Oryx Petroleum Second Quarter 2015 Financial and Operational Results

Regular production, sales and payment throughout the quarter

Calgary, Alberta, August 5, 2015

Oryx Petroleum Corporation Limited ("Oryx Petroleum" or the "Corporation") today announces its financial and operational results for the three and six months ended June 30, 2015. All dollar amounts set forth in this news release are in United States dollars, except where otherwise indicated.

Financial Highlights:

- Total revenues of $9.4 million on working interest sales of 221,700 barrels of oil and average realised sales price of $35.37/bbl for the three months ended June 30, 2015
- Oil sales to a regional marketer that commenced in March 2015 have continued on a regular basis
- Full cash payment received for all sales in the first half of 2015
- Net loss of $5.6 million ($0.05 per share) in Q2 2015 versus $8.7 million ($0.09 per share) in Q2 2014
- Capital expenditure of $25.3 million for Q2 2015 including $22.1 million in the Hawler license area
- $56.7 million of cash and cash equivalents as of June 30, 2015
- $50 million of $100 million credit facility provided by The Addax & Oryx Group P.L.C. ("AOG") remains undrawn
- $60 million of capital expenditures forecasted for the second half of 2015 including $28 million for completion of the first phase of the Hawler Production Facilities and $25 million for the drilling or re-completion of up to three wells in the Hawler license area
- Initiatives to reduce overhead and operating costs, including significant reductions in staffing levels, continue to be implemented

Operations Highlights:

- Gross (100%) oil production averaged 3,800 bbl/d for the three months ended June 30, 2015 with production achieved on 97% of the days in the period. Gross (100%) oil production averaged 3,900 bbl/d for the month of July. Overall production levels have been constrained by the Corporation's efforts to manage and assess the performance of the individual wells to determine the maximum efficient rate for each.

- Gross (100%) oil production 2015 exit rate from the Hawler license area is now estimated to be between 8,000 to 10,000 bbl/d reflecting production from existing producing wells and additional wells expected to be drilled or re-completed and online before year end.

- Development progress at the Hawler license area:

  - Six wells at the Demir Dagh field are tied into the Hawler Production Facilities and are capable of production. The process of determining the maximum efficient production rates is ongoing but has been protracted by the limitations of the temporary facilities, which do not allow for discrete measurement of each individual well's performance

  - The Corporation plans to drill or re-complete up to three wells in the Hawler license area before year end with two expected to be on production before year end. Estimated oil production rates are expected to be lower than previously estimated while costs and drilling times are expected to be lower and shorter, respectively, than previous wells drilled

  - Commissioning of the first phase of the Hawler Production Facilities representing gross (100%) capacity of 40,000 barrels per day is in its final stages and is expected to be completed in the coming weeks

  - Pipeline infrastructure is in place to export oil via the Kurdistan Region of Iraq (KRI) to Turkey export pipeline with final commissioning to occur when oil production volumes and export payment dynamics justify export by pipeline

CEO´s Comment

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

"During the second quarter of 2015, we made progress managing operational challenges and achieved regular production and sales, both of which were quarterly records. Importantly, we have received full payment for all sales in the first half of 2015. Liftings under the crude sales agreement we signed in mid-March with a regional marketer are progressing well and we expect this to be our primary sales channel for Hawler crude oil in the near term while we seek to increase production.

Our capital expenditures in the quarter were dedicated primarily to completing our production facilities and related infrastructure at the Demir Dagh field and such facilities are now in the final commissioning phase. These facilities will support our efforts to grow production through both optimising performance of our existing wells and further development drilling.

In order to minimise drawdown pressure and limit water production from the Cretaceous reservoir at the Demir Dagh field, we are adjusting our outlook and approach to its development. We currently expect that future Cretaceous development wells will be completed as high as possible in the Shiranish reservoir and will require less time and cost to drill and complete than our previous design. However, we now expect the oil production rates from wells in the Demir Dagh Cretaceous reservoir to be lower than previously estimated. We will continue to seek ways to best optimize production from the Demir Dagh Cretaceous resource base while seeking to bring other discovered reserves at Demir Dagh and other fields in the Hawler license area on stream.

