



# **AUSTRALIAN LISTED** **ENERGY COMPANY**

GEOHERMAL AND CONVENTIONAL  
OIL AND GAS (ASX:RYG)

INVESTOR PRESENTATION  
DANIEL LANSKEY – MD  
FEBRUARY 2015



# COMPANY OVERVIEW

- ASX LISTED ENERGY COMPANY
- GEOTHERMAL ENERGY
  - Indonesia - Sokoria Project – RYG 45%
  - 30 Mw Geothermal Power – US \$160m development
  - Signed PPA September 2014
  - Potential Rev. \$US750m + over 30 yr term
  - Exploring potential JV/funding partner/sale for project





# COMPANY OVERVIEW

- CONVENTIONAL OIL AND GAS
  - Oklahoma, USA. - Low Cost Vertical Well Opportunity
  - Shallow conventional development
  - \$525k per well – EUR 65,000 BOE – 40 acre spacing
  - IRR39%@\$65Oil/\$4mcfgas
  - JV on ~7,000 acres AMI
  - 100% WI and 81.25% NRI – RYG 50% with EEG 50%



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EXECUTIVE SUMMARY

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# COMPANY OVERVIEW

- **DIRECTORS**

- Athan Lekkas, Executive Chairman
- Daniel Lanskey, Managing Director
- Michael Clarke, Non-Executive Director
- Geoff Barnes, Non-Executive Director

- **ADVISERS**

- Peloton Capital – Sydney



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EXECUTIVE SUMMARY

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# COMPANY OVERVIEW

- CAPITAL STRUCTURE

Shares on Issue		424,983,029
Options		
\$0.015	21 July 2016	307,800,000
\$0.015	8 April 2016	15,000,000





# GEOHERMAL PROJECT SOKORIA - INDONESIA





# PULAU FLORES



SOKORIA GEOTHERMAL PROJECT



# THE LOCATION

- Sokoria Village, Ende Regency, Flores Island, East Nusa Tenggara Province, Indonesia
- Population: 4,679,316 (as at 2010)



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SOKORIA GEOTHERMAL PROJECT

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# THE SERVICES

- Ende Regency is serviced by an airport (including regular scheduled flights), good harbour facilities as well as a local power grid, currently serviced by diesel power generation.
- There is strong support for the development of this Project by the government and the Sokoria community. Most households only have electricity for a portion of the day and some areas are not connected at all. The Sokoria geothermal development aims to ensure the region has access power to 24 hours a day, 7 days a week.



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SOKORIA GEOTHERMAL PROJECT

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## IN SUMMARY

Location:	Location: Sokoria Village, Ende Regency, East Nusa Tenggara Province
Capacity:	30 MW (6x5 MW)
License:	Geothermal Business License (IUP)
PPA:	30 years starting from Commercial Operation Date (COD) with first module planned for commission in 2018
Developer:	PT Sokoria Geothermal Indonesia
Shareholders:	PT Bakrie Power: 53% Panax Geothermal Ltd: 45% PT Energy Mgmt Indonesia (Persero): 2%



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SOKORIA GEOTHERMAL PROJECT

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## IN SUMMARY

Off Taker:	PT. PLN (Persero) with PPA signed 30/9/14
Tariff:	USD Cent 12.5c / kWh, Escalated 25% p.a. by US-PPI with potential to increase to USD16.5c / kWh
Revenue:	Estimated revenue of USD 750 million + over 30 year PPA term
Project Cost:	Estimated total cost of project is USD 160 million
Project Status:	Currently seeking prospective financier(s)/investor(s) to explore, develop and commission the 30MW geothermal power plant



