



**OIL BASINS** LIMITED



# **South East Australia Energy**

Investor Presentation | September 2017

# Disclaimer

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The information in this document will be subject to completion, verification and amendment, and should not be relied upon as a complete and accurate representation of any matters that a potential investor should consider in evaluating Oil Basins Limited. Assumed in-the ground values of unrisks prospective potential resources assets as stated in text (ignoring finding and development costs). No assumption of either commercial success or development is either implied with their adoption by either the Company and its directors and representatives in the application of these indicative values to its assets.

Information on the Reserves and Resources on the Company's operated assets in this release are based on an independent evaluations conducted by 3D-Geo Pty Ltd (3D-Geo). 3D-Geo is a independent geoscience consultancy specialising in petroleum. The technical work was undertaken by a team of geoscientists and petrophysicists and is based on open-file seismic and well data and data supplied by OBL. The technical assessment was performed primarily by, or under the supervision of Hadi Nourollah, Director 3D-Geo.

The technical information quoted has been complied and / or assessed by Mr. Geoff Geary who is a professional geologist (Bachelor Science – Geology) with over 34 years standing and who is a Member of Petroleum Exploration Society of Australia. Mr. Geary has consented to the inclusion in this announcement of the matters based on the information in the form and context in which they originally appear – investors should at all times refer to appropriate ASX Releases.

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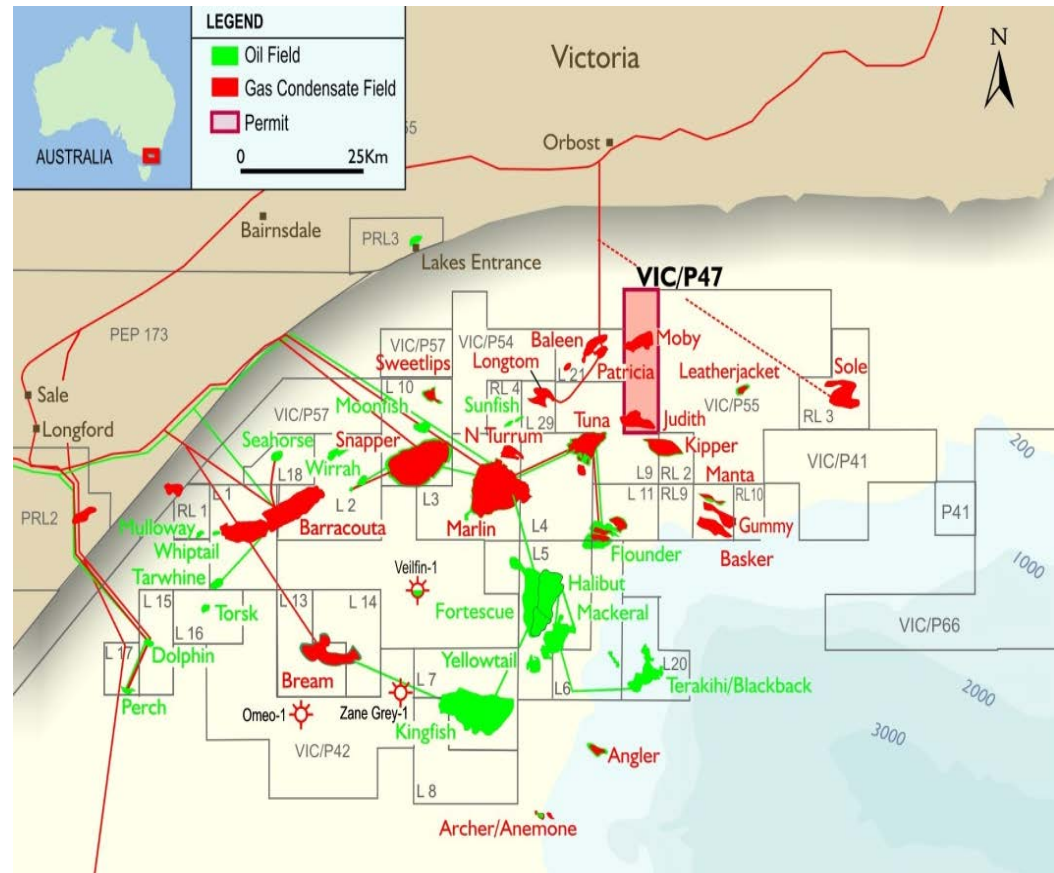
# East Coast Energy Market Background

