



# REVIEW OF OPERATIONS

Annual General Meeting

26 November 2009



*Timor Leste*



*Drilling – Nov 2009*



*3D Seismic - 2008*

## Share Price



## Capital Structure

Shares on issue	220,074,885
Current share price	\$0.33
Market capitalisation	\$72,624,712
Cash on hand (30 Sep 09)	\$11,400,000
October raising	\$10,120,000
Enterprise value	\$51,104,712
Unlisted options	36,030,000

- \$20+ million cash post placement
- No debt
- Top 20 hold 37%
- 3 mo. daily av. vol. - 1.5 million shares
- 14.7 million options exercisable at > \$2

## Board

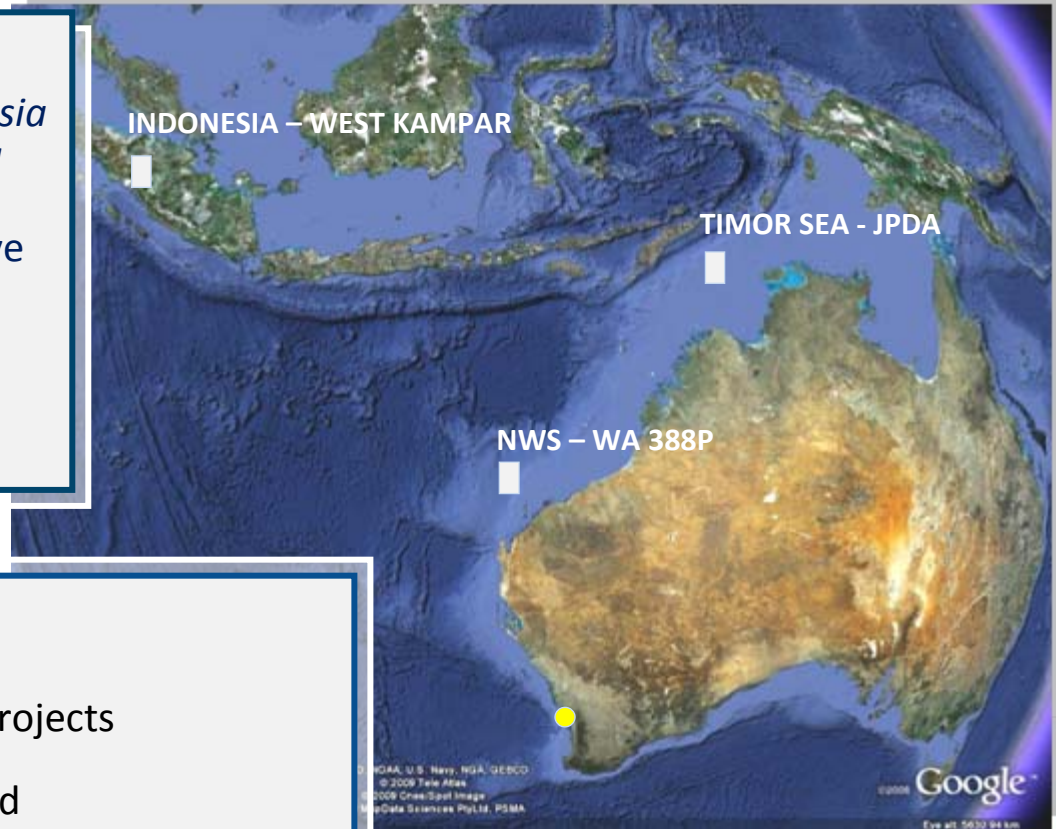
- Max Cozijn Non Executive Chairman
- Bruce McCarthy Managing Director
- Ray Barnes Technical Director
- Ben Clube Finance Director
- Laxmi Bhandari Non Executive Director
- Ron Miller Non Executive Director

# Current Focus Timor Sea, Australia & Indonesia

## JPDA Timor Sea [OEX 10%]

*2 of the largest oil prospects in Australasia in 2009. Currently drilling first well*

- Targeting combined mean prospective resources of **285 million barrels oil** (recoverable, 100% basis)
- Farmout completed to Japan Energy
- OEX free carried for 2 wells



