



Greenfields Petroleum Corporation

**Greenfields Petroleum Corporation Confirms Waterflood Development Opportunity in the Bahar Field and Miocene Exploration Objective Beneath the Gum Deniz field offshore Azerbaijan and Provides Revised 2017 Guidance**

Houston, Texas – (March 20, 2018) – Greenfields Petroleum Corporation (“Greenfields” or the “Company”; TSX-VENTURE: GNF) announces the release of the ‘Resource Assessment Report of Gross Contingent and Gross Prospective Resources’ (the “ERCE Report”) a resource assessment report prepared by ERC Equipoise Ltd. (“ERCE”), an independent, qualified reserves evaluator and provides an update on its production results for the year ended December 31, 2017.

**THE ERCE REPORT**

The ERCE Report assesses the contingent resources in the Bahar Fasila Waterflood project (the “Contingent Resources”) and the prospective resources in the Gum Deniz Miocene Prospect (the “Prospective Resources”). The ERCE Report is dated and effective as of March 2, 2018. The independent assessment was carried out in accordance with the standards and the resources definitions contained in the Canadian Oil and Gas Evaluation Handbook (“COGEH”) as established by the Canadian Securities Administrators in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (“NI 51-101”), and consistent with the classification and reporting requirements of the March 2007 SPE/ EPC/ AAPG/ SPEE Petroleum Resources Management System (“PRMS”). The tables below summarize certain information contained in the ERCE Report.

**Waterflood Development**

Bahar Energy Limited (“BEL”) plans to initiate a waterflood of the FS reservoir in Bahar in 2019 starting with the implementation of five waterflood pilots. Assuming a positive reservoir response to the pilot flood, a full-scale water injection project would be implemented by BEL. Initially the drilling of two down dip injection wells located in the water leg of the FS reservoir would be carried out. The drilling of a total of nine injection wells is planned over a five-year period from three existing platforms and one new platform to be constructed on the western flank of the reservoir.

Contingent Resources for the planned pilot water injection followed by a water flood of the Bahar Fasila Reservoir are presented in the table below.

**Contingent Unrisked Oil Resources, Bahar Field, Fasila Reservoir**

Interval	Gross Unrisked Contingent Oil			Working Interest	Net Unrisked Contingent Oil		
	1C	2C	3C		1C	2C	3C
Bahar Fasila	10.3	20.6	41.2	80.00%	8.2	16.5	32.9

**Notes:**

- (1) The above table has been disclosed consistent with the classification and reporting requirements of PRMS.
- (2) The above table is unrisked, in that estimates have not been multiplied by the chance of development.
- (3) "Gross Contingent Resources" are all volumes estimated to be recoverable from the field without any economic cut-off being applied. There is no equivalent COGEH definition.

- (4) **"Net Contingent Resources"** are the Company's working interest fraction of the Gross Contingent Resources. The equivalent COGEH definition disclosed below is "Gross Working Interest Contingent Resources" which is the Company's working interest fraction in Contingent Resources prior to the deduction of royalties.

### Contingent Risked Oil Resources, Bahar Field, Fasila Reservoir

Resources Project Maturity Sub-Class	RISKED CONTINGENT RESOURCES								
	Light and Medium Crude Oil			Conventional Natural Gas			Natural Gas Liquids		
	Gross (Mbbbl)	Gross WI (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Gross WI (MMcf)	Net (MMcf)	Gross (Mbbbl)	Gross WI (Mbbbl)	Net (Mbbbl)
Contingent (2C) Development Unclarified	14,420	11,536	n/a	n/a	n/a	n/a	n/a	n/a	n/a

**Notes:**

- (1) Contingent Resources are estimates of volumes that are 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.
- (2) The volumes reported here are "risked" in the sense that they have been adjusted for chance of development. The chance of development is defined as the probability of a project being commercially viable. Quantifying the chance of development requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are extremely difficult to quantify, the chance of development is uncertain and must be used with caution. ERCE determined that a 70 percent chance of development is appropriate for the Contingent Resources.
- (3) Gross Contingent Resources are all volumes estimated to be recoverable from the field without any economic cut-off being applied. Gross Weight Interest Contingent Resources is adjusted for the Company's 80% working interest fraction of the Gross Contingent Resources. Net Contingent Resources are adjusted for the Company's working interest share after deduction of royalty obligations.
- (4) Project maturity for Contingent Resources has been classified as Development Unclarified.

