GREENFIELDS PETROLEUM CORPORATION ahead of the curve

Greenfields Petroleum Corporation Announces Third Quarter 2019 Financial and Operating Results

Houston, Texas (November 29, 2019) – Greenfields Petroleum Corporation (the "**Corporation**" or "**Greenfields**") (TSX VENTURE: GNF), a production focused company with operating assets in Azerbaijan, announces its financial and operating results for the three and nine months ended September 30, 2019 and the extension of senior secured debt payments and forbearance of senior lender's previously announced repayment demand.

Selected financial and operational information included below should be read in conjunction with the Corporation's condensed consolidated financial statements for the three and nine months ended September 30, 2019 and related management's discussion and analysis ("**MD&A**"), which can be found at **www.Greenfields-Petroleum.com** and on SEDAR at **www.sedar.com**. Except as otherwise indicated, all dollar amounts referenced herein are expressed in United States dollars.

Third Quarter 2019 Highlights

- The Corporation's entitlement share of sales volumes ("Sales Volumes") resulted in revenue of $7.38 million in Q3/19 and $21.81 million YTD 2019, a decrease of 8% relative to Q3/18 and 10% relative to YTD 2018, primarily due to a decrease in oil prices.
- Sales Volumes averaged 610 bbl/d for crude oil and 17,080 mcf/d for natural gas or 3,456 boe/d in Q3/19 and 607 bbl/d, 16,294 mcf/d or 3,323 boe/d YTD 2019. As compared to Q3/18, Sales Volumes increased 9% for crude oil, decreased 4% for natural gas and 2% for boe/d, while YTD 2019 Sales Volumes in comparison to YTD 2018, decreased 5% for crude oil, 4% for natural gas and 4% for boe/d.
- Realized oil price averaged $55.12/bbl for Q3/19 and $58.30/bbl YTD 2019, a decrease of 21% and 12% in comparison to an average price of $69.65/bbl and $66.43/bbl in Q3/18 and YTD 2018, respectively. The price of natural gas has been fixed at $2.69/mcf since April 1, 2017.
- Operating costs were $5.91 million for Q3/19 and $16.15 million YTD 2019, an increase of 6% and 3%, respectively, relative to costs of $5.57 million and $15.7 million in Q3/18 and YTD 2018.
- Capital expenditures were $1.4 million for Q3/19 and $3.02 million YTD 2019, a decrease of 22% and 37%, respectively, relative to expenditures of $1.8 million and $4.8 million in Q3/18 and YTD 2018.
- After interest and depreciation expenses, the Corporation realized a net loss of $3.6 million for Q3/19 and $9.19 million YTD 2019, which represents a loss per share (basic and diluted) of $0.20 and $0.51, respectively. The Corporation also realized a net loss of $2.1 million in Q3/18 and $5.6 million YTD 2018 with a loss per share (basic and diluted) of $0.12 and $0.31, respectively.

Operational Review

- In Q3/19 BEOC continued its excellent safety and environmental record, with no 'Lost Time Incidents', no 'Reportable Incidents' and no spills.
- Gross crude oil production in Q3/19 was 723 bbl/d, a decrease of 11% relative to Q2/19. In Q3/19, eight workovers were completed and the wells returned to production. At end of September 2019, four wells were under workovers. In the quarter, 29 well workovers and service jobs were completed and 19 were successful. The workovers generally involve re-entering existing wells and restoring production by cleaning out sand and debris, adding perforations or changing out failed electric submersible pumps ("ESPs").
- Gross gas production from the Bahar Gas Field in Q3/19 was 19,919 mcf/d, a decrease of 1% relative to Q2/19, as CAPEX workover was completed on well B182 in the Bahar Gas Field and it was returned to production at 0.88 mmcf/d.
- Operating costs were $5.91 million for Q3/19, a 17% increase relative to Q2/19 spending of $5.03 million. Administrative expenses for Q3/19 were $0.6 million compared to $0.5 million in Q2/19.
- Capital expenditures were $1.4 million for Q3/19, an increase of 44% relative to $1.0 million in Q2/19, as CAPEX workover was completed on well B182.

- Re-development of South Gum Deniz is moving forward with workover work on GD 430 to prepare the well for ESP installation. Seven wells in total will be equipped with ESPs and will be powered by onsite power generation.

Commenting on the results, John Harkins, CEO said:

"We continue to build momentum in improving our operating performance in the third quarter and remain focused on realizing the core value attributable to our operations and substantial proven reserves. Although production during the quarter showed a slight decline compared to the second quarter, we have recently positioned rigs on key platforms to start recompletions in both oil and gas wells that, if successful, should materially enhance our production over future periods.

