

Ironhorse Oil & Gas Inc. announces shut-in production due to low oil and gas prices

CALGARY, Jan. 19, 2016 /CNW/ - Ironhorse Oil & Gas Inc. ("Ironhorse" or the "Company") (TSX-V:IOG), advises that the operator of the Nisku L2L Pool (the "Pool") has informed Ironhorse that the operator intends to shut-in production from the Pool because continued production is uneconomic under the current commodity price environment. Ironhorse has a 15.6250% working interest in the Pool and the production from the Pool is Ironhorse's main source of cash flow. Ironhorse believes that, with continued downward pressure on commodity prices, a temporary shut-in of the Pool production is a prudent decision that will preserve the value of Ironhorse's oil and natural gas reserves. The Company anticipates that the Pool will remain shut-in until there is a recovery in commodity prices. The operator has advised Ironhorse that the operator will be executing a comprehensive shutdown program of the wells and facilities to ensure the investment is preserved with an ability to re-start when commodity prices recover. Notwithstanding suspension of its main source of cash flow, Ironhorse is financially well positioned, with existing positive working capital and no debt.

Advisories

Forward-Looking Statements

This news release contains forward-looking information (as defined in the Securities Act (Alberta)) and statements (collectively, "forward-looking statements") that are based on expectations, estimates and projections as of the date of this news release. These forward-looking statements can often, but not always, be identified by the use of forward-looking terminology such as "plans", "predicts", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release. Forward-looking statements contained in this news release are based on a number of assumptions that may prove to be incorrect, including, but not limited to assumptions as to oil and gas prices and timing for commodity price recovery; changes in laws, rules and regulations applicable to Ironhorse; uncertainty of estimates with respect to reserves; general economic, business and market conditions; and such other risks and uncertainties identified in the filings by Ironhorse with the Canadian provincial securities regulatory authorities. Except as required by law, neither the Board nor Ironhorse undertakes any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Oil and Gas Advisories

This news release makes reference to barrels of oil equivalent (boe). Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6 mcf of natural gas is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE Ironhorse Oil & Gas Inc.

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