Oryx Petroleum Q1 2014 Financial and Operational Results

An active quarter with successful drilling and substantial progress to first production

Calgary, Alberta, May 7, 2014

Oryx Petroleum Corporation Limited ("Oryx Petroleum" or the "Corporation") today announces its financial and operational results for the quarter ended March 31, 2014.

Highlights:

- A Q1 2014 net loss of $6.9 million ($0.07 per common share) compared to $47.0 Million ($0.64 per common share) in Q1 2013
- $153.8 million of cash and cash equivalents as of March 31, 2014
- Revised 2014 capital expenditure forecast of $400-$450 million
- Operating Update and 2014 Outlook – Hawler License Area (Kurdistan Region of Iraq)
  - Demir Dagh First Production – Declaration of Commercial Discovery; Facilities work is significantly advanced with first production expected before the end of Q2 2014 consistent with previous guidance; gross (100%) production expected to reach 25,000 bbl/d by 2014 year end
  - Demir Dagh Appraisal & Development Drilling – successful test of the Demir Dagh-4 ("DD-4") well;; testing of Demir Dagh-5 ("DD-5") and Demir Dagh-3 ("DD-3") wells to be completed within weeks; five additional development wells and 3D seismic planned in 2014
  - Ain Al Safra Appraisal – Ain Al Safra-2 ("AAS-2") appraisal well currently at approximately 2,600 metres and expected to reach planned total depth and complete testing in Q3 2014
  - Zey Gawra Appraisal – Zey Gawra-2 ("ZEG-2") appraisal well to be drilled in 2014
  - Banan Discovery/Appraisal – Successful testing of the Banan-1 ("BAN-1") exploration well announced in March 2014; Banan-2 ("BAN-2") appraisal well likely to be spudded in the next month
- Operating Update and 2014 Outlook – West Africa
  - AGC Shallow – The Corporation is in the final stages of securing a rig for a high impact exploration well to be drilled in the second half of 2014 targeting the Dome Iris prospect

- Haute Mer A – The Corporation is working with its partners in the Haute Mer A license area to determine next steps following the successful test of the Elephant-1 discovery.

- Haute Mer B – A high impact exploration well is planned for the second half of 2014

CEO´s Comment

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

"The first quarter was another solid quarter for Oryx Petroleum as we continued to successfully execute our drilling program and progress towards first production.

In the Kurdistan Region of Iraq we declared commerciality for Demir Dagh and first production is due to be on stream this quarter before steadily increasing throughout the year. Our exploration and appraisal drilling program during the quarter included the successful Banan-1 exploration well and the spudding of the first appraisal well at Ain Al Safra and three appraisal wells at Demir Dagh. Successful testing results were announced for the DD-4 well and testing results for the DD-3 and DD-5 wells are expected shortly. Throughout the balance of the year we will continue appraisal and development drilling on all four discoveries in the Hawler license area with the aim of converting contingent resources into reserves, and reserves into production.

In West Africa, we completed the successful test of the Elephant-1 discovery and now are working with our partners to determine the steps that give us the best chance to add the additional resource volumes necessary for a commercial development. We are also in the final stages of securing a rig to drill a high impact exploration well in the AGC license area in the second half of the year."

Selected Financial Highlights

Financial results are prepared in accordance with International Financial Reporting Standards ("IFRS") and the reporting currency is US dollars. The following table summarizes the selected financial highlights for Oryx Petroleum for the three months ended March 31, 2014 and March 31, 2013 and the year ended December 31, 2013:

	3 Months Ended March 31		Year Ended December 31
($ in millions)	2014	2013	2013
Net Loss	6.9	47.0	185.8
Net Loss per common share ($/sh)	0.07	0.64	2.04
Net Cash flow used in operating activities	(23.6)	(6.7)	(8.7)
Net Cash flow used in investing activities	(129.6)	(55.6)	(234.1)
Capital Expenditures	(79.8)	(41.4)	(200.2)
License Acquisition Costs	(14.5)	(13.0)	(48.2)
Cash and Cash Equivalents	152.8		306.0
Total Assets	913.3		976.2
Total Equity	761.1		766.0

