



CANADIAN GLOBAL
EXPLORATION FORUM



CEEC – Central & Eastern European and Caspian
Constanta, Romania, May 9 – 11, 2019

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About CEEC

- 51st CEEC meeting
- 180 delegates, the most in 5 years
- 80 companies represented
- Recently introduced a Contractor's Forum



Key Learnings

- Romania has been producing hydrocarbons for 160 years
- Romanian offshore production in Black Sea expected in near future
- Only 1/3 of homes have natural gas, demand expected to rise
- Shortage of natural gas in Europe – current gas consumption = 18 TCF, forecast to consume 29 TCF by 2030
- Europe gas market currently pays \$6 – 8/MCF USD
- Romania has great undiscovered hydrocarbon potential, (Paleozoic has hardly been drilled) but that it is a difficult country to work in with permitting and access being high on the list of onshore operators complaints and exploitation of the Black Sea gas with serious frustrations.
- Market conditions and the regulatory framework remain difficult, in conditions in which the effective taxation applied to the oil and gas industry has increased with each year, the level of royalties and other similar taxes (the tax on windfall gains obtained as a result of price deregulation in the gas sector, the tax on special constructions, the tax applied to revenues from crude oil exploitation) increasing during 2014 - 2016 from 15% to 17.5%.

Upcoming Bid Rounds



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Croatia – 7 Pannonian Basin blocks, closes June 28/19

Croatia – Dinarides onshore closes September 2019

Bosnia & Herzegovina – western part of country – bid round being planned

Ukraine – June 2019

Azerbaijan – acreage open for direct negotiation with government

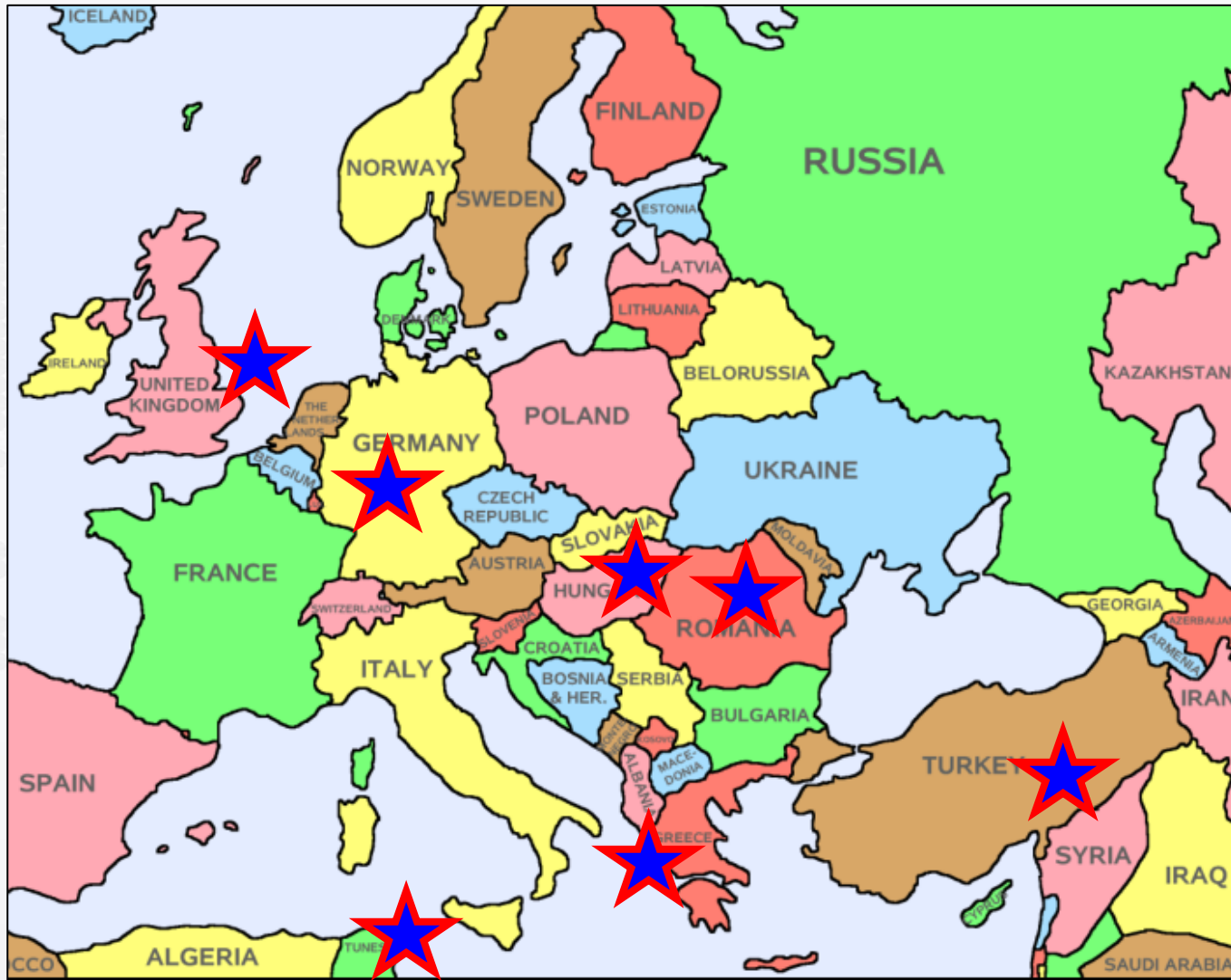
Poland – conventional & unconventional tight gas, 5 blocks open Q3 2019

