

TAJIKISTAN, AFGHAN-TAJIK BASIN

Surkhsimo and Qarordon License Area

FARM-IN OPPORTUNITY

Edgo Energy, is seeking one or more partners, to continue exploration and potentially develop their highly attractive exploration and appraisal acreage in Tajikistan.

Edgo Energy is seeking a co-venturer to acquire a portion of its 100% working interest in the 36.4 km² Surkhsimo license area, comprising the Kyziltumshuk gas field and the 240.4 km² Qarordon license area including the Karadum structure in the Afghan-Tajik basin in the Republic of Tajikistan. In return the co-venturer will fund a disproportionate share of the planned 2015 2D seismic programme and make a contribution to past costs.

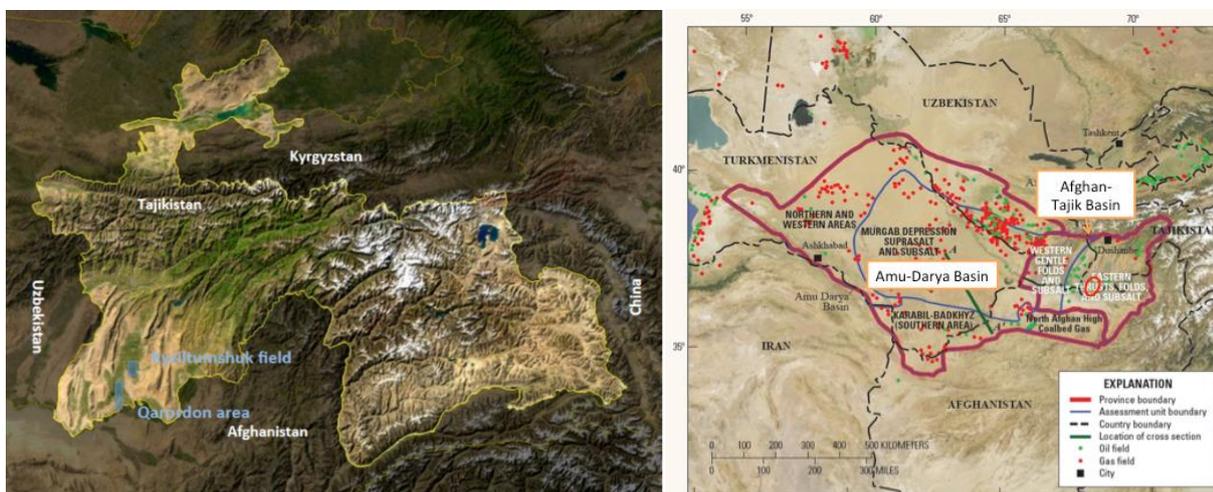


Figure 1. Tajikistan – Afghan-Tajik Basin with Surkhsimo and Qarordon license areas.

Edgo Energy completed a 63 km survey of reconnaissance 2D seismic in the Surkhsimo license area in 2010.

The Production Sharing Agreement for the Surkhsimo and Qarordon license areas was awarded to Edgo Energy on the 18th of November 2013. On 23rd of July 2014 the License agreement for both areas was signed.

The 63 km 2D seismic survey scope and cost was agreed under the PSA to count towards the work and financial commitment for the first exploration phase in Surkhsimo.

The Kyziltumshuk field is connected by pipeline to the capital Dushanbe to supply the increasing local demand for energy. Moreover, the construction of the China-Central Asia gas pipeline has started in Tajikistan and will be completed in 2016 to export 30 billion m³ natural gas to China, unlocking the gas reserves in the Afghan-Tajik basin.

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Introduction and work programme

Edgo Energy is an independent upstream oil and gas company with oil and gas properties in Africa and Central Asia and is a subsidiary of the Edgo Group (www.edgo.com), a well established, international, private company that has for nearly 60 years pioneered businesses in energy, oil field services, water and power and infrastructure in the Middle East and Africa.

