



20 September, 2017

**GAS PLUS KHALAKAN PROVIDES
AN OPERATIONAL UPDATE ON THE
SHEWASHAN FIELD**

Gas Plus Khalakan (“GPK”), the operator of the Shewashan oil field in the Kurdistan Region of Iraq, is pleased to provide an update on the operations and activity that has been delivered to further develop the Shewashan oil field.

Shewashan #4:

The 4th well drilled on the Shewashan field, Shewashan #4, has been completed as a deviated producer in the Qamchuqa reservoir formation only to first extract remaining recoverable oil from this reservoir. There are future plans to recomplate on the Kometan and Shiranish reservoirs. The well was put on production at a rate of 500 bbl/d and is connected to the early production facilities. The well completion utilized a hydrjet targeted acid stimulation through coiled tubing to enhance production from the fracture network. This is a technique that may now be applied to the other existing wells on the Shewashan field to further enhance productivity in the Qamchuqa and Kometan reservoirs. Water production is approximately 2500 bbl/d, an amount which is well within the design parameters of the new early production facilities.

Shewashan #1:

The Shewashan #1 well has been sidetracked and a new 4.5 inch liner installed. The well has now being recompleted on the Qamchuqa reservoir formation and is producing 750 bbls/day on a 24/64” choke and is currently water free. This well did not require a hydrjet targeted acid stimulation.

Shewashan #2:

The Shewashan #2 well which was previously producing 250 bbl/d from the Shiranish reservoir, is currently being sidetracked as the water isolation program conducted in Q2 2017 has resulted in reservoir damage that cannot be repaired. Production from the well is expected to be further enhanced with the stimulation techniques once a 4.5 inch liner has been installed.

Shewashan #3:

The Shewashan #3 well has been producing at 500 bopd from the Kometan formation but plans are now being made to return the production to the Qamchuqa reservoir utilizing the selective completion already installed in the well.

GAS PLUS KHALAKAN LIMITED

Registered Number: 103025

Registered Office: Nautilus House, La Cour des Casernes, St. Helier, JE1 3NH



Oil Sales:

Total oil production for H1 2017 was 292,861 barrels. This amount is significantly below that required to meet forecast annual production targets. The contributory factors were delays associated with drilling Shewashan #4 and the recompletion of Shewashan #1 and #2, trucking and logistics challenges, and water production rates that limited oil production rates until the new early production facilities were installed and completed in June.

In total, cumulative field production to date exceeds 1,250,000 bbls and all invoiced amounts for oil sales have been received. Current total field production is 1,500 bbl/d. The stabilization of Brent oil prices will allow GPK to operate profitably once the ongoing work overs have been completed.

Budget:

The remaining budget for the balance of the year is approximately \$10 million of which a portion will be offset by revenues associated with production.



The Early Production Facility at Shewashan started operation in June 2017.

GAS PLUS KHALAKAN LIMITED

Registered Number: 103025

Registered Office: Nautilus House, La Cour des Casernes, St. Helier, JE1 3NH



ENDS

Further Information

For media

Brunswick Group LLP

Patrick Handley / Charles Pemberton

+44 (0)20 7404 5959 or NewAge@brunswickgroup.com

For industry and analysts

New Age (African Global Energy) Ltd

Steve Lowden, Chairman

+44 (0)207 581 7830

GAS PLUS KHALAKAN LIMITED

Registered Number: 103025

Registered Office: Nautilus House, La Cour des Casernes, St. Helier, JE1 3NH