



Quebec's Leader in Petroleum Exploration

CORTE-REAL REEF PROJECT Gaspé Property, Eastern Gaspé, Québec

UPPER SILURIAN TO LOWER DEVONIAN REEFS

AVAILABLE DATA

2010 data

- 29 km of 2D seismic
- surface geochemical survey

Pre-2010 data

- oil discovery (Haldimand)
- 4 exploration wells
- 65 km reprocessed vintage 2D seismic
- geological, gravity, magnetic & mag database

FARMOUT TERMS

Drilling commitment to earn a working interest on selected acreages.

Location: the project covers 500 km² in the Eastern part of the Gaspé Peninsula, at the head of the Bay of Gaspé. The reefs fairway is located on the northern margin of the Upper Silurian to Lower Devonian Gaspé Belt, which is part of the North Appalachians Fold Belt. The Corte-Real Property is located northwest of the Haldimand light oil discovery in the same geological setting.

Prize: giant to medium size oil fields.

Source rock: the best regional source rock for the Gaspé Belt reservoirs is an Upper Ordovician black shale (Utica equivalent) with TOC up to 4%. Thermal maturation studies indicate that the siluro-devonian rocks are within the « oil window ». Numerous oil seeps, oil shows and the recent Petrolia Haldimand oil discovery indicate that the petroleum system is working. The presence of oil is also demonstrated by large surface clusters of geochemistry anomalies related to hydrocarbon microseeps above some of the reefs anomalies.

Reservoirs: porous carbonate reefs and associated back reef and fore reef sediments of the West Point Formation are the main reservoir targets. The underlying Griffon Cove River sandstones and conglomerates are secondary targets.

Trap: during the Upper Silurian and Lower Devonian burial period, pinnacle reefs and barrier reefs grew up, at the edge of a hinge line, at the northern margin of the Gaspé Belt Basin. The end of reefs growth coincided with the reversal of basin polarity from South to North and the initiation of tilted faulted blocks. Reefs are distributed along the crest of a 60 km long giant rotated faulted block. They are capped by a thick sequence of fine grained sediments. The trap is a combination stratigraphic-structural for the barrier reef prospects and stratigraphic for the pinnacle reef prospects.

Work program: the primary objective is to test and to prove the oil potential of the Upper Silurian to Lower Devonian West Point reefs. Success will allow Pétrolia and the joint venture partner(s) to further develop a 3590 km² prospective area.

Infrastructure/market: the Corte-Real Property is in close proximity to the town of Gaspé with its deep harbor, railroad and road facilities to transport oil to refineries in Quebec or the East Coast.

LICENCE TERMS & WORK OBLIGATIONS

Initial 5-year period

- Annual rental fees (\$0.04 / acre)
- Annual minimum work obligations (\$0.20 to \$1.00 / acre)

After 5 years

- Renewable annually, 5 times
- Annual rental fees (\$0.20 / acre)
- Annual minimum work obligations (\$1.00 / acre)

ROYALTIES

Production lease: 20-year period
Annual rent is \$ 1.00 / acre
Oil royalty varies from 5 to 12.5%
Gas royalty varies from 10 to 12.5%

CONTACT INFORMATION

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