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# TAG Oil Achieves First Oil Production in the Badr Oil Field, Western Desert, Egypt

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**TAG Oil Ltd. (TSXV: TAO (<https://tagoil.com/investors/>) and OTCQX: TAOIF (<https://tagoil.com/investors/>))** is pleased to announce the successful re-entry of the vertical well, BED 1-7, at the Badr Oil Field (“BED-1”) in the Western Desert, Egypt. The Company perforated the Abu Roash “F” formation (“ARF Formation”) and conducted a Diagnostic Fracture Injectivity Test (DFIT). The reservoir was further fracture stimulated with a large 110 tons sand treatment and pump schedule with positive response confirming reservoir models and projected performance.

On flowback, the well unloaded to surface under natural flow and cleaned up approximately 40% of the injected fracture fluid with significant presence of 23<sup>0</sup> API oil. Net cumulative oil produced during the short flowback was in excess of 500 barrels, which was connected to a flow-line to the BED-1 field’s production facilities and onward into a sales pipeline.

The well was shut-in to remove the frac string, install 3.5” production tubing string and down-hole Electric Submersible Pump (ESP) to achieve steady production at stabilized oil rates. The well is expected to be on production within the next few days and the Company expects to announce 30-day rates from the well in mid June.

Data collected from the well along with geomechanical and 3D seismic review has enhanced our horizontal well design. Plans are underway to secure a drilling rig to drill the first horizontal well designed with a multi-stage fracture stimulation. All necessary permits have been secured and site construction is underway. The well is expected to spud next month.

Toby Pierce, CEO of TAG Oil, commented, "This activity is the first step to establish oil production from the ARF Formation, an oil rich source rock that covers a significant portion of the 107 Sq. Km. BED-1 concession. Production results confirm the economic feasibility of this important resource play in the Western Desert of Egypt."

### **About TAG Oil Ltd.**

TAG Oil (<http://www.tagoil.com> (<http://www.tagoil.com/>)) is a Canadian based international oil and gas exploration company with a focus on opportunities in the Middle East and North Africa.

### **For further information:**

Toby Pierce, Chief Executive Officer  
Phone: 1 604 609 3355

Email: [info@tagoil.com](mailto:info@tagoil.com) (<mailto:info@tagoil.com>)  
Website: <http://www.tagoil.com/> (<http://www.tagoil.com/>)

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### **Forward-Looking Statements**

*Statements contained in this news release that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of TAG Oil. All estimates and statements that describe the Company's operations are forward-looking statements under applicable securities laws and necessarily involve risks and uncertainties. Actual results may vary materially from the information provided in this release, and there is no*

*representation by TAG Oil that the actual results realized in the future will be the same in whole or in part as those presented herein. TAG Oil undertakes no obligation, except as otherwise required by law, to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors change.*

*Exploration for hydrocarbons is a speculative venture necessarily involving substantial risk. The Company's future success in exploiting and increasing its current resource base will depend on its ability to develop its current properties and on its ability to discover and acquire properties or prospects that are capable of commercial production. However, there is no assurance that the Company's future exploration and development efforts will result in the discovery or development of additional commercial accumulations of oil and natural gas. In addition, even if further hydrocarbons are discovered, the costs of extracting and delivering the hydrocarbons to market and variations in the market price may render uneconomic any discovered deposit. Geological conditions are variable and unpredictable. Even if production is commenced from a well, the quantity of hydrocarbons produced inevitably will decline over time, and production may be adversely affected or may have to be terminated altogether if the Company encounters unforeseen geological conditions. The Company is subject to uncertainties related to the proximity of any resources that it may discover to pipelines and processing facilities. It expects that its operational costs will increase proportionally to the remoteness of, and any restrictions on access to, the properties on which any such resources may be found. Adverse climatic conditions at such properties may also hinder the Company's ability to carry on exploration or production activities continuously throughout any given year.*

*This press release includes cumulative production rates for a certain well over short period of time. Short term production rates are preliminary, subject to a high degree of predictive uncertainty, and not determinative of the rates at which those or other wells will continue to produce and thereafter decline. Short term test rates are not necessarily indicative of long-term well or reservoir performance or of ultimate recovery. Production over a longer period will experience natural declines, which can be high and may not be consistent over a longer period. Actual results will differ from those realized during an initial production period and the differences may be material.*