Glossary of Technical Terms

1 "**Carry finance**" Carried interest is an agreement under which one party (carrying party) agrees to pay for a portion or for all of exploration and development of another party (carried party) on a property in which both own a portion of the working interest. The carrying party is able to recover a specified amount of costs from the carried party's share of the revenue from the production of petroleum, if any, from the property. In case carry finance is given by two or more parties, their respective shares in carry financing are termed as "Carry finance share".

2 "**Un-risked**" refers to resource figures in which possibility of success is not risked.

3 "**Speculative resources**" refers to undiscovered resources that may occur either in known types of deposits in favorable geologic settings where mineral discoveries have not been made, or in types of deposits as yet unrecognized for their economic potential. If exploration confirms their existence and reveals enough information about their quantity, grade and quality, they will be classified as identified resources (reference: definition in USGS website)

4 "**Past cost**" refers to the cost which has already been incurred by the existing owner(s) and is intended to be passed on to the subsequent buyer.

5 "**Petroleum Resource Management System**" refers to the classification system for petroleum resources and related definitions developed by Society of Petroleum Evaluation Engineers, American Association of Petroleum Geologists and World Petroleum Council. This is used internally within the Petroleum industry and provided a consistent approach to estimating petroleum quantities, evaluating development projects, and presenting results within a comprehensive classification framework.

6 "**Farm-out**" refers to an arrangement in which the owner or lessee of mineral rights (the first party) assigns its interest to another party (the second party) for a consideration. The arrangement from the viewpoint of the second party is termed a "**farm-in** arrangement."