



CREATION OF LEADING ASX ROYALTY COMPANY SET FOR GROWTH - HIGH PEAK ROYALTIES

Investor Presentation

February 2014



HIGH PEAK

ROYALTIES

Torrens Energy Limited
ACN 118 065 704

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The capital raising referred to in this presentation involves an offer of securities by Torrens by way of a Prospectus dated 17 February 2014 that is available on Torrens’ website at www2.torrensenergy.com.au. Offers will be made in, or accompanied by, the Prospectus. Investors should consider the Prospectus in deciding whether to acquire securities and will need to complete the application form in or accompanying the Prospectus.

EXECUTIVE SUMMARY

An Attractive Opportunity

Transformational Merger

- ▶ ASX listed Torrens to merge with unlisted Phoenix via 100% scrip takeover offer
- ▶ New growth opportunity for Torrens having deferred geothermal activities
- ▶ Provides Phoenix ASX status, liquidity & enhanced growth funding capability
- ▶ Phoenix shareholders to receive one (1) Torrens share for every one (1) Phoenix share¹

New ASX Listed Royalty Company

- ▶ Attractive royalty portfolio covering 18 oil & gas projects across Australia
- ▶ Five royalties expected to generate earnings in 2014
- ▶ Significant exposure to two large scale east-coast CSG/LNG development projects
- ▶ Merged entity to be named High Peak Royalties with market cap ~\$40m

Strong Board & Management Team

- ▶ Expertise of Phoenix board and management team retained
- ▶ Torrens' Executive Chairman, Anthony Wooles & NED Howard McLaughlin to remain active board members
- ▶ Phoenix CEO Steven Larkins to become CEO of High Peak

Capital Raising to Fund Growth

- ▶ Torrens capital structure to be consolidated on 1 for 5.55 basis
- ▶ Torrens to raise up to \$6m at \$0.25 per share with two (2) attaching options for every five (5) shares (exercisable at \$0.35 with 3 year term)
- ▶ Torrens' Executive Chairman, Anthony Wooles to cornerstone \$2m of capital raising

Compelling Proposition

- ▶ Internationally proven business model but yet to be replicated on ASX
- ▶ Value of key CSG royalties should significantly increase as production draws nearer
- ▶ Strong deal pipeline based on extensive knowledge & well developed relationships
- ▶ Strategy to expand portfolio to create the leading ASX royalty company

WHY ROYALTIES ARE ATTRACTIVE

Strong Benefits for Investors

- 1** Direct commodity price & project leverage
- 2** Avoids typical E&P capex & opex risks borne by project owners
- 3** Long term optionality & future upside via project exploration and/or production success
- 4** Ability to generate strong cashflows & high yield dividend returns
- 5** Highly scalable business with low fixed overhead & very significant operational leverage
- 6** Royalty companies ascribed high multiples by public capital markets

PROVEN BUSINESS MODEL

Significant Opportunity to Replicate International Success on ASX



Primary Exchange	TSX	TSX	NASDAQ	TSX	LSE
Key Commodity Exposure	Silver	Gold, PGMs & Oil & Gas	Gold, Silver & Base Metals	Gold & Base Metals	Coal & Iron Ore
Listing / Start Date	2004	2007	1990	2009	2001
Listing / Start Date Market Cap (US\$)	\$515 million	\$1 billion	\$8 million	\$7 million	\$26 million
Current Market Cap (US\$)	\$9 billion	\$8 billion	\$4 billion	\$560 million	\$380 million
Production Royalties	19	183	36	13	3
Employees (inc. Board)	23	20	21	13	11
Revenue (2014F) (US\$)	\$735 million	\$426 million	\$260 million	\$63 million	\$33 million
P/E (2014F) (US\$)	~25x	~50x	~65x	~45x	~20x

Significant opportunity on ASX given leading natural resources market able to provide strong deal flow & investment demand but with no dedicated scaled ASX listed royalty company

PHOENIX OVERVIEW

Leading Australian Oil & Gas Royalty Company

Well Established Company

- ▶ Public unlisted Australian company founded in 2008
- ▶ Headquartered in Sydney, New South Wales
- ▶ +240 shareholders, although concentrated ownership with top 10 owning ~65%

Strong Board & Management Team

- ▶ Extensive legal, technical & commercial expertise
- ▶ Full-time CEO, Steven Larkins, appointed in 2012
- ▶ Co-founder, Andy Carroll, continues to actively serve as Non-Executive Director

Proven Track Record

- ▶ Secured royalties over 18 oil & gas projects which cover an area in excess of 130,000km²
- ▶ Raised over \$14m to date, including \$1m debt facility with RMB
- ▶ Attracted LSE listed royalty group Anglo Pacific as a strategic 10% shareholder in 2012

