

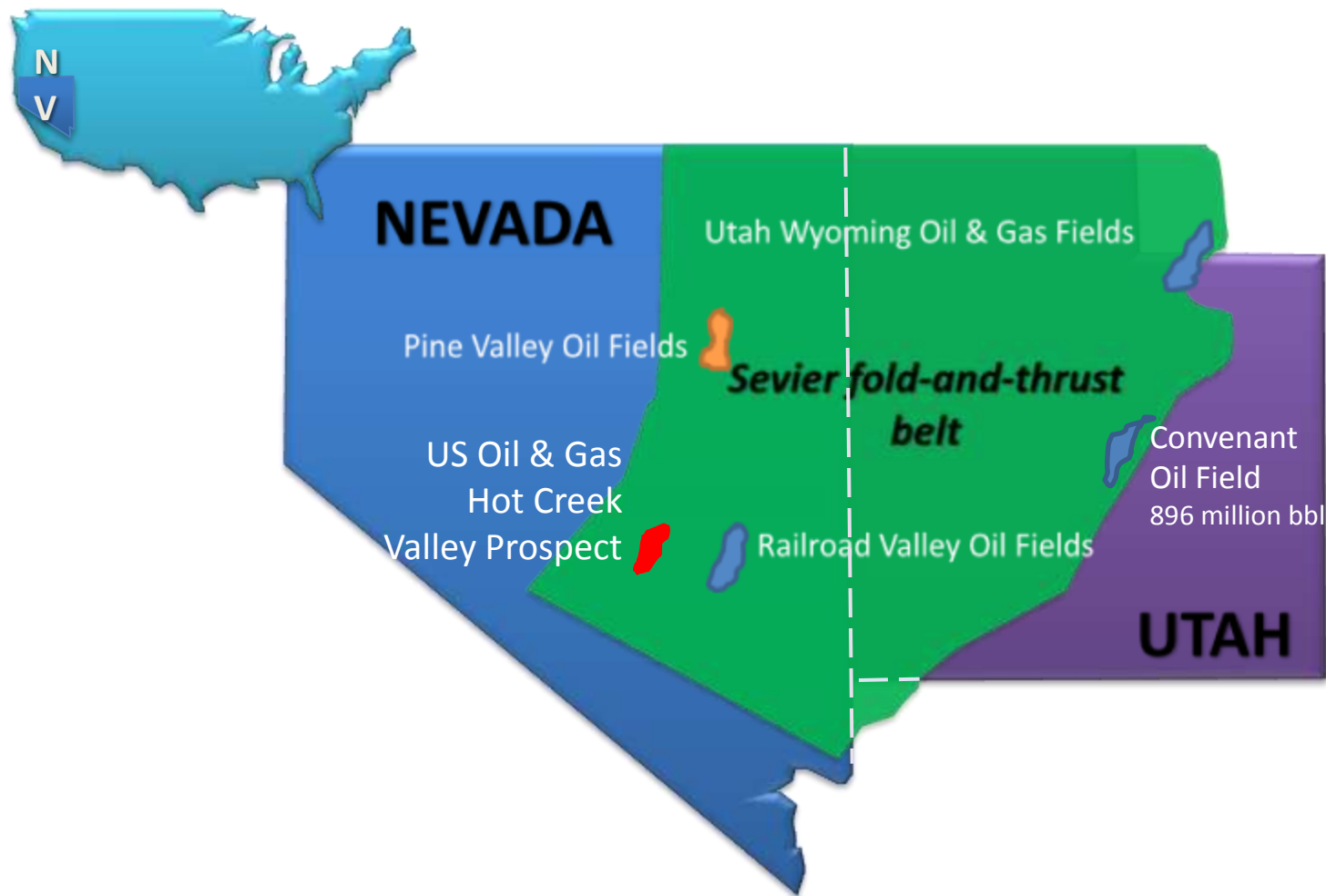
Technical Aspects of Hot Creek Valley Discovery



