



# Investor Presentation May 2011

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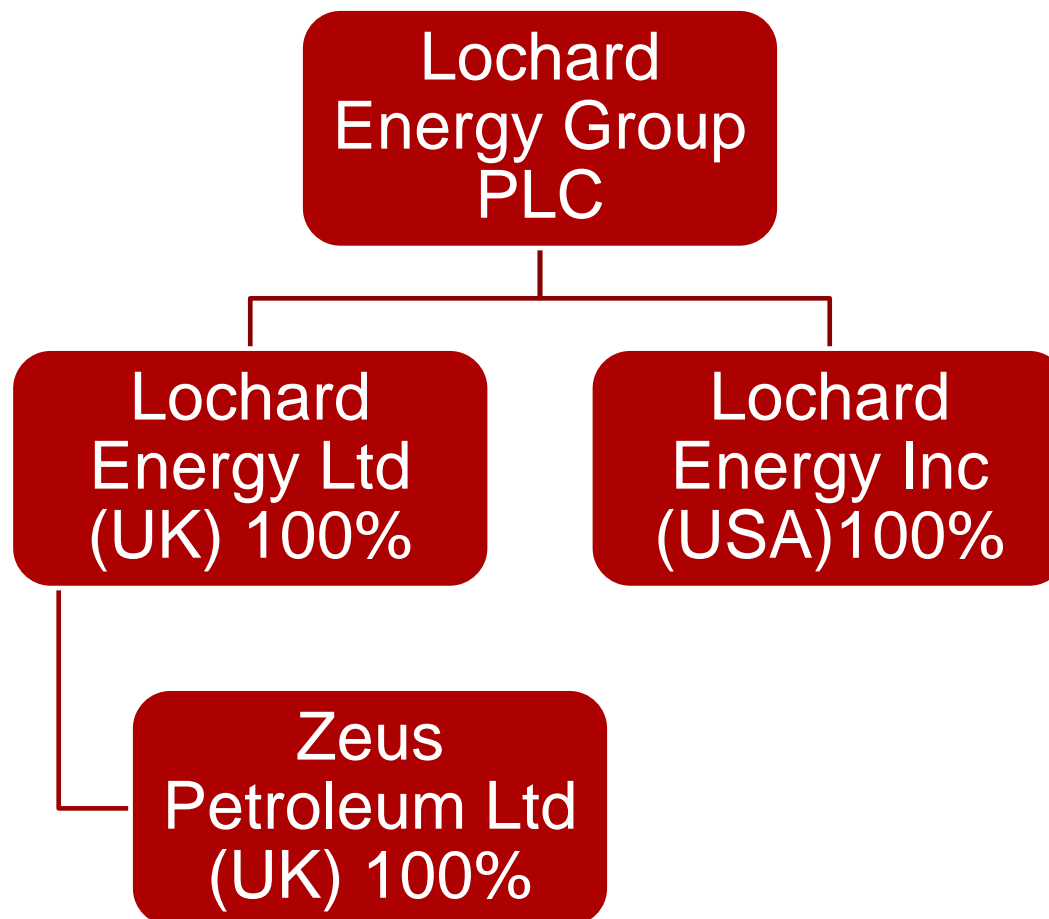
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# DIRECTORS

- Haydn Gardner (Chief Executive Officer)  
Founder with over 28 years experience in industrial chemistry and oil and gas services industry
- Lincoln McCrabb (Executive Director)  
Over 28 years experience in mining and oil and gas
- Mike Rose (Non-Executive Director)  
Over 30 years experience in oilfield exploration, development and operations
- Peter Youd (Non-Executive Director)  
Over 35 years experience in the resources, oil and gas services and financial services industries
- Jamie Brooke (Non-Executive Director)  
Over 15 years experience in private equity and quoted fund management

# COMPANY STRUCTURE

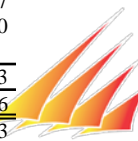


# DIRECTION

- Strategy clear: pure E&P play
- Board will be strengthened with UK based E&P Chairman and CFO
- Complete Athena development
- Near term farm out and appraisal of Thunderball and Moby discoveries
- Acquire 3D seismic over seven North Sea Blocks

