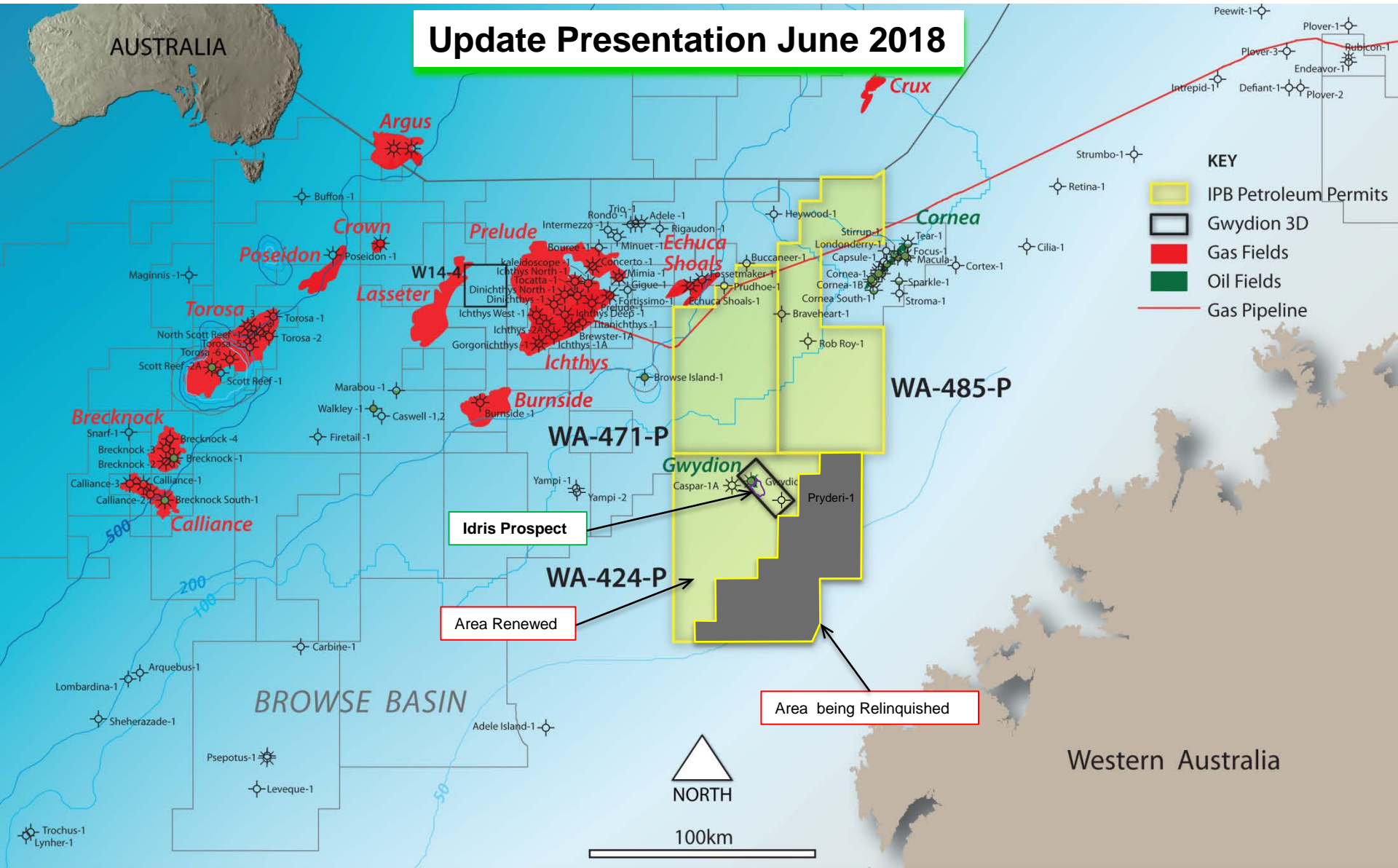


# IPB Petroleum Limited



**Update Presentation June 2018**



## Key Points

- Market capitalisation ~ \$2.7 m, ASX Code IPB
- Cash (March \$0.52m)
- Reputable Board and Capable Management
- Currently farming out interest in permit aim for **fully funding** Idris well plus back costs
- To test updip extension of oil discovery at Gwydion (IPB 100%)
- P50 NPV 100% \$1.0 Billion if successful – plus other exploration upside
- Proposal to be drilled in 2019
- Near Term Catalyst: Farmout, then Drilling Well – Other possible BD activities

# Experienced Board



**Bruce G McKay**  
*BSc (Hons), FAICD,  
FIEAust*  
**Chairman**

- Over 40 years' experience in exploration, operation and executive management in Australia and overseas (AWE / ExxonMobil)
- Fellow of the Australian Institute of Company Directors and Engineers Australia
- Honorary Life Member of the Australian Petroleum Production and Exploration Association and was Chairman between 1991-92.
- A member of the American Association of Petroleum Geologists and the Petroleum Exploration Society of Australia.

**Brodrick Wray**  
*B.E. (Chem) SPE*  
**Non-Executive Director**

- Graduated from Adelaide University and has worked for more than 28 years in engineering, commercial, executive management and consulting roles in the Energy Industry.
- Spent 5 years in a variety of commercial management roles in the electricity industry during the privatisation of the South Australian Electricity business before rejoining Santos in 2001 in gas marketing and undertook a number of different commercial roles, including Manager of LNG marketing during the evolution of Santos substantial LNG business
- Since 2012 he has pursued a variety of personal interests including consulting to the oil and gas industry.

**Geoffrey King**  
*BSc (Hons)*  
**Non-Executive Director**

- 30 years' experience in oil and gas industry, commenced career with Esso Australia
- Numerous management and senior exploration positions with BHP Petroleum, directly involved in the Macedon Pyrenees, Montara, Argus and Gwydion discoveries
- Substantial experience in Australia, in particular offshore Western Australia, SE Asia and United States.

**Brendan Brown**  
*BSc, BE(Hons),  
MBA(Melb), F Fin*  
**Managing Director**

- Established IPB Petroleum in early 2009 and has 25 years' experience in the Oil and Gas and Finance industries
- Commenced career as an engineer with BHP Petroleum - heavily involved in the Jabiru, Challis and Skua projects and operations, and Griffin oil field developments
- Previously an analyst and corporate advisor with ANZ Investment Bank
- Was General Manager of finance and business development with Nexus Energy (2006- mid 2008) - responsible for substantial financing, secured by the company and the negotiation and maintenance of its key commercial agreements and relationships.

