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The Berenx Discovery
An Overlooked Opportunity in the Aquitaine, France

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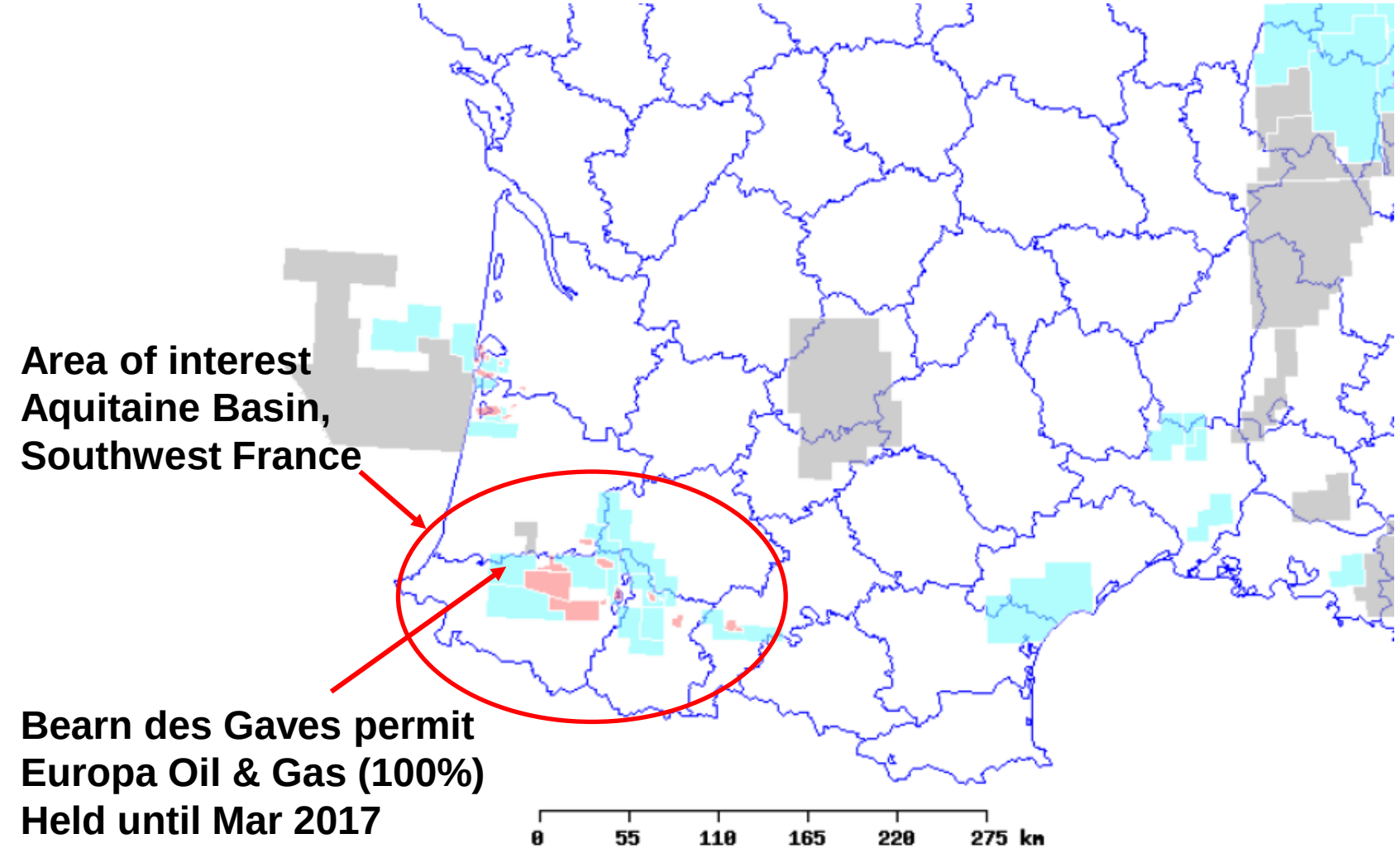
www.europaoil.com

