



## **UNLOCKING**

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# EUROPEAN ONSHORE OIL & GAS RESOURCES

DECEMBER 2019

## Forward Looking Statements

This document has been prepared by Ansila Energy NL ("Ansila"). This document contains certain statements which may constitute "forward-looking statements". It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve and resource estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.

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## Qualified Person's Statement

As an Australian public company with securities listed on the ASX, the oil and gas reserves and resource estimates in this presentation are prepared in accordance with the PRMS and ASX Listing Rule reporting guidelines.

The reserves and resources information of Ansila in this document is based on, and fairly represents, information and supporting documentation prepared by, under the supervision of, or reviewed by Mr Christopher Lewis (Technical Director). Volume estimates in this presentation are from the Netherland, Sewell & Associates, Inc, report entitled "Estimates of Reserves and Future Revenue and Contingent Resources and Cash Flow to the Gemini Resources Ltd Interest and Gross (100%) Prospective Resources in Certain Oil & Gas Properties located in the Nowa Sol and Gora Concessions Permian Basin, Onshore Poland as of May 1, 2019", and were first reported to the ASX on 4 July 2019. Contingent and prospective resources reported herein have been prepared using a combination of deterministic and probabilistic methods.

Mr Lewis is a Director of Ansila Energy and has a BSc from the Imperial College, University of London and is a member of the American Association of Petroleum Geologists (AAPG) and the European Association of Geoscientists and Engineers (EAGE). The reserve and resource information is consistent with the definitions of proved, probable, and possible hydrocarbon reserves and resources that appear in the ASX Listing Rules. Mr Lewis is qualified in accordance with ASX Listing Rule 5.41 and consents to the inclusion of the Ansila reserves and resources figures in the form and context in which they appear in this presentation.

## Corporate Information

This presentation is dated 2 December 2019 and is authorised to be given to ASX by the Board of Directors of Ansila. The address of Ansila is Level 1, 89 St George's Terrace Perth WA 6000 and its website is [www.ansilaenergy.com.au](http://www.ansilaenergy.com.au). Shareholders, investors and other interest parties can contact Nathan Lude, Executive Director, on +61 8 9226 2011 or at [info@ansilaenergy.com.au](mailto:info@ansilaenergy.com.au).

# SUMMARY

- Earn-in for **35% interest** in the Nowa Sol and Gora onshore Polish oil & gas projects secured via a combined spend of £3.38 million (A\$6.15 million)
- Projects located in Poland's proven and producing **Permian basin**
- **Low risk, low cost, near-term** European assets
- **Two existing wells** ready to be fracture stimulated and tested:
  - To confirm the flow rates and commerciality of the Siciny-2 (Gas) and Jany-C1 (Oil) discovery wells
  - De-risking of two unconventional resource plays
  - Independently assessed 2C contingent resources:
    - **1.6 Tcf** of gas (Gora: Siciny-2 **CoS 42%**)\*
    - **36 MMbbls** of oil (Nowa Sol: Jany-C1 **CoS 28%**)\*
- **210 Bcf** of additional **conventional** prospective resources\* identified with an average **CoS of 28%**
- Siciny-2 work programme commenced in October with frac and flow test results by year-end 2019
- Active New Ventures pipeline – Opportunities under review

\* Volume estimates in this presentation are from Netherland, Sewell & Associates, Inc, report entitled "Estimates of Reserves and Future Revenue and Contingent Resources and Cash Flow to the Gemini Resources Ltd Interest and Gross (100%) Prospective Resources in Certain Oil & Gas Properties located in the Nowa Sol and Gora Concessions Permian Basin, Onshore Poland as of May 1, 2019" (Report or CPR). The % CoS in the presentation has been estimated by Ansila's Management.

