

TransGlobe Energy Corporation Announces an Operations Update

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This Announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 ("MAR"). Upon the publication of this Announcement, this inside information is now considered to be in the public domain.

CALGARY, Alberta, Oct. 10, 2019 -- [TransGlobe Energy Corp.](#) ("TransGlobe" or the "Company") (AIM & TSX: "TGL" & NASDAQ: "TGA") announces an operations update. All dollar values are expressed in US dollars unless otherwise stated.

UPDATES

- Production averaged ~15.9 MBoepd in Q3 2019 (Egypt ~13.7 MBopd, Canada ~2.1 MBoepd) versus 16.9 MBoepd in Q2 2019;
- NWG 38D-1 (drilled in Q2) confirmed as an oil discovery following completion and perforation, and will be put on production in Q4 following stimulation;
- Completed SGZ-6X as an Upper Bahariya oil producer in Western Desert, with construction of an early production facility on schedule for Q4 2019 first oil targeting an initial production rate of ~1,000 Bopd;
- Drilled four (100% working interest) horizontal Cardium oil wells in the Harmattan area of Canada during the quarter, including three development wells and one outpost (appraisal) well;
- Ongoing negotiations with Egyptian government to amend, extend and consolidate Eastern Desert concession agreements;
- Continue to review opportunities for inorganic growth in line with our M&A strategy;
- Sold ~380 MBbls of entitlement oil to EGPC in the quarter;
- Next Egypt cargo lifting scheduled for the end of October, 2019; and
- Semi-annual dividend of \$2.5 million (\$0.035/share) paid September 13, 2019;

PRODUCTION

Company production decreased slightly during the quarter primarily due to natural declines, completion of the 2019 Eastern Desert drilling program in Q2, and pressure management of the shared M-Pool, consistent with our previously advised increased production guidance for 2019 of 15 -16 MBoepd.

Production Summary:

	(MBoepd)	July 2019	August 2019	September 2019	Average
Egypt	14.6	13.7	12.9	13.7	
Canada	2.3	2.2	2.0	2.1	
Total	16.9	15.9	14.9	15.9	

MARKETING

In Egypt, the Company sold 380 MBbl of entitlement oil to EGPC during Q3. In addition, the Company has confirmed its next cargo lifting of entitlement oil is scheduled for the end of October, 2019.

OPERATIONS UPDATE

ARAB REPUBLIC OF EGYPT

Eastern Desert

The NWG 38D-1 exploration well (drilled in Q2) was completed, perforated, and is currently producing oil to surface at a low rate, confirming the well as an oil discovery in the Red Bed formation. NWG 38D-1 will require stimulation (similar to NWG 38A-1) in Q4 prior to putting into full production. Data recovered and analysed from the well shows it to be in pressure communication with the adjacent NWG 38A pool. While encouraging, any potential for additional drilling and reserves additions will be assessed following stimulation and production of the well.

Western Desert

Following the grant in June, 2019 of a 20 year development lease at South Ghazalat, the SGZ-6X discovery well (3,840 Bopd* of light oil) was completed during Q3 as an oil producer in the upper Bahariya formation. Construction of an early production facility ("EPF") in South Ghazalat is on schedule, from which oil will be transported to the nearby South Dabaa receiving facility and onwards via existing pipeline infrastructure to market. First oil is expected late in Q4, 2019.

Concurrently, the Company has submitted permits and is sourcing a drilling rig to drill an appraisal well in the SGZ-6X pool during Q4, 2019 which, if successful, will be completed and connected to the new South Ghazalat EPF. In addition, a project to merge and reprocess two existing 3D seismic surveys over the development lease area will also be completed in Q4 2019.

** SGZ-6X tested a combined 3,840 barrels per day of light oil from the upper and lower Bahariya. The lower Bahariya formation flowed naturally at an average rate of 2,437 barrels per day of light (38 API) oil, 21 barrels per day of water and 1.4 million cubic feet of natural gas per day on a 40/64 inch choke from a 42 foot perforated interval. A total of 918 barrels of oil and 7 barrels of water were produced during the 10 hour test. The upper Bahariya formation flowed at an average rate of 1,403 barrels per day of light (35 API) oil, 210 barrels per day of water and 1.0 million cubic feet of natural gas per day on a 64/64 inch choke from a 23 foot perforated interval. A total of 456 barrels of oil and 65 barrels of water were produced during the 8 hour test. Although encouraging, test rates are not necessarily indicative of long-term performance or ultimate recovery.*

CANADA

During the quarter, the Company drilled and cased three Cardium development oil wells (one mile horizontal wells) in the Harmattan area and one Cardium outpost (appraisal) well (two mile horizontal well) in the South Harmattan area which completed the 2019 drilling program. The four horizontal wells are in the process of being completed and stimulated (~40 stages per mile) and will be placed on production in Q4 2019.

STRATEGY UPDATE

The Company's management and board held its annual strategy session in early October, and reconfirmed its commitment to growth through material cash generative mergers and acquisitions to build significantly greater scale, profitability, and long-term sustainability within the next three to five years. To achieve these growth ambitions, the Company intends to leverage its operating and financial capabilities as well as its unique position as a recognized partner of choice in the region, and is actively assessing several opportunities.

