

# Oryx Petroleum Announces Appraisal and Development Progress on Demir Dagh in the Kurdistan Region of Iraq



## ***Successful Demir Dagh-7 test results confirm high productivity well***

**Calgary, Alberta, October 30, 2014**

Oryx Petroleum Corporation Limited ("Oryx Petroleum" or the "Corporation") today is pleased to announce an appraisal 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-7 and Demir Dagh-8 appraisal wells ("DD-7" and "DD-8", respectively). Oryx Petroleum is the operator and has a 65% participating and working interest in the Hawler license area.

### Highlights:

- **Demir Dagh-7 Test Results**
  - Testing of an interval in the Shiranish and Kometan formations in the Cretaceous reservoir
  - Achieved a maximum sustained natural flow rate of approximately 3,300 bbls/d of oil over a period of 6 hours restricted by a 48/64" choke
  - Demonstrated high productivity comparable to the Demir Dagh-2 ("DD-2") well with expected production rate to exceed 5,000 bbls/d once the well is completed with an electrical submersible pump ("ESP")
  - Encountered similar crude qualities as tested in other wells in the Cretaceous reservoir in the Demir Dagh field (20 to 22° API)
- **Demir Dagh-8 Test Results**
  - Observations and data collected during drilling were similar to the DD-7 well but mechanical failure in isolating the perforation interval resulted in an unsuccessful test
  - A short sidetrack well is planned to be drilled and the Cretaceous reservoir re-tested in late Q4 2014 or early 2015
- **Demir Dagh-9 and Demir Dagh-10 Appraisal Wells**
  - The Demir Dagh-10 ("DD-10") well was spudded last week with drilling and testing expected to be completed in Q4 2014
  - The Demir Dagh-9 ("DD-9") well is to be spudded in the coming weeks with drilling and testing expected to be completed in Q4 2014 or early 2015
- **Acquisition of 3D Seismic Data**
  - The acquisition of 223 km<sup>2</sup> of 3D seismic data covering the Demir Dagh structure and the Banan structure east of the Zab River was recently completed



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

*"We are very pleased with the progress we have achieved in the development of Demir Dag, including the test results of DD-7 which successfully flowed oil from the well's primary target in the Cretaceous. The test demonstrated a productivity similar to DD-2 and we expect it to have comparable productive capacity once completed with the aid of an ESP."*

*While the drilling of DD-8 was achieved ahead of schedule and under budget, and exhibited the same characteristics as DD-7, we were unable to successfully flow oil from DD-8 due to a mechanical failure in isolating the testing zone. We had moved the rig off to drill DD-10 while testing DD-7 and DD-8, but plan to return with an ESP for DD-7 and a short sidetrack for DD-8. We intend to re-test the Cretaceous in DD-8 and all indications suggest that it has the potential to become a high productivity well similar to DD-2 and DD-7."*

*Overall, we are very pleased that improvements in the security environment have enabled us to resume activities in a large portion of the Hawler license area."*

### **Demir Dag-7 and Demir Dag-8 Test Results**

Following completion of the testing program on the Demir Dag-6 well in early July 2014 the EDC Romfor-22 drilling rig spudded the DD-7 development well. DD-7 was drilled near the crest of the Demir Dag structure in a northerly direction through the main east-west fault. The DD-7 well reached total measured depth of approximately 1,900 metres in the Cretaceous reservoir. Upon reaching total depth the rig was moved to spud DD-8. DD-8 was drilled from the same wellpad as DD-7 but in a southerly direction away from the main east-west fault. The DD-8 well reached total measured depth of approximately 1,900 metres in the Cretaceous reservoir in late September 2014. The primary objective of both wells was to increase wellhead production capacity. Technical data collected and observations during drilling of both wells, including significant losses of drilling fluids, suggested the presence of hydrocarbons, a highly permeable and connected fracture network, and matrix porosity comparable to other wells drilled at Demir Dag.

