



news release

Northern Blizzard Resources Inc. Announces Fourth Quarter & Year-End 2015 Results, 2015 Year-End Reserves and Declares Dividend

CALGARY, ALBERTA (March 14, 2016) – Northern Blizzard Resources Inc. (“Northern Blizzard” or the “Company”) (TSX: NBZ) announces its operating and financial results for the three months and year ended December 31, 2015 and 2015 year-end reserves.

Northern Blizzard’s financial statements, management’s discussion and analysis (“MD&A”) and annual information form (“AIF”) for the year ended December 31, 2015 are available on our website at www.northernblizzard.com and on SEDAR at www.sedar.com.

FINANCIAL AND OPERATING HIGHLIGHTS

	Three months ended			Year ended	
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Financial (\$000s, except as otherwise noted)					
Oil and natural gas sales	79,846	101,853	168,274	422,305	697,215
Funds from operations ⁽¹⁾	8,175	38,850	61,372	165,566	228,673
Per share – diluted	0.07	0.35	0.59	1.48	2.55
Net income (loss)	(14,105)	(55,693)	67,783	(124,171)	(2,347)
Per share – basic	(0.13)	(0.51)	0.66	(1.15)	(0.03)
Per share – diluted	(0.13)	(0.52)	0.65	(1.15)	(0.03)
Net debt ⁽¹⁾	400,508	372,409	405,677	400,508	405,677
Dividends declared	13,436	17,498	24,686	81,715	38,857
Per share	0.120	0.160	0.240	0.760	0.379
Capital expenditures	18,417	14,776	54,038	70,035	262,774
Weighted average shares outstanding (000s)					
Basic	111,615	108,980	102,647	107,892	87,707
Diluted	115,398	110,506	104,539	111,675	89,599
Shares outstanding at period end (000s)	112,747	110,617	103,387	112,747	103,387
Operating					
Average daily production					
Heavy oil (bbl/d)	17,776	18,751	20,773	18,940	19,153
Light oil & NGL (bbl/d)	598	797	1,028	1,036	430
Natural gas (mcf/d)	4,148	5,384	6,043	5,447	6,846
Total (boe/d)	19,065	20,445	22,808	20,884	20,724

	Three months ended			Year ended	
	December 31, 2015	September 30, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Average realized price					
Heavy oil (\$/bbl) ⁽²⁾	33.15	40.99	64.68	42.52	77.29
Light oil & NGL (\$/bbl)	48.55	52.88	66.18	53.06	78.35
Oil & NGL (\$/bbl)	33.64	41.45	64.75	43.06	77.32
Natural gas (\$/mcf)	2.27	2.96	3.50	2.66	4.47
Combined (\$/boe)	32.91	40.45	62.79	41.90	74.53
Netbacks (\$/boe)					
Average realized price	32.91	40.45	62.79	41.90	74.53
Royalties	(3.41)	(4.50)	(7.64)	(4.62)	(10.33)
Production and operating expenses	(16.56)	(16.71)	(21.02)	(16.72)	(21.04)
Transportation expenses	(1.94)	(1.56)	(2.14)	(1.85)	(1.97)
Operating netback ⁽¹⁾	11.00	17.68	31.99	18.71	41.19
Realized gains (losses) on financial derivative contracts	0.27	6.86	2.78	8.82	(4.13)
General and administrative expenses	(3.03)	(2.29)	(2.60)	(2.76)	(2.88)
Cash finance costs	(4.42)	(4.07)	(3.43)	(4.17)	(4.68)
Other	0.82	1.56	0.96	0.99	0.80
Funds from operations ⁽¹⁾	4.64	19.74	29.70	21.59	30.30

Notes:

- (1) Funds from operations, net debt and operating netback do not have any standardized meaning prescribed by International Financial Reporting Standards. See "Non-IFRS Financial Measures" and "Additional IFRS Measures" in the MD&A for the years ended December 31, 2015 and 2014.
- (2) Average heavy oil prices received are net of blending expenses and include the impact of physical delivery contracts (when applicable).

