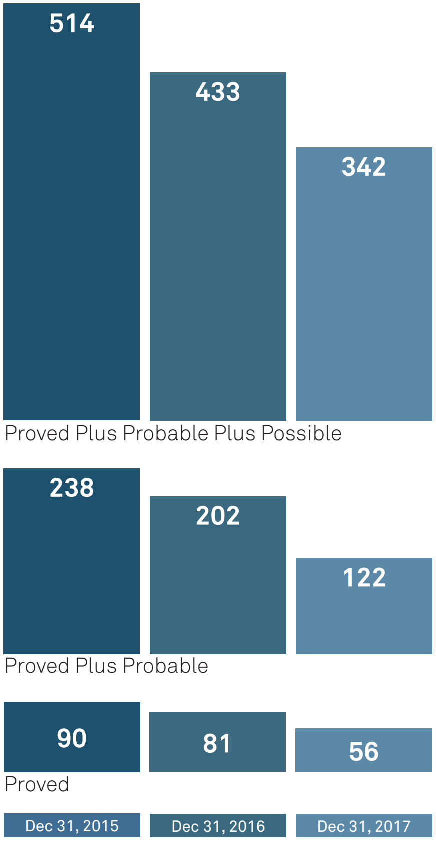
# ANNUAL REVIEW
# 2017

ORYX
PETROLEUM

# AT A GLANCE

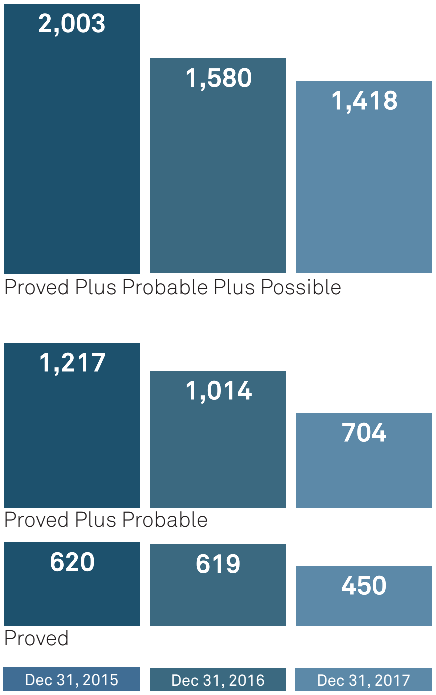
## OIL RESERVES

*MMbbl*



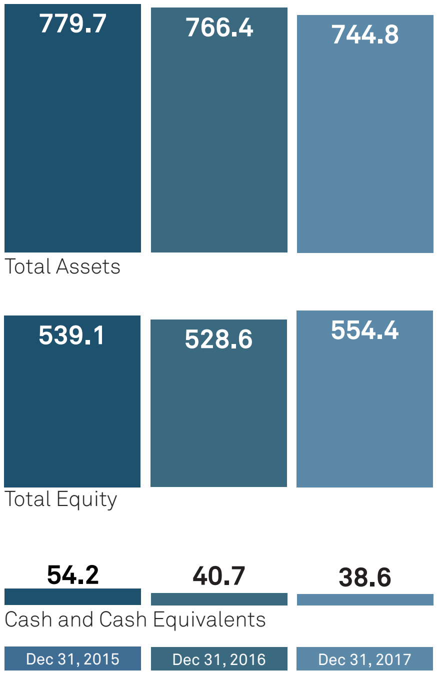

## AFTER TAX NPV @ 10%[1]

*$ Million*




## STATEMENT OF FINANCIAL POSITION

*$ Million*



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## STATEMENT OF LOSS

| $ Million | 2015 | 2016 | 2017 |
|---|---|---|---|
| Revenue | 20.5 | 22.8 | 37.4 |
| Working Interest Sales (bbl) | 588,200 | 593,300 | 779,200 |
| Net Loss | 423.6 | 65.7 | 39.1 |
| Net Loss per share ($/sh) | 3.43 | 0.31 | 0.11 |

## STATEMENT OF CASH FLOW

| $ Million | 2015 | 2016 | 2017 |
|---|---|---|---|
| Net Cash used in Operating Activities | 22 | 11 | 10 |
| Net Cash used in Investing Activities | 133 | 35 | 22 |

*(1) These estimated values of after-tax net present value of future net revenue related to oil reserves are calculated using a 10% discount rate and are valid only at the dates indicated. These estimates do not represent fair market value.*



This Annual Review contains forward-looking information. By its nature, forward-looking information requires us to make assumptions and is subject to risks and uncertainties. Please refer to the Forward-Looking Information Advisory on page 24 for a discussion of such risks and uncertainties and the material factors and assumptions related to the information set forth in this Annual Review.

# A MESSAGE FROM OUR CHAIRMAN

During 2017, Oryx Petroleum made significant progress in its effort to reposition the Company for the future.

In the Kurdistan Region of Iraq, the Company increased production and further reduced per unit costs. Export channels and payment mechanisms continued to be reliable, notwithstanding regional tensions following the independence referendum in the Kurdistan Region in September 2017. Additionally, the security situation improved sufficiently for Oryx Petroleum to access all the key oil fields within the Hawler license area.

Oryx Petroleum continued to mature its promising AGC Central exploration license offshore Senegal and Guinea-Bissau, with the processing and initial interpretation of 3D seismic data acquired in late 2016 and early 2017. The Company disposed of non-core assets in Nigeria and the AGC administrative area offshore Senegal and Guinea Bissau, and is in the final stages of divesting its interests in Congo (Brazzaville).

Importantly, during the year, Oryx Petroleum also completed a major recapitalisation of its balance sheet. All of the Company's major liabilities and commitments were restructured and/or reduced and equity capital was raised from its major shareholders.

Going forward, Oryx Petroleum's focus will be on the Hawler license area in the Kurdistan Region of Iraq and the AGC Central license area offshore Senegal and Guinea-Bissau. In the Hawler license area, the Company´s key objectives in 2018 are to further evaluate all key fields and to achieve production and cash flow levels that will allow it to sustain its operation, meet commitments and contribute to funding capital expenditures in 2018 and beyond, in both the Hawler license area and the AGC Central exploration license.

We are very excited about the potential of the AGC Central license given the results of the Company's initial interpretation of 3D seismic data and the success of other operators in the Casamance sub-basin. Eleven prospects have been identified with best estimate unrisked gross (working interest) prospective oil resources of 3,450 million barrels. In 2018, Oryx Petroleum plans to complete final interpretation of 3D seismic data and prospect selection, in order to be ready to begin exploration drilling in 2019. The potential for value creation is significant.

With higher revenues, greater financial flexibility and increased liquidity, the Company has the wherewithal to achieve its objectives in 2018. Overall, we remain determined to generate value for our shareholders.

Our commitment to social responsibility remains firm. In 2017, in the Kurdistan Region, we continued to provide medical services and school supplies to local villages. We also provided scholarships to children impacted by the conflicts in northern Iraq and helped local villages build infrastructure focused primarily on water supply and sanitation. In Guinea-Bissau, we continued to fund the construction of canteen facilities and other infrastructure for schools. More initiatives are planned in 2018.

I would like to thank management and the board of directors for their efforts, and to express my gratitude to our shareholders who continue to provide us with their trust and confidence.

**Jean-Claude Gandur**
Chairman

# VISION AND VALUES

Our vision is simple but ambitious; to become one of the world's leading independent exploration, development and production oil companies.

