

## Ironhorse Announces Q2 2016 Financial and Operating Results

CALGARY, Aug. 23, 2016 /CNW/ - Ironhorse Oil & Gas Inc. ("Ironhorse" or the "Company") (TSX-V: IOG) announces its financial and operating results for the three and six months ended June 30, 2016.

### Financial and Operation Summary

The Company's reported production has decreased 85% to 10 boe/d in the second quarter of 2016 from 67 boe/d produced in the first quarter of 2016. The decrease in production is attributed to the Pembina L2L Pool shut in of production on January 19, 2016. As a result, Pembina did not produce during the current quarter.

The Company realized a net loss of \$69,000 for the second quarter, a \$75,000 reduction from Q1 2016 that totalled \$144,000. The reduced loss is primarily a result of lower general and administrative and depletion costs recorded during the quarter as compared to Q1 2016.

Despite significantly lower production for Q2 2016, negative funds from operations improved 28% to \$94,000 compared to negative funds of \$131,000 for Q1 2016 which included \$55,000 in take-over bid costs recorded.

As previously disclosed, the Operator of the Pembina L2L Pool (the "Pool") has restarted production effective July 19, 2016 with both the 09-05 and 14-05 wells brought back on stream safely as of the end of July and as a result, Q3 2016 cash flow from operations should return to positive.

Combined production from the Pool is currently averaging 1670 boe/d gross (261 boe/d net). August and September net production for Q3 2016 is projected to average in the range of 219 boe/d to 235 boe/d, with no third party facility downtime or pipeline restrictions anticipated.

The Company continues to be well positioned financially with a positive working capital position of \$2.7 million at June 30, 2016.

SELECTED INFORMATION	For three months ended		
	June 30, March 31, June 30,		
(\$ thousands except per share & unit amounts)	2016	2016	2015
<b>Financial</b>			
Petroleum and natural gas revenues <sup>(1)</sup>	16	162	1,262
Funds from operations <sup>(2)</sup>	(94)	(131)	401
Per share – basic and diluted	-	(0.01)	0.01
Net income (loss)	(69)	(144)	(634)
Per share – basic and diluted	-	(0.01)	(0.02)
Capital expenditures <sup>(3)</sup>	-	(1)	3
<b>Operation</b>			
Production			
Light Oil & NGL (bbl/d)	1	44	215
Gas (mcf/d)	56	137	233
Total (boe/d)	10	67	254
Petroleum and natural gas revenues (\$/boe)	16.91	26.50	54.70
Royalties (\$/boe)	(57.30)	11.27	16.07
Operating expenses (\$/boe)	71.51	12.75	16.44
Operating netback (\$/boe)	2.70	2.48	22.19

(1) Petroleum and natural gas revenues are before royalty expense.

(2) Funds from operations and net debt are non-GAAP measures as defined in the Advisory section of the MD&A.

(3) Capital expenditures are before acquisitions and dispositions.

### Additional Information

Ironhorse's complete results for the three and six months ended June 30, 2016, including unaudited condensed financial statements and the management's discussion and analysis are available on SEDAR or the Company's web site at [www.ihorse.ca](http://www.ihorse.ca)

### About Ironhorse:

Ironhorse Oil & Gas Inc. is a Calgary-based junior oil and natural gas production company trading on the TSX Venture Exchange under the symbol "IOG."

### Forward-looking statements:

Statements throughout this release that are not historical facts may be considered to be "forward looking statements." These forward looking statements sometimes include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Company's objectives, goals, or future plans, including management's assessment of future plans and operations, drilling plans and timing thereof, expected production rates and additions and the expected levels of activities may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, volatility of commodity prices, imprecision of reserve estimates, environmental risks, competition from other producers, incorrect assessment of the value of acquisitions, failure to complete and/or realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources and changes in the regulatory and taxation environment. As a consequence, the Company's actual results may differ materially from those expressed in, or implied by, the forward-looking statements. Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance 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 ability of the Company to obtain equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; and field production rates and decline rates. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included elsewhere herein and in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)). Furthermore, the forward-looking statements contained in this release are made as at the date of this release.

Boe Conversion – Certain natural gas volumes have been converted to barrels of oil equivalent ("boe") whereby six thousand cubic feet (mcf) of natural gas is

*equal to one barrel (bbl) of oil. This conversion ratio is based on an energy equivalency conversion applicable at the burner tip and does not represent a value equivalency at the wellhead.*

*"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 Ironhorse Oil & Gas Inc.

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