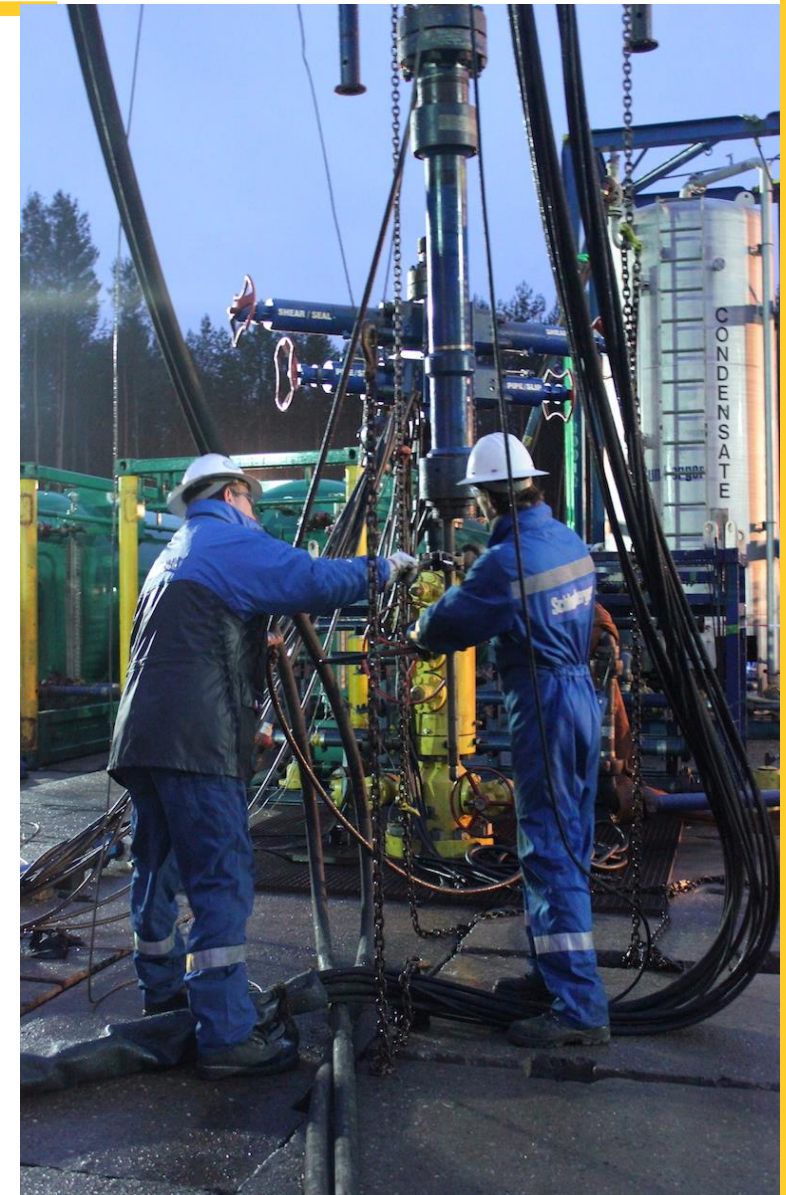


Photo: on location at Czesław, Nowa Sol

# CORPORATE DATA

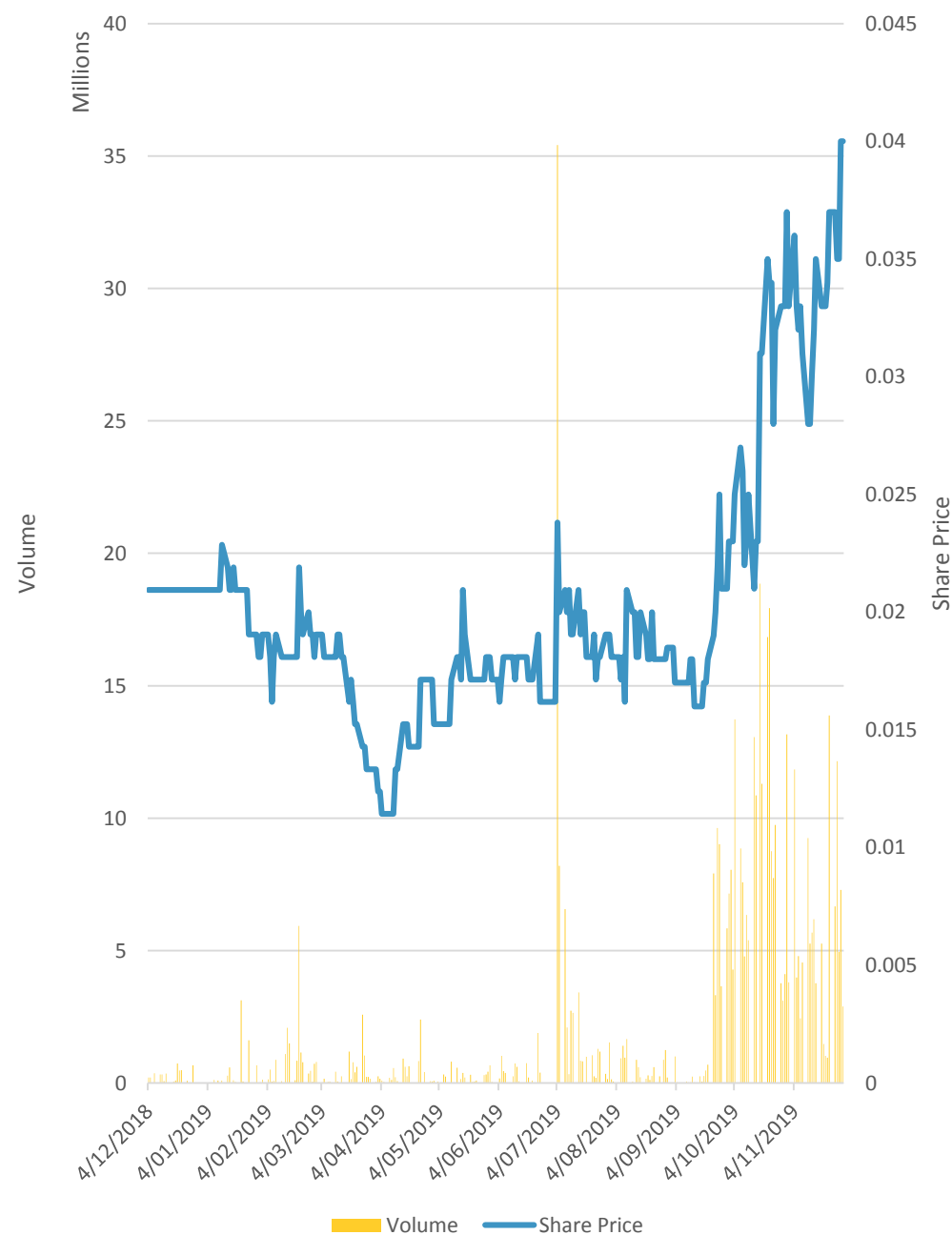
## Ansila Energy as at 28 November 2019

Market:	ASX
ASX Code:	ANA
Share price:	A\$0.04
<b>Total Ordinary shares</b>	<b>485,349,635</b>
Fully diluted share capital <sup>1</sup>	611,320,667
Market capitalisation	A\$16.4m
<b>Cash balance and cash equivalents*</b>	<b>~ A\$8.8 million</b>

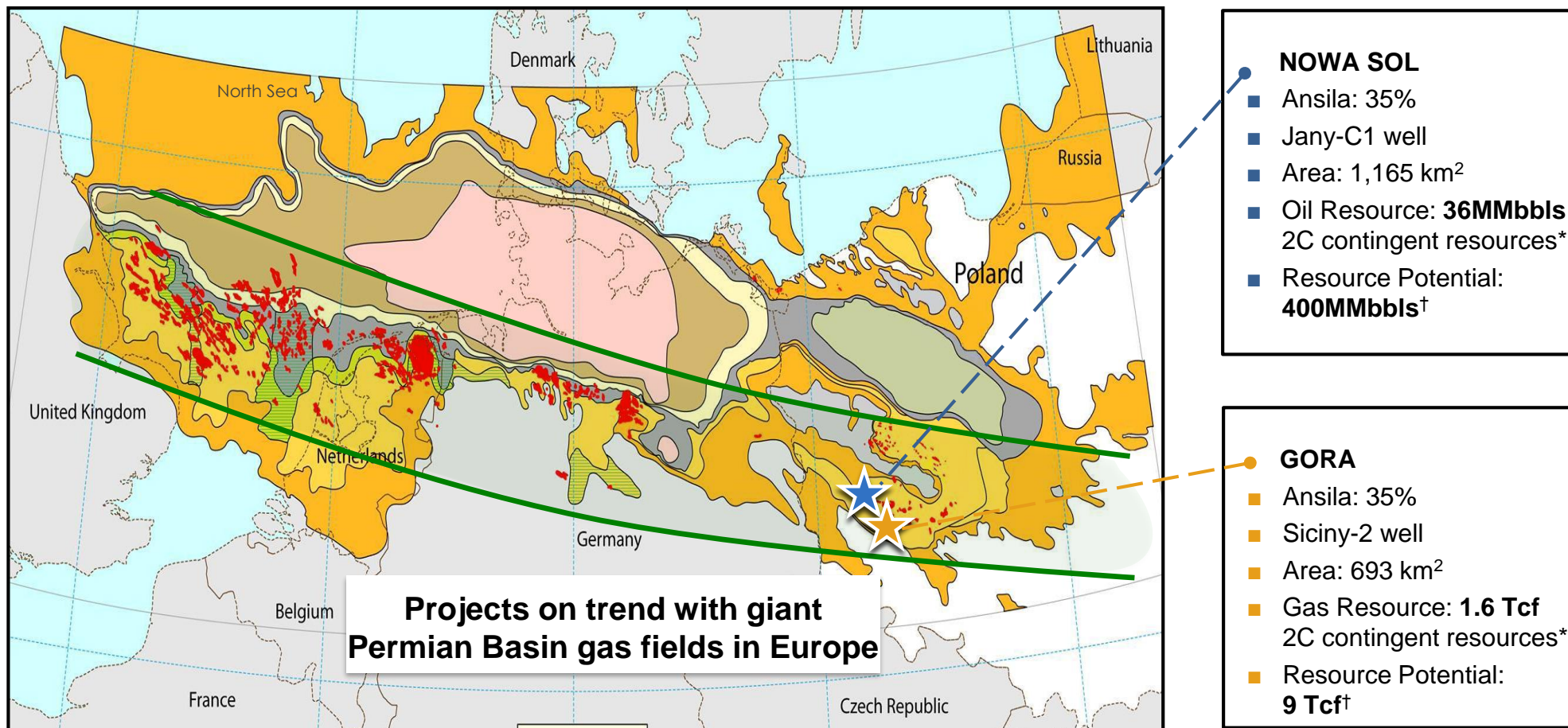
<sup>1</sup> Fully diluted share capital includes:

- 5,703,550 Partly Paid Shares
- 32,000,000 Options
- 88,267,482 Performance Rights

