

CALGARY, April 5, 2016 /CNW/ - [Bankers Petroleum Ltd.](#) ("Bankers" or the "Company") (TSX: BNK, AIM: BNK) is pleased to announce the Company's first quarter operational update.

Production

Bankers achieved a first quarter 2016 production average of 17,363 barrels of oil per day (bopd), 4% below the fourth quarter 2015 average of 18,137 bopd. During the first quarter of 2016, the Company continued to optimize current production levels and monitor the economic return of all wells in accordance with the current oil price environment.

Sales and Oil Prices

In the first quarter of 2016, oil sales averaged 17,280 bopd, compared to the fourth quarter sales in 2015 of 18,558 bopd. Crude oil inventory at March 31, 2016 increased to 266,000 barrels compared to 258,000 barrels at December 31, 2015.

Bankers' first quarter average oil price was approximately \$21.07 per barrel (representing 62% of the Brent oil price of \$33.89 per barrel), as compared with the fourth quarter 2015 average oil price of \$33.62 per barrel (representing 77% of the Brent oil price of \$43.69 per barrel). Sales to the export market during the first quarter 2016 represented 96% of total sales. Sales prices were lower than expected in the first quarter due to temporarily reduced pricing in February at the request of our export crude buyer as Brent prices reached levels of \$30 per barrel. March crude sales recovered towards better pricing as the Brent oil price improved and we are expecting continued improvement as we enter into the second quarter and seasonally higher demand for heavy crude oil on both the export and domestic markets.

Bankers has hedged 5,000 bopd under costless collar contracts with an average floor of \$52.09 per barrel and an average ceiling of \$54.64 per barrel (all prices are referenced to Dated Brent) for the balance of 2016. In the first quarter of 2016, the hedge program generated proceeds of \$7.4 million. The remaining 2016 hedge program at March 31, 2016, is valued at \$16.2 million. These contracts are designed to protect Bankers against further volatility in oil prices in 2016.

Drilling Update

Due to the low oil price environment, Bankers elected to defer drilling activity at the start of the year in order to protect the strength of the Company's balance sheet. Drilling activity will resume as pricing improves.

Enhanced Oil Recovery (EOR) Program

Bankers continues to monitor the existing polymer flood and water flood patterns which continue to perform to reservoir model expectations. The average incremental production over primary decline in the month of March coming from EOR patterns is approximately 3,219 bopd (representing about 19% of total production). The total production coming from these EOR patterns is close to 4,952 bopd (or 29% of total production). The Company converted one (1) producing well to injection in the first quarter and has forty-nine (49) polymer and five (5) water flood patterns implemented at the end of the first quarter 2016.

Infrastructure Development

In the first quarter of 2016, Bankers focused on completing existing projects that will help to optimize operations and capture additional cost savings. The commissioning of the north emulsion gathering flowlines was completed early in the quarter and is now fully operational. Construction of the west emulsion gathering system was also completed in the quarter and is expected to be commissioned along with the necessary expansion at satellite facility Pad D in the second quarter.

Credit Facility Update

The expiry date for the Company's existing \$18 million credit facility from Raiffeisen Bank has been extended until May 31, 2016 (from March 31, 2016). This will allow sufficient time for Raiffeisen Bank to continue with their due diligence requirements pursuant to Bankers' recently announced corporate transaction.

Corporate Transaction Update

Pursuant to the March 20, 2016 announcement of the acquisition of the Company by affiliates of Geo-Jade Petroleum Corporation, Bankers advises that the Special Meeting of Shareholders is currently scheduled on May 31, 2016. The meeting materials will be distributed on or before April 26, 2016. Additionally, the parties have commenced preparation of the various applications for the necessary regulatory approvals.

For additional information on this Operational Update please see the Company's April 2016 corporate presentation on the Company's website, www.bankerspetroleum.com.

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, timing of the Special Meeting of Shareholders and the regulatory approvals required to complete the corporate transaction 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. Forward-looking statements in this new release are made as of the date hereof, and the Company undertakes no obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

Review by Qualified Person

This release was reviewed by Suneel Gupta, Executive Vice President and Chief Operating Officer of [Bankers Petroleum Ltd.](http://www.bankerspetroleum.com), 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.](http://www.bankerspetroleum.com) is a Canadian-based oil and gas exploration and production company focused on developing large oil and gas reserves in Albania and Eastern Europe. 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". In 2015 Bankers acquired an 85% interest in the rights to explore the Püspökladány Block concession within the Pannonian Basin located in north eastern Hungary. 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.](http://www.bankerspetroleum.com)

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