

## **Ikkuma Resources provides year-end reserves and operations update, and reports 3,435 BOEPD unstimulated flow test from recompleted Mannville conventional gas well**

**TSX Venture Exchange: IKM**

CALGARY, April 6, 2015 /CNW/ - Ikkuma Resources Corp. ("Ikkuma" or the "Corporation") is pleased to provide its year end 2014 reserves report, and announces the following operational successes.

### ***Recent Mannville Recompletion***

In the most recently recompleted well in its 2014 – 2015 capital program, several unstimulated, commingled upper Mannville Group sandstones delivered exceptionally strong results for the Corporation. During the first 22 hours of production testing, the well flowed at a stable rate of 14.5 mmcf/d with 36 bbl/d of light oil (2,452 boe/d) (100%WI, 50% after 400% penalty payout) at minimal 16% draw down (approximately 15.4 Mpa). This suggests a highly permeable reservoir, which is associated typically with a low production decline. During the final 3 hours of flow testing, the surface flowing pressure was reduced to approximately 12 Mpa (22% drawdown) and the well sustained rates of over 20.5 mmcf/d, and 5 bbl/d oil (3,435 boe/d).

This was the maximum flow capability of the surface testing equipment, and the flare volume limit was attained. Based on preliminary pressure analysis, this reservoir could flow in-line above 31 mmcf/d (5,167 Boe/d) for a sustained period of time. The Corporation expects to be producing at 10 mmcf/d to maximize capital efficiencies through a 200-300 m pipeline, anticipated to be constructed in late Q3 2015. At this restricted flow rate, production can be expected to be maintained without decline for an extended period, although further pressure work is required to confirm this expectation.

### ***Other Completions***

Prior to this test, previously disclosed recompletion results yielded approximately 2,400 boe/d net to the Corporation (99% gas) from various Cretaceous reservoirs. In-line production rates to the Corporation are expected to be 60-70% of this due to various factors, including tie-in economics, facilities, and reservoir capability. Two of the previously recompleted unstimulated vertical well bores have the capability of adding approximately 1,830 boe/d to base production volumes and de-risk an additional 6 vertical locations. Due to the strong recent gas well performance and past completion and drilling success, Ikkuma's guidance will be re-evaluated following tie-in of recompleted wells, which is expected to be completed by Q3 or early Q4 2015. The recompletion program to date has now tested a combined 5,835 boe/d (3,618 boe/d net, 99% gas) and collectively de-risked at least 12 potentially prolific gas locations. In addition to these strong volume additions, the Corporation's decline is 12-16%, and March 2015 production averaged above 7,000 boe/d (net).

### ***Drilling***

Ikkuma spudded its first horizontal well in late 2014, which was part of a continuously operated 12 well program (this program was reduced to 2 wells in subsequent revised guidance, as disclosed in Ikkuma's press release of January 28, 2015). The first 100% gas well was completed in the Cadotte Formation and flow tested at approximately 4.5 mmcf/d (750 boe/d) over 34 hours. This well is expected to be tied-in in to a nearby pipeline (200-300 m away) within 30 days. Well capability will be clearer following production startup, but is expected to be 40-60% of the test rate in the first month, due to pipeline pressure and decline. A second deviated earning well was spud in January 2015, and its intended target was multi-zone sandstones in the Mannville and shallower formations. The well was suspended in March 2015 due to downhole mechanical difficulties and road conditions associated with breakup. Operations may resume following road bans. Final costs are not yet known, but it is expected to be approximately 50% over the original budget of

\$7.2 million. The well intersected seven potential fractured reservoir intervals, including three potential light oil reservoirs. A combination of these reservoirs are planned to be evaluated in Q3 2015 prior to conclusion of operations at this lease. The well earns the Corporation 17 gross sections (13.75 net), as disclosed previously.

### **Reserves**

Ikkuma retained Sproule Associates Limited, an independent qualified reserve evaluator to prepare a report on its oil and gas reserves. The Corporation has a Reserves Committee which oversees the selection, qualifications and reporting procedures of the independent qualified reserves evaluator. Reserves as at December 31, 2014 were determined using the guidelines and definitions set out under National Instrument 51-101. In addition to the detailed information disclosed in this press release, more detailed information will be included in the Corporation's Annual Information Form which will be filed on the Corporation's profile at [www.sedar.com](http://www.sedar.com) on or about April 20, 2015.

The reserves are comprised of a consolidation of three acquisitions completed by Ikkuma during 2014 combined with the original assets that were part of the recapitalized Panterra Resources Corp. The present developed producing reserves booked as of December 31, 2014 are comparable to those of previous estimators, minus depletion and economic cut off of some volumes due to a lower price deck.