**Philip Smith**  
*BSc Physics(Hons), Msc  
Geophysics, Grad Dip  
App Fin & Inv*  
**Technical Director**

- Has over 30 years' experience working as an exploration geoscientist
- Previously worked in London with Phillips Petroleum and Kufpec and in Australia with Woodside Petroleum and BHP Petroleum
- During his 15 year tenure with BHP Petroleum he held senior technical and managerial roles in offshore basins around Australia and was involved in oil and gas discoveries at Elang, Laminaria, Maple and Argus
- Most recently with Nexus Energy where he was responsible for building the exploration portfolio and was involved in the Longtom and Crux appraisal and development projects.

**IDRIS WELL** to test stratigraphic upside to oil discovery (Gwydion) WA-424-P

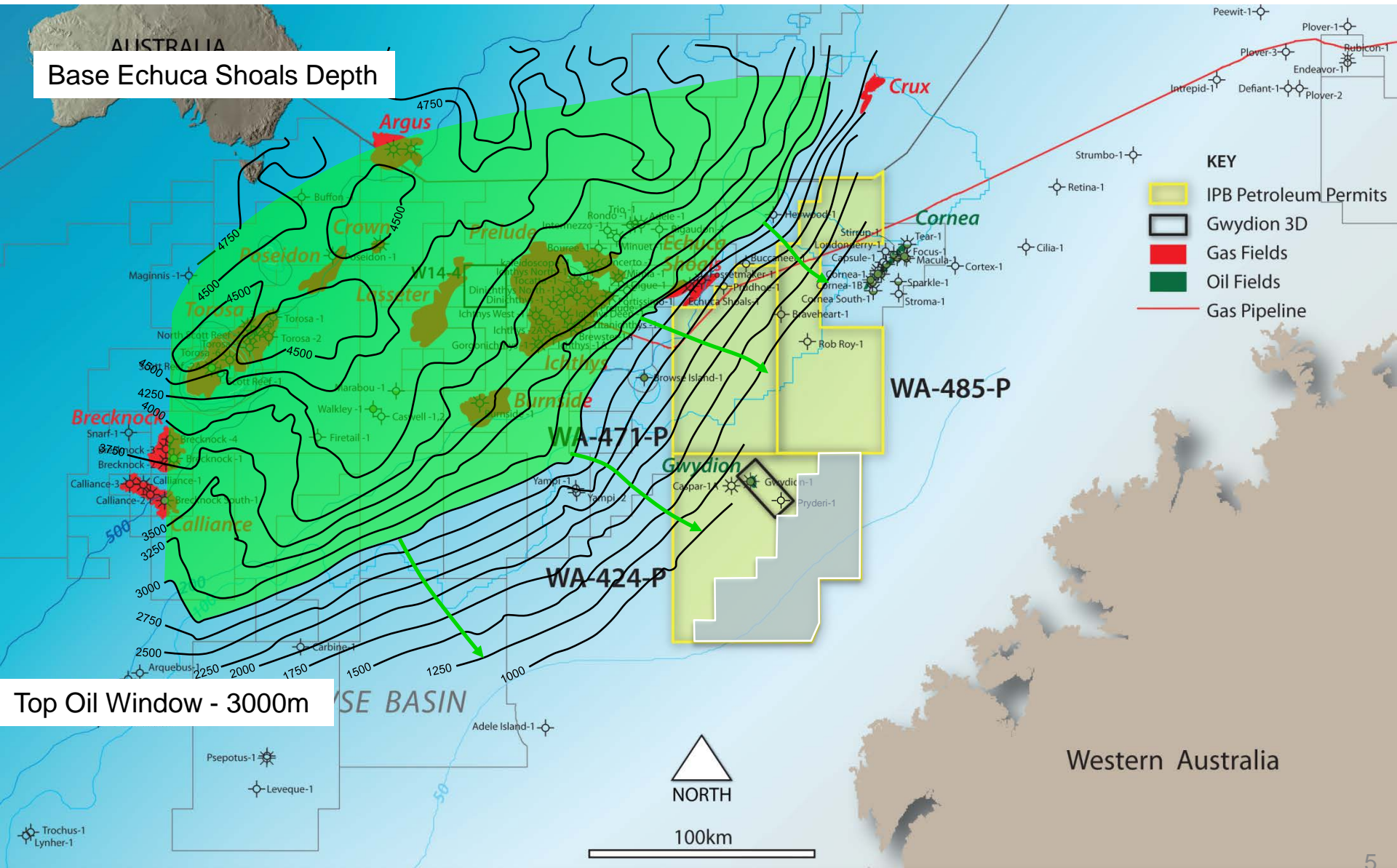
## **Key Points - WA-424-P (IPB 100%):**

- Offshore Western Australia - Browse Basin – permit renewed for additional 5 years
- Shallow water (~80m) & Shallow reservoir Depth (800m ss)
- Low cost Appraisal well ~ US\$12m - target 2019
- Fast commercial development with low development costs
- Exciting unconstrained upside potential
- Gwydion - 30 deg API oil, Porosity 27%, inferred permeability 1+Darcy, low GOR and inerts
- Substantial additional exploration potential – large permit – IPB 100%
- Contiguous permits WA-471-P and WA-485-P (IPB 100%) – additional upside potential

