

Company Name	: REACH ENERGY BERHAD
Stock Name	: REACH
Date Announced	: 18 November 2019
Type	: General Announcement
Subject	: Others
Description	: Reach Energy Berhad (“REB” or “the Company”) - Results of Exploration Well, Kariman-16 (K-16)

The Company is pleased to announce positive results of testing of the Exploration Well K-16, in its Emir Oil Concession Block onshore Kazakhstan. As part of Emir-Oil exploration commitment, the K-16 vertical exploration well spudded on 9 October 2018 and reached Target Depth at 3983 m on 6 February 2019. The well penetrated the target Mid-Triassic carbonate reservoirs, reaching a total depth of 3957 m. The well was perforated in November 2019 after extensive study of the well data and obtaining necessary approvals for perforation of the well.

This well identified highly graded hydrocarbon trap near the west flank of Kariman field and allowed to understand of the geological structure in whole. The K-16 well confirms larger extent of the hydrocarbon resource exploited in the Kariman geological structure. It has been safely and successfully executed as budgeted.

The K-16 well encountered oil intervals in the Mid-Triassic (T₂B) based on the open-hole log interpretation. It was then perforated and currently is cleaning up, oil inflow is obtained, wellhead samples are taken and sent for analysis. This is discovery and it will contribute significantly to REB’s reserves. K-16 is in extended well testing now to further ascertain the commercial viability of this well.

There are two intervals that will be perforated in the future once the extended well test of mentioned interval is finished. If they prove to flow oil, this would further enhance the value of this well in terms of commerciality and contribution to overall reserves and, respectively, production.

Ir. Shahul Hamid Bin Mohd Ismail, CEO of REB commented:

“We are reaping the benefits of strategic planning of exploration wells, as we have prioritized high “chance of success” wells that can be swiftly linked into our existing production network and contribute to our revenue stream in the near term. The K16 well certainly satisfies the set criteria, as its relative close proximity to the Kariman field would allow for a seamless integration into commercial production once we obtain Kariman Mining Allotment extension.”

This announcement is dated 18 November 2019