

POLISH OIL & GAS COMPANY – PAKISTAN BRANCH

Polish OIL & Gas Company (POGC) with its Head Office in Warsaw, Poland opened its Pakistan branch office in Islamabad for Oil & Gas exploration in Pakistan, during September 1997. It had earlier been granted three concession areas for Oil & Gas exploration in Pakistan during 1997-98. They were Khanpur west and Sabzal in district Rahim yar khan in Punjab province and Mekhtar, district Lora Lai of Baluchistan province.

POGC carried out geological & gravity survey of Mekhtar concession area during 1998-99. Failing to get any positive prospects, the concession area was relinquished in July 2000. It also carried out seismic survey in Khanpur west and Sabzal concession area during December 1998 - May 1999. After interpretation, It drilled an exploration well in Sabzal concession area during November 2000 – February 2001, up to depth of 3530 meters. However the well went dry and was plugged and abandoned. Khanpur west & Sabzal concessions were relinquished in July 2000 & February 2001 respectively.

POGC signed another concession agreement with Government of Pakistan on 22 August 2001 for Oil & Gas exploration in Sabzal south concession area, located in district Rahim yar khan and Sukkur of Punjab and Sindh provinces. The contract period was initially for three years. About 800 km vintage seismic data has been acquired and interpreted. Based on the results of this interpretation, 105.5 km 2-D seismic data was acquired in August 2003. However this area was also relinquished after failing to get positive results.

POGC has also participated in joint venture with Tullow developments Ltd, In Oil & Gas exploration in Nawab shah block of Sindh province. It is also actively considering joint ventures with other Oil & Gas exploration companies working in Pakistan.

POGC had signed another agreement with Government of Pakistan on 18th May 2005, for Oil & gas exploration in Kirthar range (Block No. 2667-7) district Dadu (Sindh) and Lasbela (Balochistan). After carrying out necessary reconnaissance, the seismic survey was started in February 2007 and has been completed on 19th May 2007. The field data acquired had been processed in USA. After the processing and interpretation, an exploratory well was spudded on 2nd April 2009 and drilling was completed on July 27th 2010 followed by hydraulic fracturing which was successfully carried out during the period November 2009 and January 2010 with positive results. Our initial recovery of 2 – 2.5 mmscfd of gas before the hydraulic fracturing, was increased to 10 – 12.5 mmscfd after successful hydraulic fracturing. **This is our first**

discovery in Pakistan. POGC has now planned to spend approximately US \$ 340 million on horizontal drilling development of Kirthar gas field in next 4 – 5 years of time.

POGC has acquired 259 line kms of 2D and 243 Sq kms of 3D seismic data in Kirthar block during the year 2010 and the processing is in progress. The company is now preparing for re-entry of Hallel-1 well, abandoned earlier by another company Eni, in the same concession area. The re-entry date has been fixed on March 16, 2011. We have also planned drilling of Rehman-2 well during December 2011.