



Greenfields Petroleum Corporation Announces Financial Results for the Three and Six Months Ended June 30, 2015 and Operations Update

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Houston, Texas – (August 27, 2015) – 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 second quarter and year-to-date of 2015. Except as otherwise indicated, all dollar amounts referenced herein are expressed in United States dollars.

Second Quarter and Year-to-Date 2015 Financial Results and Operating Highlights

- Subsequent to Bahar Energy Operating Company Limited (“**BEOC**”), being the operating company with respect to the Gum Deniz Oil Field and Bahar Gas Field, receiving confirmation from SOCAR that the TPR1⁽¹⁾ contractual obligations under the ERDPSA have been fulfilled, Bahar Energy Limited (“**Bahar Energy**”) paid the required \$2.0 million bonus to the State Oil Fund of the Republic of Azerbaijan. This payment secured Bahar Energy’s rights to the full twenty-five (25) year development and production term, through September 30, 2035, for the Contract Rehabilitation Area (as defined in the ERDPSA). At SOCAR’s request, the bonus payment had been withheld until issuance of SOCAR’s official confirmation letter which was received by BEOC in May 2015.
- The Company’s 33.33% share of Bahar Energy entitlement sales volumes averaged 347 bbl/d and 4,793 mcf/d or 1,145 boe/d in the second quarter 2015, and 311 bbl/d and 4,796 mcf/d or 1,110 boe/d year-to-date 2015. In comparison to the average volumes for the same quarter in 2014, bbl/d, mcf/d and boe/d volumes increased 8% for oil and decreased 31% for gas, and decreased 23% for boe/d, respectively. Year-to-date 2015 average volumes decreased for oil, gas and boe/d by 18%, 40% and 35%, respectively, when compared with same period in 2014.
- For the second quarter and year-to-date 2015, the Company, through its interest in Bahar Energy, realized an average oil price of \$53.58 and \$50.31 per barrel, respectively. This price decreased in comparison with an average of \$99.47 and \$100.04 per barrel realized for the same periods in 2014. The Company realized an average natural gas price of \$3.96 per mcf for the same periods, which is a contractually constant fixed price.
- For the second quarter and year-to-date 2015, the Company’s 33.33% share of Bahar Energy financial results represented net income of \$0.5 million and \$0.7 million, respectively. These results compare to a net loss of \$0.2 million and net income of \$3.0 million for the same periods in 2014.
- For the second quarter and year-to date 2015, the Company realized net losses of \$3.0 million and \$4.3 million, respectively, which represents a loss per share (basic and diluted) of \$0.14 and \$0.21. In comparison with the same periods in 2014, the Company realized net losses of \$4.9 million and \$3.8 million with losses per share of \$0.24 and \$0.20.

- On June 30, 2015, the Company secured temporary relief from its June 1, 2015 interest payment of \$0.9 million by way of a waiver from the holders of more than 50% of the principal amount of the convertible debentures ("**Debentures**"). The Company failed to make the interest payment due within 30 days of June 1, 2015, and such failure potentially became an Event of Default (as defined in the indenture governing the Debentures (the "**Indenture**")). On June 30, 2015, a majority of the holders of Debentures instructed the trustee under the Indenture to waive the Event of Default. Pursuant to the waiver, the June 1, 2015 interest payment has been deferred until the earlier of: (i) December 30, 2015; and (ii) 15 business days after the receipt of payment from Bahar Energy of at least \$9.0 million towards the balance of default amounts due from Bahar Energy (as described below).
- On May 27, 2015, the Company's senior loan agreement dated November 25, 2013 was amended (the "**Amendment**") to allow for an increase to the existing credit facilities made available to the Company. Pursuant to the Amendment, the Company secured an additional \$2.0 million (the "**New Tranche**"). The funds available under the New Tranche are intended to finance the Company's ongoing development operations in Azerbaijan as it relates to the Gum Deniz Oil Field and Bahar Gas Field. The terms of the Amendment also allowed for the deferral until December 31, 2015 of \$1.1 million in interest payment due on July 1, 2015.
- On January 22, 2015, the Company completed a non-brokered private placement of 2,000,000 common shares of the Company at a price of CAD\$1.11 per share (USD\$0.90) for aggregate gross proceeds of \$1.8 million. The common shares were subject to a four-month hold period that expired on May 23, 2015.
- Pursuant to shareholders agreement of Bahar Energy ("**BSA**"), as at June 30, 2015, Greenfields Petroleum International Company Ltd. ("**GPIC**"), a wholly-owned subsidiary of the Company, had funded by way of loans to Bahar Energy, a total of \$22.1 million and accrued \$3.2 million of interest and financing costs in connection with the loans, for an aggregated loan balance of \$25.3 million at June 30, 2015. The funding is to cover defaulted obligations (the "**Default Amount**") of Baghlan, the other shareholder of Bahar Energy. The Default Amount includes \$3.7 million funded year-to-date through June 2015.

