

PROJECT PORTFOLIO UPDATE

NOVEMBER 2018



ENVOI



ENVOI

DELIVERING ENERGY OPPORTUNITIES

Envoi was founded in 2000 as a global advisory consultancy specialising in the marketing of upstream oil and gas asset acquisition and divestment. Our specialist skills and global network have seen us become a leading A&D consultancy for the international upstream oil and gas industry.

DELIVERING SERVICES

Upstream divestments

Envoi's main area of activity is asset or project divestment. This service involves the review, unique technical documentation, marketing, management and coordination of upstream asset sales. It can comprise helping our clients identify new partners through a farmout of interests in exploration or appraisal and development projects, a straight sale of production or a corporate sale.

Upstream acquisitions

Envoi can tap into our global network to identify appropriate opportunities for upstream investment, tailored to fit our clients' criteria.

Strategic portfolio advice

We assist clients in strategy planning and subsequent entry into new international core areas, leading to the acquisition of projects for a specific portfolio. We help to identify potential new sources of capital through our global network of oil and gas industry and financial contacts. Conversely, we assist clients wishing to exit a particular region with planning their sale of assets.

Country promotion

Our extensive A&D experience and track record in marketing international upstream projects, together with our global network of contacts, underlines our capacity to assist governments and national oil companies to market their country's hydrocarbon potential and encourage new investment. We can also organise roadshows or presentations at industry conferences for specific license rounds.

Corporate presentations and reports

Whether you're an oil and gas company or a government, managing a start-up or initial public offering, raising funds for a new project or simply updating your investors, Envoi can help your company prepare a clear and concise presentation.

DELIVERING ON OUR STRENGTHS

Global reach

Over two decades in the world of upstream A&D, Envoi has formed lasting relationships with the industry's leading players and decision-makers, building an unrivalled global network of several thousand high-quality contacts along the way. These include upstream oil and gas organisations of all sizes, as well as financial investors in search of upstream opportunities. By continually meeting and strengthening these contacts with the people who matter, we can better manage the evolving demands of both our network and our clients.

Unique style

Our technical and commercial reviews rapidly add value to projects, by pinpointing and highlighting the strengths, while our distinctive documentation ensures positive presentation and clarity of detail to potential buyers.

Flexibility

Our bespoke services are tailored to fit our clients' specific opportunities and needs.

Expert knowledge

Expanding on our own in-depth experience, we have established associations with specialist consultants who we retain for specific projects when required.

Commitment

Our success fee structure aligns our remuneration and goals to our client's success.

ACTIVE PROJECTS

ACTIVE PROJECT LOCATOR



ASIA



KAZAKHSTAN

Onshore / Appraisal, development and exploration

Envoi has been commissioned by privately owned Lucent Petroleum LLP, to assist in the search for investors to join them in the pilot development and potential deep target exploration of the Lebyazhye field. Their 100% owned and operated onshore Yuzhnaya Block, which covers an area of 1,341 km² of the North Caspian Basin, western Kazakhstan, lies in a well-established hydrocarbon producing area. This region's hydrocarbon potential is already proven by existing fields including the giant six billion barrel Tengiz field, which lies north of Lucent's acreage. Lucent's Block is itself surrounded by numerous other producing fields which have established export and service infrastructure. Of the two existing oil and gas fields on Lucent's Block, a partner has already been found to assist with the pending development of the Munaibai field. Lucent is therefore now seeking a partner for a staged investment in the Lebyazhye development. Discovered in 1980, Lucent's 2011 appraisal well (LX-14x) supported the field's estimated 27 MMboe Triassic reserves which will be exploited by the initial re-entry of the four existing discovery and appraisal wells with a view to first production of between 300 - 500 bopd in late 2017. Two subsequent horizontal side-tracks are planned for 2018. This would be followed in 2019 by a deepening of the LX-14x well to test additional 150+ MMboe resource potential identified by Lucent in the deeper Carboniferous reef play that has not been tested in this Block. A number of follow-on leads have also been identified, with additional potential in deeper Carboniferous and Devonian plays already proven in the region. Lucent is offering up to 50% in the Lebyazhye field development in return for a staged investment totalling US\$ 25.4 million and involvement in the initial, early cash flow development of the existing Triassic resource and subsequent test of the potentially much larger, deep Carboniferous potential.

