



**MARQUEE ENERGY LTD. ANNOUNCES RECORD PRODUCTION AND FUNDS FLOW FROM OPERATIONS  
FOR THE THIRD QUARTER OF 2014**

CALGARY, ALBERTA – (CNW – November 13, 2014) Marquee Energy Ltd. ("Marquee" or the "Company") (TSXV: "MQL") announces record production and funds flow from operations for the quarter ended September 30, 2014. The Company's financial statements and Management's Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2014 are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on Marquee's website at [www.marquee-energy.com](http://www.marquee-energy.com).

**Financial and Operational Highlights**

- Achieved record production of 5,143 boe/d, an increase of 140% from the same quarter in 2013.
- Achieved a 50% increase in funds flow per share in the third quarter of 2014 versus the third quarter of 2013. Funds flow from operations increased 11% to \$10.3 million (\$0.09 per share), compared to \$9.3 million (\$0.08 per share) in the second quarter of 2014, and \$3.1 million (\$0.06 per share) in the third quarter of 2013.
- Enhanced balance sheet strength in the quarter. The Company's annualized third quarter debt-to-cash flow ratio has improved from 4.0 in 2013 to 1.3 in 2014. The company's net debt at the end of the third quarter was \$54.7 million.
- Reduced field operating costs in the third quarter of 2014 to less than \$15/boe from \$23.51/boe in the same quarter of 2013 and \$19.66/boe in the second quarter of 2014.
- Realized net proceeds of \$15.2 million from the sale of 425 boe/d of (>75%) gas-weighted non-core assets during the third quarter of 2014.

## Summary of Quarterly Results

(unaudited)

	Three months ended September 30		Nine Months ended September 30	
	2014	2013	2014	2013
<b>Financial</b> (000's except per share and per boe amounts)				
Oil and natural gas sales <sup>(1)</sup>	\$ 23,644	\$ 12,489	\$ 70,845	\$ 35,201
Funds flow from operations	\$ 10,334	\$ 3,080	\$ 26,428	\$ 10,529
Per share - basic and diluted	\$ 0.09	\$ 0.06	\$ 0.25	\$ 0.19
Per boe	\$ 21.84	\$ 15.65	\$ 20.43	\$ 17.34
Net income (loss) <sup>(2)</sup>	\$ (13,254)	\$ (1,527)	\$ (15,104)	\$ (3,627)
Per share - basic and diluted	\$ (0.11)	\$ (0.03)	\$ (0.14)	\$ (0.07)
Capital expenditures	\$ 23,190	\$ 8,484	\$ 40,361	\$ 18,617
Asset acquisitions including non-cash consideration	\$ 205	\$ -	\$ 13,048	\$ -
Property Dispositions	\$ (15,199)	\$ (2,363)	\$ (15,728)	\$ (3,149)
Net debt <sup>(3)</sup>			\$ 54,739	\$ 48,776
Total Assets			\$ 276,951	\$ 163,418
Weighted average basic and diluted shares outstanding	120,338	54,469	107,173	54,657
<b>Operational</b>				
Daily sales volumes				
Oil and NGLs (bbls per day)	2,163	1,298	2,079	1,388
Gas (mcf per day)	17,881	5,045	15,960	5,014
Total (boe per day)	5,143	2,139	4,739	2,224
% Oil and NGL's	42%	61%	44%	62%
Average realized prices				
Oil (\$/bbl)	\$ 89.71	\$ 100.77	\$ 94.79	\$ 89.21
Heavy Oil (\$/bbl)	\$ 78.47	\$ 89.88	\$ 77.71	\$ 69.04
NGL's (\$/bbl)	\$ 50.45	\$ 61.88	\$ 59.19	\$ 61.62
Gas (\$/mcf)	\$ 4.41	\$ 2.65	\$ 4.94	\$ 3.30
Netbacks				
Revenue (\$/boe)	\$ 49.97	\$ 63.46	\$ 54.76	\$ 57.98
Royalties (\$/boe)	\$ 6.54	\$ 7.43	\$ 6.49	\$ 5.57
Opex and transportation (\$/boe)	\$ 14.90	\$ 23.51	\$ 18.88	\$ 22.27
Field operating netbacks	\$ 28.53	\$ 32.52	\$ 29.39	\$ 30.14

(1) Before royalties.

(2) Reflects \$20.1 million loss on sale of non-core, gas-weighted assets in the third quarter of 2014.

(3) Net debt is calculated as current assets less current liabilities, excluding commodity contracts and flow-through share premiums.

## Corporate Update

During the third quarter, Marquee invested \$23.4 million in capital expenditures, primarily in its core area at Michichi. Capital expenditure highlights for the quarter include:

- Drilling, completion and tie-in operations on six horizontal oil wells at Michichi
- Construction of a multi-well oil battery in the Michichi area
- Drilling, completion and tie-in operations on one vertical and one horizontal well at Lloydminster
- Launched a recompletion and work-over program currently underway in the greater Michichi/Drumheller area
- Acquisition of 3D seismic surveys at Michichi and Lloydminster

Marquee's operating costs continue to improve throughout 2014, attributable to the acquisition of owned and operated infrastructure from transactions completed earlier in the year, as well as meaningful increases in low-cost volumes at Michichi. The Company completed the construction of its first multi-well battery at Michichi, which is expected to enable further capital savings and operating cost reductions for Marquee.

