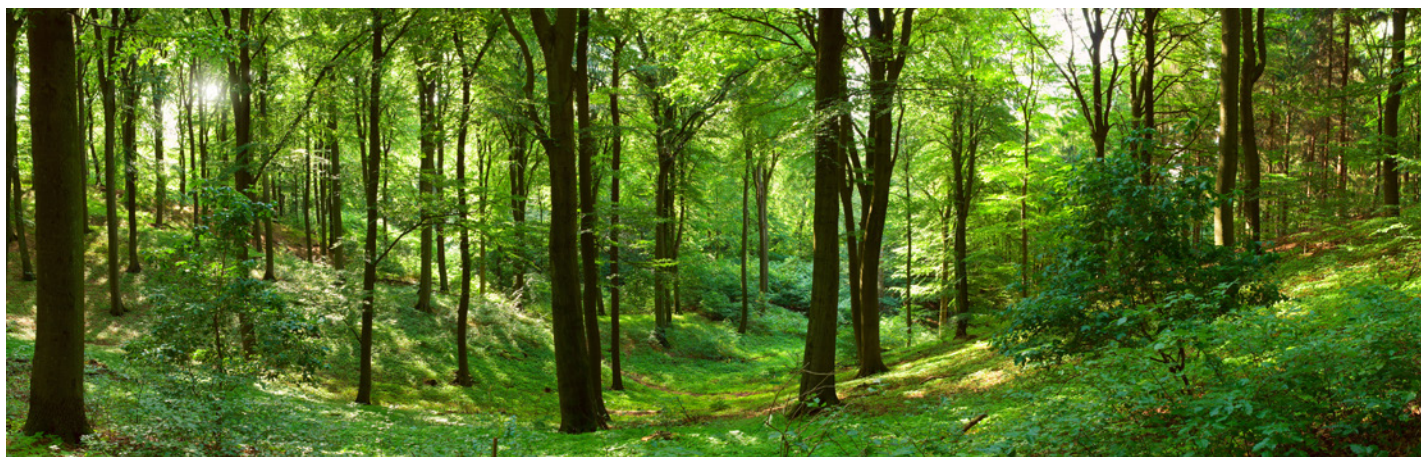


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Natural Resources

17 October 2013

MYANMAR ONSHORE TENDER WINNERS ANNOUNCED

The Myanmar Oil and Gas Enterprise (**MOGE**) has announced the winners of the Myanmar onshore oil and gas tenders. In January 2013 MOGE offered to tender 15 production sharing contracts (**PSCs**) and 3 improved petroleum recovery contracts (**IPRCs**). 13 of the 15 PSCs and all 3 IPRs were awarded.

Of the 26 companies that had submitted final proposals for the blocks in August, only 9 companies were successful. Pacific Hunt Energy Corp. Canada have been awarded more than one block, though further details of these awards have not been released. The successful bidders are set out below:-

PSC BLOCKS

PSC B2	ONGC Videsh Limited
PSC K	ENI
PSC O	Petroleum Exploration (PVT) Ltd.
EP-1	Brunei National Petroleum
EP-3	ONGC Videsh Limited
IOR-5	Petronas Carigali
C-1	Pacific Hunt Energy Corp. Canada
H	Pacific Hunt Energy Corp. Canada
J	Petroleum Exploration (PVT) Ltd.
MOGE 4	CAOG S.a.r.l.
EP-4	JSOC Bashneft, Russia
RSF-5	ENI
MOGE 3	PTTEP South Asia Ltd. + Palang Sophon Offshore

IPR BLOCKS

IOR 4	MPRL E&P Pte. Ltd.
IOR 5	Petronas Carigali, Malaysia
IOR 6	MPRL E&P Pte. Ltd.



INTERRA RESOURCES PROVIDES MYANMAR DRILLING UPDATE

Singapore listed Interra Resources Limited (**Interra**) has announced that its jointly controlled entity, Goldpetrol Joint Operating Company Inc. (**Goldpetrol**), has commenced drilling development in the Chauk oil field in Myanmar.

