



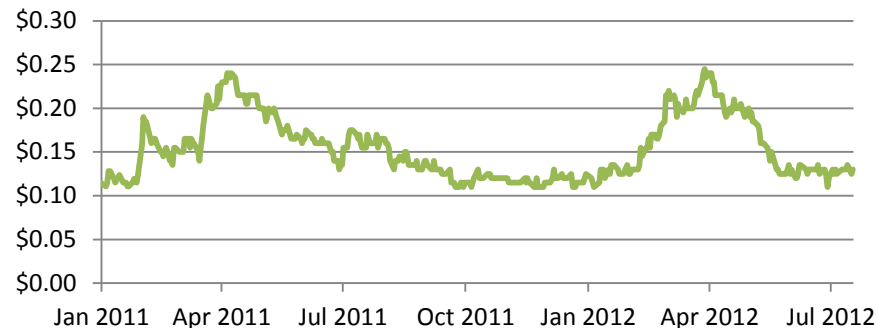
## 2012 Investment Overview

A new approach to a proven resource



# Acer Energy Limited (ASX: ACN)

▪ <b>Share Price</b>	-	<b>\$0.13</b>
▪ <b>Shares on Issue</b>	-	<b>464.2 million</b>
▪ <b>Market Capitalisation</b>	-	<b>~\$60 million</b>
▪ <b>Cash (30 June 2012)</b>	-	<b>\$18 million</b>
▪ <b>Major Shareholders</b>	-	<b>Republic (39%)</b>
	-	<b>Board &amp; Management (7%)</b>



## ▪ **Board of Directors**

- ❑ **Nick Davies (Non Executive Chairman)** - previous MD of Arrow Energy until its sale in 2010 for ~\$3.5B. Nick has over 32 years E&P industry experience and prior to Arrow was President of BP's Asia Gas/Power division.
- ❑ **David McEvoy (Non Executive Director)** - David has over 35 years experience in the oil and gas industry and held numerous senior executive positions with ExxonMobil. Currently a non-executive director of Woodside and AWE.
- ❑ **Adam Johnson (Non Executive Director)** - Joint founder of the company, Adam has his own legal practice.
- ❑ **Shaun Scott (Non Executive Director)** - previous CEO of Arrow who has held senior financial and commercial positions with NRG, Energy Developments Ltd and ARCO.

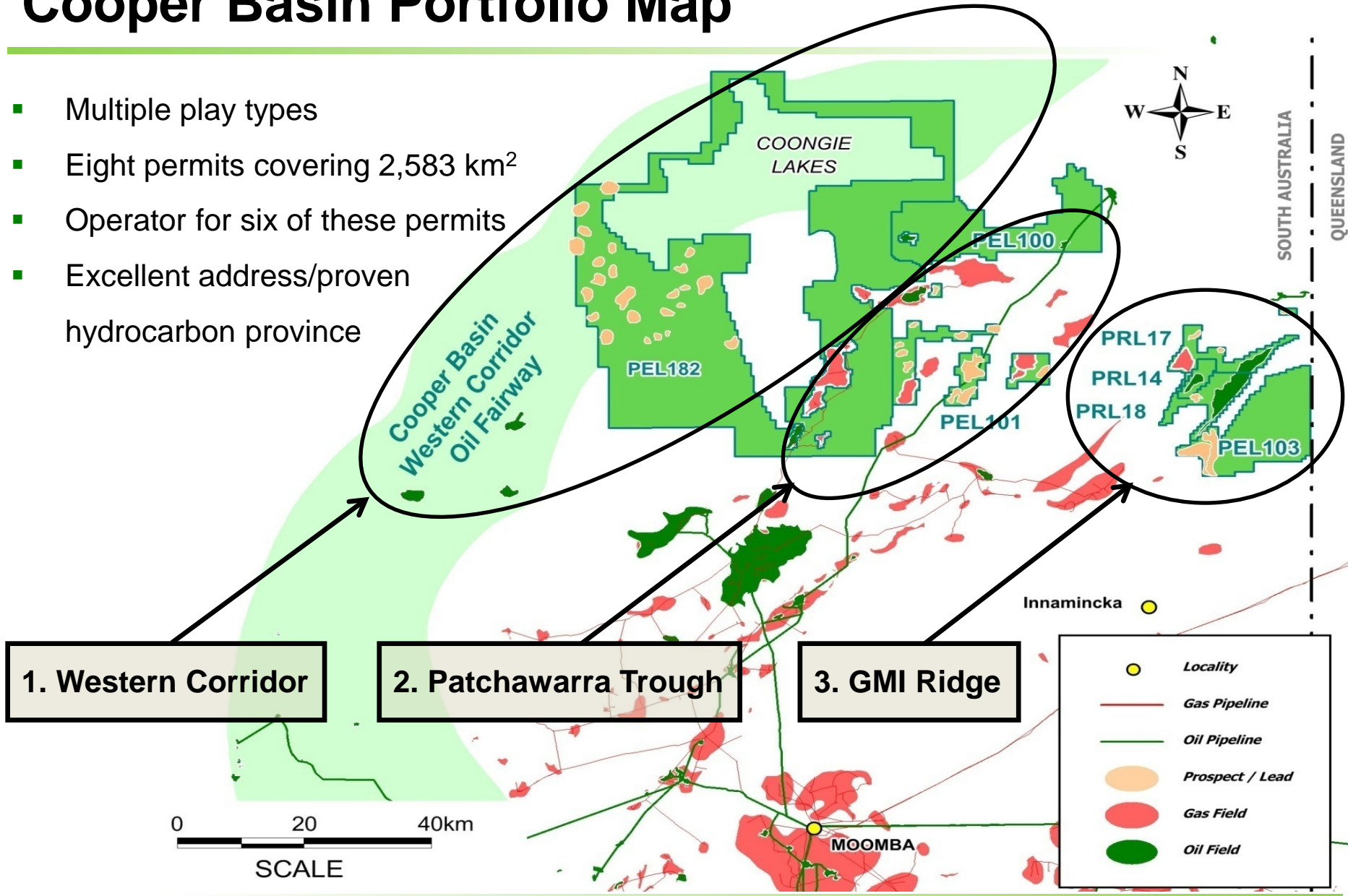
## ▪ **Management:**

- ❑ **Clint Adams (MD)** - former Chief Commercial Officer of Arrow. Previous roles include independent energy advisor and Director BD at NRG. Clint has more than 20 years experience in the energy/resource sectors.
- ❑ **Darren Rogers (COO)** - highly experienced asset /ops manager with more than 18 years energy industry experience.
- ❑ **Simon Cunningham (CFO)** - finance executive with multiple previous listed energy/resource company roles.



# Cooper Basin Portfolio Map

- Multiple play types
- Eight permits covering 2,583 km<sup>2</sup>
- Operator for six of these permits
- Excellent address/proven hydrocarbon province



1. Western Corridor

2. Patchawarra Trough

3. GMI Ridge

# Acer Energy - Investment Highlights

- Cooper Basin oil producer/operator about to embark on transformational exploration and appraisal program.
- Large portfolio of acreage with multiple play types:
  - ❑ GMI Ridge (Oil & Wet Gas) – unique development;
  - ❑ Western Corridor – high margin, multiple opportunities;
  - ❑ Northern Patchawarra Trough – large conventional and unconventional gas resources; and
  - ❑ Darling Basin – large early stage exploration play.
- Unique near term vertically integrated Oil, LPG and LNG development opportunity with superior economics driven by:
  - ❑ Geographic location, unique resource size/quality;
  - ❑ Technical innovation (low cost modular design); and
  - ❑ Significant 100% owned infrastructure footprint (>\$50M).
- Proven Board and management team with a successful track record of creating significant shareholder value.