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ASIA



CENTRAL ASIA

Onshore / Production, redevelopment and exploration

Envoi has been commissioned by a listed independent to assist in its search for a partner to participate in the progressive exploration and exploitation of several majority owned and operated Licences located in the proven / producing -inter-montagne fairway of an independent Central Asian country, last exploited by the Russians in the 1990s. The fairway is estimated to contain over 4 billion barrels, of which 75% remains undiscovered.

The Licences cover a combined area of over 3,000 km² and contain proven Mesozoic and Cenozoic stratigraphy with prolific source rocks (generating gas and oil between 30° to 42° API gravity), stacked reservoir sands and carbonates and locally competent interbedded seals, as well as a thick regional seals across the basin. Three drill-ready prospects have so far been defined on the existing 2D data with combined estimated prospective resources of 550+ MMboe. The Licences also include some existing production of around 250 boed, comprising 60% oil and 40% gas, which could be increased significantly with investment of US\$ 50 million in field redevelopment, modern maintenance technology and new equipment. Envoi's client is looking for a partner willing to commit in the very near term to fund one exploration well in the next 12 months to secure one of the Licences. A well is planned to test one of the primary closures down-dip from an existing field at an estimated cost of US\$ 25 million. Such exploration commitment would unlock participation in the other acreage, including the existing production and the significant redevelopment upside.

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AMERICAS



COLOMBIA

Onshore / Exploration

Envoi has been engaged by PetroSantander Inc., a private, Houston-based production company which, as part of its assets in Colombia, has been operator of the Las Monas Block since 1995, including the three producing (La Salina, Corazon and Payoa) fields this contains, situated in the prolific multibillion barrel oil and gas producing province of the Middle Magdalena Valley Basin, onshore northern Colombia.

Although PetroSantander's 70% equity in the Las Monas Block production is not included in the opportunity, PetroSantander also own and operate 100% of the remaining exploration potential and have imaged and mapped the very large San Benedicto sub-thrust exploration prospect in their Block, which is estimated to be capable of containing in excess of 200 MMbbls recoverable. This is well defined on 3D time and depth images, deeper in the section, immediately beneath the existing three fields. These have already recovered more than 500 MMboe from excellent quality stacked Tertiary (Palaeocene to Miocene) aged fluvial reservoir sands trapped in the shallower thrust anticlinal closures associated with the large Las Monas Fault system that runs N-S through the Block.

The large San Benedicto closure, thought to be one of the largest undrilled structures remaining in the proven play fairways of Colombia, is created by the deeper sub-thrusted foot wall of the Las Monas Fault where the same Tertiary plays, already proven in the hanging wall by the three existing fields, are interpreted in the San Benedicto closure immediately beneath the Salinas field. Although the San Benedicto prospect was originally defined on the historical 2D data, this very large undrilled sub-thrust structure has now been accurately mapped in both time and depth and interpreted on the new high-quality 3D data. The prospect covers an area of 2,900 acres with 2,000 feet of closure. The entire play is more than adequately sourced by thick organic-rich Cretaceous shales immediately underlying the Tertiary objectives. These are themselves sealed by the numerous interbedded shale units in the thick Tertiary stratigraphy. Although undrilled, the San Benedicto closure is not alone and has an almost direct analogue, already proven by the large footwall Cantagallo - Yarigui field which contains an estimated 160 MMbo + 85 Bcfg reserves on the opposite side of the basin.

PetroSantander intends to drill a well to test the San Benedicto structure in late 2018.

An unusual and very attractive element of this prospect is that it directly underlies PetroSantander's oil and gas fields with substantially underutilized infrastructure which would be available for immediate production and cash-flow generation should a discovery be made.

PetroSantander is offering an option to earn a 50% interest in the deep San Benedicto opportunity (excluding the existing shallower production) for an initial risk investment of one exploration well (est. US\$ 10 -12 million completed), plus one appraisal well and half the costs of the seismic survey (US\$ 6 million gross). The farmee would receive revenues from production to help fund any development. Ecopetrol has the right to back in for a 30% interest in any commercial discovery, by paying their share of all costs related to such, which would reduce an incoming party's 50% equity to 35%.

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MIDDLE EAST



SHARJAH **NEW**

Licence Round

Envoi has been engaged by Sharjah National Oil Corporation (SNOC), on behalf of the Sharjah Petroleum Council (SPC), to assist in the search for established E&P companies and investors to participate in their first ever Licence Round focused on the proven-producing thrust play that dominates the central part of the Musandam Peninsula and United Arab Emirates (UAE).

