Deutsche Rohstoff AG: Update on oil and gas activities

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Highlights of the current development

- Hedging ratio increased to 30% for 2023
- 3 wells at Cub Creek to commence on 6 January 2023
- Projects in Wyoming and Utah with strong start of production

Mannheim. Deutsche Rohstoff AG's oil and gas activities continue to develop very positively. For the full year, production will be around 9,600 BOEPD, the strongest production year to date with the highest sales and EBITDA since the company was founded.

The forecast for 2022 was already increased for the third time at the beginning of December due to the positive development; an EBITDA of EUR 138 to 143 million is expected in 2022.

Production

In Utah and in Wyoming, numerous new wells started production in Q4. Outstanding is the performance of twelve wells in Utah, in which Salt Creek has an interest of about 10% and had invested about USD 10 million. The well pad produced approximately 11,000 barrels of oil per day (BOPD) over the past 60 days, contributing approximately net 52,000 BO to the group's production. The production is well above Deutsche Rohstoff AG's expectation. The wells drilled as part of the cooperation with Oxy in Wyoming are also developing very positively and are expected to be above Deutsche Rohstoff AG's internal expectations. In Colorado, the important Knight pad in particular exceeded expectations, as already reported at the beginning of December. At the older well pads, several workovers have been carried out in recent months, resulting in higher production with little investment. Cub Creek's management sees further potential to increase production from older wells again.

Hedging

For 2023, the hedge book has been further expanded in recent months as planned. Currently, 30% of the forecasted total production volumes for 2023 are hedged at a price of approximately USD 76/bbl. This reflects approximately 50% of the expected production volumes of the wells already producing. Additional wells that will not start production until 2023 will be hedged shortly after the start of production.

Cub Creek Drilling Program

Cub Creek will commence a three well drilling program from the Lost Springs well pad beginning in January. Preparatory near surface work and casing to a depth of 600m has been completed.

The basis for the increased 2022 forecast is currently a total of five wells drilled by Cub Creek Energy. Management considers an expansion of the planned wells to be realistic. A decision on the final plans will be made during the first half of the year depending on the price environment and the operational development.

For the years 2023 and 2024, the Executive Board expects a continuing positive business development. The high cash flows from existing production and the extensive drilling programs for 2023 and 2024 that have been started or approved provide an optimal basis for this.

Mannheim, 21 December 2022