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in conjunction with



**Novas Consulting**

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# Mid Cap E&P Exploration Performance 2008-9



**Richmond Energy Partners**

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- Announcing a new multi-client report -

## Exploration performance of a range of Mid Cap E&P companies during a critical period for the industry in 2008 to 2009

- **Benchmark exploration performance for listed mid-cap international E&Ps**
- **Understand the successful exploration strategies**
- **Understand the hot areas for exploration by the mid-caps**
- **Identify the key discoveries and who made them**

Richmond Energy Partners specialises in analysing the performance and future prospects of small and mid cap E&P companies and has built a comprehensive knowledge base on exploration performance. Novas Consulting is an E&P technical consultancy providing support for exploration and new business development. The combined decades of exploration geosciences experience that Richmond and Novas bring to this analysis provides an unrivalled insight into the exploration strategies and performance of E&P companies.

In this new multi-client report we investigate the recent exploration performance of 29 mid-cap E&P companies in order to provide:

- An analysis of recent exploration drilling and discovered oil and gas volumes based on a database of over 300 critical wells
- A review of the exploration strategies of the companies and their strengths and weaknesses
- An analysis of exploration performance in absolute and relative terms, and its impact on market valuation
- Commentary and characterisation of current exploration hot spots

## Methodology

Every exploration well drilled by the companies in the study over the period 2008-9 has been recorded and analysed based on company reports and REP's own assessments. We have judged the likelihood of a commercial development for each and made estimates of the most likely recoverable volumes – based both on published company estimates or our own judgements. Each company is then assessed based on gross and net wells drilled, commercial success rates, discovery sizes and net discovered volumes per well. The discovered volumes are compared with the reserves booked at the start of the period, to assess the rate of organic reserves growth through exploration conducted by each company.

## Companies Included in the Study

The companies included are drawn from the current **REP30** E&P companies, which have been selected by REP to be representative of mid-cap E&Ps in the \$0.5 to \$10bn market capitalisation range. Tullow (\$17bn market cap) and OGX (\$27bn market cap) are exceptions – these are included to represent of the new breed of ‘super’ explorers that have emerged.

| REP30 2009       | Regional Focus             | Production<br>2009 1H mboed | Reserves 2P<br>mmboe | Market Cap end 09 \$m |
|------------------|----------------------------|-----------------------------|----------------------|-----------------------|
| Addax            | SS Africa/M East           | 138,950                     | 537                  | 7601                  |
| Afren            | SS Africa                  | 22,964                      | 92                   | 1247                  |
| AWE              | Asia-Pacific               | 23,972                      | 69                   | 1344                  |
| Beach            | Asia-Pacific/Mediterranean | 24,566                      | 66                   | 868                   |
| Cairn            | S Asia/Greenland           | 11,573                      | 251.2                | 7661                  |
| Dana             | N.Sea/N Africa             | 38,990                      | 194                  | 1775                  |
| Det Norske       | N.Sea                      | 1,858                       | 30                   | 665                   |
| DNO              | M.East                     | 9,809                       | 74.9                 | 812                   |
| Dragon           | FSU                        | 27,782                      | 296                  | 3300                  |
| Emerald          | M.East/S.Amer              | 5,696                       | 32.8                 | 756                   |
| Gran Tierra      | S.Amer                     | 11,500                      | 37.5                 | 1205                  |
| Heritage         | SS Africa/M East           | 231                         | 62                   | 2039                  |
| JKX              | FSU/E.Eur                  | 10,191                      | 87                   | 733                   |
| Lundin           | N.Sea/SS Africa/SE Asia    | 39,000                      | 265                  | 2519                  |
| Maurel & P.      | SS Africa/S America        | 7,615                       | 119                  | 2306                  |
| Melrose          | N.Africa/E Europe          | 16,100                      | 66.6                 | 515                   |
| Niko             | S Asia/M. East             | 26,666                      | 177                  | 4636                  |
| Noreco           | N.Sea                      | 11,500                      | 33                   | 768                   |
| OGX              | S America                  | 0                           | 0                    | 31502                 |
| Oil Search       | SE Asia                    | 21,100                      | 260                  | 7329                  |
| PA Res.          | N Africa/SS Africa         | 8,800                       | 50.3                 | 578                   |
| Pacific Rubiales | S America                  | 28,334                      | 194                  | 3000                  |
| Premier          | SE Asia/ N.Sea             | 39,700                      | 198                  | 2091                  |
| Roc              | SE Asia/Aus/SS Africa      | 11,535                      | 20.1                 | 440                   |
| Salamander       | Asia Pacific               | 12,800                      | 50.1                 | 747                   |
| Santos           | Aus/SE Asia                | 145,753                     | 1013                 | 10782                 |
| Soco             | Asia Pacific               | 6,734                       | 144.1                | 1667                  |
| Tullow           | SS Africa/S Asia/N.Sea     | 59,245                      | 303                  | 17318                 |
| Venture          | N.Sea                      | 52,988                      | 243.2                | 2060                  |

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## Cost & delivery

The report will be delivered during **March 2010**.

Commitments to purchase received before 22 February will secure a price of **£4500 + VAT**, which includes a 25% pre-commitment discount. After this date, the report will be priced at **£6000 + VAT**.

## Who we are

**Richmond Energy Partners** ([www.richmondep.com](http://www.richmondep.com)) are highly experienced oil and gas professionals who provide a wholly independent, conflict-free approach to valuing smaller oil and gas companies for professional investors and oil company clients. We specialise in providing a broad range of E&P research products to financial institutions and a range of services which includes strategic-level M&A screening and advice to oil companies.

Our research is founded on deep industry knowledge and our global expert network, which provide insights into companies, their assets and their potential.

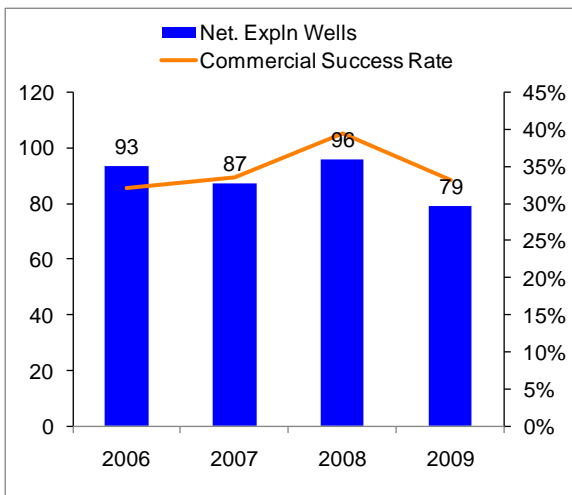
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**Novas Consulting Ltd** ([www.novasconsulting.com](http://www.novasconsulting.com)) is a technical consultancy serving the Energy Industry. We specialise in providing technical and commercial due diligence support to E&P companies considering corporate, portfolio or asset transactions, as well as other business development activities.

We offer a fully integrated technical service based on insightful subsurface analysis through our professional staff and a multi-disciplinary network of associates with truly global reach.

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## Examples of mid-cap company performance



Net discovered recoverable resources  
of Oil and Gas 2008-2009

Net exploration wells drilled by REP 30  
companies from 2004 to 2009, and their  
commercial success rates

