

## Marquee Energy Ltd. announces strategic acquisition to further consolidate core Michichi area

CALGARY, Feb. 25, 2015 /CNW/ - Marquee Energy Ltd. ("Marquee" or the "Company") (TSXV: MQL) is pleased to announce that it has entered into an agreement to acquire light oil assets complementary to the Company's existing core asset base and infrastructure at Michichi. The strategic acquisition (the "Acquisition") includes approximately 330 boe/d (79% oil & NGLs) and 34 net sections of land containing Banff rights that are contiguous with Marquee's position in the area. Consideration is approximately \$16.5 million, including \$14.5 million cash and the conveyance and exchange of certain non-core gas assets valued at approximately \$2 million (subject to customary closing adjustments).

Marquee will initially fund the Acquisition through a combination of working capital, bank debt, and with the proceeds of a recently closed non-core asset disposition. The Transaction is effective as of February 1, 2015 and is expected to close on or before March 30, 2015. Completion of the Acquisition is subject to standard regulatory approvals.

### Acquisition Summary:

Net Consideration <sup>(1)</sup> :	\$14.5 million cash and MQL gas asset valued at \$2 million (120 boed, 25% NGLs)
Current Production:	~330 boe/d (79% oil & NGLs)
Land:	30 net undeveloped sections
Proved Reserves:	2,403 Mboe <sup>(2)</sup>
Proved and Probable Reserves:	3,604 Mboe <sup>(2)</sup>
Proved Reserve Value NPV10:	\$29.9 million <sup>(2)</sup>
Current Run Rate Cash Flow:	\$3.5 million annualized
Development Locations:	>40 net undrilled locations

<sup>(1)</sup> Before cash adjustments resulting from February 1, 2015 effective date

<sup>(2)</sup> Based on Sproule reserve evaluations effective December 31, 2014

### Acquisition Metrics

Based on the purchase price of the property for \$16.5 million<sup>(1)</sup>, the Acquisition metrics are as follows:

Production:	\$50,000/boe/d
Proved Reserves <sup>2</sup> :	\$6.87/boe
Proved and Probable Reserves <sup>2</sup> :	\$4.58/boe
Current Run Rate Cashflow:	4.7 times

<sup>(1)</sup> Before cash adjustments resulting from February 1, 2015 effective date

<sup>(2)</sup> Based on Sproule reserve evaluations effective December 31, 2014

### Strategic Rationale

The Acquisition is consistent with Marquee's continuing strategy to consolidate its core area, particularly capitalizing on opportunities that offer operational synergy, and enhance the quality of its asset base. The assets and associated drilling inventory provide a significant expansion of the Company's current focus area at Michichi.

The assets to be acquired are ideally situated within Marquee's existing operations at Michichi and are expected to expedite development and lead to an overall reduction in operating costs on a flowing barrel basis. Recent drilling on the property indicates oil weighting rates surpassing 90%, the asset's wells are expected to deliver strong netbacks and attractive economics despite low oil prices. The production to be acquired is tied-in to Marquee infrastructure and future drilling locations will require minimal tie-in costs and short tie-in times.

The value of the Acquisition has been enhanced by two significant discovery wells drilled by senior producers at 9-16-30-18W4M and 1-33-30-18W4M. The well at 9-16 is part of the acquired assets and has been on production since July 2014. It has produced more than 46,000 boe (91% oil and NGLs) to date, and is still producing at a rate of 220 boe/d. The well at 1-33, drilled adjacent to the acquired assets, has been on production since August 2014 with initial production rates of 250 boe/d, and is currently producing 150 boe/d (91% oil and NGLs). The Company has identified more than 40 low-risk, high-quality light oil drilling locations on the acquired lands, using a combination of well control and 3D seismic.

### Non-core Disposition

Marquee is also pleased to announce that it has sold a non-core, oil asset located in in Southeastern Saskatchewan for cash consideration of \$3.48 million. The Transaction closed on February 19, 2015.

### Operations Update

Marquee drilled and completed one successful horizontal well at Michichi in the first quarter of 2015. The well is expected to be on production prior to the end of February. Marquee is also planning to drill one additional vertical heavy oil well in the Lloydminster area prior to the end of the quarter. The Company's current production, based on field estimates, is more than 5,500 boe/d before the asset sale and acquisition described above.

### Corporate Update

Marquee continues to realize improvements in reducing its field operating and corporate office costs. As a result, the Company's corporate operating and transportation costs decreased from an average of \$22.55/boe in 2013 to \$18.70/boe in 2014. The disposition of high-cost, non-core properties, the closure of Marquee's field office at Drayton Valley and the addition of assets in areas with operational synergies, on their own, are expected to generate corporate OPEX savings of almost \$0.50/boe. The Company is now budgeting combined corporate operating and transportation costs at less than \$16/boe for 2015.

Marquee is also applying the same diligence to the Company's G&A budget in 2015. Marquee's G&A costs have significantly decreased from an average of \$6.15/boe in 2013 to \$3.69/boe for 2014. The Company is currently targeting \$3.25/boe for its 2015 G&A budget.

### 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).

#### **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 timing of matters related to the Acquisition; the anticipated benefits of the Acquisition; the Company's estimate of the number of drilling locations on the assets to be acquired; anticipated favourable production economics on the assets to be acquired; the proved and probable reserves attributable to the assets to be acquired; the run rate cash flow on the assets to be acquired; the Company's anticipated reduction in OPEX and G&A spending; 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: that the Acquisition and all required approvals will be completed within the timeline anticipated by Marquee; that the parties will be able to satisfy, in a timely manner, the other conditions to the closing of the Acquisition; 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. These risks and uncertainties include, but are not limited to: risks regarding integration of Marquee and the assets to be acquired; incorrect assessment of the value of the assets to be acquired; and the failure to meet the conditions or regulatory approvals required to close the Acquisition. Other 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.

Neither the 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 Marquee Energy Ltd.

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