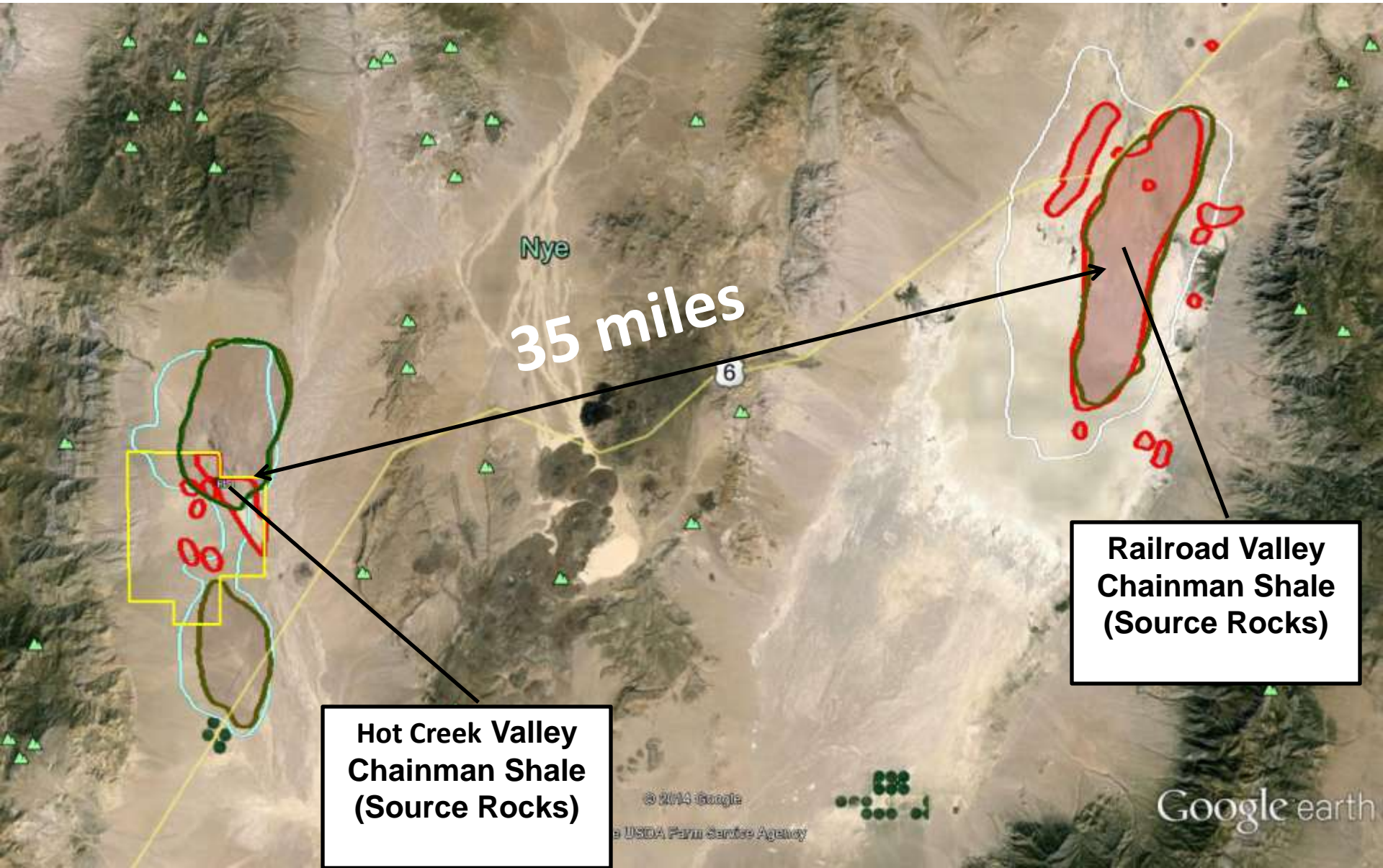
Annual General Meeting
19th June, 2015

Raddison Blu, St. Helens Hotel, Stillorgan Road, Blackrock, Co Dublin, Ireland

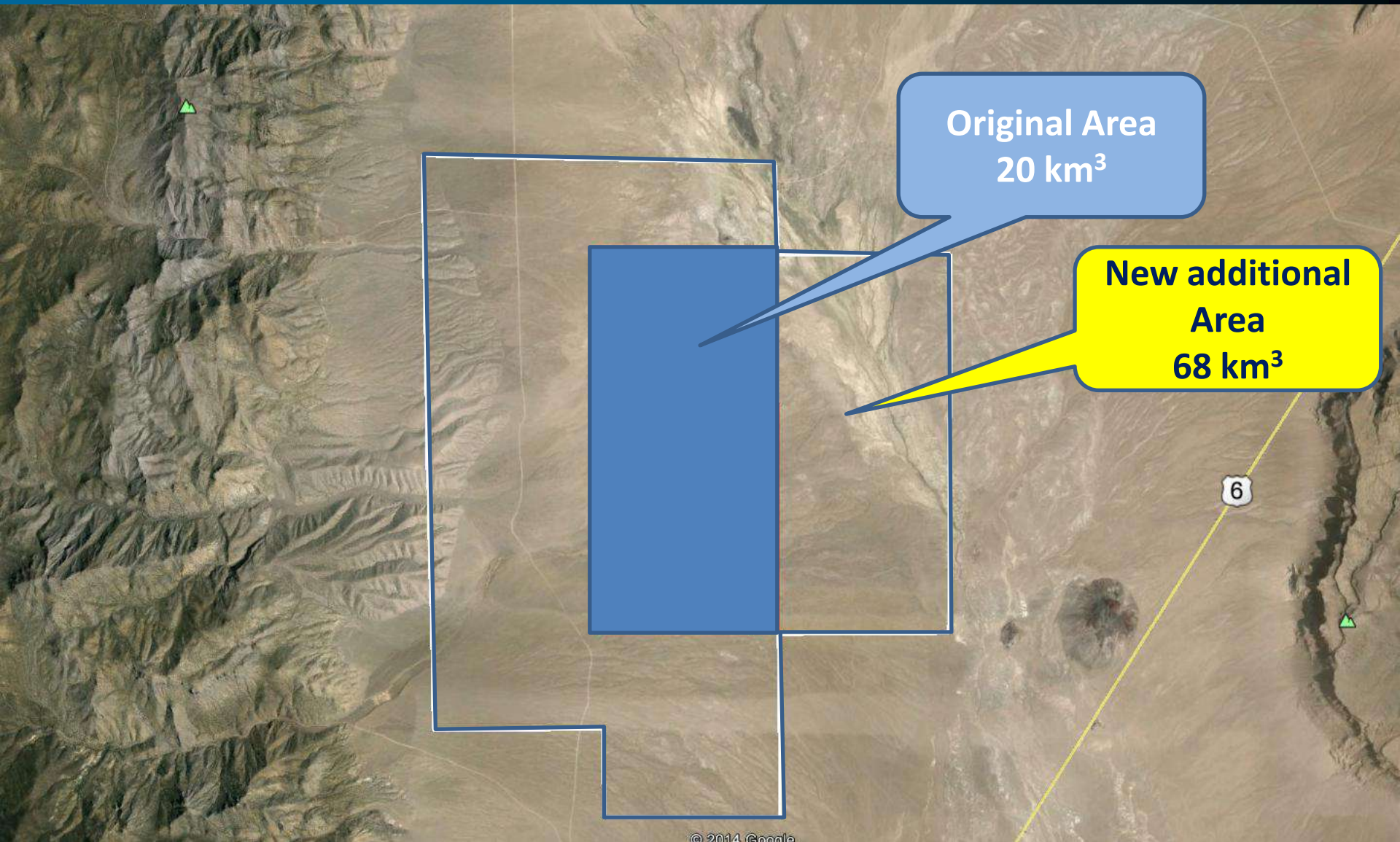
Mississippian Antler Foreland Basin



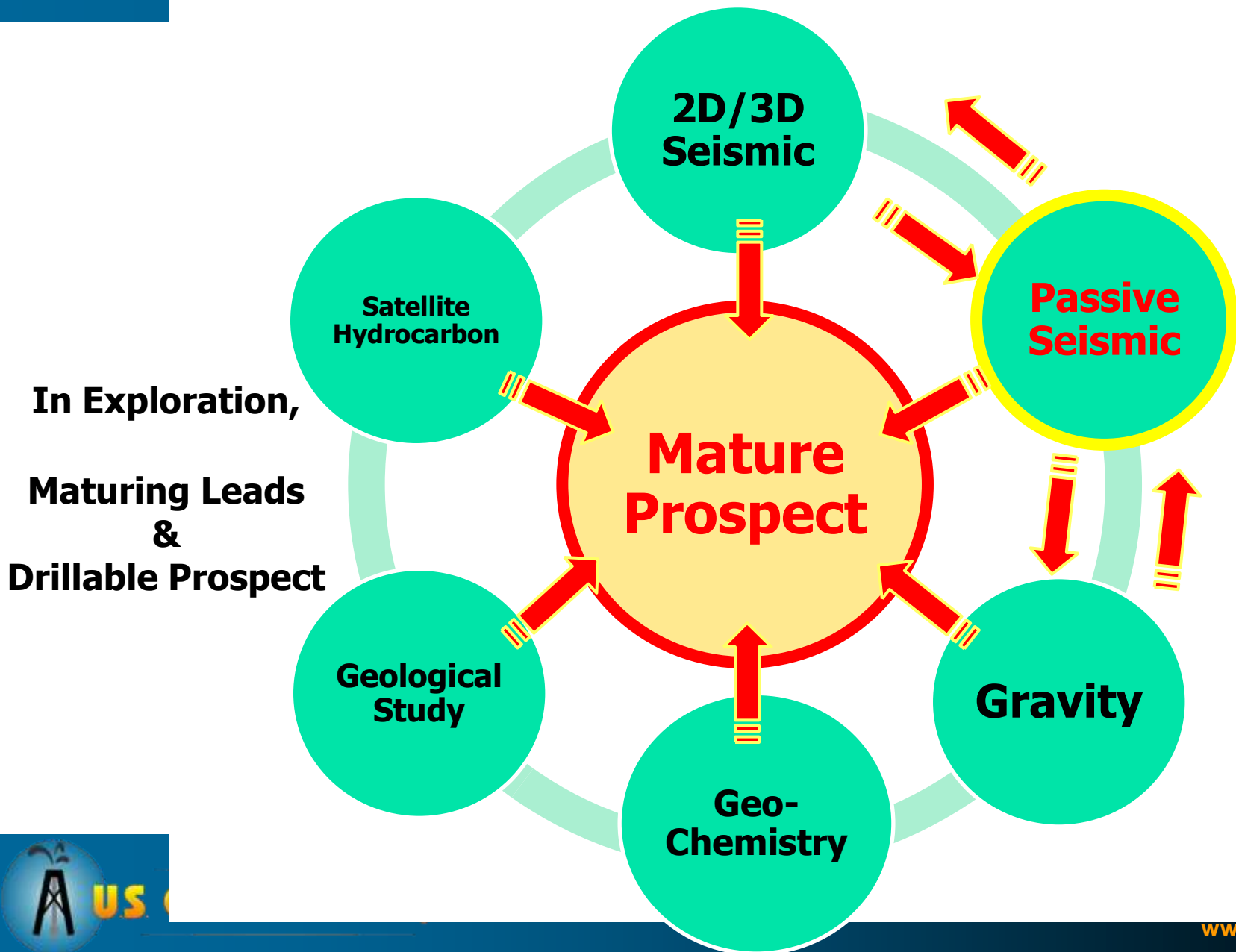
Location Map of Hot Creek Valley and Railroad Valley with boundary assumption of Chainman Shale Basins



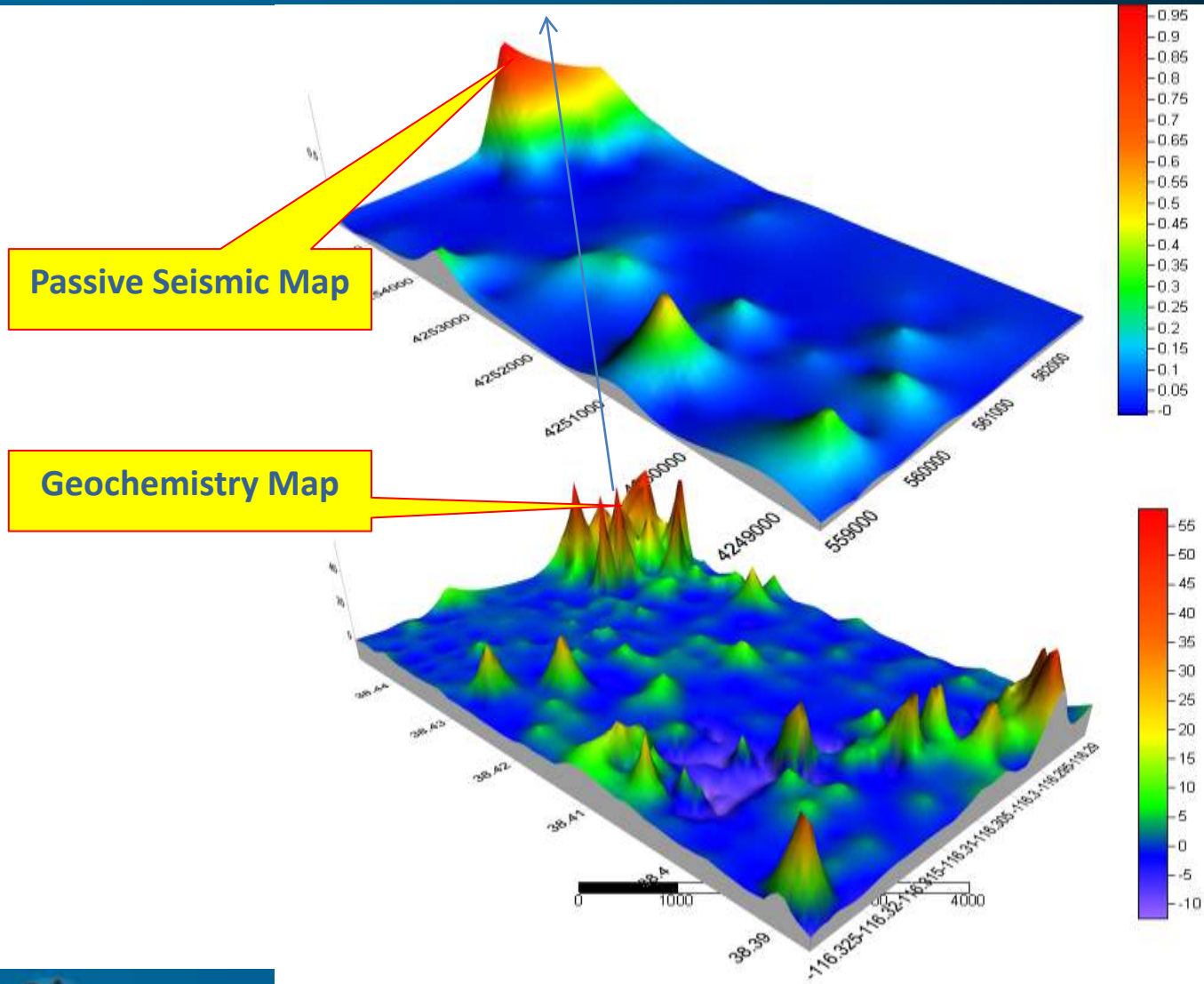
Current USOIL Block 88 m² (2012)



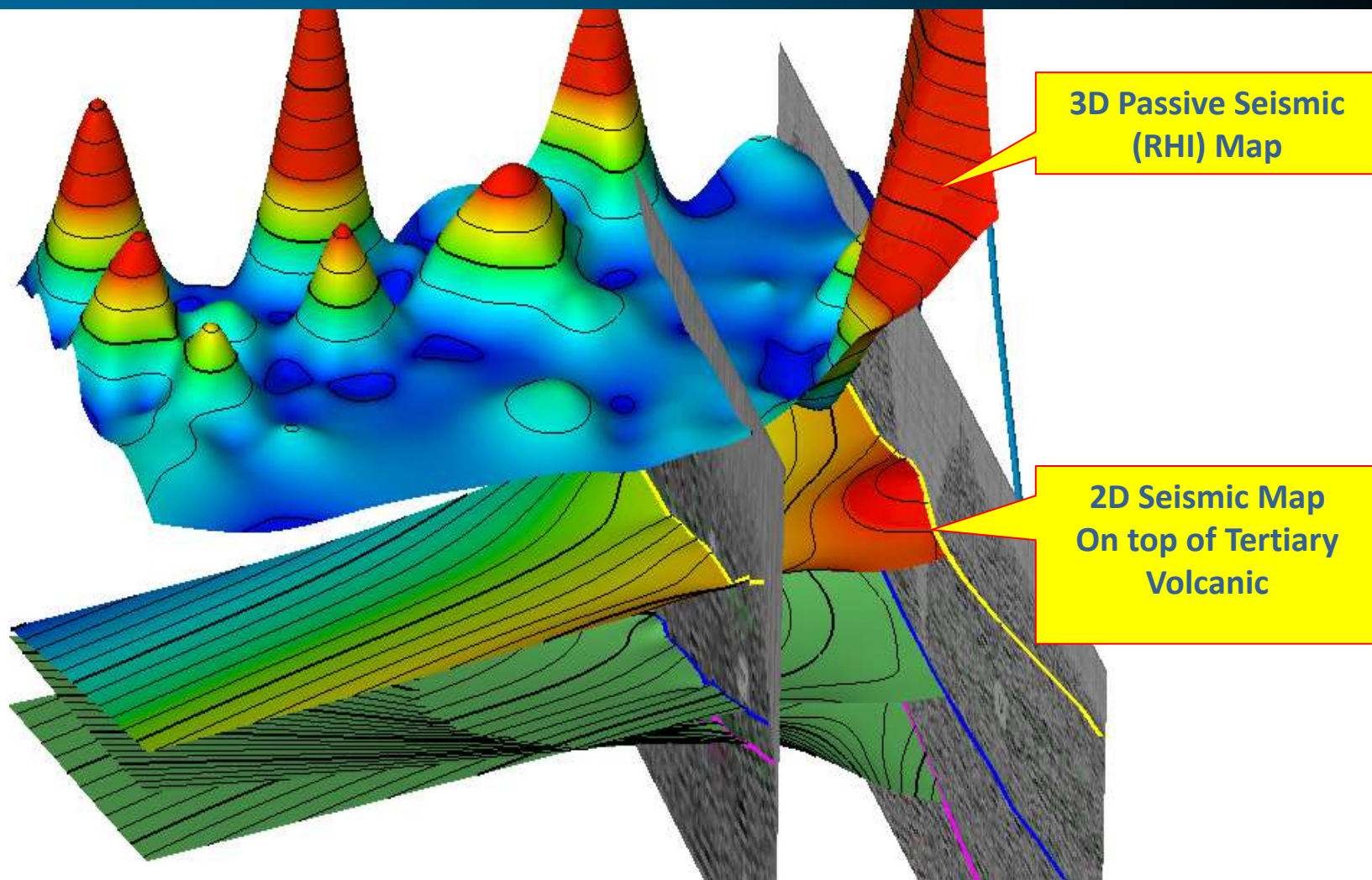
Data Integration – Maturing Prospects



**tween RHI map on top, and Geochemical Z-Sum map
in bottom over Initial 20 sq.km acrage**



3D reservoir Model , RHI, 2D seismic map with seismic lines over Initial 20 sq.km acrage

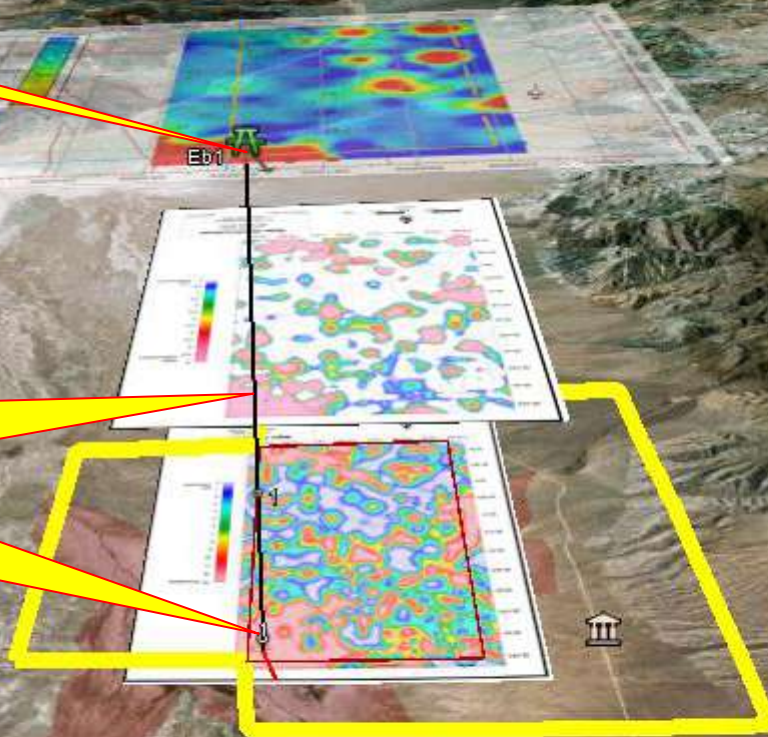


Eblana-1 (well status)



Eblana-1 Discovery well

**Based on
Geochemical maps
identified Eb-1**



New Geochemical-III survey results-2014

The results from the reconnaissance Geochemical & Gravity Surveys of US Oil's before un-surveyed wider lease area confirm that:

