

## Ironhorse Announces Q3 2016 Financial and Operating Results

CALGARY, Nov. 18, 2016 /CNW/ - Ironhorse Oil & Gas Inc. ("Ironhorse" or the "Company") (TSX-V: IOG) announces its financial and operating results for the three and nine months ended September 30, 2016.

### Financial and Operation Summary

The Company's reported production has increased 1620% to 172 boe/d in the third quarter of 2016 from 10 boe/d produced in the second quarter of 2016. The increase in production is attributed to the Pembina L2L Pool production being brought back on stream by the operator on July 19, 2016 and producing 65 days during the quarter.

The Company realized a net loss of \$123,000 for the third quarter, a \$54,000 increase from Q2 2016 that totalled \$69,000. The increased loss is primarily a result of higher depletion costs which were partially reduced by higher operating netbacks reported during the quarter as compared to Q2 2016.

Quarterly funds from operations returned to being positive for the first time since Q3 2015, increasing 156% to \$53,000 from negative \$94,000 reported in Q2 2016 and were triggered by the resumption of Pembina production during the quarter. Realized oil prices averaged \$50/bbl during the current quarter, representing a significant increase compared to December 2015 and January 2016 that averaged \$42/bbl and \$37/bbl respectively during the last two reported production months prior to the Pembina area shut-in.

Combined production from the Pool averaged 1446 boe/d gross (226 boe/d net) during October 2016. Q4 2016 net production is projected to average in the range of 175 boe/d to 195 boe/d, as the Pool operator manages the reservoir performance and optimizes the Pool production and water injection requirements. No third party facility downtime or pipeline restrictions are currently anticipated for Q4.

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

SELECTED INFORMATION	For three months ended		
	September 30, 2016	June 30, 2016	September 30, 2015
(\$ thousands except per share & unit amounts)			
<b>Financial</b>			
Petroleum and natural gas revenues <sup>(1)</sup>	669	16	941
Funds from operations <sup>(2)</sup>	53	(94)	39
Per share – basic and diluted	-	-	-
Net loss	(123)	(69)	(2,850)
Per share – basic and diluted	-	-	(0.10)
Capital expenditures <sup>(3)</sup>	-	-	21
<b>Operation</b>			
Production			
Light Oil & NGL (bbl/d)	145	1	189
Gas (mcf/d)	162	56	162
Total (boe/d)	172	10	216
Petroleum and natural gas revenues (\$/boe)	42.38	16.91	47.37
Royalties (\$/boe)	(17.16)	(57.30)	(20.34)
Operating expenses (\$/boe)	(16.56)	71.51	(20.99)
Operating netback (\$/boe)	8.66	2.70	6.04

(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 nine months ended September 30, 2016, including unaudited condensed financial statements and the management's discussion and analysis are available on SEDAR and 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; pipeline restrictions; 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 and Ironhorse assumes no

*obligation to update or revise any forward-looking statements to reflect new events or circumstances, except as required by applicable laws.*

*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 (bb) 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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