WELL POSITIONED FOR LONG-TERM SUSTAINABILITY

The current low oil price environment is a challenge for the oil and gas industry. Northern Blizzard has good liquidity, a well-structured balance sheet, supportive shareholders and high quality, low decline assets that position the Company for long-term sustainability.

Northern Blizzard's strength is demonstrated by:

- Significant financial flexibility with bank indebtedness repaid in full in 2015 and an undrawn \$475.0 million credit facility.
- Bonds that mature in 2022 of US\$276.3 million with no maintenance covenants.
- A strong hedge position that is expected to add over \$100.0 million (over \$15.00/boe) to estimated 2016 funds from operations. (see Guidance)
- Rigorous cost controls that resulted in a 20% year-over-year reduction in operating costs per barrel and a reduction in drilling costs of 25 – 30%.
- Long-life low-risk reserves and production with an estimated corporate decline rate of 15%.

2015 IN REVIEW

- Northern Blizzard achieved fourth quarter production of 19,065 boe/d (96% oil). Average production for the year of 20,884 boe/d was 1% higher than 2014 and 3% below guidance. Positive polymer flood response at Cactus Lake and Viking light oil development at Coleville was offset by natural declines due to lower activity levels during 2015 and lower than expected production volumes at Plover Lake SAGD.
- Funds from operations were \$8.2 million (\$0.07 per common share) for the fourth quarter of 2015 and \$165.6 million (\$1.48 per common share) for the year ended December 31, 2015.
- Northern Blizzard realized gains on physical delivery and financial derivative contracts of \$67.2 million in 2015.
- Capital expenditures for 2015 totalled \$70.0 million, which included the drilling of 48 (46.1 net) wells. Development in 2015 was focused primarily in the Cactus Lake, Thermal, Coleville and Winter areas.
- Northern Blizzard declared dividends totalling \$81.7 million (\$0.76 per common share) in 2015. Shareholders elected to receive stock dividends valued at \$57.0 million and cash dividends of \$24.7 million.
- Northern Blizzard's total payout ratio was 58% for 2015. Total payout ratio is calculated as total dividends paid plus capital expenditures divided by funds from operations. Assuming the dividends were paid in cash, the total payout ratio for 2015 would have been 94%.
- Northern Blizzard ended 2015 in a strong financial position with net debt of \$400.5 million and an undrawn credit facility of \$475.0 million. Year-end net debt to 2015 funds from operations was 2.4x.
- Excluding the impact of economic factors outside of the Company's control, Northern Blizzard added 14.8 MMboes of proved reserves and 11.3 MMboes of proved plus probable reserves. This represents production replacement of 194% and 149% for proved and proved plus probable reserves, respectively.
- Proved developed producing reserves represent 67% of proved reserves and 37% of proved plus probable reserves. Proved reserves represent 56% of proved plus probable reserves.
- Northern Blizzard's proved plus probable reserve life index remains strong at 21.9 years. In 2015, the Company's proved finding, development and acquisition ("FD&A") costs averaged \$18.20/boe and proved plus probable FD&A costs averaged negative \$0.55/boe (negative due to decreases in future development costs that exceeded capital expenditures).

- Select 2015 highlights for significant areas:

Area	Annual Production	Capital Expenditures
Cactus Lake	7,500 boe/d	\$29.3 million
Winter	3,450 boe/d	\$6.5 million
Coleville	1,100 boe/d	\$9.4 million
Thermal	900 boe/d	\$14.7 million

- Northern Blizzard has a comprehensive hedging program in place to protect prices on crude oil volumes and maintain the stability of its cash flows. The Company has WTI hedges in place for 4.2 million barrels (11,500 bbl/d) in 2016 at an average price of C\$79.50/bbl and 1.5 million barrels (4,000 bbl/d) in 2017 at an average price of C\$75.10/bbl. (see Risk Management)
- The following table summarizes the drilling program for the three months and year ended December 31, 2015:

	Three months ended December 31, 2015		Year ended December 31, 2015	
Field	Gross	Net	Gross	Net
Cactus Lake ⁽¹⁾	17.0	17.0	25.0	25.0
Winter ⁽²⁾	7.0	5.6	13.0	11.1
Coleville	5.0	5.0	8.0	8.0
Thermal ⁽³⁾	-	-	1.0	1.0
Luseland	-	-	1.0	1.0
Total	29.0	27.6	48.0	46.1

Notes:

- (1) Total wells drilled at Cactus Lake include 6 (6.0 net) service wells for the year ended December 31, 2015. There were no service wells were drilled in the fourth quarter of 2015.
- (2) Total wells drilled at Winter include 2 (1.5 net) service wells for the year ended December 31, 2015. There was 1 (1.0 net) service well drilled in the fourth quarter of 2015.
- (3) The well drilled for Thermal in 2015 was a service well.