\* As at 15<sup>th</sup> October 2019



# EUROPEAN ONSHORE FOCUS AND PROJECTS

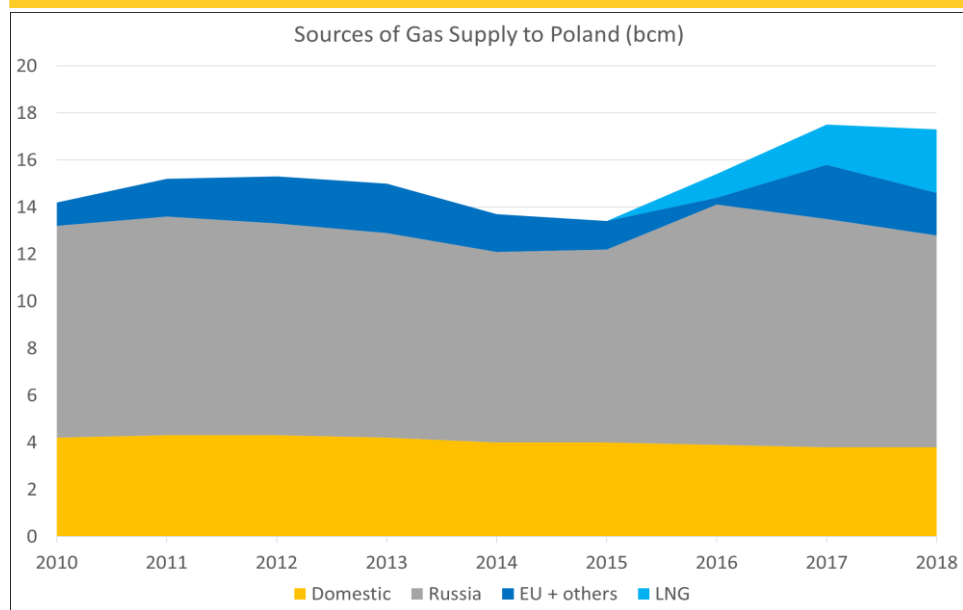


Map source: USGS

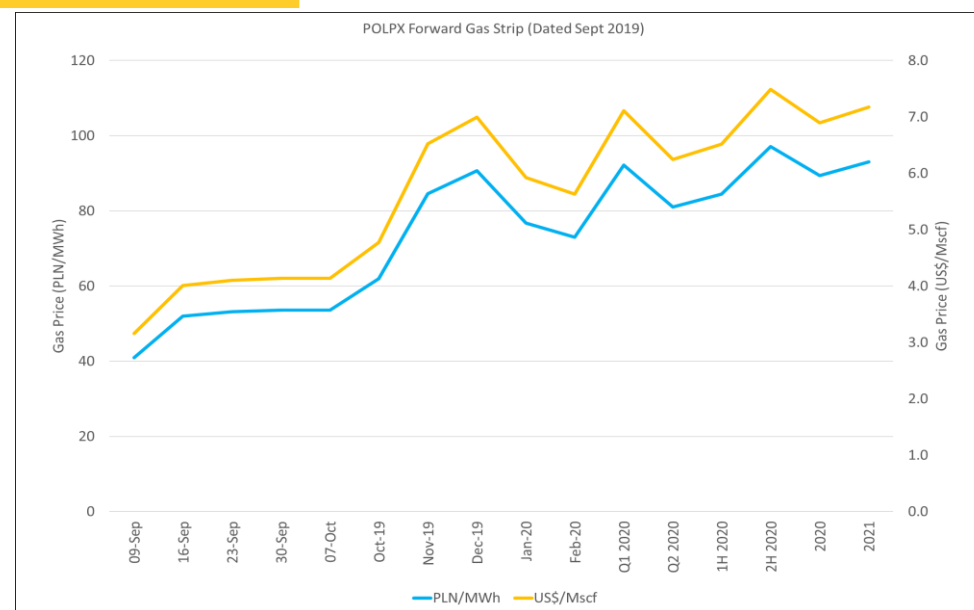
\* Netherland Sewell & Associates Report (CPR) – 1 May 2019

† Gemini Resources management estimates

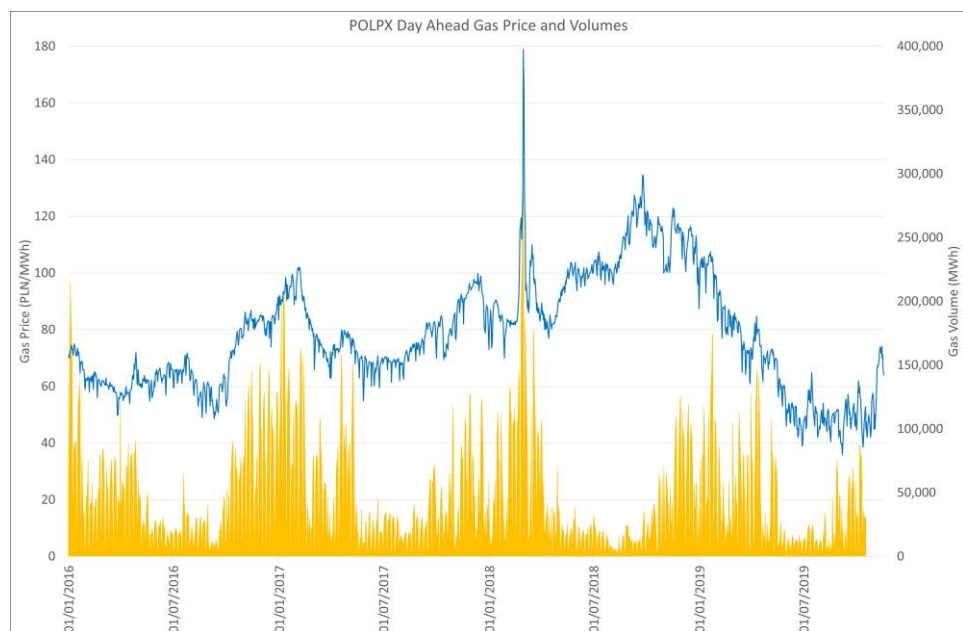
# POLAND GAS MARKET AND PRICING



Source: PGNiG



Source: POLPX Monthly Reports (Sept 2019)



Source: POLPX Monthly Reports (Nov 2019)

- Poland's energy consumption is heavily dependent on imports with gas demand growing strongly
- Security of supply and desire to reduce dependency on Russian gas imports is high on the political agenda
- Gas pipeline infrastructure is extensive and has spare capacity (Gaz System S.A. data at 31 Dec 2018):
  - Length – 10,743 km
  - Gas volume transmitted – **17.2 bcm** (607.2 Bcf)
- Seasonal gas pricing (day ahead) historicals between **\$4.6 per mscf** (summer) and **US\$10 per mscf** (winter)

# MULTIPLE NEAR-TERM WORKSTREAMS

Gora

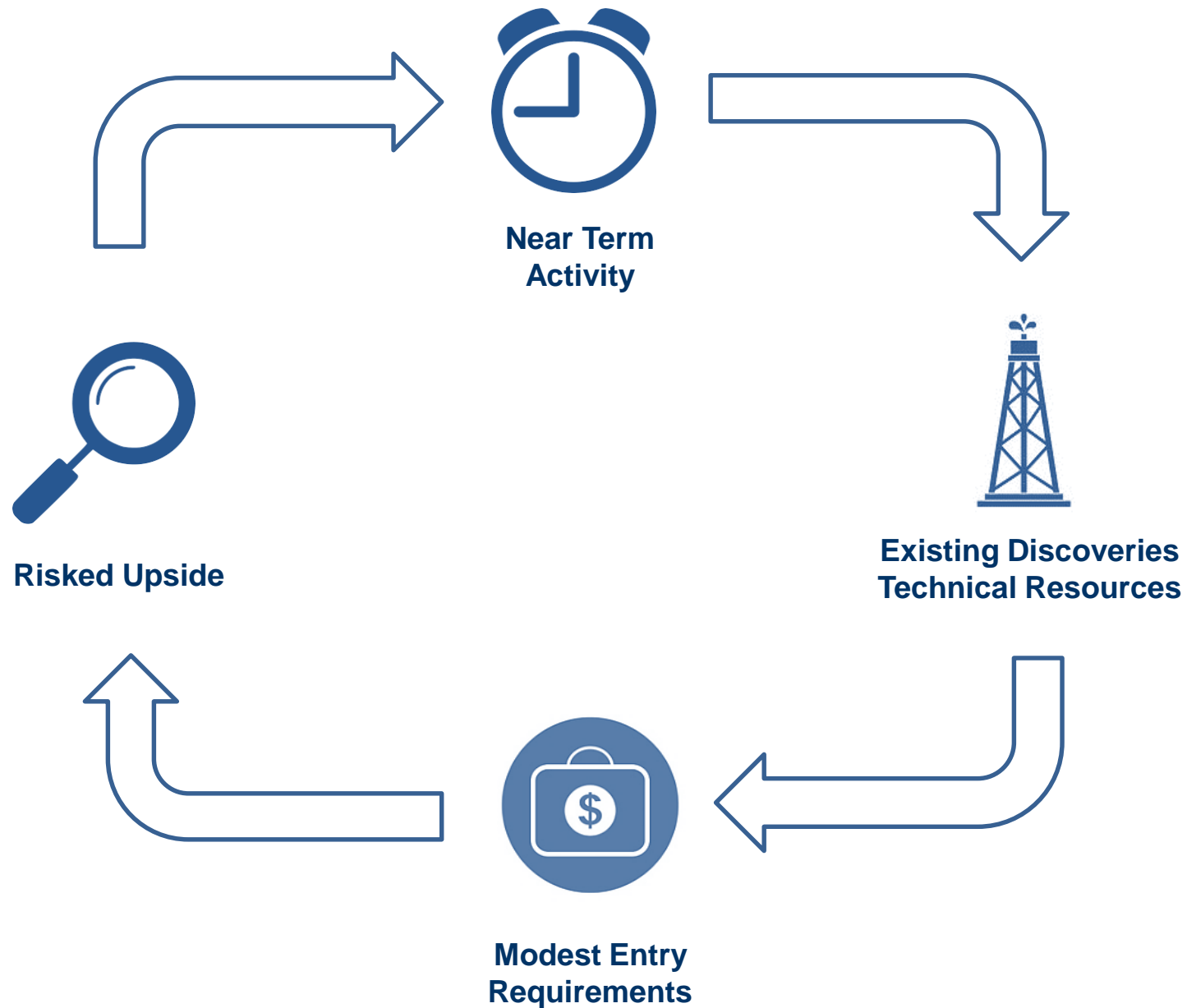
- **Technical review of Siciny-2 operations (Completed)**
  - Project control and audit
  - Frac design audit
  - Well test audit
- **Plan Ruchu – Ministry of Mines (Approved)**
- **Siciny-2 – 2C contingent resources evaluation (Underway)**
  - Conceptual field development plan
  - Feasibility and economic evaluation
  - Reviewed and audited by an independent consultant
  - Pending deliverable: NPV value per boe of 2C resources
- **Siciny-2 wellsite operations (Underway)**
  - Mobilisation
  - Well integrity logging and pressure testing
  - Wellsite construction
  - Hydraulic pumping and fracture stimulation
  - Well test and completion of operations
- **Acquisition and reprocessing of conventional 3D seismic data-set**
  - Refined conventional drill-ready prospect inventory