The completion test conducted at the DD-7 well in a 65 metre interval of the Shiranish and Kometan formations in the Upper Cretaceous reservoir successfully flowed oil at an average rate of 3,300 bbls/d over a period of 6 hours restricted by a 48/64" choke size under natural flow conditions. The crude oil tested was measured on site between 20° and 22° API gravity, which is similar to crude measured in the Cretaceous formations tested at the DD-2, Demir Dag-3 ("DD-3") and Demir Dag-4 ("DD-4") wells. Quantities of natural gas and hydrogen sulfide were encountered comparable to those encountered at the DD-2, DD-3 and DD-4 wells with natural gas measured at between 40 scf/bbl and hydrogen sulfide at 0.4% in the natural gas phase. The test demonstrated productivity comparable to that observed at the



DD-2 well and the well will be completed as a producer well. No water production or pressure decline was observed during the test. Works to tie-in the well to the production facility are in progress and expected to be completed in Q4 2014. The well is expected to produce under natural flow conditions until early 2015 when an ESP is expected to be installed at which time the production capacity of the DD-7 well is expected to exceed 5,000 bbls/d.

The drill stem test conducted in the Shiranish and Kometan formations in the Upper Cretaceous reservoir at the DD-8 well was unable to successfully flow crude oil from the well. Oryx Petroleum attributes the unsuccessful test to a mechanical failure in properly isolating the interval tested. In late Q4 2014 or early 2015 the Corporation plans to drill a short sidetrack well at DD-8 and re-test the Cretaceous formations before completing it as a producing well.

All field fluid measurements at the DD-7 well 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 and Development Drilling**

In late October 2014 the EDC Romfor-22 rig spudded the DD-10 development well. The DD-10 well is being drilled to the north of the main east-west fault and its primary objective is to build productive capacity. The KS Discoverer-1 rig, previously drilling at the Ain Al Safra field, is expected to spud the DD-9 development well in the coming weeks. The DD-9 well is being drilled from the DD-3 wellpad in the eastern portion of the Demir Dagh structure and its primary objectives are to provide additional information regarding the oil-water contact in the Cretaceous reservoir and to build productive capacity. The drilling and testing of the DD-10 well is expected to be completed in Q4 2014 and the drilling and testing of the DD-9 well is expected to be completed in early 2015. The next well in the Demir Dagh development sequence is expected to spud before the end of 2014 with continued development drilling throughout 2015.

### **3D Seismic Data Acquisition**

The acquisition of approximately 223 square kilometres of 3D seismic data over the Demir Dagh structure and the Banan structure east of the Zab river commenced in June 2014 and was recently completed. The 3D seismic data is expected to provide additional information to further refine development plans. 3D seismic data covering the Zey Gawra structure and the Banan structure west of the Zab river is planned in the second half of 2015 provided there are improvements in the security environment.



## **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 P.L.C. and key members of the former senior management team of Addax Petroleum Corporation. Oryx Petroleum has interests in seven license areas, two of which have yielded oil discoveries and five of which management of the Corporation believes are prospective for oil. Oryx Petroleum is the operator or technical partner in five of the seven license areas. Two license areas are located in the Kurdistan Region and the Wasit governorate (province) of Iraq and five 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](http://www.oryxpetroleum.com) or under Oryx Petroleum's profile at [www.sedar.com](http://www.sedar.com).

### **For additional information about Oryx Petroleum, please contact:**

**Craig Kelly**

Chief Financial Officer

Tel.: +41 (0) 58 702 93 23

[craig.kelly@oryxpetroleum.com](mailto:craig.kelly@oryxpetroleum.com)

**Scott Lewis**

Head of Corporate Finance

Tel.: +41 (0) 58 702 93 52

[scott.lewis@oryxpetroleum.com](mailto:scott.lewis@oryxpetroleum.com)

### ***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, business strategies 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, expected well production rates, possible commerciality of its projects, future expenditures, and statements that contain words such as "may", "will", "could", "should", "aim", "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](http://www.sedar.com) and the Corporation's website at [www.oryxpetroleum.com](http://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***

Unless provided otherwise, 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.