



MPRL E&P Group of Companies

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Press Release

Myint & Associates Offshore Supply Base Ltd. receives Myanmar Investment Commission Approval for New Business Venture

20 May 2017, YANGON – Myint & Associates Offshore Supply Base Ltd. (M&AOSB), a subsidiary of Myint & Associates Co., Ltd. and a member of the MPRL E&P Group of Companies, is pleased to announce that, today, it has received approval from the Myanmar Investment Commission, in compliance with the Myanmar Investment Law and Myanmar Investment Regulations, to invest in an Offshore Supply Base Project. The announcement by the Directorate of Investment and Company Administration can be seen on their website: <http://www.dica.gov.mm>.

M&AOSB intends to build and operate its Offshore Supply Base in Nga Yoke Kaung Bay area in Ayeyarwaddy Division where it is most ideally situated for a project of this type. Myanmar is currently one of world's hotspots for oil and gas exploration, according to research firm IHS Global Insights. In 2014, the Ministry of Electricity and Energy awarded 20 international consortia rights to explore and produce offshore blocks via the signing of Production Sharing Contracts (PSCs). The terms of those PSCs require the operators of those blocks to invest in exploration activities, including drilling commitment of a specified number of wells, over a period spanning up to seven years. An efficient offshore supply base located within Myanmar will be a critical requirement to support this activity in terms of lowered costs and increased operational efficiency. M&AOSB intends to capture this large and ever-growing market and, in addition, provide its services to the already discovered offshore fields (such as Block A-6) together with any that may be developed in the future.

M&AOSB, which has been working on its Offshore Supply Base Project for the past two years, has undertaken a number of feasibility studies and is well advanced in its planning. It has already conducted an EIA and SIA in consultation with local stakeholders. Following the granting of approval by MIC, the company now plans to fast track its project, and is confident that its facility will be ready for business by the end of 2019.

M&AOSB will leverage the expertise of Myint & Associates Co., Ltd., which has been and remains the leader in the energy services sector within Myanmar and regional oil and gas industry since 1989, as well as its sister companies, MPRL E&P and MPEP.

MPRL E&P was founded in 1996 and has since been the main contractor to MOGE with regard to undertaking production enhancement operations in Mann Field, located in Central Myanmar. MPRL E&P later signed a PSC contract to conduct exploration activity in offshore Block A-6 in 2007 and made the first gas discovery in the southern

offshore Rakhine Basin in 2012 during its Pyi Thar exploration drilling campaign. Subsequently, in late 2015, MPRL E&P and its partners consisting of Woodside and Total, embarked on the Shwe Yee Htun exploration drilling campaign and drilled a second exploration well in Block A-6. Exploration well Shwe Yee Htun-1 was drilled in record setting water depths of 2034 meters and resulted in a second gas discovery which was officially announced in January 2016. Appraisal well drilling is now scheduled to take place commencing in June 2017 whereby two appraisal wells will be drilled back-to-back. M&AOSB is a critical element towards enabling any potential development in Block A-6 to be pursued in an accelerated manner.

MPEP was founded as the group's Myanmar arm for upstream exploration and production activities. In 2013-2014, MPEP entered into joint venture partnership with operators Shell and Woodside respectively for offshore Blocks A-4 and A-7.

M&AOSB estimates that it will invest approximately US \$ 50 million to construct the initial phase of the project and it expects that it will generate MMK 25 billion of state revenues over the first ten years of the project.

The offshore supply base will have a tremendous impact towards serving the offshore oil and gas sector. The development of this base will create a significant number of jobs for the local community and contribute to increased development of the Ayeyarwady Region with extensive improvements to infrastructure. MPRL E&P Group of Companies are extremely proud to have received formal MIC approval for this exciting project.

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