



## Greenfields Petroleum Corporation Announces Financial Results for the Three and Nine Months Ended September 30, 2014 and Operations Update

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Houston, Texas – (November 28, 2014) – Greenfields Petroleum Corporation (the “**Company**” or “**Greenfields**”) (TSXV: GNF and GNF.DB), an independent exploration and production company with producing assets in Azerbaijan, announces its financial results and operating highlights for the three and nine months ended September 30, 2014. Except as otherwise indicated, all dollar amounts referenced herein are expressed in United States dollars.

### Three and Nine Months Ended September 30, 2014 Financial Results

- For the third quarter and year-to-date 2014, the Company recorded revenues of \$0.6 million and \$1.5 million and realized net losses of \$0.7 million and \$4.5 million, respectively. For the third quarter and year-to-date 2014, the results represented a loss per share (basic and diluted) of \$0.04 and \$0.23, respectively. In comparison with the same periods in 2013, the Company recorded revenues of \$0.6 million and \$1.9 million and realized net losses of \$0.1 million and \$3.3 million, respectively. In addition, in comparison with the same periods in 2013, the Company realized earnings per share of \$nil and a loss per share of \$0.21, respectively.
- The Company’s 33.33% share of Bahar Energy Limited (“**Bahar Energy**”) entitlement sales volumes averaged 328 bbl/d and 6,050 mcf/d or 1,336 boe/d in the third quarter 2014, and 361 bbl/d and 7,330 mcf/d or 1,582 boe/d year-to-date 2014. In comparison to the average volumes for the same periods in 2013, the bbl/d volumes decreased 43% and 31%, respectively, while mcf/d volumes decreased 4% for the third quarter and increased 52% year-to-date, and boe/d decreased 18% for the third quarter and increased 19% year-to-date.
- For the third quarter and year-to-date 2014, the Company, through its interest in Bahar Energy, realized average oil prices of \$93.48 and \$99.45 per barrel, respectively. These prices fall short of the averages of \$106.39 and \$103.09 per barrel realized for the same periods in 2013 due to the general industry decline in oil prices worldwide. The Company, through its interest in Bahar Energy, realizes average gas prices of \$3.96 per mcf, which is a contractually constant fixed price.
- The Company’s 33.33% share of Bahar Energy financial results realized net income of \$0.8 million and \$3.9 million for the third quarter and year-to-date, respectively. These results compare to net income of \$1.6 million and \$0.6 million, respectively, for the same periods in 2013.
- On July 2, 2014 the Company announced that it had secured a \$21 million loan facility (“**Loan**”) with an arm’s length third party (the “**Lender**”). The funds available under the Loan are intended to be used to finance the ongoing development operations of Bahar Energy in Azerbaijan as it relates to the Gum Deniz Oil Field and Bahar Gas Field. Pursuant to the terms of the loan agreement (the “**Loan Agreement**”) dated June 27, 2014, among the Lender, the Company, and Greenfields Petroleum Holdings Ltd., as guarantor, the Company is entitled to draw up to an aggregate of \$21 million, as needed, for the purposes of operations to meet the obligations of Greenfields Petroleum International Company Ltd. (“**GPIC**”) under the shareholders agreement of Bahar Energy. The amount drawn

under the Loan bears interest at a rate of 12% per annum. The Loan has a maturity date of June 30, 2018. The Loan is subject to a 0.15% commitment fee on the \$21 million which was paid to the Lender at the time of the first advance under the Loan Agreement. The Loan is secured by a second priority lien on the shares of GPIC.

- Pursuant to the terms of the investment and shareholders agreement (the "**Shareholders Agreement**") with respect to Bahar Energy, on July 23, 2014, GPIC, a wholly-owned subsidiary of the Company, funded by way of a loan to Bahar Energy, approximately \$16.5 million of defaulted obligations (the "**Default Amount**") of the other shareholder of Bahar Energy, Baghlan Energy Limited ("**Baghlan**"). Bahar Energy is the parent of Bahar Energy Operating Company Limited ("**BEOC**"), being the operating company with respect to the Gum Deniz Oil Field and Bahar Gas Field.

