



## **PETROFRONTIER ANNOUNCES 2016 ANNUAL FINANCIAL AND OPERATING RESULTS AND YEAR-END RESERVES EVALUATION**

**Calgary, Alberta, April 27, 2017 - PetroFrontier Corp.** (“PetroFrontier” or the “Company”) (TSX-V: PFC) is pleased to announce its financial and operating results for the twelve months ended December 31, 2016 and the results of its 2016 year-end reserves evaluation.

### **2016 HIGHLIGHTS AND ACCOMPLISHMENTS**

- PetroFrontier acquired interests in 18 highly contiguous sections (16.5 net) of heavy oil properties in the Cold Lake area of northeastern Alberta (the “Properties”) for approximately \$17.83 million.
- Total proved (“TP”) reserves of heavy oil were 4.0 million barrels (a 21% increase over the 2015 evaluation of 3.3 million barrels).
- The net present value of future net revenues discounted at 10% (“PV10”) before taxes of the Company’s TP reserves was \$49.6 million (a 31% increase over the 2015 evaluation of \$37.9 million). This TP value equates to \$0.33 per common share.
- Total proved plus probable (“P+P”) reserves of heavy oil were 8.82 million barrels (a 23% increase over the 2015 evaluation of 7.16 million barrels).
- The PV10 value before taxes of the Company’s P+P reserves was \$117.6 million (a 34% increase over the 2015 evaluation of \$87.8 million). This P+P value equates to \$0.79 per common share.
- During the second half of 2016, the Company focused on the optimization of the Properties which resulted in significant increases to the Company’s production and reserves base. Those efforts also demonstrated the capacity for future production cost reductions per barrel as costs become spread over a larger production base.
- At year-end, a total of 10 wells were on production, up from 5 wells when the Properties were acquired.

### **FINANCIAL AND OPERATING RESULTS**

Selected financial and operational information is outlined below and should be read in conjunction with the audited financial statements and the related management’s, discussion and analysis (“MD&A”). These filings will be available at [www.sedar.com](http://www.sedar.com) and the Company’s website at [www.petrofrontier.com](http://www.petrofrontier.com).

## **Financial**

	<b>Year ended December 31, 2016</b>	<b>Year ended December 31, 2015</b>
Petroleum revenue	\$1,261,385	-
Net loss	\$707,769	\$819,267
Net comprehensive loss	\$709,685	\$628,665
Per common share (basic and diluted)	\$0.01	\$0.01
Working capital	\$2,131,682	\$9,617,924
Total assets	\$22,695,432	\$9,681,433
Total long-term liabilities	\$5,832,030	-
Shareholders' equity	\$14,826,359	\$9,617,924

## **Production**

PetroFrontier's 2016 petroleum sales volumes averaged 247 boe per producing day (for a 2016 total of 37,791 barrels), compared to nil production during the same period in 2015. The increase in production is attributable to the purchase of the Properties in the third quarter of 2016. The Company's wellhead price averaged \$33.38 per barrel for petroleum sold in 2016.

## **Operating Netback**

The following table details the Corporation's operating netback for the twelve months ended December 31, 2016.

		<b>Per boe</b>
Production (boe)	37,791	
Average daily production (boe) (since acquisition)	247	
Petroleum revenue	\$1,261,385	\$33.38
Royalties	\$111,209	\$2.94
Production costs <sup>(1)</sup>	\$945,776	\$25.03
<b>Operating netback <sup>(2)</sup></b>	<b>\$204,400</b>	<b>\$5.41</b>

(1) Excludes annual lease rentals of \$170,799 related to non-producing lands.

(2) The term "operating netback" is a non-GAAP measure. This term does not have a standardized meaning prescribed by GAAP and, therefore, may not be comparable to similar measures used by other companies in the oil and gas industry.

