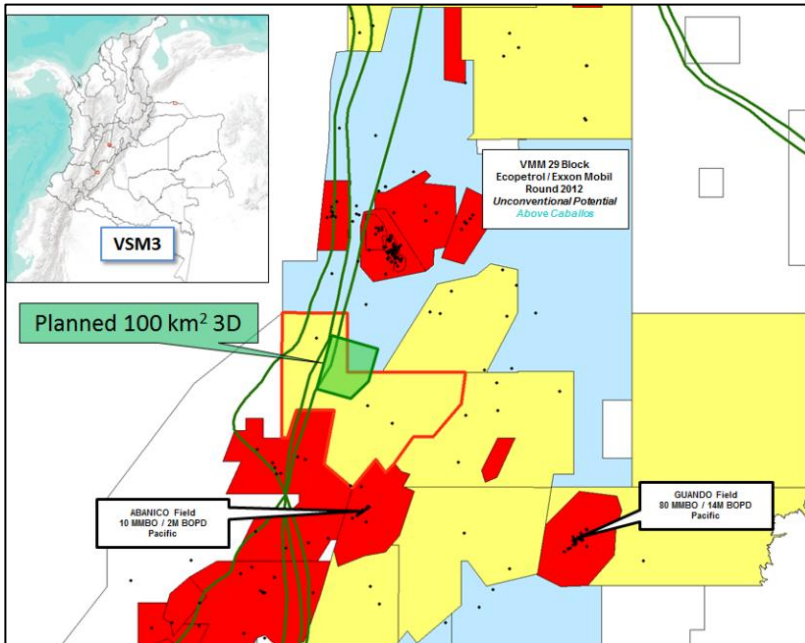




# Block VSM 3

## Caballos Prospect

### UPPER MAGDALENA VALLEY BASIN, COLOMBIA



Block VSM 3 is in the northern portion of the prolific Upper Magdalena Valley Basin, about 140 kilometers southwest of Bogota. The basin is bounded by the Eastern and Central Cordilleras where Cretaceous and Tertiary sediments were deposited in a foreland setting and compressed from the east and west during the Tertiary. Productive formations in the area include the prolific Caballos, Monserrate as well as Tertiary production north of the block.

The play type of the area is a conventional structural hanging-wall and footwall closures. There are also stratigraphic production from K unconformity pinch-outs on the Tertiary. The 2D well defined prospect primary objective is the basin prolific Cretaceous Caballos Sandstone. The Caballos is overlain by the world class source rock LaLuna/Villeta Shale

that is currently a target for unconventional plays in Colombia. **Multiple lead areas have been identified on 1990 vintage 2D. A 100 sqkm survey is planned to fully identify the structure. The Caballos Prospects are a hanging wall 3 way closure (4000 acres) and it's footwall counterpart (2500 acres), forming an Up-Down 4 way closure. Estimated prospect reserve range is 100 MMBO.**

#### Proposed Trade Terms:

- Working Interest Available: 65%
- Trade terms are negotiable
  - Dependent upon whether 3D Seismic is acquired prior to or after drilling the Initial Exploratory Well.

