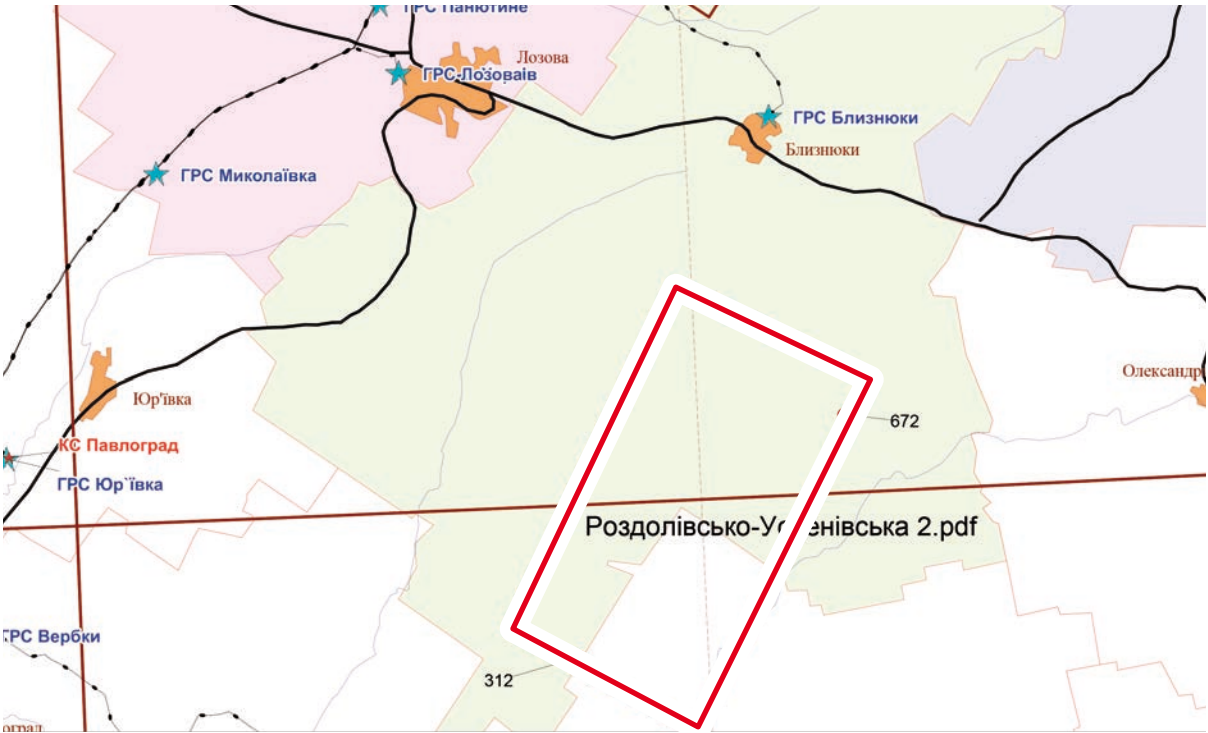


BLOCK 20

ROZDOLIVSKO-USPENIVSKA-2 LICENSE

LOCATION	CONCESSION TYPE	DEPOSITS DISCOVERED IN THE AREA
Rozdolivsko-USpenivska-2 block is located within Blyzniuky district of Kharkiv and Petropavlivka district of Dnipro regions. Acreage of the block is 296.41 sq. km.	Combined license for geological exploration with pilot and commercial development, and production of hydrocarbons. Duration - 20 years.	Novosilkivske and Holubivske oil and gas fields.

Map of Rozdolivsko-USpenivska-2 block



MAP SYMBOLS

Point Number	USK 2000, E			USK 2000, N			SK-42, E			SK-42, N		
	deg.	min.	sec.	deg.	min.	sec.	deg.	min.	sec.	deg.	min.	sec.
1	32	35	54.10	51	4	32.67	32	36	0.39	51	4	33.09
2	32	27	41.97	51	12	26.32	32	27	48.28	51	12	26.74
3	32	33	57.07	51	15	44.68	32	34	3.39	51	15	45.09
4	32	40	37.09	51	11	24.68	32	40	43.39	51	11	25.09
5	32	41	15.09	51	9	25.68	32	41	21.39	51	9	26.09
6	32	46	57.11	51	5	52.68	32	47	3.39	51	5	53.09
7	32	43	27.11	51	3	4.68	32	43	33.39	51	3	5.09

- well
- ★ gas-distribution plant
- gas pipeline
- ROZDOLIVSKO-USPENIVSKA-2 BLOCK

GEOLOGICAL CHARACTERISTICS

The Uspenivska and partly Osterska structures are partially located within the block. The structures are in the south-eastern part of the Southern flank of the Dnipro-Donets Basin within the Krutoyarska structural and tectonic zone.

The Uspenivska structure was discovered by seismic exploration in 1993 in the main reflection horizon Vb3I (Lower Carboniferous deposits) and is a semi-anticline fold, the southern wing of which is unconcordant bedding. The fault amplitude, which is the screen is about 40 m.

The Osterska structure, which is also partly located within Rozdolivsko-Uspenivska-2 was discovered by seismic exploration in 1993 and is a semi-anticline fold, the southern wing of which is concordant fault, the amplitude of which varies from 110 m to 50 m from west to east within the framework of the development of the structure that plays the role of the screen. In addition, the structure is complicated by an unconcordant bedding of the amplitude of 20 m, which divides it into two blocks.

