

Greenfields Petroleum Corporation: 2017 Year-End Proved Reserves Up 51% On Previous Year

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HOUSTON, TEXAS--(Marketwired - Feb 8, 2018) - [Greenfields Petroleum Corp.](#) ("Greenfields" or the "Company") (TSX VENTURE:GNF) is pleased to announce the Company's oil, natural gas and natural gas liquids ("NGL") reserves as at December 31, 2017, as evaluated by an independent engineering firm, GLJ Petroleum Consultants Ltd. ("GLJ"), in an independent report (the "GLJ Report").

As at December 31, 2017, the total proved reserves of the Company were evaluated at 36,766 Mboe net to the Company through its interest in Bahar Energy Limited, which is an increase of 51% over year-end 2016, and the total proved plus probable reserves were evaluated at 53,171 Mboe net to the Company, an increase of 33% over year-end 2016. The net present value of proved reserves discounted at 10% ("PV10") was \$261 million net to the Company at year-end 2017 (an increase of 88% from year-end 2016), while the PV10 of the proved plus probable reserves was \$537.6 million (an increase of 69% from year-end 2016).

- The net proved plus probable reserves were substantially improved by the re-initiation of waterfloods which added 8.9 MMbbl in the BH FS-X, BH IX and the BH VIII reservoirs of the Gum Deniz field. The Company has commenced water injectivity testing on the first two injection wells.
- Bahar gas field net proved plus probable reserves were increased by 53 Bcf as a result of expanding the recompletion program and planned drilling of 4 deeper BH NKP gas wells. These new wells are planned to be drilled from existing offshore platforms with associated production facilities and flowlines.
- Project value was retained as a result of substantial cost saving measures that were undertaken to reduce costs associated with project operations, oil and gas workovers and platform refurbishment.

The Company's reserves at December 31, 2017 as set forth in the GLJ Report are summarized below:

Greenfields Net Reserves	2016 Total Proved (1P) Mboe	2017 Total Proved (1P) Mboe	2016 Total Proved + Probable (2P) Mboe	2017 Total Proved + Probable (2P) Mboe	2016 Total Proved + Probable + Possible (3P) Mboe	2017 Total Proved + Probable + Possible (3P) Mboe
Light & Medium Crude Oil and NGL	6,275	10,384	11,952	17,313	16,455	26,455
Conventional Natural Gas	18,134	26,382	28,064	35,858	37,203	40,064
TOTAL	24,409	36,766	40,016	53,171	53,658	66,519
PV10 (in thousands)	\$138,495	\$261,027	\$318,352	\$537,626	\$469,431	\$855,000

A reconciliation of the Company's reserves at December 31, 2017 to the previous year-end is as follows.

Thousand Barrels of Oil Equivalent (Mboe)	Proved	Proved plus Probable	Total PPP
Opening Balance December 31, 2016	24,409	40,016	53,658
Technical Revisions	11,347	8,923	9,533
Infill Drilling	2,249	5,472	4,463
Production	(1,239)	(1,239)	(1,239)
Closing Balance December 31, 2017	36,766	53,171	66,415

GLJ estimates the future development costs ("FDC") required to convert proved undeveloped and developed non-producing reserves to producing reserves at \$262 million. This includes the drilling of 2 proved

undeveloped locations and 49 recompletions in the Bahar gas field and the drilling of 10 proved undeveloped locations and 21 recompletions in the Gum Deniz oil field, plus an additional 2 drilling wells, 17 recompletions, 3 water injection wells and 4 water injection recompletions associated with the Gum Deniz waterfloods. The GLJ Report assumes these wells will be drilled and recompleted over the next 5 years.

John W. Harkins, President and CEO of Greenfields, stated: "We are very pleased that the technical reservoir evaluation undertaken over the past eighteen months has identified such a significant number of growth opportunities in both the oil field and the gas field. We are now looking forward to the drilling campaign with SOCAR Drilling Complex Trust as we aim to drill development wells to the BH NKP reservoirs in the Bahar gas field and increase our gas sales to Azerbaijan."

