
Chairman's Address AGM 2015

Ladies and Gentlemen,

Thank you for joining us at our first AGM as Antilles Oil Gas. Since Antilles Oil and Gas was formed back in July last year it certainly has been a year of change in the external environment of oil and gas. Oil prices have fallen from around US\$ 115 in July last year to the current levels of around US\$ 60/ bbl. This change has brought both challenges for the industry and also opportunity, particularly for companies positioned as Antilles is at the early stage exploration in terms of deal opportunity.

The company, under the leadership of our Managing Director, David Ormerod, has had a busy first 11 months of existence. Our strategy is to focus on two main legs, firstly near term oil potential in competitive and proven areas of onshore South America with emphasis on onshore Peru and secondly Deep Water Caribbean plays.

On the first leg, we have been successful in securing two opportunities to date, Block 105 is onshore Peru in the Titicaca Basin, a proven hydrocarbon Province. Block 105 has been estimated to have possible 30 MMbbls of resource. The fiscal terms of Peru also indicate that if exploration is successful then the field could be developed at current oil price levels. Our second deal is the award of a Technical Evaluation Agreement for an onshore Peru acreage block in the Sechura Basin

within fifty kilometres of existing oil production. The commitment for the TEA is low at US\$ 0.4 M covering evaluation of existing data and again offers the opportunity of building some early stage value through the evaluation.

The second leg is to target large scale potential resource plays in known hydrocarbon basins. Our focus for this leg is on our Caribbean deep water strategy which is progressing steadily with active engagement with two Governments on access to acreage. In support of our positioning to be an attractive recipient for award of an offshore block, strategic alliances have been put in place with 3 key partners, Polarcus for 3D seismic acquisition and evaluation, MCG for support in the area of 2 D seismic and AGR F J Brown Inc, an internationally recognised deep water drilling operator. Each of these alliances assists Antilles to be seen as a sound operating partner for the Governments involved. In addition, within our strategy focus areas the lower oil price environment is continuing to throw up opportunities and in addition costs are falling for data acquisition and drilling.

To support and fulfil the potential these opportunities offer, we have launched a renounceable rights issue to all shareholders. The company is seeking to raise approximately \$ 3.7 M before costs. The issue is partially underwritten by CPS Securities to \$ 1 M. The fund raising is aimed at progressing Block 105 through the required work program development of seismic evaluation leading to drilling an exploration well. I would encourage all shareholders to consider the rights offer and participate where able.



ASX ANNOUNCEMENT

27 May 2015

I wish to extend my thanks to our MD, David Ormerod as well as my fellow board colleagues for what has been a challenging but interesting first year and to our shareholders for your continued support. The year ahead I am sure will continue to present opportunity for Antilles to progress its strategy.

JACK HAMILTON

NON-EXECUTIVE CHAIRMAN