



Press release

November 2013

## Deutsche Rohstoff: First horizontal wells from Tekton Energy have already reached payout

Production from five horizontal wells to begin/Drilling of seven new horizontal wells

**Heidelberg/Denver.** The first two horizontal wells, which Tekton Energy, US oil and gas subsidiary of Deutsche Rohstoff, drilled from the Rancho pad in spring, have already paid out after 4.5 and 5.5 month respectively. This means they have generated a net return to Tekton after royalties, ad valorem taxes and working interest that equals the invested money. With this, the wells have paid out faster than the average wells in the Wattenberg field. There are several reasons for this positive development:

- Average production of 956 barrel of oil equivalent (BOE) from both wells combined per day between end of April and end of October (176 days of production) was well above the average production rate that Tekton expects for all wells. In October the average daily production of both wells still amounted to 726 BOE.
- Investment amounted to less than USD 4 million per well which is below assumed costs
- The oil price (West Texas Intermediate-WTI) with an average of USD 101.5 was higher than base case economic assumptions.

Jerry Sommer, CEO of Tekton Energy, commented: "Our first two wells are among the best Codell wells that have been documented in the Wattenberg field so far. Profitability is extremely good and we are confident that we will continue to achieve good results, although we do not expect all of our wells to pay out as fast as the first two."

The recently drilled wells from the Pavistma South pad are currently being completed. Production is expected to begin around November 24th. Deutsche Rohstoff will be reporting the production rates after the first month of production.

As announced, three further horizontal wells are being drilled beginning October 18th from the Frye Farms pad. Tekton's working interest in these wells is 98,5%. The wells will probably be finished by the end of November and will start production around January 1<sup>st</sup>.

Drilling of four wells from the Diamond Valley East pad will presumably start during the last week of November. It will be the first time for Tekton to work with two drilling rigs at a time. These wells, in which Tekton holds a share of 65% will be finalized early in the year 2014 and will begin to produce in mid February 2014.

Heidelberg, 13 November 2013



**Deutsche Rohstoff** (Heidelberg, Germany), listed in the Entry Standard segment of Frankfurt Stock Exchange, is establishing a new primary producer. The company's focus is placed on oil & gas and so called high tech metals such as tin, tungsten, and rare earth metals. All projects are located in political stable countries with high environmental standards. The business concept is based on redeveloping deposits, which have been well explored in the past. For more information please visit [www.rohstoff.de](http://www.rohstoff.de).

**Contact:**

Deutsche Rohstoff AG  
Thomas Gutschlag  
Tel. +49 6221 871 000  
[info@rohstoff.de](mailto:info@rohstoff.de)