



## **Briko Energy Announces Officer Appointments and its 2018 Year-End Reserves**

Calgary, Alberta - April 11, 2019 - Briko Energy Corp. (“Briko” or the “Corporation”) is pleased to announce the appointment of Officers of the Corporation, its 2018 year-end reserves and other news.

### **Officer Appointments**

Briko’s Board of Directors is pleased to announce the appointments, effective April 11, 2019, of Mr. John Van de Pol to the position of President and Chief Executive Officer, Ms. Kim Benders to the position of Vice President and Chief Financial Officer and Ms. Venessa Veres to the position of Vice President, Operations. Mr. Michael Kohut will resign as President and Chief Executive Officer and will become Chairman of the Board effective April 11, 2019.

Mr. Van de Pol has 40 years of experience in the oil and gas industry including more than 30 years as an executive officer with several growth-oriented public energy companies. Most recently Mr. Van de Pol held the position of Senior Vice President and Chief Financial Officer of Ikkuma Resources Corp. (“Ikkuma”), an intermediate oil and gas company, which was acquired by Pieridae Energy Limited (“Pieridae”) on December 20, 2018. Mr. Van de Pol holds a Bachelor of Commerce degree from the University of Calgary and is a Chartered Accountant.

Ms. Benders brings over 17 years of oil and gas industry experience to Briko. Most recently Ms. Benders was the Corporate Controller and an executive officer for Ikkuma. Ms. Benders was a key contributor to the growth initiatives of Ikkuma as its production base grew from approximately 100 boe/d in 2014 to over 19,000 boe/d by 2018. Ms. Benders will oversee all aspects of the Corporation’s finance and administrative functions. Ms. Benders earned her Bachelor of Commerce degree from the University of Saskatchewan and her CMA, CPA from the Certified Management Accountants of Alberta.

Ms. Veres has more than 12 years of oil and gas industry experience in the Foothills area of Alberta, which is the focal point of both Briko’s current production base and its future development plans. Ms. Veres was the Production and Operations Engineer for an intermediate Foothills oil and gas company for the past eight years. She will be responsible for Briko’s production operations and for Briko’s health and safety programs, as the Corporation initiates its optimization and development initiatives. Ms. Veres has a Bachelor of Applied Science from the University of British Columbia and her Professional Engineer Designation from the Association of Petroleum Engineers, Geologists and Geophysicists of Alberta.

## 2018 Reserve Highlights

- Proved Developed Producing (“PDP”) reserves of 2.0 million barrels of oil equivalent (“BOE”) at December 31, 2018;
- PDP net present value of \$14.1 million (\$1.26 per share) at a 10% discount rate using a consensus price deck from four independent qualified reserves evaluators;
- Established conservative PDP reserve position that represents 87% of total proved (“1P”) reserves of 2.3 million BOE and 53% of total proved plus probable (“2P”) reserves of 3.8 million BOE;
- Future development costs (“FDC”) requirement of only \$0.1 million on a 1P basis and \$16.4 million on a 2P basis; and
- Low annual production decline rates on PDP reserves with an average reserve life index of 15 years.

## Reserves Information

Briko was formed as a junior oil and gas exploration company resulting from the plan of arrangement involving Ikkuma Resources Corp. (“Ikkuma”), Pieridae Energy Limited, Briko and the shareholders of Ikkuma (the “Arrangement”). Pursuant to the Arrangement, Briko acquired all of Ikkuma’s Cardium light oil focused Alberta Foothills properties. Briko is an Alberta company focused on the development of Cardium light oil in the foothills area of Alberta. Briko commenced operations on December 20, 2018 immediately upon completion of the Arrangement.

## 2018 Summary of Reserves

The detailed reserves data set forth below are based on an independent reserves assessment and evaluation prepared by Deloitte LLP (“Deloitte”) with an effective date of December 31, 2018, which is contained in a report dated March 22, 2019 (the “Deloitte Report”).

Reserves Category	2018 YE <sup>(1)</sup>	
	(MBOE)	NPV10% (\$M)
Proved Developed Producing	2,008	\$14,096
Total Proved	2,313	\$14,864
<b>Total Proved plus Probable</b>	3,777	\$19,247

**Note:**

<sup>(1)</sup> Deloitte Report effective as of December 31, 2018.

## Corporate Reserves

The detailed reserves data set forth below are based on the Deloitte Report. The following presentation summarizes the Corporation's crude oil, natural gas liquids and natural gas reserves and the net present values before income tax of future net revenue for the Corporation's reserves using forecast prices and costs as set out in the Deloitte Report. The Deloitte Report has been prepared in accordance with definitions, standards, and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*. The reserves evaluation was based on the consensus forecast escalated pricing and foreign exchange rates at December 31, 2018 ("Consensus Price") as outlined in the table herein entitled "Price Forecast". This Consensus Price forecast is the average of the escalated price forecasts of four independent reserve evaluators, namely Deloitte, GLJ Petroleum Consultants Ltd. ("GLJ"), McDaniel & Associates Consultants Ltd ("McDaniel") and Sproule Associates Limited ("Sproule").

