

7th November 2018

Petsec Energy Ltd
General Meeting Presentation

Petsec Energy Ltd (ASX: PSA / OTC ADR: PSJEY)

Attached is a copy of the presentation to be delivered today by Petsec Energy Ltd.'s Chairman and Managing Director, Terry Fern, at the General Meeting of members of Petsec Energy Ltd, held at Governor Macquarie Tower, Level 15 Auditorium 1, One Farrer Place, Sydney.

A copy of the presentation will also be made available on the Company's website, www.petsec.com.au.

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Petsec Energy Ltd

General Meeting
7th November 2018



Forward Looking Statement Disclaimer

This presentation contains predictions, estimates and other forward looking statements that are subject to risk factors associated with the oil and gas industry. Although the company believes that the expectations reflected in these statements are reasonable, it can give no assurance that its expectations and goals will be achieved. Important factors that could cause actual results to differ materially from those included in the forward looking statements include, but are not limited to, commodity prices for oil and gas, currency fluctuations, the need to develop and replace reserves, environmental risks, drilling and operating risks, risks related to exploration and development, uncertainties about reserve estimates, competition, loss of market, government regulation, economic and financial conditions in various countries, political risks, project delay or advancement, and approvals and cost estimates.

All references to dollars in this presentation are to US currency, unless otherwise stated.

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The reserves assessment follows guidelines set forth by the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PRMS). The USA and Yemen reserve estimates provided within this presentation are based on information contained within the announcements to the ASX on 22 February 2018 and the 2017 Annual Report.

The Company confirms that it is not aware of any new information or data that materially affects the information included within the above releases, and that all the material assumptions and technical parameters underpinning the estimates therein continue to apply and have not materially changed.

Market Listing	ASX: PSA / OTC ADR: PSJEY
Shares on issue	333.6 MM
Market capitalisation at 19/10/18 @ A\$0.12 / share	~ US\$28.5MM (A\$40.0MM)
Cash at 30/09/18	US\$3.0MM
US\$15 million convertible note facility – 19/10/18 (available cash)	US\$8.0MM
Petsec net oil & gas audited reserves (2P) as of 1/1/18	9.4 MMBOE
USA: Mystic & Hummer (15.9 Bcf of gas + 1.137 MMbbl of oil) <i>(Based on Cawley, Gillespie & Associates reserves at 1/1/18; 31 December 2017 strip pricing)</i>	3.8 MMBOE
YEMEN: An Nagyah <i>(Based on DeGolyer & McNaughton Canada Limited reserves at 1/1/16; US\$30/bbl based on trucking model, 5,000 bopd)</i>	5.6 MMBO
<i>(Target gross recoverable reserves of 19.8 MMbo (8.8 MMbo net to Petsec) at 10k bopd, US\$80/bbl oil price, US\$15/bbl OPEX)</i>	
Petsec NPV₁₀ audited reserves (2P) as of 1/1/18	US\$189.8MM
	equiv. to A\$0.80/share
USA	US\$34.8MM (A\$0.15/share)
YEMEN	US\$155.1MM (A\$0.65/share)
<i>(8.8 MMbo net to Petsec; NPV₁₀ US\$320MM @ 10k bopd, US\$80/bbl oil price, US\$15/bbl OPEX)</i>	

Assets and liabilities	NPV ₁₀ Estimates	
	A\$MM ¹	A\$/Share ²
USA reserves (2P): Hummer, Mystic, Jeanerette – 3.8 MMBOE ¹ US\$34.8MM <i>Based on Cawley, Gillespie & Associates 2P reserves at 1/1/18; 31 December 2017 strip pricing</i>	49	0.15
USA potential upside Hummer B-2 well (high case) US\$36MM	51	0.15
Sub-total USA	100	0.30
Yemen - An Nagyah Oilfield – 8.8 MMBO (US\$320MM) <i>Based on target gross recoverable reserves: 19.8 MMbo; 10k bopd, US\$80/bbl oil price, US\$15/bbl OPEX</i>	450	1.35
Yemen undeveloped oil fields - 46 MMBO + 550 BCF (> US\$500MM) <i>Based on oil only at US\$45/bbl + 2% pa escalation</i>	> 700	2.10
Sub-total Yemen	1,150	3.45
Total USA & Yemen	1,250	3.75
Less: Debt	(9)	(0.03)
Total potential valuation	1,241	3.72

¹ USD/AUD exchange rate of \$0.71

² Based on current number of shares outstanding of 333,587,924

FY2019 Net Operating Cashflows: Hummer (2 wells) + Mystic (1 well); An Nagyah @ 10,000 bopd

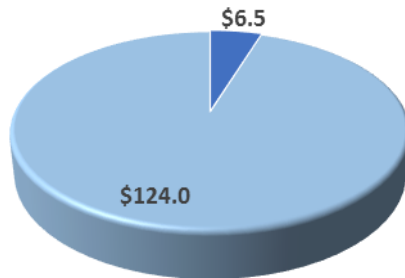
An Nagyah Oilfield – Marib Pipeline Option

- ✧ Total net operating cashflows to Petsec Energy of US\$130.5MM – An Nagyah: US\$124MM + USA: US\$6.5MM
- ✧ An Nagyah Oilfield assumptions: US\$80/bbl oil price + US\$10/bbl OPEX

An Nagyah Oilfield – Bir Ali Trucking Option

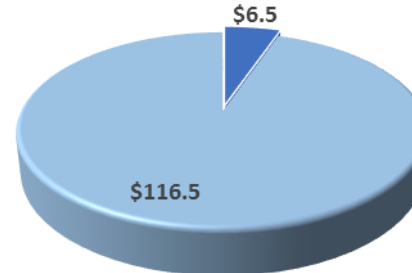
- ✧ Total net operating cashflows to Petsec Energy of US\$123MM An Nagyah: US\$116.5MM + USA US\$6.5m
- ✧ An Nagyah Oilfield assumptions: US\$80/bbl oil price + US\$15/bbl OPEX

Marib Pipeline Option
Oil Price \$80/bbl & Opex \$10/bbl
Operating Cashflow US\$130.5MM



■ USA ■ Block S-1 - 10,000 bopd

Bir Ali Pipeline Option
Oil Price \$80/bbl & Opex \$15/bbl
Operating Cashflow US\$123MM



■ USA ■ Block S-1 - 10,000 bopd



Strong Track Record & History in the Gulf of Mexico

- ✧ Operated in USA Gulf of Mexico and Louisiana since 1991.
- ✧ Drilling success: 109 wells / 81 successful / 74% success – net production > 216 Bcfe, ~ US\$548MM EBITDAX.
- ✧ Active Projects: Jeanerette, Mystic Bayou & Hummer (Main Pass 270/273/274).

Existing 2P Reserves

- ✧ USA 2P Reserves @ 1.1.2018: 15.9 Bcf of gas + 1.137 MMbbl of oil (3.8 MMboe); NPV₁₀ value of US\$34.8MM (A\$0.15/share).

Jeanerette: 12.5% Working Interest

- ✧ Discovery well (July 2014); producing intermittently; requires workover.

Mystic Bayou: 25% Working Interest

- ✧ Discovery well (August 2015); Commenced production November 2015. Current Gross Production 2.4 MMcfcpd and 33 bcpsd.
- ✧ Field Future Development: Additional three development well locations to be drilled.

