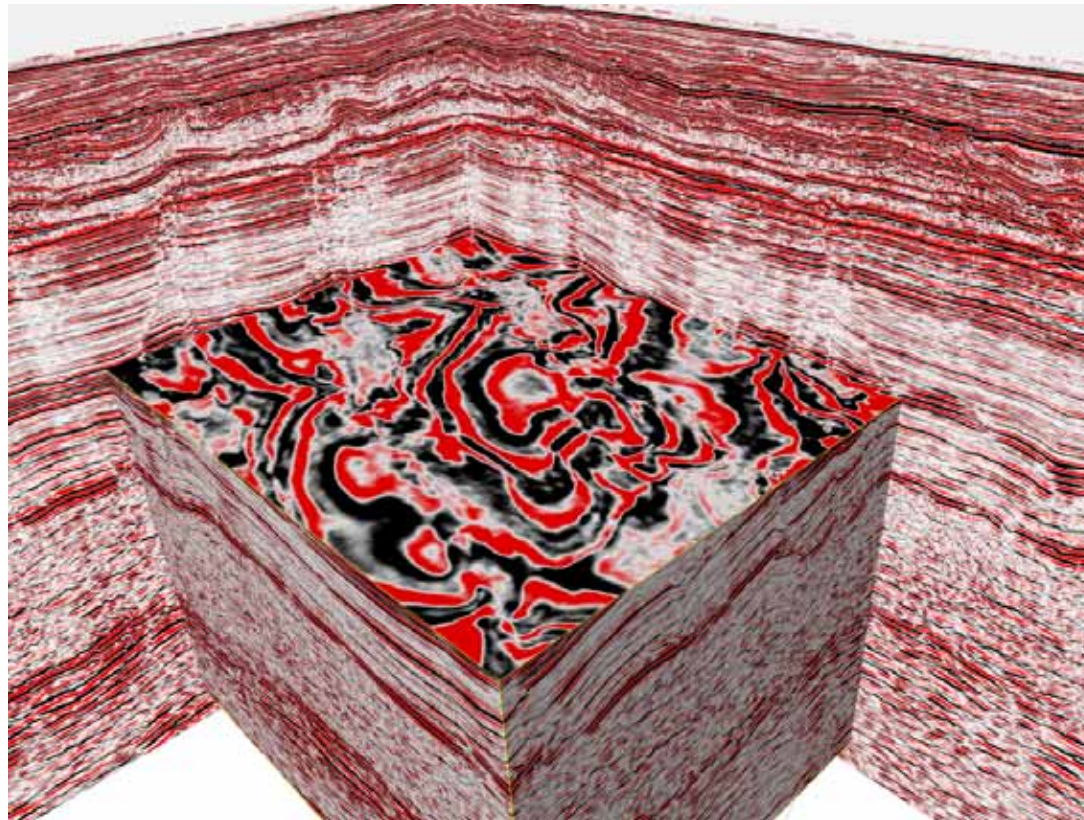


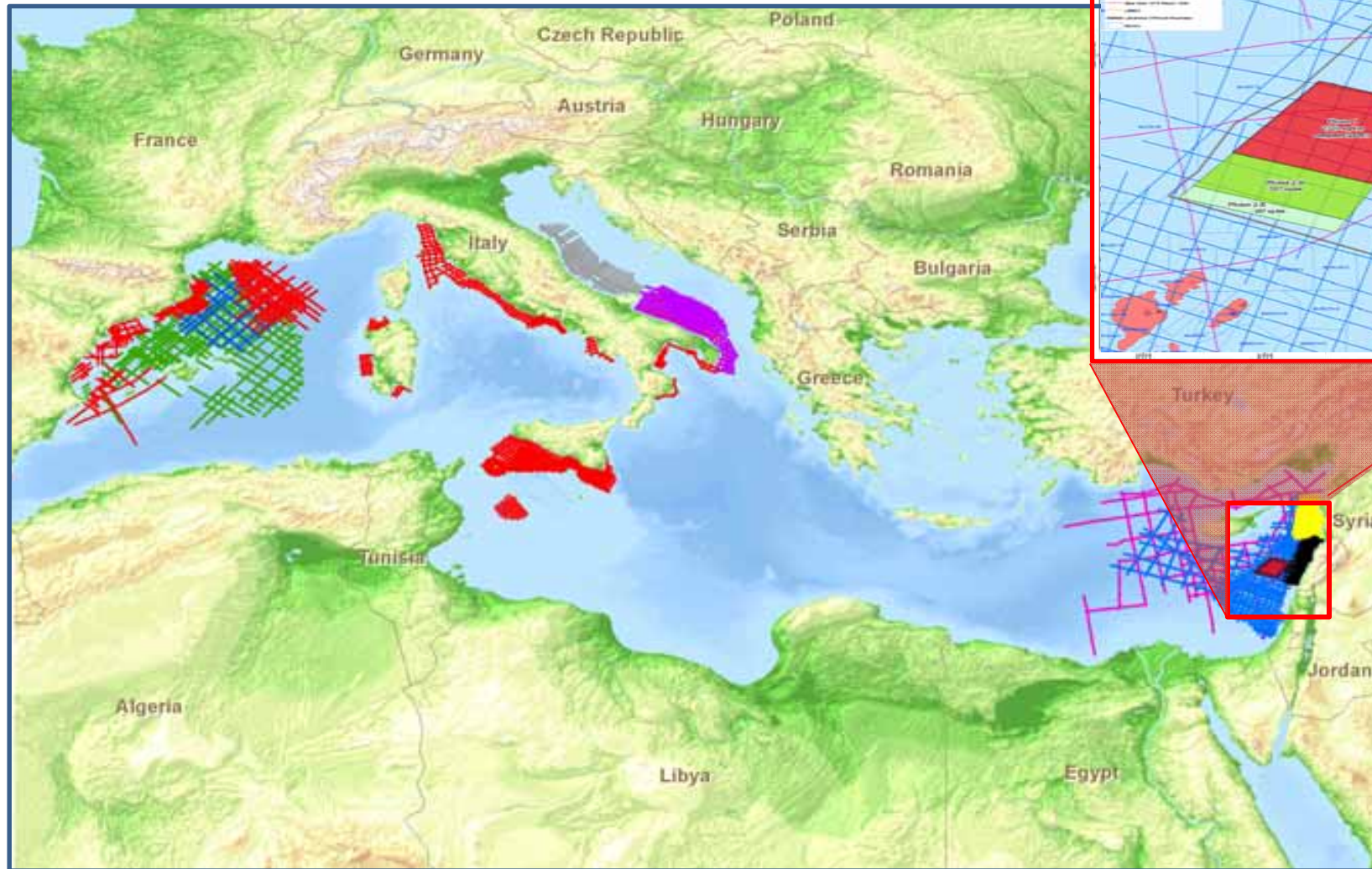
The Hydrocarbon case For Lebanon



Neil Hodgson

Feb 2013

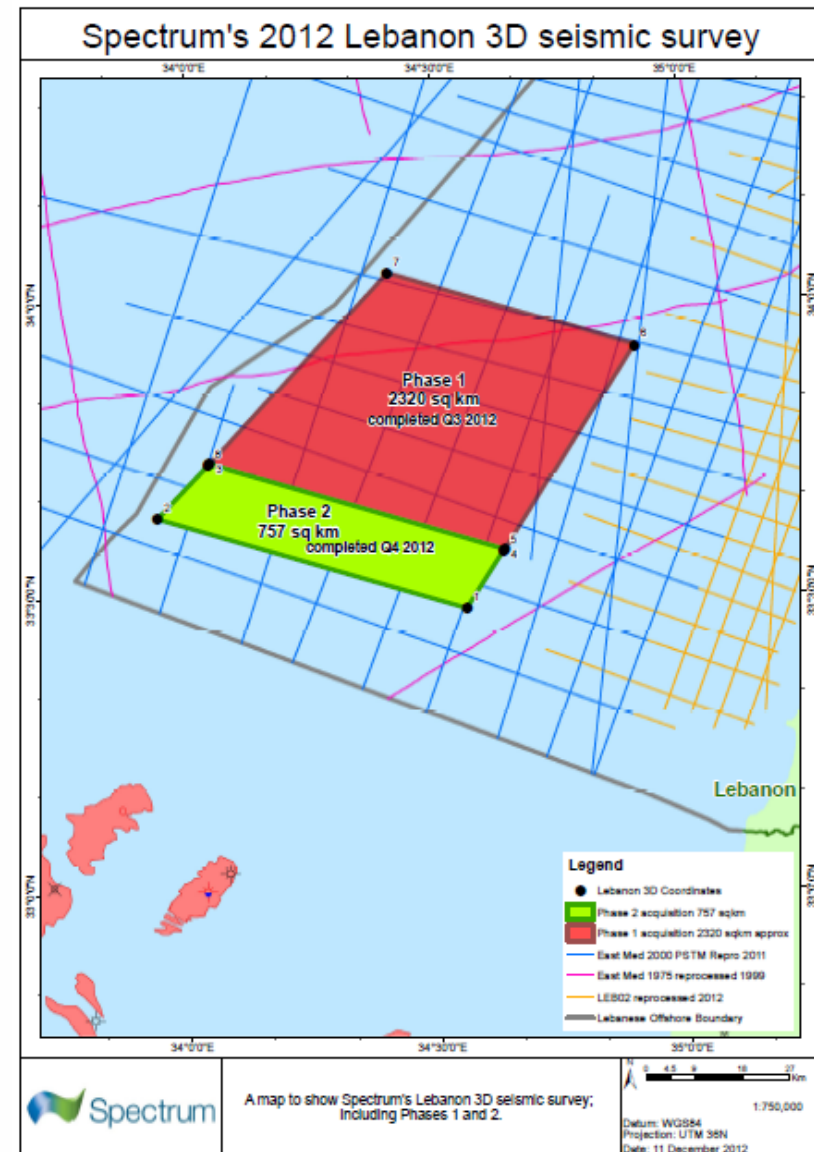
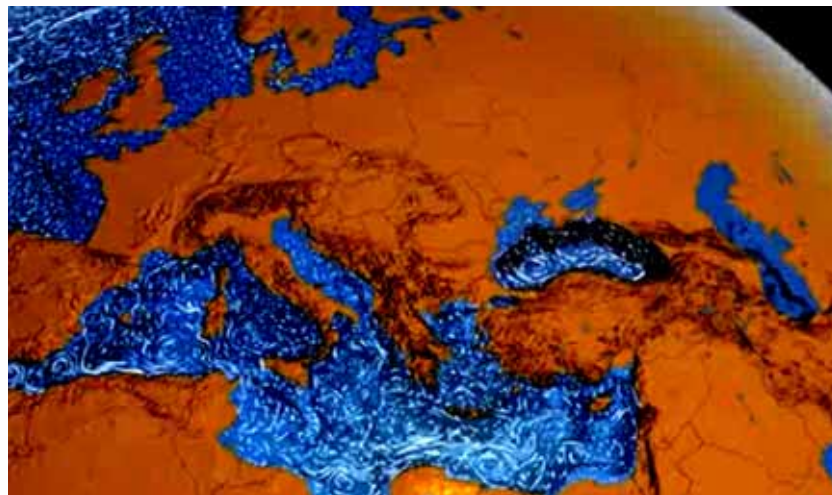
Spectrum's 2D and 3D Multi-Client Mediterranean dataset



