

202 Million Barrels of Proved plus Probable (2P) Reserves including 21 Million Barrels of EOR Reserves;
NPV of US\$1.4 Billion

CALGARY, March 2, 2016 /CNW/ - [Bankers Petroleum Ltd.](#) ("Bankers" or the "Company") (TSX: BNK, AIM: BNK) announces the results of its December 31, 2015, independent reserves evaluation. Evaluations were conducted by RPS Energy Canada Ltd. (RPS) for the Patos-Marinza oilfield, Albania, and by DeGolyer and McNaughton Canada Ltd. (D&M) for the Kuçova oilfield, Albania; and were prepared in accordance with Canadian National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

David French, President and CEO commented "The 2015 Reserves update represents a continuation of our successful development plan over the past several years. The doubling of our booked Enhanced Oil Recovery (EOR) barrels demonstrates the success of the EOR program, and our dedication to prioritize EOR as the most efficient dollars we can spend in this pricing environment. It also marks an inflection point in our Finding and Development Costs, as the transition to EOR development will reduce our forward capital requirements to sustain and grow the business. We have a deep inventory of future drilling locations and injector conversions, and even modest changes in oil price put us in a very enviable position of low cost operations and development."

Overview

- EOR reserve volumes doubled in the Patos-Marinza oilfield increasing to 4.6, 14.7, 21.1 and 27.3 million barrels on a Proved Developed Producing (PDP), Proved (1P), Proved plus Probable (2P), and Proved Probable plus Possible (3P) basis, respectively;
- 1P Reserves remained constant at 125 million barrels with after tax value (discounted at 10%) down 12% to US\$648 million (representing CAD\$3.42 per share);
- 2P Reserves remained constant at 202 million barrels with after tax value (discounted at 10%) down 21% to US\$1.4 billion (representing CAD\$7.49 per share);
- Reserves volume increases in the core area of the oilfield resulted from additional future development in the Marinza formation due to horizontal drilling on reduced spacing (100 metres) and the addition of future EOR patterns.
- Reserves volume decreases and overall valuation decreases are attributable to the lower price forecast and resulting reduced development plan in non-core areas, specifically in the Driza Formation in the southern region of the Patos-Marinza oilfield.
- 2015 Company average production was 19,384 bopd for an annual total volume of 7.1 million barrels (6% of total proved reserves);
- Reserves Life Index for 1P and 2P is 18 years and 29 years, respectively.

Total Company Reserves Summary

Gross Oil Reserves – Using Forecast Prices (Million barrels)

	2015			2014			% Albania
	Patos- Marinza	Kuçova	Total Albania	Patos- Marinza	Kuçova	Total Albania	
Proved							
Developed Producing	32.3	0.1	32.4	36.3	0.1	36.4	-11
Developed Non-Producing	4.7	-	4.7	-	0.1	0.1	-
Undeveloped	85.8	2.7	88.5	86.0	2.6	88.5	0
Total Proved (1P)	122.9	2.8	125.6	122.3	2.8	125.0	0
Probable	67.5	9.2	76.7	69.1	9.2	78.3	-2
Total Proved Plus Probable (2P)	190.3	12.0	202.3	191.4	12.0	203.3	-1
Possible	73.6	15.6	89.3	81.4	15.5	96.9	-8
Total Proved, Probable & Possible (3P)	263.9	27.6	291.6	272.8	27.5	300.3	-3

Net Present Value at 10% - After Tax Using Forecast Prices (US\$ millions)

	2015			2014			% Albania
	Patos- Marinza	Kuçova	Total Albania	Patos- Marinza	Kuçova	Total Albania	
Proved							
Developed Producing	297	0	297	388	1	389	-23
Developed Non-Producing	48	-	48	-	1	1	-
Undeveloped	288	15	303	327	17	344	-12
Total Proved	633	15	648	715	19	734	-12
Probable	702	70	772	968	100	1,068	-28
Total Proved Plus Probable	1,335	85	1,420	1,683	119	1,802	-21
Possible	526	166	692	846	197	1,043	-34
Total Proved, Probable & Possible	1,861	251	2,112	2,529	316	2,845	-26

Bankers Calculated Share Value from 2015 Year End Reserves Evaluation

	2015	
Reserves Value 10% Discounted, After Tax	CAD\$/Share	US\$/Share
1P reserves	\$3.42	\$2.48
2P reserves	\$7.49	\$5.43
3P reserves	\$11.14	\$8.07

Basic shares outstanding as of December 31, 2015, were approximately 261 million (285 million diluted).

Values are based on RPS (Patos-Marinzã) and D&M (Kuçova) January 1, 2016, price forecast tables summarized below:

Reserves Evaluator Price Decks – Dated Brent

BRENT Oil Price Forecast US\$/bbl		
Year	RPS	D&M
2016	44.00	52.00
2017	50.00	60.10
2018	58.00	63.34
2019	65.00	69.85
2020	73.00	75.59
2021	78.00	75.59
2022	83.00	80.41
2023	88.00	87.64
2024	93.00	89.40
2025	95.61	91.19
2026	97.52	93.01
2027	+2.0% Thereafter	+2.0% Thereafter

Finding and Development Costs (F&D)

The future development capital has improved with the addition of the enhanced oil recovery program as well as continued cost savings per well. The resulting future horizontal well count in Patos-Marinzã has decreased from 882 to 817 in the 2P development case and from 870 to 803 in the 1P and 999 to 928 in the 3P cases. In 2015, Bankers drilled 57 new horizontal production wells (including 1 Kuçova well).