# Acer Energy – Unlocking the Potential

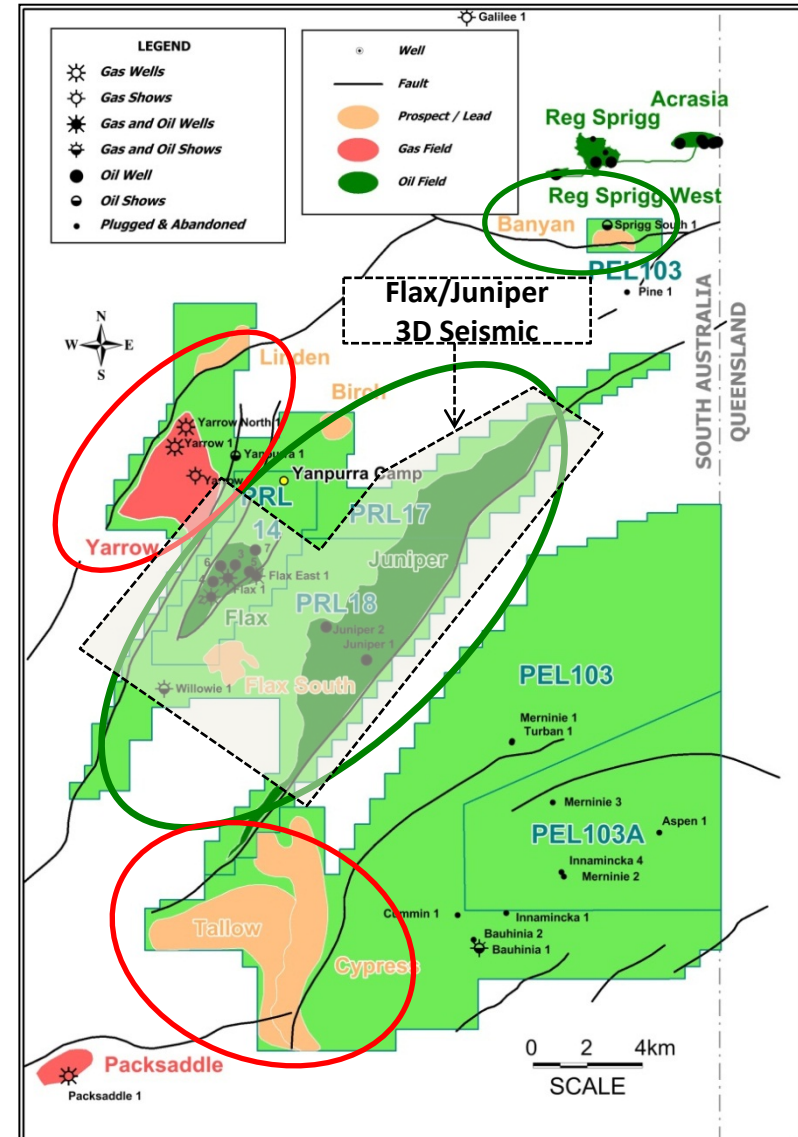
- New approach to the GMI Ridge Oil + Wet Gas Opportunity:
  - Enhanced technical understanding of the asset;
  - “Whole of field” resource maximisation to enhance economic returns and leverage sunk investment;
  - Utilise global expertise and technology to optimise development (Schlumberger Tight Reservoir Study).
- Multiple well work overs Q3 2012 (applying technical findings).
- Near term exploration and appraisal drilling (3 – 6 wells):
  - Oil prospects potential resource additions >100 mmbbls;
  - Gas prospects potential resource additions >180 Bcf.
- Continued activity across greater portfolio:
  - Western Corridor (large acreage position);
  - Patchawarra Trough (conventional and unconventional - significant basin centred gas opportunity);
  - Darling Basin (conventional/unconventional potential).





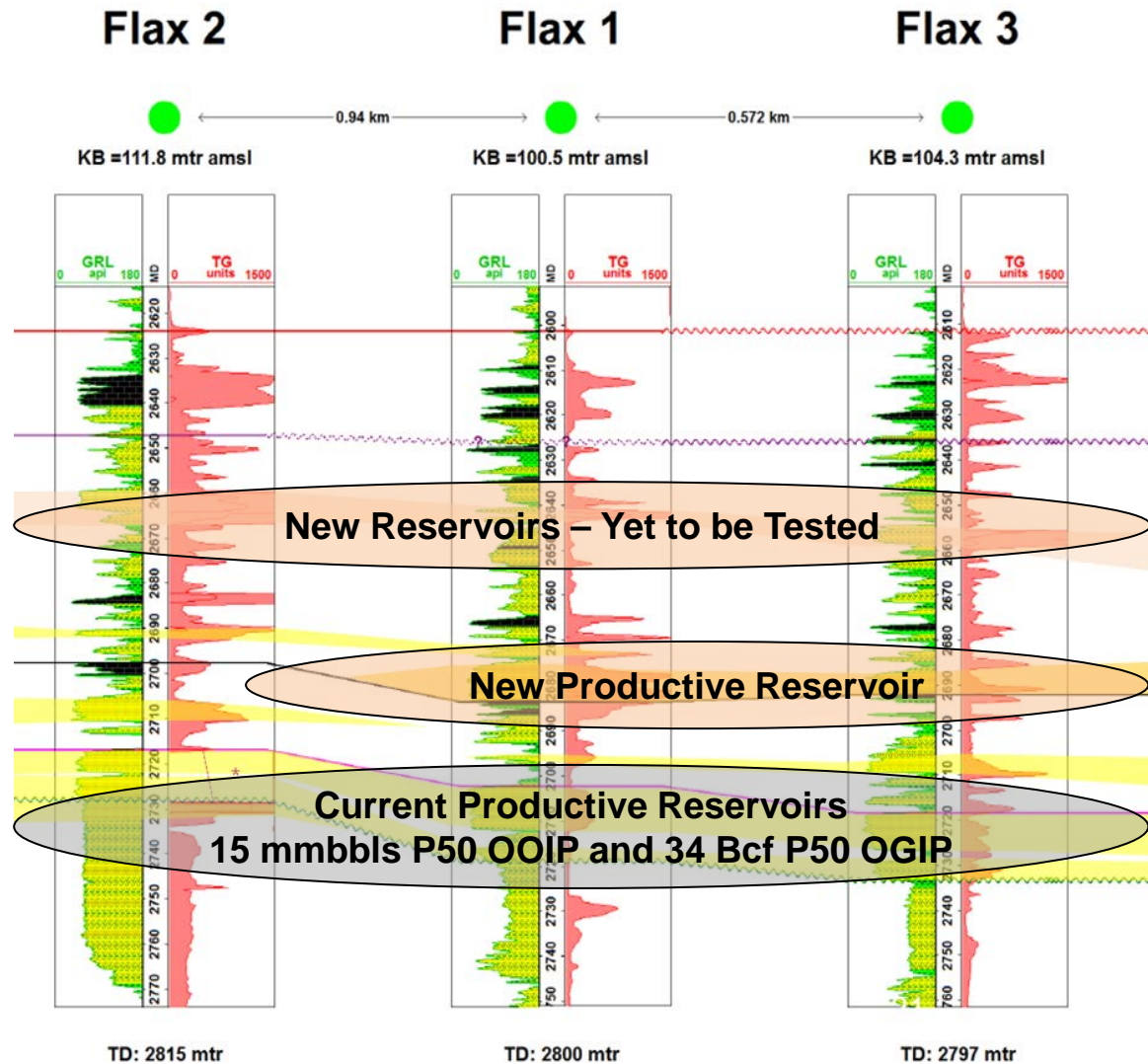
# A New Approach to a Proven Resource

- Detailed review of the technical data has shown:
  - Past performance impacted by suboptimal field development & execution;
  - Multiple additional opportunities through a “whole of field” approach.
- New fit for purpose well completions:
  - testing identified “up hole” pay zones;
  - modern fracture stimulations; and
  - artificial lift being trialled in Flax 5 well.
- 3D seismic has identified optimum well locations for 2012 drilling.
- The Flax and Juniper fields produce a light sweet oil and gas which is low in CO<sub>2</sub> and high in NGL’s (~30%), providing premium Tapis oil pricing and potentially high value gas revenues.



