

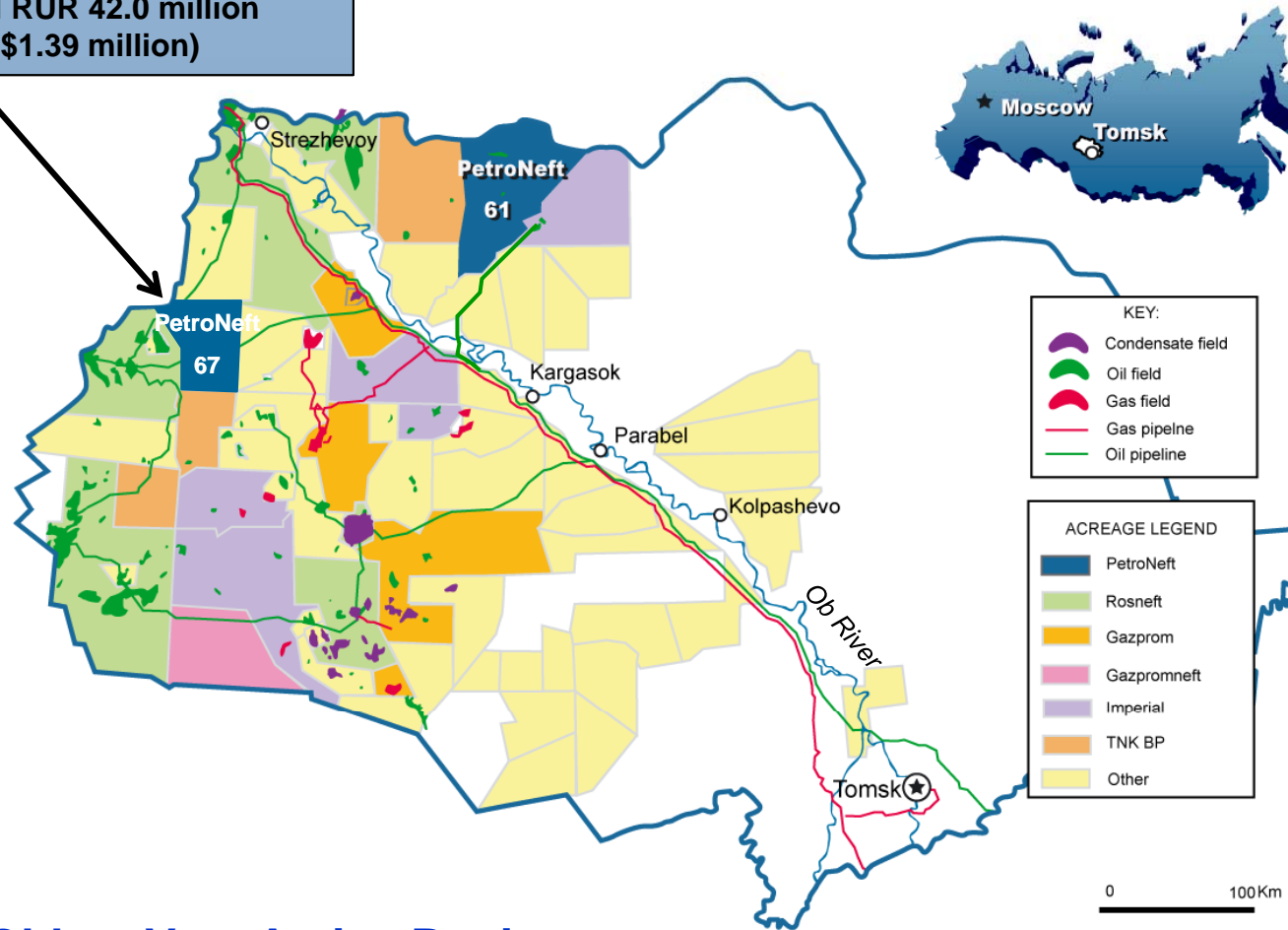


Ledovy Licence Block (#67) Update September 2010



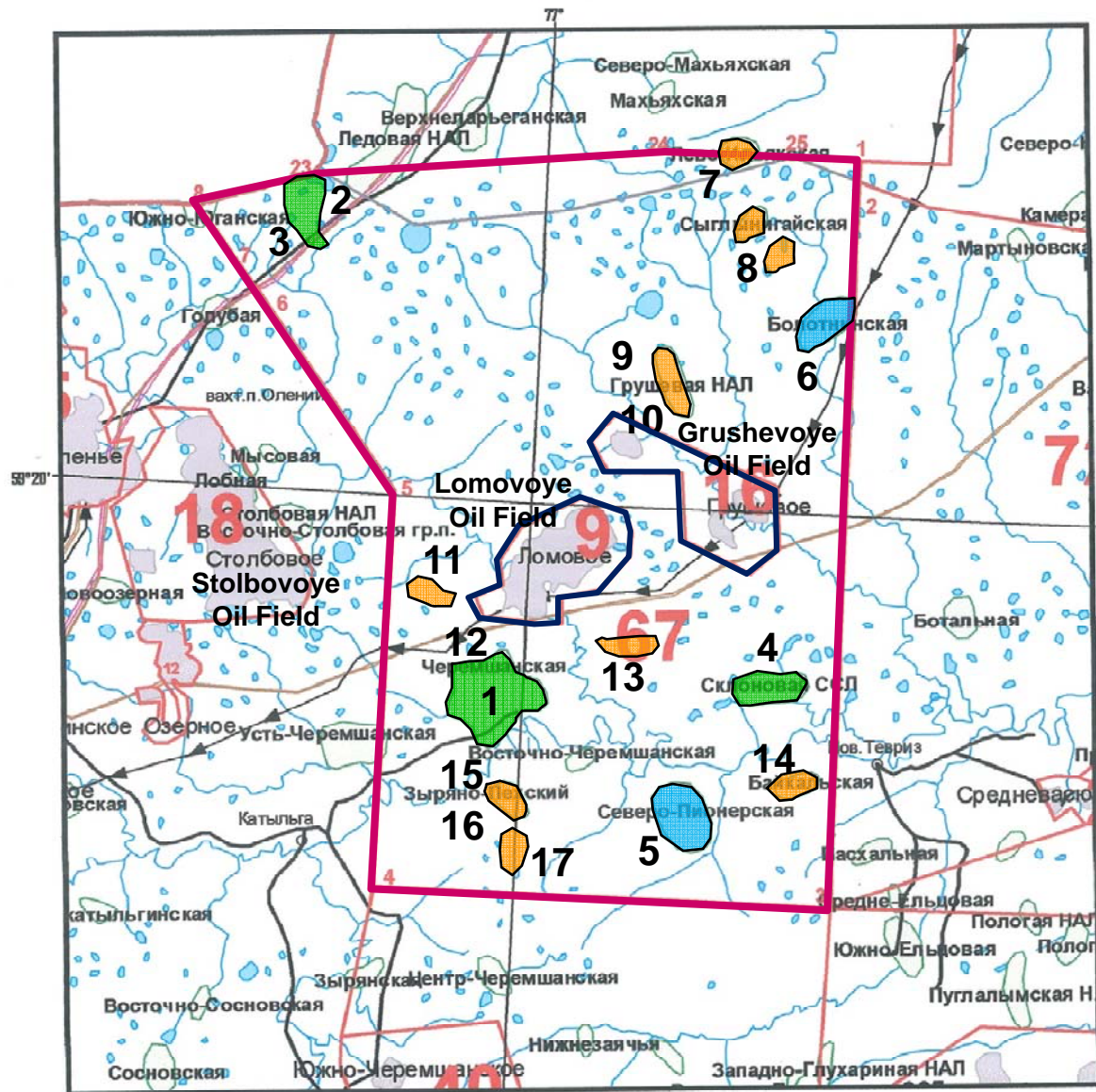


Ledovy Block No. 67
Russian C3 Reserves = 55 million bbls
**Winning bid RUR 42.0 million
(~US\$1.39 million)**



