



Altura Energy Inc. Announces Third Quarter 2019 Financial and Operating Results

November 12, 2019

Calgary, Alberta - Altura Energy Inc. ("Altura" or the "Corporation") (TSXV: ATU) is pleased to announce its financial and operating results for the three and nine months ended September 30, 2019. The unaudited interim condensed consolidated financial statements and related management's discussion and analysis ("MD&A") are available at www.sedar.com and www.alturaenergy.ca. Selected financial and operating information for the three and nine months ended September 30, 2019 appear below and should be read in conjunction with the related financial statements and MD&A.

OPERATIONAL AND FINANCIAL SUMMARY

	Three months ended			Nine months ended	
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
OPERATING					
Average daily production					
Heavy oil (bbls/d)	1,150	1,016	805	1,190	611
Medium oil (bbls/d)	-	-	51	22	242
Natural gas (Mcf/d)	3,733	2,914	1,128	3,057	1,257
NGLs (bbls/d)	108	88	23	81	28
Total (boe/d)	1,880	1,591	1,067	1,803	1,090
Total boe/d per million shares – diluted	17.2	14.4	9.5	16.4	9.9
Average realized prices					
Heavy oil (\$/bbl)	55.31	62.83	56.59	56.01	53.93
Medium oil (\$/bbl)	-	-	66.74	48.97	58.36
Natural gas (\$/Mcf)	0.95	1.30	1.23	1.36	1.58
NGLs (\$/bbl)	24.42	24.23	51.30	26.80	51.03
Total (\$/boe)	37.12	43.89	48.29	41.09	46.30
(\$/boe)					
Petroleum and natural gas sales	37.12	43.89	48.29	41.09	46.30
Realized gain (loss) on financial instruments	(0.22)	1.23	-	0.28	-
Royalties	(4.20)	(4.08)	(4.57)	(4.09)	(4.59)
Operating	(6.92)	(9.56)	(7.09)	(8.14)	(10.10)
Transportation	(2.93)	(4.92)	(2.17)	(3.79)	(1.84)
Operating netback ⁽¹⁾	22.85	26.56	34.46	25.35	29.77
General and administrative	(2.16)	(2.94)	(4.25)	(2.56)	(4.46)
Exploration expense	-	-	(0.21)	(0.04)	(0.07)
Credit facility interest and financing expense	(0.27)	(0.50)	(0.03)	(0.35)	(0.46)
Interest Income	-	-	0.34	-	0.17
Adjusted funds flow per boe ⁽¹⁾	20.42	23.12	30.31	22.40	24.95
FINANCIAL (\$000, except per share amounts)					
Petroleum and natural gas sales	6,420	6,353	4,741	20,226	13,785
Adjusted funds flow ⁽¹⁾	3,532	3,346	2,977	11,031	7,430
Per share – diluted ⁽¹⁾	0.03	0.03	0.03	0.10	0.07
Net income	298	1,044	750	2,271	3,677
Per share – diluted	-	0.01	0.01	0.02	0.03
Capital expenditures	3,553	6,350	16,717	11,356	30,406
Property acquisitions (dispositions), net	-	-	2,637	-	(25,075)
Total capital expenditures	3,553	6,350	19,354	11,356	5,331
Net debt ⁽¹⁾	5,130	5,109	1,887	5,130	1,887
Common shares outstanding (000)					
End of period – basic	108,921	108,921	108,921	108,921	108,921
Weighted average for the period – basic ⁽²⁾	108,921	108,921	108,921	108,921	108,921
Weighted average for the period – diluted ⁽²⁾	109,517	110,503	112,281	110,191	110,475

1. Adjusted funds flow, net debt and operating netback are non-GAAP measures that do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. Refer to the heading entitled "Non-GAAP Measures" contained within the "Advisories" section of Altura's MD&A.