Attractive Royalty Portfolio

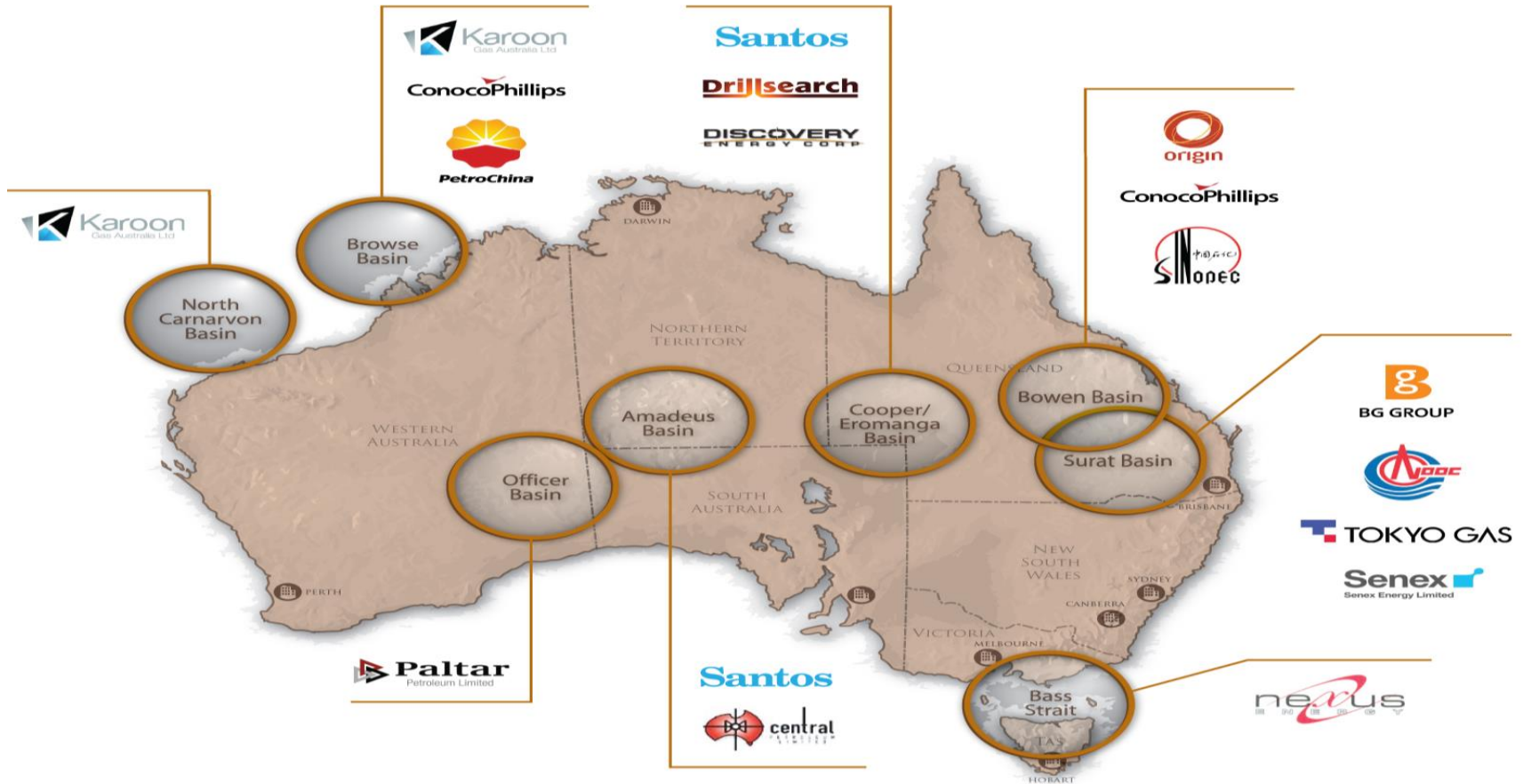
- ▶ Royalties cover production, development and exploration projects
- ▶ Exposure across Australia's major oil & gas basins
- ▶ High quality project operators, including some of the world's leading oil & gas companies

Strong Growth Prospects

- ▶ Five royalties expected to generate earnings in 2014 (up from three in 2013)
- ▶ Royalties covering two large highly prospective CSG/LNG development projects
- ▶ Strong pipeline of opportunities based on extensive knowledge & relationships

