



Suite 780, 839 - Fifth Avenue SW  
Calgary, Alberta  
Canada T2P 3C8

Tel: 403.264.9223  
Fax: 403.264.9558  
Web: [www.traverseenergy.com](http://www.traverseenergy.com)

## NEWS RELEASE

### TRAVERSE ENERGY OPERATIONS UPDATE AND 2016 YEAR END RESERVES

DATE: March 15, 2017

Traverse Energy Ltd. ("**Traverse**" or "**the Company**") (TSX Venture: **TVL**) provides an operations update and presents its 2016 year-end reserves. Traverse's independent reserve report, dated February 21, 2017, was prepared by Sproule Associates Limited ("Sproule") in accordance with National Instrument 51-101 effective December 31, 2016.

#### Operations update

In 2016 Traverse reduced its capital program in response to the continuing weak commodity markets. Traverse drilled two wells in 2016, completed and commissioned a water disposal facility and completed a program of recompletions and workovers to optimize production. Total capital expenditures for 2016 were approximately \$6.6 million. Traverse's production averaged 605 BOE/day during the fourth quarter of 2016 and 690 BOE/day for the year (49% oil and NGL). Undeveloped land holdings at December 31, 2016 were 181,600 gross (180,700 net) acres. At December 31, 2016 the Company had working capital of approximately \$1.7 million and unutilized credit facilities of \$7.0 million.

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.

In the Coyote area, one horizontal development well and one vertical exploratory well were drilled in January 2017. The horizontal well was drilled to a measured depth of 2,451 meters into the Upper Mannville formation. The horizontal leg of 1,100 meters was fracture stimulated using 30 stages. The well was tied into existing infrastructure in mid-February and has averaged 360 BOE/day comprised of 300 bbls/day oil and 360 mcf/day sales gas in the first 21 days of production. The well is currently flowing at approximately 315 BOE/day (83% oil). The vertical exploration well was drilled several miles west of the existing Coyote production on recently acquired freehold lands. The well was completed in the Mannville and is currently being production tested. Further exploratory and development drilling is planned for the Coyote area in 2017. One gas well that was production tested in November is still awaiting tie-in pending a pipeline acquisition or pipeline construction after break-up.

In the Watts area, a vertical exploratory well was drilled in January and is currently waiting on services to fracture treat the well to evaluate its productivity. An oil well and a gas well previously tied in during the fourth quarter of 2016 were placed on production in early February. The oil well has averaged 143 BOE/day comprised of 100 bbls/day oil and 260 mcf/day sales gas in its first 39 days of production. Current production is 115 BOE/day (65% oil). The gas well is currently being recompleted in a Mannville zone and is waiting on services to fracture treat the zone. Additional activities for the Watts area in 2017 include seismic acquisition and additional drilling.

In the Turin area, two previously acquired vertical wells were completed in late 2016 and placed on production in mid-January. The oil well's current production is 35 BOE/day (69% oil). The other well, which was originally completed as a gas well, is currently shut in and will be recompleted in uphole zones.

### Summary of oil and gas reserves

- Company proved reserves of 1,713.0 MBOE – 6% decrease year over year
- Company proved plus probable reserves of 2,158.4 MBOE – 6% decrease year over year
- Company proved developed producing reserves represent 52% of total proved reserves
- Company proved reserves constitute 79% of total proved plus probable reserves
- Net present value of future net revenue attributable to the reserves (before tax) discounted at 10% is \$26.5 million for the proved reserves and \$33.7 million for the proved plus probable reserves
- Undiscounted total future development capital for the proved and proved plus probable reserves is \$7.6 million
- Company proved plus probable reserves are comprised of 55% oil and natural gas liquids and 45% natural gas

The following tables are a summary of Traverse's petroleum and natural gas reserves, as evaluated by Sproule, effective December 31, 2016, using Sproule's forecast prices and costs. It should not be assumed that the estimates of future net revenue presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of the Company's crude oil, natural gas liquids, and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater or less than the estimates provided herein. Reserves information may not add due to rounding.

