

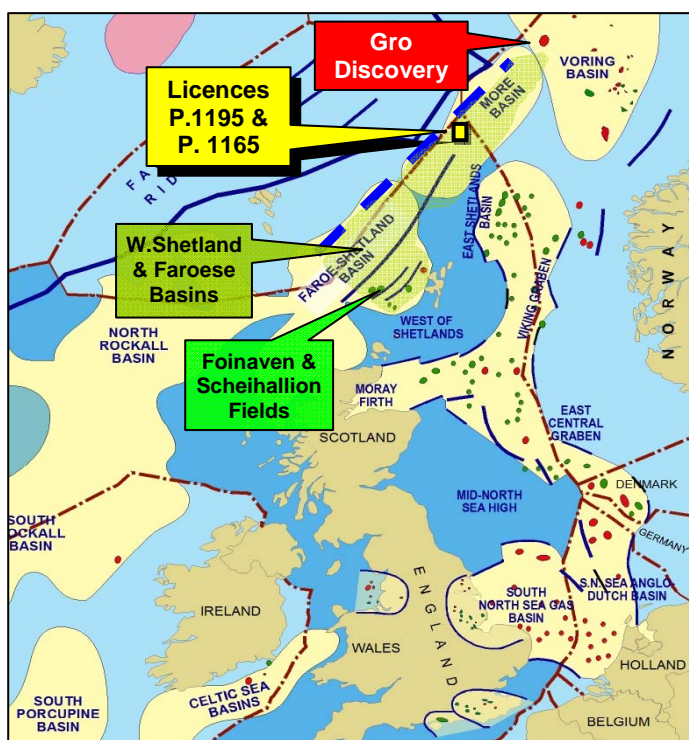
Chevron New Project Introduction



Opportunity to participate in the 'high impact' prospectivity of Licences P.1196 & P.1165 in the Northern North Sea & emerging Atlantic Margin play trend

Introduction: Envoi has been commissioned by Chevron North Sea Limited to identify a new partner to participate in the drilling phase of their UK Atlantic Margin Licences P.1196 and P.1165. Chevron operates these with 60% & 75% interests, respectively. These "high-impact" deepwater licenses lie at the northernmost extremity of British territorial waters where both include very large, 2-D long offset seismic defined prospects. The **Lagavulin Prospect** is situated on license P.1196 (Blocks 217/10, 14 & 15) and is drill-ready with a dedicated slot on the Stena Carron drillship for a late 2010 spud. The **Talisker Prospect** on P.1165 (Blocks 217/3a, 4a, 5 & 221/28a & 29b) is highly dependent on the outcome of Lagavulin and a decision to drill will be based on P.1196 well results.

Regional Play Trend: The prospective acreage lies at the northern end of the Corona Ridge which places it on trend with deepwater licenses being explored in Faroe-Shetland Basin to the south west. To the northeast lies the Møre and Vøring Basins, which are emerging as new exploration provinces in the Norwegian sector where the huge potential is already being proven with various large discoveries including, amongst others, the recently announced and potentially massive Gro discovery (reported to be up to 3 Tcf) made in June of this year. Significantly, the Gro area is understood to exhibit very similar play characteristics to Chevron's acreage and is itself potentially analogous to Lagavulin. The geology in P.1196 license therefore likely relates more closely to the mid-Norway deepwater plays in the Møre and Vøring Basins than to the plays near the Foinaven/Scheihallion "hub" in the Faroe-Shetland Basin.



Prospectivity & Planned Work Programme: Lagavulin is a potentially very large (400 km²) four-way closure defined by 2D seismic which has an in-place mean resource of 2.7 Bn bbls and reasonable (P90) upside of 5.9 Bn bbls depending on which of the three stacked Tertiary and Mesozoic deep marine turbidite sand plays may be charged. The main reservoir targets include: i) Palaeocene/Late Cretaceous turbidite sands immediately below thick basalts, ii). Middle Cretaceous deepwater sands analogous to reservoirs seen in several Mid Norway discoveries, and iii). possible shallow marine and/or fluvial sands in the Jurassic, below the assumed Late Jurassic source horizon.

The Licences were originally awarded in the 22nd UK Round (2004) with Chevron operator of two partnership groups where they hold a 60% interest in Lagavulin (P.1196 with partners OMV 20%, Faroe Petroleum 10% & Idemitsu 10%) and a 75% interest in Talisker (P.1165 and partners Faroe 12.5% and Idemitsu 12.5%). License commitments required new seismic acquisition over the area, which initiated a long-offset 2D seismic survey in 2005 to improve imaging below the thick Palaeocene basalts present over both licenses. The improvement was effectively achieved by acquiring state-of-the-art "Over/Under" source-receiver long offset seismic lines. This work has confirmed the viability of both Chevron's prospects, and in November 2008, the group made a firm commitment to the DECC (UK Government) to drill the Lagavulin well in P.1196 prior to 30 November 2010. Chevron has the deepwater drillship "Stena Carron" on long term contract, and plans to use a 2010 slot to drill Lagavulin. All site survey work for Lagavulin has been completed and the prospect is drill-ready. P.1165 (Talisker) is subject to a Drill-or-Drop decision due by November 30th 2010. In either case economics indicate that subsea / FPSO development would be viable at current oil prices.

Offer: Chevron is offering up to half its interest in P.1196 to a company interested in contributing to the planned Lagavulin well in ~1,570 metres of water and an estimated dry-hole cost of ~US\$ 75 million. This will also earn the right to participate in the Talisker Prospect, a large follow-on Lagavulin-type analogue, in adjacent Licence P.1165.

Further Information: Envoi is currently working on its traditional detailed Synopsis which will be made available in due course along with access to key data. This will be available for review online after execution of the Confidentiality Agreement. Please do not hesitate to contact us in the interim if you have any queries or this particular project is of specific interest and you would like a copy of the CA ahead of the Synopsis and in anticipation of the data being made available online.



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