

Pieridae and Ikkuma to Complete a Business Combination

**/NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR
DISSEMINATION IN UNITED STATES/**

CALGARY, Aug. 24, 2018 /CNW/ - **Pieridae Energy Limited (PEA-TSXV) ("Pieridae") and Ikkuma Resources Corp. (IKM-TSXV) ("Ikkuma")** announce they have entered into a definitive agreement dated August 23, 2018 (the "**Arrangement Agreement**") providing for the acquisition by Pieridae of all of the issued and outstanding shares of Ikkuma to be effected by way of a plan of arrangement (the "**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta).

The completion of the Arrangement will provide Pieridae with ownership of an extensive area of producing and gas-prone reserve and resource properties situated primarily in the central Alberta Foothills area (the "**Natural Gas Properties**"). The Arrangement Agreement also provides for the transfer, prior to the effective date of the Arrangement, by Ikkuma of certain interests in Cardium light oil-focused Alberta Foothills properties (the "**Crude Oil Properties**") to a newly formed private corporation ("**ExploreCo**"), contingent on customary regulatory approvals by the Alberta Energy Regulator (the "**AER**").

On completion of the Arrangement, each shareholder of Ikkuma will receive, for each common share of Ikkuma, 0.1926 of a common share of Pieridae and 0.1 of a share of ExploreCo (with Ikkuma shareholders holding 100% of ExploreCo upon completion of the Arrangement), subject to AER approval of the transfer of the Crude Oil Properties. If such AER approval is not received by December 31, 2018, no shares of ExploreCo will be distributed to shareholders of Ikkuma and those shareholders will not receive any further consideration. The exchange ratio values the shares of Ikkuma at \$0.86 per share (excluding the value of ExploreCo shares), representing a premium of 188% to the closing price of \$0.30 per share as of August 23, 2018 of Ikkuma common shares on the TSX Venture Exchange.

The acquisition of Ikkuma is an important step in the execution of Pieridae's strategic plans for the acquisition of natural gas reserves and resources in its integrated business model. Pursuant to the Arrangement Pieridae will acquire the Natural Gas Properties at metrics significantly below the cost of similar reserves and resources in other parts of North America, which is expected to provide one of its long term competitive advantages for delivering liquefied natural gas to European and other markets. The cost of acquisition represents less than 0.015% of the total cost of Pieridae's proposed Goldboro LNG project and represents a significant step towards reaching the Final Investment Decision in 2018. Ikkuma is expected to provide a basis for further consolidation of long-life natural gas assets in Alberta and British Columbia that are complementary to the feedstock needs of Pieridae.

The acquisition of Ikkuma advances Pieridae's strategic position in North America as a fully integrated LNG enterprise, from upstream development of natural gas reserves and resources to the production of liquefied natural gas for sale to its existing customers in Europe. As part of the acquisition Pieridae will retain the experienced and well regarded team of Ikkuma to lead the development of its natural gas properties both in Western and Eastern Canada. It is expected that the Natural Gas Properties which are primarily conventional in nature will be developed without the use of hydraulic fracturing.

Alfred Sorensen, CEO of Pieridae stated "The purchase of Ikkuma begins the final steps to reaching the Final Investment Decision which along with our other partners will ensure that Canada has the opportunity to export its resources to international markets."

Tim de Freitas, CEO of Ikkuma, stated "The Ikkuma team is excited to see capital deployed to the prolific

conventional natural gas pools in the Alberta and BC Foothills and to supply gas through a fully integrated Canadian LNG Company."

Both Pieridae and Ikkuma believe that the Goldboro LNG facility, combined with the natural gas properties of Ikkuma, contributes to the evolution and growth of Canada's only majority Canadian owned integrated LNG enterprise.

The Boards of Directors of each of Ikkuma and Pieridae have unanimously approved the Arrangement Agreement, and the Ikkuma Board of Directors, on the recommendation of a committee of independent directors, has unanimously determined that the Arrangement is in the best interests of Ikkuma, determined that the Arrangement is fair, from a financial point of view, to the Ikkuma shareholders and recommends that Ikkuma shareholders vote in favour of the Arrangement. In addition, all of the directors and officers of Ikkuma and certain shareholders of Ikkuma, including Alberta Investment Management Corporation, holding, in aggregate, 19% of the issued and outstanding common shares of Ikkuma have entered into support agreements with Pieridae pursuant to which they have agreed, among other things, to vote all Ikkuma common shares beneficially owned or controlled by them in favour of the Arrangement. KES 7 Capital Inc. is acting as financial advisor to Ikkuma and has provided the Board of Directors of Ikkuma with a fairness opinion regarding the Arrangement. Pieridae was represented by Laurentian Bank Securities Inc.

