

Van Meurs Corporation

announces the availability of

World Rating of Oil and Gas Terms

*The most detailed and comprehensive
description, analysis and rating
of oil and gas fiscal terms ever published.*

Now available for purchase

World Rating of Oil and Gas Terms

**PFC Energy
Van Meurs Corporation
Rodgers Oil & Gas Consulting**

The “World Rating of Oil and Gas Terms” is the most comprehensive and in depth study available to the petroleum industry on the favorability of oil and gas fiscal terms. The study describes, analyses and rates over 700 fiscal systems in 125 countries.

The study is published in six reports dealing with:

- **North America Onshore Wells and Shale Plays,**
- **Deep Water,**
- **Shallow Water,**
- **International Onshore,**
- **Arctic Onshore and Offshore, and an**
- **Executive Summary**

The five main reports include special studies on:

- **North American and International shale plays**
- **Options for the Brazil below salt**
- **Alberta oil sands and Venezuelan heavy oils**
- **The Iraq service contracts**
- **Analysis of new fiscal terms proposed or adopted in Australia, Nigeria and other countries.**

The six reports are to be published at a rate of one every six weeks until mid September 2011. The first report - **North America onshore wells with a special North America shale play study **is available.****

Total cost for the study: \$ 43,000.

The five main reports can also be purchased individually.

DETAILED DESCRIPTION OF THE STUDY

Fiscal Terms

The Petrocash data base of **Van Meurs Corporation** and the considerable in-house data of **PFC Energy** and **Rodgers Oil&Gas Consulting** are combined with the data from the extensive recently updated collection of petroleum laws and contracts of **Barrows Company**, to create the most comprehensive overview of fiscal terms and conditions in the world. **Ernst & Young** are providing support under contract with Van Meurs Corporation.

All important oil and gas producing countries are included in the study as well as a number of countries in which petroleum exploration is taking place or which have petroleum potential.

All relevant payments to government are reviewed, including bonuses, rentals, royalties, corporate income tax, production sharing, state participation, all applicable resource taxes, profit shares, property taxes, certain VAT payments, carbon taxes, etc. For service contracts the service fees are analyzed.

The study provides for each of the more than 700 fiscal systems a comprehensive description of the fiscal terms. The description is in a format that will make the various systems easily comparable.

The detailed description of more than 700 fiscal systems for oil and for gas from 125 countries is the most complete compendium of fiscal terms available in this format to the petroleum industry. It is an invaluable source of reference for investors, financial institutions and governments.

Logistical Environments

The study rates the various fiscal systems within each of the applicable logistical environments. Five environments with different cost structures and production profiles are defined:

- North American onshore wells
- Deep water fields
- Shallow water fields for the shallow water study
- Non-Arctic onshore fields
- Arctic offshore and onshore fields

The North American onshore well rating will only be done for Canada and the United States.

Please request the North American onshore well brochure for details.

Following are the lists of countries and logistical environments dealt with in the study

COUNTRIES AND LOGISTICAL ENVIRONMENTS (1)					
COUNTRIES	ONSHORE		OFFSHORE		
	Arctic	Non-Arctic	Arctic	Shallow Water	Deep Water
NORTH AMERICA					
CANADA	yes	yes	yes	yes	yes
ST PIERRE ET MIQUELON				yes	
UNITED STATES	yes	yes	yes	yes	yes
EUROPE					
ALBANIA		yes		yes	
AUSTRIA		yes			
DENMARK				yes	
FAROE ISLANDS				yes	
FRANCE	yes			yes	
GERMANY	yes			yes	
GREENLAND			yes		
HUNGARY	yes				
ICELAND			yes		
IRELAND				yes	yes
ITALY	yes			yes	yes
LITHUANIA	yes				
NETHERLANDS	yes			yes	
NORWAY			yes	yes	yes
POLAND	yes			yes	
PORTUGAL	yes			yes	yes
ROMANIA	yes			yes	yes
SLOVAKIA	yes				
SPAIN	yes			yes	
SWEDEN	yes			yes	
UNITED KINGDOM	yes			yes	yes
AUSTRALIA & ASIA					
AFGHANISTAN	yes				
AUSTRALIA	yes			yes	yes
BANGLADESH	yes			yes	
BRUNEI	yes			yes	
CAMBODIA	yes			yes	
CHINA	yes			yes	yes
FIJI				yes	
INDIA	yes			yes	yes
INDONESIA	yes			yes	yes
JAPAN	yes			yes	
LAOS	yes				
MALAYSIA	yes			yes	yes
MONGOLIA	yes				
MYANMAR	yes			yes	yes
NEPAL	yes				
NEW ZEALAND	yes			yes	yes
PAKISTAN	yes			yes	yes
PAPUA NEW GUINEA	yes			yes	yes
PHILIPPINES				yes	yes
SRI LANKA				yes	
THAILAND	yes			yes	yes
THAILAND / MALAYSIA				yes	
TIMOR LESTE				yes	
VIETNAM				yes	yes