ROYALTY PORTFOLIO

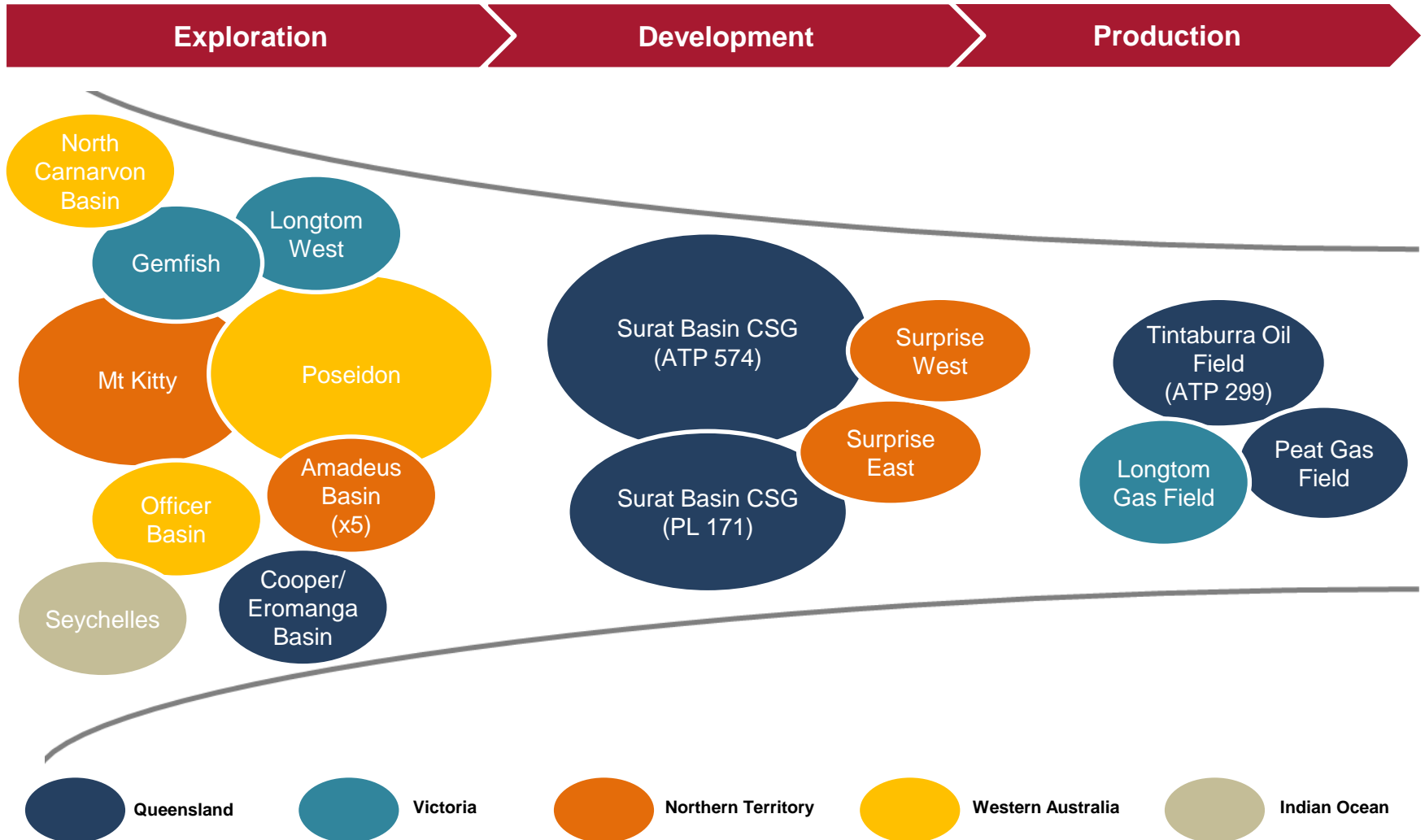
Coverage Across Australia's Major Oil & Gas Basins



Key royalties with high quality project operators including some of the world's leading oil & gas companies

ROYALTY PIPELINE

Well Balanced Pipeline with Strong Growth Prospects



PRODUCTION ROYALTIES

Strong Platform



Project	Peat Gas Field (PL 101)	Longtom Gas Field (VIC L29)	Tintaburra Oil Field (ATP 299P)
Location	QLD Bowen Basin	VIC Gippsland Basin	QLD Cooper/Eromanga Basin
Commodity	CSG	Oil	Oil
Status	Production	Production	Production
Royalty Interest	2.1% Overriding Royalty	0.3% Gross Overriding Royalty	3.8% Net Profit Interest
Area	~240km ²	~400km ²	~1,800km ²

Current earnings relatively modest but help to offset overheads with earnings from the Tintaburra (ATP 299P) set to significantly increase post amortisation of recent project capex

DEVELOPMENT ROYALTIES

Surat Basin CSG Royalties Provide Significant Scale & Upside









Project	Surprise West (EP 115)	Surprise East (EP 115)	PL 171	ATP 574
Location	NT Amadeus Basin	NT Amadeus Basin	QLD Surat Basin	QLD Surat Basin
Commodity	Oil	Oil	CSG	CSG
Status	Development	Development	Development	Development
Royalty Interest	1.0% Overriding Royalty	1.0% Overriding Royalty	2.5% Overriding Royalty	2.5% Overriding Royalty
Area	~4,500km ²	~4,500km ²	~200km ²	~200km ²

CSG royalties have ability to generate sizeable long term earnings with development of QGC's Gladstone LNG Project and their value should significantly increase as production draws nearer

UPCOMING PROJECT ACTIVITY

An Exciting Year Ahead

Project	Activity	Operator	2014			
			Q1	Q2	Q3	Q4
Surprise West, Amadeus Basin	Production Commencement		★			
Mt Kitty-1, Amadeus Basin	Exploration Drilling		★			
Seychelles, Indian Ocean	Farm-Out		★			
Surprise East, Amadeus Basin	Appraisal Drilling			★		
Poseidon North-1, Browse Basin	Appraisal Drilling			★		
CSG Royalties (PL 171, ATP 574), Surat Basin	Appraisal Drilling & QCLNG First Export				★	★

HIGH PEAK BOARD & MANAGEMENT TEAM

Strong Team with Proven & Complementary Expertise

Geoffrey King

Non-Executive Chairman

- ▶ Phoenix Non-Executive Chairman
- ▶ Lawyer with over 37 years international oil & gas experience
- ▶ Special adviser to PNG government on large scale resource developments