The Arrangement and related transactions, as described above, constitute an arm's length transaction (within the meaning of applicable as defined in the policies of the TSX Venture Exchange, and none of the directors, officers or insiders of Ikkuma have any interest in Pieridae or are insiders of Pieridae.

The Arrangement remains subject to customary conditions, including receipt of applicable court, Ikkuma shareholder and regulatory approvals, and is expected to close in the fourth quarter of 2018. A copy of the Arrangement Agreement (including the plan of arrangement) will be filed on the SEDAR profile of both Pieridae and Ikkuma and will be available on www.sedar.com.

Ikkuma's shareholders will be asked to vote on the transaction at a special shareholders' meeting. An information circular regarding the Arrangement is expected to be mailed to shareholders in September for a special meeting of the holders of Ikkuma common shares to take place in October 2018.

About Ikkuma

Ikkuma Resources Corp. is a diversified growth-oriented 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 Corporation is focused in the Foothills Region of Western Canada with a team that has extensive experience in the area with the unique skills at successfully exploiting a complex and potentially prolific play type. Ikkuma has 109,334,987 shares issued and outstanding which trade on the TSX Venture Exchange (IKM).

About Pieridae

Founded in 2011, Pieridae, a majority Canadian owned corporation based in Calgary, is focused on the development of integrated energy-related activities, from the exploration and extraction of natural gas to the development, construction and operation of the Goldboro LNG facility and the production of LNG for sale to Europe and other markets. Pieridae is on the leading edge of the re-integration of the LNG value chain in North America. Pieridae has 50,549,763 shares issued and outstanding which trade on the TSX Venture Exchange (PEA).

Forward-Looking Statements

Certain statements contained herein may constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws (collectively "forward-looking statements"). Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue", "shall", "estimate", "expect", "propose", "might", "project", "predict", "forecast" and similar expressions may be used to identify these forward-looking statements. Forward-looking statements may include, but are not limited to, the anticipated benefits of the Arrangement, the anticipated closing date of the Arrangement, future sources of funding, reserves and resources (including the future development thereof), future acquisition opportunities, available and future markets for LNG, anticipated cost of the Goldboro LNG project, the anticipated date for the Final Investment Decision, the anticipated benefits of shareholdings of Pieridae and ExploreCo including maintaining an interest in the Crude Oil Properties. These statements reflect Pieridae, Ikkuma and ExploreCo (respective) management's current beliefs and are based on information currently available to management.

Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve and resource estimates, environmental risks, competition from other producers, incorrect assessment of the value of the Arrangement, failure to realize the anticipated benefits of the Arrangement, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources and other risks and uncertainties described elsewhere herein or in Pieridae's and Ikkuma's other filings with Canadian securities regulatory authorities. Estimates of reserves and resources are estimates only and there is no guarantee that the estimated reserves or resources will be recovered. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.

Forward-looking statements are based on a number of factors and assumptions which have been used to develop such forward-looking statements but which may prove to be incorrect. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements because no assurance can be given that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which Pieridae, Ikkuma and ExploreCo operates; the timely receipt of any required court, shareholder and regulatory approvals; the ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability to operate in a safe, efficient and effective manner; the ability to obtain financing on acceptable terms; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Pieridae, Ikkuma and ExploreCo operate; and the ability of to successfully market crude oil and natural gas products. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect operations and financial results are included in reports of Pieridae and Ikkuma on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), and at Pieridae's website (www.pieridaenergy.com) and Ikkuma's website (www.ikkumarescorp.com).

Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein are made as of the date hereof and neither Pieridae, Ikkuma or ExploreCo undertakes any obligation to update publicly or revise any forward-

looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

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

SOURCE Ikkuma Resources Corp.

For further information: please contact: Alfred Sorensen, Pieridae's Chief Executive Officer, Telephone: (418) 657-1966; Tim de Freitas, Ikkuma's Chief Executive Officer, Telephone: (403) 261-5900

<http://www.ikkumarescorp.com/2018-08-24-Pieridae-and-Ikkuma-to-Complete-a-Business-Combination>