

# Greenfields Petroleum Corporation

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## **Bahar Energy:** Revitalizing Two Mature Fields Offshore in Caspian Sea

*June 2017*

*600 Ton crane barge  
removing PSG crane  
from Gum Deniz*

**TSX.V: GNF** *Platform 2*



# Forward-Looking Statements

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This presentation contains forward-looking statements. More particularly, this presentation contains statements concerning the anticipated future corporate plans and initiatives for Greenfields Petroleum Corporation ("Greenfields"). Some of the forward-looking statements can be identified by words such as "expects", "anticipates", "should", "believes", "plans", "will" and similar expressions. Specifically, forward-looking statements in this presentation include the anticipated milestones schedule, the amount of anticipated net annual cash flow and the company's drilling program. The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Greenfields, including expectations and assumptions concerning timing of receipt of required shareholder, regulatory or third party approvals, the availability of equity investment, the ability to acquire assets, the success of future drilling and development activities, the performance of existing wells, the performance of new wells, the application of regulatory and royalty regimes, the volatility of oil and gas prices, the receipt of cooperation from contractual counterparties where their assistance is required and prevailing commodity prices and exchange rates.

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## **Measurement**

Where amounts are expressed on a barrel of oil equivalent ("BOE") basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet per barrel. The term BOE may be confusing, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

## **Currency**

All amounts in this presentation are in US dollars unless otherwise noted.

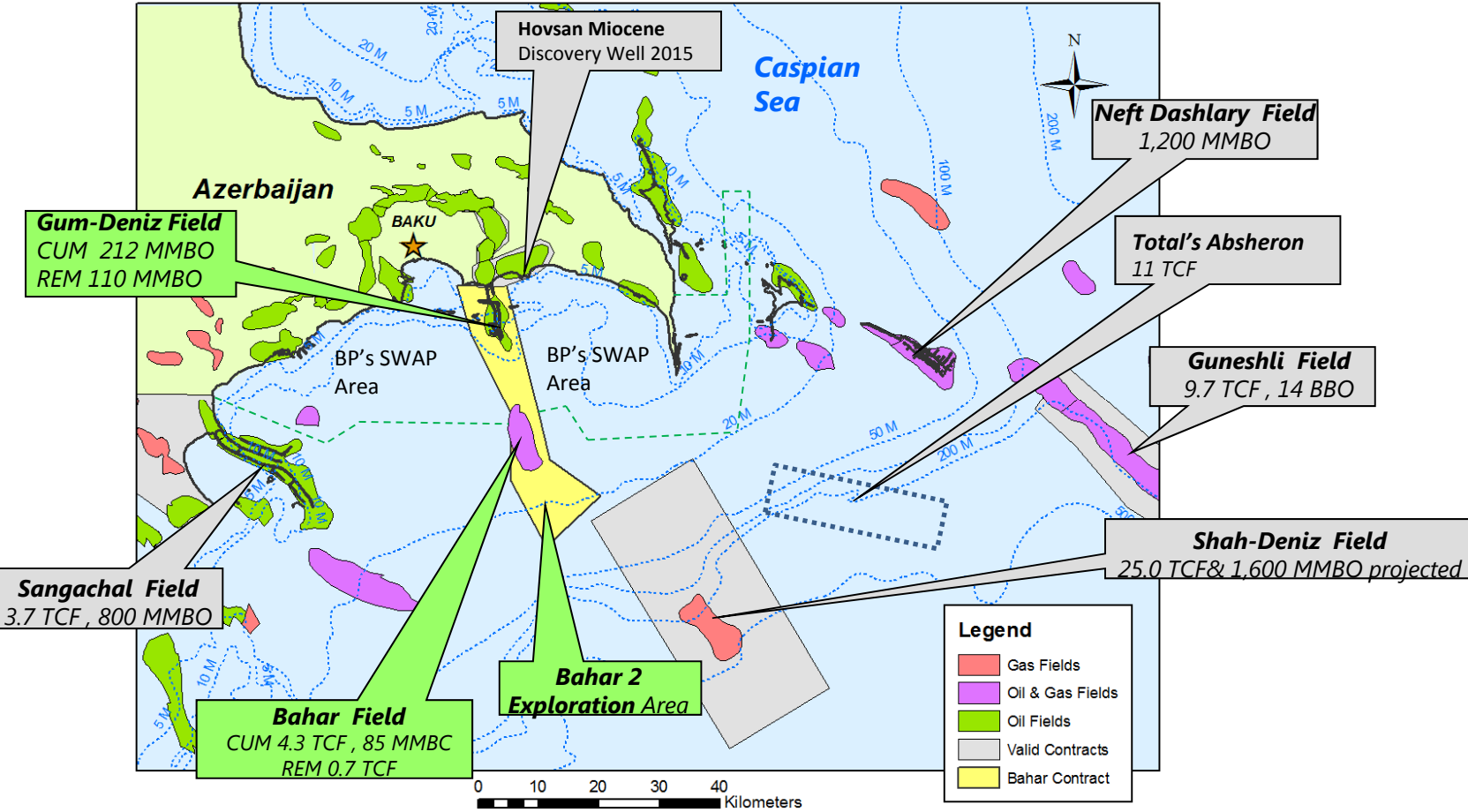
# Greenfields Petroleum Corporation - Background

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- **Bahar** Production Sharing Agreement (PSA) in Azerbaijan  
October 2010
  - Greenfields 1/3 interest
  - all PSA Obligations met
- Purchased partners 2/3 interest of Bahar project from Liquidators (PWC) and restructured corporation in 2016
- Greenfields has 80 % and SOCAR has 20% interest in the Bahar PSA

# Offshore Shallow Water Caspian Sea, Azerbaijan

“The Neighborhood of Big Oil and Gas – Billion Barrel and Multi TCF Fields”



# Azerbaijan Operating Environment

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- **Proven Resources**
  - Oil Fields Billion barrels
  - Gas fields 10's of TFC
- **Contract Integrity**
  - PSA adjudicated by Milli Medjlis
  - Rule of Law

# Bahar ERDPSA – closer look



Satellite image of the Bahar Energy Ltd. ERDPSA area in offshore Azerbaijan.

