

## **Oryx Petroleum Announces Update for Banan-1 Exploration Well in Kurdistan Region of Iraq**



### ***Banan Drilling Completed and Testing Program Commences***

**Calgary, Alberta, January 27, 2014**

Oryx Petroleum Corporation Limited (“Oryx Petroleum” or the “Corporation”) today announces an update on its drilling activities at Banan and Demir Dagh in the Hawler license area in the Kurdistan Region of Iraq. Oryx Petroleum is the operator and has a 65% participating and working interest in the Hawler license area.

Commenting today, Henry Legarre, Oryx Petroleum’s Chief Operating Officer, stated:

“Our exploration and appraisal activities in the Hawler license area continue to progress. We have completed drilling the Banan exploration well targeting one of the largest prospects in our portfolio. Hydrocarbons were encountered in the Cretaceous, Upper and Lower Jurassic and Triassic and we are now commencing a testing program. We have successfully re-completed the Demir Dagh-2 well and we are making excellent progress with the Demir Dagh-3 and Demir Dagh-4 appraisal wells. Observations during drilling of all wells on the Demir Dagh structure continue to be encouraging.”

### **Banan Exploration Well**

As previously reported, the KS Discoverer 1 rig spudded the BAN-1 well, the Corporation’s fourth exploration well in the Hawler license area, targeting the Banan prospect, in mid-September. The BAN-1 well is targeting oil potential in the Cretaceous, Upper and Lower Jurassic and the Triassic. Netherland, Sewell & Associates, Inc. (“NSAI”) estimates as of March 31, 2013 were that the Banan prospect contains 196 MMbbl of best estimate unrisks gross (100%) prospective oil resources (risks: 102 MMbbl). NSAI’s estimate excludes a significant portion of the Banan prospect that was outside the Hawler license area boundaries prior to the boundary extension agreed to with the KRG in December 2012. See “Reserves and Resources Advisory” below for additional information regarding this estimate. Recently acquired 2D seismic data over the extension area has confirmed that the likely crest of the Banan structure is significantly up-dip of the BAN-1 well.

The BAN-1 well was planned to be drilled to a total depth of 4,153 metres in the Kurra Chine formation. The well experienced a significant pressure kick while drilling at approximately 4,000 metres in a fractured section of the Kurra Chine. During the following well control operation, light oil from the Kurra Chine formation was burned at the flare.. As the well had not been designed for conditions encountered in the Triassic, the well was plugged back to 3,400 metres in preparation for testing operations in the shallower Cretaceous and Jurassic



formations. A future appraisal well with modified well design, if pursued, should enable evaluation of the Kurra Chine formation in the Banan structure.

As previously reported, logging data, core analysis and observations during drilling in the Upper Cretaceous (Shiranish, Kometan and Upper Qamchuqa formations) confirmed the presence of hydrocarbons and similar reservoir properties, including matrix porosity, as observed at Demir Dag. Logging data and observations during drilling, including free oil on the shakers and cuttings, also confirm the presence of hydrocarbons in the Upper Jurassic (Najmah formation) and Lower Jurassic (Mus & Base Alan, Adaiyah, and Butmah formations). Losses of drilling fluids also indicated existence of a permeable fracture network. These are encouraging indications, however, no conclusions with regards to recoverability or commerciality of any hydrocarbons can be reached until the testing program is conducted.

Oryx Petroleum's testing program for BAN-1 consists of five firm cased-hole drill stem tests ("DSTs") and one contingent cased-hole DST. It is expected that the testing program will conclude in March 2014. Should the testing be successful, the Corporation is considering accelerating plans to drill an appraisal well on the crest of the Banan structure.

### ***Demir Dag Appraisal***

The Sakson Hilong-10 rig spudded the first well in the Demir Dag appraisal program (DD-3) in mid-November and is expected to reach a total depth of 4,115 metres and conclude testing and completion in Q2 2014. The well is being drilled on the axis of the anticline approximately three kilometres to the southeast of the DD-2 discovery well and will test the Cretaceous, Jurassic and Triassic reservoirs. The DD-3 well is currently on schedule, having reached a depth of approximately 3,800 metres in the Triassic. Drilling experience to date with DD-3 has been consistent with the drilling of the DD-2 discovery well.