Our corporate values can be distilled into the following three elements:

### AMBITIOUS

- Quick to seize new opportunities
- Inquisitive, curious and responsive
- Self-motivated, tenacious and intuitive

### AGILE

- Open-minded, flexible and innovative
- Dedicated to working with local cultures for shared success
- Versatile and resourceful in exploring fresh solutions

### RESPONSIBLE

- Honest, fair, open and tolerant
- A culture that encourages personal success
- Committed to maintaining the highest standards of civility, decency, dignity and justice

# A MESSAGE FROM OUR CEO

In 2017, Oryx Petroleum achieved a number of important objectives.

We increased production 32% from the Hawler license area in the Kurdistan Region of Iraq thanks to increased production from the Zey Gawra field. The increased production combined with higher crude oil prices and lower per unit costs resulted in a sizable increase in cash flow.

We matured our AGC Central license area by completing the processing and initial interpretation of 3D seismic data and initial mapping of prospects.

During 2017, we focused on divesting non-core assets and restructuring and recapitalising our balance sheet. We divested our interest in the OML 141 license in Nigeria and relinquished our interest in the AGC Shallow license area offshore Senegal and Guinea-Bissau. In early 2018, we reached an agreement to transfer our interest in the Haute Mer B license offshore Congo (Brazzaville) to Total SA for cash consideration. We are in advanced stages of divesting our interest in the Haute Mer A license offshore Congo (Brazzaville).

With regards to our balance sheet, total liabilities are 20% lower than at the end of 2016 and repayment schedules have been restructured. Our two largest shareholders subscribed for common shares of Oryx Petroleum resulting in $30 million of funding for our planned capital program through the end of 2018.

Our 2018 capital program is focused on our two core license areas: the Hawler license area in the Kurdistan Region of Iraq and the AGC Central license area offshore Senegal and Guinea-Bissau. In the Hawler license area, our program includes the drilling of seven wells and has been designed to allow us to significantly increase production and better define the development potential of the three key fields (Demir Dagh, Banan and Zey Gawra) in the license area. We recently finished drilling the first of the seven planned wells, the ZEG-2 well targeting the Zey Gawra Cretaceous reservoir and completed the well as a producer. We will now move to drill or re-enter wells targeting the Banan Tertiary and Cretaceous reservoirs, the Demir Dagh Cretaceous reservoir as well as an additional well targeting the Zey Gawra Cretaceous reservoir.

In the AGC Central license area, our forecasted capital expenditures include a final payment for the licensing of 3D seismic data currently being interpreted, and preparations for exploration drilling planned in 2019. The results of the initial interpretation of seismic data have exceeded expectations and we remain very excited about the potential for a significant oil discovery.

With the repositioning of our business largely complete we are very much focused on the implementation of our 2018 plans for continued appraisal, development and exploration of our core assets.

As always, I would like to thank our management and staff, board of directors, business partners and shareholders who helped us reposition our business and provided us with the means to pursue an active drilling program. We look forward to an exciting and productive year.

**Vance B. Querio P.E.**
Chief Executive Officer

# KEY EVENTS

## JANUARY 2017

- Completion of the Oryx Petroleum sponsored acquisition of approximately 2,000 km$^2$ of 3D seismic data in the AGC Central license area

## MARCH / APRIL 2017

- Full settlement of the financial lease obligation related to the Hawler production facilities for substantially less than what was to be paid over the remaining life of the lease (2017 and 2018)
- Issuance of 15.5 million common shares of Oryx Petroleum to a contractor to settle a trade payable
- Divestment of interest in the OML 141 license area in Nigeria

## JUNE 2017

- Agreement with the vendor of the Hawler license area to restructure the contingent consideration obligation owed in connection with the original purchase of Oryx Petroleum's interest in the Hawler license area
- AOG agrees to extend maturity of credit facility provided to Oryx Petroleum
- Issuance of common shares of Oryx Petroleum to AOG and Zeg Oil & Gas Ltd. for aggregate proceeds of $54.1 million, $24.1 million of which was used to partially repay the credit facility provided by AOG

## JULY / AUGUST 2017

- Successful re-completion of and commencement of production from the ZAB-1 sidetrack well in the Cretaceous reservoir
- Completion of workover operations at the Demir Dagh-8 and Demir Dagh-7 wells; Both wells unable to be completed as producers

## SEPTEMBER / OCTOBER 2017

- Independence referendum in Kurdistan Region of Iraq; temporary suspension of drilling activities

## NOVEMBER / DECEMBER 2017

- Completion of processing and initial interpretation of 3D seismic data covering AGC Central license area
- Relinquishment of AGC Shallow license area

## JANUARY / FEBRUARY 2018

- Agreement reached with third party to transfer Oryx Petroleum´s interest in the Haute Mer B license for cash consideration
- Resumption of drilling activities in the Hawler license area with spudding of the ZEG-2 well targeting the Cretaceous reservoir