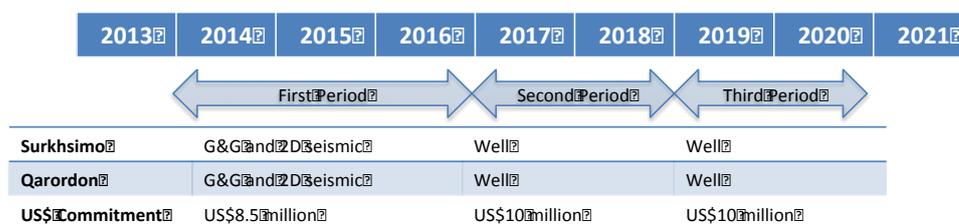
The work commitment for Surkhsimo license is:

- first exploration phase (3 years), US\$1,000,000 minimum financial commitment to fund a 25km² 3D seismic programme and process and interpret 63 km 2D seismic,
- second phase (2 years), US\$4 million minimum financial commitment to drill a well,
- third phase (2 years), US\$4 million minimum financial commitment to drill a well.

The work commitment for Qarordon license is:

- first exploration phase (3 years), US\$7,500,000 minimum financial commitment for G&G studies, 400 km 2D seismic and 120 km² 3D seismic,
- second phase (2 years), US\$6 million minimum financial commitment to drill a well,
- third phase (2 years), US\$6 million minimum financial commitment to drill a well.

Edgo Energy agreed a work scope change for the first exploration phase with the authorities of Tajikistan on January 25th 2015. It was agreed that 2D seismic surveys will be executed sequentially in one campaign in the Surkhsimo license area (60 km 2D) and Qarordon license area (165 km 2D).



Surkhsimo and Qarordon license areas	2015												2016																						
	Q1				Q2				Q3				Q4				Q1				Q2				Q3				Q4						
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N
G&G	█																																		
Seismic acquisition & processing													█																						
Drill Planning													█																						
Drilling Surkhsimo													█																						
Drilling Qarordon													█																						
Evaluation of Drilling													█																						
Exploration Period	First Period																																		

The agreed work program for 2015 has an estimated budget of US\$8.5 million, which will fund the execution of the exploration programme of the first exploration period.

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Following interpretation of these data, a first exploration well in Surkhsimo and Qarordon is committed for drilling in the 2nd exploration phase of 2 years, which starts in January 2017.

Regional Setting

The Surkhsimo and Qarordon areas are located in the Afghan-Tajik basin, which is an extension of the prolific Amu-Darya basin of Turkmenistan and Uzbekistan. Both basins have a similar depositional environment and stratigraphy and reservoir formations in the Amu-Darya basin provide a good analogue for the Afghan-Tajik basin. Gustavson Associated (USA), in June 2013, estimated that 27.5 billion gross unrisks resources could be found in Tajikistan (113.7 trillion cubic feet of natural gas and 8.5 billion barrels of oil and/or condensate).

The license areas are part of the Vakhsh mega-syncline characterized by complex tectonics, combining compressional and strike slip movements. The Vakhsh mega-syncline includes 2 producing oil fields and the Kyziltumshuk gas field.

The Afghan-Tajik basin was actively explored in the Soviet era. Average total depth of drilled Tajik wells was only up to 1500 m (Paleogene horizons), limited by available technology, financial means and technical challenges such as over pressured formations.

In 2009-2010 Tethys Petroleum acquired a 693 km regional 2D seismic survey. This was followed in 2010-11, by an airborne ARKeX FTG Gravity survey covering 35,000 km² of the Bokhtar area, which also covered the Surkhsimo License area. In 2012 Tethys acquired a 870 km 2D infill seismic programme in high graded areas. In 2013 Tethys farmed down its 100% equity interest to 33.3%, partnering with TOTAL (33.3%) and CNPC (33.3%). This joint venture started in November 2014 with another regional 2D seismic programme.