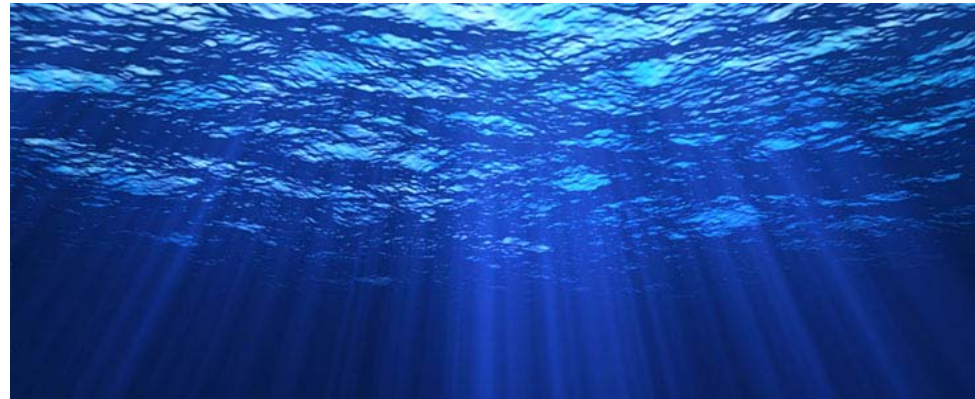
## PROFORMA BALANCE SHEET

	30-Apr-11	Year ended 30 June 2010
	A\$ 000's	A\$ 000's
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	18,661	5,800
Trade and other receivables	1,677	3,283
Inventories	-	8,288
Other financial assets	54	11
Non-interest bearing loans	20	88
Prepayments	48	205
<b>Total Current Assets</b>	<u>20,460</u>	<u>17,675</u>
<b>Non-current Assets</b>		
Property, plant and equipment	125	8,907
Oil and gas intangible assets	31,162	24,127
Other financial assets	-	1
Deferred tax assets	278	493
Prepayments	20	26
Other intangible assets and goodwill	-	2,940
<b>Total Non-current Assets</b>	<u>31,585</u>	<u>36,494</u>
<b>TOTAL ASSETS</b>	<u><u>52,045</u></u>	<u><u>54,169</u></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	882	2,861
Interest-bearing loans and borrowings	-	8,055
Other financial liabilities	9,946	-
Income tax payable	2,636	149
Employee benefits	490	758
Provisions	118	150
<b>Total Current Liabilities</b>	<u>14,072</u>	<u>11,973</u>
<b>Non-current Liabilities</b>		
Interest-bearing loans and borrowings	-	505
Employee benefits	-	71
Provisions	-	167
Deferred tax liabilities	-	20
<b>Total Non-current Liabilities</b>	<u>-</u>	<u>763</u>
<b>TOTAL LIABILITIES</b>	<u><u>14,072</u></u>	<u><u>12,736</u></u>
<b>NET ASSETS</b>	<u><u>37,973</u></u>	<u><u>41,433</u></u>



# North Sea

Development  
Appraisal  
Exploration



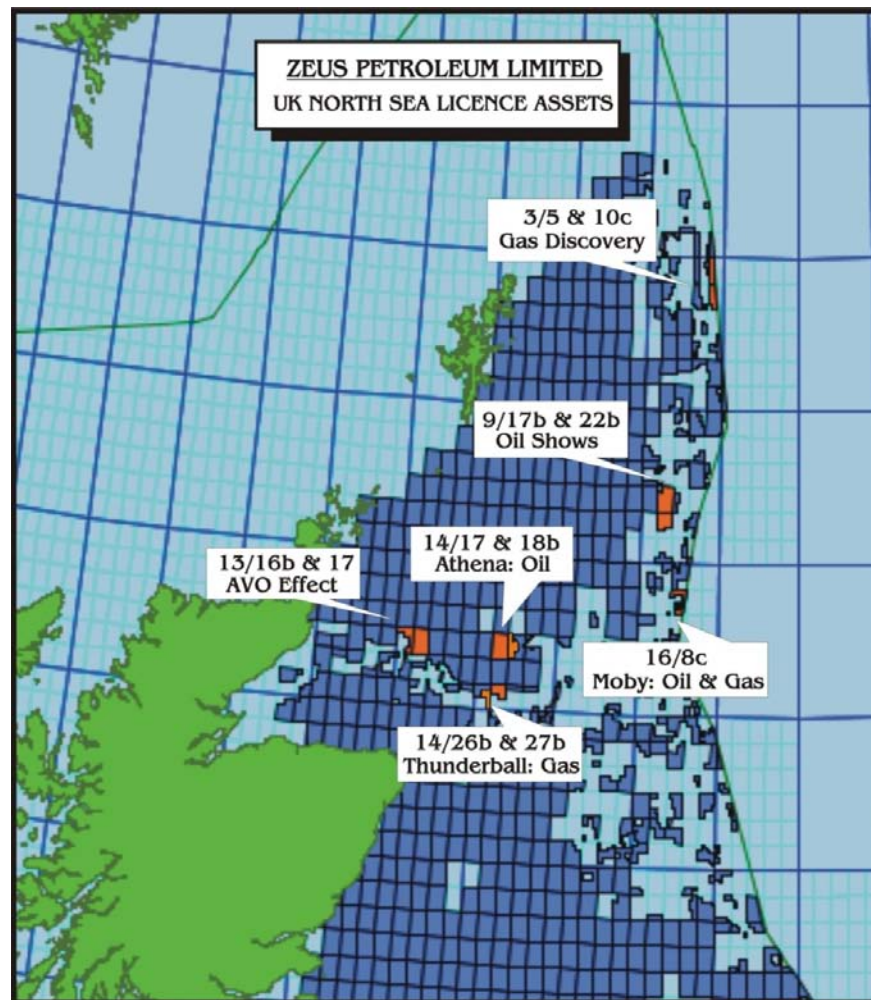


## UK NORTH SEA ASSETS

### 11 Blocks:

- 1 Development
- 5 Appraisal
- 5 Exploration

Strategy is to target blocks with proven existence of oil and gas or direct hydrocarbon indications

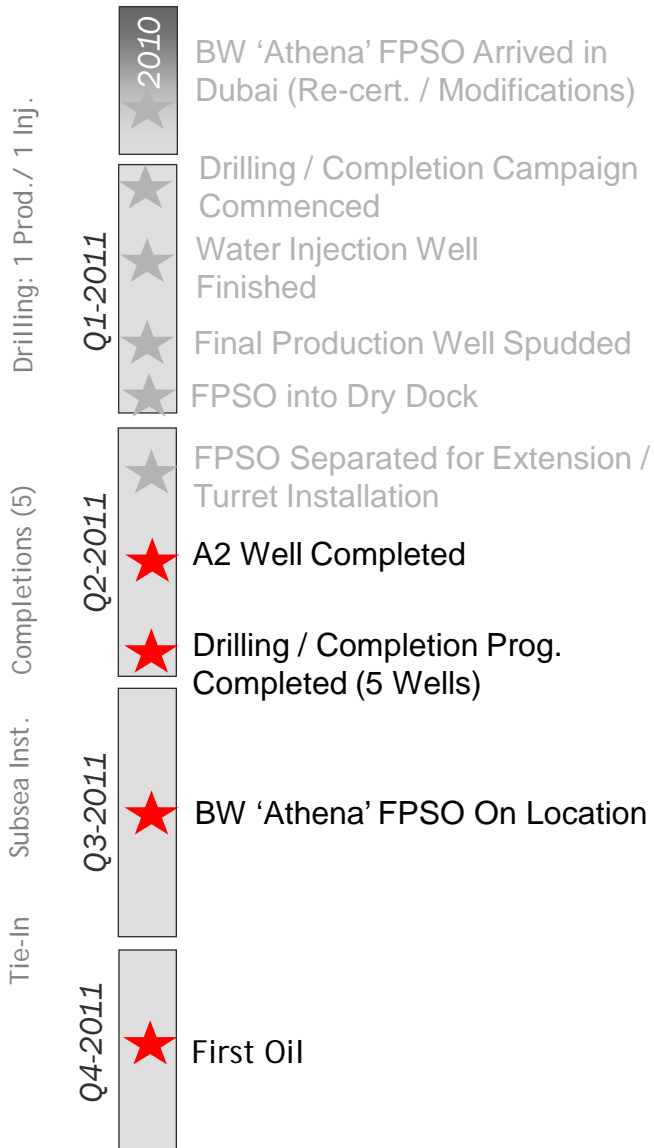


## DEVELOPMENT PORTFOLIO

### Block 14/18b “Athena”

- Lochard (via 100% owned subsidiary Zeus) owns 10% of Athena
- Development is now fully funded
- Ithaca Energy is the operator of the Athena development and has a 22.5% stake.
- 24.4 mmbbls of 2P reserves
- Production expected in Q4 2011
- Initial gross production estimated at 22,000 bopd

