Oryx Petroleum Q1 2019 Financial and Operational Results

185% increase in oil Production and 144% increase in Revenues versus Q1 2018; Average daily gross (100%) oil production of 11,000 bbl/d in April 2019

Calgary, Alberta, May 7, 2019

Oryx Petroleum Corporation Limited ("Oryx Petroleum" or the "Corporation") today announces its financial and operational results for the three months ended March 31, 2019. All dollar amounts set forth in this news release are in United States dollars, except where otherwise indicated.

Financial Highlights:

- Total revenues of $34.0 million on working interest sales of 633,300 barrels of oil ("bbl") and an average realised sales price of $48.35/bbl for Q1 2019
  - 144% increase in revenues versus Q1 2018
  - The Corporation has received full payment in accordance with production sharing contract entitlements for all oil sale deliveries into the Kurdistan Region Export Pipeline through January 2019
- Operating expenses of $7.3 million ($11.48/bbl) and an Oryx Petroleum Netback[1] of $11.1 million ($17.49/bbl) for Q1 2019
  - 18% decrease in operating expenses per barrel versus Q1 2018
- Profit of $1.5 million ($0.00 per common share) in Q1 2019 versus loss of $4.3 million in Q1 2018 ($0.01 per common share)
  - Improvement primarily attributable to higher Oryx Petroleum Netback
- Net cash generated by operating activities in Q1 2019 was $8.6 million versus net cash used in operating activities of $2.6 million in Q1 2018 comprised of Operating Funds Flow[2] of $9.2 million partially offset by a $0.5 million increase in non-cash working capital
- Net cash used in investing activities during Q1 2019 was $9.0 million including payments related to drilling and facilities work in the Hawler license area, preparation for drilling in the AGC Central license area, and an increase in non-cash working capital
- $14.1 million of cash and cash equivalents as of March 31, 2019

Operations Update:

- Average gross (100%) oil production of 10,800 bbl/d (working interest 7,000 bbl/d) for Q1 2019 versus 3,800 bbl/d (working interest 2,500 bbl/d) for Q1 2018
  - 185% increase in gross (100%) oil production in Q1 2019 versus Q1 2018; 1% increase in gross (100%) oil production in Q1 2019 versus Q4 2018
  - Production in February was curtailed due to a four day shut-down of the Kurdistan Region Export Pipeline for scheduled maintenance

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[1] Oryx Petroleum Netback is a non-IFRS measure. See the table below for a definition of and other information related to the term.

[2] Operating Funds Flow is a non-IFRS measure. See the table below for a definition of and other information related to the term.

- Average gross (100%) oil production of 11,000 bbl/d in April 2019

- The Banan-6 appraisal well targeting the Cretaceous reservoir was spudded in March 2019. The well has recently been drilled to a measured depth of 1,840 metres and is expected to be completed as a producing well in the coming weeks
- Final prospect ranking has been completed in the AGC Central license area. Initial planning and preparations for an exploration drilling campaign are underway. A third party service provider needed to conduct an environmental and social impact assessment planned for 2019 has recently been selected and preparation of the assessment has commenced

2019 Re-forecasted Work Program and Capital Expenditures:

- 2019 capital expenditures have been re-forecast to $42 million (versus $41 million previous forecast). Forecast activities consist of:
  - $34 million dedicated to the Hawler license area: eight wells including two short radius sidetrack wells targeting the Demir Dagh Cretaceous reservoir, one short radius sidetrack well targeting the Zey Gawra Tertiary reservoir, two wells targeting the Banan Cretaceous reservoir, two wells targeting the Banan Tertiary reservoir, and a test of the previously suspended Ain Al Safra-2 well; flowlines and required facilities modifications needed to accommodate incremental production
  - $8 million dedicated to the AGC Central license area including preparations for exploration drilling in 2020

Liquidity Outlook:

