Oryx Petroleum Announces Reliance on Financial Hardship Exemption in Connection with Loan Settlement

Calgary, Alberta, June 29, 2020

Oryx Petroleum Corporation Limited ("Oryx Petroleum" or the "Corporation") today announces further details regarding the Debt Settlement Agreement executed by the Corporation on June 22, 2020 (the "Loan Settlement" and the "Settlement Agreement") relating to the proposed settlement of an outstanding loan between a subsidiary of the Corporation, as borrower, and AOG International Holdings Limited ("AOG"), as lender. The Corporation has applied to the Toronto Stock Exchange (the "TSX") for relief from certain requirements of subsection 501(c) of the TSX Company Manual pursuant to the financial hardship exemption available to companies listed on the TSX in certain circumstances.

All dollar amounts set forth in this news release are in United States dollars.

Loan Settlement

Oryx Petroleum Middle East Limited, a wholly-owned subsidiary of the Corporation, and AOG are party to the Loan Agreement dated March 11, 2015 (as amended, the "Loan Agreement"). Affiliates and certain related parties of AOG currently own 370,279,591 of the issued and outstanding common shares of the Corporation ("Common Shares"), representing approximately 67% of the Common Shares. As a result of such ownership, AOG is an insider of and related party to the Corporation.

As of the date of this release, the balance owing under the Loan Agreement amounts to $79,978,775, consisting of $76,030,784 in principal (due on July 1, 2021) and $3,947,992 in semi-annual accrued interest that is due to be paid on July 1, 2020. Provided the Loan Settlement closes, AOG has waived any default under the Loan Agreement that would otherwise result from the borrower's failure to make the cash interest payment when due on July 1, 2020.

The Settlement Agreement provides that, at closing, the loan balance (including accrued and unpaid interest) will be settled in full through the transfer by the Corporation to AOG of the shares of OP AGC Central Limited ("OP AGC Central"), the indirect wholly-owned subsidiary of the Corporation that holds Oryx Petroleum's interest in the AGC Central license area. The Loan Settlement has been negotiated at arm's length.

On its balance sheet, the Corporation maintains *exploration and evaluation assets* attributable to the AGC Central license area at a cumulative capitalized cost of $54.3 million. In its evaluation report dated February 14, 2020, evaluating the Corporation's oil reserves and resources as at December 31, 2019, Netherland, Sewell & Associates, Inc. estimated prospective (working interest) oil resources of 2,263 million barrels (risked: 208 million barrels) for the AGC Central license area. Drilling by the Corporation of a first exploration well in the AGC Central license area is not expected in the next twelve months. In the short- to mid- term, the AGC Central license area will involve significant negative cash flows for the Corporation.

Special Committee

A special committee of the board of directors of the Corporation (the "Special Committee") was constituted and considered the fairness of the Loan Settlement and related matters. The Special Committee is comprised of one independent director. The Special Committee has determined that the Loan Settlement is reasonable for the Corporation in the circumstances and recommended that the Corporation proceed with the transaction, conditional on receipt by the Corporation of a fairness opinion that validates the Special Committee's conclusion that the Loan Settlement is fair from a financial point of view.

The Special Committee has engaged a financial advisor to provide the fairness opinion. AOG has agreed to reimburse the Corporation for the costs involved therewith. The transaction is subject to additional customary closing conditions, including acceptance of the TSX.

The Special Committee carefully considered management's efforts in recent years in exploring various alternatives to improve the financial situation of Oryx Petroleum and considered whether other alternatives may be available (e.g., a farm-out of the Hawler or AGC Central license areas, relinquishment of the Hawler license area, various corporate transactions, accessing public or private debt or equity markets). The Special Committee has concluded that there are no viable alternatives available on commercially reasonable terms that would be more likely to improve the financial situation of the Corporation as compared to the Loan Settlement (and related transactions).

Change in Control

The Loan Settlement is a condition to a separate agreement whereby Zeg Oil and Gas Ltd. ("Zeg Oil"), which currently owns 119,625,033 Common Shares, representing approximately 22% of the Common Shares, has agreed to acquire the outstanding Common Shares held by AOG Upstream BV (and its affiliates and certain related parties), increasing its ownership stake in the Corporation to 500,152,674 Common Shares, representing approximately 89% of the then outstanding Common Shares. Zeg Oil has also agreed to acquire from AOG Upstream BV 39,281,804 warrants to purchase an aggregate of 39,281,804 Common Shares. After giving effect to the exercise of all of the acquired warrants, Zeg Oil would own an aggregate of 539,434,478 Common Shares, representing approximately 90% of the then outstanding Common Shares.

The Zeg Oil transaction, which will result in a change in control of the Corporation (the "Change in Control"), is subject to customary closing conditions and prior conclusion of the Loan Settlement.

The Corporation will not issue any securities in connection with either transaction. The various conditions for the two separate transactions are anticipated to be fulfilled such that each transaction will close early in the third quarter of 2020.