RESERVES

Independent Reserves Evaluation

Northern Blizzard's reserves were independently evaluated by Ryder Scott Company-Canada ("Ryder Scott") as at December 31, 2015 in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). The reserves evaluation was based on forecast pricing and foreign exchange rates as outlined in the notes to the table below entitled "Forecast Prices in 2015 Reserves Report". FD&A costs are reported inclusive of future development costs. Additional reserves disclosure is included in the Company's AIF for the year ended December 31, 2015.

Highlights of the 2015 reserves report

- In 2015, Northern Blizzard added 14.8 MMboes of proved reserves through extensions and improved recoveries, infill drilling and technical revisions. During the same period, 7.6 MMboes were produced. Further, primarily due to low oil prices, 5.5 MMboes were written down due to economic factors. Similarly, Northern Blizzard added 11.3 MMboes of proved plus probable reserves through extensions and improved recoveries, infill drilling and technical revisions and 9.4 MMboes were written down due to economic factors.
- In the last two years, proved FD&A costs averaged \$18.05/boe. Proved plus probable FD&A costs averaged negative \$4.16/boe due to decreases in future development costs that exceeded capital expenditures during the same two year period. On a five year basis, proved and proved plus probable FD&A costs averaged \$19.66/boe and \$18.00/boe, respectively.

- The net present value (before income taxes and discounted at 10%) of Northern Blizzard's proved plus probable reserves decreased by 28% to \$1.9 billion at December 31, 2015 as compared to 2014. The decrease was largely the result of an average year-over-year 32% decline in the forecasted WCS price for the 2016 – 2018 period used in the reserve report.
- Proved plus probable reserves are comprised of 97% crude oil and 3% natural gas.
- Reserve highlights for significant areas:
 - Cactus Lake: Proved plus probable reserves were 52.2 MMboe at December 31, 2015. This includes 17.6 MMboe recognized for the polymer flood projects.
 - Thermal: Proved plus probable reserves were 36.0 MMboe at December 31, 2015. This includes 7.4 MMboe of proved plus probable reserves related to the Plover Lake SAGD project.
 - Winter: Proved plus probable reserves were 21.7 MMboe at December 31, 2015, which consist primarily of producing reserves and infill drilling development.
 - Coleville: Proved plus probable reserves were 5.8 MMboe at December 31, 2015. The reserves relate to the light oil Viking development where 8 wells were drilled in 2015.
- Northern Blizzard's proved and proved plus probable reserves life indices remained strong at 12.3 years and 21.9 years, respectively.

Summary of Reserves as at December 31, 2015⁽¹⁾⁽²⁾

	Heavy Oil (Mbbl)	Light and Medium Crude Oil (Mbbl)	Total Crude Oil (Mbbl)	Natural Gas (MMcf)	Oil Equivalent (Mboe)
Proved					
Developed producing	53,684	1,039	54,723	15,157	57,249
Developed non-producing	134	169	303	-	303
Undeveloped	25,030	2,657	27,687	4,144	28,378
Total proved	78,847	3,866	82,713	19,300	85,930
Total probable	63,615	1,475	65,091	10,132	66,779
Total proved plus probable	142,462	5,341	147,804	29,433	152,709

Notes:

- (1) Based on escalated prices and costs.
- (2) Reserves means Northern Blizzard's working interest reserves before deduction of royalties and without including any royalty interests.
- (3) Figures may not add due to rounding.

