

Press release

August 2016

## Deutsche Rohstoff: Elster Oil & Gas publishes production data from six additional horizontal wells

2.700 Barrel Oil Equivalent per day during first month of production

**Heidelberg/Denver.** Elster Oil & Gas, a 93% subsidiary of Deutsche Rohstoff, announced the production rates from 6 new horizontal wells that commenced production end of July. All wells combined produced an average of 2.700 barrel oil equivalent (boe) per day during the first 30 days of production (IP 30). Elster's working interest averages at 50%, equivalent to 1.350 net BOE per day.

Production rates of the new wells are generally in line with expectations with oil production being above expectations. The new wells are all Niobrara wells whereas four of the first five wells drilled in 2015 were Codell wells. Typically, wells from both formations roughly produce the same amount of oil and gas over the lifetime of the well. However, Codell wells in this part of the field tend to produce very strong rates at the beginning with steeper declines after the first months of production.

Thomas Gutschlag, CEO of Deutsche Rohstoff, said: "The initial production results are very positive. The wells deliver constant rates in line with expectations or better. The second set of wells drilled since 2015 do again confirm the excellent predictability of the development in Colorado."

Elster will receive income from mineral rights (royalties) for the first time over the coming months. These royalties belong to Elster's 100% subsidiary Diamond Valley LLC, where the lease owner has recently drilled nine horizontal wells. These wells commenced production in July. As a mineral owner, Elster did not have to finance the drilling nor does it have to fund the ongoing operations.

Heidelberg, 31 August 2016

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