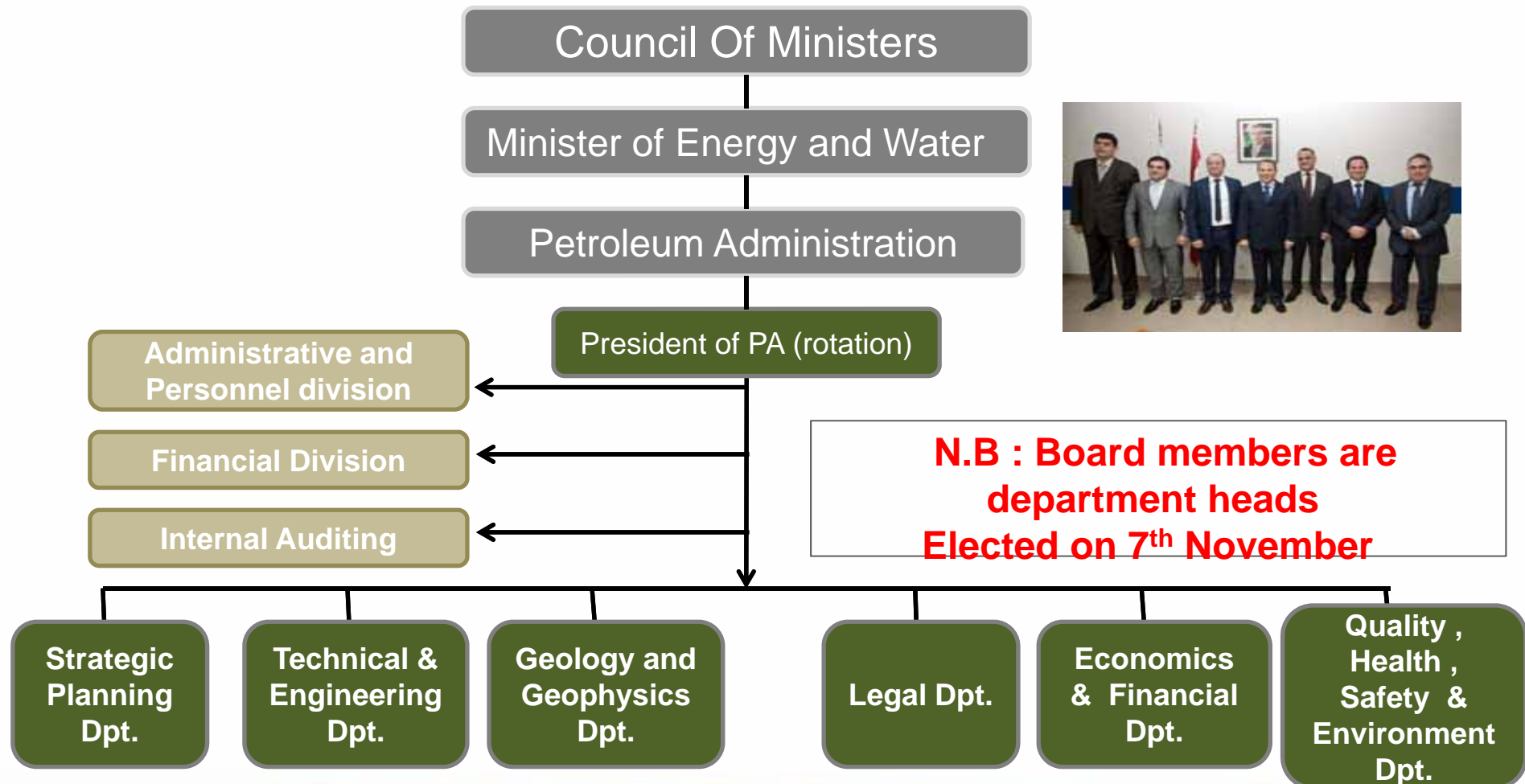
Lebanon 3D



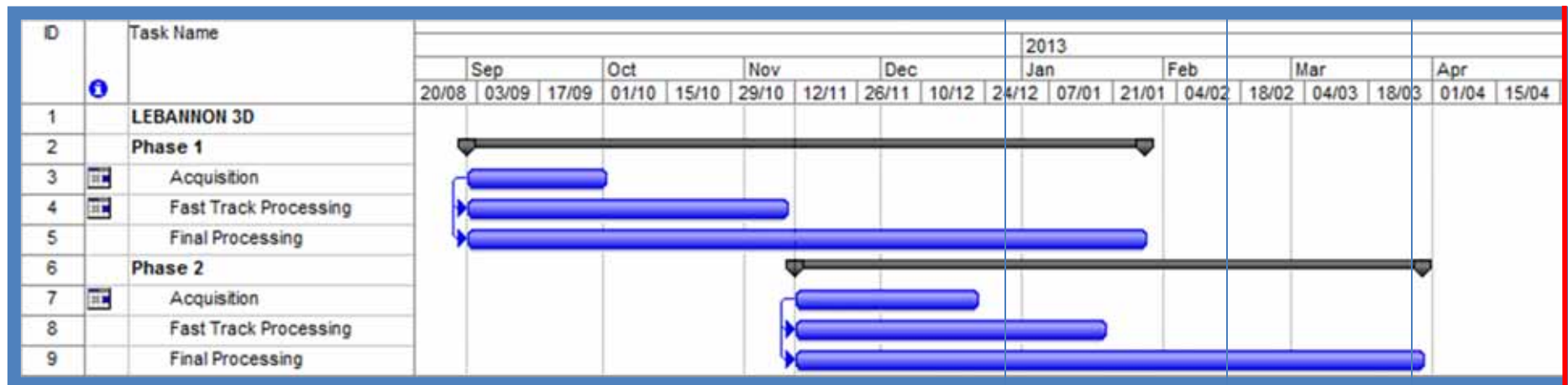
- Phase 1: (2320 sq km) full fold data
- Acquisition in 1 month, 77sq km/day
- Acquired by Dolphin's Polar Duke
- Perfect weather conditions
- Excellent Data quality
- Phase 2: (757 sq km)
- Acquisition by Fugro's Geo Barents.



- Petroleum Administration elected by Council of Ministers – Walid Nasr, Naser Htayet, Wissan Chbat, Gaby Daaboul, Wissam Zahabi and Assem Abu Ibrahim



Timeframe Seismic & License Round Phases 1&2.



Bid Round Announced 27 Dec 2012

Pre Qualification submission Feb 2013

Short-List Published 26th March

Bid Round Opens 2nd May



1st Licensing Round

PRE-QUALIFICATION CRITERIA

Companies may pre-qualify as an Operator or Non-Operator. Pre-Qualification criteria address the following main categories:

1. LEGAL

Joint stock company conducting Petroleum Activities as defined in Offshore Petroleum Resources Law

2. FINANCIAL

Right-holder Operator: Total assets of USD 10 Billion
Right-holder Non-Operator: Total assets of USD 500 Million

3. Technical

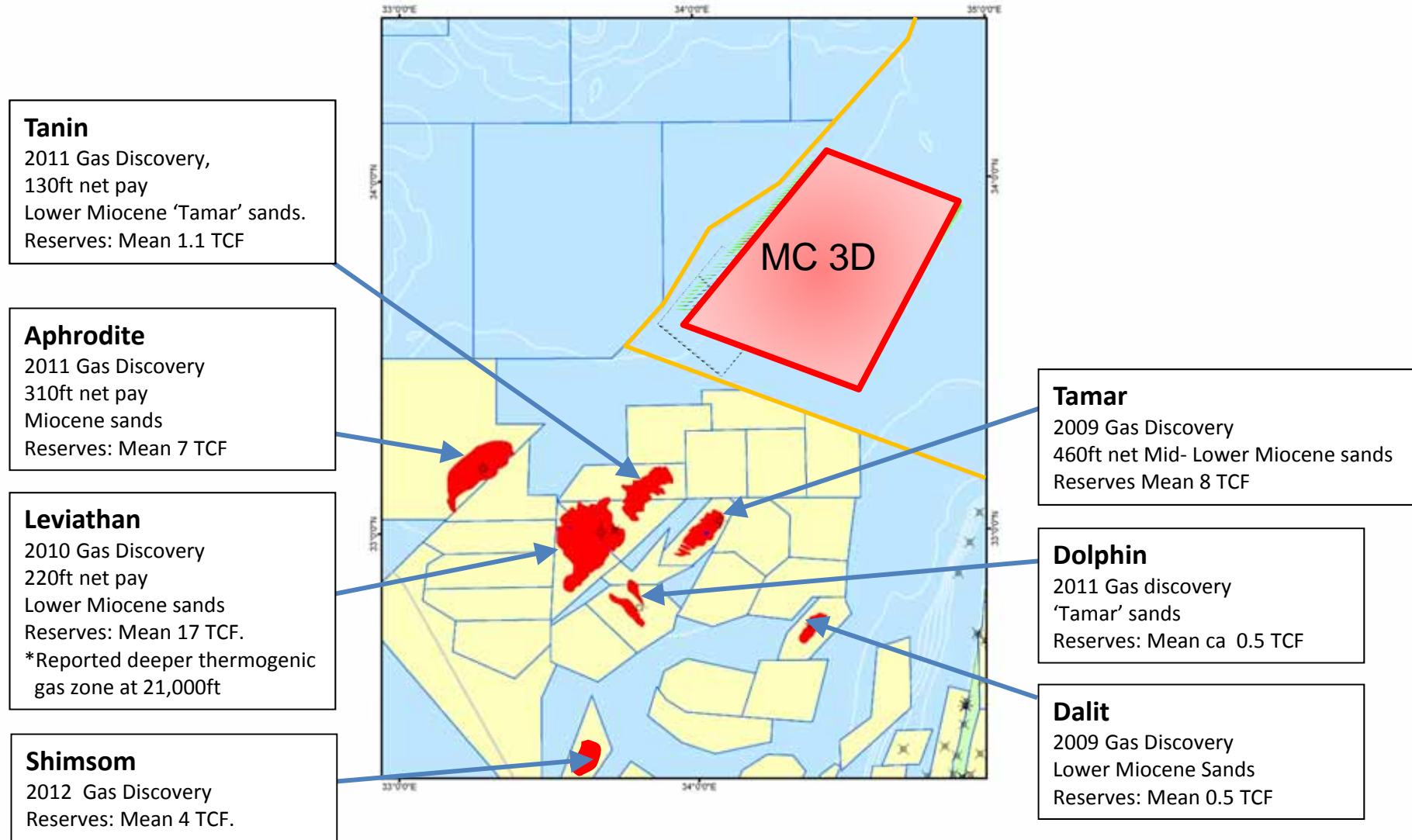
Right-holder Operator: Operatorship of at least one petroleum development in water depths in excess of 500m

Right-holder Non-Operator: Having an established petroleum production

4. QHSE

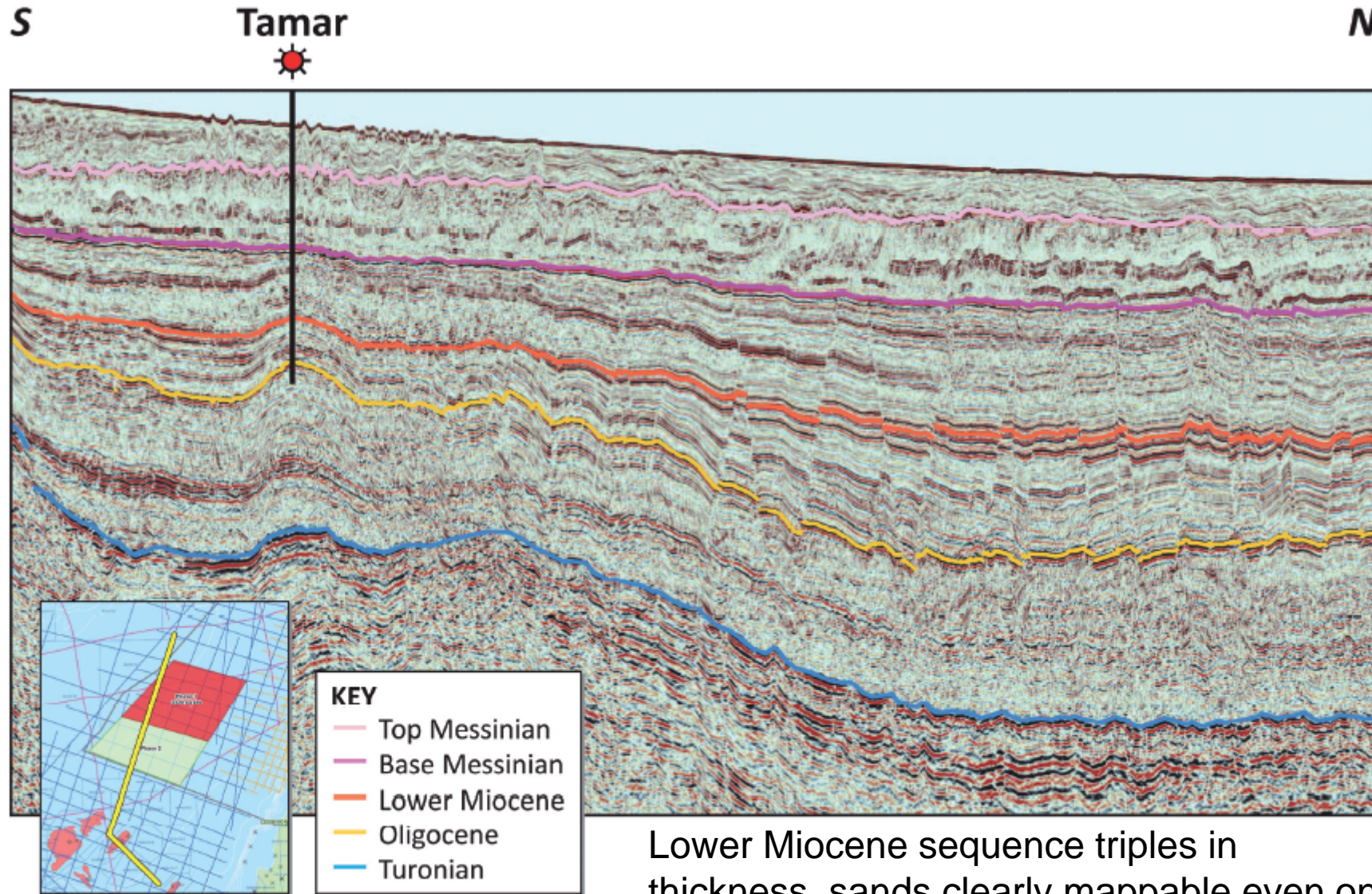
Evidence of established and implemented QHSE Management Systems

South Levantine Basin: What's the fuss about?



Reservoir

Extrapolating from southern Levant, northwards into south Lebanon

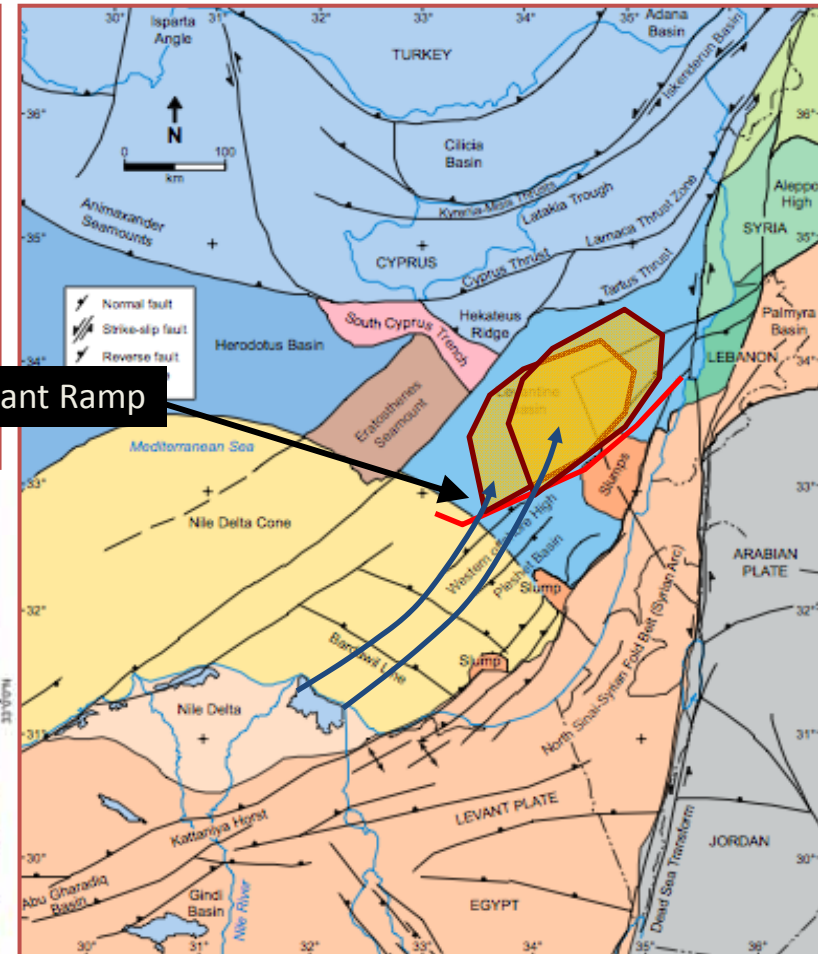
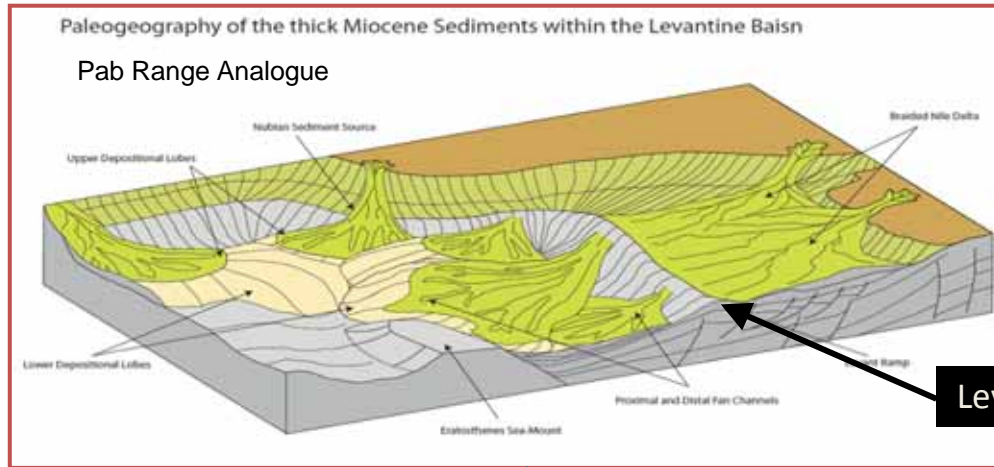


Lower Miocene sequence triples in thickness, sands clearly mappable even on 2D seismic...

