

MASIRAH OIL LTD - PRESS RELEASE

COMPLETION OF DEVELOPMENT AND EXPLORATION DRILLING PROGRAMME COMMITMENT IN OMAN

Muscat, 5 April 2021: Masirah Oil Limited (“**MOL**”) today announced that following the successful drilling of two Yumna Field development wells, it has completed drilling three exploration prospects that were located near to the Yumna Field, offshore in the Arabian Sea.

The first prospect, Zakhera, was drilled 11 kilometres south of the Yumna Field. The target reservoir came in on depth with good oil shows encountered but the sand quality was poor. Yumna East was drilled three kilometres east of the Yumna Field. Good quality sands were encountered in the target reservoir. However, the reservoir was water filled. The third prospect, Yumna North, was drilled six kilometres to the north of the Yumna Field. This too encountered good quality reservoir sands as prognosed but the reservoir was water filled.

The results confirmed the extents of the good quality Lower Aruma sandstone and will help refine MOL’s understanding of the trap mechanisms in the area. Notably, major costs savings were achieved by drilling five wells in one campaign. The exploration wells were drilled for about US\$3.5 million each, equivalent to less than US\$1,700 per metre. Cost-effective drilling will greatly help MOL to further de-risk additional exploration prospects, enabling MOL to continue to pursue an active exploration programme in Block 50 Oman.

Following the successful drilling of two Yumna Field development wells, MOL has upgraded the liquid capacity of its production facilities to 30,000 barrels per day to cater to the increased production from the three Yumna production wells. The three wells were tested steadily over a week at rates of 20,000 barrels of oil per day in March 2021 and the production rate has since then been optimised in accordance with the reservoir management plan, aimed at maximising recovery from the Yumna Field.

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