The 2016 production costs reflect additional expenses incurred by the Company to integrate and optimize the Properties following their acquisition, including putting wells on production. These integration and optimization efforts, along with three new wells drilled in 2017, are now contributing to increased current net production, based on field reports, of approximately 550 bopd (a 122% increase over the 2016 average production rate) and, as set out in the Company's SEDAR filings, proved plus probable reserves of approximately 8.82 MMbbls as at December 31, 2016 (a 23% increase over proved plus probable reserves for the Properties as at December 31, 2015).

## OIL AND GAS RESERVES EVALUATION

DeGolyer and MacNaughton Canada Limited (“DeGolyer”), independent petroleum consultants, of Calgary, Alberta has prepared a report dated April 25, 2017 (the “DeGolyer Report”) in which it has evaluated, as at December 31, 2016, the oil and natural gas reserves attributable to the principal properties of PetroFrontier.

The DeGolyer Report also presents the estimated net value of future revenue of PetroFrontier's properties before and after taxes, at various discount rates. Assumptions and qualifications relating to costs, prices for future production and other matters are summarized in the notes to the following tables.

The following tables summarize certain information contained in the DeGolyer Report. The definitions of the various categories of reserves and expenditures are those set out in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”). It should not be assumed that the net present value of reserves estimated by DeGolyer represents the fair market value of these reserves.

### Summary of Oil and Gas Reserves

The following table discloses, in the aggregate, PetroFrontier’s gross and net proved reserves, estimated using forecast prices and costs, by product type. “Forecast prices and costs” means future prices and costs used by DeGolyer in the DeGolyer Report that are generally accepted as being a reasonable outlook of the future, or fixed or currently determinable future prices or costs to which the Corporation is bound.

**SUMMARY OF OIL AND GAS RESERVES  
PETROFRONTIER CORP.  
AS OF DECEMBER 31, 2016 (FORECAST PRICES & COSTS)**

RESERVES CATEGORY	RESERVES							
	Light Crude Oil & Medium Crude Oil		Heavy Crude Oil		Conventional Natural Gas (1)		Natural Gas Liquids	
	Gross (2) (Mbbls)	Net (3) (Mbbls)	Gross (2) (Mbbls)	Net (3) (Mbbls)	Gross (2) (MMcf)	Net (3) (MMcf)	Gross (2) (Mbbls)	Net (3) (Mbbls)
<b>PROVED</b>								
Developed Producing	-	-	329	296	-	-	-	-
Developed Non-Producing	-	-	671	568	-	-	-	-
Undeveloped	-	-	2,970	2,593	-	-	-	-
<b>TOTAL PROVED</b>	-	-	<b>3,970</b>	<b>3,457</b>	-	-	-	-
Probable	-	-	4,852	4,125	-	-	-	-
<b>TOTAL PROVED + PROBABLE</b>	-	-	<b>8,822</b>	<b>7,582</b>	-	-	-	-
Possible	-	-	9,487	7,917	-	-	-	-
<b>TOTAL PROVED + PROB + POSS</b>	-	-	<b>18,309</b>	<b>15,499</b>	-	-	-	-

(1) Estimates of reserves of natural gas include associated and non-associated gas.

(2) "Gross Reserves" are Company's working interest reserves before the deduction of royalties.

(3) "Net Reserves" are Company's working interest reserves after deductions of royalty obligations plus the Company's royalty interests.

Note: The numbers in this table may not add exactly due to rounding.

## Net Present Value of Reserves

The following table discloses, in the aggregate, the net present value of the Corporation's future net revenue attributable to the reserves categories in the previous table, estimated using forecast prices and costs, before and after deducting future income tax expenses, and calculated without discount and using discount rates of 5%, 10%, 15% and 20%.

**SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE  
PETROFRONTIER CORP.  
AS OF DECEMBER 31, 2016 (FORECAST PRICES & COSTS)**

<u>RESERVES CATEGORY</u>	Net Present Value (NPV) of Future Net Revenue (FNR)										Unit Value BFTT Disc. @ 10%/Yr (\$/BOE)
	Before Income Taxes - Discounted at (%/yr)					After Income Taxes - Discounted at (%/yr)					
	0 (MM\$)	5 (MM\$)	10 (MM\$)	15 (MM\$)	20 (MM\$)	0 (MM\$)	5 (MM\$)	10 (MM\$)	15 (MM\$)	20 (MM\$)	
<b>PROVED</b>											
Developed Producing	5.3	4.4	3.7	3.3	2.9	5.3	4.4	3.7	3.3	2.9	12.50
Developed Non-Producing	13.7	11.0	9.1	7.6	6.6	13.7	11.0	9.1	7.6	6.6	16.02
Undeveloped	62.7	47.3	36.8	29.4	23.8	46.5	34.9	27.0	21.5	17.4	14.19
<b>TOTAL PROVED</b>	<b>81.7</b>	<b>62.7</b>	<b>49.6</b>	<b>40.3</b>	<b>33.3</b>	<b>65.5</b>	<b>50.3</b>	<b>39.8</b>	<b>32.4</b>	<b>26.9</b>	<b>14.35</b>
<b>Probable</b>	121.9	89.1	68.0	53.5	43.3	89.2	64.6	48.9	38.2	30.6	16.48
<b>TOTAL PROVED + PROBABLE</b>	<b>203.6</b>	<b>151.8</b>	<b>117.6</b>	<b>93.8</b>	<b>76.6</b>	<b>154.7</b>	<b>114.9</b>	<b>88.7</b>	<b>70.6</b>	<b>57.5</b>	<b>15.51</b>
<b>Possible</b>	268.3	180.3	127.5	93.9	71.4	195.9	130.9	92.0	67.2	50.7	16.10
<b>TOTAL PROVED + PROB + POSS</b>	<b>471.9</b>	<b>332.1</b>	<b>245.1</b>	<b>187.7</b>	<b>148.0</b>	<b>350.6</b>	<b>245.8</b>	<b>180.7</b>	<b>137.8</b>	<b>108.2</b>	<b>15.81</b>

NPV of FNR includes all resource income: Sale of oil, gas, by-product reserves; Processing of third party reserves; Other income.

Income Taxes includes all resource income, appropriate income tax calculations and prior tax pools.

The unit values are based on net reserve volumes before income tax (BFTT).

Note: The numbers in this table may not add exactly due to rounding.

Management expects continued volatility in the price of crude oil and tight capital markets for junior oil and gas companies throughout 2017. Consequently, management remains committed to cost control and limiting capital spending to opportunities that will meaningfully add to the Corporation's proven and probable reserves base and current production.

## SEDAR Filings

The Company's 2016 Annual Financial Statements, Management's Discussion and Analysis and Forms 51-101 regarding Statement of Reserves Data and Other Oil and Gas have been filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and are available on the Company's website ([www.petrofrontier.com](http://www.petrofrontier.com)).

## About PetroFrontier Corp.

PetroFrontier is a junior energy company currently focused on the development of its interests in 18 gross (16.5 net) sections of highly contiguous, multi-zone petroleum leases in the Cold Lake area of Alberta. PetroFrontier's development at Cold Lake is conventional cold-flow heavy oil production with sand (or CHOPS), through vertical, slant and horizontal wells.

The Company's head office is located in Calgary, Alberta and its common shares are listed for trading on the TSXV under the symbol "PFC".

### **Forward-Looking Statements**

*This press release may contain forward-looking information that involves substantial known and unknown risks and uncertainties, most of which are beyond the control of PetroFrontier. All statements included herein, other than statements of historical fact, are forward-looking information and such information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. Any forward-looking statements are made as of the date of this release and, other than as required by applicable securities laws, PetroFrontier does not assume any obligation to update or revise them to reflect new events or circumstances.*

*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.*

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