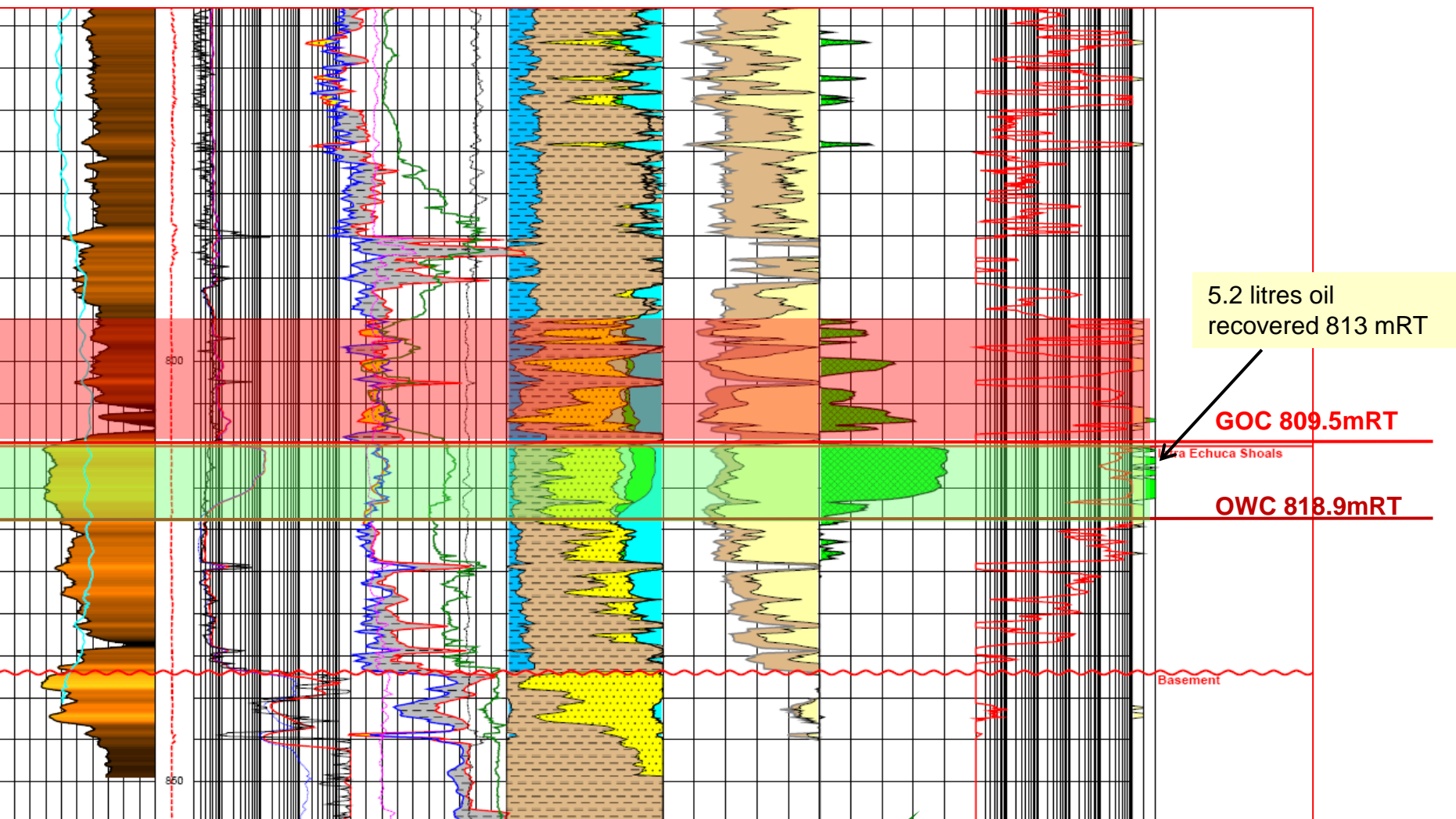
## **Proposal:**

- Equity in WA-424-P available for funding the Idris appraisal well plus certain backcosts.
- IPB currently holds 100% of WA-424-P Permit
- Additional Optionality available including large contiguous blocks - WA-485-P and WA-471-P

# IPB Acreage Position – Browse Basin Australia



# Gwydion -1 well WA-424-P (IPB 100%)

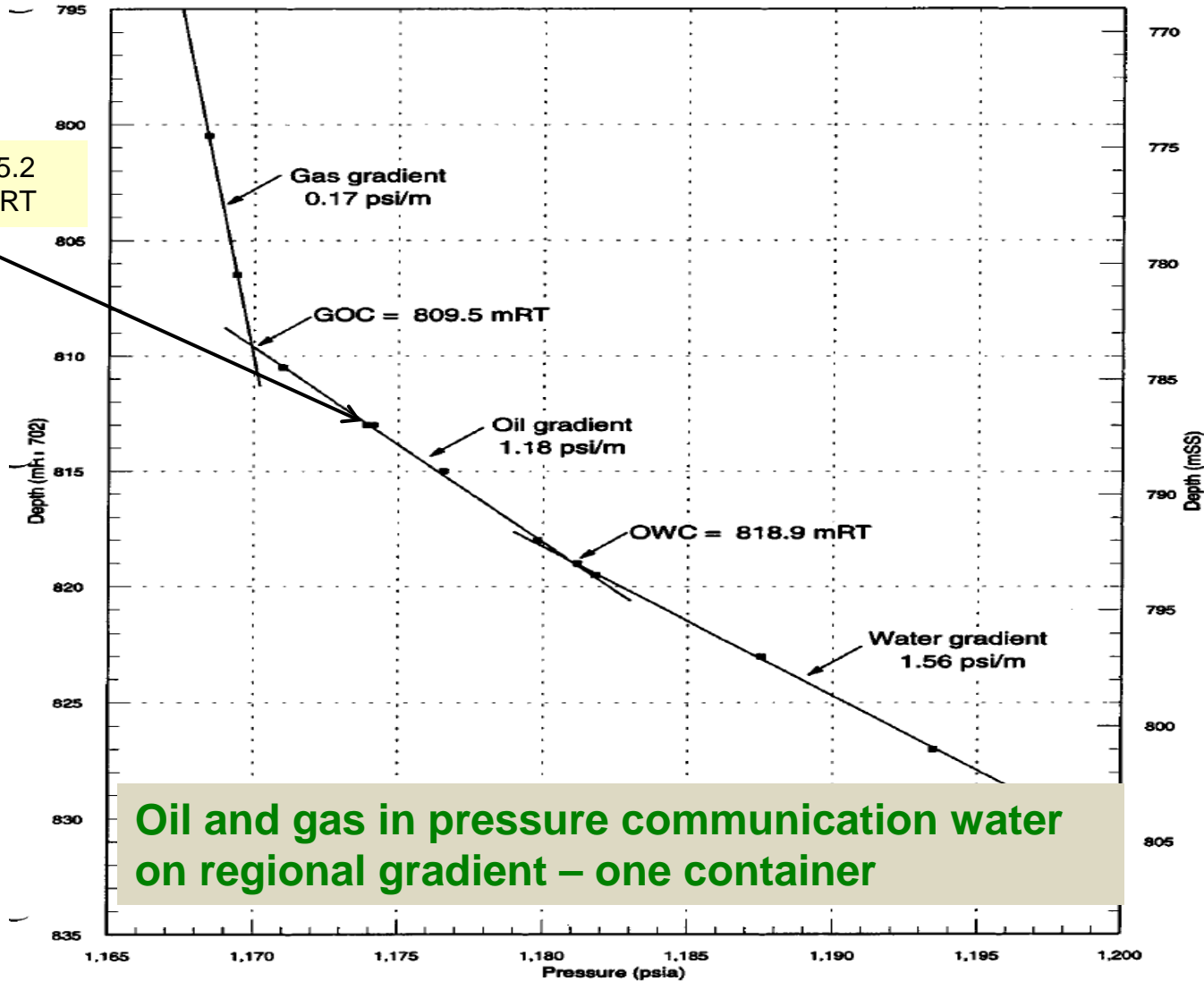


- 14m gas column over ~10 m oil column in  $M_{australis}$  sands ✓
- Oil in 27% porosity sand – inferred permeability > 1 Darcy ✓
- RFT established gas, oil, water pressure gradients and recovered 30<sup>0</sup> API oil sample ✓

