

Lower St. Lawrence - Several tens of millions barrels of oil and very large volumes of gas could be present in the conventional reservoirs of the Massé structure

BROSSARD, QC, May 17, 2016 /CNW Telbec/ - Ressources & Energy Squatex ("Squatex" or the "Company") and its partner Petrolympic Ltd. ("Petrolympic") (TSXV: PCQ) (OTCQB: PCQRF) are pleased to announce the results of a major reassessment of resources for the eastern part the Massé structure performed independently by Sproule Associates Limited ("Sproule"). The Massé structure is located in the Lower St. Lawrence permits, some 25 km southeast of Mont-Joli, in the Appalachian Basin of Quebec. Squatex owns a 70% interest in 656,093 hectares (1,621,241 acres) of exploration permits in Quebec over which it is the operator under a joint operation agreement with Petrolympic (30%).

The resources reassessment reported by Sproule includes an authentication of in depth analyzes performed by the Squatex's technical team on the Massé No.2 well logs. These new data completes and confirms the initial data previously acquired in the Massé No.1 well for the eastern part of the Massé structure. Sproule considers that the results of its resources simulations could extend over a probable average area of 5.2 km².

The potential resources evaluated by Sproule are related to porous levels in the St. Leon and Sayabec Formations encountered in the wells drilled in the eastern part of the Massé structure. The results of the study point out to a potential of 53.6 BCF of gas and 52.2 million barrels of oil over a probable average area of 5.2 km², an oil equivalent total of 61.1 million barrels (MMBOE).

Resource volumes for Massé have been increased significantly compared to the previous estimate done in 2014 with the addition of a very important oil volume. Gas resources are also improved considerably following the analysis based on the logs recorded in the Massé No.2 well.

The gross pay of the Silurian basin rock of the Lower St. Lawrence extends up to a nearly 540m thick interval recognized by Sproule from the logs in which the net pay varies between 66m and 210m averaging, 130m in thickness. These porous zones are more than encouraging for further work and validate the potential of this region of the Lower St. Lawrence area.

Jean-Claude Caron, President and Chief Executive of Squatex, declares: « Results of the Sproule report make me believe that Massé could be one of the most important discoveries of conventional oil and gas reservoirs made to date in Quebec ». Indeed, the Sproule Report points out a probable presence of 10.3 BCF of gas and 10 MMbbl oil per square kilometer. According to an internal study of Squatex's technical team, the Massé structure could extend over more than 80km². Several porosity anomalies observed on seismic having close similarities the anomalies confirmed by the Massé No.1 and No. 2 wells were also highlighted further west within the property. The assessment done by Sproule does not take into account the presence of these seismic features, these ones being located in their view too far away from the drilled wells. Their occurrence nevertheless represents a significant potential for the Property. Results of the current Sproule study illustrate the rightful vision and efforts of Squatex and Petrolympic who pioneered the development of the oil and gas potential of the Lower St. Lawrence.

Results of the resource assessment over 5.2 Km2 from the Sproule Report (6 May 2016)

Table S-2 Summary of Project Gross Unrisked Undiscovered Unrecoverable Petroleum Initially-in-Place (PIIP) of the Eastern Massé Structure, Lower St. Lawrence Area, Québec, Canada 1,2 Estimated by Sproule Associates Limited, As of April 30, 2016						
Structure	Formation		Low ⁴	Best ⁵	High ⁶	Mean ⁷
			(P ₉₀)	(P ₅₀)	(P ₁₀)	
Massé	St-Leon	Gas (BCF) ^{2,3}	0.2	1.0	3.8	1.6
		Oil (MMbbl) ^{2,3}	2.0	9.9	42.2	17.0
	Sayabec	Gas (BCF) ^{2,3}	4.4	24.0	119.7	49.0
		Oil (MMbbl) ^{2,3}	2.9	17.1	87.3	35.8
Total ⁷		Gas (BCF) ^{2,3}	5.7	26.8	127.6	53.6
		Oil (MMbbl) ^{2,3}	10.0	33.9	113,6	52.2
		MMBOE ^{2,3,7}				61.1