Looking ahead, we remain positive on the long term inherent value in our asset base and the future of the Kurdistan Region oil and gas industry and will continue to implement measures in the difficult current environment that will ensure the long term success of our business."

Selected Financial Results

Financial results are prepared in accordance with International Financial Reporting Standards ("IFRS") and the reporting currency is US dollars. References in this news release to the "Group" refer to Oryx Petroleum and its subsidiaries. The following table summarises selected financial highlights for Oryx Petroleum for the three and six month periods ended June 30, 2015 and June 30, 2014 as well as the year ended December 31, 2014.

	Three Months Ended June 30		Six Months Ended June 30		Year Ended December 31
($ in millions unless otherwise indicated)	2015	2014	2015	2014	2014
Revenue	9.4	1.4	14.7	1.4	19.6
Working Interest Production (bbl)	226,800	25,000	356,500	25,000	346,000
Average WI Production per day (bbl/d)(1)	2,500	2,100	2,000	2,100	1,800
Normalised WI Production per day (bbl/d)(2)	2,600	2,100	2,600	2,100	2,500
Working Interest Sales (bbl)	221,700	20,000	350,500	20,000	295,000
Average Sales Price ($/bbl)	35.37	57.75	35.15	57.75	55.69
Operating Expense	4.7	1.2	9.8	1.2	6.7
Field production costs ($/bbl)(3)	16.19	44.35	21.32	44.35	17.24
Field Netback ($/bbl)(4)	1.10	(16.10)	(4.15)	(16.10)	9.96
Operating expenses ($/bbl)	21.17	58.00	27.88	58.00	22.55
Oryx Petroleum Netback ($/bbl)(5)	2.97	(18.62)	(3.89)	(18.62)	15.46
Net Loss	5.6	8.7	14.2	15.6	19.0
Loss per Share ($/sh)	0.05	0.09	0.12	0.16	0.17
Operating Cash Flow(6)	(2.2)	(3.1)	(6.4)	(6.2)	(3.2)
Net Cash used in operating activities	4.2	0.8	12.3	20.6	28.5
Net Cash used in investing activities	27.3	96.7	90.3	230.2	374.3
Capital Expenditure(7)	25.3	99.1	67.2	179.0	325.9
License Acquisition Costs	-	7.1	-	7.1	23.6
Cash and Cash Equivalents	56.7	55.2	56.7	55.2	109.9
Total Assets	1,148.0	932.1	1,148.0	932.1	1,138.2
Total Equity	950.9	754.3	950.9	754.3	960.6

(1) Commercial production at the Hawler license area began in June 2014. Per day production rates for the three and six month periods ended June 30, 2014 have been based on 12 days. Per day production rates for the year ended December 31, 2014 have been based on 135 days.

(2) Normalised production has been calculated by excluding interruption periods. Normalised per day production rates for the three and six month periods ended June 30, 2014 have been based on 12 days. Normalised per day production rates have been calculated using 135 days for the year ended December 31, 2014, 88 and 50 days for the three month periods ended June 30, 2015 and March 31, 2015, respectively, and 138 days for the six month period ended June 30, 2015.

(3) Field production costs represent Oryx Petroleum's working interest share of gross production costs and exclude the partner share of production costs carried by Oryx Petroleum.

(4) Field Netback is a non-IFRS measure that represents the Group's working interest share of oil sales net of the Group's working interest share of royalties, the Group's working interest share of operating expenses and the Group's working interest share of taxes. Management believes that Field Netback is a useful supplemental measure to analyse operating performance and provides an indication of the results generated by the Group's principal business activities prior to the consideration of production sharing contract and joint operating agreement financing characteristics, and other income and expenses. Field Netback does not have a standard meaning under IFRS and may not be comparable to similar measures used by other companies.