- Electricity shortfall occurring on East Coast of Australia
- Closure of Coal Fired Power Stations has reduced capacity
- Increasing reliance on gas for baseload electricity
- An East Coast domestic gas shortfall is occurring simultaneously due to unsatisfied demand by new Queensland LNG plants
- Oil Basins Limited (OBL) holds 100% ownership of a strategic Oil and Gas Exploration Permit in Bass Strait – Vic/P47
- Recently completed 3D seismic reprocessing, interpretation and mapping has returned highly encouraging results
- Gas In Place at Judith / Judith North Structure estimated at 1.8Tcf
- OBL has commenced scoping studies of resource and market opportunities



# Introduction

- Energy company, listed on ASX with a strategic asset in the Gippsland Basins next to the BHP/ExxonMobil Kipper field
- Strong management team with extensive exploration and financial experience
- Strong shareholder alignment with management holding 19.5% ownership and top 20 holding 62.1% ownership.
- Management change in Sept 2016.
- New management has since transformed the company:
  - focus on results
  - low management costs.



# Company Snapshot

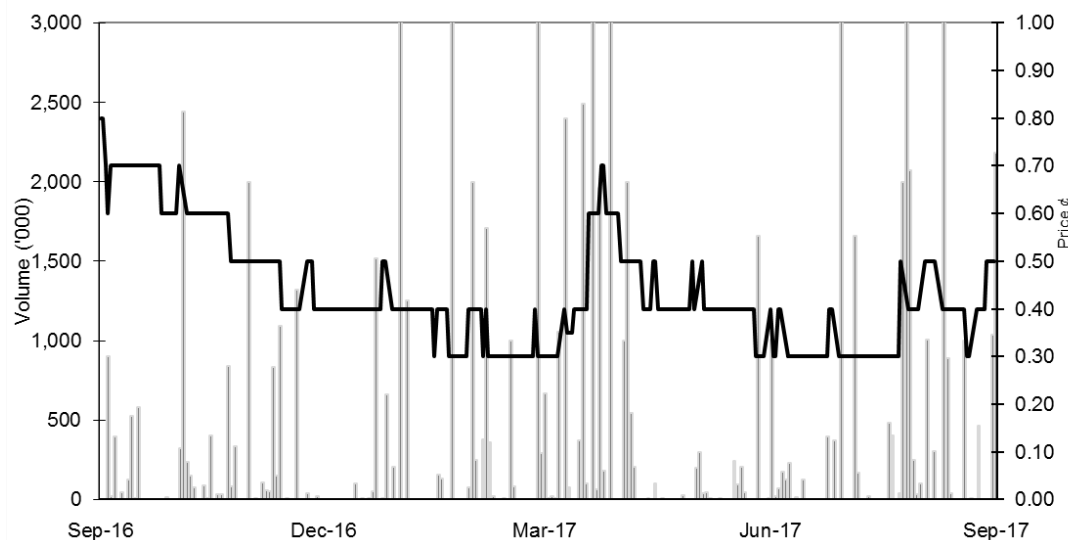
## Capital Structure

ASX Code	OBL
No of Shares	287.8m
Market Capitalisation @ 0.5 cents	\$1.44m
Cash as at 30 August 2017	\$394k
Debt	\$280k

## Major Shareholders

Sama Zarah Pty Ltd	17%
Raxigi Pty Ltd	9%
Bond Street Custodians	5%
Colin & Cynda Searl	4%
Directors & Management	19.5%
<b>Top 20 Shareholders</b>	<b>62%</b>
<b>Number of Shareholders</b>	<b>1948</b>