The Romfor 22 rig successfully re-completed the DD-2 in the Upper Cretaceous reservoirs. The re-completion will enable oil production from DD-2 once the production facilities at Demir Dag are operational, which is expected in Q2 2014. The Romfor 22 rig has since spudded the DD-4 appraisal well, which is planned to be completed in the Cretaceous reservoirs. The well is being drilled down dip on the southern flank of the anticline in order to determine the depth of the Cretaceous oil-water contact. DD-4 has reached a depth of approximately 1,800 metres and is expected to reach total depth and conclude testing in late Q1 2014.



## **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](http://www.oryxpetroleum.com) or under Oryx Petroleum's profile at [www.sedar.com](http://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. In making certain statements in this news release, Oryx



Petroleum has made assumptions with respect to the following: the general continuance of the current or, where applicable, assumed industry conditions, forecasts of capital expenditures and the sources of financing thereof, timing and results of exploration activities, the Corporation's ability to obtain and retain qualified staff, contractors and personnel and equipment in a timely and cost-efficient manner, the political situation and stability in jurisdictions in which Oryx Petroleum has licenses, the ability to renew its licenses on attractive terms, the applicability of technologies for the recovery and production of the Corporation's oil reserves and resources, the amount, nature, timing and effects of capital expenditures, geological and engineering estimates in respect of the Corporation's reserves and resources, the geography of the areas in which the Corporation is conducting exploration and development activities, operating and other costs, and business strategies and plans of management.

Forward-looking information is subject to known and unknown risks and uncertainties which may cause actual results or events to differ materially from those anticipated in the forward-looking information and statements if the assumptions underlying them prove incorrect, or if one or more of the uncertainties or risks described below materializes. The risks and uncertainties affecting the Corporation include, but are not limited to, imprecision of reserves and resources estimates; ultimate recovery of reserves; ability to commercially develop its oil reserves and/or its prospective and contingent oil resources; commodity prices; general economic, market and business conditions; industry capacity; competitive action by other companies; refining and market margins; the ability to produce and transport crude oil and natural gas to markets; weather and climate conditions; results of exploration and development drilling and other related activities; fluctuation in interest rates and foreign currency exchange rates; ability of suppliers to meet commitments; actions by governmental authorities, including increases in taxes; decisions or approvals of administrative tribunals, renewal or granting of licenses; changes in environmental and other regulations; international political events; renegotiations of contracts; reliance on key managers and personnel; dry wells may lead to a downgrading of the Corporation's licenses or contracts or require further funds to continue exploration work; future foreign currency exchange rates; risks related to the actions and financial circumstances of our agents and contractors, counterparties and joint venture partners; political uncertainty, including actions by terrorists, insurgent or other groups, or other armed conflict, including conflict between states; and expected rates of return. More specifically, future production may be affected by exploration success, start-up timing and success, facility reliability, reservoir performance and natural decline rates, water handling and drilling progress, restrictions on ability to access necessary infrastructure, equipment and services, including but not limited to, those sourced from third party providers. Capital expenditures may be affected by cost pressures associated with new capital projects, including labour and material supply, project management, drilling rig rates and availability and seismic costs. Risk factors are discussed in greater detail in filings made by the Corporation with Canadian securities commissions.

Readers are strongly cautioned that the above list of factors affecting forward-looking information is not exhaustive. Although the Corporation believes that the expectations conveyed by the forward-



looking information are reasonable based on information available to it on the date such forward-looking information was made, no assurances can be given as to future results, levels of activity and achievements. Readers should not place undue importance or reliance on the forward-looking information and should not rely on the forward-looking information as of any date other than the date hereof. Further, statements including forward-looking information 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 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 audited 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. 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 resources means, in respect of such resources, the total resources prior to the deductions specified in the production sharing contract. Reference to 100% indicates that the applicable resources are volumes attributed to the prospect as a whole and do not represent the company's working interest in such resources.