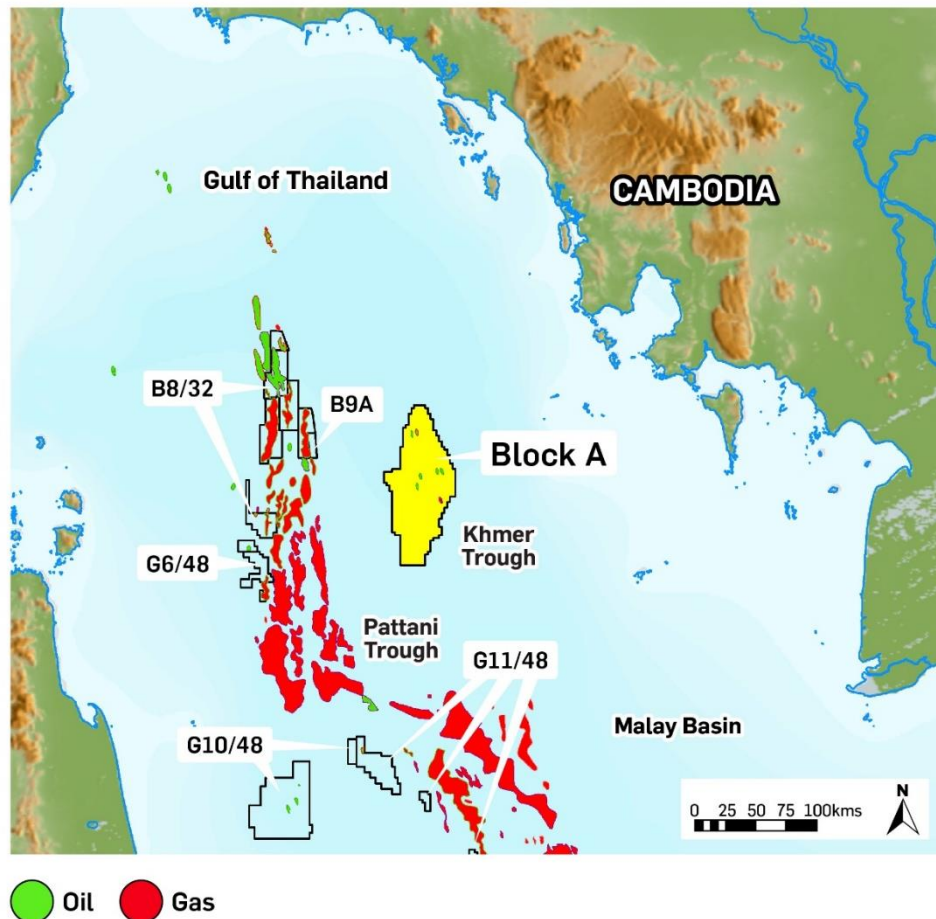




## Background: Cambodia Block A



Map: KrisEnergy operates or participates in six oil and/or gas contract areas in the Gulf of Thailand and offshore Cambodia:

- Cambodia Block A containing the Apsara oil development (operator);
- G6/48, a Thai concession, containing the Rossukon oil development (operator);
- G10/48, a Thai concession, containing the producing Wassana oil field and the Wassana Satellite oil development (operator);
- G11/48, a Thai concession, containing the producing Nong Yao oil field (non-operator);
- B8/32 & B9A, Thai concessions, a multi-field oil and gas producing complex (non-operator).

### Cambodia Block A - Participating Partners

KrisEnergy (Apsara) Ltd. (operator)	71.25%
KrisEnergy (Cambodia) Ltd.	23.75%
Royal Government of Cambodia <sup>1</sup>	5.00%

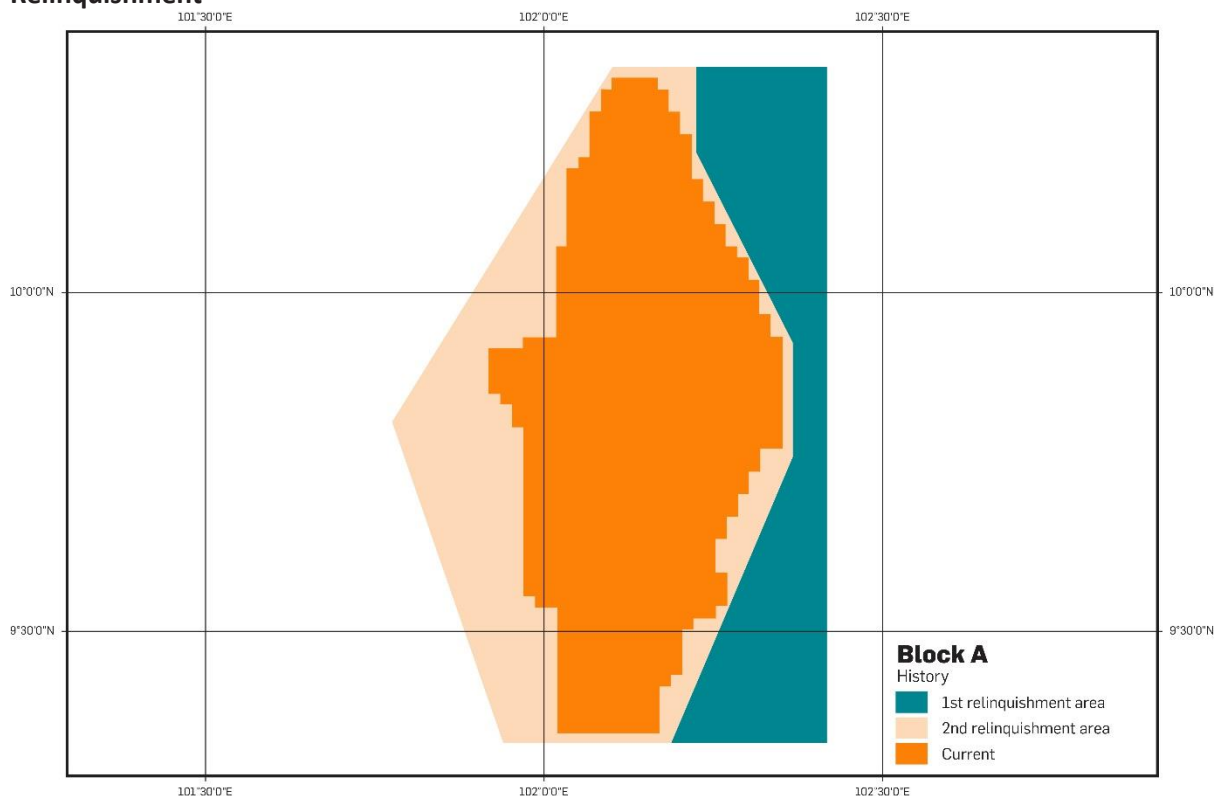
<sup>1</sup> Royal Government of Cambodia through the General Department of State property and Non Tax Revenue (“GDSPNTR”) of the Ministry of Economics and Finance