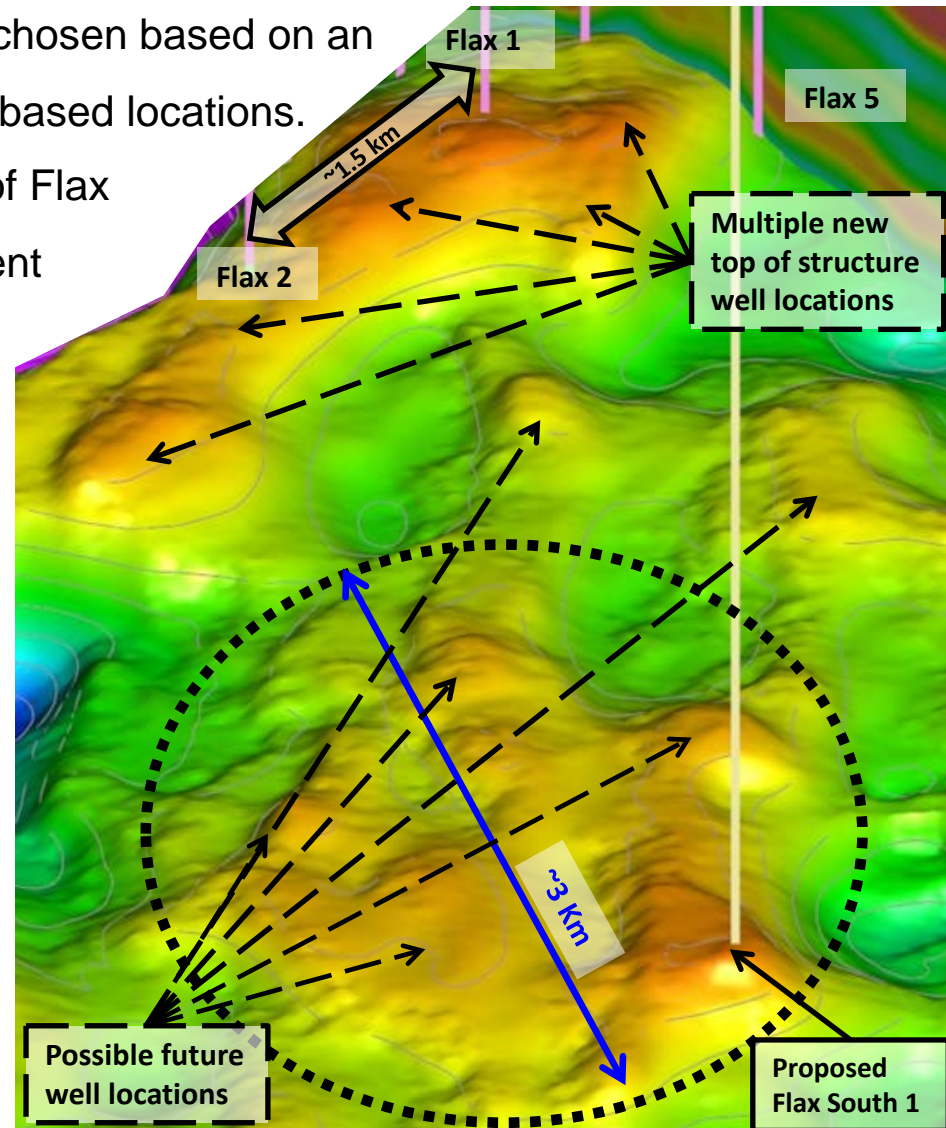
# Additional Reservoirs – Enhanced Reserves

- New productive reservoir tested with encouraging oil/gas ratios.
- The same and similar reservoirs appear in other wells.
- Multi well work over program commencing Q3 2012 will enable productivity test without the need for new wells.
- Enhanced production immediately tied in to existing facilities.
- New reservoirs are in addition to the existing resource estimates.



# Multiple Opportunities – 3D Seismic

- The historical Flax field well locations were chosen based on an EOR development plan rather than seismic based locations.
- New 3D seismic has identified multiple top of Flax structure well locations for future development drilling.
- 3D seismic shows increased Patchawarra / Tirrawarra sand thickness in Flax South compared with the Flax field.
- The Flax South structure is nearby the Flax field thereby enabling wells to be tied back to existing production facilities.
- Birkhead channel sands are a secondary target for several new well locations within both the Flax and Flax South structures.





# 2012 Drilling Program – Additional Prospects

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## **Juniper Oil + Wet Gas Appraisal:**

- On 3D seismic the top of the Juniper structure looks ~3 - 6 km's North of Juniper 1 with ~30 metres of up dip potential. The field also indicates increased extension to the South.
- Evidence of Mid/Upper Patchawarra and Toolachee sands are secondary drilling targets.
- A further 130 mmbbls OOIP resource potential exists should Flax & Juniper be connected.

## **Yarrow Gas and Condensate Appraisal:**

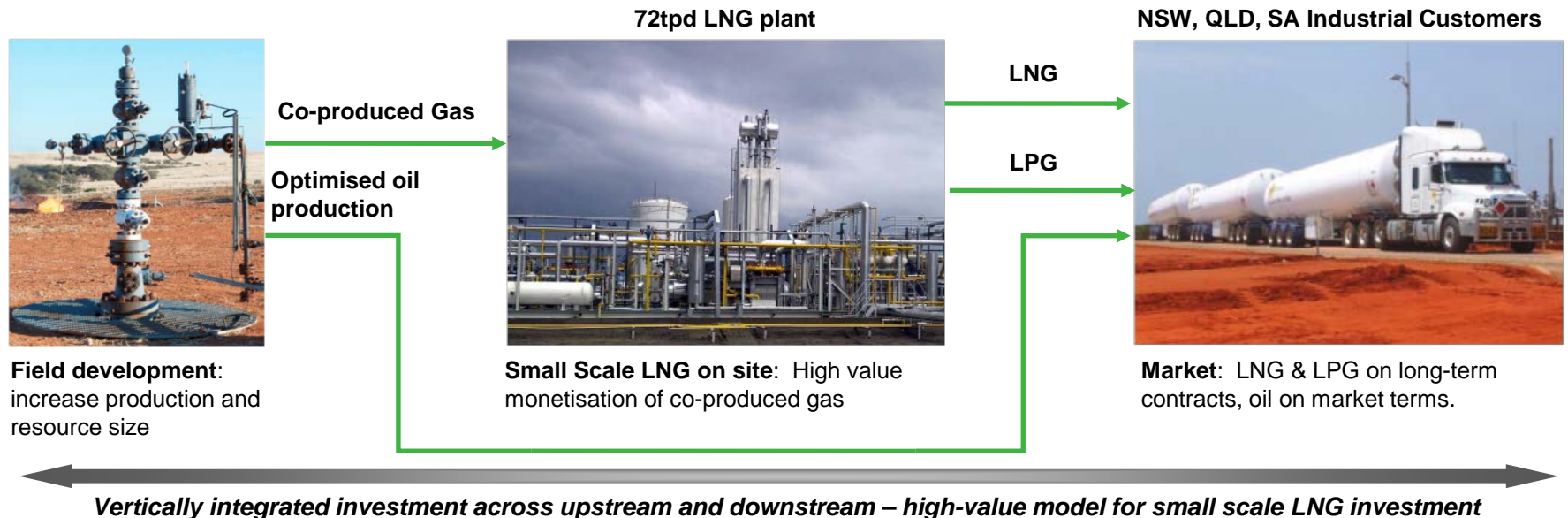
- Located 5km from the Flax facilities the Yarrow field is estimated to contain 27 Bcf P50 OGIP.
- The Yarrow 1 well test recovered condensate at a rate of ~15 bbls per million scf of gas.
- Yarrow gas may be used to support the company's proposed small scale LNG project.

## **Tallow Gas Exploration Prospect:**

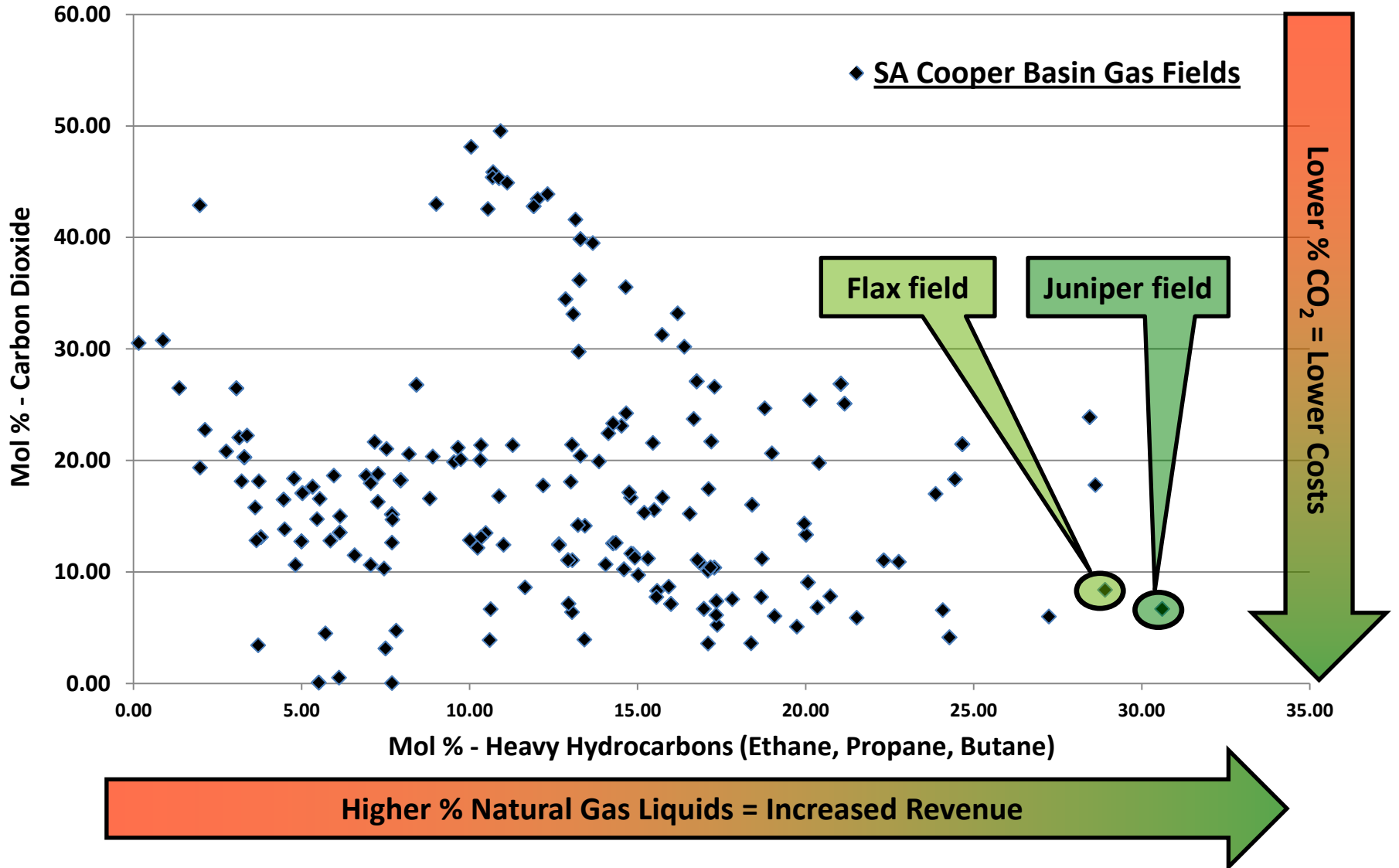
- The upper sandstone correlates to the gas bearing sand in the Packsaddle 1 discovery.
- A potentially 100 Bcf OGIP is present in this sand with further upside in stratigraphically trapped Patchawarra fluvial sand bodies. The structure is similar to the Yarrow gas field.

