ניו-מד אנרג'י - שותפות מוגבלת

("**השותפות**")

5 בספטמבר, 2023

לכבוד	לכבוד
רשות ניירות ערך	הבורסה לניירות ערך בתל אביב בע"מ
רח' כנפי נשרים 22	רח' אחוזת בית 2
ירושלים	תל-אביב
באמצעות מגנ"א	באמצעות מגנ"א

ג.א.נ.,

הנדון: **עדכון הערכת המשאבים המותנים והמנובאים במאגר אפרודיטה בקפריסין בעקבות קידוח ההערכה A-3**

בהמשך לאמור בסעיפים 7.3.6 ו- 7.3.11 לפרק א' (תיאור עסקי השותפות) בדוח התקופתי של השותפות לשנת 2022, אשר פורסם ביום 28.3.2023 (מס' אסמכתא: 2023-01-033096) ("**הדוח התקופתי**"), בסעיף 3 לעדכון פרק א' בדוח הרבעון הראשון של השותפות לשנת 2023, כפי שפורסם ביום 11.5.2023 (מס' אסמכתא: 2023-01-050346) ("**דוח רבעון ראשון**"), ובסעיף 4 לעדכון פרק א' בדוח הרבעון השני של השותפות לשנת 2023, כפי שפורסם ביום 21.8.2023 (מס' אסמכתא: 2023-01-095937) ("**דוח רבעון שני**"), הנכללים בדוח זה על דרך הפניה, אודות ביצוע קידוח ההערכה A-3 ("**הקידוח**" או "**קידוח A-3**") אשר הסתיים בחודש יולי 2023, מתכבדת השותפות לפרסם דוח מיידי אודות עדכון הערכת המשאבים המותנים והמנובאים במאגר אפרודיטה שבשטח בלוק 12 במים הכלכליים של רפובליקת קפריסין ("**המאגר**" או "**מאגר אפרודיטה**", ו- "**בלוק 12**", בהתאמה). יצוין כי, רובו המכריע של מאגר אפרודיטה מצוי במים הכלכליים של רפובליקת קפריסין, בעוד שמקצתו מצוי במים הכלכליים של ישראל, וכי דוח זה מתייחס למשאבים המצויים במים הכלכליים של רפובליקת קפריסין בלבד.

על-פי דוח שקיבלה השותפות מחברת Netherland Sewell and Associates Inc. ("**NSAI**") שהוכן בהתאם לכללי המערכת לניהול משאבי פטרוליום (SPE-PRMS) ("**דוח המשאבים**"), נכון ליום 31.8.2023, חלק מהמשאבים של גז טבעי וקונדנסט במאגר אפרודיטה הוכחו על-ידי קידוח A-3 וקידוחים קודמים במאגר, ולפיכך סווגו כמשאבים מותנים, בעוד שחלק מהמשאבים של גז טבעי וקונדנסט טרם נתגלו, ולפיכך נותרו בסיווג של משאבים מנובאים, והכל כמפורט להלן:

1. **משאבים מותנים**

א. נתוני כמויות

על-פי דוח המשאבים, נכון ליום 31.8.2023, המשאבים המותנים של גז טבעי וקונדנסט במאגר אפרודיטה מסווגים בשלב הצדקת פיתוח בבחינה (Development Pending), והיקפם הוא כמפורט להלן. לפרטים בנוגע להתאמה בין נתונים אלו לנתוני דוח המשאבים הקודם של המאגר, אשר נכלל בדוח התקופתי של השותפות לשנת 2020, כפי שפורסם ביום 17.3.2021 (מס' אסמכתא: 2021-01-036588) ("**דוח המשאבים הקודם**"), ראו בסעיף 4 להלן.

מאגר	אומדן	סה"כ (100%) גז בנכס הנפט (Gross)		סה"כ השיעור המשויך למחזיקי הזכויות ההוניות של השותפות (Gross)[1]	
		גז טבעי BCF	קונדנסט Million Barrels	גז טבעי BCF	קונדנסט Million Barrels
חולות A	האומדן הנמוך (Low Estimate)	22.8	0	6.8	0
	האומדן הטוב ביותר (Best Estimate)	50.3	0.1	15.1	0
	האומדן הגבוה (High Estimate)	60	0.1	18	0
חולות C	האומדן הנמוך (Low Estimate)	1792.9	3.6	537.9	1.1
	האומדן הטוב ביותר (Best Estimate)	2115	4.7	634.5	1.4
	האומדן הגבוה (High Estimate)	2354.7	5.7	706.4	1.7
חולות D1U	האומדן הנמוך (Low Estimate)	91.9	0.2	27.6	0.1
	האומדן הטוב ביותר (Best Estimate)	235.9	0.5	70.8	0.2
	האומדן הגבוה (High Estimate)	517.9	1.2	155.4	0.4
חולות D1M	האומדן הנמוך (Low Estimate)	76.8	0.2	23	0
	האומדן הטוב ביותר (Best Estimate)	199.1	0.4	59.7	0.1
	האומדן הגבוה (High Estimate)	358.1	0.9	107.4	0.3
חולות D1L	האומדן הנמוך (Low Estimate)	117.2	0.2	35.2	0.1
	האומדן הטוב ביותר (Best Estimate)	296.1	0.7	88.8	0.2
	האומדן הגבוה (High Estimate)	378.3	0.9	113.5	0.3
חולות D2U	האומדן הנמוך (Low Estimate)	357.6	0.7	107.3	0.2
	האומדן הטוב ביותר (Best Estimate)	450.7	1	135.2	0.3
	האומדן הגבוה (High Estimate)	541.1	1.3	162.3	0.4
חולות D2M	האומדן הנמוך (Low Estimate)	117.6	0.2	35.3	0.1
	האומדן הטוב ביותר (Best Estimate)	160	0.4	48	0.1
	האומדן הגבוה (High Estimate)	187.3	0.4	56.2	0.1
חולות D2L	האומדן הנמוך (Low Estimate)	22.6	0	6.8	0
	האומדן הטוב ביותר (Best Estimate)	30.1	0.1	9	0
	האומדן הגבוה (High Estimate)	36.5	0.1	10.9	0

[1] לאור העובדה שחלקה של רפובליקת קפריסין בגז שיופק מבלוק 12 תלוי בקצב ההפקה, אשר אינו ידוע ואינו ניתן להערכה נכון למועד דוח זה, הרי שלא ניתן לקבוע, נכון למועד דוח זה, את שיעורם של מחזיקי הזכויות ההוניות של השותפות (Net) במשאבים. לפיכך, בטבלה לעיל נכלל שיעורם של מחזיקי הזכויות ההוניות של השותפות (Gross) לפני ניכוי חלקה של רפובליקת קפריסין בהתאם להוראות הסכם הזכיון (Production Sharing Contract) (ה- "**PSC**") ולפני תשלום תמלוגים.

מאגר	אומדן	סה"כ (100%) גז בנכס הנפט (Gross)		סה"כ השיעור המשויך למחזיקי הזכויות ההוניות של השותפות (Gross)[1]	
		גז טבעי BCF	קונדנסט Million Barrels	גז טבעי BCF	קונדנסט Million Barrels
סה"כ משאבים מותנים	האומדן הנמוך (Low Estimate)	2599.4	5.1	779.8	1.5
	האומדן הטוב ביותר (Best Estimate)	3537.2	7.9	1061.2	2.4
	האומדן הגבוה (High Estimate)	4433.9	10.6	1330.2	3.2

א. בדוח המשאבים צוין כי המשאבים המותנים מותנים בהבשלת תוכנית הפיתוח וקבלת החלטת השקעה (sanctioning) לגביה, חתימת הסכמים למכירת גז טבעי, ומחויבות לפיתוח המשאבים. לפרטים בנוגע לתכנית הפיתוח של המאגר ראו סעיפים 7.3.6 ו- 7.3.11 לפרק א' לדוח התקופתי, סעיף 3 לעדכון פרק א' לדוח רבעון ראשון, סעיף 4(א) לעדכון פרק א' בדוח רבעון שני, ודוחות מיידים של השותפות מהימים 31.5.2023 ו- 25.8.2023 (מס' אסמכתאות: 2023-01-058887 ו- 2023-01-079951, בהתאמה).

ב. בדוח המשאבים צוין כי הוא אינו כולל ניתוח כלכלי של התגליות בנכס הנפט וכי בהתבסס על פיתוח מאגרים דומים, המשאבים המותנים בקטגוריית האומדן הטוב ביותר הינם בעלי סיכוי סביר להיות בעלי כדאיות כלכלית.

אזהרה - אין ודאות כי יהא זה אפשרי מבחינה מסחרית להפיק שיעור כלשהו מהמשאבים המותנים.

2. **<u>משאבים מנובאים</u>**

א. <u>נתוני כמויות</u>

על-פי דוח המשאבים, נכון ליום 31.8.2023, המשאבים המנובאים של גז טבעי וקונדנסט במאגר אפרודיטה הם כמפורט להלן:

מטרה	אומדן	סה"כ (100%) בנכס הנפט (Gross)		סה"כ השיעור המשויך למחזיקי הזכויות ההוניות של השותפות (Gross)[2]	
		גז טבעי BCF	קונדנסט Million Barrels	גז טבעי BCF	קונדנסט Million Barrels
חולות A	האומדן הנמוך (Low Estimate)	3.8	0.0	1.1	0.0
	האומדן הטוב ביותר (Best Estimate)	9.8	0.0	2.9	0.0
	האומדן הגבוה (High Estimate)	18.5	0.0	5.6	0.0
חולות C	האומדן הנמוך (Low Estimate)	33.0	0.1	9.9	0.0
	האומדן הטוב ביותר (Best Estimate)	52.3	0.1	15.7	0.0
	האומדן הגבוה (High Estimate)	81.0	0.2	24.3	0.1
חולות D1U	האומדן הנמוך (Low Estimate)	0.3	0	0.1	0
	האומדן הטוב ביותר (Best Estimate)	2.8	0	0.8	0
	האומדן הגבוה	26.2	0.1	7.9	0

[2] ראו ה"ש 1 לעיל.