COUNTRIES AND LOGISTICAL ENVIRONMENTS (2)

COUNTRIES	ONSHORE		OFFSHORE		
	Arctic	Non-Arctic	Arctic	Shallow Water	Deep Water
CENTRAL AMER. & CARIB.					
BAHAMAS				yes	
BARBADOS				yes	
CUBA				yes	yes
DOMINICAN REP				yes	
GUATEMALA		yes		yes	
HONDURAS		yes		yes	
JAMAICA				yes	
MEXICO		yes			yes
NICARAGUA				yes	
PANAMA				yes	
TRINIDAD & TOBAGO		yes		yes	yes
SOUTH AMERICA					
ARGENTINA		yes		yes	yes
BOLIVIA		yes			
BRAZIL		yes		yes	yes
CHILE		yes		yes	
COLOMBIA		yes		yes	
EQUADOR		yes		yes	
FALKLAND ISLANDS (UK)				yes	yes
GUYANA				yes	
PARAGUAY		yes		yes	
PERU				yes	
SURINAME				yes	
URUGUAY		yes			
VENEZUELA		yes		yes	
MIDDLE EAST					
ABU DHABI		yes			
BAHRAIN				yes	
IRAN		yes		yes	
IRAQ		yes			
JORDAN		yes			
LEBANON				yes	
OMAN		yes		yes	yes
NEUTRAL ZONE		yes		yes	
QATAR		yes		yes	
SYRIA		yes			
TURKEY		yes		yes	yes
YEMEN		yes			
AFRICA - NORTH					
ALGERIA		yes			
EGYPT		yes		yes	yes
LIBYA		yes		yes	
MOROCCO		yes		yes	yes
TUNISIA		yes		yes	

COUNTRIES AND LOGISTICAL ENVIRONMENTS (3)					
COUNTRIES	ONSHORE		OFFSHORE		
	Arctic	Non-Arctic	Arctic	Shallow Water	Deep Water
AFRICA - SOUTH & CENTRAL					
ANGOLA		yes		yes	yes
CAMEROON		yes		yes	
CENTRAL AFRICAN REPUBLIC		yes			
CHAD		yes			
CONGO (DR)		yes			
CONGO (BRAZZAVILLE)				yes	
COTE D'IVOIRE				yes	yes
EQUATORIAL GUINEA				yes	yes
ETHIOPIA		yes			
GABON		yes		yes	yes
GHANA				yes	yes
GUINEA				yes	
KENYA		yes		yes	
LIBERIA				yes	yes
MADAGASCAR		yes		yes	
MALI		yes			
MAURITANIA				yes	yes
MOZAMBIQUE		yes		yes	yes
NAMIBIA				yes	
NIGER		yes			
NIGERIA		yes		yes	yes
SAO TOME & PRINCIPE					yes
SENEGAL				yes	
SIERRA LEONE				yes	yes
SOUTH AFRICA				yes	
SUDAN		yes			
TANZANIA		yes		yes	
TOGO				yes	
UGANDA		yes			
RUSSIA & NIS					
AZERBAIJAN		yes		yes	
GEORGIA		yes			
KAZAKSTAN		yes		yes	
MOLDOVA		yes			
RUSSIA	yes	yes	yes	yes	
TURKMENISTAN		yes			
UKRAINE		yes		yes	

Ratings are done separately for oil and for gas for all logistical environments. Gas prices are based on local conditions and net back prices from the main markets.

Fiscal Rating Criteria and Methodology

Profitability Criteria

Some fiscal terms result in an attractive rate of return, but an unattractive net present value. Therefore, all fiscal systems are rated on the basis of a full range of profitability criteria in order to provide a comprehensive review of their attractiveness to investors.

These criteria include:

- **Net cash flow per barrel of oil equivalent**
- **Internal Rate of Return**
- **Net Present Value discounted at 10%**
- **Net Present Value discounted at 10% per barrel of oil equivalent**
- **Profit to Investment Ratio discounted at 10%**
- **Government take with state participation, discounted and undiscounted**
- **Government take without state participation, discounted and undiscounted**

Whether fiscal systems are attractive to investors depends not only on the overall level of government take, but also on how the payments to government are distributed over time. Some systems that are “front end loaded” which means that many payments have to be made early in the cash flow are unfavourable for investors. The degree of front end loading is analyzed in the study.