## Contractor Parties

**Bahar Energy Limited** (80 %)  
wholly owned subsidiary of Greenfield Petroleum Corporation\*

**SOCAR Oil Affiliate** (20%)

2017 Gross Production (April) 4,550 BOE/d

Bahar Reserves (P1+P2)\*  
10.2 MMBO  
168 BCF  
40 MMBOE

Asset Valuation PV10 (P1+P2)\* ~\$318 million

\* GLJ Year End 2016 Reserves Report

# Marketing



## OIL

All volumes sold to SOCAR Marketing

- pipeline shipped to Novarossiysk (or Supsa)
- liftings every 6 to 10 days

Realization: Brent (less ~US\$4/b)

## GAS

Sold to SOCAR Gas Export

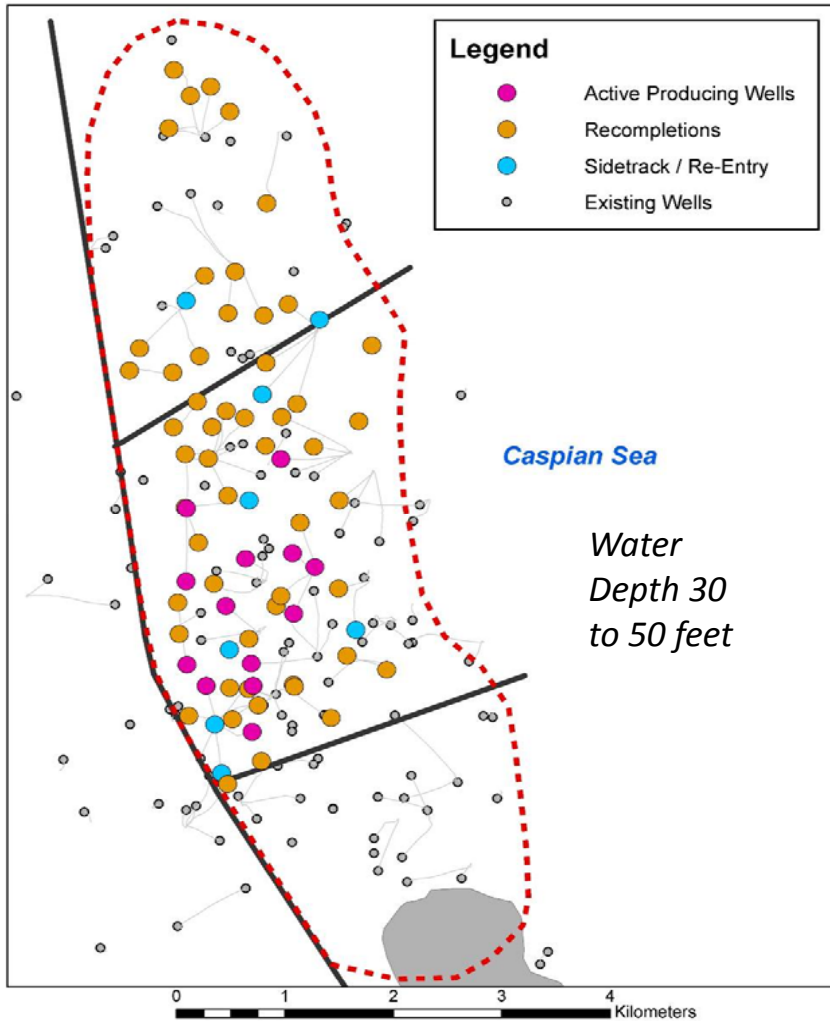
Take or Pay Contract

All Non Associated Gas in  
PSA

Realization: US\$2.68/mcf

# Bahar Gas Field

Cumulative production of 4.3 TCF, 84.0 MMBBL of condensate

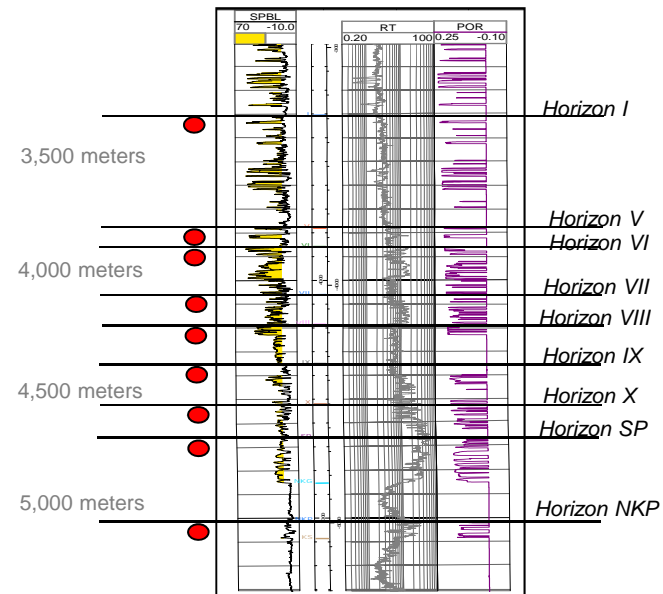


Initial production 1969

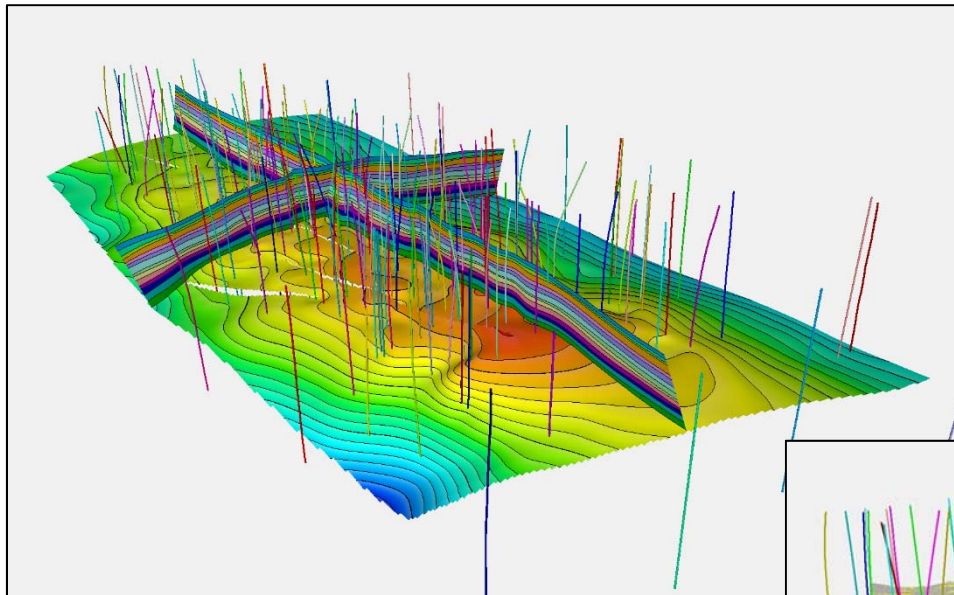