מטרה	אומדן	סה"כ (100%) בנכס הנפט (Gross)		סה"כ השיעור המשויך למחזיקי הזכויות ההוניות של השותפות (Gross)[2]	
		גז טבעי BCF	קונדנסט Million Barrels	גז טבעי BCF	קונדנסט Million Barrels
	(High Estimate)				
חולות D1M	האומדן הנמוך (Low Estimate)	0	0	0	0.0
	האומדן הטוב ביותר (Best Estimate)	0.8	0	0.2	0
	האומדן הגבוה (High Estimate)	17	0	5.1	0
חולות D1L	האומדן הנמוך (Low Estimate)	1.7	0	0.5	0
	האומדן הטוב ביותר (Best Estimate)	4	0	1.2	0
	האומדן הגבוה (High Estimate)	10.1	0	3	0
חולות D2U	האומדן הנמוך (Low Estimate)	0.7	0	0.2	0
	האומדן הטוב ביותר (Best Estimate)	7.4	0	2.2	0
	האומדן הגבוה (High Estimate)	86.9	0.2	26.1	0.1
חולות D2M	האומדן הנמוך (Low Estimate)	0	0	0	0.0
	האומדן הטוב ביותר (Best Estimate)	1	0	0.3	0.0
	האומדן הגבוה (High Estimate)	24.3	0.1	7.3	0
חולות D2L	האומדן הנמוך (Low Estimate)	0.1	0	0	0.0
	האומדן הטוב ביותר (Best Estimate)	1.1	0	0.3	0.0
	האומדן הגבוה (High Estimate)	21.3	0.1	6.4	0

ב. דוח המשאבים הוכן על בסיס סקרים סייסמים 3D שבוצעו בשנים 2009 ו- 2013 על-ידי Petroleum Geo-Services ושאוחדו ועובדו מחדש לאחרונה בשנת 2014, על בסיס נתונים מכלל הקידוחים שנקדחו במאגר, וכן על בסיס נתונים ממאגרים סמוכים וממאגרים דומים בעולם, בהתאם לפרקטיקות המיטביות בתעשיה (Best industry practices).

ג. <u>הפרמטרים הבסיסיים ששימשו לחישוב התרחישים השונים</u>
דוח המשאבים מבחין בין משאבים המצויים בתאי שבר שונים. כמפורט בדוח המשאבים, בעקבות קידוח A-3, נותרו כעת משאבים מנובאים בתא השבר הדרום-מערבי בלבד, והפרמטרים ששימשו לחישובם, שנותרו ללא שינוי ביחס לנתוני דוח המשאבים הקודם, מפורטים להלן:

מטרה	Average Gross Thickness (feet)		Area (Acree)		Gross Rock Volume (Acre*Feet)	
	High	Low	High	Low	High	Low
חולות A	51	51	2,896	1,930	146,232	97,488
חולות C	103	103	736	490	75,972	50,648
חולות D1U	55	15	1,018	52	56,044	770
חולות D1L	84	4	732	25	61,355	100

חולות D2	39	32	395	115	15,383	3,649
חולות D1U	66	15	1,296	46	85,606	700
חולות D1L	74	4	909	25	66,966	100
חולות D2	83	4	487	25	40,415	100

מטרה	Gas Saturation (decimal)		Porosity (decimal)		Net-to-Gross (decimal)	
	High	Low	High	Low	High	Low
חולות A	0.60	0.50	0.20	0.16	0.13	0.03
חולות C	0.75	0.65	0.23	0.19	0.70	0.40
חולות D1U	0.65	0.55	0.23	0.19	0.50	0.30
חולות D1L	0.55	0.45	0.26	0.21	0.45	0.25
חולות D2	0.65	0.55	0.24	0.20	0.50	0.30
חולות D1U	0.75	0.65	0.23	0.19	0.90	0.70
חולות D1L	0.75	0.65	0.24	0.20	0.45	0.25
חולות D2	0.65	0.55	0.23	0.19	0.70	0.40

מטרה	Gas Recovery Factor (decimal)		Gas Formation Volume Factor (SCF/RCF)	
	High	Low	High	Low
חולות A	0.7	0.6	375	375
חולות C	0.7	0.6	378	378
חולות D1U	0.7	0.6	378	378
חולות D1L	0.7	0.6	378	378
חולות D2	0.7	0.6	378	378
חולות D1U	0.7	0.6	379	379
חולות D1L	0.7	0.6	379	379
חולות D2	0.7	0.6	379	379

ד. הסיכונים המשמעותיים הכרוכים בהמשך התהליך קשורים בהוכחת ממצא מסחרי וכוללים, בין היתר, חתימת הסכמים למכירת גז טבעי, קבלת כל האישורים הרגולטורים הנדרשים, תכנון, ייצור, התקנה ותפעול של המתקנים, וכן עלויות הערכה ופיתוח של המאגר. בנוסף, קיימים סיכונים בהוכחת המשאבים המנובאים שבתא השבר שטרם נקדח. לפרטים נוספים אודות גורמי הסיכון הכרוכים בפעילות חיפושים, ראו סעיף 7.28 לדוח התקופתי.

ה. <u>אומדן ההסתברות להצלחה של כל אחד מגורמי הסיכון בקידוח וכן אומדן סטטיסטי של ההסתברות הגיאולוגית להימצאות גז טבעי בכל אחת מהמטרות בהן מצויים המשאבים המנובאים הינם כדלקמן (באחוזים)</u>:

מטרה	שלמות המלכודת	איכות המאגר	איכות המקור	תזמון ונדידה	סה"כ
חולות A	95	30	100	100	29
חולות C	95	95	100	100	90
חולות D1U	60	90	100	100	54
חולותD1M	50	90	100	100	45
חולות D1L	60	90	100	100	54
חולות D2U	60	90	100	100	54

חולות D2M	30	90	100	100	27
חולות D2L	30	90	100	100	27

ו. <u>אומדן להסתברות לפיתוח לשם הפקה מסחרית</u>:
לפרטים ראו סעיפים 1(ב)-(ג) לעיל.

ז. <u>נימוקי השותפות אודות הבסיס לפרמטרים הבסיסיים ששימשו בחישוב התרחישים</u>:
הפרמטרים ששימשו בחישוב האומדנים השונים מבוססים על סקרים סייסמים, על נתונים מכלל הקידוחים שנקדחו במאגר, וכן על נתונים ממאגרים סמוכים וממאגרים דומים בעולם, בהתאם לפרקטיקות המיטביות בתעשיה (Best industry practices).

אזהרה - אין ודאות כי חלק כלשהו מהמשאבים האפשריים, שצוינו, אכן יתגלה. אם יתגלה, אין ודאות כי יהא זה אפשרי מבחינה מסחרית להפיק חלק כלשהו מהמשאבים. המידע הפרוספקטיבי אינו בגדר הערכה אודות עתודות ומשאבים מותנים אותם ניתן יהיה להעריך רק לאחר קידוח הניסיון, אם בכלל.

3. בדוח המשאבים ציינה NSAI, בין היתר, מספר הנחות והסתייגויות ובכלל זה, כי:
   א. ההערכות ביחס למשאבים המותנים לא הותאמו לשקף סיכוני פיתוח;
   ב. NSAI לא ביקרה בשדה הנפט וכן לא בדקה את התפעול המכני של המתקנים והבארות או את מצבם;
   ג. NSAI לא בחנה חשיפה אפשרית הנובעת מענייני איכות סביבה. יחד עם זאת, ציינה NSAI כי נכון למועד דוח המשאבים לא ידוע לה על חבות אפשרית הקשורה לענייני איכות הסביבה העלולה להשפיע באופן מהותי על כמות המשאבים המוערכת בדוח המשאבים או על מסחריותם;
   ד. נכון למועד דוח המשאבים, נתוני גלעיני הסלע (core data) שנאספו מקידוח A-3 לא היו זמינים ולכן לא שימשו להערכת המשאבים.

4. **<u>התאמה בין נתוני דוח המשאבים לבין נתוני דוחות קודמים הנוגעים לנכס הנפט</u>**
ההבדלים המהותיים בין דוח המשאבים הנוכחי לבין דוח המשאבים הקודם, אשר עיקרם נובע מהמידע שנאסף במסגרת ביצוע קידוח A-3, הינם כמפורט להלן:
   א. היקף המשאבים המותנים גדל בכ- 30% באומדן הנמוך (1C) ובכ- 2% באומדן הטוב ביותר (2C), אך קטן בכ- 2% באומדן הגבוה (3C). היקף המשאבים המנובאים ירד לכמויות זניחות במרבית השכבות המהותיות ובכל האומדנים.
   ב. השינויים כאמור בסעיף א' לעיל נובעים בעיקר מהסיבות הבאות: (1) סיווג מחדש של משאבים מנובאים שהתגלו בקידוח A-3 בתא השבר המרכזי (ב- 5 מאגרים נפרדים בחולות D1 ו- D2) כמשאבים מותנים; (2) איכות המאגר של חולות C, D2 ו- D1 בתא השבר המרכזי נמוכה מההערכה טרום הקידוח; ו- (3) התאמה של העומקים של מגעי גז-מים (gas water contacts) במאגר.
   ג. ההסתברות להצלחה גיאולוגית בקשר עם המשאבים המנובאים ירדה עבור כל המטרות, בעיקר עקב ירידה בהסתברות לשלמות המלכודת.
5. השותפות מצהירה כי כל הנתונים דלעיל נערכו באופן התואם לכללי המערכת לניהול משאבי פטרוליום (SPE-PRMS).