Nowa Sol

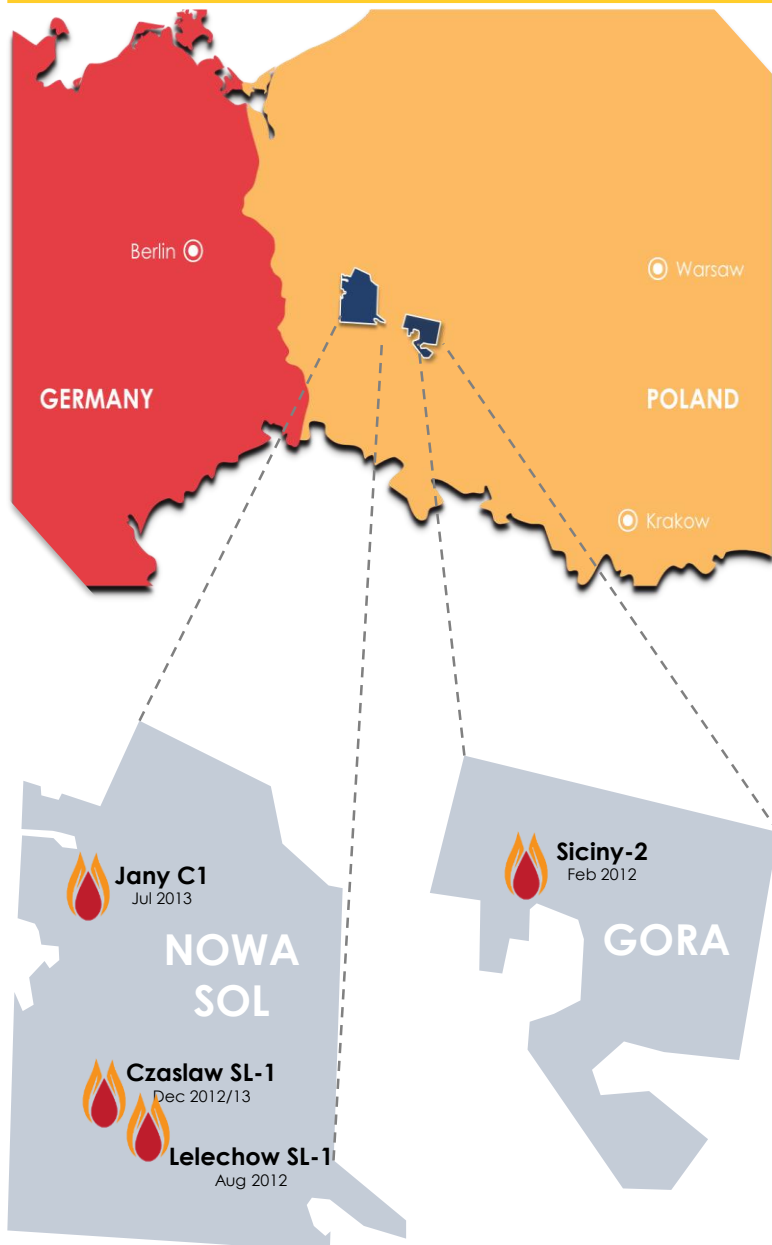
- **Jany-C1 – 2C contingent resources evaluation**
  - Work program designed to commence in Q2 2020
  - Completion within 12 months



MONTH	OPERATIONS
October	• Site preparation - <b>Completed</b>
12 November	• Install isolation valves/lower Frac Tree – <b>Completed</b>
25 November	• Mobilisation to wellsite - <b>Completed</b>
27 November	• Well clean out and install upper Frac Tree - <b>Completed</b>
28 November	• Perforation of Carboniferous reservoir - <b>Completed</b>
29 November	• Casing Integrity Log
December	• Two-stage hydraulic frac of the Carboniferous reservoir • Commence well test



# PROJECTS OVERVIEW



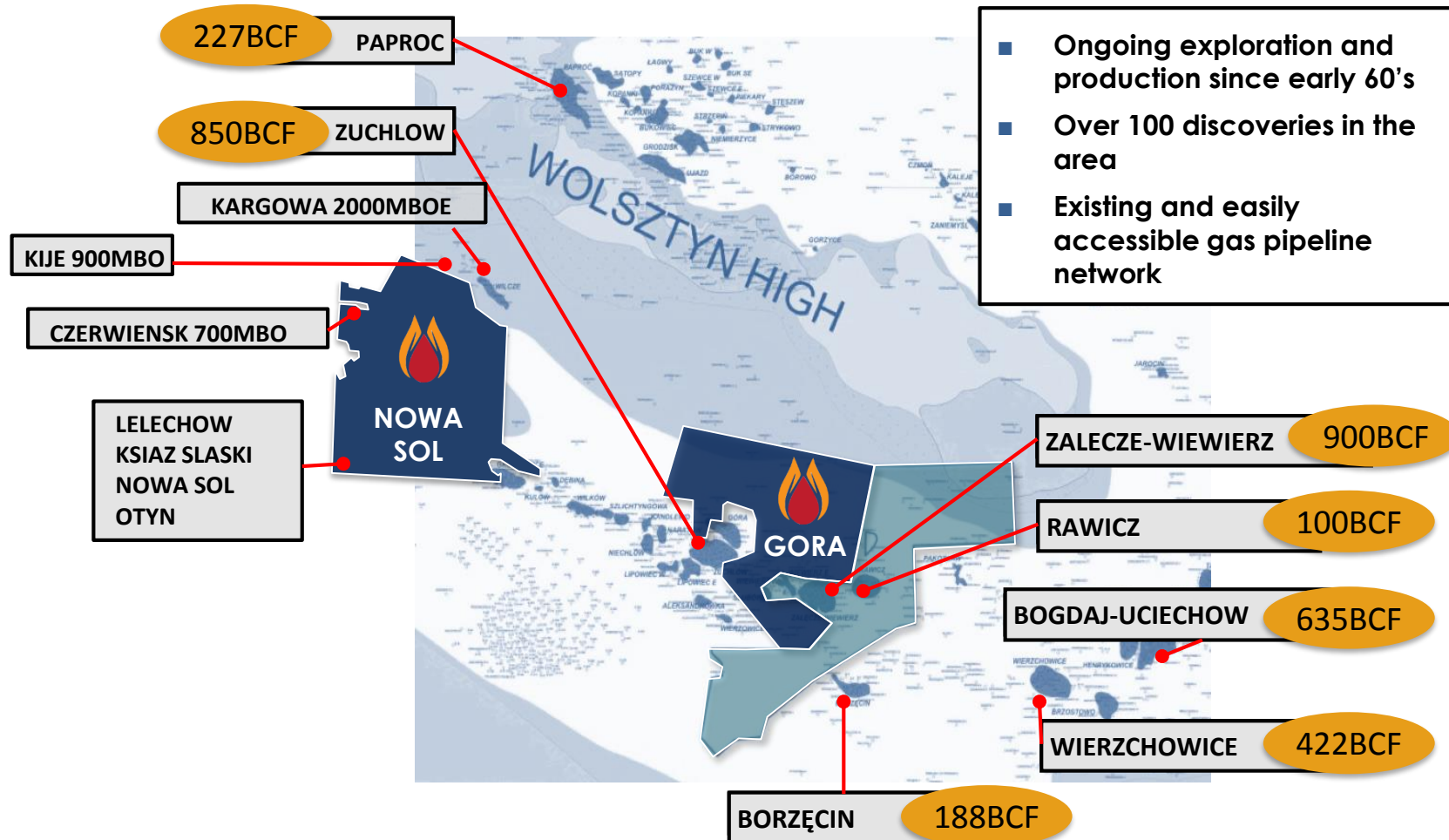
- **35% interest** in the Nowa Sol and Gora projects in the prolific Polish Permian Basin†
- Both licenses have recent discoveries and **multi-Tcf/MMbbls** potential
- Surrounded by Poland's largest gas fields with over **100 discoveries** in the area
- The assets were previously acquired from AIM listed San Leon Energy plc by Gemini Resources
- Pre-oil industry downturn (2014) LOIs from Halliburton and Transatlantic
- Netherland Sewell's CPR estimate a **large, single well 2C contingent resource** potential:
  - **Siciny-2: 1.6 Tcf** \*2C contingent resources (unconventional gas)
  - **Jany-C1: 36 MMbbls\*** 2C contingent resources (unconventional oil)
- **A\$45m** historic expenditure
- Low onshore drilling costs for additional wells
- Prime location with nearby infrastructure, refineries and services, 500m from gas pipeline
- Robust average gas pricing (>US\$6 per mscf) and favourable fiscal regime

