LEUCROTTA ANNOUNCES Q4 2018 FINANCIAL AND OPERATING RESULTS

CALGARY, ALBERTA (April 24, 2019) – LEUCROTTA EXPLORATION INC. (TSXV – LXE) ("Leucrotta" or the "Company") is pleased to announce its financial and operating results for the three months and year ended December 31, 2018. All dollar figures are Canadian dollars unless otherwise noted.

HIGHLIGHTS

- Increased production 24% to 3,550 boe/d in 2018 from 2,865 boe/d in 2017.
- Increased adjusted funds flow 66% to $15.9 million in 2018 from $9.6 million in 2017.
- Maintained working capital of $2.1 million.

FINANCIAL RESULTS

	Three Months Ended December 31			Year Ended December 31		
($000s, except per share amounts)	**2018**	2017	% Change	**2018**	2017	% Change
Oil and natural gas sales	**7,113**	9,301	(24)	**32,048**	26,124	23
Cash flow from operating activities	**3,764**	3,294	14	**16,249**	8,311	96
Per share - basic and diluted	**0.02**	0.02	-	**0.08**	0.04	100
Adjusted funds flow [1]	**2,875**	4,462	(36)	**15,949**	9,602	66
Per share - basic and diluted	**0.01**	0.02	(50)	**0.08**	0.05	60
Net loss	**(161)**	(5,072)	(97)	**(43)**	(8,222)	(99)
Per share - basic and diluted	**(-)**	(0.03)	(100)	**(-)**	(0.04)	(100)
Net capital expenditures and acquisitions	**10,665**	15,870	(33)	**36,680**	93,514	(61)
Working capital				**2,102**	18,660	(89)
Common shares outstanding (000s)						
Weighted average - basic and diluted	**200,525**	200,486	-	**200,520**	189,377	6
End of period - basic				**200,525**	200,497	-
End of period - fully diluted				**227,082**	227,108	-

(1) See "Non-GAAP Measures" section.

OPERATING RESULTS [1]	Three Months Ended December 31			Year Ended December 31		
	2018	2017	% Change	**2018**	2017	% Change
Daily production						
Oil and NGLs (bbls/d)	**850**	1,290	(34)	**954**	820	16
Natural gas (mcf/d)	**14,115**	15,071	(6)	**15,574**	12,268	27
Oil equivalent (boe/d)	**3,202**	3,802	(16)	**3,550**	2,865	24
Revenue						
Oil and NGLs ($/bbl)	**44.78**	61.44	(27)	**59.46**	56.69	5
Natural gas ($/mcf)	**2.78**	1.45	92	**2.00**	2.05	(2)
Oil equivalent ($/boe)	**24.14**	26.59	(9)	**24.74**	24.98	(1)
Royalties						
Oil and NGLs ($/bbl)	**(0.60)**	7.64	(108)	**1.45**	6.63	(78)
Natural gas ($/mcf)	**-**	0.04	(100)	**-**	0.06	(100)
Oil equivalent ($/boe)	**(0.16)**	2.75	(106)	**0.39**	2.17	(82)
Net operating expenses [2]						
Oil and NGLs ($/bbl)	**5.95**	6.36	(6)	**6.67**	7.51	(11)
Natural gas ($/mcf)	**0.78**	0.75	4	**0.82**	0.93	(12)
Oil equivalent ($/boe)	**5.00**	5.13	(3)	**5.40**	6.12	(12)
Net transportation and marketing expenses [2]						
Oil and NGLs ($/bbl)	**1.17**	2.11	(45)	**1.54**	2.69	(43)
Natural gas ($/mcf)	**0.82**	0.51	61	**0.52**	0.65	(20)
Oil equivalent ($/boe)	**3.92**	2.75	43	**2.69**	3.55	(24)
Operating netback [2]						
Oil and NGLs ($/bbl)	**38.26**	45.33	(16)	**49.80**	39.86	25
Natural gas ($/mcf)	**1.18**	0.15	687	**0.66**	0.41	61
Oil equivalent ($/boe)	**15.38**	15.96	(4)	**16.26**	13.14	24
Depletion and depreciation ($/boe)	**(9.29)**	(9.21)	1	**(9.38)**	(9.77)	(4)
Exploration and evaluation ($/boe)	**-**	(17.84)	(100)	**-**	(5.97)	(100)
General and administrative expenses ($/boe)	**(5.48)**	(3.45)	59	**(4.05)**	(4.32)	(6)
Share based compensation ($/boe)	**(0.84)**	(1.05)	(20)	**(2.81)**	(1.49)	89
Finance expense ($/boe)	**(0.42)**	(0.32)	31	**(0.26)**	(0.27)	(4)
Finance income ($/boe)	**0.10**	0.42	(76)	**0.21**	0.48	(56)
Loss on sale of assets ($/boe)	**-**	(1.40)	(100)	**-**	(0.47)	(100)
Deferred income tax recovery ($/boe)	**-**	2.38	(100)	**-**	0.80	(100)
Net loss ($/boe)	**(0.55)**	(14.51)	(96)	**(0.03)**	(7.87)	(100)