# Small Scale LNG Opportunity – Enhanced Value

- High-value means of monetising co-produced gas resulting from increased oil recovery.
- Opportunity enhanced by geographic location – proximity to bitumen roads, elevated geographic location, access to multiple surrounding gas discoveries/prospects (major upside expansion potential).
- Unique Cooper Basin gas composition = multiple sources of revenue (Oil + LPG + LNG).
- The Acer Energy team has a successful track record of vertically integrating upstream gas resources with downstream infrastructure.

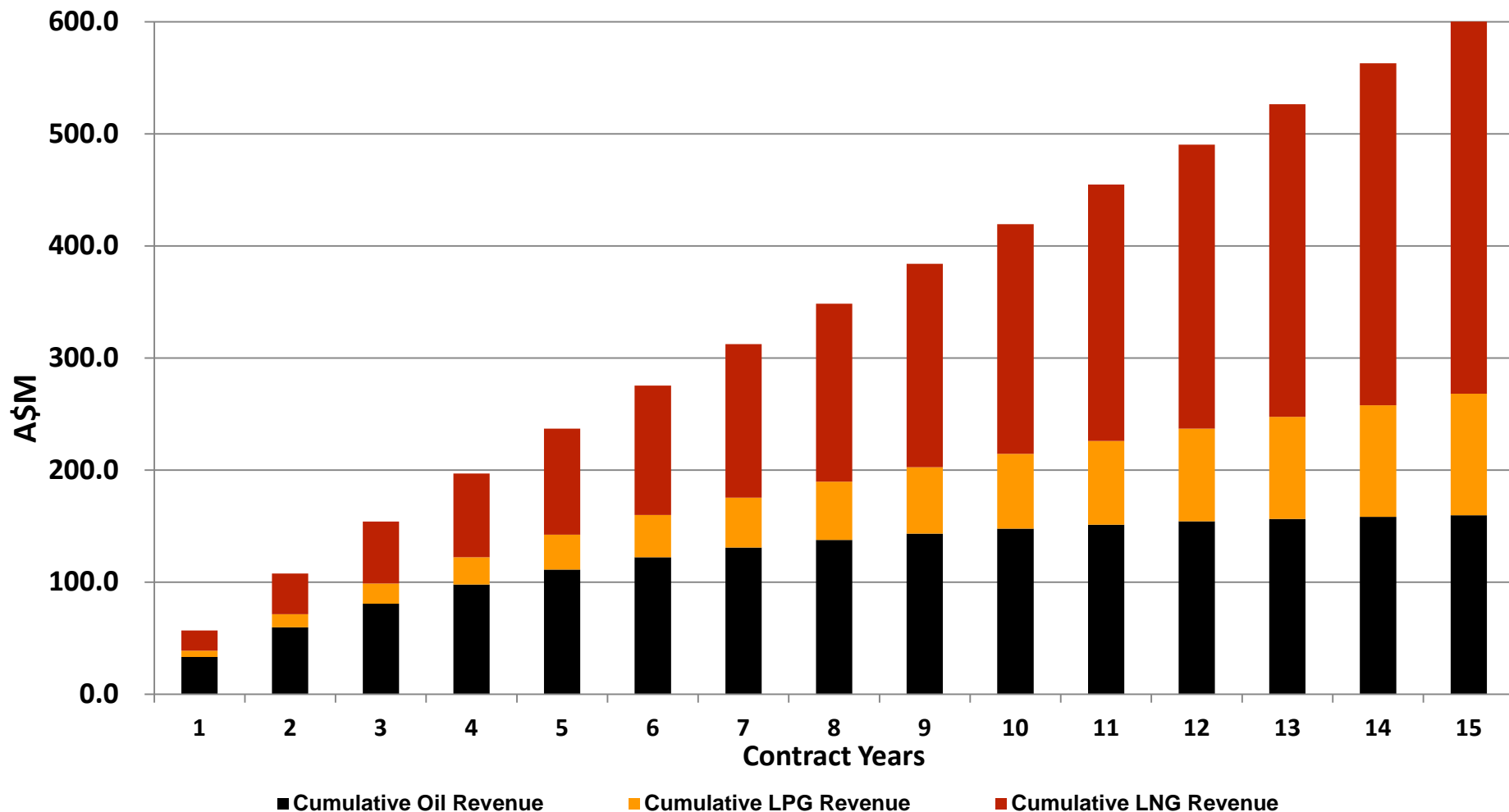


# LNG and LPG Feedstock Gas Specification





# LNG Project (Train 1) – Projected Revenue



<b>Assumptions:</b>	Tapis Oil Price	A\$100/bbl	Oil Sales	1.5 mmbbls
	LPG Price	A\$20/GJ	LPG Sales	4.1 PJ
	LNG Price	A\$13/GJ	LNG Sales	19.4 PJ
CPI – 3%				

# GMI Ridge Oil + Wet Gas – 2012 Activity

- Undertake modern stimulation work overs in Q3 2012 to:
  - ❑ Confirm productive capability of additional reservoir sequences;
  - ❑ Demonstrate increased oil + wet gas recovery using fit-for-purpose well completions;
  - ❑ Materially increase production from existing wells.
- Confirm final appraisal and exploration drilling locations for the 2012 campaign:
  - ❑ Oil prospects potential resource additions >100 mmbbls;
  - ❑ Gas prospects potential resource additions >180 Bcf.
- Commission revised reserves evaluation.
- Continue approval process for proposed LNG facility for co-produced wet gas.