Peak of 591 MMcf/d & 13,900 B/d 1985

OGIP of 6.9 TCFG in 12 stacked reservoirs

Currently 63% RF and ultimately 70% RF

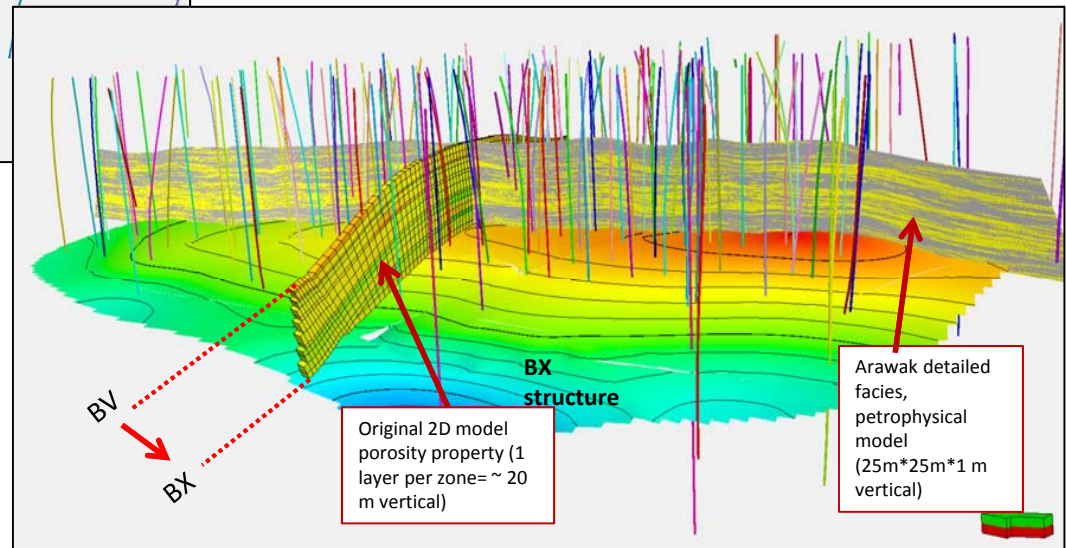


# Bahar Reservoir Model



- The high resolution grid consists of 1416 layers and 111 million grid cells from the Balakhany BV to BIX.
- Incorporates all faults as identified by seismic
- Static and Dynamic simulations

- Identified **51 recompletions** located on 23 existing platforms
- **Additional reserves 318 to 720 BCF**



# Improved Operations

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- 1. Operating costs** reductions (down to \$22-25MM)
  - Devaluation of Azeri Manats
  - Renegotiate all services
  - Reduction in personnel
- 2. Capital cost** reductions for platform refurbishment
  - From \$70MM to \$18MM for 17 gas platforms