Baghlan has failed to fund its share of the costs of Bahar Energy in accordance with the Shareholders Agreement and its funding loan obligation to Bahar Energy since January 1, 2014. The Shareholders Agreement provides that in the event of a default by a shareholder in a funding obligation, the other shareholder is required, by additional loan, to provide such funds to Bahar Energy. To the extent that Baghlan defaults on its future funding obligations, Greenfields anticipates that it may also fund such amounts by further loans to Bahar Energy.

As a result of the loan by GPIC of the Default Amount to Bahar Energy, pursuant to the Shareholders Agreement:

- a. all of Baghlan's loans to Bahar Energy have become "last in" loans and will not be repaid by Bahar Energy until all amounts outstanding under all of GPIC's loans to Bahar Energy, including the payment of the Default Amount, have been paid by Bahar Energy to GPIC in full, regardless of when such loans were made by Baghlan;
- b. Baghlan is deemed to have assigned to GPIC a share of its dividends equal to the sum of: (i) the Default Amount; (ii) Greenfields' Cost of Funding (as defined in the Shareholders Agreement) of such Default Amount; and (iii) a default rate of 4% on such Default Amount computed from and including the date on which the Default Amount has been funded by GPIC to, but excluding, the date Baghlan remedies the default (the "**Default Interest**"); and
- c. the right of any directors appointed by Baghlan to Bahar Energy to vote at a meeting of the board of directors of Bahar Energy is suspended until the Default Amount has been paid in full, together with the Default Interest.

Greenfields drew approximately \$16.5 million of the US\$21 million available under the loan facility dated June 27, 2014 noted above to make this payment.

## **Operating Highlights and Plans**

- Work continued in the third quarter 2014 on the recording, processing and interpretation of the 3D seismic over the Gum Deniz Oil Field, which was contracted in 2013. At the end of the quarter, a total of 67 square kilometers of data had been acquired. The acquisition rate did not improve as was expected during the spring and summer months as strong winds and seas continued to impede the seismic acquisition. The Company intends on continuing the seismic acquisition in order to acquire as much data as possible prior to the onset of winter weather. The Company anticipates that sufficient data will be acquired to image the entire Gum Deniz Oil Field and the Company has commenced fast track processing of the data patches acquired to date. The Company anticipates that this fast track processing will allow for early structural mapping to be done before the more detailed processing is completed. Once the acquisition is completed and the new data are processed and interpreted, the revised Gum Deniz reservoir model will be used to improve well site selection for the drilling program.

- The interpretation of the 3D seismic survey on the Bahar-2 exploration block recorded in 2012 was completed. Amplitude versus offset (AVO) analysis of the data delineated 12 prospects that exhibited characteristics of being gas filled. Drilling options and costs for testing the prospects are being evaluated to determine the economic viability of the prospects.
- In September 2014, BEOC re-entered the Gum Deniz 38 island well, which was idle for more than 50 years. After a short workover and recompletion, the well averaged 286 bbl/d over the following 30 days. BEOC plans to pursue workovers of wells similar in profile to the Gum Deniz 38 and further optimize production with selected installations of additional ESPs. In addition, in October, BEOC recompleted the Bahar field B-175 gas well in the Hor-X sands and current production remains stable at a rate of 3.5 mmcf/d.
- BEOC suspended new drilling operations in April because the drilling contractor failed to maintain appropriate insurance coverage for the drilling operations. BEOC is using the break in the drilling schedule to evaluate the recent drilling results, integrate the results of the current 3D seismic program and possibly tender for a more cost efficient drilling rig with expanded capabilities.
- Construction activity in the third quarter 2014 continued to focus on platform upgrades, primarily in the Bahar Gas Field, to support workovers and on facilities improvement in the tank farm and process area.

### Selected Information

The selected information below is from the Greenfields' Management Discussion & Analysis for the three and nine months ended September 30, 2014. The Company's complete financial statements as of and for the three and nine months ended September 30, 2014 and 2013 with the notes thereto and the related Management's Discussion & Analysis can be found on Greenfields' website at [www.Greenfields-Petroleum.com](http://www.Greenfields-Petroleum.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). All amounts below are in thousands of US dollars unless otherwise noted.