Reservoir

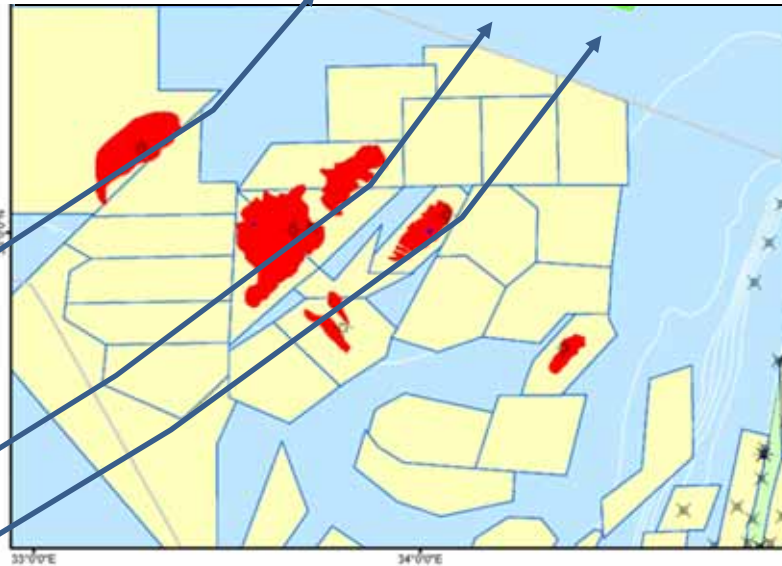


Sand Provenance

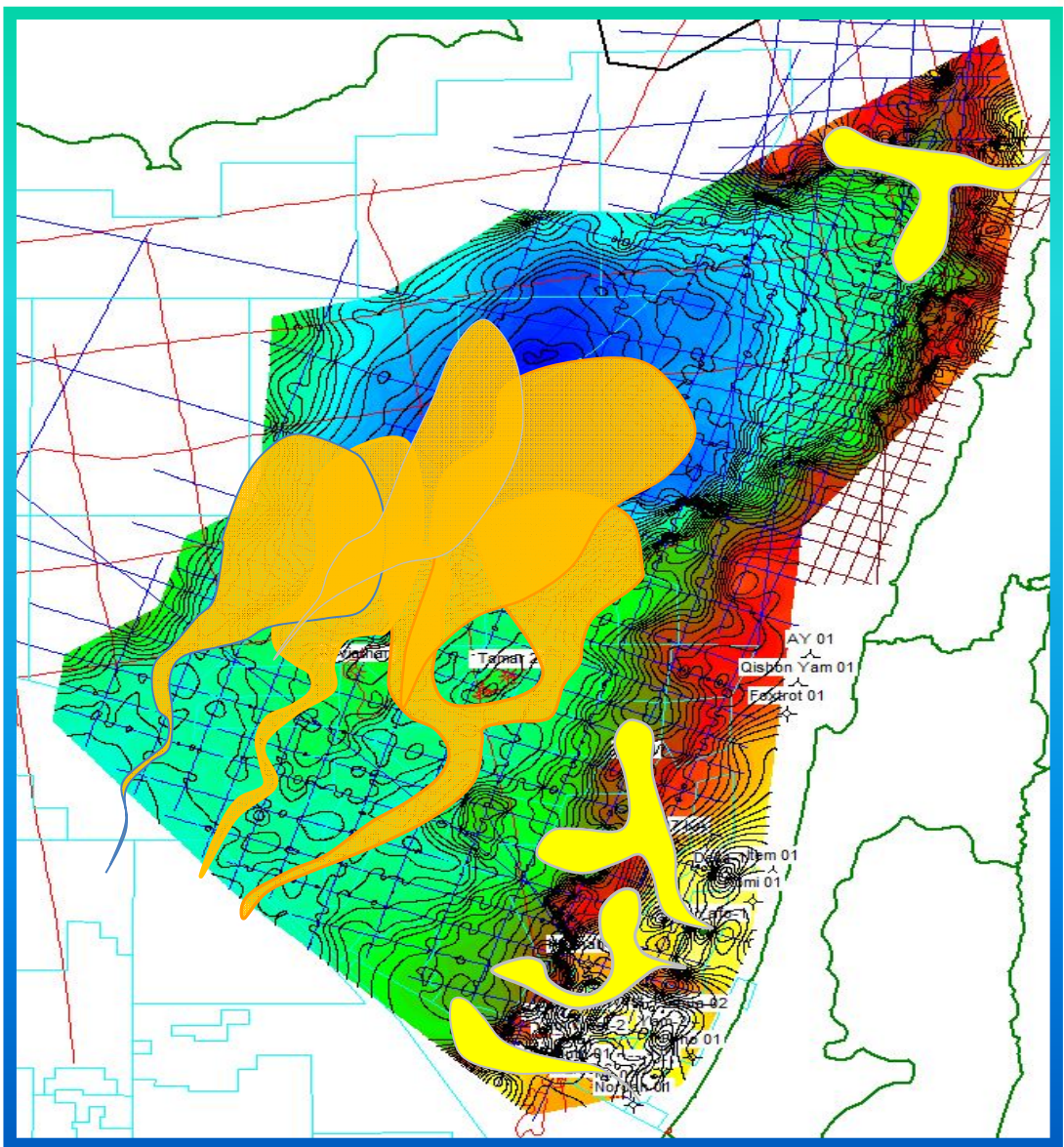


Levant Ramp

Syrian Arc Sand Provenance Fairways

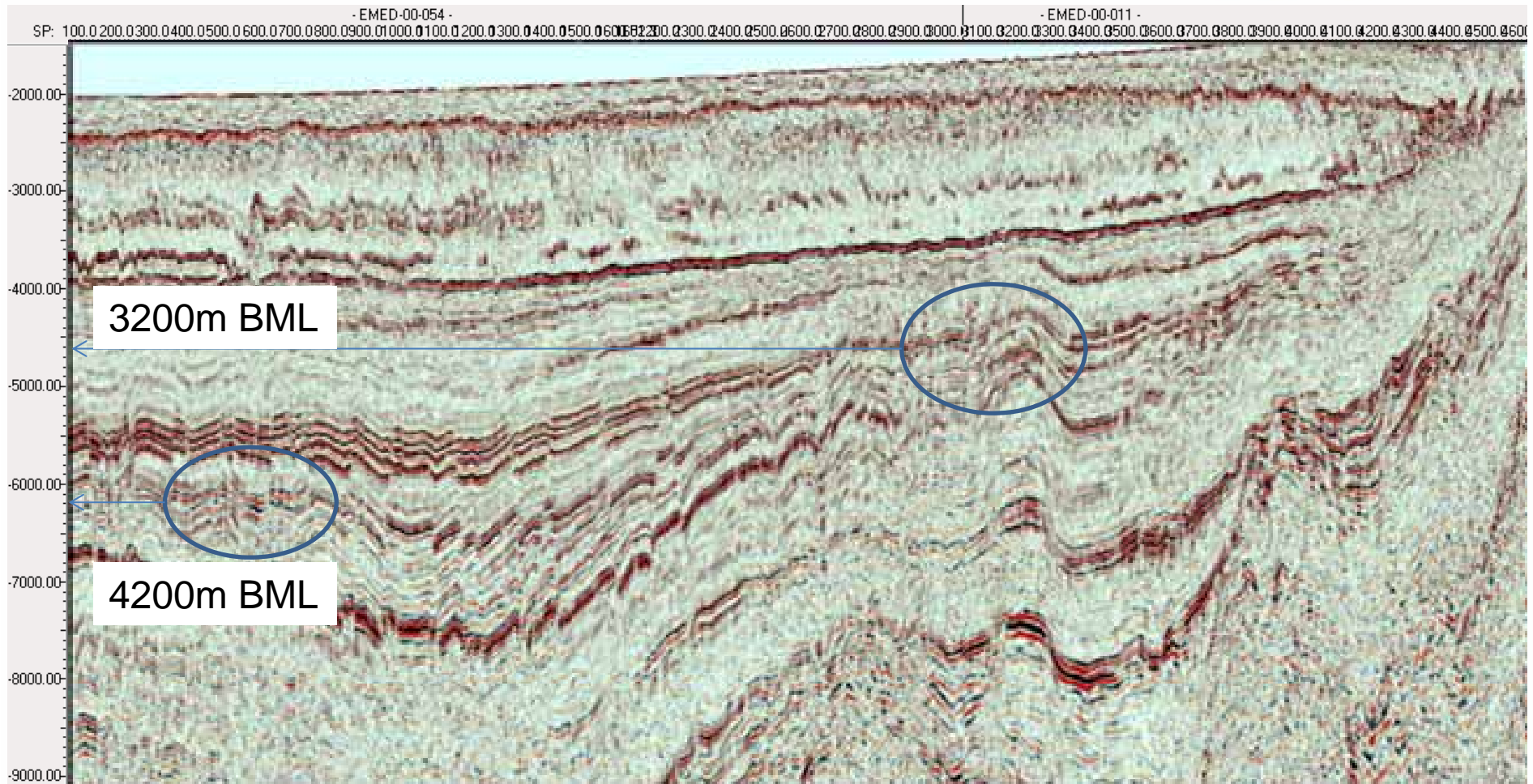


Sand Provenance



After Peace,
Petex Nov 2012

Sand Quality

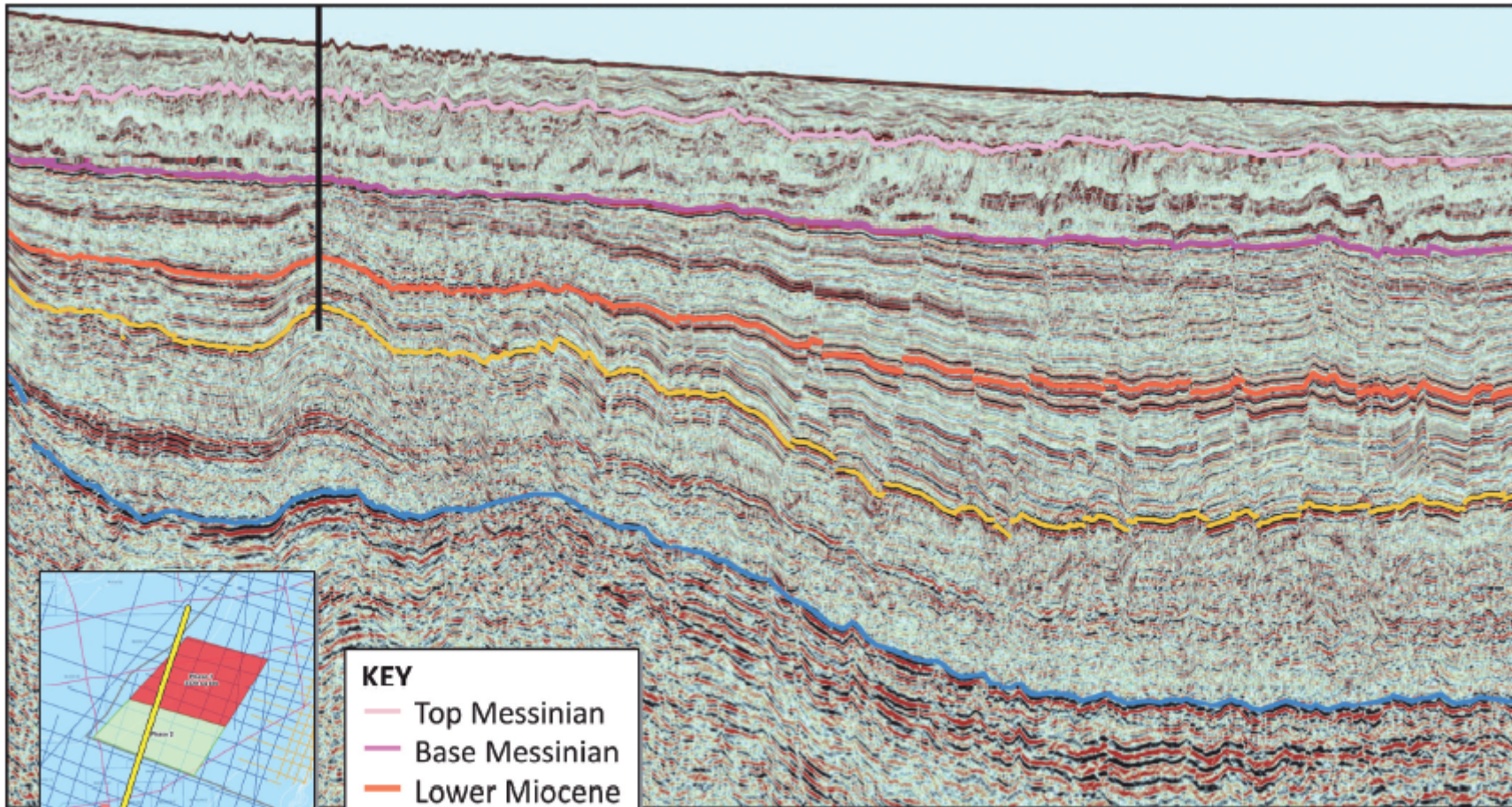


2D data PSDM in Depth

Extrapolating from southern Levant, northwards into south Lebanon



S Tamar N



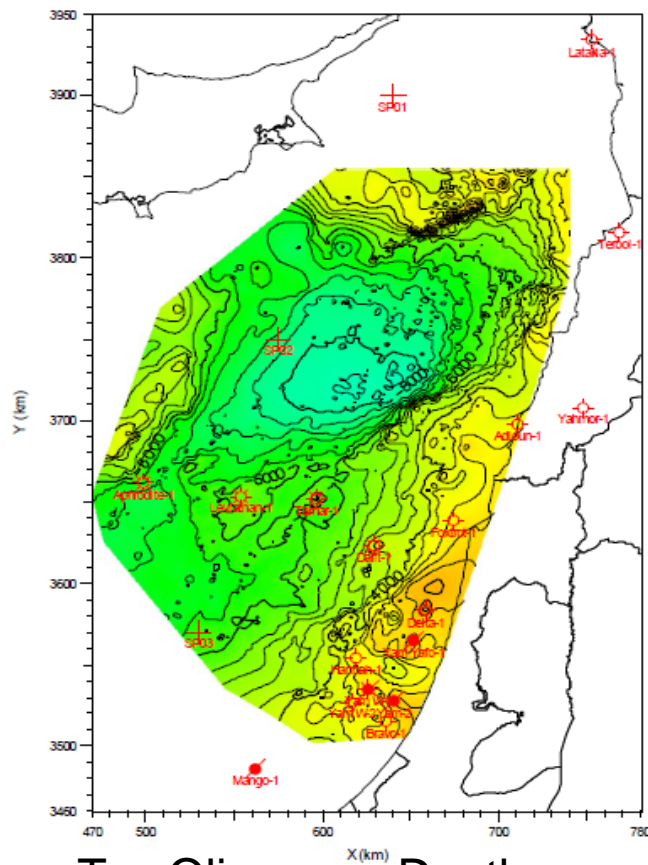
| KEY | |
|-----|----------------|
| — | Top Messinian |
| — | Base Messinian |
| — | Lower Miocene |
| — | Oligocene |
| — | Turonian |

Same Oligocene source for biogenic gas; similar post Miocene structure burial. Yet, more intriguingly...

