

Genel Energy plc

Taq Taq reserves update

Genel Energy ('Genel' or 'the Company') issues the following announcement in respect of its reserves position at the Taq Taq field (Genel 44% working interest).

In its Trading and Operations Update on 20 January 2016, the Company announced that it was reviewing its Taq Taq reservoir model following production declines seen at the field during 2015.

The results of this internal review and the McDaniel & Associates ('McDaniel') Competent Person's Report ('CPR') on Taq Taq are now largely complete. The initial gross recoverable proven and probable ('2P') reserves (referred to in the industry as Estimated Ultimate Recovery, or EUR) estimated by McDaniel for Taq Taq are summarised in the table below:

	Proven plus Probable (2P)
EUR as of 30 June 2011 ¹ , mmbbls	683
EUR as of 31 December 2015, mmbbls	356

1. original McDaniel Taq Taq CPR (effective 30 June 2011)

As of 31 December 2015, the Taq Taq field had produced 184 mmbbls gross. The remaining gross recoverable 2P reserves estimate as of 31 December 2015 is therefore:

	Proven plus Probable (2P)
Reserves as of 31 December, mmbbls	172

The vast majority of the original Taq Taq oil in place was reservoirised within fractures in Cretaceous carbonate formations. The Cretaceous has three principal producing units – the Qamchuqa, Kometan and Shiranish – with the Shiranish being the shallowest interval. Genel's internal Taq Taq review and the CPR process have focused on the fracture porosity within the Shiranish reservoir. Both processes have utilised recently acquired data to establish that the fracture porosity within the Shiranish is lower than estimated in the original McDaniel CPR dated 30 June 2011.

The updated McDaniel CPR will be completed shortly.

Genel currently anticipates that gross Taq Taq production will average c.80,000 bopd in 2016. Gross Taq Taq production is currently estimated at 65-75,000 bopd and 50-70,000 bopd in 2017 and 2018 respectively.

The Company's production guidance of 60-70,000 bopd for 2016 is unchanged.

Genel expects to record an impairment, subject to audit, of approximately \$1 billion to the Taq Taq field carrying value in its 2015 accounts. The impairment includes the revised assumptions on recoverable reserves announced today and the impact of lower oil prices.

The Company will host a conference call for analysts and investors today at 0830 GMT, with an associated presentation available on the Company's website, www.genelenergy.com. The dial-in details are below:

Dial-in number: +44 (0)20 3427 1908
 Passcode: 8772634

The call will be recorded and made available on the website shortly after it finishes.

As previously stated, Genel will announce results for the year ended 31 December 2015 on Thursday 3 March 2016.

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Notes to editors:

Genel Energy is an independent oil and gas exploration and production company listed on the main market of the London Stock Exchange (LSE: GENL). The Company, with headquarters in London and offices in Ankara and Erbil, is one of the largest London-listed independent oil producers, and is the largest holder of reserves and resources in the Kurdistan Region of Iraq. Through its Miran and Bina Bawi gas fields, the Company is set to be a cornerstone provider of gas to Turkey under the KRI-Turkey Gas Sales Agreement. Genel also continues to pursue further growth opportunities within the Middle East and Africa. For further information, please refer to www.genelenergy.com.

Disclaimer

This announcement contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil & gas exploration and production business. Whilst the Company believes the expectations reflected herein to be reasonable in light of the information available to them at this time, the actual outcome may be materially different owing to factors beyond the Company's control or within the Company's control where, for example, the Company decides on a change of plan or strategy. Accordingly no reliance may be placed on the figures contained in such forward looking statements.