12 Month Share Price Performance and Volume



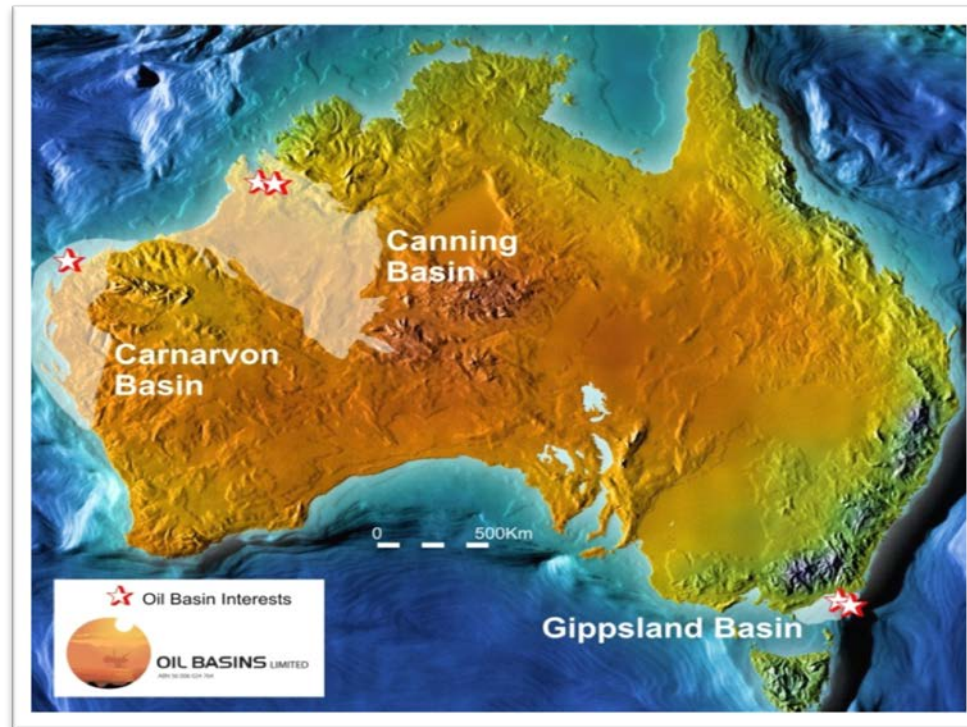
# Board and Management

Board and Management	
<b>Carl Dumbrell</b> <b>Director &amp; Secretary</b>	<ul style="list-style-type: none"> <li>• Appointed July 15</li> <li>• Extensive advisory experience to ASX, AIM and FTSE companies</li> <li>• Chartered Accountant, Australia, England &amp; Wales</li> </ul>
<b>Justyn Peters</b> <b>Director</b>	<ul style="list-style-type: none"> <li>• Appointed August 16</li> <li>• Executive Chairman Leigh Creek Energy Ltd (ASX: LCK)</li> <li>• Linc Energy Executive General Manager (6 years)</li> <li>• Graduate law and politics degrees</li> </ul>
<b>Vaz Hovanesian</b> <b>Director</b>	<ul style="list-style-type: none"> <li>• Appointed August 16</li> <li>• Over 25 years experience with junior Oil &amp; Gas companies</li> <li>• Executive chairman Mandalong Resources and Broad Investments</li> <li>• CPA, Australia</li> </ul>
<b>Geoff Geary</b>	<ul style="list-style-type: none"> <li>• Over 35 years experience as a geologist in the Petroleum industry</li> <li>• Member of the Petroleum Exploration Society of Australia</li> <li>• Extensive experience in the Bass Strait with Shell</li> </ul>
<b>Phil McNamara</b>	<ul style="list-style-type: none"> <li>• Over 30 years in the resource industry</li> <li>• Former CEO and Managing Director, Amour Energy</li> <li>• Former Managing Director Waratah Coal</li> <li>• Qualified mining engineer</li> </ul>