Reserves Reconciliation⁽¹⁾⁽²⁾

	Heavy Oil (Mbbbl)	Light and Medium Crude Oil (Mbbbl)	Total Crude Oil (Mbbbl)	Natural Gas (MMcf)	Oil Equivalent (Mboe)
Proved					
December 31, 2014	77,069	3,341	80,410	23,077	84,255
Extensions and improved recovery	8,243	-	8,243	629	8,348
Infill drilling	3,878	319	4,197	966	4,358
Technical revisions	1,741	583	2,324	(1,440)	2,083
Reserve adds	13,862	902	14,764	155	14,789
Economic factors	(5,168)	(1)	(5,169)	(1,944)	(5,493)
Production	(6,915)	(376)	(7,291)	(1,988)	(7,623)
	(12,083)	(377)	(12,460)	(3,932)	(13,116)
December 31, 2015	78,847	3,866	82,713	19,300	85,930
Proved plus Probable					
December 31, 2014	145,817	6,427	152,244	36,669	158,355
Extensions and improved recovery	2,343	-	2,343	29	2,347
Infill drilling	7,696	398	8,094	1,760	8,388
Technical revisions	2,497	(1,107)	1,390	(4,701)	606
Reserve adds	12,536	(709)	11,827	(2,912)	11,341
Economic factors	(8,974)	(1)	(8,975)	(2,336)	(9,365)
Production	(6,915)	(376)	(7,291)	(1,988)	(7,623)
	(15,889)	(377)	(16,266)	(4,324)	(16,988)
December 31, 2015	142,462	5,341	147,804	29,433	152,709

Notes:

- (1) Based escalated prices and costs.
- (2) Reserves means Northern Blizzard's working interest reserves before deduction of royalties and without including any royalty interests.
- (3) Figures may not add due to rounding.

Summary of Net Present Values, Before Tax⁽¹⁾

(\$ millions)	Discounted at				
	0%	5%	10%	15%	20%
Proved					
Developed producing	1,534	1,108	857	696	586
Developed non-producing	9	7	6	6	5
Undeveloped	754	463	293	187	118
Total proved	2,297	1,579	1,157	889	709
Total probable	2,254	1,243	746	475	316
Total proved plus probable	4,551	2,822	1,902	1,364	1,025

Notes:

- (1) Based on escalated prices and costs.
(2) Figures may not add due to rounding.

Future Development Costs

(\$000)	Proved Reserves	Proved plus Probable Reserves
2016	61,587	71,477
2017	127,124	168,084
2018	101,384	303,889
2019	63,905	215,677
2020	47,379	74,265
Remainder	59,444	293,067
Total Undiscounted	460,823	1,126,460

Reserve Life Index⁽¹⁾

(years)	2015	2014	2013	2012	2011
Proved	12.3	10.0	12.1	12.7	10.0
Proved plus probable	21.9	18.9	21.9	20.1	17.2

Note:

- (1) Reserve life index is calculated as reserves divided by annualized fourth quarter production.

Finding & Development Costs

	2015	2014	2 Year Total	5 Year Total
Capital Expenditures (\$000) ⁽¹⁾				
Exploration and development	65,489	262,774	328,263	1,049,486
Acquisitions (net of dispositions)	4,546	-	4,546	37,845
Total	70,035	262,774	332,809	1,087,331
Change in Future Development Costs (\$000)				
Proved	99,153	(195,777)	(96,624)	447,855
Proved plus probable	(71,128)	(296,555)	(367,683)	901,145
Proved Reserve Additions (Mboe)				
Exploration and development	9,297	3,787	13,084	n/a ⁽²⁾
Acquisitions (net of dispositions)	-	-	-	n/a ⁽²⁾
Total	9,297	3,787	13,084	78,085
Proved plus Probable Reserve Additions (Mboe)				
Exploration and development	1,977	6,402	8,378	n/a ⁽²⁾
Acquisitions (net of dispositions)	-	-	-	n/a ⁽²⁾
Total	1,977	6,402	8,378	110,464
FD&A (\$/boe) ⁽³⁾				
Proved	18.20	17.69	18.05	19.66
Proved plus probable	(0.55)	(5.28)	(4.16)	18.00
FD&A Recycle Ratio – Operating Netback ⁽⁴⁾				
Proved	1.0	2.3	1.7	1.6
Proved plus probable	nmf ⁽⁶⁾	nmf ⁽⁶⁾	nmf ⁽⁶⁾	1.8
FD&A Recycle Ratio – Funds from Operations ⁽⁵⁾				
Proved	1.2	1.7	1.4	1.4
Proved plus probable	nmf ⁽⁶⁾	nmf ⁽⁶⁾	nmf ⁽⁶⁾	1.5

