

## **INVESTOR PRESENTATION - RBS MORGANS INSTITUTIONAL CONFERENCE**

The Directors of Maverick Drilling & Exploration Limited (ASX: MAD) are pleased to release the presentation to be delivered at the RBS Morgans Institutional Conference Wednesday 10 October 2012 in Brisbane.

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**About Maverick Drilling & Exploration Limited (ASX: MAD)**

Maverick is a diversified oil company with existing oil production and reserves focusing on low cost development of drilling prospects. Maverick's flagship assets are leases that it holds over parts of Blue Ridge, Nash and Boling Domes established producing oil fields located south of Houston, Texas in the United States and its wholly owned subsidiary Maverick Drilling Company, a 38 year old contract drilling company based in Texas.



**Investor Presentation**

**RBS Morgans Institutional Conference**

**10 October 2012**

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## **Competent person statement**

The evaluation of reserves referred to in this report was undertaken by Mr Richard Pomrenke of Energy Recovery Concepts, LLC in accordance with the Society of Petroleum Engineers Petroleum Resource Management System (SPE-PRMS) 2007. The work carried out by Mr Pomrenke included the assessment of reserves on acreage acquired by Maverick on Blue Ridge Dome, Boling Dome and Nash Dome and data from Maverick’s drilling programs on these domes. The assessment of reserves was conducted on a similar basis to that set out in Mr Pomrenke’s independent reserve report included in Maverick’s IPO prospectus dated 2 July 2010. The reserves estimates are consistent with the definitions of Proved and Probable hydrocarbon reserves defined in the ASX Listing Rules. Mr Pomrenke is a qualified person as defined in ASX Listing Rule 5.11 and has consented to the use of the reserves figures in this report in the form and context in which they appear.

# Agenda

1. Overview
2. Drilling program
3. Seismic program
4. Joint development agreement
5. Appendix
  - i. Asset overview
  - ii. Seismic
  - iii. Other





# Maverick overview

## Maverick introduction

- Maverick is a diversified oil production company with strong cash flow, focused on development of low risk oil properties.
- Maverick's ability to drill and produce cost effectively is based on over 38 years of drilling experience and the use of its own rigs and production teams. The company is unique in that it also owns its own fleet of drilling rigs and workover rigs. The company also operates all of its properties.
- Maverick's flagship assets are leases that it holds over parts of Blue Ridge, Nash and Boling Domes established producing oil fields located near Houston, Texas in the United States.
- Maverick listed on the ASX in September 2010.

## Milestones achieved since listing in September 2010

	Milestones	Period
✓	IPO on ASX	3Q10
✓	Acquired significant acreage on Boling Dome field	3Q10
✓	Commenced drilling program at Blue Ridge	3Q10
✓	Blue Ridge and Boling Dome acreage acquisitions	2Q11
✓	59% increase in 1P reserves for Blue Ridge Dome	2Q11
✓	Acquisition of Nash Dome lease holdings	3Q11
✓	Exploration success with cap rock production and overhang discoveries at Blue Ridge Dome	3Q11
✓	Fourfold increase in Nash Dome lease holdings	4Q11
✓	127% increase in 1P reserves for Blue Ridge Dome	1Q12
✓	Doubled size of Blue Ridge oil field holdings	1Q12
✓	Initial reserves achieved on Nash Dome	2Q12
✓	Doubled acreage holdings at Nash Dome	2Q12
✓	Maiden 1P reserves at Boling Dome of ~53mmbbls	2Q12
✓	Major Joint Development Project MOU	3Q12

# Investment highlights

- 
- ✓ **Material pure oil reserves**
    - Over 100 million barrels of proved pure oil reserves (1P)
    - Consolidated acreage positions across three established oil fields
  - ✓ **Realisable development strategy underpinning production growth**
    - In-field developmental drilling program targeting near-term production growth
    - Low lease and drilling costs generate attractive economics
    - Over 2,700 proved developmental drill sites
  - ✓ **High impact drilling program provides potential for significant upside**
    - Multiple new prospective reservoirs identified through 2D / 3D seismic
    - Targeted production rates potentially higher than previous in-field drilling
    - If successful, potential to materially increase production and oil reserves
  - ✓ **Proven board and management team with track record of delivery**
    - Maverick's management team has over 100 years combined experience in U.S. salt-domes and mid-range drilling
    - Highly experienced technical team with access to comprehensive in-house data library

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# Drilling program

Drilling program for the 12 months commencing 1 September 2012

- Following the recent July 2012 oversubscribed capital raising, Maverick is gearing up for an accelerated drilling program made up of both traditional in-field development wells and higher impact targets. The program is summarised below.

		# wells	Comment
In-field development		~100	<ul style="list-style-type: none"><li>■ Drilling program focused on in-field development</li><li>■ Expected to increase total production</li></ul>
High impact targets	Outer band prospective zones	~56 (to 10,000 feet)	<ul style="list-style-type: none"><li>■ Deeper wells targeting potentially higher production</li></ul>
	Sub-salt		
	Deep	~10 (> 10,000 feet)	<ul style="list-style-type: none"><li>■ Limited number of high impact exploration wells</li><li>■ The final portion of the well below 10,000 feet will be outsourced</li></ul>
Total		~166	

Key resources in place to deliver on this accelerated drilling program



# Drilling program – 66 high impact targets

## Target structures and timing

- Specifically, 66 high impact wells are planned for drilling over the 12 months from 1 September 2012.
- These wells have been identified through the 2D & 3D seismic programs on Blue Ridge and Nash Dome.
- Technical review to prioritise high impact targets is continuing with additional targets expected to be revealed as seismic work continues to be refined.

High impact targets	<b>Outer band prospective zones above salt</b>	<ul style="list-style-type: none"><li>■ Seismic work and geology support the potential for untapped virgin reservoirs above salt on Blue Ridge and Nash domes</li><li>■ Drill depth: 3,000 to 9,500 feet</li></ul>
	<b>Sub-salt prospects</b>	<ul style="list-style-type: none"><li>■ Potential virgin reservoirs underneath the edges of Blue Ridge and Nash Domes</li><li>■ Drill depth: 6,000 to 14,000 feet</li></ul>
	<b>Deep flank prospects</b>	<ul style="list-style-type: none"><li>■ Multiple prospective deep targets have been identified off the flanks</li><li>■ Drill depth: 12,000 to 16,000 feet</li></ul>