Hummer: 12.5% Working Interest

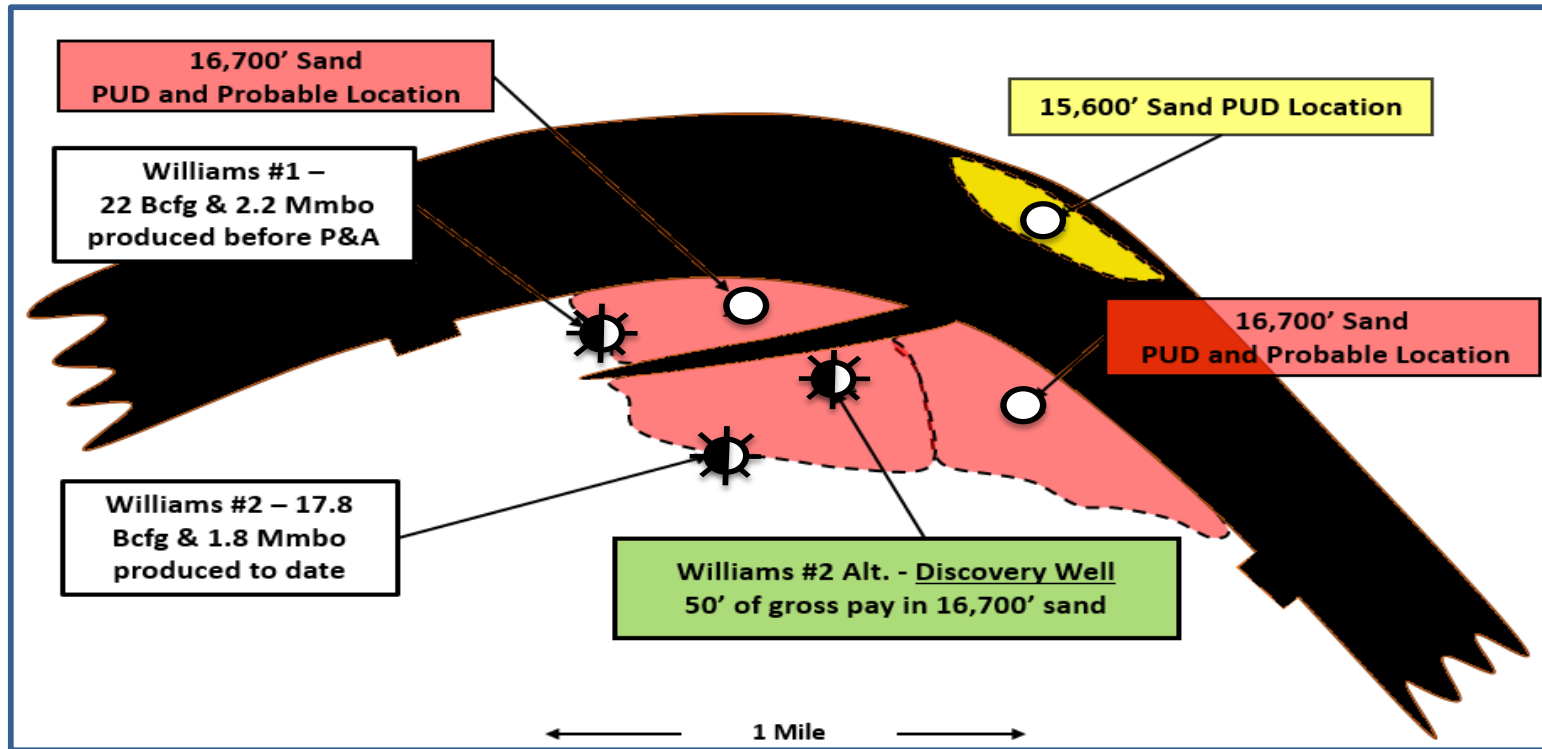
- ✧ Discovery well (November 2015); Commenced production in November 2017. Current Gross Production: 16 MMcfcpd and 320 bopd.
- ✧ Field Future Development: Additional 3 to 8 appraisal/development well locations to be drilled.
- ✧ B-2 Appraisal/Development well: Spud 19 August 2018 to test six oil and gas reservoirs.
- ✧ TD December 2018; MD18,559 ft. and TVD 16,624 ft. Production expected February 2019.

Mystic Bayou Gas/Oil Field – Onshore Louisiana



Mystic Bayou Gas/Oil Field – Onshore Louisiana

16,700 ft. Sand Map with reservoir outlines



Hummer Gas/Oil Field 12.5% W.I. : Main Pass Blocks 270, 273, 274

Large Structure Over 5 Mile Strike

- ✧ Hummer Gas/Oil Field structure extends over a strike of five miles within the Main Pass Block 270,273,274 leases which cover 15,000 acres, in some 200 feet of water, located 20 miles to the East of the mouth of the Mississippi River.

B-1 Discovery Well Penetrated Five Oil & Gas Reservoirs

- ✧ The B-1 exploration discovery well was drilled in Main Pass Block 270 to a true vertical depth (TVD) of 15,748 ft. in the NW corner of the Hummer Field structure, to test a **single reservoir** with a pre-drill mapped target potential of **183 Bcf gas + 3.7 MMbbl oil**.
- ✧ The well penetrated **five oil & gas reservoirs**, including the primary objective reservoir which was completed and commenced production on 21 November 2017. The well is currently producing **16 MMcf/gpd and 320 bopd**.

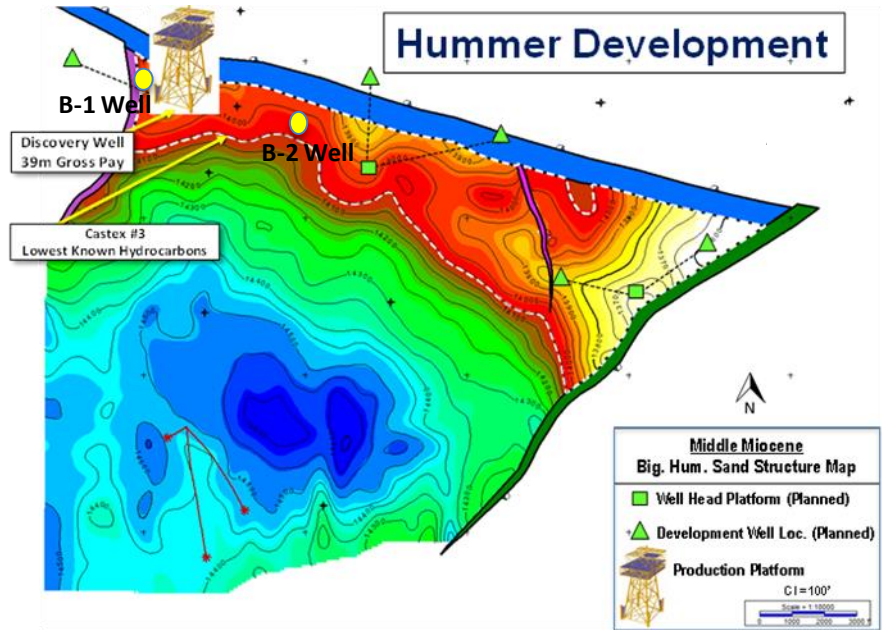
B-2 Appraisal / Development Well to Test Six Reservoirs

- ✧ The first appraisal/development well, the B-2, spud in August 2018, is drilling ahead, and will test six gas/oil reservoirs, 6,000 ft to the East of the B-1 well.
- ✧ The B-2 well TD of 16,624 ft. TVD, is expected in December 2018 and the well be in production in February 2019. Should these reservoirs be successful as mapped, the B-2 well could deliver an additional NPV₁₀ of US\$36MM (A\$0.15 / share).
- ✧ The Hummer Gas/Oil Field will require up to **eight appraisal/development wells**.