Hungary – 8 blocks opens June 2019

Romania – 11th bid round will offer 28 blocks, 7 onshore, 21 offshore - open
September 2019

- 12th bid round will follow with relinquished acreage – better potential with new technologies

Partnership Opportunities



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Romania onshore – ADX Energy

Romania – Amromco Energy SRL

Romania – development project – NIS Petrol S.R.L.

Romania – field development of gas project - Black Sea Oil & Gas

Romania – overthrust/foreland play in Carpathians, OMV Petrom

SE Turkey onshore – Aladdin

Southern North Sea – EBN Netherlands

Germany – Brandenburg & Bavaria – Genexco

Greece – western offshore – Hellenic Petroleum

Hungary deep gas – HHE/Aspect

Hungary – JKC is selling assets

Europe, southern & eastern UGS projects – NAFTA AS

Tunisia – large undrilled anticline - Supex

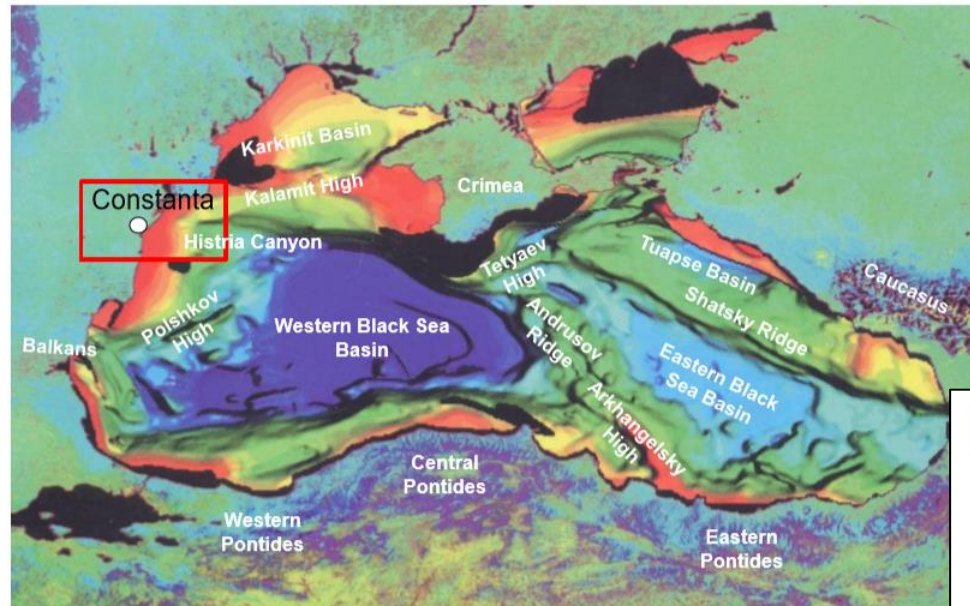
Presentations



- Emergency Ordinance 114/2018 and its Amendments. Impact on the Oil and Gas Industry
- Law 256/2018 Regarding Special Regulations on Hydrocarbons Extracted from Offshore Perimeters and its Impact on the Black Sea Gas Exploitation
- Cretaceous Depositional Systems & Tectonic Evolution of the Romanian Black Sea
- Karstification of the Upper Jurassic in Outcrop and Subsurface
North-East Pannonian Basin Basement Reservoirs – Insights from Outcrops
- Production Solutions / TransAtlantic Petroleum – Company and Operational Update
- Redeveloping a Multi-TCF Eastern European Gas Field – Old Fashioned Geology and New Technology

Romania: Geology

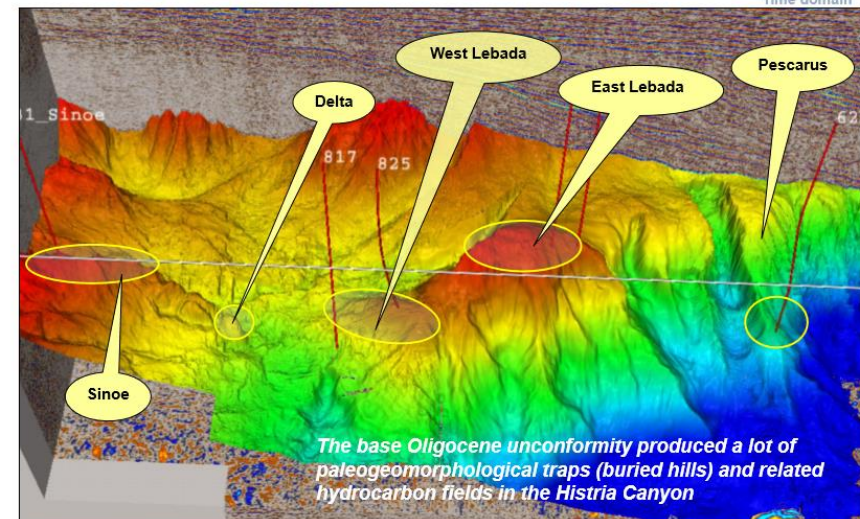
Black Sea, Depth to Break-up Unconformity