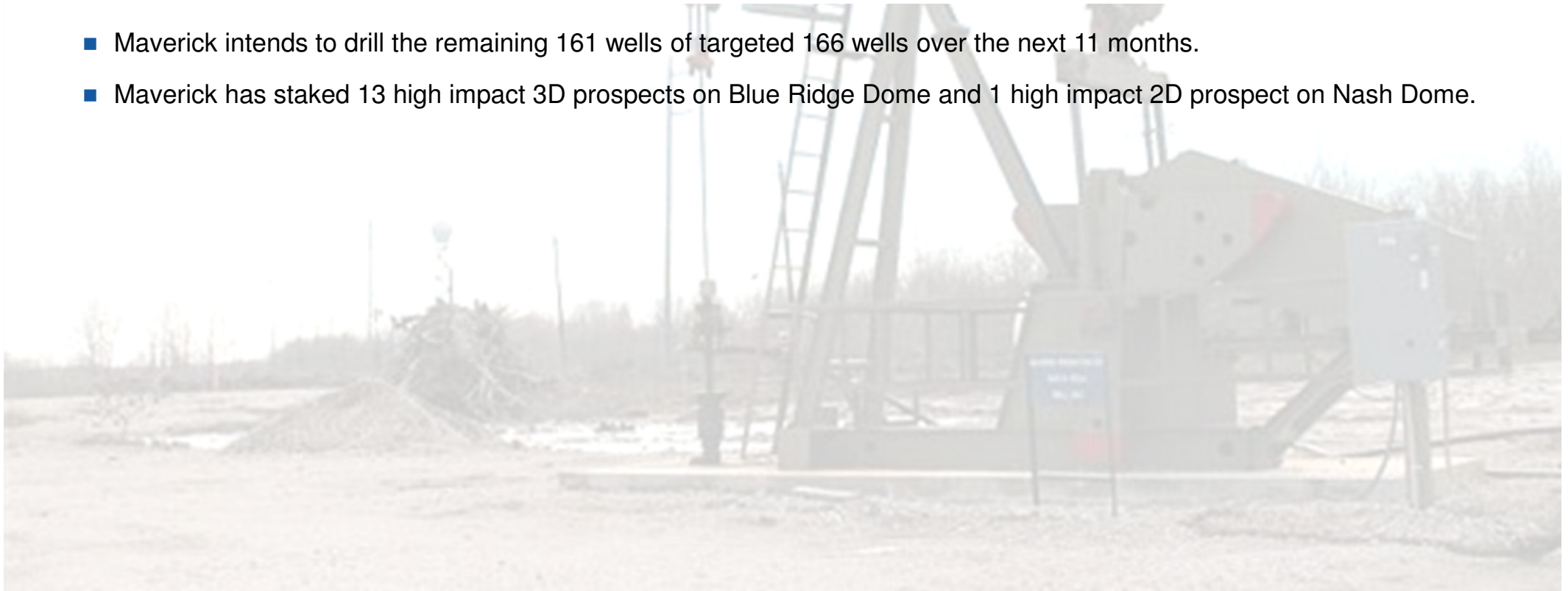
# Drilling program

## Salt dome drilling activity since 1 September 2012

- In the period from 1 July 2012 to 31 August 2012, Maverick drilled 8 Blue Ridge, 2 Boling Dome and 1 Nash Dome well.
- In the period from 1 September to 30 September 2012, Maverick drilled its Edwards Reef prospect plus 3 Blue Ridge, 1 Boling and 1 Nash Dome well (total 5 wells of targeted 166 to be drilled).
- Maverick currently has 4 drilling rigs available to drill new wells on its oil properties.
- Maverick drilling rig #11 and drilling rig #12 are scheduled to be ready for operation in the December quarter. This will result in Maverick having 6 drilling rigs operating on its properties.
- No seismic identified high impact salt dome targets had been drilled in the period to 30 September 2012.

## Salt dome forward drilling program

- Maverick intends to drill the remaining 161 wells of targeted 166 wells over the next 11 months.
- Maverick has staked 13 high impact 3D prospects on Blue Ridge Dome and 1 high impact 2D prospect on Nash Dome.



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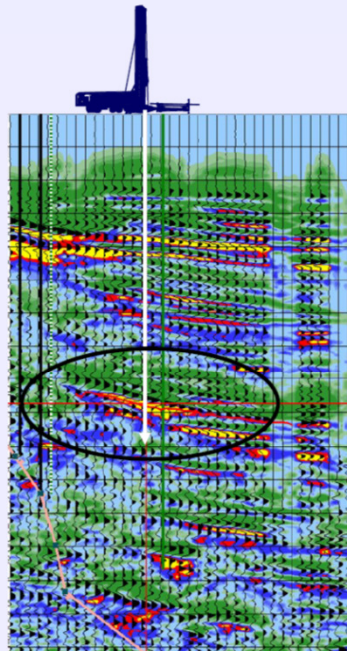
# Seismic program

## Recent seismic – expanded opportunities and enhancing target recognition process

- Maverick's has recently conducted seismic programs on Blue Ridge and Nash Dome:
  - Blue Ridge Dome – 3D shoot – This is the first time 3D has been shot on Blue Ridge.
  - Blue Ridge Dome – 2D reprocessing program - Reprocessing of acquired 2D lines.
  - Nash Dome - 2D reprocessing program - Reprocessing of acquired 2D lines.
- To date over 200 high impact prospects have been identified through these programs. A number of these high impact targets have been staked for drilling on Blue Ridge (13) and Nash Dome (1). Interpretive work continues with more targets expected to be defined.
- In addition, a 3D swath program is currently being undertaken on Nash Dome.

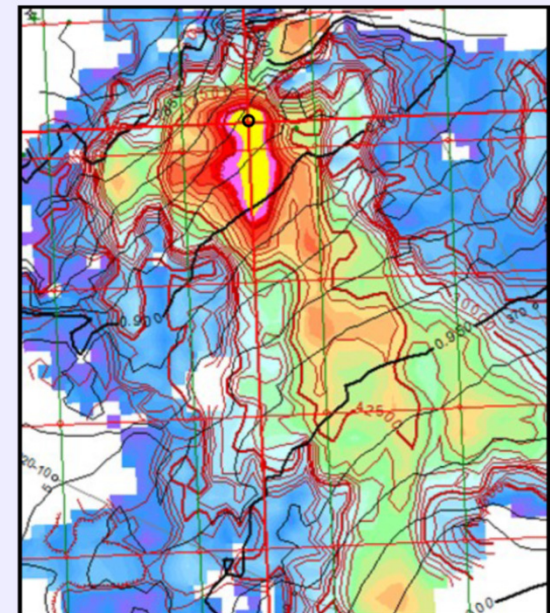
### **MAGNOLIA PROSPECT**

**BLUE RIDGE DOME  
PROPRIETARY  
3D SEISMIC IMAGE  
WITH PROPOSED  
INITIAL  
HIGH IMPACT  
TARGET  
INDICATED  
(BLACK OVAL)**