Notes:

- (1) Capital expenditures represent cash expenditures for property, plant and equipment, intangible assets and property acquisitions.
- (2) Reserves additions for acquisitions completed in 2011 were not separately evaluated.
- (3) FD&A costs are calculated as the sum of development capital plus acquisition capital plus the change in future development costs for the period divided by the change in total reserves for the period.
- (4) Recycle ratio is calculated as operating netback divided by FD&A costs. Operating netback is calculated as revenue (excluding realized gains and losses on financial derivative contracts) minus royalties, operating expenses and transportation expenses.
- (5) Recycle ratio is calculated as funds from operations divided by FD&A costs.
- (6) Not meaningful ("nmf").

Forecast Prices in 2015 Reserves Report

The following table summarizes the forecast prices used by Ryder Scott in preparing Northern Blizzard's estimated reserve volumes and net present values of future net revenues in the 2015 reserves report. Complete disclosure of forecast prices used can be found in the Company's AIF for the year ended December 31, 2015.

Year	US\$/ CDN\$	Cost Escalation (%)	Oil			Natural Gas	
			WTI at Cushing ⁽¹⁾ (US\$/bbl)	WCS Stream at Hardisty 20.5 API ⁽¹⁾ (\$/bbl)	Edmonton MSW 40° API ⁽¹⁾ (\$/bbl)	Alberta AECO- C/NIT 30 Day Spot (\$/mmbtu)	Saskatchewan Provincial Average ⁽²⁾ (\$/mmbtu)
2016	0.74	0.50	43.75	43.31	54.30	2.61	2.63
2017	0.76	1.50	53.90	52.27	64.00	3.21	3.17
2018	0.79	2.19	62.10	58.01	70.62	3.54	3.45
2019	0.80	2.19	69.00	64.19	77.71	3.86	3.72
2020	0.81	1.88	73.08	67.34	81.09	4.09	3.92

Notes:

- (1) WTI, WCS and Edmonton MSW crude oil prices were based on an average of forecast prices published by Ryder Scott at December 31, 2015, Sproule Associates Limited at December 31, 2015, GLJ Petroleum Consultants Ltd. at January 1, 2016 and McDaniel & Associates Consultants Ltd at January 1, 2016.
- (2) Saskatchewan provincial average gas prices were based on an average of forecast prices published by Ryder Scott at December 31, 2015, GLJ Petroleum Consultants Ltd. at January 1, 2016 and McDaniel & Associates Consultants Ltd at January 1, 2016.

RISK MANAGEMENT

Northern Blizzard has a comprehensive hedging program in place to protect prices on crude oil volumes and maintain the stability of its cash flows. A summary of Northern Blizzard's current hedge position is provided in the table below.

(C\$) ^(1,2)	2016	2017
WTI		
Hedged volumes (bbl/d)	11,500	4,000
Average price (\$/bbl)	79.50	75.10
WTI / WCS differential		
Hedged volumes (bbl/d)	11,500	2,000
Average price (\$/bbl)	(19.01)	(18.37)

Notes:

- (1) Contracts denominated in US dollars have been converted to Canadian dollars at CAD/USD strip prices as of March 11, 2016.
- (2) The prices and volumes in this table represent averages for several contracts over the respective periods presented. The average price of a group of contracts is for indicative purposes only and does not have the same settlement profile as the individual contract.

During the fourth quarter of 2015, Northern Blizzard realized \$0.1 million in gains on physical delivery and financial derivative contracts. The gains realized on Canadian dollar WTI contracts were due to lower than hedged oil prices, partially offset by losses on WCS differential contracts due to narrower than hedged heavy oil differentials.

For the year ended December 31, 2015, Northern Blizzard realized gains of \$67.2 million on physical delivery and financial derivative contracts. The gains were due to the reasons discussed above.

