

URALS ENERGY ANNOUNCES PASSIVE SEISMIC SURVEY RESULTS WESTERN BLOCK, KOLGUEV ISLAND

Urals Energy announces the successful completion of a Passive Seismic Spectroscopy survey, executed by Geodynamics Worldwide over the Western Block of the Peschanoozerskoye field, Kolguev Island, Russian Federation. Passive seismic spectroscopy investigation method is a direct hydrocarbon indicator based on the phenomenological observation that a hydrocarbon reservoir could modify the seismic background noise.

The original undertaking was to investigate and ascertain the hydrocarbon potential of the block. The grid covered a total surface of 27 km² with 39 seismic stations.

The results revealed five main areas of hydrocarbon potential within the Block, represented by orange-to-red halos in the figure below. The most prominent hydrocarbon potential results are identified in the western and central parts of the surveyed area, made up by three potential areas (WE-1, NS-1, NS-2); whereas the two hydrocarbon potential areas in the eastern part are less prominent in comparison (NS-3, WE-2).

According to Urals Energy G&G data, the passive seismic spectroscopy results over WE-1 and NS-1 endorse the exploration strategy for Well-34 and Object-34. The results over the other three areas (NS-2, NS-3, WE-2) partially overlap with the zones where the Urals Energy geological information show a higher thickness of the reservoir layers.

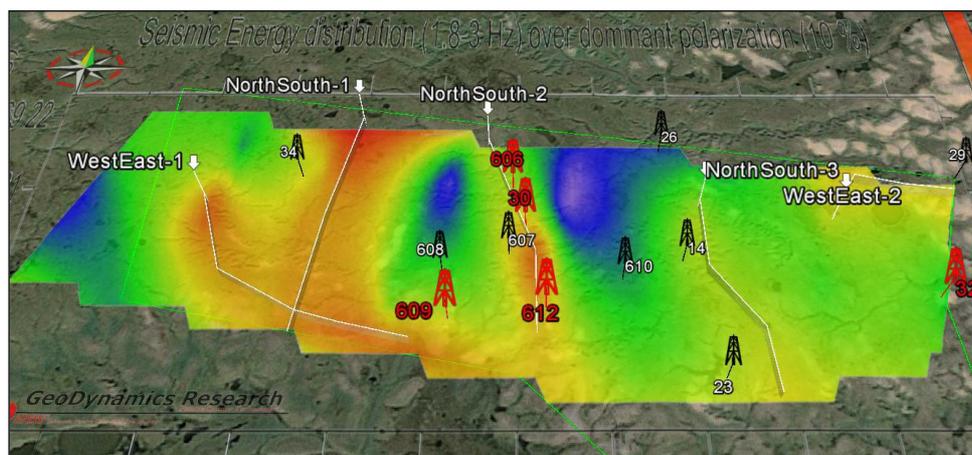


Figure 1: Iso-Energy distribution map over the Western Block of Peschanoozerskoye field overlapped with the wells and the main potential trends: producing wells (red icons); non-active wells (black icons).

This summary report has been approved by Carlo Brentari, senior geologist of Geodynamics Worldwide, responsible for the conclusions of the survey report.

Carlo Brentari holds a degree in Geology from the University of Padova, Italy and a Master in Energy and Environmental Management and Economics from Eni Corporate University, Milan, Italy.