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SOKORIA GEOTHERMAL PROJECT

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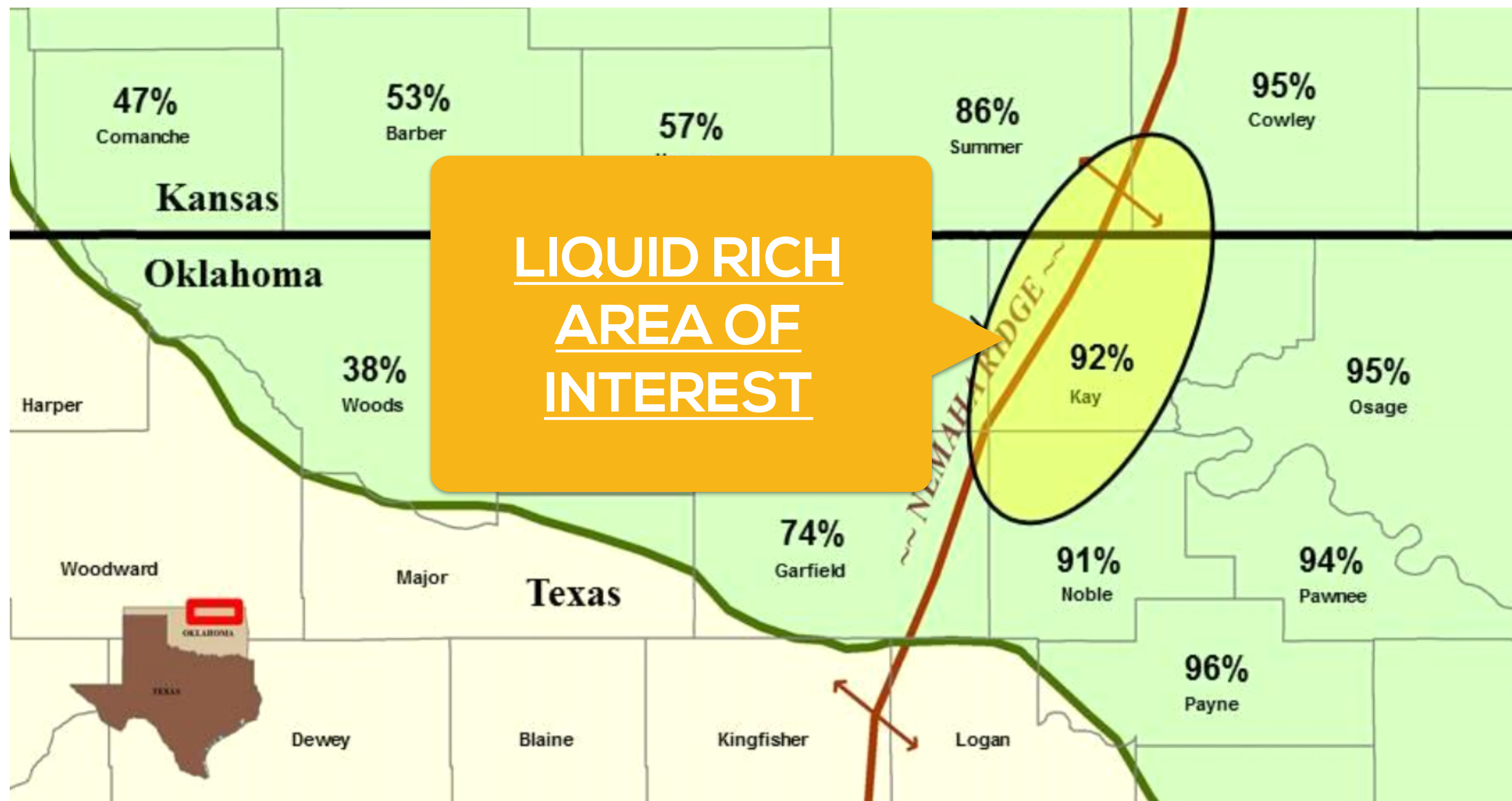


USA ONSHORE CONVENTIONAL  
OIL AND GAS PROJECT  
NORTHERN OKLAHOMA





# NORTHERN OKLAHOMA



NORTHERN OKLAHOMA OIL AND GAS PROJECT

SOURCE: RANGE RESOURCES FEB 2013



# OILER TO THE EAST



OVER 90% OF  
HISTORICAL WELLS  
DRILLED ON THE  
EAST SIDE OF THE  
PLAY ARE  
CLASSIFIED AS OIL  
WELLS.



NORTHERN OKLAHOMA OIL AND GAS PROJECT

SOURCE: RANGE RESOURCES FEB 2013



# AREA OF INTEREST

- Northern Oklahoma
- Liquid Rich sweet spot east of the Nemaha Ridge
  - 60% Liquids including High BTU Gas – Infrastructure Rich Region
- Historical well data shows laterally extensive Carbonate Reservoir
- Shallow vertical depth – TVD 4,750 feet
  - Mississippian – ~300 – 350 foot thickness
  - Woodford Shale ~20-45 foot thickness
- Advances in vertical well completion and lifting technology
- Vertical Well economics have demonstrated 75% IRR @ \$85 oil (\$65 oil ~39%)