Tomsk Oblast Very Active Region

Rosneft, Imperial Energy, TNK-BP, Gazprom, Gazpromneft, local companies



Ledovy Block Structures and Traps

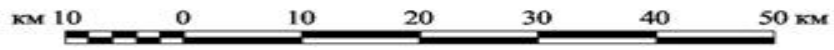
- Drilled Structure with oil show or test
- Drilled Structure with no oil shows reported
- Undrilled Structure or Stratigraphic Trap

#	Structure Name	Objective
Drilled Structures		
1	Cheremshanskaya	J1 J8 PZ
2	Ledovoye	J ₁ ¹⁻²
3	Ledovoye	Cretaceous
4	Sklonovaya	J ₁ ¹⁻²
5	North Pionerskaya	J ₁ ¹
6	Bolotninskaya	J ₁ ¹
Identified Prospects and Leads		
7	Levo-Ilyakskaya	J ₁ ¹
8	Syglynigayskaya	J ₁ ¹
9	Grushevaya	J ₁ ¹
10	Grushevaya NAT	Lower Jurassic
11	Malostolbovaya	J ₁ ¹⁻²
12	North Cheremshanskaya	J ₁ ¹⁻²
13	Nizhenlomovaya Terrasa	J ₁ ¹⁻²
14	Baikalskaya	J ₁ ¹⁻²
15	Malo Cheremshanskaya	J ₁ ¹⁻²
16	East Chermshanskaya	J ₁ ¹⁻²
17	Zyryano-Pekhskiy	J ₁ ¹

Note: NAT – non anticlinal trap



Условные обозначения
 Prospect
 Oil field





Summary

- 25 year Exploration and Production Licence - expires 2035
- Large 2,447 sq. km. Block surrounded by oil and gas fields including two producing fields within the block that belong to Rosneft and Russneft are excluded.
- Oil pipelines, electric power lines and all weather roads are located on the Licence area
- Eight wells have previously been drilled on the Licence, two tested oil and two had oil shows in the main Upper Jurassic reservoir but the interval was not tested
- Two potential oil fields and numerous prospects have been identified – Russian registered C3 reserves are currently 55 million bbls
- Existing discoveries have potential to form the basis of a future development project
- Arawak to acquire 50% interest, PetroNeft to remain as operator

Work Programme

- Within one year reprocess and reinterpret old seismic data
- Within two years start acquisition of 750 km of seismic data
- Within three years start drilling of one exploration well

Ledovy Block Structures and Traps

- Oil Fields and Oil Tests
- Prospects
- Drilled Structures - Dry and under review

#	Structure Name	Main Objectives
Drilled Structures		
1	Cheremshanskaya	UJ, LJ
2	Ledovoye Oil Field	UJ, C
3	Sklonovaya	UJ
4	North Pionerskaya	UJ
5	Bolotninskaya	UJ
Identified Prospects and Leads		
6	Levo-Ilyakskaya	UJ
7	Syglynigaiskaya	UJ
8	Grushevaya	UJ
9	Grushevaya Stratigraphic Trap	LJ
10	Malostolbovaya	UJ, C
11	Nizhenolomovaya Terrasa Gp.	UJ
12	Baikalskaya	UJ
13	Malocheremshanskaya	UJ
14	East Chermshanskaya	UJ, C
15	East Ledovoye	UJ, C

