



Natural Gas Reserves Audit Report for Eneva's Interest in Fields Located in the Parnaiba Basin, Brazil as at December 31, 2025

Prepared for:

Eneva S.A.

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**Natural Gas Reserves Audit Report for Eneva's Interest
in Fields Located in Parnaíba Basin, Brazil
as at December 31, 2025**

This Reserves statement has been prepared by Gaffney, Cline & Associates (GaffneyCline) and issued on March 3, 2026 at the request of Eneva S.A. (Eneva or "the Client"). This report is intended solely for Eneva's internal use and is not to be distributed to any third parties without GaffneyCline's prior written consent.

Eneva hold a 100% participating interest in, and is the operator of, the designated gas properties (Figures 1) located onshore in the Parnaíba basin, Brazil. Eneva is a fully integrated Brazilian energy company, with businesses in power generation, energy commercialization, and oil and gas exploration and production.

This report relates specifically and solely to the subject matter as defined in the scope of work in the Proposal for Services and is conditional upon the assumptions specified herein. The report must be considered in its entirety and must only be used for the purpose for which it was intended.

This report has been issued with an effective date of December 31, 2025. Note that during the course of undertaking this audit (in January 2026), GaffneyCline was provided with information specifically relating to the maturation of the planning and commitment for development of the Colinas block (now Gaviãozinho), enabling Reserves to be reported for this project. GaffneyCline has taken this into account and has accordingly attributed Reserves to the Colinas development on the grounds that as at the effective date of December 31, 2025, there existed a reasonable expectation that the requisite maturation would be achieved.

- Gavião Carijó (GVCA)
- Gavião Belo (GVBL)
- Gavião Mateiro (GVM)
- Gaviao Vaqueiro (GVQ)
- Colinas (COL)

GaffneyCline reviewed Eneva's estimates of in-place volumes that were based on one or a combination of pressure data, material balance analysis and/or drilling results of new wells. Eneva performed reservoir simulations for each field, obtaining estimates of recovery factors and production profiles that were also reviewed by GaffneyCline. On the basis of technical and other information made available to GaffneyCline concerning these property units, GaffneyCline hereby provides the Reserves statement in Table 1.

Table 1: Statement of Natural Gas and Condensate Reserves of Certain Fields in the Parnaíba Basin in Brazil, as of December 31, 2025

Reserves Category	Gross Field Volumes		Eneva Net Entitlement Reserves			
	Liquids (MMBbl)	Gas (MMm ³)	Liquids (MMBbl)	Total Gas (MMm ³)	Fuel Gas (MMm ³)	Sale Gas (MMm ³)
Proved Developed	0.27	16,814	0.26	16,752	163	16,589
Proved Undeveloped	1.02	14,293	1.02	14,240	139	14,101
Total Proved (1P)	1.29	31,107	1.28	30,992	302	30,690
Proved+Probable (2P)	1.58	38,073	1.57	37,932	369	37,563
Prov+Prob+Possible (3P)	1.70	40,816	1.69	40,665	396	40,269

Notes

1. Gross Field Volumes are 100% of the volumes estimated to be commercially recoverable from the fields under the existing and confirmed development plans to the end of the concessions, which are between December 31, 2048 and December 31, 2056. They include sales, fuel and flare gas.
2. Eneva Net Entitlement Reserves are Eneva's entitlement volumes under the terms of the contracts that govern these assets. Brazilian Petroleum Law, Article 47 states, "... royalties are to be paid on a monthly basis, in national currency ..." and, therefore, royalties (10%) plus landowner rights (1%) are treated as cash deductions rather than a reduction to volumes. Eneva's working interest in all concessions is 100%.
3. Total Net Entitlement Gas Reserves are Eneva's entitlement of sales gas and gas consumed in operations as fuel (fuel gas, estimated to be 0.97% of Gross Gas Volumes) in each concession.
4. Gas Reserves exclude flare gas. Flare gas is estimated to be 0.37% of Gross Gas Volumes. The total volumes estimated to be flared are 115 MMm³ for 1P, 141 MMm³ for 2P and 151 MMm³ for 3P.
5. Totals may not exactly equal the sum of the individual entries because of rounding.

Natural gas volumes have been reported in million (10⁶) cubic meters (MMm³) and liquid volumes are reported in million (10⁶) barrels (MMBbl) at standard conditions of 1 atmosphere and 15.6 °C.

Gas sales volumes are based on firm and existing gas contracts with power generator companies owned by Eneva.

