

Press release
Stockholm, 10 February 2017

The Lelyaki license has been renewed for 20 years

The Lelyaki license has been renewed for 20 years following a resolution by the Geological Service of Ukraine. This enables the operator to resume oil production. Furthermore, it creates a long-term framework for new investments and enhanced production at the oil field.

The Geological Service of Ukraine has informed the operator and license holder Kashtan Petroleum that the Lelyaki license has been prolonged. The new license gives Kashtan Petroleum the right to extract hydrocarbons for another 20 years. The operator will now take the final administrative steps in order to resume production shortly.

“We have completed extensive geological and technical studies and worked closely with the authorities for a period of time and are very glad that the license has now been renewed. The secured license renewal provides a long-term framework for development of the field together with our partner”, says Robert Karlsson, CEO of Zhoda Investments.

Through the subsidiary Zhoda 2001 Corporation, the company holds a 45 per cent interest in the license holder and operator Kashtan Petroleum. Ukraine’s largest oil company holds the remaining 55 per cent. The field produced 330 barrels per day when the field was on production in 2016 net to Zhoda Investments and the company’s share of the 2P proven and probable oil reserves amounts to 8 million barrels. The Lelyaki field was once one of the largest producing onshore fields in the Soviet Union. It is the opinion of the company that production can be increased manifold from today’s levels using proving Western enhancement technology.

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About Zhoda Investments

Zhoda Investments invests in selected unlisted European ventures and drives growth and profitability through active ownership and an entrepreneurial approach. The company’s main asset is a 45 per cent interest through a subsidiary in the Lelyaki oil field in Ukraine with 2P proven and probable oil reserves of 8 million barrels net to the company. Zhoda Investments is actively pursuing new investments. The company’s shares are traded on Pareto Securities OTC. For more information, visit zhodapetroleum.com.

This is an English translation of the Swedish original. In case of discrepancies, the Swedish original shall prevail.