Sharjah is the third largest hydrocarbon producer in the UAE with three gas condensate fields comprising the large Sajaa, Kahaif and Moveyaid fields. Discovered in the late 1970s and 1980's by Amoco (which merged with BP in 1998) their combined initial reserves are estimated to have been more than 5 TCF equivalent plus associated condensate. In 2013 the production licence expired resulting in SNOC taking control of the fields.

Production decline has left significant capacity in the established surface infrastructure and processing plant which provides immediate access to the growing local UAE, energy hungry markets. Any new resources discovered can therefore be commercialised rapidly as SNOC guarantees to purchase any new gas-condensate discovered that can be fed into their processing facilities.

Sharjah has developed new fiscal terms which ensure that even modest resources can be commercialised whilst larger accumulations will also generate very positive returns for investors.

SNOC's extensive data includes the new 2016 851 km² 3D seismic survey. The processing of this survey was completed in May 2018 and combined with the 2013 200km² 3D and key 2D legacy data, which covers the entire prospective Thrust Play Trend in Concession Areas A & B. The new 3D seismic is instrumental in unlocking the complex thrust structuring in the ongoing re-interpretation. This has potentially identified large new leads and prospects, whilst demonstrating that many historical wells drilled on old 2D were drilled off structure or missed the main Cretaceous Thamama carbonate reservoir in the complex thrust geology.

SNOC is now seeking well-resourced E&P companies and investors for strategic partnership to accelerate the exploration and exploitation of the potential being identified by the new 3D seismic. Operatorship is available in Concession Areas A and C whilst SNOC will operate Area B with a non-operated interest available.

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AFRICA



GHANA UPDATE

Offshore / Exploration

Envoi has been commissioned by Amni International Petroleum Development Company Limited (Ghana) ('Amni'), to assist in its search for a partner for its 90% owned and operated Central Tano Block in the Tano Basin, offshore Ghana. The remaining 10% is controlled by the Ghana National Petroleum Company (GNPC). The Block is situated approximately 60 km offshore in water depths of 300 to 1,500 metres and is bounded by the prolific Deepwater Tano and Cape Three Points Blocks, within which are a number of very large discoveries, including the Jubilee, the TEN field complex and Teak Fields discovered from 2007 onwards. These are recognised by the industry as the first discoveries in the deep water Cretaceous (Cenomanian-Turonian-Campanian) sand play, regenerating a West African exploration frenzy post the major Albian -Aptian synrift discoveries of the 90's. The 279.48 km² Central Tano Block is part of the original Deepwater Tano Block, which was relinquished by its operator Tullow in 2013 as part of their Licence obligation. Amni was awarded the area as the distinct "Central Tano Block" in March 2014 for an initial seven year term of three exploration phases. Amni's acreage is considered highly prospective due to its position in the heart of the most productive area of the Tano Basin, where three different plays are being evaluated, including: 1). the Turonian and Cenomanian fan systems, analogous to the Jubilee field, 2). the shallow Campanian fan systems and 3). the Albian-Aptian synrift system. Five prospects and eleven leads across the three plays have so far been identified to date with a combined potential of more than 3,500 MMbo in place. Amni is currently completing the interpretation of the 1,600 km² Tano Deep 3D data set together with some 450 km² of 3D PSDM reprocessed seismic. This has enabled the initial selection of three possible drilling locations where stacked prospects can be tested by individual wells. Amni would like to spud the first of two commitment wells in 2019 following the delays prior to the ITLOS ruling in September 2017 confirming Ghana's western maritime border. Amni is looking for a partner willing to earn up to a 40 % equity in the Block by funding the two obligation wells with a negotiated contribution to past costs. Well costs are expected to be up to 50% lower now than before the oil price decline.

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AFRICA



NAMIBIA NEW

Offshore / Exploration

Envoi has been engaged by Serica Energy to assist in the search for a partner for their Licence 047, covering a very prospective 17,000km² area of the largely unexplored Luderitz Basin, offshore Namibia. Serica own an 85% interest in the Licence which they operate on behalf of their partners NAMCOR (10%) and Indigenous Energy (5%).