Field Description

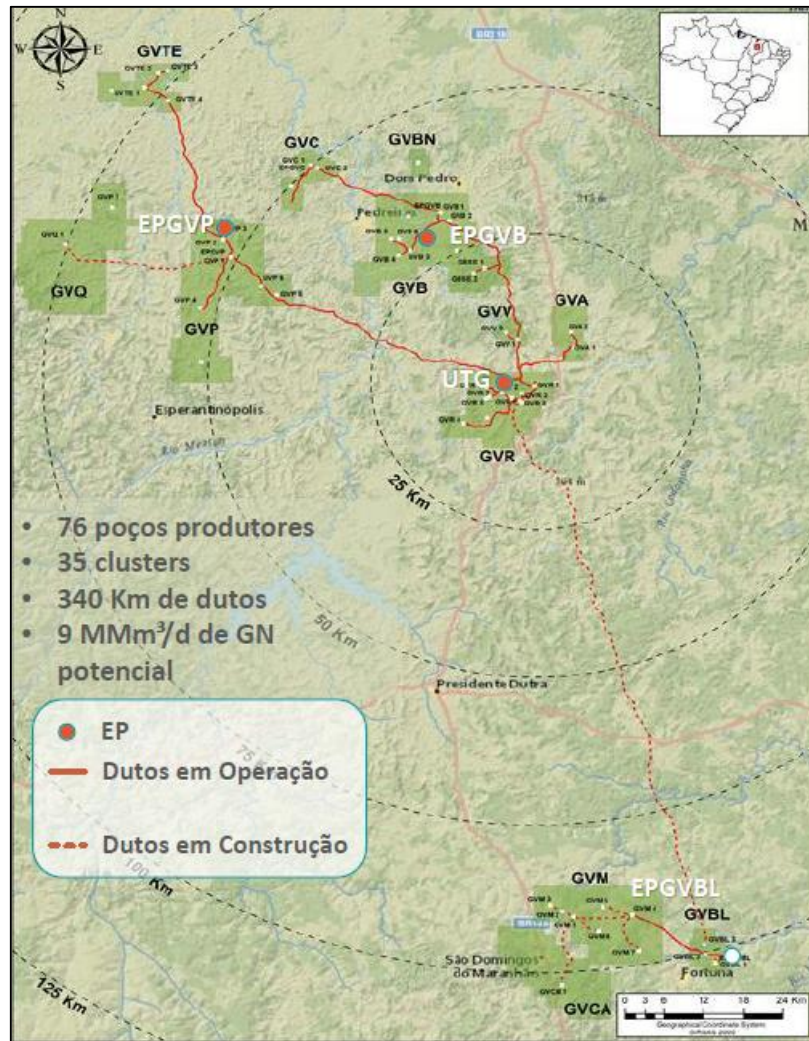
The following is a summary of the development status of the fields included in this report.

- Eight developed gas fields:
 - Gavião Real (GVR): Twenty-three producing wells. Cumulative gas production is 8,239 MMm³ as at December 31, 2025. The development plan includes a compression project to initiate in 2026.
 - Gavião Vermelho (GVV): Six producing wells. Cumulative gas production is 2,014 MMm³ as at December 31, 2025. The development plan includes a compression project to initiate in 2026.
 - Gavião Branco (GVB): Eight producing wells in the Main Area and seven wells in the West Area. Cumulative gas production is 2,795 MMm³ as at December 31, 2025. The development plan includes a compression project to initiate in 2026.
 - Gavião Branco Sudeste (GVBSE): Five producing wells. Cumulative gas production is 1,580 MMm³ as at December 31, 2025. The development plan includes a compression project on well head to initiate in 2030.
 - Gavião Azul (GVA): Five producing wells. Cumulative gas production is 348 MMm³ as at December 31, 2025. Development plan includes the drilling of two new wells.
 - Gavião Caboclo (GVC): Nine producing wells. Cumulative gas production is 3,074 MMm³ as at December 31, 2025. The development plan includes a compression project to initiate in 2030.
 - Gavião Preto (GVP): Twelve producer wells drilled. Cumulative gas production is 1,360 MMm³. The development plan includes a compression project to initiate in 2028.
 - Gavião Tesoura (GVTE): Six producer wells. Start production in January 2025. The development plan includes a compression project to initiate in 2028.
- Six fields under development without historical gas production. The gas pipe of 120 km to connect four of these fields located in the south to the plant treatment facility (UTG) is under construction:
 - Gavião Carijo (GVCA): Eight wells drilled. The field will be on production in 2029. The development plan includes four new wells.
 - Gavião Branco Norte (GVBN): Two wells that will be on production in 2026.
 - Gavião Belo (GVBL): Seven existing wells. The field will be on production in June 2027. The development plan includes a compression project to start in 2030.

- Gavião Mateiro (GVM): Fourteen producer wells. Facilities construction between 2024 and 2026. First gas planned in June 2026. The development plan includes a compression project to start in 2030.
- Gavião Vaqueiro (GVQ): Five wells have been drilled, of which two will be producer wells. No additional wells are planned to be drilled in future. Facilities construction between 2024 and 2026. First gas planned in Q1 2029. The development plan includes a compression project to start in 2030.
- Colinas (COL): Eneva has been working in this block under an Evaluation for Development Plan ending in May 2026. On January 21, 2026, Eneva submitted the Commercial Declaration and Development Plan to ANP and renamed the block Gaviãozinho. In 2023 a relatively small gas accumulation was discovered in good reservoir quality by well 1-ENV-44-MA and a second, separate and larger accumulation of gas was discovered by well 1-ENV-42-MA in low permeability reservoir. In this second structure two further wells were drilled in 2025; well 3-ENV-53-MA did not find reservoir quality facies, and the second well (3-ENV-56A-MA) intersected the top structure slightly above the gas-water contact, leaving only 5 meters of pay. A third well (4-ENV-55-MA) was drilled in 2025 in the block and found minor gas in a third, separate structure. The 4-ENV-55-MA accumulation is not included in this report. GaffneyCline understands that in December 2025 well 1-ENV-59-MA was reported as drilled, into a structure on the far side of a fault from well 1-ENV-42-MA. No data has been provided to GaffneyCline about this well, and no resources are attributed to it in this report. The block is intended to be on production in 2029. The field development plan for Colinas for which Reserves are attributed includes production from the two existing vertical wells (well 1-ENV-42-MA and well 1-ENV-44-MA), and three future horizontal wells in the 1-ENV-42-MA structure. Reserves are based on simulation models prepared by Eneva and reviewed by GaffneyCline.