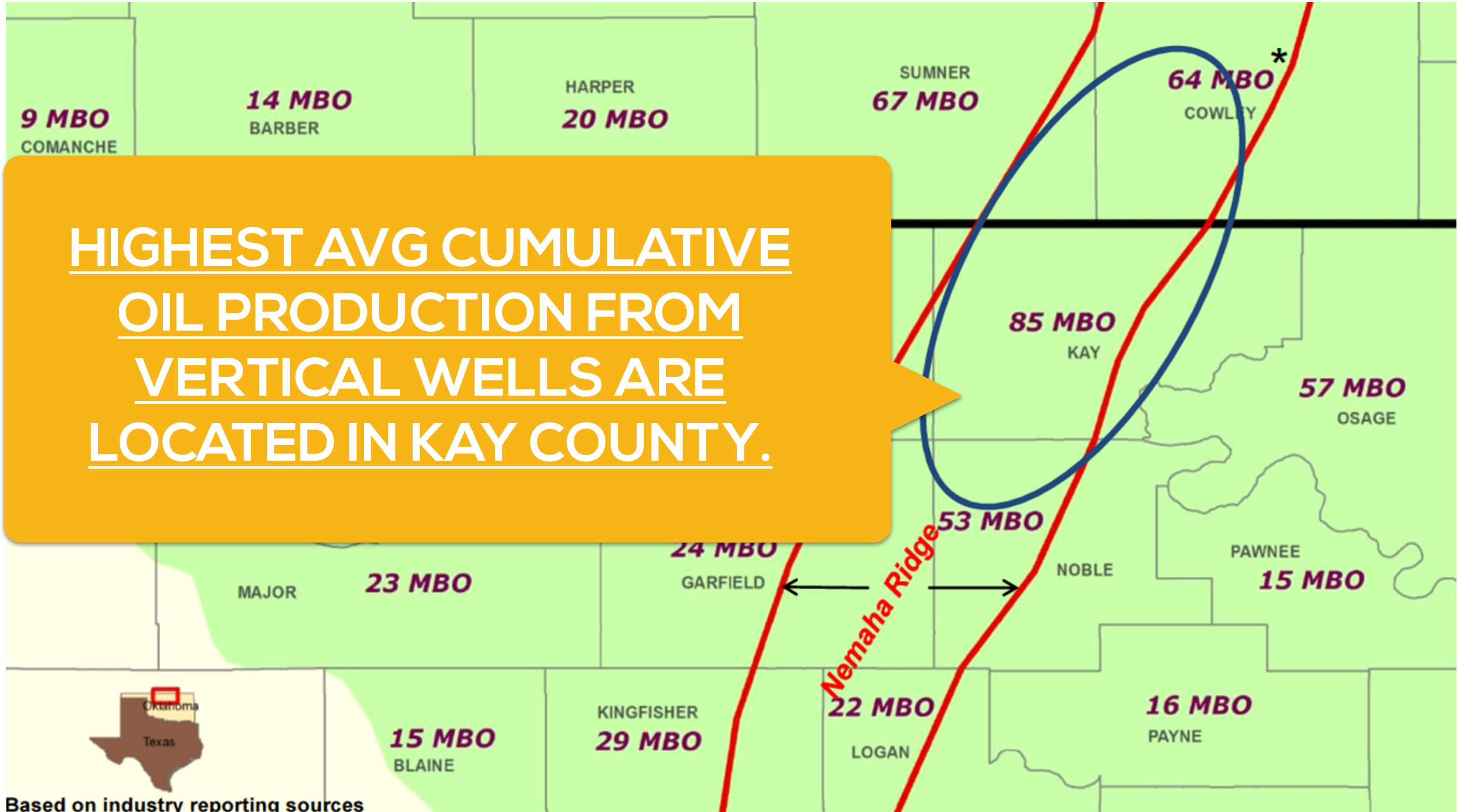
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NORTHERN OKLAHOMA OIL AND GAS PROJECT

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# VERTICAL WELL AVG. CUM. FROM MISS LIME