ABOUT TRANSGLOBE

[TransGlobe Energy Corp.](#) is a cash flow focused oil and gas exploration and development company whose current activities are concentrated in the Arab Republic of Egypt and Canada. TransGlobe's common shares trade on the Toronto Stock Exchange and the AIM market of the London Stock Exchange under the symbol TGL and on the NASDAQ Exchange under the symbol TGA.

Advisory on Forward-Looking Information and Statements

Certain statements included in this news release constitute forward-looking statements or forward-looking information under applicable securities legislation. Such forward-looking statements or information are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "may", "will", "would" or similar words suggesting future outcomes or statements regarding an outlook. In particular, forward-looking information and statements contained in this document include, but are not limited to, the Company's strategy to grow its annual cash flow; expectations regarding its M&A efforts; anticipated drilling, completion and testing plans, including, the anticipated timing thereof, prospects being targeted by the Company, and rig mobilization plans; expected future production from certain of the Company's drilling locations; TransGlobe's plans to drill additional wells, including the types of wells, anticipated number of locations and the timing of drilling thereof; the timing of rig movement and mobilization and drilling activity; the Company's plans to file development lease applications for certain of its discoveries, including the expected timing of filing of such applications and the expected timing of receipt of regulatory approvals; anticipated production and ultimate recoveries from wells; to negotiate future military access (including the expected timing thereof), including the anticipated timing of wells on production; TransGlobe's plans to continue exploration, development and completion programs in respect of various discoveries; future requirements necessary to determine well performance and estimated recoveries; and other matters.

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 the Company 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. Many factors could cause TransGlobe's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, TransGlobe.

In addition to other factors and assumptions which may be identified in this news release, assumptions have been made regarding, among other things, anticipated production volumes; the timing of drilling wells and mobilizing drilling rigs; the number of wells to be drilled; the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts and will conduct its business; future capital expenditures to be made by the Company; future sources of funding for the Company's capital programs; geological and engineering estimates in respect of the Company's reserves and resources; the geography of the areas in which the Company is conducting exploration and development activities; current commodity prices and royalty regimes; availability of skilled labour; future exchange rates; the price of oil; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; future operating costs; uninterrupted access to areas of TransGlobe's operations and infrastructure; recoverability of reserves and future production rates; that TransGlobe will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that TransGlobe's conduct and results of operations will be consistent with its expectations; that TransGlobe will have the ability to develop its properties in the manner currently contemplated; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the estimates of TransGlobe's reserves and resource volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; and other matters.

Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking statements or information. These risks and uncertainties which may cause actual results to differ materially from the forward-looking statements or information include, among other things, operating and/or drilling costs are higher than anticipated; unforeseen changes in the rate of production from TransGlobe's oil and gas properties; changes in price of crude oil and natural gas; adverse technical factors associated with exploration, development, production or transportation of TransGlobe's crude oil reserves; changes or disruptions in the political or fiscal regimes in TransGlobe's areas of activity; changes in tax, energy or other laws or regulations; changes in significant capital expenditures; delays or disruptions in production due to shortages of skilled manpower equipment or materials; economic fluctuations; competition; lack of availability of qualified personnel; the results of exploration and development drilling and related activities; obtaining required approvals of regulatory authorities; volatility in market prices for oil; fluctuations in foreign exchange or interest rates; environmental risks; ability to access sufficient capital from internal and external sources; failure to negotiate the terms of

contracts with counterparties; failure of counterparties to perform under the terms of their contracts; and other factors beyond the Company's control. Readers are cautioned that the foregoing list of factors is not exhaustive. Please consult TransGlobe's public filings at www.sedar.com and www.sec.gov/edgar.shtml for further, more detailed information concerning these matters, including additional risks related to TransGlobe's business.

The forward-looking statements or information contained in this news release are made as of the date hereof and the Company 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 required by applicable securities laws. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

Oil and Gas Advisories

Mr. Darrin Drall, P.Eng., - Manager Engineering for [TransGlobe Energy Corp.](#), and a qualified person as defined in the Guidance Note for Mining, Oil and Gas Companies, June 2009, of the London Stock Exchange, has reviewed and approved the technical information contained in this announcement. Mr. Drall obtained a Bachelor of Science Degree in Engineering from the University of Manitoba. He is a Registered Professional Engineer in the province of Alberta (Association of Professional Engineers and Geoscientists of Alberta) and in the province of Saskatchewan (Association of Professional Engineers and Geoscientists of Saskatchewan) and has over 30 years' experience in oil and gas.

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 mcf: 1 bbl) is based on an energy equivalency 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 on a 6:1 basis may be misleading as an indication of value.

References in this press release to production test rates, are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for TransGlobe. A pressure transient analysis or well-test interpretation has not been carried out in respect of all wells. Accordingly, the Company cautions that the production test results should be considered to be preliminary.

The following abbreviations used in this press release have the meanings set forth below:

*Bopd barrels of oil per day
MBopd thousand barrels of oil per day
Boepd barrels of oil equivalent per day
MBoepd thousand barrels of oil equivalent per day
MBbl thousand barrels*

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