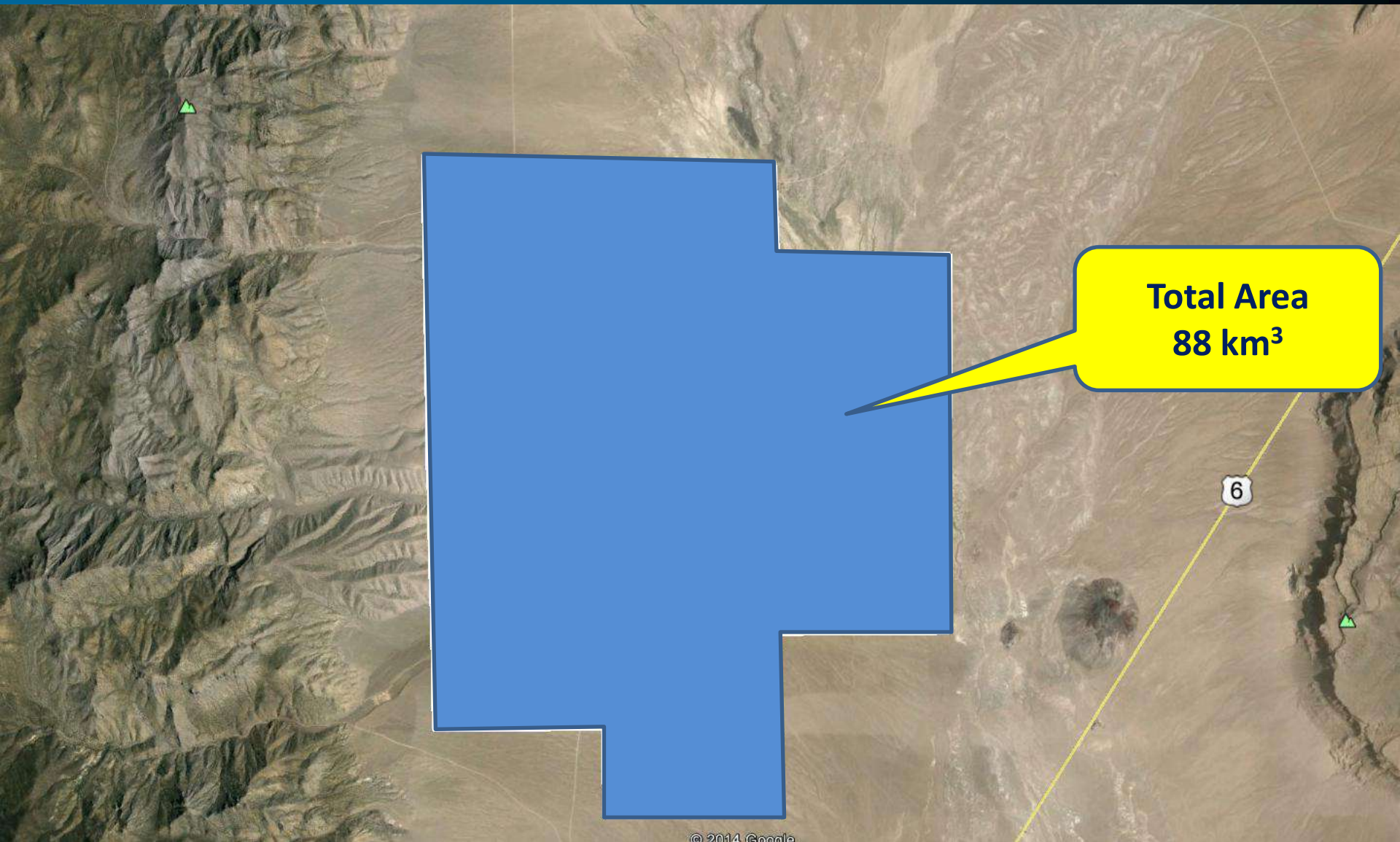
- The oil reservoir previously identified, and targeted by the Eblana-1 well, extends significantly further to South East & South West into the Company's acreage.
- The intersection of the two sets of fault lines shows stronger indications of the presence of hydrocarbons more than does anywhere else on the USOIL acreage.

New Geochemical-III survey results-2014

Based on Geochemical-III Survey Results, produced the following Geochemical indicator Maps:

1. Magnetic Susceptibility (MS),
2. High Resolution Soil Spectral Analysis (HRSSA)
3. Conductivity (umhos)
4. Iodine,
5. Hydrocarbons by UV-Vis Spectroscopy
6. HRSSA components L Star
7. HRSSA components A Star
8. HRSSA components B Star
9. Soil Spectral map
10. Thermal Spectral-T
11. Thermatic Spectra

Current USOIL Block 88 m² (2012)



© 2014 Google

Five Hydrocarbon Potential prospects within USOIL Block (Based on available Geochemical data)

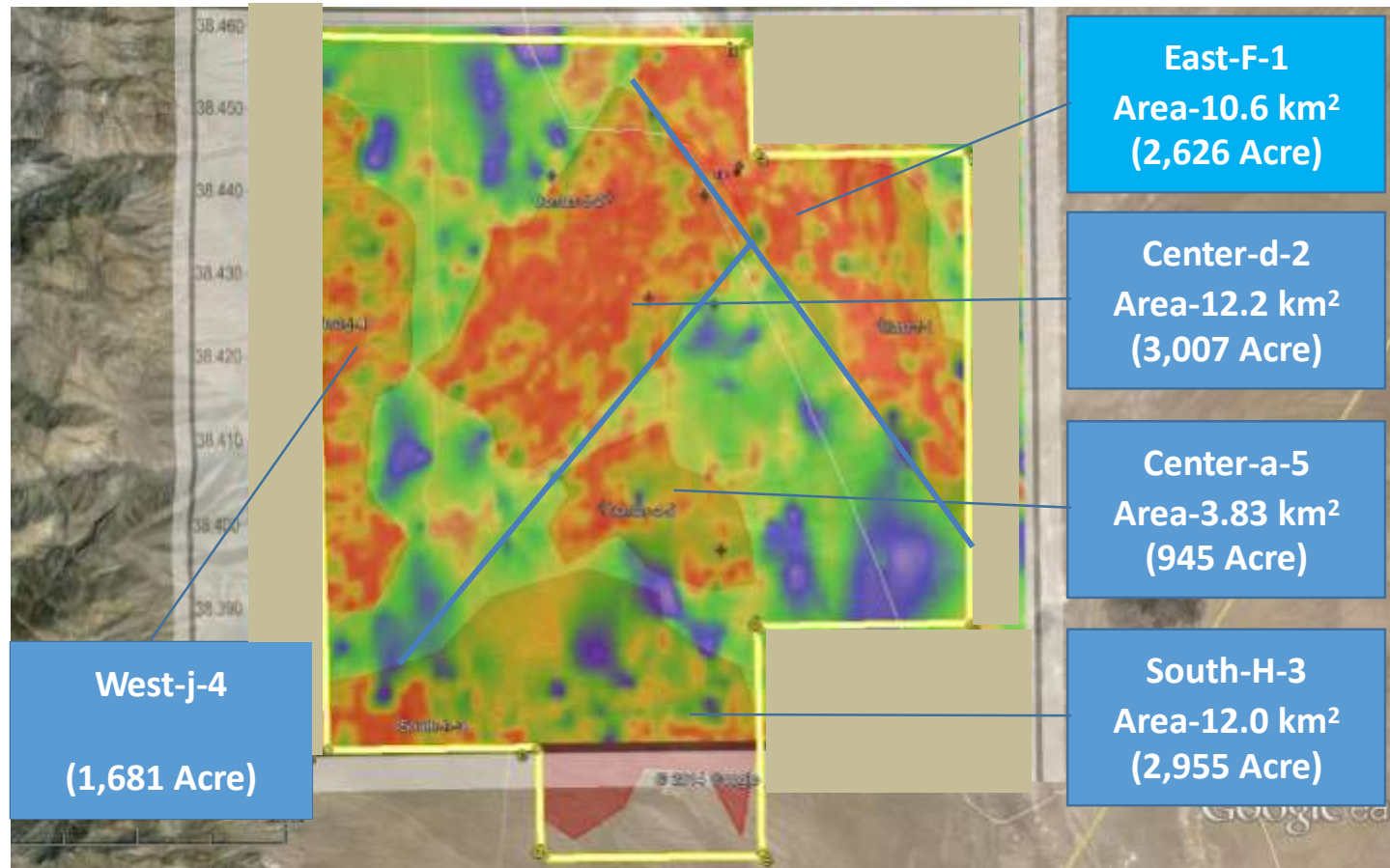


Figure-3: Five Potential Hydrocarbon prospects Pool Areas

Based on USOIL (Geochemical-III & Passive Seismic –II Results)

Five Hydrocarbon Potential prospects within USOIL Block (Based on available Geochemical data)