(5) Oryx Petroleum Netback is a non-IFRS measure that represents Field Netbacks adjusted to reflect the impact of carried costs incurred and recovered through the sale of cost oil during the reporting period. Management believes that Oryx Petroleum Netback is a useful supplemental measure to analyse the net cash impact of the Group's principal business activities prior to the consideration of other income and expenses. Oryx Petroleum Netback does not have a standard meaning under IFRS and may not be comparable to similar measures used by other companies.

(6) Operating Cash Flow is a non-IFRS measure that represents cash generated from operating activities before changes in non-cash working capital and changes in the retirement benefit obligation balance. The term Operating Cash Flow should not be considered an alternative to or more meaningful than "cash flow from operating activities" as determined in accordance with IFRS. Management considers Operating Cash Flow to be a key measure as it demonstrates the Group's ability to generate the cash flow necessary to fund future growth through capital investment. Operating Cash Flow does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to similar measures used by other companies.

(7) Excludes license acquisition costs.

- Revenue for the quarter increased from $1.4 million in Q2 2014 to $9.4 million in Q2 2015 due to higher production from the Hawler license area which commenced in June 2014. Gross (working interest) production and sales of oil in Q2 2015 were 226,800 barrels and 221,700 barrels, respectively, versus 25,000 and 20,000 barrels, respectively, for Q2 2014. The average sales price realised in Q2 2015 was $35.37 per barrel versus $57.75 for Q2 2014. In addition to oil sales, revenue includes the recovery of carried costs.

- Operating expenses in the quarter increased from $1.2 million in Q2 2014 to $4.7 million in Q2 2015 due to the higher levels of production in Q2 2015 versus Q2 2014. Operating expenses on a per barrel basis were lower in Q2 2015 than previous quarters due to higher production but remain significantly higher than expected over the longer term due to low production levels relative to expected field plateau production levels. Per barrel operating expenses are expected to continue to fluctuate in the near term prior to achieving production and sales levels closer to expected field plateau production levels. Oryx Petroleum currently carries the Kurdistan Regional Government's share of production costs. The Oryx Petroleum Netback achieved in Q2 2015 of $2.97 per barrel reflects the Field Netback plus adjustments for carried costs.

- Net loss for the quarter decreased from $8.7 million in Q2 2014 to $5.6 million in Q2 2015 due primarily to the positive netback on sales in Q2 2015 versus a negative netback in Q2 2014, and to a $2.5 million downward revision to the fair value of contingent consideration arising from the acquisition of the Corporation's interest in the Hawler license area in Q2 2015 versus a $1.0 million upward revision in Q2 2014. The downward revision to the estimated fair value of the contingent consideration in Q2 2015 reflects an estimate that settlement of the liability will occur later than in previous estimates. Impairment and pre-operating expenses were also lower during Q2 2015 versus Q2 2014. These positive factors were partially offset by higher depletion and general and administrative expenses.

- Operating Cash Flow was negative $2.2 million for Q2 2015 compared to Operating Cash Flow of negative $3.1 million in Q2 2014. The improvement in Operating Cash Flow is primarily due to the positive netback realised on sales partially offset by an increase in general and administrative expenses.

- Net cash used in operating activities increased from $0.8 million in Q2 2014 to $4.2 million in Q2 2015. The increase reflects the net reduction in non-cash working capital during Q2 2015 versus an increase in Q2 2014, partially offset by a positive netback achieved on sales in Q2 2015 versus a negative netback achieved on sales in Q2 2014.

- Net cash used in investing activities decreased from $96.7 million in Q2 2014 to $27.3 million in Q2 2015 reflecting reduced capital investment during the period.

- Capital expenditures during the second quarter of 2015 totalled $25.3 million as compared to $99.1 million for the second quarter of 2014. $22.1 million of the Q2 2015 capital expenditures were incurred in the Hawler license area including $18.9 million for production facilities and related infrastructure and $3.0 million for appraisal and drilling activity.