We continue to drive performance improvements with workovers that have contributed to restoring and stabilizing production.

Critical to our industry, we are also very pleased with the safety consciousness in the Bahar Project and we have achieved our best safety record in ten years."

Selected Financial Information

(US$000's,except as noted)	**Three Months Ended September 30**		**Nine Months Ended September 30**	
	2019	**2018**	**2019**	**2018**
Financial				
Revenues				
Crude oil and natural gas	7,378	8,046	21,806	24,180
EBITDA [(1)] [(4)]	508	1,753	2,990	5,462
Net loss	(3,650)	(2,077)	(9,194)	(5,559)
Per share, basic and diluted	($0.20)	($0.12)	($0.51)	($0.31)
Operating				
Average Entittlement Sales Volumes [(2)]				
Crude Oil (bbl/d)	610	561	607	636
Change compared to same period in 2018	9%		-5%	
Natural gas (mcf/d)	17,080	17,742	16,294	16,965
Change compared to same period in 2018	-4%		-4%	
Barrel oil equivalent (boe/d)	3,456	3,518	3,323	3,463
Change compared to same period in 2018	-2%		-4%	
Entitlement to gross sales volumes [(3)]	87%	82%	85%	86%
Prices				
Average oil price ($/bbl)	56.19	70.86	59.40	67.60
Net realization price ($/bbl)	55.12	69.65	58.30	66.43
Change compared to same period in 2018	-21%		-12%	
Brent oil price ($/bbl)	61.95	74.61	64.65	71.84
Natural gas price ($/mcf)	2.69	2.69	2.69	2.69
Net Realization price ($/boe) [(4)]	23.20	24.86	24.04	25.57
Operating cost ($/boe) [(4)]	(19.79)	(17.28)	(18.82)	(16.70)
Operating Netback ($/boe) [(4)]	3.41	7.58	5.22	8.87
Capital Items				
Cash and cash equivalents	2,710	206	2,710	206
Total Assets	192,215	198,603	192,215	198,603
Working capital	(26,157)	(3,320)	(26,157)	(3,320)
Long term debt and shareholders' equity (Does not include current portion of long term debt)	153,472	180,991	153,472	180,991

(1) EBITDA is total revenue net of operating expenses, general & administrative expenses, and before interest, taxes, non-cash charges/(income), intercompany charges and finance costs.

(2) Sales Volumes represent the Corporation's share of entitlement production marketed by SOCAR after in-kind production volumes delivered to SOCAR as compensatory petroleum and the government's share of profit petroleum. The Corporation's share of entitlement production includes the allocation of SOA's share of cost recovery production as stipulated by the ERDPSA Carry 1 recovery provisions. Compensatory petroleum represents 10% of gross production from the ERDPSA and continues to be delivered to SOCAR, at no charge, until specific cumulative oil and natural gas production milestones are attained.

(3) Represents the percentage of BEL's entitlement production volume relative to gross volumes delivered by the ERDPSA.
(4) "Net realization price", "operating cost", "operating netback" and "EBITDA" are Non-IFRS measures. For more information, see "*Non-IFRS Measures*" on page 3.

EBITDA

	Three Months Ended September 30		Nine Months Ended September 30	
(US$000's)	**2019**	**2018**	**2019**	**2018**
Revenues				
Crude oil and natural gas	7,378	8,046	21,806	24,180
Expenses				
Operating expenses	5,914	5,567	16,149	15,704
Lease expenses	333	-	820	-
Transportation and marketing	27	24	79	82
Administrative expenses	596	702	1,768	2,932
EBITDA	**508**	**1,753**	**2,990**	**5,462**

Repayment Demand and Review of Strategic Alternatives

On October 29, 2019, as previously announced, Vitol Energy (Bermuda) Ltd. ("Vitol"), the Corporation's senior debt lender, demanded repayment of all amounts owing under its secured loan agreement with the Corporation (the "Vitol Loan"). Subsequently, Vitol and the Corporation entered into a limited forbearance, deferral and reservation of rights agreement pursuant to which Vitol agreed to forbear from exercising its rights and remedies under the Vitol Loan and defer payments in the aggregate of $14.3 million (including restructuring fee-$1.4m) until December 31, 2019.

The Corporation continues to seek funding sources to provide capital for the Bahar Project expenditures and to replace its senior debt, including evaluating the potential for an equity placement or equity conversion to replace some or all its debt obligations. In addition, the Corporation is seeking to obtain deferral agreements in respect of its minority debt obligations by year-end 2019. In the interim, the Corporation continues to work to generate sufficient cash flow to meet its forward operating working capital obligations.