THIRD QUARTER 2019 HIGHLIGHTS

- Produced an average of 1,880 boe per day, a 76 percent increase from the third quarter of 2018 and an 18 percent increase from the second quarter of 2019, on an absolute and per share basis.
- Adjusted funds flow¹ was \$3.5 million, up 19 percent from the third quarter of 2018 and up six percent from the second quarter of 2019.
- Operating expenses were \$6.92 per boe, a two percent decrease from the third quarter of 2018 and a 28 percent decrease from the second quarter of 2019.
- Transportation expenses were \$2.93 per boe compared to \$2.17 per boe in the third quarter of 2018 and \$4.92 per boe in the second quarter of 2019.
- Net G&A was \$2.16 per boe, a decrease of 49 percent from the third quarter of 2018, and 26 percent from the second quarter of 2019.
- Capital expenditures totaled \$3.6 million. Altura completed and equipped two 1.5-mile extended reach horizontal ("ERH") wells and commenced drilling a third ERH well at Leduc-Woodbend.
- Year-to-date capital expenditures totaled \$11.4 million, consistent with year-to-date adjusted funds flow of \$11.0 million.
- Net debt¹ at September 30, 2019 was \$5.1 million, 0.4 times annualized third quarter adjusted funds flow.
- October 2019 AER Liability Management Rating ("LMR") of 9.98.

THIRD QUARTER REVIEW

Altura invested \$3.6 million of capital in the third quarter bringing the total capital invested in the nine months ended September 30, 2019 to \$11.4 million. Third quarter capital activity included completing and equipping two ERH wells at Leduc-Woodbend that were brought on production in August 2019. Altura commenced drilling a third ERH well at Leduc-Woodbend that was rig released in early October and which is planned to be completed and brought on production later in the fourth quarter of 2019 or first quarter of 2020.

Altura changed its artificial lift system from progressive cavity pumps to pump jacks on three wells to improve run-time efficiencies and limit operating and capital workover events. Nine of eleven wells have been converted in the nine months ended September 30, 2019, with the last two wells converted in the fourth quarter of 2019.

The two wells brought on production in August 2019 increased third quarter production volumes to 1,880 boe per day (67 percent oil and liquids) compared to 1,591 boe per day (69 percent oil and liquids) in the second quarter of 2019.

Altura's realized oil price decreased 12 percent in the third quarter from the second quarter of 2019 and the Corporation's average realized price decreased 15 percent from the second quarter of 2019 due to lower natural gas prices and an increased weighting of natural gas production relative to total production.

Operating expenses in the third quarter decreased 28 percent to \$6.92 per boe from the second quarter of 2019 due to lower repairs and maintenance costs from converting nine wells from progressive cavity pumps to pump jacks in the second and third quarters of 2019.

Transportation costs decreased 40 percent to \$2.93 per boe from the second quarter of 2019 due to reduced hauls to sales terminals in eastern Alberta that have higher trucking costs and no road restrictions that limited oil volumes per load in the second quarter of 2019.

The Corporation's operating netback¹ averaged \$22.85 per boe, down 14 percent from the second quarter of 2019 due to lower oil and natural gas prices and a loss on commodity hedging contracts, partially offset by lower operating and transportation expenses.

¹ Adjusted funds flow, net debt and operating netback are non-GAAP measures that do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. Refer to the heading entitled "Non-GAAP Measures" contained within the "Advisories" section of Altura's MD&A.

Adjusted funds flow¹ was \$3.5 million in the third quarter of 2019, up six percent from the second quarter of 2019 due to increased production volumes and lower operating and transportation expenses, partially offset by lower oil and natural gas prices.

Net income in the third quarter totaled \$0.3 million, down 71 percent from the second quarter of 2019 due mainly to an unrealized loss on financial instruments of \$265,000, compared to an unrealized gain on financial instruments in the second quarter of 2019 of \$363,000.

HEDGING

Altura currently has the following crude oil contracts for 300 barrels per day hedged to September 30, 2020:

Period	Commodity	Type of Contract	Quantity	Pricing Point	Contract Price
Oct 1/19—Mar 31/20	Crude Oil	Fixed	300 bbls/d	WCS	CAD \$57.00
Apr 1/20—Jun 30/20	Crude Oil	Fixed	300 bbls/d	WTI	CAD \$70.20
Apr 1/20—Jun 30/20	Crude Oil	Fixed	300 bbls/d	WCS-WTI Differential	CAD (\$28.00)
Jul 1/20—Sep 30/20	Crude Oil	Fixed	300 Bbls/d	WCS	CAD \$43.75

OUTLOOK

In the second quarter of 2019 Altura drilled two ERH producing wells at 200 meter inter-well spacing as part of the waterflood pilot project. These ERH wells offset a producing well that was converted to a water injection well which commenced water injection in October. The Corporation will actively monitor the performance of the two offsetting producing ERH wells for positive production response.

