

Ikkuma Resources Announces 2015 Year-end Reserves

TSX Venture Exchange: IKM

CALGARY, March 2, 2016 /CNW/ - Ikkuma Resources Corp. ("**Ikkuma**" or the "**Corporation**") is pleased to announce its 2015 year-end reserves.

2015 Highlights

- Ikkuma achieved relatively flat PDP reserves at 14.4 MMBoe, increased 1P reserves to 20.0 MMBoe and increased 2P reserves 7% to 27.5 MMBoe, even with reducing its 2015 capital spending by 25% in response to weakening commodity prices.
- Achieved 1P F&D of \$8.95/boe and 2P F&D of \$7.27/boe despite operational issues with the drilling program in the first quarter which consumed approximately 39% of total 2015 capital expenditures. All new reserves were attributed to the successful recompletion program. New recompletion operations will continue through 2016, as disclosed previously.
- Ikkuma divested 500 Mboe of 1P reserves and 745 Mboe of 2P reserves during the year for an aggregate of \$3.3 million. As a result, the Corporation's 1P and 2P FD&A (including changes in FDC, revisions and economic factors) was \$9.22/boe and \$7.76/boe, respectively.
- Ikkuma's recompletion program accounted for \$21.4 million or 61% of total exploration and development expenditures and resulted in adding 1,555 Mboe of PDP reserves and 2,274 Mboe of 2P reserves. Capex included a 12 km pipeline build, which will be used for up to six offset gas wells. A single offset PUD booked on one of the recompletions has been assigned 1,546 Mboe of 2P reserves.
- Total proved plus probable reserves value was relatively unchanged at \$202 million (discounted at 10%) as compared to the \$208 million reported last year, despite the 25-30% reduction in forecasted price decks.
- Ikkuma's 2P net asset value at December 31, 2015 is estimated at \$2.31/share, 282% above last 30 day average trading price.

Reserves

The detailed reserves data set forth below are based on an independent reserves assessment and evaluation prepared by Sproule Associated Limited ("Sproule") with an effective date of December 31, 2015, the "Sproule Report". The following presentation summarizes the Corporation's crude oil, natural gas liquids and natural gas reserves and the net present values before income tax of future net revenue for the Corporation's reserves using forecast prices and costs as set out in the Sproule Report. The Sproule Report has been prepared in accordance with definitions, standards, and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI-51-101"). The reserves evaluation was based on the consensus forecast escalated pricing and foreign exchange rates at December 31, 2015 ("Consensus Price") as outlined in the table herein entitled "Price Forecast". This Consensus Price forecast is the average of the escalated price forecasts of three independent reserve evaluators, namely Sproule, GLJ Petroleum Consultants Ltd. and McDaniels & Associates Consultants Ltd.

All evaluations and summaries of future net revenue are stated prior to provision for interest, debt service charges or general administrative expenses and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future capital expenditures. It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of Ikkuma's crude oil, natural gas liquids and natural gas

reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater or less than the estimates provided herein. Reserves included herein are stated on a company gross basis (working interest before deduction of royalties without including any royalty interests) unless noted otherwise. In addition to the detailed information disclosed in this press release, more detailed information will be included in the Corporation's Annual Information Form ("AIF") which will be filed on the Corporation's profile at www.sedar.com on or before April 30, 2016.

See "Forward Looking Information and Statements and Cautionary Statements" for a statement of principal assumptions and risks that may apply.

The preparation and audit of Ikkuma's 2015 annual financial statements is not yet complete, and accordingly all financial amounts referred to in this press release are unaudited and represent management's estimates. Readers are advised that these financial estimates may be subject to change.

