

Zarat and Elyssa – two of the largest discoveries for development in Tunisia

The Zarat field and Elyssa are both part of the Zarat licence, offshore Tunisia, which includes the producing field at Didon. The two discoveries are two of the largest and, as yet, undeveloped discoveries made in Tunisia and comprise two of PA Resources' prioritised assets. The recoverable volumes from the two fields are estimated at 54 million barrels of oil and 69 million barrels of oil equivalent for PA Resources.

Tunisia has an increasing shortfall of domestic gas and, accordingly requires new development projects for gas. Several additional structures have also been identified on the Zarat licence, which are identical for Zarat, Elyssa and Didon. The potential of the licence was evaluated based on a recently updated seismic model and it has been extended until July 2015. Early in the third quarter, PA Resources initiated a formal process to reduce its working interest in the licence, this is a key prerequisite for carrying out the development and appraisal projects.

Zarat

Whilst the Zarat Field was discovered in 1992, development has not progressed pending appraisal drilling in the block to the north, jointly administered by the authorities of Libya and Tunisia. Following an appraisal well which was drilled in the northern block in 2010, discussions have been ongoing to plan a development in parallel with establishing the split of reserves between the two licences through a unitisation.

In December 2012, a preliminary agreement was reached regarding the principles for unitisation of the Zarat field with Sonde Resources, which holds the Joint Oil Block north of the Zarat licence. A joint plan of development is being prepared for submission to the Tunisian regulatory authority for approval at the end of the second quarter of 2013.

Various different production schemes have been considered including re-injection of gas allowing the production of oil and condensate for a period before gas sales commences.

Elyssa

The field was discovered in the mid-1970s and a total of four wells have been drilled including a sidetrack. The latest well was drilled in 2006. Analysis of 3D seismic data over Elyssa and the entire Zarat licence was concluded during the fourth quarter. It is planned to drill an additional appraisal well on the Elyssa field in 2013 or 2014, as part of the licence commitments.

Brief facts about Zarat and Elyssa

- Located in the Gulf of Gabes: Zarat 80 km and Elyssa 50 km offshore Tunisia
- Water depth: Zarat about 90 metres, Elyssa about 50 metres
- Existing infrastructure in the proximity
- The Zarat field was discovered in 1992 and appraised in 1995 and 2010
- The Elyssa field was discovered in 1975 and requires further appraisal drilling
- PA Resources is operator with a 100% working interest in the Zarat permit, the Tunisian government, ETAP, can elect to take a working interest of up to 55%. PA Resources holds no interest in the Joint Oil block to the north.

The Netherlands:

Appraisal of licences Q7 and Q10a

During the year, the evaluation of the technical and financial feasibility was completed of the existing gas discovery on Blocks Q7 and Q10a. Block Q/7 covers an area of approximately 400 km² and includes the earlier Q7-FA gas discovery from the 1960s. In the fourth quarter, the licence group decided to drill an appraisal well on the Q7-FA discovery, with the intention of later utilising the well as a production well if successful. Drilling will be undertaken when a rig becomes available, at the earliest in the fourth quarter of 2013.

Equatorial Guinea:

Appraisal activity on Block I

Work has been ongoing to progress the un-developed Diega field in Block I which extends into Block O to the north towards development. Following the planned Carla exploration well it is possible that an appraisal well on the Diega field will be drilled. See the map on page 15 for reference.

Focus for 2013

- Continued development planning and discussions pertaining to use of infrastructure as well as the contracting of a rig for appraisal drilling at the Lille John discovery on 12/06 in Denmark
- Progress the drilling of an appraisal well on the Elyssa discovery in Tunisia
- Finalisation of the unitisation and submission of a joint development plan for the Zarat field in Tunisia
- Progress the drilling of an appraisal well on the Diega field in Equatorial Guinea