



2016 PROJECT UPDATE

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Executive Director

1 Purchase of Waitsia Gas Project

- Still active participant
- Trading halt will remain in force until outcome is determined

2 Farmin to Xanadu prospect and permit adjacent to Waitsia

- 166 mmbbl prospect
- Drilling expected mid 2017
- TSV paying 20% to earn 15%

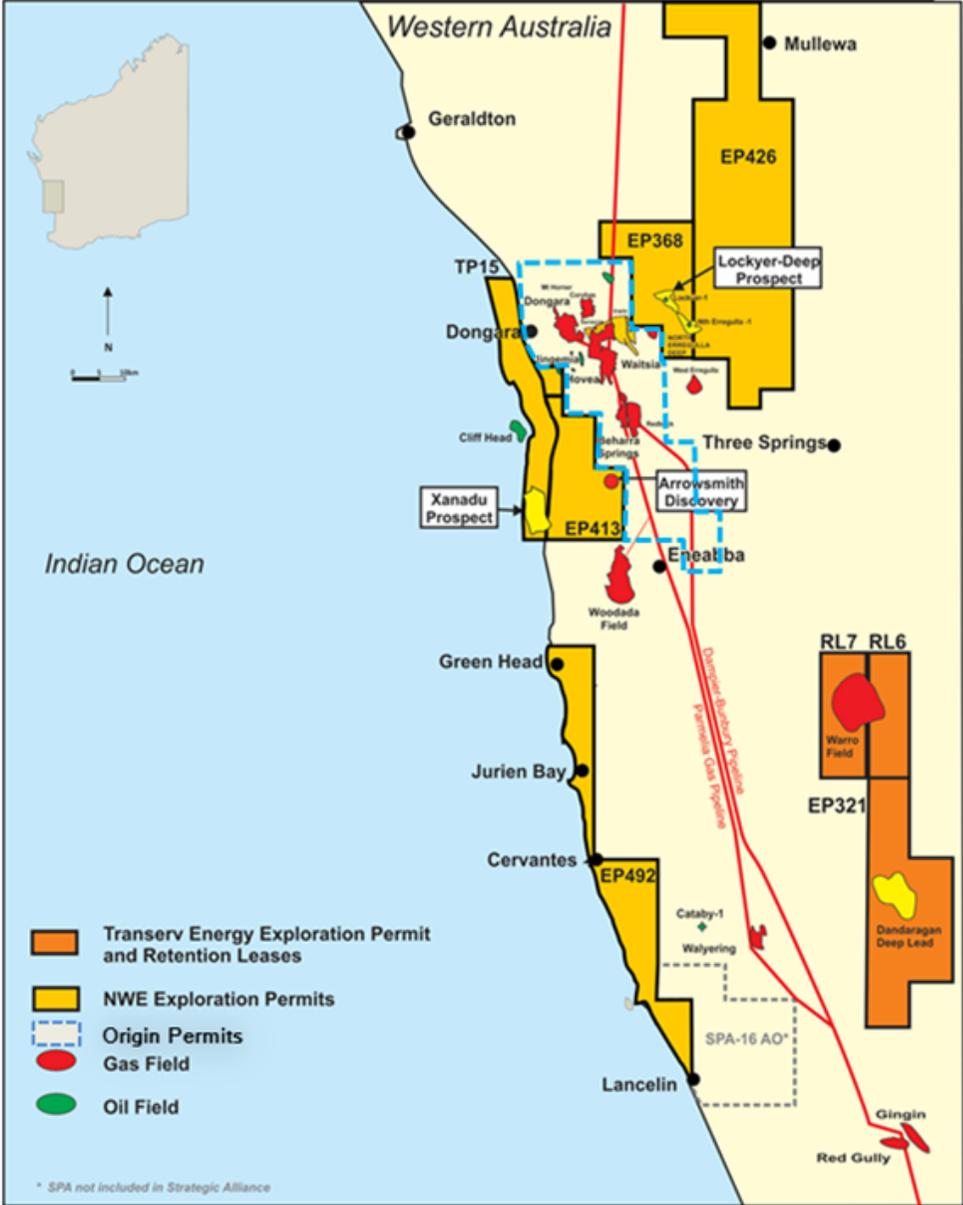
3 Warro Project in suspension pending technical review