| Reserve Category               | Light and Medium<br>Crude Oil   |                               | Conventional<br>Natural Gas    |                              | Natural Gas<br>Liquids          |                               | Oil Equivalent                 |                              |
|--------------------------------|---------------------------------|-------------------------------|--------------------------------|------------------------------|---------------------------------|-------------------------------|--------------------------------|------------------------------|
|                                | Gross <sup>(1)</sup><br>(Mbbbl) | Net <sup>(2)</sup><br>(Mbbbl) | Gross <sup>(1)</sup><br>(MMcf) | Net <sup>(2)</sup><br>(MMcf) | Gross <sup>(1)</sup><br>(Mbbbl) | Net <sup>(2)</sup><br>(Mbbbl) | Gross <sup>(1)</sup><br>(MBOE) | Net <sup>(2)</sup><br>(MBOE) |
| Proved Developed Producing     | 378.7                           | 363.4                         | 2,827                          | 2,505                        | 38.0                            | 26.1                          | 887.9                          | 807.0                        |
| Proved Developed Non-producing | 99.4                            | 90.9                          | 717                            | 667                          | 11.6                            | 9.3                           | 230.5                          | 211.4                        |
| Proved Undeveloped             | 386.1                           | 345.8                         | 1,124                          | 1,061                        | 21.4                            | 19.1                          | 594.8                          | 541.7                        |
| Total Proved                   | 864.2                           | 800.0                         | 4,668                          | 4,233                        | 70.9                            | 54.4                          | 1,713.0                        | 1,560.1                      |
| Probable                       | 221.8                           | 191.4                         | 1,229                          | 1,098                        | 18.7                            | 14.1                          | 445.4                          | 388.5                        |
| Total Proved Plus Probable     | 1,086.0                         | 991.5                         | 5,897                          | 5,331                        | 89.6                            | 68.6                          | 2,158.4                        | 1,948.6                      |

**Notes:**

1. Gross reserves are Traverse's working interest reserves before deduction of any royalties and before consideration of Traverse's royalty interests.
2. Net reserves are Traverse's working interest reserves after deduction of royalties, plus Traverse's royalty interests.

### Summary of net present value of future net revenue as of December 31, 2016:

| Reserve Category               | Value Before Income Taxes Discounted at (%/Year) <sup>(1)</sup> |            |             |             |             | Unit<br>Value<br>Before<br>Income<br>Taxes |
|--------------------------------|-----------------------------------------------------------------|------------|-------------|-------------|-------------|--------------------------------------------|
|                                | 0<br>(M\$)                                                      | 5<br>(M\$) | 10<br>(M\$) | 15<br>(M\$) | 20<br>(M\$) | 10%<br>\$/BOE                              |
| Proved Developed Producing     | 18,114                                                          | 15,487     | 13,435      | 11,856      | 10,626      | 16.65                                      |
| Proved Developed Non-producing | 3,898                                                           | 3,798      | 3,641       | 3,468       | 3,296       | 17.24                                      |
| Proved Undeveloped             | 15,345                                                          | 11,874     | 9,399       | 7,596       | 6,243       | 17.35                                      |
| Total Proved                   | 37,358                                                          | 31,160     | 26,475      | 22,919      | 20,166      | 16.97                                      |
| Probable                       | 13,701                                                          | 9,632      | 7,219       | 5,701       | 4,685       | 18.57                                      |
| Total Proved Plus Probable     | 51,059                                                          | 40,793     | 33,694      | 28,620      | 24,850      | 17.29                                      |

