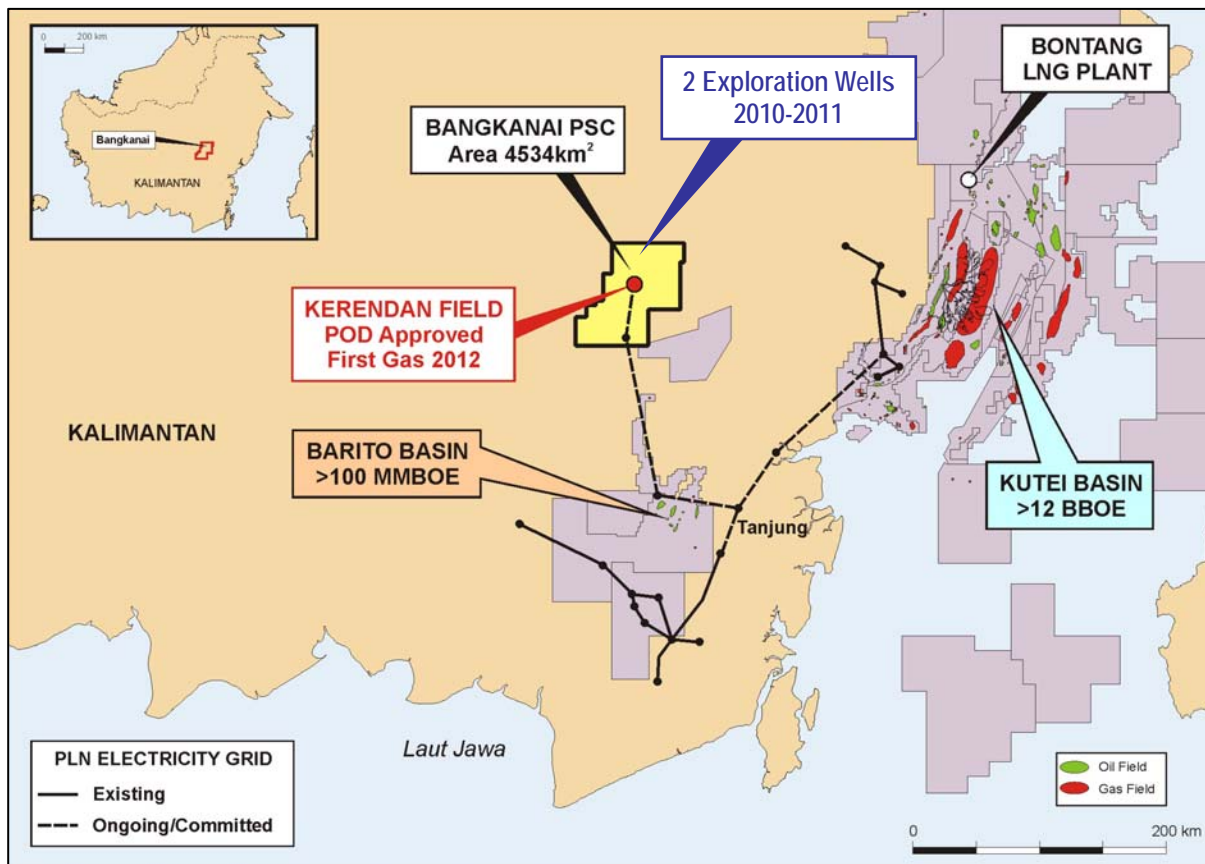


# BANGKANAI PSC



## Licence Details

Area: 4534 km<sup>2</sup>

Effective date: 30.12.2003.

Term: 30 years.

First Period Work Commitment: 2 Exploration wells + 200 km 2D seismic.