†Farm-in excludes working interest in the Czaslaw SL-1 and Lelechow SL-1 wells

\* Netherland Sewell & Associates Report (CPR) – 1 May 2019

## ADJACENT FIELDS

Over 7 TCF of gas discovered in the Rotliegend in Poland



Source: PGI (Polish Geological Institute)

# GORA: SICINY-2 TARGETING GAS RESOURCES

- CPR estimate a 2C contingent resource associated with Siciny-2 well of **1.6 Tcf\*** of gas
  - 2C resource area covers 41.6 km<sup>2</sup>
  - Total Gora area is **693 km<sup>2</sup>**
  - Potential for this unconventional play to extend across entire license
  
- Siciny-2 well drilled in Q4 2011 - Q1 2012
  - Encountered **1,460m** of tight Carboniferous sandstone
  - **Mini-frac already carried out (Injection test)** analysis indicates good commercial potential through horizontal fracked development wells
  - Good and consistent gas shows throughout
  - Bottom 200m had average gas saturation of **71%** from log analysis

## Carboniferous Unconventional Gas Play

- CPR 2C contingent resource **1.6 Tcf\***
- Much larger target of up to **9 Tcf** potential if the play is proven up block-wide
- Surrounded by multiple large gas fields

Contingent Resources		1C	2C	3C
Siciny-2	Tcf	0.7	1.6	3.2

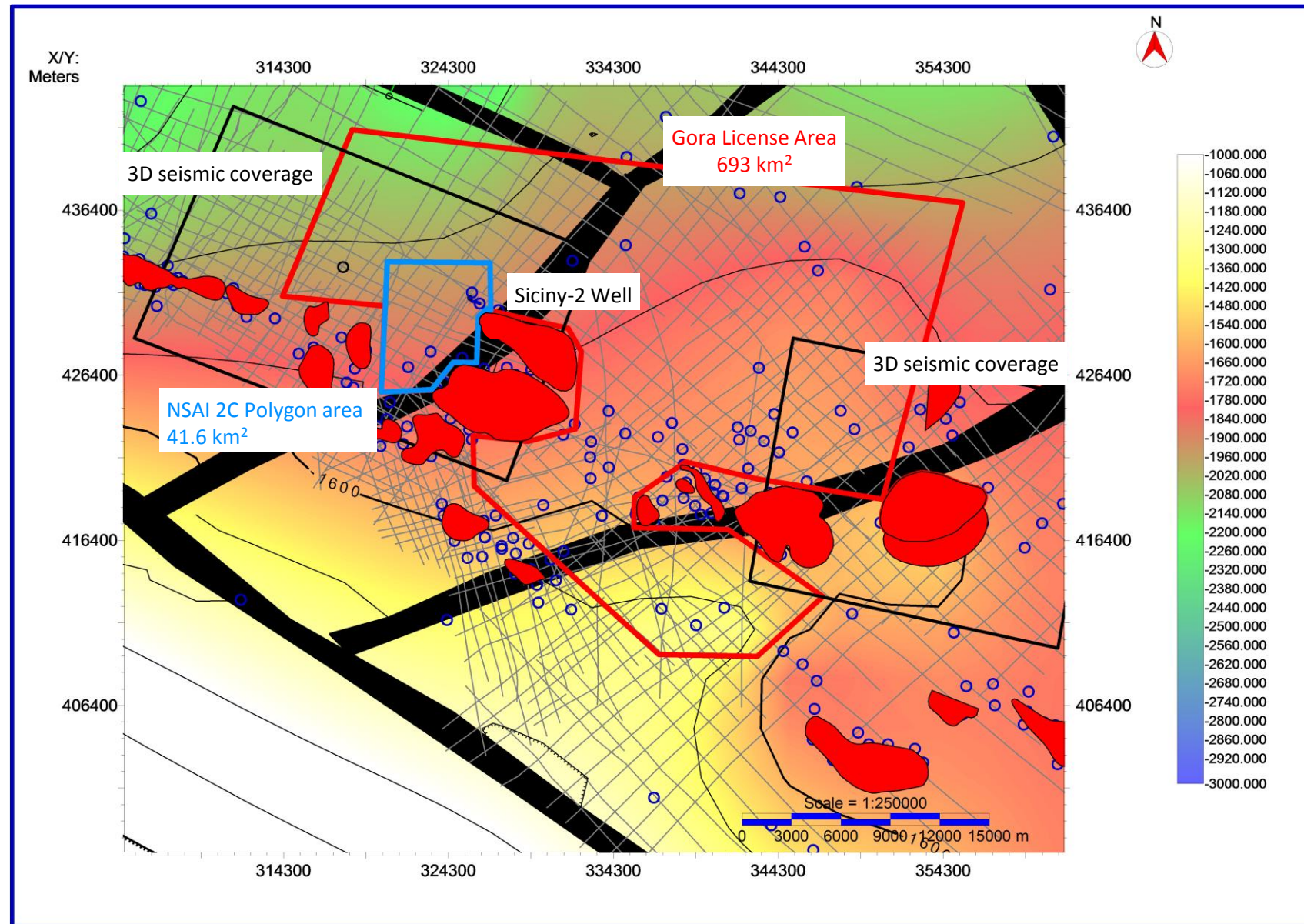
## Work Program Underway

- Re-enter well and perform **multi-stage** hydraulic frac
- Objective to prove **commercial** flow rate at well
- Frac and test operation to be finalised within Q4 2019
- **Budget A\$3.9 million<sup>1</sup>**

\* Netherland Sewell & Associates Report (CPR) – 1 May 2019

1. £2.15m converted at a rate of 1AUD:0.55GBP

# GORA: SICINY-2 TARGETING GAS RESOURCES



Map showing depth to Top Carboniferous from Well Data

# NOWA SOL: JANY-C1 WELL TARGETING OIL RESOURCES

- Jany-C1 well drilled in 2013 by copper company
- Entire section was logged in addition to recovering 45m of whole core
- Petrophysical analysis and core data indicate oil saturation with good shows during drilling
- FMI log interpretation indicates good fracture density and porosity in upper and lower fracture zones
- Due to well construction (target in Copper Shale) drilled with heavy mud
- 2D seismic implies no structural trap present
- Two open hole DST runs:
  - Short duration well tests returned oil and gas in drilling mud
  - Well test analysis indicates sufficient permeability for frac and commercial flow
- Two fields within the license have **historic oil production** from the main dolomite