Hummer Gas/Oil Field : Main Pass Blocks 270, 273, 274

Structure Map – Reservoir D

- ✧ Hummer Gas/Oil Field structure extends over a strike of five miles within the Main Pass Block 270, 273, 274 leases which cover 15,000 acres.
- ✧ The B-1 exploration well was drilled in Main Pass Block 270 to a true vertical depth (TVD) of 15,748 ft. in the NW corner of the Hummer Gas/Oil Field structure, to test a **single reservoir (Reservoir D)** with a pre-drill mapped target potential of **183 Bcf gas + 3.7 MMbbl oil**.
- ✧ The well penetrated **five oil & gas reservoirs**, including the primary objective reservoir which was completed for production (red area), and is currently producing **16 MMcfcpd and 320 bopd**.
- ✧ The B-2 appraisal/development well, the first of up to 8 **appraisal/development** wells required to develop the field, is being drilled from the Main Pass Block 270 "B" Production Platform, with a planned bottom hole location some 6,000 feet to the East of the B-1 discovery well.
- ✧ The well is designed to test, at an optimum structural position, **six potential oil and gas reservoirs**, these being the five oil and gas reservoirs intersected in the B-1 well and a deeper horizon not tested by the B-1 well, but productive in the area.
- ✧ The estimated net cost to the Company to drill and complete the well for production is approximately US\$4 million.



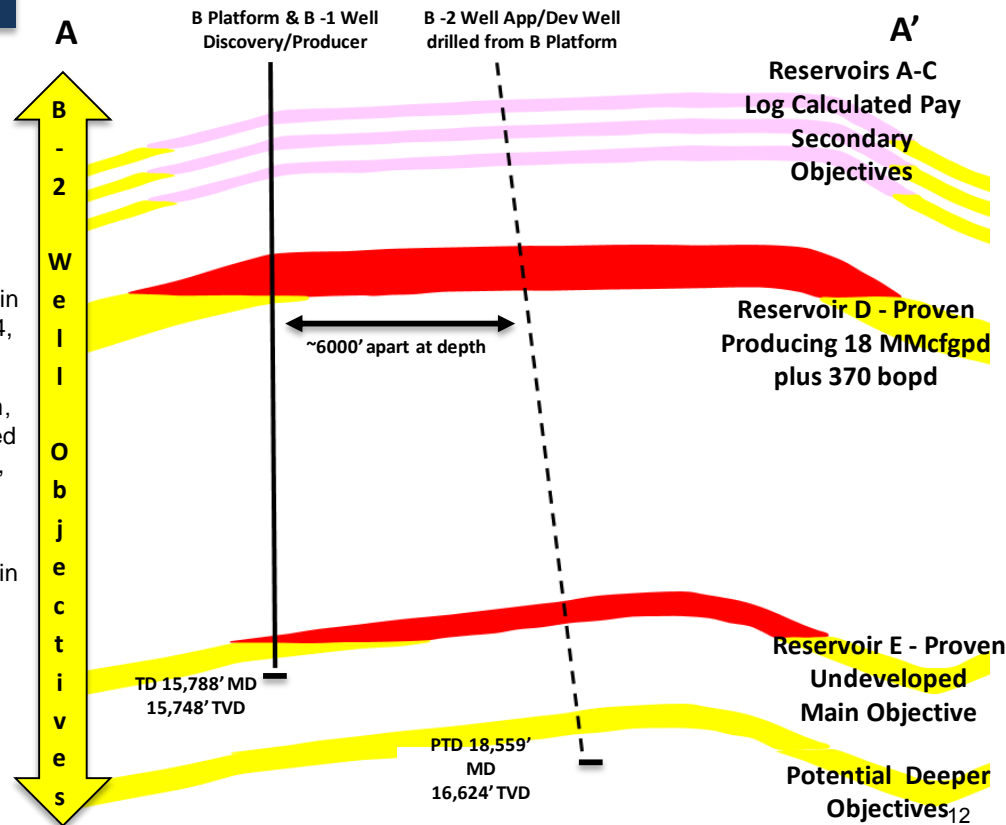
Main Pass 270/273/274 Hummer Project: Ensco 68 Jackup Drill Rig (B-2 Well)



Hummer Gas/Oil Field: B-1 Discovery Well, B-2 Development Well

Cross-Section: A –A' along B-2 Well path

- ✧ The B-1 vertical exploration discovery well penetrated **five oil & gas reservoirs**.
- ✧ The main objective of the B-1 well (**Reservoir D**) had a pre-drill mapped target potential of 183 Bcf gas + 3.7 MMbbl oil. The B-1 well is **currently producing 16 MMcfdpd & 320 bopd from Reservoir D**.
- ✧ **Reservoir E** was also proven in the B-1 well and is the **main objective** of the B-2 appraisal/development well. **It is productive in nearby fields** (Main Pass 280/283 Field Complex), 14 miles to the East of Main Pass Block 274, with production greater than **27 MMbo and 60 Bcf of gas**.
- ✧ The B-2 well, drilled from the Main Pass Block 270 "B" Production Platform, is designed to **test, six reservoirs**, five of these reservoirs were intersected by the B-1 well, and **deeper objectives which are productive** in the area, of similar size to Reservoir E.
- ✧ The well is planned to drill to a measured depth (MD) of 18,559 feet with a true vertical depth (TVD) of 16,624 feet. The main objectives are reserves in Reservoirs D and E.
- ✧ Cawley, Gillespie & Associates (reserve auditors) estimated B-1 well net reserves to Petsec for Reservoir D & E at 1.1.2018, to be 6.5 Bcf and 0.96 MMbbl with an NPV10 of US\$24.5MM.
- ✧ The B-2 well could deliver an additional NPV10 value of US\$36MM (A\$0.15 / share) should the six reservoirs be successful as mapped.



Hummer Gas/Oil Field: B-2 Development Well

B-2 Well expected to commence production in February 2019

- ✧ The B-2 Well **spud on 19 August 2018**.
- ✧ Well is expected to reach total depth (TD) of 18,559 ft. MD/16,624 ft. TVD in December.
- ✧ **Production is expected to commence in February 2019.**

B-2 Well is fully funded

- ✧ The estimated net cost to the Company to drill and complete the well for production is approximately US\$4MM.
- ✧ The Company has US\$5MM in Tranche 3 of its Convertible Note Facility with which to fund the well. This has been drawn down by US\$2MM with US\$3MM remaining available

	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Beyond
Drilling								
Completion								
Facility Upgrade								
Production								



Yemen Portfolio

- ✧ Petsec operates two blocks, Damis (Block S-1) and Al Barqa (Block 7), within a proven productive fairway in the Jurassic Shabwa Basin containing kilometers of world class source rocks and located adjacent to existing export infrastructure
- ✧ The Portfolio includes the An Nagyah productive oil field, five material appraised fields awaiting development and significant exploration targets