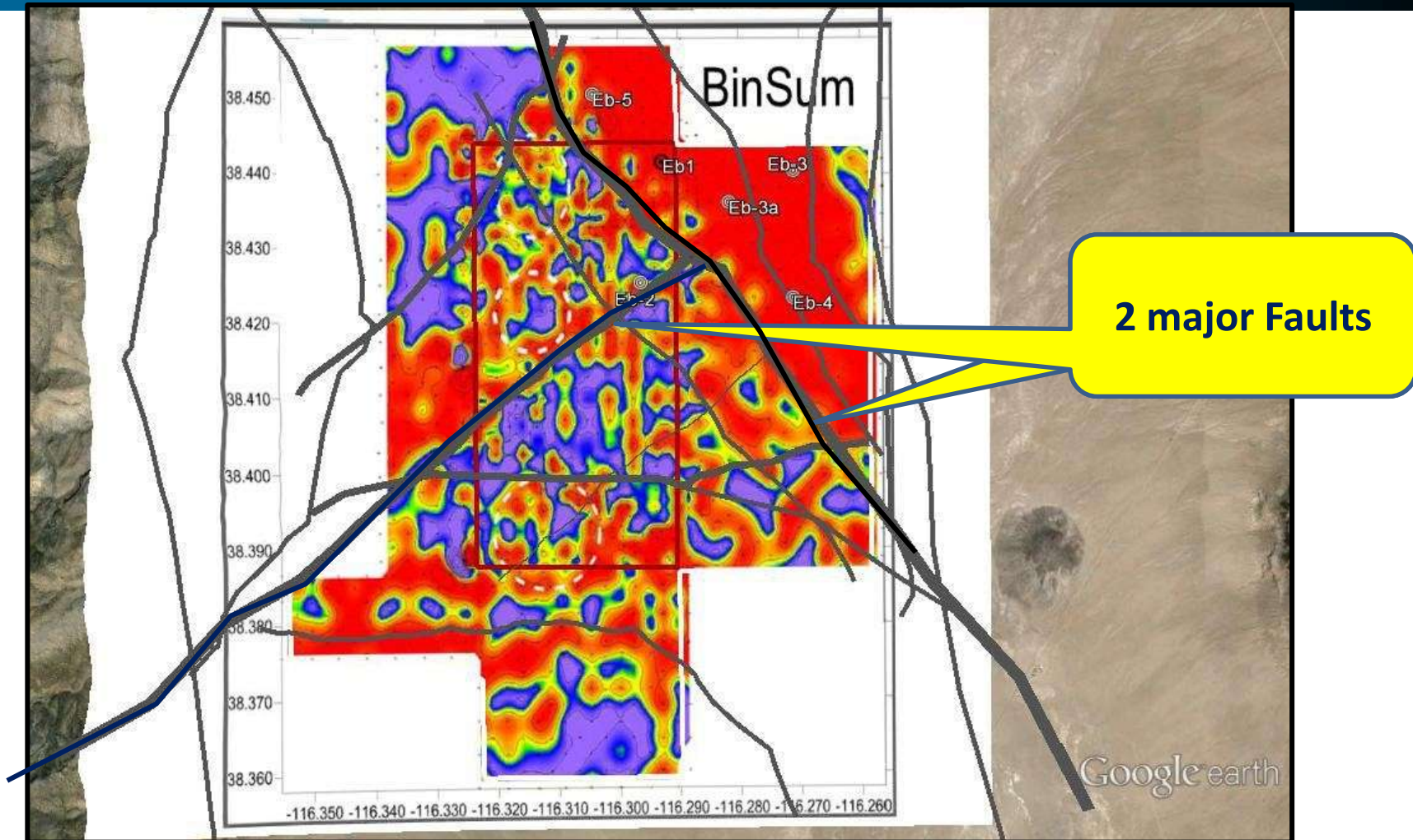
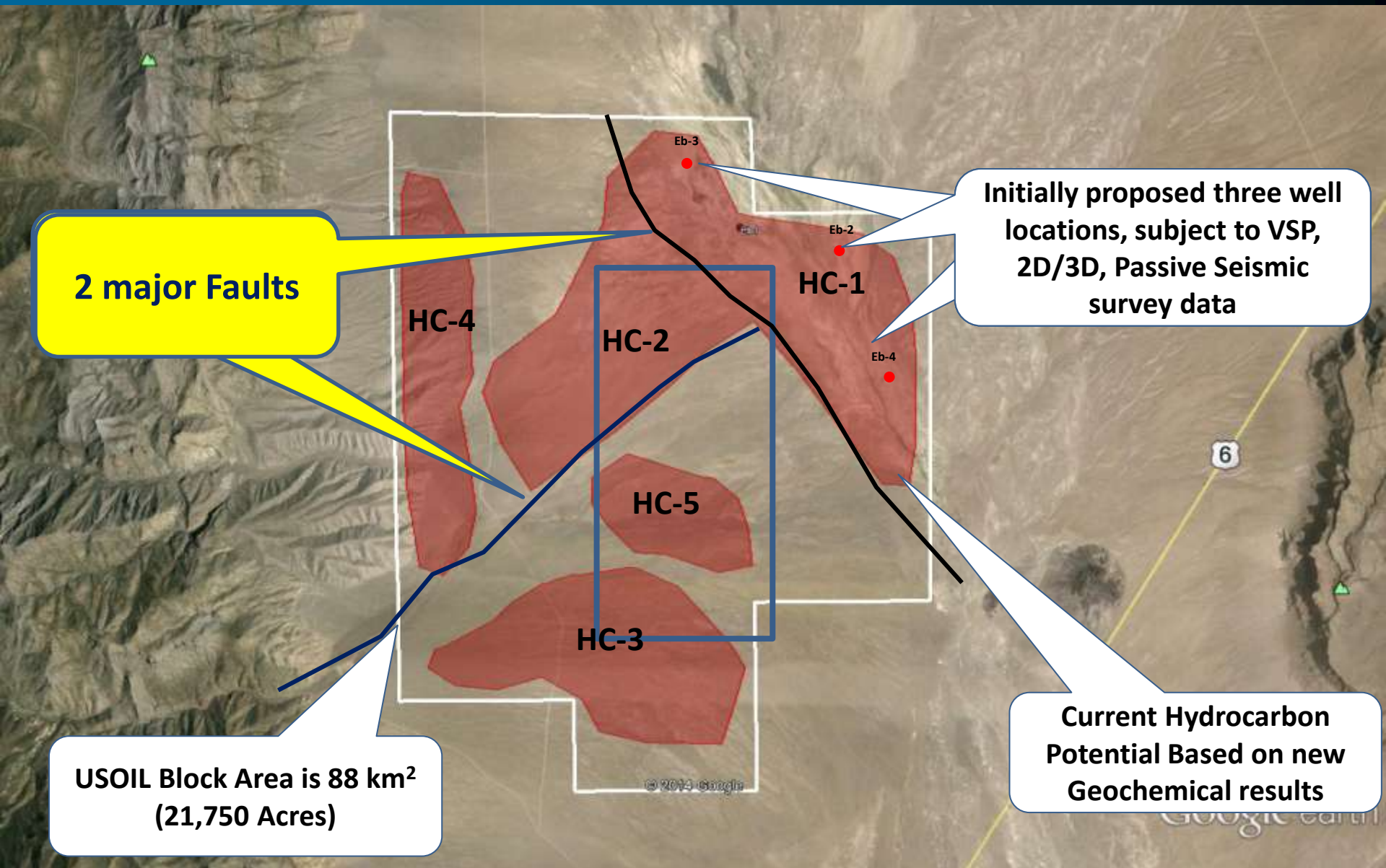
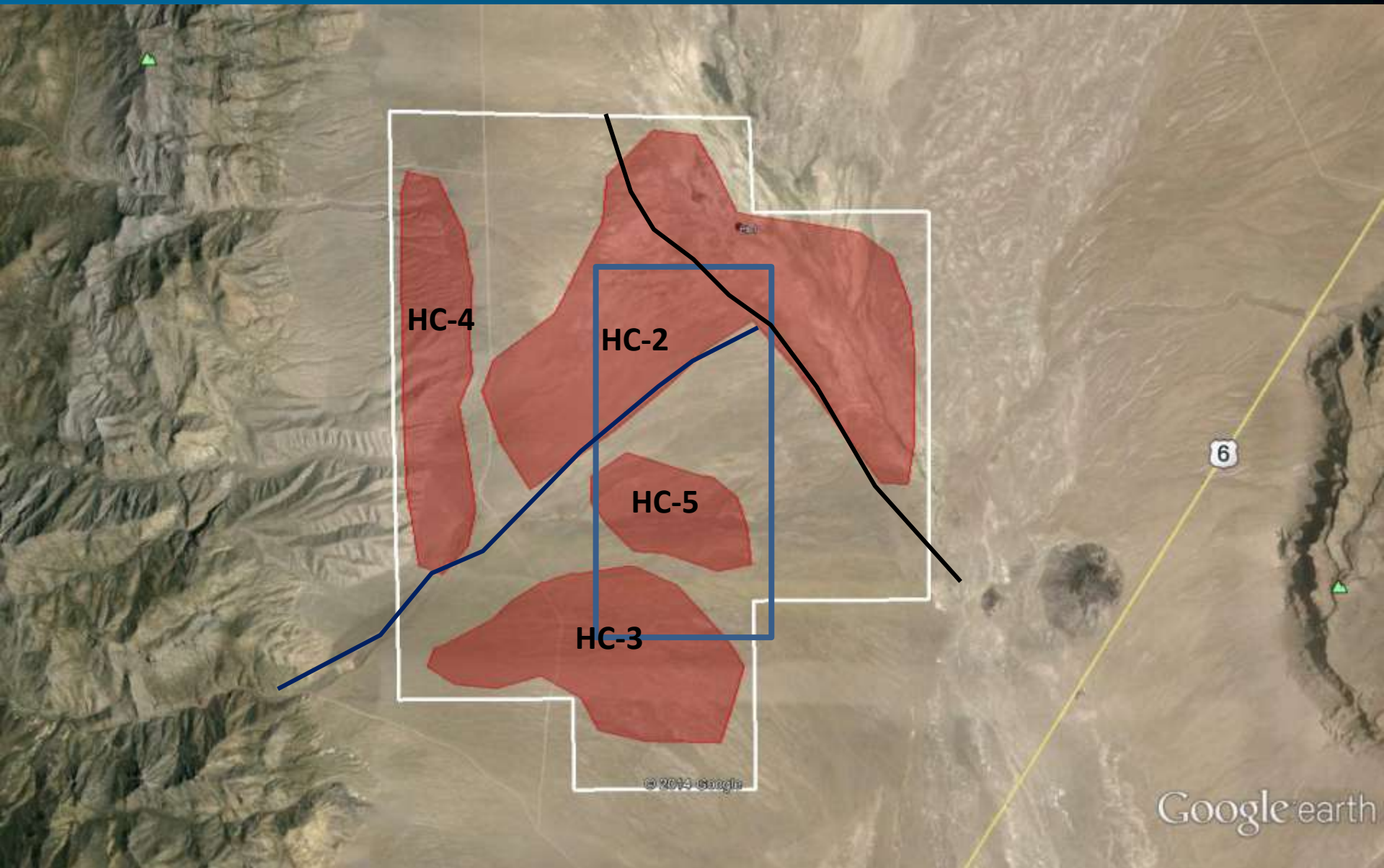


Figure-12: Geochemical “BinSum” Map of Hot Creek Valley with proposed well locations

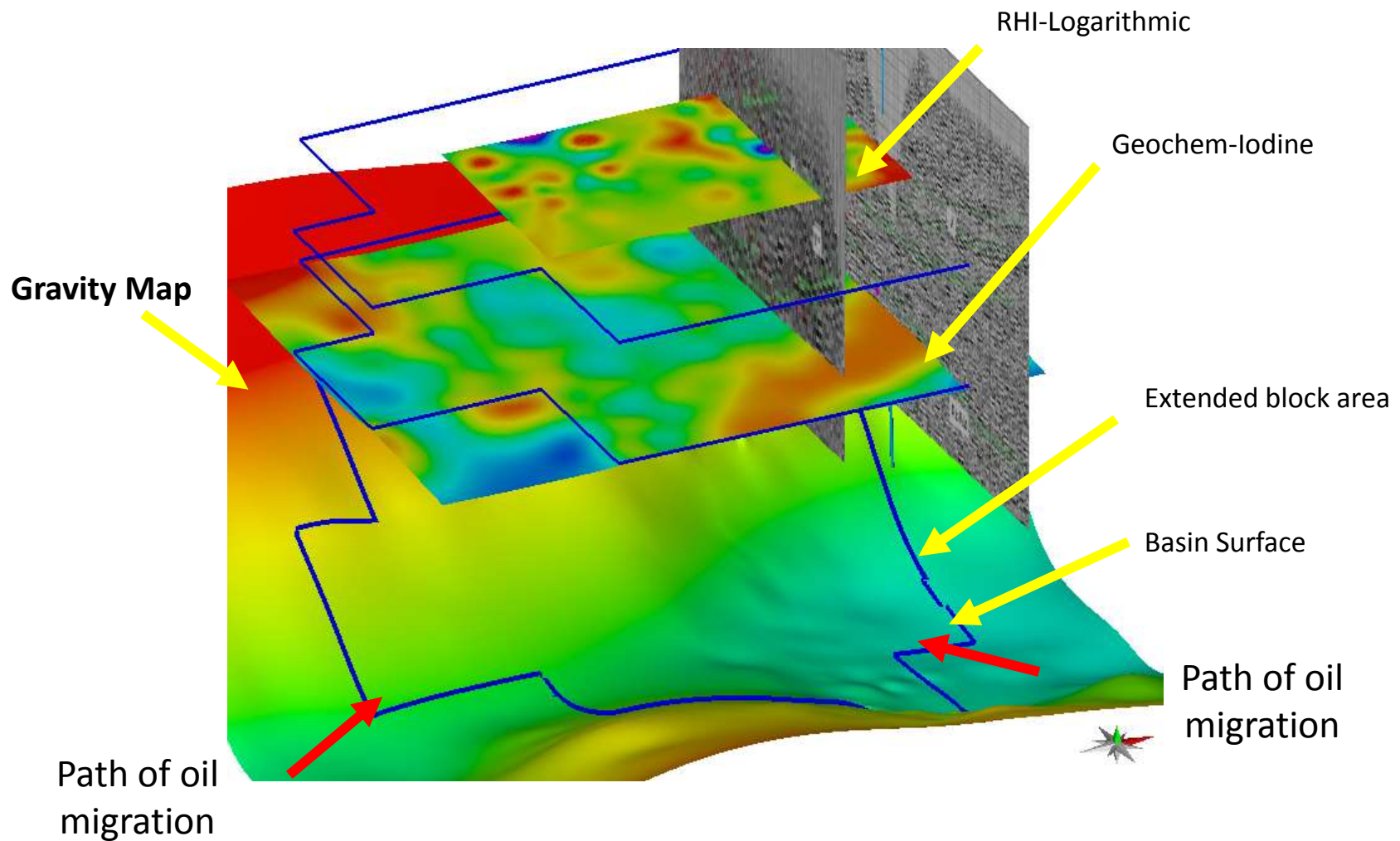
Hydrocarbon Potential prospects within USOIL Block (Based on available Technical data), possible well locations



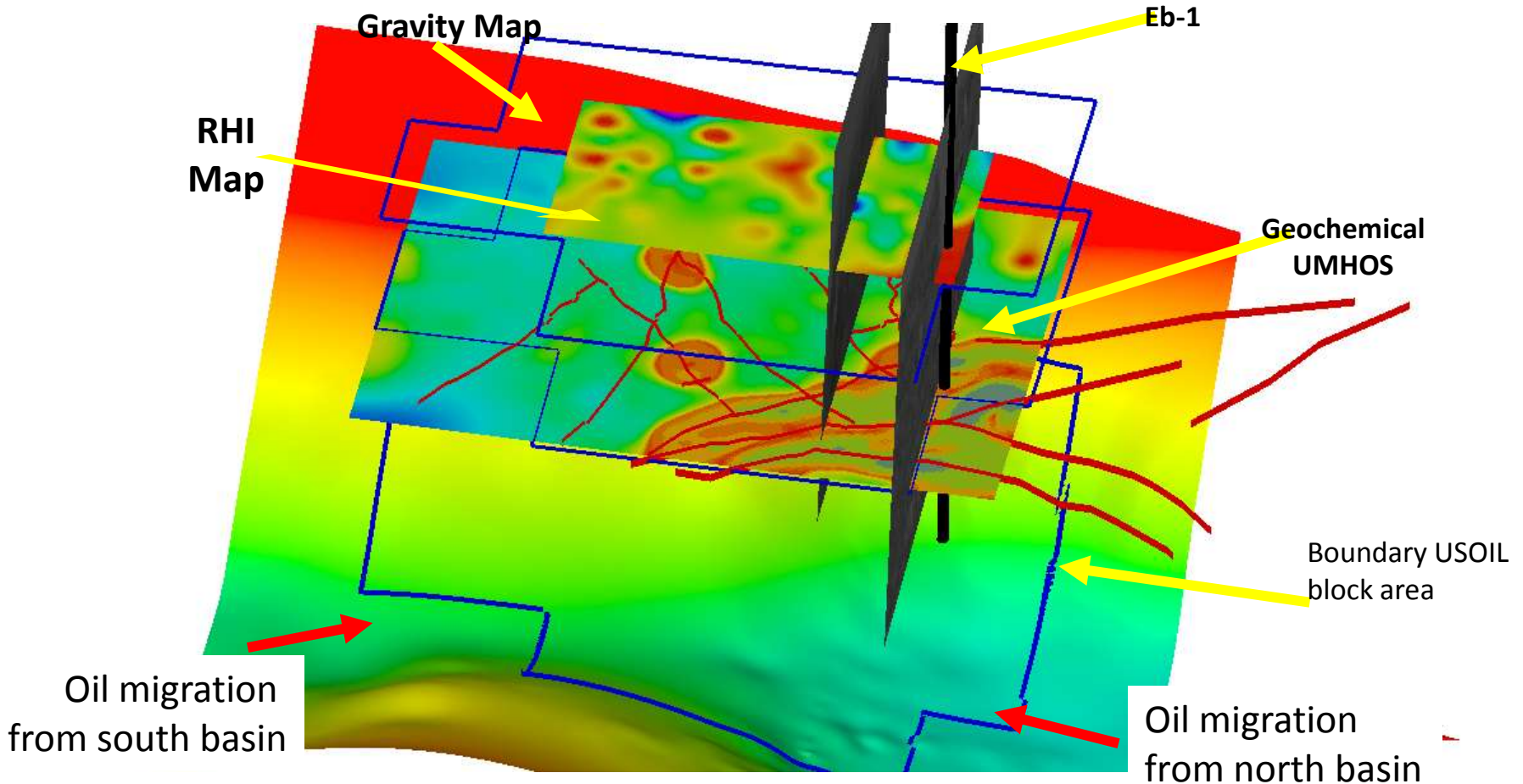
Hydrocarbon Potential prospects within USOIL Block (Based on available Technical data), possible well locations



