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IPR DRILLS 25 WELLS IN EGYPT DURING FIRST HALF OF 2018 AND ACHIEVES RECORD EXPLORATION SUCCESS

Dallas, Texas, USA – Texas Independent IPR Energy Group (IPR) continues to execute its largest drilling and operational campaign since entering the upstream sector in Egypt in 1993, with the drilling of 25 of 40 planned wells during the first half of 2018. This heavy activity will continue through the balance of the year with 15 additional wells in different areas of the country. The 2018 drilling and workover programs span the Western Desert (WD), Nile Delta (ND), and Gulf of Suez (GOS) in IPR's operated and non-operated portfolio of assets. This combination of exploration, appraisal, and development drilling has increased the company's upstream gross production in Egypt to over 21,000 BOPD.

In the Western Desert, IPR discovered a new field in the Alamein Lease with the Southeast Alamein-1X (SEAL-1X) exploration well. SEAL-1X encountered 97 ft of pay from the Razzak sand, Basal Middle and Upper Bahariya sands and Abu Roash "G" Dolomite. Testing and evaluation of the various zones are underway for future appraisal and development drilling in this area of the Concession. The historic Alamein field continued development activity with the drilling of two new wells (AL-42, AL-44), bringing an additional 580 bbl of oil to the field's overall production. A Dahab sand was discovered in exploration well AL-45X, with virgin reservoir pressure, reinforcing the extended presence of channel sands not produced in prior development campaigns. Initial test rates exceeded 850 BOPD of naturally flowing 30°API crude, triggering the pursuit of further untapped potential.

These wells were drilled with new technology by IPR International Oilfield Services' 750 HP rig (IPR-Rig 1), which saw record times and reduced costs for wells as deep as 8,500 ft.

Horizontal production technology application was introduced for the first time in the Alamein field with the drilling of NEAL-15H in the A/R "G", which experienced record production rates when compared to vertical A/R "G" wells. A new horizontal well, NEAL-19H, will target the upper A/R "G" Dolomite of the Northeast Alamein (NEAL) field of the Western Desert. Key exploration well, Northeast Yidma-1X, and development well, AEB 3C 11, are slated to be drilled by the EDC-1 1500 HP drilling rig during the final half of Calendar Year 2018.

IPR's North Ras Qattara (NRQ) Concession in the Western Desert continued to see significant exploration success with the discovery of NRQ-12X, which tested 1,458 BOPD from the Lower Bahariya formation, in addition to appraisal wells, NRQ 255-18 and NRQ-9-7, which brought an additional 820 BOPD from the two wells. Drilling will continue in this promising block with additional facilities planned for installation which are required to handle the excess production capacity.



In the Nile Delta, further exploration success was achieved in the South Disouq Concession with the exploration discovery of Ibn Yunis-1X, which tested 26.9 MMscfG/D on a 48/64 in. choke. Further encouraging results were encountered in appraisal well, SD-4X, which tested 28.7 MMscfG/D on a 48/64 in. choke from the Abu El Maadi (AEM) formation. The SD-3X discovery showed hydrocarbon presence in both the AEM and Kafr El Sheikh (KES) formations and tested 16 MMscfG/D from AEM. A 170 km² 3D seismic program is planned to further assess the exploration potential in the southern territory of the Concession.

IPR applied for the first time hydraulic frac technology in the offshore North July Concession of the Gulf of Suez to restore production after a successful fracture stimulation workover program in NJ-1 and produced steadily at 550 BOPD after the frac job. Artificial lift scenarios are presently being analyzed by field operators to maximize production from this platform, which has been producing water free since 2001.

IPR CEO Dr. Mahmoud K. Dabbous commented, *“2018 has been a historical year with promising results from IPR’s rich and diverse portfolio of exploration and producing assets that cover multiple geographical hotspots over 14.5 million net square kilometers. With an aggressive growth strategy to add reserves and production through targeted acquisitions and ambitious field exploitation programs, IPR remains committed to expand investments in Egypt long term.”*

IPR Energy Group is an independent group of international E&P and oilfield and technology services companies based in Irving, TX, USA, operating worldwide since 1981. IPR’s current E&P portfolio is predominantly focused on Egypt, with gas production in Pakistan and mineral rights partnerships in the Permian Basin, Texas.