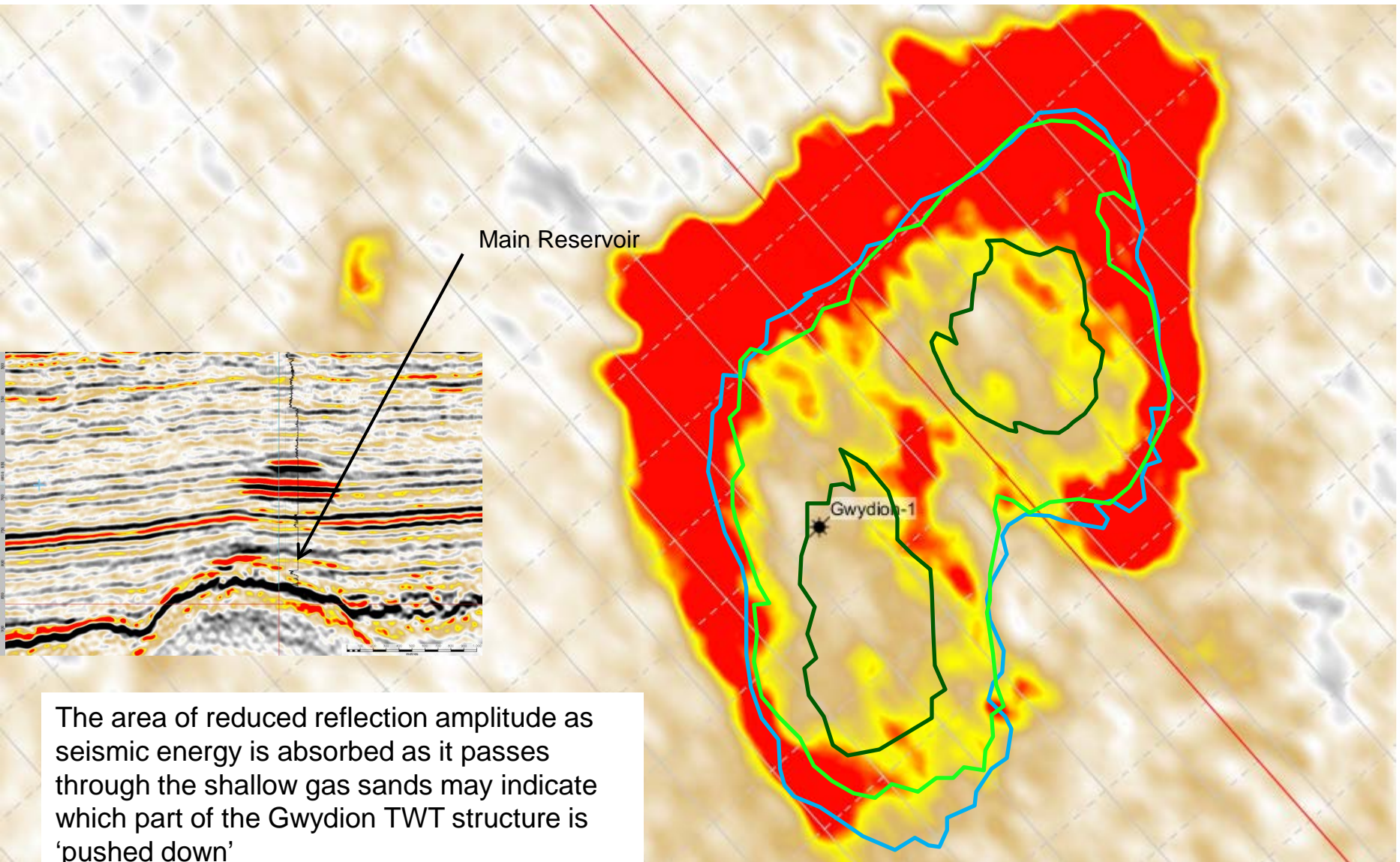
# Gwydion -1 Original RFT Pressure Plot



**GWYDION-1**  
Formation Pressures vs Depth: Lower Sand

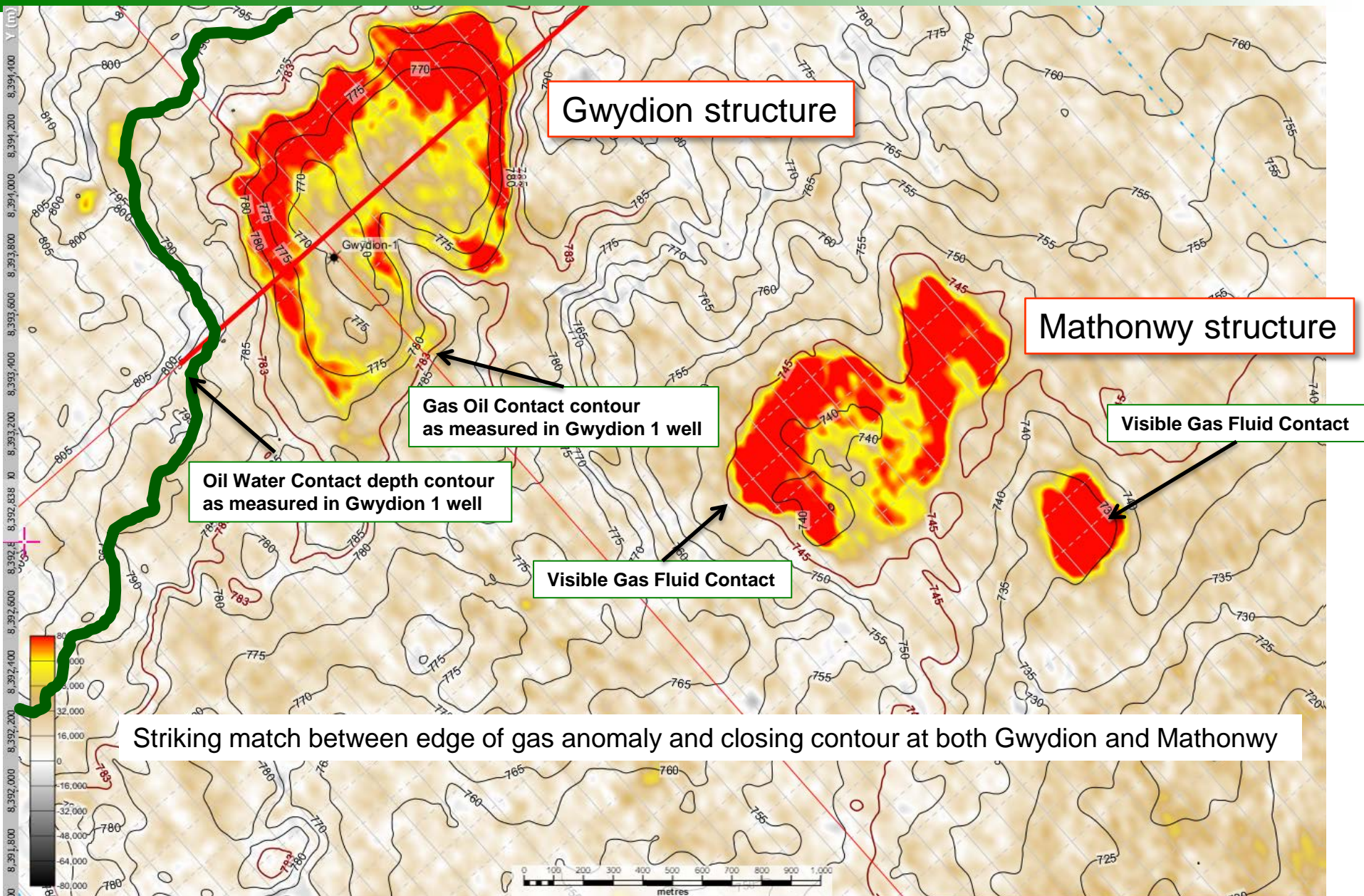


# 3D Seismic Amplitude Extraction – Top Gas horizon