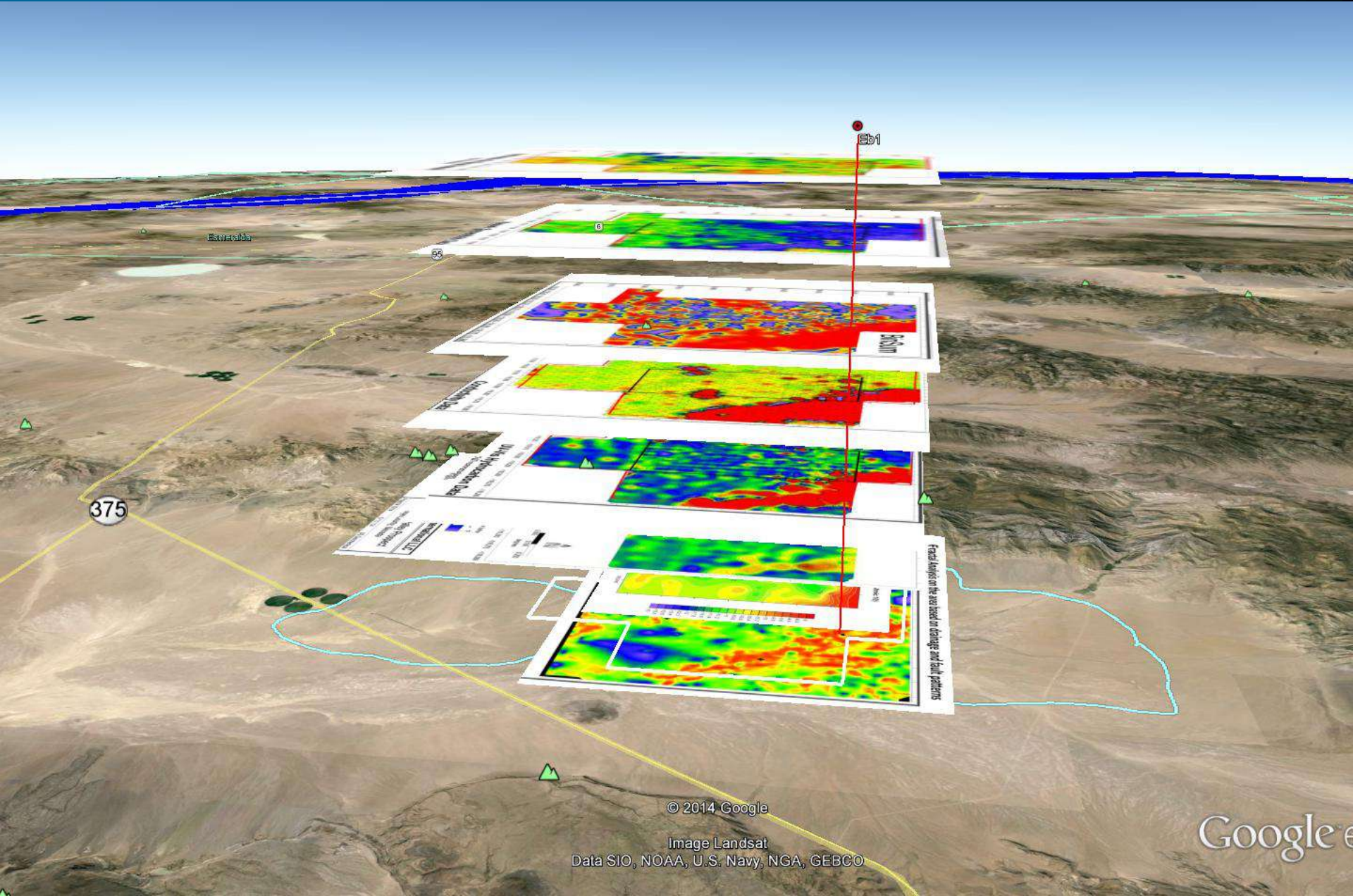
3D Geological Model, 2D Seismic, RHI, Geochemical & Gravity surveys



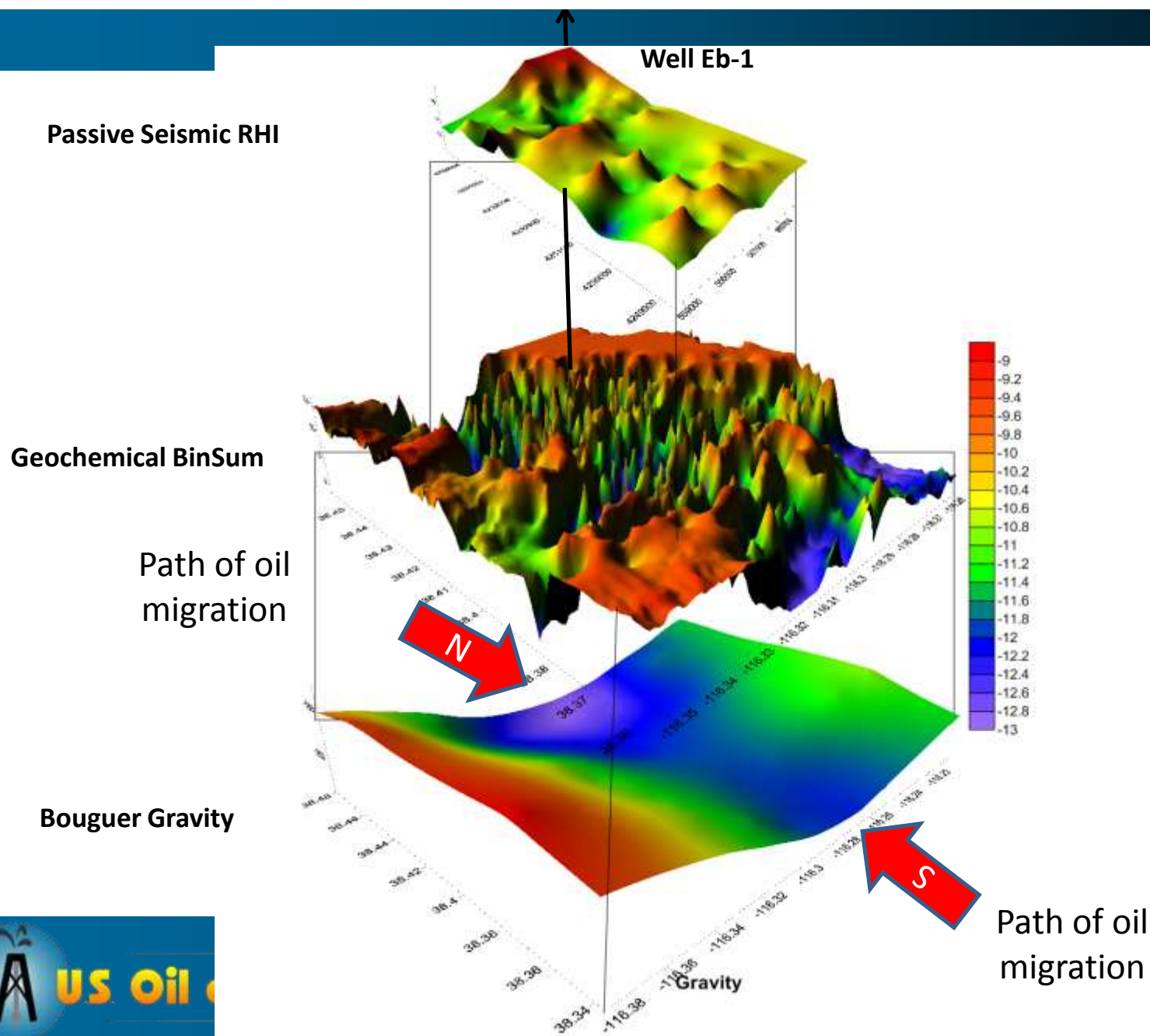
3D Geological Model, 2D Seismic, RHI, Geochemical & Gravity surveys



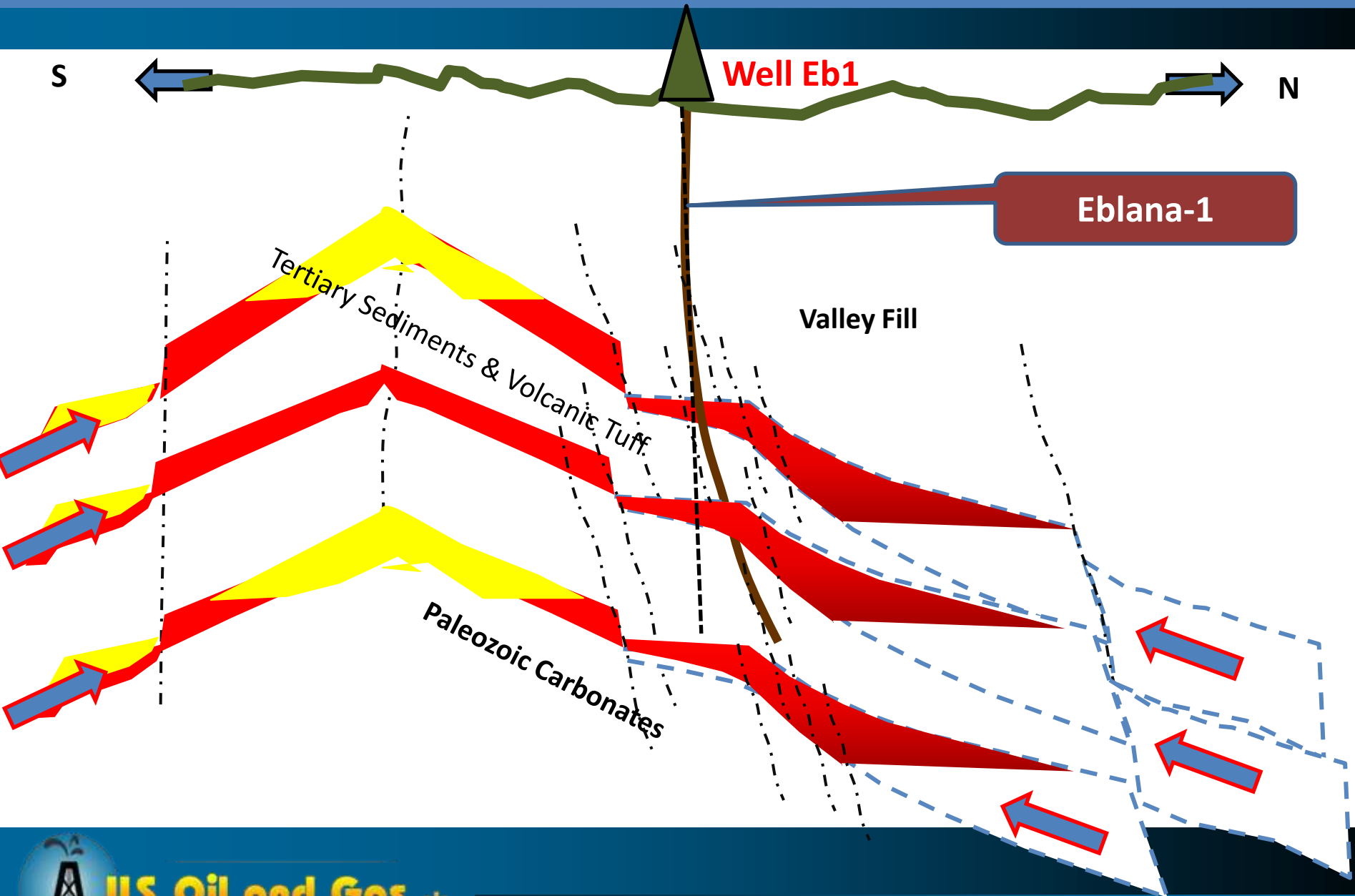
USOIL ran several Gravity, Geochemical, Geophysical and Geological Surveys to optimize the results and reduce the drilling risk.



