

4 March 2018

Cyprus Stock Exchange  
Nicosia

## **ANNOUNCEMENT**

### **Re: Update of the Work Plan for North Dakota, USA, Oil Assets (the "Project") in 2018**

Further to the announcement dated 27 June 2017, regarding entering into a Farmout Agreement for the participation and acquisition of rights in the Project, C.O. CYPRUS OPPORTUNITY ENERGY COMPANY LIMITED (the "Company") hereby announces, that today the owner of the majority working interest in the Project (the "Israeli Partnership") announced that its Board of Directors approved an update to the Project's work plan for 2018, so that 4 recompletions to existing wells will be performed, using a recompletion technique which includes fracking. According to information provided by the operator of the Project (the "Operator"), the technique has been successfully implemented by him in 5 different wells in the Project area.

The estimated expenditure of each recompletion of an existing well is about USD 500,000 (for 100%). After completing this phase as described above, the general partner of the Israeli Partnership will examine the profitability of recompleting additional 2 to 4 wells, and the recompletion technique to be used, so that in the event that the plan is performed successfully, the partners in the Project would possess, at the time of the recompletion of the additional wells and the commencement of production from the wells, between 8 to 10 producing wells in 2018.

The work plan was considered, among other things, taking into account current oil prices, current intermediate status of the wells that have been already recompleted, and the production data that was provided by the Operator relating to nearby wells.

Implementation of the recompletions as set out in the work plan is subject to, *inter alia*, obtaining all required authorizations, fulfillment of all required conditions, including finding solutions for the treatment of water extracted from the drilled wells, economic profitability, and the prices of oil at the time of the drillings.

**Warning** – The work plan and its budget are a prediction and evaluation, based on, *inter alia*, professional estimations and assumptions of the Company and its partners to the Project, that rely, *inter alia*, on information received by the Operator, to which there's no certainty and could be subjected to modifications in the future. The work plan, including its budget, may not be materialized in part or in whole, or materialize in a different manner than was estimated, as a result of different factors that could not be anticipated in advance and/or are not in the control of the Company, including a complex of factors that are related to projects of oil & gas exploration and production, including due to operational and professional and/or market and/or regulatory conditions.

The partners in the Project and their work interest (on average<sup>1</sup>) are as follows:

The Company – about 2.82%

Israel Opportunity – Energy Resources, LP<sup>2</sup> – about 58.28%

Radian Partnership, LP – about 9.4%

Thurston Energy Investment 2, LLC – about 23.5%

A number of different holders, combined – about 6%

Kind regards,

Rony Halman

Director

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<sup>1</sup> The Work Interest in the 10 sections that comprise the Project is different between one section to another. Therefore, the overall work interest dispersion is displayed as average.

<sup>2</sup> A public Israeli partnership, which its General Partner is a substantial shareholder in the Company.