

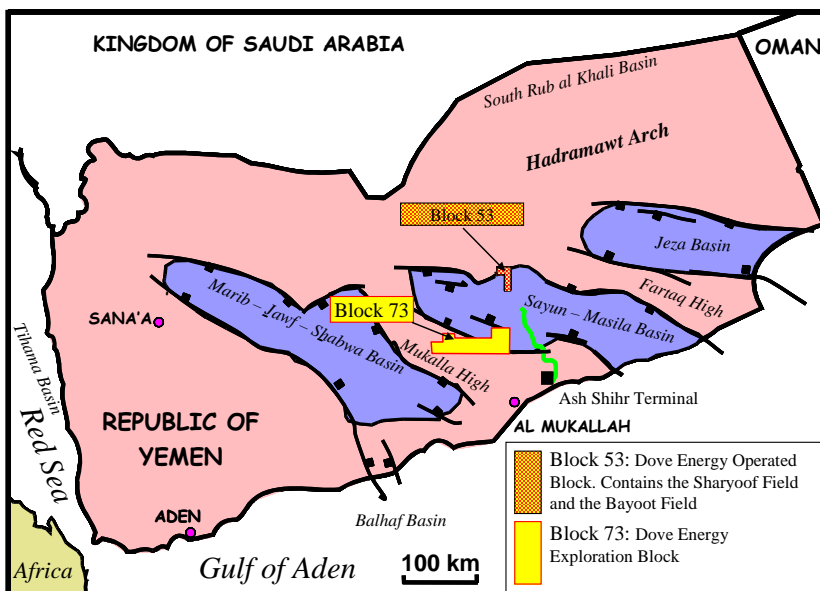
# Dove Energy farm out of interest, onshore Yemen Block 73



## SUMMARY and BACKGROUND

Dove Energy Limited owns and operates exploration Block 73, onshore Yemen. Dove holds a 92.5% working interest with The Yemen Company, being carried for their 7.5% stake. The block, some 1900km<sup>2</sup>, is located in the Seyun-Masila Basin, Yemen.

Phase I of the PSA ran from July 2005 to January 2009. Phase 1 commitments of re-processing seismic, acquiring 300 line-km of 2D data and drilling an exploration well have all been met. Phase I costs total \$10.8mm inclusive of signature and PSA bonuses but excluding application costs. Phase II duration is 36 months and has work obligations of a further 300 line-km of 2D seismic and a well which is to penetrate the Basement by at least 200m.



## THE OFFER

Dove is looking for new partners in the block through a farm-out but plans to retain operatorship. Dove will retain a 35-40% working interest and ideally attract 2 new partners. The preferred commercial model is to be carried by the 2 new partners through Phase II with pro-rata recovery of past costs.