About Greenfields Petroleum Corporation

Greenfields is an oil and natural gas company focused on the development and production of proven oil and gas reserves in the Republic of Azerbaijan. The Corporation is the sole owner of **BEL**, a venture with an 80% participating interest in the **ERDPSA** with **SOCAR** and its affiliate **SOA**, in respect of the Bahar Project, which includes the Bahar Gas Field and the Gum Deniz Oil Field. BEL operates the Bahar Project through its wholly owned subsidiary Bahar Energy Operating Company Limited. More information about the Corporation may be obtained on the Greenfields' website at www.greenfields-petroleum.com.

Forward-Looking Statements

This press release contains forward-looking statements. More particularly, this press release includes forward-looking statements concerning, but not limited to: Greenfields' business strategy, objectives, strength and focus; operational execution and the ability of the Corporation to achieve drilling success consistent with management's expectations; the completion of workovers, recompletions, reactivations, equipping and refurbishments and the anticipated timing thereof; oil and natural gas production levels; and the repayment demand in respect of the Vitol Loan and the forbearance thereof; the ability to defer or comply with secured and unsecured debt obligations; and strategic alternatives available to the Corporation. 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 "anticipated", "scheduled", "will", "prior to", "estimate", "believe", "should", "future", "continue", "expect", "plan" 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 Corporation, including, but not limited to, expectations and assumptions concerning the success of optimization and efficiency improvement projects, the availability of capital, current legislation and regulatory regimes, 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 Corporation 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 Corporation 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 the MD&A which may be viewed on 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 Corporation's forward-looking information is expressly qualified in its entirety by this cautionary statement.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Greenfields' prospective results of operations, production, debt obligations and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document has been approved by management as of the date of this document and was provided for the purpose of providing further information about Greenfields' future business operations. Greenfields disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein.

Non-IFRS Measures

Within this document, references are made to terms which are not recognized under IFRS. Specifically, "net realization price", "operating cost" and "operating netback" do not have any standardized meaning as prescribed by IFRS and are regarded as non-IFRS measures. These non-IFRS measures may not be comparable to the calculation of similar amounts for other entities and readers are cautioned that use of such measures to compare issuers may not be valid. Non-IFRS measures are used to benchmark operations against prior periods and are widely used by investors, lenders, analysts and other parties. These non-IFRS measures should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. The definition and reconciliation of each non-IFRS measure or additional subtotal is presented herein.

Management also uses EBITDA as measure of operating performance to assist in assessing the Corporation's ability to generate liquidity through operating cash flow in order to fund future working capital needs and to fund future capital expenditures, as well as in measuring financial performance from period to period on a consistent basis. The Corporation believes that these measures are used by and are useful to investors and other users of the Corporation's financial statements in evaluating the Corporation's operating and cash performance because they allow for analysis of its financial results without regard to special, non-cash and other non-core items, which can vary substantially from company to company and over different periods.

"Net realization price", "operating costs" and "operating netbacks" are common non-IFRS measurements applied in the oil and gas industry and are used by management to assess the financial and operational performance of the Corporation. "Net realization price" indicates the selling price of a good less the selling costs. "Operating cost" provides an indication of the controllable cash costs incurred per boe during a period. "Operating netback" is a measure of oil and gas sales revenue net of royalties, production and marketing & transportation expenses. Management believes that these non-IFRS measures assist management and investors in assessing Greenfields' profitability and operating results on a per unit basis to better analyze performance against prior periods. The Corporation defines EBITDA as income from petroleum sale, net of General and administrative, and business development costs, and before interest, taxes, non-cash charges/(income), intercompany charges and finance costs.

The Operating Summary on page 10 of the MD&A includes a reconciliation of "net realization price", "operating cost" and "operating netback" to the most closely related IFRS measure.

Notes regarding Oil and Gas Disclosures

Barrels of oil equivalent or "boe" may be misleading, particularly if used in isolation. The volumes disclosed in this press release use a 6 mcf: 1 boe, 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 Corporation uses a 6 mcf: 1 boe ratio to calculate its share of entitlement sales from the Bahar Project for its financial reporting and reserves disclosure.

Abbreviations

bbl	*Barrel(s)*
Mbbl	*One thousand barrels*
$/bbl	*Dollars per barrel*
bbl/d	*barrels per day*
boe	*Barrels of oil equivalent*
boe/d	*Barrels of oil per day*
mcf	*thousand cubic feet*
mcf/d	*thousand cubic feet per day*

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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