Apex Spectral Technology, Inc

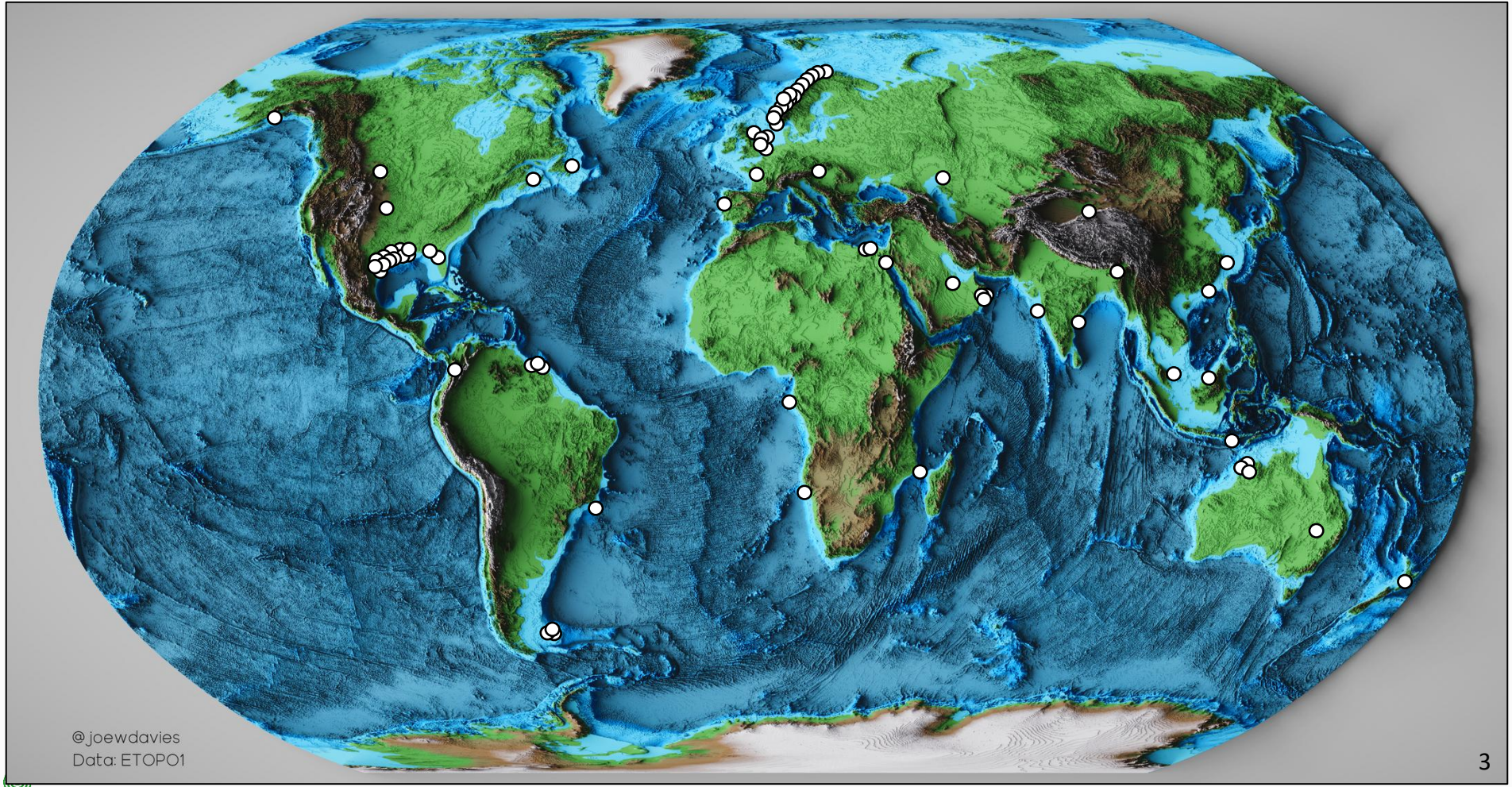
Presents

Leverage E&P Success by Imaging KH from Seismic

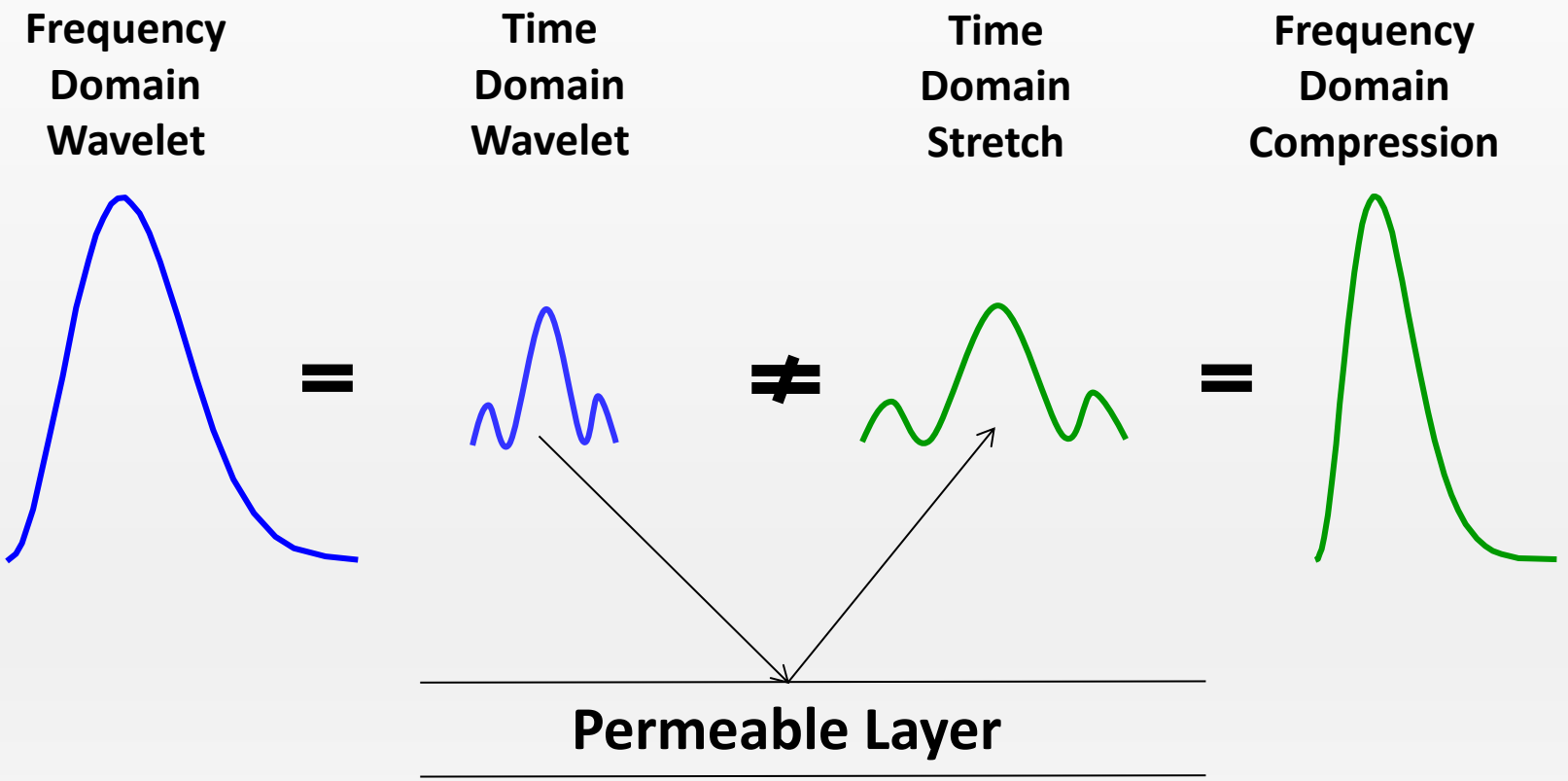
Apex Spectral Technology

- Founded in 2002
- Invented ADF® KH imaging from seismic data
- Performed ADF® projects worldwide
- Published blind-test ADF® results in a paper sponsored by Shell at 2021 EAGE
- Published science explaining the KH effect at Image 2024

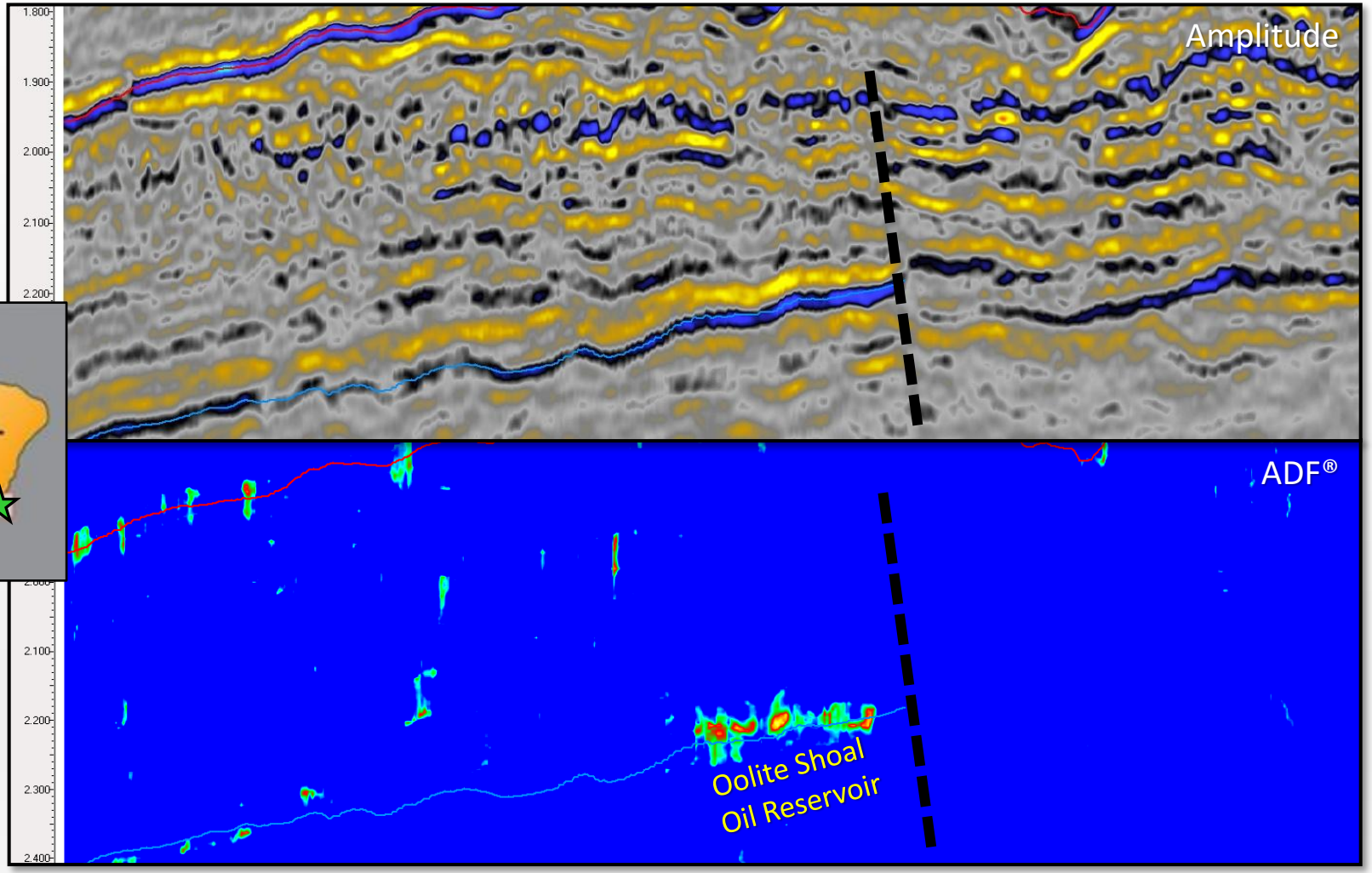
Apex ADF® KH Projects

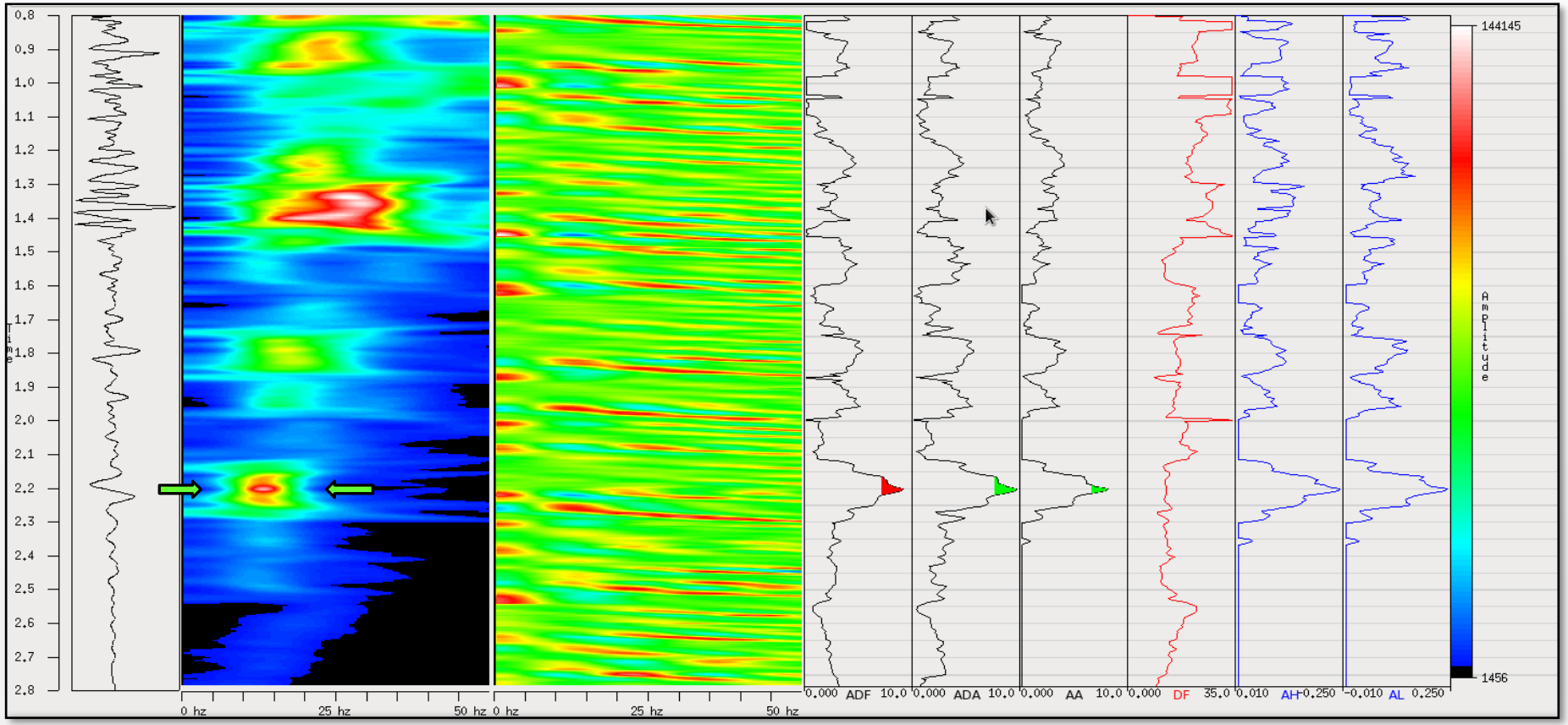


KH causes time domain stretch which is frequency domain compression

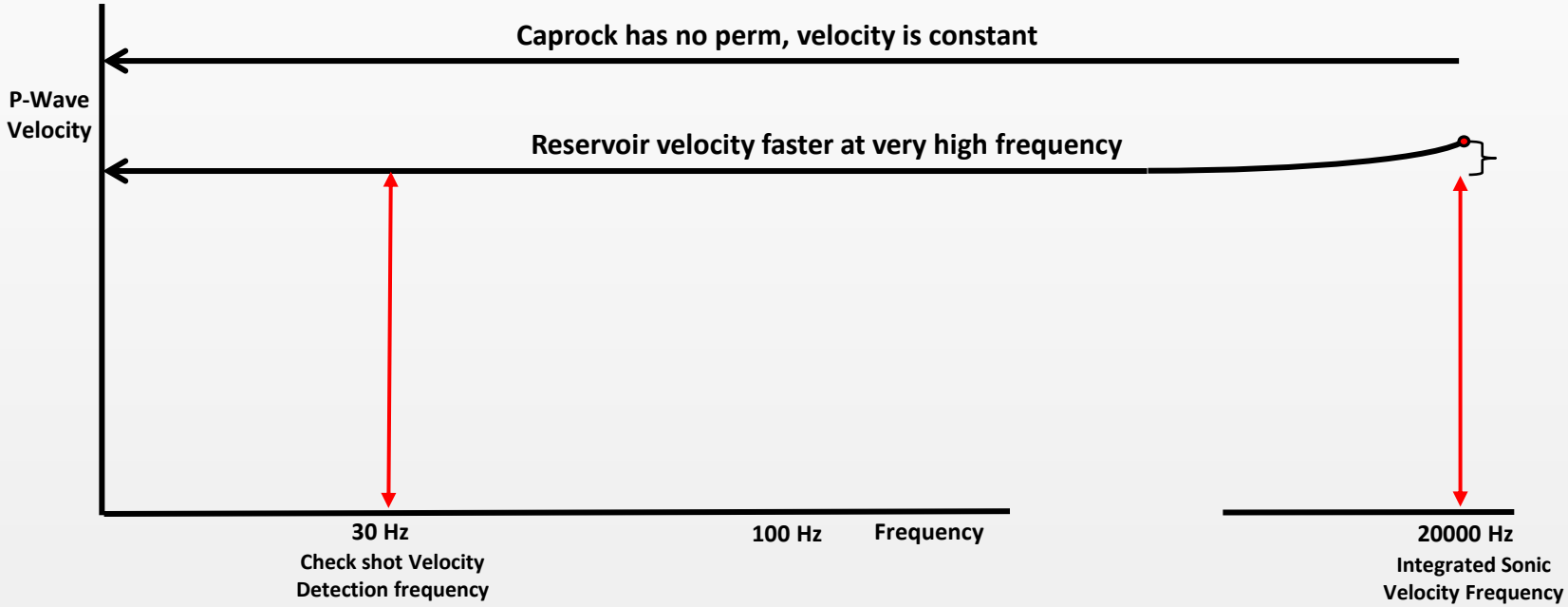



BRAZIL

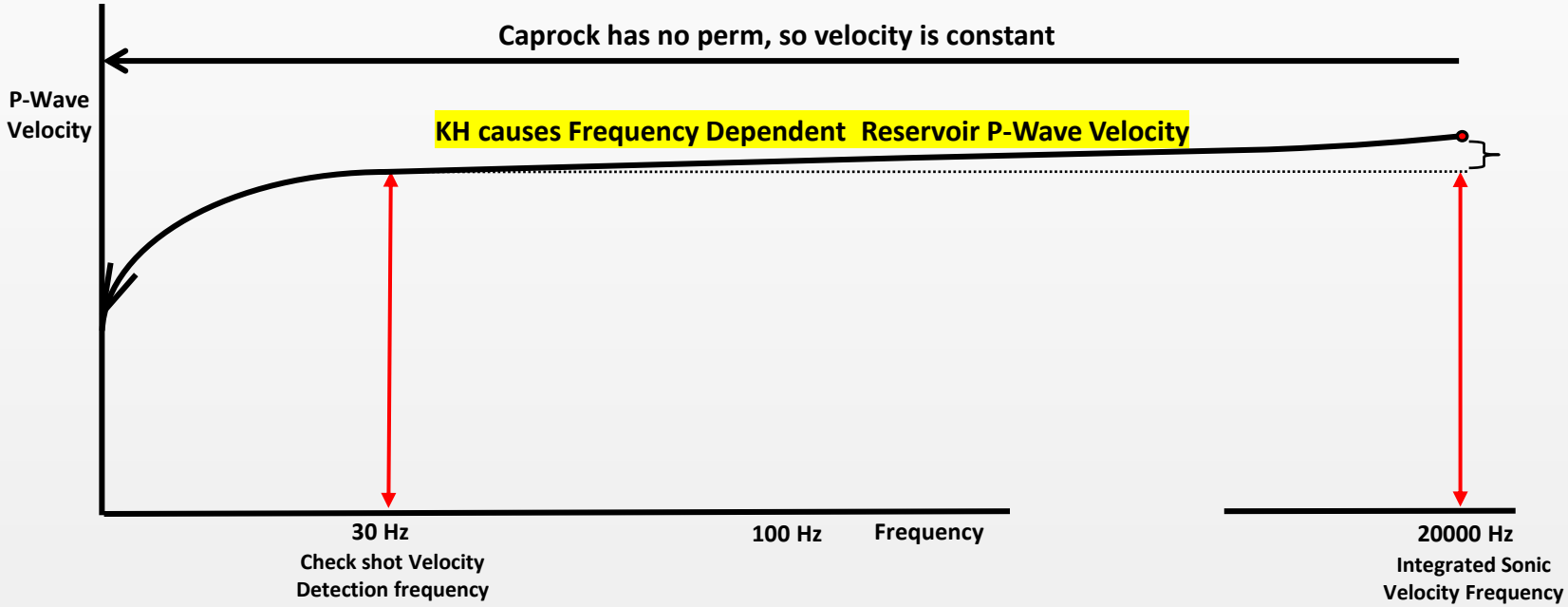

1.800
1.900
2.000
2.100
2.200
Amplitude
2.100
2.200
2.300
2.400
ADF®
Oolite Shoal
Oil Reservoir


Time
0.8
0.9
1.0
1.1
1.2
1.3
1.4
1.5
1.6
1.7
1.8
1.9
2.0
2.1
2.2
2.3
2.4
2.5
2.6
2.7
2.8
0 hz
25 hz
50 hz
0 hz
25 hz
50 hz
0.000 ADF 10.0
0.000 ADA 10.0
0.000 AA 10.0
0.000 DF 35.0
0.010 AH 0.250
-0.010 AL 0.250
144145
Amplitude
1456

1975 first principal over simplification

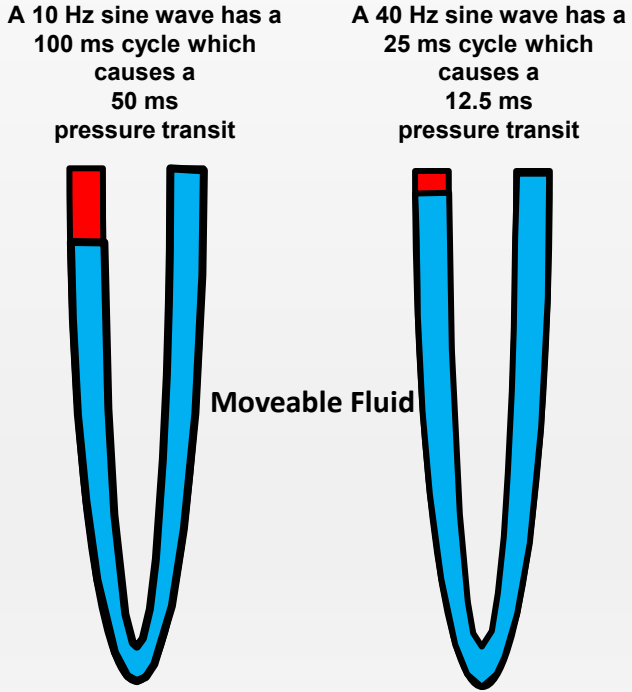


2025 Understanding



What causes lower frequencies to travel slower?