- Cash and cash equivalents increased to $56.7 million at June 30, 2015 from $38.7 million at March 31, 2015 reflecting the impact of the draw down of $50.0 million during the quarter under the Loan Agreement with AOG partially offset by negative Operating Cash Flow, capital expenditures, and movements in non-cash working capital.

- In March 2015, Oryx Petroleum entered into a Loan Agreement with AOG whereby AOG committed to provide a $100 million unsecured credit facility to Oryx Petroleum. As of June 30, 2015, $50 million of the facility remains undrawn.

- As at August 5, 2015 120,912,098 common shares are outstanding . Additionally, as at August 5, 2015, there are (i) Long Term Incentive Plan awards that have vested but are not yet issued which will result in the issuance of up to an additional 599,228 common shares, and (ii) unvested Long Term Incentive Share awards which will result in the issuance of up to an additional 352,222 common shares upon vesting in 2016. As part of the unsecured credit facility provided by AOG, the Corporation has issued warrants to AOG to purchase eight million common shares. Provided the Group draws down the second $50 million tranche under the unsecured credit facility, the Corporation will issue warrants to AOG to purchase an additional four million common shares.

- The Corporation continues to implement initiatives to reduce operating and overhead costs including, most recently, a significant reduction in headcount.

Selected Operational Highlights

Kurdistan Region of Iraq

<u>Production and Sales</u>

- Gross (100%) oil production from the Hawler license area averaged 3,800 bbl/d for the three months ended June 30, 2015 and 3,900 bbl/d for the month of July 2015. Production levels were constrained by the Corporation during the quarter to manage and assess the well performance of individual wells and determine maximum efficient rates for each.

- In mid-March 2015, Oryx Petroleum commenced selling its oil to a third party regional marketer. Under this crude sales agreement, payments are made by the regional marketer directly to Oryx Petroleum, with realised sales prices referenced to a Dated Brent crude oil price and adjusted to reflect transportation costs and crude quality. Liftings by the regional marketer have been largely uninterrupted since commencement. The Corporation received its first and second payments in May 2015 and July 2015, respectively, for its share of proceeds from the first and second shipment cycles under this agreement. During the first cycle, 221,000 barrels of gross (100%) oil were lifted at a realised sales price of $35.41/bbl. During the second cycle, 258,000 barrels of gross (100%) oil were lifted at a realised sales price of $29.99/bbl.

Productive Capacity

- Six wells, the Demir Dagh-2 ("DD-2"), Demir Dagh-3 ("DD-3"), Demir Dagh-4 ("DD-4"), Demir Dagh-6 ("DD-6"), Demir Dagh-7 ("DD-7") and Demir Dagh-10 ("DD-10") wells, are completed and tied into the Hawler Production Facilities. All six wells are capable of production with DD-6 the most recent well to be brought on production. The process of determining maximum efficient production rates is continuing but such rates are likely to be considerably lower than previously estimated. Well assessment has been protracted by the limitations of the temporary facilities that have to date been used to gather and process Demir Dagh production, which do not readily allow for discrete measurement of each individual well's performance. The imminent commissioning of the first phase of the Hawler Production Facilities will bring additional water handling capacity which is expected to support the Corporation´s efforts to determine maximum efficient production rates for existing and future wells.

Appraisal / Development Drilling

- During the second quarter drilling activity was limited and consisted primarily of completion testing concluded on the DD-7 well. No rigs are currently under contract in the Hawler license area. Operational focus during the quarter was the assessment and optimization of the wells drilled to date at the Demir Dagh field. The Corporation is planning to resume drilling activity in the second half of 2015 in the Hawler license area in order to increase productive capacity. Oryx Petroleum plans on drilling or re-completing up to three development wells at the Demir Dagh field before year end 2015. Estimated production rates per well are expected to be lower than previously estimated while costs and drilling times are expected to be lower and shorter, respectively, than previous wells drilled. The lower costs and shorter drilling times reflect a re-design of future wells incorporating the Corporation´s experience from existing wells and a reduced need for appraisal related activities.

