

CALGARY, ALBERTA--(Marketwired - Apr 22, 2015) - [PRD Energy Inc.](#) ("PRD" or the "Company") (TSX VENTURE:PRD) announces filing of its financial statements as at and for the year ended December 31, 2014, and provides an operational update on activities to date as well as an outlook for the remainder of 2015. The Company's year end filings including; consolidated financial statements and management's discussion and analysis for the year ended December 31, 2014 have been posted on the Company's website at www.prdenergy.de and will be available on SEDAR at www.sedar.com. All references to dollars or "\$" in this news release are references to Canadian dollars.

Impact of Volatile Oil Prices

The Company has reviewed its near term project portfolio and based on its analysis intends to proceed with the development of Boerger, Volkensen and Sittensen West. These projects remain economic, but not as robust as previously expected given the substantial decline in oil prices. The Company continues to review its budgets based on the outlook for commodity prices, permitting progress over its plays in Germany and other opportunities with the objective of maintaining a high degree of operational flexibility.

In the current lower oil price environment, management believes it is prudent to conserve capital and high grade its prospects. As such, it has reduced its land base from 2,413,300 net acres to 851,300 net acres, retaining its most promising exploration and development prospects and allowing the Company to focus on advancing the development of these assets and minimize expenditures on field duties and reduced work commitments. The reductions in licences and total acres was based on regional technical reviews including; completion of maturity studies, deletion of environmentally sensitive areas, locations near major population centers and a better understanding of the overall geologic setting. Through its review, the Company has identified a number of conventional development pools and exploration targets which it is seeking to acquire additional data over. In addition, the Company has undertaken certain cash conservation measures primarily relating to capital spending and its general and administrative costs; primarily travel and its use of consultants. Additional measures may be implemented if low oil prices continue through the third quarter of 2015.

Boerger Field

During the fourth quarter of 2014, the Boerger 7A well produced 1,524 barrels of oil over 27 operating days (~56 barrels per day), 762 barrels net to PRD. The well was shut in between November 10th, 2014 and February 18th, 2015, to conduct minor upgrades and repairs to the surface facilities. Since February 18th, 2015, the well was placed on production with some downtime between March 12th and March 26th.

The Company is in discussions with its joint venture partner to become the designated operator of the Boerger pool (through either acquisition of the partner's interest or by mutual agreement) in order to accelerate development timeframes for the Boerger pool. The Company is planning to drill two additional deviated wells from the Boerger 7A well site in the first quarter of 2016, as the next stage of development for the Boerger pool, conditional on the Company completing the acquisition of the remaining 50% interest and becoming the designated operator before the end of the fourth quarter of 2015. The Company expects the costs of drilling, completion and equipment for these wells to average between \$4,500,000 and \$5,000,000, all of which would be funded by the Company assuming it acquires the remaining 50% working interest.

Volkensen/Sittensen

The Volkensen development permit was submitted in August, 2014. The Company received community feedback during March, 2015, and is addressing community concerns which it hopes to complete during the second quarter of 2015. As a result, the Company has revised its expectations as to timing for field activities and estimates site construction and drilling to start in early third quarter of 2015, with possible drilling to commence in the fourth quarter of 2015. There has been no change in projected costs for this project.

The Company has been granted an extension until April 30, 2015, to commence site activities at Volkensen. Given the delays, outside of the Company's control, in permitting process, the Company expects to receive an additional six month extension to October 30, 2015, with further extensions subject to commencement of field activities for the drilling of the well.

The Sittensen 3D seismic shoot permit was issued by the regulator on November 19, 2014. Subsequently, the decision to defer the seismic shoot at Sittensen West was made due to surface land access difficulties. The Company anticipates starting the shoot in the fourth quarter, 2015, conditional on being granted land access by certain land owners. The Company has reduced the seismic footprint to 35 square kilometers from the original 90 square kilometers to address community concerns. The reduction in size is expected to reduce the total cost without compromising the primary objectives associated with the development and exploration opportunity. As a result, the shoot is expected to cost between \$2,500,000 to \$2,750,000, compared to the previously estimated cost of \$5,000,000.

Joint Venture Partner

The Company initiated the process of seeking a joint venture partner for the Volkensen and Sittensen licences during 2014. The

Company has executed several confidentiality agreements and held discussions over these concessions, however, it has not entered into any definitive arrangements at this time. The process of seeking a joint venture partner has been expanded to include other licence areas and continued into the second quarter of 2015. If the Company is unable to obtain a joint venture partner on reasonable terms, then additional financing will be required in the future otherwise not all projects will be able to be completed as contemplated.

Licence Strategy

PRD is continuing to augment its understanding of its existing land base of 851,300 acres, with improved access to data of Germany's major oil & gas companies. The Company underwent a review of its land holdings in late 2014 and as of April 22, 2015, holds nine active licences in two German states. The active licences cover approximately 851,300 acres of land. As of April 22, 2015, these active licences are as follows:

Summary

State	Approximate Acreage
Lower Saxony	461,300
Schleswig-Holstein	390,000
Total	851,300

The remaining active licences are expected to be the focus of future development activity in late 2015 and throughout 2016. The Company has also applied for certain new licences in Lower Saxony, totalling approximately 240,000, acres which have been identified as prospective during its internal review process.