2 | OMV Petrom Upstream, Black Sea Cretaceous Reservoir Analogues, 10.05.2019



Histrina Canyon and the "Buried Hill" traps

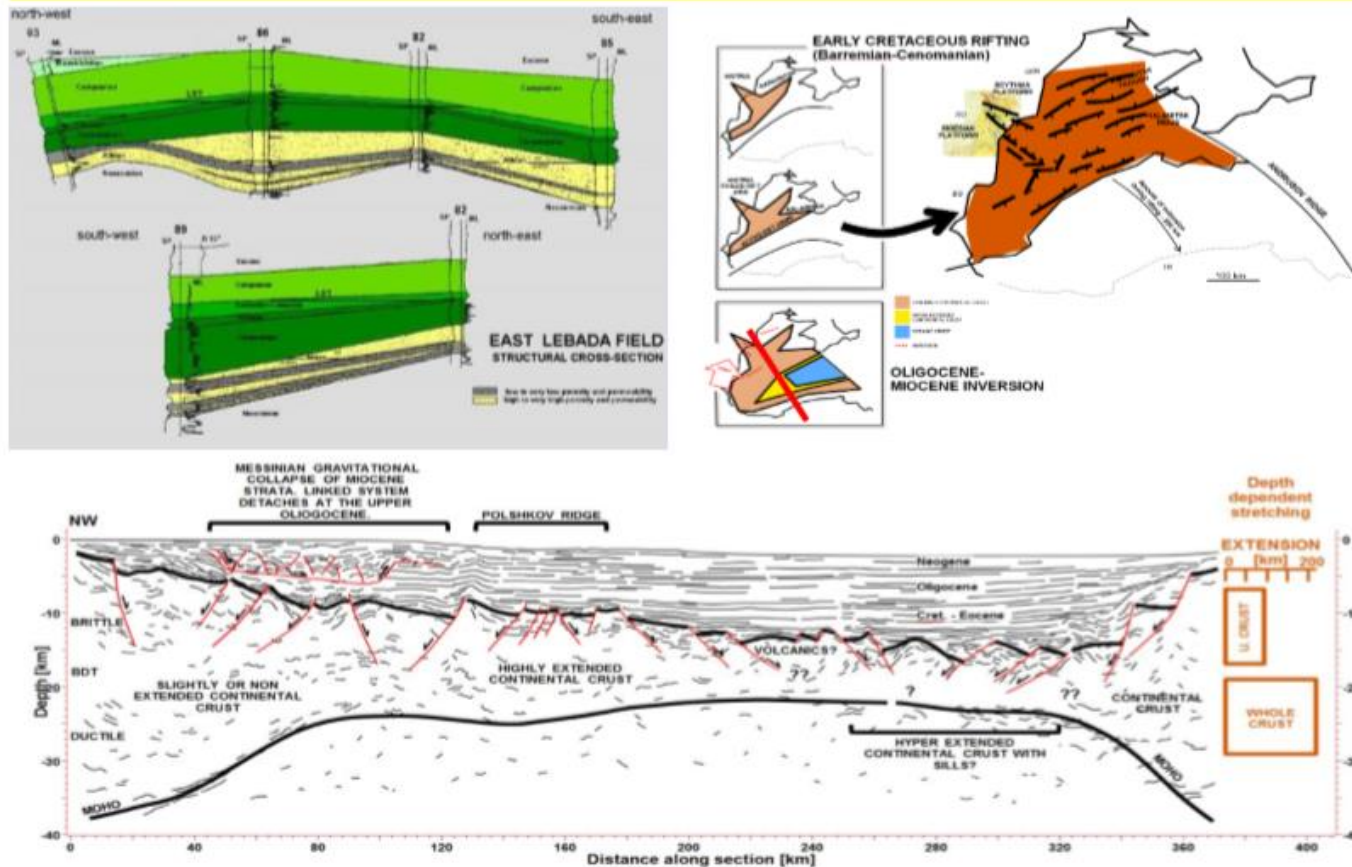


3 | OMV Petrom Upstream, Black Sea Cretaceous Reservoir Analogues, 10.05.2019



Romania: Geology continued

Opening of the Western Black Sea



Canadian Companies



Valeura – with Equinox in Turkey

Bankers – development of oil field in Albania

Pennine – Albania – plan to drill well conditional to F/O deal & settlement of dispute with authorities

Vermillion – won 4 blocks in 2016 bid round in Croatia, assets in Hungary & Slovakia

CEP – Germany & Poland assets

Block Energy - Georgia

Chinook – presentation at Contractor's Forum

Divestco – presented case study in Northern Kuwait

Smart Solo – Calgary based manufacturer of geo phones

Contractor's Forum



Presentations:

Smart Solo
PanTerra Coe
Inova
Divestco – Specular Hybrid Imaging
Chinook Consulting

Activity Reports:

Reservoir Group
PANterra
Ossian Energy
Mitcham Industries
Geofizyka
DMT Group
Chinook

Field Trip



Geological Field trip to visit the Cretaceous outcrops in South Dobrogea to see the depositional facies and correlations to the western Black Sea. Five stops at outcrop sites displayed phases of the tectonic evolution of the Romanian Black Sea

Next CEEC Event



The next CEEC will be held in Ankara and hosted by Aladdin Middle East from 3rd to 5th October, 2019 and will definitely be worthwhile to attend not only for opportunities in the CEEC region but the MENA and elsewhere.

With 175+ people representing major companies, two people can cover a lot more territory than just one.