Location Map



* Licence map not up to date

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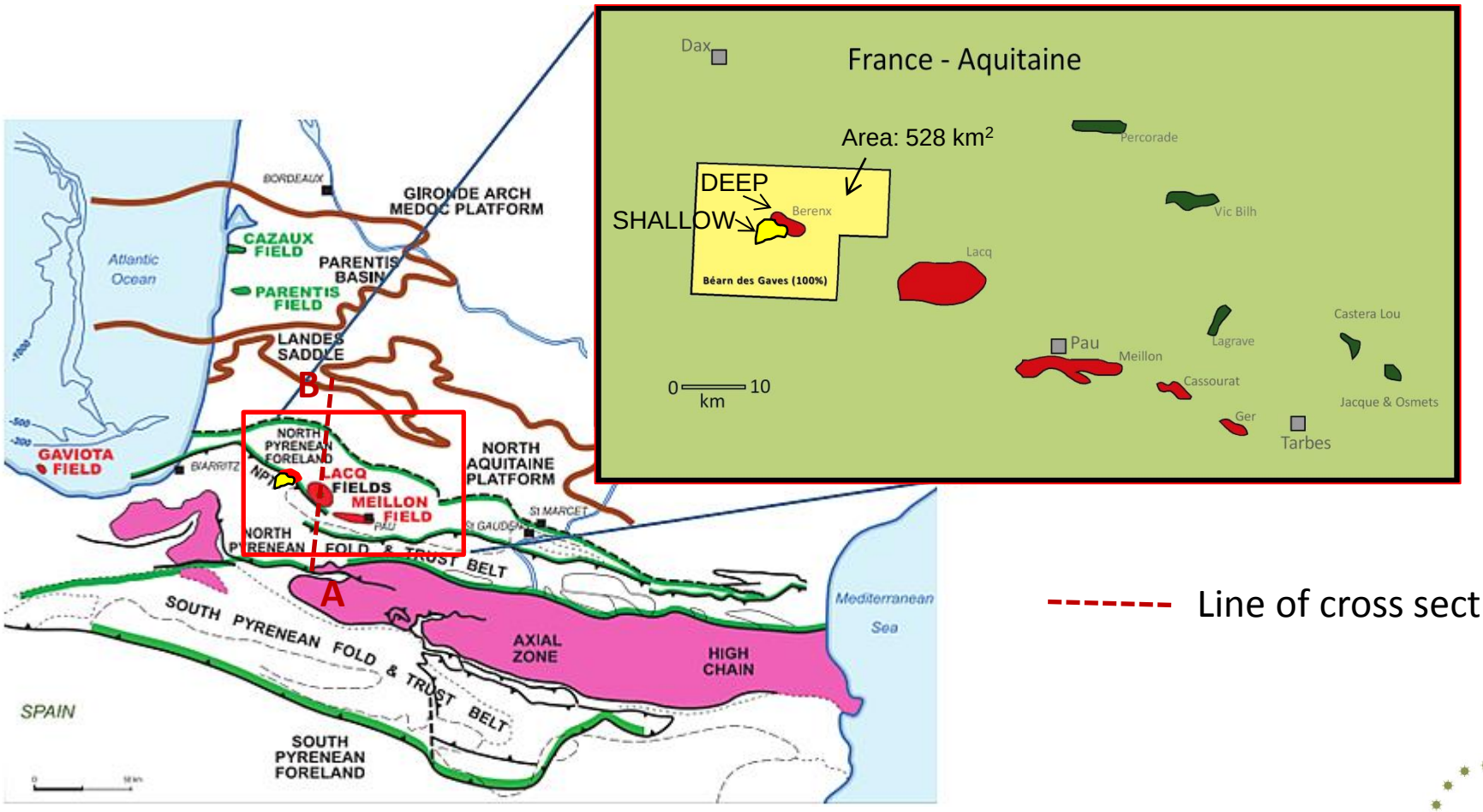
Regional Structural Setting

- Bearn des Gaves permit is set within the proven petroleum province of the North Pyrenean foothills formed by the overthrust Saint Suzanne nappes and foreland Arzacq sub-basin.



Line of cross section

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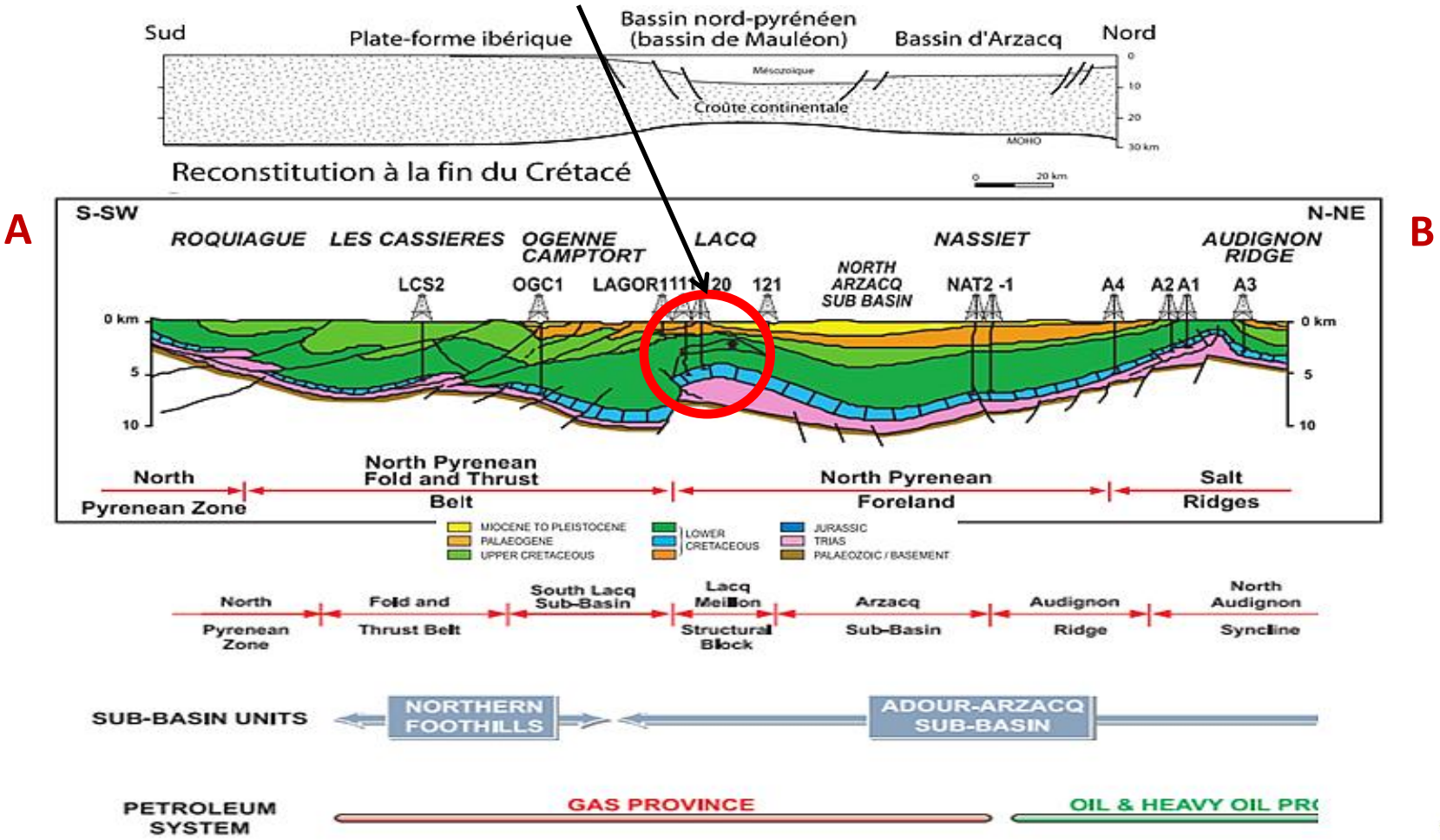
Regional Structural Setting

