

PETRO - TECH
PERUANA S.A.



INTEROFFICE MEMORANDO
GEOSC - 235 - 02

To:  Pedro Alarcon

From:  Hugo Cornejo, Victor Peralta

Ref: Proposed well LO16- (Rio Bravo, location B) (406-25)

Date: August 15, 2002

To continue with the development of the **Rio Bravo** formation from LO16 platform, it is recommended to drill the extended reach well **LO16- (RB, loc B)** in a faulted block of approximately 425 acres. The proposed well will be located 500 meters towards West of the well LO16-26 where it has been proved the presence of Rio Bravo formation with similar sand characteristics to that encountered in wells drilled from LO6 platform.

Total OOIP for this faulted block has been estimated in 14,9 MMSTB, assuming a 9% of recovery factor, estimated recoverable reserves would be 1.4 MMBO. The success of the proposed well will justify additional extended reach locations towards West and Southwest of LO16 Platform.

The objective Rio Bravo sandy is expected at 6700' MD (-3750' VSS). The estimated final total depth is 8400'; with a maximum vertical angle of 62 degrees and N 58.5° W as programmed direction (Figs. 1 & 2).

It is expected to find 250 feet of vertical net sand, with reservoir quality similar to that encountered in wells drilled towards South of Platform LO6 and proved by well LO16-26 (Fig. 3).

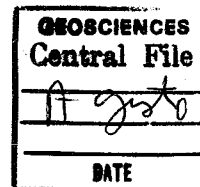
The production performance as of July of 2002 of the Rio Bravo around of proposed well ranges from 143 MBO (LO16-10) to 353 MBO (LO6-22) and depend of the total section and quality of sands completed.

Logging program includes DLL-MSFL-GR, FDC-CNL-GR. However due to well geometry, it is recommended to register the GR using MWD tool after setting intermediate casing.

According to present evaluation, it is expected 300 MBO of reserves and 450 BOPD of IPR.

ECONOMIC SUMMARY

Investment MU\$	1,422
Reserves, MBO	300
Present Worth, at 15% MU\$	2,140
AROR, %	>100
Pay out, years	0.77
P/I ratio, discounted \$/\$	1.50



Cc.:	W. Kallop	L. Chan	B. Bruce	C. Valdizan
	M. Chávez	O. Nieto	G. Ruesta	C. Montes

File

GEOLOGIC PROGNOSIS

$$\begin{array}{r} 4600 \\ 3750 \\ \hline 850 \end{array}$$

PETRO-TECH PERUANA S.A.
RESERVOIR MANAGEMENT

ECONOMIC EVALUATION

PROJECT: WELL LO16 - (RB. Loc-B)
(IPR = 450 BOPD)

THOUSAND OF US. DOLLARS											
YEAR	OIL PRODUCTION (BOPD)		TOTAL INVESTMENT (US \$)	OPERATING COST	TOTAL REVENUE	AMORTIZ. INTANGIBLE	DEPREC. TANGIBLE	TAXABLE INCOME	TAXES	CASH FLOW	
	TOTAL	PETRO-TECH SHARE (1)								CURRENT	DISCOUNTED
1	269	226	1422	25	2064	1422	0	617	185	432	376
2	182	153	0	25	1395	0	0	1370	411	959	1101
3	132	111	0	25	1012	0	0	987	296	691	1555
4	103	87	0	25	789	0	0	764	229	535	1861
5	64	54	0	25	491	0	0	466	140	326	2023
6	30	25	0	25	230	0	0	205	61	143	2085
7	18	16	0	25	142	0	0	117	35	82	2116
8	13	11	0	25	99	0	0	74	22	52	2133
9	7	6	0	25	55	0	0	30	9	21	2139
10	4	3	0	25	29	0	0	4	1	3	2140
TOTAL			1422	250	6306	1422	0	4204	1261	3244	

BASIC PARAMETERS :

OIL RESERVES,MSTB	300
TOTAL INVESTMENT,MUS\$	1422
OIL PRICE,\$/STB	
PETRO-TECH	25
RATE OF DISCOUNT,%	15
TAX RATE,%	30

ECONOMIC EVALUATION :

