



Capital Raising Presentation

4 July 2018

A photograph of a rural landscape at sunset. The foreground shows a dirt path leading to a wooden fence. The background features a green field, a dirt road, and a small cluster of trees under a warm, orange sky.

David Casey
Managing Director & CEO

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Corporate Overview

Key Assets

Betic Alps, Spain - Targeting conventional sandstone gas reservoirs in 94,000 acres in Southern Spain

Nth Perth Basin, Australia – Targeting conventional and unconventional gas reserves in 2.2M acres in Western Australia

Norte Basin, Uruguay - Targeting conventional oil and gas targets in Piedra Sola & Salto Concessions (3.5m acres)

Board & Management

Alexander Sundich*	Chairman
David Casey*	Managing Director & CEO
Russell Porter	Non-Executive Director
Andrew Williams	Non-Executive Director
Ian Kirkham*	Company Secretary

Capital Structure

Cash:	~\$0.18m (Mar Qtrly)
Issued Cap:	1,761m Shares 520m Listed Options at 4¢
Market Cap:	\$4.6m (at 5 day VWAP 0.26¢)
Debt:	\$0 external debt
ASX Code:	PRL

Shareholders

Pre Placement

Mr Greg Columbus	4.56%
Mr David Casey	4.01%
Morgan Stanley Aust.	2.99%
HSBC Custody Nominees	2.18%
Mr Alex Sundich	3.09%
Veruse Pty Limited	1.65%
Lowell Resources Fund	1.55%
Mr Ian Kirkham	1.40%
	21.42%

Capital Raising Rationale

Proceeds from the Placement and SPP will primarily be used as working capital to give PRL the scope and capacity to restructure both the company and its portfolio to give shareholders better access to a more diversified range of assets at varying stages of development. While this will entail refocusing on its near fully funded Spanish asset and finalising permitting on its North Perth Basin option, efforts will also go into progressing other strategic asset and corporate opportunities.

Proceeds from the Placement and SPP will be used to:

1. Manage and monitor the funded €3.8m work programme starting with the imminent Tesorillo MT programme
2. Manage and monitor the Uruguay partner and exploration process
3. Finalise Nth Perth Basin Exploration Permit process with DMIRS including stage 1 payments to Native Title Parties
4. Finalise transfer documentation for the Tesorillo Project
5. Cover general working capital

Placement and SPP Terms

Placement - **Completed**

- \$735,000 raised by issuing 350m new shares to “Chapter 6D” sophisticated investors
- Issue price of 0.21c per share represents a 20% discount to PRL's 5 day VWAP
- 216m shares to be allotted on 9 July 2018 and 134m require approval at EGM in early August

Share Purchase Plan

- Raising up to an additional \$1 million at 0.21c per share
- Up to \$15,000 of ordinary shares per shareholder
- Scale back mechanism if over subscribed
- Offer opens 13 July 2018
- Offer closes 7 August 2018

New shares will be fully paid and will rank equally with the Company's existing quoted ordinary shares



Three material assets
requiring modest funding?

Material assets

Spain

- ✓ A €3.82m staged work programme, €2.05m sale proceeds used to fund Petrel's share of programme
- ✓ New partner has recent success with similar smaller fore-deep plays in Europe
- ✓ Certified Prospective Resource of up to 2.3TCF
- ✓ Magnetotelluric field programme about to commence

Nth Perth Basin

- ✓ Company defining acreage position with over 9000km²
- ✓ Gas generation demonstrated north and south (Waitsia) of Permit
- ✓ Targets are “conventional” and “unconventional”
- ✓ Permit transected by North West Shelf to Perth Pipeline
- ✓ Substantive Native Title terms agreed
- ✓ Exploration Permit expected to be granted this year to allow commencement of farmout process
- ✓ Modest initial expenditure commitment

Uruguay

- ✓ Partner funding past costs and forward programme
- ✓ Material 3.5 m acres and Certified Prospective Resource of 910MMbbl & 3104BCF
- ✓ Recent drilling confirmed petroleum system with “**first ever**” oil to surface in Uruguay
- ✓ Counterparty (partner) process continuing

Very low cost exposure to quality assets with Spain & Uruguay largely funded by others

Tesorillo Spain

[Link to full Tesorillo Presentation](#)



Spain Highlights

Low Exploration Risk

- Twin 1956 Almarchal-1 with 212m of log interpreted net gas pay
- Multiple DST's showed gas to surface or gas cut mud