- The Corporation expects cash on hand as of March 31, 2019, cash receipts from net revenues and export sales, and cash proceeds available under an interim credit facility provided by shareholders in late 2018 will allow it to fund its forecasted capital expenditures and operating and administrative costs through the end of 2019. Additional capital is likely required to be able to both meet contingent consideration obligations expected to become payable in 2019 and to fund drilling in the AGC Central license area planned in 2020

CEO's Comment

Commenting today, Oryx Petroleum's Chief Executive Officer, Vance Querio, stated:

"The first quarter of 2019 was a good quarter for Oryx Petroleum, during which we once again increased production from the Hawler license by increasing production rates from wells brought online in late 2018. Average daily oil production was just over 11,000 bbl/d in April. We also began our 2019 drilling program in the Hawler Area with the drilling of the Banan-6 well targeting the Cretaceous reservoir. The well has recently been drilled to a measured depth of 1,840 metres and we expect to run production equipment into the well in the next few days.

We finalised the ranking of our prospect inventory in the AGC Central license area and have begun planning and preparation for an exploration drilling campaign. The next major step in that process is the completion of an environmental and social impact assessment and we have recently selected a third party service provider to conduct the assessment. Exploration drilling is expected to follow the completion and formal approval of the assessment.

We have revised our 2019 capital expenditure program somewhat so that it now includes the drilling or re-entry of eight wells in the Hawler Area, including the Banan-6 well that is nearly complete. The program has been designed to allow us to significantly increase production and to refine our understanding of the remaining development potential of the four fields in the license. We expect to spud the second 2019 well, a horizontal side track of the Demir Dagh-5 well in the Cretaceous reservoir soon after we complete Banan-6 in the coming weeks.

During Q1 2019 we generated operating funds flow which exceeded cash used in investing activities. We expect that cash on hand, cash receipts from net revenues and proceeds from an undrawn interim credit facility provided by shareholders will fund forecasted capital expenditures and operating and administrative costs in 2019, although additional capital will likely be required to fund contingent consideration obligations expected to become payable in 2019 and exploration drilling in the AGC Central license area in 2020.

We look forward to continuing to implement our plans in 2019 and to achieve higher production in the Hawler license area while continuing preparations for an exploration drilling program in the AGC Central license area."

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 month periods ended March 31, 2019 and March 31, 2018 as well as the year ended December 31, 2018.

	Three Months Ended March 31		Year Ended December 31
($ in millions unless otherwise indicated)	2019	2018	2018
Revenue	34.0	13.9	97.6
Working Interest Oil Production (bbl)	633,800	222,100	1,541,900
Average WI Oil Production per day (bbl/d)	7,000	2,500	4,200
Working Interest Oil Sales (bbl)	633,300	222,700	1,542,300
Average Sales Price ($/bbl)	48.35	56.31	57.00
Operating Expense	7.3	3.1	19.2
Field production costs ($/bbl)(1)	8.78	10.74	9.54
Field Netback ($/bbl)(2)	14.84	16.76	18.30
Operating expenses ($/bbl)	11.48	14.04	12.48
Oryx Petroleum Netback ($/bbl)(3)	17.49	19.70	21.68
Net Profit (Loss)	1.5	(4.3)	43.8
Earnings (Loss) per Share ($/sh)	0.00	(0.01)	0.09
Operating Funds Flow(4)	9.2	1.4	23.2
Net Cash generated by / (used in) operating activities	8.6	(2.6)	8.1
Net Cash used in investing activities	9.0	7.3	(32.8)
Capital Expenditure	2.3	6.2	36.4
Cash and Cash Equivalents	14.1	27.9	14.4
Total Assets	810.3	743.4	813.0
Total Liabilities	198.4	193.5	203.4
Total Equity	611.9	549.9	609.5

(1) 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.

(2) 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.