אזהרה בגין מידע צופה פני עתיד - הערכות NSAI בדבר המשאבים המותנים והמנובאים במאגר אפרודיטה הינן מידע צופה פני עתיד כמשמעו בחוק ניירות ערך, התשכ"ח-1968. ההערכות לעיל מבוססות, בין היתר, על מידע גיאולוגי, גיאופיסי, הנדסי ואחר, שנתקבל מהמפעילה מהקידוחים במאגר אפרודיטה ומקידוחים במאגרים סמוכים והינן בגדר הערכות והשערות מקצועיות בלבד של NSAI, אשר

לגביהן לא קיימת כל ודאות. כמויות הגז הטבעי ו/או הקונדנסט שיופקו, אם יופקו, בפועל, עשויות להיות שונות מההערכות וההשערות כאמור, וזאת, בין היתר, כתוצאה מתנאים תפעוליים וטכניים ו/או משינויים רגולטוריים ו/או מתנאי היצע וביקוש בשוק ו/או מתנאים מסחריים ו/או מהביצועים בפועל של המאגר. ההערכות וההשערות כאמור עשויות להתעדכן ככל שיצטבר מידע נוסף ו/או כתוצאה ממכלול של גורמים הקשורים בפרויקטים של חיפושים והפקה של נפט וגז טבעי, לרבות כתוצאה מהמשך ניתוח ממצאי הקידוח.

6. **<u>מילון מונחים</u>**

למילון המונחים המקצועיים הכלולים בדוח זה, ראו נספח מונחים מקצועיים בעמ' א-252 לדוח התקופתי.

7. **<u>חוות דעת של המעריך</u>**

מצורף לדוח זה כ**<u>נספח א'</u>** דוח משאבים מותנים ומנובאים של מאגר אפרודיטה שהוכן על-ידי NSAI, נכון ליום 31.8.2023, הכולל את הסכמת NSAI להכללתו בדוח זה, לרבות בדרך של הפניה.

8. **<u>הצהרת הנהלה</u>**

א. תאריך ההצהרה: 5 בספטמבר, 2023;

ב. ציון שם התאגיד: ניו-מד אנרג'י - שותפות מוגבלת;

ג. המוסמך להעריך את המשאבים בתאגיד, שמו ותפקידו: גבי לסט, יו"ר דירקטוריון השותף הכללי;

ד. הרינו לאשר, כי נמסרו למעריך כל הנתונים הנדרשים לצורך ביצוע עבודתו;

ה. הרינו לאשר, כי לא בא לידיעתנו כל מידע המצביע על קיום תלות בין המעריך לבין השותפות;

ו. הרינו לאשר, כי למיטב ידיעתנו המשאבים שדווחו הם האומדנים הטובים והעדכניים ביותר הקיימים ברשותנו;

ז. הרינו לאשר, כי הנתונים שנכללו בדוח זה נערכו לפי המונחים המקצועיים המנויים בפרק ז' לתוספת השלישית לתקנות ניירות ערך (פרטי התשקיף וטיוטת התשקיף - מבנה וצורה), התשכ"ט-1969, ובמשמעות הנודעת להם ב- Petroleum Resources Management System (2018) כפי שפרסמו איגוד מהנדסי הפטרוליום (SPE), הארגון האמריקאי של גיאולוגים בתחום הפטרוליום (AAPG), המועצה העולמית לפטרוליום (WPC) ואיגוד מהנדסי הערכת הפטרוליום (SPEE), כתוקפם במועד דוח זה;

ח. הרינו לאשר, כי לא נעשה שינוי בזהות המעריך שביצע את הגילוי בדבר העתודות או המשאבים המותנים האחרון שפורסם על-ידי השותפות;

ט. הרינו מסכימים להכללת ההצהרה האמורה לעיל בדוח זה.

_____

גבי לסט, יו"ר הדירקטוריון

<u>השותפים במאגר אפרודיטה ושיעור החזקותיהם הינם, כדלקמן</u>:

Chevron Cyprus Limited	35%
BG Cyprus Limited	35%
השותפות	30%

בכבוד רב,

ניו-מד אנרג'י ניהול בע"מ

השותף הכללי בניו-מד אנרג'י - שותפות מוגבלת

על-ידי: יוסי אבו, מנכ"ל

צבי קרץ, סמנכ"ל אקספלורציה

NETHERLAND, SEWELL & ASSOCIATES, INC.
WORLDWIDE PETROLEUM CONSULTANTS
ENGINEERING • GEOLOGY • GEOPHYSICS • PETROPHYSICS

September 5, 2023

Mr. Yossi Abu
NewMed Energy Limited Partnership
19 Abba Eban Boulevard
Herzliya 4612001
Israel

Dear Mr. Abu:

As independent consultants, Netherland, Sewell & Associates, Inc. hereby grant permission to NewMed Energy Limited Partnership (NewMed) to use our report dated September 5, 2023, to be filed with the Israel Securities Authority and the Tel Aviv Stock Exchange. This report sets forth our estimates of the unrisked contingent and prospective resources, as of August 31, 2023, to the NewMed working interest in discoveries and prospects located in the Aphrodite Field Area, Block 12, offshore Cyprus.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.

By: Richard B. Talley, Jr.
Richard B. Talley, Jr., P.E.
Chief Executive Officer

JRC:MDK

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ESTIMATES

of

UNRISKED CONTINGENT AND PROSPECTIVE RESOURCES

to the

NEWMED ENERGY LIMITED PARTNERSHIP WORKING INTEREST

in

DISCOVERIES AND PROSPECTS

located in the

APHRODITE FIELD AREA BLOCK 12, OFFSHORE CYPRUS

as of

AUGUST 31, 2023

NETHERLAND, SEWELL & ASSOCIATES, INC.

WORLDWIDE PETROLEUM CONSULTANTS

ENGINEERING • GEOLOGY
GEOPHYSICS • PETROPHYSICS

NETHERLAND, SEWELL & ASSOCIATES, INC.
WORLDWIDE PETROLEUM CONSULTANTS
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PRESIDENT & COO
ERIC J. STEVENS

EXECUTIVE COMMITTEE
ROBERT C. BARG
P. SCOTT FROST
JOHN G. HATTNER
JOSEPH J. SPELLMAN

September 5, 2023

NewMed Energy Limited Partnership
19 Abba Eban Boulevard
Herzliya 4612001
Israel

Ladies and Gentlemen:

In accordance with your request, we have estimated the unrisked contingent and prospective resources, as of August 31, 2023, to the NewMed Energy Limited Partnership (NewMed) working interest in discoveries and prospects located in the Aphrodite Field Area, Block 12, offshore Cyprus. Resources that extend beyond Block 12 have not been included in this report. It is our understanding that NewMed owns a direct working interest in these discoveries and prospects. We completed our evaluation on or about the date of this letter.

The estimates in this report have been prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE) and in accordance with internationally recognized standards, as stipulated by the Israel Securities Authority (ISA). As presented in the 2018 PRMS, petroleum accumulations can be classified, in decreasing order of likelihood of commerciality, as reserves, contingent resources, or prospective resources. Different classifications of petroleum accumulations have varying degrees of technical and commercial risk that are difficult to quantify; thus reserves, contingent resources, and prospective resources should not be aggregated without extensive consideration of these factors. Definitions are presented immediately following this letter. This report has been prepared for NewMed's use in filing with the ISA; in our opinion the assumptions, data, methods, and procedures used in the preparation of this report are appropriate for such purpose.

CONTINGENT RESOURCES

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. The contingent resources shown in this report are contingent upon finalization and sanctioning of the development plan, execution of gas purchase and sales agreements, and commitment to develop the resources. If these contingencies are successfully addressed, some portion of the contingent resources estimated in this report may be reclassified as reserves; our estimates have not been risked to account for the possibility that the contingencies are not successfully addressed. This report does not include economic analysis for the discoveries. Based on analogous field developments, it appears that the best estimate contingent resources in this report have a reasonable chance of being economically viable. There is no certainty that it will be commercially viable to produce any portion of the contingent resources. The project maturity subclass for these contingent resources is development pending.