### **MAGNOLIA PROSPECT**

**BLUE RIDGE DOME  
PROPRIETARY  
HIGH IMPACT  
3D SEISMIC IMAGE  
WITH PROPOSED  
INITIAL DRILLSITE  
INDICATED**





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# Development agreement

## Development agreement MOU with Gulf South Holdings Inc.

- Maverick has entered into a non-binding Memorandum of Understanding (MOU) with Gulf South Holdings Inc. (Gulf South) in relation to developmental drilling of its shallow salt dome acreage.
- Under the MOU Gulf South has the right to participate in the joint development of 400 or more wells, representing a capital commitment of US \$100 million, across the shallow oil fairways of Maverick's three salt domes over the next three calendar years (to the end of CY 2015).
- The participation by Gulf South involves the payment of US \$250,000, for a 25% working interest for the drilling, completion and production facility costs associated with each well. Subject to mutual agreement of the parties, project results and increased capital availability, Gulf South participation may increase to as much as a 50% working interest for US \$500,000 per well.
- The project involves the drilling of 12 wells per month on the fairways of any of Maverick's three salt domes and will involve four of Maverick's six drilling rigs allocated full time for the next three years
  - Gulf South to initially prepay in full a 36 well commitment (~US\$9mm, i.e. three months payment in advance);
  - Followed by the payment of a monthly advance for each successive month of drilling to continue through to the full 400 well program.
- Non-participation by Gulf South in five successive wells will constitute a loss of Gulf South's right to participate in the remainder of the project.
- The Project does not include participation by Gulf South in any of the overhang, flank, or deep high impact wells targeting prospective reservoirs greater than 5,000 feet.
- The arrangements are subject to execution of legal documentation. Final documentation, completion and project initiation are expected within 30 to 45 days.

*The above information should be read in conjunction with Maverick's ASX release dated 3 October 2012.*

# Development agreement

## Benefits to Maverick and key metrics

### Key benefits to Maverick include:

- An internally recognised five times uplift in price per 1P barrel relative to current market capitalisation per barrel\*.
- Fully funded multi year in-field developmental well drilling program.
- Maverick can redeploy capital previously allocated for shallow development to further enhance our expanding high impact drilling program.
- A project with an industry partner which further validates the quality and potential of our reserves.

### Key metrics:

- Turnkey price of \$250,000 for 25% of a standard Maverick developmental well or \$500,000 for a 50% interest.
- Gulf South has the right to participate in 400 wells over the next three calendar years.
- Equates to a USD 100 million investment over the period based on 25% interest or USD 200 million based on 50% interest.
- Based upon average independently reported 1P reserves per well site can be equated to Gulf South paying ~\$27 per barrel of 1P reserve\*.

*\* Based on recent share price of \$1.20.*

*The above information should be read in conjunction with Maverick's ASX release dated 3 October 2012.*

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## Appendix

### Asset overview





# Field locations

Salt dome location map





# Blue Ridge Dome

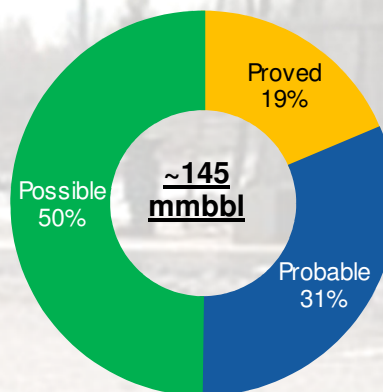
## Overview

- Piercement type salt dome located 25 miles south of downtown Houston, Texas
- Positioned close to oil refineries and associated infrastructure, resulting in low transport costs
- Current holding of over 4,000 net acres
- Production receives premium price over WTI due to high naphthenic properties (currently WTI +~\$10)
- Recent certification of reserves
  - 1P: ~27 mmbbls; 2P: ~73 mmbbls; 3P : ~145 mmbbl
- Drilled 70 wells since IPO through September quarter 2012.