NORTHERN OKLAHOMA OIL AND GAS PROJECT

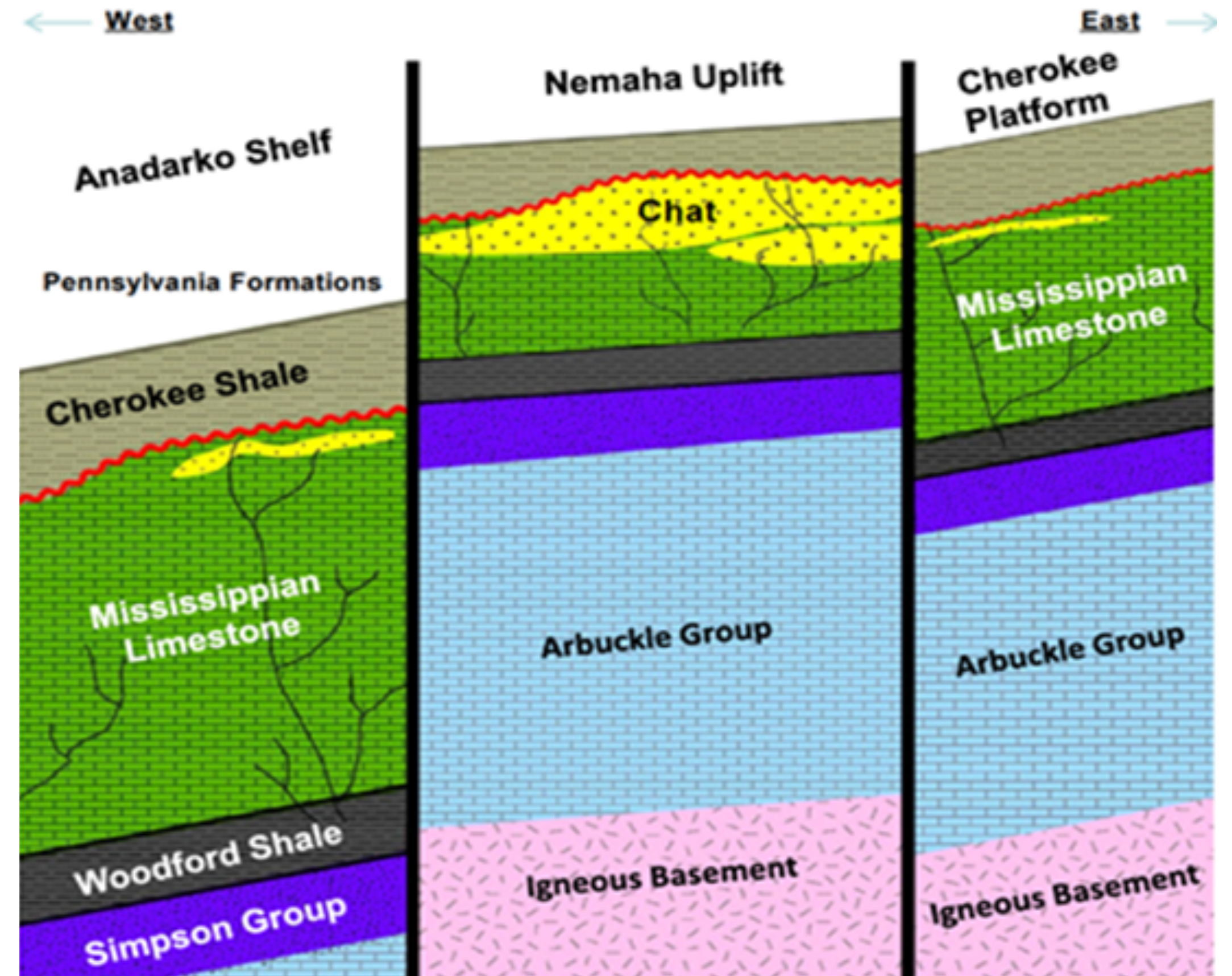
SOURCE: RANGE RESOURCES FEB 2013



# NEMAHA RIDGE

## • KEY GEOLOGICAL FEATURES

- Mississippi Lime - ~300 foot thick
  - Natural fracturing and porosity
  - Chat interval up to 40% Porosity
- Woodford Shale - ~30-35 foot thick
- Technology advances in completion and lifting techniques delivering robust economics
- ML responds exceptionally to Low PH frac
- High Capacity Salt Water Disposal is key (disposal into Arbuckle)