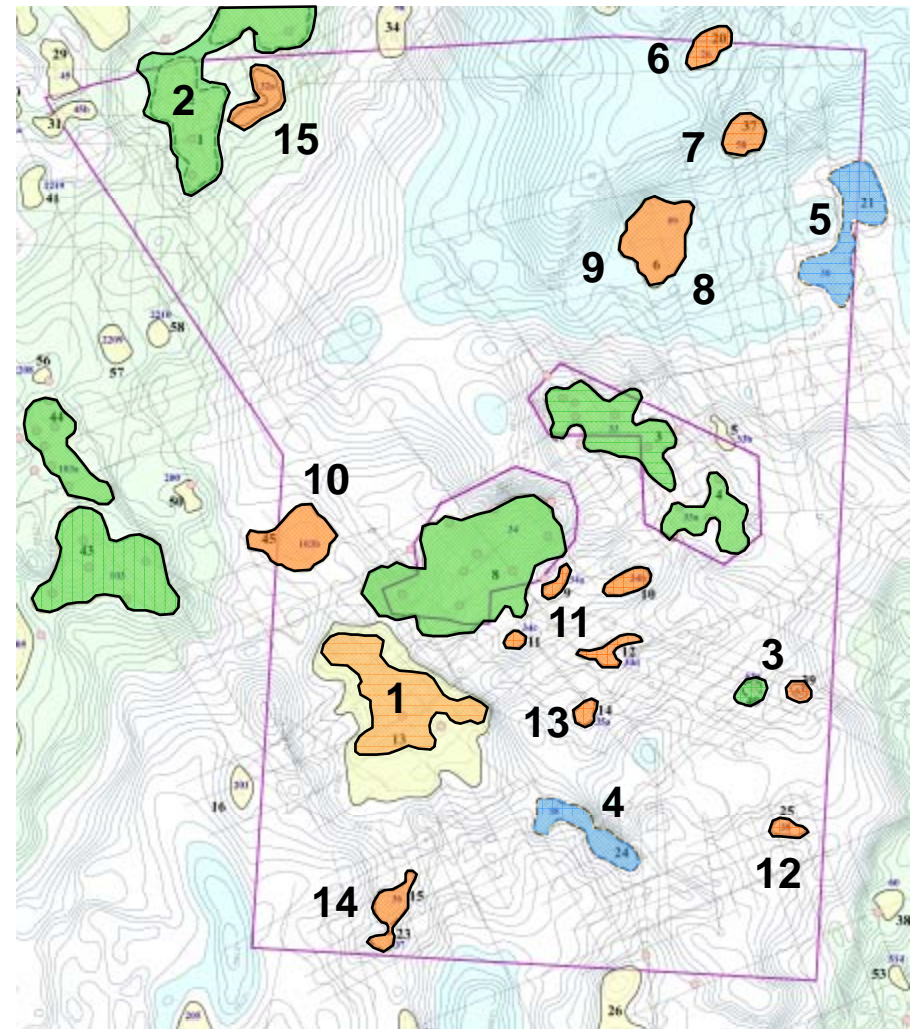
Base Bazhenov Seismic Horizon

- < 2,600 depth m
- > 2,750 m depth

