

## **Chairman's Address to Shareholders AGM - 28th November 2014**

Welcome to this Annual General Meeting of Shareholders of EneGEX NL.

EneGEX listed on the Australian Securities Exchange ("ASX") on 8 October 2013 following implementation of the Schemes of Arrangement between EneGEX and its previous owner, Moby Oil and Gas Limited ("Moby"). Since listing, EneGEX has focussed on its projects in the Browse, Bass and Carnarvon Basins, offshore Australia.

### **Cornea Retention Lease WA-54-R**

During the year the Cornea Retention Lease WA-54-R, in which EneGEX holds a direct 14.875% participating Interest, was granted. EneGEX is participating in the work programme approved under the terms of grant with a view to unlocking the value inherent in the Cornea oil and gas accumulations.

### **Vic/P47**

EneGEX participated in work programmes designed to assess the prospectivity of the Vic/P47 Permit. During the year application was made for variations to the Permit 4 Year work program to enable re-assessment of the potential for recovery of oil from the flathead anticline, in the vicinity of the Moby-1 well, the Flathead well and the Whale-1 well. The variation was granted by NOPTA, the work programme was carried out but the outcome from the work programme was not positive. Subsequent to year end, following completion of the varied work Permit Year 4 work programme, application was been made to NOPTA for the Year 5 work programme to be varied to comprise reprocessing of existing 3D seismic over the Judith gas field and further inversion studies to help obtain a better understanding of the Judith field in replacement of the existing Permit Year 5 work programme which comprised drilling an exploration well.

Shortly prior to the end of Permit Year 4 on 15 November 2014, it became apparent that the Application for variation of the Permit Year 5 work programme would not be finally dealt with by NOPTA by the end of Permit Year 4 and that the Permit would enter into a well commitment year with a risk that the variation as sought would not be granted. As a consequence, following a further internal assessment of the prospectivity and possible commerciality of the Permit, Moby Oil & Gas Limited, EneGEX and Seaquest Petroleum Pty Ltd (the Operator) decided to withdraw from the Permit prior to the end of Permit Year 4 and they transferred their interests in the Permit to Oil Basins Limited and its subsidiary Shelf Oil Pty Ltd on 14 November 2014.

### **WA-409-P**

In WA-409-P, Apache, as farminee and operator, has been carrying EneGEX and the other participants in the Permit through the current work program. Recently, Apache has given notice of its intention to withdraw from the Permit with effect from the end of this year. Thus the farmin carry will be at an end. If the Permit is renewed, as a condition of prior variations, it must be renewed with an exploration well forming part of the committed work programme for the primary term of the renewed permit.

EneGEX will not participate in any renewal of WA-409-P with such well commitment and, like Apache, has elected to withdraw from the Permit.

### **Other prospects**

EneGEX has, during the year, reviewed a proposal relating to possible acquisition of interests onshore Papua-New Guinea. After consideration, EneGEX declined to participate in the opportunity offered to it.

Since year end, EneGEX has reviewed data relating to an onshore oil and gas acquisition opportunity in Australia, but has also declined to participate in that opportunity.

## **Going Forward**

Short of acquiring other assets, the most substantial prospect of an increase in shareholder value for ENEGEX members relates to enhancement of the Cornea Project as the work programme resolves the existing technical barriers to development and production.

ENEGEX remains open to acquisitions in the oil and gas sector which, with an associated capital raising, might have the capacity to transform ENEGEX's activities and structure.



**G.A. Menzies**

**Director**

28<sup>th</sup> November 2014