## WA 388P offshore Australia [OEX 14%]

- On Pluto / Wheatstone play fairway
- Potential gas source for major LNG projects
- 3D seismic processing now completed
- Identify drilling prospect(s) by early 2010

## West Kampar onshore Indonesia [OEX 67.5%]

- Potential near-term production. Prospective block
- Investment suspended - solution to JV dispute required

## India onshore [OEX 45%]

- Cash flow positive
- Farmout option

## JPDA, TIMOR SEA [OEX 10%]

*“GROW THROUGH EXPLORATION SUCCESS”*

- Drill 1 well on each of Loré and Lolotoe prospects
- 2 wells to follow in 2010

## WA 388P, AUSTRALIA [OEX 14%]

*“GROW THROUGH EXPLORATION SUCCESS”*

- Prepare prospects and leads portfolio ► options to drill in 2010
- Assess commercial gas disposal options – Pluto, NWS, Wheatstone
- Assess options to build acreage position

## WEST KAMPAR, INDONESIA [OEX 67.5%]

*“HOLD UNTIL DISPUTE RESOLVED”*

- Pursue solution to JV dispute

## CORPORATE

*“REALIGNED COMPANY”*

- Lean corporate overhead, retained operating capacity

## INDIA [OEX 45%]

*“SEEK FARMINEE”*

- Maintain current production
- Farmout for carry on future evaluation of known oil & gas zones

## OMAN [OEX 25%]

*“SEEK FARMINEE”*

- Consider farmout options

....2 of the largest oil prospects to be drilled this year in Australasia



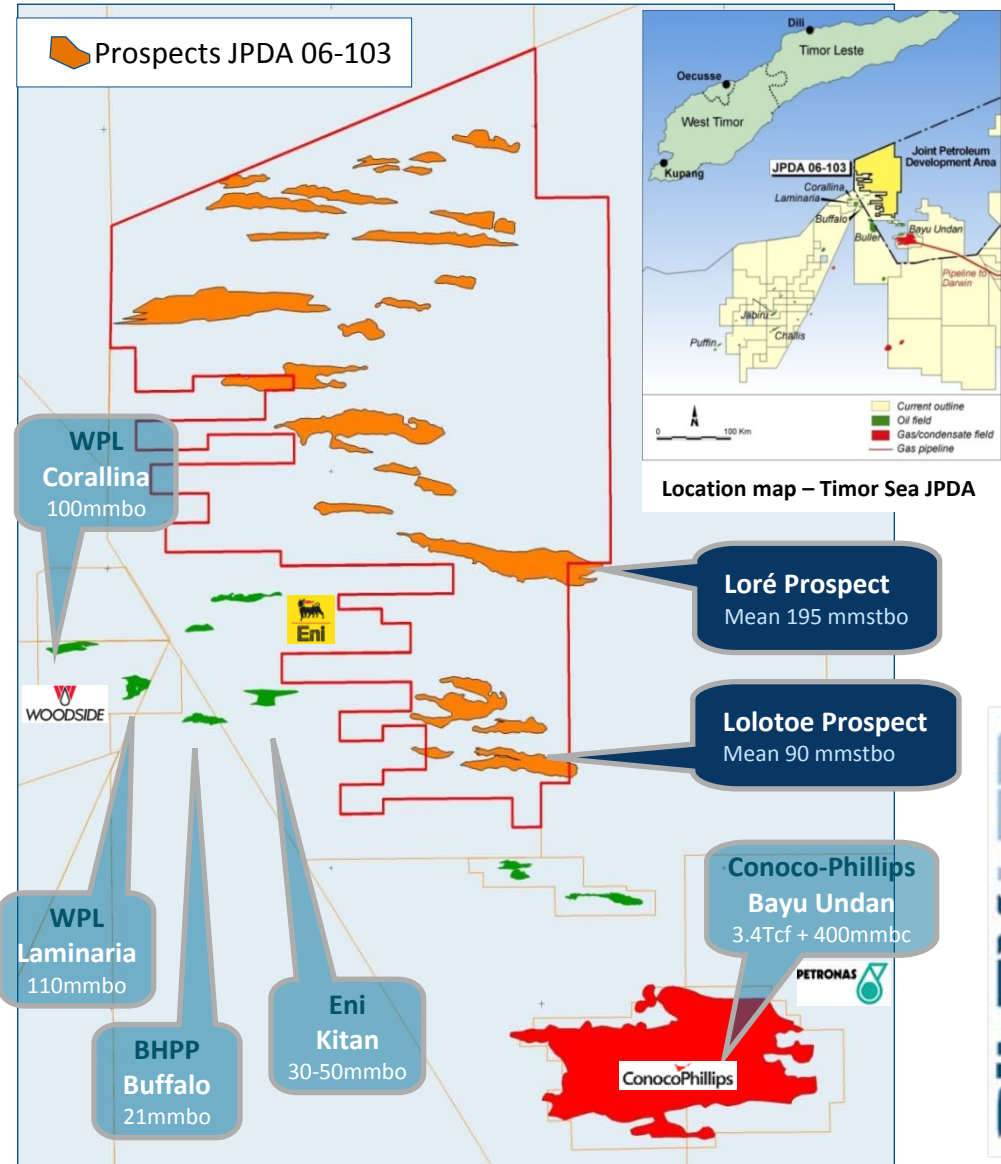
- Same fairway as producing fields:
  - Laminaria, Corallina, Buffalo + others
  - Good quality light oil
  - High production rates, L-8 @ 40,000 bopd
- Nearby Kitan - Eni's oil field development
- Giant Bayu-Undan gas/condensate field
- High quality 3D coverage over all prospective areas gives high level of confidence in mapping top reservoir
- Over 20 prospects identified - prospective resources range 10-200 million barrels oil recoverable (100% basis)