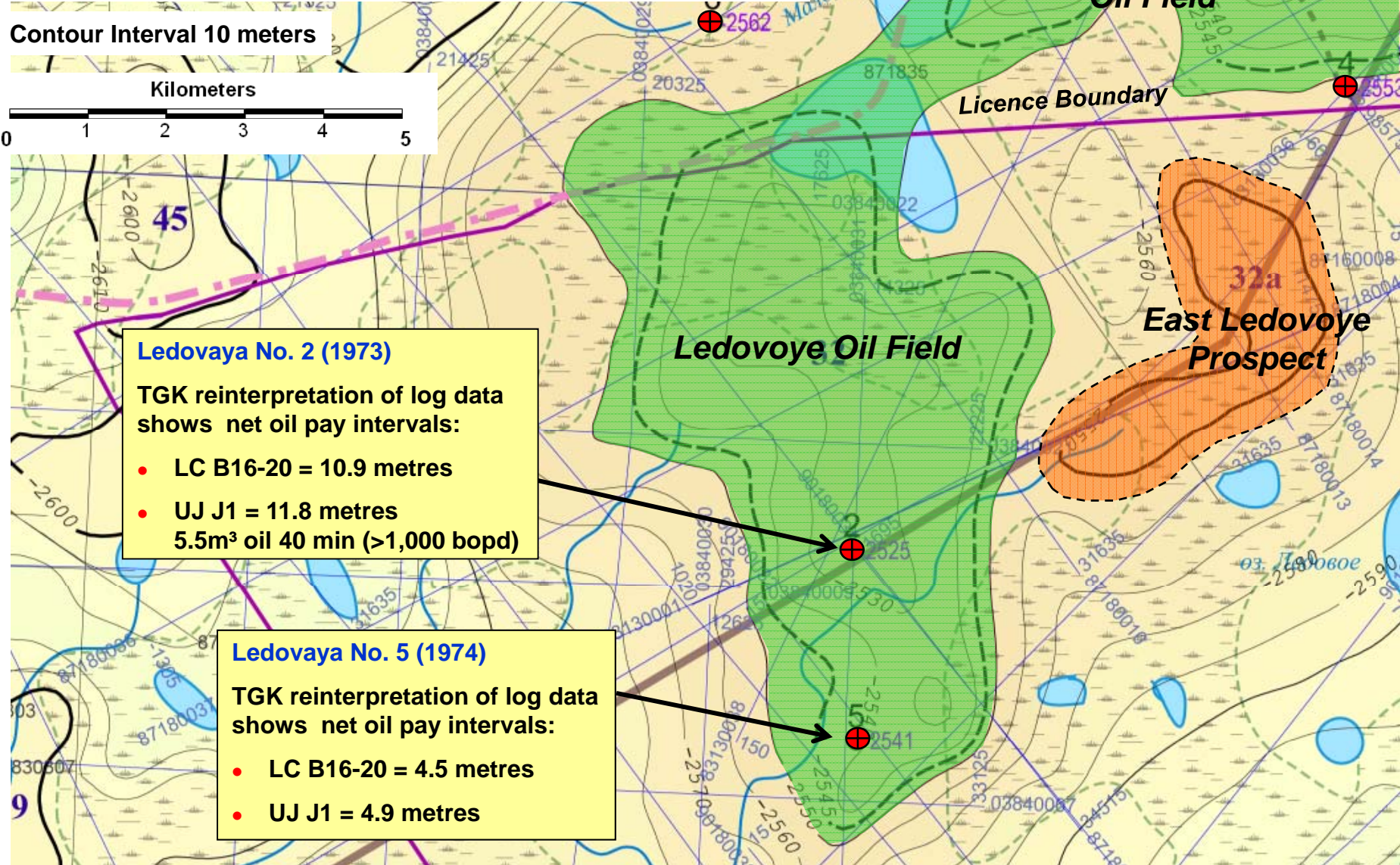
C=Cretaceous, UJ=Upper Jurassic, LJ=Lower Jurassic