(1) See “Frequently Recurring Terms” section.

(2) See “Non-GAAP Measures” section.

Selected financial and operational information outlined in this news release should be read in conjunction with Leucrotta’s audited financial statements and related Management’s Discussion and Analysis (“MD&A”) for the year ended December 31, 2018, which are available for review at www.sedar.com.

PRESIDENT'S MESSAGE

In Q4 2018, Leucrotta's capital was spent on the drilling of an Upper Montney well at Mica plus minor pipeline and infrastructure projects. The Montney land base continues to grow with Leucrotta now owning over 220 net sections in a large contiguous block spanning the Doe, Mica and Two Rivers areas.

Production remained relatively stable at 3,200 boe/d for the quarter as wells continue to outperform expectations. Production is estimated to remain fairly flat through-out the first 3 quarters of 2019 with an increase in Q4 2019 as additional Montney wells are placed on production in Q4 2019. Leucrotta's product mix is currently 27% liquids of which 65% of that is light oil and condensate. On a development basis, Leucrotta's product mix would increase to over 40% liquids with focus on the volatile oil window combined with installation of a gas plant with increased liquids extraction.

Operating netbacks for Q4 2018 were stable at $15.38 per boe as compared to 2018 annual average of $16.26 per boe and $14.28 per boe in Q3 2018. Diversification of marketing for gas resulted in Leucrotta netting $2.78 per mcf versus AECO spot price of $1.62 per boe in the quarter but larger differentials on light oil and condensate during the quarter mitigated these gains.

Leucrotta maintained a strong balance sheet at the end of 2018 with $2.1 million net positive working capital and a $20 million credit facility. Leucrotta estimates net working capital of $2.5 million at the end of Q1 2019. Equipment sales improved year-end working capital by $4.3 million with Q1 2019 being increased by an additional $1.6 million.

For the remainder of 2019, Leucrotta will remain conservative and protect the balance sheet given significant volatility seen in both the oil and gas markets. As at the end of Q1 2019, Leucrotta had 4 wells drilled, completed and tested that are not on production and 2 wells that are drilled but not completed. Leucrotta's plans for the rest of the year are to add some of these wells to the production base plus possibly drill one additional delineation well.

Over the past 4 years, Leucrotta has been able to materially de-risk a large light oil resource in the Lower Montney over a minimum of 140 net sections of land and is working to de-risk additional lands for Lower Montney as well as the Upper Montney and Basal Montney (Below Lower Montney) on Leucrotta's land base. Infrastructure currently in place combined with up to 1,000 potential drilling locations[1] will allow for Leucrotta to rapidly and materially increase production once the decision is made to move to the development phase.

We look forward to reporting on the results of the new wells and other business developments in the near future.

(1) ***Potential Drilling Locations***

This news release discloses drilling locations in four categories: (i) proved undeveloped locations; (ii) probable undeveloped locations; (iii) unbooked locations; and (iv) an aggregate total of (i), (ii) and (iii).