### Farmout

- Farmout completed with JEC - 15%, OEX free carry through 2 wells

### Drilling Status

- Loré-1 drilling ahead below 2,240 m towards total depth of ~3,670 m
- Lolotoe to follow



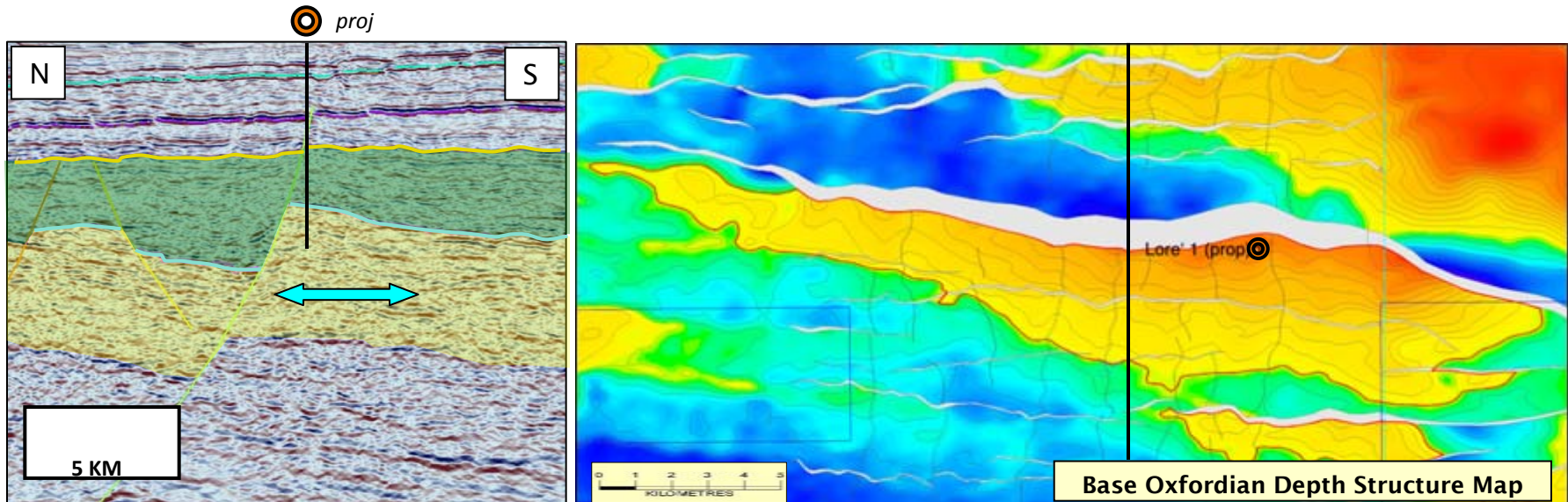
# JPDA 06-103 Timor Sea – Loré Prospect

**Prospective resources** (mean recoverable, 100% basis) : **195 mmstbo**

- Robust faulted anticline mapped from modern 3D
- Analogous to Laminaria Field
- High productivity reservoirs

<i>Area</i>	<i>50 sq km</i>
<i>Vertical Relief</i>	<i>460 m</i>