Figure 2 shows the distance between the first group of fields on current production, and the second group of fields under development. Also shown are the unit of treatment of gas (UTG), the station for production in Gavião Branco (EPGVB) and the station for production in Gavião Preto (EPGVP).

Figure 2: Eneva's Fields and Production Facilities



Source Eneva

Eneva builds static models to estimate the gas volume in place using deterministic methods to define the Low, Best and High scenarios for each block. GaffneyCline reviewed the models and considers Eneva's estimates of GIIP to be reasonable. Table 2 shows the three scenarios of GIIP by block.

Table 2: Original Gas in Place by Block as of December 31, 2025

Field	GIIP (MMm ³)		
	Low	Best	High
GVR	11,080	11,080	11,080
GVA	2,453	3,057	5,118
GVB	6,010	6,010	6,450
GVC	5,210	5,210	5,210
GVD	2,600	2,600	2,600
GVE	2,845	2,845	2,845
GVBSE	2,845	2,845	2,845
GVB	6,010	6,010	6,450
GVC	5,210	5,210	5,210
GVP	9,256	9,256	9,256
GVTE	3,460	4,333	4,710
GVCA	2,360	2,680	3,290
GVBL	5,000	5,770	6,190
GVM	7,620	9,080	10,600
GVQ	1,609	2,009	2,325
COL	1,607	2,297	3,094

Reserves Assessment

This audit was performed with the data available from wells drilled, well tests, the production history and the examination of the simulation models made by Eneva. GaffneyCline reviewed the numerical simulations for each field and agrees with the volumes in place and recovery factors obtained by this methodology. In all cases GaffneyCline checked these volumes against the in-place volumes obtained by deterministic volumetric calculations, and taking into account the cumulative production of the active fields.

Eneva Reserves were estimated as the gross field volumes limited by the expiry of the gas contracts, net of 0.37% flaring and subjected to economic limit test (ELT) considerations. Eneva's working interest is 100% in all fields. These results are shown in Table 3 and 4.

Eneva has presented a compression project to increase production by reducing the gas wellhead pressure down to a minimum of 3 kg/cm². The first stage of the project will be executed between 2026 and 2031 in the fields with current production: GVR and GVV. The second stage in 2030 will connect the fields GVB and GVC and the third stage between 2030 and 2033 will be implemented in fields GVP, GVTE, GVQ, GVM and GVBL.

GaffneyCline considers the compression projects to be mature enough to assign Reserves to the incremental volumes estimated to be recoverable due to compression. The incremental volume have been estimated by Eneva with simulation models and material balance plots (p/z vs cumulative production).

Overall, GaffneyCline considers Eneva's estimates of recoverable gas to be reasonable. However, GaffneyCline recognizes a higher uncertainty in the recovery from fields currently under development and without production or pressure history, including with respect to compression in fields GVP, GVM, GVBL, GVQ, GVCA and GVBN. Nonetheless, GaffneyCline's estimates are within audit tolerance (10%) of Eneva's estimates and therefore GaffneyCline has broadly accepted Eneva's estimates for the reporting of Reserves. GaffneyCline has also reported a wider range of uncertainty in Reserves for Colinas due to reservations about the efficacy of horizontal drilling in this low permeability and heterogenous reservoir.

Table 3: Statement of Natural Gas Reserves of Certain Fields in the Parnaiba Basin as of December 31, 2025

Field	Gross Field Gas Volumes (MMm ³)			Eneva Net Entitlement Gas Reserves (MMm ³)		
	Low	Best	High	1P	2P	3P
GVR	1,551	1,801	1,850	1,545	1,794	1,843
GVA	1,246	1,508	1,508	1,241	1,502	1,502
GVB	2,476	2,735	2,735	2,467	2,725	2,725
GVBN	314	340	368	313	339	367
GVBSE	908	1,077	1,077	905	1,073	1,073
GVV	274	423	423	273	421	421
GVC	1,438	1,781	1,781	1,433	1,774	1,774
GVP	6,523	6,883	6,883	6,499	6,858	6,858
GVTE	2,398	3,475	3,819	2,389	3,462	3,805
GVCA	786	1,000	1,349	783	996	1,344
GVBL	4,345	5,232	5,597	4,329	5,213	5,576
GVM	6,777	8,150	8,811	6,752	8,120	8,778
GVQ	1,265	1,823	2,071	1,260	1,816	2,063
COL	806	1,845	2,544	803	1,838	2,535
Total	31,107	38,073	40,816	30,992	37,932	40,665

Notes

1. Gross (100%) field gas volumes are 100% of the volumes estimated to be commercially recoverable from the fields under the existing and confirmed development plans to the end of the concessions, which are between December 31, 2048 and December 31, 2056. They include sales, fuel and flare gas.
2. Eneva Net Entitlement Gas Reserves are Eneva's entitlement volumes under the terms of the contracts that govern these assets. Brazilian Petroleum Law, Article 47 states, "... royalties are to be paid on a monthly basis, in national currency ..." and, therefore, royalties (10%) plus landowner rights (1%) are treated as cash deductions rather than a reduction to volumes. Eneva's working interest in all concessions is 100%.
3. Eneva Net Entitlement Gas Reserves are Eneva's entitlement of sales gas and gas consumed in operations as fuel (fuel gas, estimated to be 0.97% of Gross Gas Volumes) in each concession.
4. Gas Reserves exclude flare gas. Flare gas is estimated to be 0.37% of Gross field gas volumes. The total volumes estimated to be flared are 115 MMm³ for 1P, 141 MMm³ for 2P and 151 MMm³ for 3P.
5. Total may not exactly equal the sum of the individual entries because of rounding.

The volumes of condensate projected to be produced from these fields was estimated using the condensate gas ratios (CGR) provides by Eneva, which resulted from historical production of fields or ratios measured during testing of wells. CGR estimates are presented in Table 4 and the condensate volumes are presented in Table 5.

Table 4: Condensate-Gas Ratios used to Estimate Condensate Volumes

Field	CGR (Bbl/MMm³)
GVR	13.5
GVA	9.6
GVB	7.6
GVBN	9.4
GVBSE	7.6
GVV	10.3
GVC	11.8
GVP	17.7
GVTE	29.6
GVCA	18.9
GVBL	188.7
GVM	15.7
GVQ	50.3
COL	15.7

Table 5: Statement of Condensate Reserves of Certain Fields in the Parnaiba Basin in Brazil as at December 31, 2025

Field	Gross Field Condensate Volumes (MMBbl)			Eneva Net Entitlement Condensate Reserves (MMBbl)		
	Low	Best	High	1P	2P	3P
GVR	0.021	0.024	0.025	0.021	0.024	0.025
GVA	0.012	0.014	0.014	0.012	0.014	0.014
GVB	0.019	0.021	0.021	0.019	0.021	0.021
GVBN	0.003	0.003	0.003	0.003	0.003	0.003
GVBSE	0.007	0.008	0.008	0.007	0.008	0.008
GVV	0.003	0.004	0.004	0.003	0.004	0.004
GVC	0.017	0.021	0.021	0.017	0.021	0.021
GVP	0.115	0.122	0.122	0.115	0.121	0.121
GVTE	0.071	0.103	0.113	0.071	0.102	0.113
GVCA	0.015	0.019	0.025	0.015	0.019	0.025
GVBL	0.820	0.987	1.056	0.817	0.984	1.052
GVM	0.106	0.128	0.138	0.106	0.127	0.138
GVQ	0.064	0.092	0.104	0.063	0.091	0.104
COL	0.013	0.029	0.040	0.013	0.029	0.040
Total	1.286	1.575	1.694	1.282	1.568	1.689

Notes

1. Gross (100%) field condensate volumes are 100% of the volumes estimated to be commercially recoverable from the fields under the existing and confirmed development plans to the end of the concessions, which are between December 31, 2048 and December 31, 2056. They include condensate from sales, fuel and flare gas.
2. Eneva Net Entitlement Condensate Reserves are Eneva's entitlement volumes under the terms of the contracts that govern these assets. Brazilian Petroleum Law, Article 47 states, "... royalties are to be paid on a monthly basis, in national currency ..." and, therefore, royalties (10%) plus landowner rights (1%) are treated as cash deductions rather than a reduction to volumes. Eneva's working interest in all concessions is 100%.
3. Total may not exactly equal the sum of the individual entries because of rounding.

This audit was based on Reserves estimates and other information provided by Eneva to GaffneyCline up to December 31, 2026 and included such tests, procedures and adjustments as were considered necessary. All questions that arose during the audit process were resolved to GaffneyCline's satisfaction. Additionally, certain information pertaining to the maturity of the development of Colinas that Eneva obtained in January was taken into consideration.

The economic limit tests for the December 31, 2025 Reserves were based on gas prices provided by Eneva from the internal transfer prices of US\$4.5/MMBtu (equivalent to R\$0.85/m³). The ANP reference price used to estimate royalties is R\$0.92/m³.in 2026, R\$0.82/m³.in 2027 and R\$0.78/m³.flat in following years.

The future production forecast is dependent on demand. The operational gas plant maximum capacity is of 9 MMm³/d.

In the preparation of this report, GaffneyCline has used definitions contained within the Petroleum Resources Management System (PRMS), which was approved by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers, the Society of Exploration Geophysicists, the Society of Petrophysicists and Well Log Analysts, and the European Association of Geoscientists and Engineers in June 2018, v1.03 (see Appendix I). A list of common terms is provided in the glossary (Appendix II).

Basis of Opinion

This document reflects GaffneyCline's informed professional judgment based on accepted standards of professional investigation and, as applicable, the data and information provided by Eneva, the limited scope of engagement and the time permitted to conduct the evaluation.

In line with those accepted standards, this document does not in any way constitute or make a guarantee or prediction of results, and no warranty is implied or expressed that actual outcome will conform to the outcomes presented herein. GaffneyCline has not independently verified any information provided by, or at the direction of, Eneva. and has accepted the accuracy and completeness of these data. GaffneyCline has no reason to believe that any material facts have been withheld but does not warrant that its inquiries have revealed all of the matters that a more extensive examination might otherwise disclose.

The opinions expressed herein are subject to and fully qualified by the generally accepted uncertainties associated with the interpretation of geoscience and engineering data and do not reflect the totality of circumstances, scenarios and information that could potentially affect decisions made by the report's recipients and/or actual results. The opinions and statements contained in this report are made in good faith and in the belief that such opinions and statements are representative of prevailing physical and economic circumstances.

There are numerous uncertainties inherent in estimating reserves and resources and in projecting future production, development expenditures, operating expenses and cash flows. Oil and gas resources assessments must be recognized as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way. Estimates of oil and gas resources prepared by other parties may differ, perhaps materially, from those contained within this report.

