

EXECUTIVE SUMMARY OF FIELD-R

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

Field-R 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 - \$150M
- Client's Share: 70%

- The field is located in the coastal Swamp depo-belt of the Niger Delta.
- The file has three wells that are hydrocarbon-bearing, with a combination of non-associated gas and oil.
- Basecase Reserves: Oil Recovery is 9.61 MMBO, Gas Recovery is 123.41 BCF and Condensate Recovery is 2.79 MMBO.
- There are 7 development wells.
- There are 2 marginal field companies in the SPV.

Extract from the Competent Persons Report (CPR)

The Field-R is located in onshore Nigeria in the Chevron Nigeria operated OML 49 block in the western part of the Niger Delta. The concession area is ~18 sq km and is contained in sands of the Agbada Formation and alternate shales provide a seal.

The farm-out area lies at the northern edge of Block OML 49, close to the boundary with OML 40.

The Field-R was discovered by the current operator, Chevron Nigeria, in 1966 by the Well-1. The Well-2 and Well-3 were drilled in 1974 and 1980 respectively. The three wells were hydrocarbon-bearing with a combination of non-associated gas and oil being discovered in eight reservoir intervals.

The table below shows the resource and revenue summary.

Resource and Revenue Summary

Contingent Resources*	100 % Gross and Net					(units)
	Development Case					
	Min	Base	High	Base		
	Probabilistic				Deterministic	
1C P ₉₀	2C P ₅₀	3C P ₁₀	P _{mean}	Base Case		
STOOIP	53.09	58.19	63.68	58.29	58.30	(mmbo)
OGIP	145.95	156.05	166.54	156.18	154.40	(bcf)
CIIP	8.19	8.75	9.34	8.76	8.66	(mmbc)
Oil Recovery	8.47	9.58	10.80	9.61	9.61	(mmbo)
Gas Recovery	115.09	123.66	132.78	123.80	123.41	(bcf)
Condensate Recovery	2.60	2.80	3.00	2.80	2.79	(mmbo)
NPV ₁₀	115.69	126.86	144.62	128.29	127.03	(\$MM)
CAPEX	129.80	142.31	142.31	142.31	142.31	(\$MM)
Internal Rate of Return	35.53	33.82	36.91	34.07	33.82	(%)
Years to Payout	2.72	3.03	2.81	3.03	3.03	(years)
Development Wells	6	7	7	7	7	

* economic recoverable

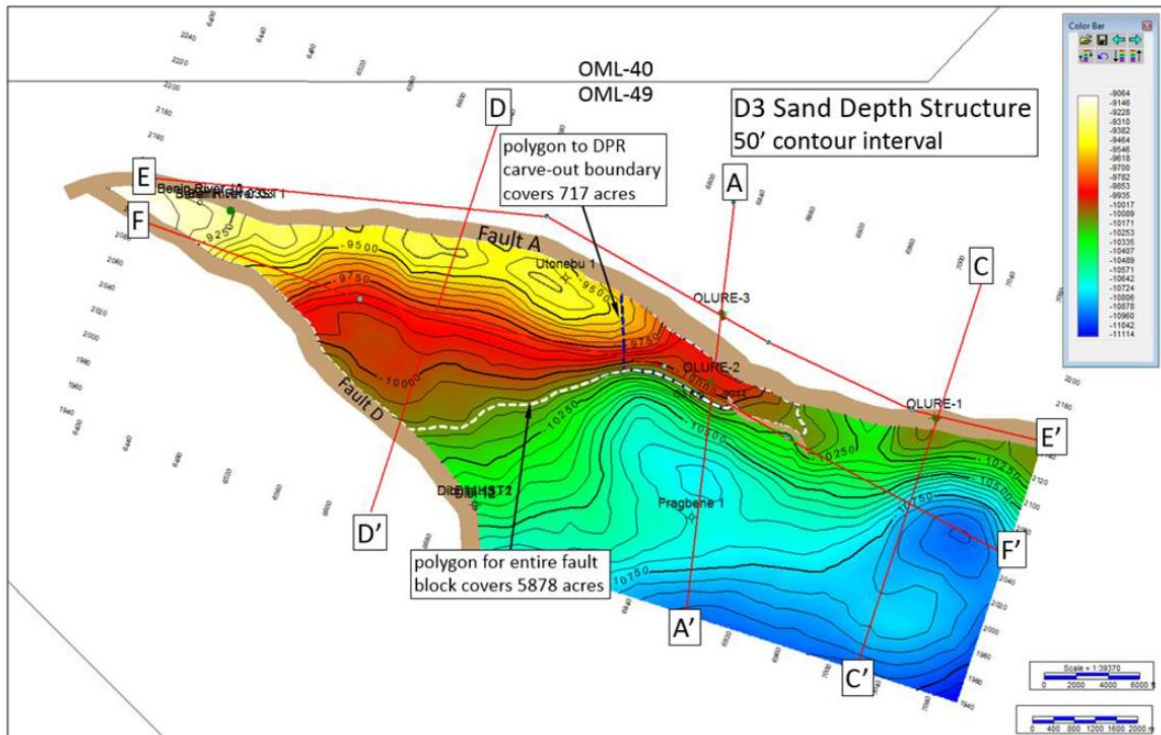
mm - millions

As the License Holder's field OPEX and CPF throughput are not known, it is assumed that the farmee's transportation and processing tariff is \$0.55/boe, escalating at 2%/annum. This comprises a \$0.50/boe base tariff + a 10% (\$0.05/boe) uplift.

Field-R Upside Potential

The resource estimates were confined to the carve-out polygon supplied by the DPR. All the discovered reservoirs have up-dip areas that were not been included in the assessment and with potentials for upside resources. As an example, the D3 reservoir covers 717 acres in the Most Likely case resource assessment when confined to the carve-out area. If the entire structure is included the area covered by the Most Likely case rises to 5878 acres. No faults were observed in the seismic that might compartmentalize the Field-R wells from the up-dip portion of the structure.

Further work is required to capture the full resource potentials of the Field-R field as the numbers carried in the CPR is highly conservative.



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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