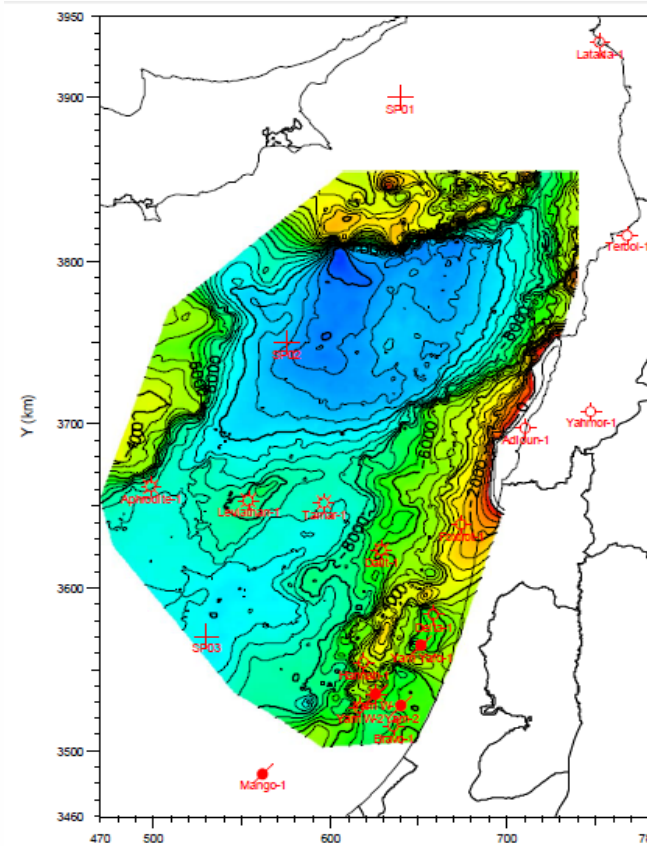
3D Basin Modelling: North Levant



- Oligocene immature even for oil beneath Tamar yet Mature and expelling oil in North Levant Basin since Messinian times.
- Mesozoic source is thermogenic Gas Mature in North Lebanon

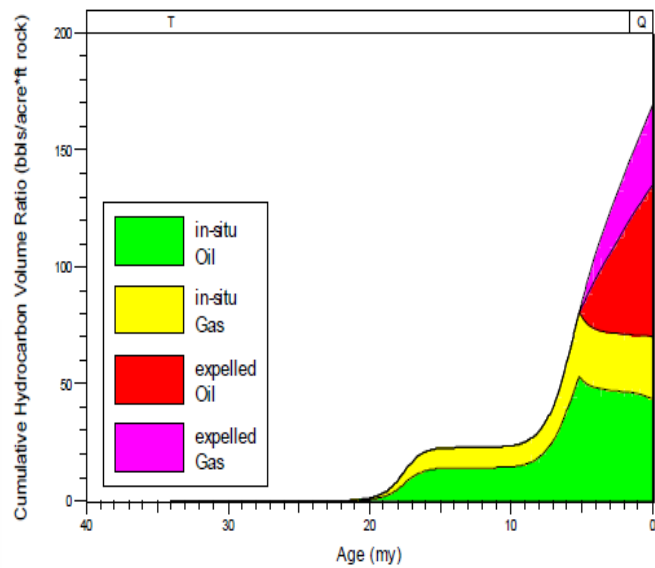
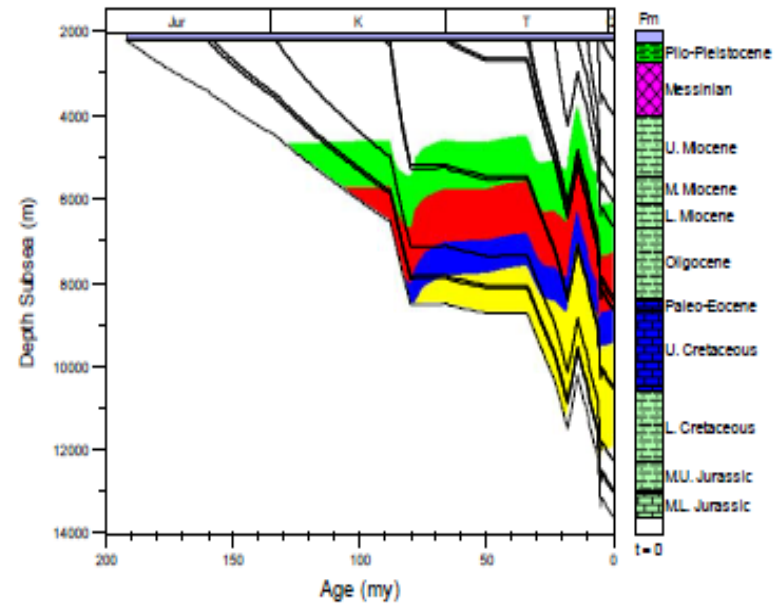
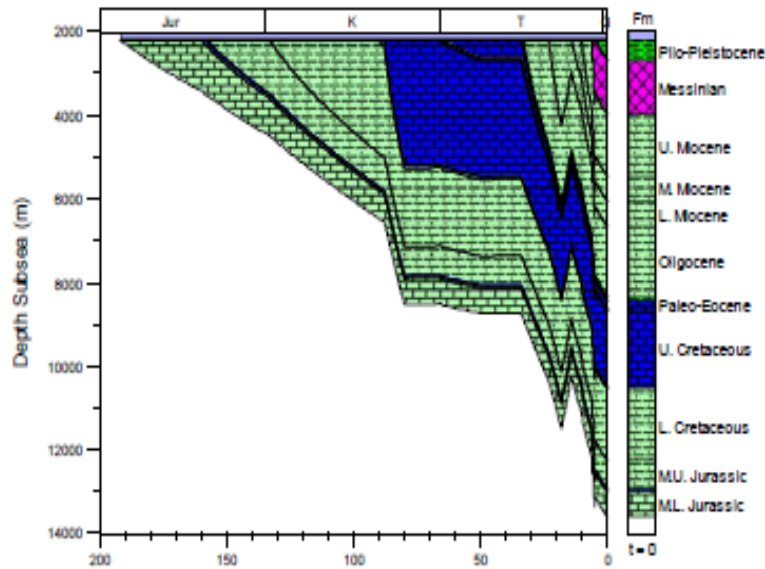


Top Oligocene Depth



Top Turonian Depth

3D Basin Modelling: North Levant



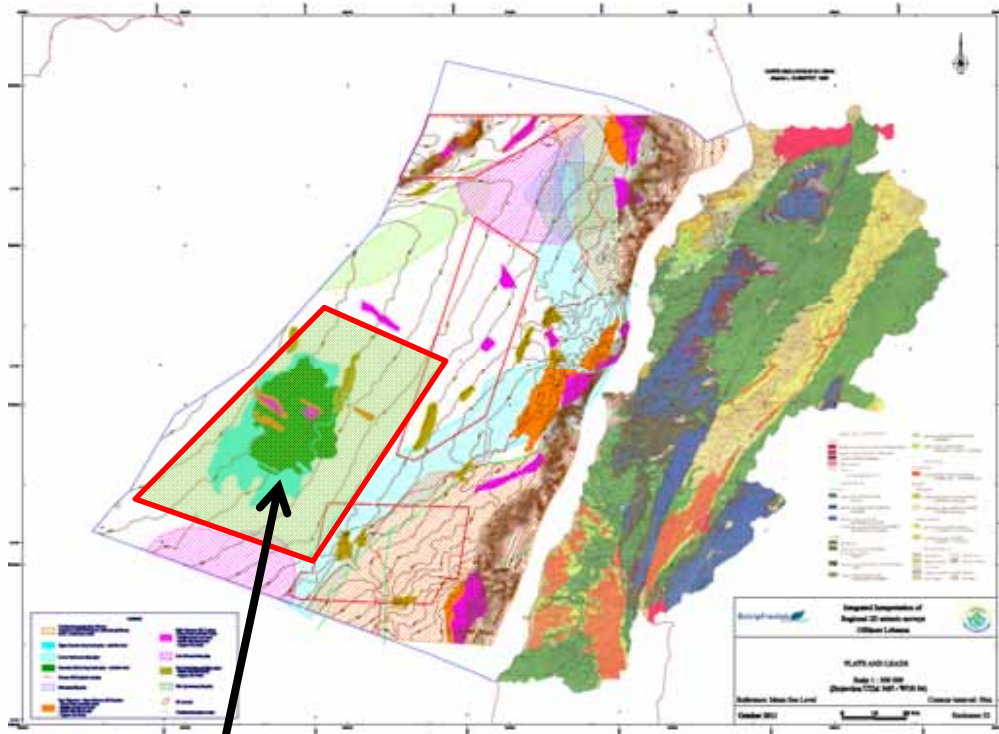
Oligocene Oil and Gas Source
Expelling oil from Messinian
times to recent



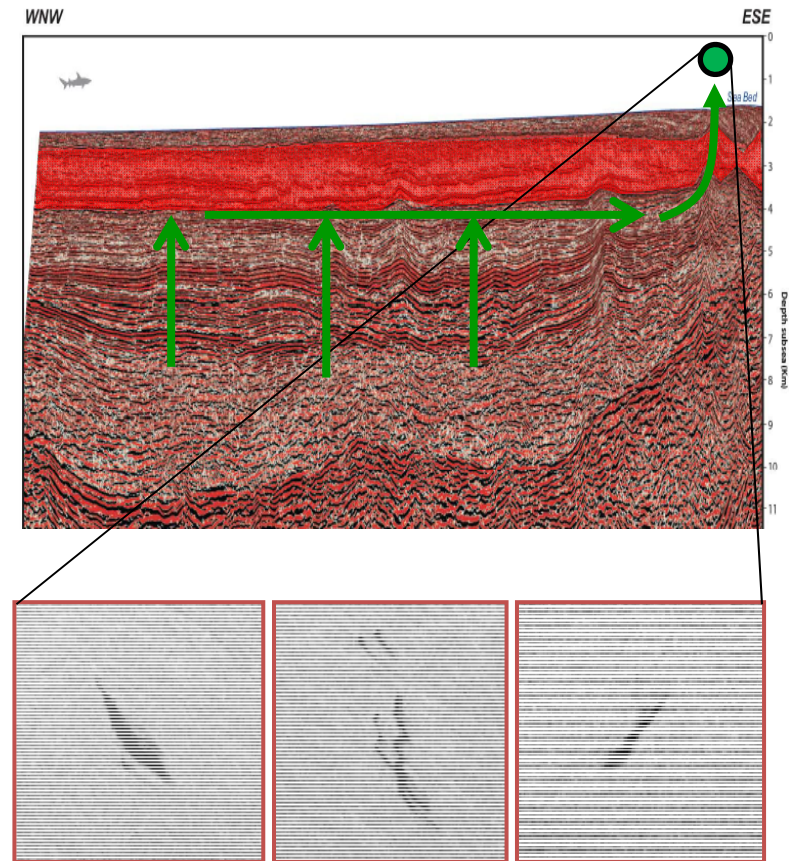
Independent basin modelling study based on all regional seismic data



