



World Oil Resources Ltd

2014 AGM PRESENTATION

Until the name change has been approved at the Annual General Meeting on 27th November 2014 and the relative forms lodged with ASIC, the company will continue to operate as World Oil Resources Limited.



ANNUAL GENERAL MEETING

NOVEMBER 2014



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Abilene Oil and Gas > Introduction



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<ul style="list-style-type: none">> Welch-Bornholdt Wherry project> Central Kansas Uplift project> Mt Lookout project> Klick Oil Project> Kinsley project> Brazil	



- > **Mathieson Family launched a takeover in March 2013;**
- > **Board & management changes in April-July 2013;**
- > **Legacy issues were dealt with:**
 - > Contractual liabilities with various service providers closed out;
 - > Cost base dramatically reduced;
 - > Relationship with operator in USA repaired;
 - > Brazilian assets were de-prioritised;
 - > Corporate obligations are being finalised.

... restructured to created a solid base



Abilene Oil and Gas > Restructured

THE TEAM



Paul Salter | *Non Executive Chairman*

Joint founder and Managing Director of MAP Capital Advisors and Chief Executive Officer of MAP Capital.

Corporate finance expertise



Mordi Benedikt | *Non Executive Director*

Mordechai Benedikt is an experienced businessman who has an extensive background in food imports. In addition, he is active in export trade to Asia. More recently, Mr Benedikt has been involved in the Melbourne commercial property market and public sector.

Commercial and operational expertise



Peter Best | *Executive Director*

Peter Best has over 30 years experience in the Oil & Gas industry, working as an exploration geophysicist, sell side analyst at Credit Suisse in Australia, Hong Kong and Canada, and as a hedge fund oil research analyst.

Oil & Gas expertise



**Melanie Leydin
Justin Mouchacca**
| *Company Secretaries*

As principals of Leydin Freyer Corp Pty Ltd, both are highly experienced in providing financial and company secretarial services to junior Oil & Gas explorers listed on the ASX.



Craig Mathieson | *Non Executive Director*

Craig is currently Managing Director of the Mathieson Group which was established in 2007 after family sold their interests in their glass manufacturing business to CSR. The Mathieson Group, as well as oil and gas interests, has a diverse range of interests in property, retail and other mining interests.