<i>Depth to crest</i>	<i>3460 mss</i>
<i>Water depth (over crest)</i>	<i>353 m</i>
<i>Total Depth</i>	<i>~3670 mss</i>

<i>Reservoir primary</i>	<i>Elang/Plover Fm sands</i>
<i>Reservoir secondary</i>	<i>Flamingo sands</i>
<i>Seal</i>	<i>Frigate-Echuca Shoal shale</i>
<i>Structure</i>	<i>3 way dip faulted anticline</i>
<i>Hydrocarbon</i>	<i>50-55<sup>o</sup> oil</i>



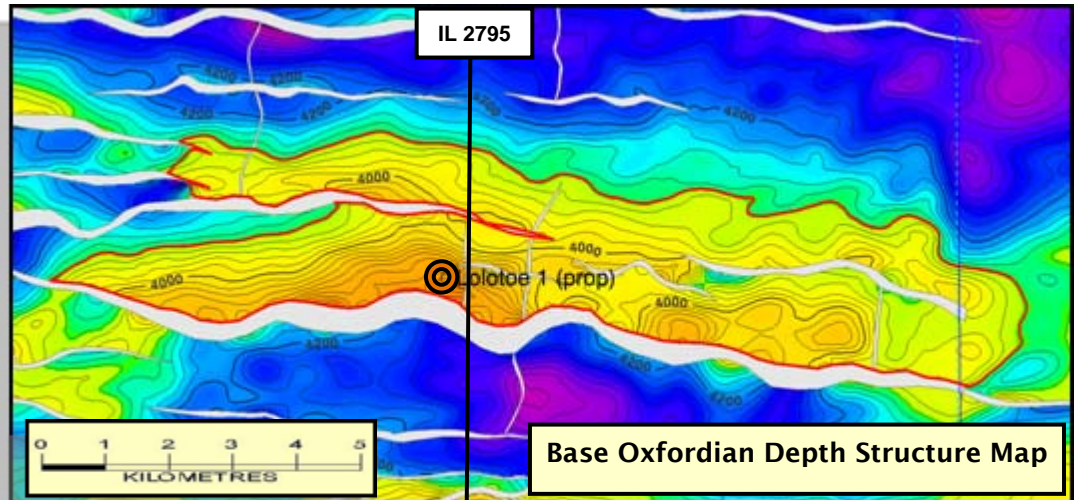
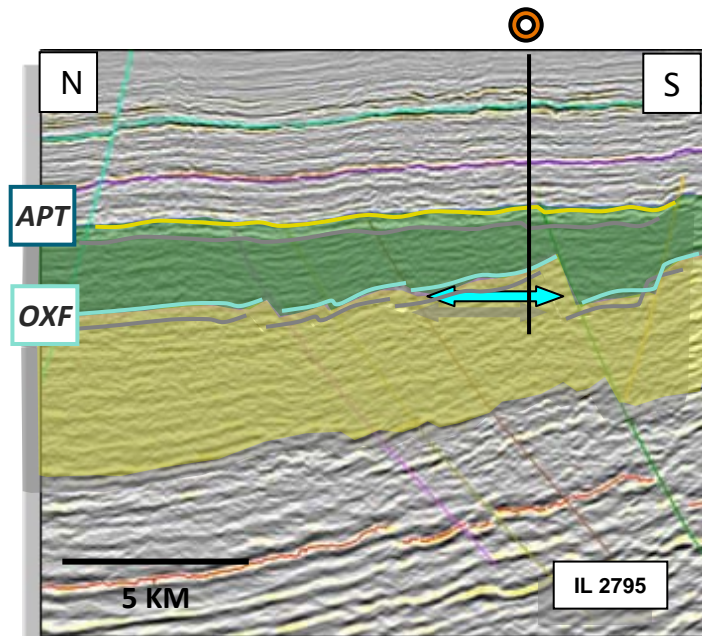
# JPDA 06-103 Timor Sea – Lolotoe Prospect