Darcy's Law: A longer pressure transient will cause more fluid movement

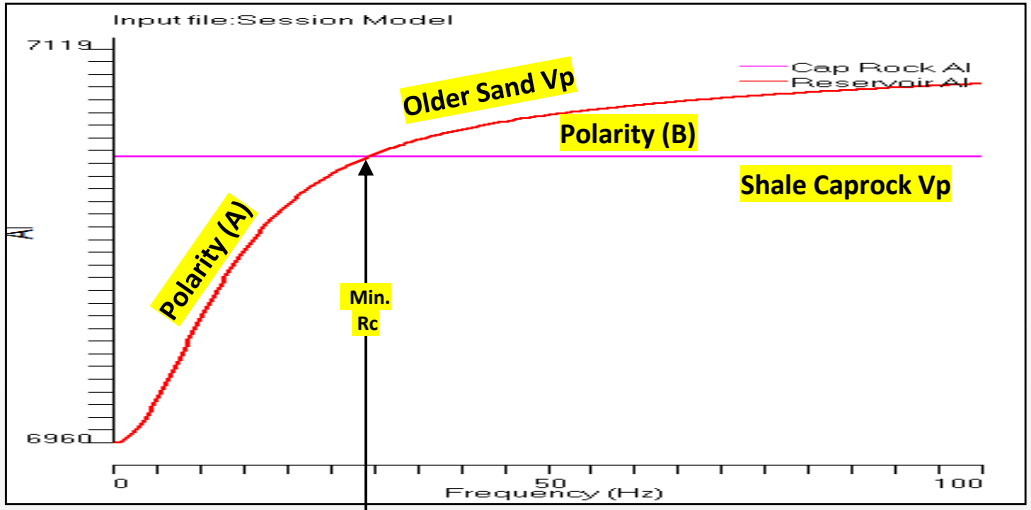


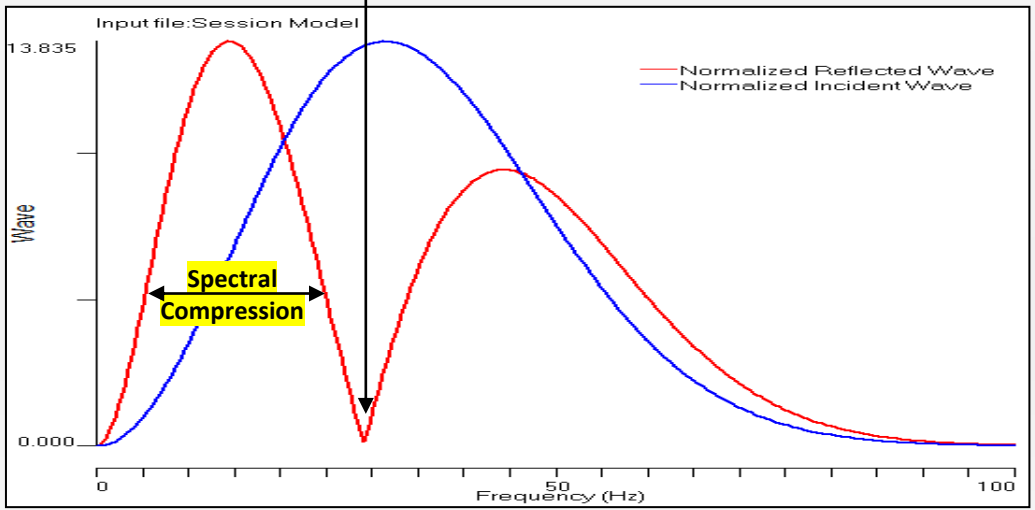
Reflection Coefficients are frequency dependent because reservoir velocity is frequency dependent

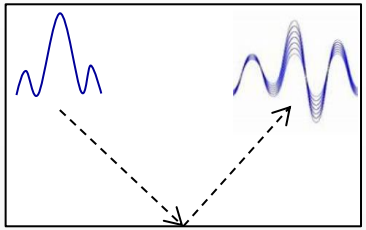
$$(D2 * V2) - (D1 * V1)/(D2 * V2) + (D1 * VI) = Rc$$

Frequency Dependent Rc

D1 is density above
D2 is density below
V1 is velocity above
V2 is velocity below
Rc is reflection coefficient



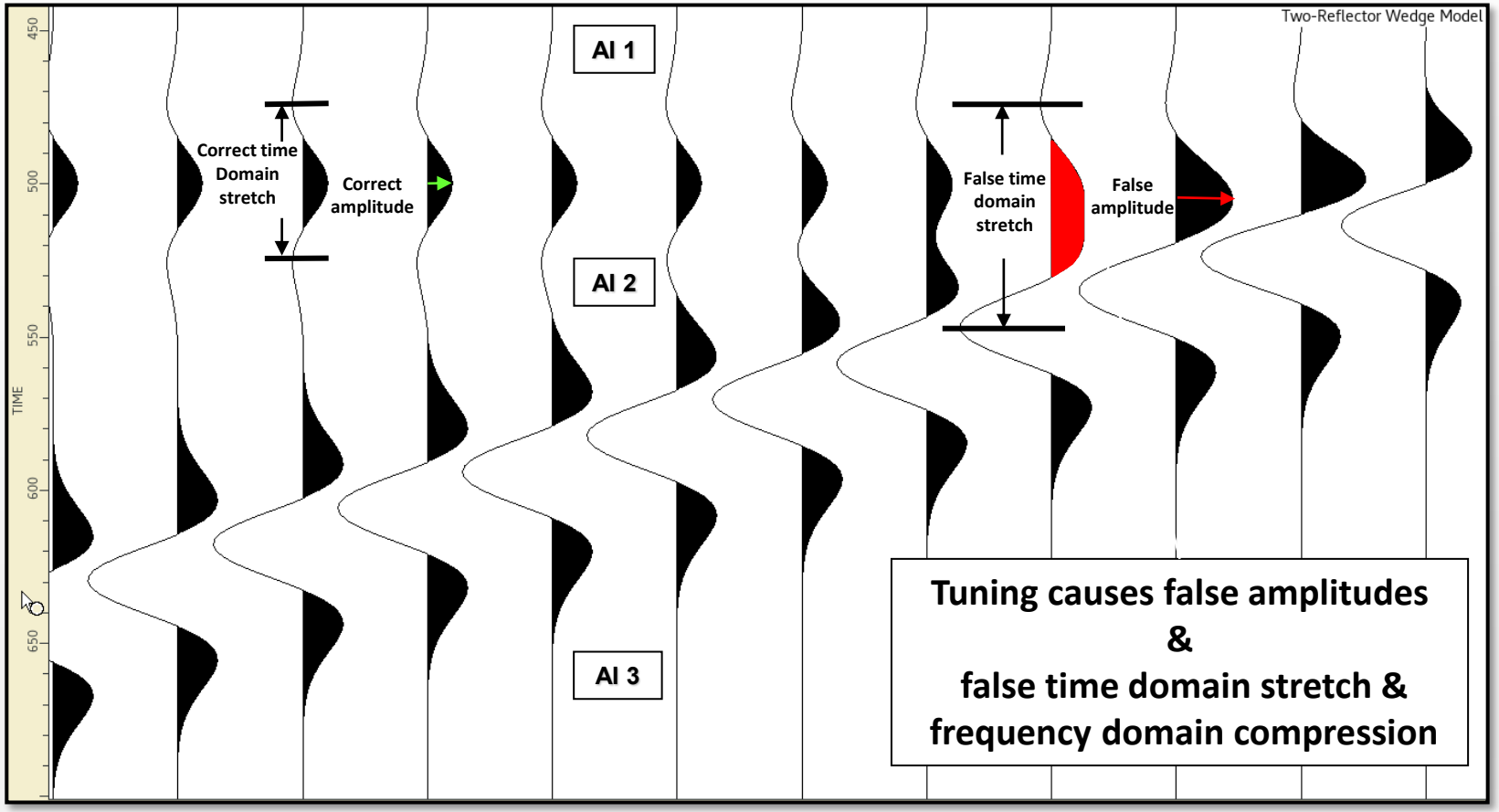




KH Causes Spectral Compression

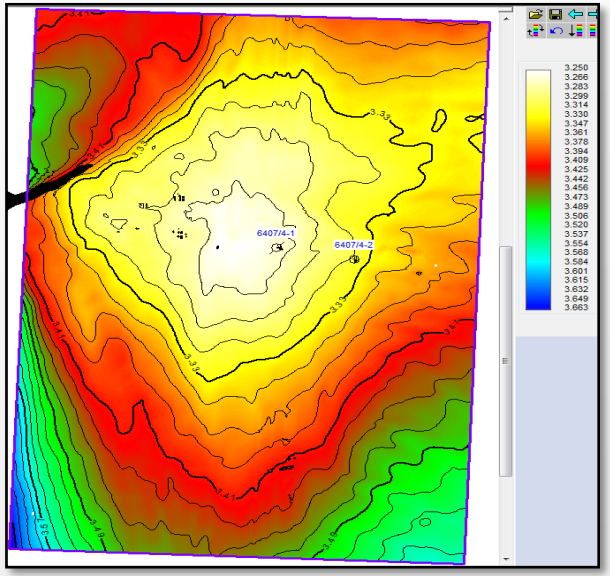
ADF® Measures that Compression

Similar to Amplitude, Tuning is a Challenge – the Wedge Model

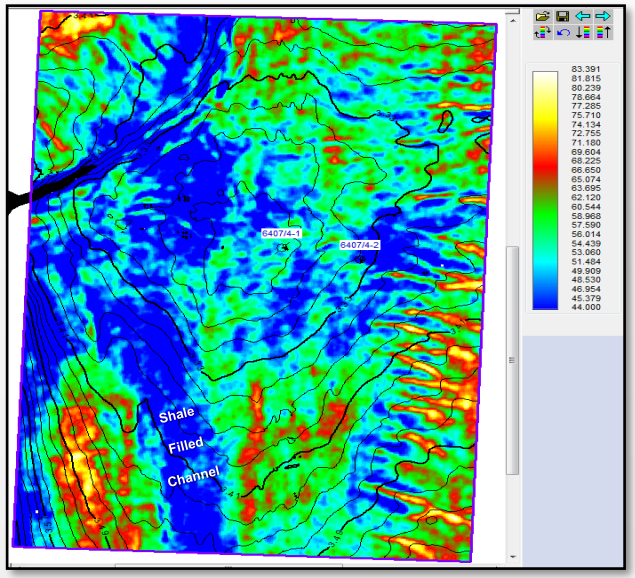


Acoustic Impedance ("AI") = P wave velocity * density

Time Structure

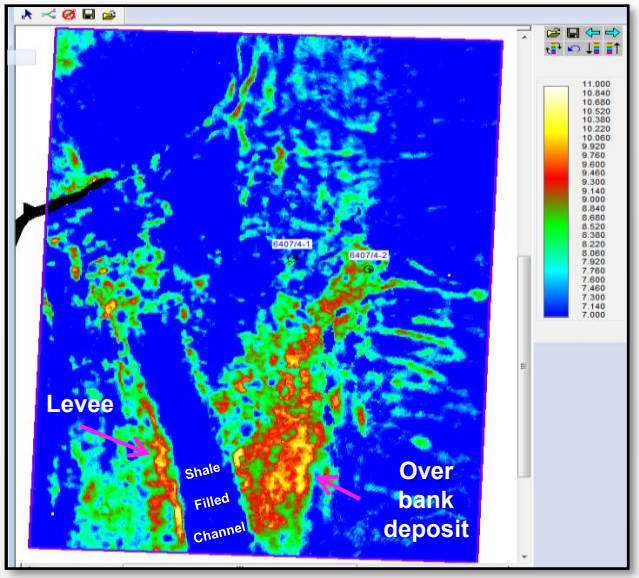


Amplitude is replete with tuning



Tuning blurs geology on amplitude

ADF® is measured after tuning is removed



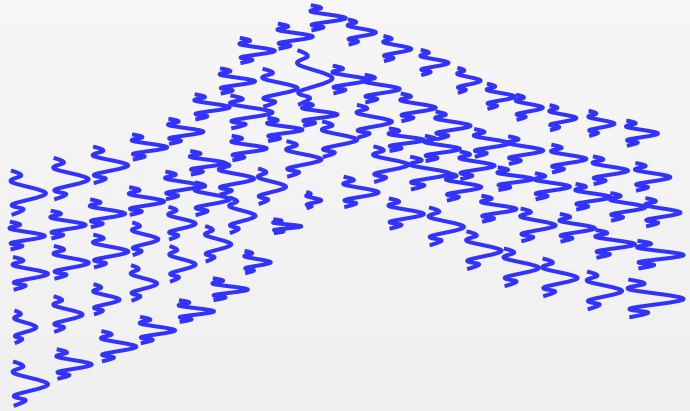
ADF® clarifies geology

ADF® is the opposite of inversion

Inversion calculates a wavelet using well data

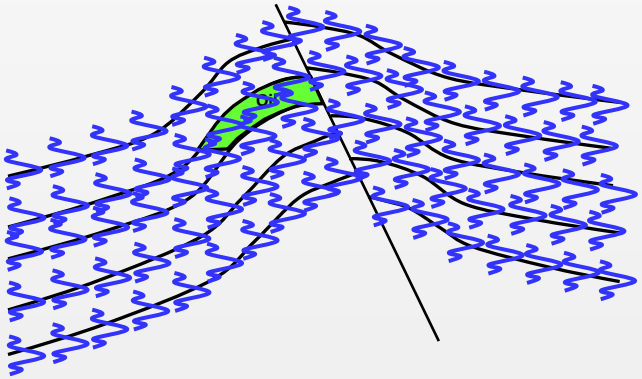
Or

ADF® calculates wavelets without using well data



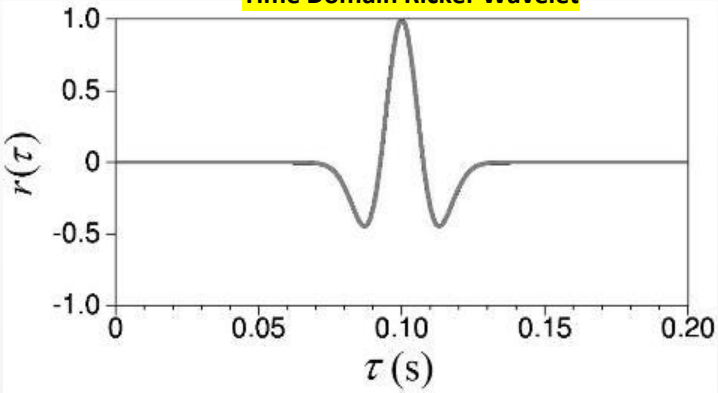
&

Geology

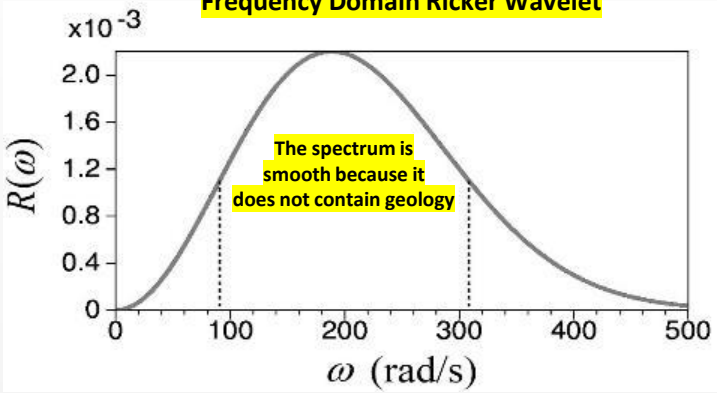


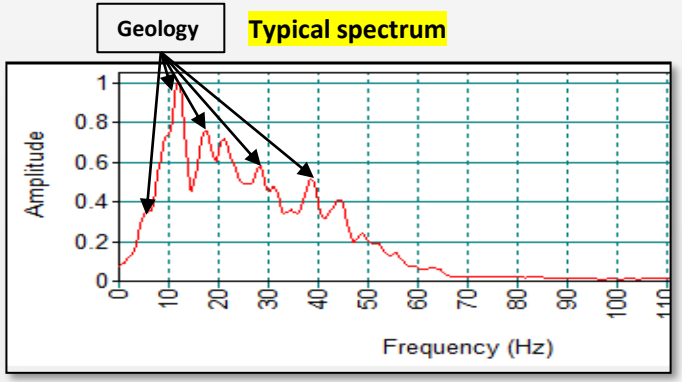
Removing Tuning Effects

Time Domain Ricker Wavelet



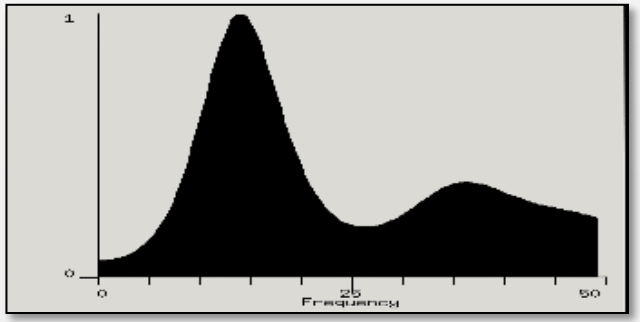
Frequency Domain Ricker Wavelet





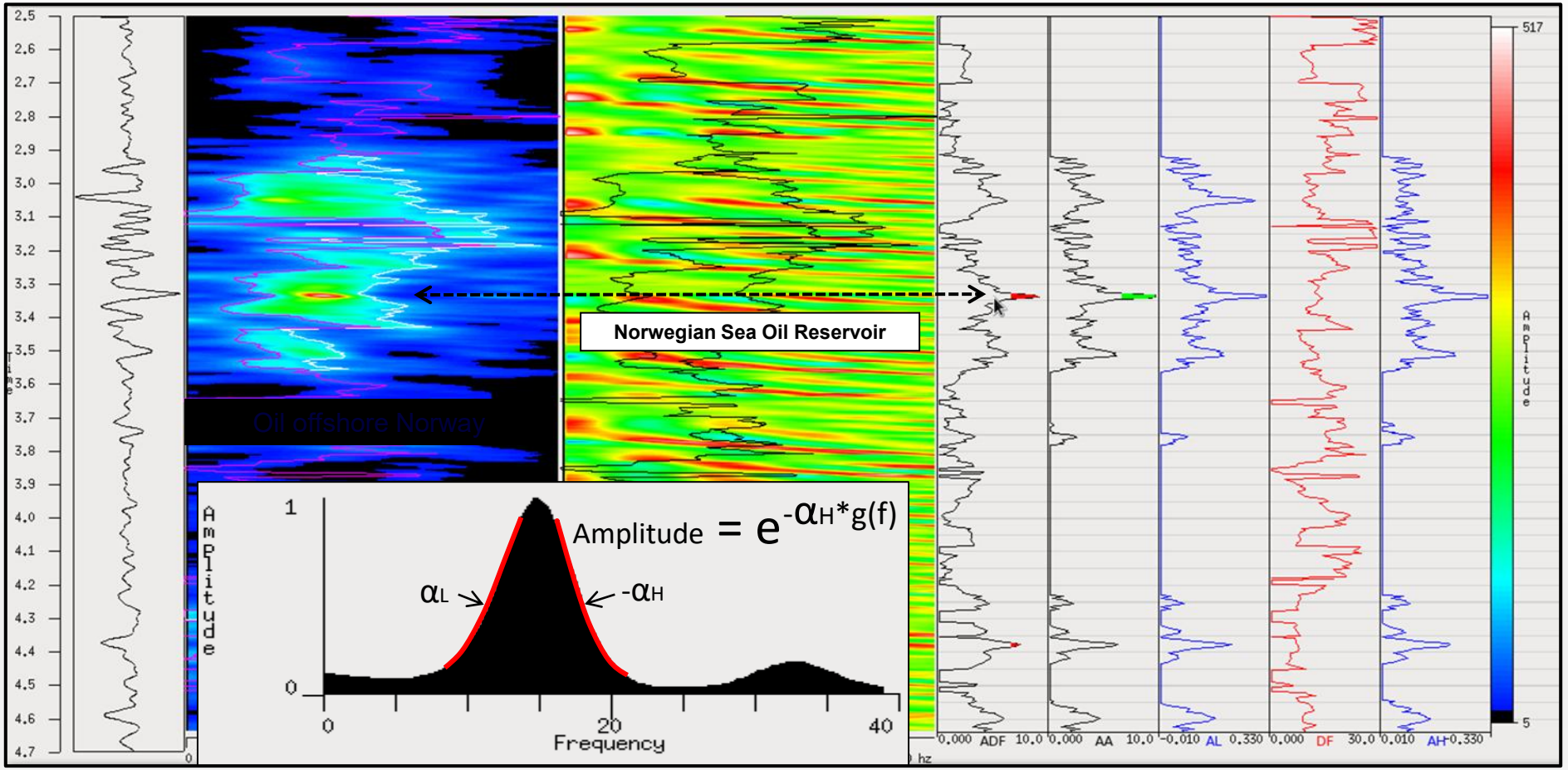
Geology prevents accurately measuring compression