## Location & Geological Setting

Block A covers an area of 3,083 sq. km over the Khmer Basin offshore Cambodia in water depths of 50 meters to 80 meters. It is located to the east of the Pattani Trough the most prolific hydrocarbon producing basin in Thai waters. The block is bounded to the west by the Narathiwat Ridge, which separates it from the Pattani Basin, and to the east by the Khmer High and to the south by the Kim Qui High, separating it from the Malay Basin. Similar to basins within the Gulf of Thailand, this basin is characterised by an early Palaeocene phase of rifting with non-marine and lacustrine deposition, followed by a Neogene thermal subsidence phase with alluvial plain sedimentation.

The Khmer Basin shares many similarities to other Thai, Malaysian and Vietnamese Basins which lie to the west, south and east respectively of Cambodian offshore waters. These similarities include: shallow water depths, which make resultant developments relatively low cost compared to those lying in deeper waters; geological characteristics including age and type of source rock, age and type of reservoir rocks, structural trapping styles and the hydrocarbons that have been contained within the reservoir horizons; through to the methods and types of production. Initial developments in many of these analogous basins have usually been localised and then through time and subsequent rounds of seismic acquisition, exploration and appraisal drilling invariably have resulted in more widespread productive developments in nearby, and more distant, areas of a specific basin. It is envisaged that through a method of phased development that other prospective areas of the Khmer Basin may, with time and through careful rounds of exploration and appraisal, eventually be brought into production for the benefit of Cambodia.

## Relinquishment



The original petroleum agreement for Cambodia Block A was awarded in March 2002. The contract area has undergone two relinquishments from an original area of 6,278 sq. km to 3,083 sq. km on 23 August 2017 signing of the revised petroleum agreement and production permit.

### **Exploration & Appraisal**

There has been substantial geological and geophysical work undertaken in the block as well as exploration and appraisal drilling. In addition to vintage 2D seismic data, three separate 3D seismic acquisition surveys have been undertaken, recording 865 sq. km in 1994, 548 sq. km in 1995 and 2,648 sq. km in 2003.

Seven prospective areas (fields) in Cambodia Block A have been identified as a result of 3D seismic interpretation and exploration drilling. These prospective areas are complexes of north-south trending fault blocks with multiple stacked reservoirs in individual fault blocks.

To date, 27 exploration wells have been drilled within original outline of Cambodia Block A, of which 13 encountered oil with between three feet and 138 feet of net oil pay, eight wells were oil and gas discoveries with between four feet and 89 feet of net oil pay and between three feet and 55 feet of net gas pay, and two wells were gas discoveries with between three feet and 73 feet of gas with high CO<sub>2</sub> content.

Six of the wells were drilled on the Apsara Trend with each well encountering between 73 feet and 138 feet total vertical depth of net hydrocarbon pay. Four individual sand reservoirs in two of the wells were subject to production tests and each flowed from 410 barrels of oil per day (“bopd”) and 860 bopd.

A production permit application (“PPA”) for the Apsara development area in Block A was submitted to the Cambodian authorities in September 2010 and was updated in November 2012. KrisEnergy took over operatorship of Cambodia Block A in October 2014 and the final version of the PPA terms was subsequently formalised and signed by the Royal Government of Cambodia and the Company on 23 August 2017.

For details of the petroleum agreement and the production permit see section *Fiscal & Commercial Outline* contained in the Information Pack.

For details of the development plan see section *Resources & Development Plan* contained in the Information Pack.

To view a video of the Apsara oil development, go to <https://krisenergy.com/videos/apsara/>.

*Some of the statements in this document, which are not historical facts, are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. These statements are based on the Company’s current views, intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside the Company’s control. No undue reliance should be placed on these statements.*