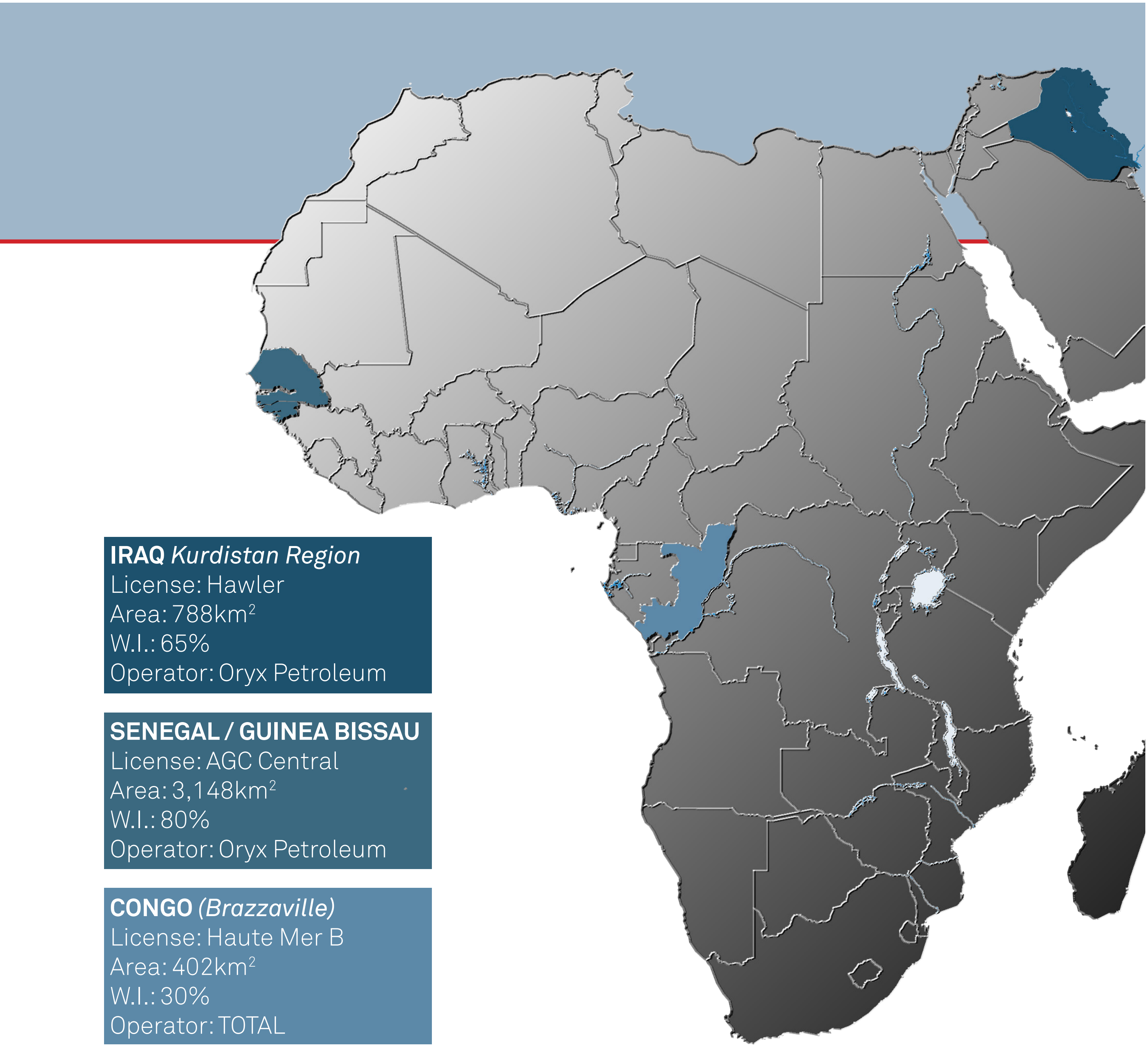
# OUR OPERATIONS

Oryx Petroleum is an international oil exploration company focused in Africa and the Middle East. Oryx Petroleum was founded in 2010 by The Addax & Oryx Group (AOG). AOG previously formed Addax Petroleum, a company founded in 1994 and acquired in 2009 by Sinopec Corporation. Oryx Petroleum has interests in three license areas within its strategic focus areas of Africa and the Middle East, namely in the Kurdistan Region of Iraq, the AGC administrative area offshore Senegal and Guinea-Bissau, and Congo (Brazzaville). Oryx Petroleum is the operator in two of the three license areas.

As at December 31, 2017, Oryx Petroleum had gross (working interest) proved plus probable oil reserves of 122 MMbbl, best estimate unrisked gross (working interest) contingent oil resources of 148 MMbbl (risked:112 MMbbl) and best estimate unrisked gross (working interest) prospective oil resources of 3,750 MMbbl (risked: 398 MMbbl). As at December 31, 2017, the after-tax net present value of (i) the future net revenue for the Company's gross (working interest) proved plus probable oil reserves is $704 million and (ii) the risked net contingent cash flow for the Company's best estimate gross (working interest) contingent oil resources sub-classified as development pending is $106 million, in each case using forecast prices and costs and a 10% discount rate. The Company's oil reserves and resources and associated net present values as at December 31, 2017 are based on evaluations made by NSAI, an independent oil and gas consulting firm providing reserve and resource reports to the worldwide petroleum industry. See Reserves & Resources Advisory on page 24.

| Reserves and Resources (Working Interest) | | | | |
|---|---|---|---|---|
| **Location** | ***License*** | **Proved plus Probable (Working Interest)** | | |
| Oil Reserves[1] | | (MMbbl) | ($ million)[6] | |
| Iraq Kurdistan Region | *Hawler* | 122 | 704 | |
| | | **Gross[7] Oil (Working Interest)** | | |
| | | Unrisked | Risked[9] | |
| Contingent Oil Resources- Development Pending[2,3] | | (MMbbl) | (MMbbl) | ($ million)[6] |
| Iraq Kurdistan Region | *Hawler* | 54 | 47 | 106 |
| | | **Gross[7] Oil (Working Interest)** | | |
| | | Unrisked | Risked[9] | |
| Contingent Oil Resources- Development Unclarified[2,4] | | (MMbbl) | (MMbbl) | |
| Iraq Kurdistan Region | | 94 | 65 | |
| | | **Gross[7] Oil (Working Interest)** | | |
| | | Unrisked | Risked[10] | |
| Prospective Oil Resources[5] | | (MMbbl) | (MMbbl) | |
| Iraq Kurdistan Region | *Hawler* | 105 | 4 | |
| AGC | *AGC Central* | 3,450 | 392 | |
| Congo (Brazzaville) | *Haute Mer B* | 195 | 2 | |
| **Total Prospective Resources[8]** | | **3,750** | **398** | |

*Explanatory notes referenced by number in the above table can be found on page 25.*



**IRAQ** ***Kurdistan Region***
License: Hawler
Area: 788km$^2$
W.I.: 65%
Operator: Oryx Petroleum

**SENEGAL / GUINEA BISSAU**
License: AGC Central
Area: 3,148km$^2$
W.I.: 80%
Operator: Oryx Petroleum

**CONGO** ***(Brazzaville)***
License: Haute Mer B
Area: 402km$^2$
W.I.: 30%
Operator: TOTAL

# KURDISTAN REGION OF IRAQ

## Sizable Reserves Base to Provide Production Growth

Oryx Petroleum has a 65% participating and working interest in the Hawler license area with discoveries on all four identified structures of the Hawler license area: Demir Dagh, Banan, Ain Al Safra and Zey Gawra. First production was achieved from the Demir Dagh field in the second quarter of 2014 and from the Zey Gawra field in the fourth quarter of 2016. Average gross (100%) production in the fourth quarter of 2017 was 3,800 bbl/d. Since March 2016 all production is sold via the Kurdistan Region - Turkey Export Pipeline and we have received full payment in accordance with production sharing contract entitlements for all oil sale deliveries into the Kurdistan Region - Turkey Export Pipeline during 2016 and 2017.

Oryx Petroleum acquired its 65% working and participating interest in the Hawler license area in August 2011. The Korean National Oil Corporation has a 15% participating interest and the Kurdistan Regional Government (KRG) has a 20% participating interest. Oryx Petroleum is the operator of the Hawler license area.