Apex Spectrum

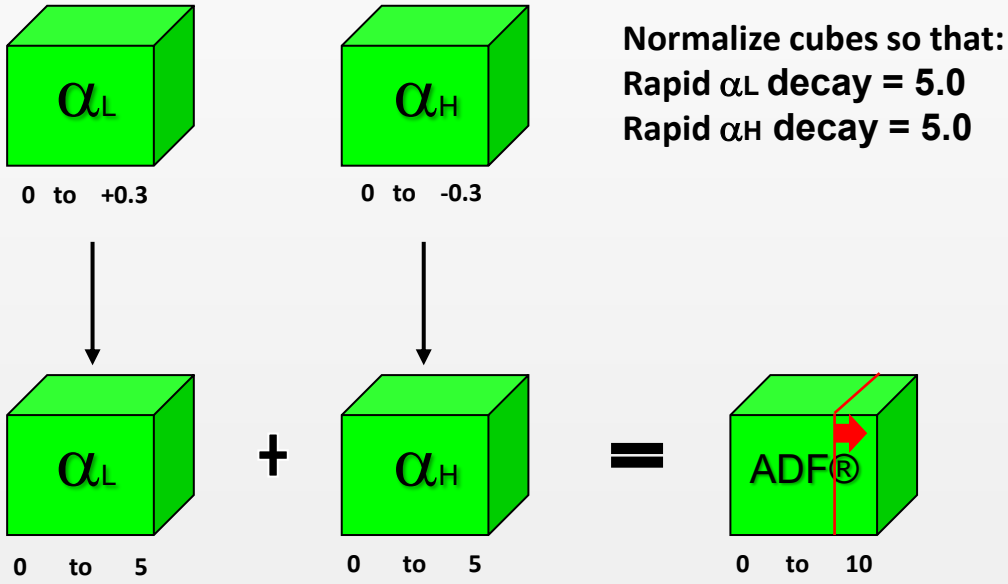


Apex transform removes geology allowing for accurate measurements of compression

KH Causes Spectral Compression; ADF® measures Spectral Compression



ADF® KH Cubes



An ADF® cube is computed by summing the two alpha cubes to get one cube scaled 0 to 10

Industry Tools that Remove the KH Frequency Effect

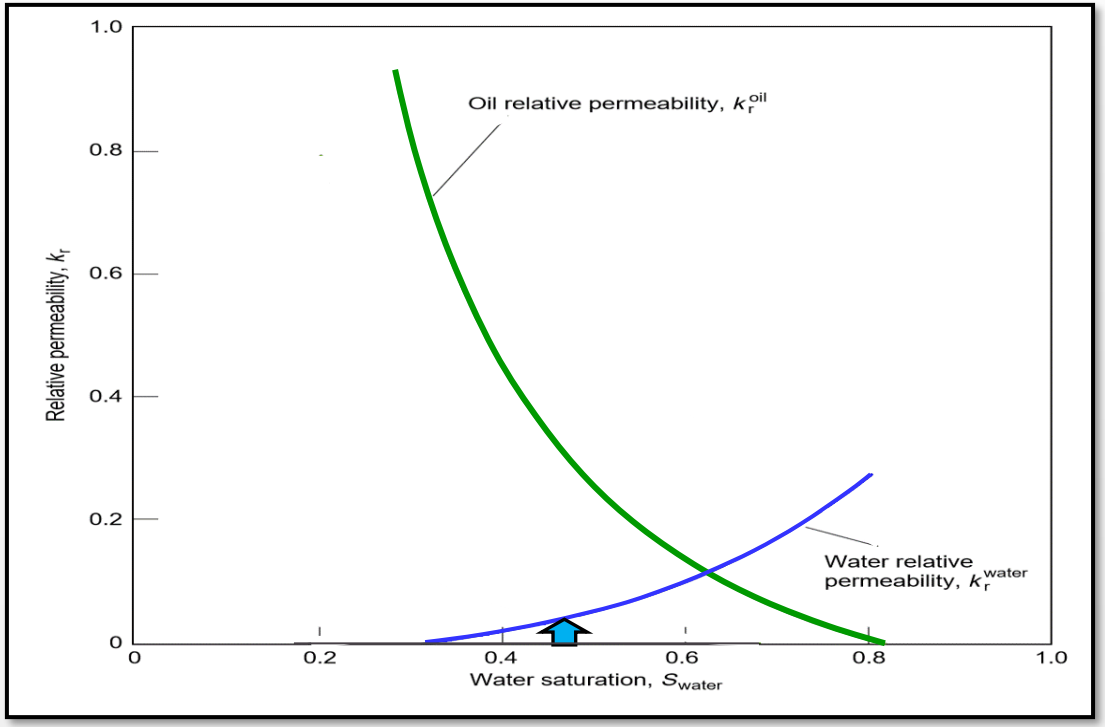
- Spiking & Gap Deconvolution
- Amplitude Q compensation
- Whitening

ADF® Summary Points

- In sands, ADF® is largely a KH sand map
- In carbonates, ADF® shows where KH within the layer
- ADF® uses only seismic as input
- ADF® is independent of amplitude

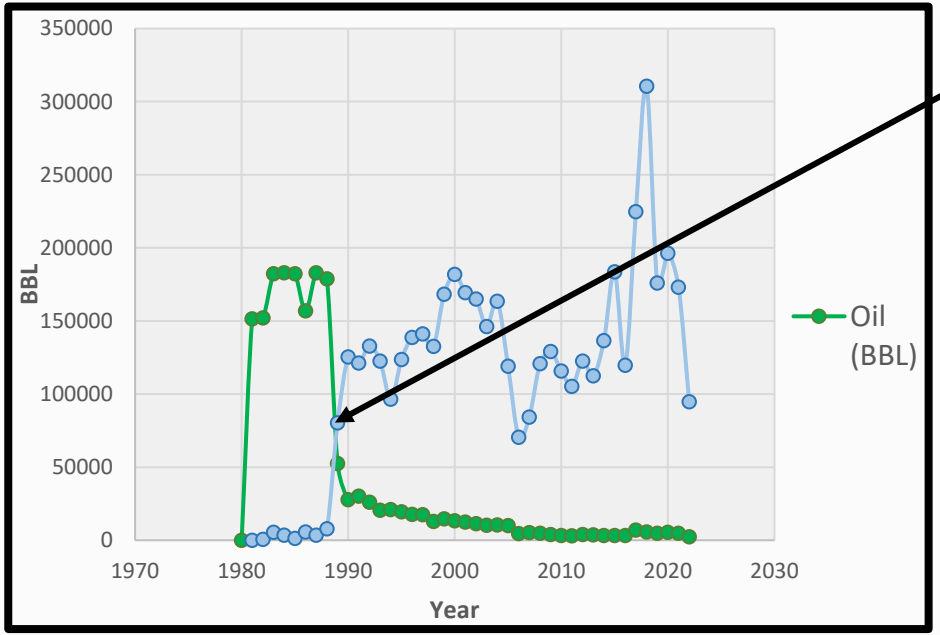
ADF® Shows 4D Effects

Relative permeability drops as a reservoir is produced causing *an* ADF® 4D effect

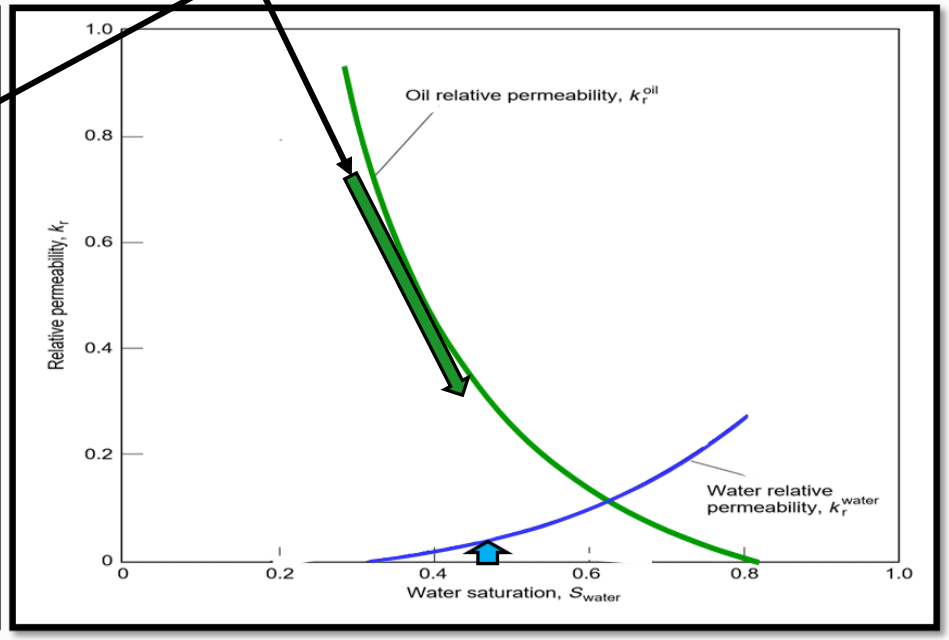


Toward Improved Prediction of Reservoir Flow Performance; John J. Buckles, Randy D. Hazlett, et al

Normal pressure well with a strong water drive

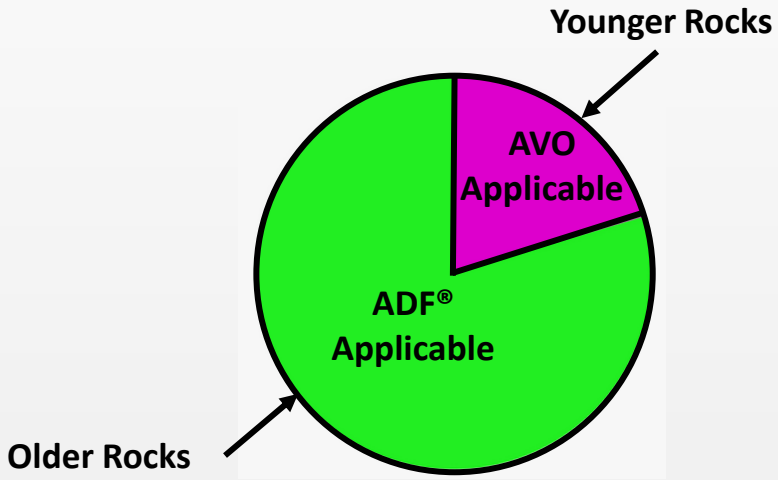


The drop in oil production is due to the drop in relative permeability



This causes a KH 4D effect and makes ADF® a weak DHI in some cases

AVO is effective In young rocks

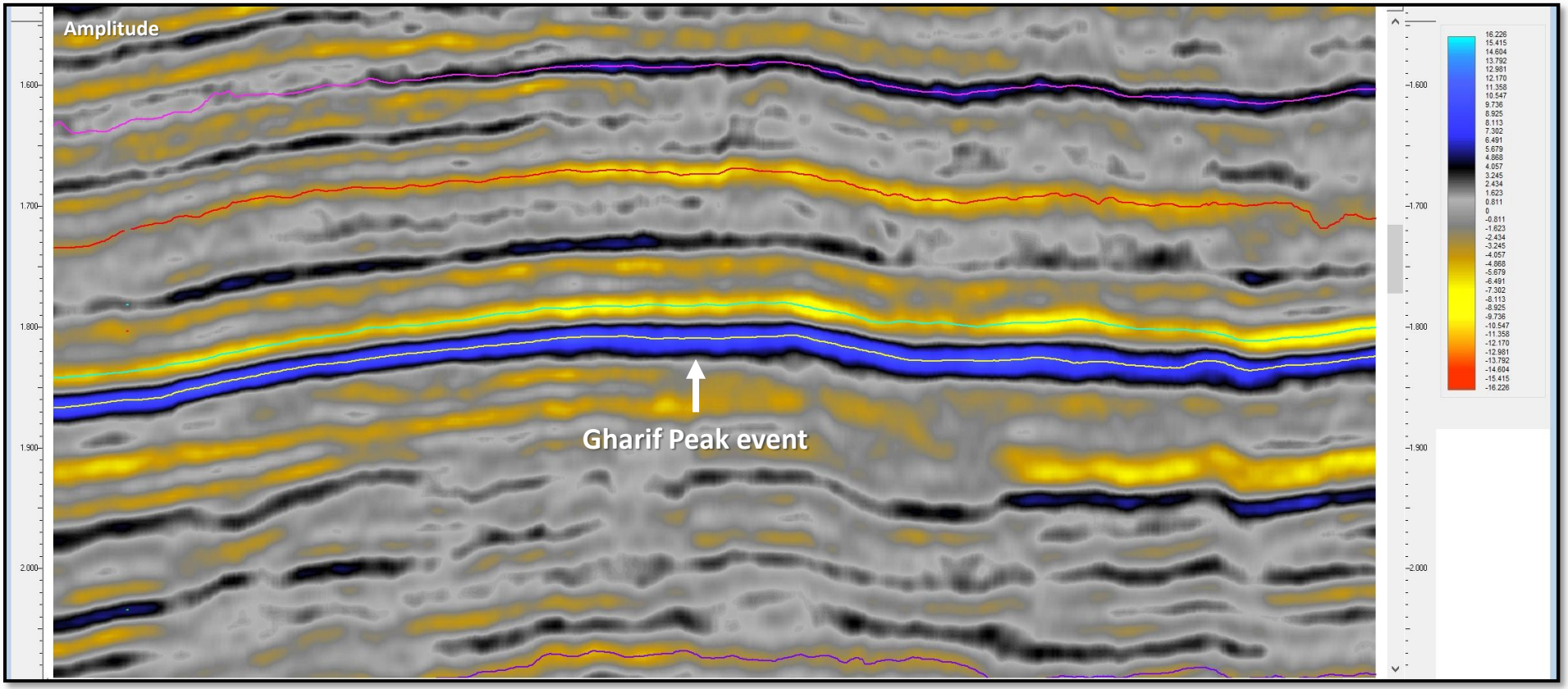


ADF® is more effective in older rocks

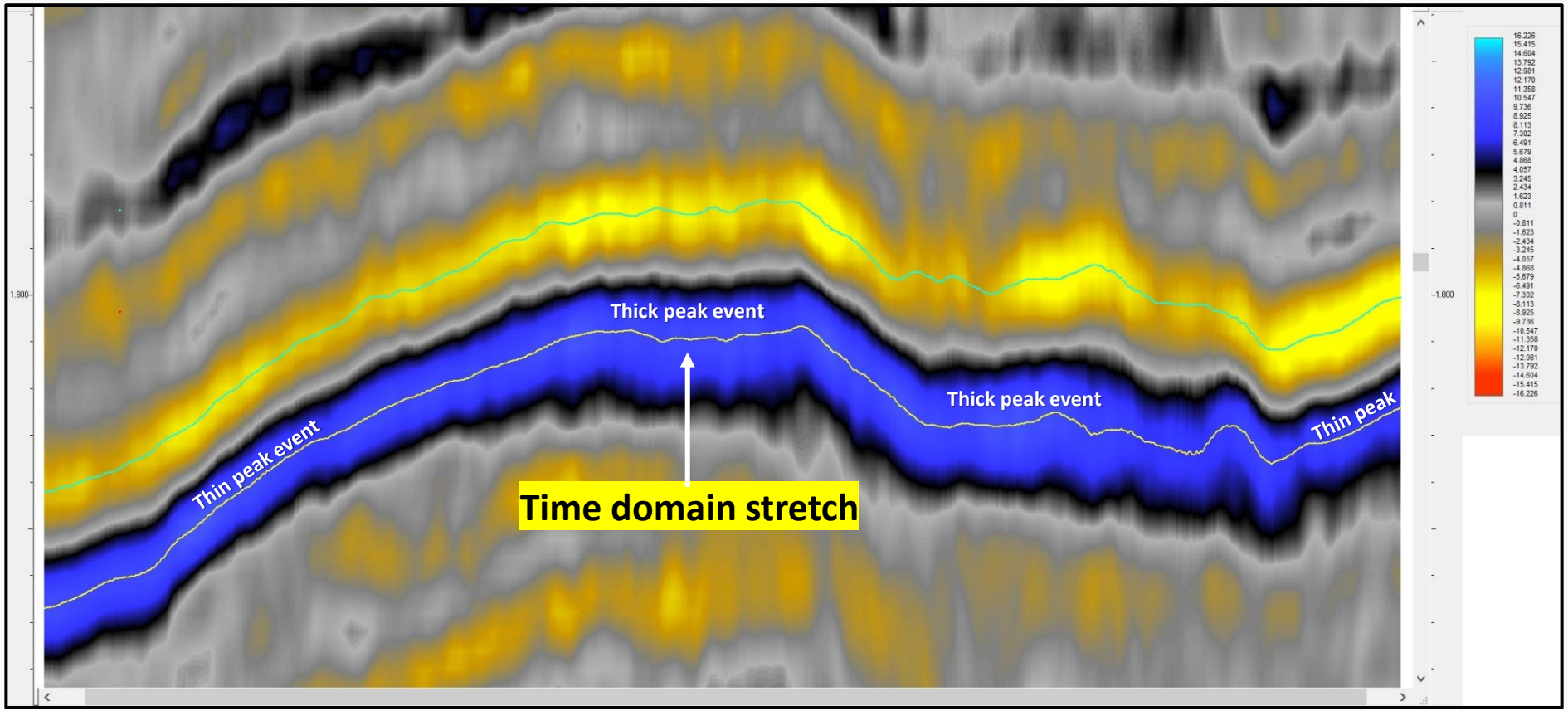
Shell/PDO Oman Blind Test Proof of Concept Project

"Dispersion Imaged Field with No Amplitude DHI"