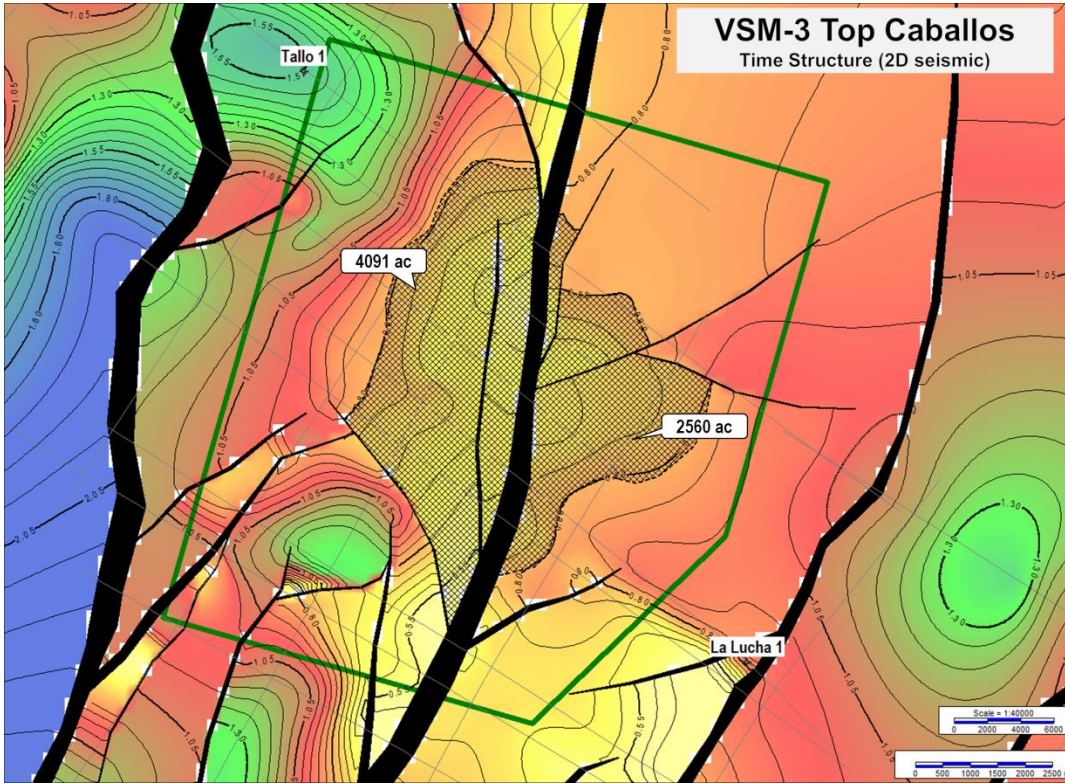
Contact Information: [www.telpico.com](http://www.telpico.com)

James Clarke  
Colombia Country Manager  
602 Crescent Place  
Ridgeland, MS 39157  
601.898.7454  
bclarke@tellusoperating.com

Camilo Dongo  
Geophysics  
Carrera 9 No. 69-70  
Bogota, Colombia  
+57 310 284 0007  
cdongo@telpico.com

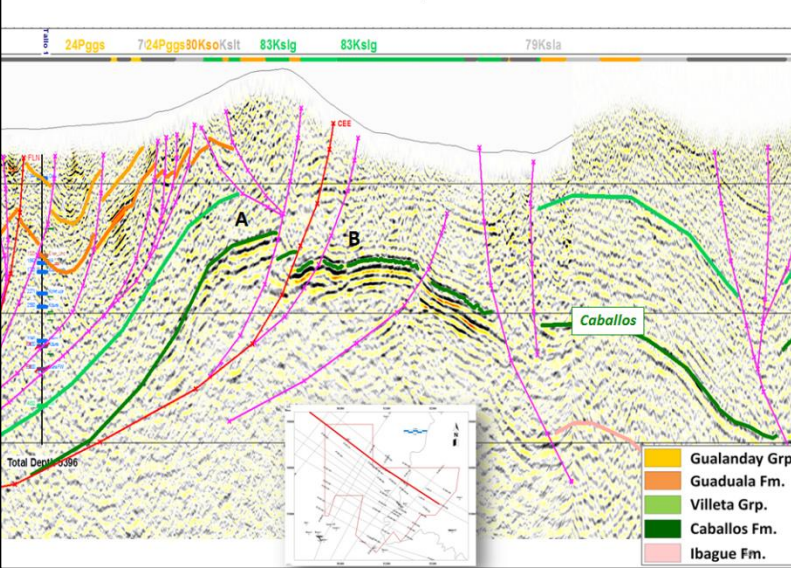
## Telpico VSM 3 Prospect (6000')

The VSM 3 Prospect is located in the central area of VSM 3. It is a well defined (2D) three way, hanging wall/footwall combination fault closure that encompasses a total of approximately 6600 acres. The prospect is relatively shallow at 6000'. The Caballos produces along trend, south of the block and throughout the basin. The San Francisco Field has cum'd 174 MMBO from the Caballos in the same structural setting. The Caballos is overlain by the Villeta/Laluna Formation that is a world class source rock for the country, and is the target for the unconventional resource play in Colombia.



The seismic control for the Goliad Prospect is 1990 vintage 2D. Telpico has planned a 100 sqkm 3D in 2017 to define the detail of the structure for an optimum drilling location. The prospect is bounded by an east vergent thrust and a north vergent compensator fault to the south (see map). Estimated reserve size of the VSM 3 Prospect is 100 MMBO.

VSM3 - Dip Line



VSM3 - Strike Line