All evaluations and summaries of future net revenue are stated prior to provision for interest, debt service charges or general administrative expenses and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future capital expenditures. It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of Briko's crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater or less than the estimates provided herein. Reserves included herein are stated on a company gross basis (working interest before deduction of royalties without including any royalty interests) unless noted otherwise. In addition to the detailed information disclosed in this press release, more detailed information will be included in the Corporation's Annual Information Form ("AIF") which will be filed on the Corporation's profile at [www.sedar.com](http://www.sedar.com) on or before April 30, 2019.

See "Forward Looking Information and Statements" for a statement of principal assumptions and risks that may apply.

The preparation and audit of Briko's 2018 annual financial statements is not yet complete, and accordingly, all financial amounts referred to in this press release are unaudited and represent management's estimates. Readers are advised that these financial estimates may be subject to change. Year-end financial statements for 2018 will be released no later than April 30, 2018.

<b>Reserves Category<sup>(1)</sup></b>	<b>Light and Medium Crude Oil (Mbbl)</b>	<b>Natural Gas Liquids (Mbbl)</b>	<b>Non-Associated Natural Gas<sup>(2)</sup> (Mmcf)</b>	<b>Barrels of Oil Equivalent<sup>(3)</sup> (Mboe)</b>
<b>Proved</b>				
Proved Developed Producing (“PDP”)	581	197	7,384	2,008
Proved Developed Non-producing (“PDNP”)	32	6	1,600	305
Proved Developed (“PD”)	613	203	8,984	2,313
Proved Undeveloped (“PUD”)	-	-	-	-
<b>Total Proved (“1P”)</b>	<b>613</b>	<b>203</b>	<b>8,984</b>	<b>2,313</b>
Probable	815	79	3,419	1,464
<b>Total Proved plus Probable (“2P”)</b>	<b>1,428</b>	<b>282</b>	<b>12,403</b>	<b>3,777</b>

**Notes:**

- (1) Reserves have been presented on a “gross” basis which is defined as Briko’s working interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of the Corporation.
- (2) Includes solution gas.
- (3) Oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil.
- (4) Columns may not add due to rounding.

## Reserve Values

The estimated before tax net present value (“NPV”) of future net revenue associated with Briko’s reserves effective December 31, 2018 and based on the Deloitte Report and the Consensus Price forecast are summarized in the following table:

<b>Reserves Category</b>	<b>0% (M\$)</b>	<b>5% (M\$)</b>	<b>10% (M\$)</b>	<b>15% (M\$)</b>	<b>20% (M\$)</b>
<b>Proved</b>					
Developed Producing	29,797	19,291	14,096	11,063	9,101
Developed Non-Producing	1,336	1,013	769	595	471
Undeveloped	-	-	-	-	-
<b>Total Proved</b>	<b>31,132</b>	<b>20,304</b>	<b>14,864</b>	<b>11,658</b>	<b>9,572</b>
Probable	22,121	9,658	4,383	1,658	84
<b>Total Proved plus Probable</b>	<b>53,254</b>	<b>29,962</b>	<b>19,247</b>	<b>13,316</b>	<b>9,656</b>

**Notes:**

- (1) Based on Deloitte’s December 31, 2018 Consensus Price forecast.
- (2) The estimated future net revenues are stated prior to provision for interest, debt service charges or general and administrative expenses and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future capital expenditures.
- (3) See the Corporation’s AIF, once filed, for the after-tax present values of future net revenue attributed to Briko’s reserves.
- (4) Columns may not add due to rounding.

## Price Forecast

Year	Canadian Light Sweet Crude <sup>(2)</sup> 40° API (\$C/Bbl)	Western Canada Select <sup>(3)</sup> 20.5° API (\$C/Bbl)	Alberta AECO-C (\$C/Mcf) <sup>(5)</sup>	Edmonton Pentanes Plus (\$C/Bbl) <sup>(4,6)</sup>	Edmonton Butane (\$C/Bbl) <sup>(4,6)</sup>	Edmonton Propane (\$C/Bbl) <sup>(4,6)</sup>	\$US/\$C Exchange Rate
2019	\$66.93	\$51.16	\$1.80	62.65	\$39.40	\$27.00	0.76
2020	\$74.99	\$59.13	\$2.23	70.96	\$50.75	\$33.43	0.78
2021	\$79.71	\$64.62	\$2.63	75.67	\$58.51	\$38.67	0.78
2022	\$82.91	\$67.57	\$2.94	78.42	\$64.26	\$41.25	0.80
2023	\$86.33	\$70.82	\$3.16	81.14	\$68.00	\$43.56	0.79
2024	\$88.28	\$72.55	\$3.31	82.98	\$69.50	\$44.63	0.81
2025	\$90.35	\$74.38	\$3.45	84.95	\$71.13	\$45.67	0.81
2026	\$92.60	\$76.36	\$3.54	87.09	\$72.84	\$46.86	0.81
2027	\$94.48	\$77.98	\$3.62	88.86	\$74.33	\$47.85	0.81
2028	\$96.41	\$79.65	\$3.71	90.68	\$75.84	\$48.88	0.81
2029	\$98.32	\$81.23	\$3.77	92.48	\$77.35	\$49.90	0.81
<i>Escalation Rate of 2.0% Thereafter</i>							