### Exploration Drilling

The Company has mapped a significant structural closure at Miocene level at a depth of between 4,000 and 4,500 metres (subsea) based on 3D seismic. The prospective horizon is located beneath the oil producing reservoirs of the Gum Deniz Oil Field and this horizon has not yet been penetrated by a well in the Bahar purchase and sale agreement. The Company is also monitoring the drilling of the Absheron Operating Company (AOC) Miocene well test which is located approximately 4 km north east of the Bahar Project. The well is being drilled from the same surface location as the 2015 Hovsan 1870 gas discovery well which reportedly encountered high pressure gas of 16 MMscf/d and condensate of 640 Bbl/d in the top of the Miocene at approximately 4,600 metres (subsea). The well reportedly also encountered high bottom hole pressures in excess of 11,000 psi.

ERCE has reviewed the data provided and has made independent estimates of Prospective Resources. The below table presents ERCE's estimates of risked crude oil, natural gas and natural gas liquids Prospective Resources for the Miocene prospect in the Gum Deniz Oil Field.

### Prospective Risked and Unrisked Resources, Gum Deniz Miocene Prospect

	GIIP (Bscf)			Gross Unrisked Prospective Gas Resources (Bscf)				Working Interest (%)	Net Unrisked Prospective Gas Resources (Bscf)				COS (%)	Net Unrisked Prospective Gas Resource (Bscf)			
	Low	Mid	High	Low	Mid	High	Mean		Low	Mid	High	Mean		Low	Mid	High	Mean
Miocene Prospect	78.0	332.5	1364.5	49.9	214.4	891.2	392.0	80%	39.9	171.5	713.0	313.6	32%	12.8	54.9	228.1	100.4

	CIIP (MMbbl)			Gross Unrisked Prospective Gas Resources (MMbbl)				Working Interest (%)	Net Unrisked Prospective Gas Resources (MMbbl)				COS (%)	Net Unrisked Prospective Gas Resource (MMbbl)			
	Low	Mid	High	Low	Mid	High	Mean		Low	Mid	High	Mean		Low	Mid	High	Mean
Miocene Prospect	4.9	22.3	69.9	2.4	10.8	47.2	20.6	80%	1.9	8.6	37.7	16.5	32%	0.6	2.8	12.1	5.3

**Notes:**

- (1) The above table has been disclosed consistent with the classification and reporting requirements of PRMS.
- (2) **"Gross Unrisked Prospective Resources"** are all volumes estimated to be recoverable from an accumulation. There is no equivalent COGEH definition.
- (3) **"Net Unrisked Prospective Resources"** are the Company's working interest fraction of the Gross Unrisked Prospective Resources. The equivalent COGEH definition disclosed below is "Gross Working Interest Prospective Resources" which is the Company's working interest fraction in Prospective Resources prior to the deduction of royalties.
- (4) **"Net Risked Prospective Resources"** are the Company's working interest fraction of the Net Unrisked Prospective Resources multiplied by the geological chance of success ("**COS**"). The COS is an estimate of the probability that drilling the prospect would result in a discovery as defined under PRMS. ERCE has assigned a chance of success of 32% to the Prospective Resources. Under COGEH, prospective resources are risked by a chance of commerciality, being the product of the chance of development and the chance of discovery. For further detail, see below notes (2)-(4) of the table entitled "*Prospective Resources, Gum Deniz Miocene Prospect*".
- (5) Prospective Resources reported here are both "unrisked" in that they have not been multiplied by the COS and "risked" in that the volumes have been multiplied by the COS.

**Prospective Resources, Gum Deniz Miocene Prospect**

Resources	RISKED PROSPECTIVE RESOURCES								
	Light and Medium Crude Oil			Conventional Natural Gas			Natural Gas Liquids		
	Gross (Mbbbl)	Gross W.I. (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Gross W.I. (MMcf)	Net (MMcf)	Gross (Mbbbl)	Gross W.I. (Mbbbl)	Net (Mbbbl)
Prospective (Best Estimate)	3,456	2,765	n/a	68,608	54,886	n/a	n/a	n/a	n/a

**Notes:**

- (1) Prospective Resources are estimates of volumes that are potentially recoverable from undiscovered accumulations by application of future development projects.
- (2) The volumes reported here are "risked" in the sense that they have been adjusted for the chance of commerciality, being the product of the chance of development and the chance of discovery. ERCE determined that a 32 percent chance of commerciality is appropriate for the Prospective Resources.
- (3) The chance of development is defined as the probability of a project being commercially viable. Quantifying the chance of development requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are extremely difficult to quantify, the chance of development is uncertain and must be used with caution. As many of these factors are extremely difficult to quantify, the chance of development is uncertain and must be used with caution.
- (4) The chance of discovery is defined as the probability the exploration activities will confirm the existence of a significant accumulation of potentially recoverable resources. Quantifying the chance of discovery requires consideration of certain risks including the chance of success of a play, the chance of success of the prospect specific properties and the prospect specific properties qualities being sufficient to result in a commercially viable discovery. As many of these factors are extremely difficult to quantify, the chance of development is uncertain and must be used with caution.
- (5) Gross Prospective Resources are all of the volumes estimated to be recoverable from the field without any economic cut-off being applied. Gross Weighted Average Prospective Resources is adjusted for the Company's 80% working interest fraction of the Gross Prospective Resources. Net Prospective Resources are adjusted for the Company's working interest share after deduction of royalty obligations.