The Corporation has secured over 84 sections (53,760 net acres) of land at a 100% working interest within its new oil play at Entice, south of Strathmore, Alberta. Altura is currently evaluating options to advance the drilling of a horizontal well to assess commerciality of its exciting new prospect at Entice.

Altura's annual average production is forecasted to be between 1,700 to 1,800 Boe per day in 2019, compared to 1,172 Boe per day in 2018, representing more than a 45 percent increase on an absolute and per share basis.

Planning for 2020 is focused on managing investment levels to protect balance sheet strength in the current volatile commodity price environment. Altura plans to provide guidance on its 2020 capital program in early 2020.

On behalf of the Board of Directors and the Altura management team, we would like to thank our shareholders for their ongoing support.

ABOUT ALTURA ENERGY INC.

Altura is a junior oil and gas exploration, development and production company with operations in central Alberta. Altura predominantly produces from the Rex member in the Upper Mannville group and is focused on delivering per share growth and attractive shareholder returns through a combination of organic growth and strategic acquisitions.

An updated corporate presentation is available on Altura's website at www.alturaenergy.ca.

READER ADVISORIES

Forward-looking Information and Statements

This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "budget", "forecast", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this press release contains forward-looking information and statements pertaining to:

- the completion and on production date for Altura's third ERH well;
- positive production response from the Corporation's waterflood pilot project;
- plans to advance the drilling of a horizontal well at Entice;

- forecasted average production and percent growth for 2019; and
- plans to provide guidance on its 2020 capital program in early 2020.

The forward-looking information and statements contained in this press release reflect several material factors and expectations and assumptions of Altura including, without limitation:

- the continued performance of Altura's oil and gas properties in a manner consistent with its past experiences;
- that Altura will continue to conduct its operations in a manner consistent with past operations;
- the general continuance of current industry conditions;
- the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes;
- the accuracy of the estimates of Altura's reserves and resource volumes;
- certain commodity price and other cost assumptions;
- the continued availability of oilfield services; and
- the continued availability of adequate debt and equity financing and cash flow from operations to fund its planned expenditures.

Altura believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. To the extent that any forward-looking information contained herein may be considered future oriented financial information or a financial outlook, such information has been included to provide readers with an understanding of management's assumptions used for budgeted and developing future plans and readers are cautioned that the information may not be appropriate for other purposes.

The forward-looking information and statements included in this press release are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation:

- changes in commodity prices;
- changes in the demand for or supply of Altura's products;
- unanticipated operating results or production declines;
- changes in tax or environmental laws, royalty rates or other regulatory matters;
- changes in development plans of Altura or by third-party operators of Altura's properties;
- increased debt levels or debt service requirements;
- inaccurate estimation of Altura's oil and gas reserve and resource volumes;
- limited, unfavorable or a lack of access to capital markets;
- increased costs;
- a lack of adequate insurance coverage;
- the impact of competitors; and
- certain other risks detailed from time to time in Altura's public documents.

The forward-looking information and statements contained in this press release speak only as of the date of this press release, and Altura does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Oil and Gas Advisories

Barrels of Oil Equivalent

The term barrels of oil equivalent ("Boe") may be misleading, particularly if used in isolation. Per boe amounts have been calculated by using the conversion ratio of six thousand cubic feet (6 Mcf) of natural gas to one barrel (1 Bbl) of crude oil. The boe conversion ratio of 6 Mcf to 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 equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

For further information please contact:

Altura Energy Inc.
2500, 605 – 5th Avenue SW
Calgary, Alberta T2P 3H5
Telephone (403) 984-5197
www.alturaenergy.ca

David Burghardt
President and Chief Executive Officer
Direct (403) 984-5195

Tavis Carlson
Vice President, Finance and Chief Financial Officer
Direct (403) 984-5196

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.