# BH Plt 83/162 Accommodation

BEFORE



AFTER



# BH Plt 83/162 Connection Bridge

BEFORE



AFTER



# BH Plt 83/162 Production Deck

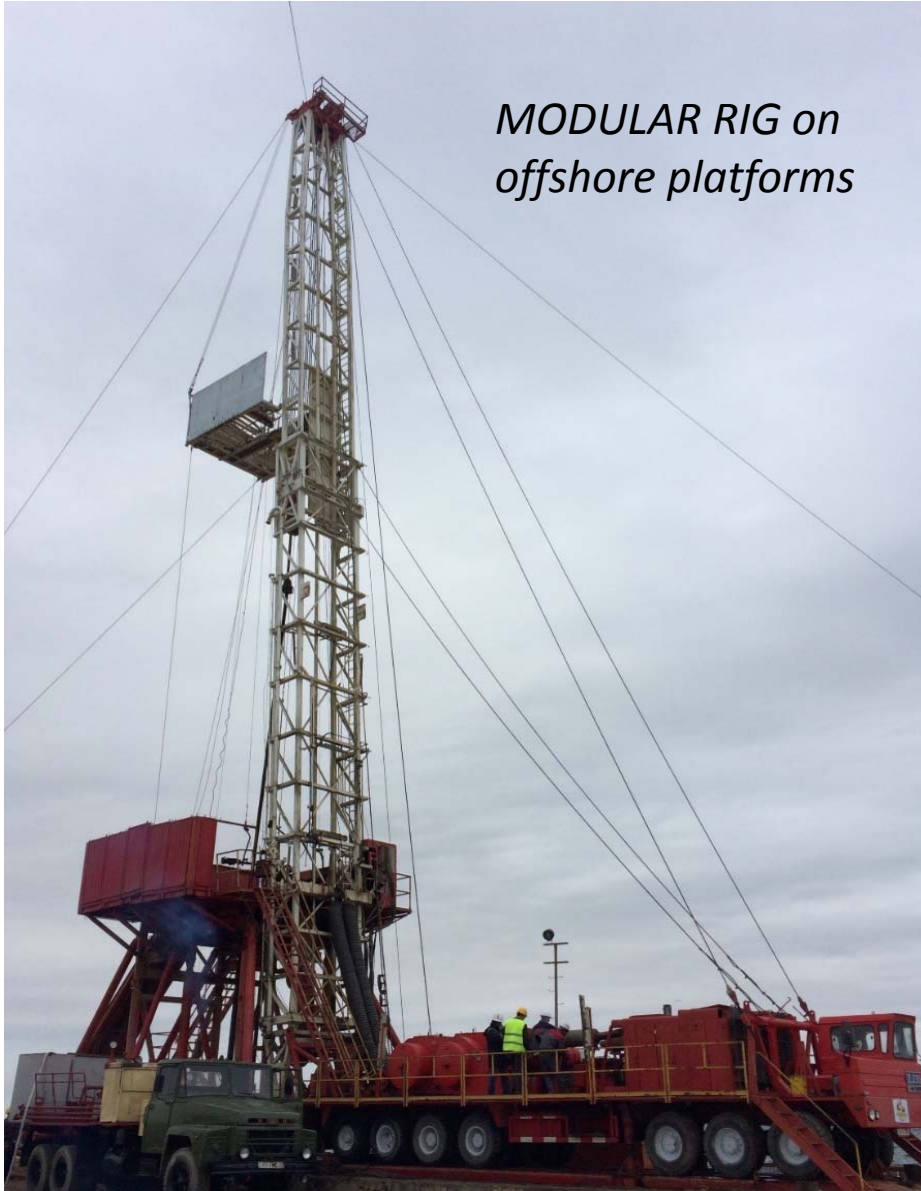
BEFORE



AFTER



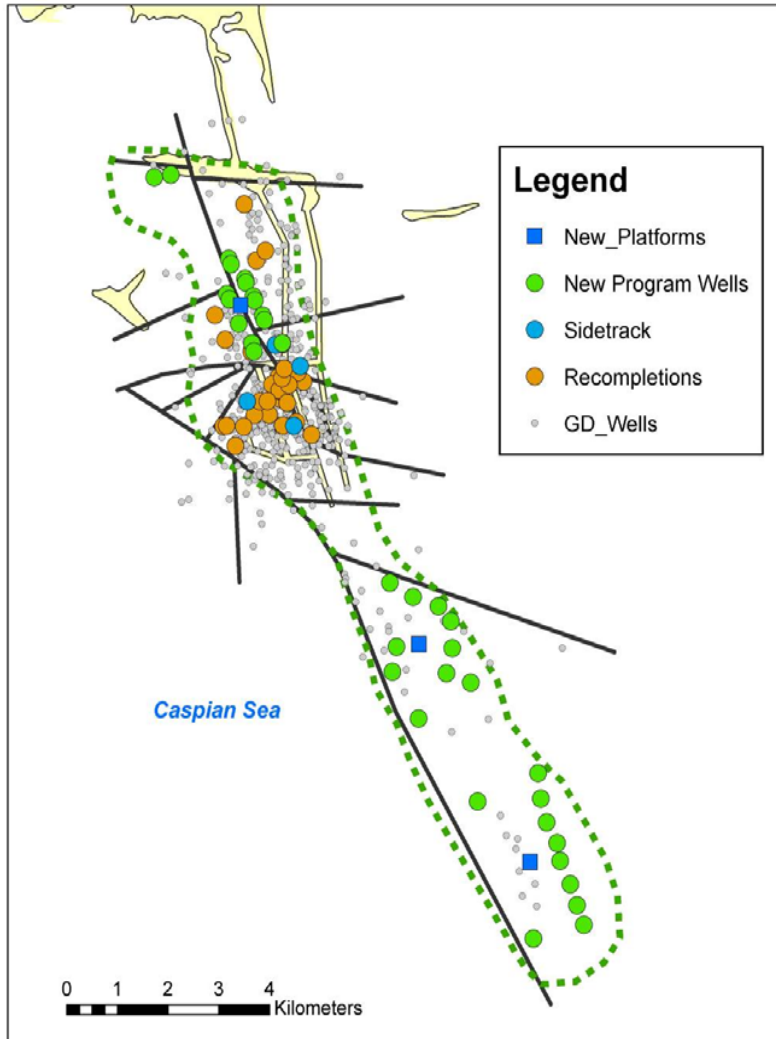
# BH Plt 83/162



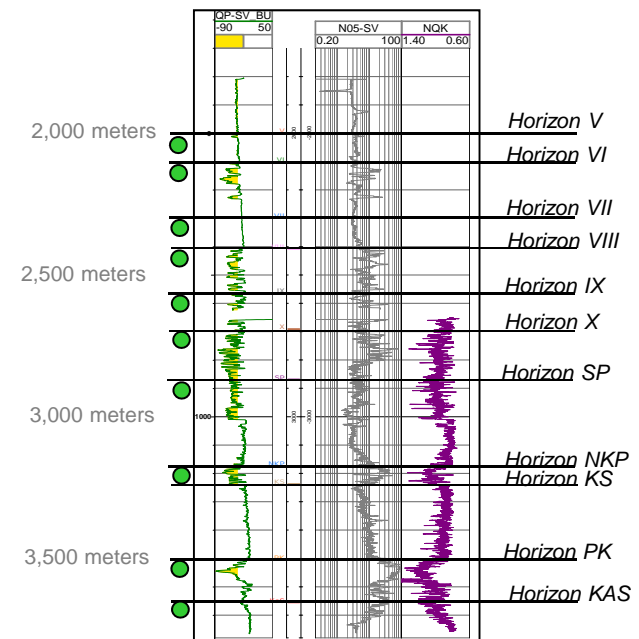