Partners:

Elnusa Bangkanai Energy (Operator):	50.01%
Mitra Energia Bangkanai (Sound):	34.99%
Medco Energi O&G:	15.00%

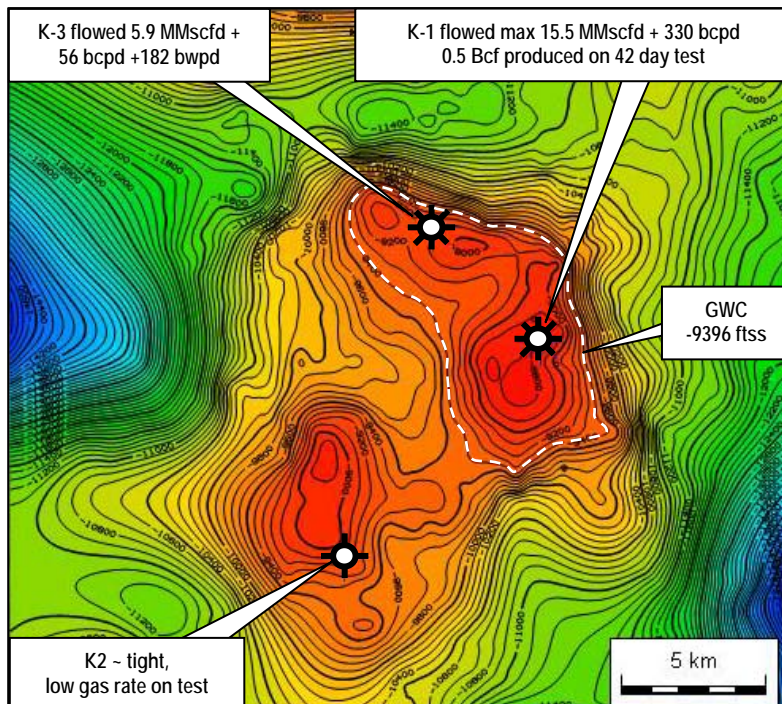
## Contract Area History

The block is located onshore Kalimantan, Indonesia, over a NE-plunging spur of the Kutei Basin known as the Kerendan Depression. The area has been previously operated by Unocal who acquired a skeletal grid of 2D seismic data and drilled 7 exploration wells in the 1980s. Two gas wells and a well with gas shows were drilled to delineate the Kerendan gas field in the Oligocene Berai (Kerendan Limestone)

Formation. Unocal was granted a POD by BPMigas, but relinquished the licence after failing to secure a gas sales agreement during the Indonesian financial crisis.

## Development

A renewed Plan of Development (POD) for the Kerendan gas field was approved in July 2006 based on 133 Bscf sales to a new-build local integrated power plant. Negotiations are ongoing to secure gas sales and power purchase agreements with state electricity company PLN. First gas is targeted for 2012.



Top Berai Fm Structure Map on Kerendan Gas Field

Independent assessment of Kerendan Field contingent recoverable resources by Senergy in December 2009 are:

	Gross	Net to Sound (34.99%)
<i>Gas Contingent Resources (Bscf):</i>		
<i>Low Estimate</i>	189.3	66.2
<i>Best Estimate</i>	243.2	85.1
<i>High Estimate</i>	310.8	108.7
<i>Oil &amp; Liquids Contingent Resources (MMbo):</i>		
<i>Low Estimate</i>	1.98	0.70
<i>Best Estimate</i>	2.50	0.87
<i>High Estimate</i>	3.17	1.11

## **Exploration**

Interpretation of a 205 km 2D seismic survey acquired in 2006 and 1980s legacy seismic data has identified a number of leads and prospects on the PSC. Prospectivity is recognised in the Oligocene Berai Formation, which is the productive horizon in the Kerendan gas field, together with deeper targets in the Eocene Tanjung Formation sandstone reservoirs.

A large structure (Kerendan Deep) has been defined below the existing Kerendan gas field at several levels in the Tanjung Formation. Cost-effective drilling of this prospect is to be by deepening of a planned development well close to the existing Kerendan-1 discovery well.