Common Shares") at a price of $2.25 per Common Share for gross proceeds from the offering of Common Shares of $45 million (the "Common Share Financing"); and (ii) 1,852,000 Common Shares to be issued on a flow-through basis in respect of Canadian Exploration Expenses ("CEE") (the "Flow-Through Shares") under the *Income Tax Act* (Canada) at a price of $2.70 per Flow-Through Share for gross proceeds from the offering of Flow-Through Shares of approximately $5 million (the "Flow-Through Share Financing"). The aggregate gross proceeds from the Common Share Financing and Flow-Through Share Financing will be approximately $50 million (the "Financing").

The Company shall, pursuant to the provisions of the *Income Tax Act* (Canada), incur eligible CEE (the "Qualifying

Expenditures") after the closing of the Financing and prior to December 31, 2018 in the aggregate amount of not less than the total amount of the gross proceeds raised from the issue and sale of the Flow-Through Shares. The Company shall renounce the Qualifying Expenditures so incurred to the purchasers of the Flow-Through Shares effective on or prior to December 31, 2017.

The Common Shares and Flow-Through Shares to be issued under the Financing will be distributed by way of a short form prospectus in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and New Brunswick. A portion of the Common Share Financing may be conducted on a private placement basis in the United States via Rule 144A to Qualified Institutional Buyers only under the U.S. Securities Act of 1933, as amended and certain other jurisdictions outside of Canada as the Company and the Underwriters may agree on a private placement basis. No prospectus will be required to be filed in any jurisdiction other than the Canadian jurisdictions.

Completion of the Acquisition and the Financing are subject to certain conditions including the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange and the securities regulatory authorities, as applicable. The Financing is expected to close on or about April 26, 2017 or such other date as agreed upon between Leucrotta and the Underwriters, but in any event no later than May 15, 2017. The Acquisition is expected to close on or about May 31, 2017.

ADVISOR

National Bank Financial Inc. acted as strategic advisor to Leucrotta with respect to the Acquisition.

ABOUT LEUCROTTA EXPLORATION INC.

Leucrotta Exploration Inc. is a Montney focused producer with lands located in the Dawson-Sunrise area in northeast British Columbia. Leucrotta's current acreage in the area is approximately 100,500 gross (90,200 net) acres or approximately 157 gross (141 net) sections of Montney land. Current production is approximately 3,000 boe/d (25% oil & NGLs). Leucrotta's shares are listed on the TSX Venture Exchange under the symbol "LXE".

READER ADVISORIES AND FORWARD-LOOKING INFORMATION

NOTES:

(1) Leucrotta's higher confidence mapping area is based on internal estimates by management of the Company, estimated based on data collected by the Company from its coring data collected and drilling programs conducted since inception of the Company.

(2) Recovery is equivalent to EUR - Estimated Ultimate Recovery which is defined as "those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from an accumulation, plus those quantities already produced therefrom."

The well economics presented in this press release are an internal estimate prepared by a Qualified Reserves Evaluator ("QRE") as defined in NI 51-101 (as defined herein) and are based on an average of the proved plus probable type curves used by GLJ for booked undeveloped horizontal wells in the Lower Montney formation as per the year-end 2016 corporate reserves evaluation effective December 31, 2016 prepared by GLJ in compliance with NI 51-101 and the COGE Handbook. The curves represent an internal "best-estimate" expectation.

Type Curves - This Press Release contains references to type well, or "type curve", production and economics, which are derived, at least in part, from available information respecting the well performance of other companies and, as such, may be considered "analogous information" as defined in NI 51-101. Production type curves are based on a methodology of analog, empirical and theoretical assessments and workflow with consideration of the specific asset, and as depicted in this presentation, is representative of The Company's current program, including relative to current performance. Some of this data may not have been prepared by qualified reserves evaluators, may have been prepared based on internal estimates, and the preparation of any estimates may not be in strict accordance with COGEH. Estimates by engineering and geo- technical practitioners may vary and the differences may be significant. The Company believes that the provision of this analogous information is relevant to the Company's oil and gas activities, given its acreage position and operations (either ongoing or planned) in the areas in question, and such information has been updated as of the date hereof unless otherwise specified.

(3) Potential Drilling Locations - This press release discloses drilling locations in four categories: (i) proved undeveloped locations; (ii) probable undeveloped locations; (iii) unbooked locations; and (iv) an aggregate total of (i), (ii) and (iii). Of the 768 total potential/possible Lower Montney oil locations referenced in this press release, only the following have been assigned reserves at December 31, 2016 as independently evaluated by GLJ, in accordance with National Instrument 51-101 ("NI 51-101"):

* *1 Proved Undeveloped*
* *2 Probable Undeveloped*

The remaining 765 potential/possible locations are unbooked.

All of the additional 128 additional Lower Montney oil locations referenced in this press release are unbooked locations and are included in the above total of 768 locations.

Of the 110 total potential/possible Lower Montney liquids-rich gas locations referenced in this press release, only the following have been assigned reserves at December 31, 2016 as independently evaluated by GLJ, in accordance with National Instrument 51-101 ("NI 51-101"):

* *4 Proved Undeveloped*
* *6 Probable Undeveloped*

The remaining 100 potential/possible locations are unbooked.

All of the additional 10 additional Lower Montney Liquids-rich gas locations referenced in this press release are unbooked locations and are included in the above total of 110 locations.

Unbooked locations are based on the Company's prospective acreage and internal estimates as to the number of wells that can be drilled per section. Unbooked locations do not have attributed reserves or resources (including contingent and prospective). Unbooked locations have been identified by management as an estimation of the Company's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Company will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Currency

All dollar figures are Canadian dollars unless otherwise noted.

Oil and Gas Metrics

This new release contains metrics commonly used in the oil and gas industry, such as "NPV", "BOE", and "Half-cycle economics". These terms do not have standardized meanings or standardized methods of calculation and therefore may not be comparable to similar measures presented by other companies. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this presentation should not be unduly relied upon. The following oil and gas metrics have the following meanings as used in this press release:

NPV10 - The term NPV10 as used in this press release refers to the Net Present Value of the proved and probable reserves discounted at 10% which is the present value of future cash flows minus the initial capital, discounted at 10%.

Boe - Barrel of Oil Equivalent. All boe conversions in the report are derived by converting gas to oil at the ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent. Boe may be misleading, particularly if used in isolation. A boe conversion rate of 1 Boe: 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Readers are cautioned that Boe may be misleading, particularly if used in isolation.

Half Cycle Economics - The term half-cycle economics as used in this press release refers to economics of a project including drilling, completing and tie-in of wells and excludes land, seismic and initial facility costs.

Forward-Looking Information

This press 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 document contains forward-looking statements and information relating to the terms of the Financing, anticipated use of proceeds under the Financing, terms of the Acquisition and anticipated benefits of the Acquisition to the Company. 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.

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