

# Oryx Petroleum Announces Demir Dagh Drilling Resumption and Contingent Consideration Restructuring



## *Commencing Demir Dagh-3 Jurassic Re-completion and Deferring Hawler Contingent Consideration Payments*

Calgary, Alberta, December 21, 2015

Oryx Petroleum Corporation Limited (“Oryx Petroleum” or the “Corporation”) today announces it has resumed drilling activities at the Demir Dagh field in the Hawler licence area in the Kurdistan Region of Iraq and that it has agreed with the vendor of OP Hawler Kurdistan Limited, the subsidiary of the Corporation that holds interests in the Hawler license area, to restructure the contingent consideration payment due upon a second commerciality decision in the Hawler license area. All dollar amounts set forth in this news release are in United States dollars, except where otherwise indicated.

### **Demir Dagh Update**

The TTS-150 rig contracted from Independent Oil Tools (“IOT”) has commenced drilling/re-completion activities at the Demir Dagh field. The rig will first re-complete the Demir Dagh-3 well in the Jurassic reservoir. The re-completed well is expected to produce a 35-40° API gravity crude oil through existing facilities in early 2016. The Demir Dagh-3 re-completion will be followed by the re-completion of three further Demir Dagh wells in shallower zones of the Cretaceous reservoir, which are expected to enhance the wells’ current production levels during the first quarter of 2016.

### **Revised Hawler Contingent Consideration**

Oryx Petroleum has agreed with the vendor of OP Hawler Kurdistan Limited, the subsidiary of the Corporation which was acquired in 2011 and that holds a 65% participating and working interest in the Hawler license area, to restructure the contingent consideration due upon a second commerciality decision in order to better align payments with progress of the planned Zey Gawra field appraisal and development. The original agreement specified that the entire amount of the contingent consideration of \$71 million would become due upon reaching a second positive commerciality decision in the Hawler license area. Under the terms of the revised agreement, upon reaching a positive commerciality decision on the Zey Gawra field, the Corporation will become obliged to pay four annual instalments, each along with accrued interest. The first three instalments will each be equal to approximately 20% of the \$71 million total contingent consideration due to the vendor and the final instalment will be for the remaining balance of the contingent consideration. Oryx Petroleum anticipates that any decision on commerciality for the Zey Gawra field will not occur until 2017.



## Comments

Commenting today, Oryx Petroleum's Chief Executive Officer, Michael Ebsary, stated:

*"We are delighted to resume drilling activities at the Demir Dagħ field after a period of inactivity and are excited regarding the DD-3 Jurassic well's potential to add significantly to our current production.*

*We are also very pleased to restructure the contingent consideration payments for our interests in the Hawler license area. The agreement better aligns future consideration payment obligations with future cash flows, providing us with the ability to proceed with our Zey Gawra field plans. We are very much looking forward to beginning the appraisal and development of the Zey Gawra field.*

*Finally, we have drawn the second \$50 million tranche of funding under the previously announced loan from The Addax and Oryx Group, which will fund our 2016 budgeted capital program well into next year while we continue advanced discussions to fund the balance of the program."*

## 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. 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 the Corporation believe are prospective for oil. The Corporation 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 expected API gravity of crude oil produced from the Demir Dagh-3 well after re-completion, expected enhancement of well production rates as a result of planned well re-completions, the Corporation’s capital expenditure budget for 2016, drilling plans, appraisal and development plans and schedules and chance of success, future drilling of new wells, costs and drilling times for new wells, approach to the development of the Hawler license area, ultimate recoverability of current and long-term assets, possible commerciality of our projects and the timing of decisions relating to commerciality, future expenditures and sources of financing for such expenditures, and estimates for the fair value of the contingent consideration arising from the acquisition of OP Hawler Kurdistan Limited in 2011 and the expected timing for settlement of such liability, 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 26, 2015 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.