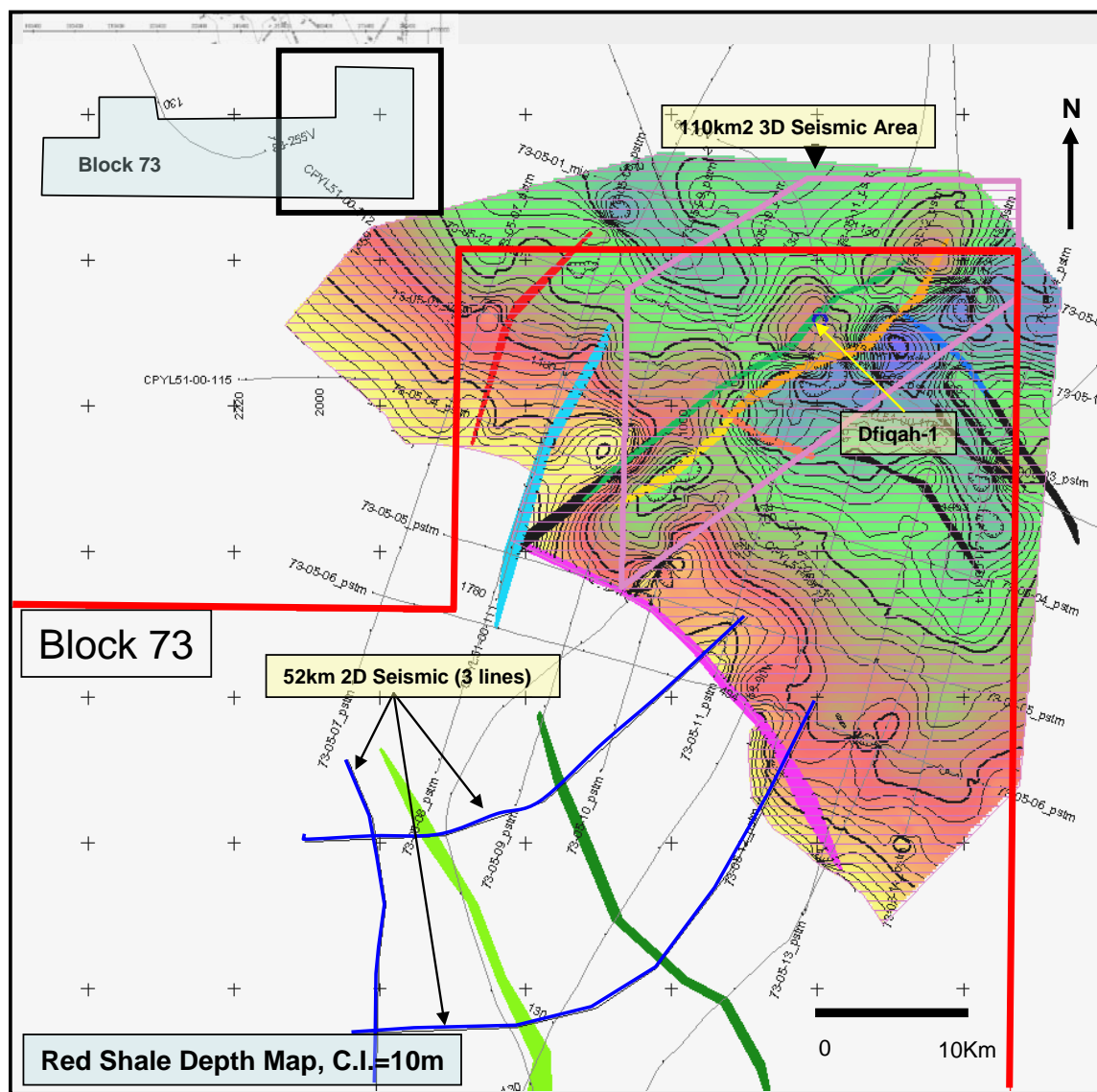
## GEOLOGY

To the west, the block comprises basement overlain by the Qishn Formation and 1 – 1.5Km of sediments. The north eastern part is deeper being located on the southern edge of the Seyun-Masila Basin, one of three rift basins in Yemen. The basin is highly prospective being sourced by shales within the Madbi and Naifa formations. There are multiple producing reservoirs within the basin. These include the Qishn, Saar, Madbi formations and also fractured basement.

## PHASE I WORK COMPLETED

In addition to the mandatory work programme, surface structural mapping of a high resolution SPOT image was carried out on the eastern part of the block to assist the planning of the seismic programme. The full seismic obligation of 300 line-km was acquired at the end of 2005 on an approximate 2.5Km grid over the north eastern part of the block. This was followed by the drilling of Dfiqah-1, a vertical well, which penetrated a mapped hangingwall closure, as the primary target, at Qishn level. The Qishn was close to prognosis, but encountered shows only.

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Petrophysical analysis indicates the presence of oil in the Saar, Naifa and Madbi formations. In addition there is updip potential for the Qishn in the footwall of the fault.

Follow up biostratigraphy work and geochemical analysis indicate oil migration has occurred from the deeper parts of the basin to the north east. In addition to the indicated presence of oil in Dfiqah-1, oil shows have been reported in wells to the west of Block 73.

Further direct detection remote sensing work (RSDD-H) has been carried out on the eastern part of the block. This has indicated a number of further leads.

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### **PHASE II WORK**

The work conducted in Phase I highlighted the need to de-risk the prospects as mapped. Ministry approval was granted to change the work obligation in Phase II to include 3D seismic acquisition. 110km of 3D and 52Km of 2D data will be acquired. This work has now been awarded and is planned for Q2-3 2010.

### **CONTACTS**

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