

# **Terrace Energy provide shareholder update and new strategic focus**

**Terrace Energy Corp. {TSX.V: TZR}** provide an update to stakeholders of the Company for their Maverick County Project, USA.

IN addition, TZR outlined a new strategic direction for the company due to the low oil price environment continuing to prevail.

VANCOUVER, Dec. 19, 2016 /CNW/ – **Terrace Energy Corp. {TSX.V: TZR}** provides the following update to stakeholders of the Company.

## **Maverick County Project**

The Company and its partner have recently drilled and completed two successful Eagle Ford Shale wells on the 147,000 acre Maverick County Project. The Chittim Heirs #11H and Chittim Heirs #12H were both drilled from the same surface location with horizontal lateral lengths of approximately 4,800' into the Lower Eagle Ford Shale. The wells were completed with 21 and 20 stages of hydraulic fracturing using approximately 200,000 barrels of water and 10 million pounds of sand per well. Flowback operations are currently underway. Initial results are encouraging with the wells making a combined rate of over 1,100 BOPD. After 30 days of flowback, the wells have recovered over 10,000 barrels of oil and 34% of their total load water.

The Company will continue to monitor these early results and will formulate a strategy for optimizing the value of its investment in due course. The successful completion of the Chittim Heirs #11H and #12H wells will significantly enhance the value of the Maverick County Project. The Company plans to review and consider all alternatives for securing the additional capital required to fund the Company's future obligations including, but not limited to, the sale or partial sale of its interest in the Project.

## **Olmos Project**

In a series of recent transactions, the Company divested its remaining assets in McMullen and LaSalle Counties, Texas allowing it to eliminate significant liabilities and contractual obligations. In connection with these transactions, the Company received US\$1.5 million in cash.

## **Outlook**

Over the past several months, the Company has been focused on the preservation of capital and the elimination of near-term liabilities and contractual obligations as we have monitored the commodities market. Since it now appears that the time frame in which oil prices will sufficiently recover to warrant large scale exploration in South Texas remains unclear, Management intends to shift its strategic focus from the acquisition and development of grass-roots exploration projects to large-scale project management, whereby the Company would partner with third-party private equity providers to opportunistically acquire, reorganize, if necessary, and develop distressed assets or assets that are no longer core to other oil & gas companies. To that end, the

Company is currently holding discussions regarding such opportunities with a number of interested parties. There are, however, no assurances the Company will successfully conclude a transaction in the near-term or at all.

Throughout the adverse changes in circumstances that resulted from decreased oil prices, the Company has been able to retain key technical personnel by successfully securing third party management and consulting contracts. This has allowed us to keep our core team intact to facilitate our planned shift in strategic focus without significant carrying costs.

### **About Terrace Energy**

Terrace Energy is an oil & gas development stage company that is focused on unconventional oil extraction in onshore areas of the United States.

ON BEHALF OF THE BOARD OF DIRECTORS

“Dave Gibbs”

Dave Gibbs, CEO

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