Seismically Defined Structure

- Large seismically defined structure

Certified Resource Validation

- Prospective Resource of up to 2.3TCF certified by Netherland, Sewell & Associates, Inc. (NSAI)

Attractive Gas Prices

- European gas prices are high

Pipeline Access Close

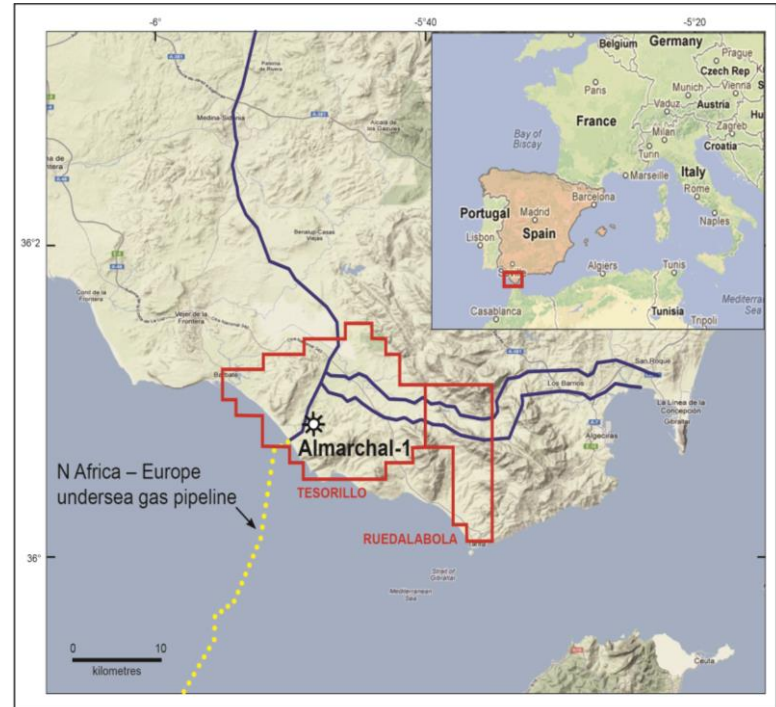
- Potential access to 40" North Africa to Europe gas pipeline with excess capacity 3km from well location

Favourable Fiscal System

- Royalty fiscal system: contractor share of income vs government of 65% - considered most attractive globally⁽²⁾

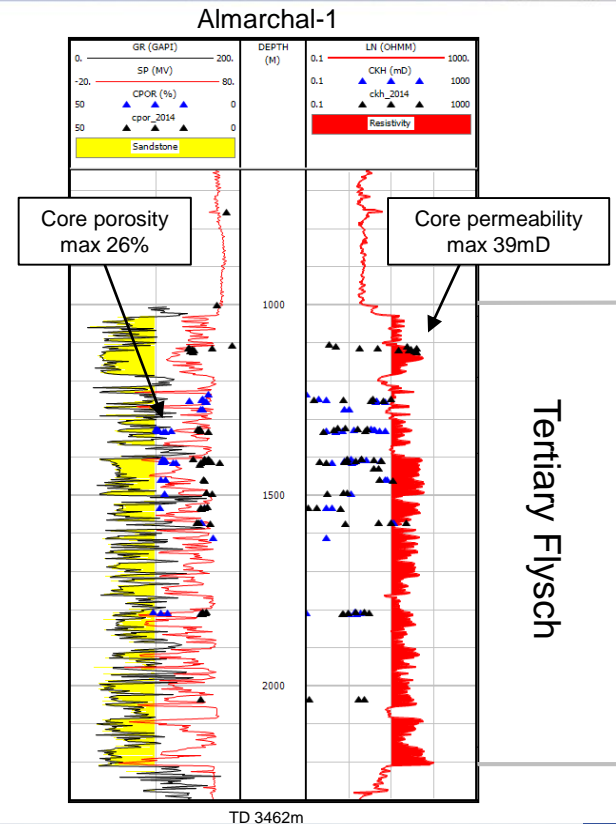
Resumption of Operations

- Contract awarded for Magnetotelluric programme
- **Field work to commence in coming weeks**
- MT will refine subsurface geology and test for resistivity as a further indicator of hydrocarbons
- Scope of Environmental Impact Assessment (EIA) being finalised for well permitting and approvals
- Discussions with potential drilling contactors well advanced

