

Average Quarterly Production 20,045 bopd

CALGARY, July 14, 2015 /CNW/ - [Bankers Petroleum Ltd.](#) (Bankers or the Company) (TSX: BNK, AIM: BNK) is pleased to announce the Company's second quarter operational update.

## Production

Average production from the Patos-Marinza and Kuçova oilfields in Albania for the second quarter of 2015 was 20,045 barrels of oil per day (bopd), an increase of 1.4% compared to the first quarter 2015 average of 19,767 bopd.

The Bubullima reservoir continues to exceed expectations, with four (4) producing wells averaging 220 bopd at an 85% water cut, over the last thirty days of the quarter. The average API of the Bubullima production is 15 &ndash; 17 degrees, helping to further offset diluent costs. The production history of these four (4) wells ranges from four months to over two years, with minimal decline rates to date. Bankers has one (1) additional well to be tied-in pending the completion of sour treating facilities in Q3 and plans to drill up to three (3) additional Bubullima wells in the second half of 2015.

## Sales and Oil Prices

Oil sales during the quarter averaged 19,599 bopd, 3.4% lower than the previous quarter average of 20,283 bopd. Crude oil inventory at June 30, 2015, was 307,000 barrels, up from 270,000 barrels at March 31, 2015.

The Patos-Marinza second quarter average oil price was approximately \$47.98 per barrel (representing 77% of the Brent oil price of \$61.92 per barrel), as compared with the first quarter average oil price of \$39.66 per barrel (representing 74% of the Brent oil price of \$53.94 per barrel). Sales to the export market during the second quarter of 2015 represented 78% of total sales, at an average export price of 80% of the Brent oil price. Domestic sales were lower in the quarter as Bankers targets the seasonally higher demand of the export market.

For the six months ended June 30, 2015, average oil sales were 19,899 bopd compared to 20,036 bopd for the first six months of 2014. The six month average oil price was approximately \$43.74 per barrel (representing 75% of the Brent oil price of \$57.95 per barrel) as compared to \$87.00 per barrel (representing 80% of the Brent oil price of \$108.93 per barrel) for the first six months of 2014.

Bankers realized \$9.9 million (representing \$5.53 per barrel) during the second quarter in proceeds from corporate hedge proceeds. Additionally, Bankers received \$1.4 million (representing \$0.76 per barrel) in legacy accounts receivable realization as part of its domestic sales program.

For the six months ended June 30, 2015, Bankers realized \$24.0 million (representing \$6.66 per barrel) in proceeds from corporate hedge proceeds. Additionally, Bankers received \$4.9 million (representing \$1.37 per barrel) in legacy accounts receivable realization as part of its domestic sales program.

Bankers has hedged 6,000 bopd at a Brent price of \$80.00 per barrel for 2015. The remaining 2015 hedge program at June 30, 2015 is valued at \$21.3 million.

## Drilling Update

Bankers drilled a total of twelve (12) wells in the second quarter: ten horizontal producers (10), one (1) water disposal well, and one (1) suspended well following the release incident at the beginning of the quarter. Five (5) of the producing wells are on production, the remaining five (5) will be placed on production early in the third quarter following the completion of drilling on the same well pad.

In the second half of 2015, Bankers plans to drill the remaining twenty-six (26) of the total sixty (60) wells planned in 2015, including one (1) multilateral and one (1) Kuçova well. As previously reported, Bankers reduced its active rig count to two (2) in February in response to decreased commodity prices.

## Secondary Recovery Program

The twenty-six (26) polymer and five (5) water flood patterns operational in the Patos-Marinza oilfield at the end of the second quarter 2015 continue to meet or exceed model expectations, producing an incremental 2,390 bopd in the month of June, 12% of Bankers total production.

In Q2, Bankers converted seven (7) additional wells to injectors: 6 polymer flood and 1 water flood. As of June 30, 2015, four (4) of these wells are currently injecting with the remaining three (3) wells expected to begin injection early in the third quarter, pending facilities tie-in. The Company continues to be strongly encouraged by the results to date and Bankers plans to convert an additional eleven (11) to sixteen (16) patterns in the second half of the year.

## Infrastructure Development

Bankers infrastructure projects in the second quarter continued to focus on margin expansion with construction of the northern gathering system. This construction is nearly complete and will be commissioned in the third quarter following the completion of the associated increase in the inlet capacity at the Satellite 3 treating facility. Construction on the west gathering system, previously delayed due to the commodity price environment, has now commenced along with the expansion of the inlet facilities at Pad D for which equipment is now being sourced and procured. This project has been re-initiated to accommodate sour production from the Bubullima and to further reduce trucking and operating costs.

The installation of vapor recovery units at Pad H and Pad D commenced late in the second quarter and are expected to be commissioned late in the third quarter. These projects target a reduction in energy costs by utilizing produced gas to create electricity thereby reducing the need for external fuel sources.

