

# Range Energy spuds their Shewashan-3 well

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Mr. Toufic Chahine reports

### **RANGE ENERGY RESOURCES INC. : SHEWASHAN OPERATIONS UPDATE**

Range Energy Resources Inc.'s {CSE: RGO} contractor of the Khalakan PSC in the Kurdistan region of Iraq, Gas Plus Khalakan, has issued an operations update regarding the Shewashan field.

The GPK Shewashan operations update provides details regarding key events and activities that have occurred, as well as activities that are anticipated to occur over the near term, including:

- Oil Production: The Shewashan-2 well continues to produce with a current rate of circa 4,000 bopd and the production from both wells is sold into the domestic refinery market via existing topside production facilities

and tanker trucks. GPK anticipates total field production to reach the

target 10,000 bopd early next year when Shewashan-4 will come on stream.

Proceeds for oil sales from initial production in April through to end

June 2016 have been invoiced and agreed with the MNR. These invoices are

expected to be settled shortly and on a monthly basis going forward;

-- Shewashan-1 Sidetrack: The Shewashan-1 Sidetrack well was successfully

drilled and recompleted as a horizontal producing well in the Qamchuga

formation. The well is currently producing approximately 500-700 bopd

and the well completion may require further stimulation to reach

expected predrill production estimates based upon the original

Shewashan-1 vertical well. The Shewashan-1 vertical well bore remains a

future candidate for additional horizontal sidetrack wells or a

recompletion of the Shewashan-1 Sidetrack horizontal sidetrack to

further enhance the well's productive capacity;

-- Drilling Activity: The Shewashan-3 well has now spudded and this well

will again target the productive Cretaceous formations as a vertical

producer. The well is anticipated to be completed in Q4 2016 with an

estimated budget of USD 16 million. The vertical Shewashan-4 well is due

to be drilled later this year to accelerate Phase 1 production in the

Cretaceous and test the deeper unexplored Jurassic reservoirs;

- - Khalakan PSC: GPK and the KRG Ministry of Natural Resources have agreed
  - to adjustments that GPK believes brings the Khalakan Production Sharing
  - Contract in line with other PSC terms in respect to the infrastructure
  - payment arrangement and which is neutral to the contractor at current
  - oil prices; and
- - Reserve Report: GPK intends to engage DeGolyer and MacNaughton to update
  - its June 2015 reserve audit during Q4 2016. Based on the productivity of
  - the Cretaceous reservoir and some new mapping since the last reserve
  - audit, we expect a modest increase in calculated reserves.

**Mr. Toufic Chahine, Chairman of Range,** commented: *"Steady progress continues to be made on the Shewashan field. We are pleased to hear that GPK is actively working to settle invoiced amounts for produced oil. Production and the receipt of sales proceeds will represent a significant milestone for Range and the development of the Shewashan field. Furthermore, drilling activity continues to further delineate the Shewashan field, with the Shewashan-3 well currently drilling away, and the Shewashan-4 well to follow with targets in both the cretaceous and the lower, unexplored formations."*

The full text of the GPK Operations Update can be accessed [HERE](#):

The Company is a 24.95% indirect shareholder of GPK through its ownership of 49.9% of the shares of New Age Alzarooni 2 Limited ("NAAZ2"). NAAZ2 owns 50% of the shares of GPK.

For further information please visit –  
[www.rangeenergyresources.com](http://www.rangeenergyresources.com)

We seek Safe Harbor.