



Eneabba Gas Limited (ENB)

## **OCEAN HILL PROJECT**

**Perth Basin | Mid West Energy Player**

**NOVEMBER 2014**



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**Competent Person's Statement:** The information in this announcement related Contingent and Prospective Gas Resources to has been reviewed by Mr Mark Ballesteros (a Petroleum Geologist) who has over 30 years' experience in petroleum geology, geophysics, prospect generation and evaluations and project level resource and risk estimations. Mr Ballesteros reviewed this announcement and consents to the inclusion of the geological and engineering descriptions and any estimated hydrocarbon resources in the form and context in which they appear.

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 is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

This information in this announcement that relates to Mineral Resources has been compiled by Dierdre Westblade of Westby Consulting Pty Ltd, Western Australia. Dierdre Westblade is a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a competent person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Dierdre Westblade consents to the inclusion in the report of the matters based on this information in form and context in which it appears.



## INVESTMENT HIGHLIGHTS

- Eneabba to acquire Ocean Hill Block from Green Rock Energy (ASX:GRK)
- Ocean Hill to complement Eneabba's existing Mid-West energy projects
- Existing resource at Ocean Hill, including 360 BCF Contingent 2C Gas Resource (independently evaluated) with
- Commercialisation sought through application of modern drilling technology and completion techniques
- In discussions with Farm-in partners for 3D seismic and first well





## Pro Forma Capital Structure

Capital Structure	Ordinary shares
Shares on issue (ASX: ENB)	160,418,038*
Entitlements offer shares issued – offer closed 13 November 2014	27,116,447*
Entitlements offer shortfall shares to be issued by the underwriter (fully underwritten)	73,144,827
Shares to be issued for Ocean Hill acquisition (subject to shareholder approval)	40,000,000
<b>Total following planned acquisition</b>	<b>300,679,312</b>

\*Total shares currently on issue – 187,534,485

<b>Share price (24/11/14)</b>	<b>\$0.016</b>
Market capitalisation	~\$3.2m
Cash on hand (pre capital raising)	~\$1.6m

<b>Shareholders</b>	<b>%</b>
Top 5	35%
Top 20	60%
Management	7%

Currently there are no options on issue but it is anticipated that the underwriter, Cygnet Capital Pty Ltd or nominee will receive 15 million options exercisable at 2 cents each on or before 30 June 2017 as consideration for underwriting the current entitlements issue.



## Ocean Hill Block – Acquisition

- Green Rock is the Preferred Applicant to receive a 100% interest in L12-7 in the Perth Basin, containing the Ocean Hill-1 gas discovery (Ocean Hill Block).
- The Exploration Permit is expected to be granted once Native Title negotiations are completed (anticipated in coming months).
- Eneabba signed an agreement with Green Rock on 22 October 2014 to acquire the Ocean Hill Block subject to a number of conditions, including due diligence and ministerial approval.
- Potential farmout discussions are ongoing with a number of parties in conjunction with Eneabba and Green Rock.
- Acquisition terms:-
  - Upfront payment of \$30,000 on signing of binding agreement (already paid);
  - Cash payment of \$300,000 (payable upon grant and transfer)
  - 40,000,000 million Eneabba shares (to be issued upon grant and transfer); and
  - Eneabba to pay applicable native title costs to a maximum of \$75,000