The following table outlines a summary of the Corporation's reserves as at December 31, 2014:

<b>SUMMARY OF RESERVES<sup>(2,3,4)</sup></b>						
	Oil [Mbbbls]	NGL's [Mbbbls]	Gas [MMcf]	Combined [MBOE]	% of 2P	
Proved Developed Producing	60	636	85,292	14,911	58%	
Proved + Probable Undeveloped <sup>(1)</sup>	97	15	37,132	6,301	24%	
Total Proved (1P)	66	640	104,747	18,164	70%	
Total Proved plus Probable (2P)	179	750	149,537	25,852	100%	

### Notes:

- (1) FDC of \$21.2 million for proved undeveloped and \$31.8 million for proved + probable undeveloped reserves.
- (2) The estimated decline of PDP reserves is 15%.
- (3) The corporation's PDP reserve life is 50 years.
- (4) US\$64.04/bbl for WTI oil and CA\$3.27/mmBtu for AECO gas

The following table is a net present value summary (before tax) as at December 31, 2014:

<b>NET PRESENT VALUE DISCOUNTED @ 10% (NPV10%)<sup>(1)</sup></b>			
	Oil (\$M)	Gas <sup>(2)</sup> (\$M)	Combined (\$M)
Proved Developed Producing	\$ 737	\$ 130,884	\$ 131,621
Proved Undeveloped	\$ -	\$ 11,488	\$ 11,488

Proved + Probable Undeveloped	\$ 512	\$ 43,983	\$ 44,495
Total Proved	\$ 761	\$ 147,102	\$ 147,863
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Total Proved plus Probable	\$ 1,579	\$ 206,497	\$ 208,076

Notes:

- (1) Before tax values
- (2) Includes NPV10% of NGLs

**Net Asset Value**

Ikkuma's net asset value per share at December 31, 2014 was \$2.60 (P&NG reserves discounted at 10% BT) and \$2.20 on a fully diluted basis, as set out in the following table:

<b>NET ASSET VALUE PER SHARE</b>	
(expressed in thousands of dollars, except for per-share amounts)	
10% NPV of 2P P&NG reserves, before tax	\$ 208,076
Undeveloped land <sup>(1)</sup>	\$ 11,241
2014 YE Estimated Net Debt (Unaudited)	\$ (11,000)
Net asset value	\$ 208,317
Undiluted common shares outstanding (000's)	80,159
Diluted common shares outstanding (000's)	91,342
Net asset value per share - undiluted	\$ 2.60
Net asset value per share -fully diluted	\$ 2.28

Note:

- (1) Estimated at \$110/acre.

**About Ikkuma Resources Corp.**

Ikkuma Resources Corp. is a diversified junior public oil and gas company listed on the TSX-V under the symbol "IKM", 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. Corporate information can be found at: [www.ikkumarescorp.com](http://www.ikkumarescorp.com).

**Forward-Looking Statements and Information and Cautionary Statements**

*This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking statements or information. In particular, this press release contains forward-looking statements and information relating the construction of a 200-300 m*

*pipeline in late Q3 2015, a restricted flow rate without decline for an extended period on the Corporation's most recently recompleted well, various in-line production rates to the Corporation, the expected addition of approximately 1,830 boe/d to basic production volumes, the tie-in of recompleted wells by Q3 or early Q4 2015 the number of de-risked potentially prolific gas locations, the potential resumption of certain expenditures following road bans, the extent of certain expected cost overruns as well as the reserves and net present value information relating thereto and the net asset value of the Corporation's shares. Although Ikkuma believes that the expectations and assumptions on which the forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Ikkuma cannot give any assurance that they will prove to be correct. Since forward-looking statements and information 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 risk. These include but are not limited to the risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; failure to obtain necessary regulatory approvals for planned operations; health, safety and environmental risks; uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures; volatility of commodity prices, currency exchange rate fluctuations; imprecision of reserve estimates; and competition from other explorers) as well as general economic conditions, stock market volatility, and the ability to access sufficient capital. We caution that the foregoing list of risks and uncertainties is not exhaustive.*

*In addition, the reader is cautioned that historical results are not necessarily indicative of future performance. The forward-looking statements and information contained in this press release are made as of the date hereof and Ikkuma undertakes no obligation to update publicly or revise any forward-looking statement or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

*Certain information set out herein may be considered as "financial outlook" within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding Ikkuma's reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.*

## **Oil and Gas Advisory**

*In this press release, the abbreviation boe means a barrel of oil equivalent derived by converting gas to oil in the ratio of 6 Mcf of gas to 1 bbl of oil (6 Mcf:1 bbl). Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. 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 Mcf:1 bbl, utilizing a conversion ratio on a 6 Mcf of gas to 1 bbl of oil basis may be misleading as an indication of value.*

*The test results set out herein are not necessarily indicative of long-term performance or of ultimate recovery.*

*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** Ikkuma Resources Corp.

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<http://www.ikkumarescorp.com/2015-04-06-Ikkuma-Resources-provides-year-end-reserves-and-operations-update-and-reports-3-435-BOEPD-unstimulated-flow-test-from-recompleted-Mannville-conventional-gas-well>