Marquee is currently producing in excess of 5,300 boe/d (based on field estimates), net of 425 boe/d of non-core, gas-weighted assets sold in the third quarter of 2014. Currently, the Company has five wells in various stages of completion and tie-in operations at Michichi, and five (four net) wells being drilled or equipped at Lloydminster.

### *Michichi*

During the third quarter, the Company drilled six horizontal oil wells (100% success rate), five of which are currently on production. Subsequent to the end of the quarter, four additional wells were drilled to complete Marquee's 14-well program at Michichi for 2014.

The success of the program at Michichi is the result of a strong technical focus applied to the selection of drilling locations, refinement of Marquee's drilling and completion program, and efficient production operations. Marquee currently utilizes 3D seismic for the selection of all of its drilling locations at Michichi, where it is in the process of acquiring a new 176 sq. km. 3D survey that will complete coverage over the Company's focus area.

Microseismic studies have been completed on two wells at Michichi in 2014. The results will be used to optimize completion design and to evaluate the potential for downspacing. All wells from Marquee's 2014 drilling program were drilled from multi-well pads, which resulted in reduced equipping and tie-in costs and lower operating expenditures.

## *Lloydminster*

The Company drilled one vertical heavy oil well, and its first horizontal heavy oil well at Lloydminster during the quarter. Subsequent to the quarter Marquee drilled two successful vertical wells in the area. Additional drilling is underway for the first of a three-well (two net) horizontal drilling program, which is scheduled for the fourth quarter of 2014.

Drilling results at Lloydminster have exceeded expectations for 2014. Results from the Company's first horizontal well, and from delineation wells realized during a previous exploration discovery, have had a significant impact on the expansion of Marquee's drilling inventory in the area. Marquee continues to add to its land holdings in the area through acquisitions, farm-ins and land sale opportunities.

## **Outlook**

Marquee expects that its strategy to apply strong technical focus and prudent financial management to its capital program and operations, will continue to produce significant cash flow and production per share growth. The strength of the Company's balance sheet and its ongoing commodity hedging program, continues to mitigate Marquee's exposure to volatile commodity prices. The Company has hedged approximately 50% of its forecast fourth quarter volumes, and approximately 22% of its forecast volumes for the first half of 2015. Going forward, Marquee will carefully manage capital expenditures in order to maintain prudent debt levels.

## **About Marquee**

Marquee Energy Ltd. is a Calgary based, junior oil and gas company focused on high rate of return oil development and production. Marquee is committed to growing the company through exploitation of existing opportunities and continued consolidation within its core area at Michichi. The Company's shares are traded on the Toronto Stock Exchange under the trading symbol "MQL.V" and on the OTCQX marketplace under the symbol "MQLXF". An updated presentation and additional information about Marquee may be found on its website [www.marquee-energy.com](http://www.marquee-energy.com) and in its continuous disclosure documents filed with Canadian securities regulators on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

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## **FORWARD LOOKING STATEMENTS OR INFORMATION**

Certain statements included or incorporated by reference in this news release may constitute forward looking statements under applicable securities legislation. Such forward looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", or similar words suggesting future outcomes or statements regarding an outlook. Forward looking statements or information in this news release may include, but are not limited to: the number and quality of future potential drilling opportunities; anticipated capital budgets and expenditures; petroleum and natural gas sales; anticipated 2014 exit production, cashflow and debt; anticipated 2014 exit debt to 2014 annualized cashflow; the timing of facility improvements; and business strategies, objectives and outlook.

Such forward-looking statements or information are based on a number of assumptions all or any of which may prove to be incorrect. In addition to any other assumptions identified in this document, assumptions have been made regarding, among other things: the ability of the Company to obtain equipment, services and supplies in a timely manner to carry out its activities; the ability of the Company to market crude oil, natural gas liquids and natural gas successfully to current and new customers; the ability to secure adequate product transportation; the timely receipt of required regulatory approvals; the ability of the Company to obtain financing on acceptable terms; interest rates; regulatory framework regarding taxes, royalties and environmental matters; future crude oil, natural gas liquids and natural gas prices; and management's expectations relating to the timing and results of development activities.

Forward-looking information is based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking information. The material risk factors affecting the Company and its business are contained in Marquee's Annual Information Form which is available under Marquee's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The forward-looking information contained in this press release is made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward looking information contained in this press release is expressly qualified by this cautionary statement.

## **ADDITIONAL ADVISORIES**

Boes are presented on the basis of one Boe for six Mcf of natural gas. Disclosure provided herein in respect of 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 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

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