We estimate the unrisked gross (100 percent) contingent resources for the Aphrodite Field Area by reservoir, as of August 31, 2023, to be:

	Unrisked Gross (100%) Contingent Resources					
	Low Estimate (1C)		Best Estimate (2C)		High Estimate (3C)	
Reservoir	Gas (BCF)	Condensate (MMBBL)	Gas (BCF)	Condensate (MMBBL)	Gas (BCF)	Condensate (MMBBL)
A Sand	22.8	0.0	50.3	0.1	60.0	0.1
C Sand	1,792.9	3.6	2,115.0	4.7	2,354.7	5.7
D1 Upper Sand	91.9	0.2	235.9	0.5	517.9	1.2
D1 Middle Sand	76.8	0.2	199.1	0.4	358.1	0.9
D1 Lower Sand	117.2	0.2	296.1	0.7	378.3	0.9
D2 Upper Sand	357.6	0.7	450.7	1.0	541.1	1.3
D2 Middle Sand	117.6	0.2	160.0	0.4	187.3	0.4
D2 Lower Sand	22.6	0.0	30.1	0.1	36.5	0.1

We estimate the unrisked contingent resources to the NewMed working interest in the Aphrodite Field Area by reservoir, as of August 31, 2023, to be:

	Unrisked Working Interest Contingent Resources					
	Low Estimate (1C)		Best Estimate (2C)		High Estimate (3C)	
Reservoir	Gas (BCF)	Condensate (MMBBL)	Gas (BCF)	Condensate (MMBBL)	Gas (BCF)	Condensate (MMBBL)
A Sand	6.8	0.0	15.1	0.0	18.0	0.0
C Sand	537.9	1.1	634.5	1.4	706.4	1.7
D1 Upper Sand	27.6	0.1	70.8	0.2	155.4	0.4
D1 Middle Sand	23.0	0.0	59.7	0.1	107.4	0.3
D1 Lower Sand	35.2	0.1	88.8	0.2	113.5	0.3
D2 Upper Sand	107.3	0.2	135.2	0.3	162.3	0.4
D2 Middle Sand	35.3	0.1	48.0	0.1	56.2	0.1
D2 Lower Sand	6.8	0.0	9.0	0.0	10.9	0.0

Gas volumes are expressed in billions of cubic feet (BCF) at standard temperature and pressure bases. Condensate volumes are expressed in millions of barrels (MMBBL); a barrel is equivalent to 42 United States gallons.

The contingent resources shown in this report have been estimated using deterministic methods. Once all contingencies have been successfully addressed, the approximate probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is generally inferred to be 90 percent for the low estimate, 50 percent for the best estimate, and 10 percent for the high estimate. The estimates of contingent resources included herein have not been adjusted for development risk.

PROSPECTIVE RESOURCES

Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. The prospective resources

included in this report should not be construed as reserves or contingent resources; they represent exploration opportunities and quantify the development potential in the event a petroleum discovery is made. The prospective resources included in this report are located in the Southwest Fault Block of the Aphrodite Field Area. A geologic risk assessment was performed for these prospects, as discussed in subsequent paragraphs. This report does not include economic analysis for these prospects. Based on analogous field developments, it appears that, assuming a discovery is made, a portion of the unrisked best estimate prospective resources in this report have a reasonable chance of being economically viable. There is no certainty that any portion of the prospective resources will be discovered. If they are discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources.

Totals of unrisked prospective resources beyond the prospect level are not reflective of volumes that can be expected to be recovered and are therefore not shown. Because of the geologic risk associated with each prospect, meaningful totals beyond this level can be defined only by summing risked prospective resources. Such risk is often significant.

We estimate the unrisked gross (100 percent) prospective resources for the Southwest Fault Block of the Aphrodite Field Area, as of August 31, 2023, to be:

	Unrisked Gross (100%) Prospective Resources					
	Low Estimate (1U)		Best Estimate (2U)		High Estimate (3U)	
Prospect	Gas (BCF)	Condensate (MMBBL)	Gas (BCF)	Condensate (MMBBL)	Gas (BCF)	Condensate (MMBBL)
A Sand	3.8	0.0	9.8	0.0	18.5	0.0
C Sand	33.0	0.1	52.3	0.1	81.0	0.2
D1 Upper Sand	0.3	0.0	2.8	0.0	26.2	0.1
D1 Middle Sand	0.0	0.0	0.8	0.0	17.0	0.0
D1 Lower Sand	1.7	0.0	4.0	0.0	10.1	0.0
D2 Upper Sand	0.7	0.0	7.4	0.0	86.9	0.2
D2 Middle Sand	0.0	0.0	1.0	0.0	24.3	0.1
D2 Lower Sand	0.1	0.0	1.1	0.0	21.3	0.1

We estimate the NewMed unrisked working interest prospective resources for the Southwest Fault Block of the Aphrodite Field Area, as of August 31, 2023, to be:

	Unrisked Working Interest Prospective Resources					
	Low Estimate (1U)		Best Estimate (2U)		High Estimate (3U)	
Prospect	Gas (BCF)	Condensate (MMBBL)	Gas (BCF)	Condensate (MMBBL)	Gas (BCF)	Condensate (MMBBL)
A Sand	1.1	0.0	2.9	0.0	5.6	0.0
C Sand	9.9	0.0	15.7	0.0	24.3	0.1
D1 Upper Sand	0.1	0.0	0.8	0.0	7.9	0.0
D1 Middle Sand	0.0	0.0	0.2	0.0	5.1	0.0
D1 Lower Sand	0.5	0.0	1.2	0.0	3.0	0.0
D2 Upper Sand	0.2	0.0	2.2	0.0	26.1	0.1
D2 Middle Sand	0.0	0.0	0.3	0.0	7.3	0.0
D2 Lower Sand	0.0	0.0	0.3	0.0	6.4	0.0

The prospective resources shown in this report have been estimated using probabilistic methods and are dependent on a petroleum discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the unrisked estimated amounts is 90 percent for the low estimate, 50 percent for the best estimate, and 10 percent for the high estimate.

Unrisked prospective resources are estimated ranges of recoverable gas and condensate volumes assuming their discovery and development and are based on estimated ranges of undiscovered in-place volumes. Geologic risking of prospective resources addresses the probability of success for the discovery of a significant quantity of potentially recoverable petroleum; this risk analysis is conducted independent of estimations of petroleum volumes and without regard to the chance of development. Principal geologic risk elements of the petroleum system include (1) trap and seal characteristics; (2) reservoir presence and quality; (3) source rock capacity, quality, and maturity; and (4) timing, migration, and preservation of petroleum in relation to trap and seal formation. Risk assessment is a highly subjective process dependent upon the experience and judgment of the evaluators and is subject to revision with further data acquisition or interpretation. The primary geologic risk elements for these prospects are trap integrity and reservoir quality. The geologic risk elements and overall probability of geologic success for each prospect are shown in the following table:

	Geologic Risk Element (%)				Probability of Geologic Success (%)
Prospect	Trap Integrity	Reservoir Quality	Source Evaluation	Timing/ Migration	
A Sand	95	30	100	100	29
C Sand	95	95	100	100	90
D1 Upper Sand	60	90	100	100	54
D1 Middle Sand	50	90	100	100	45
D1 Lower Sand	60	90	100	100	54
D2 Upper Sand	60	90	100	100	54
D2 Middle Sand	30	90	100	100	27
D2 Lower Sand	30	90	100	100	27

Each prospect was evaluated to determine ranges of in-place and recoverable petroleum and was risked as an independent entity without dependency between potential prospect drilling outcomes. If petroleum discoveries are made, smaller-volume prospects may not be commercial to independently develop, although they may become candidates for satellite developments and tie-backs to existing infrastructure at some future date. The development infrastructure and data obtained from early discoveries will alter both geologic risk and future economics of subsequent discoveries and developments.

The Aphrodite Field Area is covered by a 3-D seismic data set. The 3-D seismic data were acquired in 2009 and 2013 by Petroleum Geo-Services, then merged and processed in 2014. All seismic interpretation was performed on the prestack depth-migrated data.

It should be understood that the prospective resources discussed and shown herein are those undiscovered, highly speculative resources estimated beyond reserves or contingent resources where geological and geophysical data suggest the potential for discovery of petroleum but where the level of proof is insufficient for classification as reserves or contingent resources. The unrisked prospective resources shown in this report are the range of volumes

that could reasonably be expected to be recovered in the event of the discovery and development of these prospects.

GENERAL INFORMATION

For the purposes of this report, we did not perform any field inspection of the discoveries and prospects. We have not investigated possible environmental liability related to the discoveries and prospects; however, we are not currently aware of any possible environmental liability that would have any material effect on the contingent and prospective resources quantities estimated in this report or the commerciality of such estimates.

The contingent and prospective resources shown in this report are estimates only and should not be construed as exact quantities. Estimates may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance.

For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, seismic data, core data, well test data, and property ownership interests. We were provided with all the necessary data to prepare the estimates for the discoveries and prospects, and we were not limited from access to any material we believe may be relevant. As of the date of this report, core data for the recently-drilled Aphrodite 3 well were not yet available. The contingent and prospective resources in this report have been estimated using a combination of deterministic and probabilistic methods; these estimates have been prepared in accordance with generally accepted petroleum engineering and evaluation principles set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the SPE (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including volumetric analysis and analogy, that we considered to be appropriate and necessary to classify, categorize, and estimate volumes in accordance with the 2018 PRMS definitions and guidelines. Certain parameters used in our volumetric analysis are summarized in Tables I and II. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment. The prospective information is not an assessment regarding the reserves and contingent resources, which can be assessed only after exploratory drilling, if at all.

Netherland, Sewell & Associates, Inc. (NSAI) was engaged on August 15, 2023, by Mr. Yossi Abu, Chief Executive Officer of NewMed, to perform this assessment. The data used in our estimates were obtained from NewMed; Chevron Cyprus Limited, the operator of the discoveries and prospects; public data sources; and the nonconfidential files of NSAI and were accepted as accurate. Supporting work data are on file in our office. We have not examined the contractual rights to the discoveries and prospects or independently confirmed the actual degree or type of interest owned. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these discoveries and prospects nor are we employed on a contingent basis. Furthermore, no limitations or restrictions were placed upon NSAI by officials of NewMed.

QUALIFICATIONS

NSAI performs consulting petroleum engineering services under Texas Board of Professional Engineers Registration No. F-2699. We provide a complete range of geological, geophysical, petrophysical, and engineering services, and we have the technical expertise and ability to perform these services in any oil and gas producing area in the world. The staff are familiar with the recognized industry reserves and resources definitions, specifically

those promulgated by the U.S. Securities and Exchange Commission, by the Alberta Securities Commission, and by the SPE, Society of Petroleum Evaluation Engineers, World Petroleum Council, and American Association of Petroleum Geologists. The technical persons primarily responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards.