# Gum Deniz Oil Field

Cumulative production 212 MMBO

Average cumulative production per well of 556 MBOE

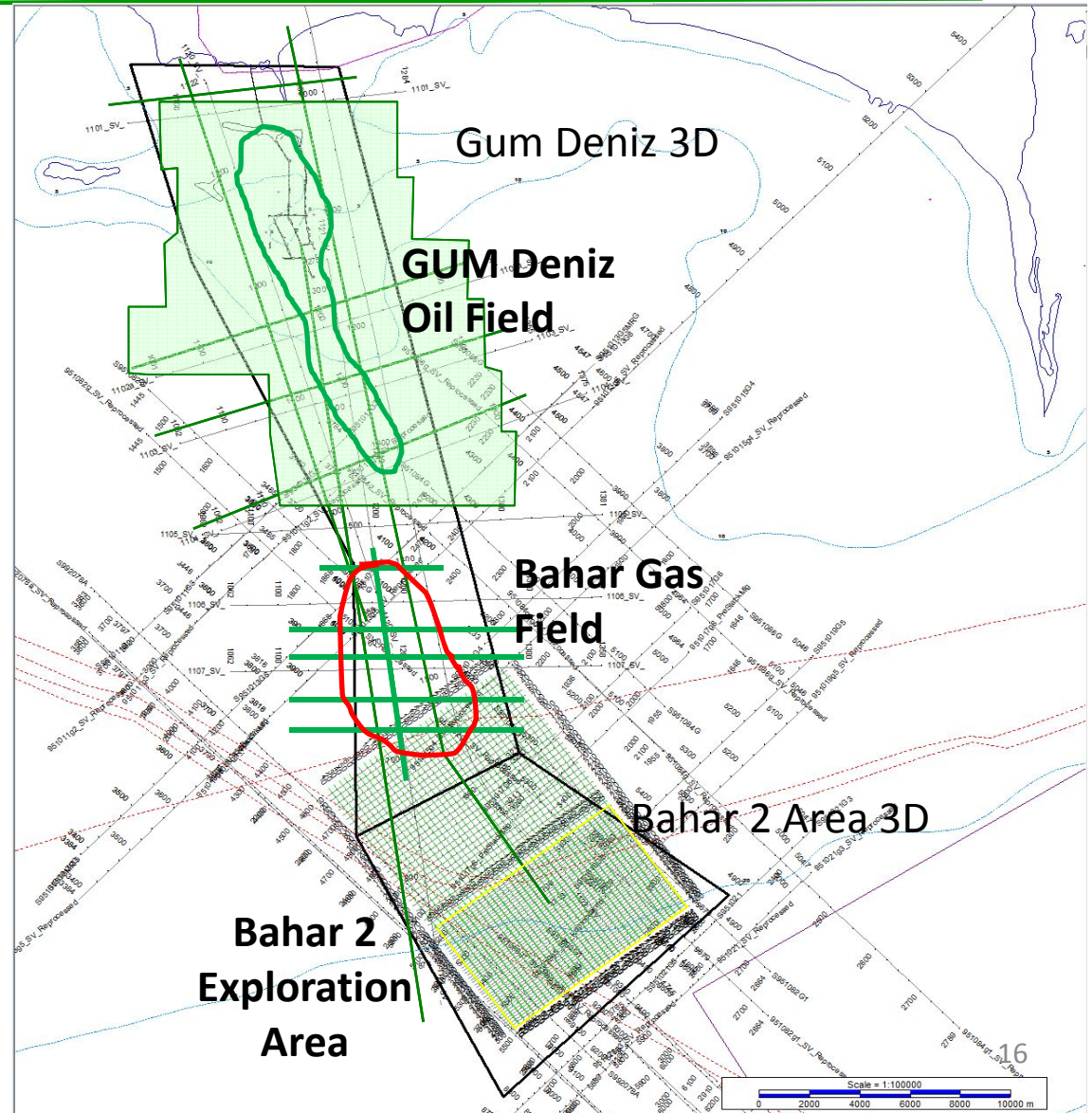


- Discovered in 1950's 484 wells  
~2.3+ BB 00IP
- Peak Production of 46,400 B/d in 1964.