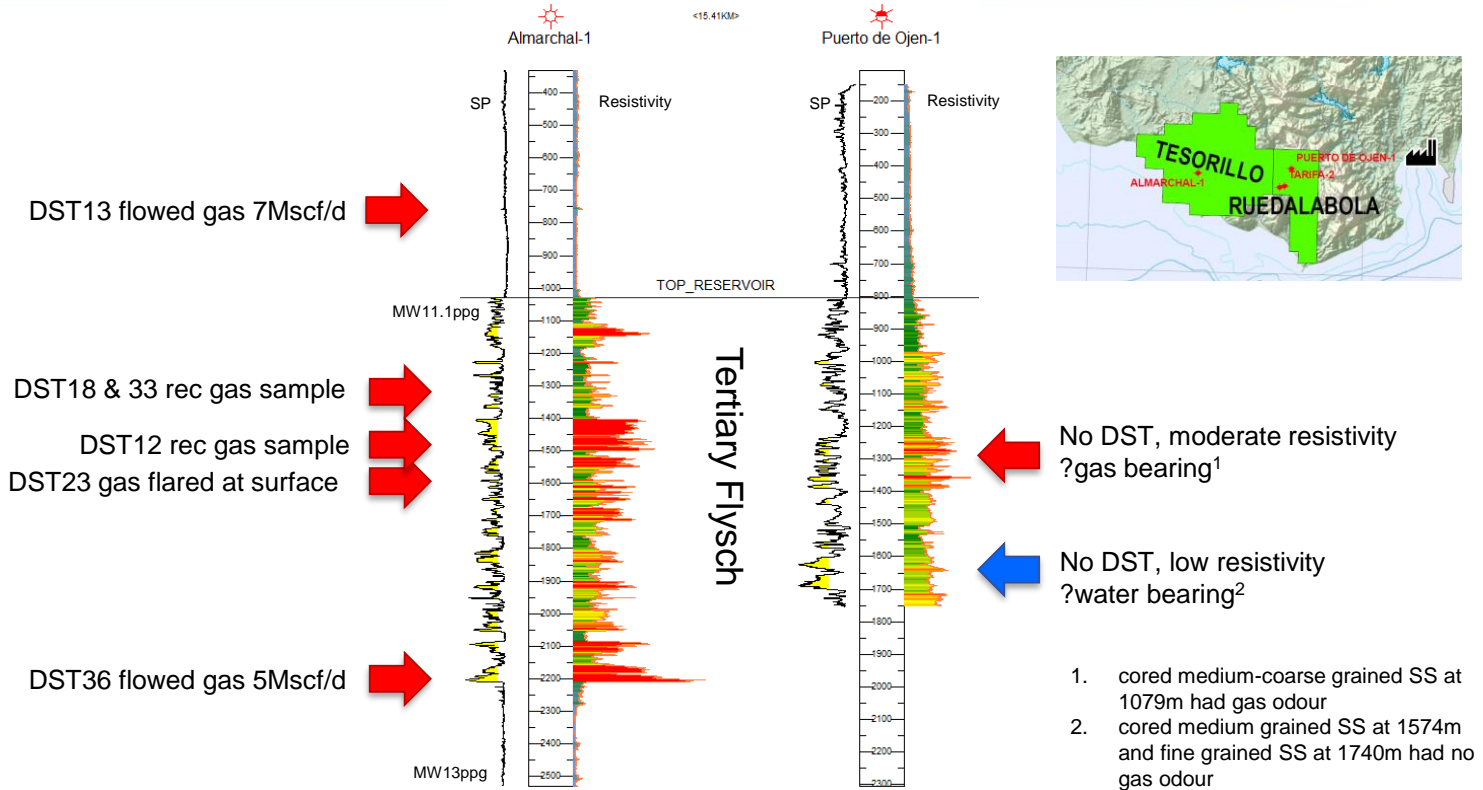


Good Quality Logs and Core

- Wireline logs good quality; SP, gamma & resistivity track each other closely
- 61 cores; porosity & permeability measurements by IFP (Paris 1957) & IPf (Madrid 2014)
- Tertiary flysch sandstones; poorly sorted, moderate porosity & permeability, fine to extremely coarse grained interbedded with fractured silty shale
- Many core chips observed to bubble gas from pores, fractures or the mud sheath
- SP/GR logs clearly indicate some of the best reservoir quality intervals were not cored