- Wells encountered thick gas column
- Testing yielded gas but with excessive Water Gas Ratio (“WGR”)
- Present wells as currently drilled and completed are not considered economic

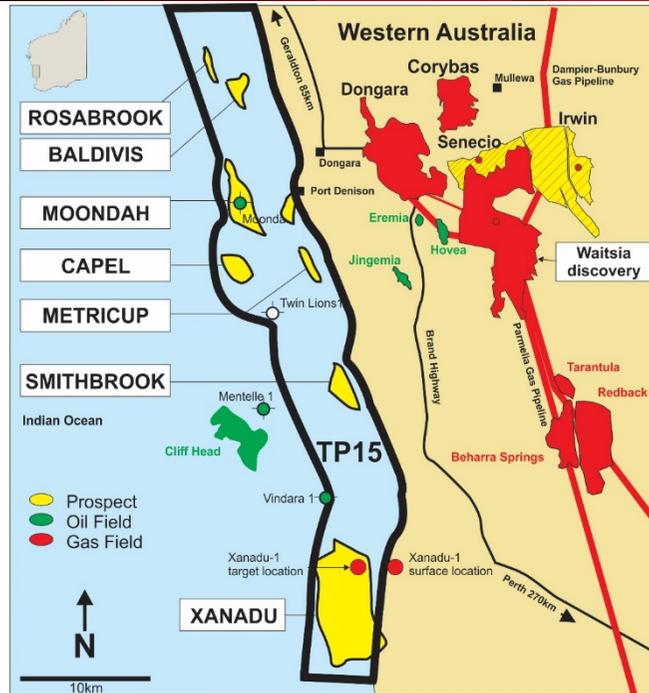


FOCUSSED ON PERTH BASIN GAS

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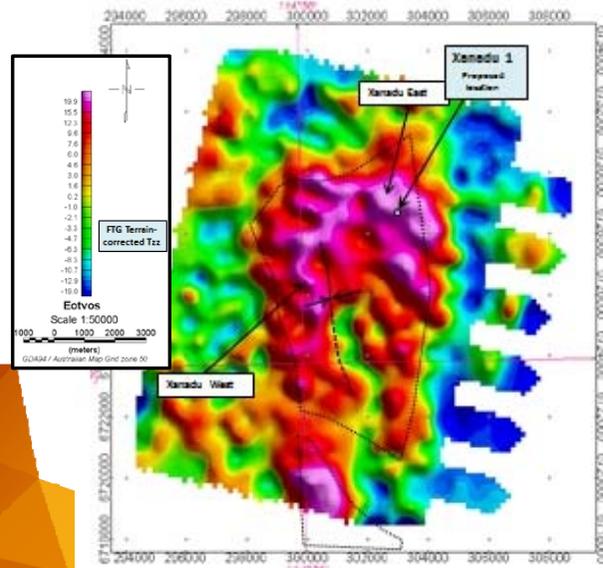
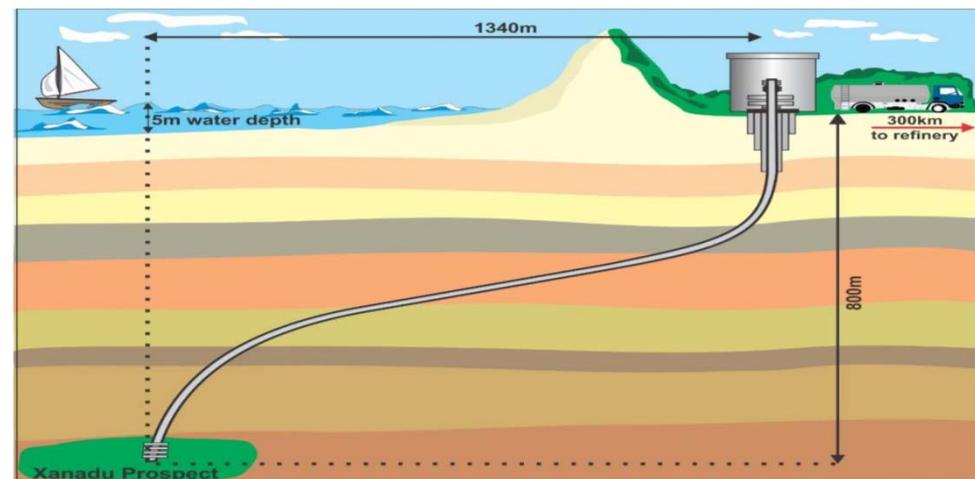
XANADU PROSPECT



