



Greenfields Petroleum Corporation Reports 2019 Year End Reserves  
and Extension of Debt Payment

Houston, Texas – (July 10, 2020) – Greenfields Petroleum Corporation (“**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, 2019, as evaluated by an independent qualified reserves evaluator, Wisholm Geosciences Inc. (“**WGI**”), in an independent report (the “**WGI Report**”) as well as a progress update on the extension of its senior debt payment. In addition to the summary information disclosed in this announcement, more detailed information is included in Greenfields’ statement of reserves data as at December 31, 2019 which has been filed on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com). All amounts herein are in United States dollars.

**WGI REPORT**

As at December 31, 2019, the proved reserves net to the Company through its interest in Bahar Energy Limited were evaluated at 34,900 Mboe and the total proved plus probable reserves were evaluated at 52,688 Mboe net to the Company. The net present value of proved reserves discounted at 10% (“**PV10**”) was \$196 million net to the Company while the PV10 of the proved plus probable reserves was \$506 million.

**Reserves Summary**

The WGI Report has evaluated Greenfields’s reserves in accordance with National Instrument 51-101 “Standards of Disclosure for Oil and Gas Activities” and the Canadian Oil and Gas Evaluation Handbook (“**COGEH**”). The Company’s net reserves at December 31, 2019 as set forth in the WGI Report are summarized below:

Greenfields Net Reserves	2018 Total Proved (1P) Mboe	2019 Total Proved (1P) Mboe	2018 Total Proved + Probable (2P) Mboe	2019 Total Proved + Probable (2P) Mboe	2018 Total Proved + Probable + Possible (3P) Mboe	2019 Total Proved + Probable + Possible (3P) Mboe
Light & Medium Crude Oil and NGL	9,716	11,673	16,653	17,788	24,007	24,287
Conventional Natural Gas	24,644	23,000	34,179	34,900	37,281	37,183
<b>TOTAL</b>	34,360	34,673	50,832	52,688	61,288	61,470
PV10 (in thousands of US\$)	\$241,308	\$195,944	\$531,980	\$506,114	\$831.946	\$746,339

(1) Total numbers have been adjusted to reflect changes made to COGEH related to the reporting of Company Net Reserves associated with Production Sharing Contracts. Please see the below reconciliation table.

A reconciliation of the Company's net lease reserves at December 31, 2019 to the previous year-end is as follows:

<b>Thousand Barrels of Oil Equivalent (Mboe)</b>	<b>Proved</b>	<b>Probable</b>	<b>Proved plus Probable</b>
Opening Balance December 31, 2018 <sup>(1&amp;2)</sup>	34,360	16,473	50,833
Technical Revisions	1,626	1,543	3,168
Production	(1,313)	0	(1,313)
<b>Closing Balance December 31, 2019</b>	<b>34,673</b>	<b>18,015</b>	<b>52,688</b>

(1) Opening Balance has been adjusted to reflect changes made to COGEH related to the reporting of Company Reserves associated with Production Sharing Contracts

(2) Opening Balances were separately prepared by GLJ Petroleum Consultants Ltd., an independent qualified reserves evaluator.

### Pricing Assumptions - Forecast Prices and Costs

The WGI Report uses the following pricing and inflation rate assumptions as of December 31, 2019 in estimating the Company's reserves data using forecast prices and costs.

	<b>Brent Oil Price <sup>(1)</sup></b>	<b>Net Realized Oil Price <sup>(2)</sup></b>	<b>Natural Gas Contract Price</b>	<b>Net Realized NGL Price <sup>(2)</sup></b>	<b>% Cost Escalation Operating Expenses<sup>(3)</sup></b>	<b>Inflation rate</b>
	(\$/bbl)	(\$/bbl)	(\$/MMBTU)	(\$/bbl)	(%)	(%)
<b>Forecast</b>						
2020	67.00	60.00	2.69	60.00	0.0	0.0
2021	68.00	60.00	2.69	60.00	2.0	2.0
2022	71.00	60.90	2.69	60.90	2.0	2.0
2023	73.00	63.70	2.69	63.70	2.0	2.0
2024	75.00	65.60	2.69	65.60	2.0	2.0
2025	76.00	67.50	2.69	67.50	2.0	2.0
2026	78.00	68.40	2.69	68.40	2.0	2.0
2027	79.81	70.30	2.69	70.30	2.0	2.0
2028	81.33	72.00	2.69	72.00	2.0	2.0
2029	82.88	73.50	2.69	73.50	2.0	2.0
2030+	+2%/yr <sup>(3)</sup>	+2%/yr <sup>(3)</sup>	2.69	+2%/yr <sup>(3)</sup>	2.0	2.0

**Notes:**

- (1) Per GLJ's Crude Oil Price Forecast effective January 1, 2020.
- (2) Net Realized Oil Prices are calculated at approximately 94% of GLJ forecast Brent Crude Price less \$3.00/bbl for transportation and marketing costs.
- (3) Escalation rates are based on the Society of Petroleum Evaluation Engineers annual survey of projected expenses and costs.

### LOAN FACILITY

The Company has made positive progress on a payment deferral letter with its senior lender, Vitol Energy (Bermuda) Ltd. ("Vitol"), regarding deferring the loan payment due under the Company's credit facility from April 30th, 2020. The Company anticipates that the deferral will give the Company sufficient time to comply with its obligations to the Company's loan agreement with Vitol, as amended.

## About Greenfields Petroleum Corporation

Greenfields is an oil and natural gas exploration and development company focused on the development and production of proven oil and gas reserves principally in the Republic of Azerbaijan. More information about the Company may be obtained on the Greenfields website at [www.greenfields-petroleum.com](http://www.greenfields-petroleum.com).

**For more information, please contact:**

**Greenfields Petroleum Corporation**

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

John W Harkins (CEO)  
Sanjay Swarup (CFO)

+1 (832) 234 0836  
+44 20 7096 0662

## Forward-Looking Statements

*This press release contains forward-looking statements. More particularly, this press release may include, but is not limited to, statements concerning: forecasts and the Deferral. 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](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.*

## 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 WGI with an effective date of December 31, 2019. 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 WGI Report. Reserve references in this press release are based on both 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 and net reserves, which are equal to the Company's total working interest (operating or non-operating) reserves after deduction of royalty obligations, plus the Company's royalty interests in reserves. 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.

**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.

#### **Abbreviations**

bbl	barrels
\$/bbl	Dollars per barrel
boe	barrels of oil equivalent
Mboe	thousands of barrels of oil equivalent
\$/MMBTU	Dollars per million British thermal units

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