



## NEWS RELEASE

December 16, 2014

Ticker: **EW** (TSX-V)

### **EAST WEST PETROLEUM PROVIDES OPERATIONAL UPDATE**

**Vancouver, British Columbia: December 16, 2014** East West Petroleum Corp. (TSX-V: EW, the “Company” or “East West”), is pleased to provide the following update on its operations in New Zealand and Romania. TAG Oil Ltd. (“TAG”) is the operator and co-owner of all of the Company’s licenses in New Zealand, while in Romania, Naftna Industrija Srbije (“NIS”) is the operator of all four of the Company’s concessions.

#### **PEP 54877: Cheal North East Permit (30% EW)**

Over a test period of eleven days the Cheal-E6 well continues to naturally free flow under a 16/64 choke at stable rates. During the period, Cheal-E6 produced at an average gross rate of 325 boepd (81% oil) for a total of 3,178 barrels of oil and 4,456 mscf of gas. The well will be shut-in for a planned pressure build-up test up for a period of three days and then will resume ongoing production into the Cheal E-site production facilities.

The Cheal-E1, E4 and E5 wells continue to produce at steady rates of approximately 255 boepd (76% oil) net to East West with little decline to date. With the additional production from E6, production is forecast to increase 38% to over 350 boepd net to East West.

As discussed in East West’s November 5<sup>th</sup> press release, the next work at E-site will include the recompletion of the Cheal-E2 well in the Mt. Messenger formation in Q1. The E2 well initially targeted the Urenui Formation; however following a joint venture review of drilling and completion operations, it was determined that mechanical completion issues prevented commercial production from the Urenui sandstones. After comparing these results with all of the E-site drilling data now available and comparing with seismic coverage over the permit, the joint venture has decided to isolate the Urenui Formation in this well and re-complete Cheal-E2 to establish production from the Mt. Messenger Formation. Following recompletion, the E2 well will undergo flow testing and temperature and pressure analysis. The estimated net cost to East West is approximately NZ\$240,000.

David Sidoo, President and CEO of East West commented, “We are very pleased to see the positive test results from E6 well, which when placed on permanent production will provide a significant increase to East West’s production and cash flow. Through low operating costs and low overhead, our operations in New Zealand continue to generate revenue and operating cash flow for the Company to fund upcoming work despite the recent fall in oil prices. The recompletion of the E2 well could result in further near-term growth of our established production base.”

### **PEP 55770: East Coast Permit (40% East West)**

East West has elected not to proceed with its participation in PEP 55770 in the East Coast basin of New Zealand and has withdrawn from the joint venture. Under the terms of the joint operating agreement, East West was committed to fund 100% of the acquisition of 60 km of 2D seismic data and to fund drilling of an exploratory well. Given the lack of exploration success to date in the East Coast Basin, East West has decided to preserve its capital and remain focused on opportunities in its core areas.

### **Romania (15% East West)**

East West has been informed by its partner NIS that the National Agency for Mineral Resources (NAMR) in Romania has granted NIS and East West an extension of two and a half years to the phase 1 exploration period for the Block 2 (Tria) concession. The partners now have until June 2017 to complete the phase 1 work program on the Tria concession, which includes the acquisition of 2D and 3D seismic and the drilling of three exploration wells. East West is fully carried through the phase 1 and phase 2 exploration programs on all licenses in Romania.

### **About East West Petroleum Corp.**

East West Petroleum (<http://www.eastwestpetroleum.ca>) is a TSX Venture Exchange listed company established in 2010 to invest in international oil & gas opportunities. East West has built a diverse portfolio of attractive exploration assets covering a gross area of approximately 1.2 million acres. The Company has its primary focus on two key areas: New Zealand, where it has established production and cash flow and is evaluating a low risk exploration play, and Romania where it is fully carried on an upcoming high impact 12 well exploration program. In New Zealand, East West holds an interest in three exploration permits near to existing commercial production in the Taranaki Basin, operated by TAG Oil Ltd. (TSX: TAO). The Company also has interests in four exploration concessions covering 1,000,000 acres in the prolific Pannonian Basin of western Romania with Naftna Industrija Srbije (“NIS”).

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such factors include, but are not limited to: the ability to raise sufficient capital to fund exploration and development; the quantity of and future net revenues from the Company’s reserves; oil and natural gas production levels; commodity prices, foreign currency exchange rates and interest rates; capital expenditure programs and other expenditures; supply and demand for oil and natural gas; schedules and timing of certain projects and the Company’s strategy for growth; competitive conditions; the Company’s future operating and financial results; and treatment under governmental and other regulatory regimes and tax, environmental and other laws.

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be subclassified based on project maturity. Best estimate resources are considered to be the best estimate of the quantity that will actually be recovered from the accumulation. If probabilistic methods are used, this term is a measure of central tendency of the uncertainty distribution (most likely/mode, P50/median, or arithmetic average/mean). As estimates, there is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources that the estimated reserves or resources will be recovered or produced.

This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise.

CONTACT:

Chris Beltgens, Corporate Development Manager  
telephone: +1 604 682 1558  
fax: +1 604 682 1568

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