



Harvest Natural Resources First Quarter 2012 Operational Update

HOUSTON, April 13, 2012 /PRNewswire/ -- Harvest Natural Resources, Inc. (NYSE: HNR) today provided an operational update of its first quarter international exploration and production activity.

Venezuela

- During the first three months of 2012, Petrodelta drilled and completed four wells and sold approximately 2.98 million barrels of oil (MMBO) for a daily average of approximately 32,700 barrels of oil per day (BOPD), an increase of 16 percent over the same period in 2011;
- Successfully drilled a second horizontal well in Isleno Field; the field is producing 2,400 BOPD;
- Completed two re-entries and seven well services during the first quarter;
- Petrodelta's current production rate is approximately 37,500 BOPD;
- Facility expansion work at El Salto and Temblador Fields are underway;
- 2012 expected average production rate is 40,300 BOPD with capital expenditures projected at \$300 million;
- Exclusive negotiations for the possible sale of Harvest's 32 percent interest in Petrodelta are ongoing.

Gabon

- Currently negotiating to extend the Exclusive Exploration Authorization for a third period of four years, effective May 28, 2012;
- Currently processing approximately 545 square kilometers of 3-D seismic acquired during the fourth quarter of 2011; the Central 3D Pre-Stack Time Migration (PSTM) volume is expected to be completed by June 2012.

Indonesia

- License commitments fulfilled; planning to request a four year extension at the end of the initial six year term which expires January 16, 2013;
- Prospects and leads being matured in the Lariang and Karama Basins;
- Exploration well planned in 2013.

Oman

- Work commitment fulfilled;
- One year extension granted until March 2013.

Corporate

- Entered into equity distribution agreement with Knight Capital America, LP relating to an "at the market" (ATM) offering of Harvest's common shares having an aggregate sales price of up to \$75.0 million;
- Entered into exchange agreements with certain existing noteholders of our 8.25% senior convertible notes to exchange \$15,984,000 principal amount of the notes for 2,875,357 shares of common stock.

Harvest President and Chief Executive Officer, James A. Edmiston, said, "During the first quarter, the Company moved forward on several fronts. The exchange of about half of our senior convertible notes reduced our overall debt to about \$15.6 million at the end of the quarter for an overall debt reduction of 81% compared to the same period in 2011. Further, the Company closed on a facility for "at the market" sales of common stock. These two transactions have been in the works for months and have no relationship whatsoever to our announcement of a possible sale of our interests in Petrodelta. Whatever the outcome of our current or future negotiations regarding Petrodelta or any other assets, these two transactions provide flexibility and enhance our future liquidity while strengthening the balance sheet."

Edmiston continued, "I had the opportunity to visit Petrodelta two weeks ago and was pleased to see the ongoing progress in the field firsthand. The Petrodelta team has a clear vision of its outstanding growth potential and they are making steady progress with the early stages of that plan, primarily focused on infrastructure expansion at the El Salto and Temblador Fields.

With the strong support of both shareholders, I think that the pieces are falling into place for Petrodelta to become one of the premier upstream businesses in Venezuela over the next few years."

VENEZUELA

During the three months ended March 31, 2012, Petrodelta sold approximately 2.98 MMBO for a daily average of 32,700 BOPD, an increase of 16 percent over the same period in 2011 and remaining at the same level over the previous quarter. Petrodelta also sold 0.6 billion cubic feet (BCF) of natural gas for a daily average of 6.9 million cubic feet per day (MMCFD), an increase of 34 percent over the same period in 2011, and a decrease of 17 percent over the previous quarter. Petrodelta's current production rate is approximately 37,500 BOPD.

During the first quarter of 2012, Petrodelta drilled and completed four wells. Two wells were development wells drilled in the Temblador Field. One development well was drilled in El Salto Field and the fourth well was drilled in the Isleno Field. Currently, Petrodelta is operating two drilling rigs and one workover rig and is continuing with infrastructure enhancement projects in the El Salto and Temblador Fields.

Petrodelta drilled and completed a second well, ILM-9, in the Isleno Field. The current production from the Isleno Field is approximately 2,400 BOPD and is being trucked to Uracoa Field. Plans are underway to build a pipeline connection between Isleño Field and the main production facility at Uracoa Field.