Gwydion 1 WA-424-P (IPB 100%)

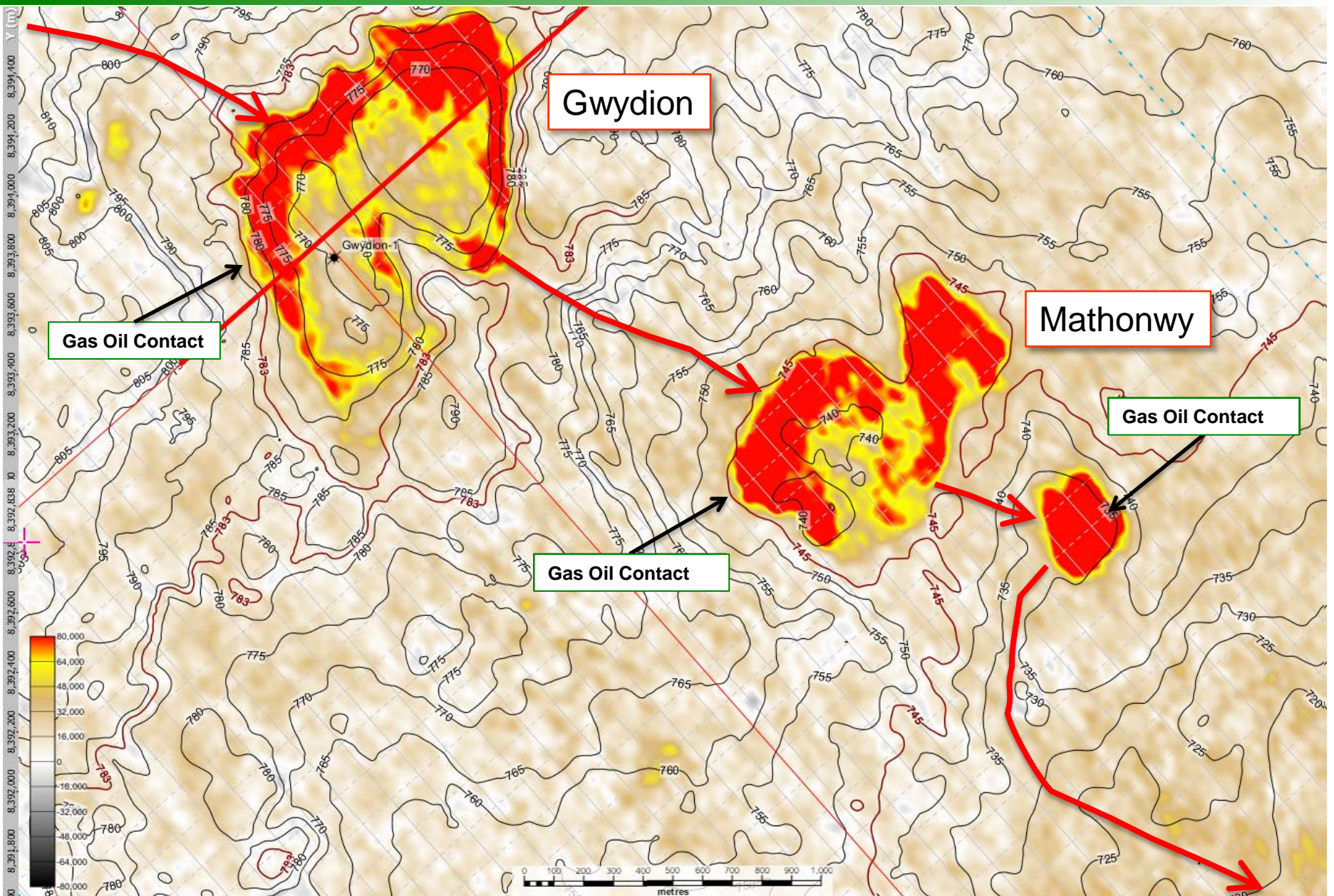




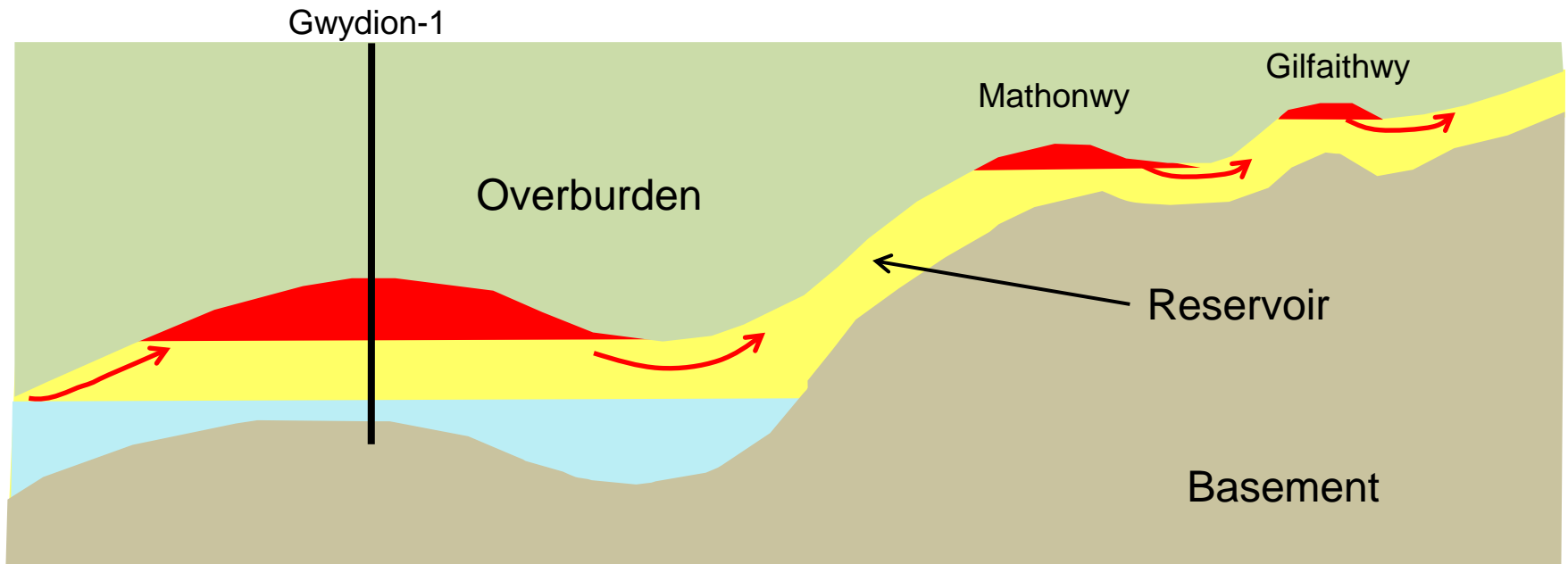
# Top Reservoir Depth Map (from pre stack depth migration) with Gas Sand Amplitudes clearly visible at this depth