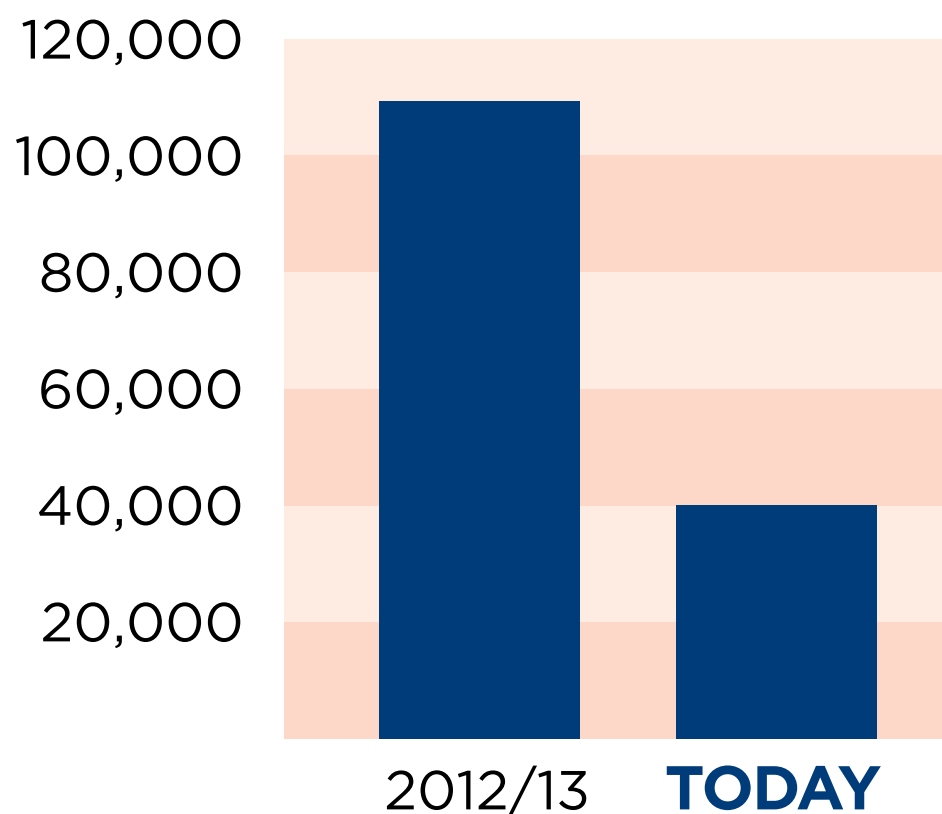
Corporate finance expertise



THE COST RESTRUCTURE SAVINGS

- › Reduced management cash salaries & entitlements; (\$150,000)
- › Focused expenditures on USA assets (\$250,000)
- › Reduced external service providers; (\$75,000)
- › Relocated offices (\$120,000)

AVERAGE MONTHLY CORPORATE COSTS





THE CORPORATE VEHICLE

> To be renamed:

- > Abilene Oil & Gas
- > Proposed ticker ABL
(Date to be confirmed with ASX)

> Share consolidation:

- > 20:1
- > Float now 65 m shares

> Recapitalised:

- > Rights issue recently completed
- > Renewed share placement capacity



> Focused on low risk and high return oil prospects in Mid West States of USA (in particular Kansas)

- > Prospects have smaller reserves, lower production rate and high water cut
- > But low acreage costs, low drilling costs and low tax take allow high project returns
- > Discovered barrels have high netback and high NPV/BBL

> Three part strategy

1. **Production:** Build production base to cover operating costs and allow funding of basic program
2. **Build to sell:** build and mature large acreage packages that can be sold or partly sold to realise incremental value
3. **Exploration:** acquire and drill higher risk / higher return packages to target larger reserve adds

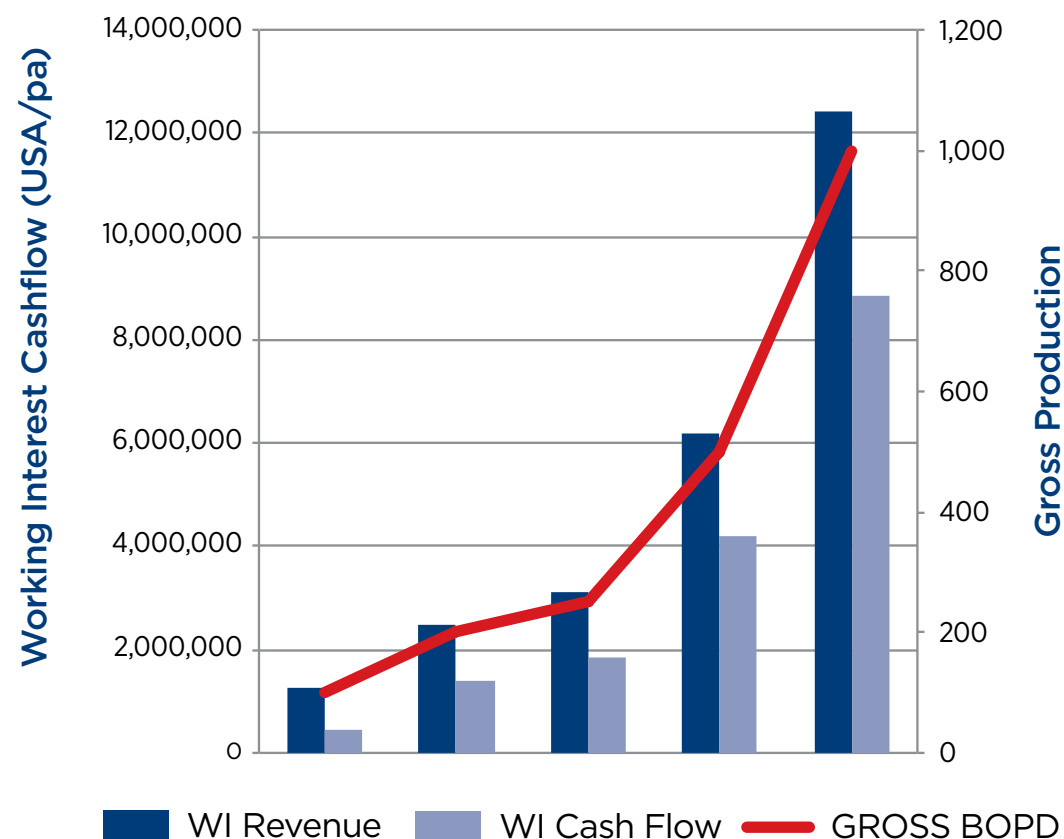


GOAL: TO BUILD GROSS PRODUCTION BASE OF 250 – 1000 BOPD

- Production rate 250 bopd provides US\$155,000 per month project cashflow – enough to fund overheads plus some exploration
- Production rate 1000 bopd US\$738,000 per month project cashflow – enough to fund active drilling campaign