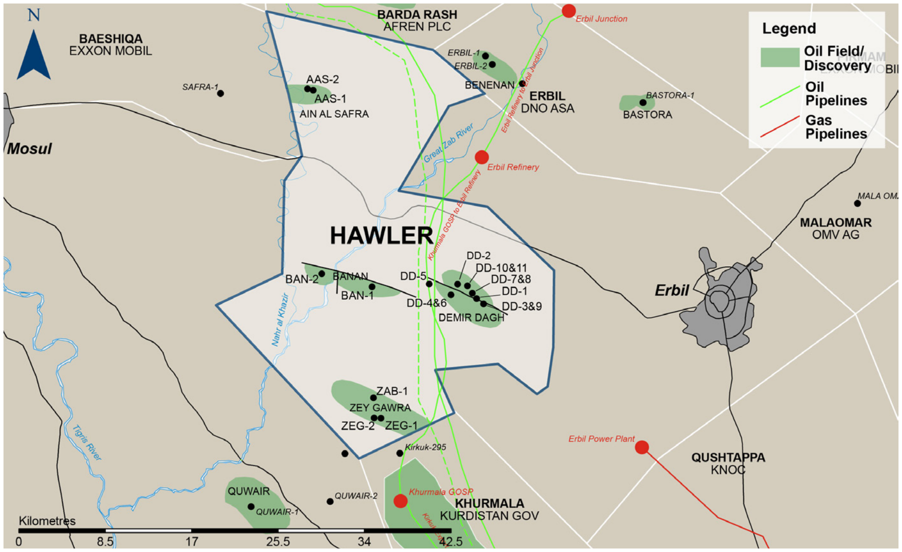
| Reserves and Resources (Working Interest) | | | | |
|---|---|---|---|---|
| Location | License | Proved plus Probable | | |
| **Oil Reserves**[1] | | (MMbbl) | ($ Million)[6] | |
| **Kurdistan Region of Iraq** | **Hawler** | | | |
| Demir Dagh Cretaceous | | 56 | | |
| Demir Dagh Jurassic | | 3 | | |
| Zey Gawra Cretaceous | | 22 | | |
| Banan Cretaceous | | 42 | | |
| **Total** | | **122** | **704** | |
| | | **Gross[7] Oil** | | |
| | | Unrisked | Risked[9] | |
| **Contingent Oil Resources - Development Pending**[2,3] | | (MMbbl) | (MMbbl) | ($ Million)[6] |
| **Kurdistan Region of Iraq** | **Hawler** | | | |
| Demir Dagh Cretaceous | | 16 | 14 | |
| Banan Cretaceous | | 31 | 28 | |
| Zey Gawra Tertiary | | 7 | 6 | |
| **Total** | | **54** | **47** | **106** |
| | | **Gross[7] Oil** | | |
| | | Unrisked | Risked[9] | |
| **Contingent Oil Resources - Development Unclarified**[2,4] | | (MMbbl) | (MMbbl) | |
| Kurdistan Region of Iraq | Hawler | 94 | 65 | |
| | | **Gross[7] Oil** | | |
| | | Unrisked | Risked[10] | |
| **Prospective Oil Resources**[5] | | (MMbbl) | | |
| Kurdistan Region of Iraq | Hawler | 105 | 4 | |

*Explanatory notes referenced by number in the above table can be found on page 25.*

# ZEY GAWRA FIELD

We announced the Zey Gawra discovery in December 2013 after completion of a successful testing program of the Zey Gawra-1 exploration well that flowed light oil from the Shiranish, Kometan and Qamchuqa formations in the Cretaceous reservoir.  The structure is estimated to contain 33 MMbbl of gross (100%) proved plus probable oil reserves as well as 11 MMbbl of best estimate unrisked gross (100%) contingent oil resources (risked: 9 MMbbl) and 22 MMbbl of best estimate unrisked gross (100%) prospective oil resources (risked: 1 MMbbl). The estimated reserves at Zey Gawra consist entirely of light oil (35°API) in the Shiranish, Kometan and Qamchuqa formations in the Upper Cretaceous reservoir. The estimated contingent oil resources at Zey Gawra which are sub-classified as development pending, consist of light/medium oil in the Pila Spi formation in the Tertiary reservoir. The estimated prospective oil resources at Zey Gawra consist of light oil in the Alan, Mus and Adaiyah formations in the Middle Jurassic reservoir, the Butmah formation in the Lower Jurassic reservoir and the Kurra Chine formation in the Triassic reservoir.

Appraisal activities at the Zey Gawra field commenced in the second half of 2016 after a suspension of operations beginning in August 2014 due to regional security developments.  In September 2016 we re-entered the ZAB-1 well and a fluid identification test was performed




in the Tertiary reservoir. The ZAB-1 well was originally spudded in 1990, reached targeted total depth and was successfully re-entered in 2002 after a long suspension prompted by the Gulf War, with the well suspended again prior to completion due to the resumption of hostilities in Iraq. The results of our test were inconclusive with further evaluation required before there will be any further drilling targeting the Tertiary reservoir.

In December 2016 we successfully re-completed the Zey Gawra-1 discovery well with a sidetrack operation partially penetrating the Cretaceous reservoir and commenced oil sales from the Zey Gawra field. In July 2017 we successfully completed drilling of the ZAB-1 sidetrack well targeting the Cretaceous reservoir and completed the well as a producer. In March 2018 we completed drilling of the Zey Gawra-2 well targeting the Cretaceous reservoir and completed the well as a producer. An additional well targeting the Zey Gawra Cretaceous reservoir is planned in 2018.

## DEMIR DAGH FIELD

The Demir Dagh discovery was announced in February 2013 after the conclusion of a successful test program on the Demir Dagh-2 well that flowed oil from the Cretaceous and Jurassic reservoirs. Subsequent to the discovery, the Demir Dagh-2 well was re-completed and nine appraisal/development wells have been drilled: the Demir Dagh-3 appraisal well was drilled to further appraise all reservoirs while the Demir Dagh-4 through Demir Dagh-11 appraisal wells have been drilled to appraise only the Cretaceous reservoir. Six wells have been completed as producers with three currently producing. First production commenced in June 2014 from the Cretaceous reservoir and in January 2016 from the Jurassic reservoir. All current production is derived from the Cretaceous reservoir.

3D and 3C seismic data covering the field has been acquired and processed and other data has been acquired and studied. The field development plan envisions a change from vertical to horizontal wellbores for the Cretaceous reservoir. The horizontal wells targeting the Cretaceous reservoir will be placed at strategic positions in order to minimize water production and take advantage of regional water movement.

The field is estimated to contain 90 MMbbl of gross (100%) proved plus probable oil reserves, as well as 24 MMbbl of best estimate unrisked gross (100%) contingent oil resources sub-classified as development pending (risked: 21 MMbbl), 73 MMbbl of best estimate unrisked gross (100%) contingent oil resources sub-classified as development unclarified (risked: 53 MMbbl) and 27 MMbbl of best estimate unrisked gross (100%) prospective oil resources (risked: 1 MMbbl).

Approximately 95% of the estimated proved plus probable reserves attributable to Demir Dagh consist of 23°API oil in the Shiranish, Kometan and Qamchuqa formations in the Cretaceous reservoir. All wells drilled through the Cretaceous reservoir have indicated matrix porosity. The oil in this reservoir is also very low in gas and hydrogen sulphide content and has good viscosity making it easy to process. The remaining 5% of the estimated proved plus probable reserves attributable to Demir Dagh consist of light oil (36°API to 43°API) from the Mus and Adaiyah formations in the Lower Jurassic reservoir.

In 2017, at Demir Dagh we performed workovers of the Demir Dagh-7 and Demir Dagh-8 wells. Neither well has been completed as a producer but further efforts are planned. Further appraisal and development activities are planned at the Demir Dagh field in 2018.

## BANAN FIELD

We announced the Banan discovery in early March 2014 after a successful testing program at the Banan-1 well that saw oil flowed from Cretaceous and Jurassic formations. We spudded the Banan-2 appraisal well in June 2014 but had to suspend drilling in August 2014 due to regional security developments. Operations have recently resumed at the Banan field. 3D seismic data was acquired over the portion of the Banan structure east of the Zab river in the second half of 2014 and that seismic data was processed and interpreted in 2015. The interpretation of data accumulated to date is that the Banan field is likely two fields separated by a north-south fault, roughly along the line of the Zab river.

The Banan field is estimated to contain 64 MMbbl of gross (100%) proved plus probable oil reserves, 75 MMbbl of best estimate unrisked gross (100%) contingent oil resources (risked: 57 MMbbl) and 52 MMbbl of best estimate unrisked gross (100%) prospective oil resources (risked: 3 MMbbl). Estimates are based on the test results of the Banan-1 discovery well, observations and data obtained during the drilling of Banan-1 and Banan-2 wells, interpretation of 3D seismic data covering a portion of the structure, and drilling results, well performance, and interpretation of data relating to the analogous Demir Dagh field. The estimated reserves at Banan are comprised entirely of medium oil (23°API) in the Shiranish, Kometan and Qamchuqa formations in the Upper Cretaceous reservoirs. 56% of the estimated reserves are attributable to the Banan East field and 44% are attributable to the Banan West field.