The Surkhsimo and Qarordon license areas

Prospectivity

Edgo Energy has completed an integrated technical study in both license areas. Legacy data has been retrieved and transformed into a digital database of digitized seismic paper sections, well logs, deviation survey data, well tops, well tests and cuttings and Kyziltumshuk production data. These discretized datasets and the 63 km 2D seismic survey have been jointly interpreted to understand the regional geology, the working petroleum system, plays, prospects and leads in the license areas and remaining reserves potential in Kyziltumshuk gas field. The license areas offer the following plays:

Pre-Salt play;

- Jurassic play – Jurassic carbonates were deposited as either reefs or platform carbonates. The Dengizkul' and Urtabulak fields in Uzbekistan and the Galkynysh field in Turkmenistan of the Amu Darya basin may prove a direct analogue.

Post-Salt play;

- Cretaceous play: prospective in Kyziltumshuk field, western Lead in Surkhsimo and Karadum structure in Qarordon. Regional data show 10 potential reservoir horizons. Only the top

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horizon was drilled and produced in the Kyziltumshuk field,

- Proven Eocene and Paleocene play: the Kyziltumshuk field is producing from these horizons.

The interpretation of the 63 km 2D seismic has identified an undrilled northern extension of the Kyziltumshuk field. An undrilled structural high, east of Kyziltumshuk was interpreted.

Digitized paper sections and well tops define the Karadum structure in the Qarordon license area. Traps could be present in the lower Cretaceous horizons in the up-thrown block and in Paleogene and Cretaceous horizons in the down-thrown block.

Drill locations have the potential to test stacked plays.