CONCLUSIONS on PETROLEUM SYSTEMS U. Cretaceous **Thermogenic** System

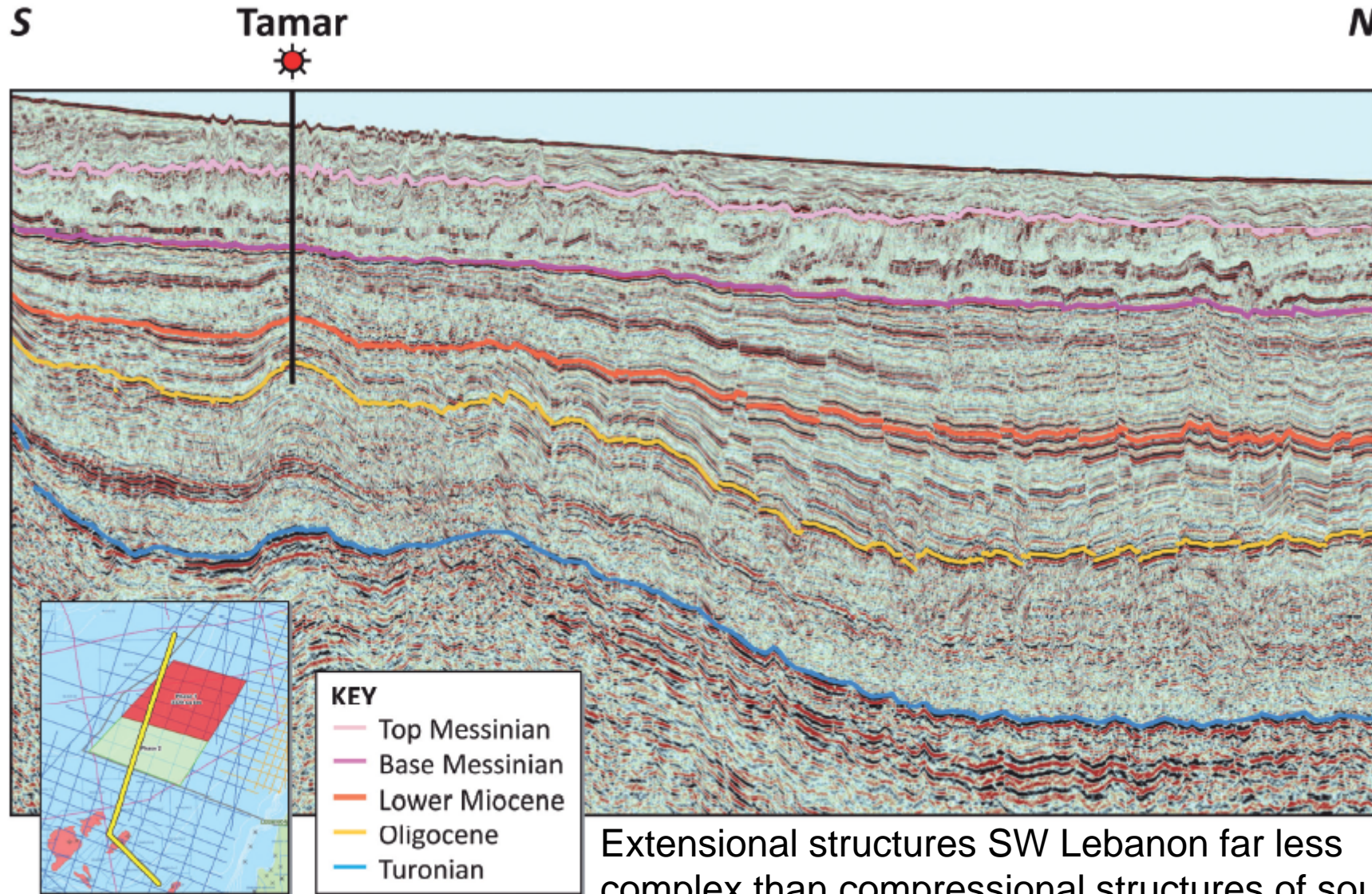


High Potential for Biogenic and Thermogenic Gas



Structure

Extrapolating from southern Levant, northwards into south Lebanon

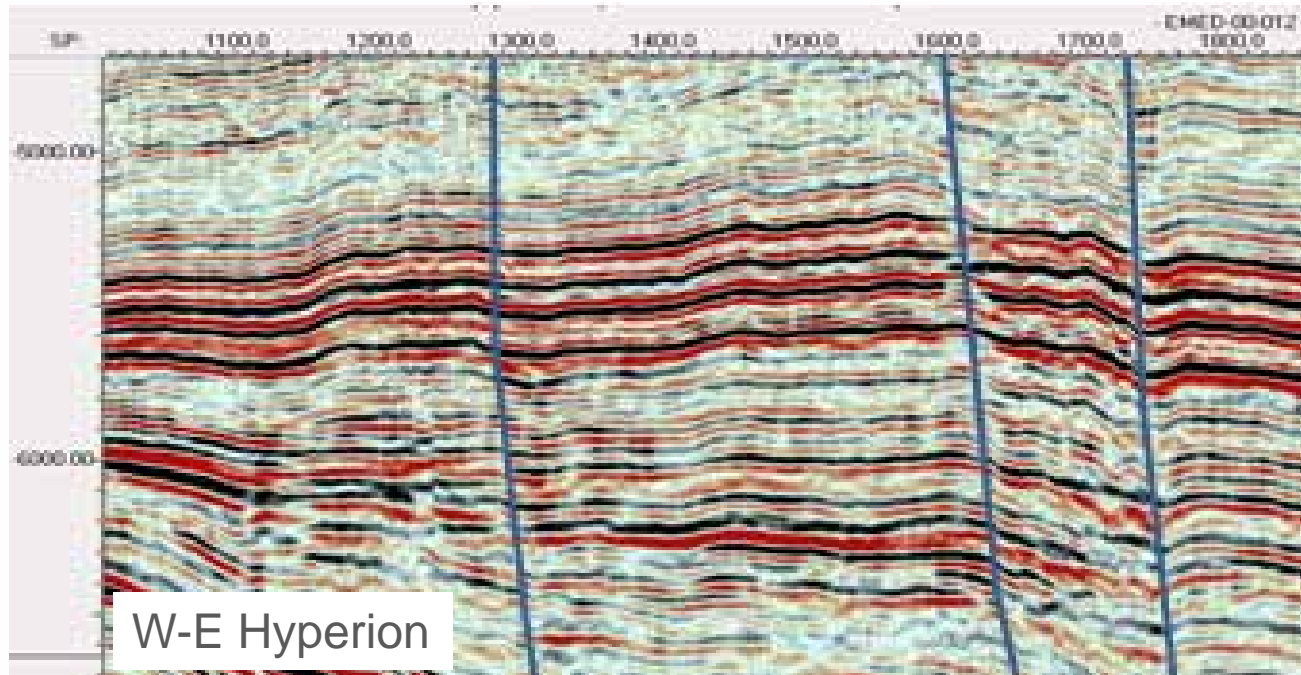


Extensional structures SW Lebanon far less complex than compressional structures of south Levant Basin

Structure

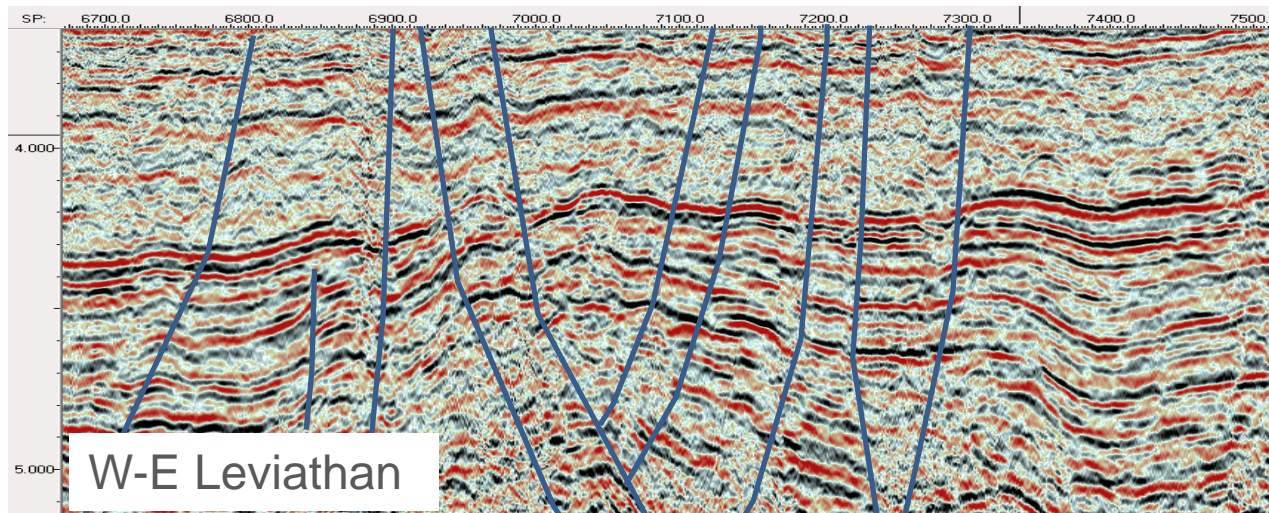


Comparative structure N and S levant Basins



Leviathan and
Hyperion at the same
horizontal scale

W-E line showing far
greater complexity in
the Leviathan
structure:- 20 TCF

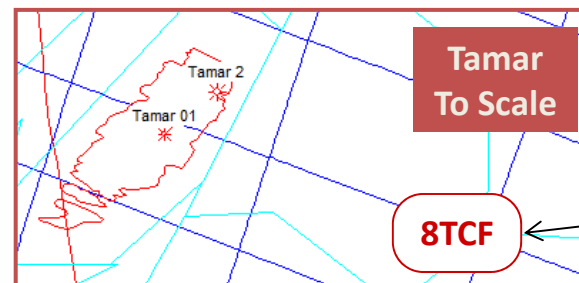
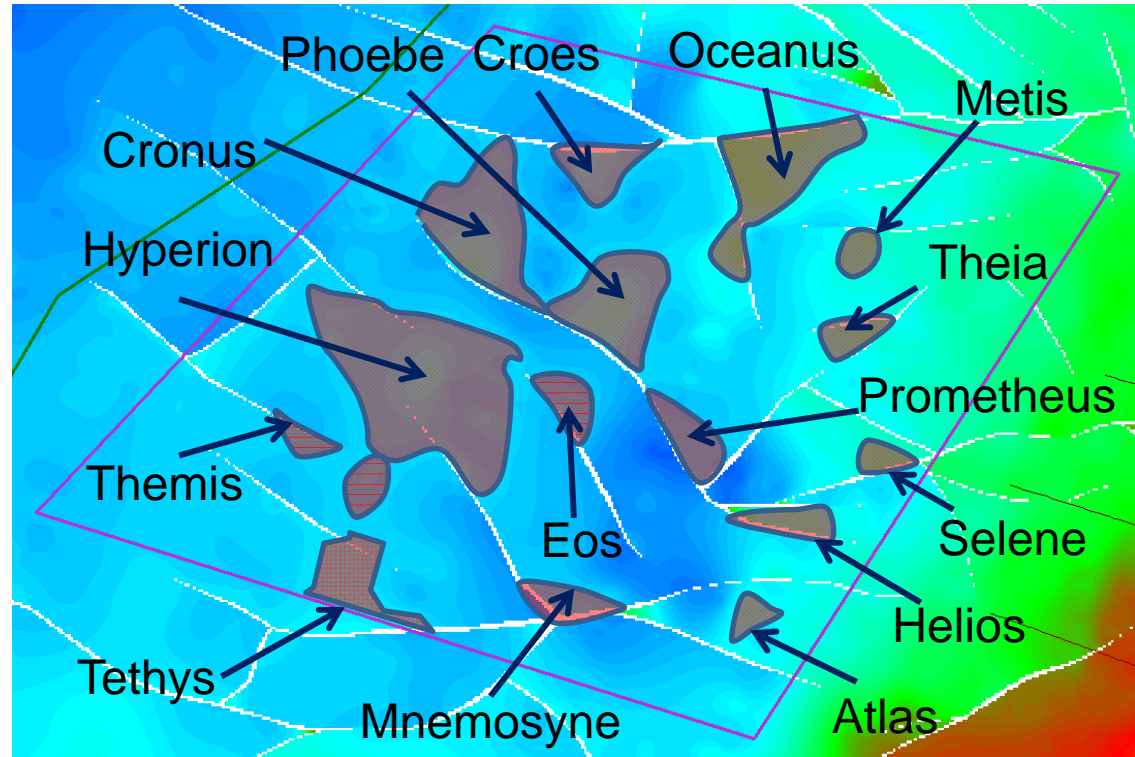


Prospectivity under 1st Phase

Assuming all dry gas

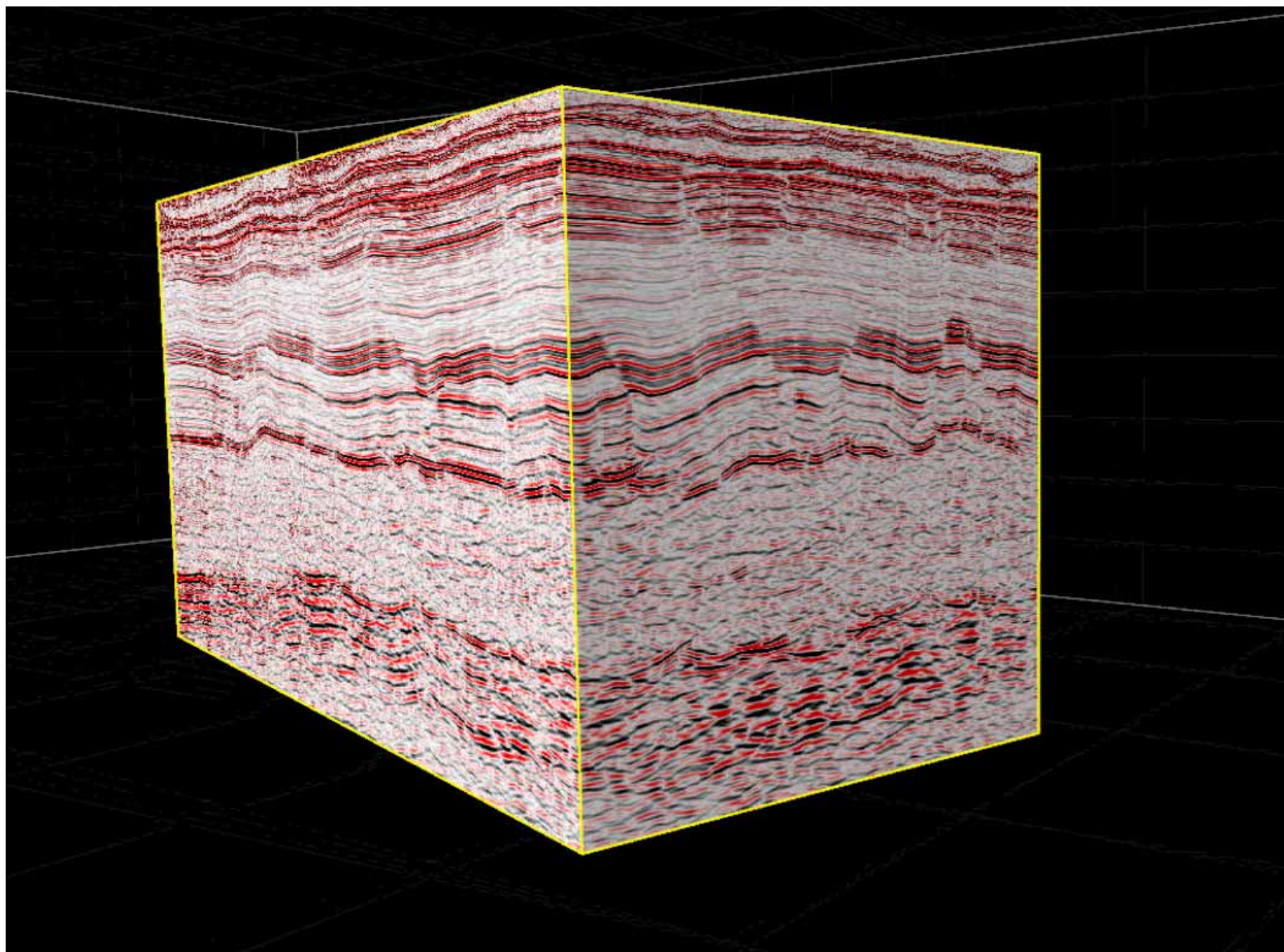
20 TCF (3.5 bn bbls OE)

| | Sq Km | Recoverable TCF |
|-------------|-------|-----------------|
| Oceanus | 52 | 3.2 |
| Hyperion | 131 | 4.0 |
| Cronus | 68 | 3.0 |
| Phoebe | 36 | 1.5 |
| Tethys | 28 | 1.2 |
| Croes | 20 | 1.0 |
| Metis | 7 | 0.3 |
| Theia | 6 | 0.3 |
| Prometheus | 14 | 0.7 |
| Selene | 6 | 0.3 |
| Atlas | 5 | 0.2 |
| Mnemosyne | 15 | 0.7 |
| Themis | 7 | 0.3 |
| Eos | 12 | 0.6 |
| Sum: | | 20.0 |