FINANCIAL LIQUIDITY

At December 31, 2015, we had an undrawn credit facility of \$475.0 million, \$382.3 million of senior unsecured notes outstanding and a working capital deficiency of \$18.2 million.

Northern Blizzard has a stock dividend program that enables shareholders to receive dividends in the form of common shares. The Company's significant shareholders, that hold approximately 70% of the outstanding shares, have indicated that they will continue to receive stock dividends.

Northern Blizzard's capital expenditure forecast for 2016 is \$40.0 million. Northern Blizzard anticipates that funds from operations, together with the revolving credit facility, will be sufficient to finance current operations, cash dividends, planned capital expenditures and working capital requirements.

Northern Blizzard's credit facility has two financial covenants that are calculated quarterly. The calculation for each financial covenant is based on specific definitions and cannot be calculated by referring to Northern Blizzard's consolidated financial statements. At December 31, 2015, the Company was in compliance with the financial covenants.

Covenant description	Covenant	Position at December 31, 2015
Senior debt to EBITDA ratio	Less than 3.0	-
Interest coverage ratio	Greater than 2.5	6.0

DIVIDEND

Northern Blizzard currently pays a monthly dividend of \$0.04 per share. Northern Blizzard has a Stock Dividend Program ("SDP") and shareholders holding approximately 73% of the Company's outstanding shares currently participate in the SDP.

The SDP allows shareholders to elect to receive their dividends in the form of common shares in lieu of receiving a cash dividend on the dividend payment date. Participation in the SDP is optional; additional information can be found on Northern Blizzard's website at www.northernblizzard.com or by contacting your financial institution or investment advisor. The availability of the SDP and its terms and conditions are subject to the discretion of Northern Blizzard's Board of Directors.

Northern Blizzard announces that the Board of Directors has declared a dividend of \$0.04 per common share for March 2016. The dividend will be payable on April 15, 2016 to shareholders of record on March 31, 2016. This dividend has been designated as an eligible dividend under the Income Tax Act (Canada).

GUIDANCE

Guidance and assumptions are as follows:

	2016 Guidance ⁽¹⁾
Production (boe/d)	19,000
Pricing	
WTI (US\$/bbl)	40.00
WTI / WCS differential (US\$/bbl)	(14.25)
CAD/USD exchange rate	1.370
WCS (\$/bbl)	35.28
AECO (\$/mcf)	2.50
Expenses	
Average royalty rate (%)	9
Operating (\$/boe)	17.15
Transportation (\$/boe)	2.15
Corporate costs (\$/boe)	7.80
Including hedging	
Funds from operations (\$ millions)	120
Funds from operations per boe (\$/boe)	17.35
Excluding hedging	
Funds from operations (\$ millions)	15
Funds from operations per boe (\$/boe)	2.20
Capital expenditures (\$ millions)	40
Payout ratios	
Including SDP	45%
Excluding SDP	80%

Note:

(1) 2016 guidance released on February 12, 2016.

Conference Call Today 9:00am MT (11:00am ET)

Northern Blizzard will host a conference call today, March 14, 2016, starting at 9:00am MT (11:00am ET), to review the Company's fourth quarter and year-end 2015 results. Participants can access the conference call by dialing (403) 532-5601 or toll-free (US & Canada) 1 (855) 353-9183 and entering the passcode 94203.

A recording of the conference call will be available until March 28, 2016 and can be accessed by dialing 1 (855) 201-2300 and entering the conference number 1194394 and passcode 94203. The replay will be available approximately one hour following completion of the call. The conference call will also be available on Northern Blizzard's website at www.northernblizzard.com.

ADVISORIES

BOE Conversion and Other Reserve Advisories

In this news release, natural gas has been converted to boe based on a conversion rate of six thousand cubic feet of natural gas to one barrel (6 mcf : 1 bbl), which represents an energy equivalency conversion method applicable at the burner tip and does not represent a value equivalency at the wellhead. While it is useful for comparative measures, it may not accurately reflect individual product values and may be misleading if used in isolation.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

This press release contains reserve replacement ratios, recycle ratios and FD&A costs, which are all metrics commonly used in the oil and natural gas industry. These terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons.

