



Press release

December 2015

Deutsche Rohstoff: Cub Creek and Elster publish reserve calculation

Totalling 4.25 million BOE net proved reserves and 8.03 million BOE net probable reserves/Horizontal wells continue strong production

Denver/Heidelberg. Elster Oil & Gas, a 93% subsidiary of Deutsche Rohstoff, reported today that the five horizontal wells that started flowback in Mid-September continue to show strong production. The average production rate from this group of five wells over the past 75 days has been 561 Barrels of Oil Equivalent per Day (BOEPD¹). Furthermore an independent reserve calculation, carried out by Ryder Scott (www.ryderscott.com), one of the most respected reservoir evaluation companies in the US Oil and Gas industry, was published today.

Elster Oil & Gas Reserve Report: The report states an average gross reserve of 386.880 Barrels of Oil Equivalent (BOE¹) for each of the 5 wind wells that are currently producing. For the total net acreage of Elster Oil & Gas (EOG), Ryder Scott calculated Proved Reserves of 2.13 million BOE and Probable Reserves of 2.96 million BOE. Based on 31 October 2015 NYMEX Strip Pricing EOG Proved and Probable Reserves have the following value:

Reserve Category	Revenue (USD \$ Million)	Future Net Income (FNI) Undiscounted - (USD \$ Million)	FNI Discounted at 10% - (USD \$ Million)
Proved	\$ 84.73	\$ 42.21	\$ 21.76
Probable	\$ 122.63	\$ 53.74	\$ 22.64

Table 1.0 - EOG Reserve Value Based on 31 October 2015 NYMEX Strip Pricing

Future Net Income (FNI) is defined as revenues minus: partner interest, royalty, development costs, operating costs, and severance tax. The EOG NYMEX reserve report includes wells and drilling locations for a total of 62 locations.

Cub Creek Energy Reserve Report: For the net acreage of Cub Creek Energy (CCE) Ryder Scott calculated net Proved Reserves of 2.12 million BOE¹ and net Probable Reserves of 5.08 million BOE¹. Based on 31 October 2015 NYMEX Strip Pricing CCE Proved and Probable Reserves have the following value:

Reserve Category	Revenue (USD \$ Million)	Future Net Income (FNI) Undiscounted - (USD \$ Million)	FNI Discounted at 10% - (USD \$ Million)
Proved	\$ 85.10	\$ 30.12	\$ 11.35
Probable	\$ 202.06	\$ 80.01	\$ 33.63

Table 2.0 - CCE Reserve Value Based on 31 October 2015 NYMEX Strip Pricing

The reserve report includes 49 potential drilling locations that are already permitted by Cub Creek. Management is planning and additional 100 drilling locations on the CCE properties.



The total combined reserve levels being reported by Deutsche Rohstoff through its EOG and CCE subsidiaries are as follows are net Proved Reserves of 4.25 million BOE¹ and net Probable Reserves of 8.03 million BOE¹. Based on 31 October 2015 NYMEX Strip Pricing these combined reserve values have the following value:

Reserve Category	Revenue (USD \$ Million)	Future Net Income (FNI) Undiscounted - (USD \$ Million)	FNI Discounted at 10% - (USD \$ Million)
Proved	\$ 169.83	\$ 72.33	\$ 33.11
Probable	\$ 324.69	\$ 133.75	\$ 56.27

Table 3.0 – EOG & CCE Combined Reserve Value Based on 31 October 2015 NYMEX Strip Pricing

Robert Gardner, CEO of Cub Creek Energy and Elster Oil & Gas, noted: “These first reserve reports are an important milestone in the growth strategy of both Elster Oil and Gas and Cub Creek Energy. Even in a low oil price environment we are able to generate positive cash flows from profitable wells.”

¹ Natural gas is converted to oil equivalent using a factor of 5,600 cubic feet of natural gas per one barrel of oil equivalent.

Heidelberg, 14 December 2015

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