Assumptions:

- Based on WTI \$85,
- 20% landholder royalty,
- \$10/bbl opex and
- 9% severance tax,
- fixed cost base of US\$480k per annum



GOAL: TO BUILD GROSS PRODUCTION BASE OF 250 – 1000 BOPD

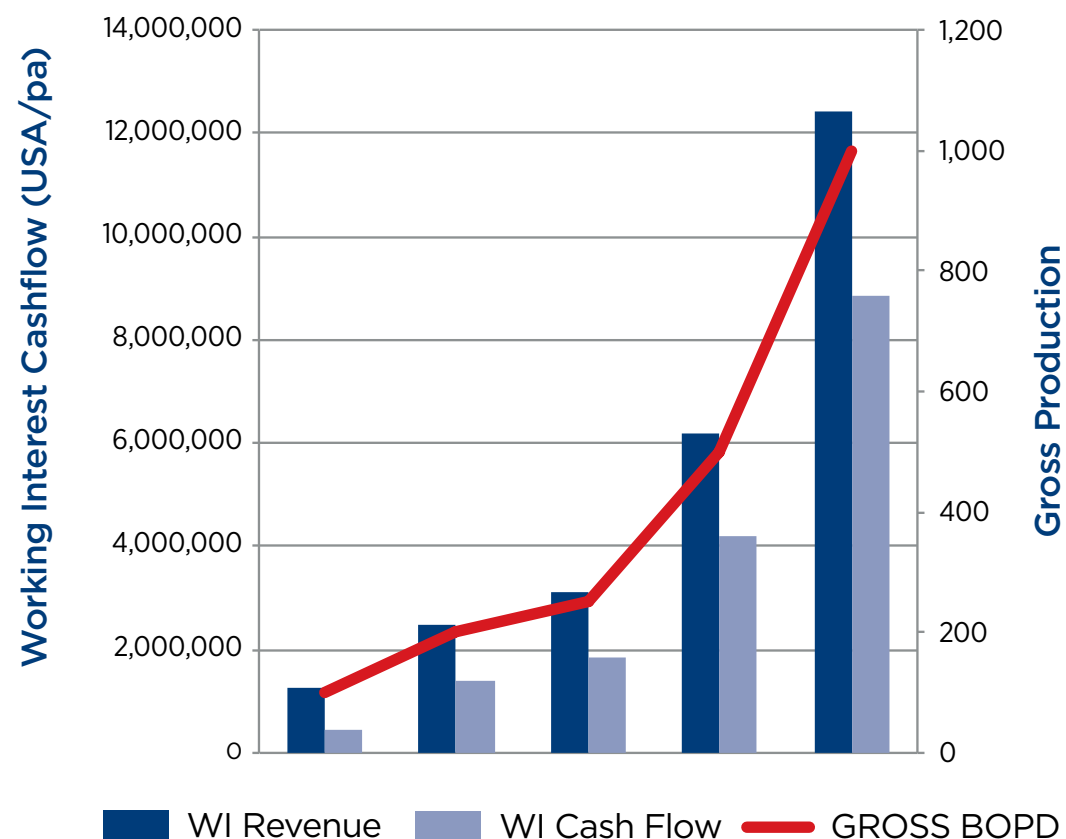
Current producing assets:

- > Klick (equity 49.2%): currently producing at 25 bopd¹ after new compressor installed
- > Kreihbel - dedicated SWDW facility installed with production rates to be advised soon.