63% of the estimated unrisked contingent oil resources attributable to Banan are classified as development pending and consist of 23°API oil in the Shiranish, Kometan and Qamchuqa formations in the Cretaceous reservoir at the Banan East field. The remaining 37% of estimated contingent oil resources at Banan are classified as development unclarified and consist of heavy oil in the Pila Spi formation in the Tertiary reservoir at the Banan West field and light oil in the Butmah formation of the Jurassic reservoir at the Banan East field. The estimated prospective oil resources at Banan consist of heavy oil in the Pila Spi formation in the Tertiary reservoir and light oil in the Kurra Chine formation in the Triassic reservoir. In late 2017 we resumed operations at Banan with site remediation. Appraisal and development activities are planned at the Banan field in 2018.

# KURDISTAN REGION OF IRAQ

## AIN AL SAFRA DISCOVERY

We announced the Ain Al Safra discovery in October 2013 after completing a testing program at the Ain Al Safra-1 exploration well that flowed oil from the Jurassic reservoir. We spudded the Ain Al Safra-2 appraisal well in March 2014 to further evaluate the Jurassic formations and explore the potential in the Triassic reservoir that the first exploration well was not able to assess. We suspended drilling at the Ain Al Safra-2 appraisal well in August 2014 due to regional security developments just as the well had reached its targeted depth. Although the security environment has improved sufficiently to allow work to resume we have deferred testing of Ain Al Safra-2 based on operational priorities.

The structure is estimated to contain 43 MMbbl of best estimate unrisked gross (100%) contingent oil resources sub-classified as development unclarified (risked: 33 MMbbl) and 60 MMbbl of best estimate unrisked gross (100%) prospective oil resources (risked: 2 MMbbl). The estimated contingent oil resources at Ain Al Safra consist entirely of heavy oil (18°API) in the Alan, Mus and Adaiyah formations in the Middle Jurassic reservoir. The estimated prospective oil resources at Ain Al Safra consist of heavy oil in the Butmah formation in the Lower Jurassic reservoir and light oil in the Kurra Chine formation in the Triassic reservoir.

## FACILITIES

The processing facilities for crude oil produced at Demir Dagh, Zey Gawra and Banan are or will be based primarily at Demir Dagh with satellite facilities at Zey Gawra and Banan tied into the central facilities at Demir Dagh. Most storage, truck loading facilities and the pipeline entry point for exports from the Demir Dagh, Zey Gawra and Banan fields are or will also be based at Demir Dagh.

### Processing facilities

In September 2015 we commissioned the Hawler processing facilities representing gross (100%) capacity of 40,000 bbl/d with two trains to process Cretaceous and Jurassic crude production streams. Tanker terminal unloading capacity and storage capacity are approximately 12,000 bbl/d and 25,000 bbl, respectively. The 1.2 km of 16” pipeline connecting the Hawler processing facilities to the Kurdistan Region - Turkey Export Pipeline was commissioned and first exports commenced in March 2016.

Crude oil produced at the Zey Gawra field is currently processed at leased processing facilities with gross (100%) capacity of 6,000 bbl/d and hauled by tanker from Zey Gawra to the Hawler tanker terminal where it is offloaded and pumped to the Demir Dagh storage system before onward export via the Kurdistan Region - Turkey Export Pipeline.

## 2018 Plans

Oryx Petroleum's forecasted capital expenditures for the Hawler license area are $39 million for 2018. Our program includes the drilling or re-entry of seven wells and has been designed to allow us to significantly increase production and better define the development potential of the three key fields in the license area.

At the Demir Dagh field we are planning to drill a short radius sidetrack of the previously drilled Demir Dagh-5 well. A successful sidetrack well completed high in the Cretaceous reservoir would provide important validation of our planned horizontal well development plan.

At the Zey Gawra field our plans consist of the drilling of two new wells targeting the Zey Gawra Cretaceous reservoir. One well has been drilled and completed as a producer in early 2018 and another is planned in Q2 2018.

At the Banan field our plans consist of the re-entry, completion and testing of the Banan-2 well targeting the Cretaceous reservoir and the drilling of three new wells targeting the Tertiary reservoir.

We also plan modifications to the Hawler tanker terminal at Demir Dagh needed to accommodate increased production, and at the Banan field we plan site remediation, and the construction of a truck loading station, a new drilling pad, and flowlines.

# WEST AFRICA

Exploration focused portfolio of licenses with significant medium and long term potential

Oryx Petroleum has interests in two license areas in two areas in West Africa:

### Senegal / Guinea-Bissau: AGC:

80% working interest in the AGC Central license area (assuming the AGC exercises its back-in rights) in the AGC administrative area offshore Senegal and Guinea-Bissau. The L'Enterpise Agence de Gestion et de Coopération entre le Senegal et la Guinea-Bissau (AGC) holds a 15% carried interest and an option to acquire an additional 5% non-carried interest upon the issuance of an exploitation permit.

### Congo (Brazzaville):

30% working interest in the Haute Mer B license area offshore Congo (Brazzaville).

The West Africa licences are estimated to contain 4,963 million barrels of best estimate unrisked gross (100%) prospective oil resources (risked: 497 MMbbl).

## AGC: AGC Central

Oryx Petroleum was awarded its interest in the AGC Central license area in October 2014. The AGC Central license area is 3,150 $km^2$ in size and is in water depths of 100 to 1,500 metres. Oryx Petroleum is the Operator of the license area. Participating interests in the license area are: Oryx Petroleum (85%) and AGC (15%). The PSC includes three exploration periods of three, two, and two years. The commitment during the initial three year exploration phase is the acquisition of 750 $km^2$ of 3D seismic data.

Based on available technical data Oryx Petroleum has identified a carbonate edge play type with potential Cretaceous clastic/carbonate structures. A similar play type has recently yielded discoveries offshore Senegal, notably the SNE-1 discovery in the Sangomar Deep Offshore license area. In 2015 we completed the initial identification of leads and prospects in the license area using technical data available at the time. In late 2016 we sponsored the acquisition of approximately 2,000 $km^2$ of 3D seismic data covering the AGC Central license area. The acquisition was completed in early 2017 and processing and initial interpretation was completed in late 2017.

