

Ikkuma Resources Corp. Announces Fourth Quarter and Year End 2014 Financial and Operating Results

CALGARY, April 16, 2015 /CNW/ - Ikkuma Resources Corp. ("Ikkuma" or the "Corporation") (TSXV: IKM) is pleased to report its financial and operating results for the fourth quarter and year ended December 31, 2014. Selected financial and operational information is set out below and should be read in conjunction with Ikkuma's December 31, 2014 audited annual financial statements and the related management's discussion and analysis ("MD&A"). In addition, the Corporation today announces the filing of its Annual Information Form ("AIF") for the year ended December 31, 2014 which contains the Corporation's reserves and other oil and natural gas information, as required under National Instrument 51-101. The AIF, financial statements and MD&A are available for review at www.sedar.com or on the Corporation's website at www.ikkumarescorp.com.

2014 HIGHLIGHTS

- Achieved record average production of 7,008 boe/d in the fourth quarter (98% gas), an 85% increase over the previous quarter. Production per share in the fourth quarter of 2014 increased 167% compared to the fourth quarter of 2013.
- Achieved 7,350 boe/d for the month of December exceeding exit production guidance by 3% (as disclosed January 28, 2015).
- Generated record funds flow from operations in the fourth quarter of \$4.8 million, a 216% increase over the third quarter.
- Maintained our balance sheet strength with net debt at year-end of \$9.9 million, representing a 0.5 times annualized fourth quarter cash flow and 11% below the Corporation's 2014 year end guidance of \$11 million announced January 28, 2015. At year-end the Corporation had not drawn on its \$75 million credit facility.
- Mitigated cash flow risk for 2015 by hedging 40-50% of natural gas production at approximately \$2.98/GJ.
- Increased our proved plus probable reserves to 25.9 MMboe at year-end 2014 from 1.4 MMboe at year-end 2013.
- Achieved a year-end proved plus probable net asset value per basic share (at a 10% discount) of \$2.60/share.
- Purchased approximately 7,200 boe/d through asset acquisitions completed in 2014.
- Raised approximately \$142 million of net proceeds through the issuance of 77.3 million Ikkuma common shares with proceeds used to fund asset acquisitions.
- Commenced the drilling and recompletions 2014/2015 program in the fourth quarter. To date and as previously announced, the program has tested 5,500 – 6,000 boe/d (99% gas) of natural gas production which is expected to largely come on stream in Q3 2015.

<i>(Cdn\$000s except per boe and Share amounts)</i>	Three months ended December 31		Year ended December 31,	
	2014	2013	2014	2013
Operations				
Average daily production				
Natural gas (mcf/d)	41,238	185	16,179	101
Light Oil (bbls/d)	43	52	41	65
NGL's (bbl/d)	92	2	28	1
Total equivalent (boe/d)	7,008	85	2,766	83
Average product prices				
Natural gas (\$/mcf)	\$ 3.64	\$ 3.55	\$ 3.76	\$ 3.16
Light Oil (\$/bbl)	\$ 58.55	\$ 70.02	\$ 77.70	\$ 78.59
NGL (\$/bbl)	\$ 42.28	\$ 55.18	\$ 47.34	\$ 53.91
Revenue (\$/boe)	\$ 22.85	\$ 51.97	\$ 23.98	\$ 66.03
Royalties (\$/boe)	\$ 1.42	\$ 9.46	\$ 3.06	\$ 12.96

Operating costs (\$/boe)	\$ 9.17	\$ 24.07	\$ 8.98	\$ 25.96
Operating netback ⁽¹⁾ (\$/boe)	\$ 10.52	\$ 14.40	\$ 10.10	\$ 21.65

Financial (\$000)

Oil and natural gas sales	\$ 14,731	\$ 405	\$ 24,194	\$ 1,973
Funds flow from operations ⁽¹⁾	\$ 4,810	\$ (98)	\$ 4,445	\$ (305)
Per share – basic and diluted	\$ 0.05	\$ (0.03)	\$ 0.11	\$ (0.11)
Income (loss)	\$ (3,711)	\$ (183)	\$ (8,936)	\$ 32
Per share – basic & diluted	\$ (0.05)	\$ (0.06)	\$ (0.22)	\$ 0.01
Capital expenditures	\$ 16,857	\$ 283	\$ 22,675	\$ 804
Property Acquisitions (dispositions)	\$ 21,732	\$ -	\$ 132,406	\$ (3,448)
Net debt ⁽¹⁾	\$ 9,924	\$ 1,217	\$ 9,924	\$ 1,217
Bank loan	\$ -	\$ 743	\$ -	\$ 743
Shares outstanding (000) ⁽²⁾	80,159	2,878	80,159	2,878
Weighted average shares outstanding				
Basic & diluted (000) ⁽²⁾	80,159	2,878	40,416	2,878

(1) Funds flow from operations, operating netback and net debt are non-IFRS measures. See "Non-IFRS Measures".

(2) On September 17, 2014, the shareholders' of the Corporation approved the change of the Corporation's name to "Ikkuma Resources Corp." from Panterra Resource Corp. In addition, the shareholders approved a 10 for 1 share consolidation. The number of shares, warrants and options outstanding have been adjusted on a retroactive basis.

OUTLOOK

Ikkuma's 2015 capital budget of \$23 million is intended to be used to complete and drill 1.2 gross gas wells and to recomplete two to five gas wells. This program to date has tested 5,500-6,000 boe/d (99% gas). The majority of Ikkuma's remaining 2015 capital program will be used to tie-in tested volumes, which is expected to be largely completed by late Q3, 2015.

Ikkuma will continue to monitor capital spending and forecasted cash flows to ensure the Corporation maintains its financial strength. Ikkuma benefits from a low production decline of approximately 15% and given the significance of the previously announced tested gas rates, the Corporation is well positioned to continue to grow in a low commodity price environment.

Current production guidance remains as follows: 2015 exit rate of 8,700 to 9,000 boe/d; and 2015 average production of 7,300 to 7,700 boe/d.

ABOUT IKKUMA

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.

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 concerning tie-in and bringing on stream tested gas production in Q3 2015. 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.

Non-IFRS Measures

This press release provides certain financial measures that do not have a standardized meaning prescribed by IFRS. These non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Funds flow from operations, operating netback and net debt are not recognized measures under IFRS. Management believes that in addition to net income (loss), funds flow from operations, operating netback and net debt are useful supplemental measures that demonstrate the Corporation's ability to generate the cash necessary to repay debt or fund future capital investment. Investors are cautioned, however, that these measures should not be construed as an alternative to net income (loss), determined in accordance with IFRS, as an indication of Ikkuma's performance. Funds flow from operations is calculated by adjusting net income (loss) for depletion and depreciation, exploration and evaluation expense, impairment, gain (loss) on sale of petroleum, natural gas and equipment, share-based payments, unrealized gain (loss) on financial instruments and accretion. Operating netback is calculated based on petroleum and natural gas sales less royalties, transportation and operating expenses. Net debt is the total of cash and cash equivalents plus accounts receivable, plus prepaids and deposits, less accounts payable and accrued liabilities and bank debt.

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.

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SOURCE Ikkuma Resources Corp.

For further information: Tim de Freitas, President & CEO Or Carrie Yuill, VP Finance & CFO, Ikkuma Resources Corp., 400, 540-5th Avenue S.W., Calgary, AB, T2P 0M2, Phone : 403-261-5900, Fax : 403-261-5902

<http://www.ikkumarescorp.com/2015-04-16-Ikkuma-Resources-Corp-Announces-Fourth-Quarter-and-Year-End-2014-Financial-and-Operating-Results>