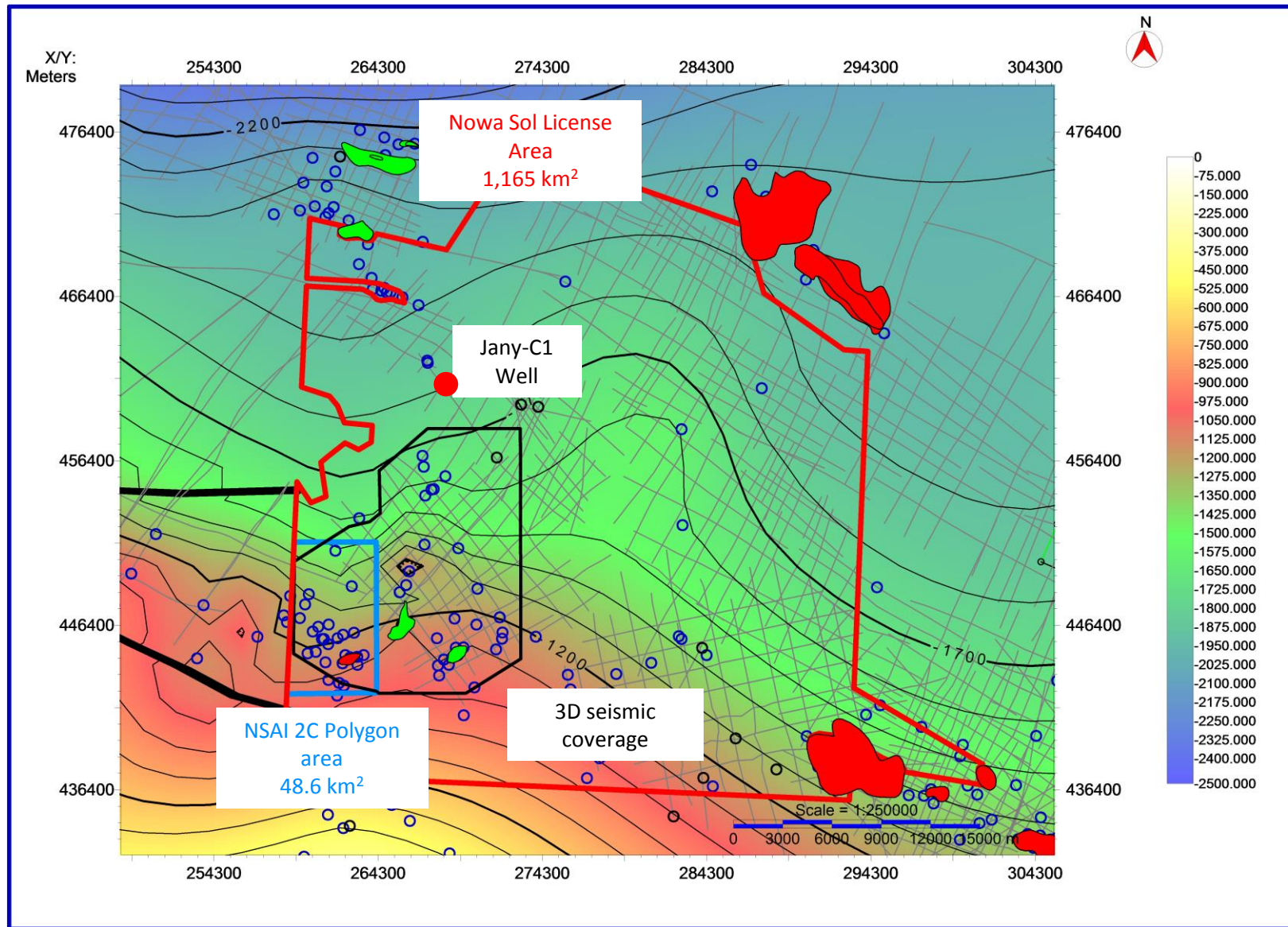
- Target: Mid-case **STOIP 238 MMbbls\*** oil in tight Dolomite reservoir with 2C contingent resources of **36 MMbbls\***
  - 2C resource area covers **48.6 km<sup>2</sup>**
  - Total Nowa Sol area is **1,165 km<sup>2</sup>**
- Numerous wells drilled through reservoir, finding ~40m tight oil dolomite between 1,100–1,800 metres depth
- Jany-C1 well likely drilled off-structure
- Jany-C1 to be re-entered, fracked and tested
- **Budget \$A2.25 million<sup>1</sup>**

Contingent Resources		1C	2C	3C
Jany-C1	MMbbls	9.3	36.1	85.8

\* Netherland Sewell & Associates Report (CPR) – May 1<sup>st</sup> 2019

1. £1.23m converted at a currency exchange rate of 1AUD:0.55GBP

# NOWA SOL: JANY-C1 WELL TARGETING OIL RESOURCES



Map showing depth to Top Main Dolomite from Well Data

- CPR estimate Rawicz North prospective resource of **110 Bcf**
  - Structure defined by 3D and 2D seismic
  - Reservoir, seal and charge proven in offset fields
  - Proven Rotliegendes gas fields in close proximity
    - Adjacent to Rawicz field (produced **100 Bcf**)
    - Close to Zalecze field (produced **900 Bcf**)
- Additional prospectivity
  - CPR estimates additional **100 Bcf** of prospective resources
  - Siciny-2 well has **21m conventional** gas pay in Rotliegendes with **16%** porosity
  - Addition prospects de-risked in success case
    - Total prospective resource **209 Bcf**
    - CoS from 42% to 24% (**average CoS 28%**)

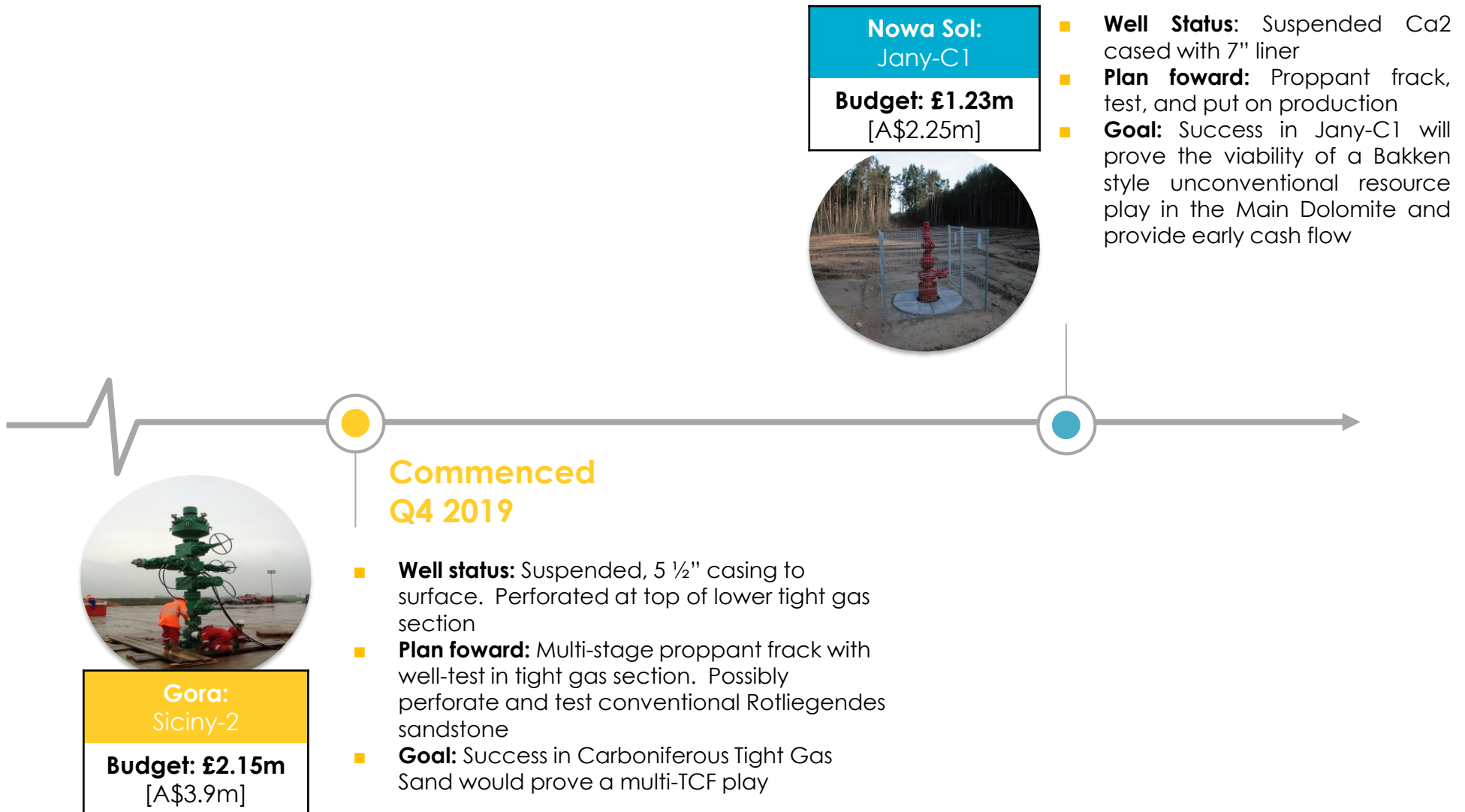
## Rotliegendes Conventional Gas Play

- CPR Prospective Resource **210 Bcf** (best estimate)
- Largest prospect **110 Bcf** with **24% CoS**
- Surrounded by multiple large gas fields
- Logged gas pay in Rotliegendes in the Siciny-2 well