SURVEY INFORMATION AVAILABLE

Assessment of hydrocarbon resources (Ukrainian classification)

The total inferred resources of the block is accounted as 1765 million m³ of gas.

Well data

The oil and gas prospects in the block are associated with the rocks of the lower Serpukhovian (C-18) and upper Visean (B-14) horizons by the results of the drilling well No.1 Kokhivska and in analogy with Novosilkivske (horizon C-18) and Holubivske (horizon B-14) deposits.

Seismic surveys

Year of surveys	Number of lines	Number of linear km	Fold
1990	6	80,76	24
1993	4	46,5	24
1994	2	7,9	24
1995	2	25,1	24
1998	4	47,44	24
1999	6	29,48	24
2002	11	117,55	24
2003	8	77,69	24

EXPLORATION WORK PROGRAM REQUIREMENTS

Stage I (12 months) - processing and reinterpretation of 2D seismic data;

Stage II (12 months) – acquisition of 2D or 3D seismic data on ¼ of the block's area;

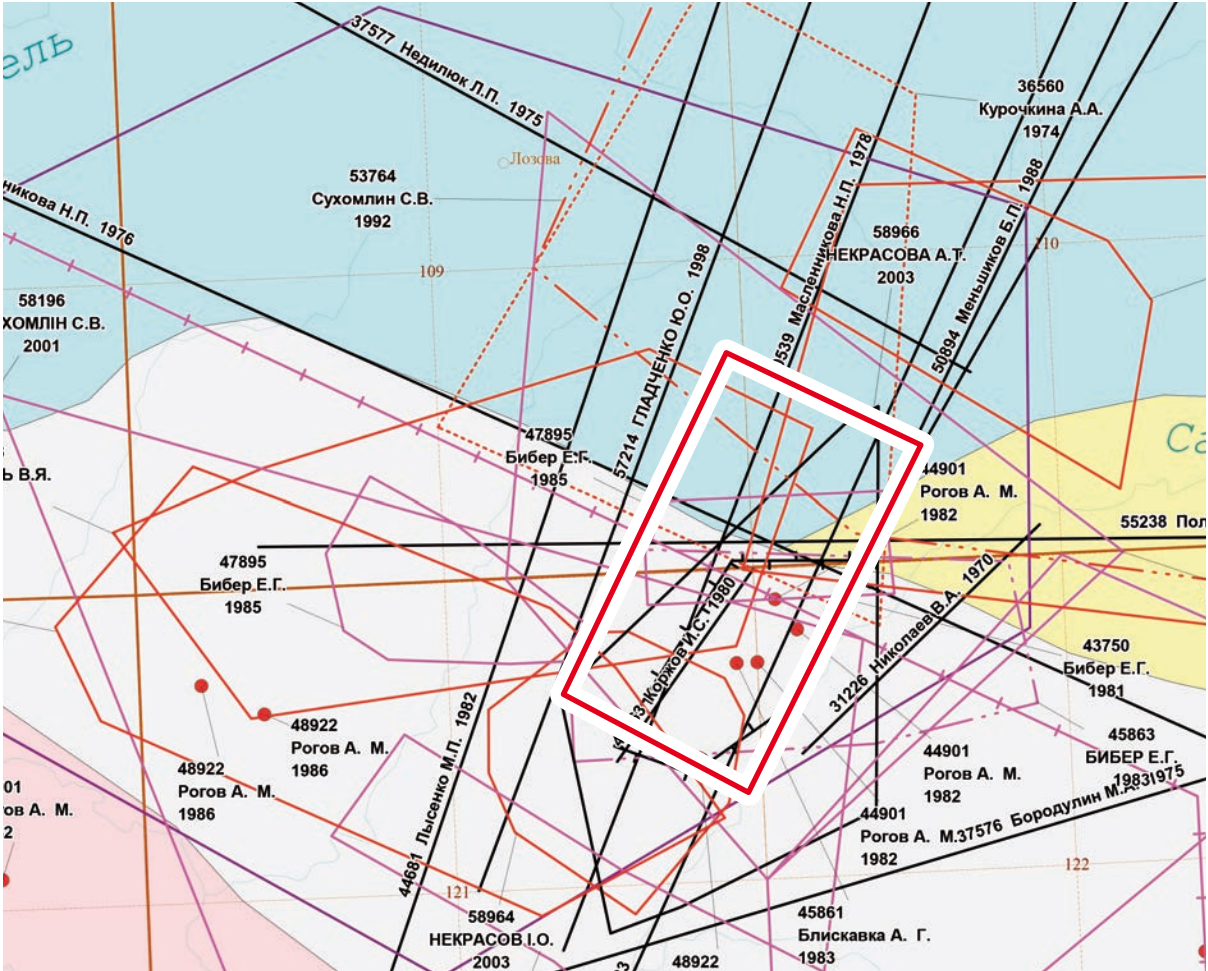
Stage III (24 months) – one productive well drilling.

BLOCK 20

ROZDOLIVSKO-USPENIVSKA-2

LICENSE

Map of geophysical surveys and seismic lines



MAP SYMBOLS

- 1:25 000

1:50 000

1:100 000

geophysical survey

seismic lines
- ROZDOLIVSKO-USPENIVSKA-2
BLOCK

survey with no mapping
- 45860

report number

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author of the report

1982

year of the report