This assessment has been led by Mr. John R. Cliver and Mr. Zachary R. Long. Mr. Cliver is a Senior Vice President and Mr. Long is a Vice President in the firm's Houston office at 1301 McKinney Street, Suite 3200, Houston, Texas 77010, USA. Mr. Cliver is a Licensed Professional Engineer (Texas Registration No. 107216). He has been practicing consulting petroleum engineering at NSAI since 2009 and has over 5 years of prior industry experience. Mr. Long is a Licensed Professional Geoscientist (Texas Registration No. 11792). He has been practicing consulting petroleum geoscience at NSAI since 2007 and has over 2 years of prior industry experience.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699

By: Richard B. Talley, Jr.
Richard B. Talley, Jr., P.E.
Chief Executive Officer

By:
John R. Cliver P.E. 107216
Senior Vice President

Date Signed: September 5, 2023

JRC:MDK

STATE OF TEXAS
J. R. CLIVER
107216
LICENSED
PROFESSIONAL ENGINEER

By:
Zachary R. Long, P.G. 11792
Vice President

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PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

This document contains information excerpted from definitions and guidelines prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the SPE, World Petroleum Council, American Association of Petroleum Geologists, Society of Petroleum Evaluation Engineers, Society of Exploration Geophysicists, Society of Petrophysicists and Well Log Analysts, and European Association of Geoscientists & Engineers.

Preamble

Petroleum resources are the quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resources assessments estimate quantities in known and yet-to-be-discovered accumulations. Resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating projects, and presenting results within a comprehensive classification framework.

This updated PRMS provides fundamental principles for the evaluation and classification of petroleum reserves and resources. If there is any conflict with prior SPE and PRMS guidance, approved training, or the Application Guidelines, the current PRMS shall prevail. It is understood that these definitions and guidelines allow flexibility for entities, governments, and regulatory agencies to tailor application for their particular needs; however, any modifications to the guidance contained herein must be clearly identified. The terms "shall" or "must" indicate that a provision herein is mandatory for PRMS compliance, while "should" indicates a recommended practice and "may" indicates that a course of action is permissible. The definitions and guidelines contained in this document must not be construed as modifying the interpretation or application of any existing regulatory reporting requirements.

1.0 Basic Principles and Definitions

1.0.0.1 A classification system of petroleum resources is a fundamental element that provides a common language for communicating both the confidence of a project's resources maturation status and the range of potential outcomes to the various entities. The PRMS provides transparency by requiring the assessment of various criteria that allow for the classification and categorization of a project's resources. The evaluation elements consider the risk of geologic discovery and the technical uncertainties together with a determination of the chance of achieving the commercial maturation status of a petroleum project.

1.0.0.2 The technical estimation of petroleum resources quantities involves the assessment of quantities and values that have an inherent degree of uncertainty. These quantities are associated with exploration, appraisal, and development projects at various stages of design and implementation. The commercial aspects considered will relate the project's maturity status (e.g., technical, economical, regulatory, and legal) to the chance of project implementation.

1.0.0.3 The use of a consistent classification system enhances comparisons between projects, groups of projects, and total company portfolios. The application of PRMS must consider both technical and commercial factors that impact the project's feasibility, its productive life, and its related cash flows.

1.1 Petroleum Resources Classification Framework

1.1.0.1 Petroleum is defined as a naturally occurring mixture consisting of hydrocarbons in the gaseous, liquid, or solid state. Petroleum may also contain non-hydrocarbons, common examples of which are carbon dioxide, nitrogen, hydrogen sulfide, and sulfur. In rare cases, non-hydrocarbon content can be greater than 50%.

1.1.0.2 The term resources as used herein is intended to encompass all quantities of petroleum naturally occurring within the Earth's crust, both discovered and undiscovered (whether recoverable or unrecoverable), plus those quantities already produced. Further, it includes all types of petroleum whether currently considered as conventional or unconventional resources.

1.1.0.3 Figure 1.1 graphically represents the PRMS resources classification system. The system classifies resources into discovered and undiscovered and defines the recoverable resources classes: Production, Reserves, Contingent Resources, and Prospective Resources, as well as Unrecoverable Petroleum.

1.1.0.4 The horizontal axis reflects the range of uncertainty of estimated quantities potentially recoverable from an accumulation by a project, while the vertical axis represents the chance of commerciality, P_c, which is the chance that a project will be committed for development and reach commercial producing status.

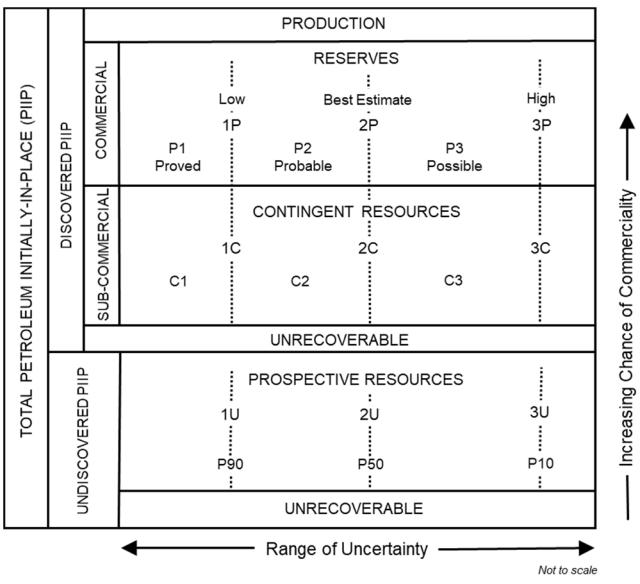

Figure 1.1—Resources classification framework

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1.1.0.5 The following definitions apply to the major subdivisions within the resources classification:

A. **Total Petroleum Initially-In-Place** (PIIP) is all quantities of petroleum that are estimated to exist originally in naturally occurring accumulations, discovered and undiscovered, before production.

B. **Discovered PIIP** is the quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations before production.

C. **Production** is the cumulative quantities of petroleum that have been recovered at a given date. While all recoverable resources are estimated, and production is measured in terms of the sales product specifications, raw production (sales plus non-sales) quantities are also measured and required to support engineering analyses based on reservoir voidage (see Section 3.2, Production Measurement).

1.1.0.6 Multiple development projects may be applied to each known or unknown accumulation, and each project will be forecast to recover an estimated portion of the initially-in-place quantities. The projects shall be subdivided into commercial, sub-commercial, and undiscovered, with the estimated recoverable quantities being classified as Reserves, Contingent Resources, or Prospective Resources respectively, as defined below.

A. 1. **Reserves** are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining (as of the evaluation's effective date) based on the development project(s) applied.

2. Reserves are recommended as sales quantities as metered at the reference point. Where the entity also recognizes quantities consumed in operations (CiO) (see Section 3.2.2), as Reserves these quantities must be recorded separately. Non-hydrocarbon quantities are recognized as Reserves only when sold together with hydrocarbons or CiO associated with petroleum production. If the non-hydrocarbon is separated before sales, it is excluded from Reserves.

3. Reserves are further categorized in accordance with the range of uncertainty and should be sub-classified based on project maturity and/or characterized by development and production status.

B. **Contingent Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. Contingent Resources have an associated chance of development. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the range of uncertainty associated with the estimates and should be sub-classified based on project maturity and/or economic status.

C. **Undiscovered PIIP** is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered.

D. **Prospective Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of geologic discovery and a chance of development. Prospective Resources are further categorized in accordance with the range of uncertainty associated with recoverable estimates, assuming discovery and development, and may be sub-classified based on project maturity.

E. **Unrecoverable Resources** are that portion of either discovered or undiscovered PIIP evaluated, as of a given date, to be unrecoverable by the currently defined project(s). A portion of these quantities may become recoverable in the future as commercial circumstances change, technology is developed, or additional data are acquired. The remaining portion may never be recovered because of physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

1.1.0.7 The sum of Reserves, Contingent Resources, and Prospective Resources may be referred to as "remaining recoverable resources." Importantly, these quantities should not be aggregated without due consideration of the technical and commercial risk involved with their classification. When such terms are used, each classification component of the summation must be provided.

1.1.0.8 Other terms used in resource assessments include the following:

A. **Estimated Ultimate Recovery (EUR)** is not a resources category or class, but a term that can be applied to an accumulation or group of accumulations (discovered or undiscovered) to define those quantities of petroleum estimated, as of a given date, to be potentially recoverable plus those quantities already produced from the accumulation or group of accumulations. For clarity, EUR must reference the associated technical and commercial conditions for the resources; for example, proved EUR is Proved Reserves plus prior production.

B. **Technically Recoverable Resources (TRR)** are those quantities of petroleum producible using currently available technology and industry practices, regardless of commercial considerations. TRR may be used for specific Projects or for groups of Projects, or, can be an undifferentiated estimate within an area (often basin-wide) of recovery potential.

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1.2 Project-Based Resources Evaluations

1.2.0.1 The resources evaluation process consists of identifying a recovery project or projects associated with one or more petroleum accumulations, estimating the quantities of PIIP, estimating that portion of those in-place quantities that can be recovered by each project, and classifying the project(s) based on maturity status or chance of commerciality.

1.2.0.2 The concept of a project-based classification system is further clarified by examining the elements contributing to an evaluation of net recoverable resources (see Figure 1.2).