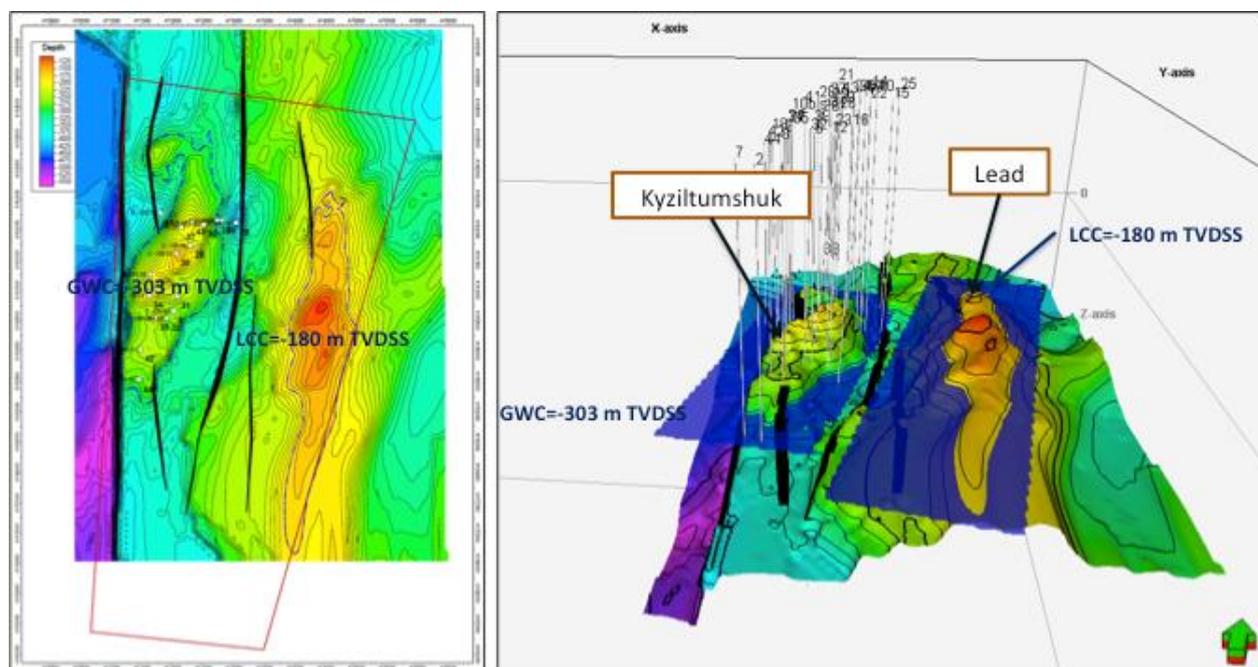


Figure 2. Surkhsimo; Kyziltumshuk gas field and Lead

The largest fields in Amu Darya basin are associated with Jurassic reefs that have yet to be drilled in the Afghan-Tajik basin. The primary potential reservoir rocks are in the upper Cretaceous to Paleogene carbonate suite. Sandy reservoirs are also present in the Cretaceous. The Paleogene and Neogene clastic reservoirs are probably of secondary importance.

The pre-salt traps include anticlinal uplifts, reefs and pinch-outs of clastics along the basin margin. The upper Jurassic evaporates provide the regional seal. The post-salt primary traps are associated with anticlines and fault-sealed closures. These structures developed after a thrust faulting and folding period in the Neogene.

The main pre-salt source rocks are the lower to middle Jurassic continental to marine shales and coals, and upper Jurassic black mudstones. In the post-salt the source rocks are organic rich mudstone in the Paleogene Alay and Suzak intervals.

The lower-middle Jurassic source rock reached oil maturity by the late Cretaceous and gas maturity during the Paleogene. In the synclines of the Afghan-Tajik basin the Paleogene source rock reached oil maturity in the Neogene.

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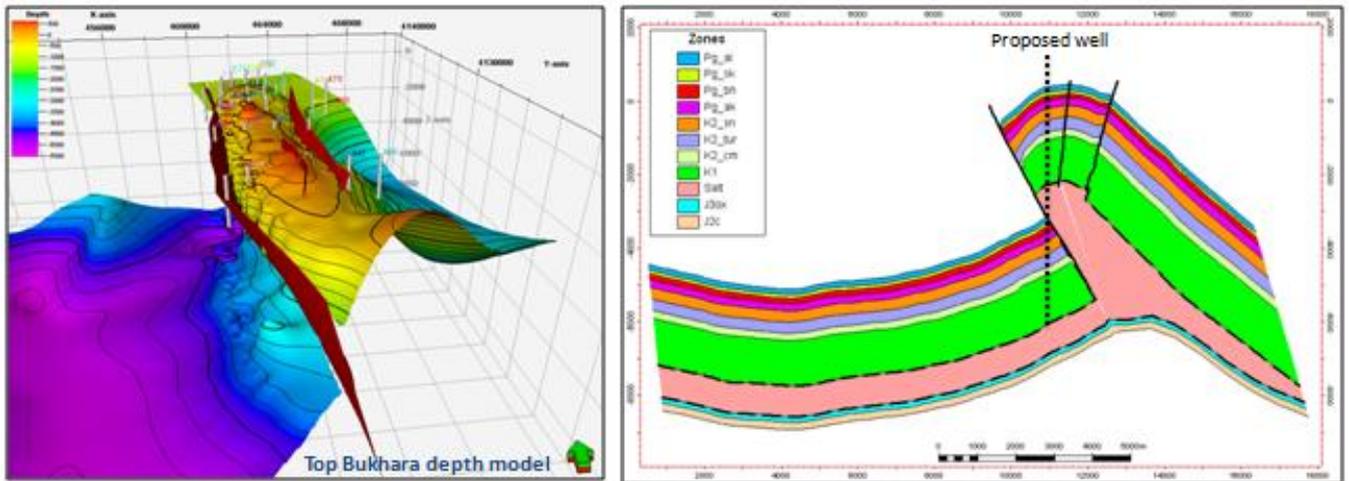


Figure 3. Qarordon; Karadum structure based on digitized paper sections and well tops. Structure and postulated model (in pink the Jurassic salt) will be confirmed with new seismic.