# ATHENA DEVELOPMENT TIMELINE

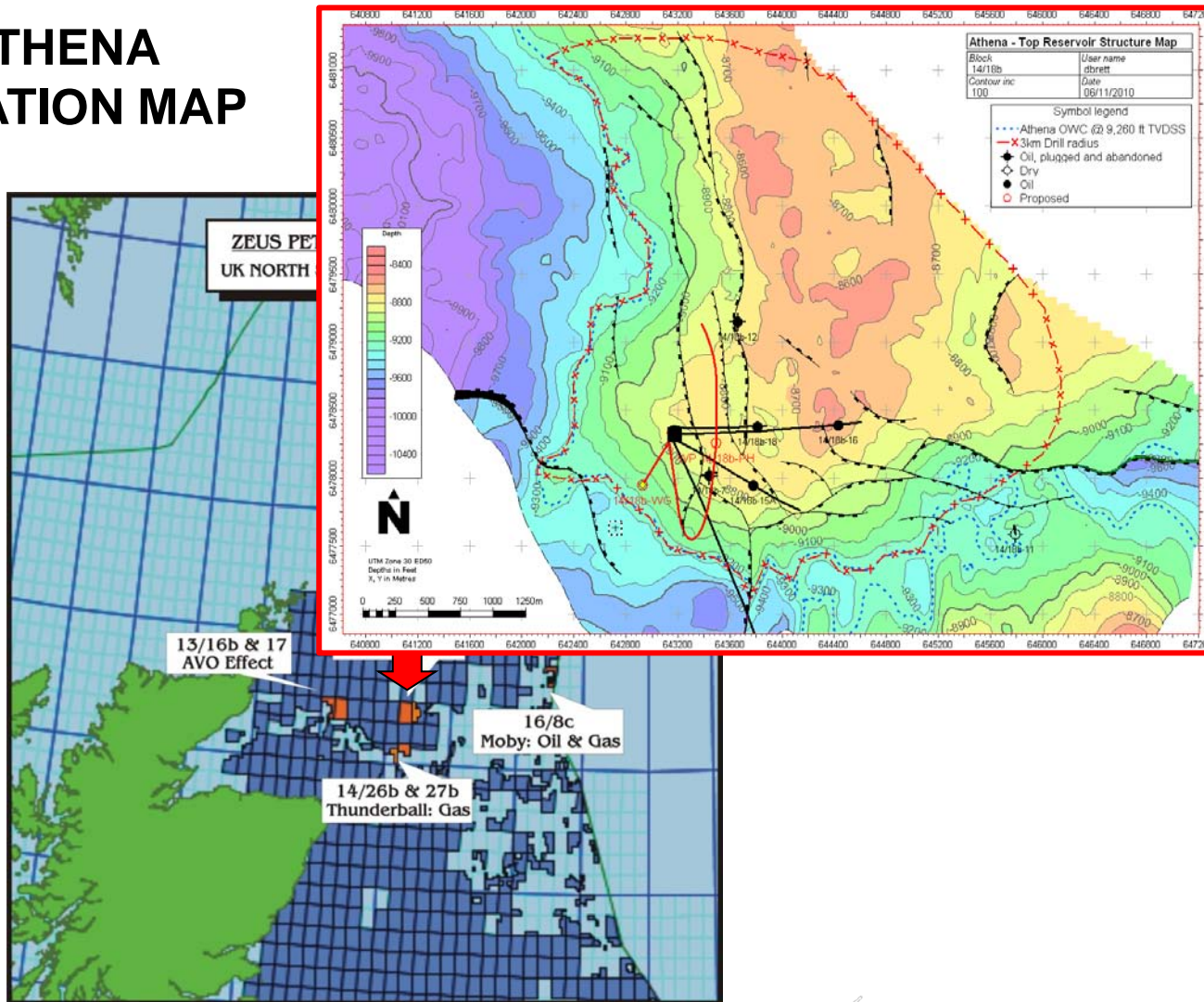


Images Courtesy Ithaca Energy



**LOCHARD**  
ENERGY GROUP PLC

# ATHENA LOCATION MAP





Development consists of five wells (four producers / one water injector) tied back to the BW 'Athena' floating production, storage and offloading (FPSO) vessel