Prospective Resources		Low	Best	High
Bronow	Bcf	16.0	21.4	28.1
Rawicz North	Bcf	80.1	109.7	148.8
Rawicz South	Bcf	37.8	51.8	70.4
Siciny	Bcf	9.5	13.1	17.8
Zuchlow West	Bcf	10.0	13.3	17.6
<b>TOTAL</b>	<b>Bcf</b>	<b>153.4</b>	<b>209.3</b>	<b>282.7</b>

\* Netherland Sewell & Associates Report (CPR) – May 1<sup>st</sup> 2019

# GORA AND NOWA SOL WORK PROGRAM



# CONCLUSIONS

- **Multi-faceted**, near-term appraisal work programme underway in Poland's Permian basin
- Designed to unlock potential **multi-Tcf/bbl** unconventional resource plays
- **Fully-funded** work programme to confirm the flow rates and commerciality of the Siciny-2 (Gas) and Jany-C1 (Oil) discovery wells
- Siciny-2 work programme **commenced in October** with frac and flow test results by year-end 2019
- **First results** expected by year-end on the Siciny-2 well frac and flow test
- Jany-C1 frac and flow test expected to commence in **Q2 2020**
- Additional **210 Bcf** of additional **conventional** prospective resources\* identified offering further upside
- Polish energy macro underpinned by **robust and growing energy demand** and reduction in Russian gas imports
- Success at Siciny-2 and/or Jany-C1 would have **transformational impact** for Ansila's shareholders
- Active New Ventures Pipeline – Opportunities under review

\* Volume estimates in this presentation are from Netherland, Sewell & Associates, Inc, report entitled "Estimates of Reserves and Future Revenue and Contingent Resources and Cash Flow to the Gemini Resources Ltd Interest and Gross (100%) Prospective Resources in Certain Oil & Gas Properties located in the Nowa Sol and Gora Concessions Permian Basin, Onshore Poland as of May 1, 2019" (Report or CPR). The % CoS in the presentation has been estimated by Ansila's Management.



Photo: on location at Czesław, Nowa Sol

# APPENDIX I - FISCAL TERMS & COMMERCIALISATION

## Robust Gas Demand

- Poland is heavily dependent upon oil and gas imports – particularly from Russia
- Seasonal domestic gas prices in excess of **US\$10 per mscf** during winter
- Recently established import terminal – Gas imported from USA

## Nearby Infrastructure

- Gas pipeline infrastructure is extensive and has spare capacity
- Gaz System S.A. transmitted 607.2 Bcf for (year to December 2018)

## Supportive Fiscal Terms

- Overriding royalty of 5% of net profits
- Government tax and royalty regime
  - Government royalties of:
    - 6% - conventional oil
    - 3% - unconventional oil
    - 3% - conventional gas
    - 1.5% - unconventional gas
  - Production tax of
    - US\$0.39 per bbl for oil
    - US\$0.19 per mscf for gas

## Indicative Development Scenarios

- Successful frack and flow tests will advance horizontal development programs for the two tight oil and gas plays

### Nowa Sol Tight oil play

- Horizontal wells with 16 stage fracks, with estimated 2C ultimate recovery per well of 384,000 barrels
- Indicative individual horizontal well cost of US\$7.1 million (base case estimate)
- 128 acre well spacing and 94 wells across 48.6km<sup>2</sup>

### Gora Tight gas play

- Horizontal wells with 16 stage fracks, with estimated 2C ultimate recovery per well of 8,240 MMCF
- Indicative individual horizontal well cost of US\$10.4 million (base case estimate)
- 160 acre well spacing and 192 wells across 41.6km<sup>2</sup>

## APPENDIX II – BOARD AND MANAGEMENT TEAM

### BEVAN TARRATT – NON EXECUTIVE CHAIRMAN

- Non Executive Chairman of ASX-Listed Protean Energy and Fenix Resources. Non Executive Director of ASX-Listed Jacka Resources
- Extensive experience in primary and secondary capital raising as well as corporate strategic consulting
- Over 20 years experience in accounting and broking firms

### DR ANDREW MATHARU – EXECUTIVE DIRECTOR

- 25 years experience across the oil & gas industry and equity capital markets
- Commenced career as a Petroleum Engineer with Chevron and Kerr McGee in the UK North Sea
- Experience gained in corporate advisory, equity capital markets, M&A and financing numerous small to mid-cap oil & gas companies
- VP Business Development at Tower Resources plc – corporate & asset M&A and capital raisings

### NATHAN LUDE – EXECUTIVE DIRECTOR

- Broad experience in asset management, mining and energy sectors
- Operates a corporate advisory firm which introduces capital and new management to public and private vehicles
- Previous and current roles include business development in a Canadian gas major, Non Executive Chairman of ASX listed Frontier Resources and Non Executive Director of ASX listed GTI Resources

### CHRIS LEWIS – TECHNICAL DIRECTOR

- Geophysicist and oil & gas professional with 25 years+ experience
- Experience gained with a spectrum of oil majors, small-mid caps, start-ups and consultancies
- Executive and board experience with geographical expertise in Africa, North Sea, CEE and Australasia
- Successful monetisation with Centric Energy, Lion Petroleum, ZETA Petroleum and Blackstar Exploration

## APPENDIX III: POLAND GAS INFRASTRUCTURE



Map source: Gaz System S.A.

## APPENDIX IV: LICENCE HISTORY

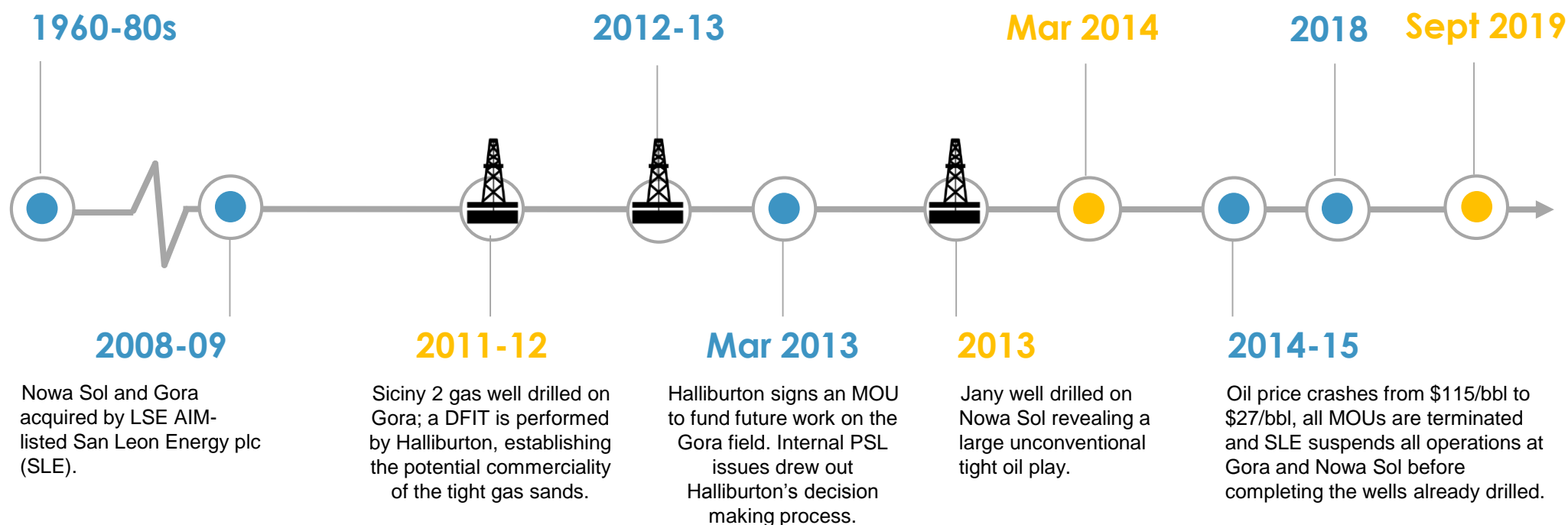
Over a thousand wells drilled by the Polish state proving the potential of the Polish Permian basin. Despite poor communist era seismic and drilling techniques, substantial production achieved.