PRESENT WORTH AT 15%,MUS\$	2,140
AROR,%	> 100
PAY OUT,YEARS	0.77
P/I RATIO,DISCOUNTED,\$/\$	1.50

(1) 84 % OF TOTAL OIL PRODUCTION

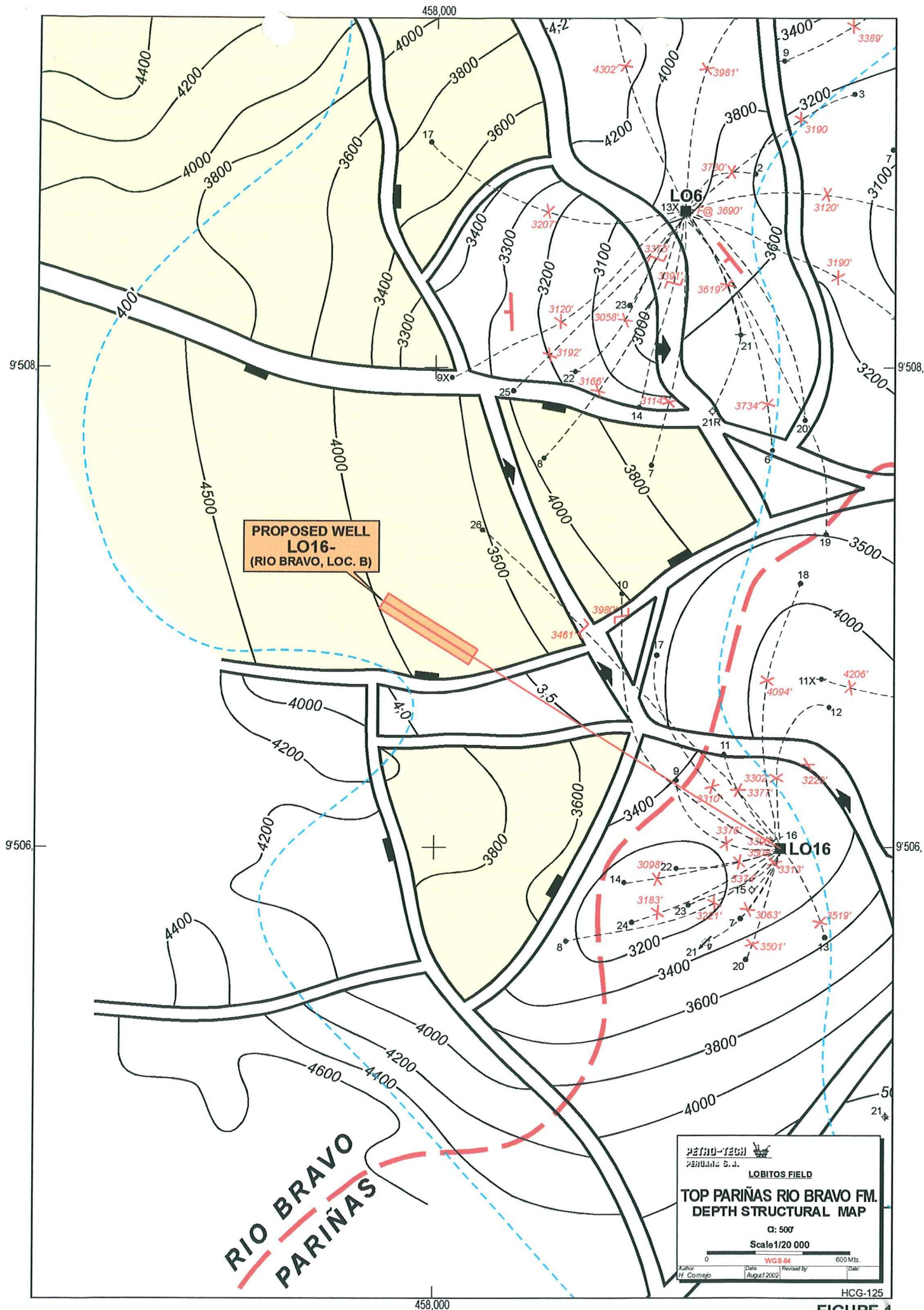
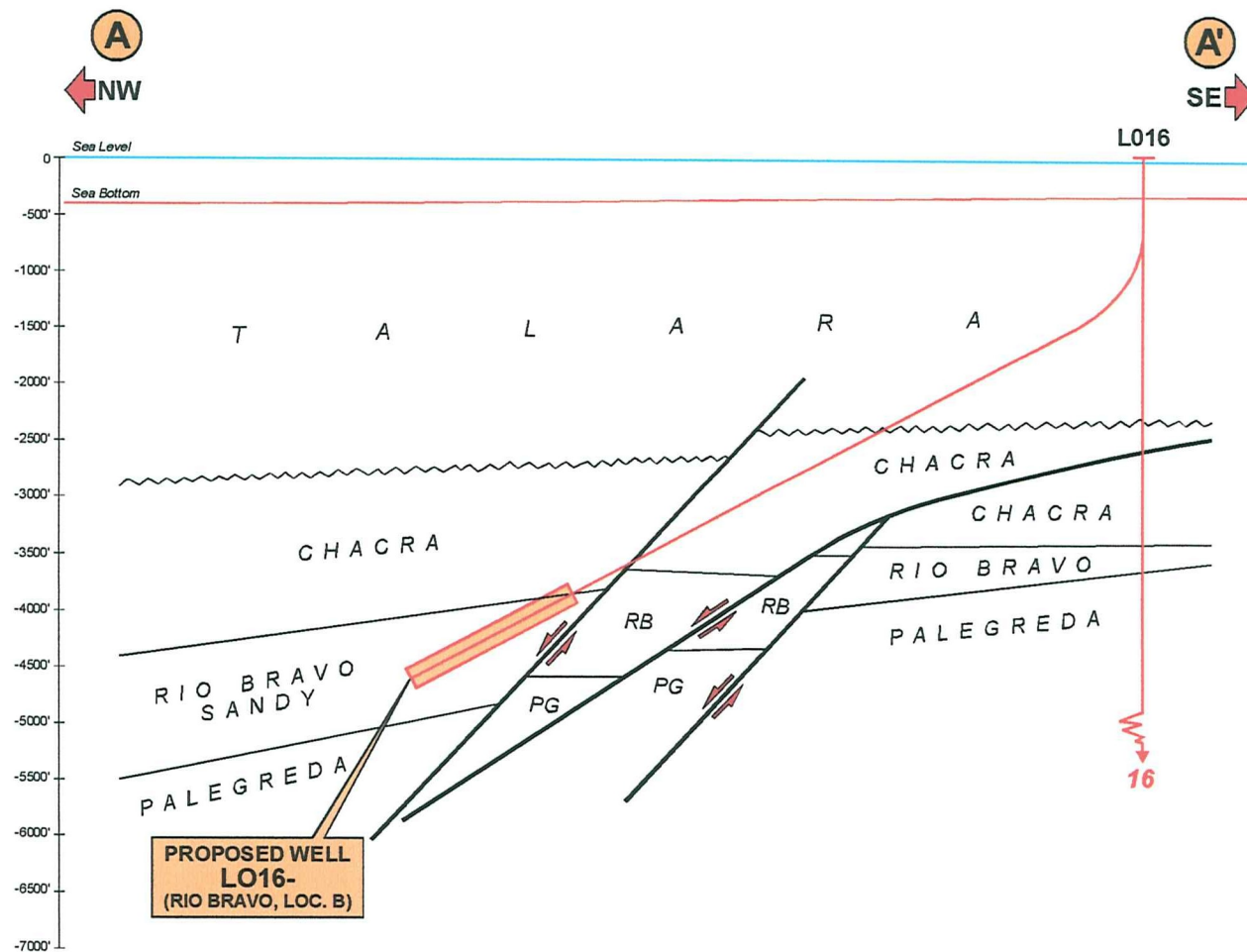


FIGURE 1



PETRO-TECH PERU S.A.			
LOBITOS FIELD			
NW-SE STRUCTURAL CROSS SECTION A-A'			
L016-			
(RIO BRAVO, LOC. B)			
Scale 1/20 000			
Author:	Date:	Revised by:	Date:
H. Cornejo	August-2002		