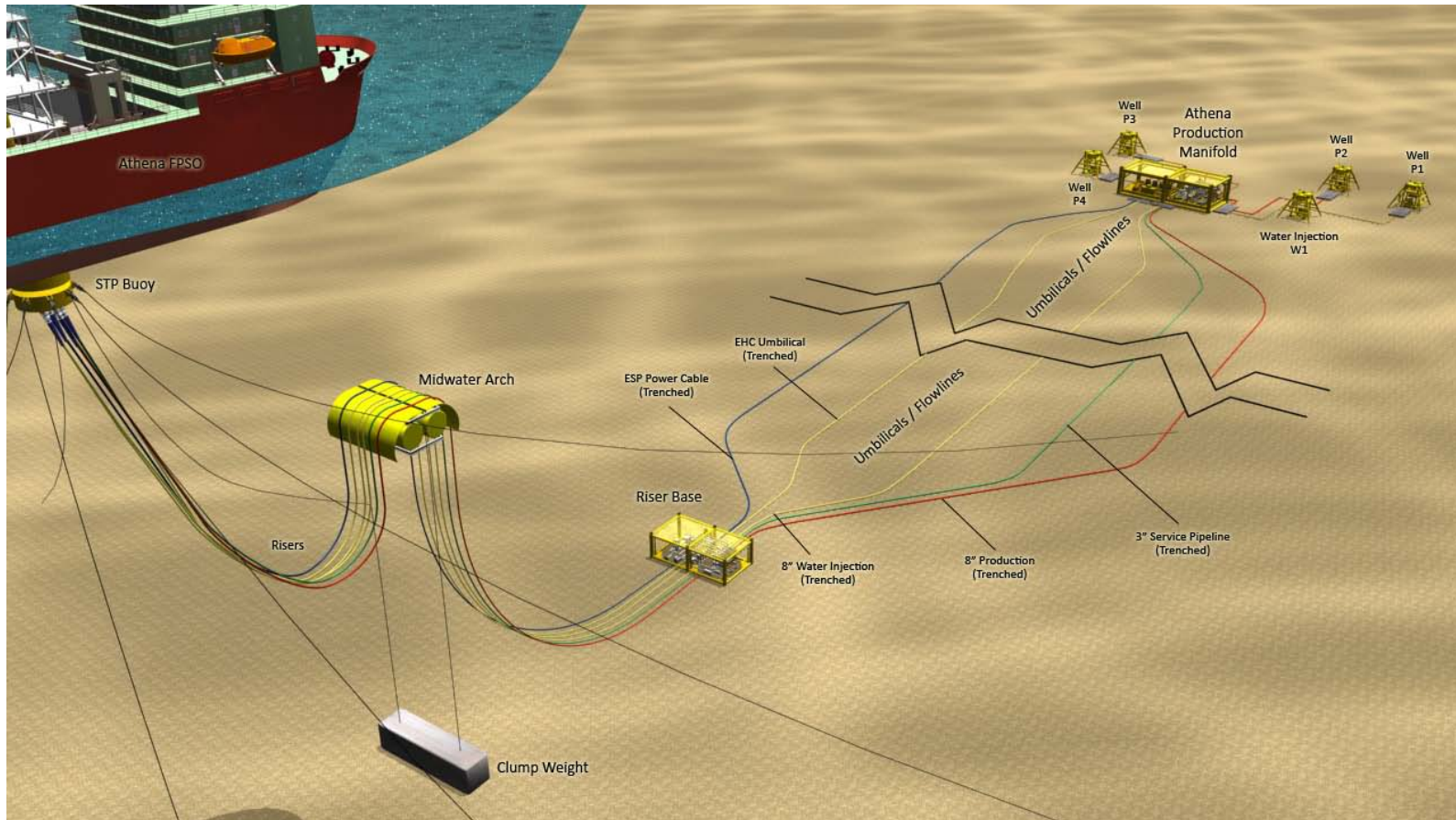


Image courtesy Ithaca Energy

# APPRAISAL PORTFOLIO

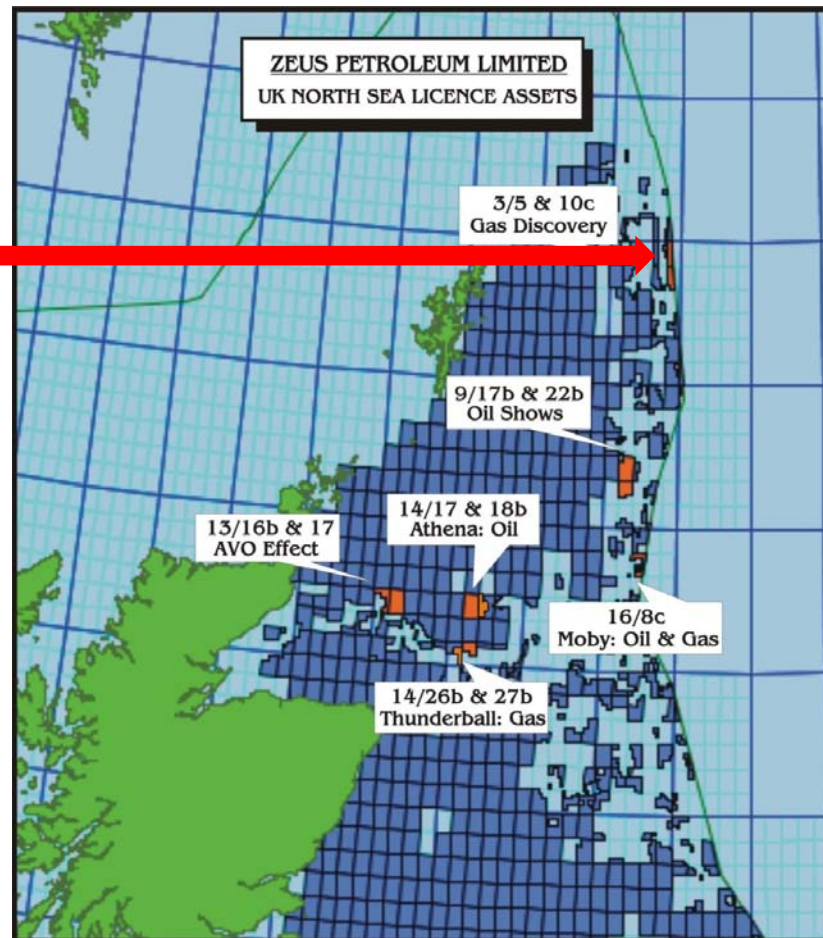
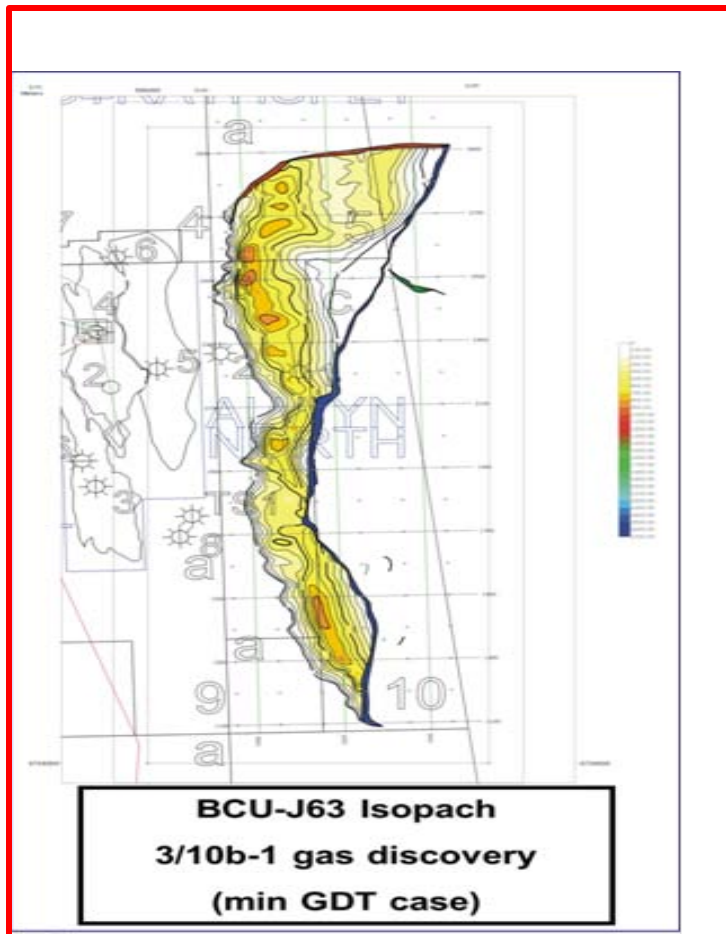
## 3 Assets in 5 Blocks