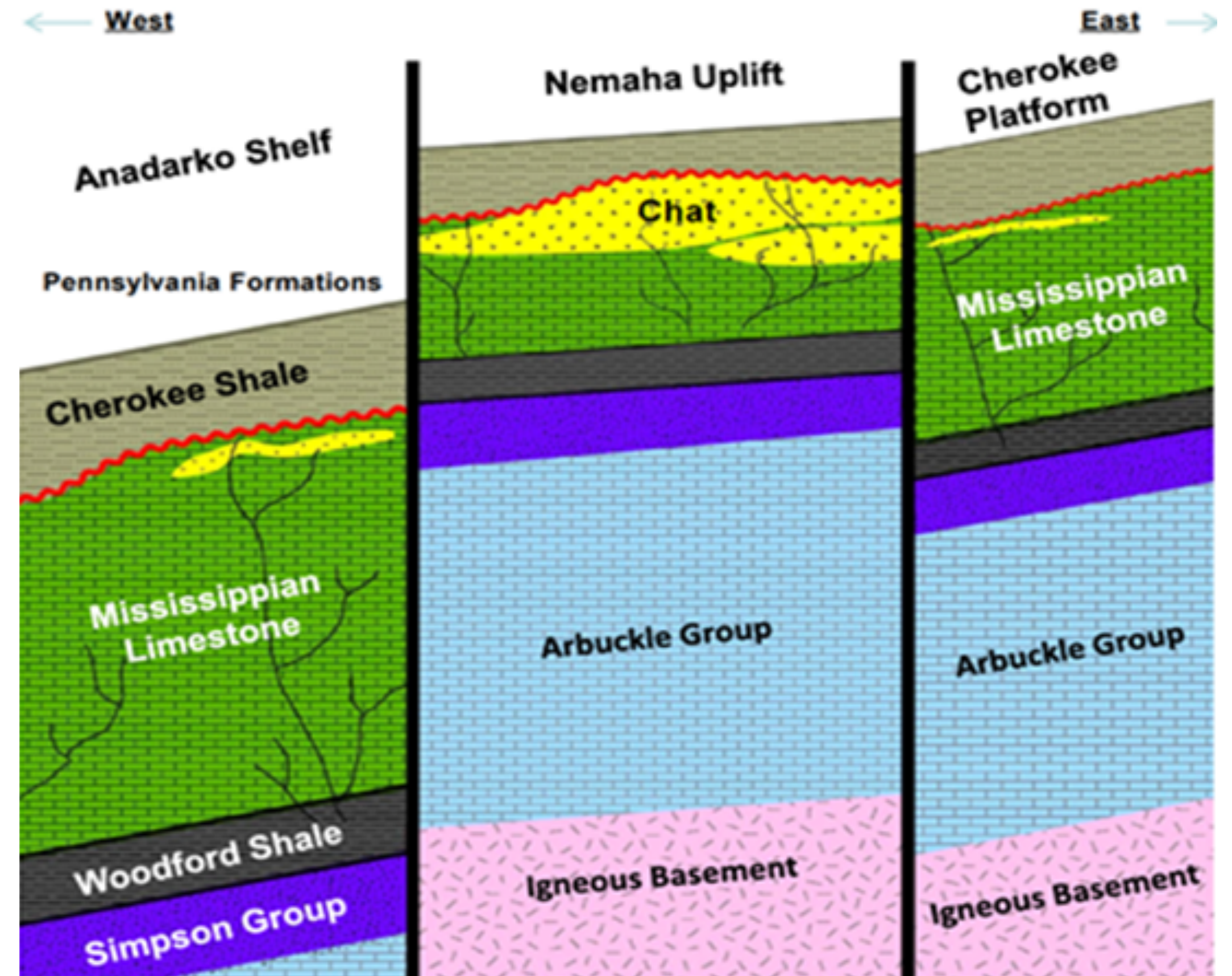
NORTHERN OKLAHOMA OIL AND GAS PROJECT

SOURCE: RANGE RESOURCES FEB 2013



# NEMAHA RIDGE

- Infrastructure
  - Conoco Phillips Oil Refinery at Ponca City
  - Gas gathering infrastructure from multiple purchases in place
  - Access to Electricity Grid
- Vertical ML Development speeding up
  - Multiple Operators
  - AusTex Oil Limited led the way
  - 2 stage Hydraulic Frac
  - Reporting similar Initial Production