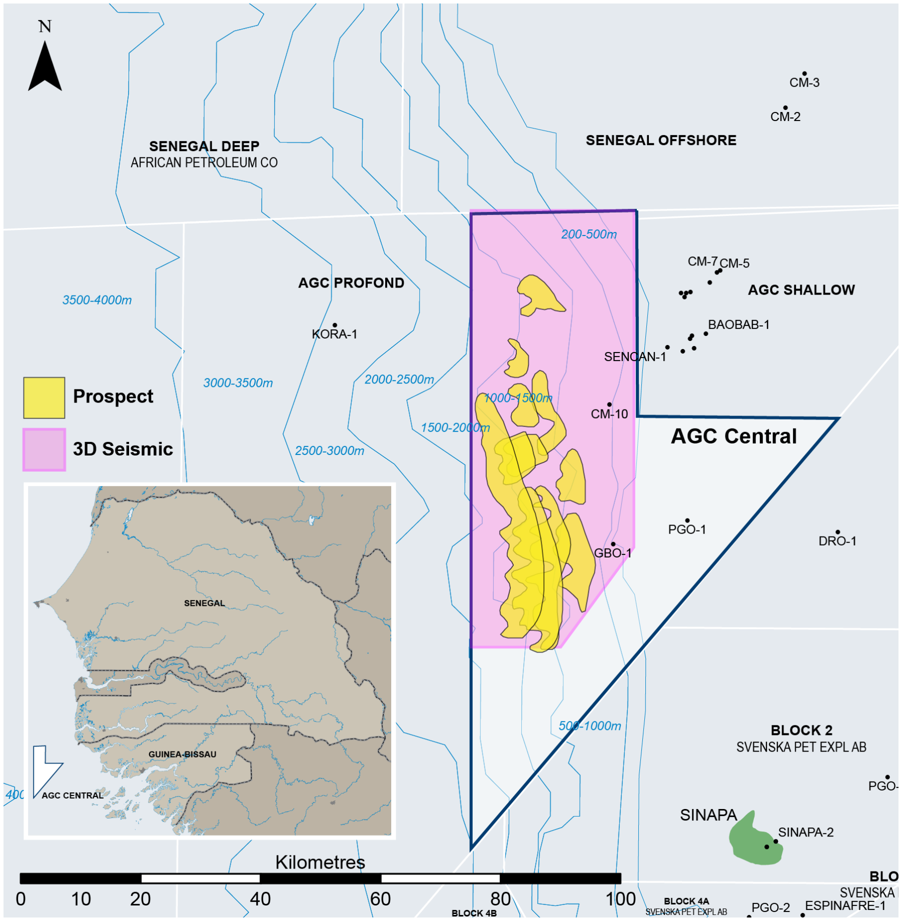
Based on initial interpretation eleven light oil prospects have been identified in the AGC Central license area and are estimated to contain a total of 4.3 billion barrels of best estimate unrisked gross (100%) prospective oil resources (risked: 490 MMbbl).

## 2018 Plans

2018 plans in the AGC Central license area consist primarily of completing the final interpretation of the 3D seismic data, the mapping of prospects, and the selection of prospects for an initial exploration campaign expected to commence in 2019. Oryx Petroleum expects to enter the first renewal period of the initial exploration phase in October 2018. During this period two exploration wells are required to be drilled.

| Best Estimate (Working Interest) Prospective Oil Resources(5) (MMbbl) | | |
|---|---|---|
| 2015 | 2016 | 2017 |
| Unrisked | | |
| 294 | 294 | 3,450 |
| Risked(10) | | |
| 9 | 9 | 392 |

*Explanatory notes referenced by number in the above table can be found on page 25.*



# WEST AFRICA

Exploration focused portfolio of licenses with significant medium and long term potential

## Congo (Brazzaville):
## Haute Mer B

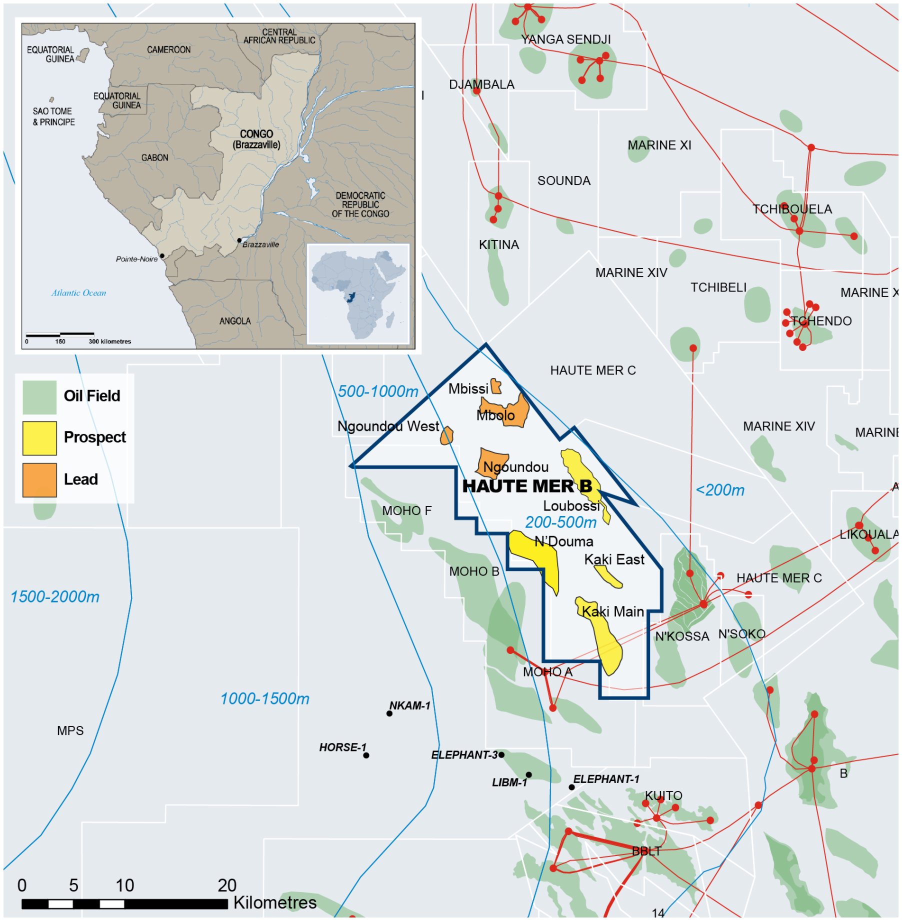
In April 2012, Oryx Petroleum was awarded a 30% participating and working interest in the Haute Mer B license area. Final approval of the production sharing contract by the National Assembly and President of Congo (Brazzaville) was received during the second quarter of 2014. Participating interests in the license area are: Total (34.62%), Oryx Petroleum (30%), Chevron (20.38%) and SNPC (15%). Total is the Operator of the Haute Mer B license area.

The Haute Mer B license area is located 58 kilometres offshore Congo (Brazzaville) and covers an area of 402 $km^2$ with water depths ranging from 150 metres to 1,075 metres. A large amount of 2D and 3D seismic data has been acquired during successive acquisition campaigns covering the Haute Mer B license area, but no well has been drilled in the license area. The PSC has an initial exploration period with the option of two three year extensions. Commitments in the initial period consist of seismic acquisition and the drilling of one well.

3D seismic data was acquired and processed by the Operator in 2014 and 2015. There was limited activity on the license in 2016 and 2017 with exploration drilling planned in 2018. The principal targets in the Haute Mer B license area are Cretaceous carbonate reservoirs similar to those producing light oil in neighbouring fields. Four prospects in the Cretaceous (Loubossi, Ndouma, Kaki Main and Kaki East), and four leads in the Cretaceous have been identified in the Haute Mer B license area. The identified prospects and leads collectively are estimated to have total best estimate unrisked gross (100%) prospective oil resources of 650 MMbbl (risked: 7 MMbbl). The four prospects in the Cretaceous alone are estimated to have total best estimate unrisked gross (100%) prospective oil resources of 547 MMbbl (risked: 6 MMbbl).