- **Thunderball 14/26b and 27b, 90% ownership**  
(Thunderball): 32-318-2398 BCF. (mid case prospective resources c.50% on block)  
(Buzzard): 10-65-341 MMBBL. (mid case prospective resources c.60% on block)
- **Moby 16/8c, 90% ownership, ( 50% post PGS farmout)**  
(Moby): 15-43-102 MMBBL  
plus 39-94-204 BCF (mid case prospective resources c.70% on block)
- **3/5 and 10c, 90% ownership, ( 50% post PGS farmout)**  
(3/10b-1 discovery): 480-1057-2196 BCF. (mid case prospective resources c.95% on block)  
(3/5 north prospect): 38-166-580 BCF. (mid case prospective resources c.85% on block)

(reserve/prospective resource values are in-house recoverable estimates of oil and/or gas at minimum – mid case– maximum levels)

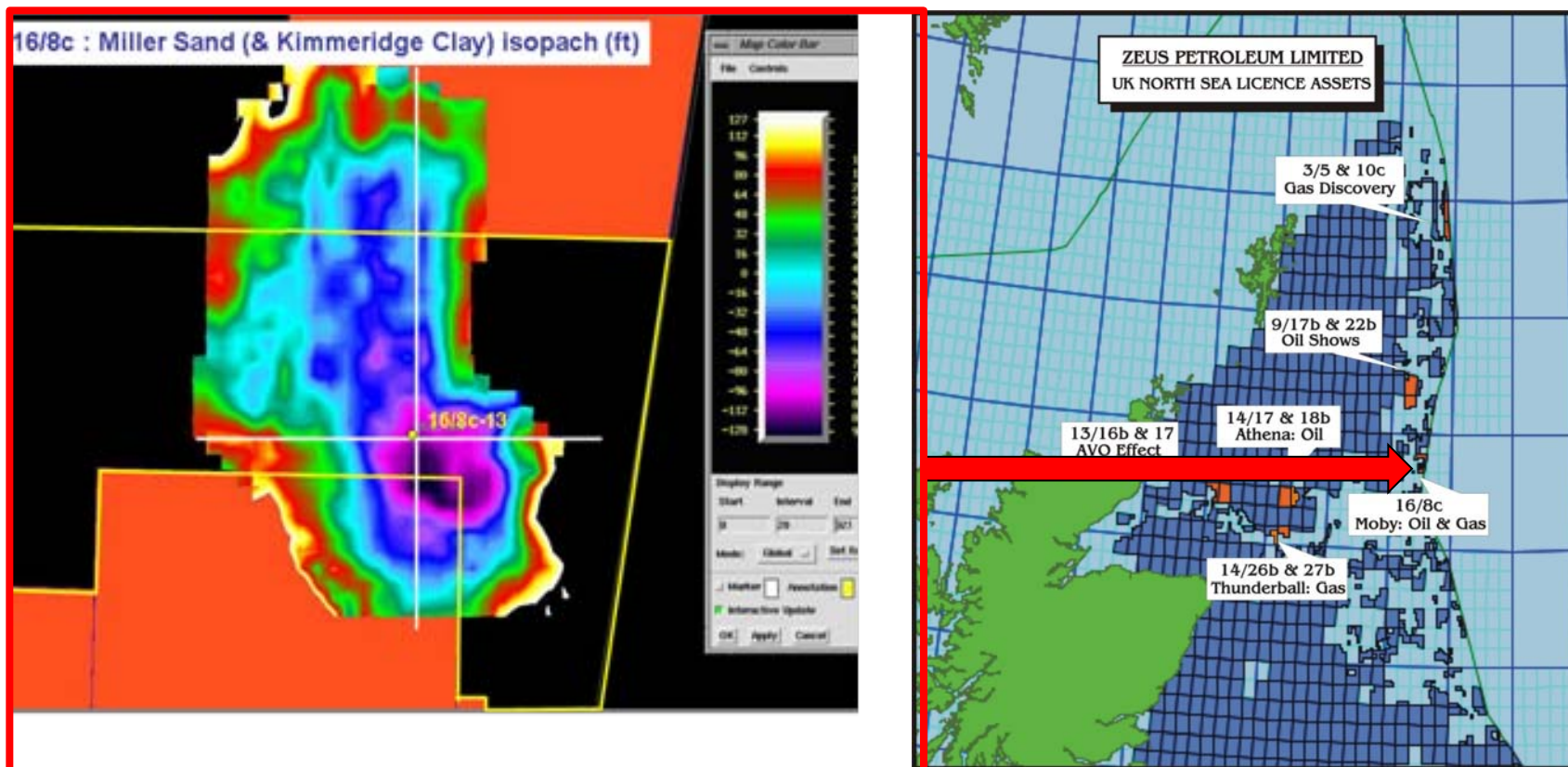
NB: Residual 10% ownership held by Aimwell Energy

