KOKHIVSKA LICENSE

LOCATION

Kokhivska block is located in Pavlohrad, Yuriyivka, Petropavlivka districts of Dnipro region and Blyzniuky district of Kharkiv region. Acreage of the block is 346.18 sq. km.

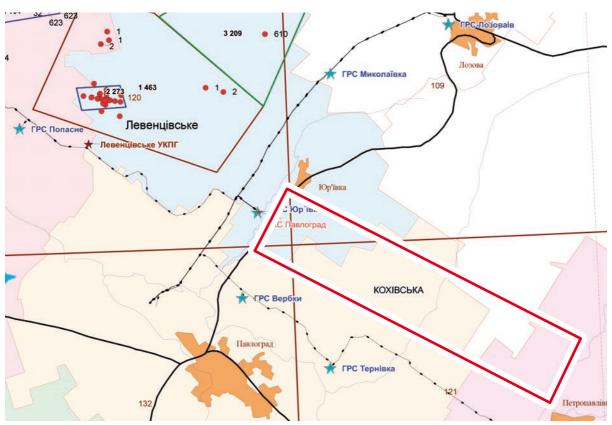
CONCESSION TYPE

Combined license for geological exploration with pilot and commercial development, and production of hydrocarbons. Duration - 20 years.

DEPOSITS DISCOVERED IN THE AREA

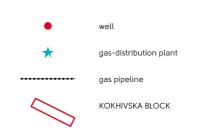
Novosilkivske and Holubivske oil and gas fields.

Map of Kokhivska block



MAP SYMBOLS

| Point | USK 2000, E | | | USK 2000, N | | | SK-42, E | | | SK-42, N | | |
|--------|-------------|------|-------|-------------|------|-------|----------|------|-------|----------|------|-------|
| Number | deg. | min. | sec. | deg. | min. | sec. | deg. | min. | sec. | deg. | min. | sec. |
| 1 | 35 | 59 | 16.55 | 48 | 43 | 50.90 | 35 | 59 | 22.34 | 48 | 43 | 51.25 |
| 2 | 36 | 27 | 32.83 | 48 | 33 | 8.91 | 36 | 27 | 38.58 | 48 | 33 | 9.24 |
| 3 | 36 | 24 | 14.03 | 48 | 29 | 0.30 | 36 | 24 | 19.78 | 48 | 29 | 0.64 |
| 4 | 35 | 55 | 50.93 | 48 | 39 | 49.73 | 35 | 55 | 56.72 | 48 | 39 | 50.09 |





GEOLOGICAL CHARACTERISTICS

In terms of geotectonics, the block in the south-east belongs to the Samarian-Vovchansk nose of the southern flank of the Dnipro Donets Basin.

Within the block, the Kochivska and Novodachynska structures are explored by seismic surveys in Lower Carboniferous deposits. The latter is morphologically similar to Kohhivska and differs from it with less amplitude of discordant fault.

The geotectonic similarity of the Novodachynska structure to the Samarian-Vovchansk nose of the Novomoskovsk-Petropavlivska monocline assumes the probability of developing within it a wide range of trap rocks, which are typical to the Krutoyarivska structural and tectonic zone of the southern flank of the Dnipro Donets Basin.

The geological structure of the block is represented by the rocks of the Precambrian to the Cenozoic ages.

SURVEY INFORMATION AVAILABLE

Assessment of hydrocarbon resources (Ukrainian classification)

The Novodachynska structure includes undiscovered inferred resources (D1 category) of the natural gas in the amount of 430 million m³ in the Lower Visean stage of the Carboniferous.

Well data

There was no drilling at the block..

Seismic surveys

| Year of surveys | Number of lines | Number of linear km | Fold |
|-----------------|-----------------|---------------------|------|
| 1990 | 19 | 234,53 | 24 |
| 1993 | 6 | 42,79 | 24 |
| 1994 | 11 | 142,38 | 24 |
| 1995 | 4 | 49,52 | 24 |
| 1998 | 1 | 9,0 | 24 |
| 1999 | 9 | 60,35 | 24 |
| 2002 | 1 | 7,8 | 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 1/4 of the block's area;

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

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Map of geophysical surveys and seismic lines