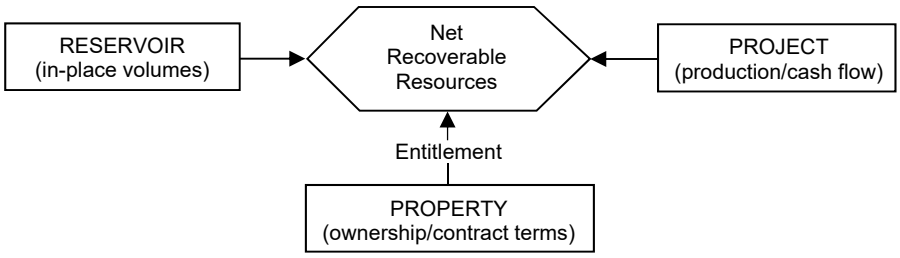

Figure 1.2—Resources evaluation

1.2.0.3 **The reservoir** (contains the petroleum accumulation): Key attributes include the types and quantities of PIIP and the fluid and rock properties that affect petroleum recovery.

1.2.0.4 **The project:** A project may constitute the development of a well, a single reservoir, or a small field; an incremental development in a producing field; or the integrated development of a field or several fields together with the associated processing facilities (e.g., compression). Within a project, a specific reservoir's development generates a unique production and cash-flow schedule at each level of certainty. The integration of these schedules taken to the project's earliest truncation caused by technical, economic, or the contractual limit defines the estimated recoverable resources and associated future net cash flow projections for each project. The ratio of EUR to total PIIP quantities defines the project's recovery efficiency. Each project should have an associated recoverable resources range (low, best, and high estimate).

1.2.0.5 **The property** (lease or license area): Each property may have unique associated contractual rights and obligations, including the fiscal terms. This information allows definition of each participating entity's share of produced quantities (entitlement) and share of investments, expenses, and revenues for each recovery project and the reservoir to which it is applied. One property may encompass many reservoirs, or one reservoir may span several different properties. A property may contain both discovered and undiscovered accumulations that may be spatially unrelated to a potential single field designation.

1.2.0.6 An entity's net recoverable resources are the entitlement share of future production legally accruing under the terms of the development and production contract or license.

1.2.0.7 In the context of this relationship, the project is the primary element considered in the resources classification, and the net recoverable resources are the quantities derived from each project. A project represents a defined activity or set of activities to develop the petroleum accumulation(s) and the decisions taken to mature the resources to reserves. In general, it is recommended that an individual project has assigned to it a specific maturity level sub-class (See Section 2.1.3.5, Project Maturity Sub-Classes) at which a decision is made whether or not to proceed (i.e., spend more money) and there should be an associated range of estimated recoverable quantities for the project (See Section 2.2.1, Range of Uncertainty). For completeness, a developed field is also considered to be a project.

1.2.0.8 An accumulation or potential accumulation of petroleum is often subject to several separate and distinct projects that are at different stages of exploration or development. Thus, an accumulation may have recoverable quantities in several resources classes simultaneously.

1.2.0.10 Not all technically feasible development projects will be commercial. The commercial viability of a development project within a field's development plan is dependent on a forecast of the conditions that will exist during the time period encompassed by the project (see Section 3.1, Assessment of Commerciality). Conditions include technical, economic (e.g., hurdle rates, commodity prices), operating and capital costs, marketing, sales route(s), and legal, environmental, social, and governmental factors forecast to exist and impact the project during the time period being evaluated. While economic factors can be summarized as forecast costs and product prices, the underlying influences include, but are not limited to, market conditions (e.g., inflation, market factors, and contingencies), exchange rates, transportation and processing infrastructure, fiscal terms, and taxes.

1.2.0.11 The resources being estimated are those quantities producible from a project as measured according to delivery specifications at the point of sale or custody transfer (see Section 3.2.1, Reference Point) and may permit forecasts of CiO quantities (see Section 3.2.2., Consumed in Operations). The cumulative production forecast from the effective date forward to cessation of production is the remaining recoverable resources quantity (see Section 3.1.1, Net Cash-Flow Evaluation).

1.2.0.12 The supporting data, analytical processes, and assumptions describing the technical and commercial basis used in an evaluation must be documented in sufficient detail to allow, as needed, a qualified reserves evaluator or qualified reserves auditor to clearly understand each project's basis for the estimation, categorization, and classification of recoverable resources quantities and, if appropriate, associated commercial assessment.

2.0 Classification and Categorization Guidelines

2.1 Resources Classification

2.1.0.1 The PRMS classification establishes criteria for the classification of the total PIIP. A determination of a discovery differentiates between discovered and undiscovered PIIP. The application of a project further differentiates the recoverable from unrecoverable resources. The project is then evaluated to determine its maturity status to allow the classification distinction between commercial and sub-commercial projects. PRMS requires the project's recoverable resources quantities to be classified as either Reserves, Contingent Resources, or Prospective Resources.

2.1.1 Determination of Discovery Status

2.1.1.1 A discovered petroleum accumulation is determined to exist when one or more exploratory wells have established through testing, sampling, and/or logging the existence of a significant quantity of potentially recoverable hydrocarbons and thus have established a known accumulation. In the absence of a flow test or sampling, the discovery determination requires confidence in the presence of hydrocarbons and evidence of producibility, which may be supported by suitable producing analogs (see Section 4.1.1, Analogs). In this context, "significant" implies that there is evidence of a sufficient quantity of petroleum to justify estimating the in-place quantity demonstrated by the well(s) and for evaluating the potential for commercial recovery.

2.1.1.2 Where a discovery has identified potentially recoverable hydrocarbons, but it is not considered viable to apply a project with established technology or with technology under development, such quantities may be classified as Discovered Unrecoverable with no Contingent Resources. In future evaluations, as appropriate for petroleum resources management purposes, a portion of these unrecoverable quantities may become recoverable resources as either commercial circumstances change or technological developments occur.

2.1.2 Determination of Commerciality

2.1.2.1 Discovered recoverable quantities (Contingent Resources) may be considered commercially mature, and thus attain Reserves classification, if the entity claiming commerciality has demonstrated a firm intention to proceed with development. This means the entity has satisfied the internal decision criteria (typically rate of return at or above the weighted average cost-of-capital or the hurdle rate). Commerciality is achieved with the entity's commitment to the project and all of the following criteria:

A. Evidence of a technically mature, feasible development plan.
B. Evidence of financial appropriations either being in place or having a high likelihood of being secured to implement the project.
C. Evidence to support a reasonable time-frame for development.
D. A reasonable assessment that the development projects will have positive economics and meet defined investment and operating criteria. This assessment is performed on the estimated entitlement forecast quantities and associated cash flow on which the investment decision is made (see Section 3.1.1, Net Cash-Flow Evaluation).
E. A reasonable expectation that there will be a market for forecast sales quantities of the production required to justify development. There should also be similar confidence that all produced streams (e.g., oil, gas, water, CO2) can be sold, stored, re-injected, or otherwise appropriately disposed.
F. Evidence that the necessary production and transportation facilities are available or can be made available.
G. Evidence that legal, contractual, environmental, regulatory, and government approvals are in place or will be forthcoming, together with resolving any social and economic concerns.

2.1.2.2 The commerciality test for Reserves determination is applied to the best estimate (P50) forecast quantities, which upon qualifying all commercial and technical maturity criteria and constraints become the 2P Reserves. Stricter cases [e.g., low estimate (P90)] may be used for decision purposes or to investigate the range of commerciality (see Section 3.1.2, Economic Criteria). Typically, the low- and high-case project scenarios may be evaluated for sensitivities when considering project risk and upside opportunity.

2.1.2.3 To be included in the Reserves class, a project must be sufficiently defined to establish both its technical and commercial viability as noted in Section 2.1.2.1. There must be a reasonable expectation that all required internal and external approvals will be forthcoming and evidence of firm intention to proceed with development within a reasonable time-frame. A reasonable time-frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While five years is recommended as a benchmark, a longer time-frame could be applied where justifiable; for example, development of economic projects that take longer than five years to be developed or are deferred to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.

2.1.2.4 While PRMS guidelines require financial appropriations evidence, they do not require that project financing be confirmed before classifying projects as Reserves. However, this may be another external reporting requirement. In many cases, financing is conditional upon the same criteria as above. In general, if there is not a reasonable expectation that financing or other forms of commitment (e.g., farm-outs) can be arranged so that the development will be initiated within a reasonable time-frame, then the project should be classified as Contingent Resources. If financing is reasonably expected to be in place at the time of the final investment decision (FID), the project's resources may be classified as Reserves.

2.2 Resources Categorization

2.2.0.1 The horizontal axis in the resources classification in Figure 1.1 defines the range of uncertainty in estimates of the quantities of recoverable, or potentially recoverable, petroleum associated with a project or group of projects. These estimates include the uncertainty components as follows:

A. The total petroleum remaining within the accumulation (in-place resources).
B. The technical uncertainty in the portion of the total petroleum that can be recovered by applying a defined development project or projects (i.e., the technology applied).
C. Known variations in the commercial terms that may impact the quantities recovered and sold (e.g., market availability; contractual changes, such as production rate tiers or product quality specifications) are part of project's scope and are included in the horizontal axis, while the chance of satisfying the commercial terms is reflected in the classification (vertical axis).

2.2.0.2 The uncertainty in a project's recoverable quantities is reflected by the 1P, 2P, 3P, Proved (P1), Probable (P2), Possible (P3), 1C, 2C, 3C, C1, C2, and C3; or 1U, 2U, and 3U resources categories. The commercial chance of success is associated with resources classes or sub-classes and not with the resources categories reflecting the range of recoverable quantities.