Continuous reservoir section



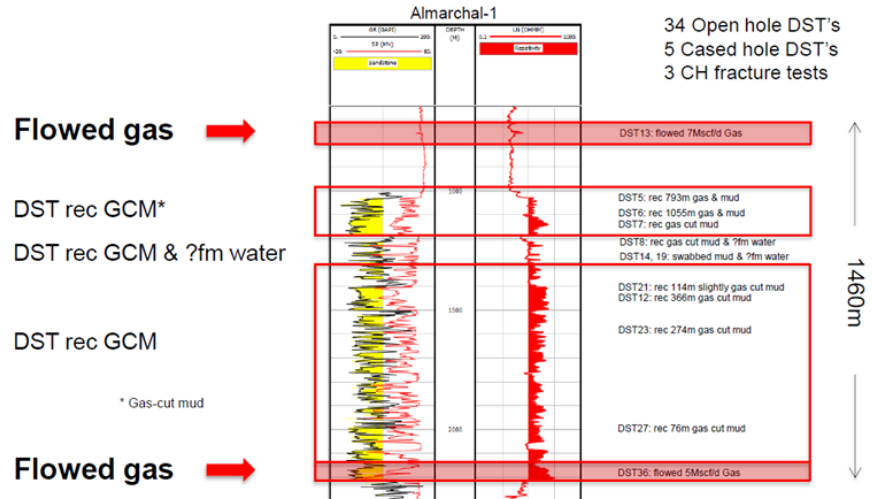
DST Analysis

- Revised log analysis using core porosity (no wireline porosity tools available in the 1950's) interpreted 212m net gas pay
- Many gas shows observed while drilling (34 open hole DST); variable flow rates with most recovering some gas (max 93% CH₄) and **little to no formation water**
- Validated by DST with gas flows at top & base of 1460m gross gas show interval

- Variable DST gas flow rates were a likely a consequence of reservoir damage caused by low permeability reservoir and:**

- Fresh water drilling fluids reacting with swelling clays**
- Heavy mud weight causing mud filtrate & fine particle invasion**
- Resulted in pore throat & relative permeability water blockages to gas flow**

- Adequate permeability for gas production indicated from core data, **range 0.03 to 39mD**



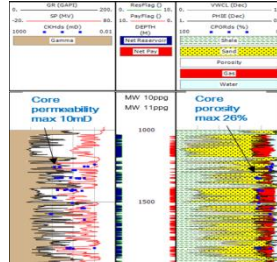
Spain Summary

Acquisition



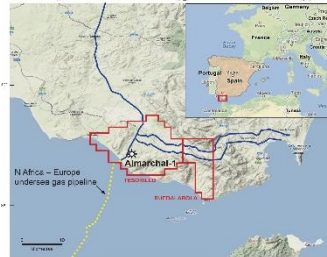
- Well site located **3km from 40" gas pipeline** with excess capacity
- Access to high priced European gas prices

Potential



- DST tests and log analysis confirm 48m of gas pay with further **492m of potential pay** interpreted from logs but untested

Resource



- Prospective Resource** of up to **2.3TCF** certified by Netherland, Sewell & Associates, Inc. (NSAI)

Partner



- Selling up to 49.9% to fund share of ~€3.8m work prog.**
- Includes **MT and 1 new well**
- Propsex has success with smaller fore-deep plays elsewhere in Europe

[Link to Prospec Tesorillo Research](#)

North Perth Basin

[Link to full North Perth Basin Presentation](#)

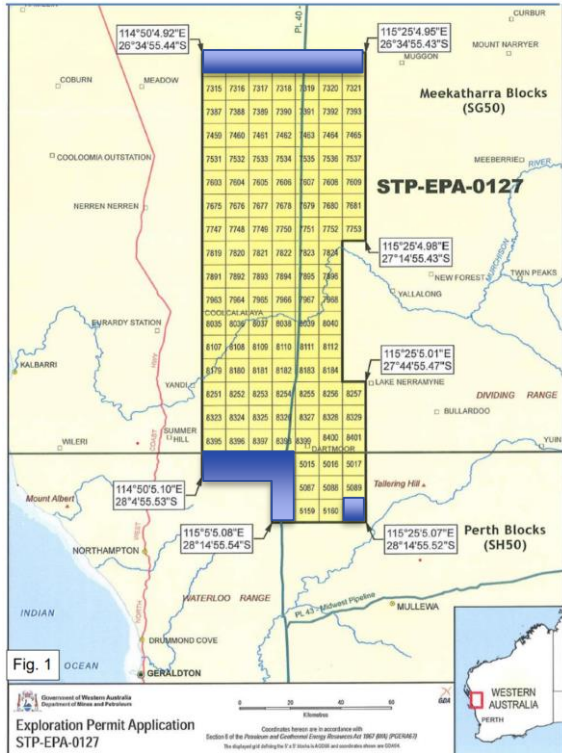


Background



- STP-EPA-0127 granted to Palatine Energy Pty Ltd 7th August 2014
 - Native Title negotiations commenced once final application area agreed in late 2015
 - April 2016 Petrel execute Call Option Deed with Palatine to provide modest funding to allow Native Title negotiations to continue
 - Call option for all Palatine Shares for \$200K cash or Petrel shares with further \$100K of shares payable once approvals in place and work programme commenced
 - The permit essentially covers the entire Coolcalalaya Sub-Basin
-
- With Native Title agreements finalised Petrel anticipates exploration permit to be granted this year