# Acer Energy Portfolio – Multiple Play Types

## 1. GMI Ridge Oil + Wet Gas Opportunity

## 2. Western Corridor:

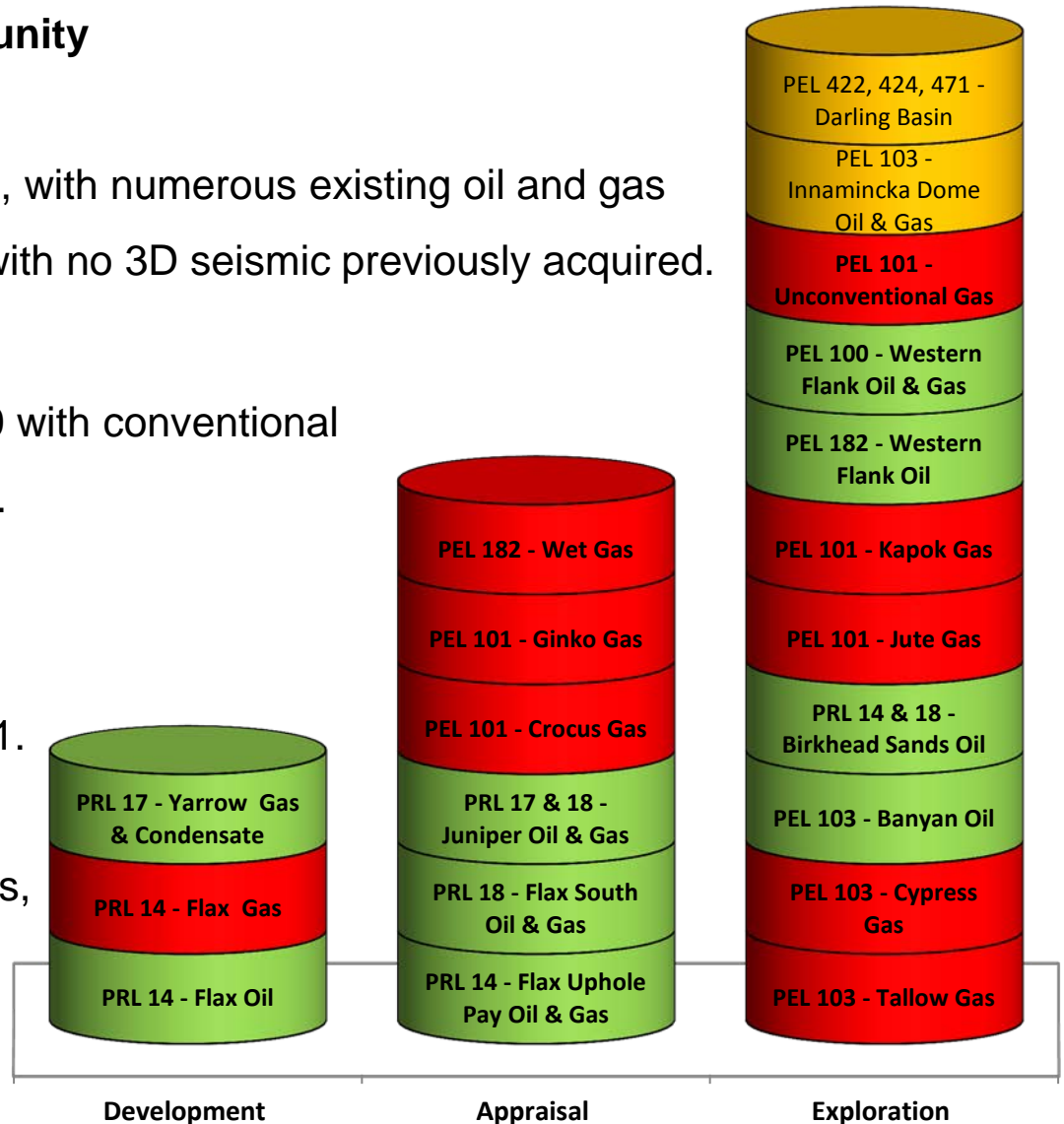
- 2 permits - PEL 182 & PEL 100, with numerous existing oil and gas discoveries within the permits with no 3D seismic previously acquired.

## 3. Northern Patchawarra Trough:

- 3 permits - PEL 101, 182 & 100 with conventional and unconventional play types.
- Basin centred gas opportunity.

## 4. Darling Basin:

- 3 permits – PEL 422, 424 & 471.
- 18,500km<sup>2</sup> 100% Acer Energy.
- Multiple independent sub basins, lightly explored.





# Acer Energy - Investment Highlights

- Cooper Basin oil producer with high impact near term activity:
  - Technically driven multi aspect field work over campaign commencing September 2012 to test new fracture stimulations, additional “up hole” reservoirs and artificial lift to immediately increase oil production; and
  - Multi well 2012 (3 – 6 well) appraisal and exploration drilling campaign with the potential to add significant new oil and gas reserves.
- Unique near term opportunity to develop vertically integrated Oil, LPG and LNG project with superior economics.
- Large portfolio of acreage with multiple opportunities across the entire project cycle from exploration to production.
- Proven Board and management team with a successful track record of creating significant shareholder value.



# Important Notice and Disclaimer

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## Important Information

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## Reserves & Resources

The resource estimates used in this statement were compiled by RISC Pty Ltd (ABN 75249408310) as part of an Independent Expert's Report for the placement of shares in March 2011 and for an in-house company assessment undertaken in February 2012. Specifically the resource information was compiled for RISC by Peter Stephenson (partner and director of RISC and member of the Institute of Chemical Engineers) and Joe Salomon (RISC's Geoscience Manager) who are qualified in accordance with ASX listing rule 5.11 and has consented to the form and context in which this statement appears.