## Strategic focus

- 2D and 3D seismic program – interpretive work continuing. A number of prospects already staked for drilling
- Exploring potential of significant outer band reserves and prospects
- High impact drilling program in fairway, outer band and overhang targets
- Preliminary reserve evaluation of additional 1,900 + acres in process
- Negotiations underway for additional acreage

## Blue Ridge reserves position



Based on ~1,700 net acres with over 54% of acreage yet to be evaluated

# Nash Dome

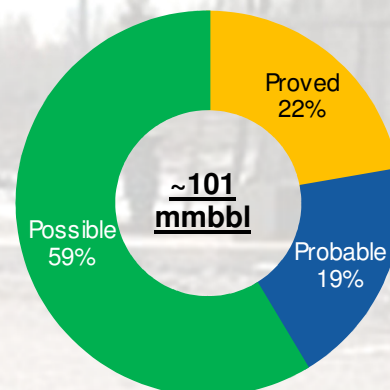
## Overview

- Piercement type salt dome located 50 miles southwest of downtown Houston, Texas
- Current holding of over 5,600 net acres plus 1,790 of optioned acreage
- Production receives premium price over WTI due to high naphthenic properties (currently WTI +~\$6)
- Recent certification of reserves
  - 1P: ~22 mmbbls; 2P: ~42 mmbbls; 3P : ~101 mmbbl
- At September 2012, Maverick had drilled 5 wells on Nash Dome.

## Strategic focus

- 2D seismic program – interpretive work continuing. A number of prospects already staked for drilling
- Commencement of 3D seismic program
- Commencement of high impact drilling program in fairway, outer band and overhang targets
- Negotiations underway for additional acreage
- Het limestone stimulation

## Nash reserves position



Based on ~2,700 net acres with over 51% of acreage yet to be evaluated

# Boling Dome

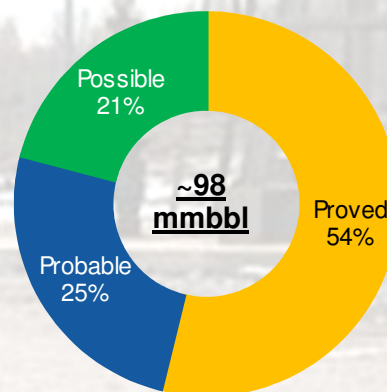
## Overview

- Largest, shallow salt dome in areal extent in the Gulf Coast region, located 65 miles southwest of downtown Houston, Texas
- Current holding of over 4,700 net acres
- Production receives premium price over WTI due to high naphthenic properties (currently WTI +~\$6)
- Recent certification of maiden reserves (June 2012)
  - 1P: ~53 mmbbl; 2P: ~77 mmbbl; 3P: ~98 mmbbl
- At September 2012, Maverick had drilled 6 wells on Boling Dome.

## Strategic focus

- Initiating seismic program
- Increased drilling across field
- Negotiations underway for additional acreage

