

CALGARY, ALBERTA--(Marketwired - Nov 12, 2015) - [PetroShale Inc.](#) ("PetroShale" or the "Company") (TSX VENTURE:PSH)(OTCQX:PSHIF) is pleased to announce its financial and operating results for the third quarter ended September 30, 2015. The Company's unaudited consolidated financial statements and corresponding Management's Discussion and Analysis (MD&A) for the three and nine month periods ended September 30, 2015, are available on SEDAR at www.sedar.com, on the OTCQX website at www.otcqx.com, and on PetroShale's website at www.petroshaleinc.com. Copies of the materials can also be obtained upon request without charge by contacting the Company directly.

Highlights:

- Production for the quarter reached a record 1,789 Boe/d (Company interest, gross of royalty) a 34% increase over the previous quarter and 621% higher than the same period in 2014. Production was weighted 88% to light crude oil and liquids;
- Earnings before interest, taxes, depletion and amortization ("EBITDA") was \$3.3 million for the three month period ended September 30, 2015 compared to \$649,000 for the same quarter in 2014, an increase of 407%;
- PetroShale generated positive netbacks of \$24.03 per Boe (Company interest, gross of royalty; \$30.88 per Boe net of royalty interest) despite the challenging commodity price environment, primarily due to the high-quality nature of the Company's assets, and a reduction in operating costs of \$3.14 per Boe year over year;
- Drilling and acquisition activity during the quarter totalled US\$14.1 million, including the drilling and completion of 1.25 net wells and the acquisition of 240 net acres and 0.9 net producing wells located within the Company's core Antelope area; and
- The Company's lender re-affirmed the existing borrowing base under the senior loan, despite lower oil prices, reflecting increases in PetroShale's reserves and production levels.

Results of Oil and Gas Activities:

	Three months ended		Nine months ended	
	Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014
Sales volumes				
Crude Oil (Bbl/d)	1,566	240	1,176	228
Natural gas (Mcf/d)	1,339	47	737	60
Barrel of oil equivalent (Boe/d)	1,789	248	1,299	238
Barrel of oil equivalent, net of royalty (Boe/d)	1,392	195	1,010	185
Operating Netbacks (\$/Boe)				
Revenue	\$ 45.45	\$ 91.40	\$ 48.94	\$ 94.72
Royalties	(9.98)	(19.38)	(10.83)	(20.98)
Realized loss on hedge	-	(1.14)	-	(0.82)
Operating costs	(7.60)	(10.74)	(7.73)	(11.20)
Production taxes	(3.84)	(7.85)	(3.86)	(7.10)
Operating netback	\$ 24.03	\$ 52.29	\$ 26.52	\$ 54.62
Operating netback prior to hedging	\$ 24.03	\$ 53.43	\$ 26.52	\$ 55.44
Operating netback prior to hedging, on a net of royalty basis	\$ 30.88	\$ 67.85	\$ 34.10	\$ 71.24

Message to Shareholders:

We continue to execute our strategy of acquiring and consolidating working interests in the prolific Williston Basin, and as a result, we have increased production and supplemented our existing core land base. We are well positioned to manage through this period of low oil prices because of the high quality of our land position in the heart of the North Dakota Bakken and Three Forks plays. Well results continue to meet or exceed our expectations and despite current low oil prices, our wells are generating positive cash flow and solid economic returns.

We are pleased to report another quarter of record production, averaging 1,789 Boe/d, or 34% higher than the previous quarter and 621% higher than the third quarter of 2014. This sizable growth stems from an active drilling and completions program, where we participated in 1.25 net wells, of which we realized production additions from 0.14 net wells. Given that our assets are situated in the 'core of the core', new wells provide significant initial production volumes and are anticipated to deliver high ultimate reserve recovery.

We further increased our asset base with the successful acquisition of 242 net acres and 0.9 net producing wells. These assets are located in our core Antelope area in North Dakota.

As a result of the success to date in 2015, the Company's senior lender has re-affirmed the existing borrowing base of our bank facility of US\$22.5 million. The maintenance of our borrowing capacity speaks to our ability to economically increase reserves and production in spite of volatile commodity prices. The Company has retained US\$9.1 million of borrowing capacity under its two loan facilities as at September 30, 2015.

We continue to seek opportunities to enhance our asset base with additional land and working interest acquisitions, which may be attractive in the current pricing environment. PetroShale is well positioned and has significant upside in its existing non-operated and operated land positions.

We wish to thank all of our employees, directors and particularly our shareholders for your ongoing support of our strategy.

M. Bruce Chernoff, Executive Chairman and CEO

About PetroShale

PetroShale is an oil company engaged in the acquisition, development and consolidation of interests in the North Dakota Bakken / Three Forks.

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.

Note Regarding Forward-Looking Statements and Other Advisories

Company interest means, in relation to the Company's interest in production and reserves, the Company's working interest (operating and non-operating) before the deduction of royalties payable and including such entity's royalty interest in production and reserves. Where volumes of reserves and production have been presented, they have been presented as company working interest, gross of royalties, except where otherwise noted. All operating netbacks referenced in this press release are Company working interest, except where otherwise noted. All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.

Within this press release, references are made to terms commonly used in the oil and natural gas industry. The terms "netback", "operating netback" or "EBITDA" in this press release are not recognized measures under IFRS and therefore may not be comparable to performance measures presented by others. PetroShale uses "netback" as a key performance indicator and it is used by the Company to evaluate the operating performance of its petroleum and natural gas assets and is determined by deducting royalties, production taxes, and operating expenses from petroleum and natural gas revenue. EBITDA means net income (loss) before taxes, depletion and depreciation, impairments, finance expense, foreign exchange gain or loss and share-based compensation. Management believes that in addition to net income (loss) and cash flow from (used in) operating activities, netback and EBITDA are useful supplemental measures as they assist in the determination of the Company's operating performance, leverage and liquidity. Readers are cautioned, however, that these measures should not be construed as an alternative to net income (loss) or cash flow from (used in) operating activities determined in accordance with IFRS as an indication of our performance.

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to aspects of management focus, objectives, strategies and business opportunities. More particularly and without limitation, this press release contains forward-looking information concerning: the sufficiency of the Company's financial flexibility and capital requirements; the Company's growth and development plans; the Company's participation in drilling opportunities and the future prospects for new wells; the impact of changes to commodity prices and general industry economics; and the general outlook of the Company. PetroShale provided such forward-looking statements in reliance on certain expectations and assumptions that it believes are reasonable at the time, including expectations and assumptions concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserve and resource volumes; business prospects and opportunities; the availability and cost of financing, labor and services; the impact of increasing competition; ability to market oil and natural gas successfully; and the Company's ability to access capital.

Statements relating to "reserves" are also deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Forward-looking information addresses future events and conditions, which by their very nature involve inherent risks and uncertainties. The Company's actual results, performance or achievement could differ

materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on the Company's future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect our operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). These forward-looking statements are made as of the date of this press release and the Company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Oil and Gas Advisories:

Where amounts are expressed on a barrel of oil equivalent ("Boe") basis, natural gas volumes have been converted to Boe using a ratio of 6,000 cubic feet of natural gas to one barrel of oil (6 Mcf: 1 Bbl). This Boe conversion ratio 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 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 at 6 Mcf: 1 Bbl may be misleading as an indication of value. In this release, mboe refers to thousands of barrels of oil equivalent, while mbbls refers to thousands of barrels of oil, and mmcf refers to millions of cubic feet of natural gas.

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