Anthony Wooles

Non-Executive Director

- ▶ Torrens Executive Chairman
- ▶ Wharton Finance MBA
- ▶ Founded and subsequently sold ASX listed PearlStreet to Campbell Bros. for \$108m
- ▶ Chairman of Bhagwan Marine

Andy Carroll

Non-Executive Director

- ▶ Phoenix co-founder & Non-Executive Director
- ▶ Engineer with over 30 years international oil & gas experience
- ▶ Former roles with Dome Petroleum / Amoco Canada, Ampolex & InterOil

Howard McLaughlin

Non-Executive Director

- ▶ Torrens Non-Executive Director
- ▶ Geologist with extensive experience in international hydrocarbons
- ▶ Former MD of ASX listed Antares Energy & former VP-Global Exploration for BHP B

Nigel Hartley

Non-Executive Director

- ▶ Phoenix Non-Executive Director
- ▶ Over 25 years experience in the natural resources sector
- ▶ Previously served as CFO of ASX listed Oil Search for 12 years

Steven Larkins

Chief Executive Officer

- ▶ Phoenix Chief Executive Officer
- ▶ Commerce and legal qualifications
- ▶ Former investment banker having held senior roles at Commonwealth Bank & Goldman Sachs JBWere

John Theobald

Non-Executive Director

- ▶ Phoenix Non-Executive Director
- ▶ Engineer with honours in geology
- ▶ Former CEO of LSE listed royalty group Anglo Pacific

Jarrold White

CFO & Co-Company Secretary

- ▶ Phoenix CFO & Company Secretary
- ▶ Chartered Accountant
- ▶ Director of private accounting firm Traverse Accountants

STRATEGIC FOCUS

Create Leading ASX Royalty Company

1

Expand Royalty Portfolio

- ▶ Preference for production and/or near term production royalties
- ▶ Strategically consider royalties with significant optionality
- ▶ Focus on Australia and other favourable investment jurisdictions
- ▶ Target deal size \$5 to \$30m

2

Diversify into Metals & Mining

- ▶ Seek to gain attractive exposure to metal & mining commodities
- ▶ Leverage external experts
- ▶ Develop in-house expertise

3

Maximise Shareholder Value

- ▶ Maintain very high standards of investment decision making & risk management
- ▶ Prudently manage costs to enhance operational leverage
- ▶ Build underlying asset value on an accretive basis
- ▶ Develop strong earnings to enable attractive cash returns

Objective is to create the leading ASX royalty company to deliver shareholders strong equity market & cash returns

EXPANDING THE ROYALTY PORTFOLIO

Multiple Growth Options

- 1 Acquire Existing Royalties**
 - ▶ Original project vendors
 - ▶ Property owners
 - ▶ Past corporates (large & small)
- 2 Finance New Royalties**
 - ▶ Provide finance in exchange for royalty so project owner can advance project which ultimately enhances royalty value
 - ▶ Enables project owners (i.e. shareholders) to avoid equity dilution
 - ▶ Increasing demand from project owners in currently weak capital market
- 3 Generate New Royalties**
 - ▶ Gain attractive tenure and then divest whilst retaining royalty interest
 - ▶ Applicable strategy for Phoenix's two Northern Territory oil & gas permits and Torrens' South Australian geothermal permits
- 4 Consolidation**
 - ▶ Acquisition of other royalty companies

Strong deal pipeline based on extensive knowledge, developed relationship network & challenging capital markets

TRANSACTION OVERVIEW

Key Features

All Scrip Merger via Torrens

- ▶ Torrens to acquire 100% of Phoenix via off-market takeover offer
 - ▶ Phoenix shareholders to receive one (1) Torrens share for every one (1) Phoenix share¹
 - ▶ Unanimously recommended by the Phoenix Board
 - ▶ Phoenix shareholders who own 74% of Phoenix shares have indicated they intend to accept the takeover offer
 - ▶ Subject to 90% minimum acceptance condition, other standard conditions, Torrens' shareholder approval, Torrens completing a \$4m capital raising & ASX re-compliance
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Torrens Share Consolidation

- ▶ Required for ASX re-compliance under Chapters 1 & 2 of ASX Listing Rules
 - ▶ Torrens capital structure to be consolidated on 1 for 5.55 basis
-

Torrens Capital Raising

- ▶ \$4m capital raising via full form prospectus with ability for \$2m of oversubscriptions
 - ▶ Issue price of \$0.25 per share with two (2) attaching listed options for every five (5) shares (exercisable at \$0.35 with 3 year term)
 - ▶ Torrens' Executive Chairman, Anthony Wooles to cornerstone \$2m of capital raising
-

