

24 November 2015

ASX Release

ASX Code: TSV

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**GENERAL MEETING PRESENTATION**

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The Company confirms that the following information will be presented at the Annual General Meeting to be held today at 10.00am, 24 November 2015.

*For and on behalf of the Board*



## UNLOCKING THE VALUE OF AUSTRALIA'S LARGEST UNDEVELOPED ONSHORE GAS FIELD

Stephen Keenihan  
Executive Director

- Drilled Warro-5 and Warro-6 in time and on budget.
- Warro-5 encountered strong gas shows from 4247m to 4408m and TD'd in gas.
- Warro-6 was similar and drilled deeper and still TD'd in gas.
- Next steps – Reservoir stimulation and flow testing.
- Due to the deeper gas encountered the latest P90 Contingent Resource estimates by RISC Advisory are 2.4Tcf of total gas initially in-place (GIIP).
- This is approximately double the amount previously assessed by Gaffney, Cline & Associates prior to the Alcoa farm-in work.
- This category is deemed to be the lowest-risk portion of the Resource and would be the basis of any project development.
- Furthermore RISC estimates of total GIIP has increased to 11.6 trillion cubic feet (Tcf) on a 100 per cent basis. This is an increase of over 15% percent to the upside GIIP figure of approximately 10Tcf provided by the Shanley Review.

| Warro Gas-in-Place Tcf - Gross |     |     |      |
|--------------------------------|-----|-----|------|
| Unrisked                       | Low | Mid | High |
| Contingent                     | 2.4 | 3.2 | 4.3  |
| Prospective                    | 2.0 | 4.1 | 7.3  |
| GIIP                           | 4.4 | 7.3 | 11.6 |

## KEY POINTS

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- 1 Warro gas field - Australia's largest undeveloped onshore gas field – Transerv 35% and Operator, Alcoa of Australia 65%.
- 2 Warro has an in-place resource of >11 TCF, independently assessed.
- 3 **Located in the Perth Basin just 30km from to the two key pipelines running into WA's south-west (Australia's largest domestic gas market).**
- 4 All costs fully funded by Alcoa under an existing A\$100m farm-in agreement – WA's largest gas consumer.
- 5 **Warro poised to be a key player in WA's Domgas market; 15% reservation rule means it is also a potential "offset target" for major LNG producers.**
- 6 **WA gas prices determined by isolated supply-demand fundamentals, not global oil price.**



# TRANSERV CORPORATE SUMMARY

## Capital Structure

|   |                |
|---|----------------|
| Existing ordinary shares                      | 824m           |
| Management options ex 0.7c                    | 10m            |
| <b>Implied Market Cap at 5.9c (undiluted)</b> | <b>\$48.6m</b> |
| <b>Current cash and liquid assets</b>         | <b>\$3.5m</b>  |

## Directors and Management

|                         |                   |
|-------------------------|-------------------|
| <b>Charles Morgan</b>   | Chairman          |
| <b>Stephen Keenihan</b> | Director          |
| <b>Brett Lawrence</b>   | Director          |
| <b>Jo-Ann Long</b>      | Company Secretary |