In the coming days, a material change report will be filed under Oryx Petroleum's profile at www.sedar.com in connection with the Loan Settlement. In light of the Corporation's financial situation, closing is expected to proceed before the expiration of 21 days from the date of filing of the material change report, a delay contemplated in section 5.2(2) of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). This shorter period is reasonable and necessary in the circumstances to improve the Corporation's financial situation as soon as practicable and to provide additional stability and certainty as the Corporation advances its development plans for the Hawler license area and manages amounts owing to vendors. For the same reasons, and given the cost involved, the Corporation has sought relief from the TSX requirement to obtain shareholder approval, which would delay closing of the Loan Settlement and undermine the Corporation's plans to address its current financial situation.

Financial Hardship Exemption

As the Corporation is a non-exempt issuer under the rules of the TSX, and the Loan Settlement involves consideration greater than 10% of the market capitalization of the Corporation, the Corporation would ordinarily be required to obtain shareholder approval and an independent report regarding the value of the transaction consideration pursuant to subsection 501(c) of the TSX Company Manual. However, the Corporation has applied to the TSX for a "financial hardship" exemption from the requirements to obtain disinterested shareholder approval and an independent valuation report on the basis that the Corporation is in serious financial difficulty and the Loan Settlement is designed to improve the Corporation's financial situation. The application was made upon the recommendation of the Special Committee, free from any interest in the Loan Settlement and Change in Control and unrelated to the parties involved in such transactions (other than the Corporation), and was based on its determination that the Loan Settlement is reasonable for the Corporation in the circumstances.

As previously disclosed, payment for all oil sale deliveries into the Kurdistan Oil Export Pipeline during November 2019 through February 2020 remain outstanding and amount to approximately $39 million. The Kurdistan Region has been severely impacted by the rapid spread of the COVID-19 virus and the very significant fall in the price of oil starting in March 2020, which has impacted its ability to pay oil companies operating in the region for oil sale deliveries. The Kurdistan Regional Government's Ministry of Natural Resources ("MNR") indicated in March 2020 that payment of these outstanding invoices is not expected for at least nine months (i.e., not before January 2021) and has not yet specified any terms or conditions for settlement. Although the MNR has settled invoices for all oil sale deliveries during March 2020, April 2020 and May 2020, as a result of lower oil prices and restricted production rates, the revenue related to these periods has been insufficient to fully cover current costs and settle outstanding payables.

In addition to the interest payment due on July 1, 2020, as of the date of this release, the Corporation also has a significant overdue trade payables balance of approximately $17 million.

Upon closing of the Loan Settlement, which will involve transfer of the shares of OP AGC Central to AOG, the Corporation will be relieved of all amounts due to AOG under the Loan Agreement, including the upcoming interest payment (i.e., an aggregate of $79,978,775 on the date of this release). The Corporation will also be relieved of drilling commitments associated with the AGC Central license area. If the Corporation were to be unable to drill two wells within the current exploration period, compensation of $30 million would become payable to the Agence de Gestion et de Coopération ("AGC"), an inter-governmental agency that manages and administers petroleum activities in the maritime zone between Senegal and Guinea Bissau, in lieu of carrying out the committed exploration activity.

In connection with the Change in Control, Zeg Oil has indicated its intention to, subject to closing of the Change in Control, provide Oryx Petroleum with access to interim financing arrangements.

The Loan Settlement and the Change in Control are important steps towards the improvement of Oryx Petroleum's financial situation, which in turn will enable it to (i) make better progress in addressing the Corporation's trade payable obligations, and (ii) more effectively execute its development of the Hawler license area, which also benefits from a lower cost structure as a result of recent restructuring activity. Notwithstanding the outstanding oil sales receivables balance, the Corporation has already initiated a plan to make monthly partial payments to vendors, which will reduce the trade payables balance over time.

In connection with reliance on the financial hardship exemption, it is expected that the TSX will place Oryx Petroleum under remedial delisting review, which is normal practice when a listed issuer seeks to rely on this exemption. The Corporation intends to promptly take action to address any deficiencies the TSX may identify in relation to the Corporation's compliance with continued listing requirements.

As disclosed in the Corporation's press release of June 22, 2020, the Corporation has also determined that the transaction is exempt from the formal valuation and minority approval requirements applicable to related party transactions defined under MI 61-101 pursuant to the financial hardship exemption thereunder.

ABOUT ORYX PETROLEUM CORPORATION LIMITED

Oryx Petroleum is an international oil exploration, development 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. Oryx Petroleum has interests in two license areas, one of which has yielded oil discoveries. The Corporation is the operator of the two license areas. One license area is located in the Kurdistan Region of Iraq and one license area is located in West Africa in the AGC administrative area offshore Senegal and Guinea Bissau. Upon closing of the Loan Settlement, Oryx Petroleum will no longer have interests in the license area located in the AGC administrative area. 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 settlement of the loan with AOG, the extent to which Zeg Oil will increase its ownership stake resulting in a change in control of the Corporation, the anticipated closing of the transactions disclosed in this news release early in the third quarter of 2020, plans to file a material change report in connection with the Loan Settlement in the coming days, Zeg Oil's intentions to provide interim financing arrangements, prospective oil resources estimates, the expected timing for drilling of a first exploration well in the AGC Central license area, forecast cash flows for the AGC Central license area in the short- to mid- term, and the TSX's remedial delisting review. 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 23, 2020 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.

Reserves and 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.

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.