



ReconNamibia Project Update: Focusing on Data Interpretation

Following the successful completion of a two-year 2D seismic acquisition programme covering 2,767 line km, an Enhanced Full Tensor Gravity (eFTG) programme covering nearly 5,000 km² and the drilling of three wells, ReconNamibia is pleased to be entering into the project's data processing, integration and interpretation phase. With this more comprehensive sub-surface analysis and evaluation, the company is now focused on developing a prospect portfolio and planning a multi-well drilling programme. In 2021, ReconNamibia successfully drilled three stratigraphic wells, the results of which identified a working petroleum system with multiple types of hydrocarbons: oil, natural gas, and natural gas liquids. We commenced our two-year geophysical subsurface data acquisition and evaluation programmes to ascertain the existence of potential working petroleum systems and subsequent commercial discoveries. The integrated sub-surface analysis and evaluation to obtain

a more accurate understanding of the hydrocarbon potential of our licence area requires extensive data processing, computer modelling and interpretation, and demands less on-the-ground operational activities. The field operational activities will recommence once we begin our next drilling campaign.

We thank the national and local governments, Traditional Authorities and the communities of Kavango East and Kavango West for their continued collaborative approach to our project to date and look forward to the rest of our exciting journey towards a commercial hydrocarbon discovery.

In collaboration with and at the invitation of the Namibian Government, we remain committed to the exploration and development of natural resources in the Kavango East and Kavango West regions.

Steps in the Interpretation Phase

1. Data processing/integration

Both in seismic and eFTG, raw data is collected and recorded in the field. This data, in different formats and types of measurements, is processed in a manner to reflect the sub-

surface geological structures. This is a very specialised and computer intensive analytical process.

2. Data interpretation

Once the data has been processed and integrated with well data, it is interpreted to understand an integrated image of the geology that will assist with directing the rest of the project, including building a prospect portfolio and identifying the next well locations.

Interpreted data also assists with de-risking in large exploration areas, such as our licence area, and helps our team rank our prospective locations based on size, complexity and geological likelihood.

3. Integrated sub-surface imaging

Once interpretation is complete, a geological model is built which assists in evaluating the sub-surface, building a prospect portfolio, and guiding the next drilling locations.

Seismic update

Over 2,767 line-kilometres of seismic lines with significant input of local content, the 2D seismic data acquisition by our third-party contractor, Polaris Natural Resources Ltd, was successfully and safely

completed on 16 May 2023.

Over the duration of the seismic operations, the company and its subcontractors employed over 630,000 people-hours and drove over two million kilometres without any significant health, safety, or environmental incidents; there were no lost time incidents in the two years of operations since Polaris first commenced work in Namibia in July 2021. ReconNamibia and Polaris have worked hand-in-hand to achieve our exploration goals in 2D seismic data acquisition and to impact the local communities positively through employment, acquisition of services and procurement of goods in the Kavango East and Kavango West regions, and other areas of Namibia.

eFTG update

The eFTG programme saw the collection of data covering nearly 5,000 km², which is currently being processed and interpreted. This data was acquired over a tightly-spaced flight grid, yielding higher resolution data and a more accurate rendition of the sub-surface geology. The survey, completed in ReconNamibia's 25,000 square kilometre exploration licence area (PELO73) in north-eastern Namibia, is being integrated

with the company's existing 2D seismic data, which greatly enhances ReconAfrica's capacity to extrapolate structural geometries and basin architecture in three dimensions.

The eFTG, a very advanced high-resolution airborne gravity survey, allows technical specialists – including geologists and earth scientists – to identify changes in sub-surface rock density with the goal of highlighting stratigraphic or structurally controlled hydrocarbon traps. ReconNamibia carried out the eFTG, the first of its kind for Namibia, which was in addition to the company's contractually agreed exploration programme with government. The survey was carried out by Metatek-Group Limited, an airborne geophysical survey technical specialist company based in the United Kingdom.

Data was acquired from a twin engine DC3 prop survey aircraft flown over the licence area. Using an airborne laser scanner, the aircraft acquires local topographical data, which is critical in correcting and calibrating the gravity data during processing. The plane used in this eFTG acquisition is no different from any other

aircraft except for the specialised data gathering equipment.