# Schedule of Tenements

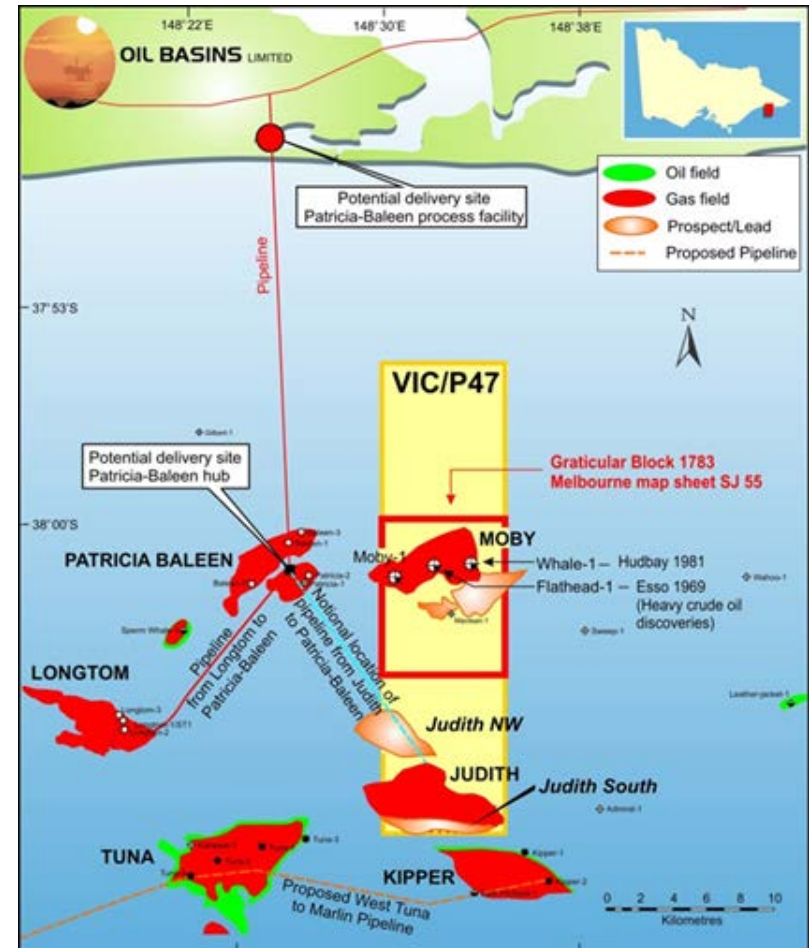
Permit	Type	Location	Ownership
Vic/P47	Exploration Permit	Offshore Gippsland Basin	100%
Backreef	Exploration Permit	Onshore Canning Basin	100%
R1/R3	Retention Lease	Offshore Carnarvon Basin	100%





# Gippsland Basin

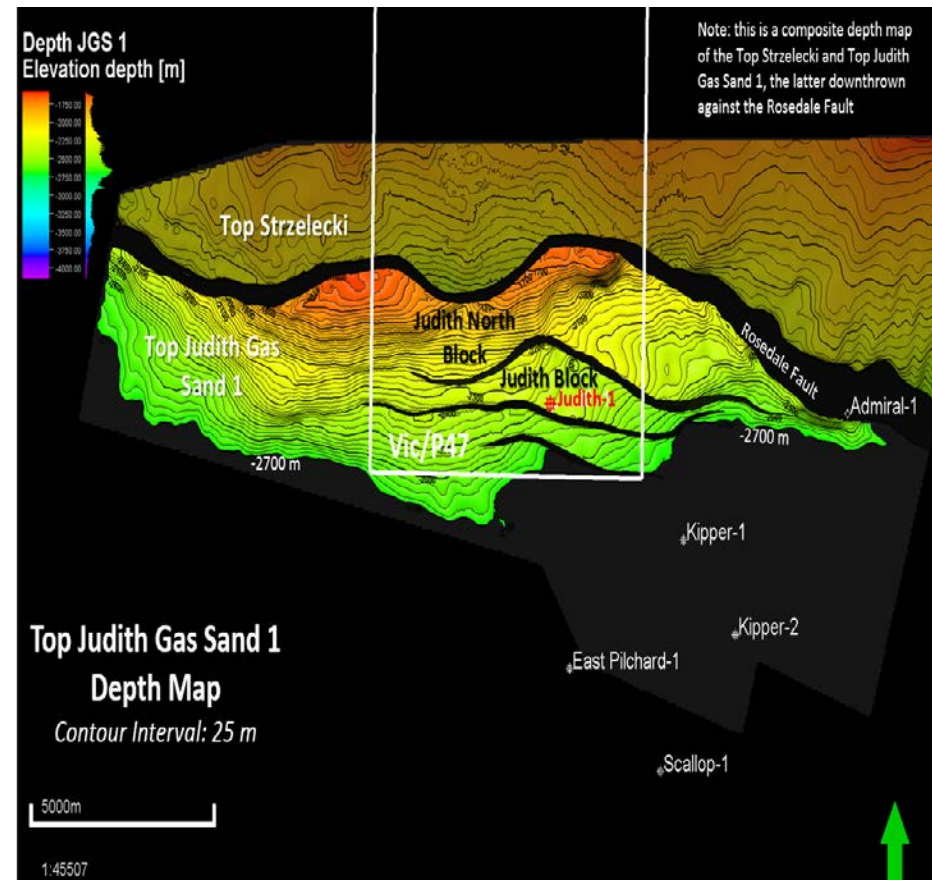
- Australia's premier hydrocarbon province
- Located 200 km east of Melbourne
- Exploration commenced in 1924
- more than 400 exploration wells have been drilled
- approximately 90,000 line km of 2D seismic data and more than forty 3D seismic surveys
- Petroleum infrastructure is well developed, with a network of pipelines transporting hydrocarbons produced offshore to onshore petroleum processing facilities at Longford and Orbost.
- From there, pipelines deliver the gas across southeastern Australia.
- Operators include Esso/BHP, Nexis, 3D-Oil and Cooper Energy
- Esso/BHP have developed the Kipper gas field adjacent to Vic/P47 investing over \$5.5 billion in the basin as part of its Kipper-Tuna- Turrum gas project.



