

28 March 2017

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).

As previously stated, the Company commissioned an updated Competent Person's Report ('CPR') for the Taq Taq field from McDaniel and Associates ('McDaniel'). The CPR has been completed and is available from the Company's website at www.genelenergy.com/investor-relations/results-reports-presentations.

Gross 2P reserves for the Taq Taq field as of 28 February 2017 are estimated by McDaniel at 59 MMbbls, compared to 172 MMbbls at 31 December 2015. A reconciliation from the reserves reported in the CPR released in April 2016 to the updated estimates in the CPR published earlier today, is shown in the following table:

Gross oil reserves (MMbbl)	1P	2P	3P
31 December 2015	60.0	171.8	416.4
Production	(23.8)	(23.8)	(23.8)
Technical revisions	(10.4)	(89.0)	(297.6)
28 February 2017	25.8	59.1	95.0

Some totals may not add due to rounding

Cumulative oil production from the Taq Taq field to 28 February 2017 is 207.9 MMbbls. Of this figure, 1.8 MMbbls has been produced in 2017. The further reduction in reserve estimates for Taq Taq is a consequence of a reassessment of the gross rock volume above the oil water contact and fracture porosity in the undrained Cretaceous Shiranish reservoir. This follows an analysis of reservoir surveillance data and well performance in 2016 and the first two months of 2017.

The McDaniel CPR states that there is still significant uncertainty in Taq Taq oil reserves. In particular, reserves are dependent on the Shiranish formation fracture porosity in the un-swept portion of the reservoir, which remains very difficult to estimate.

The Taq Taq field is currently producing c.19,000 bopd, compared to c.36,000 bopd at the end of 2016. Recently, key producing wells have exhibited high rates of decline as a result of water breakthrough, exacerbating the decline rate across the field.

Given the ongoing uncertainties highlighted above, the previous guidance for 2017 Taq Taq gross average production of 24-31,000 bopd is now removed. The Company currently intends to announce Taq Taq field production on a monthly basis going forward.

As a result of the reserve downgrade announced today, Genel expects to record an impairment, subject to audit, of \$181 million to the Taq Taq field carrying value in its 2016 accounts.

Further detail on the Taq Taq field and the near-term development plan will be given in the Company's results for the year ended 31 December 2016, which are to be announced on Thursday 30 March 2017.

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This announcement includes inside information.

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.