Investor Scenarios

The profitability of fiscal systems depends very much on the investor scenario. Investors investing for the first time in a country may have to carry forward their losses until production starts. Investors which are already established in the country may be able to deduct expenditures directly from tax.

Many production sharing contracts are “ring fenced”. This means that there is a significant different in profitability for the first investment in the contracts area and for follow up investments in the same contract area.

Therefore for the fiscal systems outside North America three separate ratings are carried out, based on:

- **First investments in a country**
- **Follow up investments in a country**
- **Follow up investments in a contract area**

Geological Risk

The fiscal systems are rated on:

- **an un-risked basis, assuming that the exploration program results in a discovery, and**
- **a risked basis, assuming a dry hole risk and a limited probability that a discovery will be made.**

Various fiscal systems respond very differently to geological risk. Some governments share in the risk by permitting deduction or recovery of exploration expenses, while other governments are rather risk averse. Therefore the degree of **government risk sharing** is analyzed in the study.

The combination of using a wide range of profitability criteria, three investor scenarios, two risk scenarios, five logistical frameworks and separate ratings for oil and for gas (with adjusted gas prices) creates a rating of fiscal terms that is more detailed and comprehensive than any rating ever published.

Sensitivity Analysis

Within each logistical framework, costs, field sizes and well productivities are different from field to field and well to well. Oil and gas price forecasts could vary considerably depending on assumptions about the future.

It is therefore that a special economic data base will be provided with each report that will include a complete sensitivity analysis for each of the more than 700 fiscal systems incorporating a wide ranging field sizes (well productions in North America), cost levels and price levels.

The comprehensive sensitivity analysis will allow users of the study to identify quickly the conditions under which certain fiscal systems are attractive or unattractive.

CDs are provided with all data for the 7 field sizes, 12 cost scenarios and 12 prices scenarios in order to provide 1008 data points for each yardstick for each fiscal system. This will permit users to do their own analysis based on different assumptions.

Basin Rating Analysis

The fiscal rating rates the attractiveness of the various fiscal systems based on standard costs and field sizes. However, field sizes and costs are different in the various geological basins.

Therefore a separate basin rating analysis is taking into account typical geological and cost conditions for a number of basins. This will identify basins that in general seem attractive or unattractive to investors.

For the North American onshore well study a special analysis will be done of attractiveness of shale plays based on basin specific criteria.

For the deep water, shallow water and Arctic areas, the basin rating will be done based on the P10-P50-P90 distribution of field sizes and typical costs for each basin.

In some cases various different basins within the same country will be evaluated.

The basin rating analysis will provide investors, financial institutions and governments with a general strategic-level insight into the typical average profitability of oil and gas operations in the various basins around the world.

Report Availability

The various reports will be made available on the following dates in 2011:

		Publication Date
1	North America	February 28
2	World deep water	April 4
3	World Arctic areas	May 6
4	World shallow water	July 22
5	World onshore	August 27
6	Executive summary report	September 16

Costs of the Study and Individual Reports

The costs of the individual studies and the individual reports are as follows:

			Price
1	North America comparison based on well economics, involving 25 states and 10 provinces. Includes a special rating of Shale plays.	Oil and Gas	\$ 19,000
2	World onshore based on field economics. Includes special reports on (1) Alberta Oil Sands and Venezuela heavy oils, (2) European shale gas, (3) Iraq and (4) new terms in Australia.	Oil and Gas	\$19,000
3	World shallow water based on field economics.	Oil and Gas	\$ 19,000
4	World deep water based on field economics. Includes a special report on Brazil below salt and Nigeria.	Oil and Gas	\$ 15,000
5	World Arctic areas both onshore and offshore	Oil and Gas	\$ 9,000
6	Total package including a world Executive Summary report		\$ 43,000

Advanced Course in Analysis and Rating of Fiscal Systems

Following the general course World Fiscal Systems for Oil and Gas in London, UK on June 13 – 17, 2011, a special advanced course on fiscal systems will be provided June 20 – 24, 2011 in London, UK, whereby participants will be able to specialize in advanced fiscal topics including the international rating analysis of the type carried out under this study. Please contact Victoria Jolly at CWC for initial information on this special course at:

Telephone: 44 20 7978 0000
Fax: 44 20 7978 0099
Email: info@thecwcgroup.com

Subscription and more information about the study

For subscription or more information about the study please contact:

Van Meurs Corporation:
Telephone: 1 – 242 – 324 – 4438 (Office opening hours 7 am to 5 pm EST)
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