- Net loss for the quarter decreased from $47.0 million in Q1 2013 to $6.9 million in Q1 2014 due to a reduction of expenses related to the Q1 2013 revaluation of the fair value of contingent liabilities and a decrease in general and administrative expenses. As at March 31, 2014 the fair value of the contingent liabilities is $76.8 million and is included in trade and other payables in the Corporation`s Consolidated Statement of Financial Position. $10.3 million of this amount is included in current liabilities and the balance of $66.5 million in non-current liabilities. General and administrative costs decreased by $2.3 million to $4.0 million due to a decrease in consulting charges. Q1 2013 consulting costs included charges related to preparations for the Corporation`s initial public offering. A greater proportion of technical personnel costs were also allocated to capital projects during Q1 2014 versus Q1 2013. The decrease was offset by increased staff costs due to an increase in the average employee headcount from 58 to 99. The reduced expenses were partially offset by a $0.4 million increase in impairment costs related to the Horse-1 exploration well, a $0.3 million increase in depreciation and amortization and $0.7 million decrease in other items.

  Weighted average number of common shares outstanding for purposes of net loss per common share calculations is 99,879,812. As of March 31, 2014 total common shares outstanding were 99,889,234 and there were 873,152 unvested common shares related to the Corporation`s Long Term Incentive Plan, that are due to vest during 2014 and 2015.

- Net cash used in operating activities was $23.6 million for Q1 2014 compared to $6.7 million in Q1 2013. The Q1 2014 result includes a $20.8 million increase in non-cash working capital. The increase in non-cash working capital is primarily due to $23.2 million in payments that reduced outstanding accounts payables, $10.0 million of which relates to contingent payments paid in Q1 2014 upon the Declaration of Commercial Discovery for Demir Dagh in the Hawler license area.

- Net cash used in investing activities increased from $55.6 million in the quarter ended March 31, 2013 to $129.6 million for the quarter ended March, 31 2014 reflecting increased capital investment activity. In the Middle East, expenditures included primarily drilling and testing of the BAN-1 exploration well and the DD-3, DD-4, and DD-5 appraisal wells, drilling of the AAS-2 appraisal well, Demir Dagh development costs including the costs associated with an Early Production Facility, and a $50 million contingent payment made to the Kurdistan Regional Government in connection with the Declaration of Commercial Discovery for Demir Dagh. In West Africa, expenditures included primarily testing of the Elephant-1 exploration well in the Haute Mer A license area, a farm-in payment to partners in the OML 141 license area, and drilling preparation in the AGC Shallow license area. The difference between net cash flow used in investing activities and capital expenditures in Q1 2014 is primarily due to the cash payment of $50.0 million for contingent consideration which was recorded as capital expenditures in 2013 and was included in accounts payable at December 31, 2013.

The following tables summarize the Corporation`s capital expenditure incurred by activity and by license area for the three month periods ended March 31, 2014 and March 31, 2013.

	Three Months Ended	
	Mar 31, 2014	Mar 31, 2013
	($ millions)	($ millions)
Middle East		
Exploration and development drilling	44.9	13.9
Facilities	14.9	-
Seismic Acquisition	0.9	1.5
Studies and capitalised G&A	7.4	3.2
Sub-Total Middle East	**68.0**	**18.7**
West Africa		
Exploration drilling	9.1	9.9
Seismic acquisition	0.2	0.3
Studies and capitalized G&A	2.4	12.3
Sub-Total West Africa	**11.6**	**22.5**
Corporate	**0.2**	**0.2**
Total Capital Expenditure[(1)]	**79.9**	**41.4**

License Area	Location	Three Months Ended	
		Mar 31, 2014	Mar 31, 2013
		($ millions)	($ millions)
Hawler	Iraq - Kurdistan Region	67.5	28.9
Sindi Amedi	Iraq - Kurdistan Region	-	0.9
Wasit	Iraq – Wasit province	0.5	1.9
AGC Shallow	Senegal and Guinea Bissau	1.0	0.5
OML 141	Nigeria	1.0	8.5
Haute Mer A	Congo (Brazzaville)	9.5	0.5
Corporate		0.2	0.2
Total capital expenditure[(1)]		**79.9**	**41.4**

Note:
(1) Excludes license acquisition costs

Cash and cash equivalents decreased to $152.8 million from $306.0 million at December 31, 2013 reflecting cash operating expenditures, capital expenditures, and movements in working capital. Oryx Petroleum had no borrowings as of March 31, 2014.

