



## Greenfields Petroleum Corporation Announces Financial Results for the Three and Nine Months Ended September 30, 2015 and Operations Update

Houston, Texas – (November 19, 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 third quarter and year-to-date of 2015. Except as otherwise indicated, all dollar amounts referenced herein are expressed in United States dollars.

### Update on Baghlan’s Interest

The Company continues to support the ongoing efforts of the Trustee, the Receivers and now the Liquidator, in the sale of Baghlan Group Limited’s (“**Baghlan**”) 66.67% share interest in Bahar Energy Limited (“**Bahar Energy**”) to a qualified third party. In the interim, the Company is providing the only source of funding to Bahar Energy Operating Company (“**BEOC**”) through loans to Bahar Energy, which, as previously disclosed by the Company, the Company financed through a third party lender and through the re-investment of entitlement revenues received by Bahar Energy. We anticipate these efforts will continue until such time as the Liquidator can complete the sale of Baghlan’s interest in Bahar Energy resulting in a new funding shareholder. The transfer of the Bahar Energy shares will require SOCAR approval before the sale can be finalized since it is considered a “change of control” for Bahar Energy under the ERDPSA.

Once the Bahar Energy share ownership situation is resolved, we expect SOCAR to begin funding their 20% share of the Bahar project through their SOCAR Oil Affiliate (“**SOA**”), including retroactive amounts due. The closing of the sale of Baghlan’s interest to a third party is expected to allow Greenfields to collect the \$26.3 million balance in Default Loans obligations due from Bahar Energy, as further described below.

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 Field and the Gum Deniz Oil Field and realize the full exploitation potential of the remaining areas of the offshore block.

Upon collection of the amounts due on Default Loans made to Bahar Energy, the Company plans to pay down and refinance its existing \$27 million senior secured loan maturing at the end of 2015 with another loan facility to extend the tenor of the debt with the potential of increasing the loan amount and reducing interest costs. The Company is also exploring opportunities for a reserves based lending facility.

### Third Quarter and Year-to-Date 2015 Financial Results and Operating Highlights

- Subsequent to BEOC receiving confirmation from SOCAR in May 2015 that the TPR1<sup>(1)</sup> contractual obligation under the ERDPSA have been fulfilled, 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).

- The Company's 33.33% share of Bahar Energy entitlement sales volumes averaged 413 bbl/d and 5,163 mcf/d or 1,273 boe/d in the third quarter 2015, and 345 bbl/d and 4,920 mcf/d or 1,165 boe/d year-to-date 2015. In comparison to the average volumes for the same quarter in 2014, oil increased 26%, gas decreased 15% and total boe/d decreased 5%. Year-to-date 2015 average volumes decreased for oil, gas and boe/d by 4%, 33% and 26%, respectively, when compared with same period in 2014.
- For the third quarter and year-to-date 2015, the Company, through its interest in Bahar Energy, realized an average oil price of \$43.13 and \$48.49 per barrel, respectively. This price decreased in comparison with an average of \$93.48 and \$99.45 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 third 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 \$1.2 million, respectively. These results compare to net income of \$0.8 million and \$3.9 million for the same periods in 2014.
- For the third quarter and year-to date 2015, the Company realized net losses of \$1.7 million and \$6.0 million, respectively, which represents a loss per share (basic and diluted) of \$0.08 and \$0.28. In comparison with the same periods in 2014, the Company realized net losses of \$0.7 million and \$4.5 million with losses per share of \$0.04 and \$0.23.
- 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 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 a \$1.1 million interest payment due July 1, 2015 and created the obligation for the Company to make three consecutive monthly payments of \$50,000 towards deferred interest during the period July through September 2015. Subsequent to the Amendment, the Company has obtained consent from the lender to defer, without penalty, the \$1.2 million interest payment due October 1, 2015. The deferral is currently through November 30, 2015, however, it is expected the lender will continue to support deferral of interest payments until the sale of Baghlan's share interest in Bahar Energy is completed.
- Pursuant to the shareholders agreement of Bahar Energy ("**BSA**"), as at September 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 \$4.2 million of interest and financing costs in connection with the loans, for an aggregated loan balance due of \$26.3 million as at September 30, 2015 (the "**Default Loans**"). The funding is to cover defaulted obligations (the "**Default Amount**") of Baghlan, the other shareholder of Bahar Energy.

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.
- TPR2<sup>(2)</sup> 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 its share and further advised that it is 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 September 30, 2015, Bahar Energy has funded its 80% share of BEOC cash calls from 2015 revenue entitlement and SOA's 2015 cash calls in the amount of \$8.6 million through September 2015 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.

<sup>(1)</sup> 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.

<sup>(2)</sup> 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

- On October 1, 2015, the existing agreement for sale and purchase of natural gas from the Bahar Gas Field between BEOC and SOCAR expired. An amendment extending the term of original contract has been approved by SOCAR. The amendment maintains the current pricing structure fixed at \$140 per cubic meter of gas or approximately \$3.96 per mcf and provides for contract termination after an agreed notice period is given.
- The Absheron Operating Company ("**AOC**") has advised BEOC that it will not pay outstanding obligations of approximately \$2.3 million (\$0.6 million for the Company's share) for services provided by BEOC under the facilities sharing agreement between the two entities after terminating the agreement in May 2015. BEOC, with the assistance of SOCAR, is continuing its attempts at collecting these past due payments from AOC. If current collection efforts fail, BEOC will consider the various legal actions available under the facilities sharing agreement.
- Gum Deniz oil production in third quarter 2015 averaged 1,334 bbl/d, down 20 bbl/d from second quarter 2015. This production was below forecast due to BEOC's limited access to suitable marine vessels necessary to move rigs for workovers. During the quarter, a total of 6 workovers and 10 service workovers were conducted in Gum Deniz Oil Field.
- Bahar gas production averaged 17,808 mcf/d in third quarter 2015, approximately 511 mcf/d below second quarter 2015. The overall gas production has been impacted by delays in the scheduled workover program due to the lack of access to heavy crane vessels to move workover rigs.
- BEOC continued progress on several construction projects. The refurbishment of Bahar platforms 48 (Phase 1) and 136 was completed. Work is now underway on platforms 77 and 180. Also, a project to strengthen the Gum Deniz causeway continues as well as fire and safety upgrades on platforms 9, 450 and 209. Project design work has been completed for a new gas lift line, an oil export line, and other infrastructural support.
- 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. A joint contractor/client meeting was held in Almaty in June to finalize the processing sequences and choices. An additional progress meeting with PGS was held in Almaty in October. The work is on track to be completed in Q4 2015.

