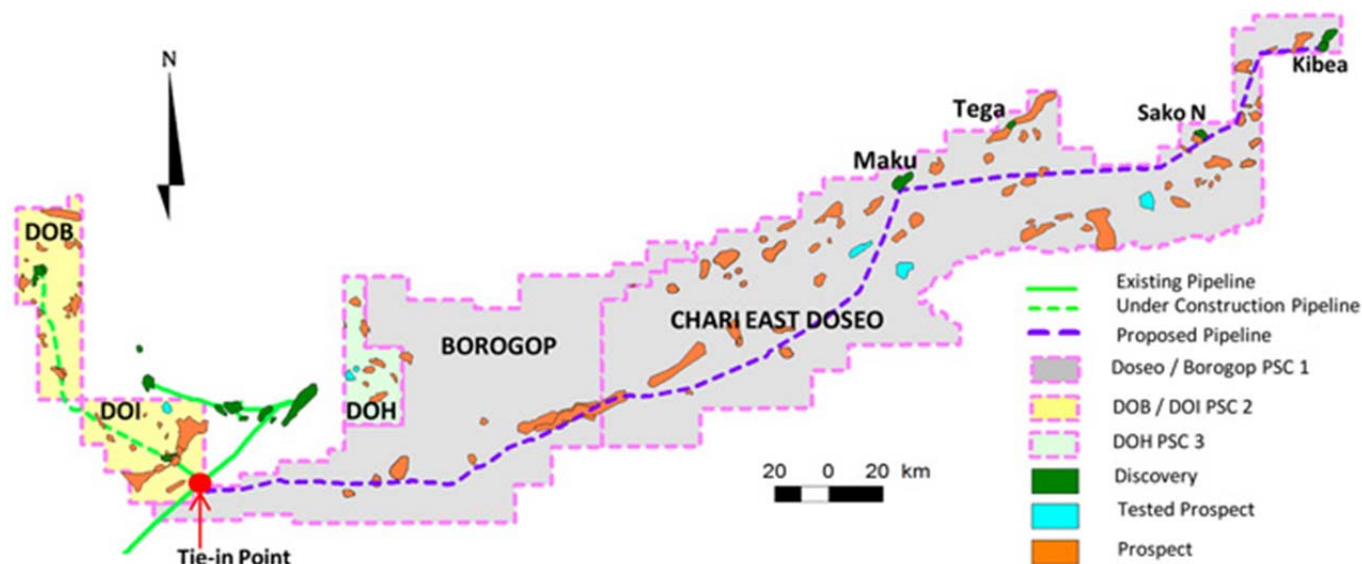


## Production Sharing Contracts



### Mangara/Badila Concession

The Mangara/Badila production sharing contract (PSC) secures an area of approximately 2,744 km<sup>2</sup> in southern Chad and provides the exclusive right to explore and develop oil and gas reserves and resources. Both of the blocks contained within the Mangara/Badila Contractual Zone have existing discoveries and two fields located therein, the Mangara field and the Badila field, represent the location of all of the currently evaluated reserves.

The DOB block (Mangara) is 1,320 km<sup>2</sup> and the Mangara field, the only area drilled by previous operators in the block, is located 107km from the Export Pipeline. All three wells drilled on the Mangara field by previous operators encountered oil with test rates ranging from 300 bbls/d to 1,600 bbls/d of light sweet crude oil. None of the tests conducted by previous operators involved artificial lift and nominal amounts of stimulation were used. The wells were drilled to explore and delineate the field and not to optimize productivity. Based on a review of the three well files received from the state, re-drilling the wells will result in much greater productivity with the introduction of stimulation and artificial lift.

The Badila block is 1,424 km<sup>2</sup> and the Badila field, the only field drilled by previous operators in the block, is located 45km from the Export Pipeline. The Badila discovery well contained greater than 500 feet of net oil pay capped by 65 feet of net gas pay as determined by log analysis. However, the well was not tested. Previous operators shot 2D seismic over much of the Badila field, and data suggests prospectivity in and around the discovery well.

### Doseo/Borogop Concessions

The Doseo/Borogop PSC provides the exclusive right to explore and develop oil and gas reserves and resources in the Borogop and Doseo blocks in southern Chad, covering an area of approximately 22,206 km<sup>2</sup>, subject to the terms and conditions of the Doseo/Borogop PSC. Doseo/Borogop is the largest area covered by a PSC.

Eleven wells were drilled in lands covered in the Doseo/Borogop PSC by previous operator, resulting in four discoveries at the Kibea, North Sako, Tega, and Maku fields. All four of these discoveries were tested by the previous operator but not placed on production. As a result, extensive well records exist for all wells drilled and indicate that these discoveries tested from 500 bbl/d to 2,200 bbl/d of medium and light sweet crude oil per well, and often had multi-zone potential.

None of the prior testing conducted by the previous operators involved artificial lift and little to no stimulation was used.

### DOH Concession

The DOH PSC provides the exclusive right to explore and develop oil and gas reserves and resources in the DOH block an area of approximately 826km<sup>2</sup>.