

29 November 2018

## Discover Exploration farms out Comoros PSC to Tullow Oil

**London, UK** - Discover Exploration Limited (“Discover”), an upstream oil and gas company, announces that its wholly-owned subsidiary Discover Exploration Comoros B.V. has signed a binding agreement to farm out a 35% working interest in its Production Sharing Contract (PSC) covering blocks 35, 36 & 37 offshore the Union of the Comoros (“Comoros PSC”) to Tullow Comoros Limited, a wholly-owned subsidiary of Tullow Oil plc (“Tullow”).

As part of the transaction, Tullow will become the operator, and will partly carry Discover for a 3D seismic survey and the first exploration well. The transaction is subject to governmental consent.

Simultaneously, Discover has signed a binding agreement to acquire (subject to certain conditions) the entire issued share capital of Bahari Resources Limited (“Bahari”), its 40% joint venture partner in the Comoros PSC.

Following completion of both transactions, Discover will hold a 65% non-operated working interest in the Comoros PSC (through its wholly-owned subsidiaries Discover Exploration Comoros B.V. and Bahari), while Tullow will hold the remaining 35% and operatorship (through its wholly-owned subsidiary Tullow Comoros Limited).

The Comoros PSC covers a deep water area of 16,063 km<sup>2</sup> (circa 4 million acres) and is outboard of circa 200 trillion cubic feet (“TCF”) of gas in place discovered in Rovuma Areas 1 and 4, offshore Mozambique. The joint venture partners of Rovuma Areas 1 and 4 include Anadarko Petroleum Corp., China National Offshore Oil Corp. (CNOOC), Eni S.p.A., ExxonMobil Corp., Mitsui & Co. and PTT Exploration and Production (PTTEP).

In a Competent Persons Report dated August 2018, ERCE, the UK-based independent energy consulting group, estimates that two partly stacked prospects in Comoros blocks 35, 36 & 37 together contain gross mean unrisked prospective resources of circa 7.1 billion barrels of oil (+1.1 TCF of associated gas) in an oil case or 49 TCF of non-associated gas (+2.3 billion barrels of condensate) in a gas case.

Following ratification of the Comoros PSC in 2014, Discover and Bahari acquired and interpreted circa 3,900 km of 2D seismic data, and conducted a range of exploratory studies. This farm out to Tullow marks the successful completion of the first exploration period. The partnership is now preparing to acquire a 3D seismic survey, the first ever in the Comoros.

Michael Blaha, Executive Chairman of Discover, said: *“We are excited that Tullow joins Discover in this highly prospective license. With its extensive deep water drilling expertise, Tullow is a strong partner for this venture. Together, we look forward to unlocking the significant potential of our Comoros blocks.”*

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### **For More Information**

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### **About Discover Exploration**

Discover is led by the same executive team that founded, developed and sold Cove Energy plc ("Cove") in 2009-2012. The team has strong expertise in upstream oil and gas across Africa, Europe, Asia and the Middle East.

Cove held an 8.5% non-operated working interest in Rovuma Area 1 offshore Mozambique, where operator Anadarko Petroleum Corp. discovered circa 75 TCF of recoverable gas. In 2012, Cove was acquired by PTTEP for US\$1.9 billion.

Discover's portfolio consists of:

- 65% working interest in exploration blocks 35, 36 and 37 offshore the Comoros, operated by Tullow Oil plc (subject to governmental consent);
- 35% working interest in Petroleum Exploration Permit 38264 (PEP 38264) offshore New Zealand, operated by Beach Energy Limited;
- 22.5% to 45% working interests in exploration and production licenses GEMs and 4Quads offshore the Netherlands, operated by Orange-Nassau Energie B.V.;
- 45% working interest in exploration license Geldsackplate offshore Germany, operated by Orange-Nassau Energie B.V.;
- 20% working interest in exploration license H&L offshore Germany, operated by Wintershall Holding GmbH;
- 32% working interest in exploration license 14/16 offshore Denmark, operated by Edison S.p.A.; and
- A signed farm in agreement, subject to joint venture partner and governmental approvals, to acquire a 25% non-operated working interest in an exploration license offshore West Africa.

The gross unrisks prospective resources from the Competent Persons Report (August 2018) by ERCE are as follows:

| Oil Case                  | Oil Gross Unrisks Prospective Resources (MMstb) |       |        |       | Associated Gas Gross Unrisks Prospective Resources (Bscf) |      |       |      | Chance of Success | Discover Working Interest |
|---------------------------|---|-------|--------|-------|---|------|-------|------|-------------------|---------------------------|
|                           | Low   | Best  | High   | Mean  | Low   | Best | High  | Mean |                   |                           |
| Eocene                    | 422   | 2,125 | 10,383 | 4,501 | 61  | 318  | 1,543 | 676  | 19%               | 65%                       |
| Cenomanian                | 305   | 1,385 | 5,873  | 2,602 | 44  | 208  | 879   | 389  | 16%               |                           |
| Probabilistic Aggregation | 448   | 2,341 | 10,324 | 4,545 | 70  | 355  | 1,576 | 723  | 27%               |                           |

| Gas Case                  | Gas Gross Unrisks Prospective Resources (Bscf) |        |        |        | Condensate Gross Unrisks Prospective Resources (MMbbl) |      |       |       | Chance of Success | Discover Working Interest |
|---------------------------|--|--------|--------|--------|--|------|-------|-------|-------------------|---------------------------|
|                           | Low  | Best   | High   | Mean   | Low  | Best | High  | Mean  |                   |                           |
| Eocene                    | 3,241  | 14,996 | 66,258 | 29,379 | 17   | 199  | 2,457 | 1,360 | 19%               | 65%                       |
| Cenomanian                | 2,802  | 11,734 | 43,679 | 19,939 | 13   | 151  | 1,654 | 901   | 16%               |                           |
| Probabilistic Aggregation | 3,934  | 17,826 | 70,664 | 31,968 | 23   | 277  | 2,724 | 1,332 | 27%               |                           |

Notes:

- 1) "Gross Unrisked" prospective resources are 100% of the volumes estimated to be recoverable from an accumulation. These are unrisked and have not been multiplied by a chance of success, nor a chance of development.
- 2) Chance of Success is an estimate of the probability that drilling the prospect would result in a discovery as defined under SPE PRMS.
- 3) "Probabilistic Aggregation" accounts for dependent risks and the "Chance of Success" is the chance of finding one or more prospective layers.
- 4) "Discover Working Interest" is Discover's working interest after completion of the farm-out to Tullow.
- 5) "MMstb" is million stock tank barrels; "Bscf" is billion standard cubic feet; "MMbbl" is million barrels.

Discover's principal shareholders are: (i) Carlyle International Energy Partners (CIEP), a \$2.5 billion fund that invests in global oil and gas exploration and production, mid- and downstream, oil field services and refining and marketing in Europe, Africa, Latin America and Asia; and (ii) ONH B.V., the holding company of Oranje-Nassau Energie B.V., the largest privately-owned exploration and production operating company in the Netherlands.

Web: [www.discover-exploration.com](http://www.discover-exploration.com)

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