The majority of the equipment associated with the polymer secondary recovery program arrived in country during the second quarter and installation is now underway in conjunction with the remaining planned conversions in 2015. These facilities expansions will allow for up to 28 additional conversions.

## Updated Corporate Presentation

For additional information on this Operational Update, please see the Company's July 2015 corporate presentation at [www.bankerspetroleum.com](http://www.bankerspetroleum.com).

## Conference Call

The Management of Bankers will host a conference call on July 14, 2015 at 6:30 am MDT (8:30 am EDT, 1:30 pm BST). Following Management's presentation there will be a question and answer session for analysts and investors.

To participate in the conference call, please contact the conference operator ten minutes prior to the call at 1-888-231-8191 or 1-647-427-7450. A live audio web cast of the conference call will also be available on Bankers website at [www.bankerspetroleum.com](http://www.bankerspetroleum.com) or by entering the following URL into your web browser, <http://event.on24.com/r.htm?e=1012079&s=1&k=B257788B21D0C55917AF1B0A95DF12B1>.

The web cast will be archived two hours after the presentation on the website, and posted on the website for 90 days. A replay of the call will be available until July 28, 2015 by dialing 1-855-859-2056 or 1-416-849-0833 and entering access code 66915093.

## Caution Regarding Forward-looking Information

Information in this news release respecting matters such as the expected future production levels from wells, future prices and netback, work plans, anticipated total oil recovery of the Patos-Marinza and Kuçova oilfields constitute forward-looking information. Statements containing forward-looking information express, as at the date of this news release, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results and are believed to be reasonable based on information currently available to the Company.

Exploration for oil is a speculative business that involves a high degree of risk. The Company's expectations for its Albanian operations and plans are subject to a number of risks in addition to those inherent in oil production operations, including: that Brent oil prices could fall resulting in reduced returns and a change in the economics of the project; availability of financing; delays associated with equipment procurement, equipment failure and the lack of suitably qualified personnel; the inherent uncertainty in the estimation of reserves; exports from Albania being disrupted due to unplanned disruptions; and changes in the political or economic environment.

Production and netback forecasts are based on a number of assumptions including that the rate and cost of well takeovers, well reactivations and well recompletions of the past will continue and success rates will be similar to those rates experienced for previous well recompletions/reactivations/development; that further wells taken over and recompleted will produce at rates similar to the average rate of production achieved from wells recompletions/reactivations/development in the past; continued availability of the necessary equipment, personnel and financial resources to sustain the Company's planned work program; continued political and economic stability in Albania; the existence of reserves as expected; the continued release by Albpeterol

of areas and wells pursuant to the Plan of Development and Addendum; the absence of unplanned disruptions; the ability of the Company to successfully drill new wells and bring production to market; and general risks inherent in oil and gas operations.

Forward-looking statements and information are based on assumptions that financing, equipment and personnel will be available when required and on reasonable terms, none of which are assured and are subject to a number of other risks and uncertainties described under "Risk Factors" in the Company's Annual Information Form and Management's Discussion and Analysis, which are available on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com).

There can be no assurance that forward-looking statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers should not place undue reliance on forward-looking information and forward looking statements.

#### Review by Qualified Person

This release was reviewed by Suneel Gupta, Executive Vice President and Chief Operating Officer of [Bankers Petroleum Ltd.](#), who is a "qualified person" under the rules and policies of AIM in his role with the Company and due to his training as a professional petroleum engineer (member of APEGA) with over 20 years' experience in domestic and international oil and gas operations.

#### About Bankers Petroleum Ltd.

[Bankers Petroleum Ltd.](#) is a Canadian-based oil and gas exploration and production company focused on developing large oil and gas reserves. In Albania, Bankers operates and has the full rights to develop the Patos-Marinza heavy oilfield, has a 100% interest in the Kuçova oilfield, and a 100% interest in Exploration Block "F". Bankers' shares are traded on the Toronto Stock Exchange and the AIM Market in London, England under the stock symbol BNK.

SOURCE [Bankers Petroleum Ltd.](#)

#### Contact

David French, President and Chief Executive Officer, (403) 513-6930; Doug Urch, Executive VP, Finance and Chief Financial Officer, (403) 513-2691; Laura Bechtel, Investor Relations Analyst, (403) 513-3428; Email: [investorrelations@bankerspetroleum.com](mailto:investorrelations@bankerspetroleum.com), Website: [www.bankerspetroleum.com](http://www.bankerspetroleum.com); AIM NOMAD: Canaccord Genuity Limited, Henry Fitzgerald-O'Connor, Wei Loon Yap, +44 0 207 523 8000; AIM BROKER: FirstEnergy Capital LLP, Hugh Sanderson / David van Erp, +44 0 207 448 0200