

EXECUTIVE SUMMARY OF FIELD-B

Field-B (this is a nominal name used in place of the real name)

Field-B is one of the fields the Federal Government of Nigeria earmarked for the 2020 Marginal Field Bid Round which is now concluded.

A client is seeking funding for the development of the field to produce first oil and/or gas.

The preferred funding option is debt capital. Structured finance is also in consideration.

- 100% Finance Required - \$70M
- Client's Share: 45%

- The field is located within shallow offshore in water depths of approximately 70 to 80 feet.
- The field has two wells.
- The 2P+2C resource is estimated as 42.05 MMBO of oil and 193.75 BSCF of Gas.
- The notional development plan includes the re-entry and recompletion of the wells and laying of a 2.5km flowline.
- There are 3 marginal field companies in the SPV.

Extract from the Competent Persons Report (CPR)

Field-B is located in the shallow offshore part of OML 95 in water depths of approximately 70 to 80 feet. The block was operated by Chevron Nigeria Limited ("CNL") as a JV.

The field was discovered by CNL, with the drilling of well-1 in 1969 as an exploratory well. The well encountered five (5) hydrocarbon bearing sands as an oil and gas well.

Well-2 drilled in 1991 appraised all the accumulations and penetrated additional nine (9) deeper hydrocarbon-bearing sands.

Both wells were subsequently suspended.

The **2P+2C** resource is estimated as **42.05 MMBO** of oil and **193.75 BSCF** of Gas. (Tables A1 and A2) below is a summary of the reserve and resource estimate respectively.

Table A1: Summary of Reserves

Reservoir	1P		2P		3P	
	BScf	MMBO	BScf	0.324021	BScf	MMBO
H-1	29.737	0.18	52.26	0.32	79.727	0.49
H-5	8.949	0.10	20.10	0.22	30.760	0.33
J-6	1.17	0.67	2.48	1.41	2.86	1.62
Total	39.86	0.95	74.84	1.95	113.34	2.44
Total MMBOE	7.82		14.85		21.99	

Table A2: Summary of Contingent

Reservoir	1C		2C		3C	
	BScf	MMBO	BScf	MMBO	BScf	MMBO
D-1	-	10.86	-	14.54	-	16.56
E-1	9.82	13.75	11.30	17.65	13.21	20.63
E-5	19.41	0.42	22.46	1.82	25.77	4.05
E-7	47.53	-	55.07	-	65.71	-
H-4	26.80	-	29.76	-	35.04	-
H-7	-	0.73	-	5.31	-	6.58
J-1	-	0.18	-	0.45	-	1.85
J-2	-	0.01	-	0.09	-	0.10
J-4	0.24	-	0.32	-	0.33	-
J-5	-	0.05	-	0.23	-	0.35
Total	103.80	25.99	118.91	40.10	140.06	50.11
Total MMBOE	43.89		60.60		74.26	

The notional development plan includes the re-entry and recompletion of the suspended wells. Production from the field will require the laying a 2.5 km flowline.

Based on this plan, a cashflow model was generated and the basic economic indices estimated. The review covers 20 years of the field life and the revenue data is expected from 2P+2C Oil and gas sales. The premise for the Capital Expenditures is based on the required re-entry and completion cost.

From an economic evaluations done to assess the profitability, the cash flow model from the production without any consideration of signature bonus cost recovery for oil returned an **NPV_{12.5} of US\$ 89.59 Million** using a base price of US\$ 30/bbl and US\$ 2.3/Mscf. (Table A3) below shows the discount factor (10%, 12.5% & 15%) and Price sensitivities/bbl (US\$20 US \$30, US\$40 & US\$50).

Table A3: Economic Indices Sensitivity Analysis

NPV _x	Discount Factor	US \$/barrel			
		20.00	30.00	40.00	50.00
	US\$ 'x 10 ⁶				
	10%	33.63	108.67	183.71	258.75
	12.5%	23.76	89.59	155.42	221.26
	15%	15.71	73.96	132.20	190.44

This valuation considers that the CAPEX required to fully develop Field-B is US \$65.35 million and an expected OPEX of US \$16.2/barrel.

Dr Leesi Gborogbosi, CEO of Gabriel Domale Consulting is the Commercial Advisor mandated to raise the funds and he is supporting this process as an Ex-Shell Manager with deep knowledge of the oil and gas industry from 26 years working with Shell Nigeria.

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