(3) *Oryx Petroleum Netback is a non-IFRS measure that represents Field Netback 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.*

(4) *Operating Funds Flow is a non-IFRS measure that represents cash generated from operating activities before changes in non-cash assets and liabilities. The term Operating Funds 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 Funds 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 Funds Flow does not have any standardised meaning prescribed by IFRS and may not be comparable to similar measures used by other companies. In previous disclosure, Operating Funds Flow was referred to as Operating Cash Flow.*

- Revenue increased to $34.0 million in Q1 2019 versus $13.9 million in Q1 2018 due to a 184% increase in oil sales volumes, partially offset by a 14% decrease in average oil sales prices. Gross (working interest) production and sales of oil in Q1 2019 were 633,800 barrels and 633,300 barrels, respectively, versus 222,100 and 222,700 barrels, respectively, for Q1 2018. The average oil sales price realised in Q1 2019 was $48.35 per barrel versus $56.31 for Q1 2018. In addition to oil sales, revenue includes the recovery of carried costs.

- Operating expenses for the period increased 132% to $7.3 million in Q1 2019 versus $3.1 million in Q1 2018 due primarily to the costs associated with the expansion of operations at the Zey Gawra field and the commencement of operations at the Banan field during the second quarter of 2018. Operating expenses on a per barrel basis declined 18% in Q1 2019 versus Q1 2018 as increased volumes more than offset the increase in expenses. Per barrel operating expenses are expected to continue to improve in the near term as production increases. Oryx Petroleum currently carries the Kurdistan Regional Government's share of production costs. The Oryx Petroleum Netback achieved in Q1 2019 of $17.49 per barrel reflects the Field Netback plus adjustments for carried costs.

- General and administrative expenses decreased to $2.1 million in Q1 2019 versus $2.7 million in Q1 2018 due primarily to a decrease in personnel costs resulting from actual 2018 performance based compensation being lower than estimates accrued.

- Profit for the year was $1.5 million in Q1 2019 as compared to a loss of $4.3 million in Q1 2018. The improved result is primarily attributable to i) an increase in net revenue of $11.2 million, and ii) an increase in other income of $1.2 million resulting from the reversal of a previous inventory loss provision. These positive factors were partially offset by i) a $4.1 million increase in operating expenses that is primarily attributable to increased costs due to expanded operations at the Zey Gawra and Banan fields, and ii) a $2.5 million increase in the depletion charge during Q1 2019 resulting from higher production, partially offset by a lower depletion charge per barrel.

- Operating Funds Flow was $9.2 million for Q1 2019 compared to $1.4 million in Q1 2018. The increase in Operating Funds Flow is primarily due to higher net revenues in Q1 2019 versus Q1 2018.

- Net cash generated by operating activities was $8.6 million in Q1 2019 as compared to net cash used in operating activities of $2.6 million in Q1 2018. The increase reflects higher revenues, partially offset by higher operating costs and a smaller increase in non-cash working capital in Q1 2019 versus Q1 2018.

- Net cash used in investing activities increased to $9.0 million in Q1 2019 as compared to $7.3 million in Q1 2018. The increase reflects an increase in non-cash working capital in Q1 2019 versus a decrease in Q1 2018 partially offset by less cash outflows for capital investment during Q1 2019 versus Q1 2018.