**ENEABBA GAS LIMITED**

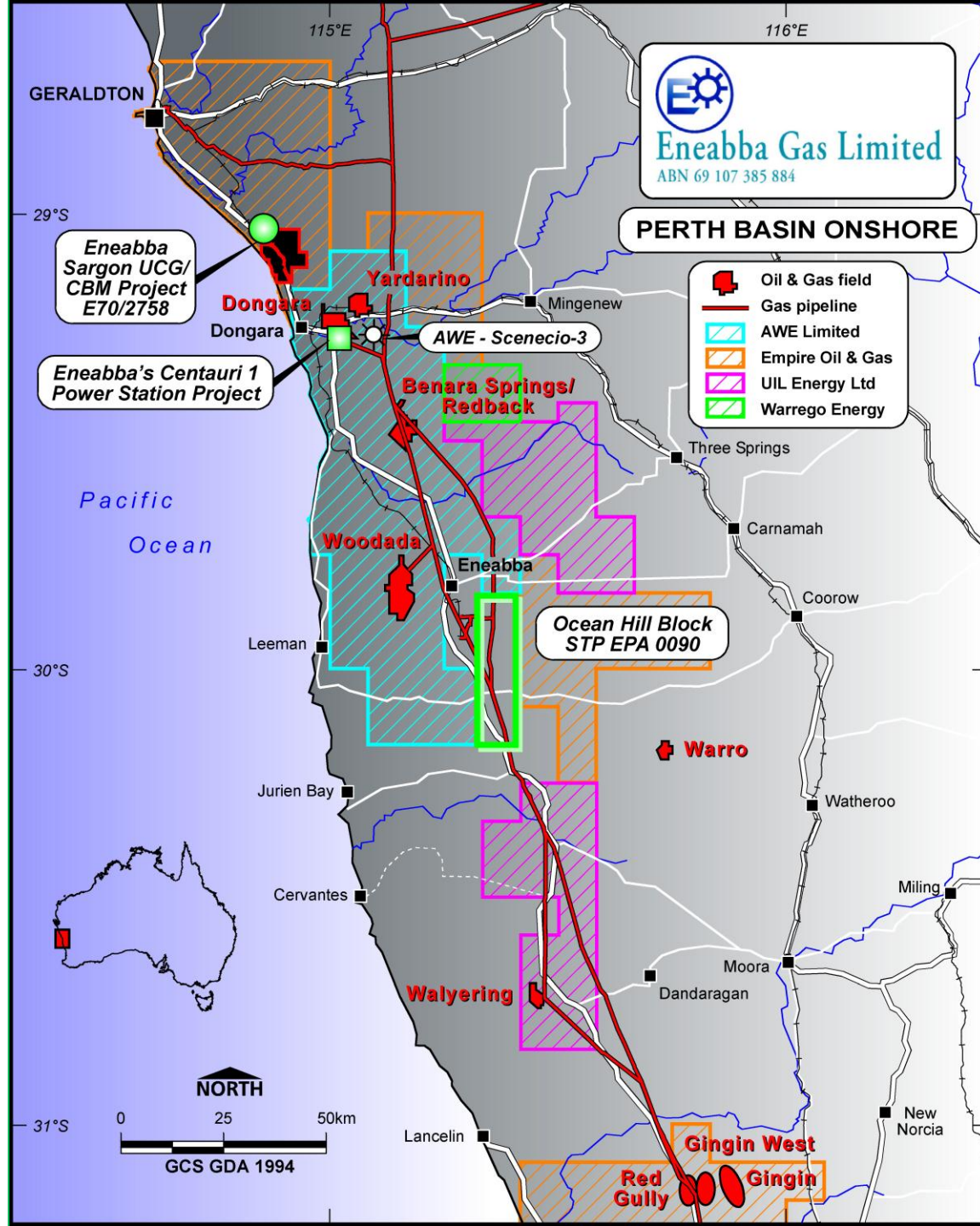
ABN 69 107 385 884

- The Ocean Hill Block is located in the Northern Perth Basin
- Total area of 297km<sup>2</sup>
- Approximately 90km SE of AWE's Scenecio well
- In close proximity to Eneabba's:-
  - 168MW 'Centauri-1' concept power station (on company owned land)
  - 'Sargon' UCG coal resource (205Mt indicated & inferred)
  - The Dampier to Bunbury pipeline runs through the Ocean Hill Block