Production Restarting in Yemen

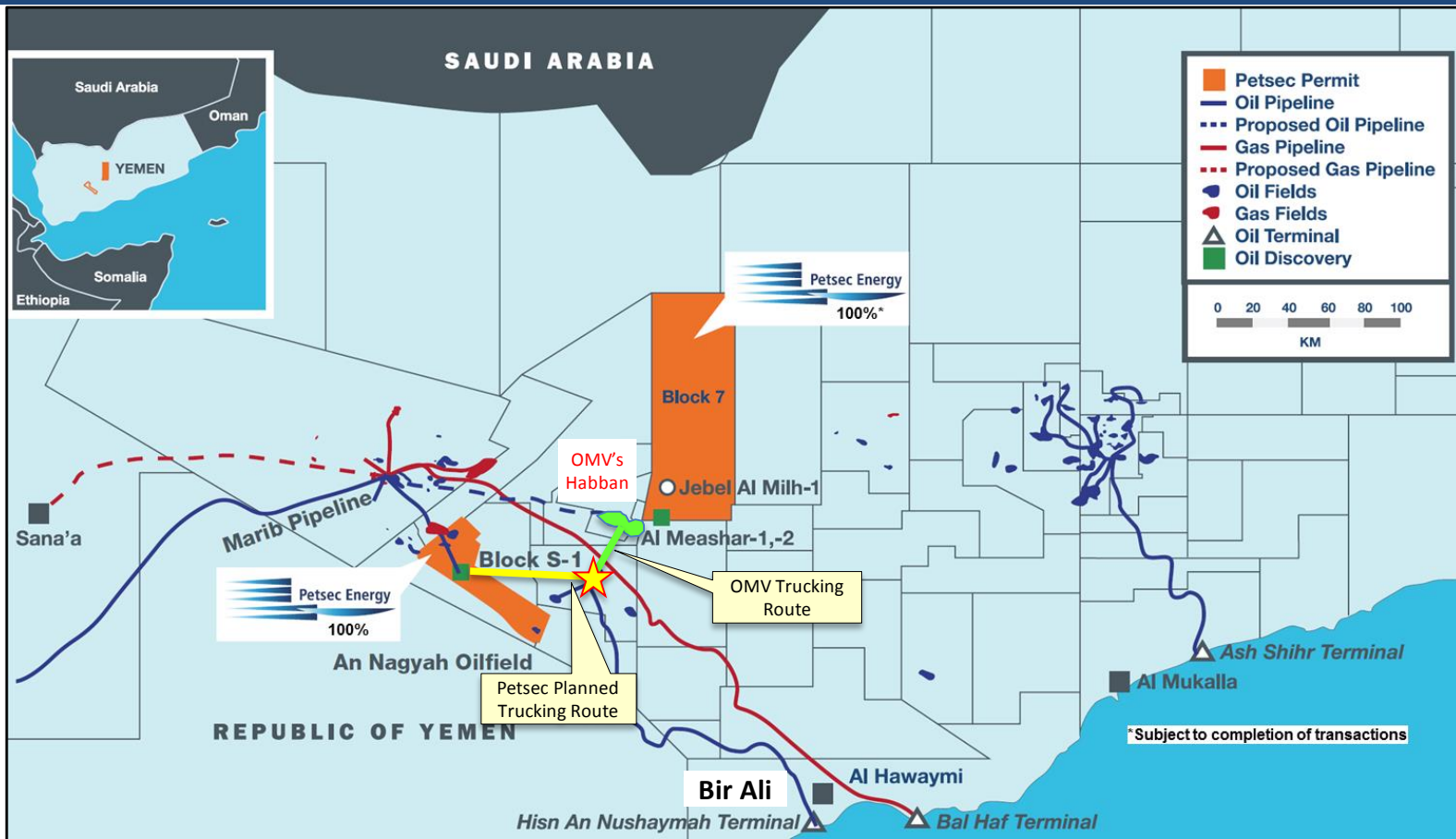
- ✧ PetroMasila, a Yemeni national oil company, originally re-started oil production in Yemen in August 2016 with exports following shortly thereafter of multiple cargos of 1 to 2 million barrels shipped to Southeast Asia
- ✧ Austrian OMV is the first Western company to restart production from it's Habban Oilfield in April 2018 and is currently reported to be trucking over 5,000 bopd with two liftings of 500,000 barrels having occurred from the Bir Ali Export facility on the southern Gulf of Aden Coast
- ✧ Habban oil is being trucked 40km to the West Ayad Field CPF in Block-4 at the head of the Bir Ali Pipeline with a capacity of 135,000 bopd which is operated by YICOM, a Yemen Government company

Petsec Production Plans

- ✧ Petsec is planning to truck up to 10,000 bopd from the An Nagyah Oilfield 70km to the West Ayad Field CPF which is the current off-loading point for OMV oil connected to the Bir Ali Export Terminal on the southern Gulf of Aden coast by a 207km pipeline

Shabwa Basin: Truck Transportation of Crude Oil

OMV Habban Oilfield Production



PETSEC Yemen Oilfields & Exploration Prospects

Developed: 19.8 MMbbls oil gross

Undeveloped: 45 MMbbl to > 50 MMbbls oil + 550 Bcf gas

Exploration: > 1 billion bbls oil

Damis (Block S-1) Production Licence

100% working interest (82.5% participating interest)

✧ Five Oil & Gas Fields:

- **Developed/Productive:** An Nayah Oilfield – 15 production wells
- **19.8 MMbbls oil target gross recoverable (8.8 MMbbls oil net to Petsec)**
- **An Nayah NPV₁₀ US\$320MM (AUD: \$1.35 cents/share) net to Petsec @ US\$80/bbl**
- **Undeveloped:** Osaylan, Harmel, An Naeem, Wadi Bayhan > 34 MMbbl oil & 550 Bcf gas gross ¹
- **NPV₁₀ US\$420MM Net to Petsec @ US\$45/bbl**

Al Barqa (Block 7) Exploration Licence

100% working interest (85% participating interest) ²

- ✧ **Al Meashar:** Undeveloped oil field – 2 wells tested at 200 - 1,000 bopd

11 MMbbl to > 50 MMbbl gross (9.3 MMbbl - 42.5 MMbbl net) / Upside potential: 110 MMbbl

Al Meashar 11 MMbbl NPV₁₀ US\$90MM net to Petsec @ \$45/bbl

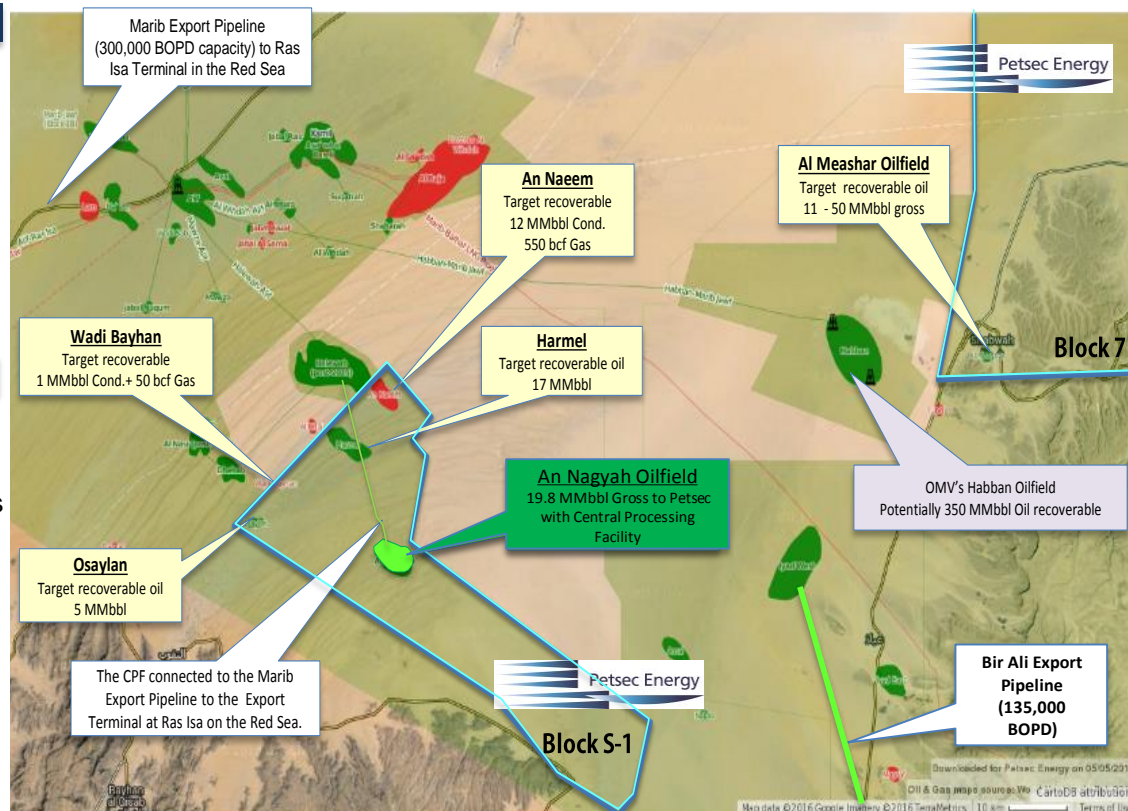
- ✧ **Eight prospects / leads:** target sizes range from 2 to 900 MMbbl oil gross. Four largest > 1 billion bbls
- ✧ **NPV₁₀ > US\$10 billion net to Petsec @ US\$45/bbl**