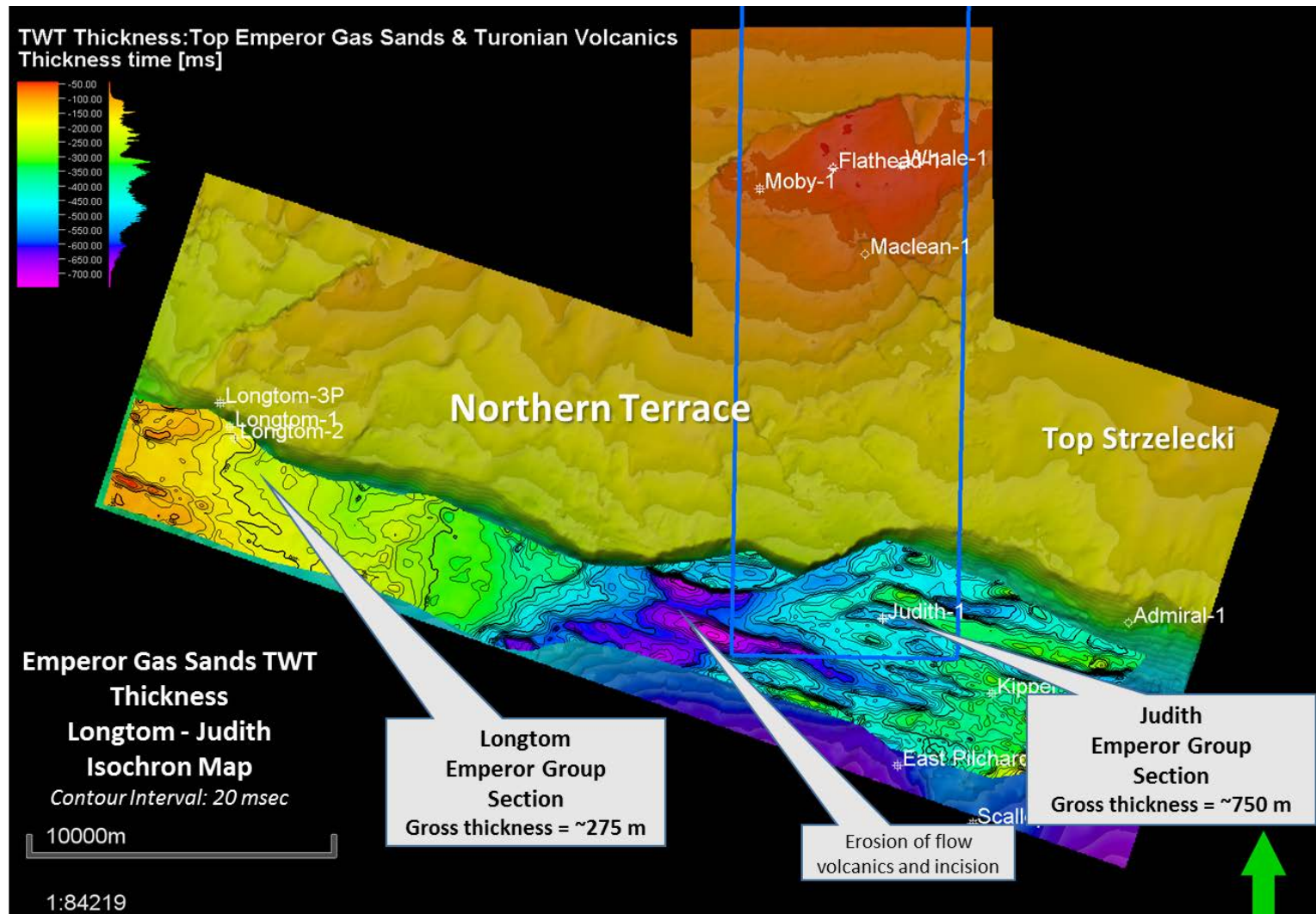


# Vic/P47 | Bass Strait Victoria

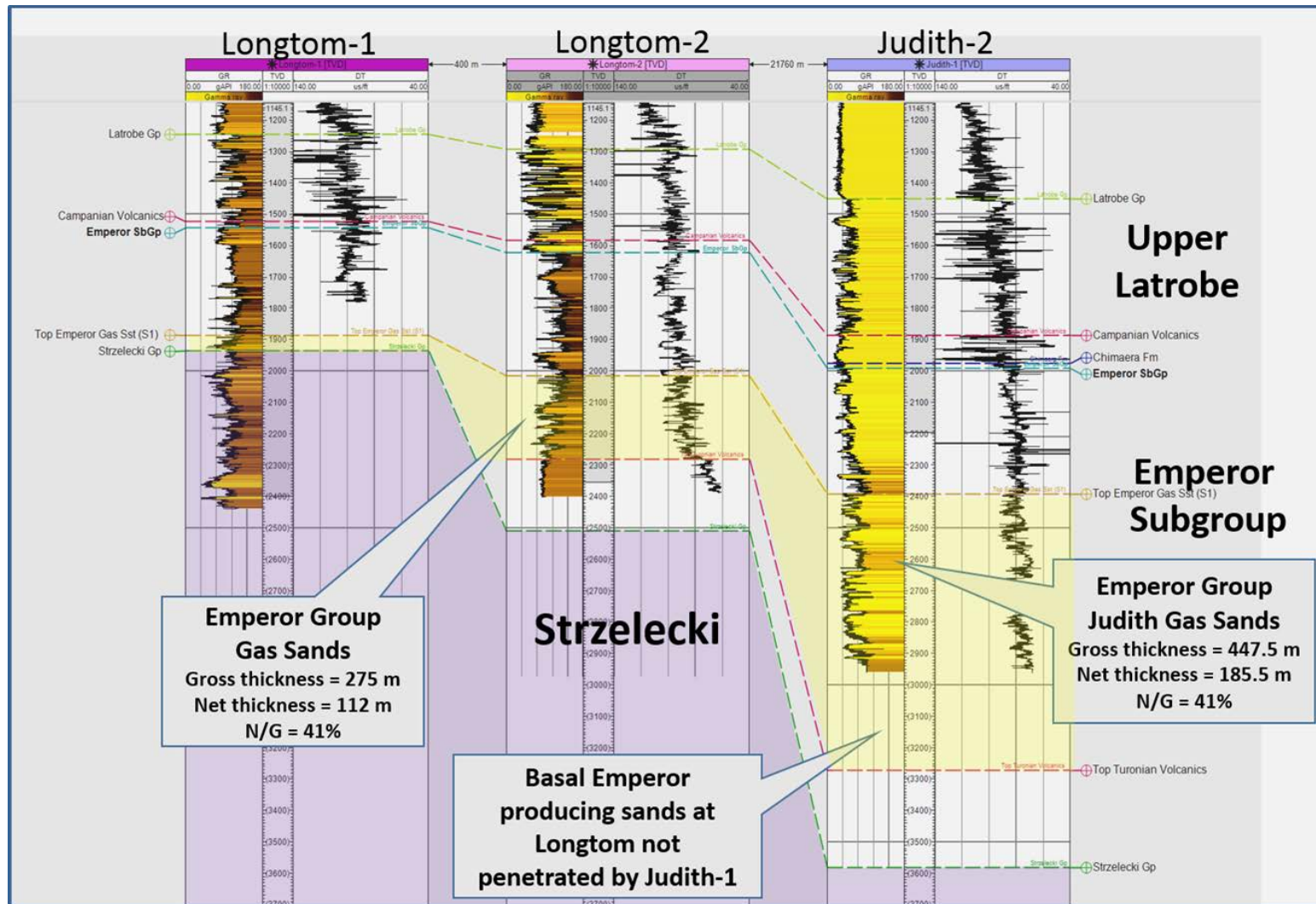
- Oil Basins Limited (OBL) holds 100% of Vic/P47
- OBL is Operator of the 202km<sup>2</sup> Permit
- Two-gas discovery wells have been drilled within the permit:
  - Judith-1 was drilled by Shell in 1989
  - Moby-1 was drilled by Bass Strait Oil in 2004
- Judith is located some 2 km north of the Kipper Gas Field currently under development by Esso / BHP.
- 3D seismic reprocessing and interpretation was completed in August 2017
- 1.8 Tcf Gas In Place Estimate at Judith Prospect
- Application to renew permit for 5 years lodged with NOPTA in August 2017



