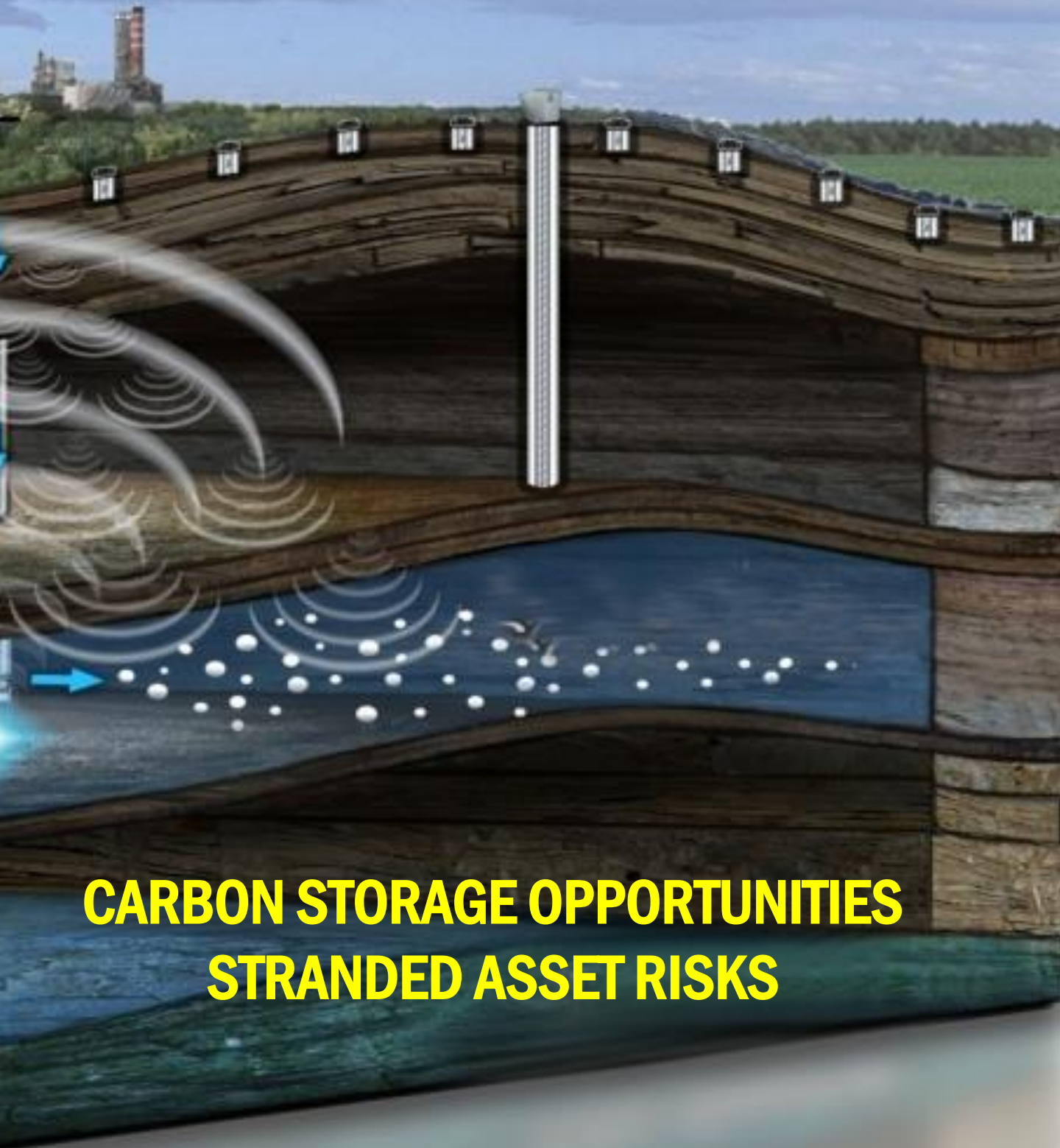


EOSYS



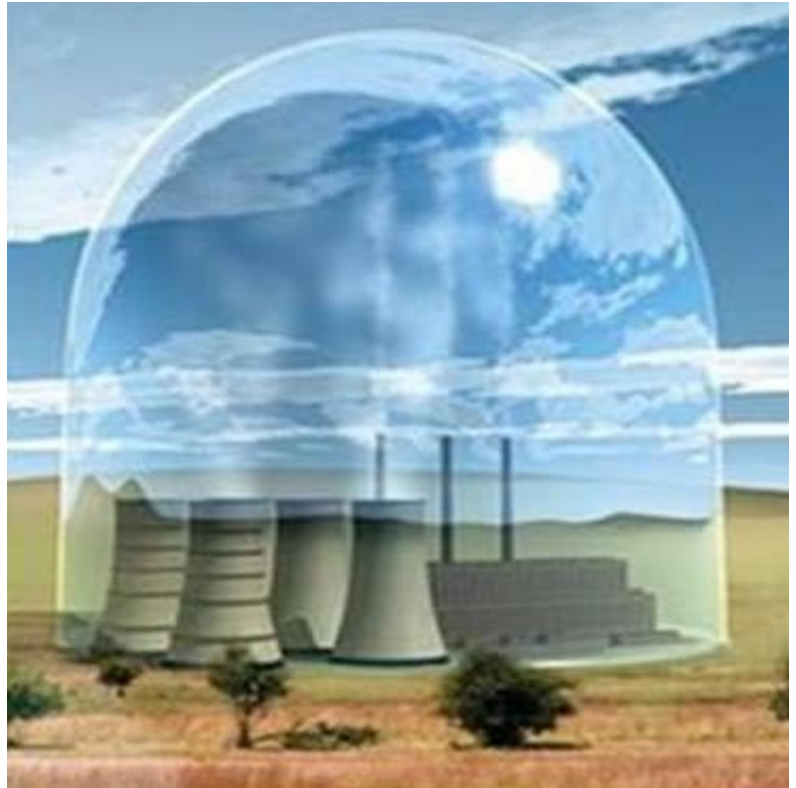
**CARBON STORAGE OPPORTUNITIES
STRANDED ASSET RISKS**

CARBON STORAGE OPPORTUNITIES STRANDED ASSET RISKS

The evolving regulations related to the emission of greenhouse gases present new opportunities and challenges to oil and gas investors and companies.

EOSYS offers a new service aimed at indicating under different economic and industrial scenarios which assets could offer greenhouse gas storage opportunities (CO₂, CH₄,...) and which assets have a risk of becoming stranded under certain conditions.

Among the assets of an oil company, fields can be classified in 3 categories :



- fields that will release into the atmosphere most of the carbon from the hydrocarbons produced
- fields that will release only part of it
- fields that have the potential to absorb more carbon than they will release.

This depends mostly on the way the fields are produced : when methane, flue gas or CO₂ is injected for pressure maintenance purposes in order to boost oil production, the carbon balance of the exploitation is improved. There are also circumstances where more carbon can be stored than is produced : this is the case when high pressure super-critical CO₂ is used in order to sweep oil. This has been done for instance for 40 years in the Permian Basin in Texas, the CO₂ being transferred from ... volcanic fields hundreds of kilometers away.

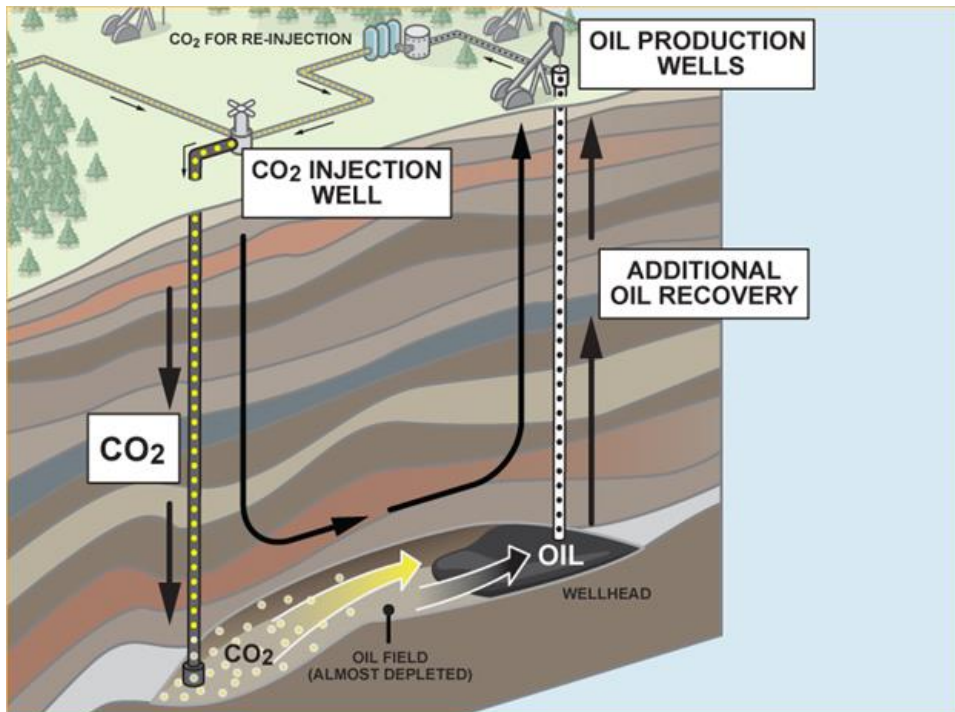
Companies should also take into account the transport, processing and refining stages which also release greenhouse gases and which eventually split the production into solid products (plastics, bitumen etc..) that won't be released in the atmosphere and light or gas products to be used for combustion engines.

The CO₂ and methane released by production waters should also be taken into account.

CARBON STORAGE OPPORTUNITIES STRANDED ASSET RISKS

EOSYS can analyze the geologic and reservoir conditions of all the oil and gas assets of an oil company in order to evaluate the risks that some of them may become stranded as a result of the evolving international regulations.

It can also assess the industrial opportunities that these assets could offer for carbon storage by investigating if there could be economic development plans in which more greenhouse gases could be injected in the reservoirs than would be released by producing them.



EOSYS is a geoscience company that was created in 1993. Among other things, it has done resource and exploration block assessments for companies such as TOTAL, ENGIE (GDF-SUEZ), PERENCO, LUNDIN (Coparex), GEOSTOCK, RHODIA and various private investors.

Its founder started his career as a reservoir engineer at IFPEN (BEICIP-FRANLAB) doing integrated reservoir engineering studies in various countries in the Middle East and in the US, including screening studies in order to evaluate fields for their potential in CO2-EOR for hydrocarbon recovery improvement.

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