Serica's comprehensive work on the Licence, since award in 2011, has included acquisition of a large 4,179 km² 3D seismic survey in the southern part of their acreage. This has been instrumental in defining the area's prospectivity and accurately imaging drillable prospects for the first time (not possible on the pre-existing 2006 2D data). These contain the same stacked Cretaceous shelf slope clastic & platform carbonate plays that the Majors have recently been farming into in the Walvis Basin immediately to the north, and where Tullow is now scheduled to drill a well in September. Serica has so far mapped a total of 6 prospects and leads in their Licence, of which the four primary closures have a combined mean resource potential of over 2.5 Billion bbls recoverable and an upside of over 4+ Billion bbls recoverable.

Basin modelling, utilising the seismic and few existing regional wells, supports the presence of similarly stacked oil prone early Cretaceous restricted lacustrine & Middle to Upper Cretaceous marine source rocks in the Luderitz Basin. Hydrocarbons are already proven regionally by the Kudu field in the Orange Basin to the south, albeit where source rocks are more deeply buried and therefore mature for gas. More significant is the Wingat-1 well drilled by HRT in 2013 on strike to the north of Serica's acreage in which 41° API oil was recovered and typed to the same mature Lower Cretaceous source rocks that are modelled in the Luderitz Basin's Inner Palaeo-graben where they can charge the clastic slope and carbonate play prospects being mapped up-dip on the 3D. Proven source analogues also exist in the producing basins offshore Brazil to the west and recently discovered North Falklands Basin to the south which were all part of the same Cretaceous Palaeo-Basin during early opening of the Atlantic.

Prospects B & F have been high graded by the 3D and are now 'Drill Ready'. Prospect B is a very large Lower Cretaceous carbonate platform structure with an aerial and vertical closure of 700 km² and over 300m respectively. Serica estimate a recoverable P50 resource of 700 MMbbls and an upside in excess of several billion bbls. Their preference is to drill Prospect F first, formed by a Lower Cretaceous early post rift shelf-edge clastic pinch-out closure at the base of slope play which can not only be tested in shallower water (~500 m WD), but is also considered lower risk due to the presence of a seismic DHI (direct hydrocarbon indicator), indicative of porous, hydrocarbon-bearing clastic reservoir. Serica estimate a gross recoverable P50 resource potential of 200 MMbbls and an upside of 500 MMbbls.

Serica is offering one or more parties a material share of their 85% equity, in return for funding an exploration well, estimated likely to cost around US\$ 30 million gross (dry hole). The current licence period continues until December 2019 and does not contain a commitment well.

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AFRICA



SOUTH AFRICA **NEW**

Offshore / Exploration

Envoi has been engaged by New Age African Global Energy ('NewAge') to assist in the search for a new partner to join in the exploration of the large Algoa-Gamtoos Licence, offshore South Africa, which NewAge operates in 50/50 partnership with London-listed Tower Resources plc. The 9,369 km² acreage straddles the Algoa and Gamtoos Basins, positioned at the eastern end of a series of en-echelon petroleum basins on the southern shelf margin of South Africa, which developed during the Jurassic break-up and separation of southern Africa from the Falkland Plateau of South America.

Recent geological reviews have shown that the true hydrocarbon prospectivity of the area has been largely unexplored by the drill bit, as historical wells were located using old 2D data and did not intersect valid closure or encountered only modestly developed reservoir sands at the fringes of the main depocentres. Many of these old wells drilled in both the Algoa and Gamtoos Basins, however, either had shows, residual hydrocarbons and/or penetrated and confirmed three mature, wet gas to oil prone shale source sequences of up to 4% TOC. Two of these source units lie within the Jurassic Early Syn-Rift fill and one within the subsequent Cretaceous Rift-Drift succession. Independent modelling confirms they are mature in both central basin play areas.

NewAges' most recent evaluation has redefined three primary play trends that the Group's forward exploration plan will focus on, comprising:

- *Post Rift Canyon Play in the Algoa Basin* to the east of the acreage, where Cretaceous-age proximal fluvial to distal marine turbidite canyon fill channel sands deposited in an incised valley on the shelf, are mapped on 3D stratigraphically pinching out, updip from the mature source.
- *Syn Rift Play in the Gamtoos Basin* where stacked Jurassic and Lower Cretaceous rift fill on the shelf in the west of the acreage (comprising shallow marine, lacustrine and fluvial deposits) have been structured by early faulting, remain untested by any wells and require 3D seismic data to mature leads into drillable prospects.
- *Post Rift Passive Margin Play on the South Outeniqua Basin Flank* where Cretaceous-age deep marine channel and fan systems fed by canyons on the shelf form potentially very large 3-way dip & stratigraphic traps on the deep water basin slope in the south western part of the acreage. This play, which lies on trend with acreage operated by the Majors, requires additional 2D or 3D seismic to define drillable prospects.

