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Company Announcements Office
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Acquisition of Tarfaya Offshore Block comprising eight permits, Morocco

DVM International Limited (“DVM” or “the Company”) is pleased to advise that it has reached agreement with the Kingdom of Morocco to acquire a 75% working interest and operatorship in the large and highly prospective Tarfaya Offshore Block located in Morocco.

Pursuant to the agreement the Office Nationales des Hydrocarbures et des Mines (“ONHYM”), the hydrocarbon company of the Kingdom of Morocco, retains a 25% carried interest through the exploration stage. ONHYM has the option to convert this carried interest into a 25% working interest in any hydrocarbons that are developed.

The Moroccan tax regime is extremely favourable with a zero tax rate for the first ten years of each field development and a royalty rate not exceeding 10% for oil and 5% for gas.

Previous exploration within the Tarfaya Block has defined a number of targets with cumulative potential of in excess of one billion barrels of oil in place.

The Tarfaya Block, which comprises eight individual contiguous exploration permits totalling more than 15,000 square kilometres, is situated approximately 600 kilometres southwest of Morocco’s capital city, Rabat. These permits lie between Morocco and the Canary Islands and extend from the Moroccan coast to water depths of up to 800 metres.

Under the terms of the agreement, DVM is committed to spend \$US 1 million over the next 2½ years. As part of the agreement, the Company has committed to reprocessing a selection of the existing 19,000 kilometres of 2D seismic data and 500 square kilometres of 3D data that has already been acquired over the permit area. It also intends to drill three exploration wells over a four year term.

The Tarfaya Block has seen extensive exploration investment already, with large 2D and 3D seismic databases available. With only four exploration wells drilled to date however, (a density of one well per 3,750 square kilometres), the Block is underexplored. The permits were relinquished by the former owners in the wake of the global financial crisis.

Within the permits a number of prospects have been mapped by previous explorers, with one structure alone defined as having the potential to contain a billion barrels of oil in place.

DVM will be actively working to mature this and other seismically defined structures and will seek to drill a well in one of the permits as soon as possible.

A proven source system exists in the area and the permits are only around 23 kilometres from the Cap Juby Oil Field, which is reserved in the same geological intervals as the mapped prospects within the Tarfaya Block.

Morocco shares a southern boundary with Mauritania, where a number of juniors with Australian links experienced success just a few years ago by taking early acreage positions and then attracting the attention of the majors and independents to shoulder the majority of the required expenditure.

The Company considers that the acquisition of the Tarfaya Block permits has the potential to transform DVM into a resource company of real significance. With an existing modern data base and large existing structural and stratigraphic targets, DVM has the opportunity to fast track the exploration of the Tarfaya Block for the mutual benefit of our shareholders and ONHYM.

For further information contact:

A handwritten signature in blue ink that reads "Ivan Burgess". The signature is fluid and cursive, with a long horizontal stroke underneath the name.

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