### Greenfields Petroleum Corporation

(US\$000's, except as noted)	Three months ended September 30		Nine months ended June 30	
	2014	2013	2014	2013
<b>Financial</b>				
Revenues	612	575	1,508	1,946
Net (loss) income	(717)	(58)	(4,516)	(3,344)
Per share, basic and diluted	(\$0.04)	(\$0.00)	(\$0.23)	(\$0.21)
<b>Capital Items</b>				
Cash and cash equivalents			2,216	3,986
Total Assets			81,830	44,477
Working capital			3,537	3,525
Convertible debt and Shareholders' equity			63,307	42,244

### Bahar Energy Limited (a Joint Venture)

(US\$000's, except as noted)	Total Joint Venture		Company's share	
	Three months ended September 30			
	2014	2013	2014	2013

<b>Financial</b>				
Revenues	16,388	24,671	5,462	8,223
Net income	2,547	4,734	849	1,578
<b>Operating</b>				
Average Entitlement Sales Volumes <sup>(1)</sup>				
Oil and condensate (bbl/d)	983	1,718	328	573
Natural gas (mcf/d)	18,153	19,005	6,050	6,334
Barrel oil equivalent (boe/d)	4,008	4,886	1,336	1,628
Average Oil Price				
Oil price (\$/bbl)	\$93.48	\$106.36	\$93.48	\$106.36
Net realization price (\$/bbl)	\$91.49	\$104.20	\$91.49	\$104.20
Brent oil price (\$/bbl)	\$101.90	\$110.23	\$101.90	\$110.23
Natural gas price (\$/mcf)				
	\$3.96	\$3.96	\$3.96	\$3.96
<b>Capital Items</b>				
Total Assets	215,632	165,362	71,870	55,115
Total Liabilities	53,282	50,456	17,759	16,817
Net Assets	162,350	114,906	54,111	38,298

	Total Joint Venture		Company's share	
	Nine months ended September 30			
	2014	2013	2014	2013
<i>(US\$000's, except as noted)</i>				
<b>Financial</b>				
Revenues	56,739	63,417	18,911	21,137
Net income	11,647	1,833	3,882	611
<b>Operating</b>				
Average Entitlement Sales Volumes <sup>(1)</sup>				
Oil and condensate (bbl/d)	1,083	1,572	361	524
Natural gas (mcf/d)	21,991	14,423	7,330	4,807
Barrel oil equivalent (boe/d)	4,748	3,976	1,582	1,325
Average Oil Price				
Oil price (\$/bbl)	\$99.45	\$103.09	\$99.45	\$103.09
Net realization price (\$/bbl)	\$97.38	\$101.01	\$97.38	\$101.01
Brent oil price (\$/bbl)	\$106.56	\$108.28	\$106.56	\$108.28
Natural gas price (\$/mcf)	\$3.96	\$3.96	\$3.96	\$3.96
<b>Capital Items</b>				
Total Assets	215,632	165,362	71,890	55,115
Total Liabilities	53,282	50,456	17,759	16,817
Net Assets	162,350	114,906	54,111	38,298

<sup>(1)</sup> Daily volumes represent the Company's share of the Contractor Parties entitlement volumes net of compensatory petroleum and the government's share of profit petroleum. Effective October 1, 2013, the compensatory petroleum increased from 5% to 10% where it will remain until specific cumulative oil and gas production milestones are attained.

## About Greenfields Petroleum Corporation

Greenfields is a junior oil and natural gas Company 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).

## Forward-Looking Statements

*This press release contains forward-looking statements. More particularly, this press release may include, but is not limited to, statements concerning: increased average production, drilling and completion plans and the expected timing thereof, seismic acquisition, construction activity and the Company's operational plans. In addition, the use of any of the words "initial", "scheduled", "can", "will", "prior to", "estimate", "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.*

## Notes to Oil and Gas Disclosures

*Barrels 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 Project for its financial reporting and reserves disclosure.*

***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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