- Regional cross section illustrating structural style over Bearn des Gaves Licence within the foreland Arzacq sub-basin and over thrust Saint Suzanne nappes



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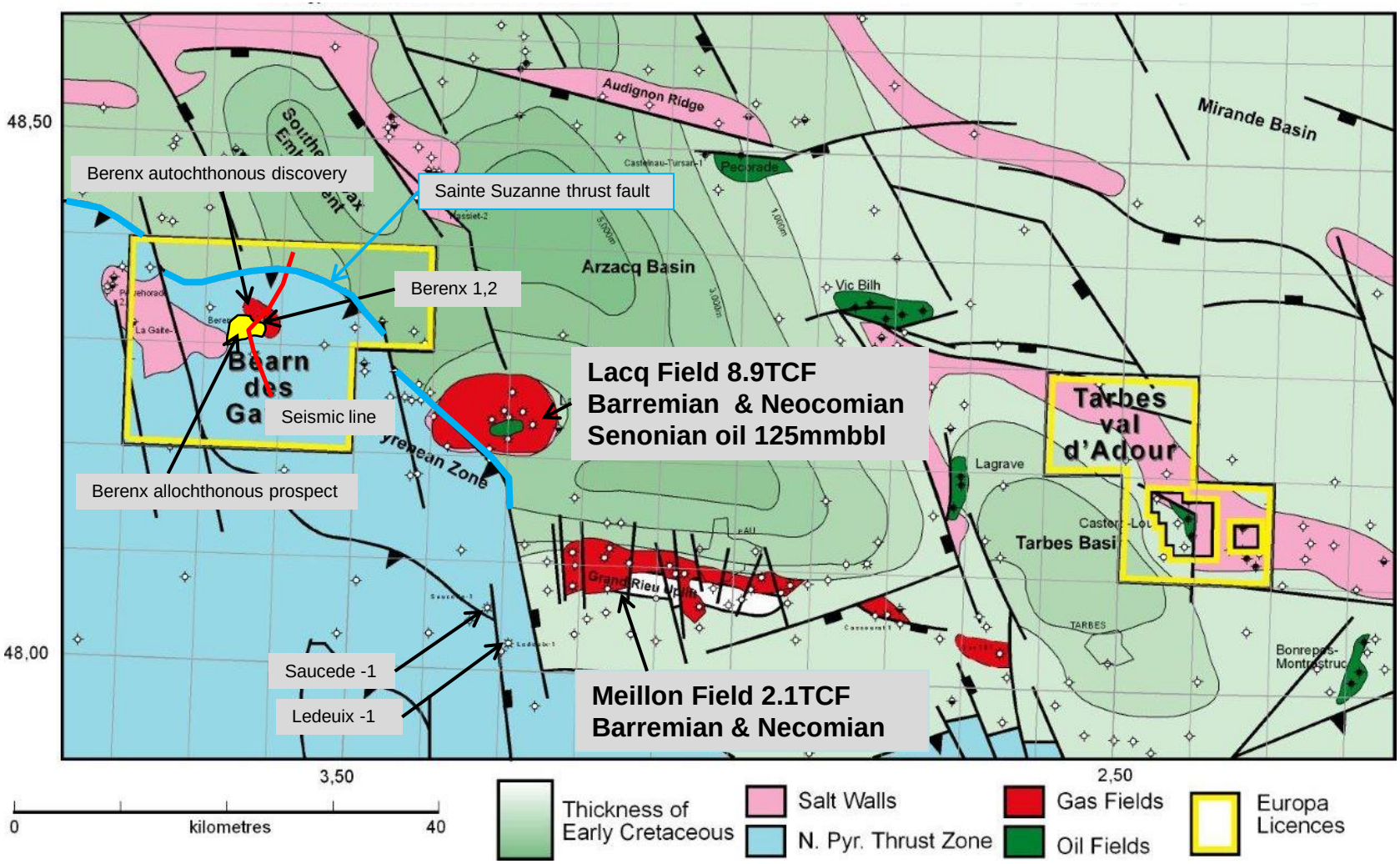
General Geological Setting



