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Gulfsands discovers oil at Yousefieh-1, Syria, and Khurbet East is performing better than expected

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AIM-listed Gulfsands Petroleum PLC has found oil at the Yousefieh-1 well in the Gulfsands-operated Block 26, Syria, and announced that cumulative oil production from the Khurbet East Field has now exceeded 1 million barrels and the field is performing better than expected.

The Yousefieh-1 well, located approximately 3 kilometres from the Khurbet East early production facility, has encountered 63 metres of net oil pay in the target Cretaceous reservoir system and flowed at an average rate of approximately 900 barrels of oil per day (bopd) over a 3 hour period with no water produced. The preliminary results of the test indicate very good reservoir permeability.

A more extensive production testing programme over the reservoir section of the Yousefieh well is expected to commence in the next few weeks, Gulfsands said.

Oil production from the Khurbet East field has just passed the milestone of a cumulative one million barrels since production began in July, and the field is continuing to average production of approximately 11,500 bopd from 5 wells with only trace amounts of water.

Pressure monitoring indicates there continues to be only minimal reservoir pressure reduction.

As a consequence of the better than expected performance of Khurbet East, the company is anticipating a re-evaluation of reserves there which will be undertaken by RPS Group PLC as of year-end 2008, with results expected in the first quarter of 2009.

Gulfsands CEO Ric Malcolm said: "The discovery of oil at Yousefieh-1 provides strong encouragement for future exploration. This is the second oil discovery to be made in Block 26 within two years and demonstrates its very prospective nature.



The first discovery at Khurbet East is consistently producing at high rates through the early production facility. The close proximity of the Yousefieh oil discovery to Khurbet East, together with the high quality reservoir encountered, provides encouragement for an early declaration of commerciality on this discovery."

Gulfsands is an oil and gas production, exploration and development company with activities in Syria, Iraq and the US.