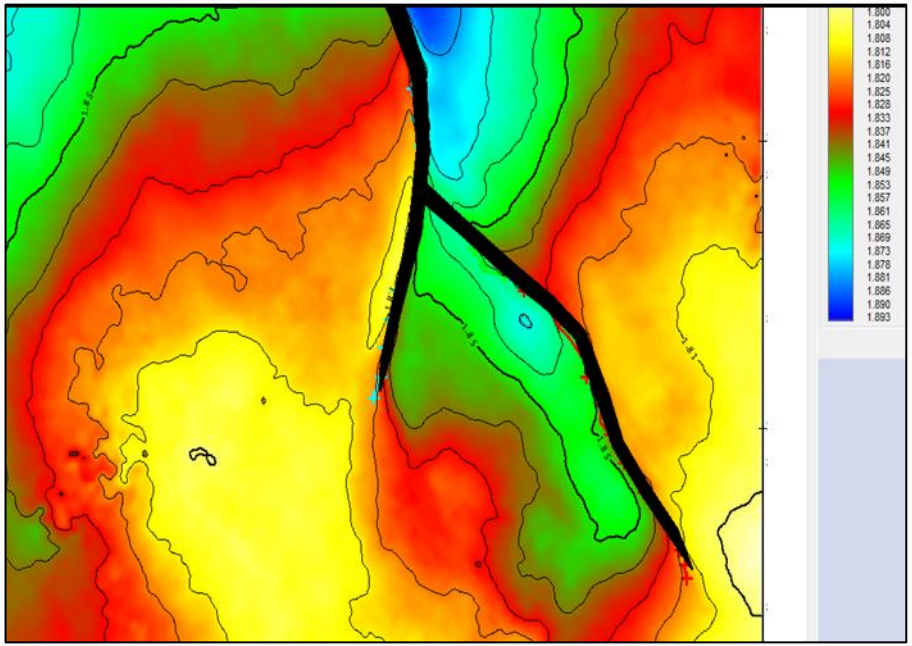
Published October 21, 2021


Amplitude
Gharif Peak event
1.600
1.700
1.800
1.900
2.000
16.226
15.415
14.604
13.792
12.981
12.170
11.358
10.547
9.736
8.925
8.113
7.302
6.491
5.679
4.868
4.057
3.245
2.434
1.623
0.811
0
-0.811
-1.623
-2.434
-3.245
-4.057
-4.868
-5.679
-6.491
-7.302
-8.113
-8.925
-9.736
-10.547
-11.358
-12.170
-12.981
-13.792
-14.604
-15.415
-16.226

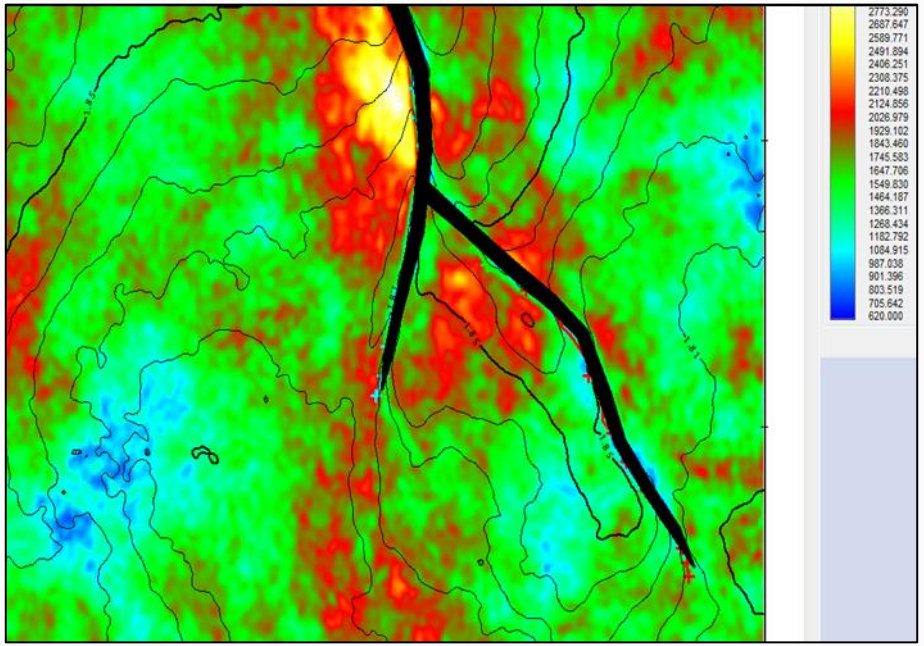
Zoom-In of Previous Slide



Gharif Structure Map



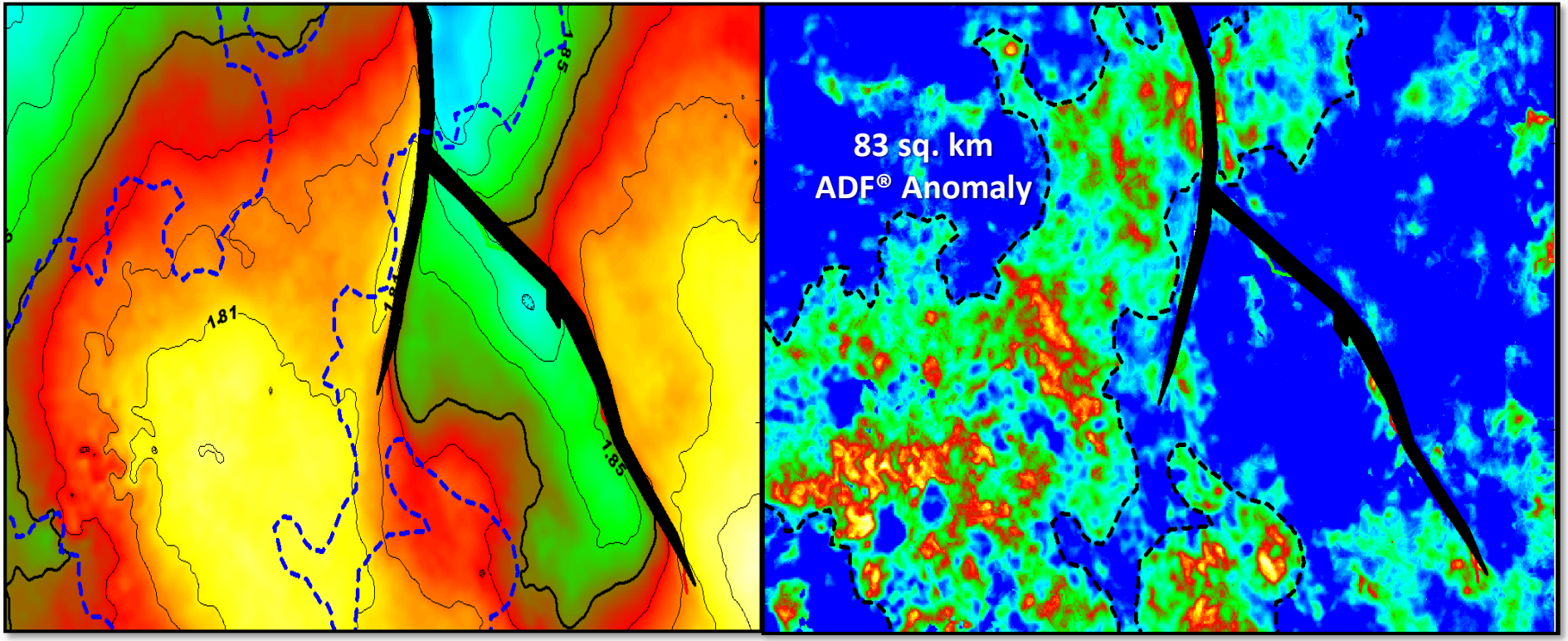
Gharif Peak Amplitude



Amplitude shows no correlation to structure

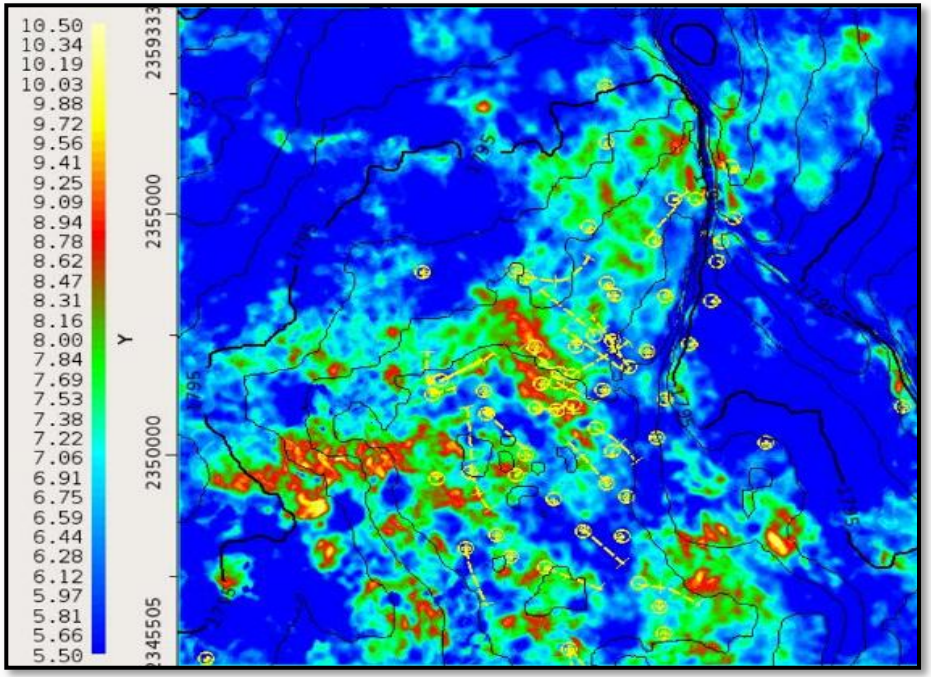
Gharif Structure Map

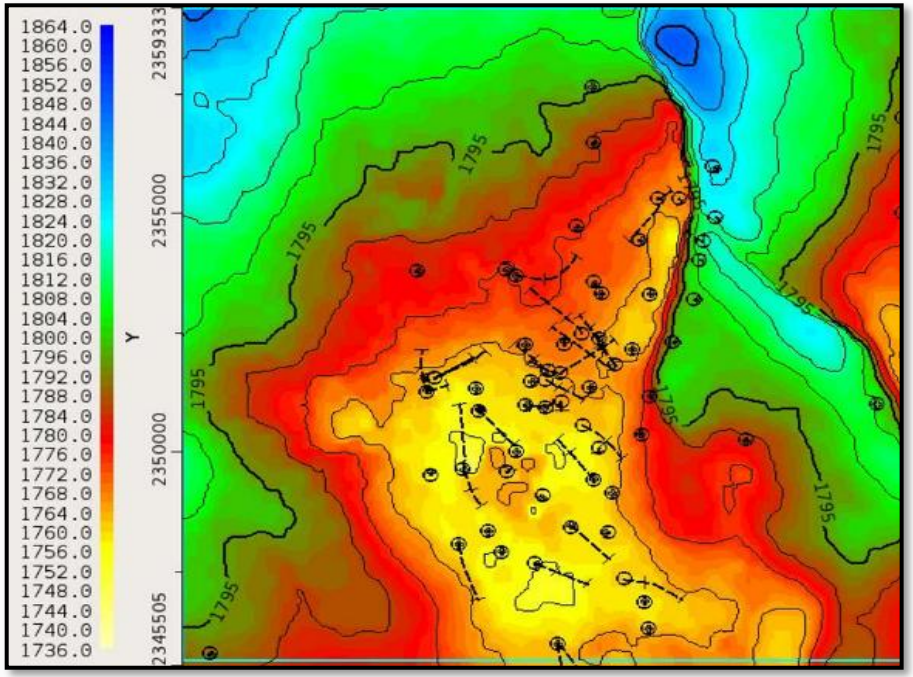
Gharif ADF®



ADF® shows correlation to structure

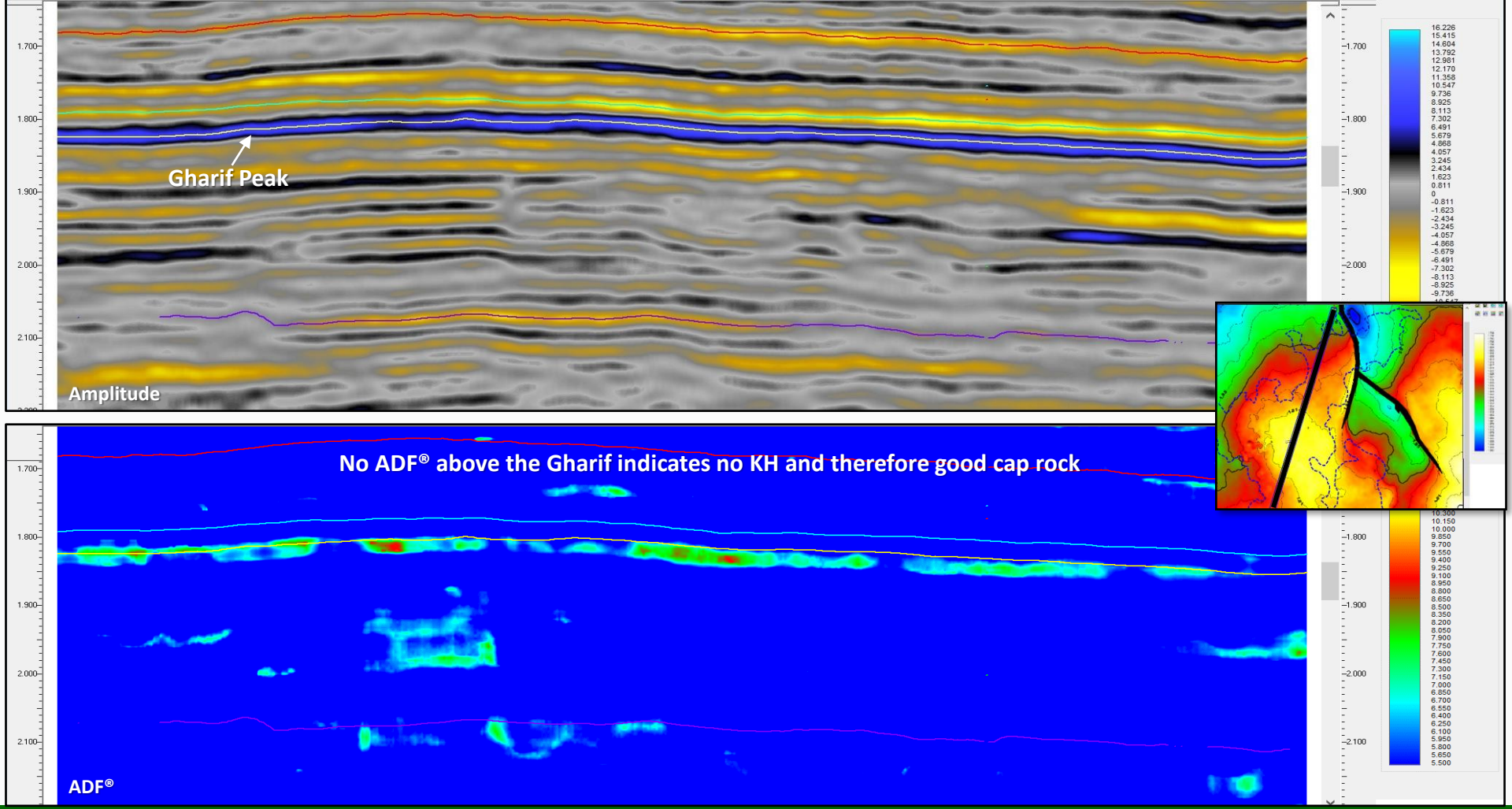
After ADF® results were delivered PDO provided the wells

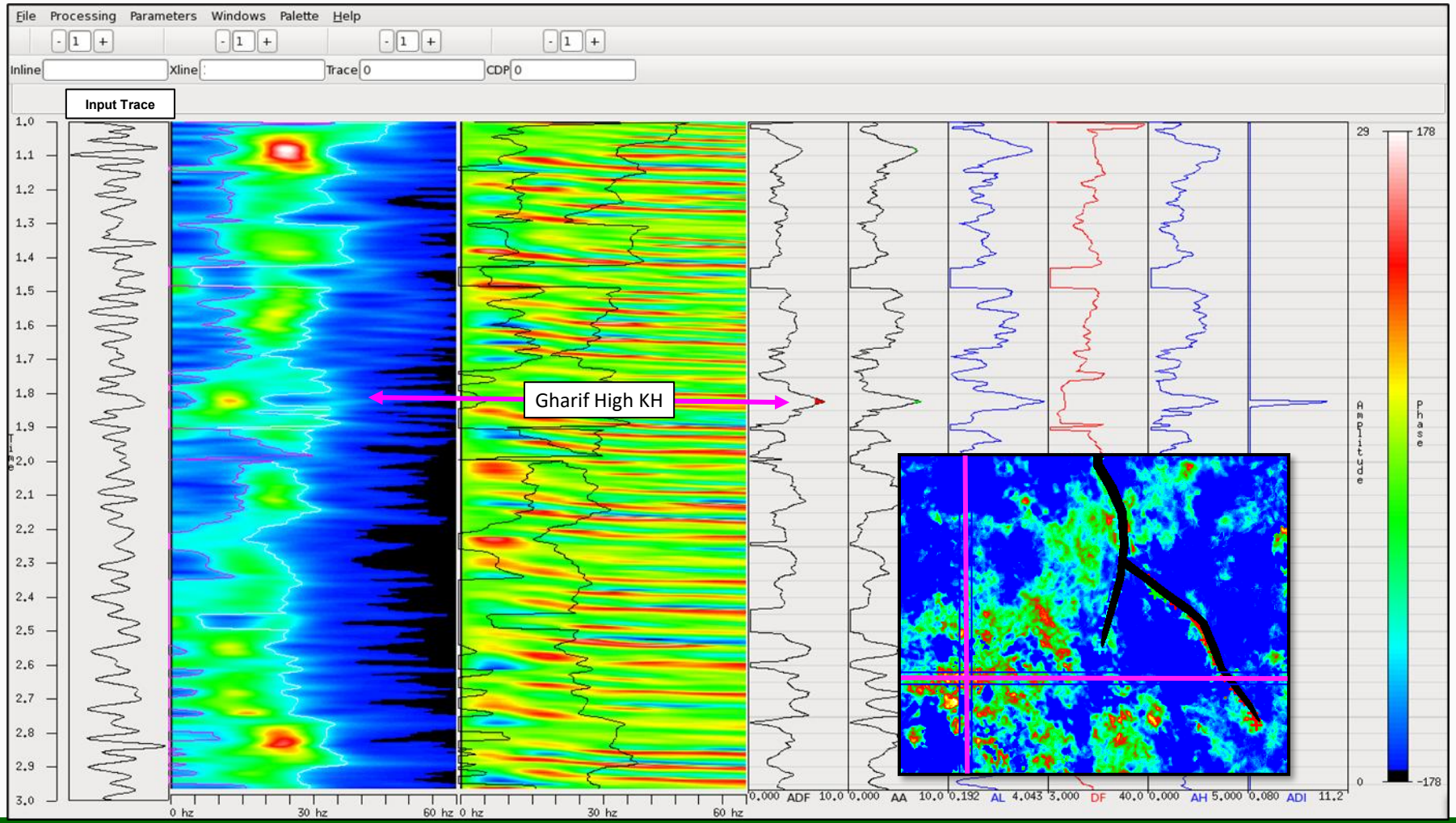




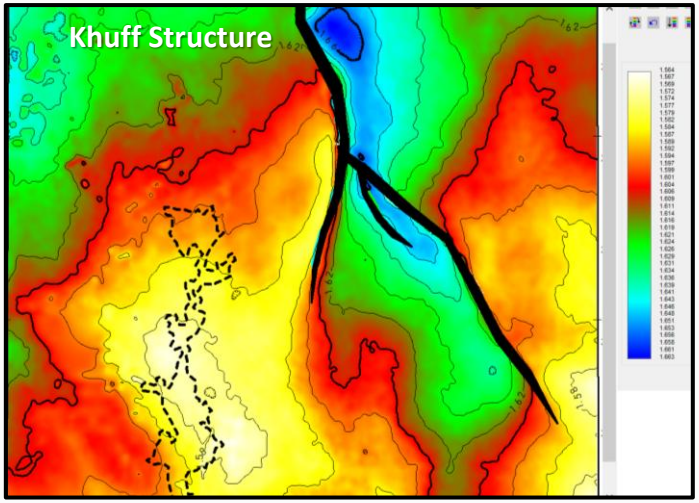
ADF® correlates to the field because it correlates to KH and early hydrocarbon migration helped preserve porosity and perm