ReconNamibia undertook stakeholder engagements on the eFTG Aerial Gravity Survey between February and April 2023 in both Kavango East and Kavango West regions. Over 50 engagements were undertaken and were attended by almost 1,000 affected and interested stakeholders. The stakeholder engagements were also extended to reach a wider geographic audience in the Kavango East and Kavango West regions, and at the national level through radio interviews on the National Broadcasting Corporation Radio Service (NBC Radio).

In addition, written updates were provided to key figures and groups including the Kavango East and Kavango West Regional Councilors, Traditional Authorities and their respective village senior representatives, Farmers Unions and Associations, and the community forests and conservancies. Traditional Authority leaders, Farmers' Union representatives and local authority leadership were invited to view the survey equipment and familiarise themselves with the eFTG data acquisition activities.

Uplifting the lives of the people of Kavango



With an Environmental, Social and Governance (ESG) approach to business, international best practices, and commitment to local content, ReconNamibia is pleased to have commenced adding value to the local economies in this early exploration phase. The company is doing this by focusing on hiring at the local, regional and national levels, implementing skills transfer programmes, and procuring services and products locally.

Guided by our key ESG core values, ReconNamibia has focused our community outreach projects on health and wellness, including drilling and installing community boreholes in both Kavango East and Kavango West. Other health-focused initiatives are on education and on agriculture. All this is part of our journey of uplifting the lives of the people of Kavango.

With ReconNamibia's first entry into the Kavango East and Kavango West regions, the people from these regions, including representatives from the Ministry of Agriculture, Water and Land Reform (MAWLR), made it clear that the need for potable water with safe access was critical. Safe access is crucially important because of the reported human/wildlife (especially crocodiles and hippos) conflict, especially so for community members who reside along the Kavango River. To mitigate this human/wildlife conflict, our company prioritized drilling community water wells offsetting the river to alleviate this dangerous situation. Based on the input of various stakeholders, the Company is proud to have responded promptly and with due urgency.

ReconNamibia's safe and secure access to potable water programme saw the drilling, installation and handing over to the government of 22 solar-powered water wells. We also completed further installation requirements on four already drilled government community water wells, thus 26 community water wells have been transferred to the Government of Namibia. A further 10 community water wells have been drilled and are in the final phase of installation. This will bring the overall count to 36 community water wells.

All community water wells drilled and installed follow MAWLR's priorities and technical standards. This attests to ReconNamibia and MAWLR's collaborative approach to safe and secure access to potable water.

"The new water wells are really helping us because the water is much cleaner than what we used to get from the valley, the distance was much longer to walk. This company has really helped us and hopefully will continue developing our communities," said a Mutweghombahe village resident of over 13 years. He added that before the water-wells, villagers would walk almost 2.3km to fetch water from a valley, which has since dried up.

Another key focus area for our community outreach projects is education. The Company, in addition to its contractually stipulated contribution to the PetroFund (Namibian Petroleum Education Training Fund), is financing the studies of ten students pursuing qualifications in science, technology, engineering, arts and maths (STEAM).

"With the scholarship funding, I was able to get accommodation in the hostel where there is Wi-Fi and walking to the class only takes me 2-3 minutes. I am forever grateful," said a 19-year-old second year civil engineering student from the Kavango West region.

ReconNamibia added to its educational support in the region in collaboration with the Ministry of Gender Equality, Poverty Eradication and Social Welfare (MGEPESW) and the Ministry of Health and Social Services (MoHSS) in providing scholarships to seven nursing students from the San communities in the two regions.

"I faced a lot of challenges in school but I never gave up because I knew I was going to make it one day. I always admired nurses when I saw them in their uniforms. I love the work! Through my practical studies, I have been working with a few patients and I have realised that this is really what I want to do. I am not looking back. I am very grateful that I was selected for this scholarship," said a 23-year-old nursing degree student, from the San community in the Kavango East region.

ReconNamibia also supported various regional development projects including, the Rundu Annual Trade Fair 2022 and the Nkurenkuru Trade Fair 2023.

RECONNAISSANCE ENERGY NAMIBIA LTD.
PO Box 2992 Rundu, Kavango-East Region - Namibia
Tel: +264 81 95 36 992 | www.reconafrica.com