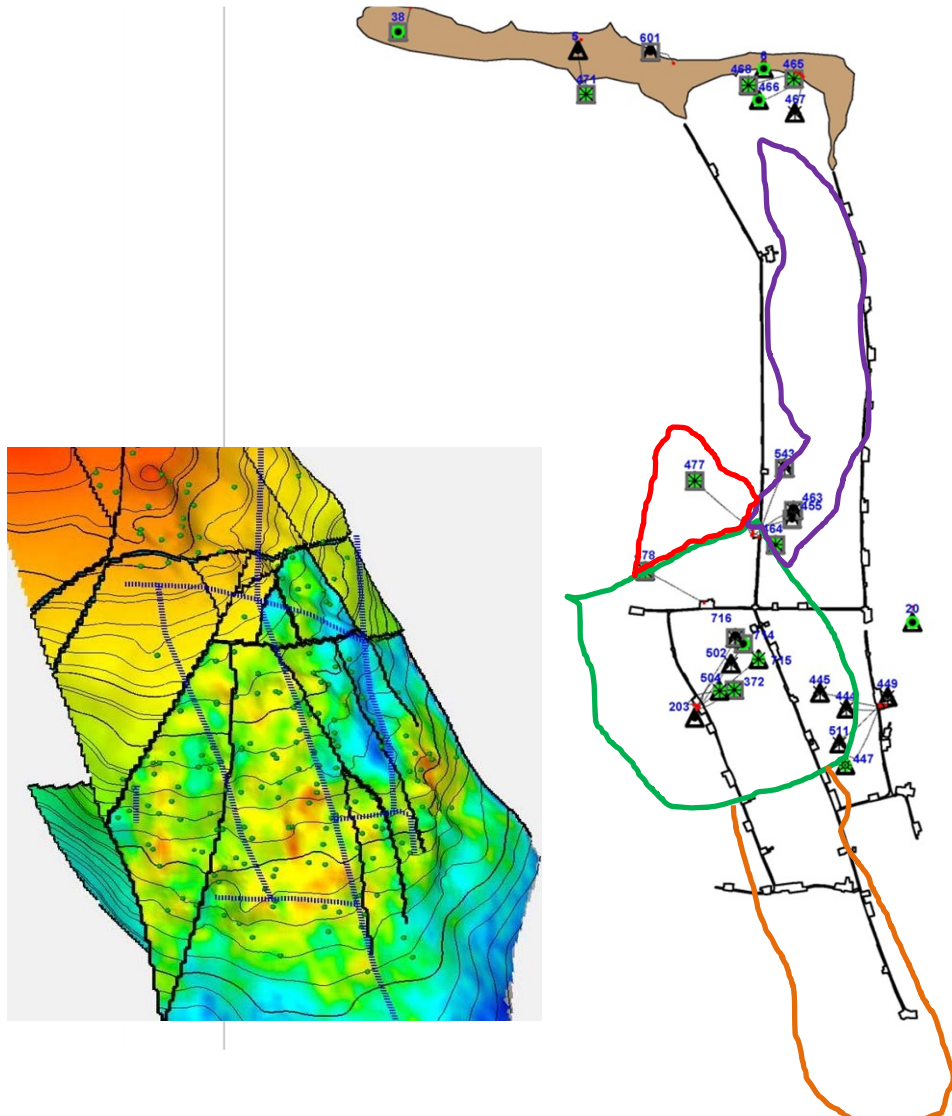


# Bahar PSA Seismic

- 2D:
  - 208 lkm 1995 Data
  - 115 lkm 2011 Data
  - 50 lkm 2015 Data
- **Gum Deniz 2015 3D:**
  - **102 Sq.Km.**
- Bahar 2 Area 2012 3D:
  - 100 Sq.Km.



# Gum Deniz Waterflood Program (~40 to 100 MMB)



## PHASE ONE

### 1. Central Block

Zones SP, 10, 9, 8

565 MMB OOIP

**WF Potential 35MMB**

### 2. North Block

Zones 10, 9, 7

29MMB OOIP

**WF Potential 5MMB**

## PHASE TWO

### 3. Southern Block

Zone 10

360 MMB OOIP

**WF Potential 31MMB**

### 4. Northeastern Block

Zones KAS & PK

308 MMB OOIP

**WF Potential 71MMB**

**GREENFIELDS PETROLEUM CORPORATION**

# Going Forward

- Dramatic operating costs reductions
  - \$89MM reduced to ~\$25MM (\$12 per B)
  - Reduced personnel & contract services
- Gum Deniz and Bahar workovers and recompletions ongoing
  - Focus on growing gas sales volumes while oil prices are low
  - Grow production to over 10,000 by end of 2018
- Dynamic model simulations of the two fields
- Water Flood pilots in 2017 -2018
- Evaluating partners for deeper Exploration opportunities.