Baghlan has failed to fund its share of the costs of Bahar Energy in accordance with the BSA and its loan funding obligation to Bahar Energy since January 2014. The BSA 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, the BSA stipulates that:

- 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;
 - 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 BSA) 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
 - 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.
- The Company continues to support the ongoing efforts of the Trustee and Receivers to effect the sale of Baghlan's interest in Bahar Energy to a qualified third party. The Company remains optimistic that the purchaser will pay the Default Amount and related interest and costs as owed by Baghlan. The potential transfer of interest will require the approval of SOCAR. The Company is looking forward to

the future participation of a well-funded partner to work with Greenfields and SOCAR to resume the redevelopment of the Bahar Gas Fields and the Gum Deniz Oil Field and realize the full exploitation potential of the remaining areas of the offshore block.

- TPR2⁽²⁾ was met on March 31, 2014, thus obligating SOCAR to begin funding SOA's twenty percent (20%) share of BEOC cash calls beginning in April 2014. SOCAR, however, has not funded their share and have advised that they are waiting to understand the future partnership relationship within Bahar Energy before funding SOA's obligations. At December 31, 2014, Bahar Energy had funded approximately \$12.8 million of the cash calls on behalf of SOA. Although the Bahar project created positive cash flows for Bahar Energy during 2014, all surplus cash was used to fund the unfunded cash calls of SOA. At June 30, 2015, Bahar Energy has funded its 80% share of BEOC cash calls from entitlement revenues for 2014 and SOA's 2015 cash calls in the amount of \$5.8 million have continued to go unfunded and are past due to BEOC. We are expecting the repayment of SOA's unfunded 2014 balance paid by Bahar Energy and the funding of SOA's past due 2015 cash calls owed to BEOC to begin soon after the sale of the Baghlan interest in Bahar Energy is completed.

⁽¹⁾ TPR1 refers to Target Production Rate 1 under the ERDPSA whereby BEOC must maintain a daily production rate for 90 consecutive days equal to 1.5 times the average 2008 production rate, that rate being 6,944 boe/d.

⁽²⁾ TPR2 refers to Target Production Rate 2 under the ERDPSA whereby BEOC must maintain a daily production rate for 30 consecutive days equal to 2.0 times the average 2008 production rate, that rate being 9,258 boe/d.

Operating Highlights and Plans

- Due to the October 1, 2015 expiration of the agreement for sale and purchase of natural gas from the Bahar Field between BEOC and SOCAR, an amendment has been submitted to SOCAR for approval.
- The Absheron Operating Company ("**AOC**") has advised BEOC that they will not pay outstanding obligations of about \$2.5 million (\$0.7 million for the Company's share) for services provided by BEOC under the facilities sharing agreement between the two entities. As a consequence of AOC's failure to pay, BEOC has terminated the agreement and requested approval of BEOC's Management Committee (formed by representatives of Bahar Energy and SOCAR) to take legal action against AOC.
- Gum Deniz oil production in second quarter 2015 averaged 1,353 bbl/d, an increase of 250 bbl/d from first quarter 2015. This production was below budget by 400 bbl/d due to BEOC's limited access to suitable marine vessels necessary to move rigs for workovers. During the quarter, a total of 10 recompletions and service workovers were conducted in Gum Deniz Oil Field.
- Bahar gas production averaged 18,318 mcf/d in second quarter 2015, approximately 1,242 mcf/d below first quarter 2015 and about 2,038 mcf/d below the proposed budget. Production declines have been affected by liquid loading. The Bahar workover program has been delayed due to the limited access to heavy crane vessels to move workover rigs.
- BEOC continued progress on several construction projects. The refurbishment of Bahar platform 48 (Phase 1) was completed while work is now underway on platforms 77 and 136. Also, a project to strengthen the Gum Deniz causeway continues as well as fire and safety upgrades on platforms 9, 450 and 209. A project design has been completed for a new gas lift line, an oil export line, and other infrastructural support.
- SOCAR will begin the removal of their derricks and platforms that pose a risk to BEOC safety and operations.
- The Pre-Stack Time Migration ("**PSTM**") processing of the 3-D data for Gum Deniz commenced in late May 2015 by PGS-Almaty in Kazakhstan after export of the data to the processor was approved by the Azerbaijan government authorities. The processing time is scheduled to take five months. A joint contractor/client meeting was held in Almaty in June to finalize the processing sequences and choices. The work is estimated to be completed in early Q4 2015.