## 2018 Plans

In early 2018 Oryx Petroleum agreed to transfer its interest in the Haute Mer B license to an affiliate of Total SA for cash consideration. The transaction is expected to close in the first half of 2018.



# CORPORATE SOCIAL RESPONSIBILITY

Social responsibility is at the forefront of Oryx Petroleum's thinking and our everyda
practices and is a pillar to our corporate philosophy of being "Ambitious, Agile and I

## OUR PRINCIPLES

We believe that acting in a responsible manner and working closely together with our host communities not only helps us meet our social commitments but also allows us to meet and exceed our business goals.

Oryx Petroleum values the principles of accountability, honesty and integrity in all aspects of our business.

We are committed to achieving the highest principles of corporate citizenship by safeguarding the environment, protecting the health and safety of our workforce and the communities in which we operate, creating and capitalising on opportunities to enhance benefits to society, and respecting all human rights.

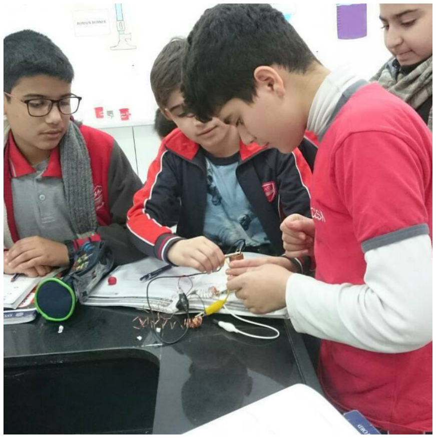
Fulfilling our social responsibilities is integral to creating value for our shareholders, employees, partners, host governments and host communities.

## 2017 ACTIVITIES

Our commitment to social responsibility is backed up with tangible actions. Corporate Social Responsibility (CSR) activities in 2017 were active on many fronts:


### Community Health Services

Our team of medical professionals continued to conduct visits to the communities in the Hawler license area, particularly in the vicinity of the areas in which we operate. This program, which consists of a doctor, a dentist and a paramedic, targets communities with no or limited access to medical facilities and treated over 3,400 patients from the local communities in 2017. We also provided medicine to clinics and health centres within our licence area estimated to cover the treatment of 2,000 patients.



### Scholarship Program and School Supplies

Oryx Petroleum continued with its scholarship program for eight children of conflict in Erbil which will allow these children the chance to benefit from a higher level of education. Additionally, during 2017, we supplied 1,500 school bags with stationary to schools within the Hawler license area.

ryday business
nd Responsible”

### Infrastructure Projects

Oryx Petroleum undertook a number of village infrastructure projects during the year. In the Kurdistan Region of Iraq we improved access to potable water for a number of villages in the Hawler license area through constructing water wells, storage tanks, and drainage systems. The company also provided infrastructure assistance to the elementary schools in the local communities, and provided other support to help the communities improve their standard of living.

In Guinea-Bissau, we continued to support the construction of canteen facilities and other infrastructure for various schools.

### Local Employment

We proactively recruited local people throughout the year from communities within the Hawler license and provided employment opportunities to these citizens. As of December 31, 2017, the ratio of the local national workforce to the total workforce in the Kurdistan Region of Iraq was about 75% for Oryx Petroleum and its subcontractors with 25% of the local national workforce coming from communities in the Hawler license area.

We continue to identify and use local service providers and suppliers, giving them an opportunity to build their capabilities and business in different areas.

### Land Compensation

During 2017, Oryx Petroleum paid approximately $298,000 in compensation for land acquisition in the Kurdistan Region as per the requirements and guidelines of the Ministry of Natural Resources.

# MANAGEMENT

**Jean-Claude Gandur**
Chairman

**Vance Querio**
Chief Executive Officer

**Scott Lewis**
Head of Corporate Finance
& Planning

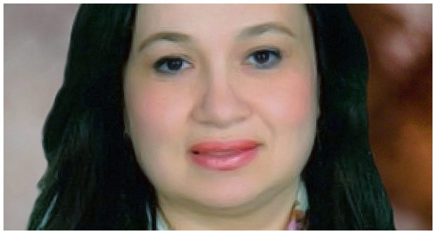
**Kevin McPhee**
General Counsel and
Corporate Secretary

# BOARD OF DIRECTORS

(Including Jean-Claude Gandur)

**Richard Alexander**
Lead Independent Director and Chair of the Corporate Governance and Nomination & Compensation Committees

**Bradford Camp**
Director



**Nevin Karim**
Director

**Gerald Macey**
Chair of the Technical & Resources Committee

**Peter Newman**
Chair of the Audit Committee

# RESERVES & RESOURCES ADVISORY AND FORWARD-LOOKING INFORMATION ADVISORY

## Reserves & Resources Advisory

Oryx Petroleum's reserves and resource estimates have been prepared and evaluated in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities and the Canadian Oil and Gas Evaluation Handbook.

Proved oil reserves are those reserves which are most certain to be recovered. There is at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved oil reserves. Probable oil reserves are those additional reserves that are less certain to be recovered than proved oil reserves. There is at least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable oil reserves. Possible oil reserves are those additional reserves that are less certain to be recovered than probable oil reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible oil reserves. Each of the reserve categories may be divided into developed and undeveloped. The proved reserves disclosed in this Annual Review have been classified as developed producing, developed non-producing and undeveloped.

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirement of the reserves category (proved, probable, possible) to which they are assigned.

Contingent oil resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. Contingent oil resources entail additional commercial risk than reserves. There is no certainty that it will be commercially viable to produce any portion of the contingent oil resources. Moreover, the volumes of contingent oil resources reported herein are sensitive to economic assumptions, including capital and operating costs and commodity pricing.

Prospective oil resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective oil resources have both a chance of discovery and a chance of development. Prospective oil resources entail more commercial and exploration risks than those relating to oil reserves and contingent oil resources. There is no certainty that any portion of the prospective resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources.

Use of the word "gross" to qualify a reference to reserves or resources means, in respect of such reserves or resources, the total prior to the deductions specified in the production sharing contract, risk exploration contract or fiscal regime applicable to each license area. Reference to 100% indicates that the applicable reserves or resources are volumes attributed to the license, field or reservoir (as applicable) as a whole and do not represent Oryx Petroleum's working interest in such volumes.

For details regarding the risk factors affecting the Company and the assumptions relied upon by the Company, refer to the Company's Annual Information Form dated March 23, 2018.

## Forward-Looking Information Advisory

Certain statements in this Annual Review constitute "forward-looking information", including statements related to reserves and resources estimates and potential, future net revenue, drilling plans (including use of horizontal wellbores in the development of certain reservoirs), development plans and schedules and chance of success, future drilling of wells and the reservoirs to be targeted, costs and drilling times for wells, ultimate recoverability of current and long-term assets, plans to divest the Haute Mer B license area, plans to commence exploration drilling in the AGC Central license area in 2019, forecasts of Brent crude oil prices, possible commerciality of our projects, and statements that contain words such as "may", "will", "could", "should", "anticipate", "believe", "intend", "expect", "plan", "estimate", "potentially", "project", or the negative of such expressions and statements relating to matters that are not historical fact, constitute forward-looking information within the meaning of applicable Canadian securities legislation.