**Prospective resources** (mean recoverable, 100% basis) : **90 mmstbo**

- Robust faulted anticline analogous to Laminaria Field
- Analogous to Laminaria Field
- High productivity reservoirs

Area	29 sq km
Vertical Relief	300 m
Depth to crest	3820 mss
Water depth (over crest)	105 m
Total Depth	~ 3960 mss

Reservoir primary	Elang/Plover Fm sands
Reservoir secondary	Flamingo sands
Seal	Frigate-Echuca Shoal shale
Structure	3 way dip faulted anticline
Hydrocarbon	50-55 <sup>o</sup> oil



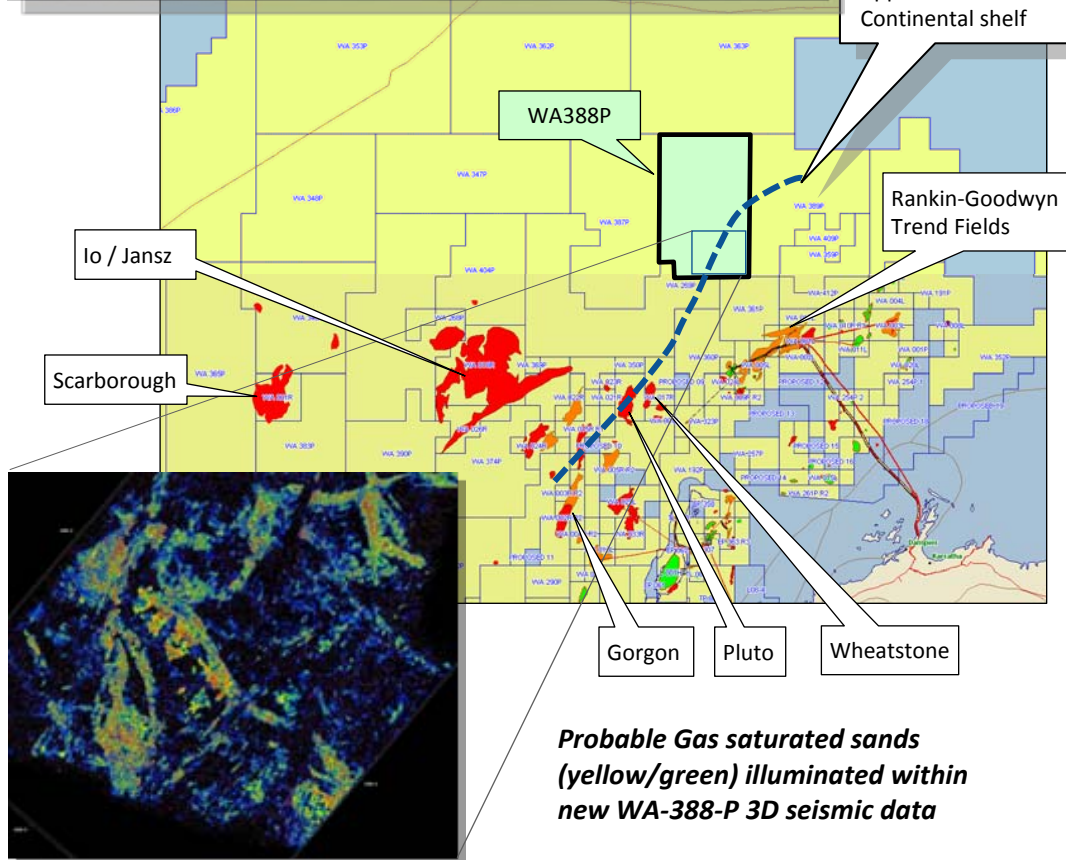
# WA 388P Exploration OEX 14% Operator

- “Big Gas” area
- Same play fairway as Pluto / Wheatstone under shelf break
- Gas discoveries (>1 TCF) could provide feedstock for existing LNG projects (e.g. Pluto, Wheatstone, NWS)
- Acquisition & processing of 3D seismic completed August 2009
- Initial results of seismic interpretation encouraging with possible DHI’s evident
