

Oryx Petroleum Announces Production and Appraisal Drilling Update for Demir Dagh Field in Kurdistan Region of Iraq



Production and sales increasing and successful test of targeted Cretaceous reservoir at DD-6

Calgary, Alberta, July 7, 2014

Oryx Petroleum Corporation Limited (“Oryx Petroleum” or the “Corporation”) today announces a production and drilling update for the Demir Dagh field in the Hawler license area in the Kurdistan Region of Iraq, including test results for the Demir Dagh-6 appraisal well (“DD-6”). Oryx Petroleum is the operator and has a 65% participating and working interest in the Hawler license area.

Highlights:

- Gross (100%) production at the Demir Dagh field is currently approximately 4,000 bbl/d
 - Liftings/sales and payments are proceeding in accordance with the agreement with a third party marketer
- Two cased-hole drill stem tests (“DSTs”) were successfully conducted at DD-6 in the Cretaceous reservoirs
 - Maximum sustained natural flow rate of approximately 700 bbl/d of oil using a 16/64” choke
 - The well demonstrated high productivity but natural gas encountered at the top of the perforation constrained use of choke sizes and flow rates
 - Similar crude qualities were encountered as tested in the Cretaceous reservoirs at other Demir Dagh wells
- 2014 Demir Dagh Appraisal and Development
 - Demir Dagh-7 well (“DD-7”) is to be spudded in the coming weeks and is expected to reach a total depth in Q3 2014
 - Three additional development wells are to be drilled in 2014 as deviated wells to Lower Cretaceous reservoirs
 - Preparation work for the acquisition of 440 square kilometres of 3D seismic data over the Demir Dagh, Banan and Zey Gawra discoveries commenced in June 2014
- Operations remain largely unaffected by the security situation in northern Iraq (outside of the Kurdistan Region)



Commenting today, Henry Legarre, Oryx Petroleum's Chief Operating Officer, stated:

"We are very pleased that production and sales are both increasing smoothly and we are pleased with the results of DD-6. We successfully flowed oil from the well's primary target in the Cretaceous. The results confirmed the presence of similar crude qualities for the Cretaceous reservoir tested at other wells drilled at Demir Dagh. However, sustained flow rates achieved were less than expected despite high well productivity. We encountered some natural gas at the top of the perforation interval which restricted our ability to use high choke sizes. If we did not encounter the gas DD-6 would likely have been one of our most productive wells at Demir Dagh.

We expect to spud DD-7 in the coming weeks and expect to drill three additional development wells at Demir Dagh this year in order to increase production capacity and continue delineating the field.

Importantly, our operations remain largely unaffected by the security situation in northern Iraq, outside of the Kurdistan Region. We continue to vigilantly monitor the situation and implement measures to mitigate risks."

Demir Dagh Production

As previously announced, production from Demir Dagh commenced June 13, 2014 from the Demir Dagh-2 well ("DD-2") and is now producing at approximately 4,000 bbl/d. In the month of June approximately 38,000 barrels of oil were produced and approximately 31,000 barrels were lifted and paid for by a third party marketer per the previously announced crude sales agreement. Gross production is expected to be increased to 25,000 bbl/d by year end as facilities expansion continues and additional wells are connected to the facilities.

Demir Dagh-6 Test Results

The Romfor 22-rig spudded the DD-6 appraisal well from the Demir Dagh-4 ("DD-4") drill pad in early May 2014 1.5 kilometres from DD-2. The DD-6 well was drilled to a total measured depth of approximately 2,029 metres in the Lower Cretaceous reservoirs and was targeting the crest of the Cretaceous reservoir just to the south of the fault running from west to east across the structure between the Demir Dagh-1 well and DD-2.

Fluid losses were observed during drilling and a full suite of logging data was collected. Notably logging analysis and observations during drilling indicated the presence of hydrocarbons, a permeable fracture network and matrix porosity similar to that observed at the DD-2, Demir Dagh-3, and DD-4 wells. The testing program was comprised of two DSTs targeting formations in the Cretaceous.



Oryx Petroleum successfully flowed oil in both DSTs conducted.