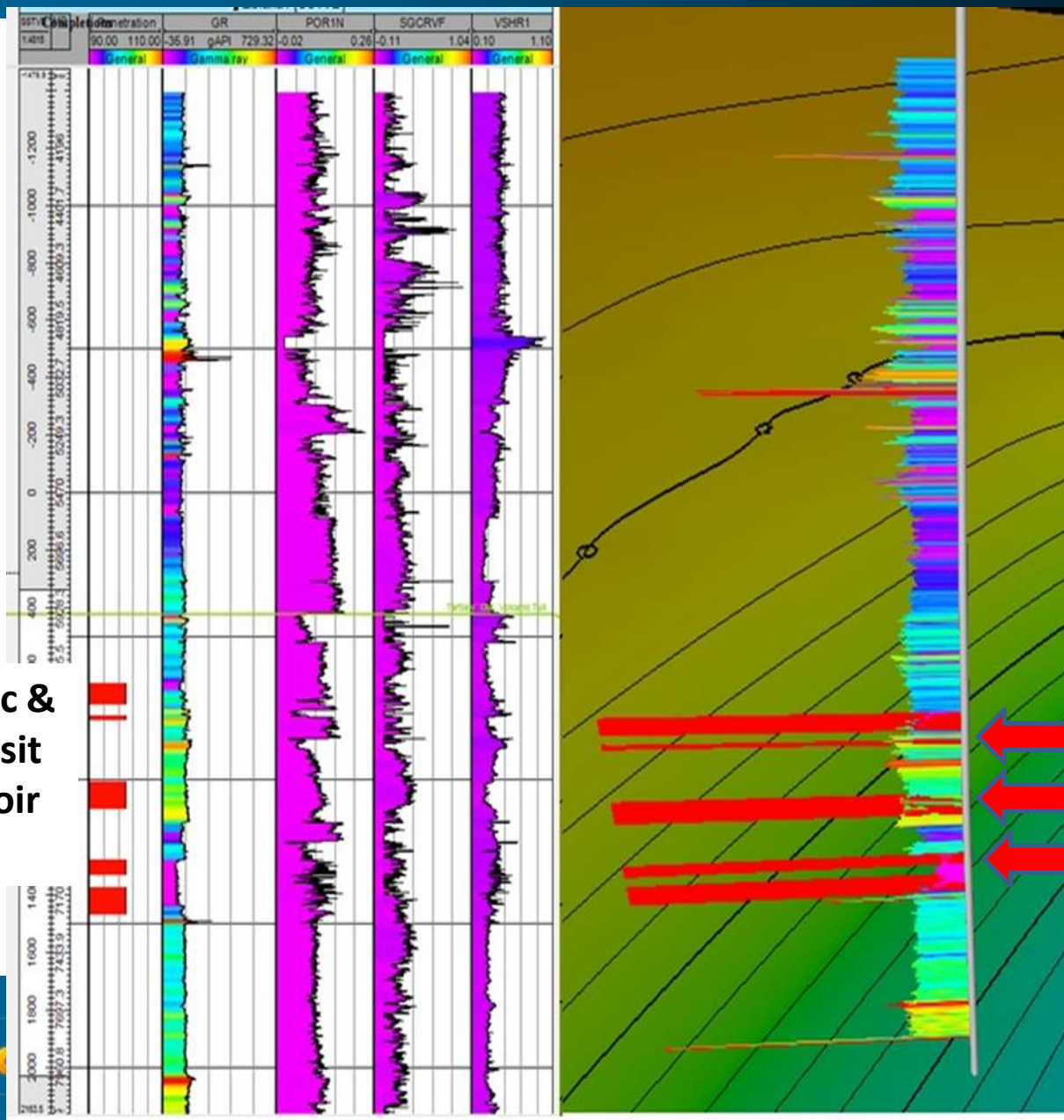
Gravity & Geochemical and RHI 3D Map of Hot Creek Valley



Generalized South-North Cross-section of Hot Creek Valley - Eblana Field



Reservoir Evaluation of Eb1 Well Logs , with main perforation producing reservoir zones



**Tertiary Volcanic &
Valley fill deposit
Porous Reservoir
zones**

**Oil Following
zone**

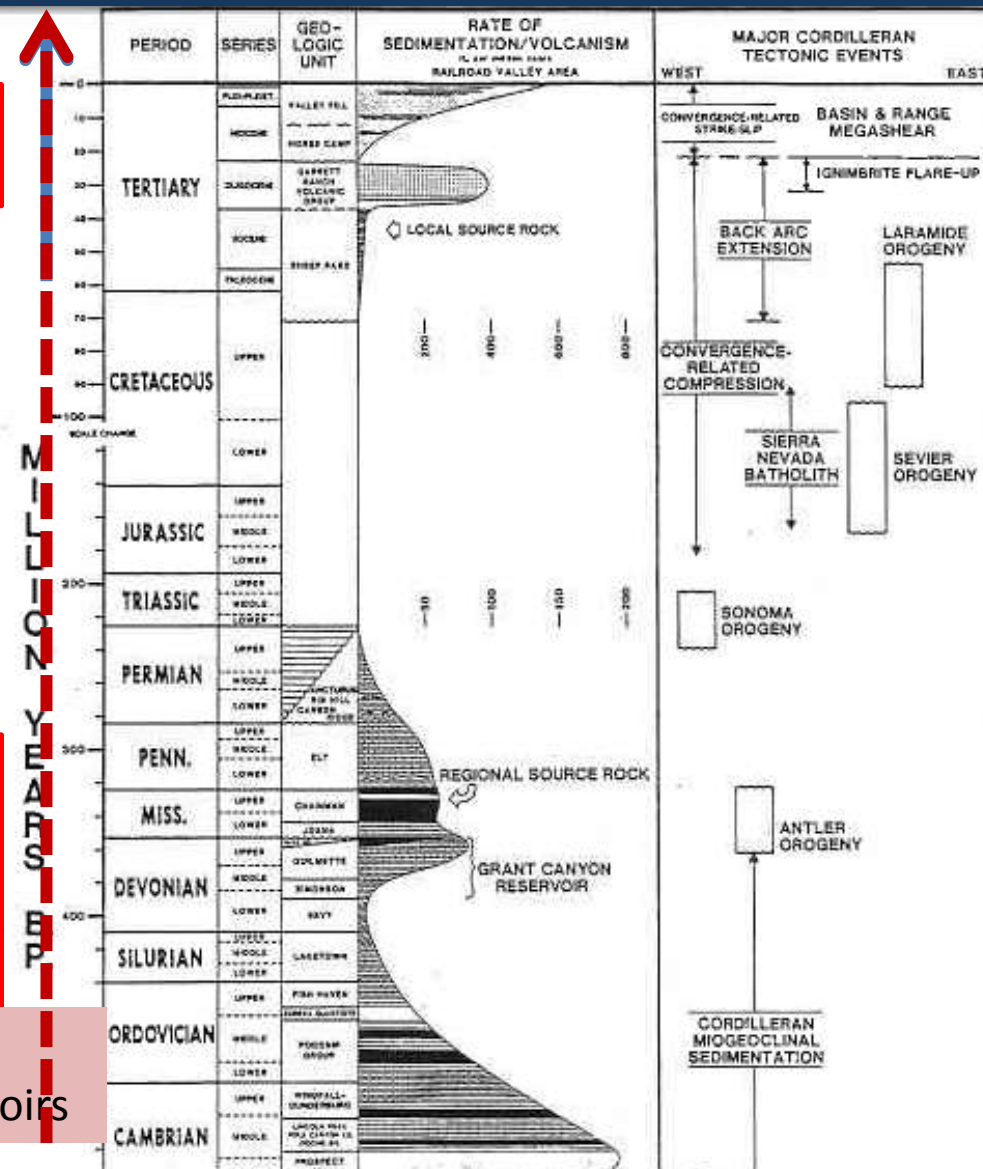
Stratigraphic Section & Petroleum System Summary

Tertiary Reservoirs

Eb-1 penetrated & oil discovered in Tertiary Reservoirs only

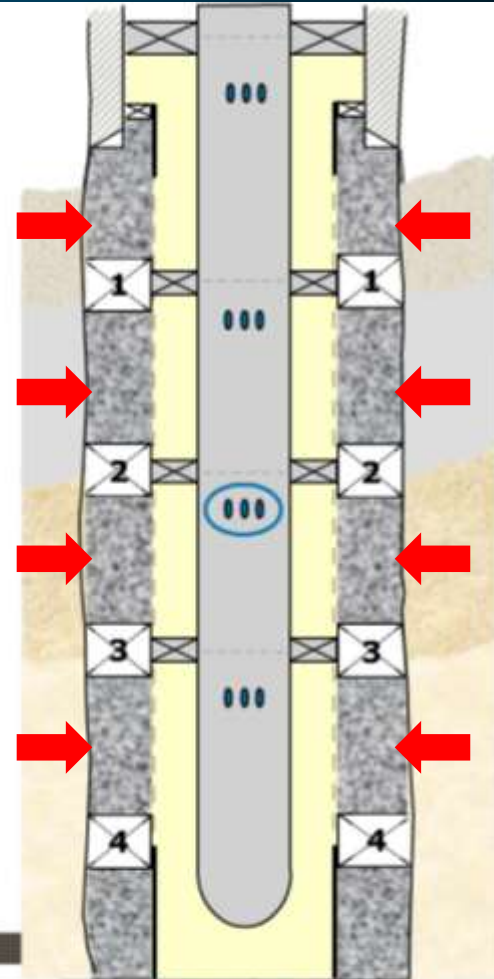
Paleozoic Reservoirs & Source Rock

Eb-2 Smart well objective is to penetrate Paleozoic Reservoirs



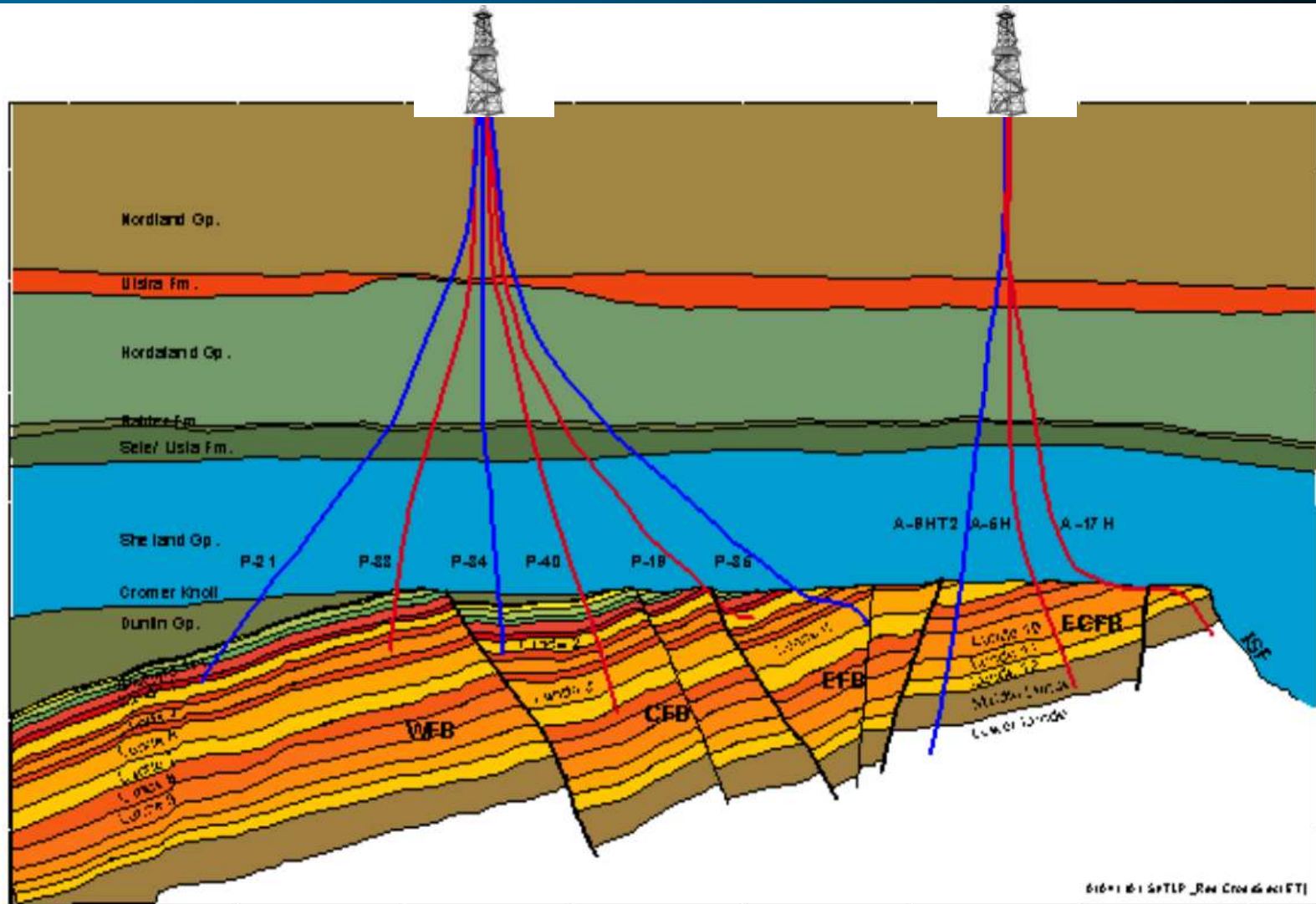
Eblana-2 (Smart well Design)