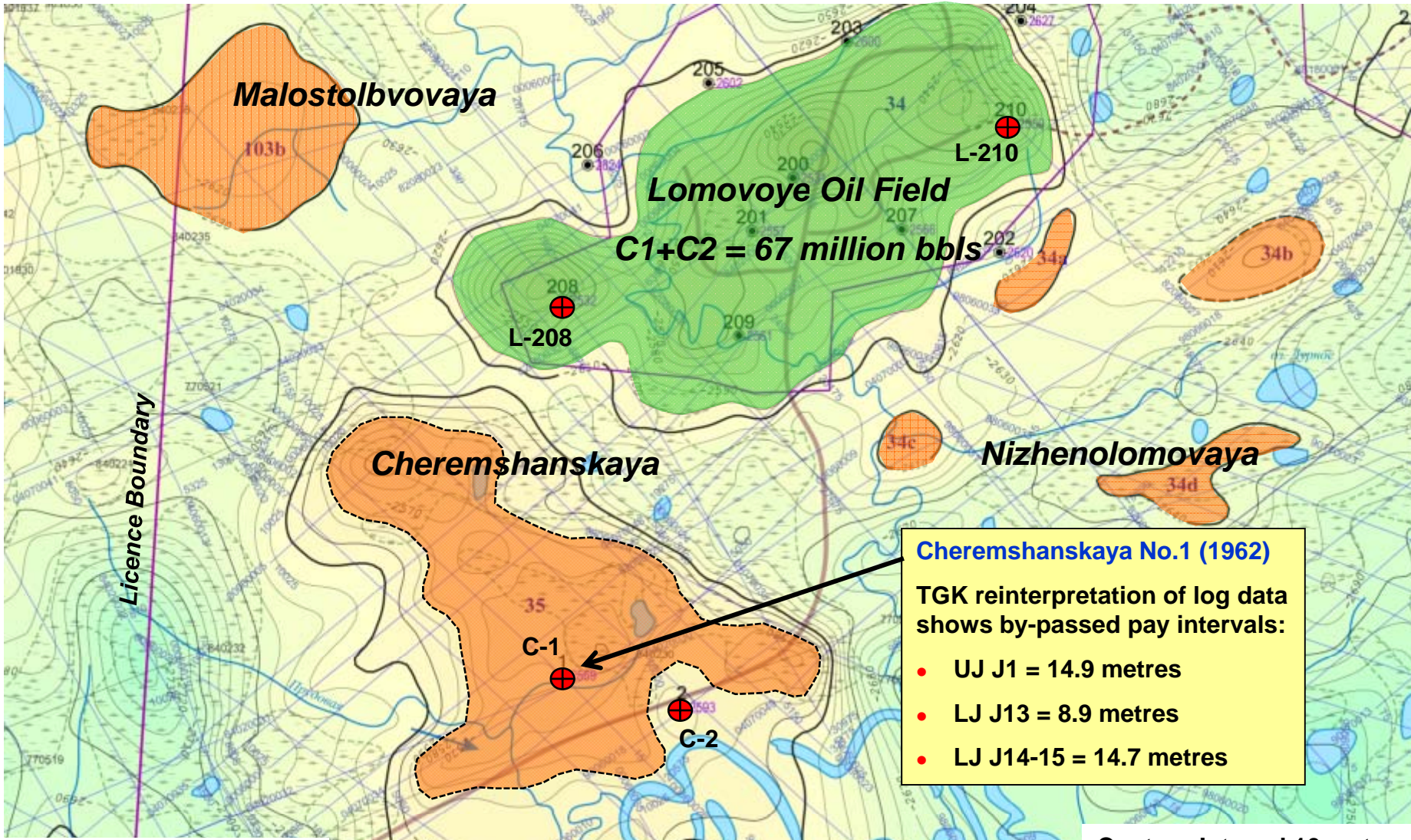


Excluded areas

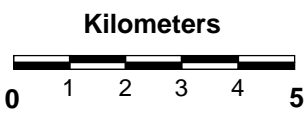


Structure Map on Base Bazhenov Horizon





Contour Interval 10 meters



Structure Map on Base Bazhenov Horizon



Well	Year drilled	Net Pay metres	Comments
Ledovaya No. 2	1973		
Cretaceous B16-17		10.9	potential pay
Upper Jurassic J1		11.8	net oil pay
Total net pay Ledovaya No. 2		22.7	
Ledovaya No. 5	1974		
Cretaceous B16-17		4.5	potential pay
Upper Jurassic J1		4.9	net oil pay
Total net pay Ledovaya No. 5		9.4	
Cheremshanskaya No. 1	1962		
Upper Jurassic J1		14.9	net oil pay
Lower Jurassic J13		8.9	net oil pay
Lower Jurassic J14-15		14.7	net oil pay
Total net pay Cheremshanskaya No. 1		38.5	
Cheremshanskaya No. 2	1972		no net pay identified
Sklonovaya No. 21	2001		
Upper Jurassic J1		3.3	net oil/gas pay
Total net pay Sklonovaya No. 21		3.3	
Bolotninskaya No. 5	2003		no net pay identified

Summary

- Tomsk Geophysical Company (TGK) reprocessing and reinterpretation of 4,430 kms of 2D seismic and 21 vintage wells progressing on schedule
- All seismic data reprocessed, correlation charts prepared, wells tied to seismic and initial base Bazhenov Formation map completed [shows Upper Jurassic J1 reservoir structure]
- Eight of 21 wells now re-evaluated
- Initial Results very encouraging – several zones on potential oil pay identified that were not properly identified or tested in the old wells
- Primary Objective Upper Jurassic J1 Reservoir – Potential Reserves Significant
 - Ledovy Oil Field
 - Open hole flow test of J1 interval in well No. 2 [5.5 m³ oil in 40 minutes]
 - C1+C2 = 30 million bbls [net 15 million bbls]
 - Some 2P booking likely at yearend
 - Cheremshanskaya Structure
 - C3 = 60 million bbls [net 30 million bbls]
 - Oil zones will require flow test for 2P booking
- Mapping of Lower Jurassic and Cretaceous intervals progressing