- Capital expenditures in Q1 2019 totalled $2.3 million as compared to $6.2 million in Q1 2018. In Q1 2019, $1.9 million of capital expenditures were incurred in the Hawler license area primarily on drilling and facilities activities at the Zey Gawra and Banan fields. Q1 2019 capital expenditures also included $0.4 million related to preparation for drilling in the AGC Central license area.
- Cash and cash equivalents decreased to $14.1 million at March 31, 2019 from $14.4 million at December 31, 2018 reflecting capital expenditures and movements in non-cash working capital partially offset by positive Operating Funds Flow.
- 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 at March 31, 2019, the balance owing under the facility totalled $79.1 million, including $3.1 million in accrued interest which will be settled through the issuance of common shares.
  - Maturity date: July 1, 2020
  - Interest accrued from May 11, 2017 to June 30, 2019 is paid out in common shares approximately every six months at the then current five day volume-weighted average trading price for the common shares. After June 30, 2019, interest shall compound every six months and be payable in cash, if permissible under other corporate agreements. If not permissible, accrued interest will be added to the principal balance outstanding and will itself accrue interest between compounding and maturity.
- The Corporation is obligated to make further payments to the vendor of the Hawler license area most of which are contingent upon declaration of a second commercial discovery in the Hawler license area.
  - In the fourth quarter of 2018, Oryx Petroleum agreed with the vendor of the Hawler license area to amend the terms of the Purchase Agreement (the “2018 Amendment”). The 2018 Amendment provides for an $11.4 million deferral payment which Oryx Petroleum expects to make upon execution of the 2018 Amendment. Contingent upon declaration of a second commercial discovery in the Hawler license area, the 2018 Amendment also provides for fixed payments of principal plus interest scheduled as follows: $20.0 million plus accrued interest in September 2019, $25.0 million plus accrued interest in September 2020, and $11.0 million plus accrued interest in September 2021. The estimated fair value of the contingent consideration as at March 31, 2019 and assuming payments scheduled in accordance with the 2018 Amendment was $72.4 million (including the $11.4 million pending deferral payment). As at March 31, 2019, the total balance of principal and accrued interest potentially owed under the contingent consideration obligation was $76.4 million (including the $11.4 million pending deferral payment).
  - Although Oryx Petroleum has executed the 2018 Amendment, execution of the agreement by the vendor of the Hawler license area has been delayed due to administrative reasons. The Corporation expects the 2018 Amendment to be executed in due course, followed by the $11.4 million deferral payment. If the Corporation has not declared a second commercial discovery by September 30, 2019, the instalment payment schedule will no longer apply and the contingent consideration obligation, if subsequently triggered by a second commercial discovery, will revert to a lump-sum payment obligation.
- As at May 7, 2019, 515,031,222 common shares are outstanding. As at May 7, 2019 there are: i) unvested Long Term Incentive Plan awards which are expected to result in the issuance of up to an additional 19,670,514 common shares upon vesting; and ii) 6,132,804 in-the-money warrants

outstanding issued in connection with an amendment to the Loan Agreement with AOG executed in December 2018.

2019 Capital Expenditure Re-forecast

Oryx Petroleum re-forecasted capital expenditures for 2019 are $42 million, increased from the previously announced forecast of $41 million. The increase reflects the addition of a well targeting the Banan Cretaceous reservoir. This increase was partially offset by the deferral of some drilling preparation costs in the AGC Central license area. The following table summarises the Corporation's 2019 forecasted capital expenditure program against the previous forecast:

Location	License/Field/Activity	2019 Prior Forecast	2019 Re-forecast
		$ millions	$ millions
Kurdistan Region	Hawler		
	Zey Gawra-Drilling	3	3
	Demir Dagh-Drilling	7	7
	Ain Al Safra-Drilling	2	2
	Banan-Drilling	14	18
	Facilities	2	2
	Other(1)	3	3
	Total Hawler	**30**	**34**
West Africa	AGC Central--Drilling Prep	6	3
	AGC Central--Other	5	5
	Capex Total(2)	**41**	**42**

Note:
(1) Other is comprised primarily of license maintenance costs
(2) Totals may not add-up due to rounding.

Kurdistan Region of Iraq -- Hawler License Area

Demir Dagh drilling -- consists of forecast costs related to short radius sidetrack wells of the previously drilled Demir Dagh-5 and Demir Dagh-9 wells. Demir Dagh-5 is expected to be drilled in the second quarter of 2019 with Demir Dagh-9 to be drilled in the fourth quarter.

Zey Gawra drilling -- consists of a sidetrack of the previously drilled Zab-1 well targeting the Tertiary reservoir planned in the second half of the year.