**Summary of net present value of future net revenue as of December 31, 2016 (continued):**

| Reserve Category               | Value After Income Taxes Discounted at (%/Year) <sup>(1)</sup> |            |             |             |             |
|--------------------------------|----------------------------------------------------------------|------------|-------------|-------------|-------------|
|                                | 0<br>(M\$)                                                     | 5<br>(M\$) | 10<br>(M\$) | 15<br>(M\$) | 20<br>(M\$) |
| Proved Developed Producing     | 18,114                                                         | 15,487     | 13,435      | 11,856      | 10,626      |
| Proved Developed Non-producing | 3,898                                                          | 3,798      | 3,641       | 3,468       | 3,296       |
| Proved Undeveloped             | 12,030                                                         | 9,406      | 7,492       | 6,079       | 5,006       |
| Total Proved                   | 34,042                                                         | 28,692     | 24,568      | 21,402      | 18,929      |
| Probable                       | 10,035                                                         | 7,071      | 5,301       | 4,190       | 3,450       |
| Total Proved Plus Probable     | 44,078                                                         | 35,764     | 29,869      | 25,592      | 22,378      |

*Note:*

1. Includes future development capital of \$7.6 million (undiscounted).

**Reserve reconciliations**

The following tables reconcile Traverse's gross reserves by principal product type. Gross reserves are Traverse's working interest reserves before deduction of any royalties and before consideration of Traverse's royalty interests.

| Gross Reserves      | Light and Medium Crude Oil |                  |                                    | Conventional Natural Gas |                  |                                    |
|---------------------|----------------------------|------------------|------------------------------------|--------------------------|------------------|------------------------------------|
|                     | Proved<br>Mbbl             | Probable<br>Mbbl | Proved<br>Plus<br>Probable<br>Mbbl | Proved<br>MMcf           | Probable<br>MMcf | Proved<br>Plus<br>Probable<br>MMcf |
|                     |                            |                  |                                    |                          |                  |                                    |
|                     |                            |                  |                                    |                          |                  |                                    |
| December 31, 2015   | 945.5                      | 237.2            | 1,182.7                            | 4,837                    | 1,279            | 6,116                              |
| Discoveries         | 82.5                       | 20.2             | 102.7                              | 446                      | 115              | 561                                |
| Technical revisions | (31.0)                     | (33.3)           | (64.3)                             | 282                      | (153)            | 129                                |
| Economic factors    | (20.1)                     | (2.3)            | (22.4)                             | (136)                    | (12)             | (148)                              |
| Production          | (112.7)                    | 0.0              | (112.7)                            | (761)                    | 0                | (761)                              |
| December 31, 2016   | 864.2                      | 221.8            | 1,086.0                            | 4,668                    | 1,229            | 5,897                              |

| Gross Reserves (continued) | Natural Gas Liquids |                  |                                    | Oil equivalent |                  |                                    |
|----------------------------|---------------------|------------------|------------------------------------|----------------|------------------|------------------------------------|
|                            | Proved<br>Mbbl      | Probable<br>Mbbl | Proved<br>Plus<br>Probable<br>Mbbl | Proved<br>MBOE | Probable<br>MBOE | Proved<br>Plus<br>Probable<br>MBOE |
|                            |                     |                  |                                    |                |                  |                                    |
|                            |                     |                  |                                    |                |                  |                                    |
| December 31, 2015          | 70.3                | 18.6             | 88.9                               | 1,822.0        | 468.8            | 2,290.8                            |
| Discoveries                | 7.2                 | 1.9              | 9.1                                | 164.0          | 41.2             | 205.2                              |
| Technical revisions        | 6.2                 | (1.7)            | 4.5                                | 22.0           | (59.9)           | (37.9)                             |
| Economic factors           | (2.1)               | (0.1)            | (2.2)                              | (44.7)         | (4.7)            | (49.4)                             |
| Production                 | (10.7)              | 0.0              | (10.7)                             | (250.3)        | 0.0              | (250.3)                            |
| December 31, 2016          | 70.9                | 18.7             | 89.6                               | 1,713.0        | 445.4            | 2,158.4                            |

**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 additional drilling in the Coyote and Watts area; Traverse’s 2017 capital budget; the volumes of reserves attributable to the Company’s assets; and the estimate of the net present value of the future net revenue attributable thereto. 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](http://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.

**For more information, please contact:****Traverse Energy Ltd.**

Laurie Smith  
President and CEO  
March 15, 2017

The Company’s 2016 year end audited financial statements, the related management’s discussion and analysis and Annual Information Form are expected to be filed on or about April 11, 2017.

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