- Upper, Middle and Lower Assembly
- Infinitely Variable Choke



StatoilHydro

Development plan for Smart multi-lateral wells

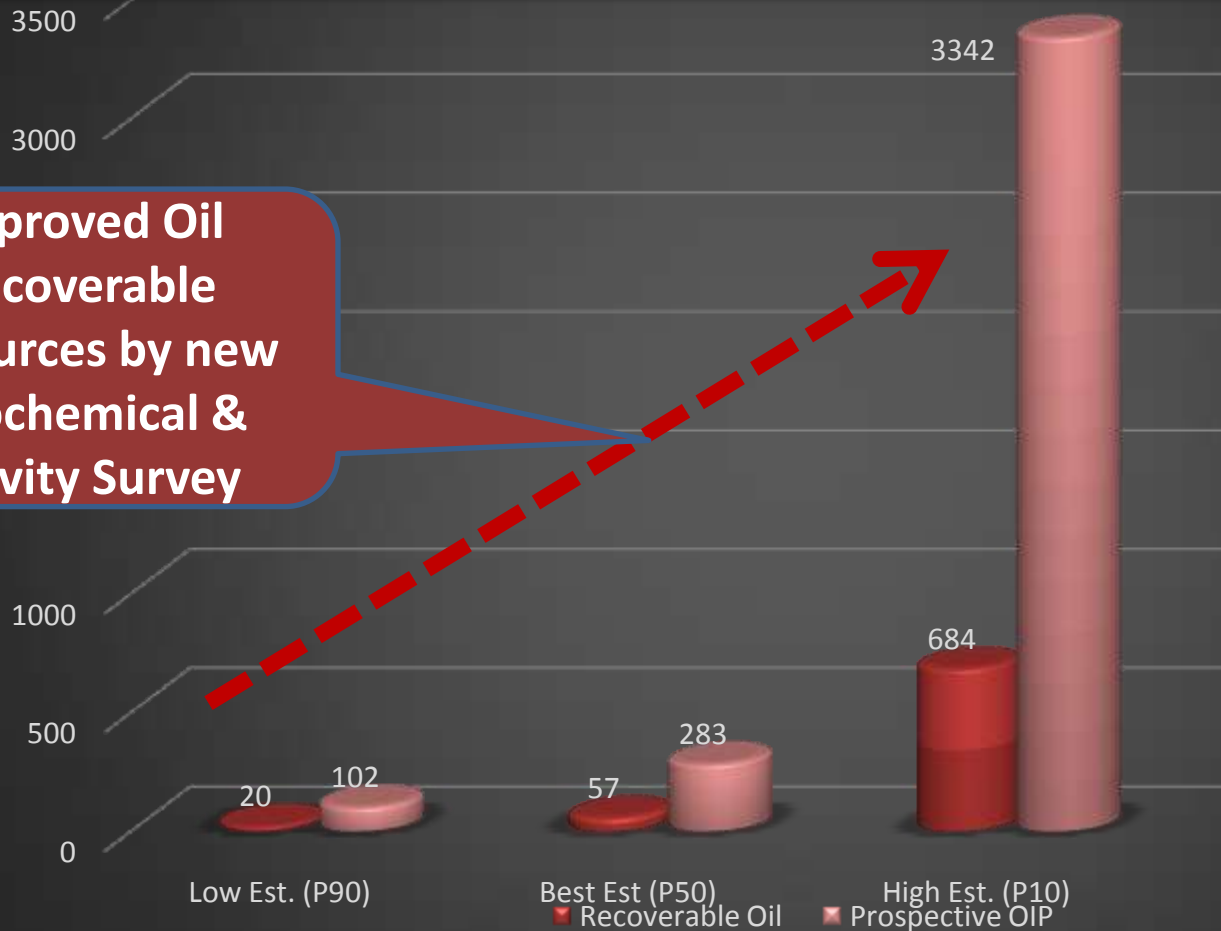


Based on (CPR) FORREST A. GARB & ASSOCIATES, INC.
(2013) after drilling Eb-1 & Acquired additional Acreage

Oil Recoverable Resources & Prospective OIP Estimation (MM-Bbl)

Improved Oil
Recoverable
Resources by new
Geochemical &
Gravity Survey

88 Sq.Km
5/2013



Conclusions

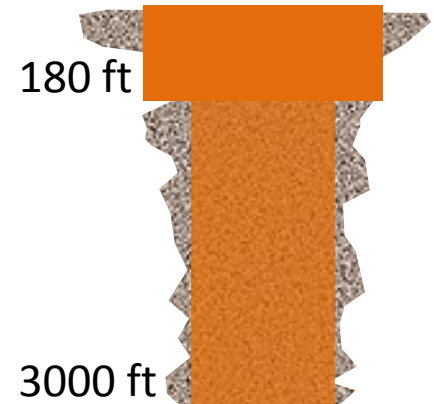
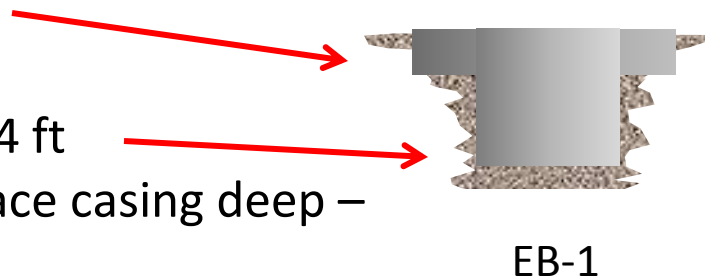
- ✓ We are improving our understanding Nevada oil system by reducing technical uncertainties
- ✓ USOIL during the last one year; performed successfully ten studies and surveys,
- ✓ Identified and delineated new extensional potential areas within 88 sq.km
- ✓ Improved & increased current oil recoverable resources within 88 sq.km
- ✓ To finalize the 3D earth Model, plan to run Well VSP, Passive Seismic, 2D/3D Seismic
- ✓ The Plan is to drill three smart wells
- ✓ Confirmed that the oil system exists in Hot Creek Valley (Cap Rock, Source Rock, Reservoir Rock and Traps).
- ✓ Based on Eb-1 well results & new surveys, we have better understanding Hot Creek valley – Nevada geology and reservoir modelling, production and fluid behaviour.
- ✓ The new technical data and results will help to reduce uncertainties, minimize risk & reduce cost \$/B. Lead to build full field development plan.
- ✓ We moved oil resources from Prospective Resources to Contingent Resources classification
This step is adding value to the project economy and also to shareholder value.

Eblana-1 (Well History)

Conductor foundation and Surface Hole

Surface rocks are unconsolidated with formation water flow

- 14' cond. Pipe @ 40 ft
- **Best at 180 ft**
- 9 5/8" Casing Shoe @ 764 ft
- Better to set future surface casing deep – 3000 ft
- Will avoid lots of complications faced
- **No need for more casings, Only liner is OK**

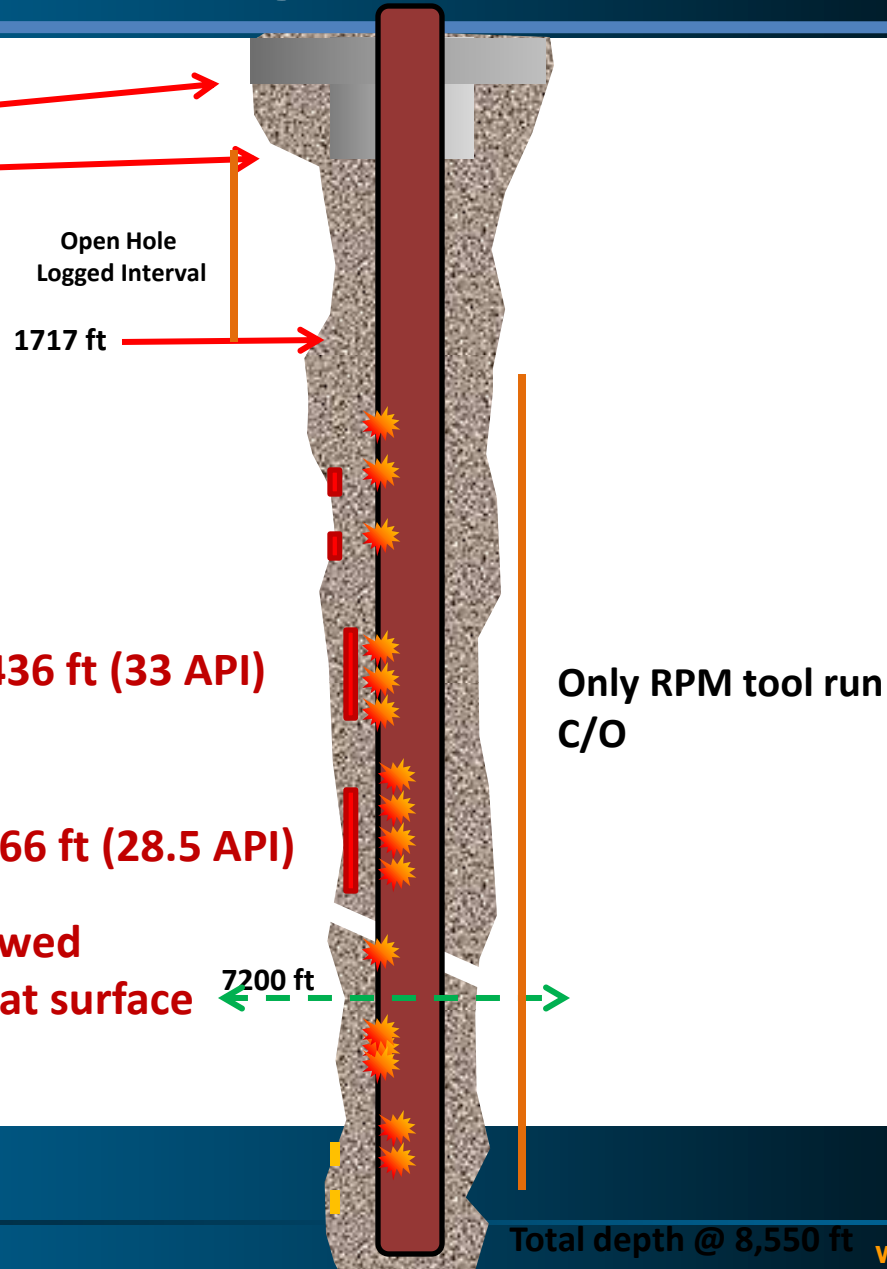


Future Wells

EB – 1 Drilling History

- 14' cond. Pipe @ 40'
- 9 5/8" Casing Shoe @ 764'

HC Shows
while drilling and logs -
From 2,948" down 8,550 ft



Plan for new Wells

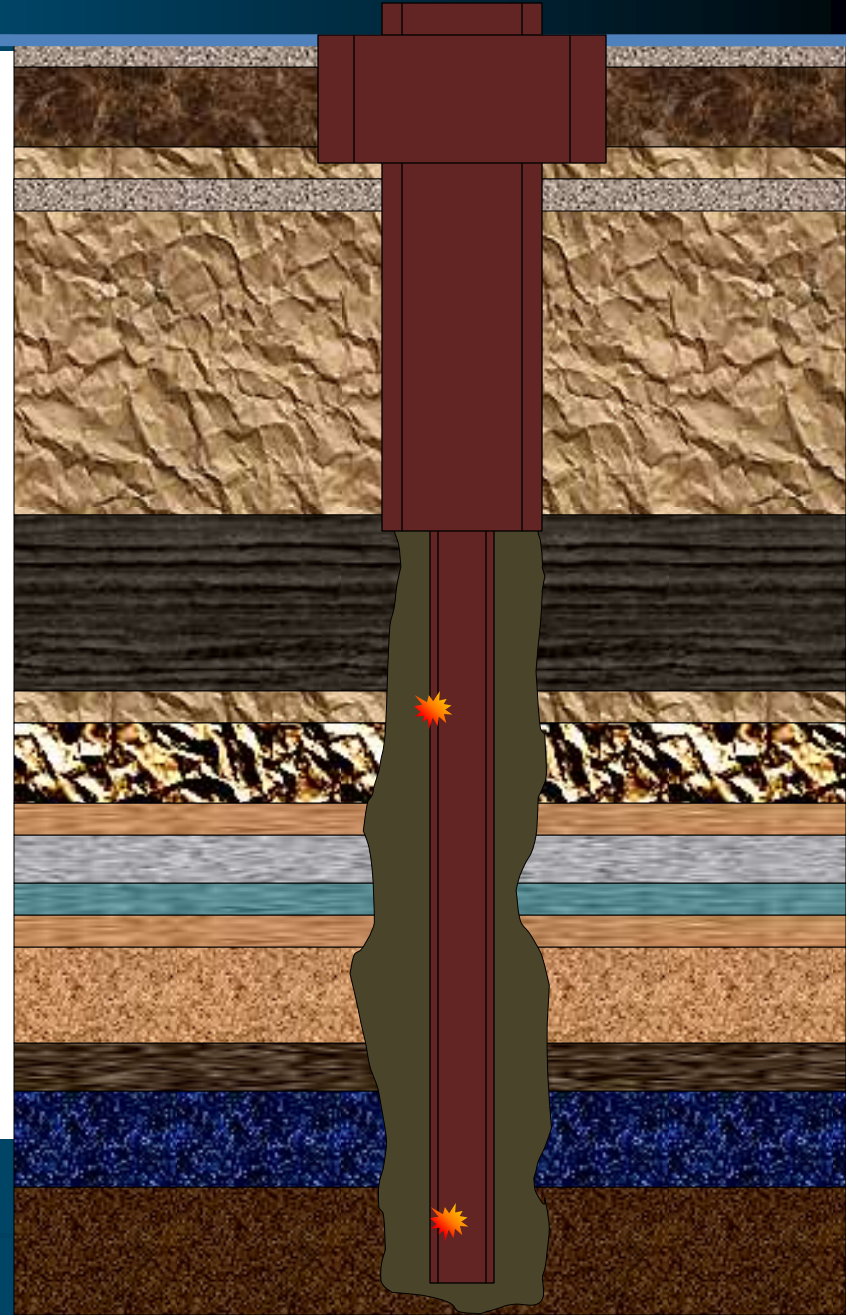
Conductor @ 180 ft

☀ Perforation & Testing based on OH Logs

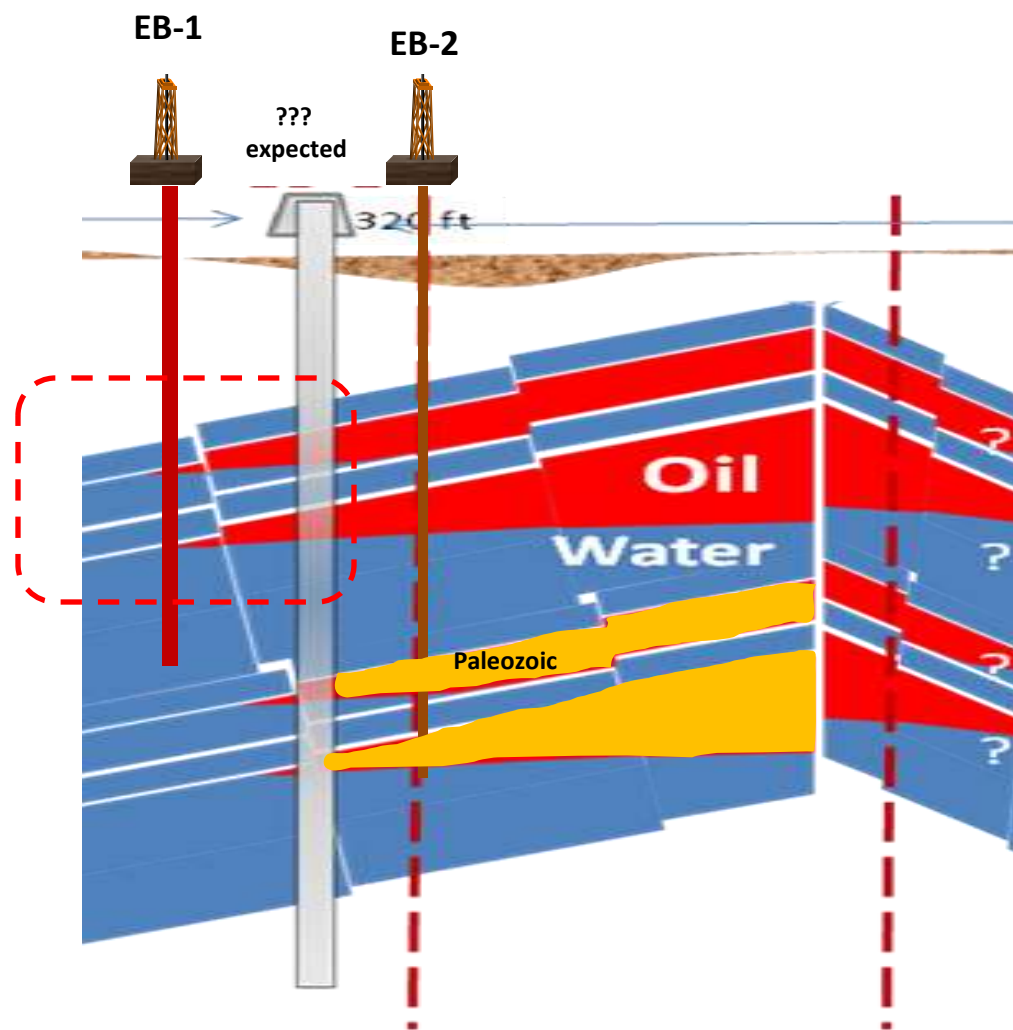
Smart well design to produce from all horizons

Surface casing @ 3000ft

Liner to Paleozoic @ TD



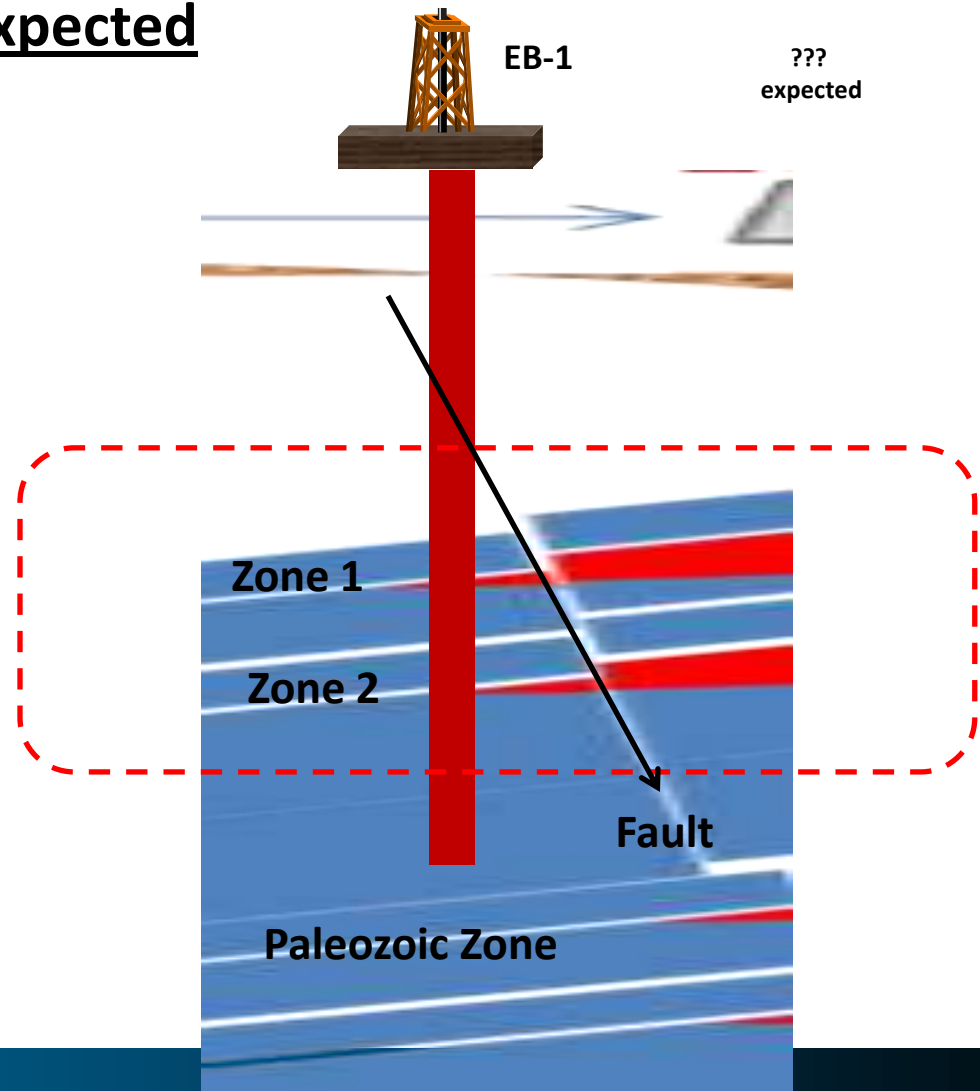
EB -1 Location & New Planned Wells



EB -1 Location & New Planned Wells

Why EB – 1 did not flow as expected

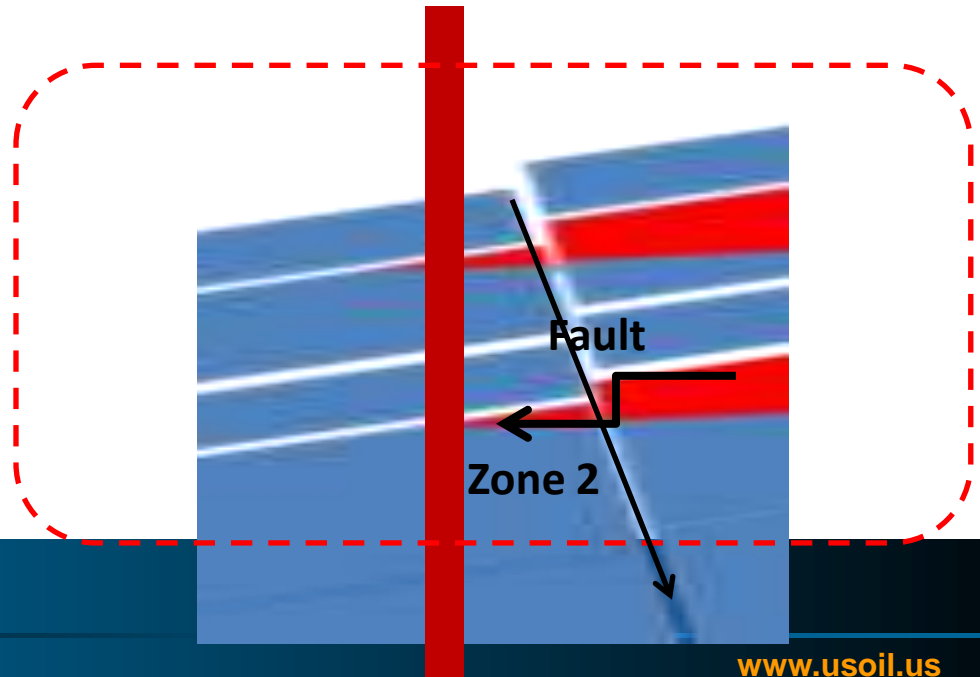
- ✱ Compartments blocking HC flow
- ✱ Fault crushed and re-crystallized
- ✱ Drilled at the OWC edge
- ✱ We barely touched the HC zone



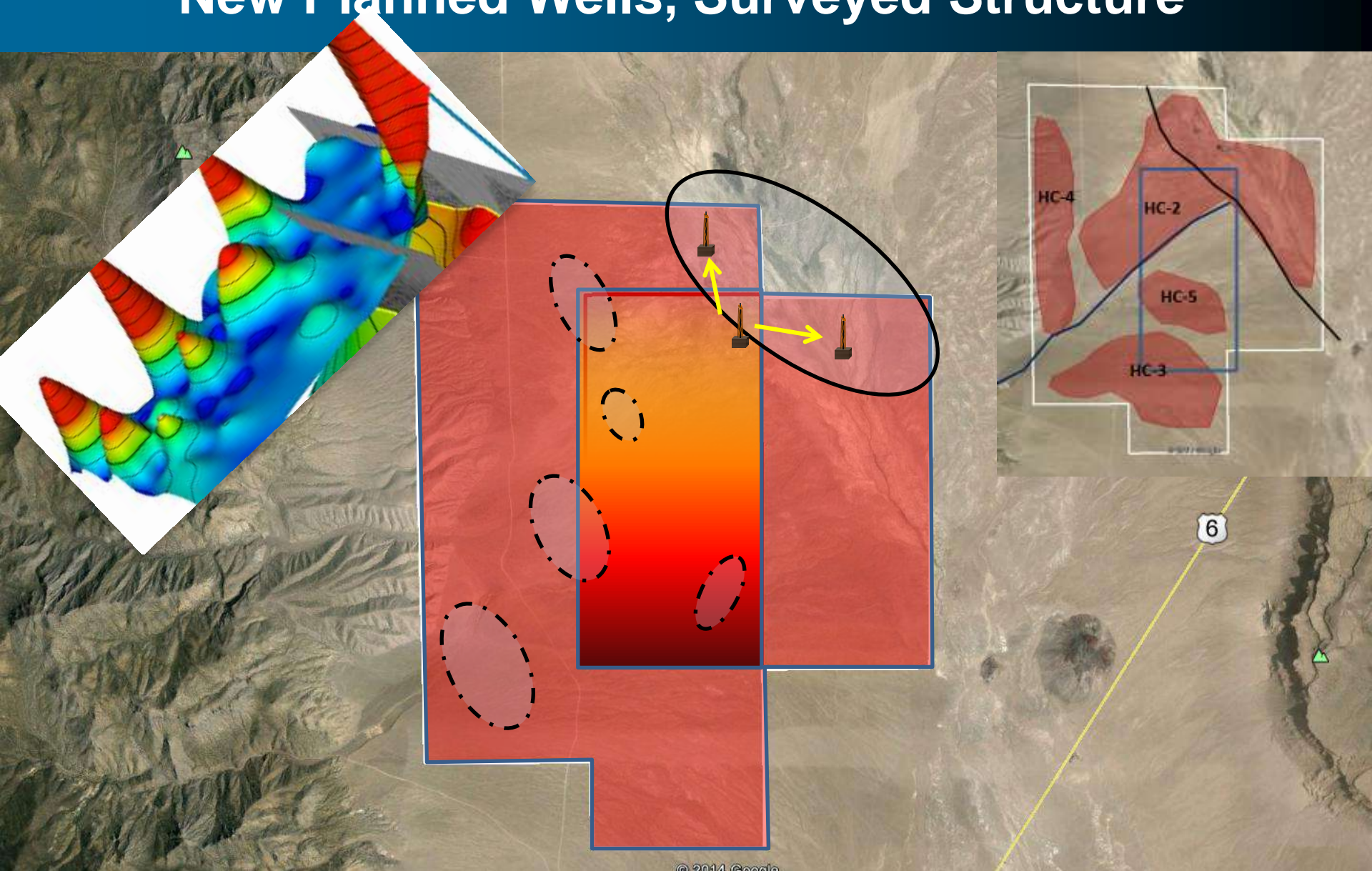
EB -1 Location & New Planned Wells

EB – 1 WHP

- ✱ WHCIP = 20 psi
- ✱ This is resulted from 4-5 days build up
- ✱ It confirms oil seeping via faults though weak



New Planned Wells, Surveyed Structure



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Thanks for your attention