### Notes:

- (1) This Consensus Price forecast is an average of four independent reserve evaluators' forecasts at December 31, 2018 including Deloitte, GLJ, McDaniel and Sproule.
- (2) Edmonton city gate prices based on historical light oil par prices posted by the government of Alberta and Net Energy differential futures (40 Deg. API < 0.5% Sulphur).
- (3) Western Canada Select prices are forecasted at Hardisty WCS
- (4) Natural Gas Liquid prices are forecasted at Edmonton therefore an additional transportation cost must be included to plant gate sales point.
- (5) 1 Mcf is equivalent to 1 MMBtu.
- (6) NGL prices have been switched from a mix reference to a spec reference.

## Production and Capital Expenditures

Briko's production for the first quarter of 2019 is estimated to be in the range of 600 - 650 boe/d. With low decline rates on existing production, average production for 2019 is expected to be in the range of 550 - 650 boe/d. Briko has established a prudent capital expenditure program for 2019 and 2020 that is expected to focus on maintenance and optimization initiatives. This capital expenditure program is expected to be funded by internally generated cash flow. Future financing sources will be considered as the Corporation's inventory of Cardium light oil drilling opportunities is pursued.

## Compliance Reporting

Briko is a “reporting issuer” under applicable securities law but is not listed on any stock exchange at this time. The Corporation expects to provide its 2018 financial and operating results on SEDAR at [www.sedar.com](http://www.sedar.com) by no later than April 30, 2019.

## About Briko Energy Corp.

Briko Energy Corp. is an Alberta Foothills Cardium light oil focused company with undeveloped land, crude oil and natural gas reserves and a production base with associated infrastructure. Corporate information can be found at: [www.brikoenergy.com](http://www.brikoenergy.com).

For additional information, please contact:

Briko Energy Corp.  
1710 736 6<sup>th</sup> Ave. SW  
Calgary, Alberta  
T2P 3T7  
(587) 392-6317  
[info@brikoenergy.com](mailto:info@brikoenergy.com)

John H. Van de Pol  
President & CEO

Kim Benders  
Vice President & CFO

## Definitions

*The reserves evaluation, effective December 31, 2018, was conducted by Deloitte, the Corporation’s independent reserves evaluators and is in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities. The reserves are provided on a Gross basis in units of barrels of oil equivalent using a forecast price deck, adjusted for quality, in Canadian dollars. The estimated values may or may not represent the fair market value of the reserve estimates.*

*“Gross” in relation to the Corporation's interest in production or reserves is its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Corporation;*

*“Net” in relation to the Corporation's interest in production or reserves is its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interest in production or reserves;*

*“Proved reserves” are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves;*

*“Probable reserves” are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves;*

## **Forward-Looking Statements and Information and Cautionary Statements**

*This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws including, without limitation, those listed under “Risk Factors” and “Forward-looking Statements and Information” in its filings available on SEDAR at [www.sedar.com](http://www.sedar.com). The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify forward-looking statements or information. Forward-looking statements and information in this press release includes, but is not limited to, the Consensus Price used in the Deloitte Report, the amount of the FDC requirements, Briko’s reserves and the net present value information relating thereto, Briko’s average production for 2019, the source of funding of Briko’s 2019 and 2020 capital expenditure program, Briko’s consideration of future financing sources and the expected timing of the release of Briko’s December 31, 2018 financial and operating results. Although Briko believes that the expectations and assumptions on which the forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Briko cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include but are not limited to the risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; failure to obtain necessary regulatory approvals for planned operations; health, safety and environmental risks; uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures; volatility of commodity prices, currency exchange rate fluctuations; imprecision of reserve estimates; and competition from other explorers) as well as general economic conditions, stock market volatility, and the ability to access sufficient capital. We caution that the foregoing list of risks and uncertainties is not exhaustive.*

*In addition, the reader is cautioned that historical results are not necessarily indicative of future performance. The forward-looking statements and information contained in this press release are made as of the date hereof and Briko undertakes no obligation to update publicly or revise any forward-looking statement or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

## **Oil and Gas Advisory**

*In this press release, the abbreviation BOE means a barrel of oil equivalent derived by converting gas to oil in the ratio of 6 Mcf of gas to 1 bbl of oil (6 Mcf:1 bbl). 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 Mcf:1 bbl, utilizing a conversion ratio on a 6 Mcf of gas to 1 bbl of oil basis may be misleading as an indication of value.*