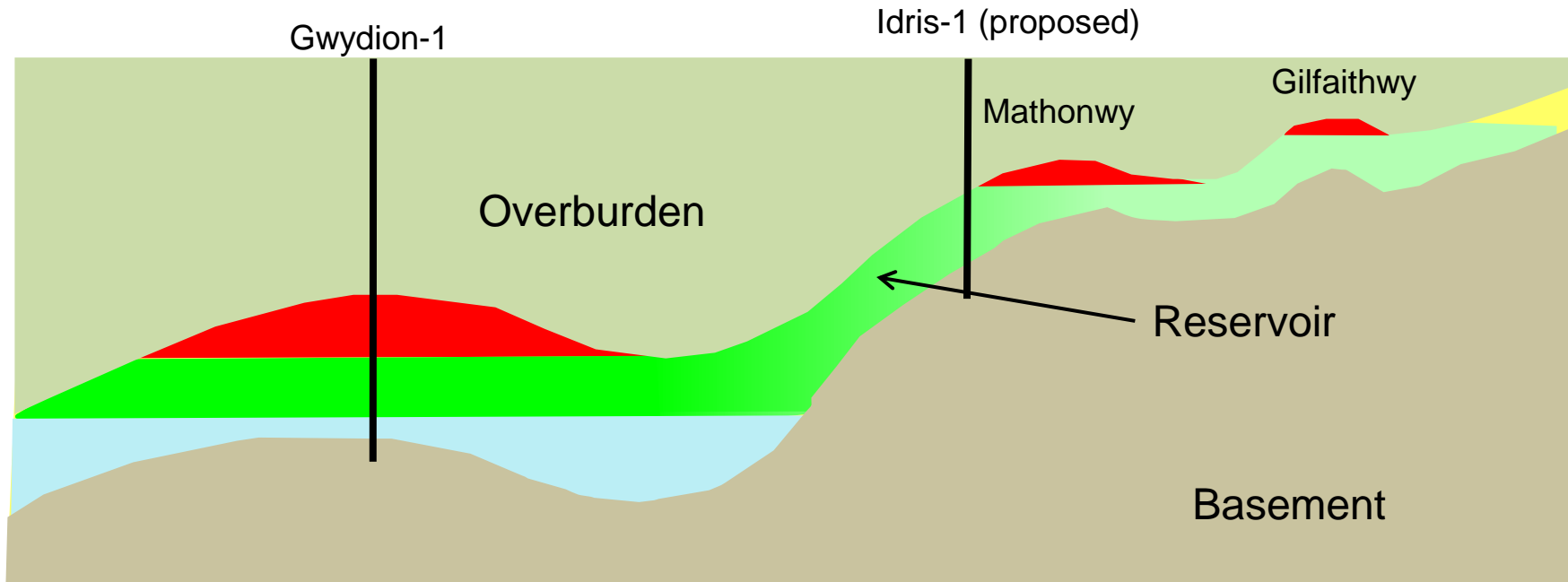
# Top Gas Sand Depth Map (from pre stack depth migration) with Gas Sand Amplitudes