North Perth Basin – STP-EPA-0127

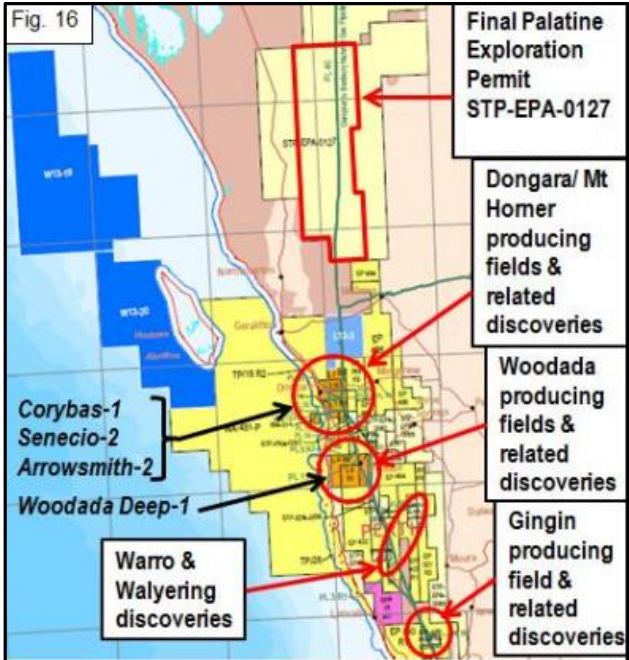


- Final revised application area (blue blocks deleted) is roughly 185km long and about 55km wide and covers approximately 9,000 square kilometres
- Contains up to 9000m of Neo-Proterozoic, Palaeozoic and Mesozoic sediment
- Permit lies at the northern limit of the prospective and partially developed Perth Basin, which has producing fields in **similar formations** 150km to 200km to the south
- The central-northern part of the Perth Basin produces conventional oil and gas while several tight gas and shale gas fields have been discovered recently just south of the Coolcalalaya Sub-Basin
- AWE Waitsia discovery was the largest conventional onshore gas discovery in Australia in the last 40 years
- Unconventional potential **confirmed** in Carynginia Shale
- Main exploration targets identified in the Coolcalalaya sub-basin are:
 - ✓ Conventional (Waitsia type) Permian sands
 - ✓ Permian Unconventional Carynginia shale
 - ✓ Devonian Unconventional Gneudna shale
 - ✓ Conventional Permo-Carboniferous tilted fault blocks

On final grant, STP-EPA-0127 (2.2m acres) will be largest exploration permit in Perth Basin

North Perth Basin Production

North West Shelf to Perth Pipeline

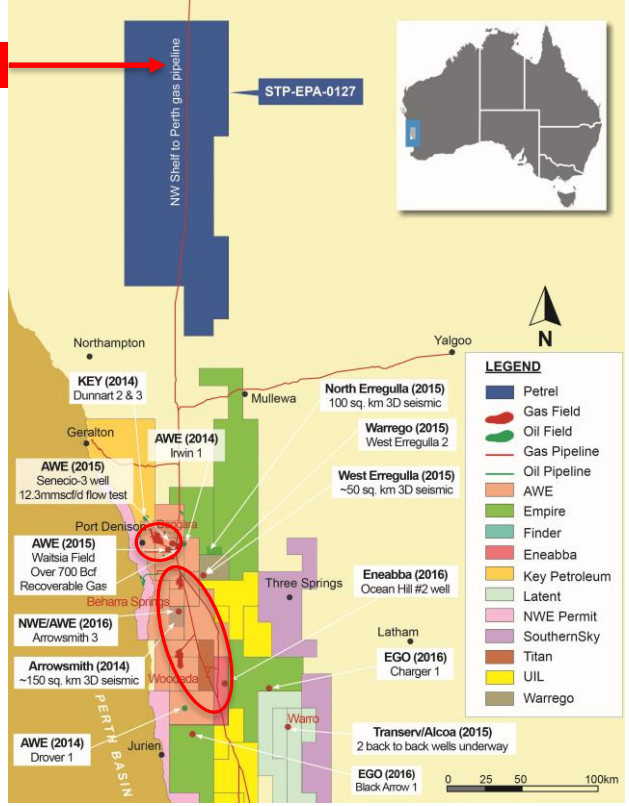


Waitsia-2P
Reserves recently increased to 811PJ (gross); 78% higher than AWE's 2P Waitsia Reserves as at 30 June 2017