The accuracy of any resources estimate is a function of the quality of the available data and of engineering and geological interpretation. Results of drilling, testing and production that post-date the preparation of the estimates may justify revisions, some or all of which may be material. Accordingly, resource estimates are often different from the quantities of oil and gas that are ultimately recovered, and the timing and cost of those volumes that are recovered may vary from that assumed.

GaffneyCline's review and audit involved reviewing pertinent facts, interpretations and assumptions made by Eneva or others in preparing estimates of reserves and resources.

GaffneyCline performed procedures necessary to enable it to render an opinion on the appropriateness of the methodologies employed, adequacy and quality of the data relied on, depth and thoroughness of the reserves and resources estimation process, classification and categorization of reserves and resources appropriate to the relevant definitions used and reasonableness of the estimates.

Definition of Reserves

Reserves are those quantities of petroleum that are anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria, based on the development project(s) applied: discovered, recoverable, commercial and remaining (as of the evaluation date).

GaffneyCline is not aware of any potential changes in regulations applicable to these fields that could affect the ability of the Client to produce the estimated reserves.

Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status. All categories of reserves volumes quoted herein have been derived within the context of an economic limit test (ELT) assessment (pre-tax and exclusive of accumulated depreciation amounts) prior to any Net Present Value (NPV) analysis.

GaffneyCline has not undertaken a site visit or inspection because it was not considered relevant for the purpose of this report. As such, GaffneyCline is not in a position to comment on the operations or facilities in place, their appropriateness and condition or whether they are in compliance with the regulations pertaining to such operations. Further, GaffneyCline is not in a position to comment on any aspect of health, safety or environment of such operation.

This report has been prepared based on GaffneyCline's understanding of the effects of petroleum legislation and other regulations that currently apply to these properties. However, GaffneyCline is not in a position to attest to property title or rights, conditions of these rights (including environmental and abandonment obligations), or any necessary licenses and consents (including planning permission, financial interest relationships or encumbrances thereon for any part of the appraised properties).

GaffneyCline is not aware of any carbon pricing impost or GHG emissions related regulations that are applicable to the evaluation of the assets that are the subject of this report. GaffneyCline has also not included the impact of any potential carbon pricing scheme or regulatory compliance costs for GHG emissions that may be implemented in the future.

Qualifications

In performing this study, GaffneyCline is not aware that any conflict of interest has existed. As an independent consultancy, GaffneyCline is providing impartial technical, commercial and strategic advice within the energy sector. GaffneyCline's remuneration was not in any way contingent on the contents of this report.

In the preparation of this document, GaffneyCline has maintained, and continues to maintain, a strict independent consultant-client relationship with Eneva. Furthermore, the management and

employees of GaffneyCline have no interest in any of the assets evaluated or related with the analysis performed as part of this report.

Staff members who prepared this report hold appropriate professional and educational qualifications and have the necessary levels of experience and expertise to perform the work.

Notice

This document is confidential and has been prepared for the exclusive use of Eneva or parties named herein. It may not be distributed or made available, in whole or in part, to any other company or person without the prior knowledge and written consent of Gaffney, Cline & Associates (GaffneyCline). No person or company other than those for whom it is intended may directly or indirectly rely upon its contents. GaffneyCline is acting in an advisory capacity only, and to the fullest extent permitted by law disclaims all liability for actions or losses derived from any actual or purported reliance on this document (or any other statements or opinions of GaffneyCline) by Eneva or by any other person or entity.

Yours sincerely.

Gaffney. Cline & Associates



Reviewed by

Shane Hattingh, Technical Director - Reservoir Engineering.

Appendices

Appendix I PRMS Definitions
Appendix II Glossary

Appendix I PRMS Definitions

**Society of Petroleum Engineers, World Petroleum Council,
American Association of Petroleum Geologists, Society of Petroleum Evaluation Engineers,
Society of Exploration Geophysicists, Society of Petrophysicists and Well Log Analysts,
and European Association of Geoscientists & Engineers**

Petroleum Resources Management System

Definitions and Guidelines (1)

(Revised June 2018)

Table 1.Recoverable Resources Classes and Sub-Classes

Class/Sub-Class	Definition	Guidelines
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.	<p>Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the development and production status.</p> <p>To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability (see Section 2.1.2, Determination of Commerciality). This includes the requirement that there is evidence of firm intention to proceed with development within a reasonable time-frame.</p> <p>A reasonable time-frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While five years is recommended as a benchmark, a longer time-frame could be applied where, for example, development of an economic project is deferred at the option of the producer for, among other things, market-related reasons or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.</p> <p>To be included in the Reserves class, there must be a high confidence in the commercial maturity and economic producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.</p>

¹ These Definitions and Guidelines are extracted from the full Petroleum Resources Management System (revised June 2018) document.