Modern 3D seismic led exploration is now required to accurately map and unlock the newly defined leads offshore. The five primary leads alone are estimated capable of containing a combined 'mean' potential of 1.4+ billion bbls STOIP (an upside of over 2 Billion STOIP) and several hundred million barrels of recoverable resources in the three undrilled plays to be refined by new data.

The NewAge operated Group would now like to find a partner(s) interested in earning up to 50% of their combined 100% interest by contributing to past costs and funding a new 3D seismic survey before the current 1st Renewable Period of the Licence expires in August 2019 (estimated likely to cost US\$ 7 million gross). The new partner will also have the option to earn additional interest by further contributions to an exploration well in the subsequent Licence Period.

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AFRICA



GABON **NEW**

Offshore / Exploration

Envoi is seeking an offshore operator interested in an opportunity to unlock large oil potential in an undrilled Pre-Salt play offshore Northern Gabon. Envoi's client has identified and evaluated an undrilled carbonate play in the region and is offering its knowledge and data on the opportunity to an experienced company with a view to earning a carry if an application and associated work programme is progressed.

The area of interest covers a large area of offshore Northern Gabon, in the vicinity of the Port Gentil Basin where pre-salt carbonates leads and prospects defined on existing 2D data remain totally undrilled. Significantly, this undrilled play area already has direct play analogues in proven-producing fields to the south offshore Congo and Cabinda/Kwanza and also across the Atlantic in the Santos-Campos basins offshore Brazil which evolved on the opposite side of the same basin as the early Atlantic rift margin spread.

Only 5 pre-salt wells have so far been drilled in the entire 75,000km² area of interest, where old 2D data shows undrilled leads with estimated resource potential between 250 MMboe and 750 MMboe lying in currently open acreage. Previous exploration of pre-salt targets was carried out by others but although previous exploration was based on a coherent play model, Envoi's client is able demonstrate from their new work, that the exploration was inappropriately focused.

Interested parties are being invited to access the data, detailed report and evaluation over the area of interest after execution of a CA and Non-compete agreement. This would enable companies to accelerate their review of this highly prospective undrilled play area, with a view to short circuiting preparations for a possible Licence application comprising a work programme commitment for the acquisition of new state of the art 3D data. Envoi's client will provide detailed technical insight into the area of interest, along with all the available data to support the play potential and the specific focus areas, in return for a negotiated carry through any application and committed work programme including any new seismic acquisition and any initial exploration drilling which physically tests the new play.

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UNITED KINGDOM



NORTH SEA

Offshore / Exploration - Inner Moray Firth

Envoi is working with privately owned Aimwell Energy Limited, to assist Azinor Catalyst ("Azinor") in the search for a drilling partner for Licence P.2278 comprising Blocks 13/16b & 17 located in the UK North Sea's Inner Moray Firth. The acreage, covering some 300 km², is located 140 km offshore northeast of Aberdeen in around 105 metres of water and is a traditional Licence awarded to Azinor Catalyst in 2015 during the 28th round for an initial 4 year term to September 2019. Aimwell's technical focus and experience on the area has spanned over a decade in various phases of exploration with different companies, initially involving interpretations based on 2D data in 2004 which first highlighted the Upper Jurassic as a play target. This was later followed by 3D data acquired in 2006 but which only partly covered the area now known to be most prospective, although it clearly showed evidence of large undrilled potential in the Upper Jurassic. Merger of this 3D with the adjacent Captain 3D dataset (ref: area on map) and subsequent reprocessing in 2014-16 by Western Geco and Azinor, has proved instrumental in unlocking the Upper Jurassic Buzzard sand potential. This has not only fulfilled the current Licence obligation but resulted in a significant enhancement to the data quality and enabled confident mapping of the large Churchward pinchout Prospect that is now the obvious target.