Torrens Shareholder Approval & ASX Re-compliance

- ▶ Merger with Phoenix constitutes a significant change in the scale and nature of Torrens' activities so Torrens shareholder approval is required at general meeting
 - ▶ Post shareholder approval, the merger with Phoenix taking effect and ASX re-compliance being achieved Torrens will re-commence trading as High Peak Royalties (ASX:HPR)
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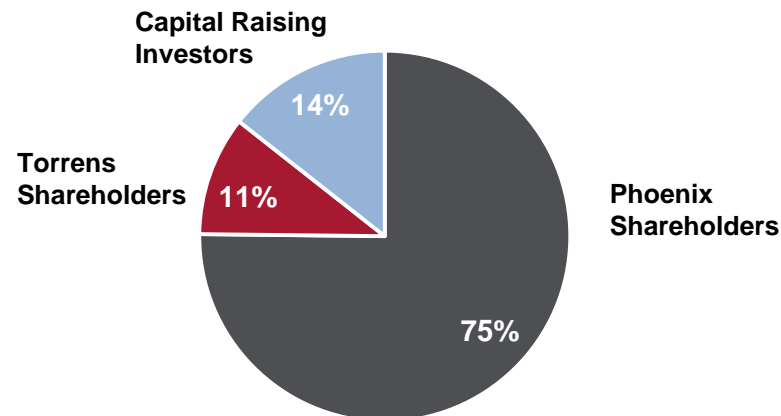
TRANSACTION OUTCOMES

Attractive Capital Structure & Strong Shareholder Base

Pro-Forma Capital Structure¹

Current Torrens Shares (post Share consolidation)	17.4m
Shares Issued for Merger with Phoenix	125.4m
Shares Issued under Capital Raising	24.0m
Shares on Issue Post Transaction	166.8m
Options on Issue Post Transaction	13.2m
Fully Diluted Shares on Issue Post Transaction	180.0m
Share Price (based on capital raising)	\$0.25
Market Capitalisation (undiluted)	\$41.7m
Cash	\$6.9m
Debt	\$0.8m
Net Cash	\$6.1m
Enterprise Value (undiluted)	\$35.6m

Pro-Forma Ownership^{1,2}



Pro-Forma Key Shareholders^{1,2,3}

Barry Dawes	9.0%
Anglo Pacific	7.4%
Anthony Wooles*	7.2%
Andy Carroll*	5.7%
Peter Woodford	4.9%

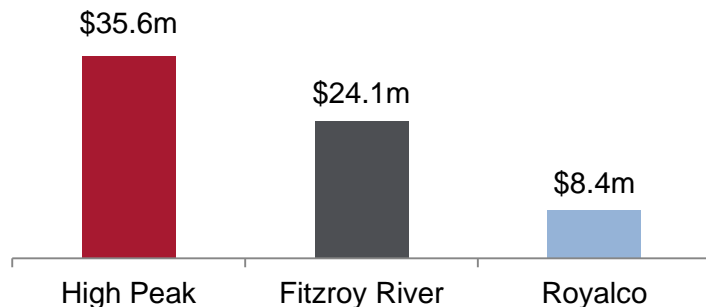
* Non-Executive Directors of High Peak

TRANSACTION OUTCOMES (CONT.)

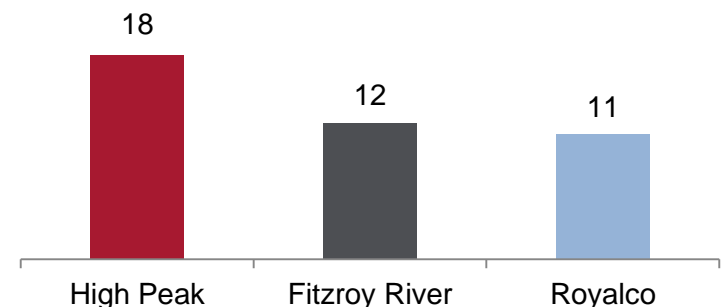
Favourably Positioned Relative to Other ASX Royalty Exposures

	Royalco (ASX:RCO)	Fitzroy River (ASX:FZR)	High Peak (ASX:HPR)
Mkt Cap	\$14.0m	\$36.3m	\$41.7m
Net Cash	\$5.6m	\$12.2m	\$6.1m
Enterprise Value	\$8.4m	\$24.1m	\$35.6m
Key Commodity Exposure	Oil & Gas	Oil & Gas	Oil & Gas
Number of Royalties	11	12	18
Production Royalties (2014)	1	1	5
Key Geographic Exposure	Victoria	Western Australia	Australia Wide

Enterprise Value



Number of Royalties



TRANSACTION TIMETABLE

Set to Complete April 2014

Event	Date ¹	Status
Transaction Announcement	20 December 2013	✓
Lodgement of Prospectus & Offer Opens	17 February 2014	✓
Dispatch of Torrens' Bidder's Statement & Phoenix's Target's Statement	17 February 2014	✓
Dispatch of Torrens Notice of Meeting	21 February 2014	✓
Torrens Shareholder Meeting to Approve Transaction	24 March 2014	✓
Torrens' Securities Suspended from ASX trading	24 March 2014	✓
Takeover Offer & Capital Raising Closes	1 April 2014	✓
Transaction Completes	7 April 2014	✓
High Peak Commences Trading on ASX	14 April 2014	✓

SUMMARY

Compelling Investment Opportunity

- 1 Royalties provide attractive commodity price and project exposure**
- 2 Well balanced royalty portfolio with significant upside**
- 3 Opportunity to replicate the success of internationally listed royalty companies on ASX**
- 4 Strong board & management team with proven track record**
- 5 Multiple growth options & strong deal pipeline**
- 6 Objective is to create the leading ASX royalty company with strong equity market & cash returns**