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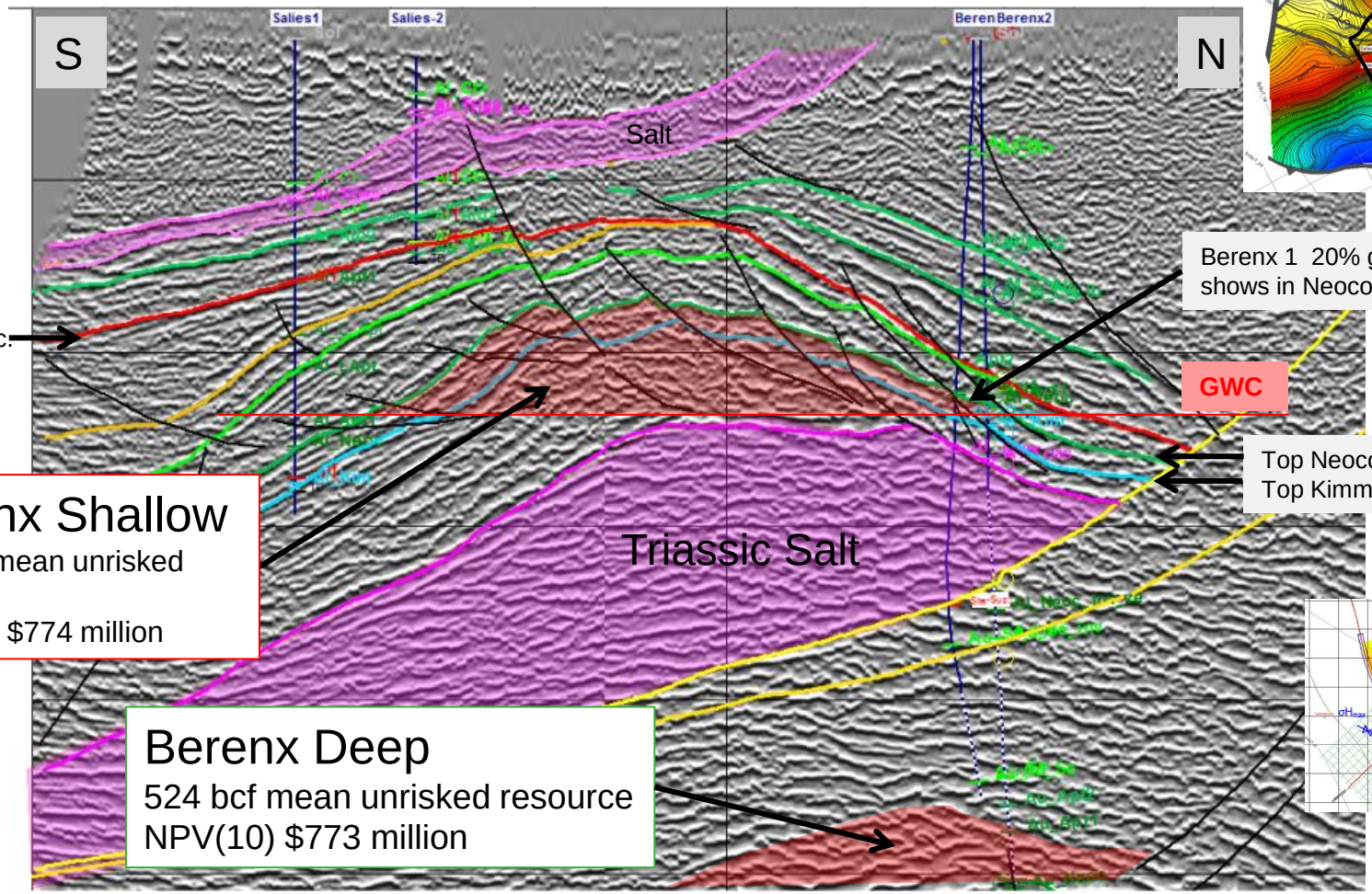
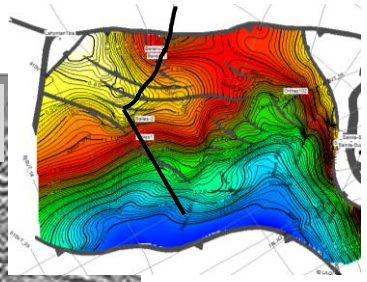
Bearn Des Gaves The Prize

~ $1.5 billion of drillable potential gas resource identified



Shallow

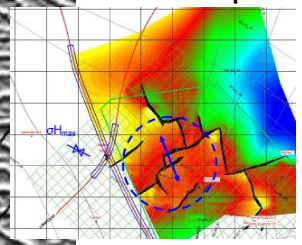


Berenx 1 20% gas shows in Neocomian

GWC

Top Neocomian
Top Kimmeridgian.