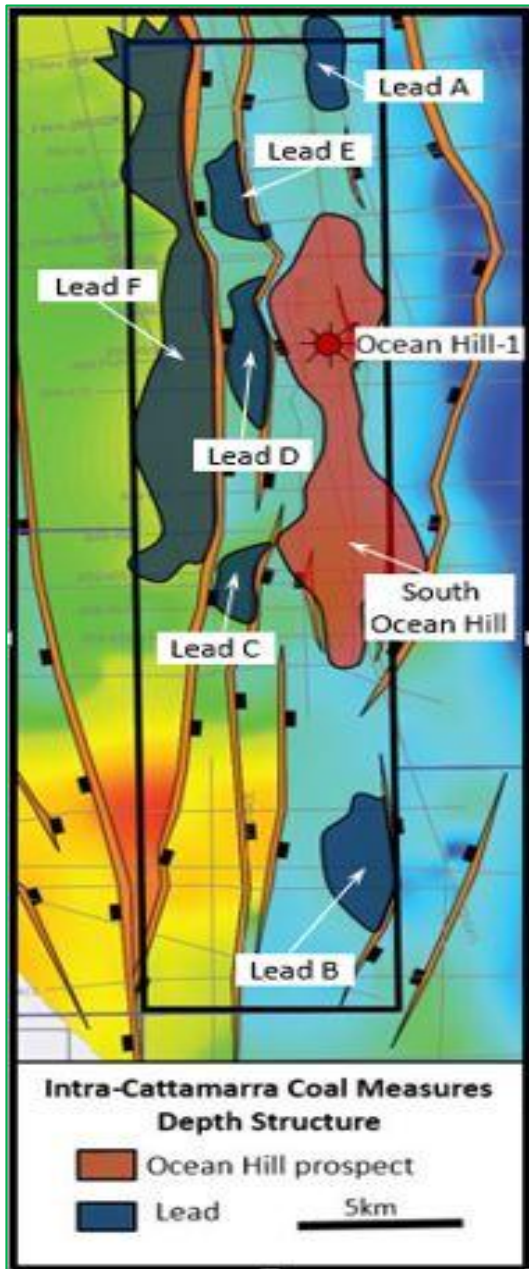


**Eneabba Gas Limited**

ABN 69 107 385 884



## Ocean Hill Block



*Ocean Hill Block Prospects and Leads*

- The Ocean Hill-1 well was drilled overbalanced in 1991 and tested a substantial structure within the Ocean Hill Block with gas flows of 700 mcfpd.
- Drilled to a total depth of 3,840m within the Jurassic Cattamarra Coal Measures (CCM) and encountered over 800m of gas shows within the Cadda Formation and CCM.
- Proves active Jurassic petroleum system in area and the Cattamarra Coal Measures are considered the most likely source.
- Upper Cattamarra not considered to have liquid potential (condensate), but lower CCM may.
- Multiple stacked reservoirs show intra-formational seals are effective.
- Similar geology noted to the Gingin gas field where Empire Oil & Gas' Red Gully Gas Project recently commenced production.