This consists of a large structural/stratigraphic trap comprising Buzzard aged sandstones pinching out onto the Captain High on the southern flank of the Smith Bank Graben. Volumetric estimates of the Churchward prospect using conservative reservoir parameters, and based on a structural spill point associated with the Smith Bank Fault (which also coincides with a flat spot that can now be mapped on a number of lines), supports a 'mid-case' resource potential of 525 MMbo recoverable. This has an estimated upside in excess of 2 Billion barrels recoverable if a discovery confirmed a thicker Buzzard equivalent reservoir.

Azinor, and its carried technical partner Aimwell, would now very much like to find a near term drilling partner to help accelerate the planned well programme to test the Churchward prospect and benefit from the current availability of rigs and services whilst at their lowest rates for many years.

Azinor is therefore offering a material interest in the P.2278 Licence in return for funding a well in 2018, estimated likely to cost only GBP £9 million (~ US\$ 11.5 million equivalent) which is equivalent to a risk reward ratio of over 1:200.

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UNITED KINGDOM



EAST MIDLANDS (UNDER OFFER)

Onshore / Production and development

Blackland Park Exploration Limited ('Blackland') is an independent oil and gas company which owns several exploration and production assets in the East Midlands, onshore England (UK), both in its own right and through two wholly-owned subsidiaries, AltaQuest Energy Corp (UK) Limited ('AltaQuest') and Courage Energy (UK) Ltd ('Courage'). The assets, covering a total 250 km², are all located in the vicinity of the Gainsborough Trough of the East Midlands Basin.

The owners of Blackland would now like to divest all of their assets through a corporate sale for cash including the combined producing and undeveloped reserves attributed to the assets it currently owns, including its subsidiaries. These assets include Blackland's own production from the Whisby field, in which the #6 appraisal well drilled successfully and defined new reserves in Q1 2016. Also, AltaQuest's shut in reserves at Newton oil field, with its appraisal upside, and Courage's undeveloped Reepham oil field. The opportunity would also include all of the prospective exploration upside in the combined acreage, plus the booked accumulated tax losses associated with the three companies which can be used to offset future tax liability from other E&P assets elsewhere onshore UK if appropriate.

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EUROPE



UKRAINE

Onshore / Appraisal, development and exploration

Envoi has been commissioned by UK LSE-listed Cadogan Petroleum to identify a partner interested in earning part of its 95% operated Bitlyanska Licence, situated in western Ukraine on the border with Poland. Significantly, this is part of the regionally productive Carpathian play trend; one of the world's oldest producing hydrocarbon fairways. Cadogan would now like to find a partner to accelerate the appraisal and development of two existing discoveries in their acreage and explore a prospective shallow structure analogous to a nearby depleted field, by participating in the drilling activities being planned in the current second exploration term which expires in December 2019.

All seven Soviet era wells within the present-day Licence area, only drilled to define the stratigraphy, encountered oil and gas shows in Tertiary clastic plays structured in the Carpathian fold belt. In 1972, the deep Borynya-1 (Bor-1) well in the southern part of the Licence, was reported to have blown-out, proving the potential for a productive play. The subsequent Borynya-2 (Bor-2) well drilled in 1978 encountered gas bearing sands at various levels within the same Tertiary play, and tested 14 MMcfdg from one interval. Subsequent evaluation of the gas on Bor1 & 2 well logs confirmed multiple gas bearing zones between 2,148m & 5,325m. Cadogan drilled the Borynya-3 well in 2009 which confirmed the same hydrocarbon bearing plays, although drilling had to be stopped due to a high-pressure gas influx beyond the safe capability of the rig and equipment. A short open-hole test was achieved that flowed up to 4.5 MMcfd gas before the well was suspended. The 120 km infill 2D seismic survey in 2010 enhanced the interpretation of the hydrocarbon potential of these Oligocene sandstone plays.

Re-entry and testing of just the upper Bor-3 reservoir intervals in 2013 was inconclusive after flowing some gas, oil and condensate. Testing the potentially most productive deeper zones will require a heavier rig and specialist high-pressure control equipment. The well remains suspended, but monitored and gas bled-off when required.

Independent evaluation of the Borynya accumulation estimated 0.8 MMboe of 2P and 1.6 MMboe of 3P reserves with an estimated 12.5 MMboe P50 contingent 2C resource upside. Rapid development would benefit from existing pipeline infrastructure only 15 km away.