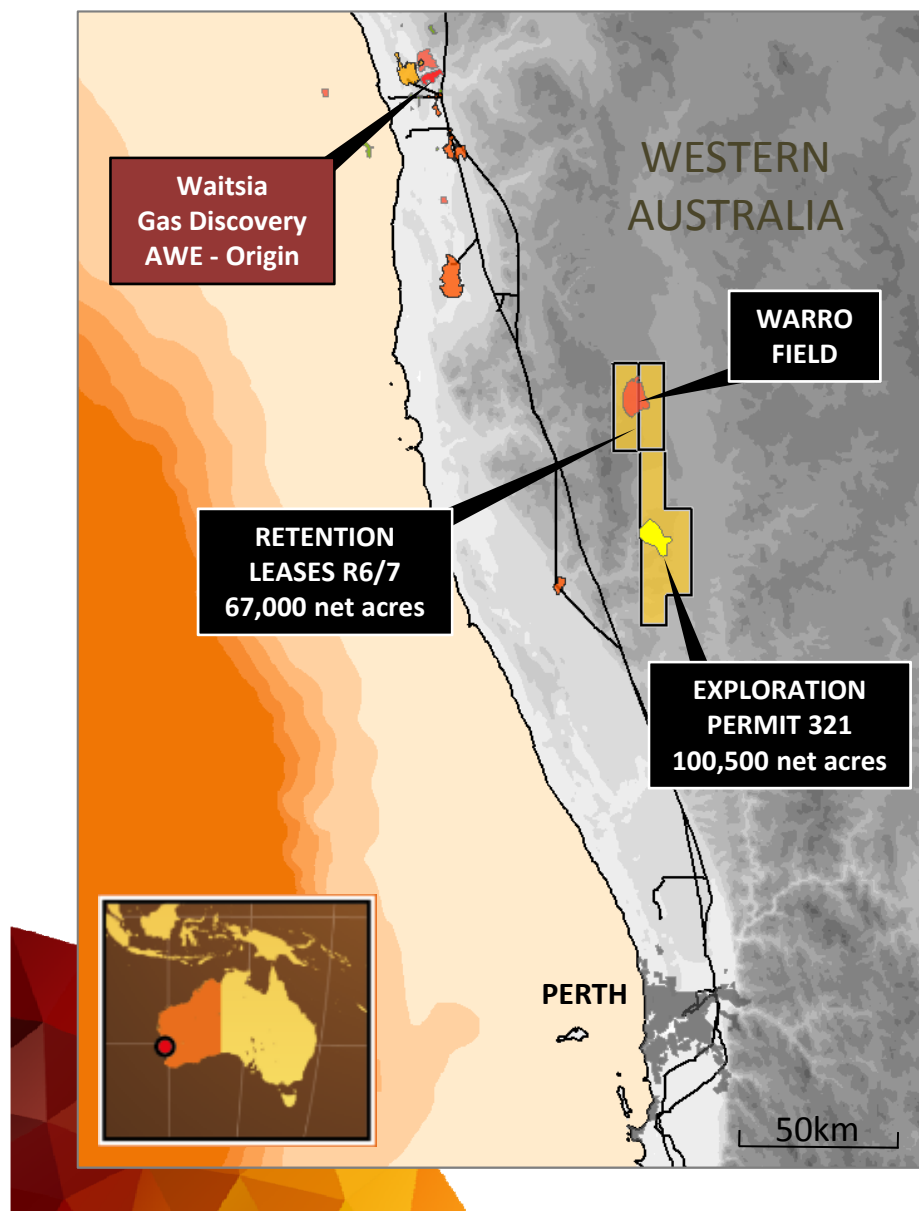
## Share Price



## Shareholders

|                   |               |
|-------------------|---------------|
| <b>C Burton</b>   | <b>9.99%</b>  |
| <b>S Keenihan</b> | <b>8.84%</b>  |
| <b>C W Morgan</b> | <b>7.52%</b>  |
| <b>Top 20</b>     | <b>55.74%</b> |