- Window of Opportunity to establish gas potential  
➔ accelerate drilling
- Possible drilling decision early 2010?



**Karratha Gas Plant North West Shelf Venture WA**

*Image courtesy of Woodside, August 2009*



# Indonesia – West Kampar PSC OEX 67.5%\*

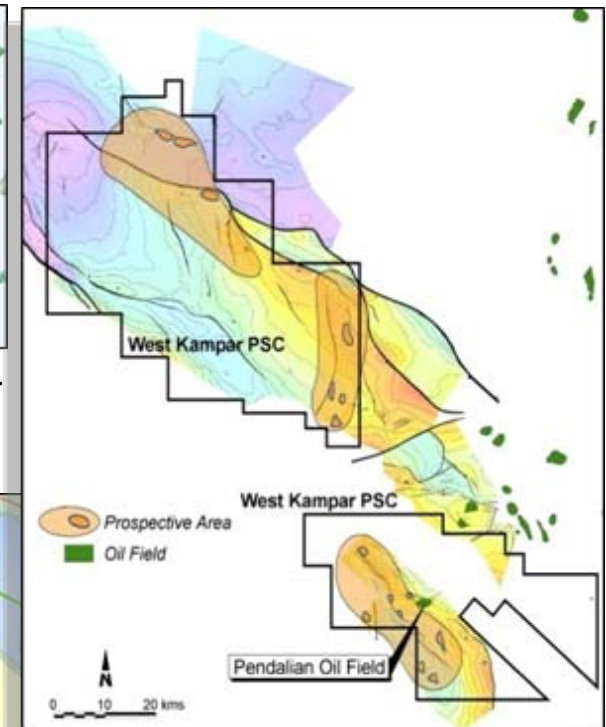
- Oilex 67.5% (\*22.5% held as security), Sumatera Persada Energi (Op.) 32.5%
- Near term production opportunity (Pendalian field) with exploration upside
- Initial Pendalian flow rates estimated at 700 bopd/well
- Exploration potential
  - Central Sumatra basin (>10bn barrels produced)
  - Leads identified to be matured with seismic program

Investment suspended pending resolution of JV dispute. OEX priorities are:

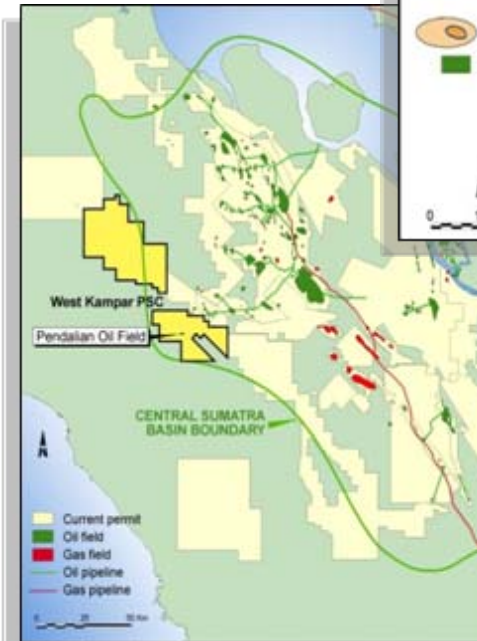
- Transfer Operator role to OEX or acceptable 3rd party
- Recover over US\$4 million debt from SPE
- Ensure SPE not able to disrupt future work program