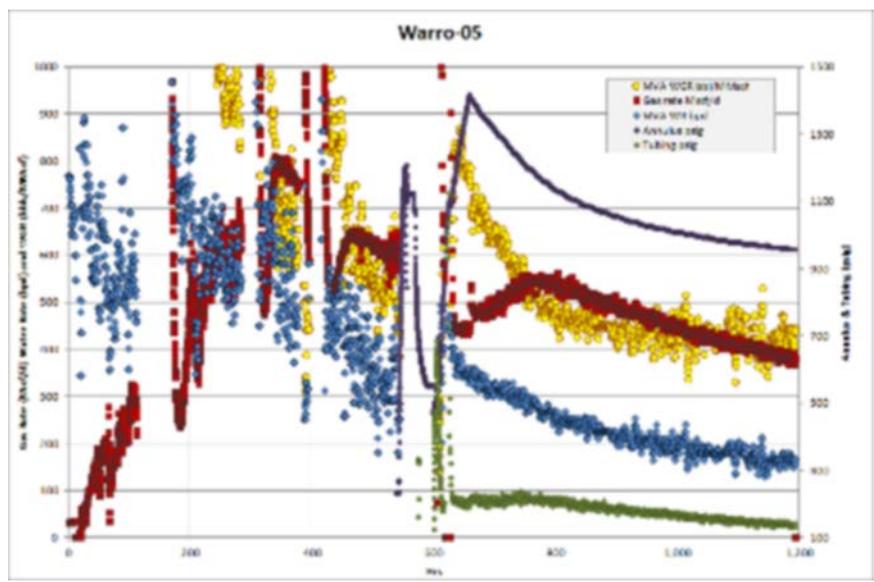
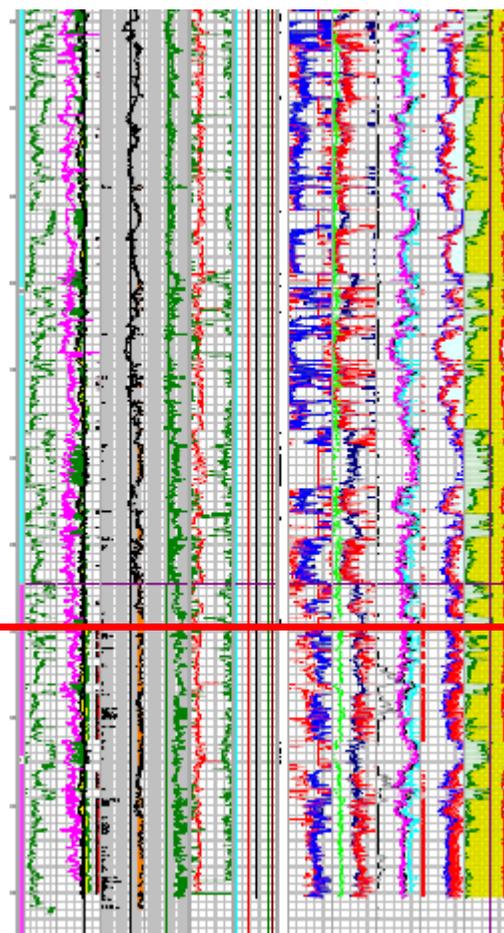
| Un-risked Prospective Resource: recoverable volumes oil (mmstb)* | | | |
|--|--------------|---------------|---------------|
| Reservoir | Low estimate | Best estimate | High estimate |
| Dongara Sandstone | 3 | 12 | 22 |
| Irwin River Coal Measures | 13 | 88 | 159 |
| High Cliff Sandstone | 29 | 60 | 256 |
| Total | 45 | 160 | 437 |