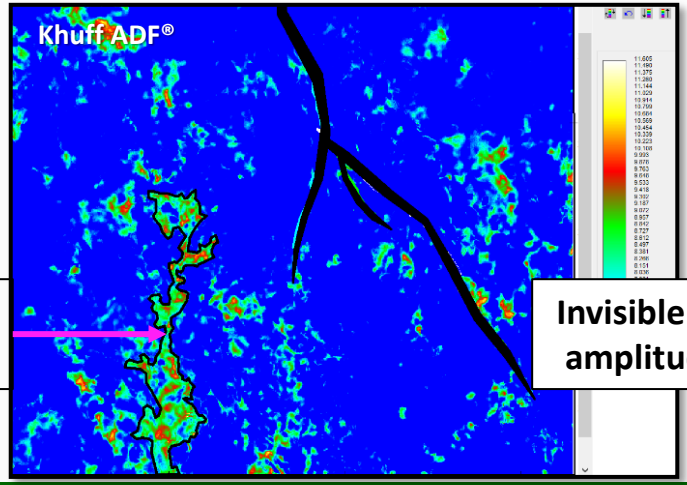
Courtesy of Petroleum Development Oman

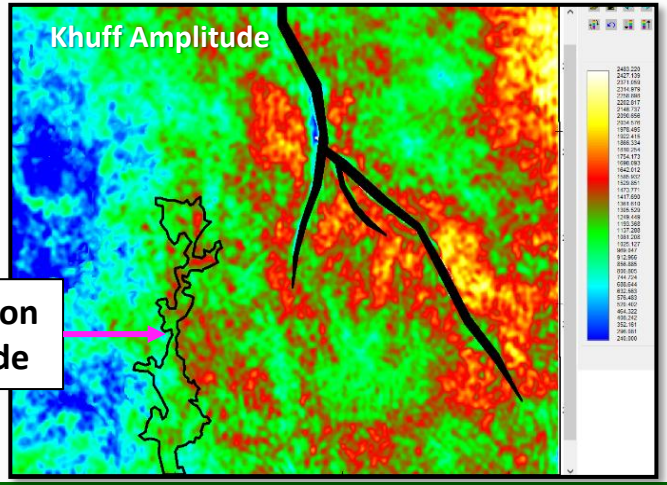

Gharif Peak
Amplitude
No ADF® above the Gharif indicates no KH and therefore good cap rock
ADF®


File Processing Parameters Windows Palette Help
Inline
Xline
Trace 0
CDP 0
Input Trace
Gharif High KH
0 hz
30 hz
60 hz
ADF
AA
AL
DF
AH
ADI
Amplitude
Phase

Khuff Carbonate ADF®



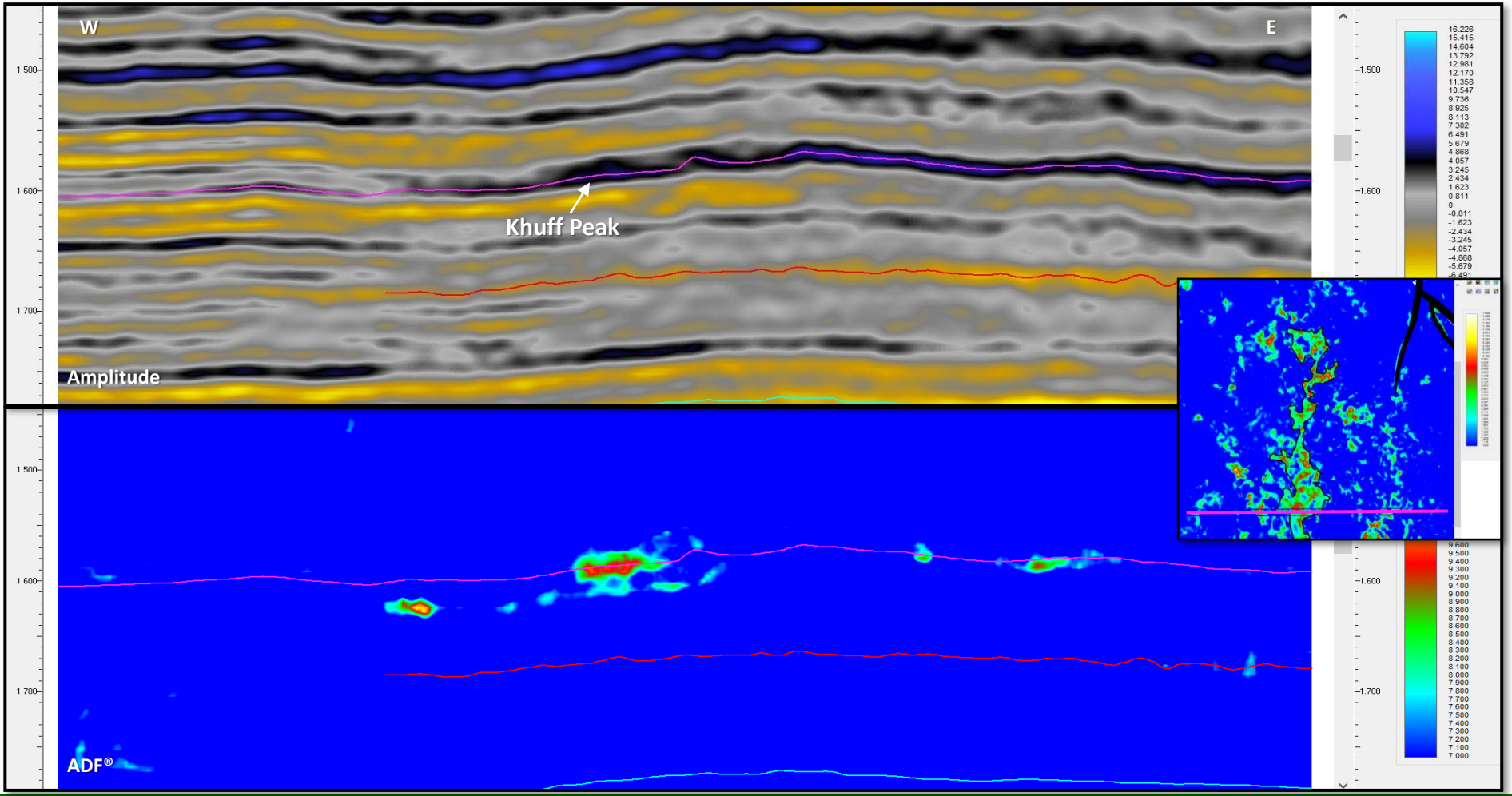




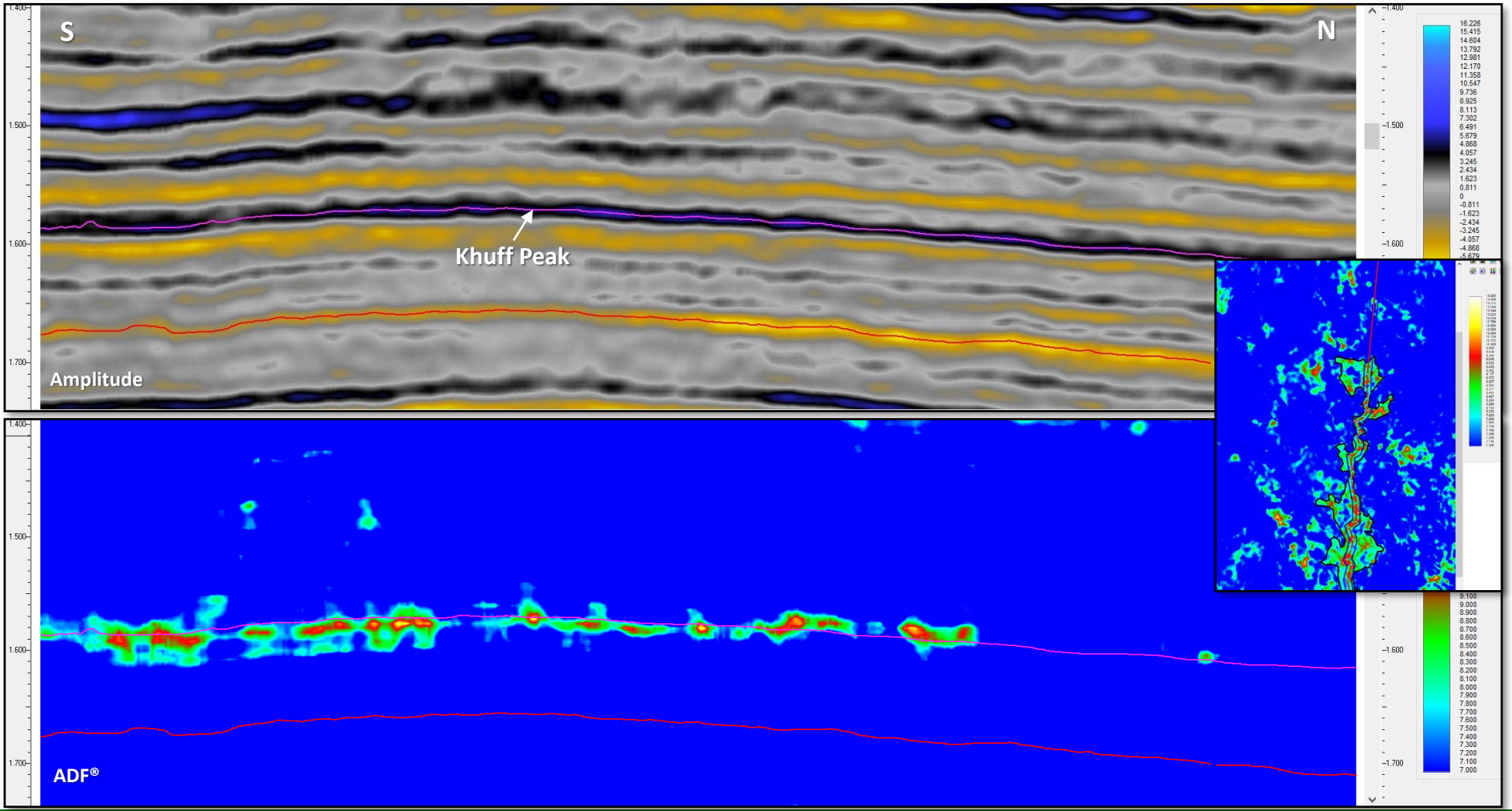
9 sq. km ADF® Anomaly

Invisible on amplitude

Courtesy of Petroleum Development Oman

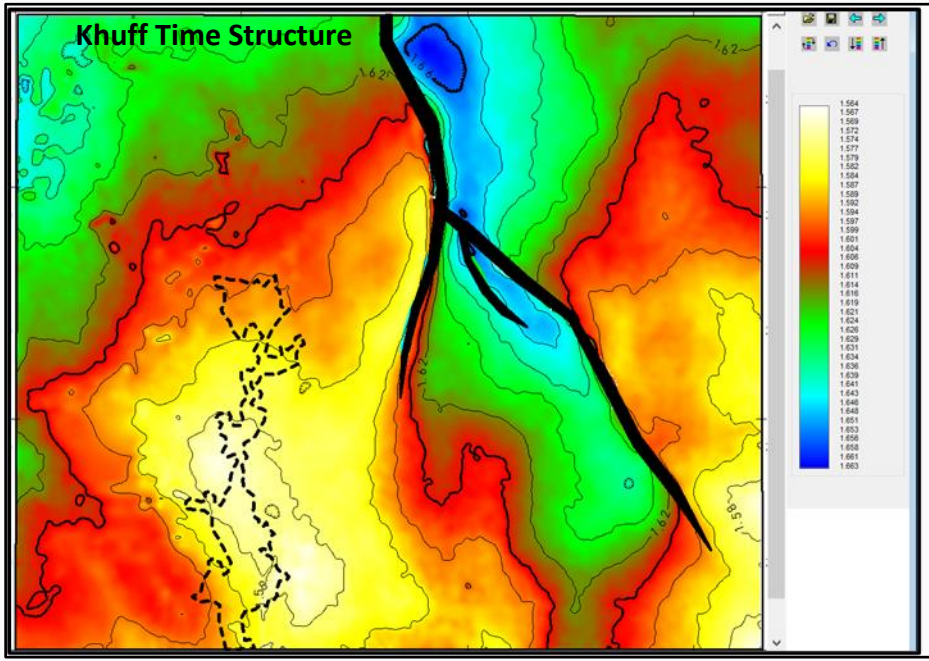


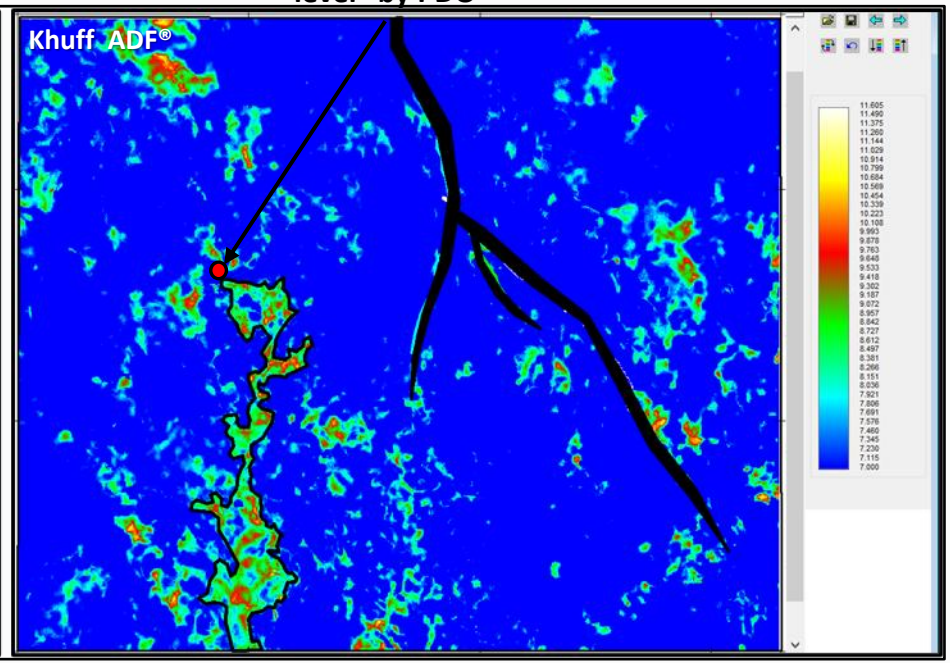
Courtesy of Petroleum Development Oman



Courtesy of Petroleum Development Oman

Well MBR35 was interpreted to be "Hydrocarbons at Khuff level" by PDO



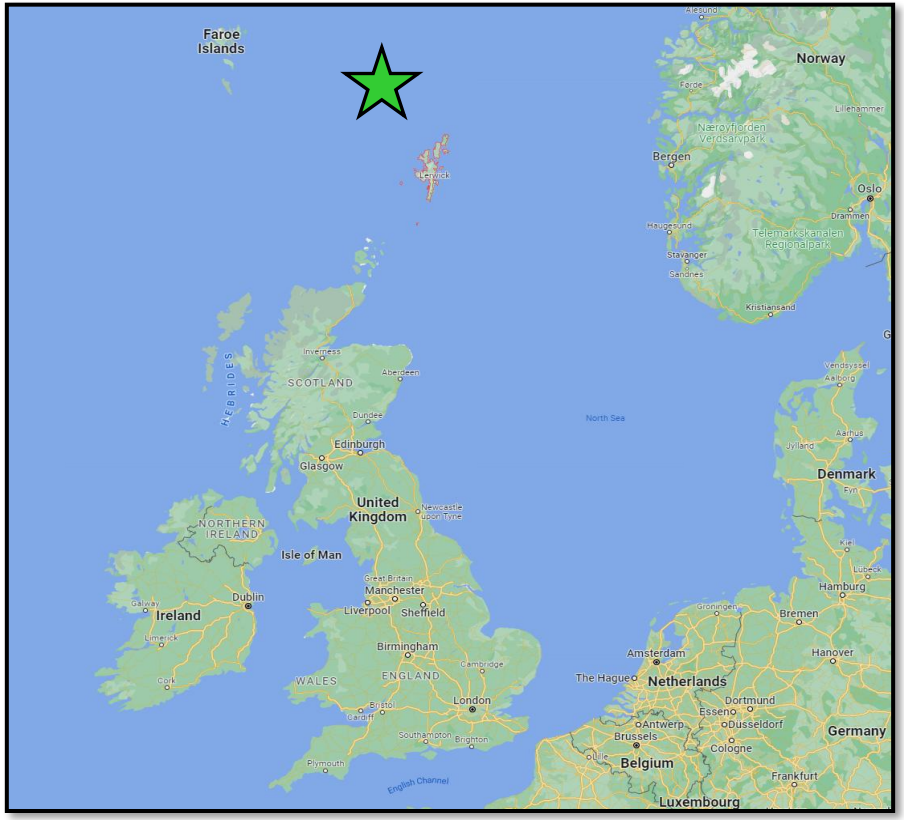


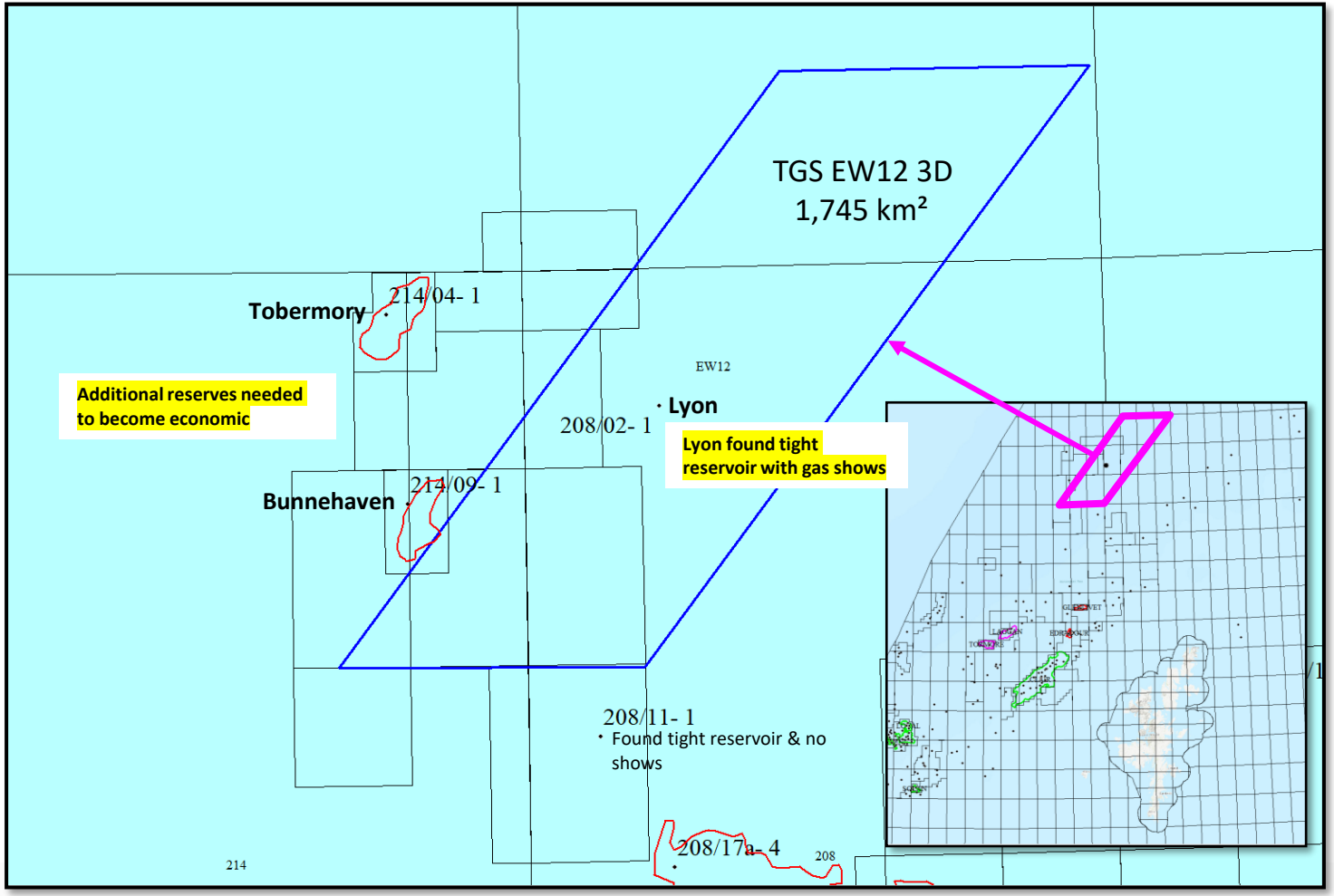
Blind Test Summary Points

- **ADF® imaged KH corresponding to the Mabrouk Oil and Gas Field (a Gharif sandstone) due to early hydrocarbon migration preserving porosity and perm.**

- **ADF® imaged KH in the Khuff carbonate which as we learned was later drilled resulting in an oil discovery above the Gharif.**

