

CALGARY, March 3, 2017 /CNW/ - [Alvopetro Energy Ltd.](#) (TSX-V:ALV) is pleased to announce results from the first interval tested in our 198(A1) well.

In January 2017, our 198(A1) well, located on Block 198 in the Recôncavo basin in the State of Bahia, Brazil, was drilled to a total measured depth of 1,480 metres. Based on open-hole logs, the well encountered 31 metres of potential net natural gas pay in the Main Caruaçu Member, with an average 46% water saturation, and an average porosity of 11.4%, using an 8% porosity cut-off. The well also encountered 26 metres of potential net hydrocarbon pay in a series of thinner up-hole Pojuca sands, with an average 51% water saturation, and an average porosity of 14.3%, using an 8% porosity cut-off.

We perforated and completed the deepest sandstone interval, representing 7 metres of potential net pay, which was chosen to test the fluid composition at the lowest point of the interpreted gas column and to clarify the gas-water contact. The second interval expected to be tested is our primary target containing the highest quality reservoir in the column, with 21 metres of potential net pay, 11.5% average porosity and 15.4% maximum porosity.

Over the 48-hour, tubing conveyed perforated cased-hole test of the first interval of our 198(A1) well, this average 12.0% porosity, low permeability interval flowed natural gas, on an unstimulated basis, at an average rate of 15,000 m³/d (0.5 MMcfd or 89 boepd), using 2-7/8 inch tubing, from the Caruaçu Member of the Maracangalha Formation. During the duration of the test the choke was adjusted from an initial 12/64" choke to a final 32/64" choke. During the test, in addition to the natural gas, and not included in any flow rates reported in this press release, we recovered 12 barrels of 45° API condensate and 92 barrels of water.

Cumulatively, over the duration of the 48-hour test, the well produced 30,000 m³ (1.1 MMcf) of natural gas. At commencement of the test, the flowing tubing pressure at the wellhead was 5,700 kPa (826 psig) and decreased to 990 kPa (144 psig) at the end of the test. The initial shut-in casing pressure in the wellbore at commencement of the test was 9,840 kPa (1427 psig) and the ending shut-in casing pressure was 2,390 kPa (346 psig).

The 198(A1) well will be shut-in to measure reservoir pressure and obtain pressure build-up data to undertake a pressure transient analysis, which will allow Alvopetro to predict productivity of this first zone on a stimulated basis. After completing the pressure build-up test, the first interval will be suspended temporarily with a bridge plug and the test will proceed up-hole to test the second interval within the continuous gas column, which is our primary target.

[Alvopetro Energy Ltd.](#)'s vision is to be the premier independent exploration and production company in Brazil, maximizing shareholder value by applying innovation to underexploited opportunities. Our strategy is to focus on three core opportunities including lower risk development drilling on our mature fields, shallow conventional exploration, and the development of the significant hydrocarbon potential present in our deep Gomo tight-gas resource play. Our efforts in the near-term are concentrated on building a natural gas business by finalizing a unitization agreement and securing a gas sales contract.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Testing and Well Results. Data obtained from the 198(A1) well identified in this press release, including hydrocarbon shows, open-hole logging, net pay, porosities, and preliminary testing data should be considered to be preliminary until detailed pressure transient analysis and interpretation has been completed. Hydrocarbon shows can be seen during the drilling of a well in numerous circumstances and do not necessarily indicate a commercial discovery or the presence of commercial hydrocarbons in a well. There is no representation by Alvopetro that the data relating to the 198(A1) well contained in this press release is necessarily indicative of long-term performance or ultimate recovery. The reader is cautioned not to unduly rely on such data as such data may not be indicative of future performance of the well or of expected production or operational results for Alvopetro in the future.

Abbreviations:

m ³	=	cubic metre
m ³ /d	=	cubic metre per day
Mcfpd	=	thousand cubic feet per day
MMcf	=	million cubic feet
MMcfd	=	million cubic feet per day
Boepd	=	barrels of oil equivalent per day

BOE Disclosure. The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet per barrel (6mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in this press release are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

Forward-Looking Statements and Cautionary Language. This news release contains "forward-looking information" within the

meaning of applicable securities laws. The use of any of the words "will", "expect", "intend" and other similar words or expressions are intended to identify forward-looking information. More particularly and without limitation, this news release contains forward-looking information concerning potential hydrocarbons and potential production of hydrocarbons in our 197(2) and 198(A1) wells, exploration and development prospects of Alvopetro and the expected timing of certain of Alvopetro's testing and operational activities. The forward-looking statements are based on certain key expectations and assumptions made by Alvopetro, including but not limited to expectations and assumptions concerning testing results on our 197(2) well and 198(A1) well, the timing of regulatory licenses and approvals, completion of unitization with an adjacent Block owner, securing gas sales agreements, availability of capital, the success of future drilling and development activities, prevailing commodity prices and economic conditions, the availability of labour and services, the ability to transport and market our production, timing of completion of infrastructure and transportation projects, weather and access to drilling locations. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Although Alvopetro believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Alvopetro can give no assurance that it will prove to be correct. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Alvopetro are included in our annual information form which may be accessed through the SEDAR website at www.sedar.com. The forward-looking information contained in this news release is made as of the date hereof and Alvopetro undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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