- This same play has resulted in four oilfield discoveries in the vicinity, namely Cliff Head, Jingemgia, Hovea and Eremia.
- Xanadu can be drilled cost effectively from onshore, with the horizontal distance from surface to target only 1300m.
- The well will be targeting Permo-Triassic sands at a depth of 800m, and in very shallow water (5-10m).
- Drilling 3rd quarter 2017

Unrisked prospective recoverable resource: 160 MMBbls

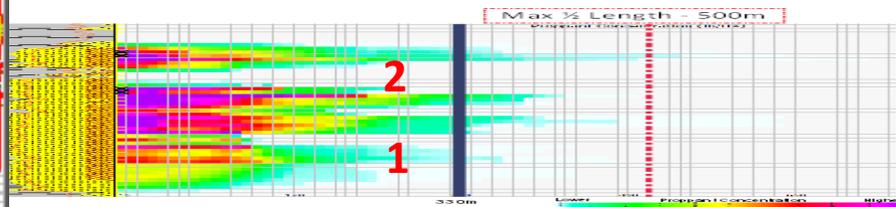


WARRO-5 FRAC & TESTING PROGRAMME



Top Pay

- 2 Stages
- 1. 140,000 lb
- 2. 320,000 lb

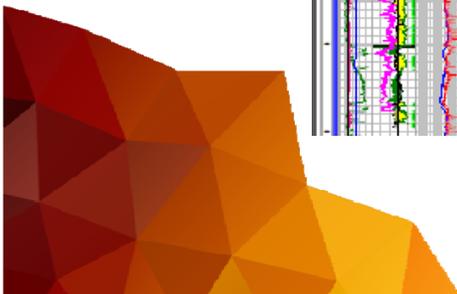
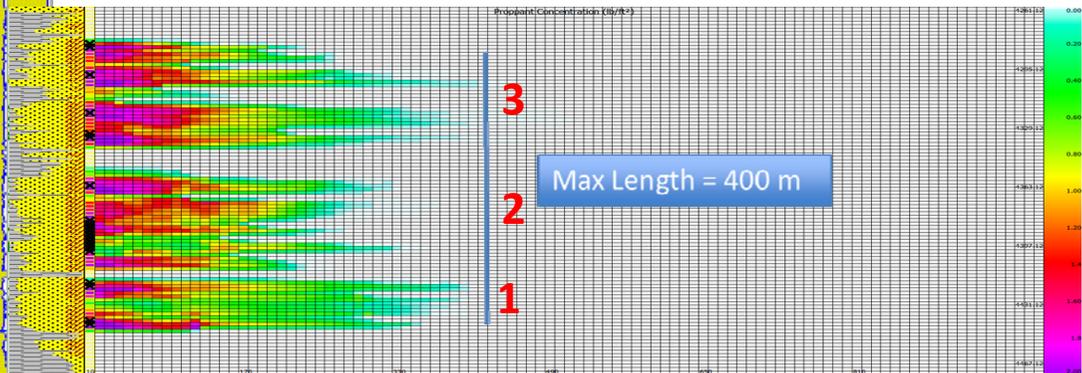
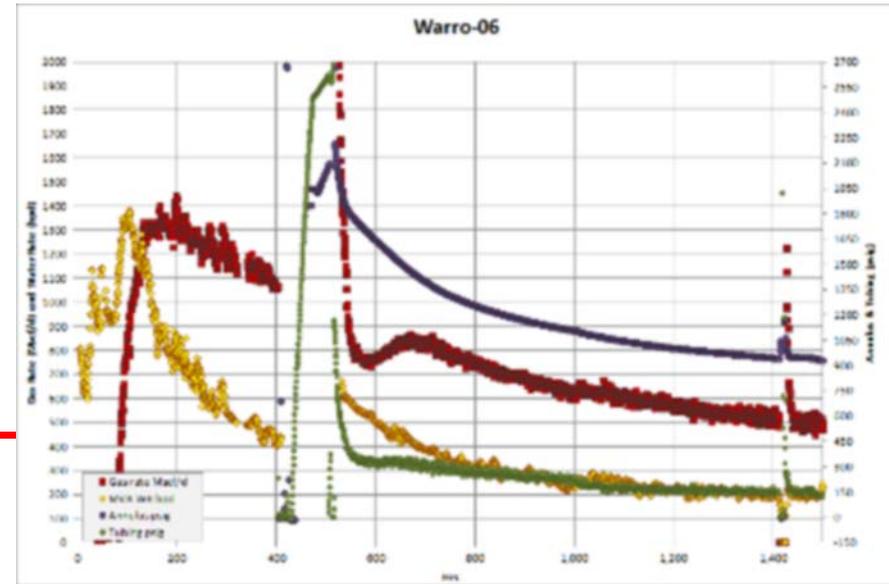