FIGURE 2

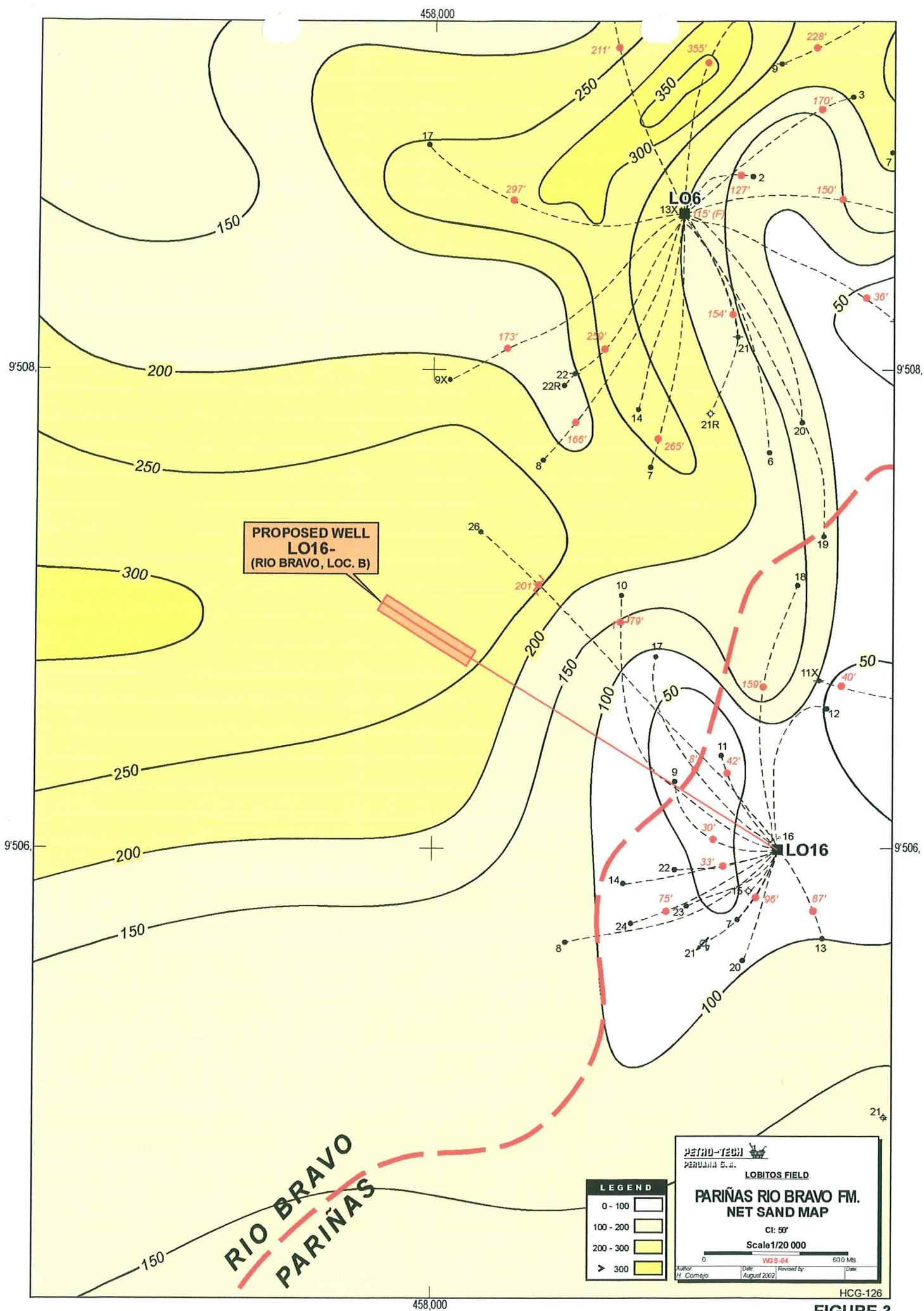


FIGURE 3