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Petrom reports successful exploration find in Kazakhstan

- Well tests performed in the Jusaly block show daily flow of 200,000 cubic meters of natural gas and 70 cubic meters of condensate
- Petrom's production in Kazakhstan could increase by around 20% per day
- These results strengthen Petrom's position in Caspian area

Petrom, the largest oil and gas producer in South Eastern Europe, achieved considerable results in the field of exploration performed in the Jusaly block in Kazakhstan. During testing a flow of 200,000 cubic meters of natural gas and 70 cubic meters of condensate per day can be reported. „For us, it is of great importance to intensify the exploration and production activities in the Caspian Sea region in order to consolidate the company's leadership in South Eastern Europe. Until 2010, we want to reach a daily production of 30,000 boe in the Caspian Region”, stated Werner Ladwein, member of the Managing Committee, in charge of Exploration and Production.

In line with Petrom's strategy to expand its exploration and production activities in the Caspian Sea region, in December 2005, the exploration well South Rovnaya was drilled to a total depth of 2,000 m in the Jusaly exploration license. Tests in four different production intervals in the Jurassic were conducted in 2006 and remarkable results could be seen. The size of the discovery and the possible exploitation activities are under evaluation.

“Appraisal of this discovery is the next step and development would assist to achieve the strategic targets of 30,000 boe per day until 2010 in the Caspian Region. Based on this new success Petrom's the current daily production in Kazakhstan could be increased by around 1,000 boe” added Werner Ladwein.

Petrom operates in four areas in Kazakhstan in exploration and production. In March 1999, the exploration and production contract for Jusaly block was signed, for a license with a validity period of 25 years, out of which 5 years for exploration and 20 years for production. In May 2005 the exploration license was extended for two more years, until September 2007. The current size of the license is of 20,872 km².



Exploration and Production – a core segment for the company's growth

Until 2010 Petrom aims to stabilize its oil and gas production at a daily production of 210,000 boe in Romania and to increase the reserves replacement rate to 70%. In addition, the company will develop its business in the Caspian Region. The investments in exploration and production will go up to EUR 300 mn per year. EUR 100 mn per year will be invested in exploration activity only. In line with the new exploration strategy, three programs of 3D seismic were started last year, out of which two onshore and one in the Black Sea. All 3 programs have been successfully completed.

In 2005, Petrom has won the exploration licenses for three new blocks in Romania. An area around 15,000 square kilometers will be explored to find new oil and gas by using most modern exploration technologies in the next three years.

In 2005 the level of the total oil and gas production in Romania was 77.95 mn boe or 213,559 boe/day, respectively 5.21 mn tons of crude and gasoline and 6.19 bn cubic meters of natural gas. In Kazakhstan the crude production amounted to 1.1 mn boe or 3,068 boe/day.

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