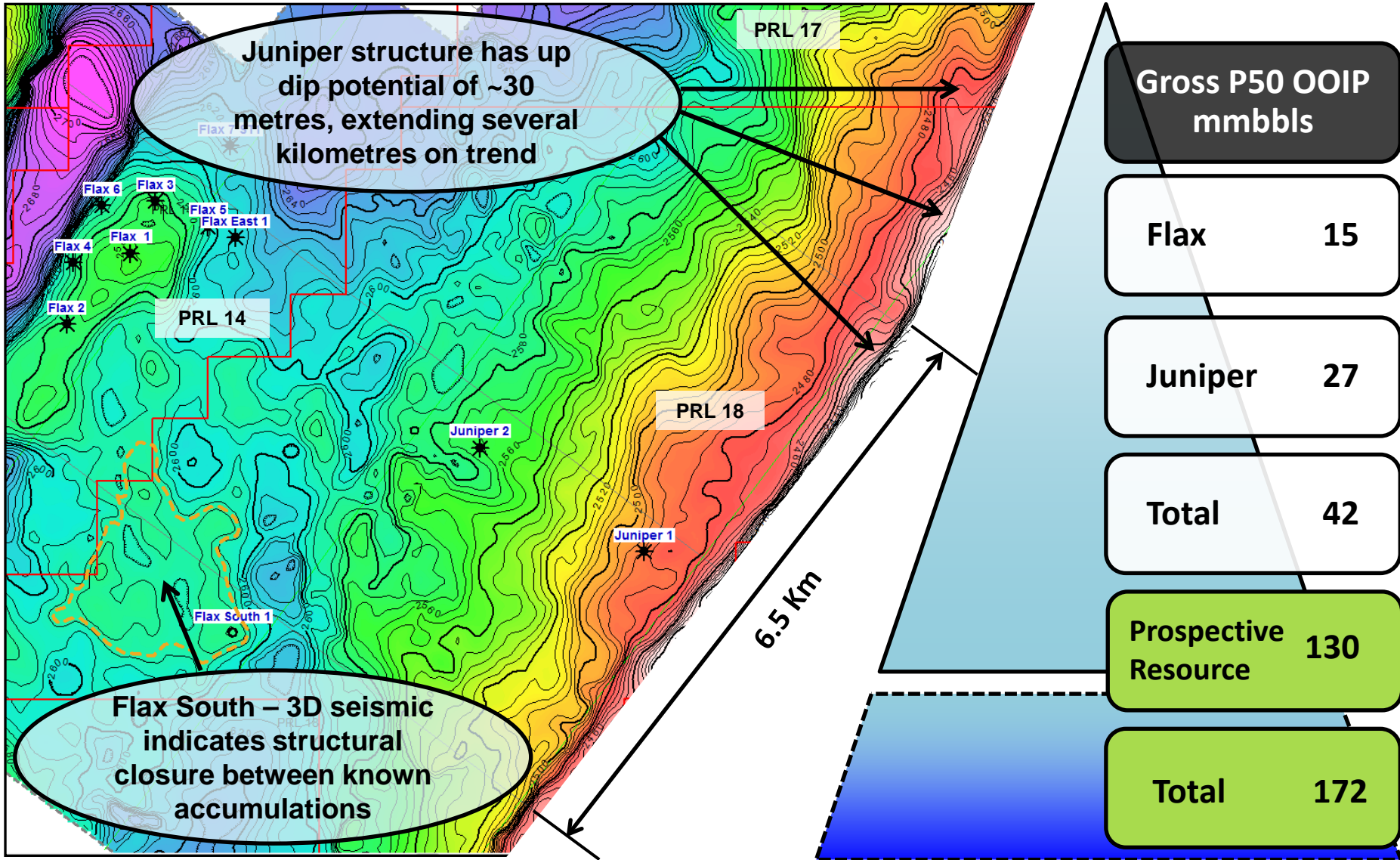
# Additional Information

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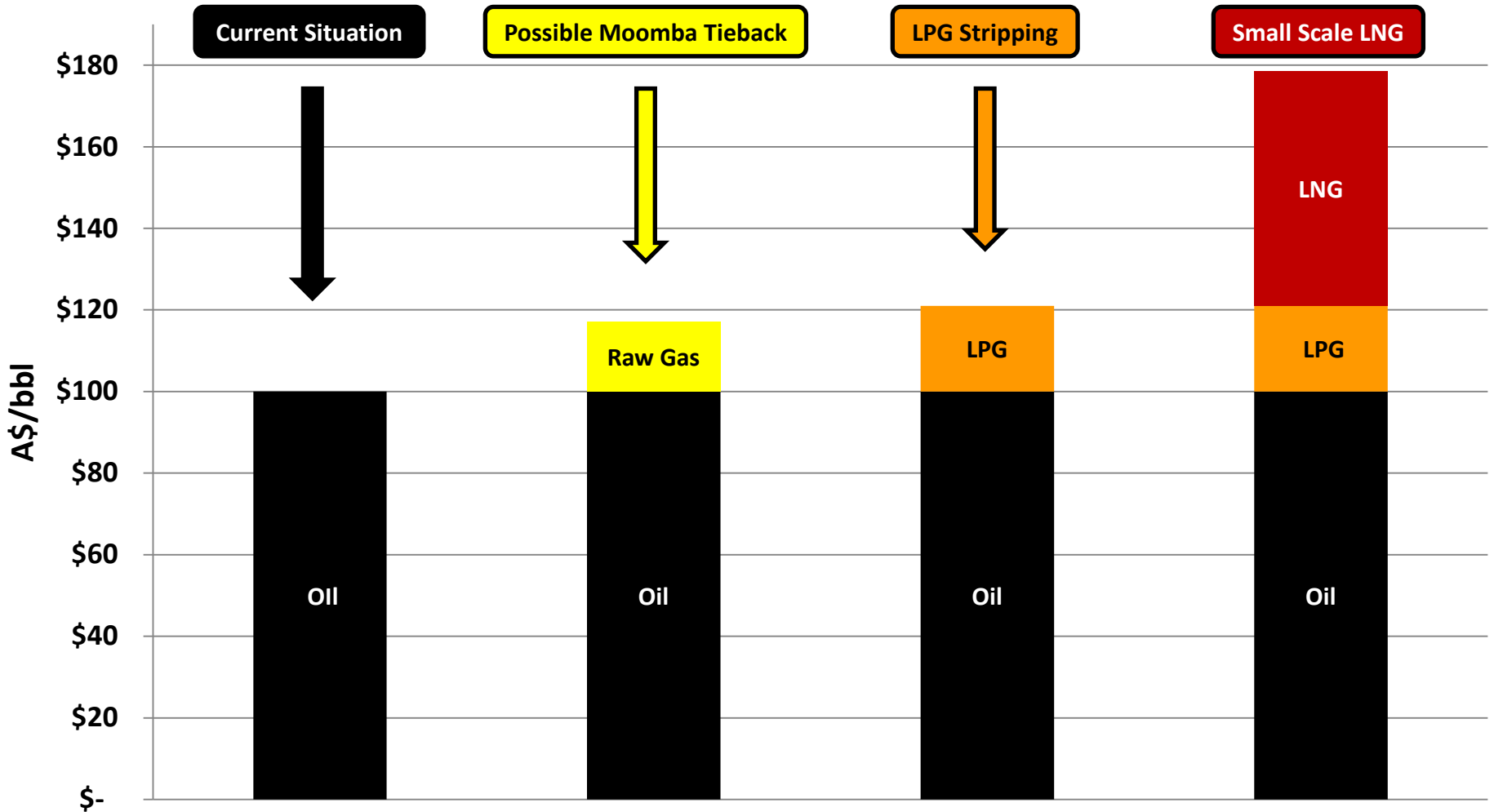




# Flax - Juniper 3D: Depth Map

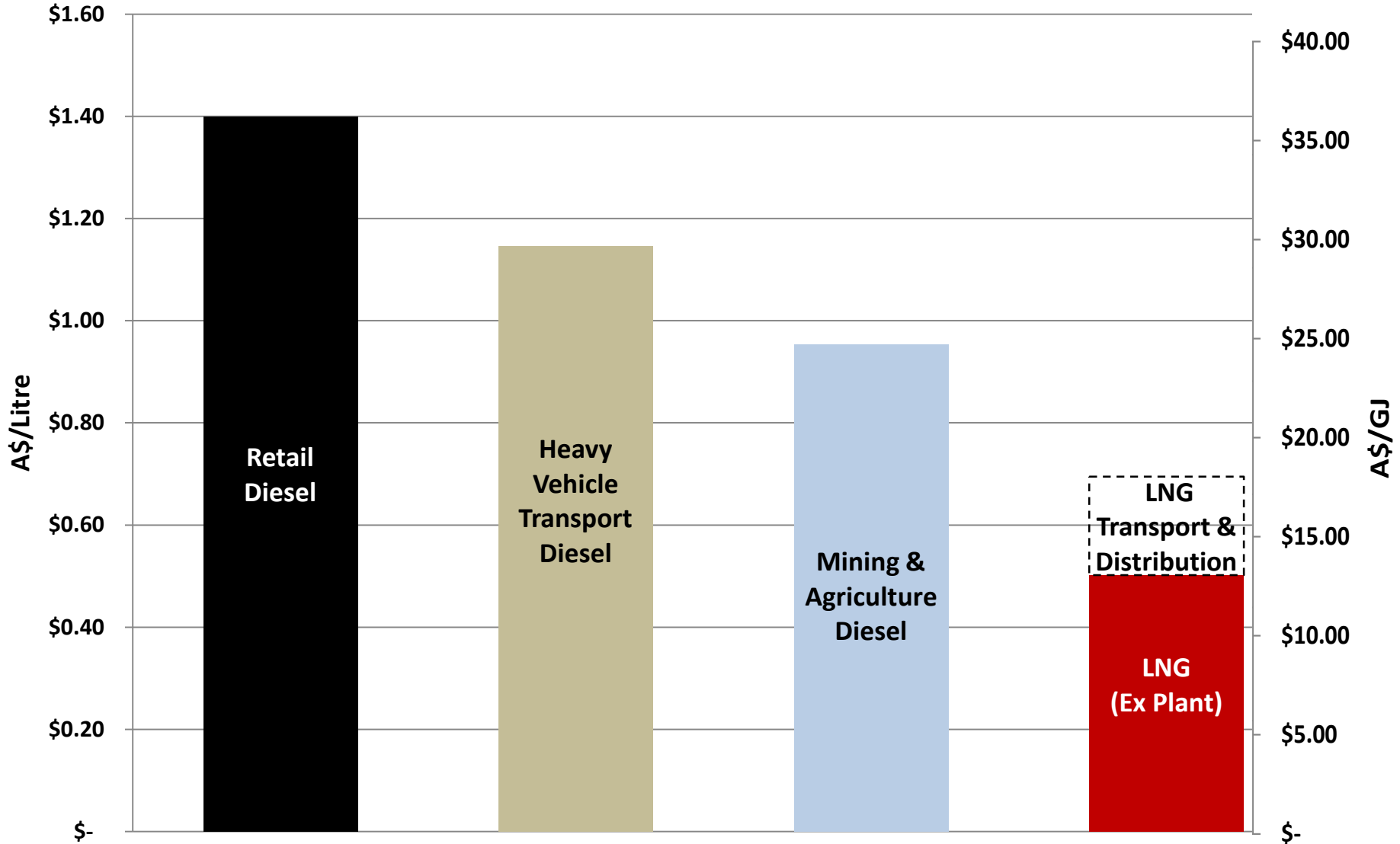


# LNG Project – Revenue / Barrel



<b>Assumptions:</b>	Tapis Oil Price	A\$100/bbl	Raw Gas Price	A\$3.00/GJ	GOR ~6,600 scf/bbl
	LPG Price	A\$20/GJ	LNG Price	A\$13/GJ	