NORTHERN OKLAHOMA OIL AND GAS PROJECT

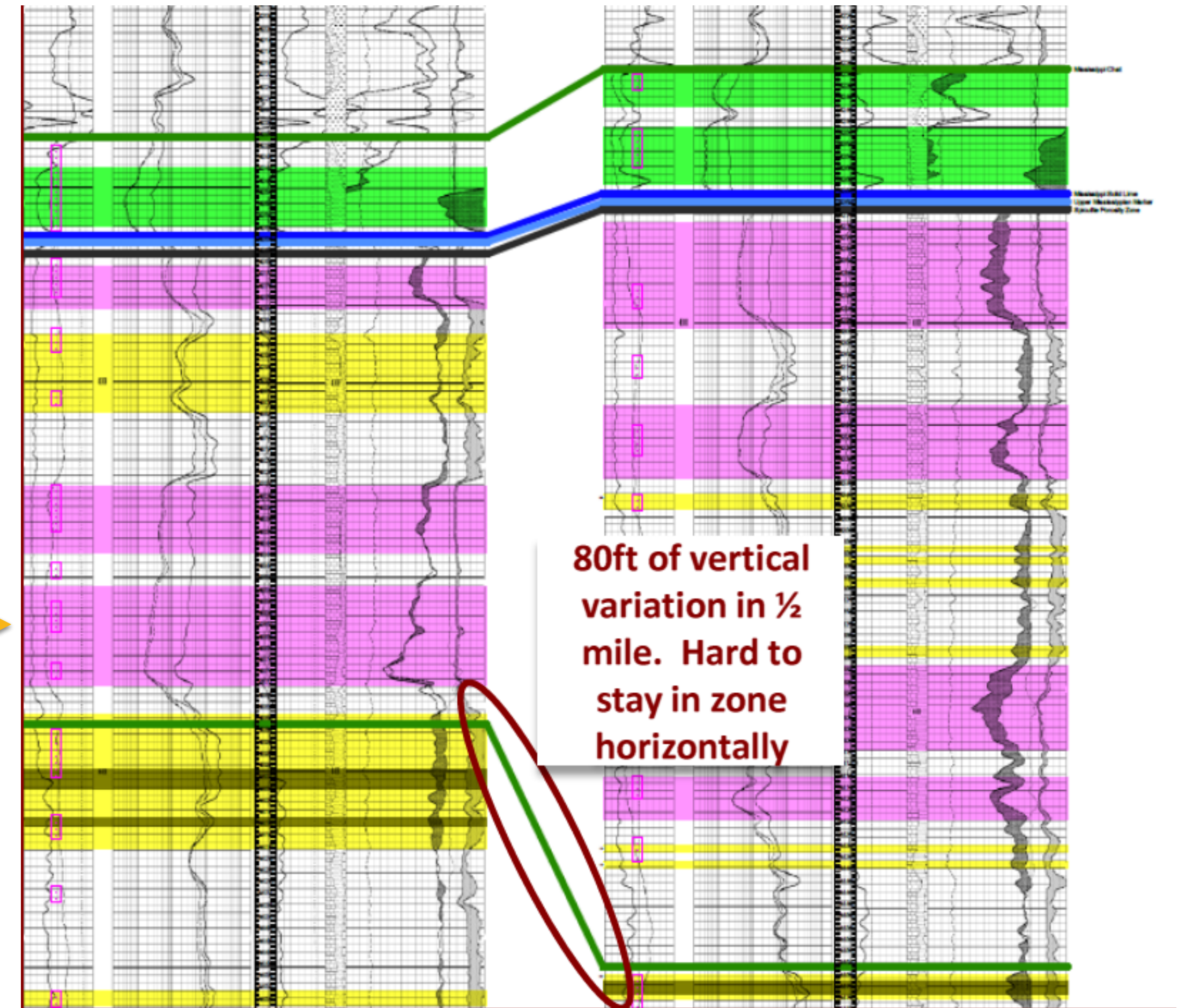
SOURCE: RANGE RESOURCES FEB 2013



# WHY VERTICAL WELLS

- 80 foot of vertical variation in 1/2 mile
- Hard to stay in zone horizontally

CROSS SECTION SHOWING  
SUBSTANTIAL VERTICAL  
MOVEMENT





# JOINT VENTURE WITH EMPIRE ENERGY GROUP





# PROJECT ECONOMICS

Drill & complete	F&D	LOE	EUR	IRR
\$US525,000	~\$US10/boe	~\$US5/boe	65 mboe	39%*

- 50:50 JV – EMPIRE ENERGY GROUP – OPERATOR

- Total Project area – +7,000 acres
- ~175 Well locations @ 40 acre well spacing – 16 wells per section
- 16 wells x \$US525,000 per well – \$US8.4m Dev Cost per section
- EUR 65,000 BOE \* 175 Potential Locations = 11.375 m BOE  
Potential (Miss Lime only)



JOINT VENTURE WITH EMPIRE ENERGY GROUP

\*ASSUMES \$65 OIL  
- \$85 OIL = 75% IRR



# PROJECT ECONOMICS

- INITIAL PLAN & BUDGET
  - Phase 1: Complete
    - Acquisition +7,000 acres (+3000 acres net RYG)
    - JV Operator agreement
  - Phase 2:
    - 2 vertical production wells \$0.6m\*
  - Project Administration (1st Year) \$0.6m
- 2015 INITIAL DRILLING PROGRAM \$US1.2m