Although Oryx Petroleum believes these statements to be reasonable, the assumptions upon which they are based may prove to be incorrect. For more information about these assumptions and risks facing the Company, refer to the Company's Annual Information Form dated March 23, 2018 available at www.sedar.com and the Company's website at www.oryxpetroleum.com. Further, statements including forward-looking information in this

Annual Review are made as at the date they are given and, except as required by applicable law, Oryx Petroleum does not intend, and does not assume any obligation, to update any forward-looking information, whether as a result of new information, future events or otherwise. If the Company does update one or more statements containing forward-looking information, it is not obligated to, and no inference should be drawn that it will make additional updates with respect thereto or with respect to other forward-looking information. The forward-looking information contained in this Annual Review is expressly qualified by this cautionary statement.

**Notes**

1. The oil reserves data is based upon evaluations by Netherland, Sewell & Associates, Inc. (NSAI), with effective date as at December 31, 2017. Volumes are based on commercially recoverable volumes within the life of the production sharing contract.

2. The contingent oil resources data is based upon evaluations by NSAI, and the classification of such resources as "contingent oil resources" by NSAI, with effective date as at December 31, 2017. The figures shown are NSAI's best estimate using deterministic methods. Once all contingencies have been successfully addressed, the probability that the quantities of contingent oil resources actually recovered will equal or exceed the estimated amounts is 50% for the best estimate. Contingent oil resources estimates are volumetric estimates prior to economic calculations.

3. Classification of a project's maturity as Development Pending indicates that there is a high chance of development (i.e., probability that a known accumulation will be commercially developed), where resolution of the final conditions for development is being actively pursued.

4. Classification of a project's maturity as Development Unclarified indicates that evaluation of the project is incomplete and there is ongoing activity to resolve any risks or uncertainties regarding commercial development of the project. An economic evaluation has not been performed by NSAI on the contingent oil resources classified as Development Unclarified.

5. The prospective oil resources data is based upon evaluations by NSAI, and the classification of such resources as "prospective oil resources" by NSAI, with effective date as at December 31, 2017. The figures shown are NSAI's best estimate, using a combination of deterministic and probabilistic methods and are dependent on a petroleum discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the unrisked estimated amount is 50% for the best estimate. Prospective oil resources estimates are volumetric estimates prior to economic calculations.

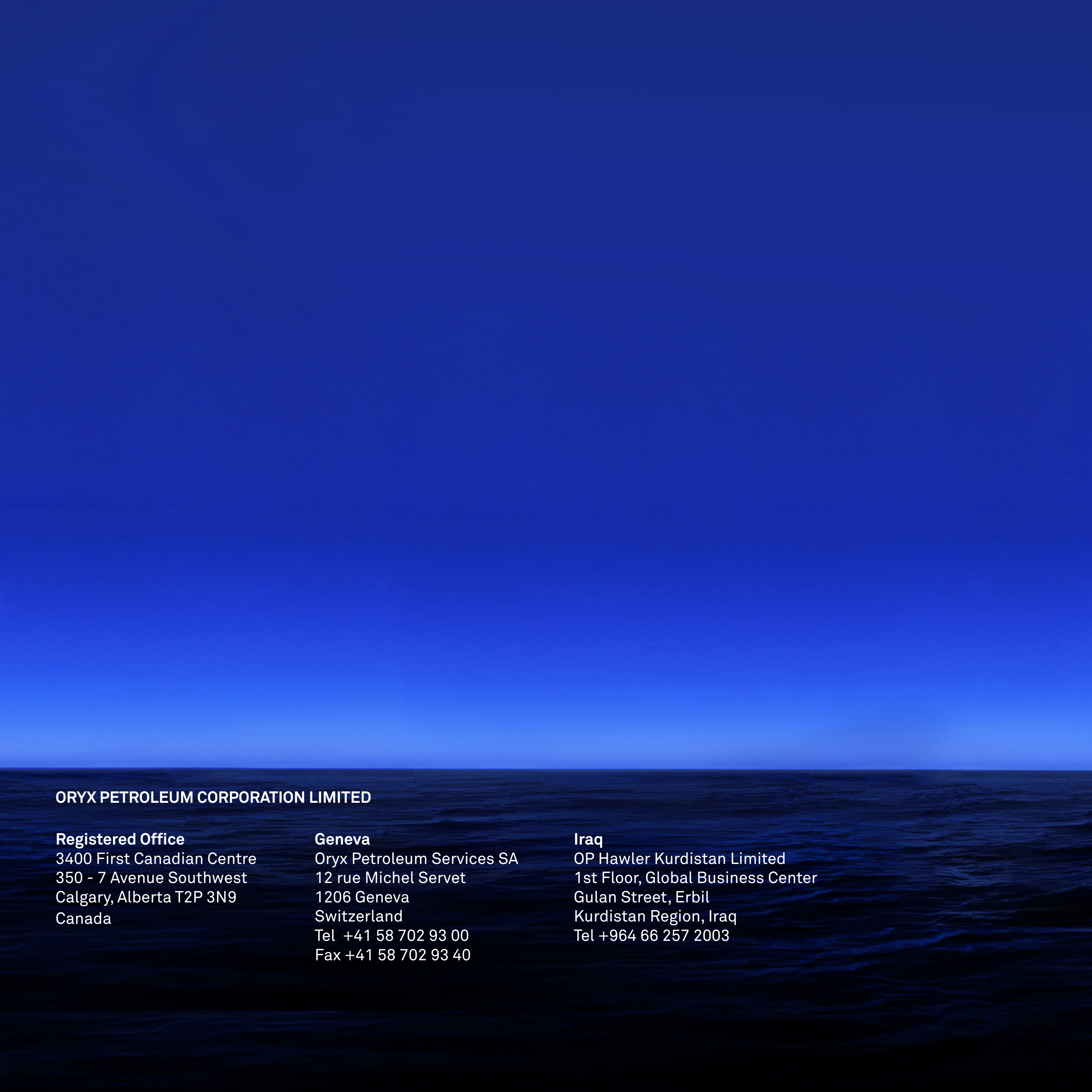
6. After-tax net present value of related future net revenue using forecast prices and costs assumed by NSAI and a 10% discount rate as at December 31, 2017. Gross (working interest) proved plus probable oil reserves estimates and gross (working interest) development pending best estimate (2C) contingent oil resource estimates used to calculate future net revenue are estimated based on economically recoverable volumes within the development period specified in the production sharing contract applicable to the license area. The estimated values disclosed do not represent fair market value.

7. Use of the word "gross" to qualify a reference to reserves or resources means, in respect of such reserves or resources, the total reserves or resources prior to the deductions specified in the production sharing contract applicable to the license area.

8. Individual numbers provided may not add to total due to rounding.

9. These are risked contingent resources that have been risked for chance of development. There is no certainty that it will be commercially viable to produce any portion of the contingent resources.

10. These are risked prospective resources that have been risked for both chance of discovery and chance of development. If a discovery is made, there is no certainty that it will be developed or, if it is developed, there is no certainty as to the timing of such development.



**ORYX PETROLEUM CORPORATION LIMITED**

**Registered Office**
3400 First Canadian Centre
350 - 7 Avenue Southwest
Calgary, Alberta T2P 3N9
Canada

**Geneva**
Oryx Petroleum Services SA
12 rue Michel Servet
1206 Geneva
Switzerland
Tel  +41 58 702 93 00
Fax +41 58 702 93 40

**Iraq**
OP Hawler Kurdistan Limited
1st Floor, Global Business Center
Gulan Street, Erbil
Kurdistan Region, Iraq
Tel +964 66 257 2003