Selected Operational Highlights

Kurdistan Region of Iraq

- Demir Dagh Appraisal/Development – The Corporation continues to progress its appraisal and development of the Demir Dagh discovery. Oryx Petroleum has a 65% participating and working interest in the Hawler license area. Netherland, Sewell & Associates, Inc. (“NSAI”) estimates as of December 31, 2013 that the Demir Dagh structure contains gross (100%) proved and probable oil reserves of 258 MMbbl, best estimate unrisked gross (100%) contingent oil resources of 271 MMbbl and best estimate unrisked gross (100%) prospective oil resources of 50 MMbbl (risked 10 MMbbl). Key highlights of appraisal and development activity include the following:

  - First Production – The Corporation`s production outlook for Demir Dagh remains unchanged with first production targeted for Q2 2014 with initial gross (100%) oil production totaling approximately 7,000 to 9,000 bbl/d. It is expected that by the end of 2014 the Early Production Facility (“EPF”) will reach gross (100%) production capacity of 25,000 bbl/d and will be expanded to the full gross (100%) production design capacity of 40,000 bbl/d in 2015. First production will come from the Demir Dagh-2 (“DD-2”) and DD-4 wells which have been completed as oil producers. The production facilities are designed to deliver produced oil to an offloading facility at Demir Dagh within the Hawler license area, or to transport oil to a point of sale through export pipelines. Work on production facilities, the truck loading station and storage facilities is almost complete. The key remaining task that needs to be completed prior to first production is the coating of the interiors of the storage tanks.

  - Declaration of Commercial Discovery – As previously reported the Corporation submitted a Declaration of Commercial Discovery of the Demir Dagh Field by way of a letter to the Kurdistan Region of Iraq Government dated February 25, 2014. At this time, the Corporation also agreed to relinquish 850 square kilometers of the Hawler license area, with the retained license area covering the Demir Dagh, Ain Al-Safra, Banan and Zey Gawra discoveries.

  - Appraisal/Development Drilling – The Sakson Hilong 10 rig spudded the DD-3 appraisal well in November 2013 approximately 3 km to the southeast of the DD-2 well. The well´s objective is to appraise Cretaceous, Jurassic and Triassic age reservoirs. The DD-3 well reached total depth of approximately 4,400 metres in the Kurra Chine formation in the Triassic and a multi-zone testing program should be completed in the coming weeks.

    The DD-4 appraisal well was drilled 1.5 km to the southwest and down-dip of the DD-2 well in order to appraise the flank of the Cretaceous reservoir. The well was completed as a producing well in March 2014 after a successful test program in the Kometan formation in the Cretaceous.

The Romfor-22 rig spudded the DD-5 appraisal well in January 2014 approximately 3 kilometres to the west of the DD-2 well and reached total depth of approximately 1,900 metres in the Lower Cretaceous in April 2014. The well`s objective is to appraise Cretaceous reservoirs, targeting the saddle area between the Banan and Demir Dagh structures. A testing program is in progress and should be completed in the next couple of weeks.

Following completion of the testing program on the DD-5 well the Romfor-22 rig will move to spud the Demir Dagh-6 development well which will be drilled near the crest of the Demir Dagh structure right along the fault cutting across the structure from east to west. The Romfor-22 rig is scheduled to drill four additional development wells on the Demir Dagh structure in 2014.

The DD-2 discovery well was recompleted as a producing well in late 2013.

- Seismic Acquisition – Acquisition of approximately 440 square kilometres of 3D seismic over the Demir Dagh, Banan and Zey Gawra structures is planned for 2014, which will provide additional information to further refine appraisal and development plans. The program is expected to commence mid-year. Preparation work is in progress and negotiation of a contract with a seismic acquisition provider is in the final stages.

- Demir Dagh Full Field Development – The Corporation`s full field development plans for Demir Dagh are progressing as planned. Upon successful completion of the remainder of the appraisal program, the Corporation plans to build a Permanent Production Facility (“PPF”) with initial gross (100%) oil production capacity of 100,000 bbl/d. The Corporation plans to continuously drill development wells to increase production capacity in preparation for the commissioning of the PPF in 2016. Should the Demir Dagh, Zey Gawra and Banan appraisal programs result in conversion of significant quantities of possible reserves and/or contingent resources to the proved plus probable classification, the Corporation expects to expand the capacity of the PPF in a modular fashion.