On January 1, 2015, the government of Schleswig-Holstein increased production royalties from 21% to 40%. The Company has been advised by its legal counsel that this change does not comply with German mining law. The Company is evaluating its recourse for the government's decision and its long term development strategy for the affected licences. The Company does not have any production or near term development plans in Schleswig-Holstein; however, the revision in royalty rates impacts the long term attractiveness of these exploration assets. The Company expects to deploy limited capital to licences in the state of Schleswig-Holstein for the 2015 calendar year, while the Company re-evaluates its strategy for the affected licences. The Company is seeking a deferral of its work program as it evaluates the impact and legality of this legislative change.

About PRD

[PRD Energy Inc.](#) is a Calgary based oil and gas company engaged in the exploration, development and acquisition of, natural gas and crude oil in Germany. PRD's common shares are listed on the TSX Venture Exchange with the symbol "PRD".

Forward looking information

This news release contains forward-looking information relating to: plans to develop the Boerger, Volkensen and Sittensen fields; the ability of the Company to acquire additional data over conventional development pools and exploration targets; the implementation of cash conservation measures and extending the time period over which such measures are in effect; the Company becoming the designated operator of the Boerger field; drilling two additional deviated wells from the Boerger 7A wellsite and the timing thereof; the cost of drilling and completing the additional two wells at the Boerger 7A wellsite; the timing of receipt for the Volkensen development permit; the timing for field activities including drilling the Volkensen field; the receipt of the extension for the commencement of Volkensen site activities; the timing of commencement of the Sittensen seismic shoot; the expectations that the Company will be granted access to certain lands to conduct the Sittensen seismic shoot; the expected cost of the Sittensen seismic shoot; expectations with respect to the Company's focus of future development in late 2015 and 2016; the ability of the Company to obtain new licenses in the Lower Saxony state covering an aggregate of 240,000 acres; the capital to be spent in the state of Schleswig-Holstein; the ability of the Company to obtain a deferral for its work program in the Schleswig-Holstein state and other statements that are forward-looking in nature. Forward-looking information, including financial outlook relating to estimated costs and spending plans, is presented in this news release for the purpose of assisting investors and others in understanding certain key elements of our expected 2015 financial results, as well as our objectives, strategic priorities and business outlook for 2015, and in obtaining a better understanding of our anticipated operating environment. Such disclosure may not be appropriate for other reasons. The results or events predicated in this forward-looking information may differ materially from actual results or events. As a result, you are cautioned not to place undue reliance on this forward-looking information.

Forward-looking information is based on certain factors and assumptions regarding, among other things, the Company's licenses, and in particular: (i) statements relating to the development of the Volkensen license are based on a variety of assumptions including, the Company's ability to obtain approval of its frame development plan and its special operation applications for site construction and drilling each in the second quarter of 2015; and the Company's ability to begin site construction in the third quarter of 2015; (ii) statements relating to the Sittensen seismic shoot are based on a variety of assumptions including the Company's ability to obtain permits on an efficient and economical timeline, PRD's ability to access the permitted land to conduct the seismic shoot and the success of the results from the shoot; (iii) statements relating to the

Company becoming the designated operator of the Boerger field are based on a variety of assumptions including the agreement of the Company's current joint venture partner to the terms and conditions of selling its portion of the Boerger field to the Company or allowing the Company to act as the designated operator of the field; and the Company having the funds to purchase or fund the operations of the Boerger field; and (iv) statements relating to the development of the Boerger field are based on a variety of assumptions including, that the Company will become designated operator of the field, the success of drilling the deviated wells; the ability to increase production on the wells that have been drilled and the ability of the Company to fund the cost of drilling and completing the additional wells. In addition to those assumptions listed above, the forward looking information is based generally on certain factors and assumptions, including the success of future exploration and development activities, the impact of increasing competition; the general stability of the economic and political environments in which the Company operates or owns interests; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability to operate in a safe, efficient and effective manner; the ability of the Company to obtain financing to fund its operations on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and the ability of the Company to successfully market its oil and natural gas products, and other similar matters]. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Forward looking-information is subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what is currently expected. These factors include risks associated with the failure to obtain permits or approvals for frame development and/or special operations plans when expected; the Company's partner in the Boerger field refusing to negotiate with the Company in respect of selling its interest in Boerger or allowing the Company to act as designated operator, declining production from the Boerger 7A well, timing of field operations at Volkensen; owners of land in the Sittensen field refusing entry onto their land for the Company to shoot its seismic program; the inability of the Company to defer its work program in the Schleswig-Holstein state; the ability to attract a joint venture or farm-in partner, instability of the economic and political environments in which the Company operates or owns interests, ability to manage water production and disposal, oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals, inability to obtain approvals from the Company's partners in operations, and ability to access sufficient capital from internal and external sources, reliance on key personnel, regulatory risks and delays, including risks relating to the acquisition of necessary licenses and permits, environmental risks and insurance risks.

You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. The forward-looking information contained in this news release describe our expectations as of April 22, 2015 and, accordingly, are subject to change after such date. While the Company may elect to, the Company is under no obligation and does not undertake to update this information at any particular time, except as required by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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