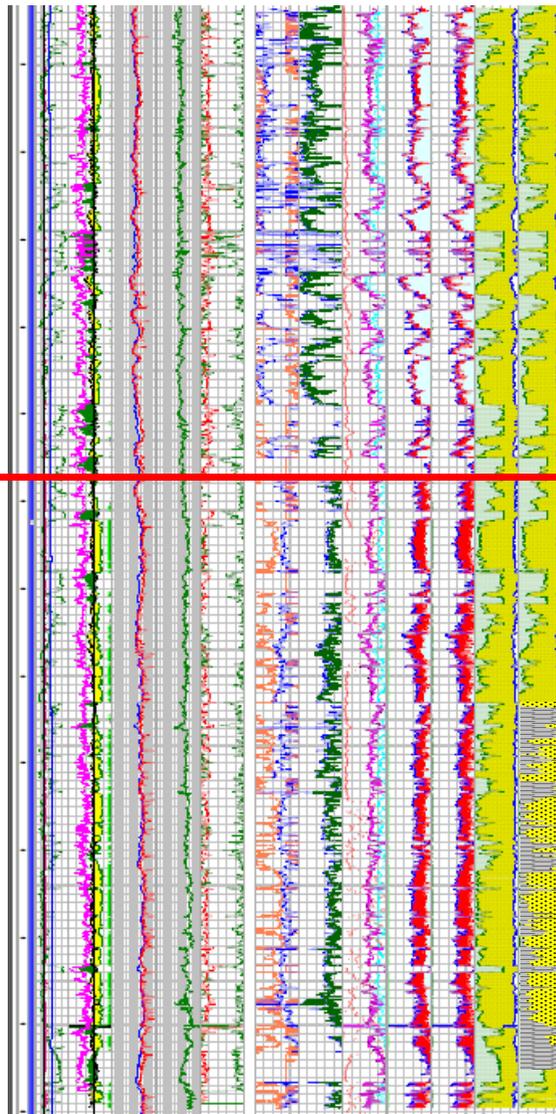


WARRO- 6 FRAC & TESTING PROGRAMME

Top Pay

3 Stages

- 1. 180,000 lb
- 2. 260,000 lb
- 3. 280,000 lb



WARRO OUTCOME

- Warro 5&6 effectively stimulated.
- Complex reservoir system producing gas and water.
- Role of natural fractures unclear; Source of water could be matrix, natural fractures, interbedded water sands, or combination of all depending on circumstances.
- Warro wells as currently drilled and completed are not considered economic.
- Technical review of all well data to assess the potential of gas “sweet spots” to be considered for horizontal well with multistage fracs.



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