

## **PanTerra Resource Corp. Announces Second Quarter Financial and Operating Results**

TSX Venture Exchange: PRC

CALGARY, Aug. 21, 2014 /CNW/ - PanTerra Resource Corp. ("*PanTerra*" or the "*Corporation*") has filed today on SEDAR its unaudited condensed interim financial statements and related management's discussion and analysis ("MD&A") for the three months ended June 30, 2014. The financial statements and MD&A will be available for review at [www.sedar.com](http://www.sedar.com).

### **Highlights**

- Completed the recapitalization of the Corporation on May 22, 2014 including a \$20 million (\$19.8 million net of share issue costs) non-brokered private placement and the appointment of a new management team and board of directors. The new management team is led by Tim de Freitas as President and Chief Executive Officer, Dorothy Else as Executive Vice President, Carrie McLaughlin as Vice President, Finance and Chief Financial Officer, Yvonne McLeod as Senior Vice President, Engineering, Greg Feltham as Vice President, Exploration, Kavanagh Mannas as Vice President, Operations and Bob Quartero as Manager, Business Development. The board of directors of PanTerra is now comprised of Tim de Freitas, Bob Dales, Charle Gamba, Bill Guinan and Mike Kohut. Bob Dales acts as Chairman. The shareholders of PanTerra will be asked to approve at the annual and special meeting of shareholders on September 17, 2014 the change of name of the Corporation to "Ikkuma Resources Corp". Transaction costs of \$1.4 million were incurred to complete the recapitalization which included severance for the prior management team and legal costs.
- Completed a private placement of subscription receipts for total gross proceeds of \$130 million (\$0.26 per subscription receipt) on June 27, 2014. The funds were released from escrow on July 31, 2014 upon closing the acquisition of natural gas assets located in the areas of Lynx/Palliser/Minnow and Ojay/Copton/Findley in the Alberta and British Columbia foothills. Net proceeds after the 5.5% underwriter fee and other issue costs was \$122.1 million. Each subscription receipt holder received one common share on August 12, 2014 as the Corporation filed a final prospectus qualifying the common shares underlying the subscription receipts.
- Completed the acquisition of natural gas assets located in the areas of Lynx/Palliser/Minnow and Ojay/Copton/Findley in Alberta and British Columbia foothills on July 31, 2014. The gross cost for this acquisition was \$120 million (\$111.2 million net of adjustments). This acquisition adds approximately 36,918 net acres of developed land and 99,390 net acres of undeveloped land and includes producing infrastructure. The Corporation has an average 60% working interest in the acquired lands, ownership in 560 km of sweet and sour natural gas pipelines as well as working interests in nine gas processing facilities in the region. Estimated production of these producing assets on closing was 5900 to 6000 boe/d.
- Entered into a new credit agreement with a Canadian chartered bank with respect to new credit facilities consisting of: (i) a \$35 million committed secured, extendible, 364 day revolving plus one year term facility; and (ii) a \$20 million committed secured, extendible 364 day revolving one plus one year term operating facility. As of the date of this press release no amounts have been drawn on these facilities.

- Completed a second acquisition of natural gas assets located in the Copton and Narraway areas of the Alberta foothills on August 6, 2014. The gross cost of this acquisition was \$2.4 million (\$2.4 million net of adjustments). This acquisition adds approximately 120 boe/d of production.
- Set the record date of July 18, 2014 for the 8 for 1 rights offering that was a condition of the reorganization agreement dated May 7, 2014. Each holder of common shares on the record date received one transferable right for every common share held. Every eight rights will entitle the holder to purchase one common share at \$0.075 until August 29, 2014. Common shares acquired on May 22, 2014 are excluded from the rights offering as each shareholder in executing their subscription agreements agreed not to participate therein. The subscription receipts issued on June 27, 2014 are not eligible for the rights. Accordingly, a maximum of approximately 3.9 million common shares are available for issuance pursuant to the Rights Offering for maximum net proceeds of approximately \$0.2 million.

## **Outlook**

Assuming completion of Panterra's proposed acquisition announced on August 20, 2014 (the "Proposed Acquisition") Panterra will hold 168,285 net acres which includes approximately 110,000 net undeveloped acres. To date, Panterra has identified 60 to 80 gross drilling locations, which is expected to provide the basis for a relatively low risk, multi-year drilling program targeting a mix of commodities (light oil, liquids rich gas and dry gas).

The Proposed Acquisition contains 11% liquids production with low declines of around 9% to 10%. Upon closing of the Proposed Acquisition, Panterra's overall corporate decline rate is anticipated to be approximately 17%.

The Corporation anticipates commencement of drilling operations in Q1, 2015. The program is expected to be preceded with a completion/optimization program that is anticipated to begin in October, 2014. Information respecting projected production rates and cash flows will be provided once such information has been determined by management, which is expected to be in early Q4, 2014.

## **About PanTerra**

PanTerra is a diversified junior public oil and gas company listed on the TSXV under the symbol "PRC", with holdings in both conventional and unconventional projects in Western Canada. The technical team has worked together for over a decade in the Foothills Region of Western Canada, through two successful, publicly traded companies. The unique skills and repeat success at exploiting a complex, potentially prolific play type are fundamental ingredients for a successful growth-oriented company in Western Canada. Corporation information can be found at: [www.panterresource.com](http://www.panterresource.com).

## **Forward-Looking and Cautionary Statements**

This news release may include forward-looking statements including opinions, assumptions, estimates, and, more particularly, statements concerning use of working capital for acquisitions and future development of the Corporation's assets. When used in this document, the words "will," "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "should," and similar expressions are intended to be among the statements that identify forward-looking statements. These include, but are not limited to, the completion of the proposed acquisition, the anticipated commencement of drilling operations in Q1, 2015 and the preceding completion and optimization program in October, 2014. Forward-looking statements are subject to a wide range of risks and uncertainties, and although PanTerra believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized.

Any number of important factors could cause actual results to differ materially from those in the forward -

looking statements including, but not limited to, regulatory and third party approvals not being obtained in the manner or timing anticipated, the ability to implement corporate strategies, the state of domestic capital markets, the ability to obtain financing, changes in general market conditions and other factors more fully described from time to time in the reports and filings made by PanTerra with securities regulatory authorities.

Except as required by applicable laws, PanTerra does not undertake any obligation to publicly update or revise any forward-looking statements.

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

SOURCE PanTerra Resource Corp.

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