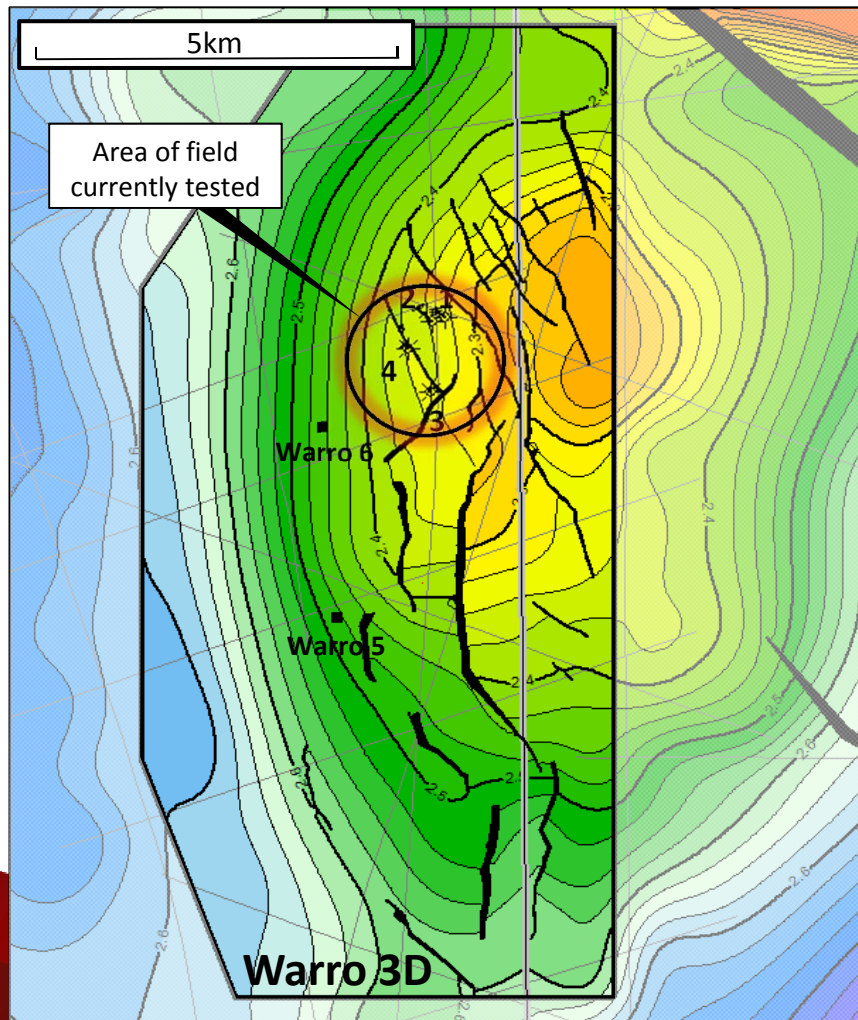
## FOCUSSED ON PERTH BASIN GAS



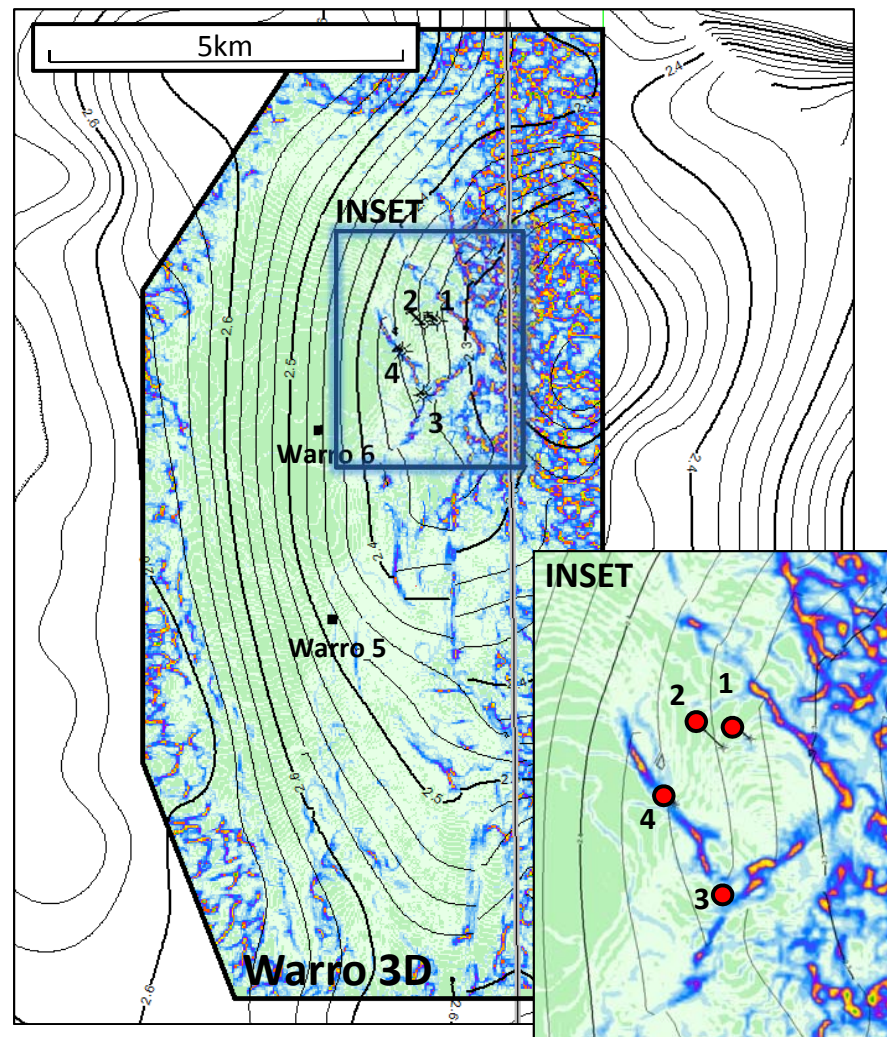
- Warro is a GIANT gas field with Gas-In-Place estimates of over 11 TCF.
- Two appraisal wells, Warro-5 & 6, drilled in August through October.
- Encountered more and deeper gas zones.
- Fully funded by Alcoa.
- Completion and testing to come.
- Post the completion of the wells Alcoa would have earned a 65% interest in the field. Transerv will retain a 35% interest and remain as operator.
- Located close to infrastructure with a robust gas market.
- Alcoa is the natural offtake partner.