Production base:

- > Fund company overhead from cashflow
- > Provide capital to fund land acquisition, seismic acquisition and drilling
- > Possible payout to shareholders in longer term as asset base matures

Source: 1 CMX, Inc. who is the operator of the Klick well and provides historical results





> **Goal:**

- > Acquire acreage on low per/acre basis
- > Sell at premium on: per/location, per/barrel or per/bopd basis

> **Three stages:**

1. Capture large acreage position
 2. Define and de-risk drilling location inventory (via 3D seismic and drilling)
 3. Realise asset value with low capital exposure.
- > Options are:
 1. Project self funding for production growth
 2. Farmout for cash and drill carry
 3. Asset sale on reserves or production basis to producer or MLP



> Abilene is involved in two of these projects

- > Lodestone: up to 15,630 acres in central Kansas uplift (49% WI)
- > Welch Bornholdt Wherry (WBW): 13,000 acres in (50% WI)
- > Each project has locations that that are ready to drill
- > Locations have attractive economics based on pre-drill assessments of drilling cost, potential EURs and potential production rates

Project

NAME	Lodestone	WBW
ACRES	15,630	13,000
ABL %	49	50
Maximum Net Acres	7,659	6,500
Potential Locations	64 ¹	36 ²

Note: the Lodestone project has ownership of 5,077 acres and an option over a further 10,555 acres

Source: 1 CMX, Inc. who is the operator of the Lodestone project.

Source: 2 CMX, Inc. who is the operator of the WBW project





> **Mount Lookout (Clark County) – 50% exposure in 1200 acre exploration prospect**

- > Viola dolomite prospect defined by 3D seismic
- > 3D seismic completed with circa \$400k well to be drilled Q4
- > Possible additional locations on success case

> **Ongoing technical evaluation for new areas**

- > As funding becomes available will assess opportunities to acquire further higher risk exploration acreage
- > Emphasis will be on low entry cost and ability to scale up acreage size



> **Drilling: up to 15 -17 wells drilled by YE 2105**

- > Expect 10 wells Lodestone through 2015
- > Expect 4 -6 wells at WBW, subject to funding
- > Expect 1 well Mount Lookout

> **Funding: evolution to self funding**

- > Currently funded through initial Lodestone option and four wells
 - > Could require incremental funding for options 2 and 3 and additional wells
- > Farm out processes to begin
 - > Target farm out WBW for cash and carry in 4 wells described above
 - > WBW possibly source of capital



Abilene Oil and Gas > Summary



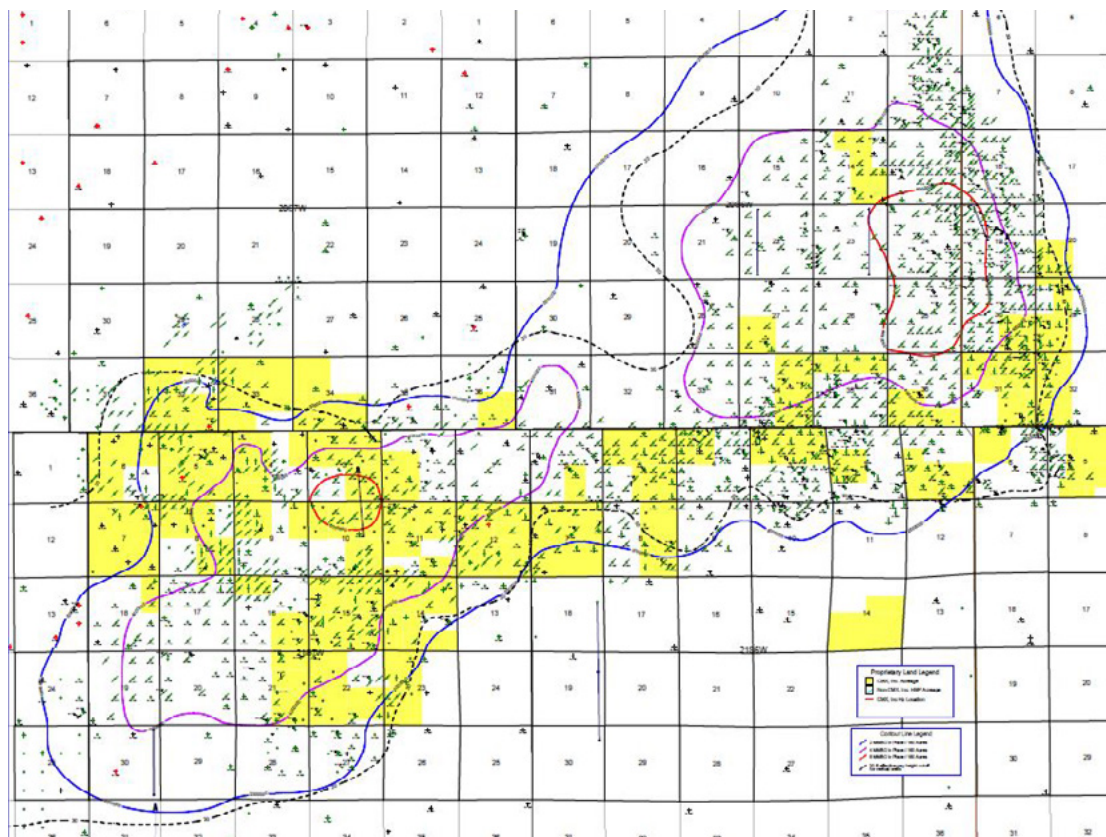
- › Expect to build successful operating oil and gas company
- › Company already has exposure to 15,000 net acres and a current drilling inventory of close to 100 locations, with 15-17 wells to be drilled by YE 2015
- › High cash returns from the combination of low cost, low risk exploration with high netback barrels
- › Initial focus on growing production, increasing acreage and capital base
- › As company expands expect to add technical and professional staff to increase operational scope
- › In longer term success case has potential for excess capital return to shareholders
- › Key risks are exploration, funding and single operator exposure