Multiple sands

8TCF

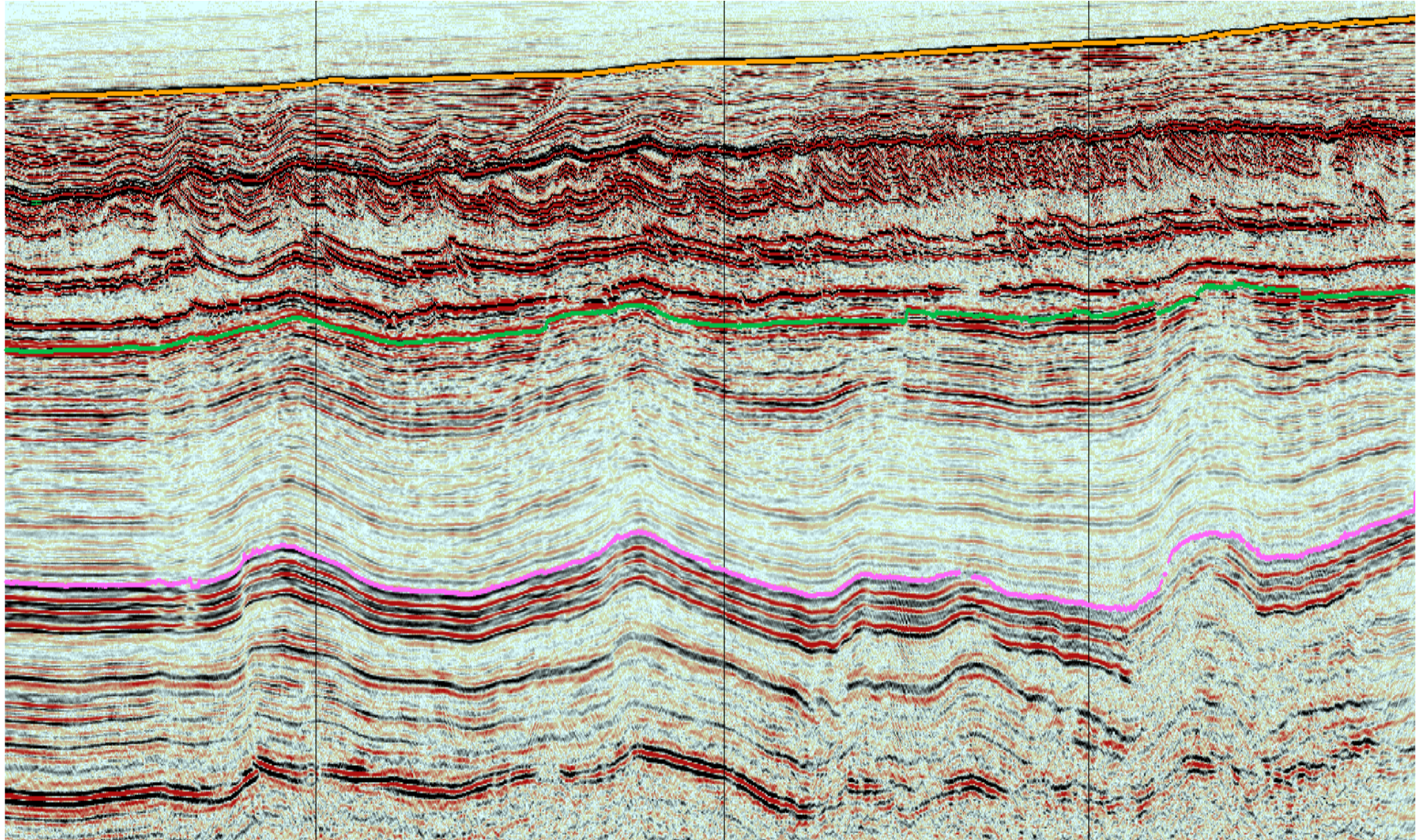


West to East Line through 3D area



Cronus

Phoebe



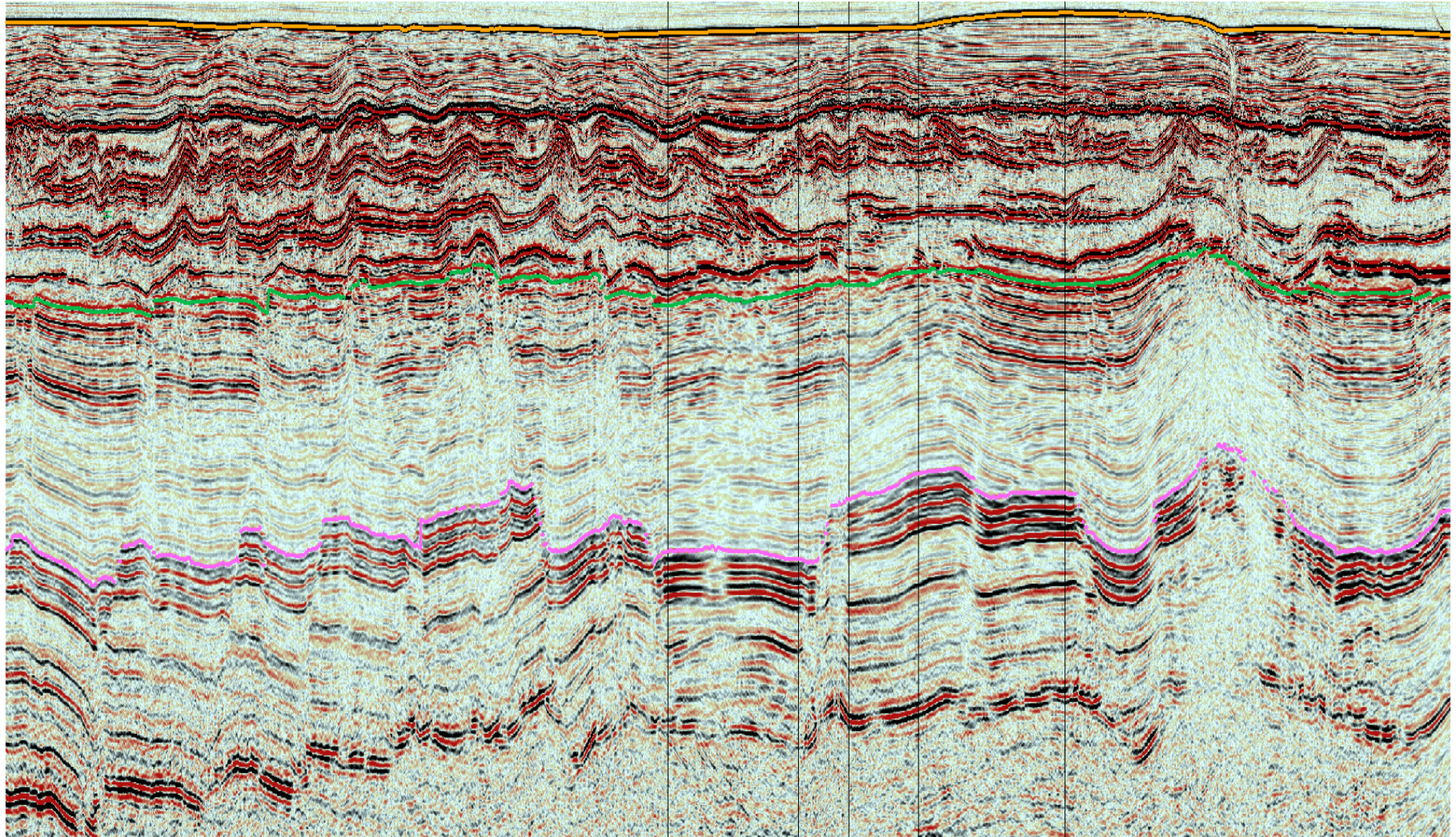
South to North Line through 3D area



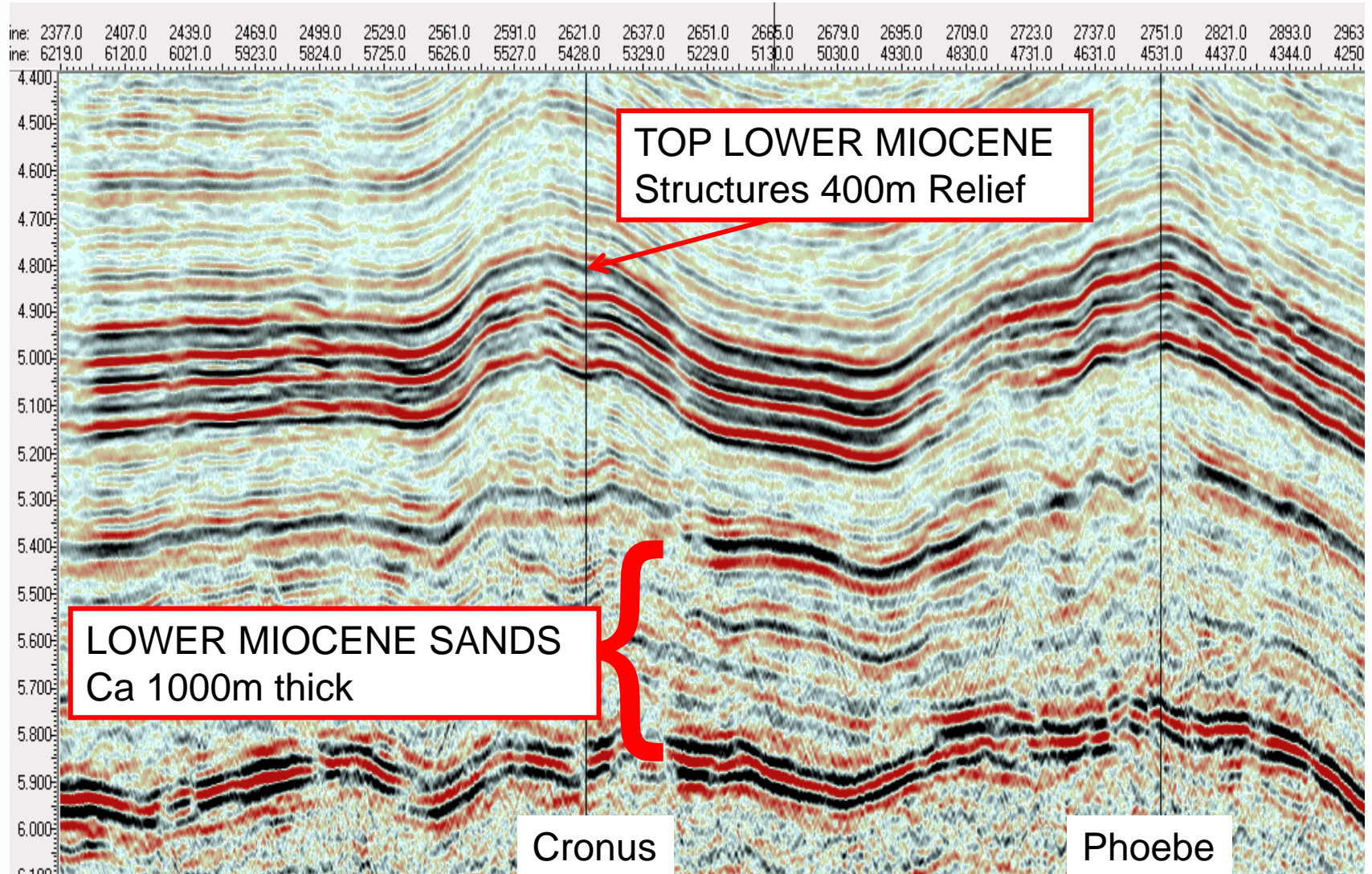
Hyperion

Phoebe

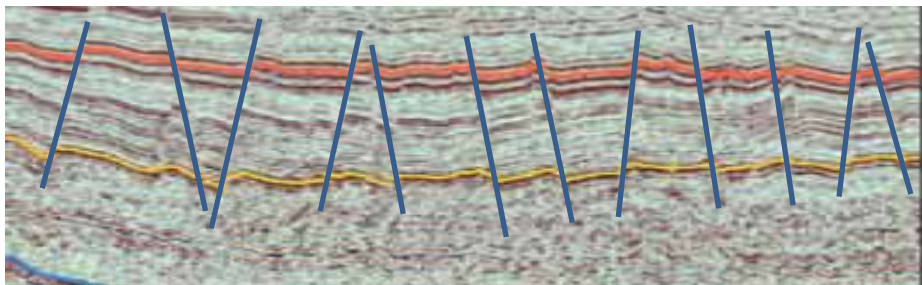
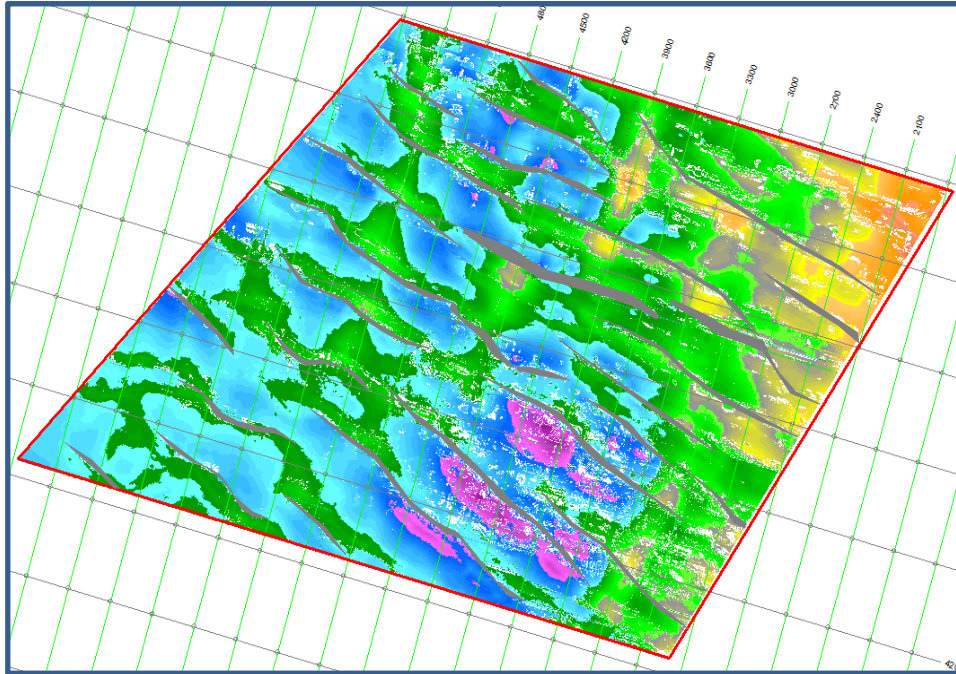
Oceanus