Deep



Berenx Shallow
416 bcf mean unrisked resource
NPV(10) $774 million

Berenx Deep
524 bcf mean unrisked resource
NPV(10) $773 million

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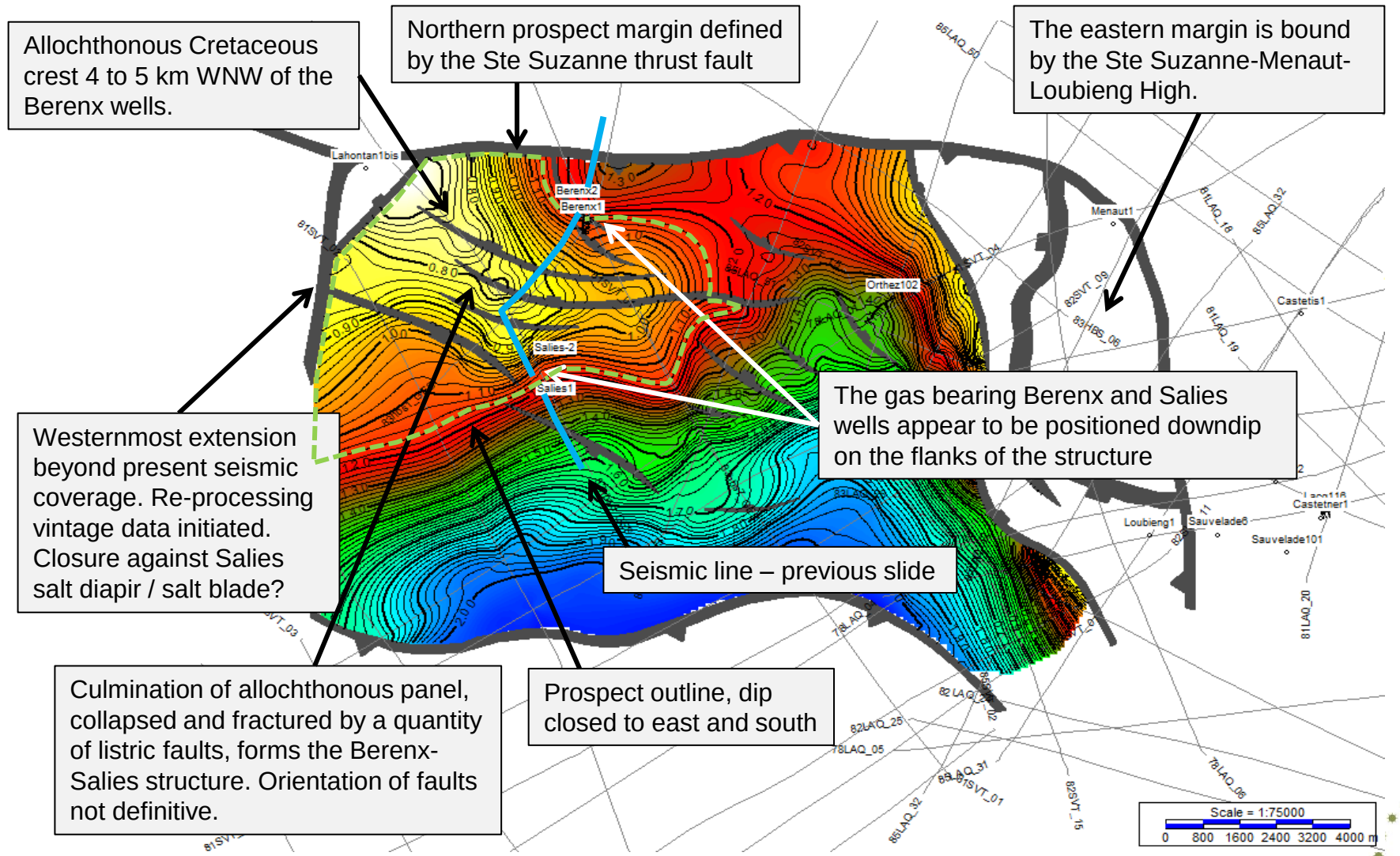
Berenx Shallow Top Neocomian TWT map



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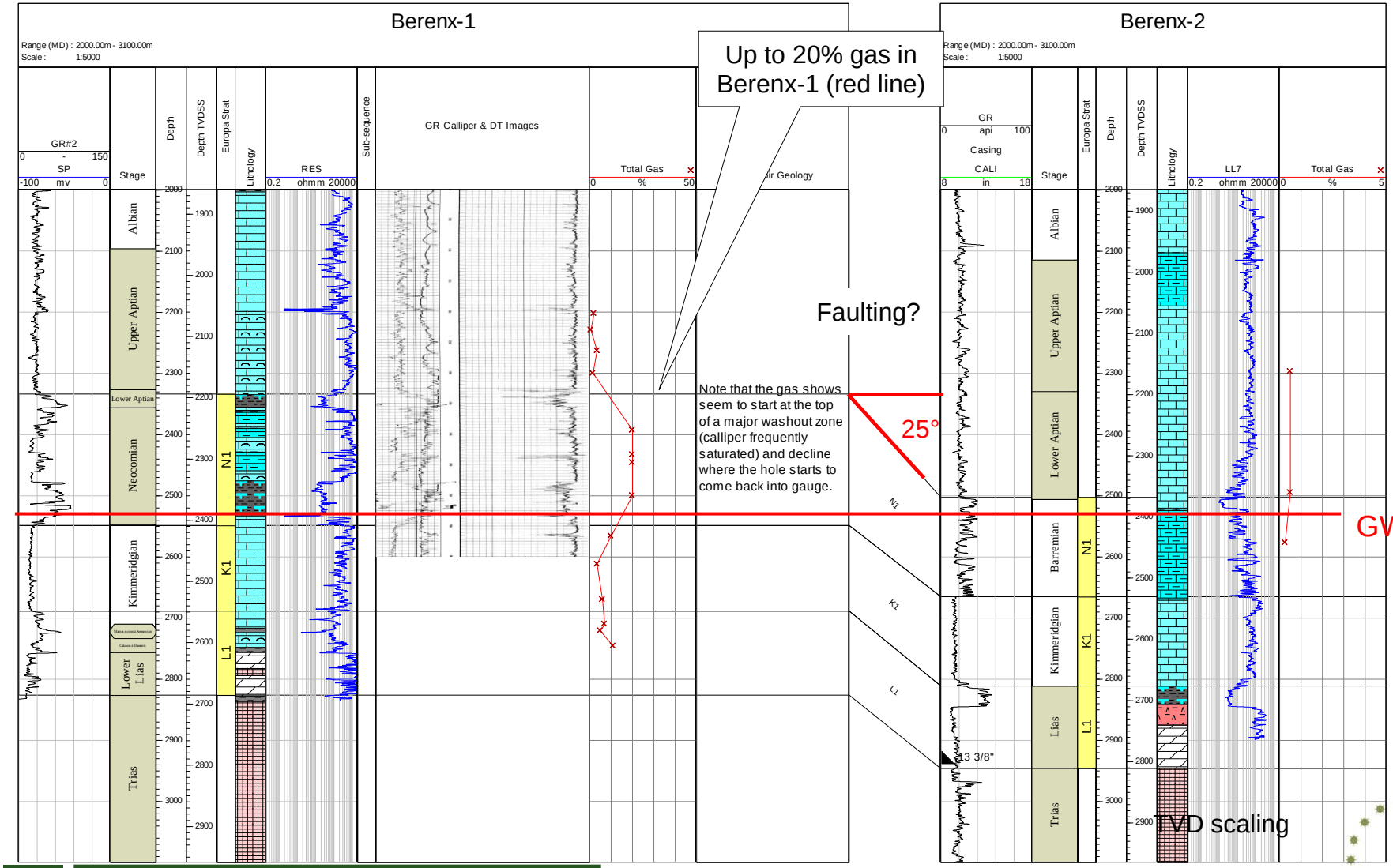
Berenx Shallow