2.2.1 Range of Uncertainty

2.2.1.1 Uncertainty is inherent in a project's resources estimation and is communicated in PRMS by reporting a range of category outcomes. The range of uncertainty of the recoverable and/or potentially recoverable quantities may be represented by either deterministic scenarios or by a probability distribution (see Section 4.2, Resources Assessment Methods).

2.2.1.2 When the range of uncertainty is represented by a probability distribution, a low, best, and high estimate shall be provided such that:

A. There should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
B. There should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
C. There should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

2.2.1.3 In some projects, the range of uncertainty may be limited, and the three scenarios may result in resources estimates that are not significantly different. In these situations, a single value estimate may be appropriate to describe the expected result.

2.2.1.4 When using the deterministic scenario method, typically there should also be low, best, and high estimates, where such estimates are based on qualitative assessments of relative uncertainty using consistent interpretation guidelines. Under the deterministic incremental method, quantities for each confidence segment are estimated discretely (see Section 2.2.2, Category Definitions and Guidelines).

2.2.1.5 Project resources are initially estimated using the above uncertainty range forecasts that incorporate the subsurface elements together with technical constraints related to wells and facilities. The technical forecasts then have additional commercial criteria applied (e.g., economics and license cutoffs are the most common) to estimate the entitlement quantities attributed and the resources classification status: Reserves, Contingent Resources, and Prospective Resources.

2.2.2 Category Definitions and Guidelines

2.2.2.1 Evaluators may assess recoverable quantities and categorize results by uncertainty using the deterministic incremental method, the deterministic scenario (cumulative) method, geostatistical methods, or probabilistic methods (see Section 4.2, Resources Assessment Methods). Also, combinations of these methods may be used.

2.2.2.2 Use of consistent terminology (Figures 1.1 and 2.1) promotes clarity in communication of evaluation results. For Reserves, the general cumulative terms low/best/high forecasts are used to estimate the resulting 1P/2P/3P quantities, respectively. The associated incremental quantities are termed Proved (P1), Probable (P2) and Possible (P3). Reserves are a subset of, and must be viewed within the context of, the complete resources classification system. While the categorization criteria are proposed specifically for Reserves, in most cases, the criteria can be equally applied to Contingent and Prospective Resources. Upon satisfying the commercial maturity criteria for discovery and/or development, the project quantities will then move to the appropriate resources sub-class. Table 3 provides criteria for the Reserves categories determination.

2.2.2.3 For Contingent Resources, the general cumulative terms low/best/high estimates are used to estimate the resulting 1C/2C/3C quantities, respectively. The terms C1, C2, and C3 are defined for incremental quantities of Contingent Resources.

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2.2.2.4 For Prospective Resources, the general cumulative terms low/best/high estimates also apply and are used to estimate the resulting 1U/2U/3U quantities. No specific terms are defined for incremental quantities within Prospective Resources.

2.2.2.5 Quantities in different classes and sub-classes cannot be aggregated without considering the varying degrees of technical uncertainty and commercial likelihood involved with the classification(s) and without considering the degree of dependency between them (see Section 4.2.1, Aggregating Resources Classes).

2.2.2.6 Without new technical information, there should be no change in the distribution of technically recoverable resources and the categorization boundaries when conditions are satisfied to reclassify a project from Contingent Resources to Reserves.

2.2.2.7 All evaluations require application of a consistent set of forecast conditions, including assumed future costs and prices, for both classification of projects and categorization of estimated quantities recovered by each project (see Section 3.1, Assessment of Commerciality).

Table 1—Recoverable Resources Classes and Sub-Classes

Class/Sub-Class	Definition	Guidelines
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.	Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the development and production status. To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability (see Section 2.1.2, Determination of Commerciality). This includes the requirement that there is evidence of firm intention to proceed with development within a reasonable time-frame. A reasonable time-frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While five years is recommended as a benchmark, a longer time-frame could be applied where, for example, development of an economic project is deferred at the option of the producer for, among other things, market-related reasons or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented. To be included in the Reserves class, there must be a high confidence in the commercial maturity and economic producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.
On Production	The development project is currently producing or capable of producing and selling petroleum to market.	The key criterion is that the project is receiving income from sales, rather than that the approved development project is necessarily complete. Includes Developed Producing Reserves. The project decision gate is the decision to initiate or continue economic production from the project.
Approved for Development	All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project is ready to begin or is under way.	At this point, it must be certain that the development project is going ahead. The project must not be subject to any contingencies, such as outstanding regulatory approvals or sales contracts. Forecast capital expenditures should be included in the reporting entity's current or following year's approved budget. The project decision gate is the decision to start investing capital in the construction of production facilities and/or drilling development wells.

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Class/Sub-Class	Definition	Guidelines
Justified for Development	Implementation of the development project is justified on the basis of reasonable forecast commercial conditions at the time of reporting, and there are reasonable expectations that all necessary approvals/contracts will be obtained.	To move to this level of project maturity, and hence have Reserves associated with it, the development project must be commercially viable at the time of reporting (see Section 2.1.2, Determination of Commerciality) and the specific circumstances of the project. All participating entities have agreed and there is evidence of a committed project (firm intention to proceed with development within a reasonable time-frame). There must be no known contingencies that could preclude the development from proceeding (see Reserves class). The project decision gate is the decision by the reporting entity and its partners, if any, that the project has reached a level of technical and commercial maturity sufficient to justify proceeding with development at that point in time.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.	Contingent Resources may include, for example, projects for which there are currently no viable markets, where commercial recovery is dependent on technology under development, where evaluation of the accumulation is insufficient to clearly assess commerciality, where the development plan is not yet approved, or where regulatory or social acceptance issues may exist. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the economic status.
Development Pending	A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.	The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g., drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time-frame. Note that disappointing appraisal/evaluation results could lead to a reclassification of the project to On Hold or Not Viable status. The project decision gate is the decision to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity at which a decision can be made to proceed with development and production.
Development on Hold	A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay.	The project is seen to have potential for commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a probable chance that a critical contingency can be removed in the foreseeable future, could lead to a reclassification of the project to Not Viable status. The project decision gate is the decision to either proceed with additional evaluation designed to clarify the potential for eventual commercial development or to temporarily suspend or delay further activities pending resolution of external contingencies.
Development Unclarified	A discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information.	The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are ongoing to clarify the potential for eventual commercial development. This sub-class requires active appraisal or evaluation and should not be maintained without a plan for future evaluation. The sub-class should reflect the actions required to move a project toward commercial maturity and economic production.

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Class/Sub-Class	Definition	Guidelines
Development Not Viable	A discovered accumulation for which there are no current plans to develop or to acquire additional data at the time because of limited production potential.	The project is not seen to have potential for eventual commercial development at the time of reporting, but the theoretically recoverable quantities are recorded so that the potential opportunity will be recognized in the event of a major change in technology or commercial conditions. The project decision gate is the decision not to undertake further data acquisition or studies on the project for the foreseeable future.
Prospective Resources	Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.	Potential accumulations are evaluated according to the chance of geologic discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.
Prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target.	Project activities are focused on assessing the chance of geologic discovery and, assuming discovery, the range of potential recoverable quantities under a commercial development program.
Lead	A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation to be classified as a Prospect.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to confirm whether or not the Lead can be matured into a Prospect. Such evaluation includes the assessment of the chance of geologic discovery and, assuming discovery, the range of potential recovery under feasible development scenarios.
Play	A project associated with a prospective trend of potential prospects, but that requires more data acquisition and/or evaluation to define specific Leads or Prospects.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to define specific Leads or Prospects for more detailed analysis of their chance of geologic discovery and, assuming discovery, the range of potential recovery under hypothetical development scenarios.

Table 2—Reserves Status Definitions and Guidelines

Status	Definition	Guidelines
Developed Reserves	Expected quantities to be recovered from existing wells and facilities.	Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-producing.
Developed Producing Reserves	Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.	Improved recovery Reserves are considered producing only after the improved recovery project is in operation.
Developed Non-Producing Reserves	Shut-in and behind-pipe Reserves.	Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

Status	Definition	Guidelines
Undeveloped Reserves	Quantities expected to be recovered through future significant investments.	Undeveloped Reserves are to be produced (1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g., when compared to the cost of drilling a new well) is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

Table 3—Reserves Category Definitions and Guidelines

Category	Definition	Guidelines
Proved Reserves	Those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations.	If deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the estimate. The area of the reservoir considered as Proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data. In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the LKH as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved reserves. Reserves in undeveloped locations may be classified as Proved provided that: A. The locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially mature and economically productive. B. Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled Proved locations. For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the Proved area and the applied development program.
Probable Reserves	Those additional Reserves that analysis of geoscience and engineering data indicates are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.	It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate. Probable Reserves may be assigned to areas of a reservoir adjacent to Proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria. Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for Proved.

PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

Category	Definition	Guidelines
Possible Reserves	Those additional reserves that analysis of geoscience and engineering data indicates are less likely to be recoverable than Probable Reserves.	The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability (P10) that the actual quantities recovered will equal or exceed the 3P estimate. Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of economic production from the reservoir by a defined, commercially mature project. Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.
Probable and Possible Reserves	See above for separate criteria for Probable Reserves and Possible Reserves.	The 2P and 3P estimates may be based on reasonable alternative technical interpretations within the reservoir and/or subject project that are clearly documented, including comparisons to results in successful similar projects. In conventional accumulations, Probable and/or Possible Reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from Proved areas by minor faulting or other geological discontinuities and have not been penetrated by a wellbore but are interpreted to be in communication with the known (Proved) reservoir. Probable or Possible Reserves may be assigned to areas that are structurally higher than the Proved area. Possible (and in some cases, Probable) Reserves may be assigned to areas that are structurally lower than the adjacent Proved or 2P area. Caution should be exercised in assigning Reserves to adjacent reservoirs isolated by major, potentially sealing faults until this reservoir is penetrated and evaluated as commercially mature and economically productive. Justification for assigning Reserves in such cases should be clearly documented. Reserves should not be assigned to areas that are clearly separated from a known accumulation by non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results); such areas may contain Prospective Resources. In conventional accumulations, where drilling has defined a highest known oil elevation and there exists the potential for an associated gas cap, Proved Reserves of oil should only be assigned in the structurally higher portions of the reservoir if there is reasonable certainty that such portions are initially above bubble point pressure based on documented engineering analyses. Reservoir portions that do not meet this certainty may be assigned as Probable and Possible oil and/or gas based on reservoir fluid properties and pressure gradient interpretations.

NETHERLAND, SEWELL & ASSOCIATES, INC.

VOLUMETRIC INPUT SUMMARY
CONTINGENT RESOURCES
APHRODITE FIELD AREA, BLOCK 12, OFFSHORE CYPRUS
AS OF AUGUST 31, 2023

Fault Block/ Reservoir	Gross Rock Volume (acre-feet)			Area (acres)			Average Gross Thickness[1] (feet)			Net-to-Gross Ratio (decimal)		
	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate[2]	High Estimate[2]
A-1 ST01												
C Sand	1,287,490	1,328,776	1,328,776	5,455	5,626	5,626	236	236	236	0.46	0.47	0.47
D1 Upper Sand	33,401	201,521	399,704	764	3,181	6,108	44	63	65	0.63	0.37	0.37
D1 Middle Sand	33,903	288,296	607,015	576	2,903	5,350	59	99	113	0.59	0.25	0.25
D1 Lower Sand	56,251	228,914	265,067	1,212	3,765	4,239	46	61	63	0.25	0.25	0.25
D2 Upper Sand	204,333	231,564	231,564	2,876	3,203	3,203	71	72	72	0.74	0.75	0.75
D2 Middle Sand	151,025	183,608	183,608	1,968	2,286	2,286	77	80	80	0.29	0.31	0.33
D2 Lower Sand	37,556	68,424	68,424	838	1,244	1,244	45	55	55	0.48	0.34	0.37
A-2a												
C Sand	210,652	237,621	237,621	2,111	2,274	2,274	100	104	104	0.36	0.33	0.33
D1 Upper Sand	68,900	68,900	235,691	1,376	1,376	1,376	50	50	171	0.28	0.35	0.41
D1 Lower Sand	106,198	135,463	162,645	1,576	1,763	2,052	67	77	79	0.36	0.34	0.37
Central												
A Sand	258,306	326,341	326,341	6,148	8,442	8,442	42	39[3]	39[3]	0.09	0.15	0.15
C Sand	1,329,007	1,370,531	1,370,531	6,028	6,111	6,111	220	224	224	0.44	0.46	0.47
D1 Upper Sand	101,183	231,353	239,104	1,986	3,534	3,708	51	65	64	0.33	0.32	0.37
D1 Middle Sand	70,740	229,231	248,419	1,703	3,026	3,180	42	76	78	0.48	0.31	0.33
D1 Lower Sand	58,431	312,675	319,399	1,517	4,090	4,152	39	76	77	0.44	0.28	0.29
D2 Upper Sand	192,546	250,345	308,795	2,670	3,143	3,615	72	80	85	0.46	0.38	0.39
D2 Middle Sand	98,101	98,101	98,101	2,146	2,146	2,146	46	46	46	0.50	0.56	0.62

Fault Block/ Reservoir	Porosity (decimal)			Gas Saturation (decimal)			Gas Formation Volume Factor (SCF/RCF)[4]			Gas Recovery Factor (decimal)		
	Low Estimate	Best Estimate[5]	High Estimate[5]	Low Estimate	Best Estimate[5]	High Estimate[5]	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate
A-1 ST01												
C Sand	0.21	0.21	0.21	0.71	0.73	0.75	378	378	378	0.60	0.65	0.70
D1 Upper Sand	0.21	0.21	0.21	0.59	0.64	0.69	378	378	378	0.60	0.65	0.70
D1 Middle Sand	0.24	0.23	0.23	0.48	0.50	0.54	378	378	378	0.60	0.65	0.70
D1 Lower Sand	0.22	0.22	0.22	0.65	0.70	0.73	378	378	378	0.60	0.65	0.70
D2 Upper Sand	0.21	0.21	0.21	0.75	0.79	0.81	378	378	378	0.60	0.65	0.70
D2 Middle Sand	0.23	0.22	0.22	0.69	0.70	0.72	378	378	378	0.60	0.65	0.70
D2 Lower Sand	0.22	0.21	0.21	0.57	0.56	0.60	378	378	378	0.60	0.65	0.70
A-2a												
C Sand	0.21	0.21	0.21	0.69	0.71	0.71	378	378	378	0.60	0.65	0.70
D1 Upper Sand	0.23	0.22	0.21	0.63	0.63	0.64	378	378	378	0.60	0.65	0.70
D1 Lower Sand	0.24	0.23	0.22	0.63	0.64	0.65	378	378	378	0.60	0.65	0.70
Central												
A Sand	0.22	0.20	0.19	0.44	0.50	0.54	375	375	375	0.60	0.65	0.70
C Sand	0.21	0.21	0.21	0.66	0.67	0.68	378	378	378	0.60	0.65	0.70
D1 Upper Sand	0.22	0.22	0.22	0.54	0.54	0.55	378	378	378	0.60	0.65	0.70
D1 Middle Sand	0.26	0.25	0.25	0.63	0.57	0.58	378	378	378	0.60	0.65	0.70
D1 Lower Sand	0.25	0.23	0.23	0.67	0.60	0.62	378	378	378	0.60	0.65	0.70
D2 Upper Sand	0.23	0.22	0.22	0.60	0.61	0.63	378	378	378	0.60	0.65	0.70
D2 Middle Sand	0.22	0.22	0.22	0.46	0.49	0.50	378	378	378	0.60	0.65	0.70

Note: For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, seismic data, core data, well test data, and property ownership interests.

[1] Average gross thickness is calculated by dividing the gross rock volume by the area.
[2] For certain reservoirs, the best estimate and high estimate net-to-gross ratio is lower than the low estimate ratio due to the inclusion of additional gross rock volume below the lowest known gas depth.
[3] The structural character of the A Sand results in a lower average gross thickness in the best estimate and high estimate cases relative to the low estimate case.
[4] The abbreviation SCF/RCF represents standard cubic feet per reservoir cubic foot.
[5] The net rock volume in the low estimate case includes only higher-quality rock. The best estimate and high estimate cases include more net rock volume with lower porosity and gas saturation.

Table I

NETHERLAND, SEWELL & ASSOCIATES, INC.

VOLUMETRIC INPUT SUMMARY
PROSPECTIVE RESOURCES
SOUTHWEST FAULT BLOCK, APHRODITE FIELD AREA, BLOCK 12, OFFSHORE CYPRUS
AS OF AUGUST 31, 2023

	Gross Rock Volume (acre-feet) Lognormal Distribution		Area (acres) Lognormal Distribution		Average Gross Thickness[1] (feet)		Net-to-Gross Ratio (decimal) Normal Distribution	
Prospect	Low Estimate	High Estimate	Low Estimate	High Estimate	Low Estimate	High Estimate	Low Estimate	High Estimate
A Sand	97,488	146,232	1,930	2,896	51	51	0.03	0.13
C Sand	50,648	75,972	490	736	103	103	0.40	0.70
D1 Upper Sand	770	56,044	52	1,018	15	55	0.30	0.50
D1 Middle Sand	100	61,355	25	732	4	84	0.25	0.45
D1 Lower Sand	3,649	15,383	115	395	32	39	0.30	0.50
D2 Upper Sand	700	85,606	46	1,296	15	66	0.70	0.90
D2 Middle Sand	100	66,966	25	909	4	74	0.25	0.45
D2 Lower Sand	100	40,415	25	487	4	83	0.40	0.70

	Porosity (decimal) Normal Distribution		Gas Saturation (decimal) Normal Distribution		Gas Formation Volume Factor (SCF/RCF)[2] Uniform Distribution		Gas Recovery Factor (decimal) Normal Distribution	
Prospect	Low Estimate	High Estimate	Low Estimate	High Estimate	Low Estimate	High Estimate	Low Estimate	High Estimate
A Sand	0.16	0.20	0.50	0.60	375	375	0.60	0.70
C Sand	0.19	0.23	0.65	0.75	378	378	0.60	0.70
D1 Upper Sand	0.19	0.23	0.55	0.65	378	378	0.60	0.70
D1 Middle Sand	0.21	0.26	0.45	0.55	378	378	0.60	0.70
D1 Lower Sand	0.20	0.24	0.55	0.65	378	378	0.60	0.70
D2 Upper Sand	0.19	0.23	0.65	0.75	379	379	0.60	0.70
D2 Middle Sand	0.20	0.24	0.65	0.75	379	379	0.60	0.70
D2 Lower Sand	0.19	0.23	0.55	0.65	379	379	0.60	0.70

Note: For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, seismic data, core data, well test data, and property ownership interests.

[1] Average gross thickness is calculated by dividing the gross rock volume by the area.
[2] The abbreviation SCF/RCF represents standard cubic feet per reservoir cubic foot.

Table II