West of Shetlands TGS EW12 3D Results

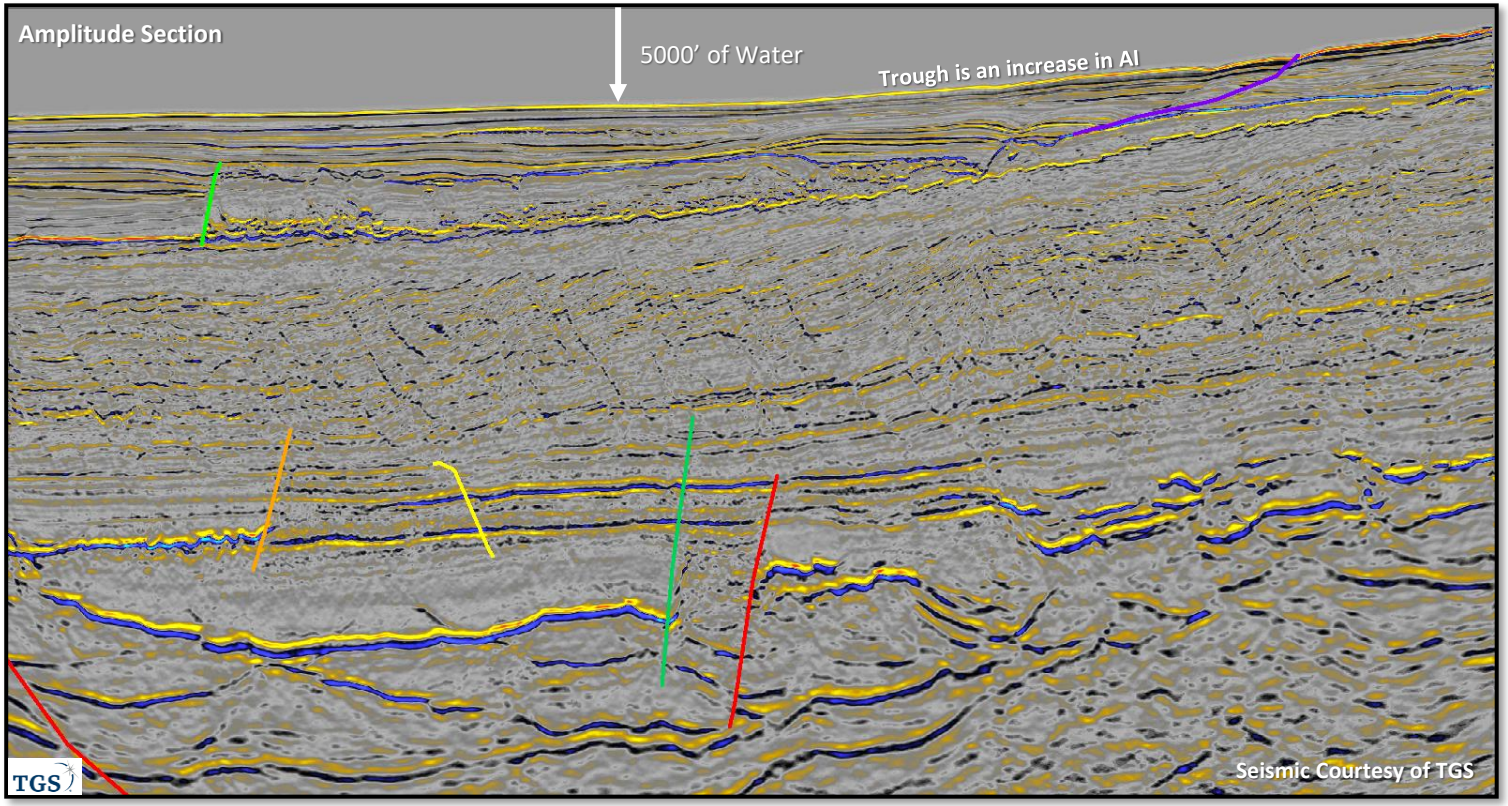


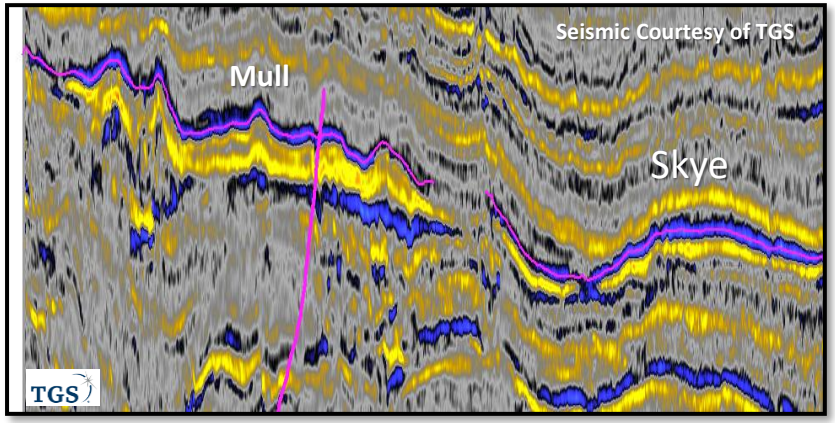

TGS EW12 3D
1,745 km²
Tobermory
214/04- 1
Additional reserves needed to become economic
EW12
Lyon
208/02- 1
Lyon found tight reservoir with gas shows
Bunnehaven
214/09- 1
208/11- 1
Found tight reservoir & no shows
208/17a- 4
214
208

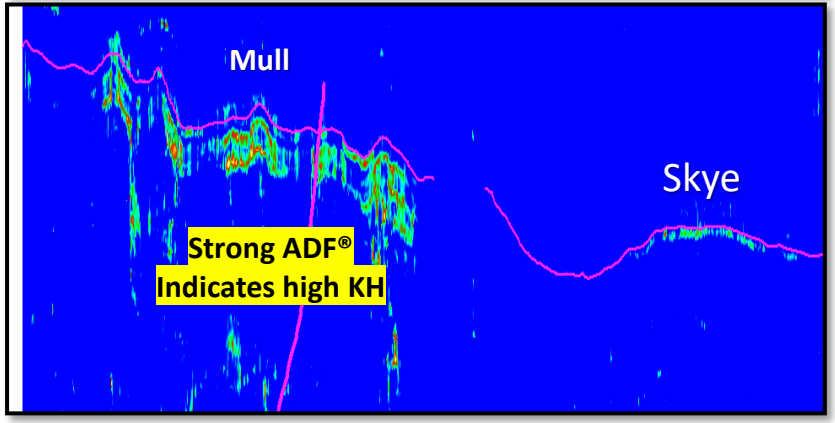
Shallow distal sands

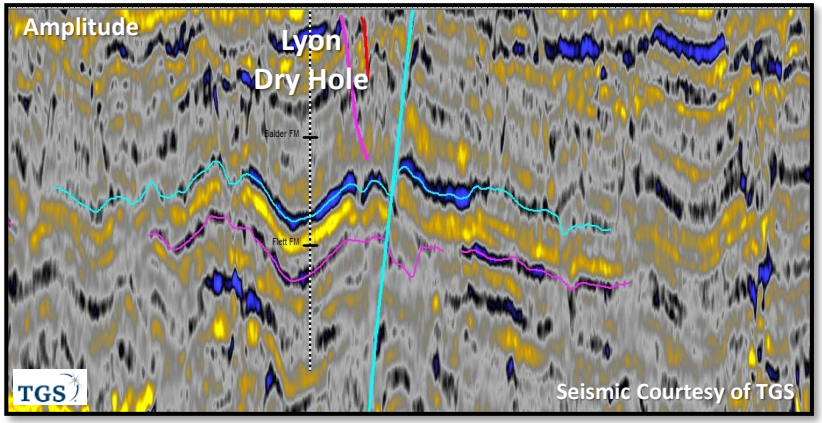
Eocene/Paleocene distal sands

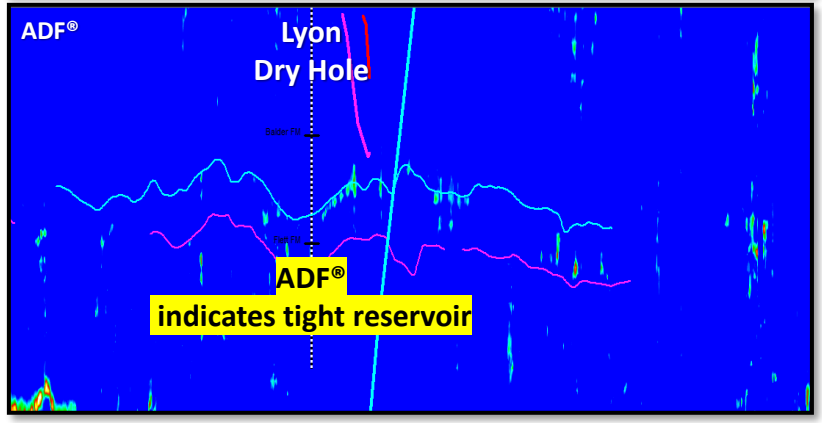
High amplitude volcanic sills & sands



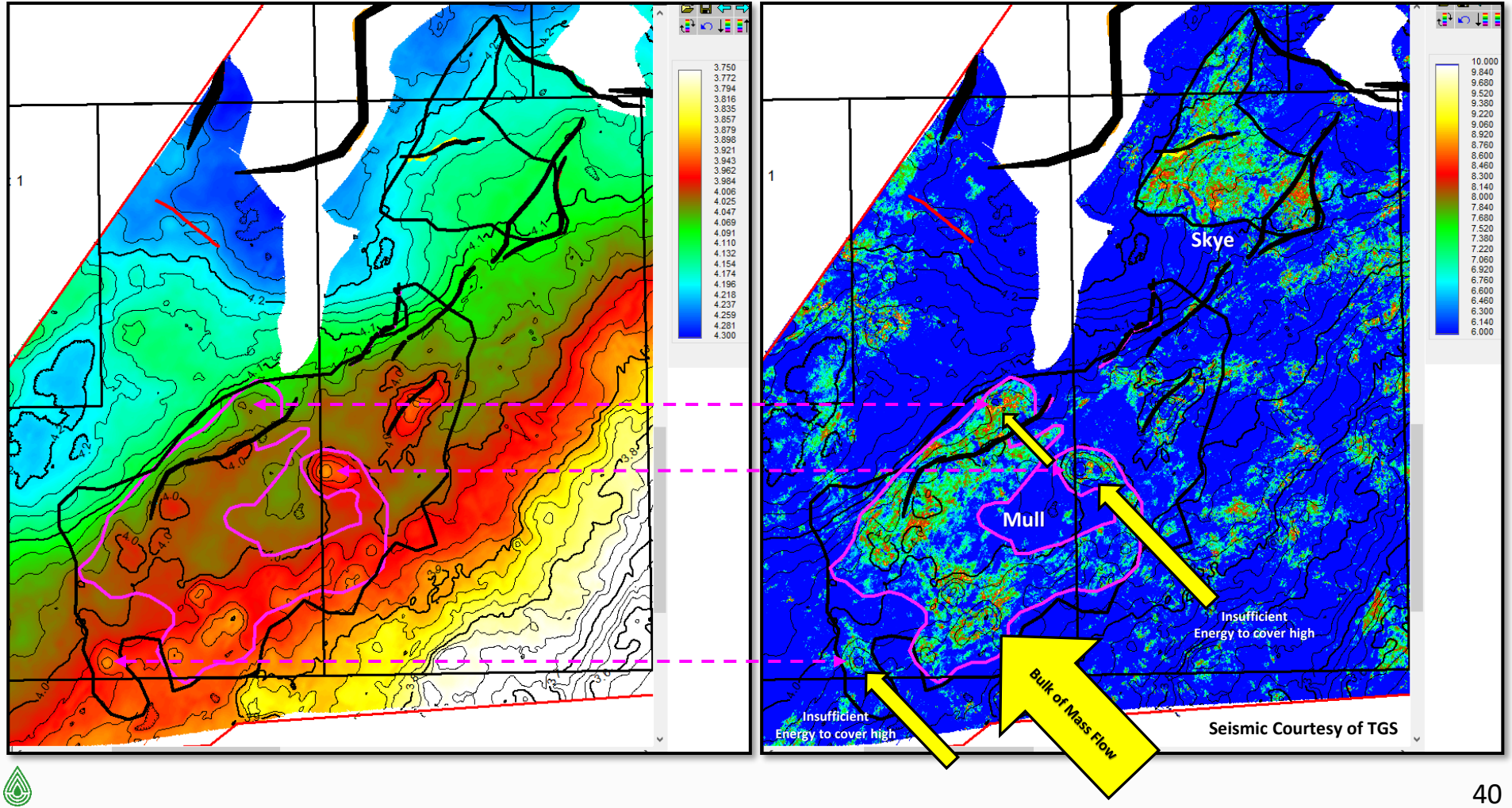

Seismic Courtesy of TGS
Mull
Skye
TGS

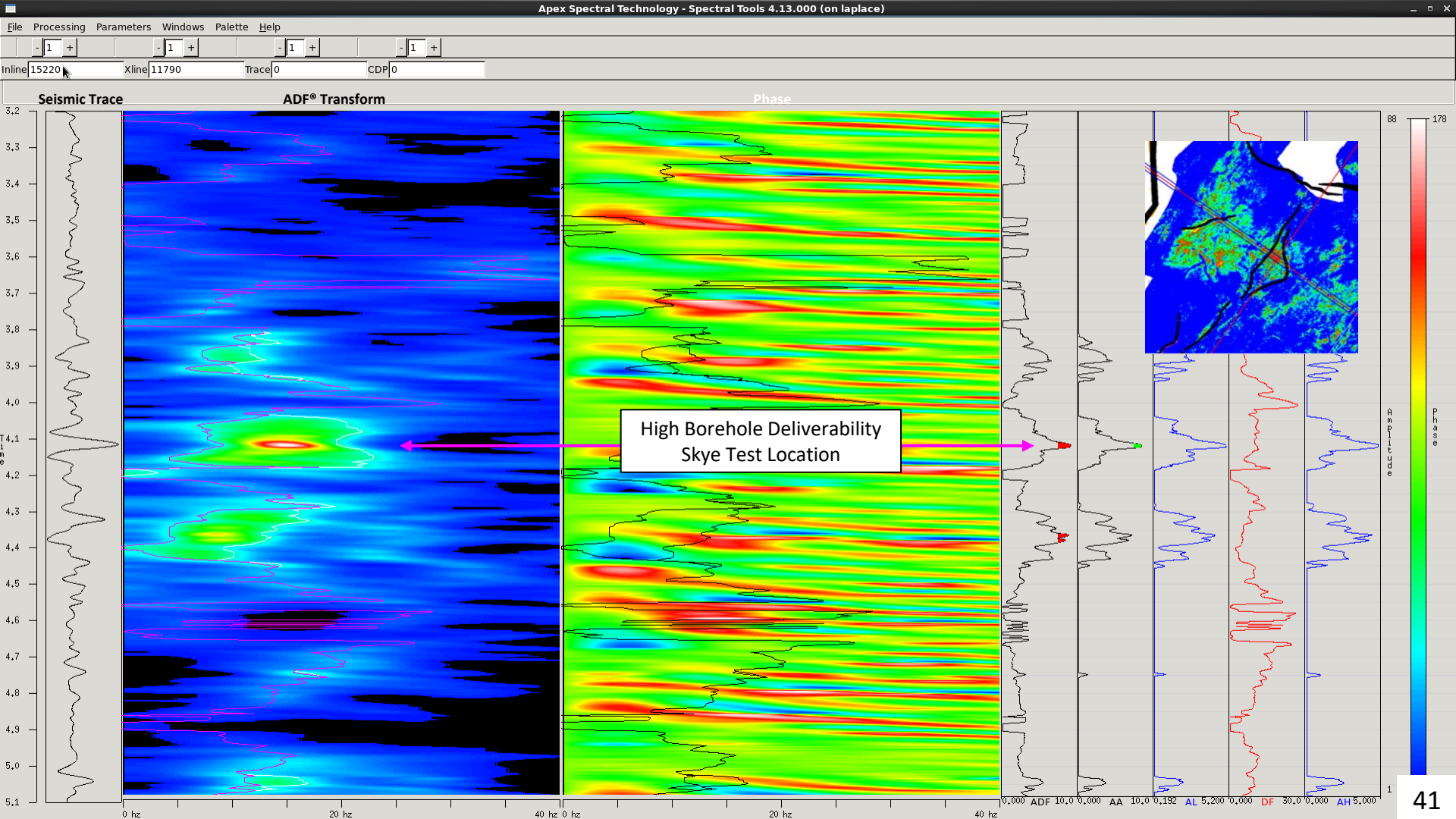

Mull
Skye
Strong ADF®
Indicates high KH

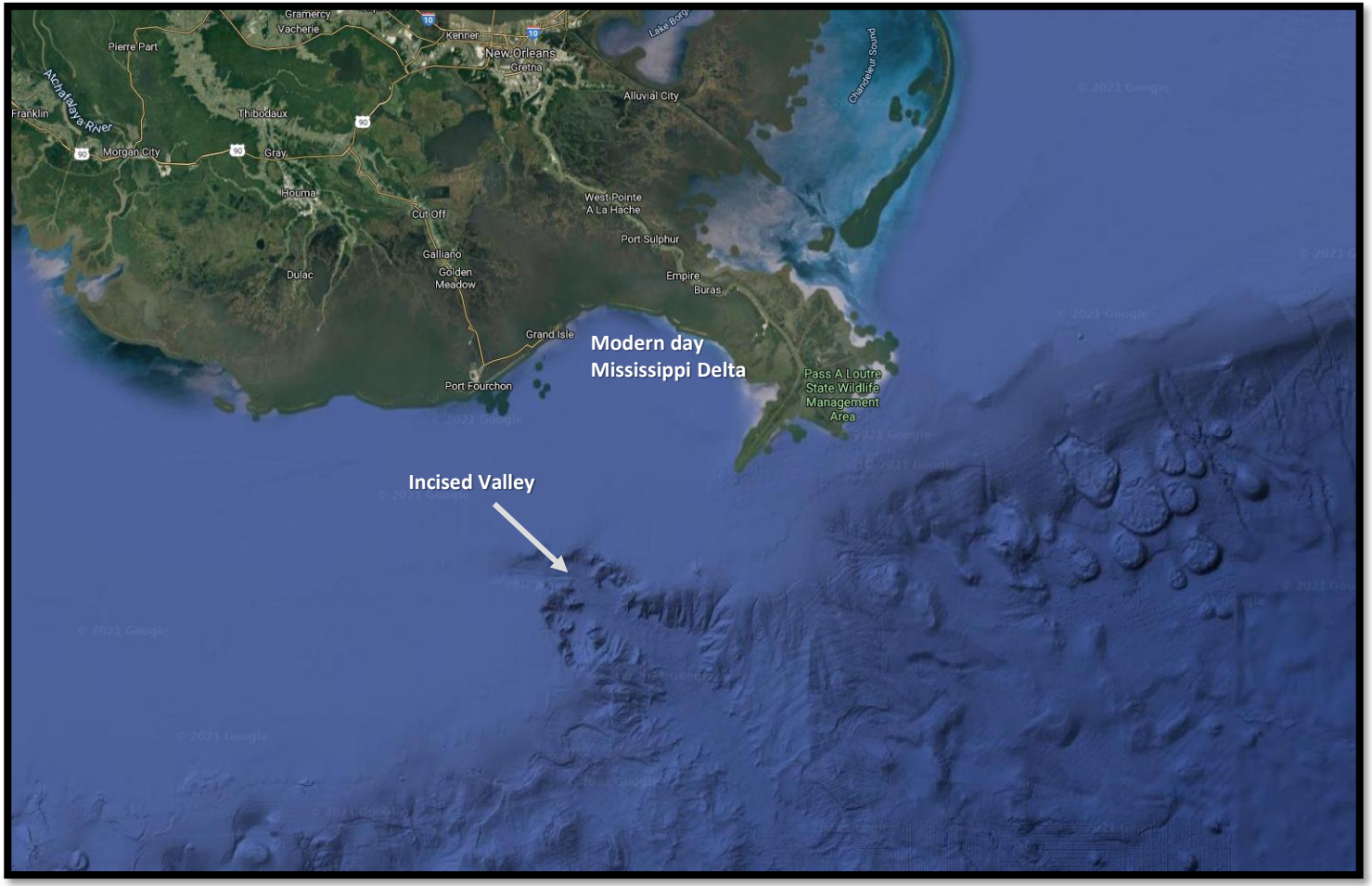

Amplitude
Lyon
Dry Hole
Balder FM
Flett FM
TGS
Seismic Courtesy of TGS

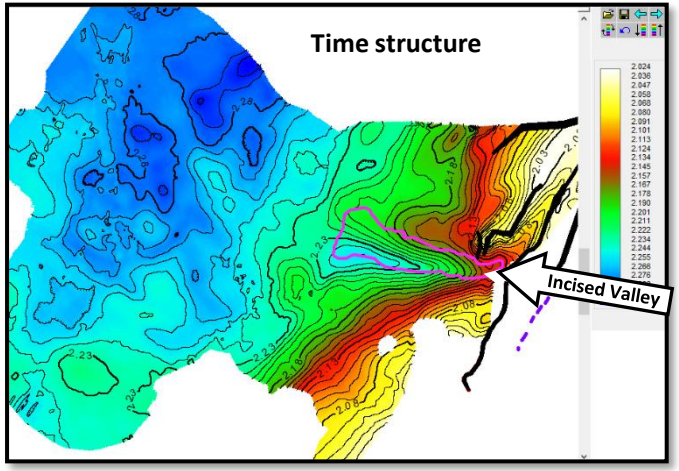

ADF®
Lyon
Dry Hole
Balder FM
ADF®
indicates tight reservoir

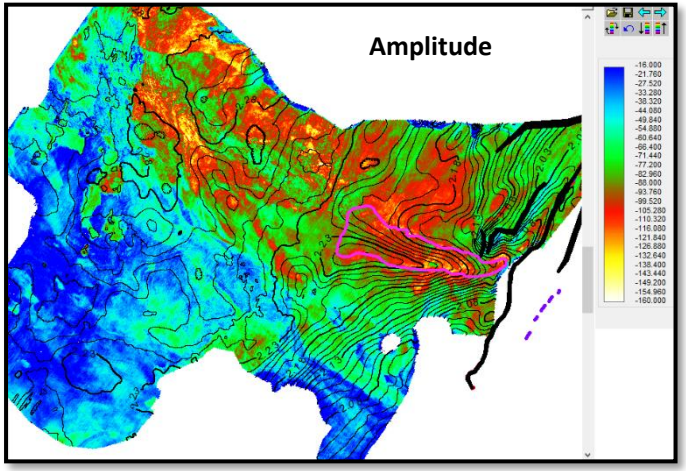
Strong ADF® in front of bald on top paleo highs where sands would stack up is consistent with ADF® measuring KH