Waitsia-2 42m
perf. avg. rate of 38.5Mmscf/d

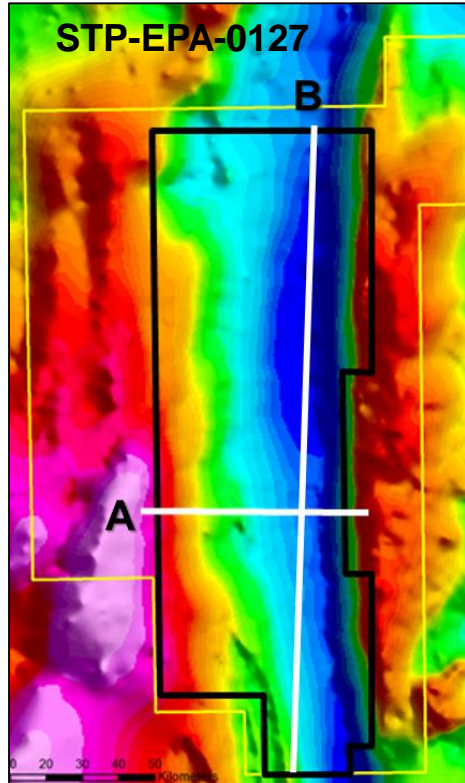
Waitsia-3 42m
perf. avg. rate of 49.5Mmscf/d

Waitsia-4 50m
perf. avg. rate of 89.6Mmscf/d

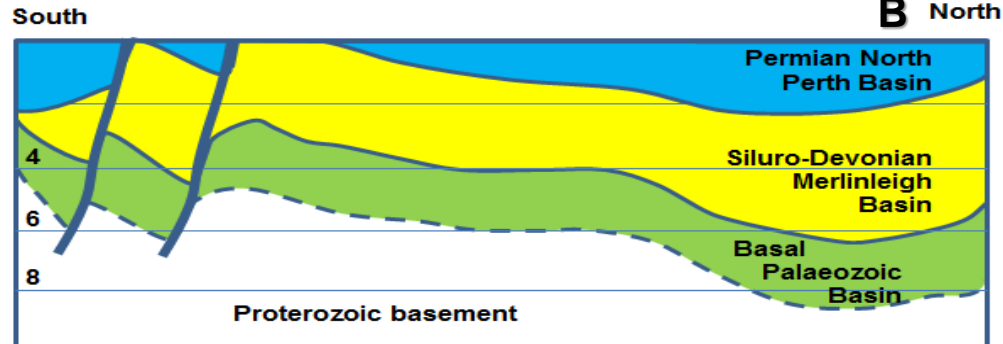
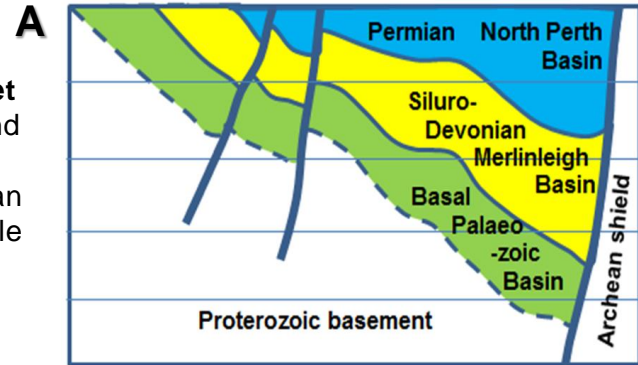


Waitsia now ranked in the top 5 largest gas fields ever discovered onshore Australia

Basin Stratigraphy



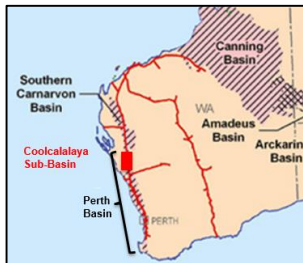
- **Primary exploration target** is Permian conventional and unconventional reservoirs
- **Secondary target** Devonian unconventional and possible conventional Permo-Carboniferous titled fault blocks



