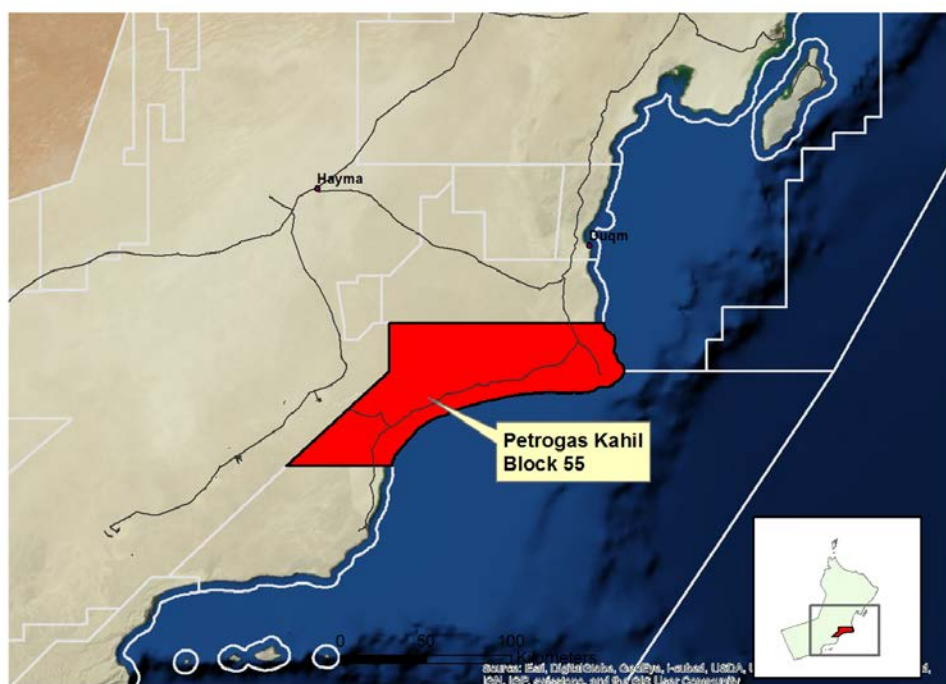


Petrogas Kahil LLC signs EPSA for Oman Block 55



Petrogas Kahil LLC, a wholly owned subsidiary of Petrogas Exploration and Production LLC has signed an Exploration and Production Sharing Agreement (EPSA) with the Government of the Sultanate of Oman for a 100% interest in Block 55, called the Kahil Block.

The EPSA is a six year agreement comprising two phases. The first phase will be four years followed by the second phase which will be two years.

Block 55 was originally part of the Block 6, a PDO Concession. It comprises an area of 7,564 sq. kms and is located in the Al Wusta region of Oman on the eastern flank of the prolific South Oman Salt Basin. Block 55 has some 4,200 kms of vintage seismic, on which only four wells were drilled, the last in 1995. In the interim, an increase in geological understanding has resulted in the opening up of new hydrocarbon plays in Oman. Improvements in geophysical technologies coupled with the integration of the historic data, will allow for a speedy implementation of the Petrogas work programme.

On behalf of the shareholders of Petrogas & MB Holding Company, Usama Al Barwani, Director, MB Holding Company LLC, thanked His Majesty the Sultan and the Government of Oman for awarding Petrogas with the contract for Block 55. He said, "We are deeply honoured that the Government of Oman has entrusted Petrogas E&P with this prestigious contract. I am confident that Petrogas will fulfill its commitment in a timely and efficient manner."

Based on the evaluation of vintage seismic, well data and regional geologic studies, Petrogas envisages that it will be able to test a range of hydrocarbon plays. The conventional play targets will include the Cretaceous and the Permian units. The latter is expected to be similar to that in the adjacent Petrogas Operated "Rima Small Fields" area (part of a Petroleum Development Oman service contract). Frontier plays include the carbonate stringers embedded in Ara Group, and the Nafun play, which has proven to be productive elsewhere in Oman.

Jean Denis Bouvier, CEO, Petrogas E&P, said, "I wish to express my gratitude to His Majesty the Sultan, the Government of Oman and the Ministry of Oil & Gas for entrusting in Petrogas in realizing the full value lying in the subsurface of this large concession."

He further added, "I am very excited by the oil & gas potential of this block which has not seen any activity since 1995. With the help of additional seismic coverage and by targeting plays proven since then, I am confident in the prospect of a commercial discovery in Block 55".

Petrogas will evaluate a series of geophysical studies to delineate the location and plan new seismic to be shot. The seismic will be shot as early as studies are complete in 2014 followed with a number of exploration wells.

The Company plans to immediately start the reprocessing of older seismic data and aero gravity and magnetic surveys early in 2014 in preparation for the seismic plan.

Petrogas E&P LLC is a privately owned exploration and production company, based in the Sultanate of Oman, and part of the MB Holding Company. Petrogas is engaged in the full range of petroleum activities - from exploration to development and production - through its subsidiaries, with its head office in Muscat, Oman. Petrogas produces oil and gas in Egypt & Oman.