Berenx-1 & 2 Well Correlation



Proven Hydrocarbon Play

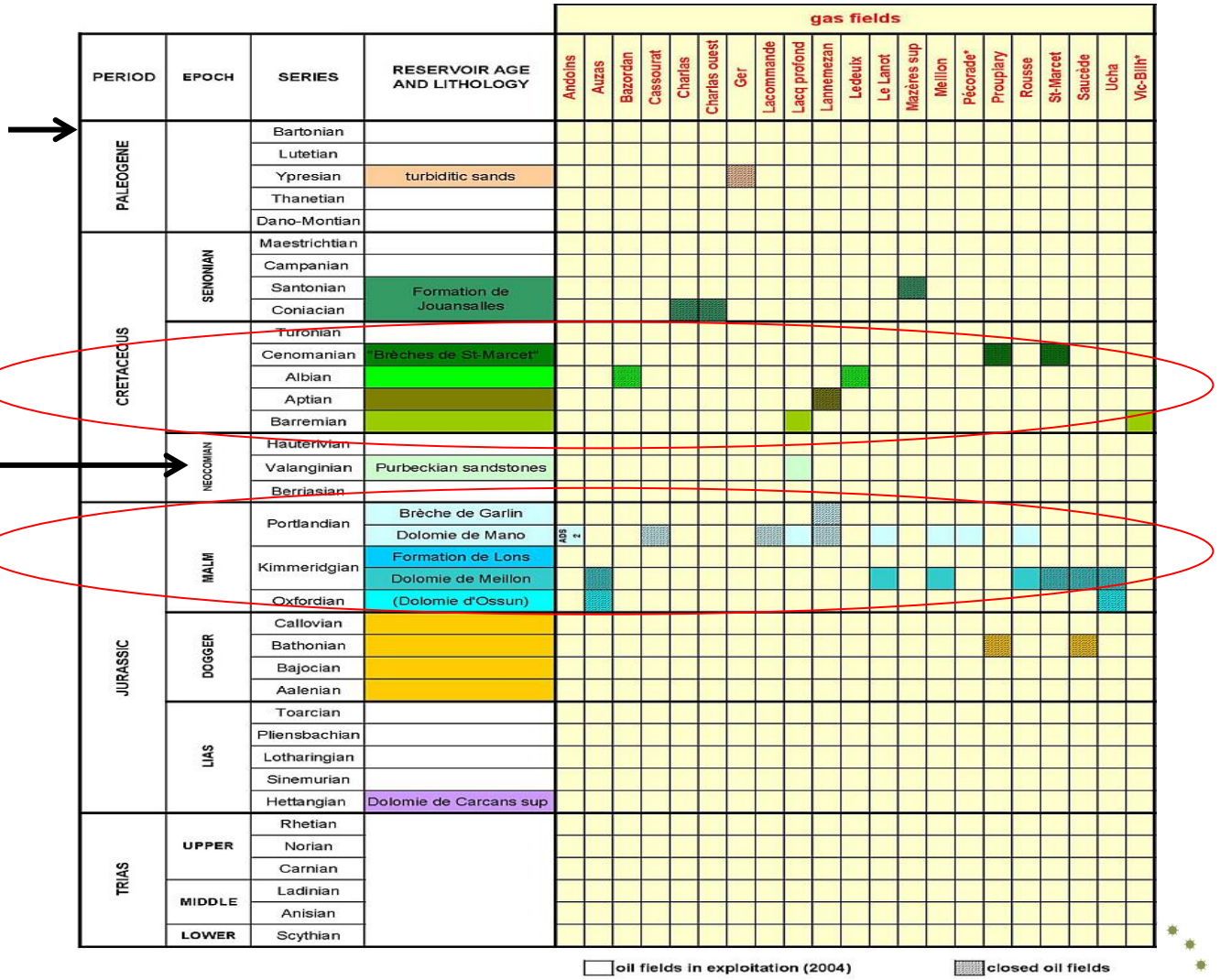
- Reservoirs:
  Main reservoirs proven regionally in Jurassic and Cretaceous sections

  In Bearn Des Gaves Permit Barremian, Neocomian, Kimmeridge are the main potential targets.

  Note: no direct analogues for gas zone in Berenx 1 but Portlandian & Kimmeridgian dolomites exist up dip within Berenx shallow closure.

- Sources
  Upper Jurassic Kimmeridge Clay Fm, Lons Fm
  Lower Cretaceous Barremain lime- stones and dolostones

- Seal
  Lower Aptian shales & Albian shales. Lime-mudstones (intra-formational & unconformities)