Corporate Reserves ^(1,2,5)

Reserves Category	Light and Medium Crude Oil (Mbbl)	Natural Gas Liquids (Mbbl)	Non-Associated Gas⁽³⁾ (Mmcf)	Barrels of Equivalent⁽⁴⁾ (Mbbl)
Proved				
Producing ("PDP")	1.0	432.2	83,962	14,426.8
Non-producing	-	6.6	8,043	1,347.1
Undeveloped	-	7.2	25,493	4,256.0
Total proved (1P)	1.0	446.0	117,498	20,030.0
Probable	0.5	71.6	44,635	7,511.3
Total proved plus probable (2P)	1.5	517.6	162,133	27,541.3

Notes:

- (1) Reserves have been presented on a "gross" basis which is defined as Ikkuma's working interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of the Corporation.
- (2) Based on Sproule's December 31, 2015 Consensus Price forecast.
- (3) Includes solution gas.
- (4) Oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil.
- (5) Columns may not add due to rounding.

Reserve Values ^(1,2,3)

The estimated before tax net present value ("**NPV**") of future net revenue associated with Ikkuma's reserves effective December 31, 2015 and based on the Sproule Report and the Consensus Price forecast are summarized in the following table:

Reserves Category	0% (M\$)	5% (M\$)	10% (M\$)	15% (M\$)	20% (M\$)
Proved					
Developed Producing	185,267	142,852	116,426	98,579	85,791
Developed Non-Producing	16,467	12,734	10,110	8,231	6,847
Undeveloped	41,452	28,225	19,554	13,698	9,619
Total Proved	243,187	183,811	146,090	120,508	102,257
Probable	127,122	80,272	56,315	42,326	33,370
Total proved plus probable	370,309	264,083	202,406	162,834	135,627

Notes:

- (1) The estimated future net revenues are stated prior to provision for interest, debt service charges or general and administrative expenses and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future capital expenditures.
- (2) See the Corporation's AIF, once filed, for the after-tax present values of future net revenue attributed to Ikkuma's reserves.
- (3) Columns may not add due to rounding.

Price Forecast ⁽¹⁾

Year	Canadian Light Sweet Crude⁽¹⁾ 40° API (\$C/Bbl)	Western Canada Select 20.5° API (\$C/Bbl)	Alberta AECO-C (\$C/MMbtu)	Edmonton Propane (\$C/Bbl)	Edmonton Butane (\$C/Bbl)	Edmonton Pentanes Plus (\$C/Bbl)	\$US/\$C Exchange Rate
2016	55.89	44.64	2.57	9.76	38.73	60.16	0.74
2017	66.47	54.52	3.14	15.88	46.91	70.95	0.77
2018	73.21	60.32	3.47	24.09	52.58	78.05	0.80
2019	81.35	67.42	3.80	30.49	59.42	86.58	0.82
2020	84.57	70.47	3.99	33.69	62.81	90.00	0.83
2021	87.88	73.50	4.13	34.95	65.25	93.46	0.84
2022	92.01	77.25	4.30	36.45	68.33	97.79	0.84
2023	96.24	80.95	4.48	38.06	71.46	102.23	0.84
2024	98.17	83.09	4.60	38.79	72.90	104.29	0.84
2025	99.94	84.56	4.70	39.50	74.22	106.16	0.84

2026	101.79	86.16	4.79	40.23	75.58	108.12	0.84
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2027+ prices escalate at 1.5% thereafter

Note:

(1) This Consensus Price forecast is an average of three independent reserve evaluators' forecasts at December 31, 2015 including Sproule, GLJ and McDaniels.

Reserves Reconciliation ⁽²⁾

TOTAL PROVED	Light and Medium Crude Oil (Mbbbl)	Heavy Crude Oil (Mbbbl)	Natural Gas Liquids (Mbbbl)	Associated and Non-Associated Gas (Mmcf)	Oil Equivalent (Mboe)
December 31, 2014	8.2	57.9	639.8	104,747	18,163.7
Product type transfer	0.9	(0.9)	-	-	-
Extensions & Improved Recovery	-	-	-	7,806	1,301
Infill Drilling	-	-	-	9,667	1,611.2
Technical Revisions	0.3	11.3	(57.7)	15,132	2,475.9
Acquisitions	-	-	-	-	-
Dispositions ⁽¹⁾	(7.5)	(57.0)	(86.7)	(2,093)	(500)
Economic factors	(0.9)	-	-	(2,961)	(494.4)
Production	-	(11.3)	(49.3)	(14,801)	(2,527.5)
December 31, 2015	1.0	0.0	446.1	117,498	20,030.1