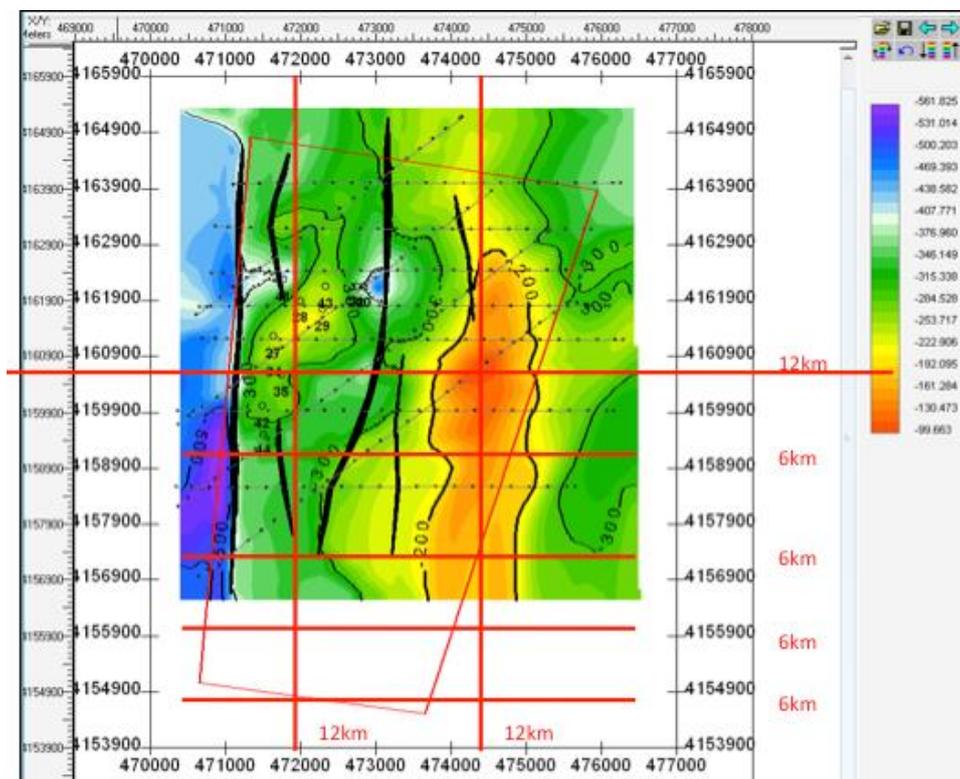


Figure 5. Notional 60 km 2D full fold seismic infill programme in the Surkhsimo license area. The objectives in Surkhsimo are to prove the closure of an identified lead, verification of Cretaceous (post-salt) and Jurassic (pre-salt) structures, to firm-up drillable target(s) to test the pre- and/or post-salt plays. The black dotted lines indicate the 63 2D line kilometres acquired in 2010.

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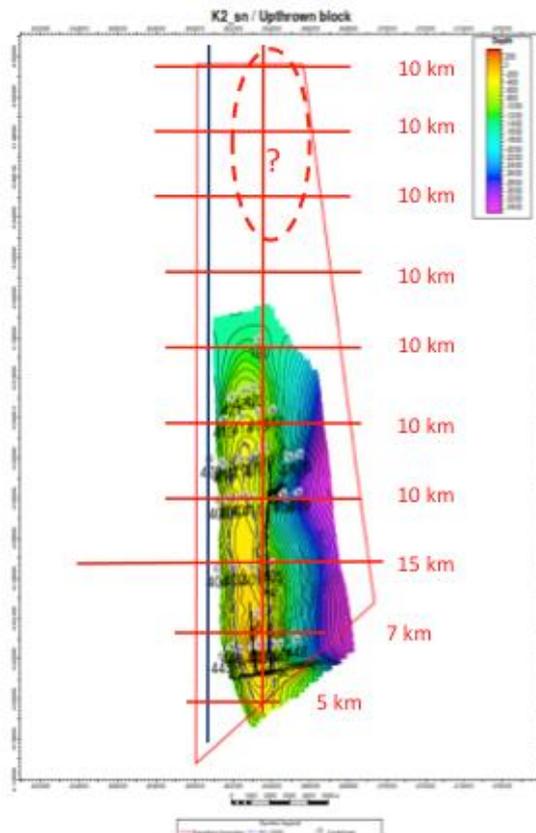