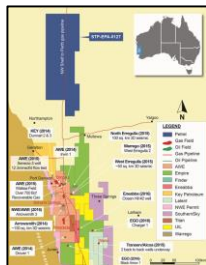
Interpretive cross sections based on seismic, gravity data and limited outcrop/shallow drill hole data

Coolcalalaya has **both** Permian and deeper Devonian targets

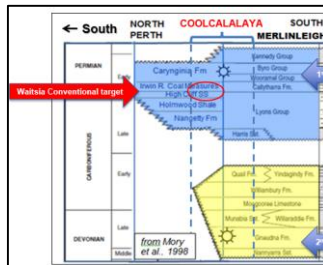
North Perth Basin Summary



- \$200K call option in cash / shares
- further \$100K when work programme commences
- **Substantive Native Title terms agreed**



- ~185km long and about 55km wide ~9,000 sq. kms
- **Permit straddles the Northwest Shelf to Perth gas pipeline**



- **Conventional and unconventional**
- Carylginia has 4% average TOC, Type III kerogen & in the gas window.
- Carylginia thickness ranges from 50m to 150m from north to south



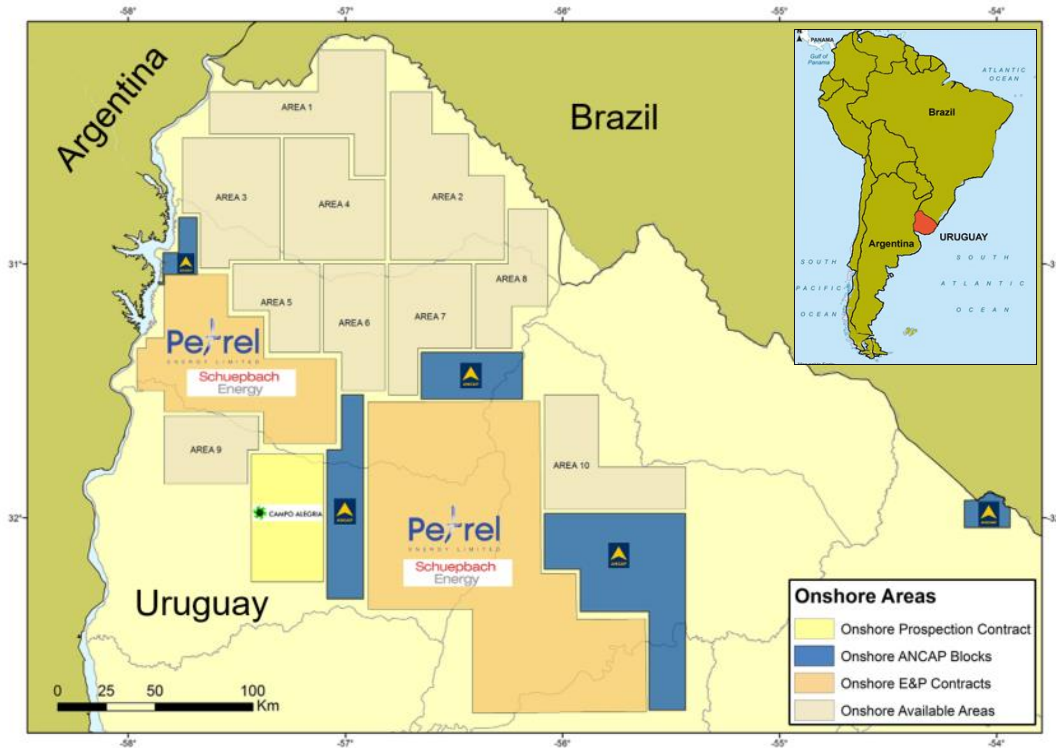
- 6 year commitment with year 2 exit point
- Gas generation north and south of Permit
- Commercial prodn. south of Permit
- **AWE's Wallsia largest conventional onshore Aust. gas discovery in last 40 years**

Norte Basin Uruguay

[Link to full Uruguay Presentation](#)



Material Acreage Position



- **3.5 million acres** provides a basin controlling position in Uruguay's most prospective onshore basin
- NSAI estimated P50 recoverable resource (PRL only) of **405 MMbbl oil and 1.5 TCF of gas** in conventional plays
- World class reservoir rock – **very high permeability and porosity, oil shows**
- With no production currently imports in excess of **40,000bopd**
- Gas production would replace LNG – prices currently around **\$8/mscf**