## 3/5 & 3/10 GAS DISCOVERY

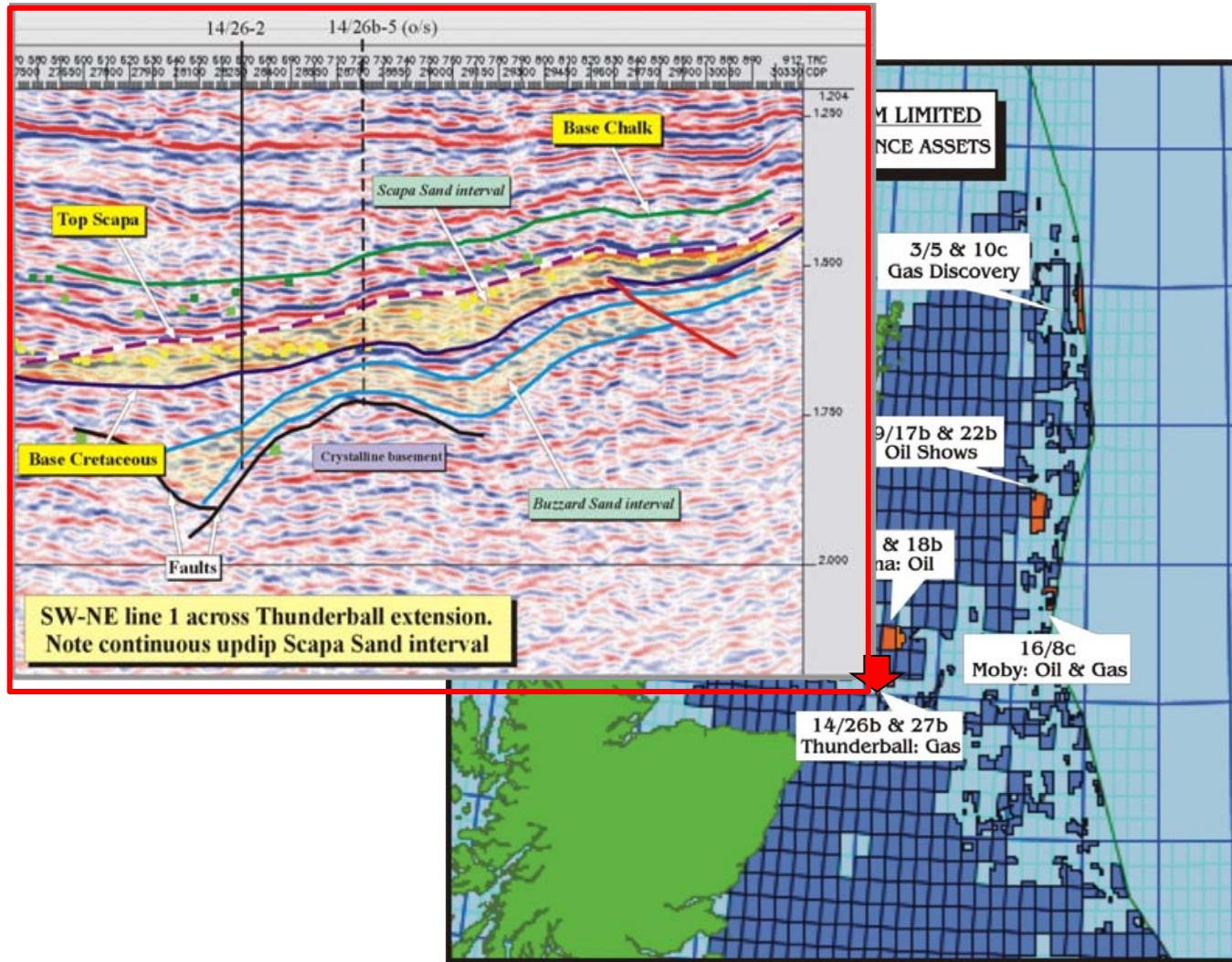




# MOBY 16/8C



# THUNDERBALL 14/26b & 14/27b

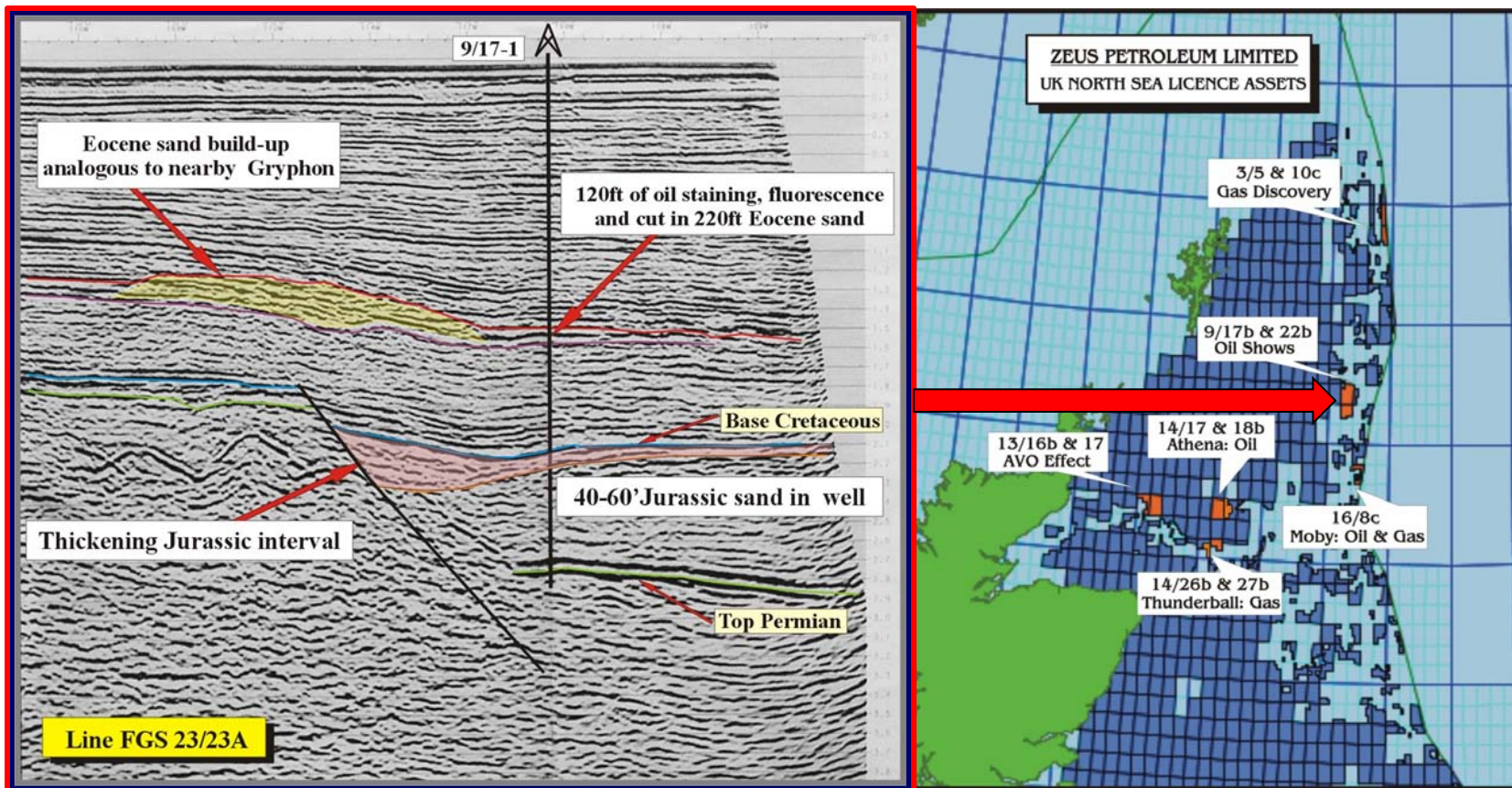


## EXPLORATION PORTFOLIO – 5 BLOCKS

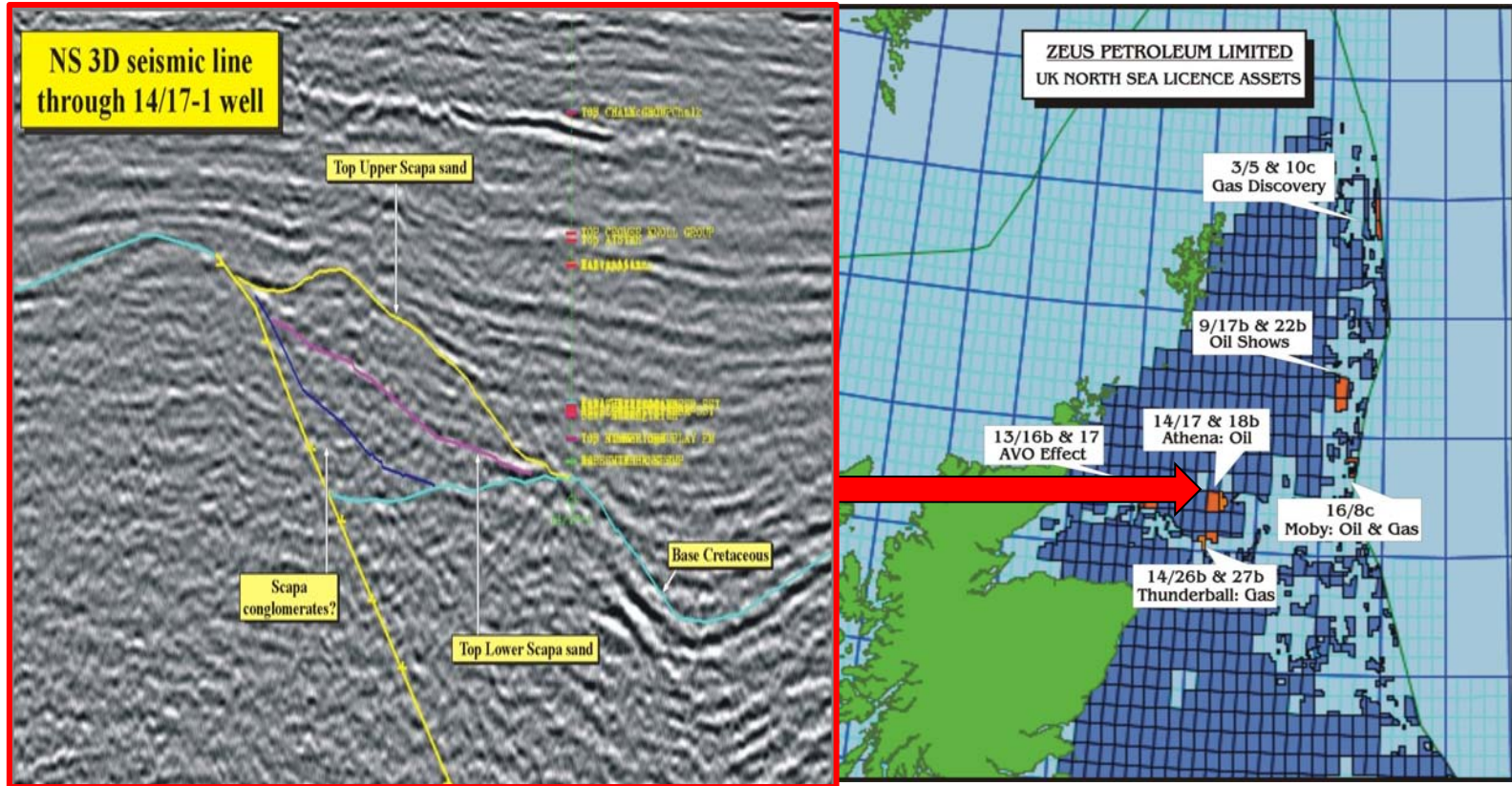
- 9/17b & 22b, 90% ownership ( 50% post PGS farmout)  
Gryphon look-alike (c.130 mmbbl & 130 bcf )
- 14/17, 90% ownership ( 50% post PGS farmout)  
Athena Look-alike (c. 20 mmbbl)
- 13/16b & 17, 90% ownership  
(Jurassic): 121-367-1113 MMBBL (mid prospective resources 70% on block)  
(Cretaceous) : 16-140-1135 MMBBL (mid prospective resources 100% on block)