Damis (Block S-1) Production Licence

- ❖ 100% working interest (82.5% participating interest)
- ❖ An Nayah Oilfield target gross recoverable **19.8 MMBO / Net 8.8 MMBO (NPV₁₀ US\$320MM net to Petsec)**¹
- ❖ The four undeveloped oil & gas fields hold resource potential: **> 34 MMbbl oil & 550 Bcf gas**²; NPV₁₀ > US\$420MM net to Petsec

Al Barqa (Block 7) Exploration Licence

- ❖ 100% working interest (85% participating interest)³
- ❖ **Al Meashar** undeveloped oil discovery – 2 wells / target **11 MMbbl oil gross (9.3 MMbbl net NPV₁₀ US\$90MM)** / > 50 MMbbl potential
- ❖ Eight prospects / leads: target sizes range from 2 to 900 MMbbl oil gross. 4 largest > 1 billion bbls; NPV₁₀ > US\$10Bn net to Petsec⁴



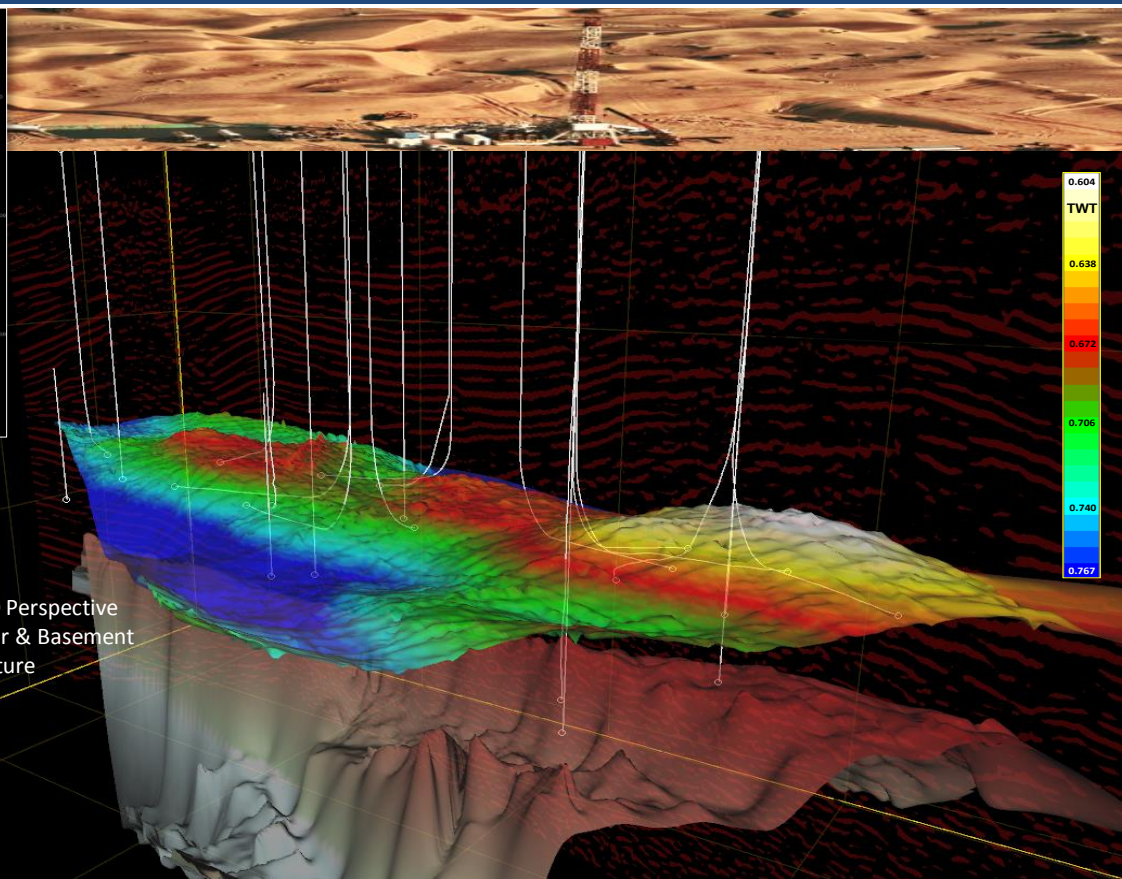
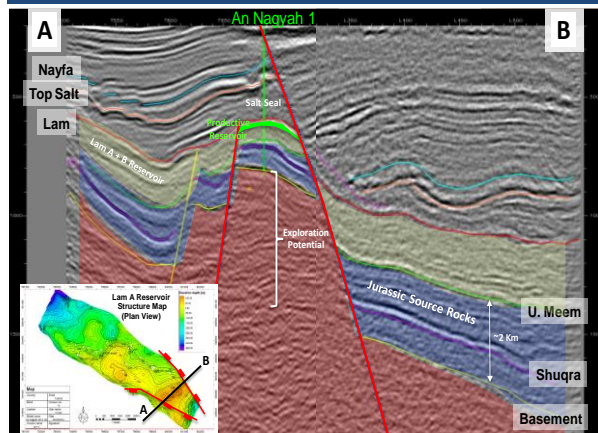
¹ Source: Petsec Production Economics US\$80/bbl, opex US\$15/bbl, 10,000 bopd
² Source: Wood Mackenzie Asia Pacific Pty Ltd. NPV₁₀ based on US\$45/bbl + 2%pa escalation.
³ The Company has an agreement with KUFPEC (25% W.I.) to acquire its interest in Block 7. The agreement is pending completion and is subject to customary approvals from the Government of Yemen and the Ministry of Oil and Minerals.
⁴ NPV₁₀ based on US\$45/bbl + 2% p.a. escalation

An Nagyah Oilfield

- ✧ The An Nagyah Oilfield is located within a world class petroleum system containing in excess of 2,000m of exceptional quality Jurassic source rocks'
- ✧ Structurally the field is a North-West to South-East trending tilted horst block within the Jurassic aged Sab'atayn Rift Basin.
- ✧ The most prolific reservoir is the uppermost Lam Sandstone, a thick sequence (100-125m) of delta front sandstones of Late Jurassic age
- ✧ The field is covered by modern 3D seismic
- ✧ **15 production wells are currently shut-in available for restart of production**
- ✧ The previous operator, **Occidental**, had invested over **US\$450MM** developing **Block S-1** with the An Nagyah Oilfield having produced approximately 25 MMbbl of oil to date
- ✧ Target gross recoverable reserves of 19.8 MMbo (**8.8 MMbo net to Petsec**) at **10,000 bopd, US\$80/bbl oil price & US\$15/bbl OPEX**
- ✧ The An Nagyah production facility is secure and has been well maintained during its recent shut-in period and remains in good condition. Production capacity is 20,000 bopd
- ✧ Recent survey of well heads, pumping station, generators, compressors, control room, pipelines and warehouse has confirmed there is no damage and the field can readily be restarted