Petrodelta's production target for the year 2012 is projected to be approximately 40,300 BOPD. The 2012 Petrodelta capital budget is expected to be approximately \$300 million with a significant portion of that total related to infrastructure costs to support the further development of the Temblador and El Salto Fields. This program should be self-funding at a WTI oil price of \$90 per barrel in 2012. Petrodelta expects to drill 33 oil wells and two water injector wells, and is considering a third rig arriving in the third quarter of this year.

The average sale price for crude oil produced during the quarter was approximately \$109 per barrel.

EXPLORATION AND OTHER ACTIVITIES

Dussafu Project - Gabon ("Dussafu PSC")

Approximately 545 square kilometers of 3-D seismic acquired during the fourth quarter is currently being processed in order to optimize future drilling and development activities. The 3D PSTM is expected to be completed by June 2012. Depth processing and reprocessing of the inboard 3D is planned for the second half of 2012. Well planning is in progress to drill an exploration well on the Tortue prospect to target stacked pre-salt Gamba and Dentale reservoirs as well as a secondary post-salt Madiela clastic reservoir. The prospect has mean unrisked prospective resources of 62 MMBO.

Harvest operates the Dussafu PSC, holding a 66.667 percent interest and is currently negotiating to extend the Exclusive Exploration Authorization for a third period of four years, effective May 28, 2012.

Budong-Budong PSC - Indonesia

The license commitments have been fulfilled and the partners are planning to request a four year extension at the end of the initial six year term which expires on January 16, 2013. Prospects and leads are being matured for both the Lariang and Karama Basins. An exploration well is being planned for 2013.

Tately Budong-Budong N.V. is the operator of the Budong-Budong Block. Harvest owns a 64.4 percent working interest in the Budong-Budong PSC.

Oman Block 64 EPSA

All work commitments have been completed and post well studies are being conducted. A one year extension for the license has been granted until May 2013, at which time Harvest must decide whether to commit to the second phase of the license, which has a 3 year term.

Harvest has an 80 percent interest in Block 64 onshore Oman. Block 64 has an area of 3,874 square kilometers and was extracted from a pre-existing block (PDO's Block 6) to accelerate exploration for gas and gas condensate by the Omani Ministry of Oil and Gas. Harvest is evaluating other opportunities in the region.

Corporate

On March 8, 2012, HNR entered into exchange agreements with certain existing noteholders of its 8.25% senior convertible notes pursuant to which such noteholders agreed to exchange \$15,984,000 principal amount of the notes for 2,875,357 shares of common stock, resulting in an effective exchange price of \$5.56 per share. In addition, in lieu of cash, HNR agreed to issue to the noteholders 161,603 shares of common stock at \$8.16 per share in exchange for foregoing a one year interest make-whole of \$1,318,680. After giving effect to the exchange, approximately \$15,550,000 principal amount of the notes remain outstanding. The exchange closed on March 14, 2012.

On March 30, 2012 HNR entered into an equity distribution agreement with Knight Capital America, L.P., a subsidiary of Knight Capital Group, Inc., relating to an ATM offering of shares of our common stock having an aggregate sales price of up to \$75,000,000. Under the terms of the agreement, Harvest may offer and sell shares of its common stock by means of transactions on the New York Stock Exchange or otherwise at market prices prevailing at the time of sale, at prices related to the prevailing market price or at negotiated rates. Harvest is unable to access the ATM facility during blackout periods or when the Company is in possession of material information which has not been made public.

About Harvest Natural Resources:

Harvest Natural Resources, Inc., headquartered in Houston, Texas, is an independent energy company with principal operations in Venezuela, exploration assets in Indonesia, West Africa, China and Oman and business development offices in Singapore and the United Kingdom. For more information visit the Company's website at www.harvestnr.com.

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This press release may contain projections and other forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. They include estimates and timing of expected oil and gas production, oil and gas reserve projections of future oil pricing, future expenses, planned capital expenditures, anticipated cash flow and our business strategy. All statements other than statements of historical facts may constitute forward-looking statements. Although Harvest believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Actual results may differ materially from Harvest's expectations as a result of factors discussed in Harvest's 2011 Annual Report on Form 10-K and other public filings.

Harvest may use certain terms such as resource base, contingent resources, prospective resources, probable reserves, possible reserves, non-proved reserves or other descriptions of volumes of reserves. These estimates are by their nature more speculative than estimates of proved reserves and accordingly, are subject to substantially greater risk of being actually realized by the Company.

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