Class/Sub-Class	Definition	Guidelines
On Production	The development project is currently producing or capable of producing and selling petroleum to market.	<p>The key criterion is that the project is receiving income from sales, rather than that the approved development project is necessarily complete. Includes Developed Producing Reserves.</p> <p>The project decision gate is the decision to initiate or continue economic production from the project.</p>
Approved for Development	All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project is ready to begin or is under way.	<p>At this point, it must be certain that the development project is going ahead. The project must not be subject to any contingencies, such as outstanding regulatory approvals or sales contracts. Forecast capital expenditures should be included in the reporting entity's current or following year's approved budget.</p> <p>The project decision gate is the decision to start investing capital in the construction of production facilities and/or drilling development wells.</p>
Justified for Development	<p>Implementation of the development project is justified on the basis of reasonable forecast</p> <p>commercial conditions at the time of reporting, and there are reasonable expectations that all necessary approvals/contracts will be obtained.</p>	<p>To move to this level of project maturity, and hence have Reserves associated with it, the development project must be commercially viable at the time of reporting (see Section 2.1.2, Determination of Commerciality) and the specific circumstances of the project. All participating entities have agreed and there is evidence of a committed project (firm intention to proceed with development within a reasonable time-frame) There must be no known contingencies that could preclude the development from proceeding (see Reserves class).</p> <p>The project decision gate is the decision by the reporting entity and its partners, if any, that the project has reached a level of technical and commercial maturity sufficient to justify proceeding with development at that point in time.</p>

<p>Contingent Resources</p>	<p>Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.</p>	<p>Contingent Resources may include, for example, projects for which there are currently no viable markets, where commercial recovery is dependent on technology under development, where evaluation of the accumulation is insufficient to clearly assess commerciality, where the development plan is not yet approved, or where regulatory or social acceptance issues may exist.</p> <p>Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the economic status.</p>
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Class/Sub-Class	Definition	Guidelines
Development Pending	A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.	<p>The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g., drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time-frame. Note that disappointing appraisal/evaluation results could lead to a reclassification of the project to On Hold or Not Viable status.</p> <p>The project decision gate is the decision to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity at which a decision can be made to proceed with development and production.</p>
Development on Hold	A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay.	<p>The project is seen to have potential for commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a probable chance that a critical contingency can be removed in the foreseeable future, could lead to a reclassification of the project to Not Viable status.</p> <p>The project decision gate is the decision to either proceed with additional evaluation designed to clarify the potential for eventual commercial development or to temporarily suspend or delay further activities pending resolution of external contingencies.</p>
Development Unclarified	A discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information.	<p>The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are ongoing to clarify the potential for eventual commercial development.</p> <p>This sub-class requires active appraisal or evaluation and should not be maintained without a plan for future evaluation. The sub-class should reflect the actions required to move a project toward commercial maturity and economic production.</p>
Development Not Viable	A discovered accumulation for which there are no current plans to develop or to acquire additional data at the time because of limited production potential.	<p>The project is not seen to have potential for eventual commercial development at the time of reporting, but the theoretically recoverable quantities are recorded so that the potential opportunity will be recognized in the event of a major change in technology or commercial conditions.</p> <p>The project decision gate is the decision not to undertake further data acquisition or studies on the project for the foreseeable future.</p>

Class/Sub-Class	Definition	Guidelines
Prospective Resources	Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.	Potential accumulations are evaluated according to the chance of geologic discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.
Prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a	Project activities are focused on assessing the chance of geologic discovery and, assuming discovery, the range of potential recoverable quantities under a commercial development program.
Lead	A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation to be classified as a Prospect.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to confirm whether or not the Lead can be matured into a Prospect. Such evaluation includes the assessment of the chance of geologic discovery and, assuming discovery, the range of potential recovery under feasible development scenarios.
Play	A project associated with a prospective trend of potential prospects, but that requires more data acquisition and/or evaluation to define specific Leads or Prospects.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to define specific Leads or Prospects for more detailed analysis of their chance of geologic discovery and, assuming discovery, the range of potential recovery under hypothetical development scenarios.

Table 2. Reserves Status Definitions and Guidelines

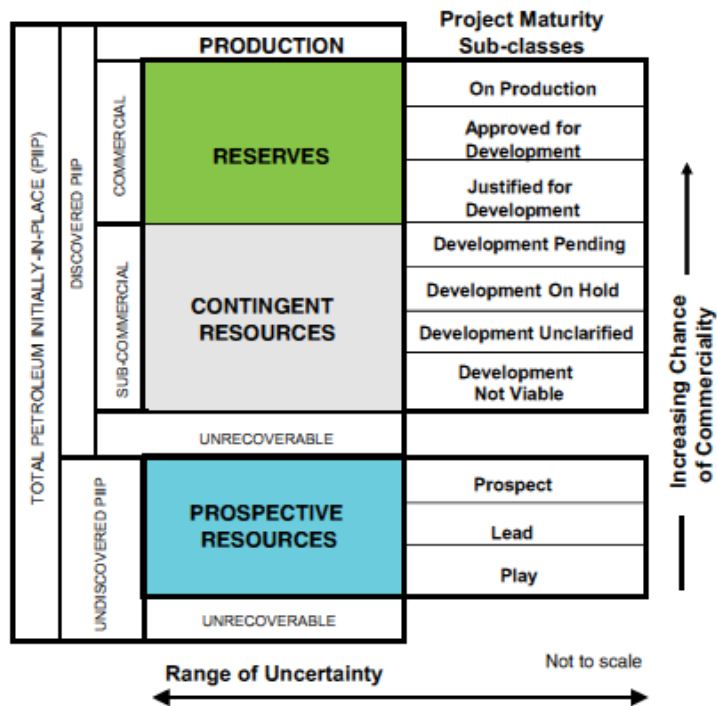
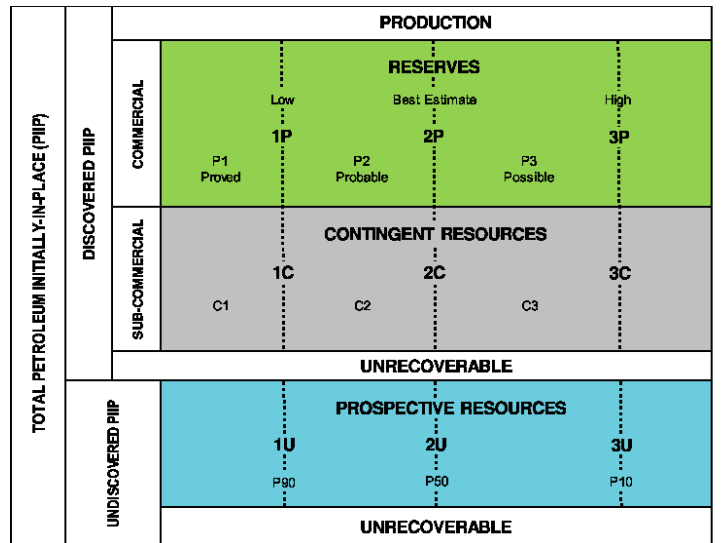
Status	Definition	Guidelines
Developed Reserves	Expected quantities to be recovered from existing wells and facilities.	Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-producing.
Developed Producing Reserves	Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.	Improved recovery Reserves are considered producing only after the improved recovery project is in operation.
Developed Non-Producing Reserves	Shut-in and behind-pipe Reserves.	<p>Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.</p> <p>In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.</p>
Undeveloped Reserves	Quantities expected to be recovered through future significant investments.	Undeveloped Reserves are to be produced (1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g., when compared to the cost of drilling a new well) is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

