

PEL DECLARES DISCOVERY OF HYDROCARBONS IN BADIN SOUTH IV BLOCK

Petroleum Exploration (Pvt) Ltd (PEL), a private sector Pakistani company is pleased to announce that by the grace of Almighty Allah it has made a significant discovery of oil and gas in its Badin South IV Concession Block. The well named as Ayesha-1 was spud-in on December 31, 2013 and completed on February 14, 2014 after achieving the target depth of 2400 meters. The well flowed 11.32 MMCFD of good quality natural gas with a heating value of 967 BTU. Well also flowed 115 barrels of 57o API condensate per day with a well head pressure of 2000 PSI. We had carried out extensive seismic survey. In Badin South IV Block alone PEL had acquired 150 line km 2D seismic data and purchased 3075 Line km 2D seismic data and 630 km² 3D seismic data form Directorate General of Petroleum Concessions.

Efforts are in hand to put the well into production and connect it with the main gas distribution system without any loss of time. The discovery augurs well for the energy starved nation and will act as stimulant for further exploration in the region.

PEL is the operator and holds 47.5 interest while other working interest owners in the Block are Frontier Holdings, a subsidiary of Jura Energy (Canada) 27.5% and Gulf Petroleum International (Kuwait) 25%.

Mr. Zaheeruddin, Chairman & Chief Executive of PEL, informed that the discovery in Badin South IV Block was made possible with the active support of Ministry of Petroleum & Natural Resources as well as cooperation of joint venture partners. He further disclosed that his Company is committed to build a strong indigenous base of oil & gas exploration and to bring the country on the path of self-sufficiency in petroleum products. To achieve this goal PEL, with its joint venture partners, has embarked upon an aggressive exploration programme and is all set to drill another exploratory well in Badin South IV block named as Haleema-1. Drilling is likely to commence on 26 February 2014. The Company has also hired another rig for drilling Badar-2 well in Badar Mining Lease in Ghotki, Sindh and Hasan-4 well in Block-22 in District Shikarpur, Sindh which are aimed at increasing gas production from these two gas fields operated by PEL.

It may be recalled that PEL is a private sector Pakistani E&P company. It is actively engaged in oil & gas exploration in its petroleum concession areas which includes 6 development & production/mining leases, 9 onshore blocks, one offshore block and 5 overseas blocks. The Company is already producing about 20 MMCFD gas from two of its producing gas fields. It is the first private sector E&P Company that is venturing in offshore exploration in Indus offshore J-Block located in the deep waters of Arabian Sea.

PEL is also the first private company to engage itself in the overseas oil & gas exploration in North Africa and Myanmar. It has signed Petroleum Agreement and Association Contract for exploration of hydrocarbons in three blocks in the Kingdom of Morocco. PEL holds 75% working interests and is the operator while its joint venture partner ONHYM, the Moroccan state oil & Gas Company, retains 25% stakes. PEL has already carried out 3-D seismic in Tamarar area and is all set to drill first exploratory well in its Moroccan concessions during 1st half of 2014.

The Company has also entered the realm of oil & gas sector of Myanmar and has been granted two blocks which are spread over an area of 9069 sq km and 1194 sq km.

Management and all tiers of PEL establishment expressed their resolve to continue striving for the development and progress of oil & gas sector of the country in line with the policy of the Government.