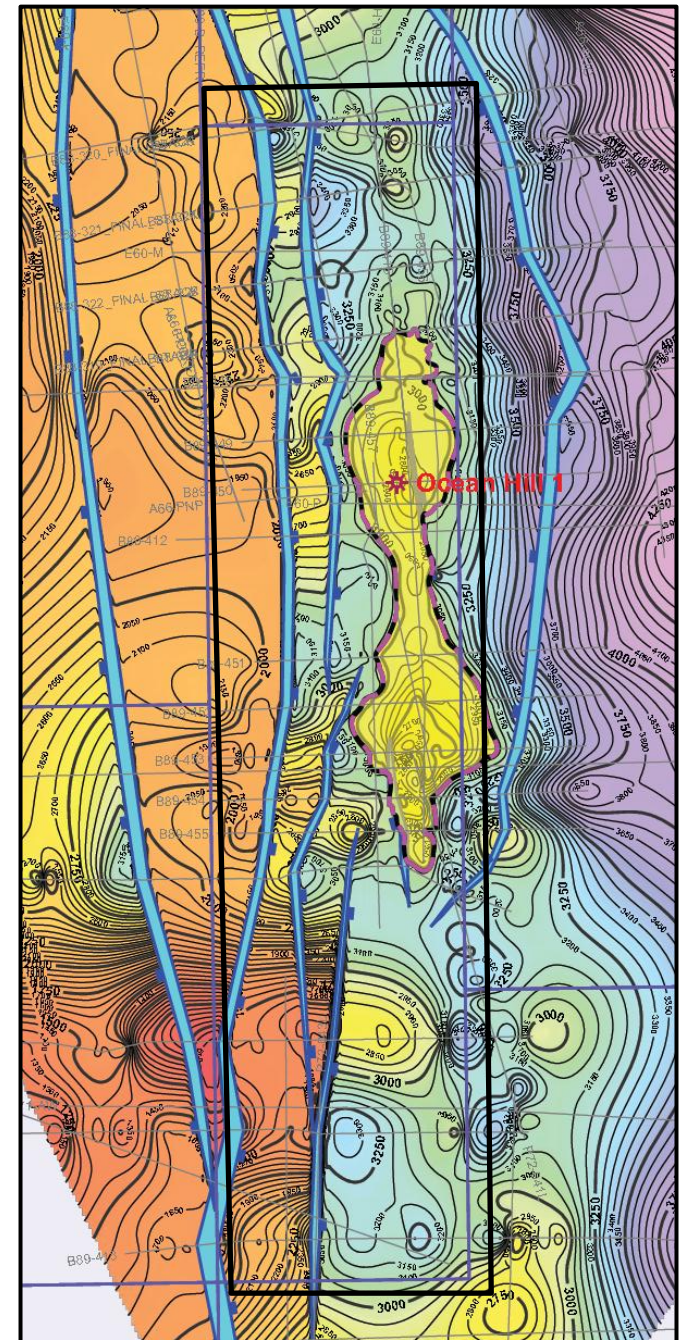


## Contingent Resource Summary

- Independent resource assessment done by DeGolyer & MacNaughton indicates undetermined contingent resources as follows:

	Gross Separator Gas (Bcf)		
	1C	2C	3C
Undetermined	<b>25</b>	<b>360</b>	<b>796</b>
	Gross Condensate (Mbbl)		
	1C	2C	3C
Undetermined	<b>145</b>	<b>1,181</b>	<b>2,559</b>

- Note that these figures apply to Northern Culmination Only.
- Southern Culmination (South Ocean Hill prospect) considered prospective resource.

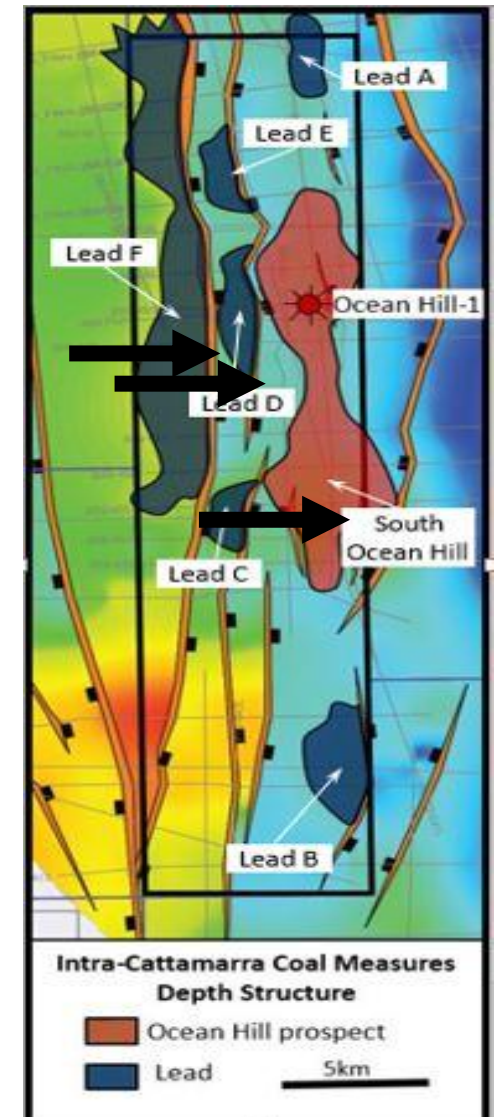




## Prospective Resources

- Prospective Resources have been evaluated by DeGolyer & MacNaughton for three structures only (Lead D, Lead F and South Ocean Hill):