- > **The Welch Borholdt-Wherry project is the World Oil legacy project**
- > **The geological concept is that the existing acreage has significant ROOIP that can be recovered by targeted drilling**
 - > The initial recent test of this has been performed by the Kreihbel 1 well
- > **Technical evaluation of the field suggests that there could be up to 36 possible locations in three distinct areas.**
 - > It is possible that the project could be funded by JV participants, via staged farmout or by a complete sale of the asset
- > **The potential value is high, with 36 possible locations:**
 - > Further drilling is required to confirm the economic potential of each area



Abilene Oil and Gas > WBW Project Map



> There are three main project areas

- > Welch to the east, with the Kreihbel producer and 16 low risk locations
- > Wherry South with 9 moderate risk locations
- > Wherry North with 11 higher risk locations

> Each area requires further drilling to confirm prospectivity and economics



- > **Current activities are focused on funding for next wells:**
 - > Partial farm out for cash and drilling carry
 - > Entire project farm out for cash and extensive drilling carry
 - > Sale of entire asset
- > **Terms are based on realising full value for currently modeled NAV**

Kreihbel Water Disposal Facility (SWDW)



Abilene Oil and Gas > **Lodestone Project**

> **Lodestone is low risk exploration LLC**

- > ABL will acquire a 49% interest in up to 15,633 acres (3 option phases)

> **The geologic concept is simple:**

- > acquiring 3D allows identification of small structural pools adjacent to large oil fields – with economic reserves potential and low drill cost
- > JV has identified 22 firm locations and 42 possible locations from 11 completed and planned 3D surveys

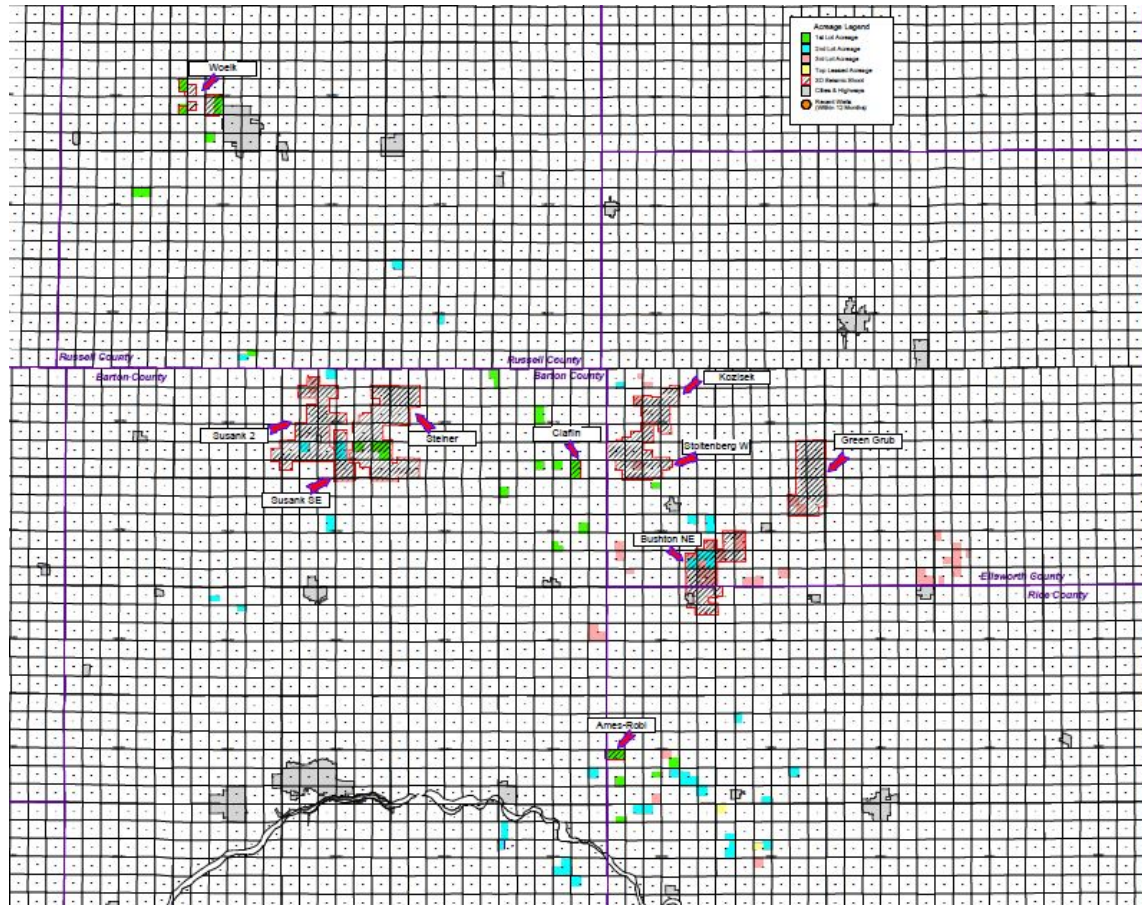
> **This model will be assessed by the initial round of drilling with the initial 4+ wells planned for December and January.**