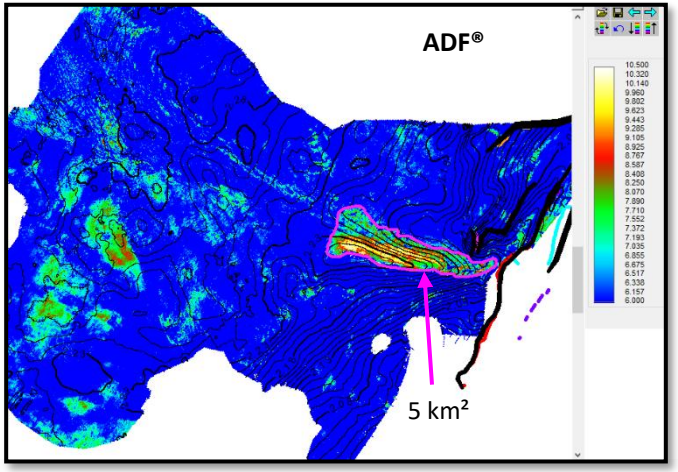


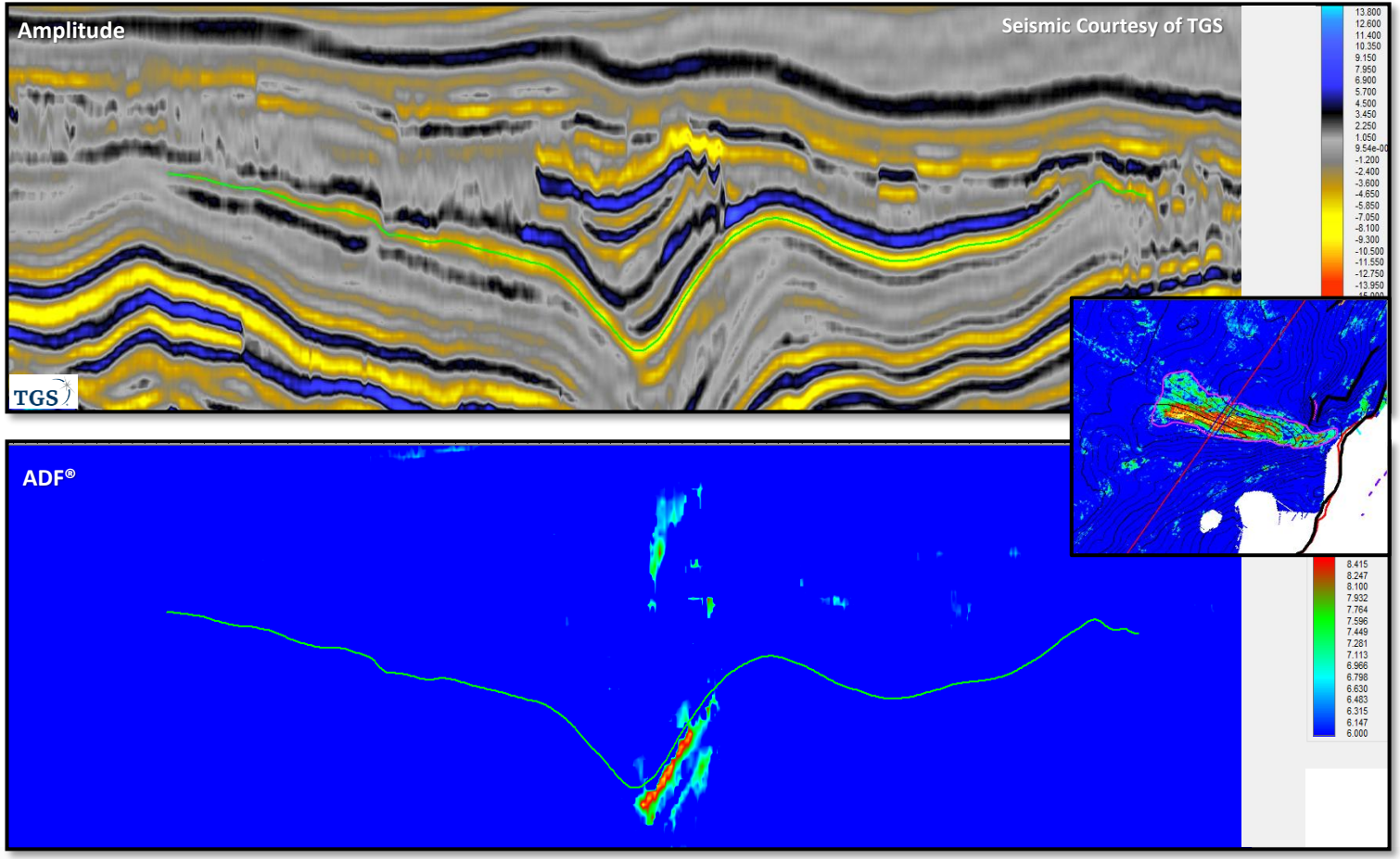

Apex Spectral Technology - Spectral Tools 4.13.000 (on laplace)
File Processing Parameters Windows Palette Help
Inline 15220 Xline 11790 Trace 0 CDP 0
Seismic Trace
ADF® Transform
Phase
High Borehole Deliverability
Skye Test Location
0 hz 20 hz 40 hz
ADF AA AL DF AH
Amplitude
Phase
41


Gramercy
Vacherie
Kenner
New Orleans
Gretna
Alluvial City
Pierre Part
Franklin
Atchafalaya River
Thibodaux
Morgan City
Gray
Houma
Cut Off
West Pointe
A La Hache
Port Sulphur
Galliano
Golden
Meadow
Dulac
Empire
Buras
Grand Isle
Port Fourchon
Modern day
Mississippi Delta
Pass A Loutre
State Wildlife
Management
Area
Incised Valley

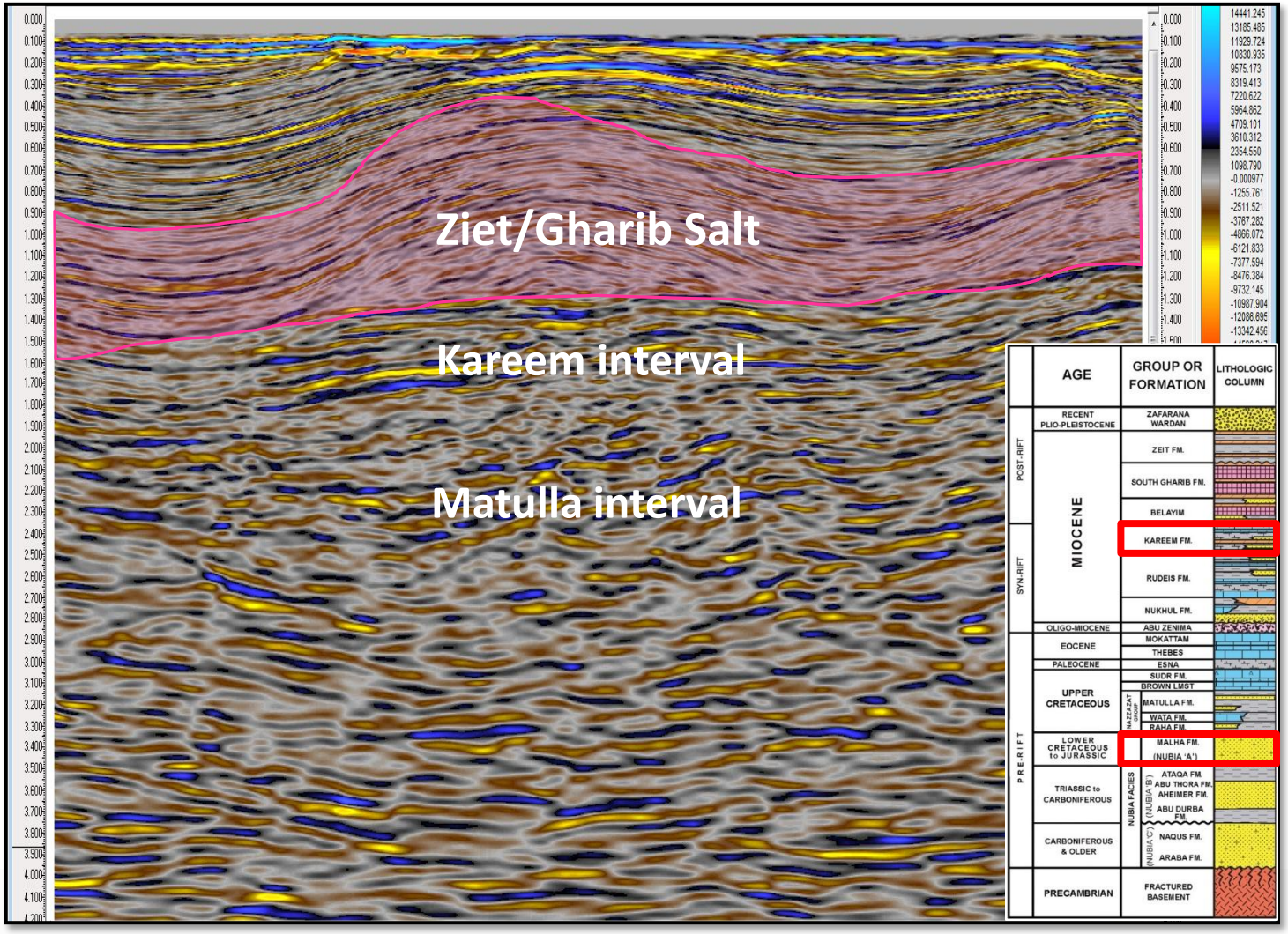

Time structure
Incised Valley

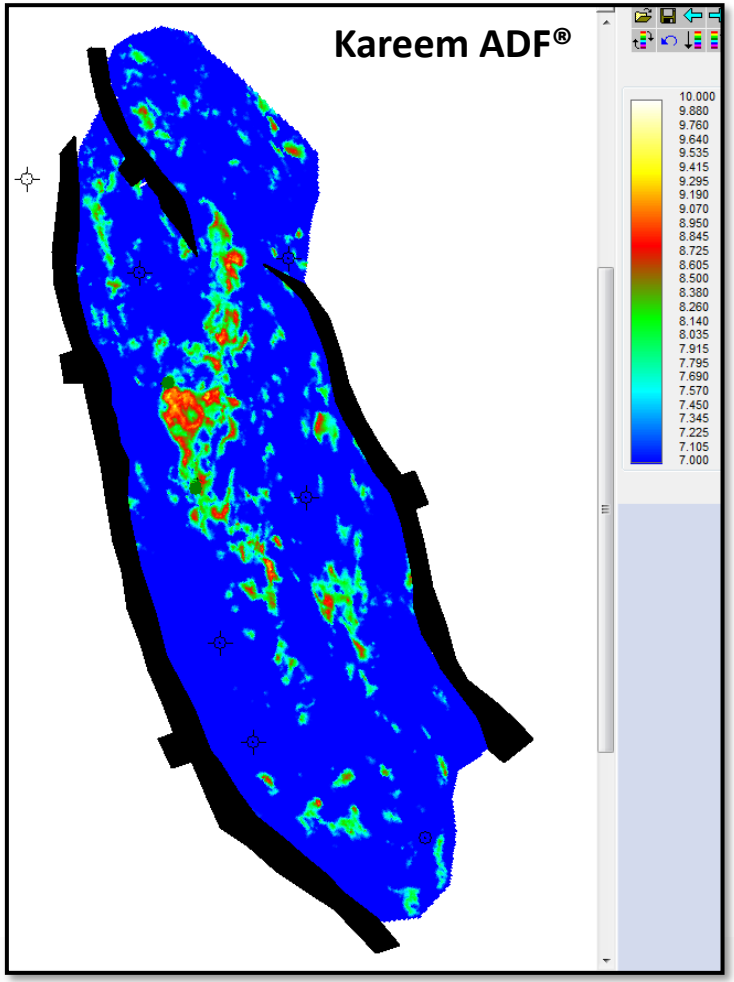

Amplitude

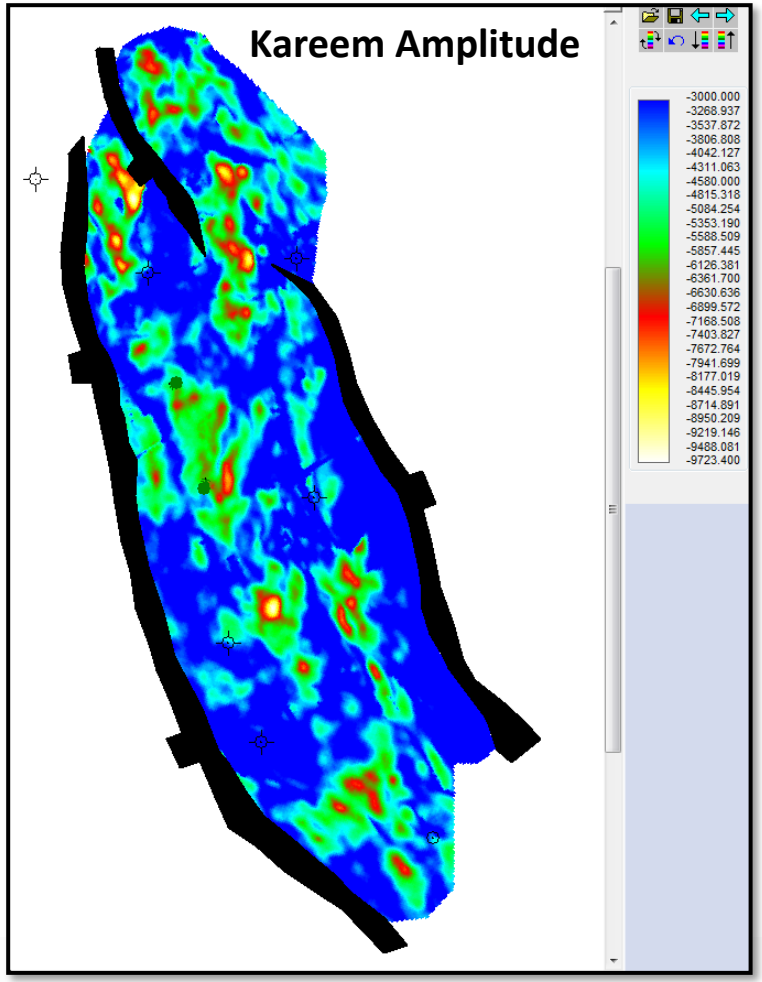

ADF®
5 km²

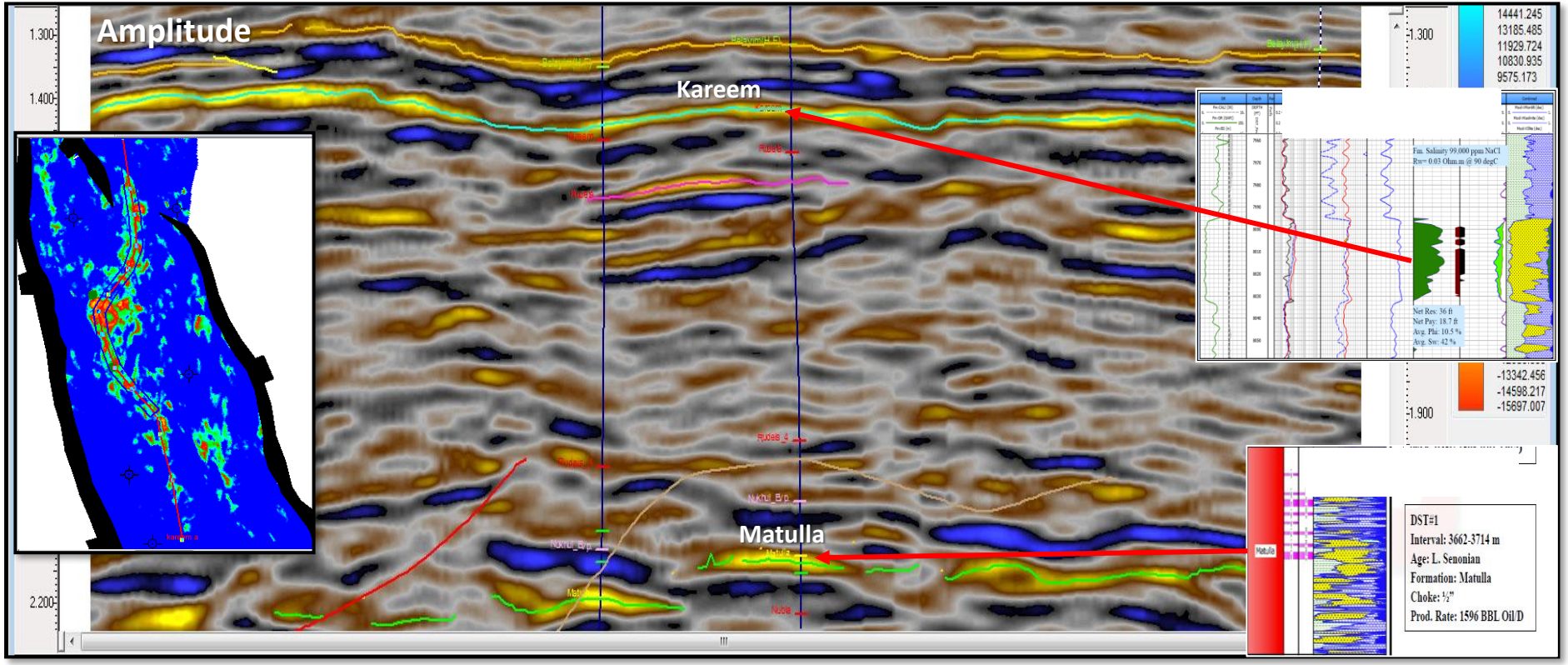

Amplitude
Seismic Courtesy of TGS
TGS
13.800
12.600
11.400
10.350
9.150
7.950
6.900
5.700
4.500
3.450
2.250
1.050
-1.200
-2.400
-3.600
-4.650
-5.850
-7.050
-8.100
-9.300
-10.500
-11.550
-12.750
-13.950
ADF®
8.415
8.247
8.100
7.932
7.764
7.596
7.449
7.281
7.113
6.966
6.798
6.630
6.483
6.315
6.147
6.000