Damis Block S-1: An Nagyah Oilfield Subsurface

3D TWT Cube & Seismic Cross Section



An Nagyah Oilfield Central Processing Facility (CPF)



Western Production - OMV

- ✧ **OMV restarted oil production** from the Habban Oilfield in **April 2018, the first foreign operator to restart since the Yemen oil industry was suspended in March 2015**
- ✧ The Habban Oilfield was suspended in March 2015 due to Marib/Ras Isa Oil Terminal embargo by the Saudi Coalition. The Coalition is currently attempting to liberate the Port of Hodeidah on the Red Sea so as to reopen the Ras Isa Oil Terminal and the Marib Pipeline which is connected to the Shabwah Basin oil producers
- ✧ **OMV is trucking over 5,000 bopd** 40km South to the West Ayad Field CPF in Block-4, and from there into the 207km Bir Ali Pipeline, South East to the **Bir Ali Oil Export Terminal**, with 500,000 bbl storage capacity attached to a SPM which can accommodate 500,000 bbl oil tankers

Petsec Production Re-start Planning

- ✧ Petsec Energy has submitted a **production restart plan for the An Nagyah Oilfield** to the Yemen Ministry of Oil and Minerals for their review and approval to produce 10,000 bopd , trucking 70km by road East to the West Ayad/Bir Ali Pipeline in Block 4 for export at the Bir Ali terminal
- ✧ Petsec have engage with all stakeholders associated with production and transportation of oil from An Nagyah to the Bir Ali terminal for export
- ✧ The Ministry of Oil and Minerals (MOM) have given 'in principal' support for our plans and is reviewing technical and financial capacity documentation provided by the Company



An Nagyah Check Point 75



Testing of Twin Head Crude Truck Loading Unit



CPF - Truck loading gantry tie-in point

An Nagyah Crude Sludge Tank



Saudi Support of Production Re-start

- ✧ The **Saudi Coalition** have since the **beginning of 2018** stated the intention to **support the Yemen oil industry** by providing increased security in Marib and Shabwah, and to secure the port of Hodeidah and the Ras Isa oil terminal. The Yemen Government declared in **late December 2017 a new Minister of Oil** and Minerals, Mr. Aws Al-oud who has engaged with the oil industry and has **encouraged restart of production** in the Marib and Shabwah Basins, and sent all operators letters of directive to restart production as soon as possible. Petsec Energy is engaged with the Minister, the Oil Ministry, Block S-1 staff and sub-contractors, local tribal and administrative leaders, which are generally all supportive of the restart. As a new operator in Yemen, the administrative review process is slow.

Western Production - OMV

- ✧ **OMV as operator of the Habban Oilfield**, located 70km to the NE of Petsec Energy's An Nagyah Oilfield in Block S-1 and 14km West of our Al Meashar Oilfield in Block 7, **began restricted production in April 2018 (~5,000 bopd)** and **trucking of oil 40km** to the Bir Ali Pipeline in **Block 4 to the South and to Block 14 to the East**. **OMV is the first foreign oil producer in Yemen to restart oil production since the shut-in of March 2015.**

Petsec Planning

- ✧ Petsec remains engaged with the Yemen Hadi administration and is seeking support from the Ministry of Oil and Minerals (MOM) for a variation of the current development plan transporting oil by the Marib Pipeline to Ras Isa on the Red Sea near the Port of Hodeidah, which will enable trucking of An Nagyah oil to the nearest operational point of oil storage with export facilities, and access to those Yemen Government facilities – **Block 4 (YICOM operated) 70km by truck**, and/or Block 10 (PetroMasila operated) 580km by truck. **A restart plan for both Bir Ali and Masila has been submitted to the Minister for his review and approval.**

DAMIS (Block S-1)

An Nagyah Oilfield Re-start Status

Production Restart Government Consents

- ✧ Petsec is engaged with the Ministry of Oil and Minerals (MOM) seeking consent to operate a trucking project to deliver An Nagyah oil to the nearest operational point of oil storage, 70km to the East at the head of the Block 4 export pipeline which delivers the oil 207km to export facilities located at Bir Ali on the Gulf of Aden Coast
- ✧ Petsec, as a new operator in Yemen is under review by the MOM and has provided technical and financial capacity documentation in support of a trucking operation
- ✧ Petsec's proposed production re-start plan has been provided to the Ministry of Oil & Minerals (MOM) for review and consideration
- ✧ Petsec has committed to meet all An Nagyah Field operations and production obligations to the Government

Production Restart Preparation

- ✧ Manufactured truck loading unit with a minimum 5,000 bopd capacity (upgradable to 10,000 bopd)
- ✧ Employed Yemeni General Manager, Mr. Riad Fadle, previously involved in the original development of the An Nagyah Oilfield by Vintage Petroleum and then in a Government Relations role for Occidental Petroleum Corp after their takeover of Vintage in 2006
- ✧ We have conducted meetings with the field operations workforce and have in-principal arrangements for the re-manning of the CPF
- ✧ We have engaged with subcontractors providing support services to the operations and have in-principal arrangements for their support to restart production
- ✧ Meetings have been held with the local tribal and governorate leadership, securing their support for the restart of production at An Nagyah, including secure access corridors for trucking
- ✧ Tender discussions have been undertaken with domestic transport companies for the trucking of up to 10,000 bopd to the head of the Block 4 pipeline

FY2019 Net Operating Cashflows: An Nagyah 10,000 bopd

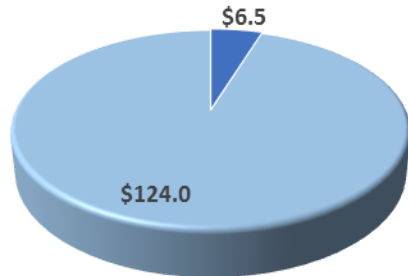
An Nagyah Oilfield – Marib Pipeline Option

- ❖ Total net operating cashflows to Petsec Energy from An Nagyah: US\$124MM
- ❖ An Nagyah Oilfield assumptions: US\$80/bbl oil price + US\$10/bbl OPEX

An Nagyah Oilfield – Bir Ali Trucking Option

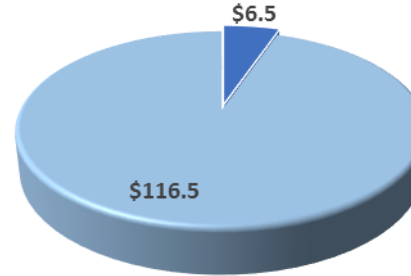
- ❖ Total net operating cashflows to Petsec Energy from An Nagyah: US\$116.5MM
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Marib Pipeline Option
Oil Price \$80/bbl & Opex \$10/bbl
Operating Cashflow US\$130.5MM



■ USA ■ Block S-1 - 10,000 bopd

Bir Ali Pipeline Option
Oil Price \$80/bbl & Opex \$15/bbl
Operating Cashflow US\$123MM



■ USA ■ Block S-1 - 10,000 bopd



Al Barqa (Block 7)

