

Artek Exploration Ltd. Provides Operations Update

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CALGARY, ALBERTA -- (Marketwired - May 6, 2014) - [Artek Exploration Ltd.](#) (TSX:RTK) - Artek Exploration Ltd. ("Artek" or the "Company") is pleased to provide the following operational update.

Early in the first quarter at Inga, Artek executed its first slickwater hybrid frac on the horizontal Doig well located at 13-16-87-23W6M (60% W.I.). The well had an average 30 day initial production (IP30) rate of approximately 1,200 boe/d with 67% liquids, which is the highest liquids percentage of all Inga wells drilled to date. Operating netback during the first month of production was approximately \$46/boe. Artek also completed and is currently flowing back its second horizontal Doig well (60% W.I.) at Inga that had been planned for a 27-stage slickwater hybrid fracture stimulation treatment. After encountering problems on initial flow back six weeks ago, the Company has performed some remedial work and anticipates finishing the partially completed operation when conditions allow during spring break-up. At the north end of the Doig trend in the Fireweed area, the Company completed the drilling of its third 2014 horizontal Doig well (50% W.I.) ahead of schedule. Previous lower effort Doig horizontal completions at Fireweed have had initial rates ranging from 4 to 8 mmcf/d of natural gas as well as 40 to 80 bbls/mmcf of NGLs. The well is set for a 22-stage frac which is scheduled to commence immediately after spring breakup. Artek is excited about the first high effort water frac at Fireweed.

Artek's first slickwater hybrid frac on the Montney horizontal well (60% W.I.) drilled and tested earlier this year was shut-in for over seven weeks during the first quarter of 2014. The well has now been on production for over 30 days (during which it was subject to some restrictions due to high line pressure) with an average IP30 rate of 440 boe/d of which approximately 64% was liquids. The average free condensate ratio of approximately 209 bbl/mmcf recorded over the period ranks it as one of the highest liquids yield Montney wells in this liquids-rich window of British Columbia. The well is producing at a very low decline with a stable liquids ratio and a realized operating netback of between \$40 and \$45/boe during the 30-day period. The Company is very encouraged by these metrics and the implications for its 133 (79 net) sections of Montney rights in an area where industry is developing the play at four or more horizontal wells per section.

On March 14, 2014, British Columbia announced the expansion of the Deep Well Royalty Credit Program by extending royalty credits for all horizontal wells with a vertical depth of less than 1,900 metres. Wells drilled after April 1, 2014 will benefit from these changes and will receive a royalty credit of between \$0.5 million and \$2.8 million, depending on the total measured depth of the well. In conjunction with this change, for wells that are eligible for this expanded credit program, the minimum royalty payable will be 6%. These changes are expected to benefit Artek's future drills in the Inga and Fireweed areas by approximately \$0.7 million for its Doig horizontal wells and over \$0.9 million per Montney horizontal well.

In the Mulligan region of the Alberta Peace River Arch, the Company drilled its second Charlie Lake horizontal well (100% W.I.) of 2014, which it completed into breakup utilizing a 28-stage fracture stimulation program. In its early days on pump, the well has been producing with limited drawdown at between 400 and 500 boe/d, of which approximately 60% to 65% is oil.

During the first quarter of 2014, Artek experienced production curtailments and restrictions at its key properties relating to high line pressures and water disposal restrictions that have largely been rectified. In addition, as previously mentioned, the Company shut-in its first Montney well of the year for approximately seven weeks to help assess its completion methodology. These events resulted in the Company realizing approximately 395 boe/d less in total corporate production during the period than otherwise would have been achieved. Consequently, Artek's estimated production volumes for the first quarter averaged 4,147 boe/d based on field estimates. Because of these curtailments and the operational delays experienced during the completion of its last Doig well at Inga, Artek expects average 2014 production to be at the lower end of its previously disclosed guidance or approximately 4,700 boe/d. The Company remains on target to achieve its 2014 exit guidance of 5,200 to 5,300 boe/d. Assuming 2014 commodity prices of \$5.20/mcf for natural gas and US\$95.00/bbl WTI for crude oil and a foreign exchange rate of US\$0.90, Artek forecasts to generate annualized cash flow of approximately \$44 million to \$45 million. The Company invested approximately \$29.5 million in capital expenditures during the first quarter including the drilling of 3 (1.7 net) wells at Inga/Fireweed, 2 (2.0 net) wells at Mulligan and 2 (0.8 net) wells at Leduc Woodbend.

Following spring breakup, the Company is planning to drill up to an additional seven horizontal wells in the

greater Inga/Fireweed area targeting natural gas and condensate in the Doig and Montney formations, and an additional horizontal well targeting the Charlie Lake formation in the Mulligan area.

The Company is currently scheduled to release its 2014 first quarter financial results after close of market on May 14, 2014.

ADVISORIES

Forward Looking Statements: This press release contains forward-looking statements. Management's assessment of future plans and operations and the timing thereof, future results from operations, production estimates including 2014 average and exit production, commodity mix, initial production rates, the Company's 2014 capital expenditure plans including the number and locations of wells to be drilled, productive capacity of new wells, including the potential of the Company's exploration wells at Inga and Mulligan, financial capacity to carry out its planned 2014 capital program, commodity price forecasts, anticipated impact of the B.C Deep Well Royalty Credit Program and the Company's estimated 2014 cash flow may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, 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, the inability to fully realize the benefits of the acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. As a consequence, the Company's actual results may differ materially from those expressed in, or implied by, the forward looking statements. Forward looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although Artek believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward looking statements because the Company can give no assurance that such expectations will prove to be correct.

The recovery and reserve estimates of Artek's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. In addition to other factors and assumptions which may be identified in this document and other documents filed by the Company, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which Artek operates; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; Artek's ability to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion; 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 Artek's ability to successfully market its oil and natural gas products. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or at the Company's website (www.artekexploration.com). Furthermore, the forward looking statements contained in this document are made as at the date of this document and the Company does not undertake any obligation to update publicly or to revise any of the included forward looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

BOE Conversions: Barrel of oil equivalent ("BOE") amounts may be misleading, particularly if used in isolation. A BOE conversion ratio has been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel. This conversion ratio of six thousand cubic feet of natural gas to one barrel is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion ratio on a 6:1 basis may be misleading as an indication of value.

Test results and initial production rates: the pressure transient analysis or well test interpretation has not been carried out and thus certain of the test results provided herein should be considered to be preliminary until such analysis or interpretation has been completed. Test results and initial production rates disclosed herein may not necessarily be indicative of long-term performance or of ultimate recovery.

Artek is a crude oil and natural gas exploration, development and production company headquartered in Calgary, Alberta, Canada. Artek's shares trade on the Toronto Stock Exchange under the symbol "RTK".

The Toronto Stock Exchange has neither approved nor disapproved of the information contained herein.

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