# Schematic Depth Cross Section showing gas spill chain



# Schematic Depth Cross Section showing gas spill chain

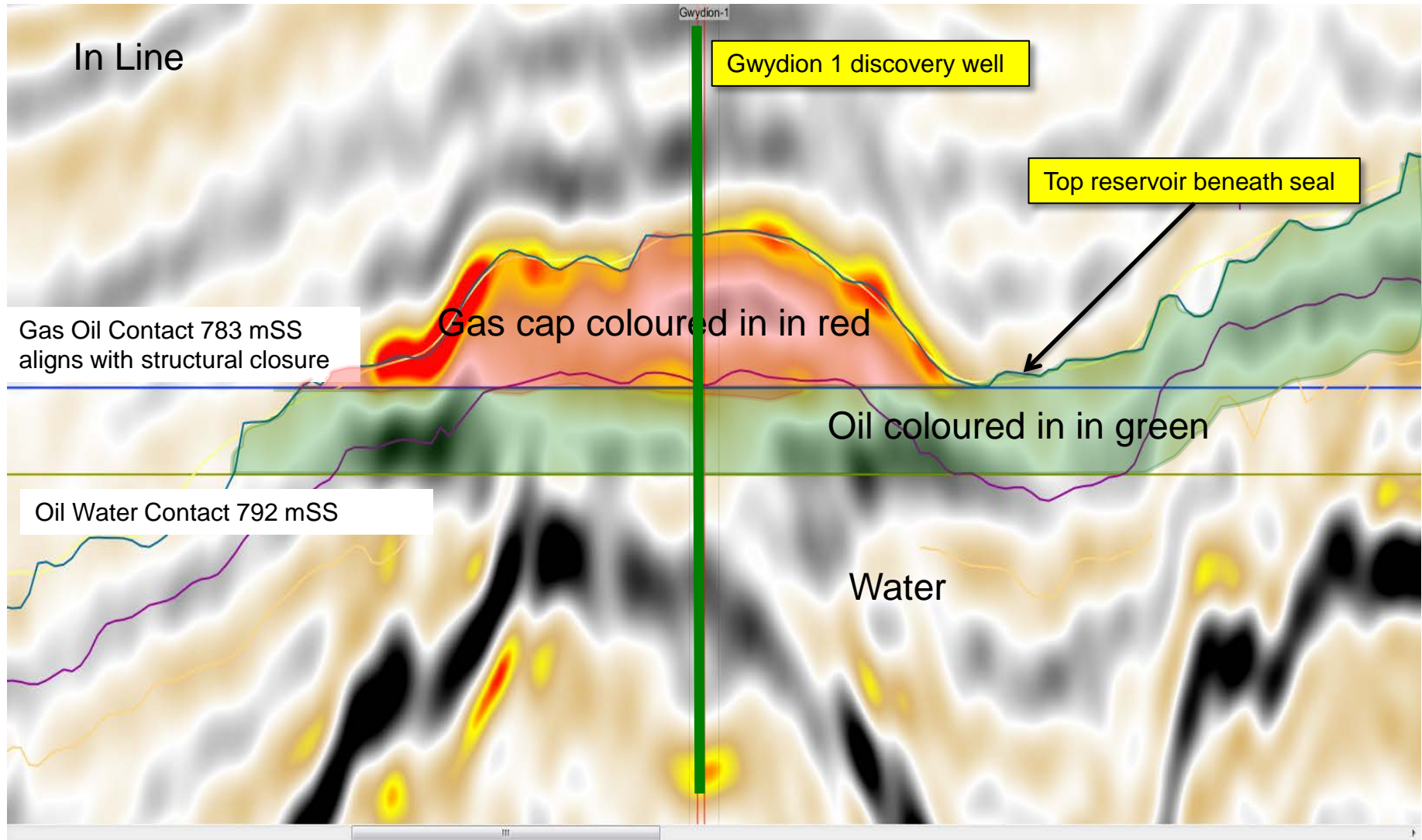


OWC cannot be adequately explained through structural closure or faulting near Gwydion well so how big might an accumulation be?

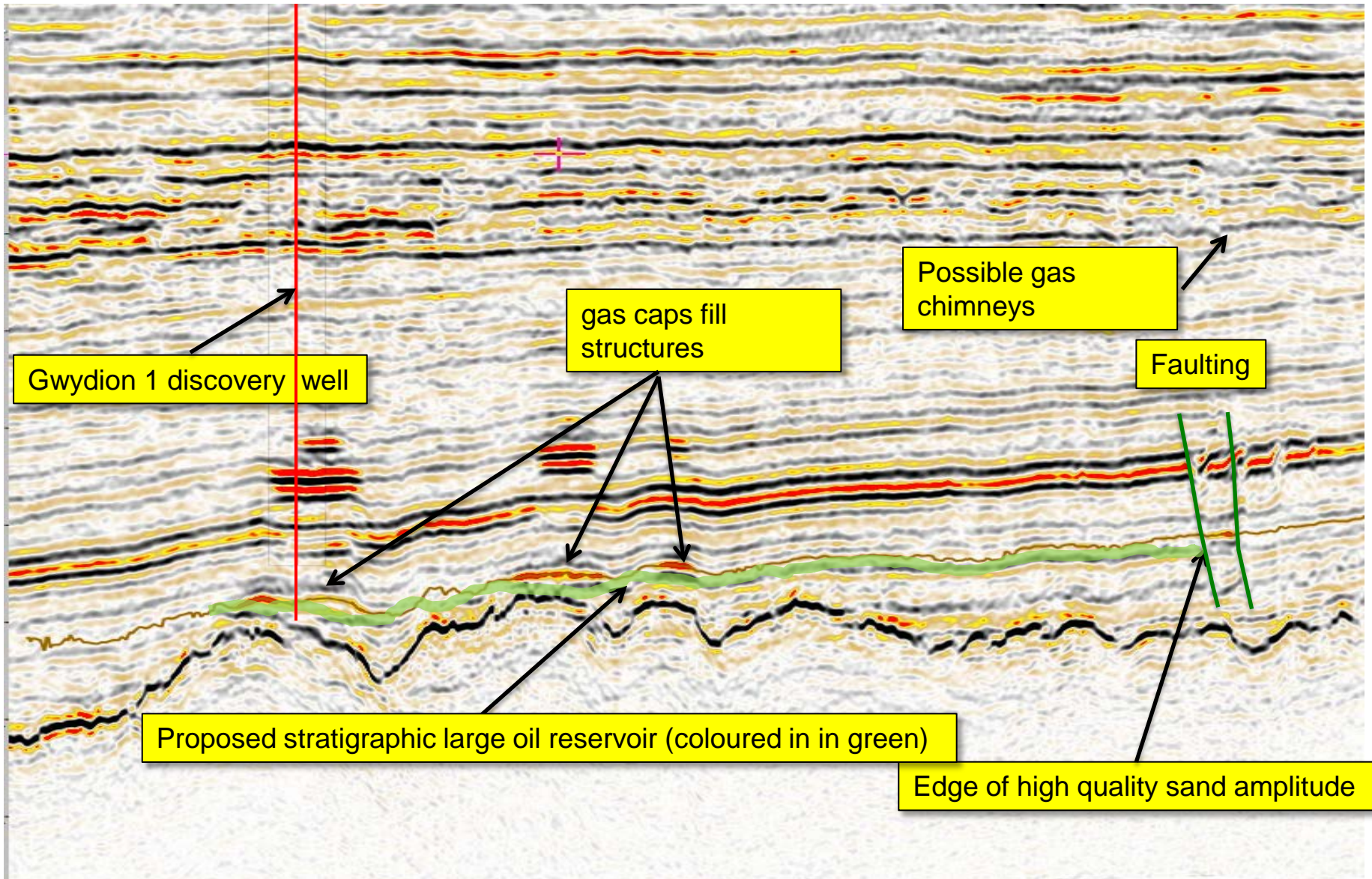
# ...and what it look like interpreted on Seismic

