

March 5, 2015

## **Canbriam Energy Provides Update on its Altares Montney Development and 2014 Reserves Information**

CALGARY, AB, March 5, 2015 (CNW)--Canbriam Energy Inc. ("Canbriam" or the "Company") provides an operational update on the commercial development of its liquids-rich Altares Montney asset, located west of Fort St. John, BC, highlighted by the recent commissioning of phase 1 of its 100 percent owned and operated b-72-A processing facility. Canbriam is pleased to also provide details from its 2014 independent reserves evaluation which reflect strong well results and a second commercial target within the Upper Montney.

Based on ongoing strong reservoir performance and attractive well economics, Canbriam is continuing the current pace of development with a 2015 capital budget that focuses on further development of its Altares asset base while maintaining the flexibility to adjust spending dependent upon commodity prices.

"Completion of phase 1 of our b-72-A facility is a major milestone for our Company," said Paul Myers, Canbriam President & Chief Executive Officer. "It provides us with the processing capacity to continue to demonstrate the high deliverability of our Montney wells."

### Infrastructure Development

- On February 13, 2015 Canbriam commissioned the 80 MMcf/d phase 1 of its b-72-A natural gas processing facility, increasing total production capacity to approximately 25,000 Boe/d including current natural gas liquids yields
- Installation of phase 2 of the b-72-A facility, an incremental 80 MMcf/d or approximately 15,000 Boe/d including natural gas liquids yields, is under construction and expected to be commissioned by year end 2015
- Canbriam plans to commission its new water recycling facility in Q2 2015, which is expected to reduce water handling costs by between \$20 - \$30 million per year

### Production and Well Results

- Current production is approximately 16,000 boe/d, an increase of over 60% from Q4 2014 production of 9,815 Boe/d
- Full year production averaged 9,628 Boe/d in 2014, 81% of which was natural gas, 11% was condensate and 8% was butane and propane
- Recent well results have consistently met or exceeded the Company's 9 Bcf raw gas type curve for Upper Montney wells and 8 Bcf raw gas type curve for its Lower Montney wells within the Main Fault Block of the Altares region
- Canbriam's wells are economically robust in low commodity prices, with forecasted internal rates of return<sup>(1)</sup> of approximately 55% for Upper Montney locations and 20% for

Lower Montney locations in the Main Fault Block using US\$50 WTI and US\$3.00 Nymex pricing excluding infrastructure and land costs

- The Company plans to drill and complete approximately 20 wells (100% working interest) in 2015 based on its current program and expects production to reach current facility capacity of approximately 25,000 boe/d in Q4 2015
- (1) Non-IFRS financial measure. Shown on a before tax basis.

#### Independent Reserves Evaluation and Related Oil and Gas Information

- McDaniel & Associates Consultants Ltd. (“McDaniel”) conducted an independent reserves evaluation effective December 31, 2014 in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook
  - Proved (“1P”) reserves at December 31, 2014 were 169 MMboe, a 264% increase over 2013 levels
  - Proved plus Probable (“2P”) reserves have increased 156% to 281 MMboe, comprised of 1.36 Tcf of natural gas and 55 MMbbls of natural gas liquids
  - 2P Finding & development costs (“F&D”), including changes in future development costs (“FDC”) were \$8.58 per boe
  - Canbriam’s 2P recycle ratio was 3.2 in 2014, based on an operating netback<sup>(2)</sup> of \$27.16 per boe
  - 2P NPV increased to \$2.4 billion<sup>(3)</sup> in 2014 from \$1.1 billion in 2013
- (2) Non-IFRS financial measure.  
(3) Calculated before tax using a 10% discount rate and based on McDaniel pricing as of 1/1/15. 2P NPV would be approximately \$1.5 billion using February 6, 2015 strip pricing.

#### Capital Budget and Financial Information

- Canbriam entered 2015 in a strong financial position with a \$185 million cash balance and a \$145 million undrawn credit facility along with a solid commodity hedging program
- The Company is targeting a capital budget between \$340 and \$360 million in 2015, about two-thirds of which will be focused on drilling and completion activity within the Main Fault Block of its Altares asset and the remainder will support ongoing infrastructure development
- Operating costs were \$3.41 per boe for 2014
- Canbriam has 2015 AECO hedges in place for approximately 45,000 GJ/d at an average C\$3.13 per GJ, which represents approximately 50% of expected natural gas production net of royalties
- The Company has 2015 WTI hedges for approximately 2,200 bbls/d at average WTI price of C\$96.82 per barrel, which represents approximately 90% of expected condensate and butane production net of royalties

Please refer to our website [www.canbriam.com](http://www.canbriam.com) for more details which will be provided in our corporate presentation on March 5, 2015.



## About Canbriam

Canbriam Energy Inc. is a private intermediate exploration and production Company with a focus on liquids rich natural gas. Its principal producing properties and acreage positions are in the Altares Montney of Northeast British Columbia, which has been substantially de-risked to support its development plans. The Company was founded in 2007 and is headquartered in Calgary, Alberta with an office in Fort St. John, British Columbia.

## Forward-Looking Statements

This news release contains forward-looking statements within the meaning of securities legislation. All statements, other than historical facts, that address activities that Canbriam intends, assumes, plans, expects, believes or anticipates (and other similar expressions) will, should or may occur in the future are forward- looking statements. Forward-looking statements herein relate to business strategy and objectives; development and exploration plans, including the anticipated benefits resulting therefrom and the timing thereof; reserve quantities and the discounted present value of future net cash flows from such reserves; future production levels; facility construction, including the estimated commissioning of phase 2 of the b-72-A facility and the water recycling facility; drillings plans; and the timing of well completions. The forward-looking statements are based on management's current beliefs, based on currently available information, as to the outcome and timing of future events. These forward- looking statements involve certain risks and uncertainties that could cause the results to differ materially from those expected by the management of Canbriam. Canbriam undertakes no obligation to update or revise any forward-looking statements. Any forward-looking statements in this release are expressly qualified by this cautionary statement.

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