Company making first mover advantage with material upside

Excellent Reservoir Potential

- ✓ Material certified “company defining” resource in Uruguay on 3.5m acres
- ✓ Multi TCF gas and billion barrel oil potential
- ✓ Excellent source and reservoir rock potential



Darcy Permeability in Cardozo Chico and Achar Coreholes

Conventional Resource Certification by NSAI ⁽¹⁾

Salto & Piedra Sola Concessions 100%	Prospective Resource (MMbbl)	Prospective Resource (BCF)
Low Estimate (P90)	148	575
Best Estimate (P50)	405	1472
High Estimate (P10)	910	3104

Recent Success...Oil Discovery @ Cerro Padilla 1

- ✓ Well successfully drilled to Total Depth (TD) of 845m
- ✓ Logging confirmed 2m of oil saturated sand at 793m with fluorescence (oil shows) across extended interval
- ✓ **Testing confirms first ever discovery with oil to surface in Uruguay**
- ✓ Very encouraging but further work required as appears well missed top of structure



Modest initial discovery but **quantum leap in hydrocarbon prospectivity** of Uruguay

Recent Success...

Petrel Energy
@PetrelEnergy

ANCAP News: Cerro Padilla-1 analysis shows 2 metres of sand with oil saturation at a depth of 793 m. [\\$PRL.ancap.com.uy/innovaportal/v ...](http://$PRL.ancap.com.uy/innovaportal/v...)



Cosse called the finding "significant advance" and reiterated the need for "prudence"

The Minister of Industry described as "good news" the finding of an oil system and added that "it is only a step in a long way".



News

Published: 10/20/17

On October 20, 2017, the Cerro Padilla X-1 well, located northeast of the department of Paysandú, reached a total depth of 845 m, with the sandstone of the Tres Islas formation being the exploratory objective.

The first Australian Studies Centre in Latin America will be launched at Universidad ORT Uruguay

15/11/2016

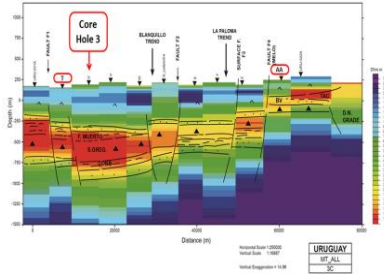
On the 24th November the [Australian Studies Centre \(ASC\)](#) at Universidad ORT Uruguay (ORT) will be inaugurated. Australian Ambassador to Argentina, Paraguay and Uruguay, Noel Campbell and Austrade's Senior trade and investment commissioner (Andean Latin America), Shannon Powell will attend the event.

The ORT-ASC is an academic institute for the study of Australian history, politics, international relations, economics, business, society, education, culture and literature. The Centre aims to strengthen the links between Australia and the region, particularly with Uruguay and it is totally interdisciplinary in its structure and activities. The ORT-ASC welcomes working with researchers, students and academics in any field of study in Australia helping to cement intellectual links between the two regions.

The Centre is initially funded by Petrel Energy and Universidad ORT Uruguay and counts with the support of the Australian Embassy in Argentina, Paraguay and Uruguay, the Uruguayan Embassy in Australia, Austrade and the Chamber Uruguay Australia.

Uruguay Summary

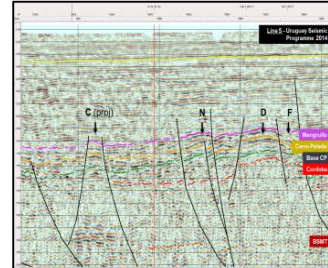
Potential



Resource



Targets



Drilling & Partner



- Ideal operating environment with local and regional oil & gas markets
- Petrel acquires concessions in Uruguay
- MT survey carried out - confirms northwest rift basin
- Enabled refinement of corehole programme

- **Corehole programme** confirms oil generation and active petroleum system
- Evidence of free oil in coreholes more than 100km apart
- **Results support seismic acquisition programme**

- **Seismic programme successfully completed**
- NSAI independently certify the Prospective resource in the Salto and Piedra Sola concessions of up to 910 MMBBL oil and 3.1TCF gas
- **AVO's increase prospectivity**

- **First hydrocarbon discovery in Uruguay recovering modest oil to surface from 793m**
- Second well hits a fault
- Petrel reduces Uruguay interest to 41% in return for partner funding and 97.5% of Tesorillo Project

Partner currently funding project & determining next stage of exploration



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