# AZABACHE ENERGY INC. ANNOUNCES FILING OF THIRD QUARTER RESULTS FOR THE PERIOD ENDED MARCH 31, 2015

## FOR IMMEDIATE RELEASE

June 1, 2015 - Calgary, Alberta – Azabache Energy Inc. (TSX Venture: AZA) ("Azabache" or the "Company") today announces its operating and financial results for the nine months ended March 31, 2015. Copies of the Company's unaudited condensed interim consolidated financial statements and related Management's Discussion and Analysis ("MD&A") are being filed with Canadian securities regulatory authorities and will be made available under the Company's profile at www.sedar.com and on the Company's website at www.azaenergy.com.

Highlights of the 9-month period ended March 31, 2015 included:

**Strategic direction**

The Company has retained Fenix Partners, an Argentine-based investment bank to assist in finding a long-term strategic partner to provide both capital and expertise in developing the Vaca Muerta properties. The process is ongoing. The Company continues to evaluate the best ways to finance the development of its assets. The various alternatives may involve a farm out, a strategic investor or some other transaction that will advance the interest of shareholders. As previously stated, the Company will not make comments or answer any questions related to the ongoing financing process.

The Company has limited financial resources and was faced with a multi-million commitment to drill a well on one of its Colombian properties before the end of 2015. Management recommended to the Board of Directors that the Company's focus should be on the Vaca Muerta properties and on May 20, 2015, the Company closed a transaction whereby it transferred all of its assets and liabilities in Colombia to an independent third party in a cashless transaction. As a result the Company took an impairment charge of $2,261,599 in the third quarter.

**Operating results**

During the quarter ended March 31, 2015, the Company recorded a loss of $3,275,760 ($0.03 per share) compared to a loss of $1,135,300 ($0.01 per share) for the same period in the prior year. For the nine months ended March 31, 2015, the loss amounted to $5,593,026 compared to $5,510,134 for the previous year.

The Company took a provision of $2,261,599 for impairment of Colombian assets following the closing of the cashless sale of all the assets and liabilities in Colombia. The transaction closed on May 20, 2015 and final adjustments will be recorded in the fourth quarter.

The Canadian dollar depreciated severely during the third quarter with the month end rate dropping from 1.1601 to 1.2663. This had a significant impact on the Company's results as the Company has a significant U.S. dollar loan and the subsidiary operations all were measured against a weaker Canadian dollar.

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This press release contains forward-looking statements concerning the Company's operations. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Azabache. Although Azabache believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Azabache can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. The forward-looking statements contained in this document are made as of the date hereof and Azabache 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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