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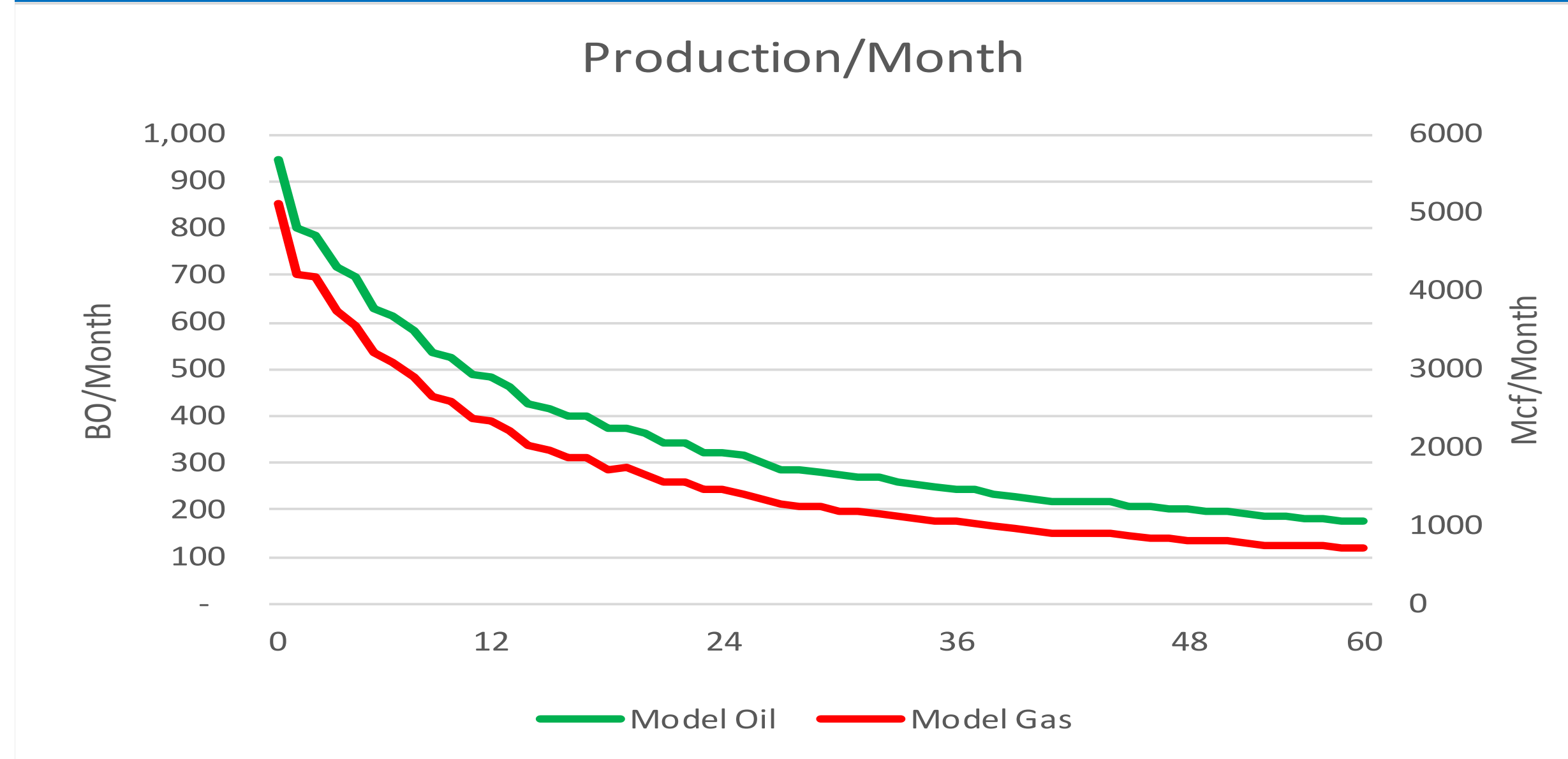
JOINT VENTURE WITH EMPIRE ENERGY GROUP

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\* RYG CONTRIBUTION ~50%



## Standard Type Curves for Austex vertical wells - EUR 60 MBoe



## Current Type Curve at Varying Pricing

Oil \$/Bbl	\$65.00	\$75.00	\$85.00	\$95.00	\$105.00
Gas \$/Mcf	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
NPV 10 \$M	\$235	\$392	\$555	\$721	\$890
IRR %	39%	59%	81%	105%	132%
Payback Yrs	1.8	1.5	1.2	1	0.9

NB: At \$65, impact of 10% reduction in IP on curve above - IRR ~22%, NPV10 \$99, payback 2.4 months

