

Press release

July 2017

Deutsche Rohstoff: Elster Oil & Gas participates in large scale drilling program

Tax refund received/Placement of additional bonds

Mannheim. Elster Oil & Gas, a 93% subsidiary of Deutsche Rohstoff, will participate in additional horizontal wells in the so-called Magpie area. The operator of the area gave notice that 20 wells will be drilled from two pads. Drilling activity has already commenced. All wells will be extended reach laterals, 14 wells with a lateral length of 2 miles and 6 wells with a lateral length of 2.5 miles.

Elster's working interest will amount to approximately 24%, the total investment is estimated at approximately USD 25 million. The overall program equates to a 43 well 1 mile program. Production from all wells will likely start in the first quarter of 2018. The operator expects higher returns from the extended laterals compared to standard one-mile wells. The program will be financed by Deutsche Rohstoff.

The expected tax refund of USD 13.1 million in the US has been received in the meantime. In addition, Deutsche Rohstoff AG has placed another EUR 7.5 million of its bond maturing in 2021 to institutional investors. The outstanding volume of the bond now amounts to EUR 58.4 million.

Mannheim, 21 July 2017

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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