Table 3. Reserves Category Definitions and Guidelines

Category	Definition	Guidelines
Proved Reserves	<p>Those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations.</p>	<p>If deterministic methods are used, the term “reasonable certainty” is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the estimate.</p> <p>The area of the reservoir considered as Proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data.</p> <p>In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the LKH as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved.</p> <p>Reserves in undeveloped locations may be classified as Proved provided that:</p> <ul style="list-style-type: none"> A. The locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially mature and economically productive. B. Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled Proved locations. <p>For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the Proved area and the applied development program.</p>
Probable Reserves	<p>Those additional Reserves that analysis of geoscience and engineering data indicates are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.</p>	<p>It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.</p> <p>Probable Reserves may be assigned to areas of a reservoir adjacent to Proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria.</p> <p>Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for Proved.</p>

Category	Definition	Guidelines
Possible Reserves	Those additional reserves that analysis of geoscience and engineering data indicates are less likely to be recoverable than Probable Reserves.	<p>The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability (P10) that the actual quantities recovered will equal or exceed the 3P estimate.</p> <p>Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of economic production from the reservoir by a defined, commercially mature project.</p> <p>Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.</p>
Probable and Possible Reserves	See above for separate criteria for Probable Reserves and Possible Reserves.	<p>The 2P and 3P estimates may be based on reasonable alternative technical interpretations within the reservoir and/or subject project that are clearly documented, including comparisons to results in successful similar projects.</p> <p>In conventional accumulations, Probable and/or Possible Reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from Proved areas by minor faulting or other geological discontinuities and have not been penetrated by a wellbore but are interpreted to be in communication with the known (Proved) reservoir. Probable or Possible Reserves may be assigned to areas that are structurally higher than the Proved area. Possible (and in some cases, Probable) Reserves may be assigned to areas that are structurally lower than the adjacent Proved or 2P area.</p> <p>Caution should be exercised in assigning Reserves to adjacent reservoirs isolated by major, potentially sealing faults until this reservoir is penetrated and evaluated as commercially mature and economically productive. Justification for assigning Reserves in such cases should be clearly documented. Reserves should not be assigned to areas that are clearly separated from a known accumulation by non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results); such areas may contain Prospective Resources.</p> <p>In conventional accumulations, where drilling has defined a highest known oil elevation and there exists the potential for an associated gas cap, Proved Reserves of oil should only be assigned in the structurally higher portions of the reservoir if there is reasonable certainty that such portions are initially above bubble point pressure based on documented engineering analyses. Reservoir portions that do not meet this certainty may be assigned as Probable and Possible oil and/or gas based on reservoir fluid properties and pressure gradient interpretations.</p>

Figure 1.1-RESOURCES CLASSIFICATION FRAMEWORK



Appendix II Glossary

%	Percentage
1H05	First Half (6 months) 05 (example)
2H06	Second Half (6 months) 06 (example)
°API	Degrees API (American Petroleum Institute)
AAPG	American Association of Petroleum Geologists
B	Billion (10 ⁹)
Bbl	Barrels
/Bbl	per barrel
BBbl	Billion Barrels
Bscf or Bcf	Billion standard cubic feet
Bscfd or Bcfd	Billion standard cubic feet per day
Bm ³	Billion cubic metres
bcpd	Barrels of condensate per day
BHP	Bottom Hole Pressure
blpd	Barrels of liquid per day
bpd	Barrels per day
boe	Barrels of oil equivalent @ xxx mcf/Bbl
bopd	Barrels oil per day
bwpd	Barrels of water per day
BS&W	Bottom sediment and water
BTU	British Thermal Units
bwpd	Barrels water per day
CO ₂	Carbon Dioxide
CAPEX	Capital Expenditure
cm	centimetres
CNG	Compressed Natural Gas
Cum	Cumulated Production in Millions of barrels oil equivalent
Deg C	Degrees Celsius
Deg F	Degrees Fahrenheit
DST	Drill Stem Test
DWT	Dead-weight ton
DWT	Dead-weight ton
E&A	Exploration & Appraisal
E&P	Exploration and Production
EBIT	Earnings before Interest and Tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EI	Entitlement Interest
EIA	Environmental Impact Assessment
ELT	Economic Limit Test
EMV	Expected Monetary Value
EOR	Enhanced Oil Recovery
EUR	Estimated Ultimate Recovery
FDP	Field Development Plan
FEED	Front End Engineering and Design
FWL	Free Water Level
ft	Foot/feet
Fx	Foreign Exchange Rate