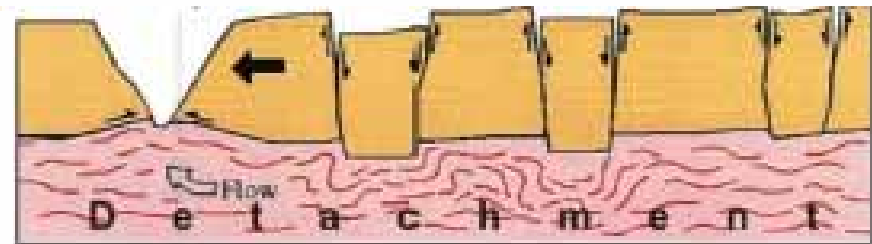
Top Lower Miocene Pick: Proxy for Lower Miocene Sand



Top Lower Miocene TWT

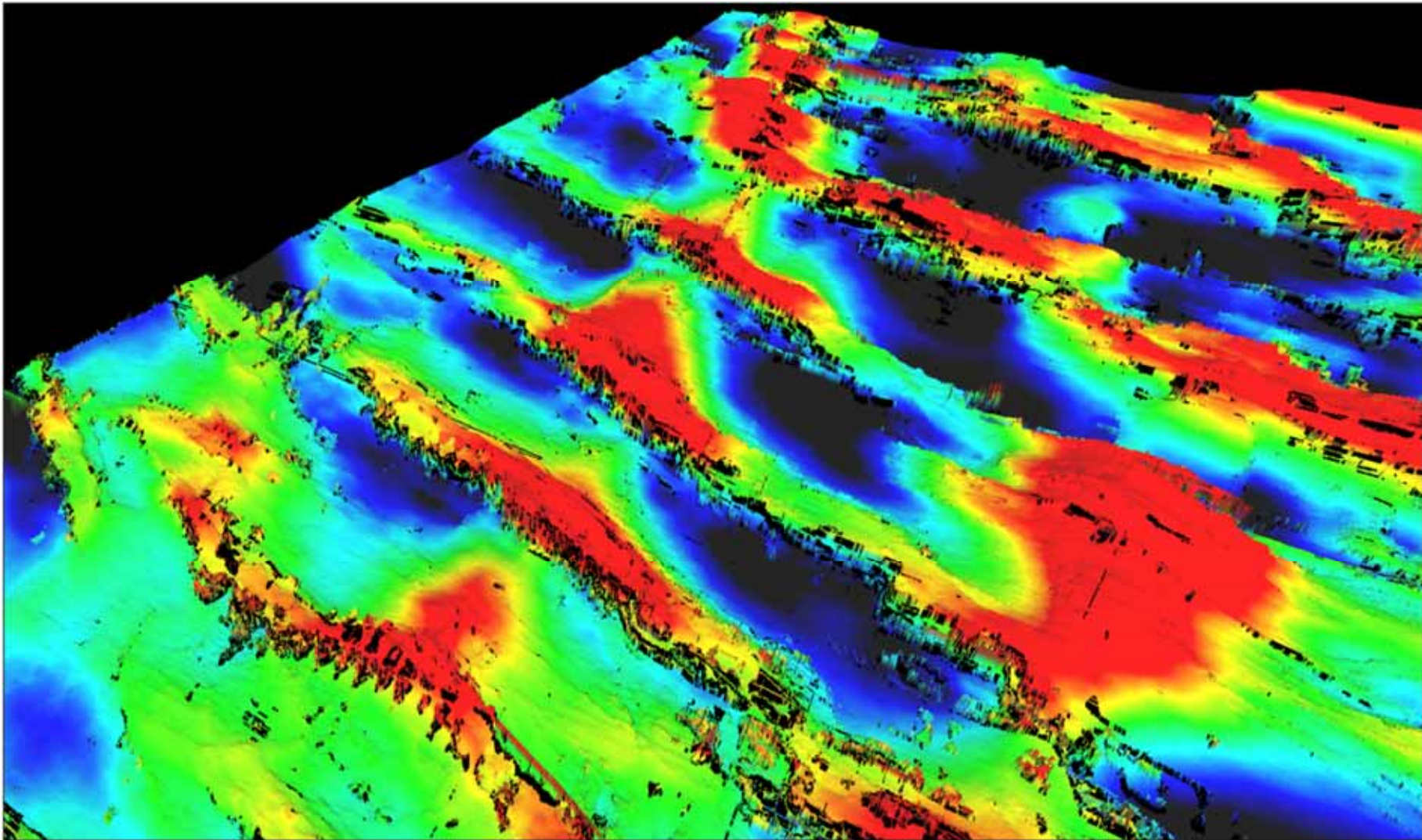


Lebanon 3D

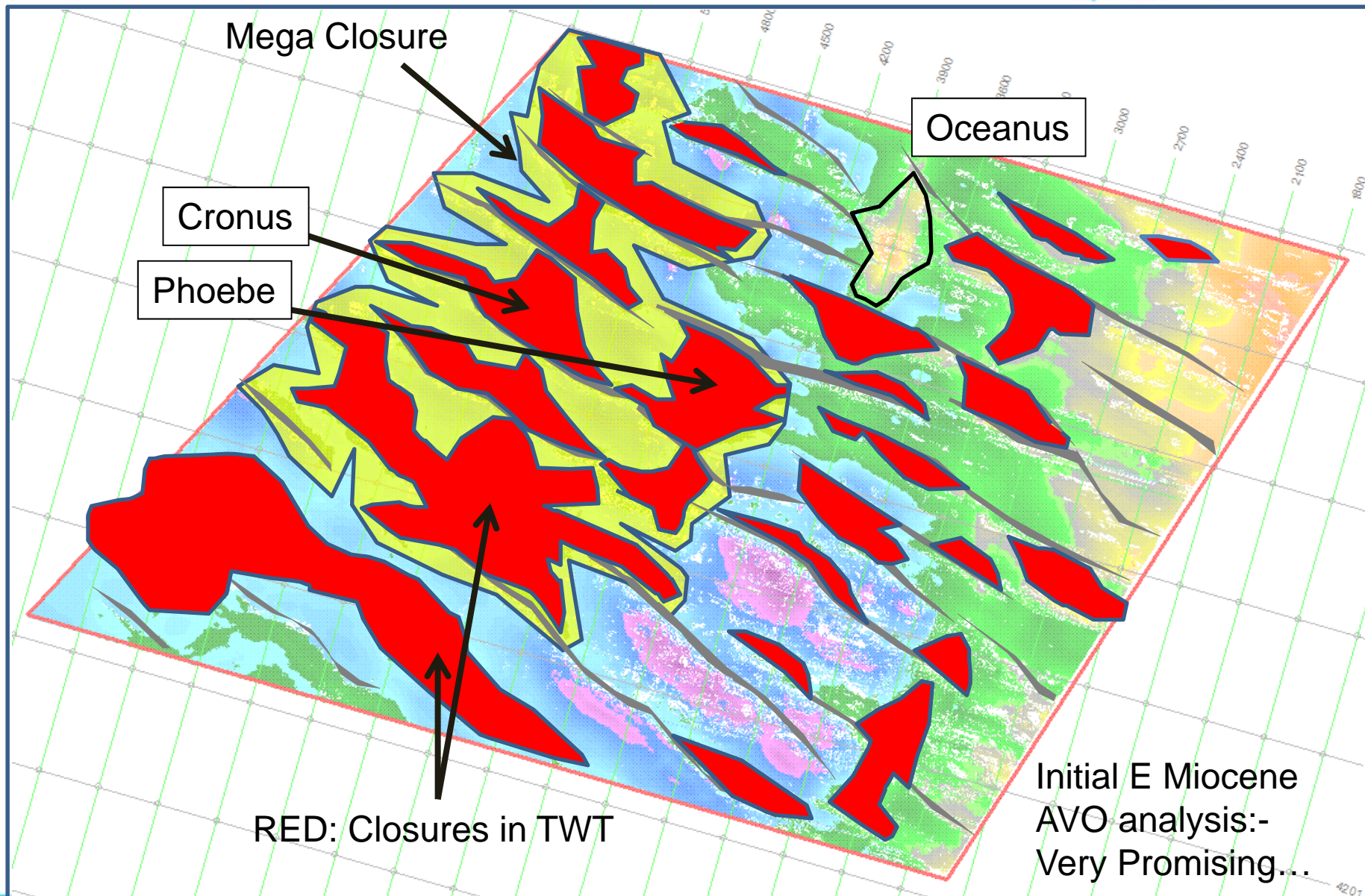


Canyonlands, Utah
(Tari et al, 2012)

SW Lebanon 3D Seismic : Looking North - Top Early Miocene surface



Top Lower Miocene TWT

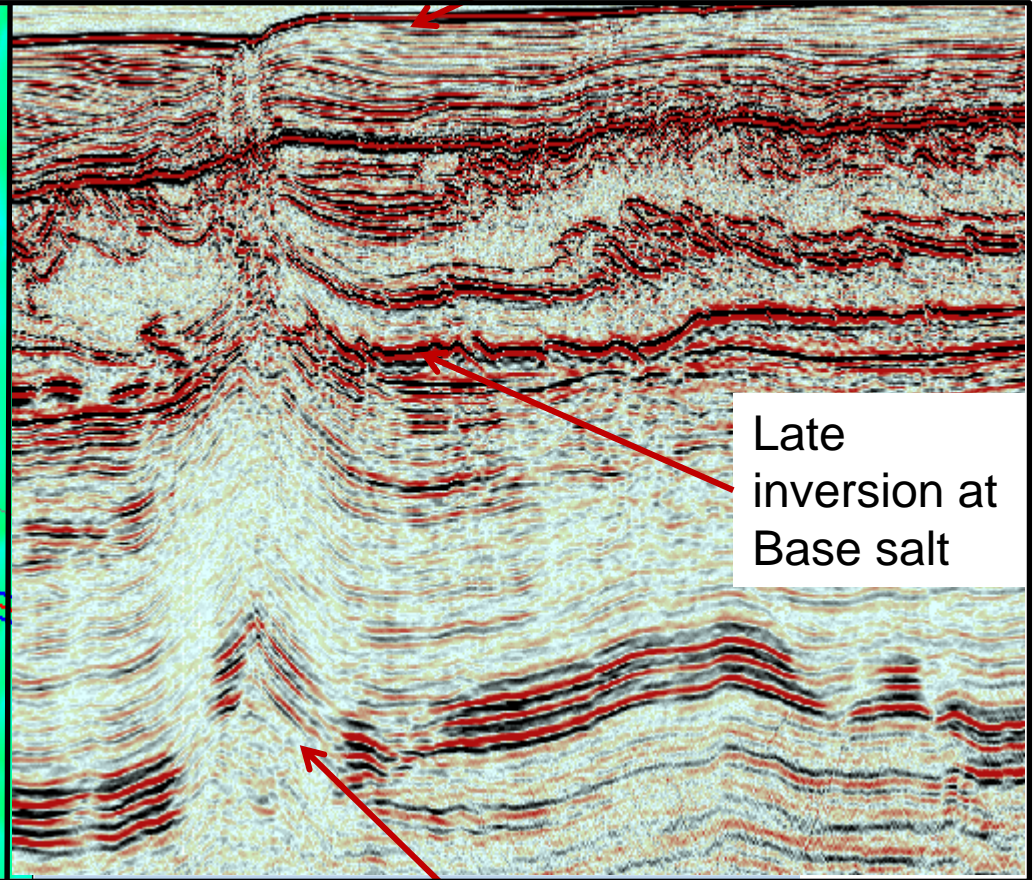
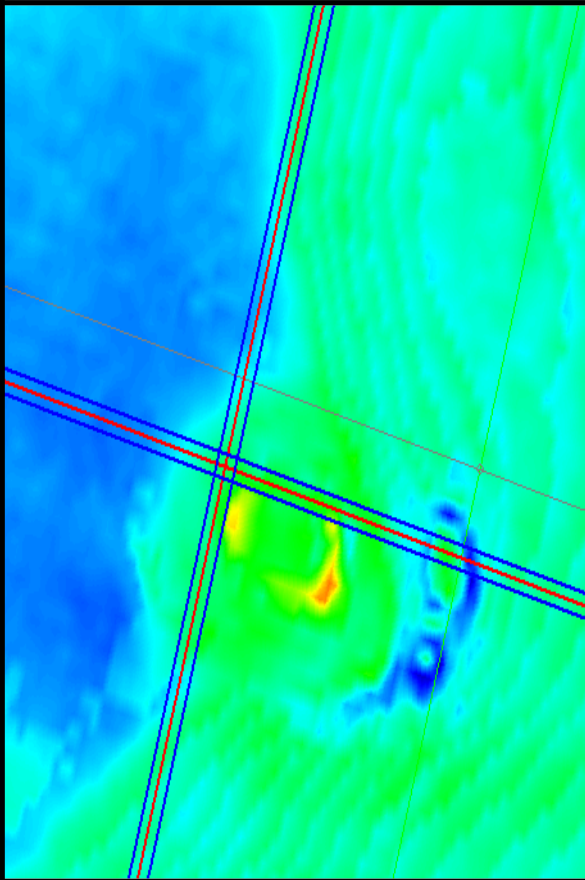
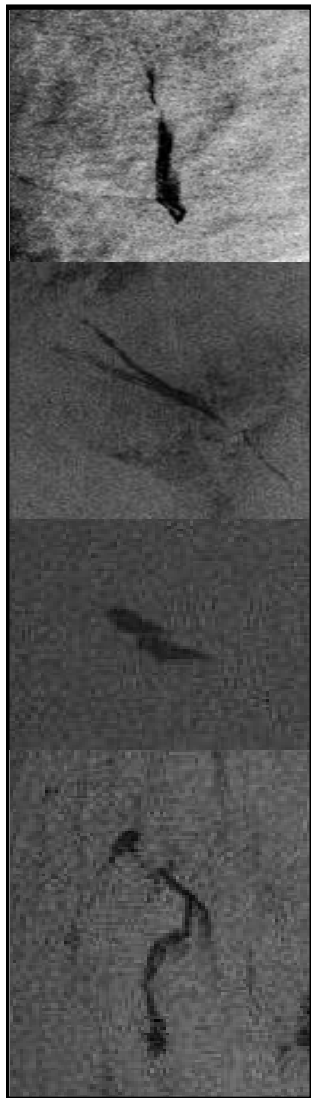