Cadogans Licence also contains: 1). the Bitlya discovery made in 1992, comprising multiple gas bearing zones (which tested at modest rates due to poor drilling practices and resulting formation damage), and 2). the Shallow Vovchenska prospect, which lies close to a depleted oil field that contained hydrocarbons between 300m and 2,000m. The combined resource potential of the Bitlya discovery and undrilled shallow Vovchenska oil prospect are estimated at 0.8 MMboe 2P and 3.2 MMboe (3P reserves) with 14.8 MMboe 2C (Contingent) resources. Cadogan is offering a material interest in the Licence to a party willing to fund the planned work programme involving:

- A shallow Vovchenska Prospect well and test (est. US\$ 1 million).
- Re-test of the Borynya-3 deep pay (est. US\$ ~3 million).
- A new Appraisal well & testing (est. US\$ 7 million).

Recent reduction in tax royalties for new gas wells (29% to 12%) (6% for wells >5,000m) substantially improves the economics.

AUSTRALASIA



AUSTRALIA NEW

Offshore / Exploration

Envoi has been engaged by Australian based Advent Energy Limited to identify a new partner to join their majority (85%) operated JV with Bounty Oil & Gas (15%), to explore their highly prospective but unexplored PEP11 Block offshore Sydney Basin, NSW. This large, 4,578 km² Licence covers the most prospective offshore part of Sydney Basin in which palaeogeographic and depositional modelling of the Permo-Triassic play (already proven onshore by historical drilling in the near shore facies) is interpreted to thicken basin-ward offshore into a more distal facies. Here the play remains totally untested, despite clear evidence of very large 2D defined closures being associated with active hydrocarbon system seepage. All of which lies right on the door step of the gas strapped eastern Australia energy markets.

Advent's geophysical work now shows multiple large prospects coincident with seismic anomalies including AVOs, gas chimneys, reverse polarity events and flat spots across their acreage. The active hydrocarbon system offshore is supported by satellite seepage and thermogenic gas bubbling from the seabed. Large pock marks evident on the sea floor is also further evidence of shallow gas migration which correlates strongly to the sub-surface structures mapped in PEP11.

Advent originally farmed into the Licence operated by Bounty, by drilling the New Seaclem-1 well in 2010 which fulfilled the previous work obligations. This well, which was the first ever exploration well drilled offshore, ended up targeting a shallow seismic anomaly in the Triassic in the north of the block. The original location, targeting the deeper Permo-Triassic play prospects, was abandoned after the site survey required prior to drilling, failed to confirm seabed stability and mitigate the risks posed by shallow gas for use of the rig contracted. Although the Seaclem-1 well failed to find hydrocarbons, it proved thick high quality reservoir sands in the upper Triassic and sufficient thermal maturity for a Permian source in the Newcastle Syncline.

Extensive reinterpretation of the existing 3,805 km 2D seismic has since defined a total 14 prospective leads in the deeper undrilled play in PEP11 with a combined estimated prospective recoverable (Pmean) resource potential in excess of 5.7 Tcf. The Permo-Triassic targets in just the two largest closures are estimated capable of a combined 2.5+ Tcf (P50) recoverable resource, trapped in four-way dip and fault closed structures, with stratigraphic upside, sourced by early Permian shales and coals, mature in the mature offshore source kitchen. PEP11's proximity to the extensive East Coast gas infrastructure, with pipeline tie-in only 25 km away at its nearest point, would allow immediate access to the major gas markets of eastern Australia.

Advent is already committed to fund an initial seismic / seabed survey in 2018, estimated likely to cost Aus\$ 0.7 million, which would fulfil the current Licence commitment and to secure the Licence to 2021, and for which Regulatory and Environmental Planning approvals are in place. Advent is offering a material interest in PEP11 to an incoming party in return for a commitment to fund both i). the acquisition of a modern 500+ km² 3D seismic survey (Est. cost A\$ 5 million), which would fulfil the forward Licence commitment and more accurately resolve the deeper Permo-Triassic play to define locations on the best prospects, and ii). drill a subsequent well in 2019 (Est. cost A\$ 20 million).

ENVOI LIMITED

Old Stables House
1d Manor Road
London
W13 0LH
United Kingdom

T: +44 (0)20 8566 1310

E: deliver@envoi.co.uk

I: www.envoi.co.uk

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