DST#1 was conducted over a 20 metre interval in the Kometan formation in the upper Cretaceous reservoir. The well was flowed over a total of 86 hours using a series of different choke sizes. The test flowed naturally at a sustained rate of 500 bbl/d of oil for a 10 hour period on a 32/64" choke. The oil gravity was measured on site at 19 - 21° API. Gas to Oil Ratio ("GOR") measurements ranged from 250 to 300 scf/stb and hydrogen sulphide was measured at 0.08%. No water production or pressure declines were observed during the test. The fracture network encountered was not adequate to facilitate high well productivity and flow rates.

DST#2 was conducted over a 25 metre interval in the Shiranish formation in the upper Cretaceous reservoir. The well was flowed over a total of 46 hours using a series of different choke sizes. During the test oil flowed at rates exceeding 3,000 bbl/d indicating a good fracture network and high well productivity. However, natural gas was encountered at the top of the perforation interval indicating presence of a small natural gas cap. The top of the perforation was the highest perforation point in all Demir Dagh Cretaceous reservoir tests to date. In order to achieve a sustained oil flow with no free gas, only smaller choke sizes were used during the main test period, thus constraining the flow rates that could be achieved. As such, during the main test period using a 16/64" choke a sustained flow rate of approximately 700 bbl/d of oil over a 6 hour period was achieved with only associated gas. The oil gravity was measured on site at 23° API. The GOR measurements ranged from 65 to 3,500 scf/stb and hydrogen sulphide was measured at 0%. No water production or pressure declines were observed during the test.

DD-6 is being completed as an observation well from the Cretaceous.

All field fluid measurements at DD-6 will require laboratory analysis to confirm results and should be considered preliminary until such analysis has been done. The aforementioned test results are not necessarily indicative of long-term performance or of ultimate recovery.

Remaining 2014 Demir Dagh Appraisal Program

The Romfor 22-rig is expected to spud DD-7 approximately 1.5 kilometres from DD-2. DD-7 is expected to reach a total measured depth of 2,121 metres in the Lower Cretaceous in Q3 2014. The well is targeting the Cretaceous reservoir just to the north-west of the fault running from west to east across the structure between the Demir Dagh-1 well and DD-2. Three additional development/appraisal wells will be drilled in 2014 to the Lower Cretaceous in order to increase production capacity and to further delineate the Cretaceous reservoir. DD-7 and the remaining three development wells planned for 2014 will be drilled in a similar deviated manner as DD-6 in order to optimally access the fracture networks.



Preparation work for the planned acquisition of 3D seismic data covering 440 square kilometres over the Demir Dagh, Banan and Zey Gawra discoveries commenced in mid-June. The data acquired should help the Corporation better understand the three discoveries and determine optimal locations of future appraisal/development drilling.

ABOUT ORYX PETROLEUM CORPORATION LIMITED

Oryx Petroleum is an international oil exploration and production company focused in Africa and the Middle East. The Corporation's shares are listed on the Toronto Stock Exchange under the symbol "OXC". The Oryx Petroleum group of companies was founded in 2010 by The Addax and Oryx Group Limited and key members of the former senior management team of Addax Petroleum Corporation. Oryx Petroleum has interests in six license areas, two of which have yielded oil discoveries and four of which are prospective for oil. The Corporation is the operator or technical partner in four of the six license areas. Two license areas are located in the Kurdistan Region and the Wasit governorate (province) of Iraq and four license areas are located in West Africa in Nigeria, the AGC administrative area offshore Senegal and Guinea Bissau, and Congo (Brazzaville). Further information about Oryx Petroleum is available at www.oryxpetroleum.com or under Oryx Petroleum's profile at www.sedar.com.

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Reader Advisory Regarding Forward-Looking Information

Certain statements in this news release constitute "forward-looking information", including statements related to the Corporation's reserves and resources estimates and potential, drilling plans, development plans and schedules and chance of success, results of exploration activities, future drilling of new wells, ultimate recoverability of current and long-term assets, possible commerciality of our projects, future expenditures, 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 Corporation, refer to the Corporation's annual information form dated March 12, 2014 available at www.sedar.com and the Corporation's website at www.oryxpetroleum.com. Further, statements including forward-looking information in this news release 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 Corporation 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 news release is expressly qualified by this cautionary statement.

Reader Advisory Regarding Production Figures

All production and capacity figures and volumes cited in this news release are gross (100%) values, indicating that figures (i) have not been adjusted for deductions specified in the Production Sharing Contract applicable to the Hawler license area, and (ii) are attributed to the license area as a whole and do not represent Oryx Petroleum's working interest in such production, capacity or volumes.