

THE UMUTU GAS PLANT

Umutu Field, OML 38, Western Niger Delta

Proposed Gas Utilization Facility

By

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and

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INTRODUCTION

The Asuokpu/Umutu Field lies in the Northern Delta Depobelt, in Shell's OML 38, Western Niger Delta. It was awarded to Platform Petroleum Limited as a Marginal Field in 2003 after a competitive Bid Round. On April 01, 2005, following handover of the Field in November 2004, Platform executed a Joint Venture Agreement with Newcross Petroleum Limited resulting in a 60/40 Equity ownership of the Field with Platform remaining the Operator.

The Phase I development of the Field was kicked off in August 2005, culminating in First Oil, achieved on December 01, 2007. This phase entailed the re-entry, testing and completion of two existing wells (Umutu - 2 and 4) as well as the construction and installation of a 10,000bopd Flowstation. 48 Kilometers of Export Pipelines was also installed in two segments (32km of 6" Pipeline from Umutu to the Umusadege Hub and 16km of 8" pipeline from the Hub to Agips' Kwale Facility).

The Phase II development, as detailed in the Field Development Plan earlier approved by the department of Petroleum Resources (DPR) entails further development drilling and ramp-up of oil production as well as providing a gas solution.

The Umutu Gas is quite rich in liquids. Our gas solution is, therefore, designed to be in two parts:

- A liquids stripping plant to produce LPG and NGL and
- Sale of the lean gas to a third party offtaker.

TECHNICAL OVERVIEW

Estimated gas reserves for the Umutu Field range from a low of 75bcf through a most likely of 180bcf to a high of 320bcf. About four additional wells will be required to firm up these reserves.

Most instructive, however, are the yields for LPG, excess propane and NGL that have been calculated from the composition of the Umutu Gas. For input gas volume of 30mmscf/day, the yields are as follows:

LPG	-	1,200bbls/day
NGL (condensate)	-	500bbls/day
Excess Propane	-	350bbls/day

Based on the most likely gas reserve of 180bcf, gas supply for a 30mmscf/day plant is guaranteed for sixteen (16) years.

The Technical concepts and yields for the proposed plant are as shown below:

(i) Processing Steps

1.	Inlet Gas Compression	1500 - 2000HP
2	Booster Compression	App. 700HP
3	NGL Recovery Process	Refrigerated (J - T)
4	Refrigeration Compression	800HP
5	Dehydration System	Mol Sieve
6	NGL Fractionation	Butane/Propane as 70/30 Mix. Excess propane sold separately.
7	Condensate Stabilization	Yes
8	Product Storage Included	Yes

9	Truck Loading Facility	Yes
10	Inter Skid Piping	Yes
11	Bottle Filling Station	Yes
12	Fire Fighting Equipment included	Yes
13	Sales Gas Transmission	Gas leaves Plant at 200psia. Pipeline compression stations to be designed if required.

(ii) **Plant Performance**

1	Capacity (mmscf/d)	30.0
2	C3 Recovery	68%
3	C4 Recovery	90%
4	C5 Recovery	98%
5	LPG Production (bpd)	1,200
6	Excess Propane (bpd)	350
7	Condensate Prod. (bpd)	480
8	Residue/Fuel Flow rate (mmscf/d)	25.0

PRODUCTION PLAN

The Gas Plant will be sited beside the Umutu Flowstation for ease of feedstock supply. Associated gas will be fed from the flare exit of the Flowstation to the plant. Some Non-Associated Gas (NAG) reservoirs will be completed (U - 2.0 and U - 3.0) as standby supply support to mitigate any fluctuations in associated gas supplies from the Flowstation.

The main products from the plant would be Liquified Petroleum Gas (LPG), Natural Gas Liquids (NGL or Condensate) and some excess propane.

The LPG would be sold on wholesale basis to major LPG marketers who have storage space and bottling plants. A loading bay with storage capacity for five days' production of LPG and Propane will come as part of the plant package.

The NGL (condensate) will be spiked back into our Crude Oil production and sold as such.

The resulting lean gas (25mmscf/day) will be sold to a third party off-taker. To this end, discussions are on-going between Agip and the cluster of five marginal fields around Umusadege, of which we are one.

BUSINESS DESCRIPTION

LPG demand in Nigeria has been driven principally by availability (actually the lack of it) of supply. The major source of domestic LPG supply has been the refineries. When they are down, LPG supply is zero and the Nation resorts to imports. The demand has, therefore, fluctuated between 20,000 and 100,000tons per annum in the last ten years. Suppressed demand is believed to be over 400,000tons per annum.

Arising from the uncertainty of supply is the low storage capacity currently existing in the Country.

Our marketing strategy is to identify major LPG bottling plants and pre-sell all our production to them. Companies like Oando, Total, Technoil, Nidogas, etc. have already been approached and have indicated interest in offtaking different volumes respectfully. Smaller players like the large number of small-sized bottling plants scattered across the Benin-Warri-Onitsha-Port Harcourt axis will be expected to off take additional volumes on a spot basis.

MANAGEMENT SUMMARY

The Gas Plant will be run as a complimentary facility to the already existing Umutu Flowstation.

A Management Team drawn from the Asuokpu/Umutu Field Joint Venture Partners will run the Plant, reporting to Platform Petroleum Limited, the Field Operator. The Management Structure is as summarized below:

