

Signing of New Oil Agreement with Circle Oil, Ireland

The Government of the Sultanate of Oman has signed new oil royalty privilege agreement with Circle Oil, Ireland at Ministry of Oil and Gas premises on Monday, June 6, 2005. The agreement is about oil and gas exploration and production in Zone 49 that covers parts from the Wilayat of Thumrait and the Wilayat Muqshan in the Governorate of Dhofar. The Zone plot is about 15439 square kilometres.

His Excellency Dr. Mohamed bin Hamad Al Rumhy, Minister of Oil and Gas signed the agreement on behalf of the Sultanate of Oman's Government.

Mr. Micheal Case, CEO of Circle Oil, Ireland signed the agreement.

The agreement will ensure that Circle Oil, Ireland will conduct an exploration program during the first 3 years exportation period that includes Geological and Geophysical studies and two-dimensional (2D) seismic scanning. In addition, the company may extend the exploration period in order to conduct other exploration programs in the area such as drill of exploration oil wells. In this case, the company expected to spend more than 30 million U.S. Dollars.

The Sultanate of Oman Government will not hold any investment risk during the exploration period.

The Ministry of Oil and Gas wishes the investors all success in the new oil wells exploration and hope that their contribution may increase the oil reserve and the oil production level in the Sultanate.