# LNG - Diesel Displacement





# PEL 182 & PEL 100 – Multiple Play Types

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## PEL 100

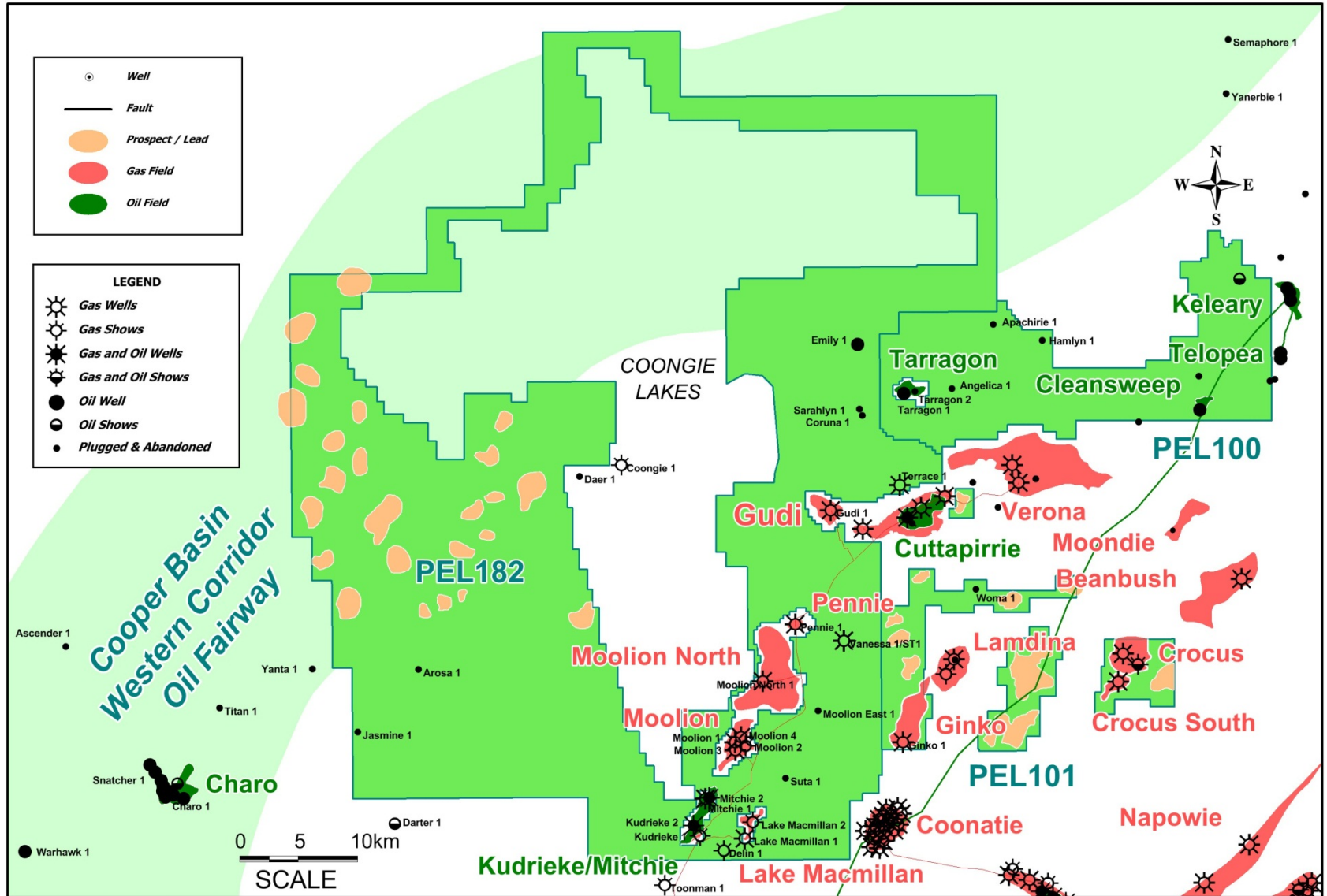
- 297 km<sup>2</sup> permit (Acer Energy - 25.83% interest, Operator – Senex).
- An approved 250 km<sup>2</sup> 3D seismic program is scheduled to commence September 2012.
- Proven oil and gas province (adjacent to producing Keleary & Telopea fields and discoveries at Cleansweep and Tarragon).

## PEL 182

- Large 1,750 km<sup>2</sup> permit (Acer Energy - 37.6% interest, Operator – Senex).
- Wet ground conditions has resulted in 3D seismic and drilling activities being deferred.
- Multiple play types including Western flank oil, Patchawarra Trough wet gas, Basin Centred Gas potential on the Eastern flank of the permit.