Banan drilling -- consists of two wells targeting the Banan Cretaceous reservoir and two wells targeting the Tertiary reservoir. Changes versus the previous program include adding a second well targeting the Cretaceous reservoir and intending to complete both wells targeting the Tertiary reservoir as producers. The previous program assumed one well targeting the Tertiary reservoir would be used as a surveillance well.

Ain Al Safra drilling -- consists of costs related to the testing of the Ain Al Safra-2 well targeting the Triassic reservoir. The Ain Al Safra-2 well was suspended in 2014 prior to testing due to security developments. The testing of the Ain Al Safra-2 well is expected to be completed in the first half of the year.

Facilities -- comprised of minor infrastructure works at the Demir Dagh field and new drilling pads and infrastructure at the Banan field needed to accommodate drilling plans and additional production.

AGC Central License Area

Consists of preparation costs for drilling including an environmental and social impact assessment, studies and license maintenance costs. Forecasted preparation costs in 2019 for drilling have been reduced as some costs have been deferred to 2020.

Divestment of Interest in the Haute Mer B License Area

On April 23, 2018, a subsidiary of Oryx Petroleum entered into an agreement providing for the transfer of Oryx Petroleum's 30% participating interest in the Haute Mer B license offshore Congo (Brazzaville) to a subsidiary of Total S.A. The agreement provides for Oryx Petroleum to receive cash consideration of $8.0 million plus $5.3 million reimbursement of costs incurred by Oryx Petroleum in 2018 in relation to the interest. Notwithstanding Oryx Petroleum's position that all conditions to closing have been either satisfied or waived, the counter-party has not agreed to close the transaction and has purported to terminate the agreement. Oryx Petroleum has hired external counsel and initiated arbitration to settle the dispute and believes strongly in the merits of its position. Notwithstanding, the arbitration panel may decide against Oryx Petroleum or Oryx Petroleum may otherwise be unsuccessful in realizing the contracted amounts. If the transaction does not close and the agreement is terminated, Oryx Petroleum will be responsible for its share of the Haute Mer B costs which have been carried by Total S.A. since April 23, 2018 and amount to $13.6 million as of March 31, 2019. Oryx Petroleum expects the arbitration process and resolution of the dispute to be concluded in the next 12 months.

Regulatory Filings

This announcement coincides with the filing with the Canadian securities regulatory authorities of Oryx Petroleum's unaudited condensed consolidated financial statements for the three months ended March 31, 2019 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. Oryx Petroleum has interests in three license areas, one of which has yielded an oil discovery. The Corporation is the operator in two of the three license areas. One license area is located in the Kurdistan Region of Iraq and two license areas are located in West Africa in 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 re-forecast work program and capital expenditure for 2019, drilling and well workover plans, development plans and schedules and chance of success, future drilling of wells and the reservoirs to be targeted, ultimate recoverability of current and long-term assets, possible commerciality of our projects, future expenditures and sources of financing for such expenditures, expectations that cash on hand as of March 31, 2019, cash receipts from net revenues and export sales, and cash proceeds available under an interim credit facility provided by shareholders in late 2018 will allow the Corporation to fund forecasted capital expenditures and operating and administrative costs through the end of 2019, plans to complete drilling of the Banan-6 well and expectations that the well will be a producing well, plans to undertake an environmental impact assessment and prepare for drilling in the AGC Central license area, the issuance of shares as a result of the vesting of Long Term Incentive Plan awards, in consideration of interest under the Loan Agreement with AOG and potential exercise of outstanding warrants, future requirements for additional funding, the arbitration process relating to the Haute Mer B transaction and expected resolution of the dispute, estimates for the fair value of the contingent consideration arising from the acquisition of OP Hawler Kurdistan Limited in 2011, the expected timing for settlement of liabilities including the credit facility with AOG and the contingent consideration arising from the acquisition of OP Hawler Kurdistan Limited in 2011, and expectations that the 2018 Amendment will be executed in due course followed by the $11.4 million deferral payment. In addition, 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, 2019 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 Certain 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.