



January 15, 2019  
CALGARY, Alberta

## **STORM RESOURCES LTD. ANNOUNCES OPERATIONAL UPDATE**

**Storm Resources Ltd.** ("**Storm**" or the "**Company**") (TSX:SRX) is providing an operational update which includes estimated production for the fourth quarter of 2018 and an estimate of the anticipated effect of an ongoing unplanned outage at the McMahon Gas Plant that started January 2, 2019.

Production in the fourth quarter of 2018 is estimated to have averaged approximately 22,300 Boe per day which includes 4,100 barrels per day of liquids (condensate plus NGL). This is higher than guidance for 19,000 to 21,000 Boe per day which was provided on November 13, 2018. Production was increased in mid-November in response to an improvement in natural gas prices in Chicago and averaged approximately 24,000 Boe per day in December based on field estimates.

The McMahon Gas Plant has been shut-in since January 2<sup>nd</sup> as a result of a failure on flare system piping. Enbridge Inc. initially estimated that the pipe repair would be complete within 11 days. However, as a result of difficulties completing the repair work, Enbridge Inc. provided updated guidance on January 12<sup>th</sup> that the outage may extend for up to an additional seven days. Updates regarding the outage are being provided by Enbridge Inc. at <https://noms.wei-pipeline.com/> under the heading 'Critical Notices'.

The outage has resulted in the shut-in of approximately 19,500 Boe per day. Production is averaging approximately 4,500 Boe per day based on field estimates during the outage and, assuming the outage is limited to a total of 18 days, production in the first quarter of 2019 is forecast to be 17,500 to 20,000 Boe per day. At this time, there is no change to guidance for 2019 which was previously provided on November 13, 2018.

Storm began operations in August 2010, is headquartered in Calgary, Alberta and is focused on development of its liquids-rich resource in the Montney formation in northeast British Columbia.

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**Boe Presentation** - For the purpose of calculating unit revenues and costs, natural gas is converted to a barrel of oil equivalent ("Boe") using six thousand cubic feet ("Mcf") of natural gas equal to one barrel of oil unless otherwise stated. Boe may be misleading, particularly if used in isolation. A Boe conversion ratio of six Mcf to one barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All Boe measurements and conversions in this report are derived by converting natural gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil.

**Forward-Looking Information** - Certain information in this press release contains forward-looking information that involves risk and uncertainty. For this purpose, any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements often contain terms such as "may", "should", "anticipate", "expects", "forecast", "guidance" and similar expressions. More particularly, and without limitation, this press release contains forward-looking statements and information concerning: the duration of the shut-in at the McMahon Gas Plant and the impact thereof; and production guidance for 2019. Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Storm assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change unless so required by applicable securities laws. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

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