NOTES

- Undiscovered Petroleum Initially-in-place (equivalent to undiscovered resources) is the quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially in place is referred to as "prospective resources", the remainder as "unrecoverable". Only the in-place volumes are presented here as a development project to recover any hydrocarbons discovered has not been defined. **There is no certainty that any portion of these unrisked undiscovered GIIP will be discovered and, if discovered, there is no certainty that it will be developed or, if it is developed, there is no certainty as to either the timing of such development or whether it will be commercially viable to produce any portion of these resources.**
- These are the project gross unrisked undiscovered petroleum initially in place volumes (i.e. 100% project gross) estimated for the Sayabec Formation of the Massé Structure without any adjustments for working interest and before deduction of any royalties.
- "BCF" is billions of cubic feet, "MMboe" is millions of barrels of oil, "MMBOE" is millions of barrels of oil equivalent. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.
- Low Estimate is considered to be a conservative estimate of the quantity that will actually be in-place. It is likely that the actual remaining quantities in-place will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P₉₀) that the quantities actually in-place will equal or exceed the low estimate.
- Best Estimate is considered to be the best estimate of the quantity that will actually be in-place. It is equally likely that the actual remaining quantities in-place will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P₅₀) that the quantities actually in-place will equal or exceed the best estimate.
- High Estimate is considered to be an optimistic estimate of the quantity that will actually be in-place. It is unlikely that the actual remaining quantities in-place will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P₁₀) that the quantities actually in-place will equal or exceed the high estimate.
- Statistical aggregation is the process of probabilistically aggregating distributions that represent estimates of resource quantities at the reservoir, prospect, or portfolio level. Arithmetic summation and statistical aggregation of the means yield similar results. Arithmetic summation of the Low Estimate, Best Estimate and High Estimate are not statistically appropriate. Both the statistical and arithmetic summation of the unrisked prospects may be misleading because it assumes success for each of the prospect entities. The chance of this occurring is extremely unlikely. Actual recovery is likely to be less and may be zero.

Squatex and its partner Petrolympic are currently setting up a new drilling program to further validate the potential of the Massé structure and they also intend to keep on with the coring exploration program to validate and test similar prospective structures that have been identified over their permits.

About Ressources & Energie Squatex Inc.

Ressources & Énergie Squatex Inc. is a junior oil and gas exploration company which was incorporated under the Canada Business Corporations Act on April 12, 2002 and whose registered office is at 7055, Boul. Taschereau, suite 500, Brossard (Quebec), J4Z 1A7. The main activity of Squatex is, as operator, to carry out work and studies aimed to the assessment of the oil and gas potential of its territory under exploration licenses. The current oil and gas exploration permits held by the Company in the Province of Québec cover 656 093 hectares (1,633,672 Acres) of land. Squatex is holding a 70% net interest over 216,933 Ha (536,051 acres) in the St. Lawrence Lowlands area between Quebec and Montréal under a joint venture agreement with Petrolympic Ltd (TSXV : PCQ, OTCQB.PCQRF) and a 28% net interest in the Utica and Lorraine Formations over 8000 Ha (19,768 acres) under a farm-out agreement to Canbriam Energy Inc. Squatex also hold a 70% net interest over 431,160 Ha (1,065,415 acres) in the Lower St. Lawrence area in which the Massé Structure is located, under the same joint venture agreement with Petrolympic Ltd.

About Petrolympic Ltd

Petrolympic is a Canadian junior oil and gas company actively exploring for premium crude oil and natural gas in North America. The Company has an oil asset in the prolific Maverick Basin of Texas, USA. The Company also holds an interest in a total of 752,933 hectares (1,860,530 acres) of oil and gas exploration permits in the Appalachian Basin of Quebec that include holdings in the St. Lawrence Lowlands and Gaspé Peninsula. The Company's holdings in the St. Lawrence Lowlands consist of a 30% interest in 216,933 hectares (536,051 acres) through a joint venture with Squatex, a 12% interest in 8,000 hectares (19,768 acres) through the Farmout Agreement with Canbriam Energy Inc., and a 100% interest in 56,152 hectares (138,754 acres) located over the Lowlands shallow carbonates platform on the south shore of the St. Lawrence River, less than 30 kilometers southwest of Montreal. These properties represent a major position in the Utica Lorraine and Trenton-Black River Plays. Petrolympic also maintains holdings in the Gaspé and Lower St. Lawrence regions, including a 30% interest in 431,160 hectares (1,065,415 acres) through a joint venture with Squatex and a 100% interest in a block of exploration permits totaling 40,688 hectares (100,542 acres) located between Rimouski and Matane prospective for hydrothermal dolomite hosted light oil.

Forward Looking Statements

Certain statements made herein may constitute forward-looking statements. These statements relate to future events or future economic performance of Ressources & Energie Squatex inc and Petrolympic Ltd and involve risks, uncertainties and other known and unknown factors that may appreciably affect their results, performance or achievements compared to what expressed or implied by the statements of Squatex /Petrolympic. Actual events or results could differ. Consequently, the decision to invest in securities and Squatex /Petrolympic should at no time be based on such statements. Squatex /Petrolympic disclaims any intention and assume no obligation to update such statements.

Neither the TSX venture exchange nor its regulations services provider have reviewed or accepted responsibility for the adequacy or accuracy of this release.

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