APPENDIX A: SUMMARY OF ROYALTY INTERESTS

Project / Property	State	Location	Royalty Interest	Royalty Type	Operator/Owner
Production / Near Term Production					
Peat Gas Field (PL 101)	QLD	Onshore, Bowen Basin	2.10%	ORR	Origin
Longtom Gas Condensate Field (VIC L29)	VIC	Offshore, Gippsland Basin	0.30%	GOR	Nexus
Tintaburra Oil Field (ATP 299P)	QLD	Onshore, Cooper/Eromanga Basin	3.80%	NPI	Santos
Surprise West (EP 115)	NT	Onshore, Amadeus Basin	1.00%	ORR	Central Petroleum
Surprise East (EP 115)	NT	Onshore, Amadeus Basin	1.00%	ORR	Central Petroleum
Development					
PL 171	QLD	Onshore, Surat Basin	2.50%	ORR	QGC/BG Group
ATP 574	QLD	Onshore, Surat Basin	2.50%	ORR	QGC/BG Group
Exploration					
Gemfish (VIC L29)	VIC	Offshore, Gippsland Basin	0.30%	GOR	Nexus
Longtom West (VIC P54)	VIC	Offshore, Gippsland Basin	0.30%	GOR	Nexus
Poseidon (WA 315)	WA	Offshore, Browse Basin	0.10%	ORR	Conoco Phillips
Grace (WA 314)	WA	Offshore, Browse Basin	0.10%	ORR	Conoco Phillips
WA 482P	WA	Offshore, Carnarvon Basin	0.20%	ORR	Karoon Gas
EPA-111,EPA-120, EPA-124	NT	Onshore, Amadeus Basin	1.00%	ORR	Central Petroleum
EP-112, EP-118, EP-125, Mt Kitty	NT	Onshore, Amadeus Basin	1.00%	ORR	Santos
PEL 512	NT	Onshore, Cooper/Eromanga Basin	1.30%	ORR	Discovery Energy Corp
EP 468 (WA)	WA	Onshore, Officer Basin	2.00%	ORR	Paltar
Seychelles	Seychelles	Seychelles, Indian Ocean	0.07%	ORR	WHL Energy

APPENDIX B: OVERVIEW OF KEY ROYALTIES

Queensland CSG Royalties – Peat Gas Field, PL 171 & ATP 574



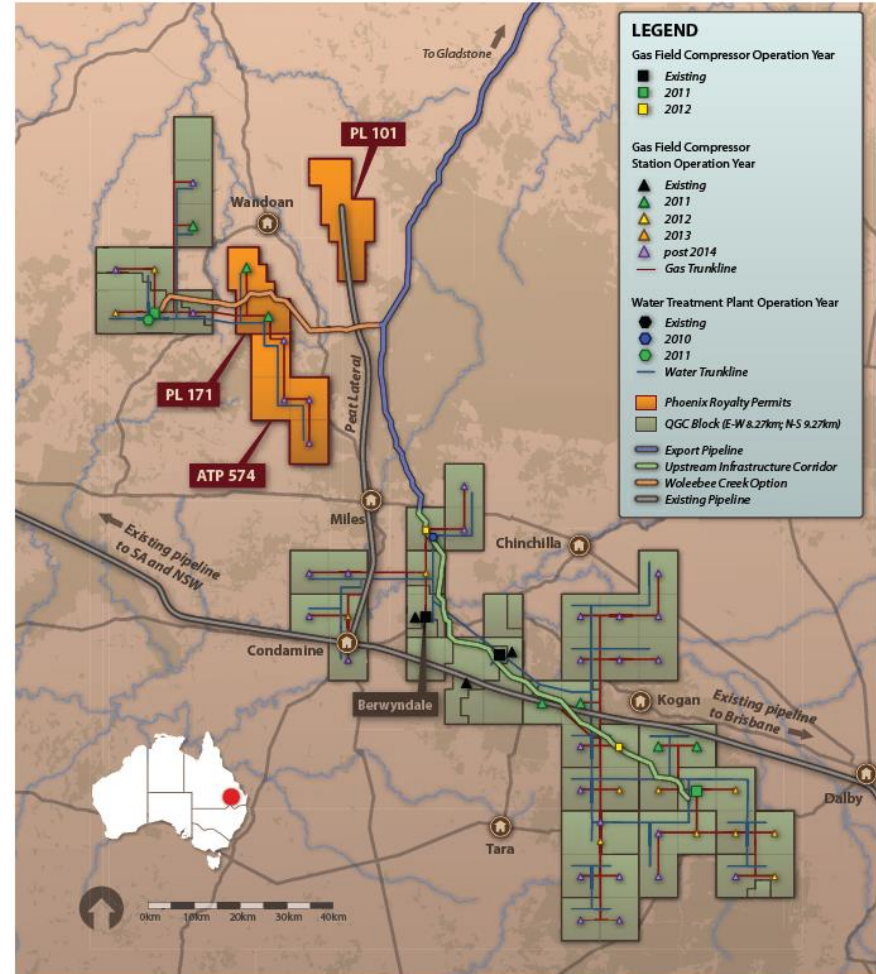
Peat Gas Field (PL 101)



PL 171

ATP 574

Royalty	2.1% ORR	2.5% ORR
Location	QLD Bowen Basin	QLD Surat Basin
Commodity	CSG	CSG
Status	In production	Development
Area	~240km ²	~400km ²