Location maps – West Kampar PSC, Sumatra Indonesia



West Kampar PSC – Prospects and Leads



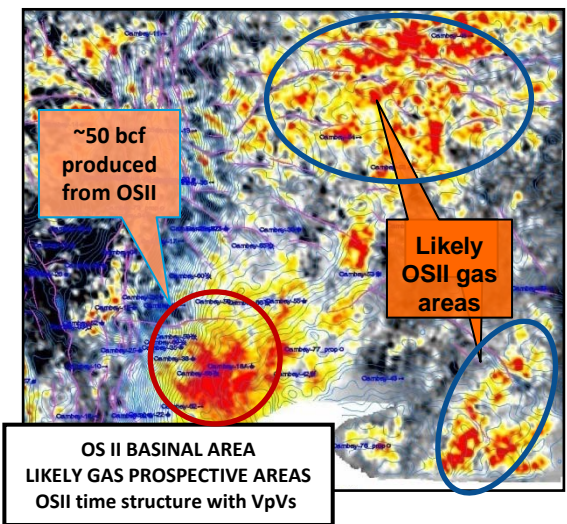
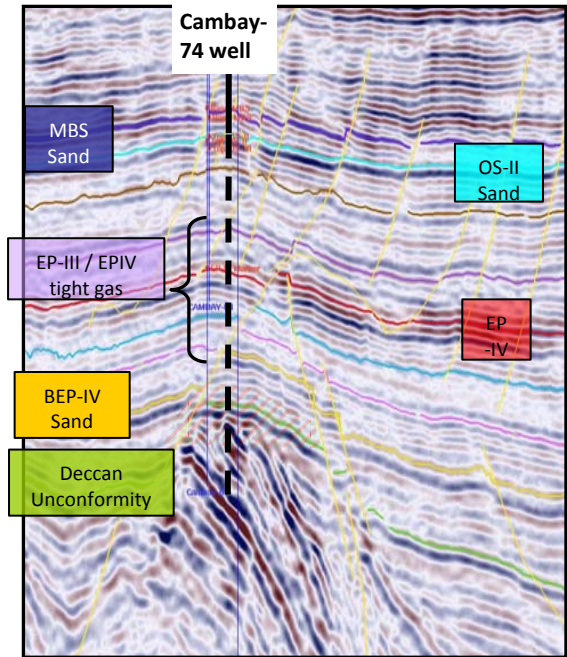
- Oilex Operator, Cambay 45%, Sabarmati 40%, Bhandut 40%

## Background

- Excellent commercial terms
- Low opex environment
- High domestic demand for oil and gas
- Strong gas price, US\$4-7/mcf
- World parity for oil in US\$

## Cambay

- Oil production ~150 bopd gross
- Cash flow positive
- Untested potential remains
  - Deccan basement
  - Basal EP IV
  - EPIII/EPIV tight gas
  - OS II gas
- Potential to farmout for carry
- Evaluate new opportunities based on existing relationships



## *Work program for 2009-2010 funded:*

- JPDA [OEX:10%]: **Farmout completed, 2 well program started**
  - 2 wells to drill 2 of the largest oil prospects in Australasia in 2009
  - Targeting mean prospective resources of **190 and 95 million barrels oil** (recoverable, 100% basis)
  - OEX free carried for 2 wells
  - Large prospects for further drilling with 2 wells planned in 2010
  
- WA 388P [OEX:14%]: **Emerging exploration asset on North West Shelf**
  - On Pluto / Wheatstone play fairway
  - Window of opportunity for gas supply to LNG projects
  - 3D seismic processing complete with possible indications of gas (DHI's)
  - Potential to accelerate drilling in 2010
  
- West Kampar [OEX:67.5%]: **Prospective block – potential near term production**
  - Investment awaiting resolution of JV dispute
  - Potential Pandalian development project with exploration leads to be matured
  
- India [OEX:45%]: **Exploration/appraisal potential. Farmout opportunity**

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