Investment Opportunity in Blocks 102/10 & 106/10

*PVEP*

Petrovietnam Exploration Production Corporation Ltd. (PVEP) is currently operating exploration blocks 102/10 & 106/10 in Song Hong Basin, offshore Vietnam. The production sharing contracts were signed in 2011. PVEP holds 100% participating interest and the subsidiary PVEP Song Hong is the operator. The blocks cover an area of 10,400 km² with a water depth of 30–50 m. The blocks are covered by 2D and 3D seismic data. Two significant gas and condensate discoveries have been made in the blocks area, Han Rong Dong and Ham Rong Nam. Upside potential exists in the blocks with HIIP of 684 MMBBL of oil and 2.4 TCF of gas. The structures in the area have direct access to the source kitchen of the Red River Basin.
Petrovietnam Exploration Production Corporation Ltd. (“PVEP”) is currently operating the highly prospective Exploration Blocks 102/10 & 106/10, Offshore Vietnam and is seeking a strategic partner to farm in up to 60% of participating interest.

**Summary**
- PSC was signed on October 7, 2011, effective from October 27, 2011.
- PVEP holds 100% Participating Interest and its subsidiary PVEP Song Hong is the operator.
- Total term of this PSC is 30 years with up to 5 year extendable. The exploration period is 05 years from effective date, divided into 02 phases (03 years for the 1st firm Phase and additional 02 years for the 2nd optional one). Further extension may be extended in accordance with the Petroleum Law.
- Current Phase: 1st extension of Phase 2 of Exploration Period.
- Blocks area is 10,400 sq.km.
- Water depth: 30 - 50 m.

**Key opportunity highlights**
- Blocks are covered by good quality 2D and 3D seismic data.
- Two (2) significant gas and condensate discoveries Ham Rong Dong and Ham Rong Nam in the Blocks.
- Considerable remaining upside potential exists in the Blocks with HIIP of 684 mmbbl of oil and 2.4 tcf of gas.
- Structures have direct access to the source kitchen of the Red River basin charging all discoveries in the area.
- Favorable PSC terms.

**Exploration history**
- Till now, 11,470 km 2D and 2,252 km² 3D seismic data have been acquired in the Blocks.
- Eight (12) exploration wells were drilled in the Blocks and resulted in one (1) gas and three (3) oil/condensate discoveries.
- Miocene sandstones and Pre Tertiary basement carbonate reservoirs are proven by wells and testing. HRD-1X and HRN-1X discovery wells tested up to 2,400 bopd and 30 MMscfd each from Miocene sandstones and pre-Tertiary carbonate basement reservoirs.
- The Blocks 102/10 & 106/10 acreage is located in prolific Song Hong basin where the presence of a
working petroleum system has been well established. The main play in the area comprises of Miocene sandstone and pre Tertiary carbonate basement reservoirs top-sealed by Lower to Middle Miocene interbedded shales and Oligocene/Eocene shale and charged by hydrocarbons generated by the Lower to Middle Miocene transgressive shale, and Eocene to Oligocene lacustrine shale. The Blocks are optimally located to receive the hydrocarbon charge from the source kitchen.

Extensive exploration in the Song Hong basin has revealed significant hydrocarbon potential in the Tertiary clastic and pre Tertiary carbonate basement. The main reservoir is deltaic plain to near shore marine sandstones of the Miocene formation, the primary producing reservoir in the Thai Binh gas fields immediately to the West. Fractured carbonate reservoir is encountered and flowed oil and condensate by Ham Rong Nam and Ham Rong Dong discoveries.

Propects

Fourteen (14) promising prospects have been identified with total in-place volume of 684 mmbbl of oil and 2.4 tcf of gas. Most of the prospects are 4-way dip closures. The main proven targets are Miocene / Oligocene sandstones and pre Tertiary fractured carbonate with reservoir depth varying from 1,000m to 3,500m.

Contact

All comments or queries regarding the process or the Opportunity should be addressed to the persons whose contact details are below. No contact should be made directly with any other employees of PVEP or related entities.

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Process

Following execution of a confidentiality agreement and necessary arrangement, interested parties will be provided with access into physical data room in Ha Noi. PVEP personnel will provide an overview presentation and will be available for technical and commercial discussions.