Interra has a 60% interest in an IPC in relation to the Chauk field and owns 60% of Goldpetrol, which operates the field.

According to Interra, the Chauk field well (**CHK 1175**) will be the first well drilled in the South Moolla fault block since 2002 and will be an up-dip offset to CHK 1153 which is the only supra-thrust producing oil well in the block. Interra estimates that the results of the drilling should be available in approximately six weeks.

CHINA'S NATIONAL DEVELOPMENT AND REFORM COMMISSION CALLS FOR AN INCREASE IN GAS IMPORTS

China's National Development and Reform Commission (**NDRC**) has called for an increase in gas imports and stronger cooperation with Central Asian Countries. China Daily (15 October 2013) reports that additional gas imports are needed in advance of winter when parts of China experience energy shortages. The NDRC has also urged China's leading domestic oil and gas companies including the China National Offshore Oil Corp (**CNOOC**) and the China National Petroleum Corp (**CNPC**) to accelerate the pace of construction of their natural gas infrastructure projects, including pipelines and liquefied natural gas receiving terminals, to boost supply. The NDRC expects China to face an even more severe natural gas shortage in the coming winter and next spring compared with previous years. According to China Daily the NDRC is asking some companies in the sector to accelerate their coal gas projects in Inner Mongolia and Xinjiang Uygur autonomous regions, and their shale gas projects in Chongqing, in a bid to increase unconventional natural gas supply. China's imports of natural gas are expected to account for about 30.5% of its total consumption this year, a year-on-year rise of 4.36%.

CHINESE GOLD OUTPUT RISES

The China Gold Association (**CGA**) has announced that Chinese gold output rose 8.2% to 270.167 tonnes in the twelve months to 31 August 2013. However according to the CGA production for the month of August was 37.978 tonnes down from 39.367 tonnes in July. China is the world's largest gold producer and is soon expected to overtake India as the world's top consumer. In 2012 Chinese gold consumption was approximately 832 tonnes. Consumption has increased by 54% in the first 6 months of 2013.

COAL TO OVERTAKE OIL AS MAIN SOURCE OF ENERGY BY 2020

Speaking at the World Energy Congress, Wood Mackenzie's President of Global Markets, Mr William Durbin said that global government policies to reduce carbon emissions will not prevent a hydrocarbon world as coal will surpass oil as the dominant fuel later this decade. Demand for coal will be primarily driven by China and India's spiralling energy requirements. The US, Europe and Asia will also continue to contribute to coal demand. Mr Durbin stated that "China's economic growth will continue to be driven by urbanisation and industrialisation as the government seeks to improve housing as well as create economic opportunities. At the same time, the pursuit of increased national wealth is needed to support a shift to growth based on consumption. Coal will be used to fuel the growth because, unlike alternatives, it is plentiful and affordable. Consequently, China's demand for coal will almost single-handedly propel the growth of coal as the dominant global fuel."

According to Wood McKenzie global demand for oil in the year 2000 was 3,500 million tonnes of oil equivalent (**Mtoe**) compared to coal at 2,300Mtoe. By 2010, coal demand grew to almost 3,600Mtoe, just behind oil demand of 4,000Mtoe. By 2020 it is expected that global coal consumption will reach 4,500Mtoe, overtaking oil which is expected to reach 4,400Mtoe. This is a 25% growth in coal consumption from 2010 to 2020 with two-thirds of this growth being driven by Chinese coal-fired power generation. China's power requirements will increase from 5,000 Terawatts per hour (**TWh**) in 2012 to 8,600TWh in 2020. Coal fired power generation accounts for 46% of that growth. Mr Durbin explained the rationale underlying China's preference towards coal. "Firstly, there is limited availability of natural gas supplies due to the rapid pace of domestic demand growth and little progress in developing unconventional gas. Secondly, LNG and pipeline imports are two to three times more costly than domestic and imported coal. And thirdly, renewables cannot provide base load power. This leaves coal as the primary energy source."

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