"We also expect the re-initiation of water injection and waterflooding in the Gum Deniz oil fields, by converting some of the existing producers, to lead to the re-pressuring of the oil reservoirs and increased oil production over the next few years".

About Greenfields Petroleum Corporation

Greenfields is a junior oil and natural gas corporation focused on the development and production of proven oil and gas reserves principally in the Republic of Azerbaijan. The Company plans to expand its oil and gas assets through further farm-ins and acquisitions of Production Sharing Agreements from foreign governments containing previously discovered but under-developed international oil and gas fields, also known as "greenfields". More information about the Company may be obtained on the Greenfields website at www.greenfields-petroleum.com.

Forward-Looking Statements

This press release contains forward-looking statements. More particularly, this press release may include, but is not limited to, statements concerning: 2018 capital expenditures; development costs; drilling and operating plans; and production and sales forecasts. Statements relating to "reserves" are also deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. In addition, the use of any of the words "can", "will", "estimate", "long term", "anticipate", "believe", "should", "forecast", "future", "continue", "may", "expect", and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained herein are based on certain key expectations and assumptions made by the Company, including, but not limited to, expectations and assumptions concerning the success of optimization and efficiency improvement projects, the availability of capital, current legislation, receipt of required regulatory approval, the success of future drilling and development activities, the performance of existing wells, the performance of new wells, general economic conditions, availability of required equipment and services, weather conditions and prevailing commodity prices. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct.

Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties most of which are beyond the control of Greenfields. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking information. These risks include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety, political and environmental risks), commodity price and exchange rate fluctuations, changes in legislation affecting the oil and gas industry; and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Additional risk factors can be found under the heading "Risk Factors" in Greenfields' Annual Information Form and similar headings in Greenfields' Management's Discussion & Analysis which may be viewed on www.sedar.com.

The forward-looking statements contained in this press release are made as of the date hereof and

Greenfields undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The Company's forward-looking information is expressly qualified in its entirety by this cautionary statement.

Oil and Gas Advisories

Information Regarding Disclosure on Oil and Gas Reserves. The reserves data set forth above is based upon an independent reserves assessment and evaluation prepared by GLJ with an effective date of December 31, 2017. The reserves were evaluated in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook and the reserve definitions contained in National Instrument 51-101; Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

Caution Regarding Reserves Information. This press release summarizes the Company's crude oil and natural gas reserves and the net present values before income tax of future net revenue for the Company's reserves using forecast prices and costs based on the GLJ Report. All reserve references in this press release are based on gross reserves, which are equal to the Company's total working interest reserves before the deduction of any royalties and including any royalty interests of the Company. All evaluations and reviews of future net cash flows are stated prior to any provisions for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned.

It should not be assumed that the estimates of future net revenues presented in the tables above represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of the Company's crude oil and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.

All future net revenues are estimated using forecast prices, arising from the anticipated development and production of the Company's reserves, net of the associated royalties, operating costs, development costs, and abandonment and reclamation costs and are stated prior to provision for interest and general and administrative expenses. Future net revenues have been presented on a before tax basis. Estimated values of future net revenue disclosed herein do not represent fair market value. Future development costs are calculated as the sum of development capital plus the change in future development costs for the period. The reserve data provided in this press release only represents a summary of the disclosure required under NI 51-101. Additional disclosure will be provided in the Company's Annual Information Form which will be filed on www.sedar.com prior to May 1, 2018.

Reserves Categories. "Proved reserves" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. "Probable reserves" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. "Possible reserves" means those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

BOE. Barrels of oil equivalent or "boe" may be misleading, particularly if used in isolation. All volumes disclosed in this press release use a 6mcf: 1boe, as such is typically used in oil and gas reporting and is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. The Company uses a 6mcf: 1boe ratio to calculate its share of entitlement sales from the Bahar gas field for its financial reporting and reserves disclosure.

Drilling Locations. This press release discloses drilling inventory in proved locations. Proved locations are derived from the GLJ Report and account for drilling locations that have associated proved reserves.

Abbreviations

bbl barrels

MMbbl millions of barrels

boe barrels of oil equivalent

Mboe thousands of barrels of oil equivalent

Bcf billion cubic feet

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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