		Low Estimate	Best Estimate	High Estimate	Mean Estimate
Gross Prospective Raw Natural Gas resources		<b>557</b>	<b>809</b>	<b>1,155</b>	<b>839</b>
Gross Pg-Adjusted Prospective Raw Natural Gas resources					<b>230</b>





## Eneabba's existing energy projects







## Centauri-1 Power Station Project

- The proposed 168 MW Centauri-1 Power Station is to be constructed on Company owned land and will support the growing demand for power in the Mid West region
- Eneabba owns 4,666 acres of land in regional W.A which is surrounded by infrastructure; a main highway on one boundary, high speed fibre optic cable, power, rail and ports, plus a natural gas pipeline (APA Parmelia) running through the land
- The Company has previously secured all other necessary planning approvals to construct and operate the power station, being a generation licence (Economic Regulation Authority (“ERA”)) and environmental approvals (Environmental Protection Authority (“EPA”))
- Eneabba is one of the only energy companies in Mid West W.A to receive ALL approvals for development of a power station



## Sargon Coal Project (UCG / CBM)

- Sargon Tenement coal resource is highly prospective for underground coal gasification (UCG) to produce synthesis gas (“syngas”) which could supply feedstock to Eneabba’s Power Station. Initial energy yield is equivalent to power needs of over 100+ years of fuel supply
- Resource is in close proximity to the Power Station site
- Independent analysis by Xenith Consulting confirms a JORC indicated and inferred coal resource of 205 Mt, with in-situ energy yield of 3,280 PJ\*
- UCG process would produce feedstock at a significantly lower cost than traditional methods with savings passed on to end power users
- Potential to produce liquid fuel through Gas-to-Liquids (“GTL”) process using UCG/CBM syngas or via direct liquefaction using stand-alone UCTL process
- Currently exploring opportunities for funding at project level

\* Results released to ASX on 27 November 2012





## Current Board of Directors

### **Thomas Goh– Non Executive Director**

Mr Goh co-founded Eneabba Gas Limited in 2004 and was responsible for securing approvals to construct the Centauri-1 power station. Mr Goh holds a B.Sc. Degree in Mathematics (University of Singapore) and has acquired years of extensive experience in the petroleum exploration industry through working with seismic contractor companies (in Singapore), a major international oil company and an Australian group of companies.

### **Morgan Barron– Non Executive Director**

Mr Barron is a qualified Chartered Accountant who has worked in various corporate roles both in Australia and Europe. Mr Barron is currently a director of ASX listed Integrated Resources Group Ltd. Mr Barron provides a strong commercial, financial and management background.

### **Greg Allen– Non Executive Director**

Mr Allen currently serves as Chief Operating Officer at Carnegie Wave Energy Limited, an ASX listed clean technology developer. Mr Allen has over fifteen years of experience across a range of technology, power generation and engineering related industries. He has held senior management and executive responsibility for operational, business development and administrative functions at energy and engineering organisations.

### **Barnaby Egerton-Warburton – Proposed Director**

Mr Egerton-Warburton holds a Bachelor of Economics and is a graduate of the Australian Institute of Company Directors (AICD) and a member of the American Association of Petroleum Geologists (AAPG) and is currently a Director of Otis Energy Limited (ASX : OTE) and a Non–Executive Director of Green Rock Energy Limited. Mr Egerton-Warburton has over 20 years of trading, investment banking experience with a focus on the energy and resources sector.



## Contacts

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