# WARRO 3D - STRUCTURE AND FAULT IMAGE ANALYSIS

Base Reservoir (Top Cadda) TWT Structure Map



Base Reservoir (Top Cadda) Incoherence





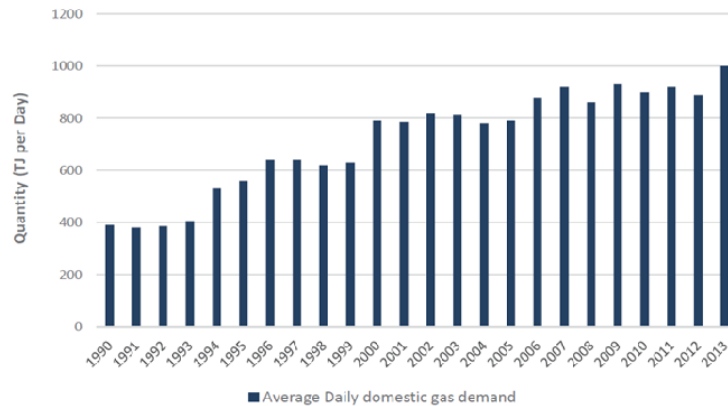
- All Government approvals in place.
- Native Title completed.
- Three years of environmental monitoring to date – soil, air and water.
- CSIRO monitoring project in place.
- 12 months of seismic monitoring.
- Local Community – “The community association is completely supportive of the project and recognises the benefits that have already come to our community”.
- Upper House Inquiry concludes fracking in WA has negligible risk.



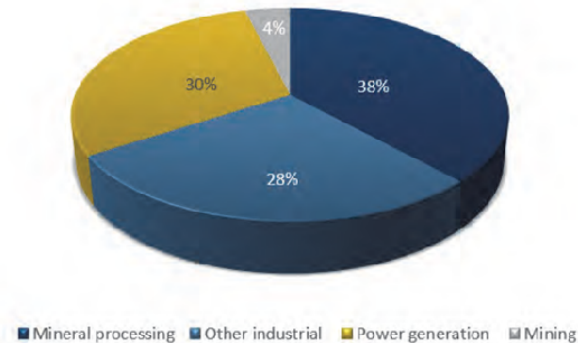


# WESTERN AUSTRALIA GAS MARKET

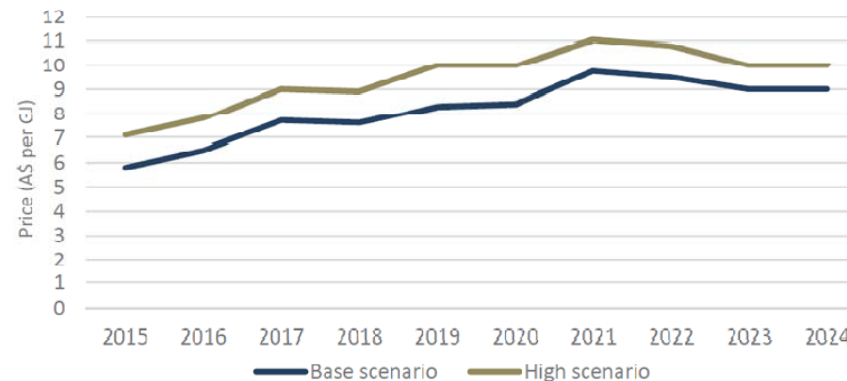
WA gas consumption has historically been driven by the mining/mineral processing sector



ALCOA (TSV JV Partner at Warro) is the largest gas user (85+PJ per year)



Current WA gas prices in the range \$5 to \$9/mcf...



...WA gas prices are forecast to increase to an average \$8-\$10/mcf by 2020

Sources: Gas Bulletin Board, IMO, Gas Statement of Opportunities, December 2014, NIEIR

Warro is one of a few onshore WA gas discoveries potentially capable of meeting the Browse JV's offset requirement, reported to be 800PJ.

## CONCLUSIONS

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- Transerv aims to unlock potentially immense value of Warro gas field in WA with the testing of two wells imminent.
- Warro has the key ingredients to create significant shareholder value:
  - Substantial reserve potential;
  - Close to key pipeline infrastructure;
  - Strong market, robust pricing and largest WA consumer as JV partner
  - Stakeholder support.
- Wells fully-funded by Alcoa.
- Transerv share price has reacted strongly to previous wells.



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