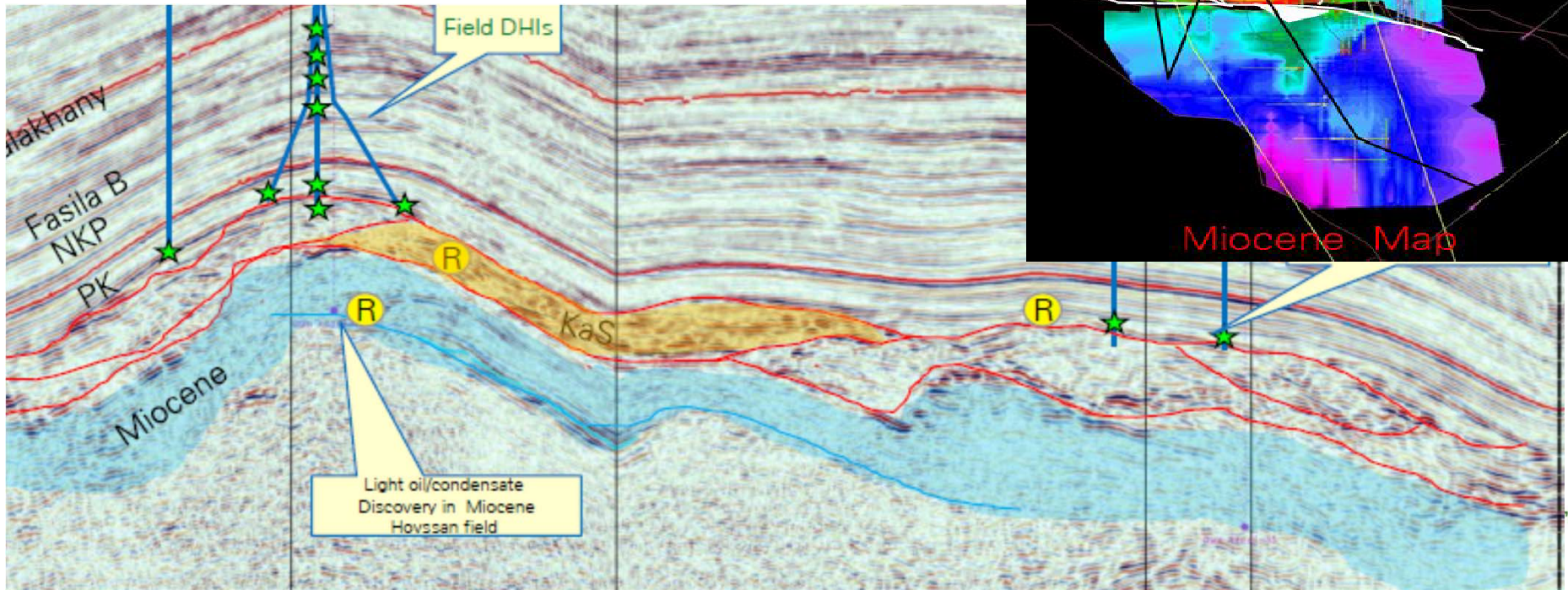
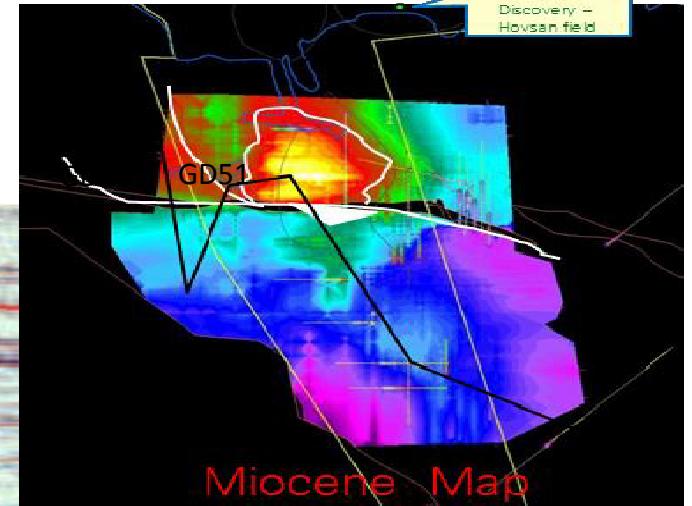
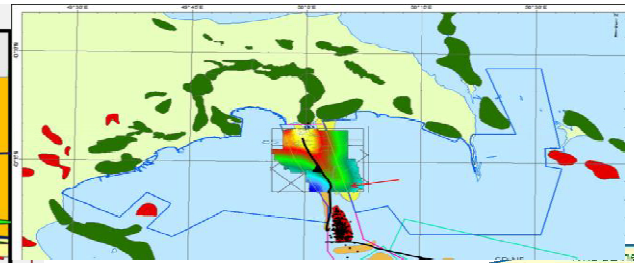
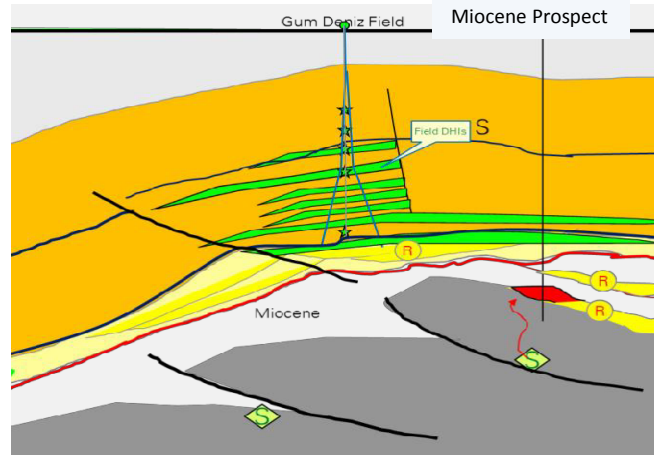
PSG 1 Rig on GD Platform 2

