



Press release

September 2015

Deutsche Rohstoff AG: Five horizontal wells of Elster Oil & Gas begin production

Heidelberg/Denver. Elster Oil & Gas, a 93% subsidiary of Deutsche Rohstoff AG, returned to its historical producing status with five horizontal wells on the company's Magpie acreage in the Wattenberg Field, DJ Basin entering production yesterday. Elster owns on average 39% of the wells and a Denver based company operates them.

The wells were drilled during the summer and were completed at the beginning of August 2015. Over the past weeks surface facilities have been installed and commissioned for production. Elster is planning to publish the initial production results after the first month of production.

Deutsche Rohstoff USA will be able to utilize tax credits that have been created during the Tekton Energy transaction. These tax credits will amount an approximate 20% discount to the well cost. In addition, development costs have dropped significantly over the past months as service providers have become increasingly efficient. This allows Elster to achieve a positive return on capital invested at an oil price of USD 40 per barrel.

Elster holds approximately 800 net acres of the "Magpie" project area. Elster's partner company is planning to drill up to 57 further horizontal wells on the acreage.

Heidelberg, 22 September 2015

Deutsche Rohstoff identifies, develops and divests attractive resource projects in North America, Australia and Europe. The focus is on the development of oil and gas opportunities within the United States. Metals, such as gold, copper, rare earth elements, tungsten and tin complete our portfolio. For more information please visit www.rohstoff.de.

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