# Emperor Gas Sands Sequence TWT Thickness

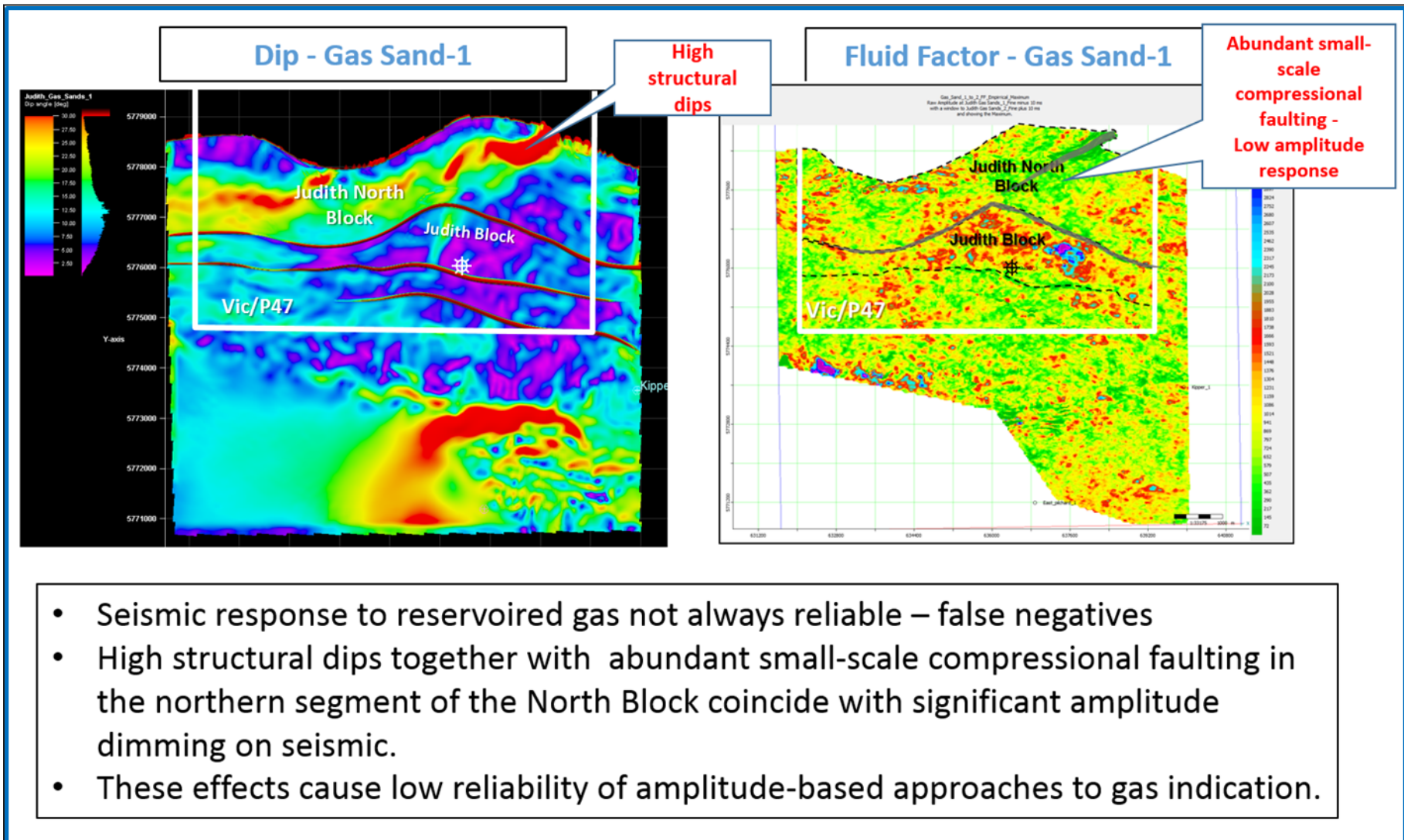


# Well Cross Section | Longtom-1 & 2 to Judith-1





# Seismic Amplitude Response | Reliability



# Vic/P47 | Volumetrics Summary

Unrisked	Gas-in-Place Bcf			Gas Recoverable Bcf 1		
Block	P90	P50	P10	P90	P50	P10
Judith	300	420	550	165	273	413
North	1200	1380	1550	600	897	1163
<b>Total</b>	<b>1500</b>	<b>1800</b>	<b>2100</b>	<b>825</b>	<b>1170</b>	<b>1575</b>

Risked 2	Gas-in-Place Bcf			Gas Recoverable Bcf 1		
Block	P90	P50	P10	P90	P50	P10
Judith	260	380	500	259	364	495
North	430	735	1000	787	1066	1380
<b>Total</b>	<b>760</b>	<b>1100</b>	<b>1500</b>	<b>1045</b>	<b>1430</b>	<b>1875</b>

1. Gas recovery factors from Gaffney Cline & Associates (2008 & 2013)
2. Partial Risking considering the existence of well data through Monte Carlo



# Capital Raising | Rights Issue

- OBL to undertake a renounceable Rights Issue
  - 9 new shares for every 5 shares held at an issue price of 0.3¢ per new share with 1 free attaching option for every new share subscribed for.
  - \$1.55m raising before costs
  - Options are exercisable at 0.5¢ and expire on 31 March 2020
  - Application will be made to list new shares and options on ASX
- Rights Issue is intended to be underwritten by PSL
- Issue price represents a 40% discount to last sale of 0.5¢ and a 38.8% discount to the 10 day VWAP of 0.49¢.



# Capital Raising | Rights Issue

Use of Funds	
Exploration	\$0.87m