- Ain Al Safra Appraisal – As announced on October 24, 2013, testing of the Ain Al Safra exploration well (“AAS-1”) resulted in an oil discovery in the Lower Jurassic. The KS Discoverer-1 rig spudded the AAS-2 appraisal well in March 2014. The well´s objective is to further appraise the Lower Jurassic interval and the full extent of the discovered oil column and to drill to the Triassic to understand any upside potential that the AAS-1 well was unable to reach. The well has reached a depth of just over 2,600 metres in the Upper Jurassic and is expected to reach total depth of 3,500 metres and complete testing in Q3 2014. NSAI estimates that as of December 31, 2013 the Ain Al Safra structure contains 22 MMbbl of best estimate unrisked gross (100%) contingent oil resources and 49 MMbbl of best estimate unrisked gross (100%) prospective oil resources (risked: 10 MMbbl).

- Zey Gawra Appraisal – As announced in December 2013, light oil was successfully tested in the Cretaceous from the Zey Gawra-1 (“ZEG-1”) exploration well. The ZEG-2 appraisal well targeting Tertiary and Cretaceous formations will be drilled later in 2014. NSAI estimates that as of December 31, 2013 the Zey Gawra structure contains 71 MMbbl of gross (100%) proved plus probable oil reserves and 32 MMbbl of best estimate unrisked gross (100%) prospective oil resources (risked: 12 MMbbl.)

- Banan Discovery/Appraisal – As announced on March 12, 2014 oil was successfully flowed in two cased-hole drill stem tests on the BAN-1 exploration well, one in each of the Upper Cretaceous (Shiranish and top Kometan formations) and the Lower Jurassic (Butmah formation). Additionally, the drilling and test results showed the development of additional reservoirs that will be further appraised and tested. The BAN-2 appraisal well is planned to be drilled in 2014 in a more crestal position over the Banan structure. NSAI estimates that the Banan field contains low, best and high estimates of unrisked gross (100%) contingent oil resources of 5, 40 and 440 MMbbl, respectively, all in the Cretaceous formations, and best estimate unrisked gross (100%) prospective oil resources of 235 MMbbl (risked: 46 MMbbl) in the Tertiary, Jurassic and Triassic.

AGC

- In the AGC Shallow license area Oryx Petroleum has largely completed the processing and analyzing of previously acquired 3D seismic data and has chosen the Dome Iris prospect as its first drilling target. The Corporation is in the final stages of negotiations to secure a drilling rig and expects to drill an exploration well in the fourth quarter of 2014. NSAI estimates that as of December 31, 2013 the Dome Iris prospect contains unrisked best estimate gross (100%) prospective oil resources of 117 MMbbl (risked: 17 MMbbl).

Congo (Brazzaville)

- Haute Mer A – On September 4, 2013, Oryx Petroleum announced that the Elephant-1 exploration well targeting the Elephant prospect in the Haute Mer A license area discovered crude oil and natural gas. Results of the testing conducted in early 2014 and announced on March 4, 2014 confirmed the discovery. NSAI estimates that as of December 31, 2013 the Elephant prospect contains 31 MMbbl of unrisked best estimate gross (100%) contingent oil resources and unrisked best estimate gross (100%) prospective oil resources of 30 MMbbl (risked: 7 MMbbl). Oryx Petroleum has a 20% participating and working interest in the Haute Mer A license area. Partners in Haute Mer A are analyzing results of the two wells drilled to date in order to determine next steps. More resource volumes need to be discovered in order to justify commercial development. An exploration well is budgeted for 2014 but is likely to be deferred to 2015 in order to allow sufficient time to select the next drilling location and secure a rig. The partners have recently notified the Congo (Brazzaville) government of their intention to proceed into the second exploration sub-period under the Production Sharing Contract which would expire in September 2016. Entering the second exploration sub-period will require relinquishment of 25% of the license area and new work commitments.

- Haute Mer B – Members of the contractor group continue to await final approval of the Production Sharing Contract by the National Assembly of Congo (Brazzaville). Oryx Petroleum has a 30% participating and working interest in the Haute Mer B license area.