TOTAL PROVED PLUS PROBABLE	Light and Medium Crude Oil (Mbbbl)	Heavy Crude Oil (Mbbbl)	Natural Gas Liquids (Mbbbl)	Associated and Non-Associated Gas (Mmcf)	Oil Equivalent (Mboe)
December 31, 2014	56.2	123.0	749.6	149,537	25,851.6
Product type transfer	1.2	(1.2)	-	-	-
Extensions & Improved Recovery	-	-	-	10,167	1,694.5
Infill Drilling	-	-	-	15,338	2,556.3
Technical Revisions	-	11.3	(70.8)	8,394	1,339.5
Acquisitions	-	-	-	-	-
Dispositions ⁽¹⁾	(55.0)	(121.8)	(111.9)	(2,738)	(745.0)
Economic factors	(0.9)	-	-	(3,764)	(628.2)
Production	-	(11.3)	(49.3)	(14,801)	(2,527.5)
December 31, 2015	1.5	0.0	517.6	162,133	27,541.3

Notes:

- (1) Dispositions include the sale of Ikkuma's non-core Deanne property and the sale of the legacy central Alberta properties.
- (2) Columns may not add due to rounding.

Finding and Development Costs

	PDP	1P	2P
Expenditures ⁽¹⁾ (\$000's)			
Exploration and Development Expenditures	35,300	35,300	35,300
Acquisitions (Dispositions)	(3,329)	(3,329)	(3,329)
	31,971	31,971	31,971
Change in future development capital (" FDC ") ⁽¹⁾ (\$000's)	-	-	-
Exploration and Development	5	8,520	754
Acquisitions (Dispositions)	-	-	-
	5	8,520	754
Reserve additions with revisions and economic factors (mboe)			
Exploration and Development	2,584.1	4,893.7	4,962.1
Acquisitions (Dispositions)	(500)	(500)	(745)
	2,084.1	4,393.9	4,217.2
Finding & Development Costs (" F&D ") ⁽²⁾ (\$ per boe)			
with revisions and economic factors	13.66	8.95	7.27
Finding, Development & Acquisition Costs (" FD&A ")(\$ per boe)			
with revisions and economic factors	15.34	9.22	7.76

Notes:

- (1) The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development capital generally will not reflect total finding and development costs related to reserve additions for that year.
- (2) The calculation of F&D and FD&A costs incorporate the change in FDC required to bring proved undeveloped and developed reserves into production. In all cases, the F&D or DD&A number is calculated by dividing the identified capital expenditures by the applicable reserves additions after changes in FDC costs.

Net Asset Value

Ikkuma's net asset value per share at December 31, 2015 was \$2.31 (P&NG reserves discounted at 10% BT) and \$2.19 on a fully diluted basis, as set out in the following table:

NET ASSET VALUE PER SHARE	
10% NPV of 2P P&NG reserves, before tax (\$000's)	\$ 202,406
Undeveloped land ⁽¹⁾ (\$000's)	15,337
2015 YE Estimated Net Debt (Unaudited) (\$000's)	(32,890)
Net asset value (\$000's)	\$ 184,853
Undiluted common shares outstanding (000's)	80,159
Diluted common shares outstanding (000's)	84,336
Net asset value per share - undiluted	\$ 2.31
Net asset value per share -fully diluted	\$ 2.19

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 Venture Exchange 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 the press release contains forward-looking statements and information relating to the continuation of recompletion operations in 2016, using its 12 km pipeline for six offset gas wells, Ikkuma's reserves and the 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. The recovery and reserve estimates contained in this press release are estimates only and there is no guarantee that the estimated reserves will be recovered.

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.

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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