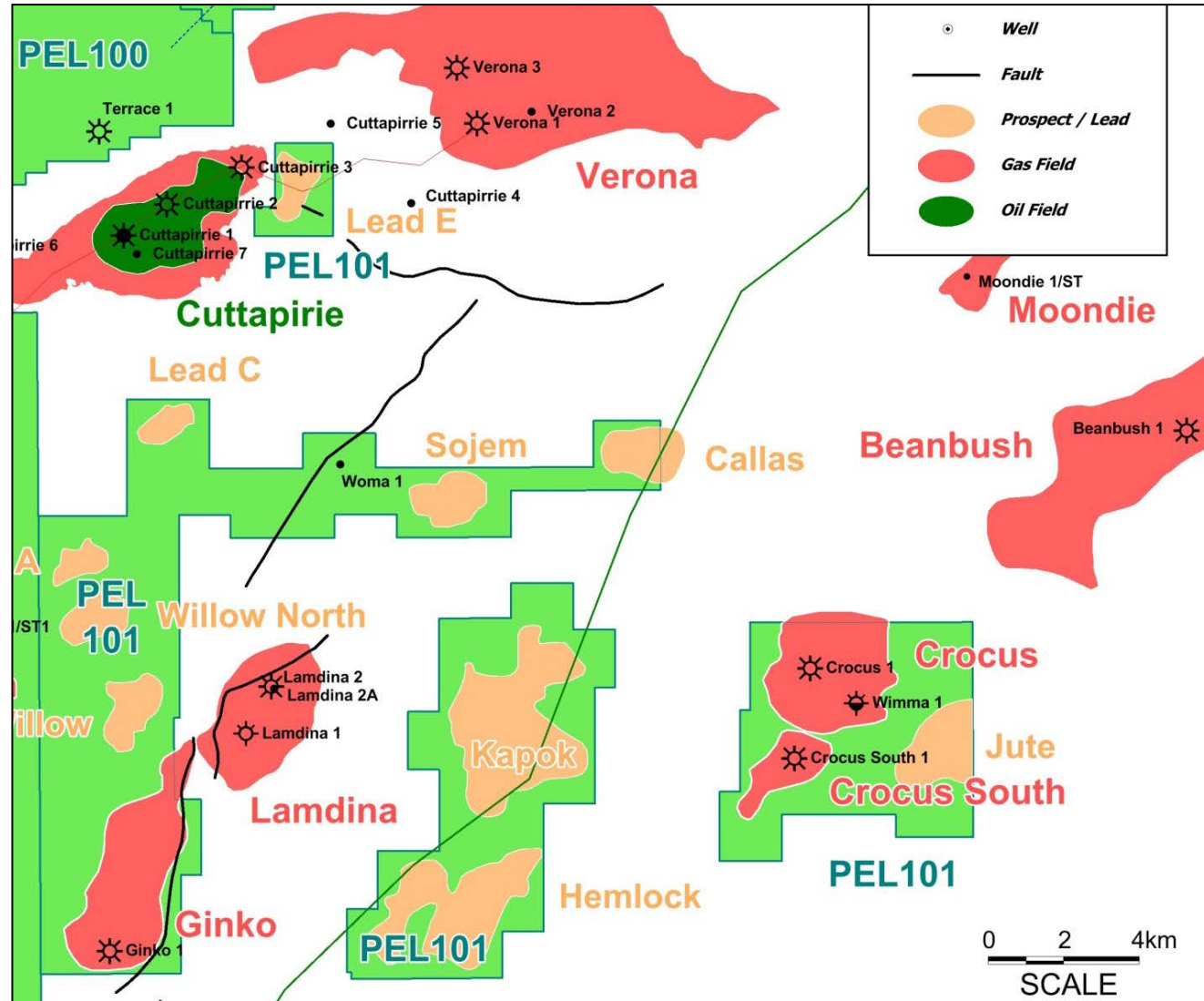


# PEL 182 & PEL 100 – Large Western Flank Position



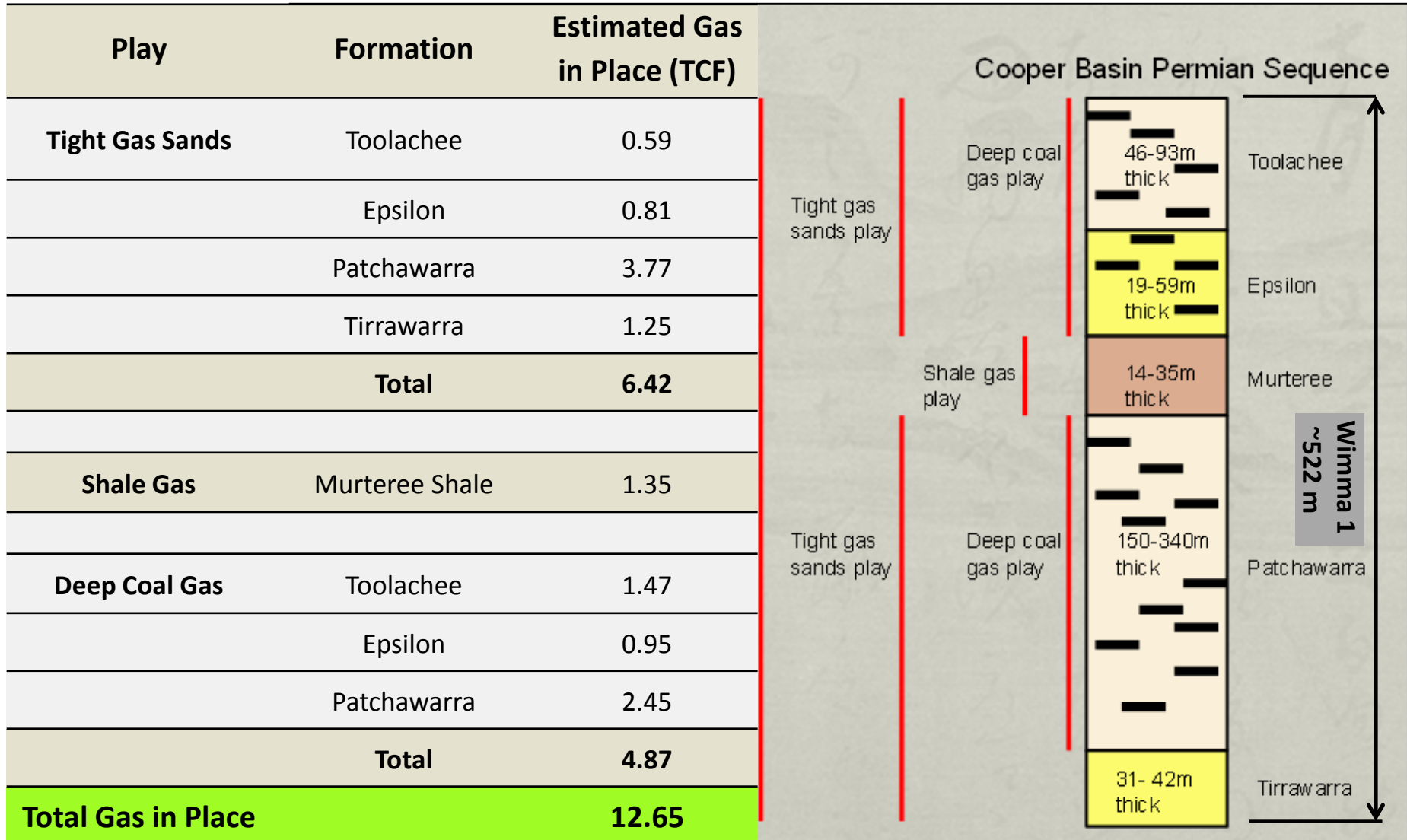
# PEL 101 – Northern Patchawarra Trough

- Permit area ~154 km<sup>2</sup> (38,000 acres).
- Gas discoveries at Ginko & Crocus with several follow-up opportunities mapped.
- Adjacent gas discovery in Vanessa (PEL 182).
- Permian section is largely gas saturated.
- Additional potential in unconventional reservoirs.
- 3 cased and suspended wells (>\$12M in capital).





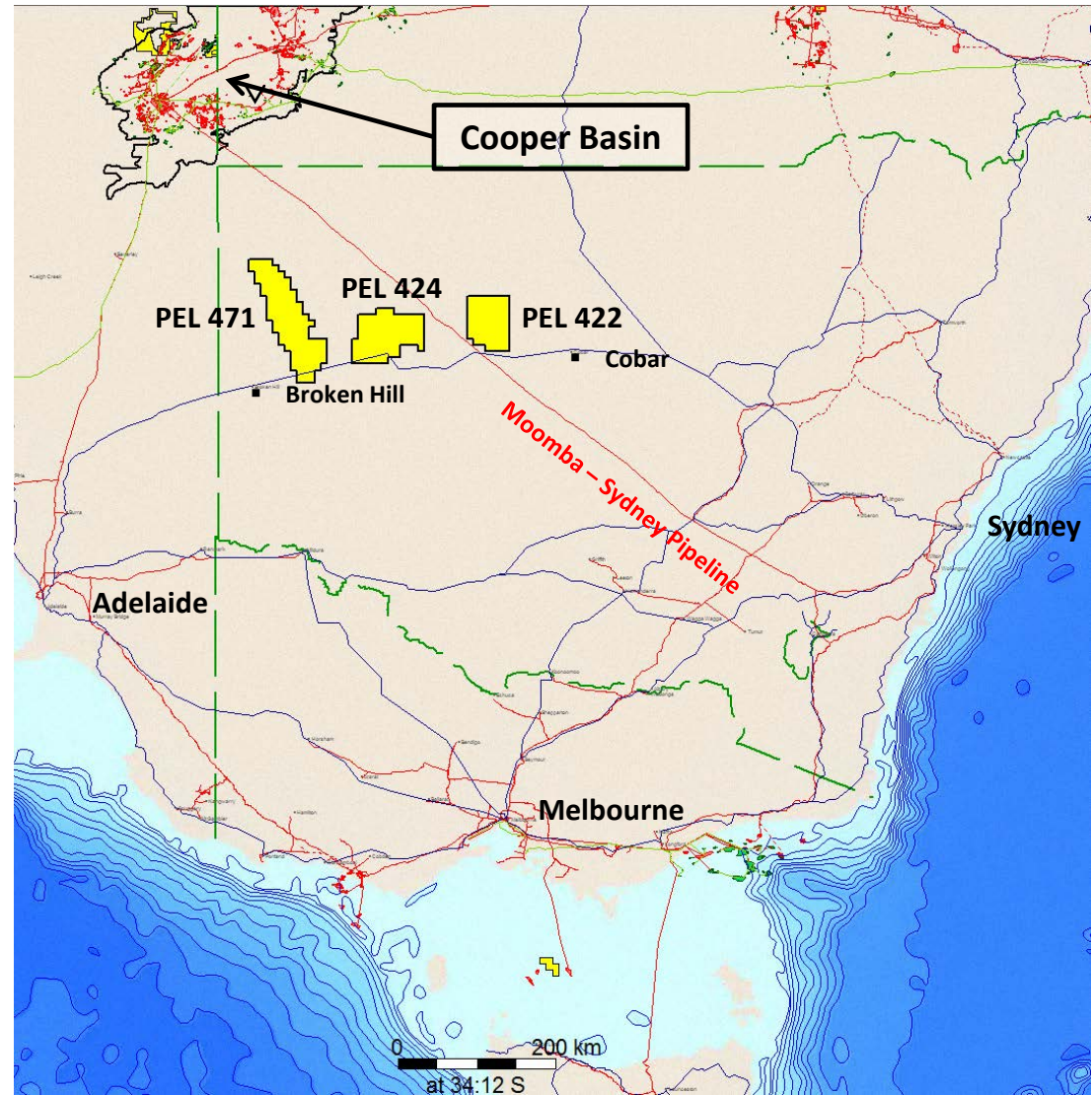
# PEL 101 – Patchawarra Trough (Unconventional)





# Darling Basin – Exploration Rationale

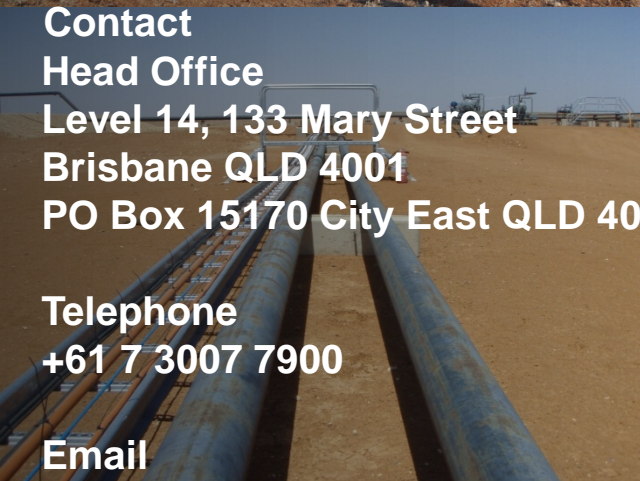
- Potential for conventional and unconventional oil/gas play types.
- Indications of potential source rock.
- Very lightly explored.
- The basin is age equivalent to multiple proven hydrocarbon producing basins globally.
- Significant competitive advantage of being nearby infrastructure and close to market (as distinct from other frontier Australian basins).
- Acer's strong G&G technical team has the capability to unlock the Basin's hydrocarbon potential.



# Permit Summary – Cooper, Darling & Bass Basins

Lease #	Location	Operator	Area Km <sup>2</sup>	Title	Asset Description
<b>Retention Licenses</b>					
PRL14	Cooper Basin	Acer	22	100%	Flax Field - Oil Production and Oil/Wet Gas Appraisal
PRL17	Cooper Basin	Acer	63	100%	Yarrow Wet Gas/Condensate Field – Wet Gas/Condensate Appraisal & Juniper Field – Oil/Wet Gas Appraisal
PRL18	Cooper Basin	Acer	65	100%	Juniper Field – Oil/Wet Gas Appraisal
<b>Exploration Licenses</b>					
PEL103	Cooper Basin	Acer	176	100%	Conventional Oil/Wet Gas Exploration
PEL103A	Cooper Basin	Acer	56	75%	Conventional Oil/Wet Gas Exploration
PEL101	Cooper Basin	Acer	154	60%	Conventional/Unconventional Wet Gas Appraisal/Exploration
PEL182	Cooper Basin	Senex	1,750	37.6%	Conventional/Unconventional Oil/Wet Gas Exploration
PEL100	Cooper Basin	Senex	297	25.83%	Conventional/Unconventional Oil/Wet Gas Exploration
PEL422	Darling Basin	Acer	4,338	100%	Conventional/Unconventional Oil/Wet Gas Exploration
PEL424	Darling Basin	Acer	6,019	100%	Conventional/Unconventional Oil/Wet Gas Exploration
PEL471	Darling Basin	Acer	8,166	100%	Conventional/Unconventional Oil/Wet Gas Exploration
T/18P	Bass Basin	Origin	330	5%	Conventional Oil/Gas Exploration and Gas Appraisal





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