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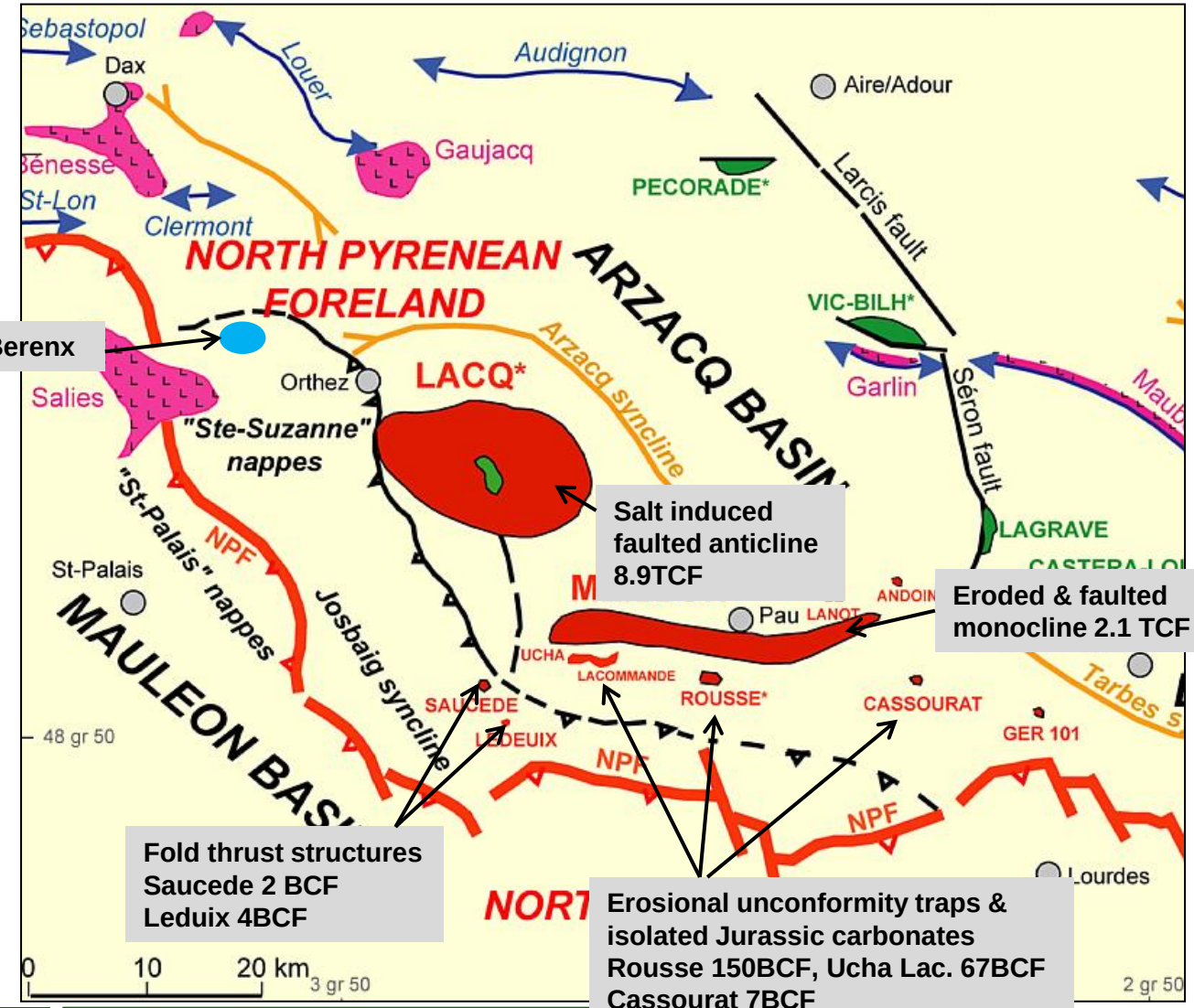
Multiple proven trap types



Multiple proven trap types

- Salt induced naturally fractured Barremian-Neocomian carbonates at Lacq
- Eroded and faulted Barremian-Neocomian carbonates at Meillon
- Fold and thrust structures at Saucede and Ledeaux
- Isolated eroded uncomformity traps in Jurassic carbonates at Rousse, Ucha - Lacommande and Cassourat

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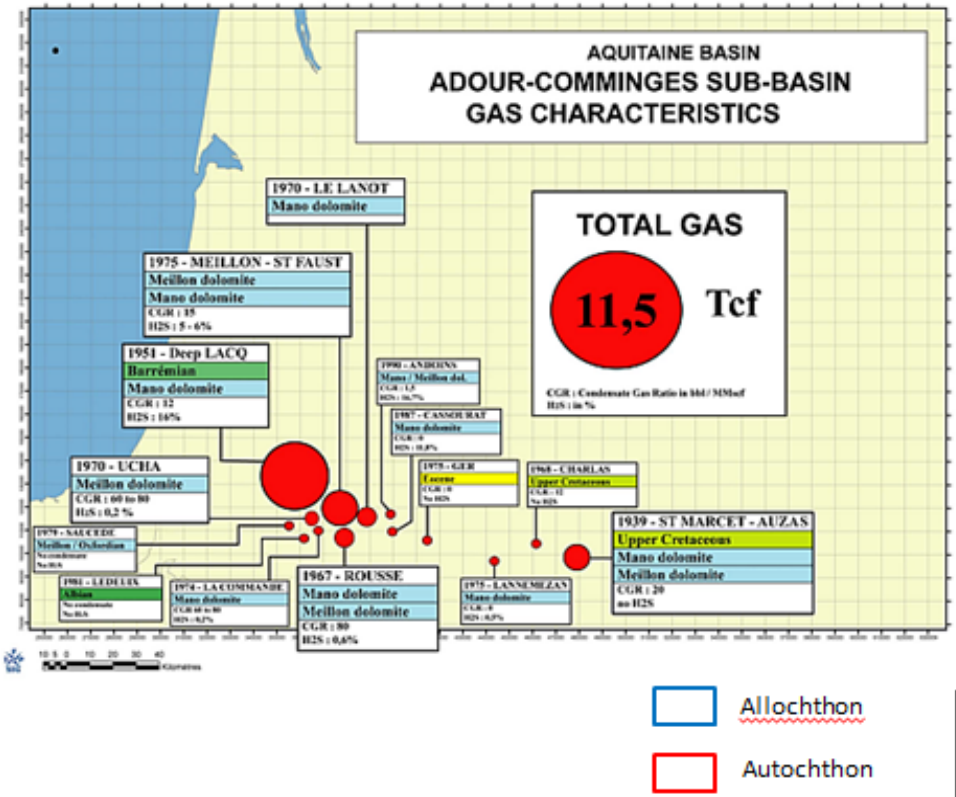
Gas discoveries and composition