# Gum Deniz Exploration Model

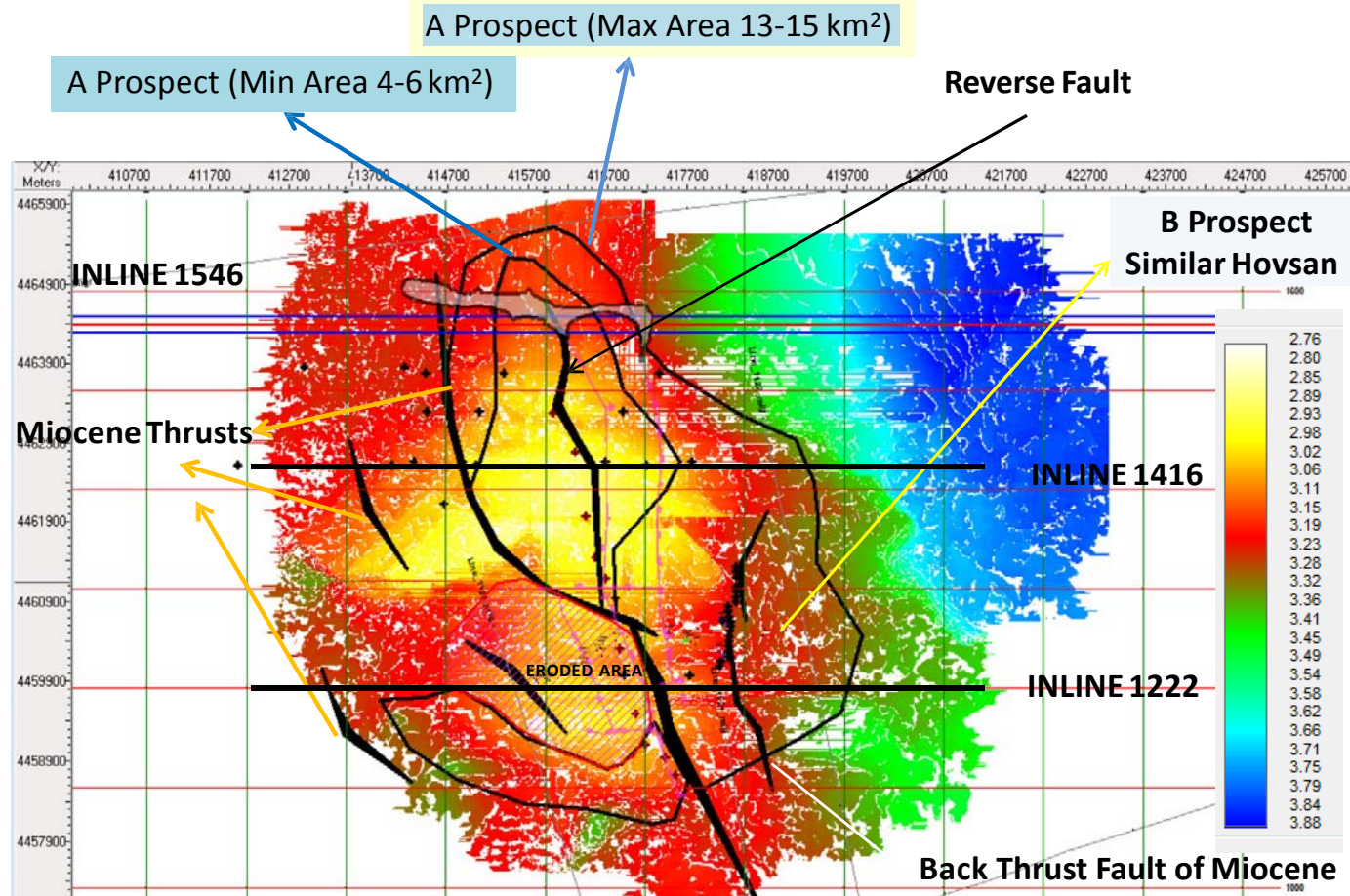
Miocene reservoirs in closure. Miocene gas condensate test north of Gum Deniz was flowing **27mmscfd and 1400bbbls** of condensate from a depth of 4610m (2015)

Gum  
Deniz  
Field

GD23



# Gum Deniz Miocene Prospect



*Potential to test 500 BCF prospect from Gum Island*

# Successful Partnerships

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## SOCAR

### Workshops

- Gas Well Perforating Strategy
- Artificial Lift Alternatives (Offshore ESPs)
- Cased Hole Cementing
- Fishing Strategy and Techniques

## VITOL and Arawak

Operations support  
Exploitation Management  
Reservoir Modelling

# Keys to Success in Rehabilitating Mature Fields

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## Azerbaijan

### Giant Oil and Gas Fields

- Big fields get bigger throughout redevelopment

### Supportive Partners

- technical and operational knowledge

### Stable Investment Environment

- Production Sharing Agreement
- Oil and Gas Offtake Agreements

# Contact Information

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*Bay of Baku is a natural harbor on the shore of the Absheron Peninsula*

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