Oceanus Structure:
Amplitude on sea bed over pock-mark

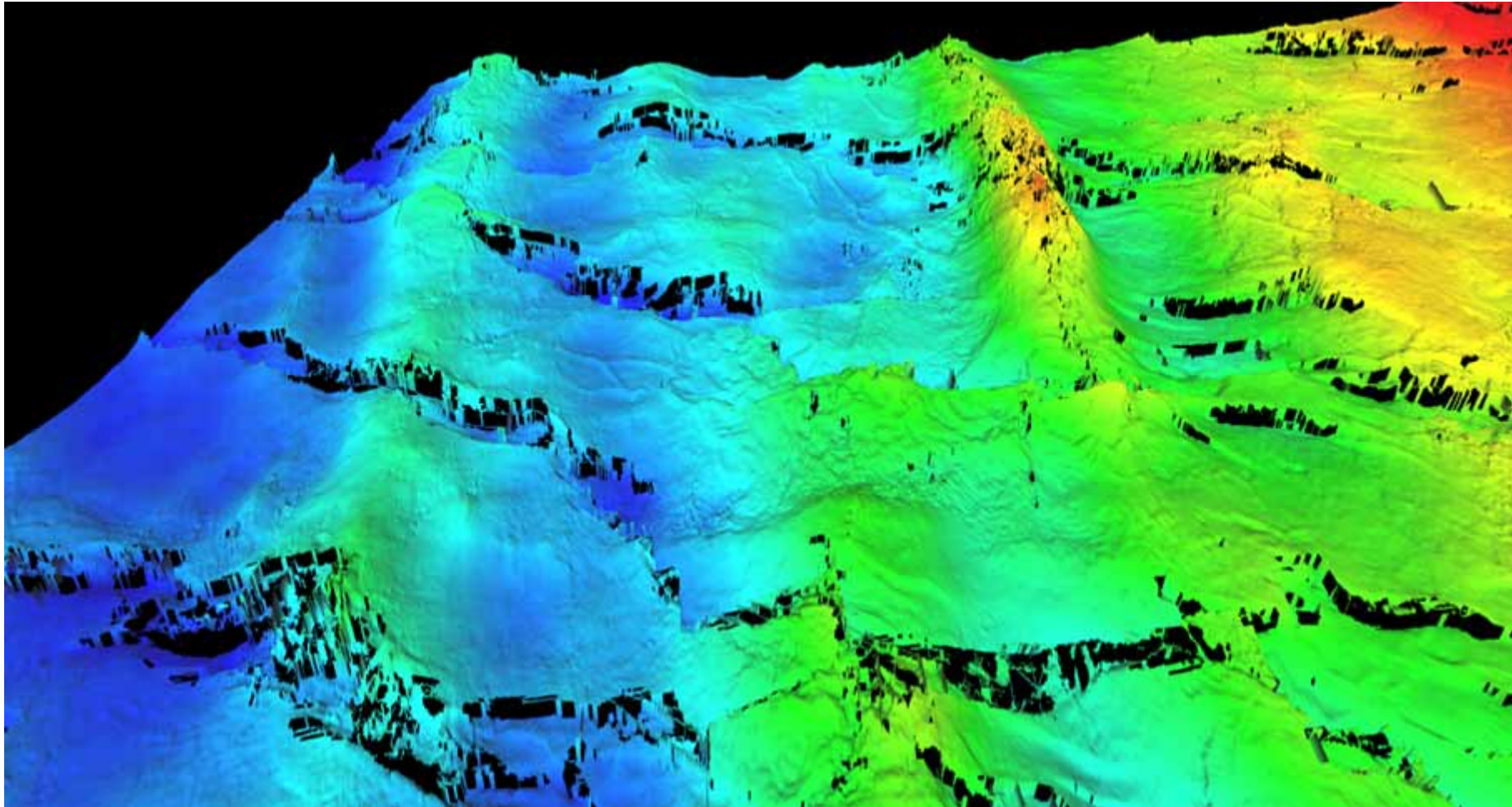
Gas Chimney

Late
inversion at
Base salt

Steep structure ca 1000m relief

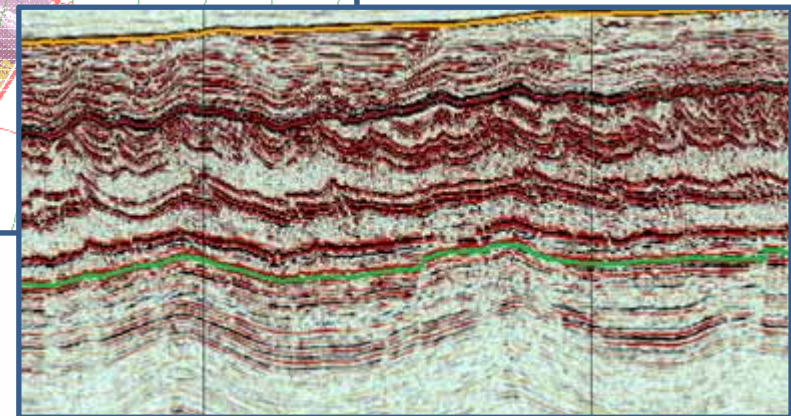
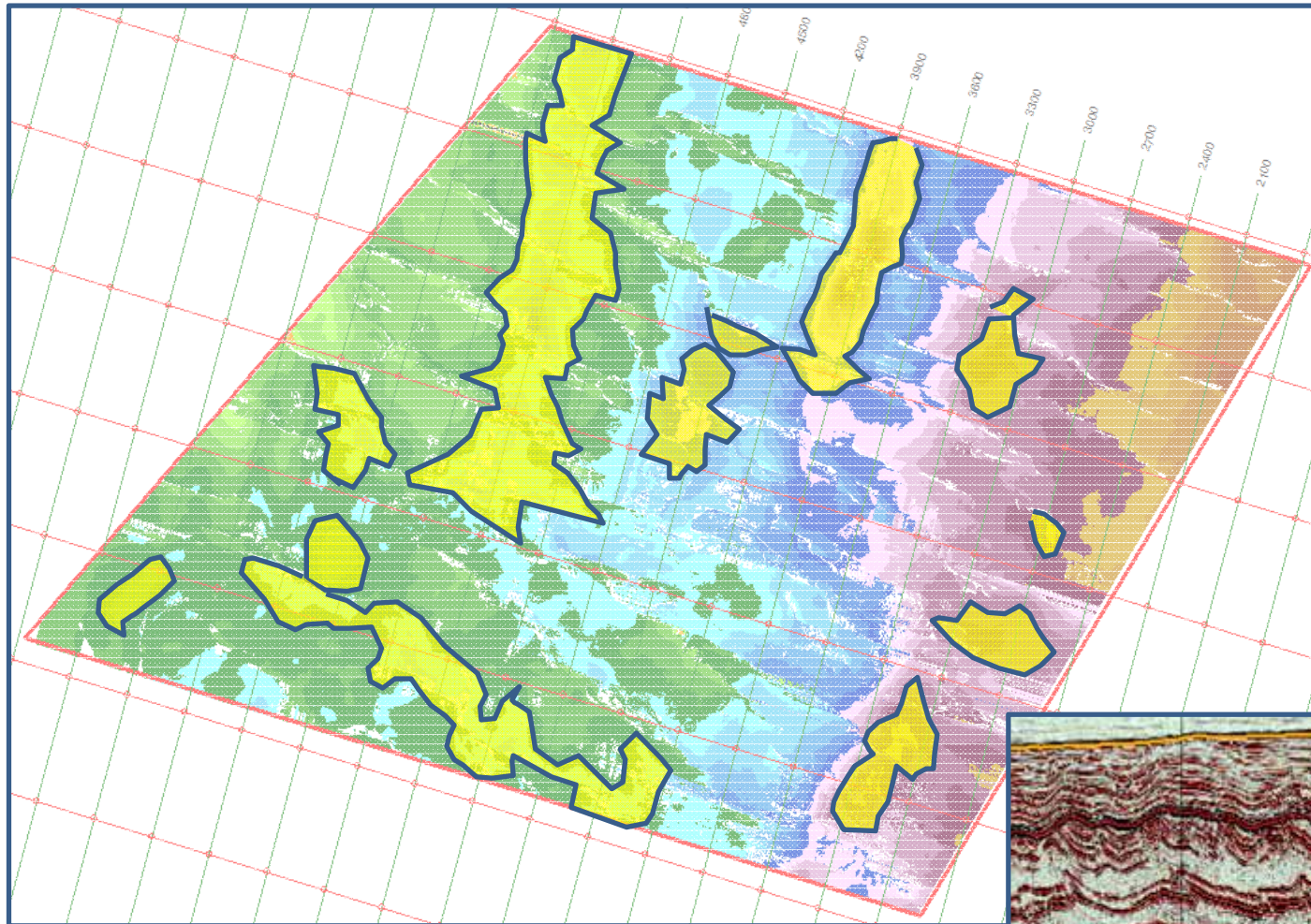


Looking North: Base Salt Surface TWT



New Play from 3D – Upper Miocene Clastics

Base Messinian Salt: Time Closures

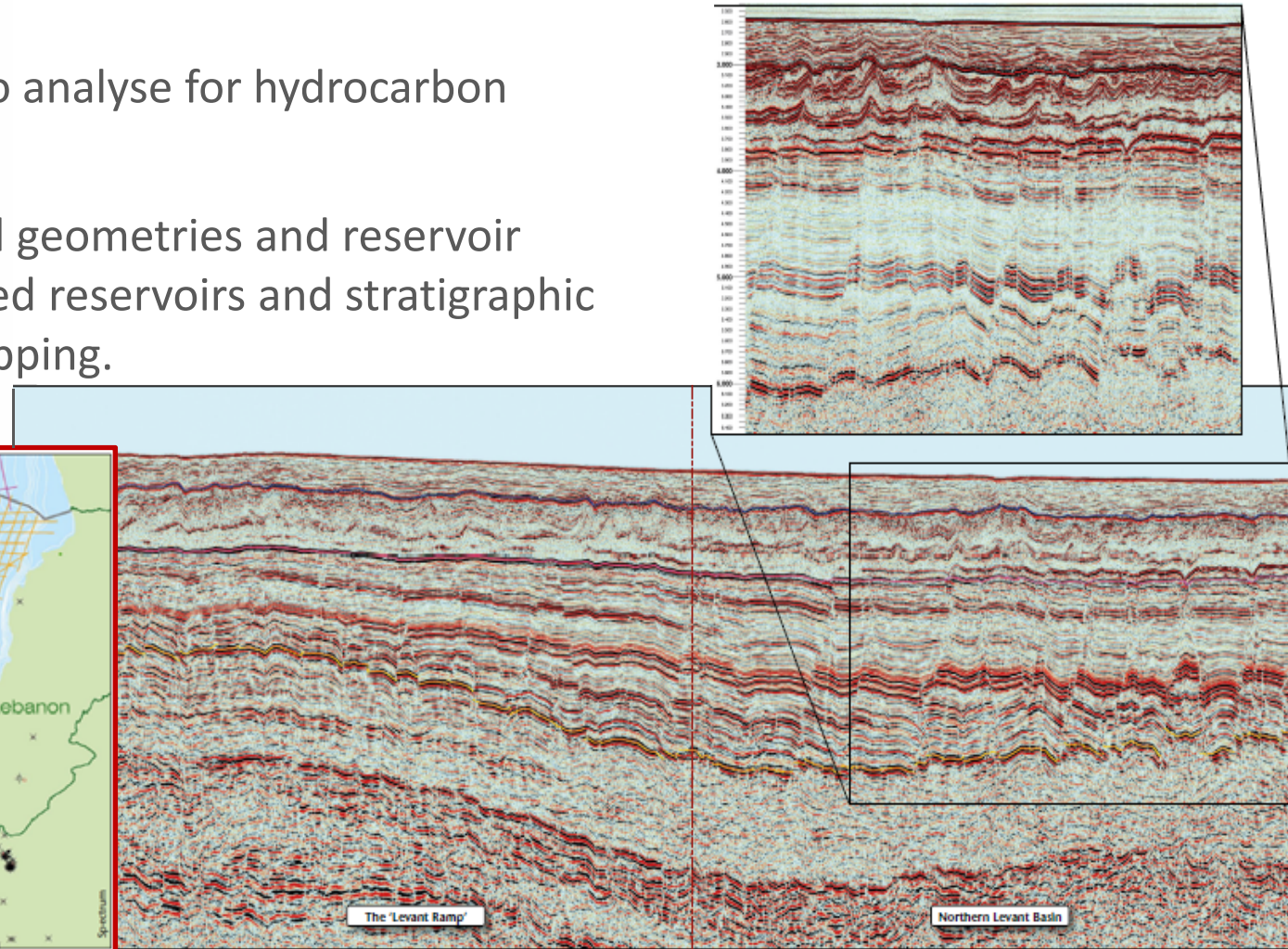
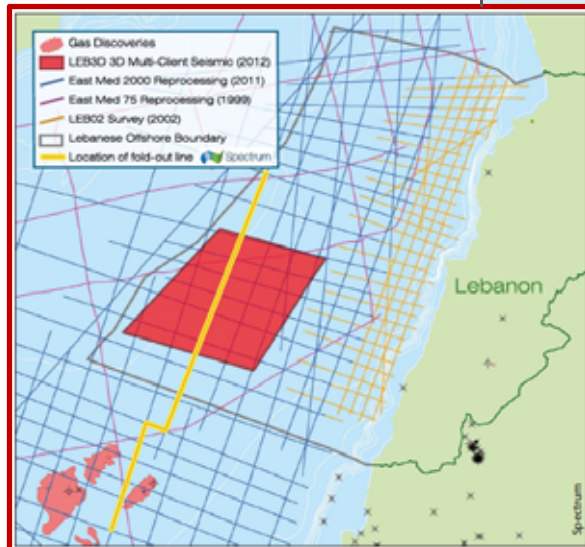


So what does the 3D do for us?

MC3D data offshore southern Lebanon is essential prior to bidding in 1st license round as it provides ...



- Control to evaluate the size and potential of structures.
- High quality data to analyse for hydrocarbon response.
- Ability to map sand geometries and reservoir architecture, stacked reservoirs and stratigraphic components to trapping.





Q. Is there more than a biogenic gas play to chase in South Lebanon?

A. North Levant is an Oil and Gas Basin: Oil Seeps, Basin models and proven wet gas demonstrate a thermogenic source in the basin.

Q. Is the Best Miocene reservoir located in South Lebanon?

A. Miocene channels transported sand from the south depositing a sequence three times thicker in the Lebanese basin.

Q. Are the best structures in South Lebanon?

A. South Lebanon has bigger and less complex structuring than south Levant, located within the Spectrum 3D area .

3D reveals offshore Lebanon will be a major new oil and gas province.

Time to Pre-qualify!