NB: Residual 10% ownership held by Aimwell Energy

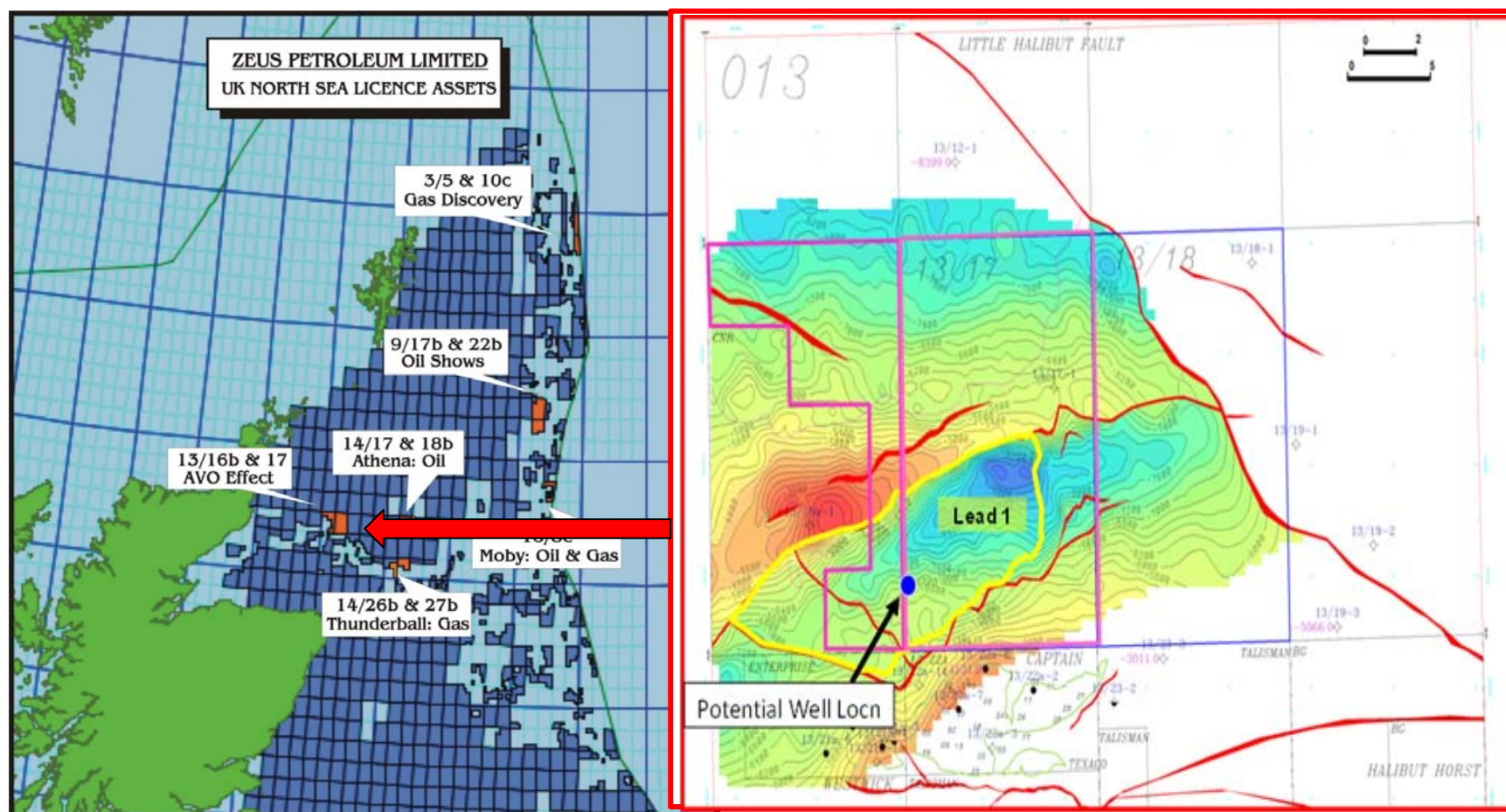
# 9/17b & 9/22b



## 14/17



## 13/16b &amp; 13/17



TVDS: contour int. = 200

MAP TOP BUZZARD SAND MEMBER DEPTH



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## USA ASSETS

- Blackwell, 48.75% revenue interest in 22 wells. 2 wells currently on production at minimal rates.
- Schuster flats, 18.75% interest, leases being reviewed for sale.
- Bearcat Prospect, 10.31% revenue interest. Well completion planned Q3 2011

## SENERGY CLAIM

- Senergy has claimed approximately \$15m for alleged breach of contract regarding a rig slot from May 2008.
- Board confident that the claim will not succeed
- Case scheduled for October 2011



## SUMMARY

- Lochard Energy is a focussed pure play E&P business in the North Sea; platform for growth
- Experienced management team with future board strengthening planned
- Athena development is fully funded and close to revenue at over three times historic revenue for Fluids Business.
- 1 development and 10 other appraisal and exploration blocks with significant upside potential
- Senergy claim will be heard at court in Q4 2011; management are confident that the claim will not succeed.

**Issued Shares**

Shares currently on issue 249,579,902

**Other securities**

Warrants ( ex 5p (~\$0.09)exp 05/05/12) 2,000,000

Employee options (ex 16.5p ,exp various) 6,485,000

Options (ex \$0.525, exp 22/10/12) 500,000

**Total other securities 8,985,000**

**Directors Shareholding 8.2% 20,442,992**

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