Figure 6. Notional 165 2D full fold seismic infill programme in the Qarordon license area. The objectives in Qarordon are to image the deeper parts of the Karadum structure and evaluate the northern area in the block, to firm-up drillable target(s) to test the pre- and/or post-salt plays.

b) Kyziltumshuk gas field development

During the Soviet era, commercial production was started in the Kyziltumshuk gas field from the top shallow horizons. Technological and later financial constraints limited the development to the shallow horizons up to a depth of 1,000 to 1,500 meters, and the field is now producing on very low levels from two wells only.

The Kyziltumshuk legacy well log review and production data analysis has shown that remaining reserves exist in the drilled shallow reservoirs (Tertiary horizons) and upside remains in the undrilled deeper post-salt (Cretaceous horizons) and deep pre-salt horizons (Jurassic horizons).

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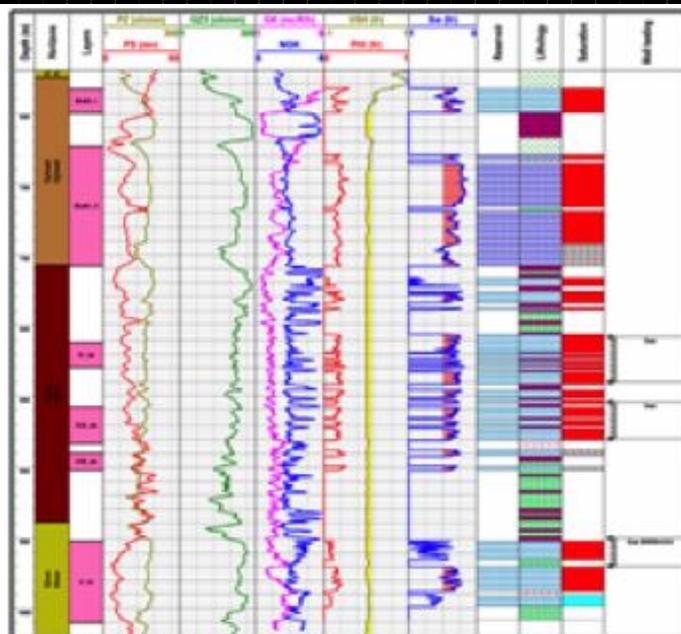


Figure 7. Re-interpretation example of well 37, showing the non perforated intervals.

As part of its 2015 work programme, Edgo Energy will prepare a notional Field Development Plan for the Kyziltumshuk field in order to quantify the feasibility and robustness of further development under Production Sharing terms and expected oil and gas price scenarios.

	bln cm	bln cuft	mln BOE
Production Zones I-V	0.95	33.65	5.95
GIIP KT Tertiary	6.29	222.13	39.26
GIIP Lead Tertiary	3.23	114.07	20.16
GIIP KT Cretaceous			
GIIP Lead Cretaceous			
GIIP KT Jurassic	13.17	465.09	82.20
Total GIIP Surkhsimo	22.69	801.29	141.62
GIIP KD Tertiary	60.20	2125.94	375.74
GIIP KD Cretaceous	65.00	2295.45	405.70
GIIP KD Jurassic			
Total GIIP Qarordon	125.20	4421.40	781.44
TOTAL GIIP	148	5223	923

Table a. The estimates are unrisks and preliminary. Note that the volumes in the Cretaceous horizons in the Kyzilumshuk field (KT) and Lead have yet to be estimated in the Surkhsimo license area. Also the volume estimation of the Jurassic horizons in the Karadum (KD) structure in the Qarordon license is yet to be estimated.

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The information contained herein is illustrative only. It is not warranted and should not be relied on for investment decisions. Interested parties should confirm their evaluation through examination of the original data