- Processing and interpretation of 3D and 3C seismic data acquired in late 2014 covering the Demir Dagh field and the portion of the Banan field east of the Zab river continues. Analysis of the 3D and 3C seismic data is expected to improve the efficiency and effectiveness of future development drilling.

Facilities and Export Sales Infrastructure

- Construction of the first phase of the Hawler Production Facilities, with gross (100%) nameplate processing capacity of 40,000 bbl/d, is in the final stages of commissioning which is expected to be completed in the coming weeks. The Corporation expects to terminate the lease of the current 20,000 bbl/d temporary production facility in the coming months.

- The installation of a 1.2 kilometre 16" connecting line from the Hawler Production Facilities to the 36" KRI-Turkey export pipeline is complete. Final commissioning will be completed when production volumes and export payment dynamics justify export by pipeline.

2015 Estimated Production Exit Rate

- Gross (100%) oil production 2015 exit rate from the Hawler license area is now estimated to be between 8,000 to 10,000 bbl/d reflecting production from existing producing wells and additional wells expected to be drilled or re-completed and online before year end.

West Africa

Congo (Brazzaville)

- Partners in the Haute Mer A and Haute Mer B license areas continue to analyse data in preparation for further exploration drilling.

AGC

- AGC Shallow - Oryx Petroleum continues to prepare for exploration drilling.

- AGC Central - Oryx Petroleum continues to prepare for the acquisition of 3D seismic data covering a portion of the license area.

2015 Re-forecasted Capital Expenditures

Oryx Petroleum re-forecasted capital expenditures for 2015 are $130 million reduced from the previous forecast of $140 million. The change is primarily attributable to a reduced number of wells to be drilled in the second half of 2015 and the lower estimated cost of such wells. Reduced drilling costs are partially offset by increased expenditures on production facilities and related infrastructure. Planned capital expenditures for the second half of 2015 are $60.0 million, including $25 million for the drilling or re-completion of up to three wells in the Hawler license area and $28 million for the completion of production facilities and related infrastructure.

Liquidity Outlook

Oryx Petroleum believes the current cash and cash equivalents, together with net sales revenues and the undrawn portion of the credit facility provided by AOG, provides the Corporation with the liquidity needed to fund its re-forecasted 2015 capital expenditure program and its reduced general and administrative costs. The Corporation retains the flexibility to adjust its capital expenditure plans for the remainder of 2015 in response to positive or negative changes in the operating environment. Beyond 2015, the Corporation currently intends to fund expenditure levels with cash flow generation and, if necessary, externally sourced funding.

Regulatory Filings

This announcement coincides with the filing with the Canadian securities regulatory authorities of Oryx Petroleum's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2015 and the related management's discussion and analysis thereon. Copies of these documents filed by Oryx Petroleum may be obtained via www.sedar.com, and the Corporation's website, www.oryxpetroleum.com.

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 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 expected well capacity and production rates, forecast capital expenditure, drilling plans, 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 Demir Dagh field, initiatives being implemented to reduce overhead and operating costs, expectations that commissioning of the first phase of the Hawler Production Facilities on the Hawler license area will occur in the coming weeks and that the facilities will provide additional water handling capacity, sales channels for future sales and the timing of accessing the export markets by pipeline, ultimate recoverability of current and long-term assets, guidance regarding production rates and operating expenses on a per barrel basis, possible commerciality of our projects, future expenditures and sources of financing for such expenditures, the efficiency and effectiveness of future development drilling being improved by the interpretation of seismic data, the issuance of shares as a result of the vesting of Long Term Incentive Plan awards and exercise of outstanding warrants, 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 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

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.