

Second Cardium light oil discovery confirms major light oil pool for Ikkuma

CALGARY, Jan. 30, 2017 /CNW/ - Ikkuma Resources Corp. ("Ikkuma" or the "Corporation") (TSXV: IKM) is pleased to provide an operations update with a focus on its new light oil pool.

OPERATIONS UPDATE

Ikkuma completed drilling its second (offset) horizontal Cardium oil well in mid-October, 2016, performed a 25 stage slick water frac shortly thereafter, and flow-tested during mid-November 2016, for 6.4 days. During the flow test, the well free-flowed at fluid rates between 250-700 bbl/d (average rate of 427 bbl/d) with 60 - 100 boe/d of sweet natural gas. During the end of the flow period, the proportion of 42⁰ - 45⁰ API oil increased to about 40% of the total produced fluid. The ability to free-flow, with limited gas drive, combined with the high initial rates, is a strong indication that the well was successful in connecting to a naturally fractured reservoir system, which is typical in most foothills plays. Throughout the test, the fluid-to-gas ratio was observed to be sub-optimal for a long-term free-flowing production design, which led the Corporation to install a hydraulic pump jack in mid-January, 2017, to assist fluid flow to surface.

Approximately one week ago, the well was placed on mechanical lift. The temporary production facility is rate limited to about 230 - 300 bbl/d of fluid. During the first week of production, oil cuts have increased to 85 - 95% and rates are within the anticipated 230 - 300 bbl/d range, plus 50 - 70 boe/d of associated gas. If well performance continues to be high, Ikkuma will consider other forms of artificial lift to improve financial returns.

The well was shut in for approximately three weeks through late December, 2016 and early January 2017, for pressure recording. Subsequent data analysis, together with oil composition, indicates that the Corporation has discovered a second light oil pool, which further de-risks the large oil pool on the Corporation's 40 sections of land (88% WI) in the Narraway area of the Alberta Foothills.

Due to the success of the first two wells, the Corporation's approximately 150 potential drilling locations have been largely de-risked with drilling pads already constructed for up to 17 of these locations. Results to date have shown continuous production improvement related to well placement within foothills fracture fairways and fracture stimulation design.

Ikkuma has spud the first of two oil wells planned for the first quarter on a nearby pad targeting additional naturally fractured foothills fairways. The pad has been built to drill up to five wells, targeting different oil pools. Well costs to date have been within the anticipated \$3.5 - \$4.5 mm, utilizing one-off drilling operations. Under a more continuous program, Ikkuma is confident in its ability to reduce the well costs significantly.

ABOUT IKKUMA

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.

This press release contains forward-looking statements. 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. Forward-looking statements and information in this press release includes, but is not limited to results of drilled wells, the timing and duration of completion and drilling projects and the development and growth potential of Ikkuma's properties. 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 risks. 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.

The Corporation cautions that flow test results are not necessarily indicative of long-term performance or recovery.

Well Locations

Unbooked locations are internal estimates based on the Corporation's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal technical analysis review. Unbooked locations have been identified by management based on evaluation of applicable geologic, seismic, engineering, production and reserves information. Unbooked locations do not have proved or probable reserves attributed to them in the Corporation's December 31, 2015 reserve report prepared by Sproule Associates Limited.

The Corporation's ability to drill and develop these locations and the drilling locations on which the Corporation actually drills wells depends on a number of uncertainties and factors, including, but not limited to, the availability of capital, equipment and personnel, oil and natural gas prices, capital and operating costs, inclement weather, seasonal restrictions, drilling results, additional geological, geophysical and reservoir information that is obtained production rate recovery, gathering system and transportation constraints, net price received for commodities produced, regulatory approvals, regulatory changes. As a

result of these uncertainties, there can be no assurance that the future potential drilling locations the Corporation has identified will ever be drilled or if the Corporation will be able to produce oil, natural gas liquids or natural gas from these or any other potential drilling locations. As such, the Corporation's actual drilling activities may materially differ from those presently identified, which could adversely affect the Corporation's business.

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). Boe 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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