- Initial processing of the Gum Deniz 3-D data was conducted on an expedited basis (Fast Track Volume) and provided to BEOC in early May 2015. Interpretation commenced and is ongoing. This preliminary volume will aid in providing support for initial 2016 drilling plans and 2015 workovers, while awaiting the completion of the PSTM processed data.
- The Bahar Field Reservoir Study awarded to ERA Consultants in February 2015 for the preparation of a detailed reservoir model to be used in selecting re-development opportunities, both workovers and drilling in the Bahar Gas Field, was completed in draft form with an initial report provided for review May 2015. The integration of report data with the recently acquired 50 line kilometers of 2-D seismic was completed in June 2015 and reviewed with BEOC and the Company's technical teams. A list of both workovers and new wells was proposed in the report as a result of the revised reservoir model. The proposed workover and drilling locations and targets are under review by BEOC for incorporation into the work program for year end 2015 and the work programs for 2016 and beyond.
- The tender for the integrated geological, geophysical, and reservoir engineering interpretation and reservoir model for the Gum Deniz field was awarded to ERA consulting by BEOC at the end of second quarter 2015. The goal of the study is to determine the flow units in the field, their extent, and hydrocarbon volumes, both initial and present, and prepare a revised development plan for their effective exploitation.

Selected Information

The selected information below is from the Greenfields' Management Discussion & Analysis for the three and six months ended June 30, 2015. The Company's complete financial statements as of and for the three and six months ended June 30, 2015 and 2014 with the notes thereto and the related Management's Discussion & Analysis can be found on Greenfields' website at www.Greenfields-Petroleum.com and on SEDAR at 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 June 30		Six months ended June 30	
	2015	2014	2015	2014
Financial				
Revenues	470	469	807	896
Net (loss) income	(2,995)	(4,900)	(4,346)	(3,799)
Per share, basic and diluted	(\$0.14)	(\$0.24)	(\$0.21)	(\$0.20)
Capital Items				
Cash and cash equivalents			710	4,910
Total Assets			87,683	65,772
Working capital			(2,016)	4,865
Convertible debt and Shareholders' equity			58,488	63,802

Bahar Energy Limited (a Joint Venture) ⁽²⁾

(US\$000's, except as noted)	Total Joint Venture		Company's share	
	Three months ended June 30		Three months ended June 30	
	2015	2014	2015	2014
Financial				
Revenues	10,756	17,453	5,817	5,817

Net (loss) income	1,440	(588)	481	(186)
Operating				
Average Entitlement Sales Volumes ⁽¹⁾				
Oil and condensate (bbl/d)	964	964	321	321
Natural gas (mcf/d)	20,952	20,952	6,983	6,983
Barrel oil equivalent (boe/d)	4,456	4,456	1,485	1,485
Average Oil Price				
Oil price (\$/bbl)	\$101.83	\$101.83	\$101.83	\$101.83
Net realization price (\$/bbl)	\$99.47	\$99.47	\$99.47	\$99.47
Brent oil price (\$/bbl)	\$109.69	\$109.69	\$109.69	\$109.69
Natural gas price (\$/mcf)	\$3.96	\$3.96	\$3.96	\$3.96
Capital Items				
Total Assets	203,072	199,292	67,684	66,424
Total Liabilities	41,018	42,175	13,671	14,058
Net Assets	162,054	157,114	54,013	52,366

(US\$000's, except as noted)	Total Joint Venture		Company's share	
	Six months ended June 30			
	2015	2014	2015	2014
Financial				
Revenues	20,186	40,351	6,728	13,449
Net (loss) income	2,187	9,099	729	3,032
Operating				
Average Entitlement Sales Volumes ⁽¹⁾				
Oil and condensate (bbl/d)	933	1,133	311	378
Natural gas (mcf/d)	14,391	23,941	4,796	7,980
Barrel oil equivalent (boe/d)	3,332	5,123	1,110	1,708
Average Oil Price				
Oil price (\$/bbl)	\$51.67	\$102.13	\$51.67	\$102.13
Net realization price (\$/bbl)	\$50.31	\$100.04	\$50.31	\$100.04
Brent oil price (\$/bbl)	\$58.08	\$108.93	\$58.08	\$108.93
Natural gas price (\$/mcf)	\$3.96	\$3.96	\$3.96	\$3.96
Capital Items				
Total Assets	203,072	199,292	67,684	66,424
Total Liabilities	41,018	42,175	13,671	14,058
Net Assets	162,054	157,114	54,013	52,366

⁽¹⁾ 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.

⁽²⁾ The Company's 33.33% interest in Bahar Energy Limited is disclosed in the Unaudited Condensed Consolidated Financial Statements as a Joint Venture and accounted for using the equity method.

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.

Forward-Looking Statements

This press release contains forward-looking statements. More particularly, this press release may include, but is not limited to, statements concerning: production, drilling and completion plans and the expected timing thereof, PSTM processing, the sale of Baghlan Group Limited's interest in Bahar Energy, expectations regarding the repayment of SOA's unfunded 2014 balance paid by Bahar Energy and the funding of SOA's past due 2015 cash calls owed to BEOC, and operating 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.

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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