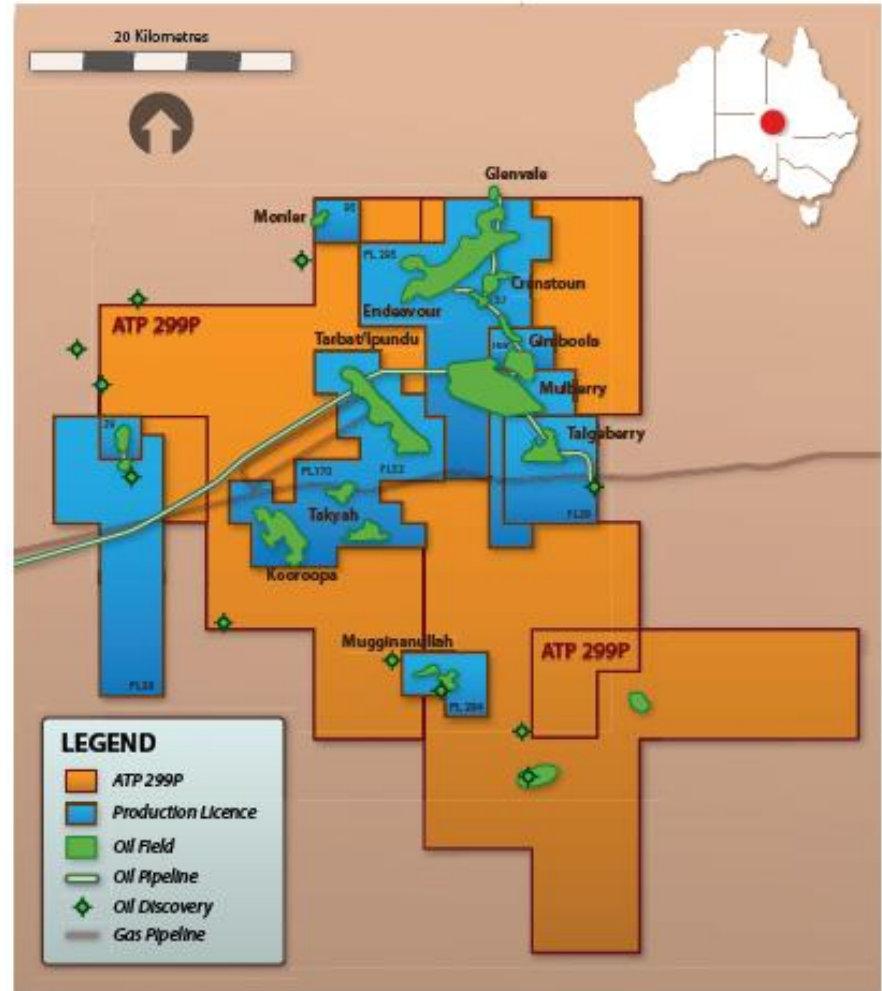
APPENDIX B: OVERVIEW OF KEY ROYALTIES

Tintaburra (ATP 299P)

Santos

Tintaburra (ATP 299P)

Royalty	3.8% NPI
Location	QLD Cooper/Eromanga Basin
Commodity	Oil
Status	Production
Area	~1,800km ²



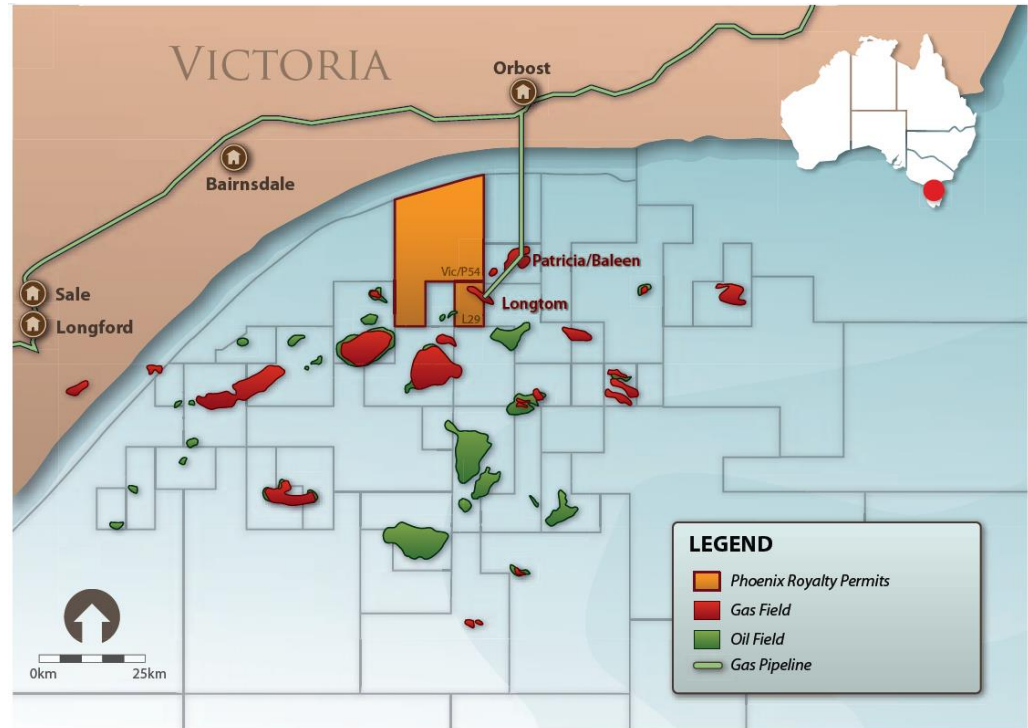
APPENDIX B: OVERVIEW OF KEY ROYALTIES

Longtom (VIC L29)



