



**POWDER MOUNTAIN ENERGY LTD.
ANNOUNCES THE FILING OF YEAR-END FINANCIAL STATEMENTS,
MANAGEMENTS DISCUSSION & ANALYSIS, NI 51-101 RESERVES REPORT AND
PROVIDES OPERATIONS UPDATE**

Calgary, Alberta, January 14, 2015 – Powder Mountain Energy Ltd. (“**Powder Mountain**” or the “**Corporation**”) (TSX-V: PDM) is pleased to announce that it has filed its Audited Consolidated Annual Financial Statements, the related management's discussion and analysis and the NI 51-101 Statement of Reserves Data for the twelve months ended September 30, 2014 on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”). Copies of these documents can be found on the SEDAR website at www.sedar.com and the Company's website at www.powdermtenergy.com

Corporate Highlights

During the year the Company successfully completed a business combination between Passport Energy and Amarak Energy to form Powder Mountain. At the same time the Company completed an equity financing for total gross proceeds of approximately \$23 million. At year end Powder Mountain had cash on hand totaling \$33.3 million.

In July 2014, Powder Mountain acquired 1.25 net producing oil wells and 5,338 net acres in its core area of southeast Saskatchewan for approximately \$1.8 million while at the same time it acquired a 3% gross overriding royalty on approximately 38,000 acres of land in the same area for \$281,000. In addition and as part of the Company's focused strategy it disposed of its non-core heavy oil properties in Wyoming for approximately \$2.0 million.

During the fiscal year Powder Mountain acquired a total of 23,400 net acres of lands in its core area of southeast Saskatchewan, including the July acquisition, while also purchasing and reprocessing 125.2 km of 2D and 17.5 sq.km of 3D seismic trade data. Subsequent to year end, Powder Mountain added a further 7,500 gross and net acres at Coteau Lake and now has a total of 36,500 net acres of prospective Bakken and Torquay lands in southeast Saskatchewan

Reserves Highlights

As at September 30, 2014, the GLJ Reserve Report assigned proved plus probable reserves to the Company of 384 Mbbbl of light oil reserves to Powder Mountains interest, an increase of

296 Mbbl or 336% over last year. The reserves have a net present value of \$9.2 million discounted at 10%, an increase of \$7.2 million.

Operations Update

Powder Mountain is pleased provide the following operations update to its drilling program in southeast Saskatchewan.

During November and December the Company drilled and fracture stimulated two horizontal Bakken wells in southeast Saskatchewan. The first well was drilled at our Coteau Lake property and included a vertical strat well to test the Torquay formation before drilling the horizontal Bakken section. The second was a development well on our Hardy property. Both wells are currently being equipped and placed on production and will be tested for an extended period of time.

Further follow up drilling is contingent on well results and oil pricing.

Powder Mountain is a Calgary, Alberta based corporation engaged in the exploration, development and production of petroleum and natural gas in the Western Canadian Sedimentary Basin.

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