

Thailand Operations Update

10 February 2010



Thailand L44 Concession

NSE-G3 Exploration Well (CVN 40% & non-operator)

The NSE-G3 exploration well is currently suspended at the casing shoe just below the base of the main NSE central producing volcanic. The deeper volcanic objective in the well was penetrated approximately 175 meters (true vertical depth) deeper than originally anticipated due to a large fault not imaged by 3D seismic data over the prospect as a result of interference from the shallower volcanic objective

Reinterpretation of the data integrating the well results suggests only a small portion of the original prospect closure is eliminated by this fault. Upon completion of the development drilling program currently underway, the well will be re-entered and sidetracked in order to test this deep volcanic objective in an optimal position.

Forward drilling plan

For the next three months the Joint Venture plans to focus exclusively on development and appraisal drilling of the Bo Rang B, NSE-F1, NSE Central, Na Sanun and NSE South oilfields and workovers / recompletions of existing wells in the NSE Central field in order to increase oil production from these assets.

Prospect inventory for Concessions L44, L33 and L20/50 integrating all the well results to date is near complete and will form the basis for high grading locations for an active exploration drilling program that is planned to commence upon the completion of this current phase of development and appraisal drilling.

New Rig

The Joint Venture introduced the Elite Drilling Rig into drilling operations on the NSE-G3 well and released the older Rig 7 and Rig 14 from drilling operations.

The Elite Drilling Rig has the capability to drill more wells than was possible with the two older rigs on account of fewer break down periods and shorter well move times. These time efficiencies together with fewer rig crews and support infrastructure are expected to result in material cost savings to the Joint Venture.

Current well (NSE-G3) to test deep volcanic objective

Drilling over the next 3 months to focus on development & appraisal wells to lift production

The new rig successfully drilled NSE-G3 & replaces 2 older rigs

CVN is expecting an increase in the number of wells per year with the new rig together with material cost savings

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