Al Meashar Oilfield Development Potential

Al Meashar Oilfield Discovery

- ✧ The **Al Meashar Oilfield** was discovered and tested at rates ranging from 200 to 1,000 BOPD in 2010 by Australian company Oil Search Limited
- ✧ The **Al Meashar 1 & 2 discovery wells intersected an oil column in excess of 800m** in the Kuhlan Sandstone and Basement formations, the same formations as in **OMV's Habban Oilfield (350 MMbbl) which has an oil column of 945m and has in the past produced ~20,000 bopd** up until production was suspended in March of 2015. In April 2018 OMV restarted production and is currently trucking **5,000 bopd to Block 4 / Bir Ali Pipeline**
- ✧ The Al Meashar undeveloped oilfield is estimated at 11 MMbbl oil gross (9.3 MMbbl net) within the drilled single fault block outlined in blue with potential to increase to > 50 MMbbl within the currently mapped structural closure – red line, Lowest Closing Contour

Potential Resource

- ✧ The oil column identified in the Al Meashar wells exceeds the mapped structural closure by more than 200m as defined by the red LCC contour in the map below. **Current estimates of oil within the green (oil-down-to) contour exceeds 110 MMbbls**
- ✧ Current estimates of oil target potential within the currently mapped red Lowest Closing Contour exceeds 50 MMbbls

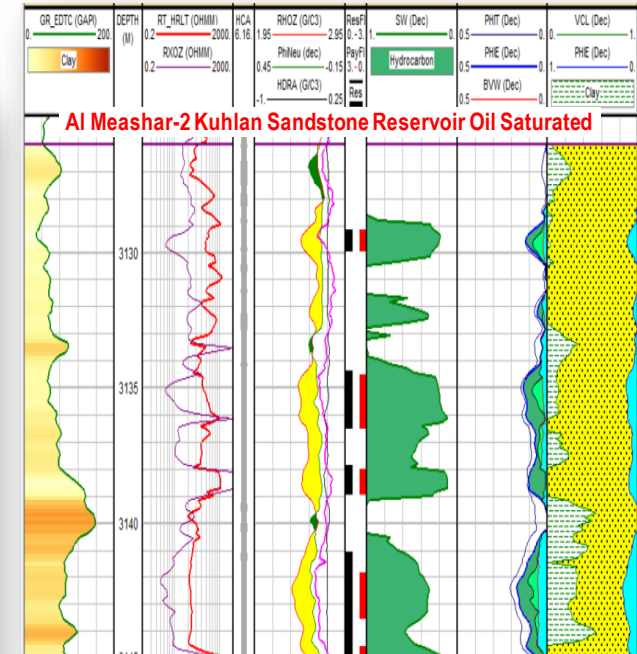
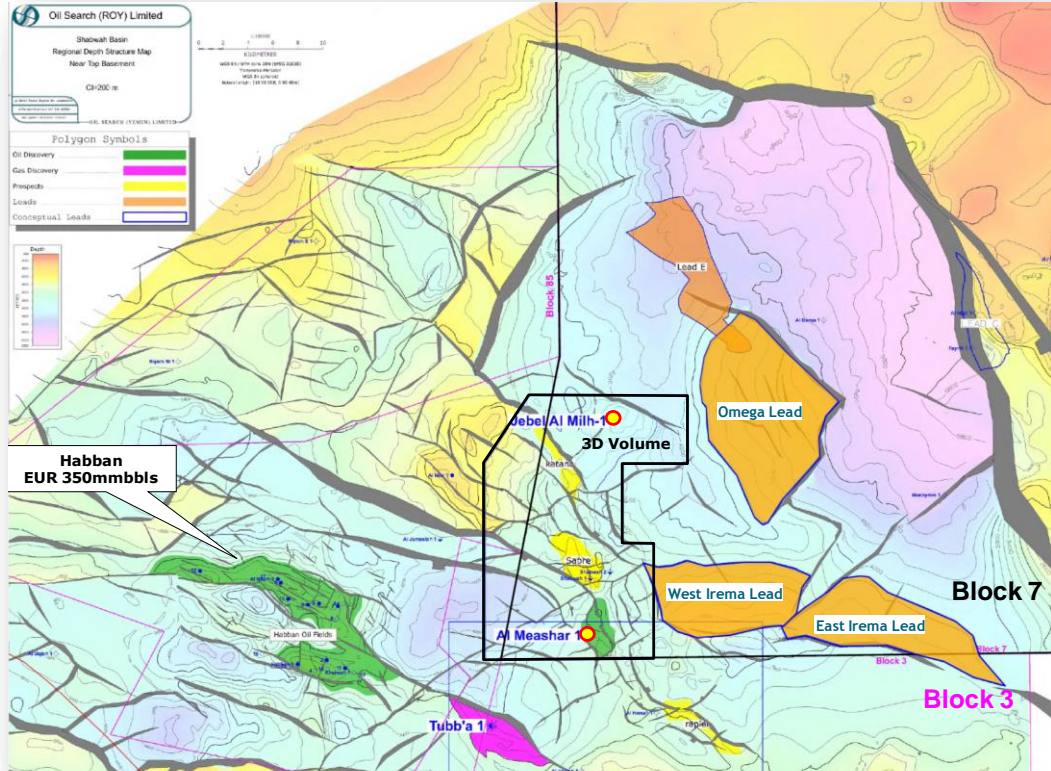
Development

- ✧ The Al Meashar discovery wells are currently suspended and are awaiting production testing
- ✧ Development drilling on the Al Meashar structure is expected to extend the oil potential of the entire play fairway within the Block 7 licence area