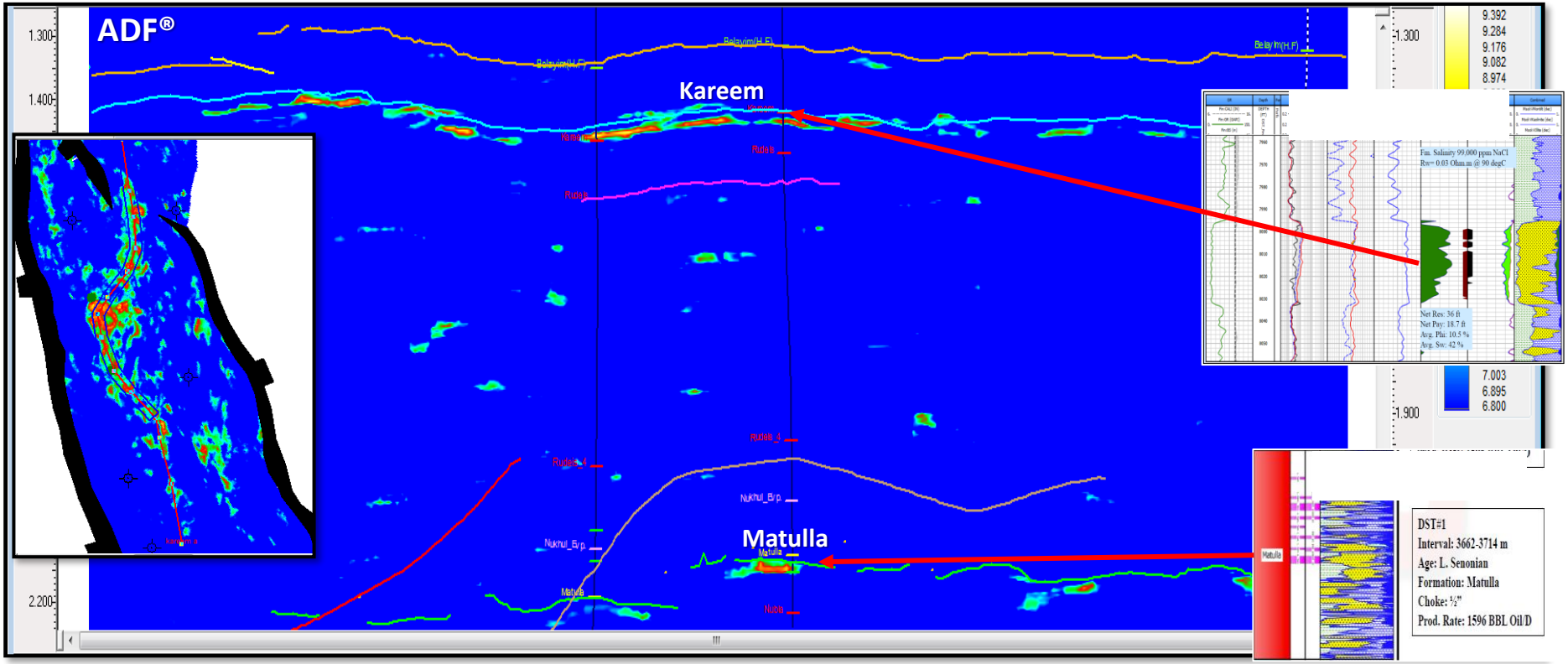
Subsalt Gulf of Suez ADF® Blind Test Results

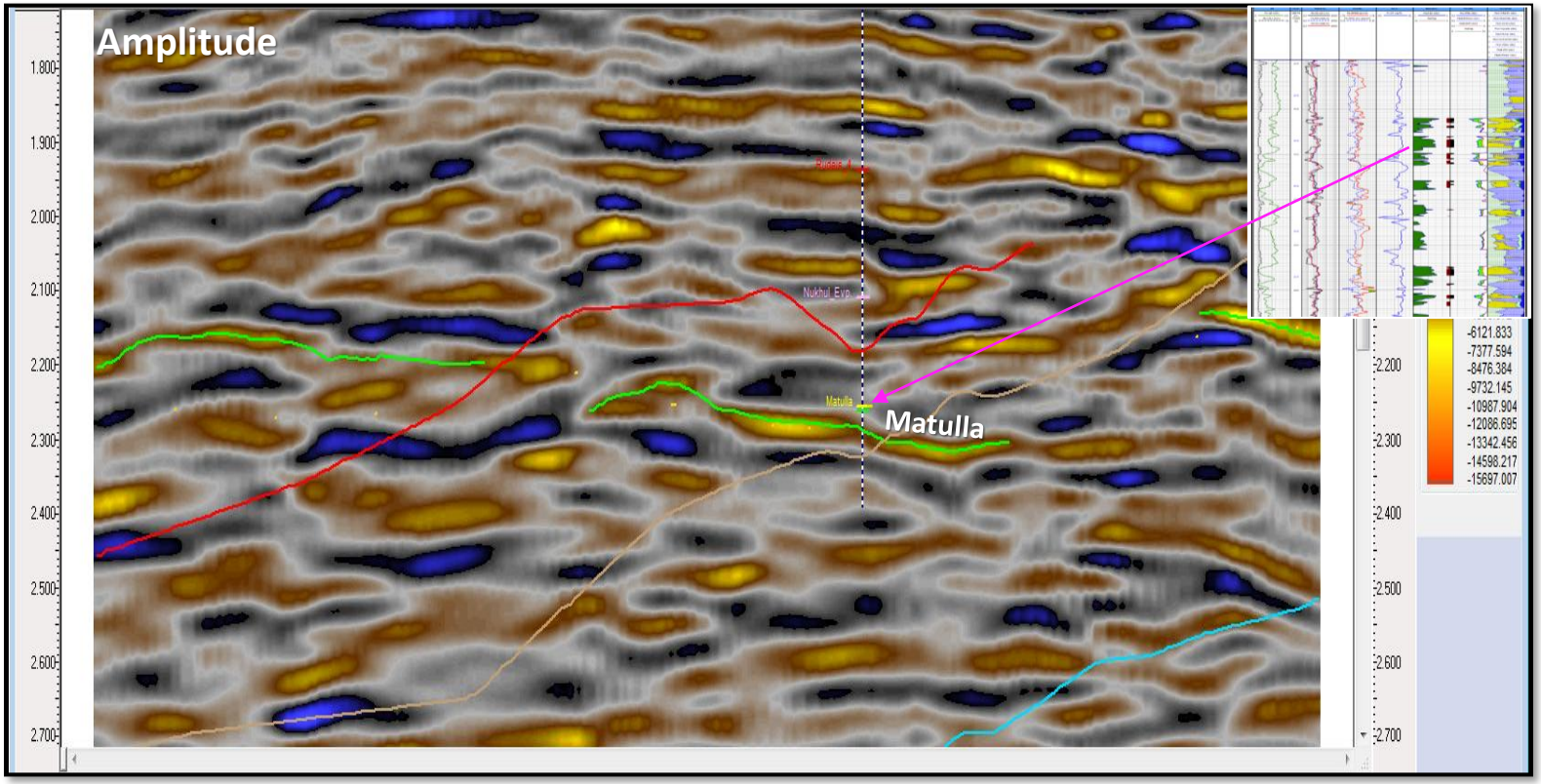

Ziet/Gharib Salt
Kareem interval
Matulla interval
AGE
GROUP OR FORMATION
LITHOLOGIC COLUMN
RECENT
PLIO-PLEISTOCENE
ZAFARANA
WARDAN
POST-RIFT
MIOCENE
ZEIT FM.
SOUTH GHARIB FM.
BELAYIM
KAREEM FM.
SYN-RIFT
RUDEIS FM.
NUKHUL FM.
OLIGO-MIOCENE
ABU ZENIMA
EOCENE
MOKATTAM
THEBES
PALEOCENE
ESNA
SUDR FM.
BROWN LMST
UPPER CRETACEOUS
NAZZAZAT GROUP
MATULLA FM.
WATA FM.
RAHA FM.
LOWER CRETACEOUS to JURASSIC
MALHA FM. (NUBIA 'A')
PRE-RIFT
TRIASSIC to CARBONIFEROUS
NUBIA FACIES
(NUBIA 'B')
ATAQA FM.
ABU THORA FM.
AHEIMER FM.
ABU DURBA FM.
CARBONIFEROUS & OLDER
(NUBIA 'C')
NAQUS FM.
ARABA FM.
PRECAMBRIAN
FRACTURED BASEMENT

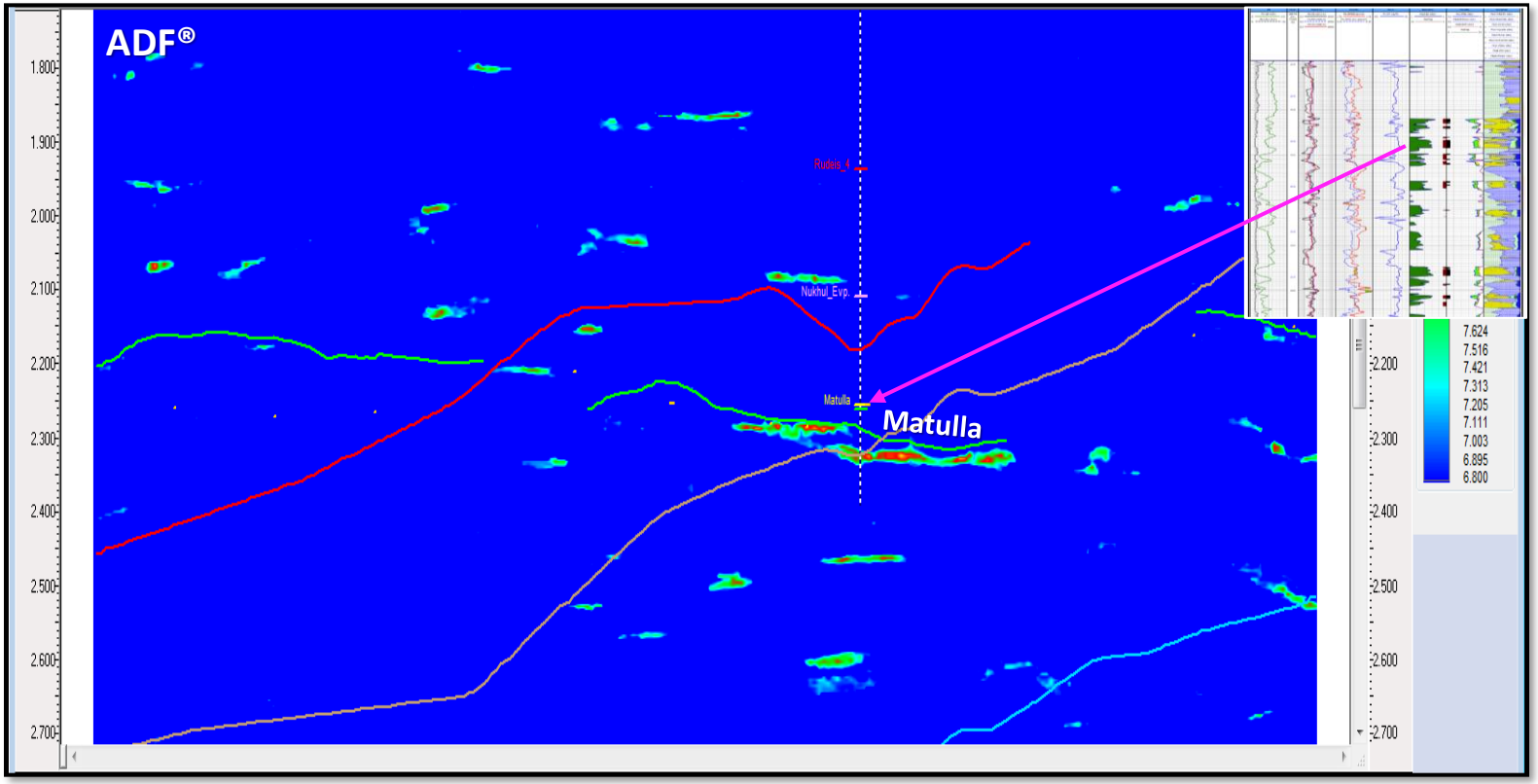

Kareem ADF®
10.000
9.880
9.760
9.640
9.535
9.415
9.295
9.190
9.070
8.950
8.845
8.725
8.605
8.500
8.380
8.260
8.140
8.035
7.915
7.795
7.690
7.570
7.450
7.345
7.225
7.105
7.000


Kareem Amplitude
-3000.000
-3268.937
-3537.872
-3806.808
-4042.127
-4311.063
-4580.000
-4815.318
-5084.254
-5353.190
-5588.509
-5857.445
-6126.381
-6361.700
-6630.636
-6899.572
-7168.508
-7403.827
-7672.764
-7941.699
-8177.019
-8445.954
-8714.891
-8950.209
-9219.146
-9488.081
-9723.400


Amplitude
Kareem
Matulla
1.300
1.400
2.200
1.300
1.900
14441.245
13185.485
11929.724
10830.935
9575.173
-13342.456
-14598.217
-15697.007
DST#1
Interval: 3662-3714 m
Age: L. Senonian
Formation: Matulla
Choke: ½"
Prod. Rate: 1596 BBL Oil/D

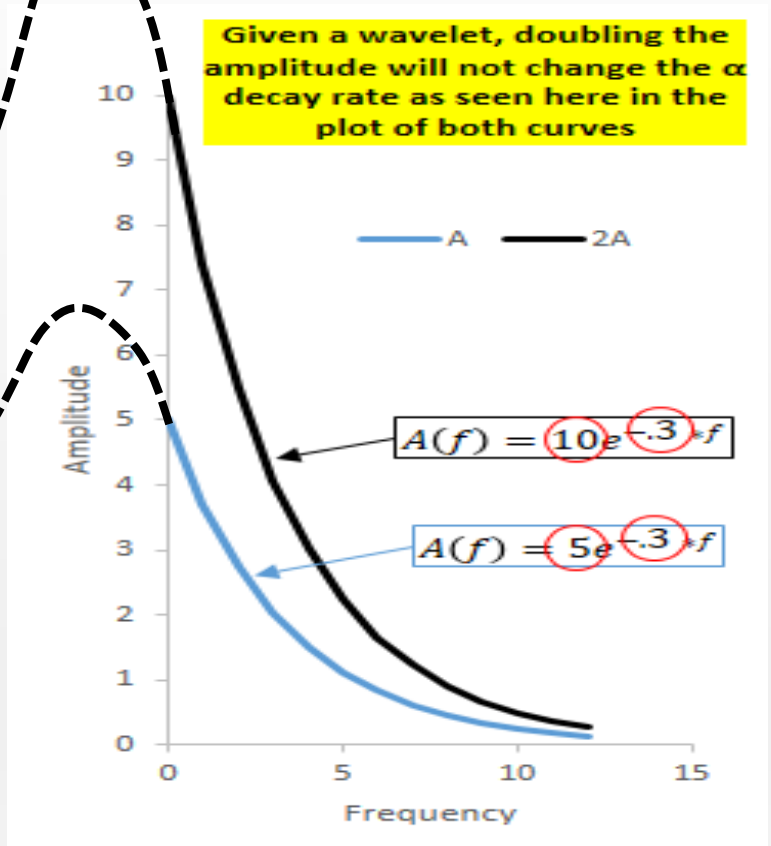

ADF®
Kareem
Matulla
1.300
1.400
2.200
1.300
1.900
9.392
9.284
9.176
9.082
8.974
7.003
6.895
6.800
DST#1
Interval: 3662-3714 m
Age: L. Senonian
Formation: Matulla
Choke: ½"
Prod. Rate: 1596 BBL Oil/D


Amplitude
Matulla
1.800
1.900
2.000
2.100
2.200
2.300
2.400
2.500
2.600
2.700
-6121.833
-7377.594
-8476.384
-9732.145
-10987.904
-12086.695
-13342.456
-14598.217
-15697.007

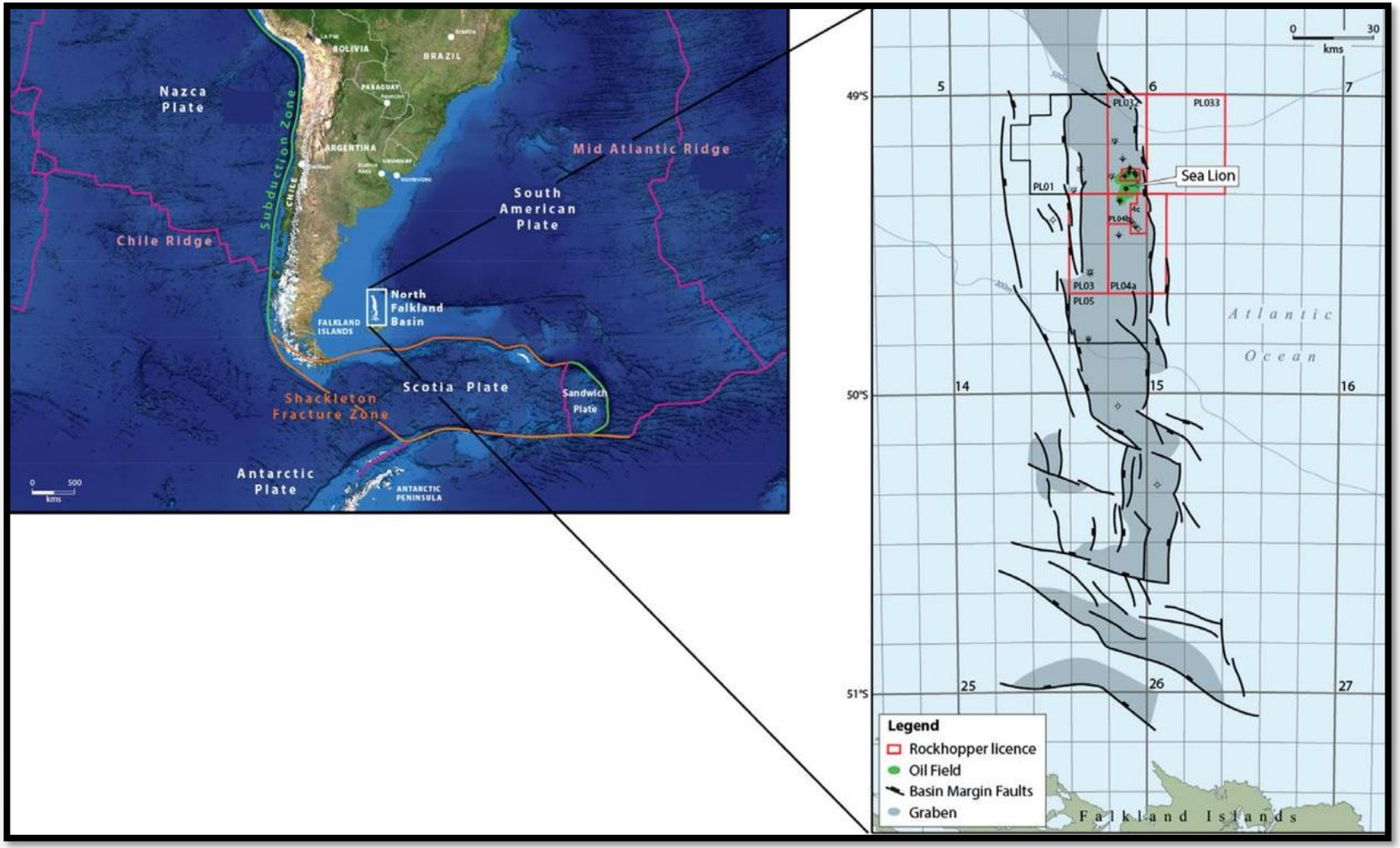

ADF®
1.800
1.900
2.000
2.100
2.200
2.300
2.400
2.500
2.600
2.700
Rudeis_4
Nukhul_Evp.
Matulla
Matulla
7.624
7.516
7.421
7.313
7.205
7.111
7.003
6.895
6.800

Appendix

ADF® is *Independent* of Amplitude



$A(f) = A_0 e^{-\alpha * f}$	**α =**	**0.3**
f	A	2A
0	5	10
1	3.7	7.4
2	2.7	5.5
3	2.0	4.1
4	1.5	3.0
5	1.1	2.2
6	0.8	1.7
7	0.6	1.2
8	0.5	0.9
9	0.3	0.7
10	0.2	0.5
11	0.2	0.4
12	0.1	0.3


Nazca Plate
Subduction Zone
Chile Ridge
Mid Atlantic Ridge
South American Plate
North Falkland Basin
FALKLAND ISLANDS
Scotia Plate
Shackleton Fracture Zone
Sandwich Plate
Antarctic Plate
ANTARCTIC PENINSULA
BOLIVIA
BRAZIL
PARAGUAY
ARGENTINA
CHILE
0 500 kms
0 30 kms
49°S
50°S
51°S
5
6
7
14
15
16
25
26
27
PL032
PL033
PL01
Sea Lion
PL04b
PL03
PL04a
PL05
Atlantic Ocean
Legend
Rockhopper licence
Oil Field
Basin Margin Faults
Graben
Falkland Islands

Nov. 2024 Letter of Reference

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November 8, 2024

Sea Lion Field as an Exploration Analogy for PL001

Apex Spectral Fluid Mobility Studies in the North Falkland Basin

The Sea Lion ADF® field study demonstrated that this technique correctly identified seven appraisal wells that contained oil pays while also showing that two dry holes (14/5-1 and 14/10-1) might have been avoided by relying on the ADF® response at these locations. However, one false anomaly was indicated, related to the 14/10-8 well which exhibits an anomalously thick stacked sand section which is water wet but has very high permeability.

Based on the results of the Sea Lion field study, JHI extended the ADF® analysis across the eastern portion of PL001. The results of this work indicate that ADF® could have been used to avoid the drilling of two dry holes by the previous operators in PL001 (14/9-1 and 14/9-2) while redirecting exploration attention to other potential hub-class prospects not previously identified using conventional amplitude analysis. These undrilled prospects tie into oil shows observed in the previous dry holes and now target up-dip locations in the same formations that will soon be put into production at the Sea Lion Field.

ADF® imaged 7 pay sands, would have avoided 4 tight dry holes and imaged 1 thick KH wet sands