John W. Harkins, President and CEO of Greenfields, stated: "We are pleased that this independent analysis affirms the Company's internal interpretation of a major waterflood development opportunity in the Fasila horizon in the Bahar field and a significant Miocene exploration objective beneath the Gum Deniz Oil field that can be drilled from Gum Island with a suitable land based rig, with combined original oil in place estimates in excess of a hundred million barrel of oil equivalent if a discovery is made."

## GUIDANCE

The table and discussion below provide a comparison of Greenfields' operational guidance and actual results of production for the year ended December 31, 2017. The original guidance was disclosed by the Company in a press release dated April 24, 2017 which may be viewed on [www.sedar.com](http://www.sedar.com). Actual results presented herein were derived from an independent reserves report (the "**GLJ Report**") prepared by GLJ Petroleum Consultants Ltd. ("**GLJ**"), qualified independent reserves evaluators, effective as of December 31, 2017. The figures in the following table have been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook and the definitions contained in NI 51-101. **All 2017 financial information presented in this press release is based on management's preliminary estimates and is unaudited and subject to change.**

### Production Volume

Total (boe/d)	Exit Production as of December 31, 2017		
	Guidance	Actual <sup>(1)</sup>	Variance (%)
	6,444	3,944	(39%)

(1) Production volumes may be subject to year-end 2017 financial closing adjustments.

### Reason for Variance

The primary factors contributing to lower than expected production were: (i) the slower pace of executing scheduled workovers, reflecting, in part, limited access to heavy lift vessels; (ii) the lower than expected post-workover production rates; and (iii) the slow pace of south Gum Deniz Electric Submersible Pumps (ESP) installations as workovers in old wellbores required additional cleaning and scraping runs. The Corporation plans to address the limited access to heavy lift vessels through the acquisition of a heavier rig that is better suited to deal with the challenges imposed by the old wells and difficult workovers.

Additionally, Bahar Energy Operating Company Limited elected to defer both capital and operating expenditures until the development plan and reservoir studies were completed which would further facilitate the delineation and selection of the best projects going forward. The reservoir studies were initially expected to be completed by April of 2017, in respect of the gas field, and by midyear 2017, in respect of the oil field. However, the studies were not completed until Q1 2018 as a result of the identification of development opportunities (particularly waterfloods), additional evaluation work requested by the reserve auditors (GLJ Petroleum Consultants and ERCE), and data inconsistencies resulting from scribed logs and well files that required clarification and further delineation.

In light of lower than expected production, the Company revised its 2017 budget, resulting in downward adjustments to capital expenditures to \$9.7 million (from guidance of USD\$21 million) and operating expenses to \$23 million (from guidance of USD\$28 million). The deferral of projected expenditures intended to increase gross lease production from 4,167 boe/d at December 31, 2016 resulted in the realization of approximately 24% less revenue than originally expected by the Company.

### 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](http://www.greenfields-petroleum.com).

## Disclosure of Oil and Gas Information

*Information Regarding Disclosure on Oil and Gas Resources.* The resources data set forth above is based upon an independent resource assessment and evaluation prepared by ERCE with an effective date of March 2, 2018. The resources were evaluated in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook and the resource definitions contained in NI 51-101, and consistent with the classification and reporting requirements of PRMS.

*OOIP Disclosure.* The term original-oil-in-place (“**OOIP**”) is equivalent to total petroleum initially-in-place (“**TPIIP**”). TPIIP, as defined in the Canadian Oil and Gas Evaluation Handbook, is that quantity of petroleum that is estimated to exist in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered. A portion of the TPIIP is considered undiscovered and there is no certainty that any portion of such undiscovered resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of such undiscovered resources. With respect to the portion of the TPIIP that is considered discovered resources, there is no certainty that it will be commercially viable to produce any portion of such discovered resources. A significant portion of the estimated volumes of TPIIP will never be recovered.

*BOE Disclosure.* For the purpose of calculating unit costs, natural gas volumes have been converted to a boe using six thousand cubic feet equal to one barrel unless otherwise stated. A boe conversion ratio of 6:1 is based upon an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms to NI 51-101. Boe may be misleading, particularly if used in isolation.

*Contingent Resources and Prospective Resources.* Contingent resources are the quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology underdevelopment, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies are conditions that must be satisfied for a portion of contingent resources to be classified as reserves that are: (a) specific to the project being evaluated; and (b) expected to be resolved within a reasonable timeframe. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage.