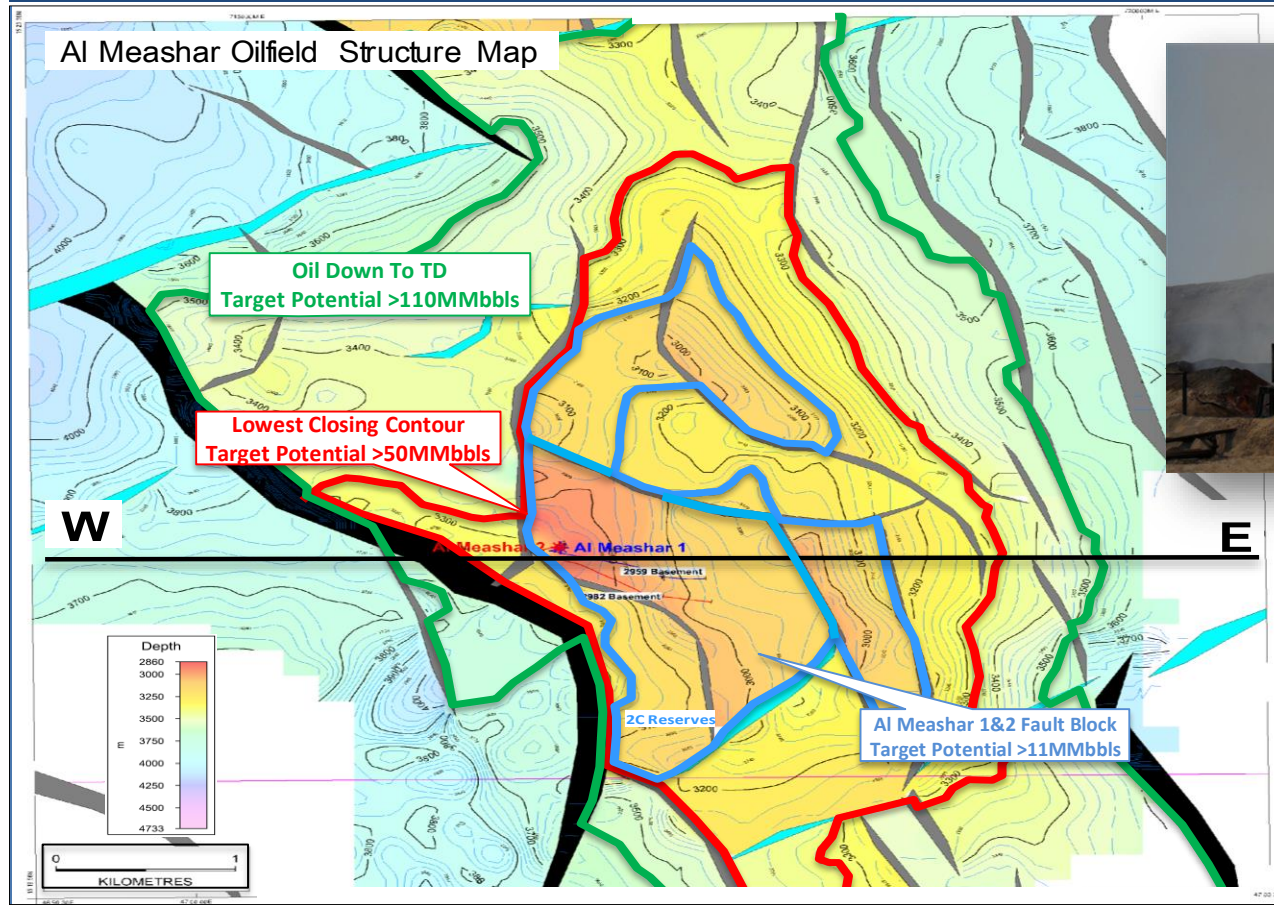
Block 7 Al Meashar Discovery

Kuhlan Sandstone Reservoir Parameters

- Al Meashar area 12-18m Kuhlan Sandstone Reservoir
- 11.1% primary porosity (PHIE)

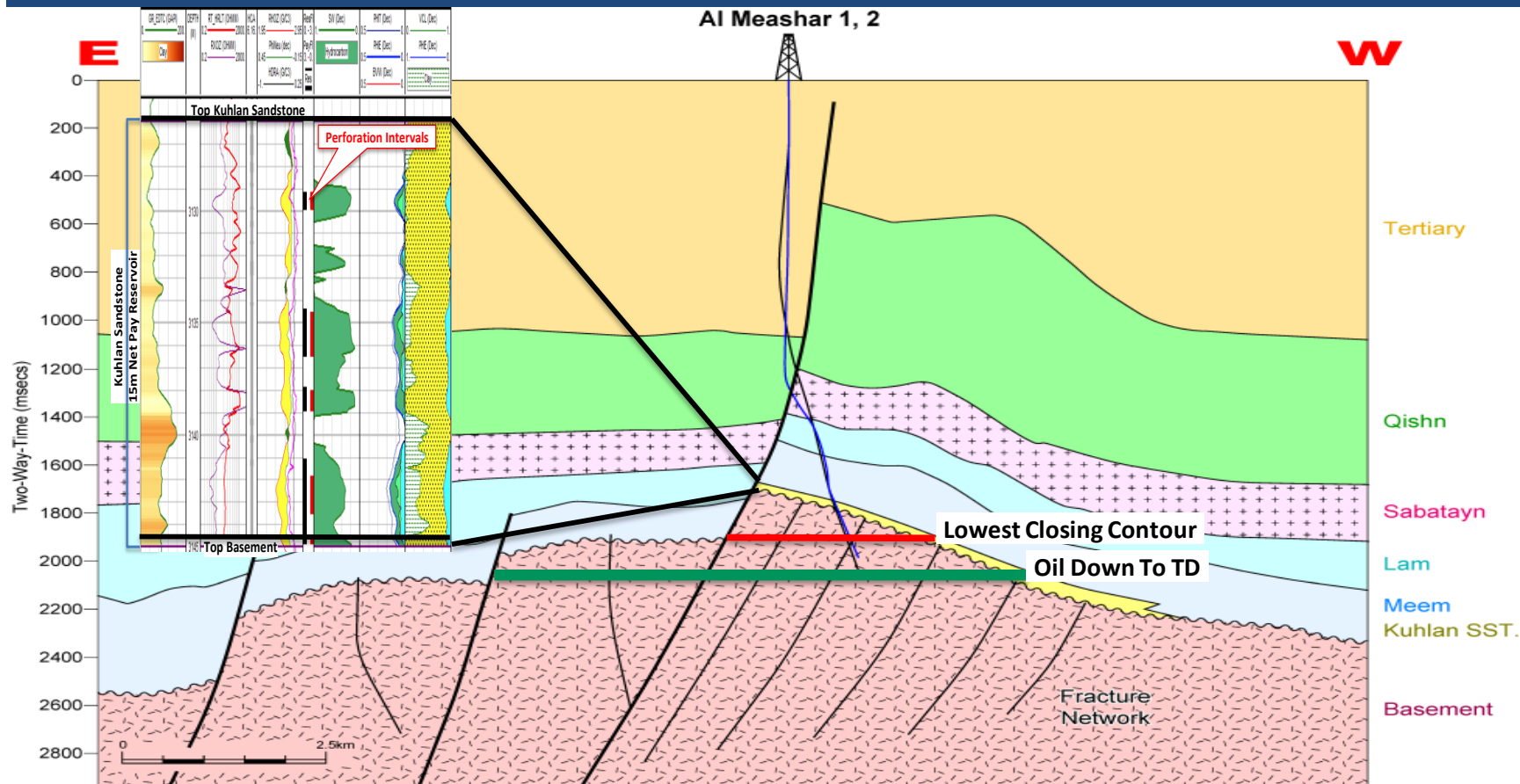


- Expect 15 to 20m Kuhlan Sandstone reservoir thickness across Block 7 within other prospect targets
- Consistent reservoir characteristics to Al Meashar Oilfield
- Fluvial channel facies sandstone reservoir



Al Barqa (Block 7)

Al Meashar Oilfield Development Cross Section



Developed Oilfields: Recoverable Oil

An Nagyah: 19.8 MMbbl Oil Gross (8.8 MMbbl Oil net of recovery costs to Petsec) 10,000 bopd, US\$80/bbl, US\$15/bbl OPEX

Estimated Net NPV₁₀ Oil ~ US\$320MM (A\$450MM) @ US\$80/bbl ¹ (A\$1.35/share)

Undeveloped Oilfields: Recoverable Oil

46 MMbbl Oil (+ 550 Bcf Gas) ²

Damis (Block S-1)

Wadi Bayhan	US\$11MM
Osaylan	US\$60MM
Harmel	US\$206MM
An Naeem	US\$145MM

Al Barqa (Block 7)

Al Meashar	US\$90MM
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Estimated Net NPV₁₀ Oil > US\$500MM (A\$700MM) @ US\$45/bbl (A\$2.10/share)

Developed + Undeveloped Oil = US\$820MM (A\$1.1BN) (A\$3.45/share)

Exploration

4 largest prospects targeting > 1 billion bbls recoverable

Omega	439 MMbbl
West Irema	241 MMbbl
East Irema	164 MMbbl
Lead E	174 MMbbl

Estimated Net NPV₁₀ > US\$10BN ³

¹ Petsec Energy estimates
² Source: Wood Mackenzie Asia Pacific Pty Ltd.
³ NPV₁₀ valuation (oil only) based on US\$45/bbl + 2% escalation

Petsec Energy Ltd

General Meeting

7th November 2018