Environmental	\$0.07m
Working Capital / Costs	\$0.61m
<b>Total</b>	<b>\$1.55m</b>

## Indicative Capital Structure

	Shares	Options*	Amount Raised
Existing	287,806,332	-	-
Rights Issue	518,051,398	518,051,398	\$1.55m
<b>Total</b>	<b>805,857,730</b>	<b>518,051,398</b>	<b>\$1.55m</b>

\*There is also on issue 6.7m unlisted options exercisable @ 4.658¢ per option.

Indicative Timetable	2017
Lodge prospectus with ASIC/ASX	26 September
Ex-Rights – Rights Trading Commences	29 September
Record Date	2 October
Closing Date	20 October
Shortfall Notified	24 October
Shortfall Settled	26 October
New Shares & Options allotted and issued	27 October





# Investment Summary

- OBL has a strategic asset in the Gippsland Basin
- Domestic Gas shortage in eastern Australia
- 5 year renewal on Vic/P47 anticipated before year end
- Reprocessing of Seismic data, interpretation and mapping have returned encouraging results.
- Estimated gas in place at Judith/Judith North at 1.8Tcf
- New management have cleared legacy issues and opened new strategic opportunities particularly in relation to engagement with industry participants for Vic/P47
- Rights issue will position the Company with circa \$1.3m cash to pro-actively build on the post issue market cap (at the issue price) of \$2.4m
- Assessment and due diligence on other energy assets continuing.





OIL BASINS LIMITED

# Contact

Oil Basins Limited

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