Estimates related to the Contingent Resources:

	<b>Estimated cost to achieve commercial production</b>	<b>General timeline including the estimated date of first commercial production</b>	<b>Estimated recovery technology (conventional or unconventional)</b>	<b>Basis of project (conceptual or pre-development)</b>
Bahar Fasila	\$20,000,000 Pilot	2019 Pilot	unconventional	Pre-development
	\$120,000,000 full development	2021 Commercial Production		

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Not all exploration projects will result in discoveries. The chance that an exploration project will result in the discovery of petroleum is referred to as the chance of discovery. Thus, for an undiscovered accumulation the chance of commerciality is the product of two risk components-the chance of discovery and the chance of development. There is no certainty that any portion of the Prospective Resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the Prospective Resources.

Estimates of the Contingent Resources and Prospective Resources are based upon the report prepared by ERCE, the Company's independent qualified resources evaluators, effective as of March 2, 2018. The estimates of Contingent Resources and Prospective Resources provided in this press release are estimates only and there is no guarantee that the estimated Contingent Resources and Prospective Resources will be recovered. Actual contingent and prospective resources may be greater than or less than the estimates provided in this in this press release and the differences may be material. There is no certainty that any portion of the Prospective Resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the Prospective Resources. There is also uncertainty that it will be commercially viable to produce any part of the Contingent Resources.

Estimates of contingent and prospective resources are by their nature more speculative than estimates of proved reserves and would require substantial capital spending over a significant number of years to implement recovery. Actual locations drilled and quantities that may be ultimately recovered from our properties will differ substantially. In addition, we have made no commitment to drill, and likely will not drill, all of the drilling locations that have been attributable to these quantities.

Prospective resources estimates that are referred to herein are risked as to both chance of discovery and chance of development and both risked and unrisked to the COS under PRMS. Contingent resources estimates that are referred to herein are both risked and risked as to chance of development. Risks that could impact the chance of discovery and chance of development include, without limitation: geological uncertainty and uncertainty regarding individual well drainage areas; uncertainty regarding the consistency of productivity that may be achieved from lands with attributed resources; potential delays in development due to product prices, access to capital, availability of markets and/or take-away capacity; and uncertainty regarding potential flow rates from wells and the economics of those wells. Risk assessment is a highly subjective process dependent upon the experience and judgment of the evaluators and is subject to revision with further data acquisition or interpretation.

The following classification of contingent and prospective resources is used in the press release:

- Low Estimate (or 1C) means there is at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
- Best Estimate (or 2C) means there is at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
- High Estimate (or 3C) means there is at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

In general, the significant factors that may change the Contingent Resources estimates include further delineation drilling, which could change the estimates either positively or negatively, future technology improvements, which would positively affect the estimates, and additional processing capacity that could affect the volumes recoverable or type of production. Additional facility design work, development plans, and reservoir studies are expected to be completed by Greenfields in accordance with its long-term resource development plan.

## **Abbreviations**

<i>MMbbl</i>	<i>Million barrels</i>
<i>Bscf</i>	<i>Millions of barrels</i>
<i>MMcf</i>	<i>Thousand cubic feet</i>
<i>MMscf/d</i>	<i>Million standard cubic feet per day</i>
<i>Bbl/d</i>	<i>Barrels per day</i>
<i>boe/d</i>	<i>Barrels of oil equivalent per day</i>

**For more information, please contact:**

**Greenfields Petroleum Corporation**

John W Harkins (CEO)  
Jose Perez-Bello (CFO)

[info@greenfieldspetroleum.com](mailto:info@greenfieldspetroleum.com)

+1 (832) 234 0836  
+1 (832) 234 0831

**Yellow Jersey (Media Relations)**

Charles Goodwin  
Harriet Jackson

[greenfields@yellowjerseypr.com](mailto:greenfields@yellowjerseypr.com)

+44 7747 788 221  
+44 7544 275 882

**Forward-Looking Statements**

*This press release contains forward-looking statements. More particularly, this press release may include, but is not limited to, statements concerning: the planned acquisition of oil and gas assets; the Company's ability to grow in both the near and long term and the funding of our growth opportunities; estimated resources; the Company's prospects and leads; and the future development of the Company's business. Statements respecting contingent resources and prospective resources are forward-looking statements as they involve the implied assessment, based on estimates and assumptions, that the Contingent Resources and Prospective Resources described exist in the quantities predicted or estimated and 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 accuracy of resources estimates, that the Company will continue to conduct its operations in a manner consistent with its current expectations, the availability of required equipment and services, the extent and effect of delivery disruptions, and the general continuance of current or, where applicable, assumed operational, regulatory and industry conditions including in areas of potential expansion, and the ability of Greenfields to execute its current business and operational plans in the manner currently planned. 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 resource estimates; commodity price and exchange rate fluctuations; and changes in legislation affecting the oil and gas industry. 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](http://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.*

**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.**