g	gram
g/cc	grams per cubic centimetre
gal	gallon
gal/d	gallons per day
G&A	General and Administrative costs
GBP	Pounds Sterling
GCoS	Geological Chance of Success
GDT	Gas Down to
GIIP	Gas Initially In Place
GJ	Gigajoules (one billion Joules)
GOC	Gas Oil Contact
GOR	Gas Oil Ratio
GRV	Gross Rock Volumes
GTL	Gas to Liquids
GWC	Gas water contact
HDT	Hydrocarbons Down to
HSE	Health, Safety and Environment
HSFO	High Sulphur Fuel Oil
HUT	Hydrocarbons up to
H ₂ S	Hydrogen Sulphide
IOR	Improved Oil Recovery
IPP	Independent Power Producer
IRR	Internal Rate of Return
J	Joule (Metric measurement of energy) 1 kilojoule = 0.9478 BTU)
k	Permeability
KB	Kelly Bushing
KJ	Kilojoules (one Thousand Joules)
kl	Kilolitres
km	Kilometres
km ²	Square kilometres
kPa	Thousands of Pascals (measurement of pressure)
KW	Kilowatt
KWh	Kilowatt hour
LAS	Log ASCII Standard
LKG	Lowest Known Gas
LKH	Lowest Known Hydrocarbons
LKO	Lowest Known Oil
LNG	Liquefied Natural Gas
LoF	Life of Field
LPG	Liquefied Petroleum Gas
m	Metres
M	Thousand
m ³	Cubic metres
MBbl	Thousand of Barrels
MTn	Thousand of Tones
Mcf or Mscf	Thousand standard cubic feet
MCM	Management Committee Meeting
MMcf or MMscf	Million standard cubic feet
m ³ /d	Cubic metres per day

mD	Measure of Permeability in millidarcies
MD	Measured Depth
MDT	Modular Dynamic Tester
Mean	Arithmetic average of a set of numbers
Median	Middle value in a set of values
MFT	Multi Formation Tester
mg/l	milligrams per litre
MJ	Megajoules (One Million Joules)
Mm ³	Thousand Cubic metres
Mm ³ /d	Thousand Cubic metres per day
MM	Million
MMm ³	Million Cubic metres
MMm ³ /d	Million Cubic metres per day
MMBbl	Millions of barrels
MMBTU	Millions of British Thermal Units
MMBOE	Millions of barrels of oil equivalent
Mscfd	Thousand standard cubic feet per day
MMscfd	Million standard cubic feet per day
MW	Megawatt
MWD	Measuring While Drilling
MWh	Megawatt hour
mya	Million years ago
NGL	Natural Gas Liquids
N ₂	Nitrogen
NTG	Net/Gross Ratio
NPV	Net Present Value
OBM	Oil Based Mud
OCM	Operating Committee Meeting
ODT	Oil-Down-To
OGIP	Original Gas in Place
OIIP	Oil Initially In Place
OOIP	Original Oil in Place
OPEX	Operating Expenditure
OWC	Oil Water Contact
p.a.	Per annum
Pa	Pascals (metric measurement of pressure)
P&A	Plugged and Abandoned
PD	Proved Developed Producing
Phie	effective porosity
PI	Productivity Index
PIIP	Petroleum Initially In Place
PJ	Petajoules (10 ¹⁵ Joules)
PSDM	Post Stack Depth Migration
psi	Pounds per square inch
psia	Pounds per square inch absolute
psig	Pounds per square inch gauge
PUD	Proved Undeveloped
PVT	Pressure, Volume and Temperature
P10	10% Probability

P50	50% Probability
P90	90% Probability
Re.MMBOE	Reserves in Millions of barrels of oil equivalent
RF	Recovery Factor
RT	Rotary Table
R/P	Reserve to Production
R _w	Resistivity of water
SCAL	Special core analysis
cf or scf	Standard Cubic Feet
cf/d or scfd	Standard Cubic Feet per day
scf/ton	Standard cubic foot per ton
SL	Straight line (for depreciation)
s _o	Oil Saturation
SPM	Single Point Mooring
SPE	Society of Petroleum Engineers
SPEE	Society of Petroleum Evaluation Engineers
SPS	Subsea Production System
SS	Subsea
stb	Stock tank barrel
STOIP	Stock tank oil initially in place
Swi	irreducible water saturation
s _w	Water Saturation
Tn	Tonnes
TD	Total Depth
Tne	Tonnes equivalent
THP	Tubing Head Pressure
TJ	Terajoules (10 ¹² Joules)
Tscf or Tcf	Trillion standard cubic feet
TCM	Technical Committee Meeting
TOC	Total Organic Carbon
TOP	Take or Pay
Tpd	Tonnes per day
TVD	True Vertical Depth
TVDss	True Vertical Depth Subsea
UFR	Umbilical Flow Lines and Risers
USGS	United States Geological Survey
US\$	United States dollar
VLCC	Very Large Crude Carrier
Vsh	shale volume
VSP	Vertical Seismic Profiling
WC	Water Cut
WI	Working Interest
WPC	World Petroleum Council
WTI	West Texas Intermediate
wt%	Weight percent