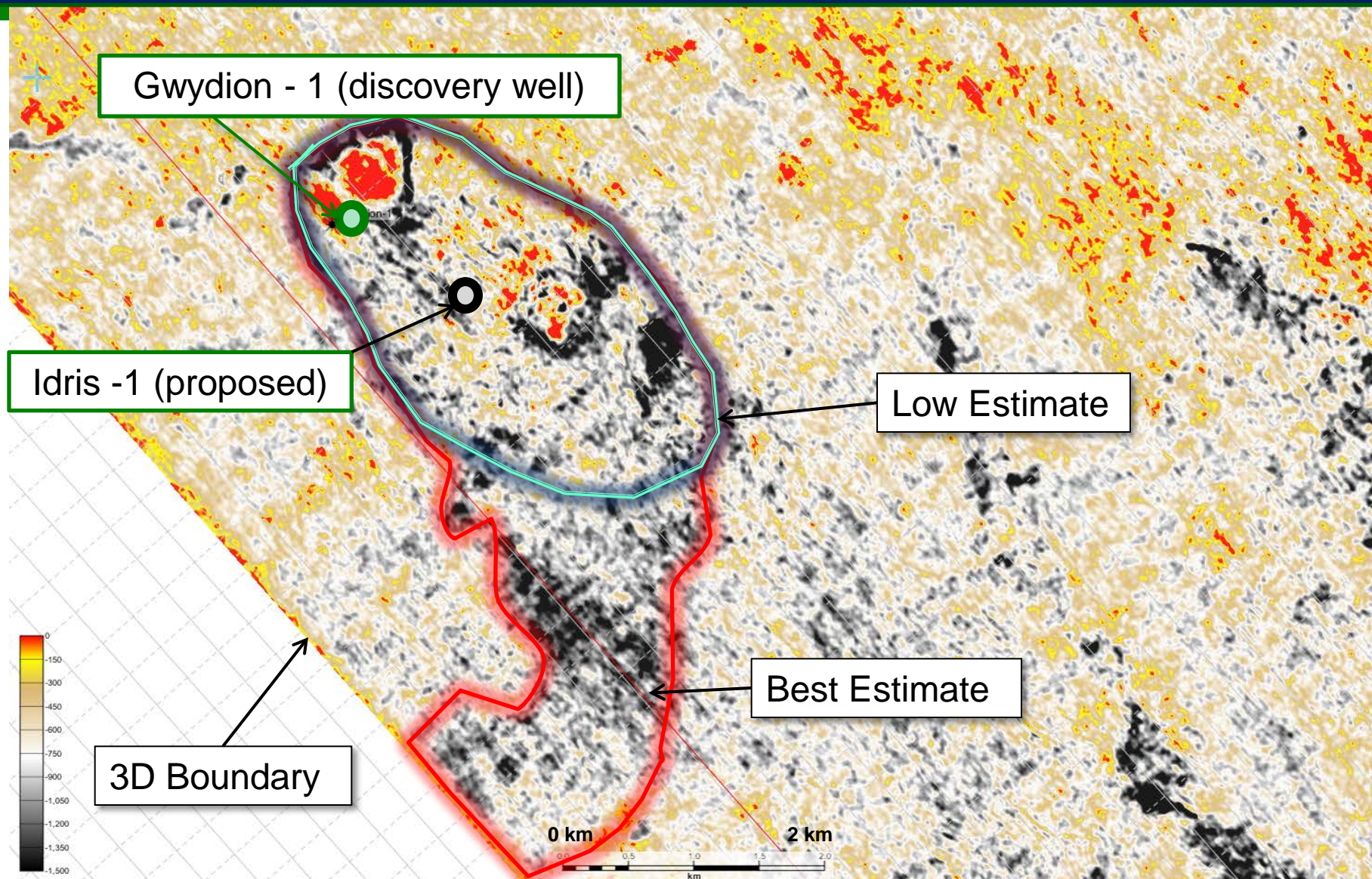
NW

SE



# ...and what it look like interpreted on Seismic updip





Indicative outline (limited to 3D seismic data) of the extent of Low, Best Estimates of Idris Prospective Resources – (Gwydion higher quality sand seismic horizon)

Assuming a successful Idris-1 well indicative economics (100% Project) based on publicly disclosed resources ranges :

Idris Prospect	P90 Low Estimate	P50 Best Estimate	P10 High Estimate
Total of Prospective plus Contingent Resources (MMbbl)	19.8	68.6	159
IPB Estimated NPV <sub>10</sub> (US\$ M)	100	1,000	2,850

Key Macro Assumptions: Oil price Tapis US\$ 67 /bbl 1 AUD = 0.8-0.75 USD

Commercial threshold is only 10.8 MMBBLS, so high estimated chance of commerciality if the proposed drilling of Idris-1 successful ~ 98%.

Low cost offshore appraisal well cost ~ US\$ 15 million at current rates.

P50: Development Costs ~ US\$11.62 /bbl, Opex ~US \$4.81/bbl initial, Average US \$15.25/bbl, ~ IRR's 46%, payback 14 months

Potential for resources of Idris to be much larger – given our input assumptions  
Plus substantial follow up potential given large acreage position

Development can be relatively fast. 18 months further appraisal FEED to FID, followed by 18 months – 2 years detailed design and construction



Resources (MMbbls)	P90 19.8	P50 68.6	P10 159
Development	1 WH platform Leased FPSO	3 WH platforms Leased FPSO	4 WH platforms Leased FPSO
Production wells	4	15	32
Water Inj wells	2	7	16
Capex (US\$M)	322	809	1,330
Sust. Capex (US\$M)	40	80	130
OPEX (US\$M p.a.)	85	95	140
Initial Prod. rate (Y1 avg) kbopd	17.5	54	120
Field Life (years)	7	10	13
IPB Estimated NPV <sub>10</sub> (US\$ M)	100	1,000	2850

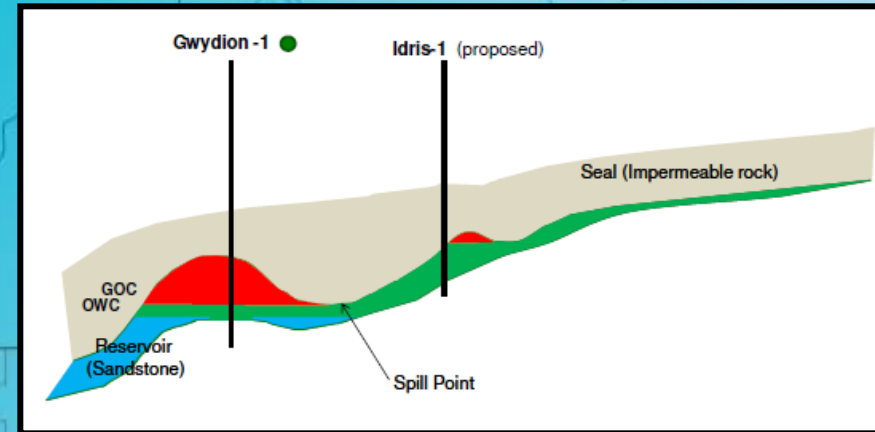
Key Macro Assumptions: Oil price Tapis US\$ 70 /bbl 1 AUD = 0.8-0.75 USD

# Summary and Strategy



## Company Strategy

- ▶ Early entry with high equity strategic position
  - ▶ – **IPB equity 100% all permits** – Potential Oil Fairway
- ▶ Market Capitalisation **\$2.7m** (160m @1.7 cps) cash balance (March Qtr \$0.52m) ASX code **IPB**
- ▶ **Reputable Board & capable team** - able to operate
- ▶ Aim to partner with Value Add partners
- ▶ WA-424-P about to enter Renewal Period further 5 years – Idris 1 to be drilled in first 3 years.
- ▶ Idris Potential upside 20-160 MMBLS (P90 –P10) (Public disclosed) - Could potentially be much larger – stratigraphic trap
- ▶ Significant follow up development and exploration potential
- ▶ **Farmout process underway – encouraging interest**
  - ▶ Low cost well testing upside existing discovery (**Low risk and Cost**)
  - ▶ **High Potential Return** ~NPV' s 100 M -2.9 B (100%)
  - ▶ Offers fast path to production and therefore positive cashflow - following a successful appraisal



**Attractive Farm-in Opportunity appropriate for current times**