> **Project economics rely on:**

- > low D&C cost, high success rate, high initial production rates and timely completion periods.



Abilene Oil and Gas > Lodestone Project Map



- > Map shows current acreage
- > Each phase colour coded
- > Current and planned 3D surveys shown as well
- > Each square is 1 square mile or 640 acres



Abilene Oil and Gas > Lodestone Project Activity

SHOOT NAME	OPTION #	COUNTRY	ACRES	Firm Loc	Pot Loc
WOELK	1	RUSSELL	960	14	
CLAFIN	1	BARTON	320	5	
AMES-ROBL	1	RICE	320	3	
STEINER	1	BARTON	480	TBD	6
MAI	2	BARTON	160	TBD	2
SUSANK SE	2	BARTON	320	TBD	4
SESUSANK 2	2	BARTON	160	TBD	3
BUSHTON	3	ELLSWORTH	2080	TBD	16
GREEN GRUB	3	ELLSWORTH	422	TBD	5
STOLTENBERG	3	ELLSWORTH	160	TBD	2
KOZISEK	3	ELLSWORTH	240	TBD	4
TOTALS			5622	22	42

- > The first four wells are
 - Woelk Prospect 1
 - Woelk Prospect 2
 - Claflin North 1
 - Steiner 1
- > Drilling is expected to start mid December, with the four wells drilled back to back, with operations concluded by end January, depending on weather and other factors.
- > After the first round of drilling the project will be evaluated
- > Total cost for first four wells (success case) is \$1.8-1.9m with a net cost to Abilene of (.9-.94m)



Klick Project

- › Klick East Oil Field is located in Section 22 of T29N-R14W, Woods County, Oklahoma, which is in the middle of a vast oil and gas producing province being the Northern Shelf of the Anadarko Basin.
- › Klick 22-1H horizontal well is located in Klick East Oil Field in the east half of Section 22-T29N-R14W. The well was commissioned in March 2011.
- › The Klick 22-1H horizontal well has been producing since March 2011.
- › During the previous quarters the Company (together with its joint operation partner CMX) the Company funded the capital expenditure required to purchase certain equipment and machinery which it is hoped will increase oil production volumes at the Klick Oil Field and consequently expedite revenues from this project.

Kinsley Project

- › Initial well came in low to prognosis, had no indications of hydrocarbons and was plugged and abandoned in March 2014
- › The operator CMX has identified a second location in the NE permit of the block that is under review
- › This location could be a possible drilling candidate for 2015, subject to funding or farmout to attract third party capital

Brazil assets

- › This area is under review
- › It is likely to be considered non-core and as a consequence it is unlikely that any further capital will be allocated to this permit





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