Longtom (VIC L29)

Royalty	0.3% GOR
Location	VIC Gippsland Basin
Commodity	Oil
Status	Production
Area	~400km ²



APPENDIX B: OVERVIEW OF KEY ROYALTIES

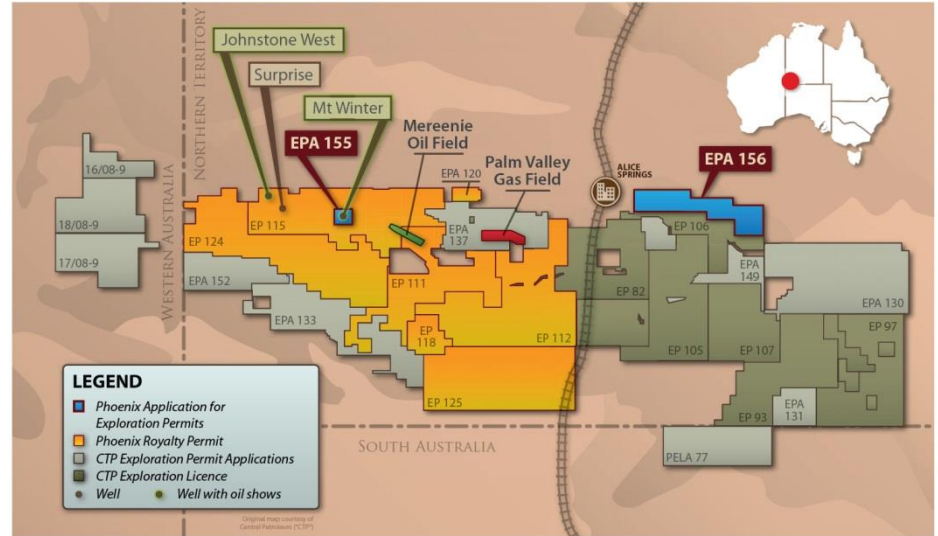
Amadeus Basin – Surprise West & Surprise East



Surprise West (EP 115)

Surprise East (EP 115)

Royalty	1% ORR	1% ORR
Location	NT Amadeus Basin	NT Amadeus Basin
Commodity	Oil	Oil
Status	Production expected mid 2014	Production expected mid/late 2014
Area	~4,500km ²	~4,500km ²



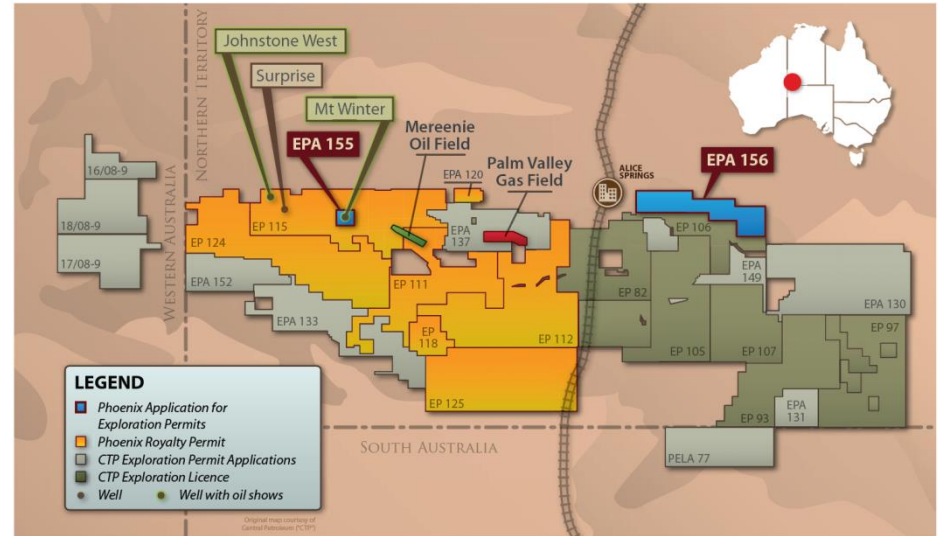
APPENDIX B: OVERVIEW OF KEY ROYALTIES

Amadeus Basin – Santos Farm-Out Blocks

Santos

EP-112, EP-118, EP-125, Mt Kitty

Royalty	1% ORR
Location	NT Amadeus Basin
Commodity	Oil
Status	Exploration
Area	~30,000km ²



APPENDIX B: OVERVIEW OF KEY ROYALTIES

Carnarvon Basin – Poseidon



Poseidon (WA 315P & WA314P)

Royalty	0.1% ORR
Location	WA Carnarvon Basin
Commodity	LNG
Status	Exploration
Area	~4,000km ²