Lelechow and Czaslaw oil wells drilled on Nowa Sol, finding oil in the Main Dolomite at Czaslaw.

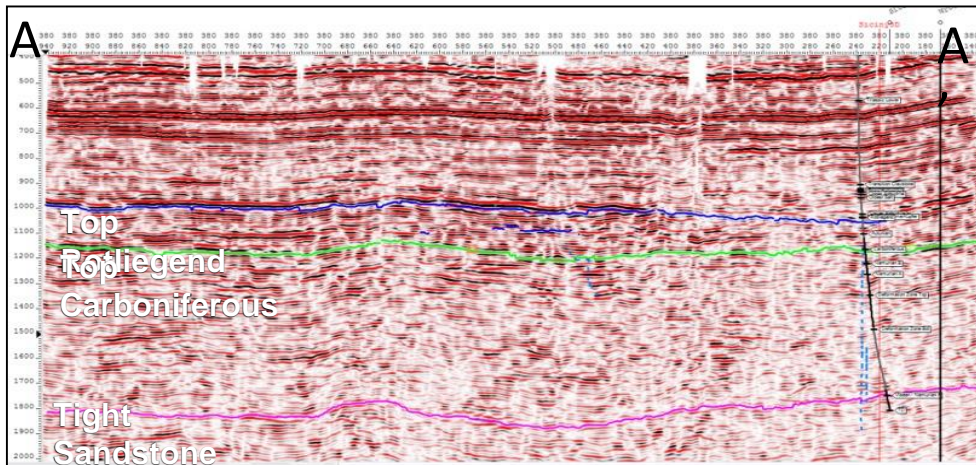
SLE enters into a MOU with Transatlantic Petroleum Inc for the farm-out of Nowa Sol and Gora.

Former SLE managers form Gemini and acquire 100% interest in both licences.

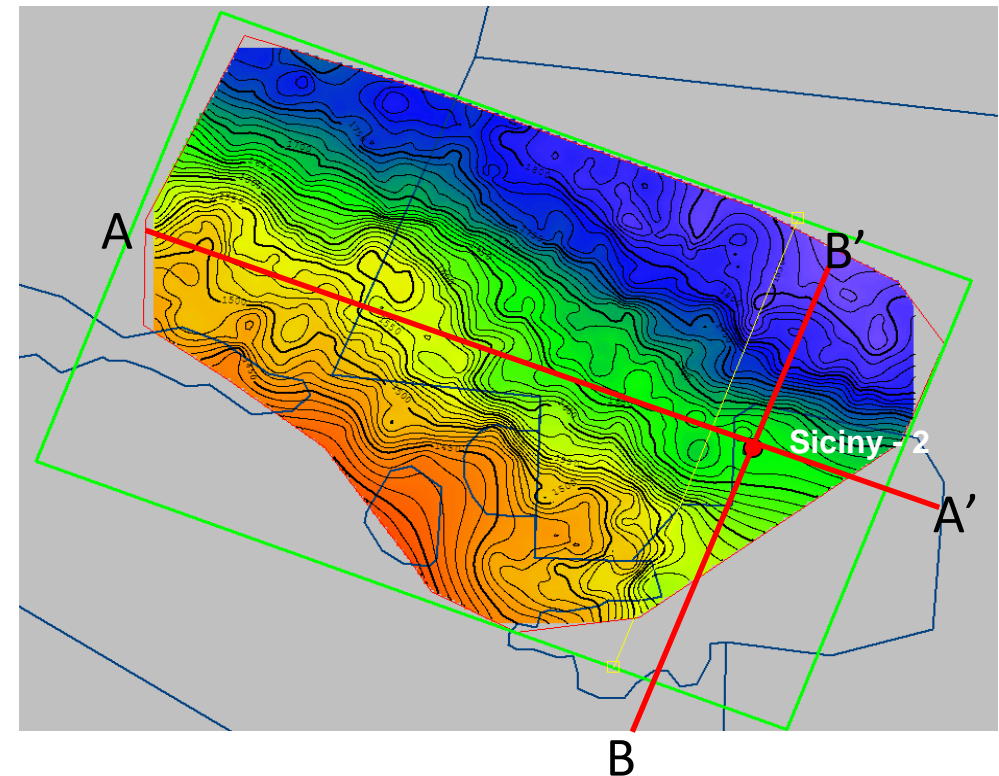
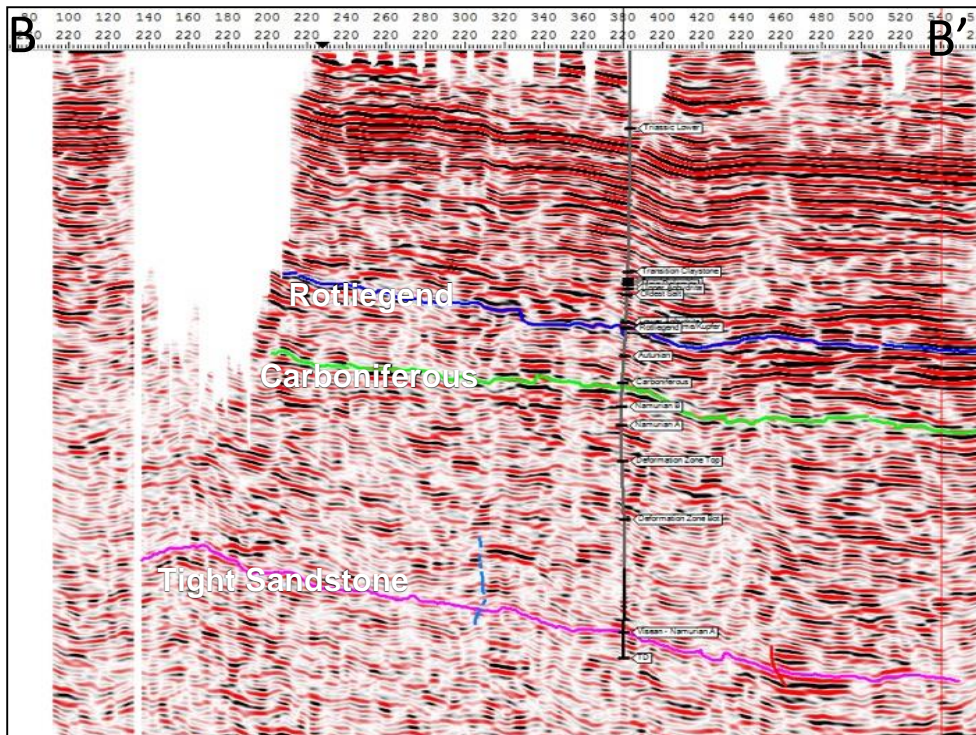
Gemini farm-out 35% in Gora and Nowa Sol licences to Ansila Energy for fully funded work programme



## APPENDIX V: GORA: SICINY-2 WELL



- Siciny-2 is on the flank of a very large anticline structure. Entire structure is not imaged by 3D
- Rotliegende fields are located at the top of the structure
- The area is covered with 3D seismic, however, imaging of individual layers in the Carboniferous is difficult



## ANNEXURE VI: RESOURCE ESTIMATE

Contingent Resources		1C	2C	3C
Jany-C1	MMbbls	9.3	36.1	85.8
<b>Ansila 35% Interest</b>		<b>3.3</b>	<b>12.6</b>	<b>30.0</b>
Siciny-2	Tcf	0.7	1.6	3.2
<b>Ansila 35% Interest</b>		<b>0.25</b>	<b>0.56</b>	<b>1.1</b>

Prospective Resources		Low P90	Best P50	High P10
Bronow	Bcf	16.0	21.4	28.1
Rawicz North	Bcf	80.1	109.7	148.8
Rawicz South	Bcf	37.8	51.8	70.4
Siciny	Bcf	9.5	13.1	17.8
Zuchlow West	Bcf	10.0	13.3	17.6
<b>TOTAL</b>		<b>153.4</b>	<b>209.3</b>	<b>282.7</b>
<b>Ansila 35% Interest</b>		<b>53.7</b>	<b>73.3</b>	<b>98.9</b>

- **Prospective Resources Cautionary Statement:** The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.