- Autochthonous (sub thrust) and foreland produces sour, dry gas
- Allochthonous (supra thrust) sweet, wet gas



GISEMENT PRODUCTEUR	SOUS-BASSIN DE L'ADOUR-COMMINGES									
	DENSITE (air = 1)	COMPOSITION MOLECULAIRE								
		C1	C2	C3	C4	C5	C6+	H2S	CO2	N2
ANDOINS	0,754	72,58	2,03	0,46	0,34	0,18	0,11	13,36	10,51	0,43
AUZAS	0,625	89,86	5,09	1,66	0,70	0,24	0,10		0,43	1,92
BAZORDAN	0,640	88,56	5,59	2,15	0,92	0,35	0,22		0,89	1,32
CASSOURAT	0,720	79,14	0,03	0,01			0,01	11,67	8,80	0,35
CHARLAS Ouest	0,650	88,10	4,90	2,00	1,10	1,30				2,60
GER	0,560	98,66	0,35	0,03	0,01				0,18	0,77
LACOMMANDE	0,873	80,01	4,56	2,02	1,72	0,54		0,04	5,80	5,31
LACQ profond	0,800	69,00	3,00	0,90	0,50	0,20	0,30	15,30	9,30	1,50
LANNEMEZAN	0,605	93,80	0,31	0,03	0,03			0,61	4,09	1,13
LEDEUIX	0,565	97,50	1,60	0,21	0,14	0,10				0,45
LE LANOT	0,767	77,80	3,60	1,20	0,90	0,48	1,22	5,90	8,50	0,40
MAZERES supérieur	0,950	66,10	12,00	6,60	3,70	2,40	7,00		1,10	1,10
MAZERES profond	0,731	78,80	3,50	0,90	0,80	0,30	0,10	5,90	9,20	0,50
PECORADE	0,806	68,00	6,60	3,60	1,70	1,30		12,00	6,50	0,30
PONT d'AS	0,756	76,76	2,98	0,79	0,97	0,56	1,06	7,04	9,46	0,38
ROUSSE	0,710	76,52	4,57	2,04	1,62	0,89	8,26	0,77	4,58	0,75
SAINT-FAUST	0,756	76,30	3,46	1,11	0,99	0,54	1,20	6,26	9,62	0,52
SAINT-MARCET	0,635	89,30	5,00	1,85	0,87	0,37	0,29		0,37	1,95
SAUCEDE	0,521	94,93	0,19	0,01	0,01				2,62	2,24
UCHA	0,890	78,79	4,97	2,21	1,83	1,29	4,68	0,22	5,26	0,75
VIC BILH	0,720	81,89	6,72	3,64	2,04	1,02	0,74	0,81	2,55	0,59

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Lacq / Meillion processing plant

- Permit 20km from major industrial complex which processed gas from the Meillon and Lacq fields. Sulphur export.
- Rare opportunity to explore and appraise significant gas resources close to existing infrastructure.
- Rapid commercialisation possible into premium gas market

- Permit located over flat lying farm land
- Access and suitable drilling and development sites are not considered problematic.
- Area has a long history of field development

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Berenx Shallow summary

- Previous exploration (1950's -1970's) focussed on autochthonous structure Allochthonous plays generally overlooked.
- Prospect closure of ~40Km2 (most likely)
- Sweet, wet gas most likely hydrocarbon phase
  - Source: (Lons Fm) Kimmeridgian limestone
  - Reservoirs: Kimmeridgian to Barremian, limestones and dolomites,
  - Dual porosity system Matrix & Fractures
  - Seals: Intra formational Lime-mudstones, Aptian & Albian shales.
- Range of prospective resources estimated 263 – 408 - 579 BCF
- Risk: Trap definition / effectiveness, reprocessing initiated & additional seismic data? Allochthonous analogues: Saucede, Ledeuix discoveries
- Risk : Reservoir effectiveness , target open fracture system
- Scoping Economics suggest a value of ~ 14.1 $/boe
- Mean unrisked potential NPV(10) of 774 $mm

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Bearn des Gaves forward plan

- Re-processing vintage data to improve western definition of trap.
- Preference to drill shallow prospect rather than shoot more 2D seismic.
- Berenx Shallow well cost ~ $6million. Goal to spud well early 2015.
- Preparations for well planning have commenced.
- In event of shallow success: acquire 200km^2 3D seismic to evaluate shallow discovery and map Berenx deep.
  Acquisition late 2015, cost ~ US$ 5-7 million
- If deep prospectivity confirmed: drill Berenx Deep well 2H 2016.
  Cost ~US$ 52 to 65 million
- Permit expires in March 2017

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Suggested Farm-in Strategy

- Two stage process.

STAGE 1

- Farm-in to shallow prospectivity <4000m section.
- Pay share of back costs currently at ~US$ 1.65 million.
- Promote on well costs (~US$ 6 million) targeting Berenx Shallow prospect to earn 50%

STAGE 2

- At farminees discretion pay 100% of acquisition and processing of 200km2 3D seismic survey (~US$ 5-7 million) to earn 50% equity in Berenx Deep >4000m section
- Subsequent drilling discretionary and on ground floor terms.
  A deep well is likely to cost ~US$ 52-65 million

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Opportunity Summary

- Onshore France: Aquitaine Basin - proven hydrocarbon province with ~ 12 TCF developed gas to date
- Appraisal of the Berenx discovery in north Pyrenean foothills - proven gas accumulations in allochthonous and autochthonous reservoir sequences
- Two accumulations with ~ 1TCF of resource potential
- Naturally fractured carbonate reservoirs
- Potential NPV(10) drilling success case (deep + shallow) ~ US$1.5 billion
- Gross dry hole cost shallow prospect ~US$ 6 million + back costs.

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