Terrace Energy reports continuing progress and drill results

Terrace Energy reports additional well results and continuing progress on its STS Olmos Development Project.

COO George Morris “pleased with the results of our six wells”

Vancouver, April 14, 2015 – **Terrace Energy Corp. {TSXV: TZR}** reports continuing positive results and progress on its STS Olmos Development Project in McMullen and LaSalle Counties, Texas.

The Company previously reported initial flow back testing reports on the second three-well pad, the STE #1-5H, #2-5H and #3-5H pad at a combined initial rate of 2,821 BOEPD. Stabilized 30 Day Average IP rates are now reported at a combined total of 2,478 BOEPD as follows:

STE #1-5H 694 BOPD, 1172 MCFD (889 BOEPD*)
STE #2-5H 554 BOPD, 923 MCFD (708 BOEPD*)
STE #3-5H 698 BOPD, 1101 MCFD (881 BOEPD*)
These wells have now been on production for approximately 40 days have produced a total of approximately 100,000 BOE.

George Morris, the Company’s Sr. Vice President and COO, stated “We continue to be pleased with the results of our new wells. The six wells completed to date in our pad drilling program continue to meet or exceed our model expectations. We have demonstrated excellent, repeatable performance results across the field. The STS Project provides a stable, profitable and predictable growth platform for the Company.”

Progress continues as planned on the overall development of

the project. Drilling operations have been successfully concluded on two additional three-well pads. These six wells in McMullen County have been successfully drilled and cased in the Olmos Formation with lateral lengths averaging 5,400 feet. Based on the successful experience with the first two pad developments, fracture stimulation programs are being refined and optimized. In order to take advantage of favorable market conditions, the Company's partner is rebidding stimulation and related services and will finalize schedules accordingly. The obligations under the existing drilling rig contract have also been fulfilled. We are currently demobilizing the current rig and are exploring options and timing to reinitiate the drilling program as market conditions dictate.

The Company, through its wholly owned subsidiary Terrace STS, LLC, holds a 15% interest in the above mentioned new wells on the STE pad and 27% working interest in the majority of the field acreage including the next six completions.

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

* BOEs 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.

** The results observed are not necessarily indicative of long-term production performance or the ultimate recovery from

these wells

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Forward-Looking Information

This press release includes forward-looking information and forward-looking statements (together, “forward-looking information”) within the meaning of applicable Canadian and United States securities laws. Forward-looking information includes, but is not limited to: information regarding plans for the development of the Company’s projects and the timing thereof, including the potential number of drilling locations on the STS Olmos Development Project and expectations regarding achieving key successes and milestones over the next several months. Users of forward-looking information are cautioned that actual results may vary materially from the forward-looking information disclosed in this press release. The material risk factors that could cause actual results to differ materially from the forward-looking information contained in this press release include changes to the Company’s ability to access infrastructure in the vicinity of its projects at a reasonable price; changing costs for and availability of required goods and services; regulatory changes; risks relating to disagreements or disputes with joint venture partners, including any failure of a joint venture partner to fund its obligations; volatility in market prices for oil and natural gas; and all of the other risks and uncertainties normally associated with the exploration for and development and production of oil and gas, including geologic uncertainties, unforeseen drilling hazards, geological, technical, drilling and processing problems, accidents and adverse weather conditions. The forward-looking information contained in this press release represents management’s best judgment of future events based on information currently

available. The material assumptions used to develop the forward-looking information include: that the Company will be able to access infrastructure in the vicinity of its projects on reasonable terms; that the Company will be able to access the goods and services necessary in order to conduct further exploration, development and production at its projects on reasonable terms; that regulatory requirements will not change in any material respect; and that other aspects of the Company's operations will not be affected by unforeseen events. Statements regarding future drilling locations are based on geologic interpretations which are subject to revision as further data is developed. The Company does not assume the obligation to update any forward-looking information, except as required by applicable law.

SOURCE Terrace Energy Corp.

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