- Initial “Fast Track” processing of the Gum Deniz 3-D data was completed and provided to BEOC in early May 2015. Interpretation commenced and is being integrated with the Gum Deniz full field model. The initial interpretation of this preliminary volume has identified 7 new locations for the development drilling program.

## Selected Information

The selected information below is from the Greenfields' Management Discussion & Analysis for the three and nine months ended September 30, 2015. The Company's complete financial statements as of and for the three and nine months ended September 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](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 September 30	
	2015	2014	2015	2014
<b>Financial</b>				
Revenues	356	612	1,163	1,508
Net (loss) income	(1,676)	(717)	(6,022)	(4,516)
Per share, basic and diluted	(\$0.08)	(\$0.04)	(\$0.28)	(\$0.23)
<b>Capital Items</b>				
Cash and cash equivalents			30	2,216
Total Assets			88,171	81,830
Working capital			(4,207)	3,537
Convertible debt and Shareholders' equity			56,770	63,307

### Bahar Energy Limited (a Joint Venture) <sup>(2)</sup>

(US\$000's, except as noted)	Total Joint Venture		Company's share	
	Three months ended September 30			
	2015	2014	2015	2014
<b>Financial</b>				
Revenues	10,561	16,388	3,520	5,462
Net income	1,422	2,547	474	849
<b>Operating</b>				
Average Entitlement Sales Volumes <sup>(1)</sup>				
Oil and condensate (bbl/d)	1,239	983	413	328
Natural gas (mcf/d)	15,491	18,153	5,163	6,050
Barrel oil equivalent (boe/d)	3,820	4,008	1,273	1,336
Average Oil Price				
Oil price (\$/bbl)	\$43.13	\$93.48	\$43.13	\$93.48

Net realization price (\$/bbl)	\$41.90	\$91.49	\$41.90	\$91.49
Brent oil price (\$/bbl)	\$50.41	\$101.90	\$50.41	\$101.90
Natural gas price (\$/mcf)	\$3.96	\$3.96	\$3.96	\$3.96
<b>Capital Items</b>				
Total Assets	204,476	215,632	68,152	71,870
Total Liabilities	41,291	53,282	13,762	17,759
Net Assets	163,185	162,350	54,390	54,111

(US\$000's, except as noted)	Total Joint Venture		Company's share	
	Nine months ended September 30			
	2015	2014	2015	2014
<b>Financial</b>				
Revenues	30,747	56,739	10,248	18,911
Net (loss) income	3,609	11,649	1,203	3,882
<b>Operating</b>				
Average Entitlement Sales Volumes <sup>(1)</sup>				
Oil and condensate (bbl/d)	1,036	1,083	345	361
Natural gas (mcf/d)	14,762	21,991	4,920	7,330
Barrel oil equivalent (boe/d)	3,496	4,748	1,165	1,582
Average Oil Price				
Oil price (\$/bbl)	\$48.49	\$99.45	\$48.49	\$99.45
Net realization price (\$/bbl)	\$47.19	\$97.38	\$47.19	\$97.38
Brent oil price (\$/bbl)	\$55.43	\$106.56	\$55.43	\$106.56
Natural gas price (\$/mcf)	\$3.96	\$3.96	\$3.96	\$3.96
<b>Capital Items</b>				
Total Assets	204,476	215,632	68,152	71,870
Total Liabilities	41,291	53,282	13,762	17,759
Net Assets	163,185	162,350	54,390	54,111

<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. Compensatory petroleum delivered to SOCAR is 10% where it will remain until specific cumulative oil and gas production milestones are attained.

<sup>(2)</sup> 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](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: the sale of Baghlan Group Limited's interest in Bahar Energy, expectations regarding SOCAR funding their 20% share of the Bahar project, the ability of Greenfields to collect Default Loans, the Company's plans with respect to its senior secured loan and obtaining future lending, the deferral of interest under the senior secured loan, 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, legal action against AOC, PSTM processing and production, drilling and completion plans and the expected timing thereof. 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. The volumes disclosed in this press release in regards to TPR1 and TPR2 production targets under the headings "Third Quarter and Year to Date 2015 Financial Results and Operating Highlights" uses a 5.559 mcf: 1boe conversion ratio as the Bahar Contract (ERDPSA) uses a 5.559 mcf: 1boe conversion ratio to measure total field production in calculating the 6,944 boe and 9,258 boe production thresholds for determining TPR1 and TPR2 target production milestones.*

*All volumes disclosed elsewhere 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.***

**For more information, please contact:**

**Greenfields Petroleum Corporation**

John W. Harkins  
Chief Executive Officer  
(832) 234-0800

A. Wayne Curzadd  
Chief Financial Officer  
(832) 234-0800

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

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