The partners are planning to drill an exploration well, which will most likely target the Loubossi prospect, in the second half of 2014. However, the well could be deferred into 2015. NSAI estimates that as of December 31, 2013 the Loubossi prospect contains 189 MMbbl of best estimate unrisked gross (100%) prospective oil resources (risked: 24 MMbbl).

Wasit Province of Iraq

- Efforts to secure approvals and prepare for budgeted 2D seismic acquisition are ongoing. However, the Corporation is likely to defer the program into 2015.

Nigeria

- The Corporation and its partners in OML 141 have analyzed existing 3D seismic data and the results of the Dila-1 well and re-mapped prospects. The Corporation`s 2014 budget includes an incremental 3D seismic acquisition program but this program may be deferred into 2015.

2014 Capital Expenditure Forecast and Funding Outlook

Reforecasted capital expenditures for 2014 are $400-$450 million versus previously announced budgeted capital expenditures of $528 million.

The following table summarizes Oryx Petroleum's reforecasted 2014 annual capital expenditure program.

Location	License	Drilling	Facilities	Seismic & Studies	Other	Total 2014 Reforecast	Total 2014 Budget
		$ millions	$ millions	$ millions	$ millions	$ millions	$ millions
Kurdistan Region	Hawler	208	65 - 85	28	21	**322 - 342**	**367**
Wasit Province	Wasit	-	-	1	4	**5**	**25**
Nigeria	OML 141	-	-	-	4	**4**	**19**
AGC	AGC	40	-	-	5	**45**	**45**
Congo	HMA	9	-	1	3	**13**	**32**
	HMB	0 - 22	-	4	7	**11 – 33**	**39**
Corporate	Corporate	-	-	-	4	**4**	**1**
	Capex Total	**257 - 279**	**65 - 85**	**34**	**48**	**404 - 446**	**528**
	2014 Budget	**319**	**81**	**81**	**47**	**528**	

Notes:

(1) The above table excludes budgeted and reforecasted amounts relating to license acquisition costs

The high end of the forecast reflects likely deferment of the drilling of an exploration well in the Haute Mer A license area and seismic acquisition campaigns budgeted for the Wasit Province of Iraq and for the OML 141 license area. The lower end of the forecast reflects items deferred in the high end of the forecast as well as the possible deferment of the exploration well planned for Haute Mer B and a portion of expenditures for the PPF at Demir Dagh into 2015. Continued better than expected drilling efficiency in the Hawler license area could also contribute to lower capital expenditures.

Oryx Petroleum believes that current cash and cash equivalents are sufficient to fund the Corporation´s reforecasted capital expenditure program and general and administrative costs to mid-2014 but anticipates it will need to source additional capital to fund its operations through the end of 2014 and into 2015. Oryx Petroleum is in discussions with various financial institutions as well as its principal shareholder, The Addax & Oryx Group Limited, with regards to the Corporation´s capital requirements. Should appropriate additional financing not be available or should anticipated cash flows from production in the Hawler license area not materialize or vary from expectations, the Corporation has the flexibility to further adjust its 2014 capital expenditure plans accordingly.

Regulatory Filings

This announcement coincides with the filing with the Canadian securities regulatory authorities of Oryx Petroleum's unaudited consolidated financial statements for the three months ended March 31, 2014 and the related management's discussion and analysis thereon. Copies of these documents filed by Oryx Petroleum may be obtained under Oryx Petroleum´s profile at www.sedar.com, and the Corporation's website, www.oryxpetroleum.com.

ABOUT ORYX PETROLEUM CORPORATION LIMITED

Oryx Petroleum is an international oil exploration 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.

In addition, information and statements in this news release relating to reserves and resources are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated, and that the reserves and resources described can be profitably produced in the future. See “Reserves and Resources Advisory” below.

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.

Reserves and Resources Advisory

Oryx Petroleum’s reserves and resource estimates have been prepared as of December 31, 2013 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.

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. There is no certainty that it will be commercially viable to produce any portion of the contingent oil resources.

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. 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, resources or production means, in respect of such reserves, resources or production, the total reserves, resources or production prior to the deductions specified in the Production Sharing Contract, Risked Exploration Contract or fiscal regime applicable to each license area. Reference to 100% indicates that the applicable reserves, resources or production are volumes attributed to the discovery or prospect as a whole and do not represent Oryx Petroleum's working interest in such reserves, resources or production.