Of the 1,000 total potential/possible Montney locations referenced in this news release, only the following have been assigned reserves at December 31, 2018 as independently evaluated by GLJ, in accordance with NI 51-101:

- *19 Proved Undeveloped*
- *34 Probable Undeveloped*

The remaining 947 potential/possible locations are unbooked.

Unbooked locations are based on the Company's prospective acreage and internal estimates as to the number of wells that can be drilled per section. Unbooked locations do not have attributed reserves or resources (including contingent and prospective). Unbooked locations have been identified by management as an estimation of the Company's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information and performed by a Qualified Reserves Evaluator (QRE). There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Company will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

FREQUENTLY RECURRING TERMS

The Company uses the following frequently recurring industry terms in this news release: "bbls" refers to barrels, "mcf" refers to thousand cubic feet, and "boe" refers to barrel of oil equivalent. Disclosure provided herein in respect of a boe may be misleading, particularly if used in isolation. A boe conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalent has been used for the calculation of boe amounts in this news release. This boe conversion rate is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

NON-GAAP MEASURES

This news release refers to certain financial measures that are not determined in accordance with IFRS (or "GAAP"). This news release contains the terms "adjusted funds flow", "adjusted funds flow per share", "operating netback", "net operating expenses", and "net transportation and marketing expenses" which do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures used by other companies. The Company uses these measures to help evaluate its performance.

Management considers adjusted funds flow to be a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investments and abandonment obligations and to repay debt. Adjusted funds flow is a non-GAAP measure and has been defined by the Company as cash flow from operating activities excluding the change in non-cash working capital related to operating activities and expenditures on decommissioning obligations. The Company also presents adjusted funds flow per share whereby amounts per share are calculated using weighted average shares outstanding, consistent with the calculation of net loss per share. Adjusted funds flow is reconciled from cash flow from operating activities under the heading “Cash Flow from Operations and Adjusted Funds Flow” in the Company’s MD&A for the year ended December 31, 2018, which is available on SEDAR at www.sedar.com.

Management considers operating netback an important measure as it demonstrates its profitability relative to current commodity prices. Operating netback, which is calculated as average unit sales price less royalties, net operating expenses, and net transportation and marketing expenses, represents the cash margin for every barrel of oil equivalent sold. Operating netback per boe is reconciled to net loss per boe under the heading “Operating Netback”.

Net operating expenses is calculated as operating expenses less processing revenues. Management uses net operating expenses to determine the current periods’ cash cost of operating expenses less processing revenue and net operating expenses per boe is used to measure operating efficiency on a comparative basis. The measure approximates the Company’s operating expenses relative to its produced volumes by excluding third party operating costs.

Net transportation and marketing expenses is calculated as transportation expenses less marketing revenues. Management uses net transportation and marketing expenses to determine the current periods’ cash cost of transportation expenses less marketing revenue and net transportation and marketing expenses per boe is used to measure transportation efficiency on a comparative basis as well as the Company’s ability to mitigate the cost of excess committed capacity.

FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “may”, “will”, “should”, “believe”, “intends”, “forecast”, “plans”, “guidance” and similar expressions are intended to identify forward-looking statements or information.

More particularly and without limitation, this news release contains forward-looking statements and information relating to the Company’s risk management program, oil, NGLs, and natural gas production, capital programs, and working capital. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company, including expectations and assumptions relating to prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates, the performance of existing wells, the success of drilling new wells, the availability of capital to undertake planned activities, and the availability and cost of labour and services.

Although the Company believes that the expectations reflected in such forward-looking statements and information are reasonable, it can give no assurance that such expectations 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 may 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 such as 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 estimates and projections relating to production rates, costs, and expenses, commodity price and exchange rate fluctuations, marketing and transportation, environmental risks, competition, the ability to access sufficient capital from internal and external sources and changes in tax, royalty, and environmental legislation. The forward-looking statements and information contained in this document are made as of the date hereof for the purpose of providing the readers with the Company’s expectations for the coming year. The forward-looking statements and information may not be appropriate for other purposes. The Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Leucrotta is an oil and natural gas company, actively engaged in the acquisition, development, exploration, and production of oil and natural gas reserves in northeastern British Columbia, Canada.

Further Information

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