Total future undiscounted capital costs for Patos-Marinzã and Kuçova are projected to be US\$1.9 billion, US\$2.0 billion and US\$2.2 billion on a 1P, 2P and 3P basis, respectively. This represents a decrease of 5% on a 1P and 2P basis and an 8% decrease in future capital on a 3P basis, compared to the previous year. The Finding and Development (F&D) costs, calculated as total future development capital divided by recoverable reserves excluding currently developed PDP and Proved Developed Non-Producing (PDNP) reserves, are summarized in the table below:

Finding and Development Costs (F&D) Annual Summary

2015 2014

F&D Costs US\$/bbl US\$/bbl

1P reserves \$21.39 \$22.57

2P reserves \$12.22 \$12.69

3P reserves \$8.82 \$8.95

Contingent Resources and Prospective Resources

Patos-Marinza Contingent Resources (Million barrels – P50 Probability Level)

	2015	2014	Change (%)
	Development Pending	Development Unclarified or On Hold	Total
Contingent Resource – 2C	29.3	533.5	562.8
			10

Patos-Marinza Prospective Resources (Million barrels – P50 Probability Level)

	2015	2014	Change (%)
Prospective Resource – Best Estimate	290	315	-8

The Company retained RPS to conduct an independent evaluation of the Contingent and Prospective Resources in the Patos-Marinza oilfield in accordance with Canadian Oil and Gas Evaluation Handbook (COGEH) and the standards established by NI 51-101, with an effective date of December 31, 2015. All Contingent Resources evaluated in the "Development Pending" project maturity sub-class were deemed economic as of the effective date. The Contingent Resources in this category will require further resolution of technical uncertainties related to enhanced recovery processes in expanded areas of the field in order to be re-classified as Reserves.

RPS risked the Contingent Resources "Development Pending" by applying a chance of development of 75% to the volumes and NPV values. This chance of development is RPS' estimate of the probability that the Contingent Resources will ultimately be developed, given the technical uncertainties associated with the projects.

Summary of Oil and Gas 2C Contingent Resources (P50 Probability Level)

Gross 2C Volumes (MMstb)	Chance of Development	Risked Gross 2C Volume (MMstb)
29.3	75%	21.9

Summary of Net Present Value of Future Revenues for 2C Contingent Resources (P50 Probability Level)

	NPV (Million US\$)	Chance of Development	Risked NPV (Million US\$)
Before Tax	531	75%	398
After Tax	325	75%	244

Chance of Development is the estimated probability that once discovered a known accumulation will be commercially developed. For the Contingent Resources "Development Pending" provided within, RPS has evaluated several Chance of Development factors, including, but not limited to:

- Technical Factors: including reservoir presence and quality and presence of hydrocarbons
- Economic Factors: including factors beyond the scope of commodity price forecasts including the additional capital costs associated with EOR projects, including but not limited to polymer chemical, electricity, and facility costs.
- Technology Factors: primarily the likelihood of a commercially viable incremental EOR response from a reservoir whose characteristics differ from that of current analogous EOR projects. The principal risk as it pertains to Patos-Marinza is oil viscosity, though other reservoir characteristics such as thickness and permeability also merit consideration.
- Development Plan Factors: including production facilities, market availability, and transportation.
- Development Timeframe Factors: primarily the likelihood that major capital spending will begin within 5 years.
- Other Contingency Factors: major factors beyond the control of the operators and outside the scope of the aforementioned factors.

The Contingent Resources "Development Pending" in Patos-Marinza will be developed from an established commercially productive oilfield with available infrastructure, market accessibility, and crude oil export transportation infrastructure. The estimates for Contingent Resources foresee the technology factors associated with implementing an EOR development outside the range of current analogous production as the primary risk to commercial development. Efforts to resolve these conditions for development are being actively pursued through pilot testing in the field and further engineering studies. The estimated capital cost to bring these Contingent Resources to production is \$247 million.

The Contingent Resource assessments were prepared by RPS in accordance with the definitions, standards, and procedures contained in the COGEH and NI 51-101. Contingent Resource is defined as quantities of petroleum potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Production from Contingent Resources may be greater or less than the estimates provide herein.

Oil Initially in Place

In Patos-Marinza, the Oil Initially in Place ("OIIP") volumes in the reserves area increased slightly to 2.4 billion barrels and the OIIP outside the reserves area at 3.1 billion barrels in 2015.

As part of Bankers continuous efforts to evaluate the Patos-Marinza oilfield, typically after three years a geological review is undertaken to incorporate additional drilling and log data into the geological mapping and corresponding OIIP estimates used by RPS. This review was undertaken as part of the year end 2015 reserves process and resulted in a slight increase in net pay values in regions and productive reservoirs of the field, resulting in a marginal increase in the overall OIIP.

The Kuçova OIIP resource estimate remains at 297 million barrels.

Further details, including the March 2016 Corporate Presentation, are available on the Company's website www.bankerspetroleum.com.

Conference Call

Bankers' Management will host a conference call on March 2, 2016 at 6:30 am MST (8:30 am EST, 1:30 pm GMT) to discuss this reserves report. 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 or by entering the following URL into your web browser <http://event.on24.com/r.htm?e=1142214&s=1&k=E18C8B993C48260FDA6BEAA00C689FCE>.

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 March 15, 2016 by dialing 1-855-859-2056 or 1-416-849-0833 and entering access code 58198062.

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 Albpetrol 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.

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.](#)

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