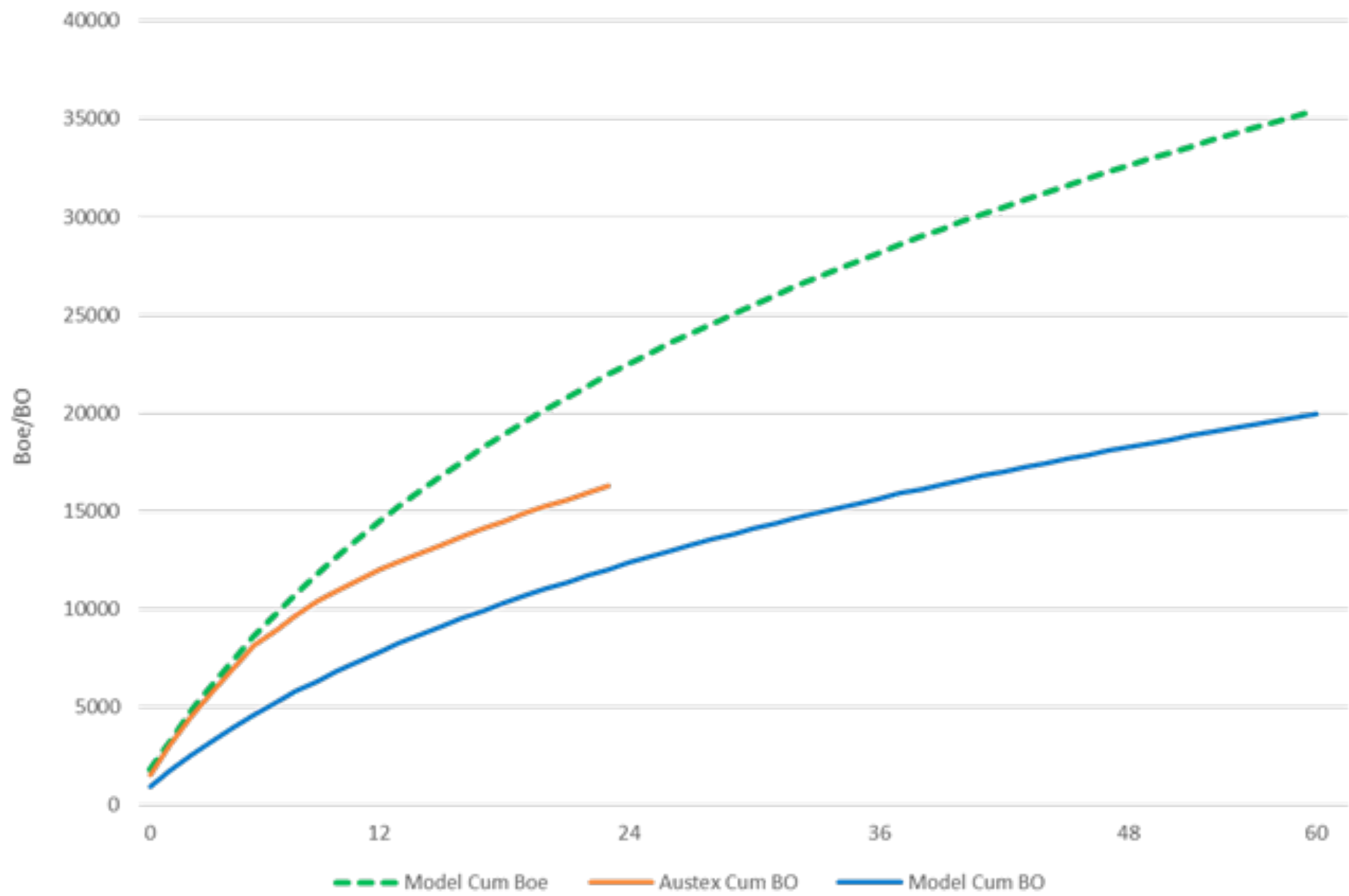


JOINT VENTURE WITH EMPIRE ENERGY GROUP

SOURCE: AUSTEX OIL LIMITED -  
SEPTEMBER 2014 EEG JANUARY 2015



# CUM PRODUCTION ACTUAL VS MODEL



JOINT VENTURE WITH EMPIRE ENERGY GROUP

SOURCE: AUSTEX OIL LIMITED -  
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# IN SUMMARY





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GEOTHERMAL ENERGY AND CONVENTIONAL OIL AND GAS

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# THANK YOU FOR YOUR TIME.

FOR MORE INFORMATION, CONTACT  
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