Reserve replacement ratios for a given period are determined by taking the Company's proved or proved plus probable reserve additions for that period divided by the Company's production for the same period.

Recycle ratio is calculated as finding, development and acquisition costs per barrel divided by either operating netback per barrel or cash flow netback per barrel.

FD&A costs are calculated as the sum of development capital plus acquisition capital plus the change in future development costs for the period divided by the change in total reserves for the period. The aggregate of the exploration, development and acquisition costs incurred in the most recent financial year and the change during the year in estimated future development costs generally will not reflect total FD&A costs related to reserves additions for the year.

The Company uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare the Company's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

Forward-Looking Statements

This news release contains certain forward-looking statements and forward-looking information (collectively referred to as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements contain words such as "anticipate", "believe", "plan", "continuous", "estimate", "expect", "may", "will", "project", "should", or similar words suggesting future outcomes.

In particular, this news release contains forward-looking statements pertaining to the following:

- Business plans and strategies;
- Capital expenditures for 2016;
- Methods and ability to finance operations, dividends, capital expenditure programs and working capital requirements;
- Anticipated oil and natural gas production levels in 2016;
- Future oil and natural gas prices;
- Additions to funds from operations arising from hedge positions;
- Future costs including operating, transportation and administrative costs and royalty rates;
- 2016 funds from operations; and
- Payment of dividends.

In addition, statements relating to “reserves” are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future.

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not occur. There can be no assurance that the plans, intentions or expectations upon which forward-looking statements are based will be realized. Actual results will differ, and the difference may be material and adverse to the Company and its shareholders.

With respect to forward-looking statements contained in this news release, management has made assumptions regarding future production levels; future oil and natural gas prices; future operating costs; timing and amount of capital expenditures; the ability to obtain financing on acceptable terms; availability of skilled labour and drilling and related equipment; general economic and financial market conditions; continuation of existing tax and regulatory regimes; and the ability to market oil and natural gas successfully to current and new customers. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that the goals or figures contained in forward-looking statements will not be achieved. These factors include, but are not limited to, risks associated with fluctuations in market prices for crude oil, natural gas and diluent, general economic, market and business conditions, substantial capital requirements, uncertainties inherent in estimating quantities of reserves and resources, extent of, and cost of compliance with, government laws and regulations and the effect of changes in such laws and regulations from time to time, the need to obtain regulatory approvals on projects before development commences, environmental risks and hazards and the cost of compliance with environmental regulations, aboriginal claims, inherent risks and hazards with operations such as fire, explosion, blowouts, mechanical or pipe failure, cratering, oil spills, vandalism and other dangerous conditions, potential cost overruns, variations in foreign exchange rates, diluent supply shortages, competition for capital, equipment, new leases, pipeline capacity and skilled personnel, credit risks associated with counterparties, the failure of the Company or the holder of licenses, leases and permits to meet requirements of such licenses, leases and permits, reliance on third parties for pipelines and other infrastructure, changes in royalty regimes, failure to accurately estimate decommissioning costs, inaccurate estimates and assumptions by management, effectiveness of internal controls, the potential lack of available drilling equipment and other restrictions, failure to obtain or keep key personnel, title deficiencies with the Company's assets, geo-political risks, risks that the Company does not have adequate insurance coverage, risk of litigation and risks arising from future acquisition activities. Additionally, the payment of dividends is dependent on the satisfaction of the applicable liquidity and solvency tests imposed by the Business Corporations Act (Alberta). The foregoing risks and other risks are described in more detail in the Company's annual information form for the year ended December 31, 2015. Readers are cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of such information, although considered reasonably accurate at the time of preparation, may prove to be incorrect. Accordingly, readers are cautioned that the actual results achieved may vary from the information provided herein and the variations could be material. Readers are also cautioned that the foregoing list of factors is not exhaustive. Consequently, there is no representation by the Company that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements. Furthermore, the forward-looking statements contained in this news release are made as of the date hereof, and the Company does not undertake any obligation, except as required by applicable securities legislation, to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

For further information about Northern Blizzard Resources Inc., please visit our website at www.northernblizzard.com or contact:

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