## Boling reserves position



Based on ~3,500 net acres with over 21% of acreage yet to be evaluated

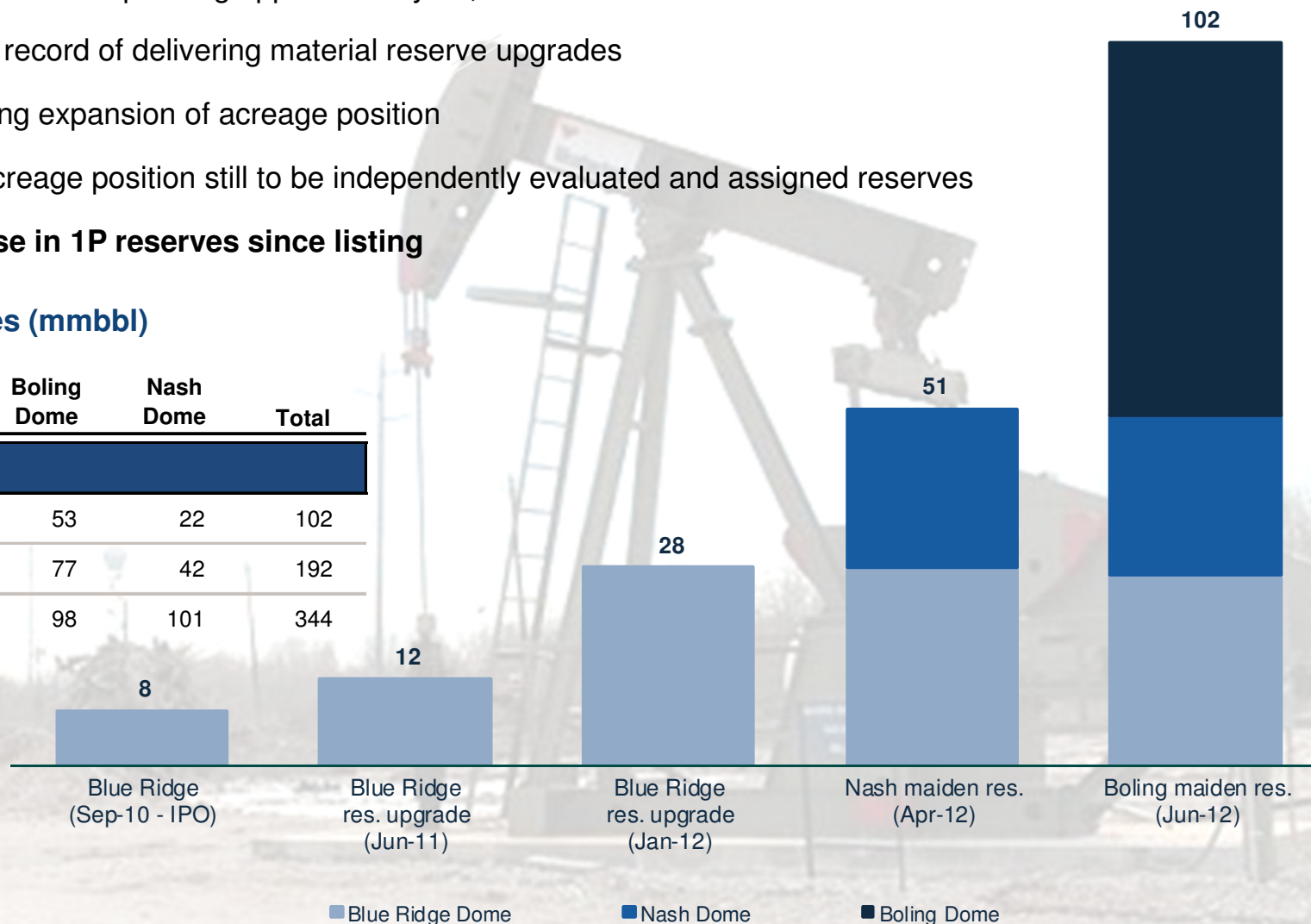
# Material pure oil reserves

## Proven 1P reserves growth

- Accumulated lease position spanning approximately 14,000 net acres over three salt domes
- Demonstrated track record of delivering material reserve upgrades
- Enhanced via ongoing expansion of acreage position
- Over 42% of total acreage position still to be independently evaluated and assigned reserves
- **Twelve fold increase in 1P reserves since listing**

## Total certified reserves (mmbbl)

	Blue Ridge	Boling Dome	Nash Dome	Total
Reserves				
1P	27	53	22	102
2P	73	77	42	192
3P	145	98	101	344



## Appendix

### Seismic





# Blue Ridge Dome 3D seismic prospects

Example high impact prospects – Images also available at [www.maverickdrilling.com](http://www.maverickdrilling.com) in high resolution

**MARIGOLD**

**WOODY**

**ROBBY**

**PHOEBE**

**JAY**

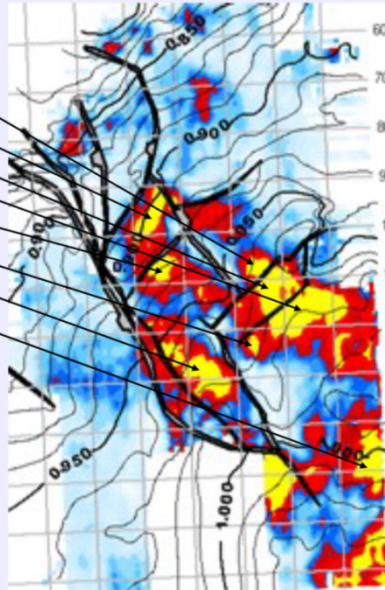
**SNOOPY**

**BLUEBONNET**

**SNAPDRAGON**

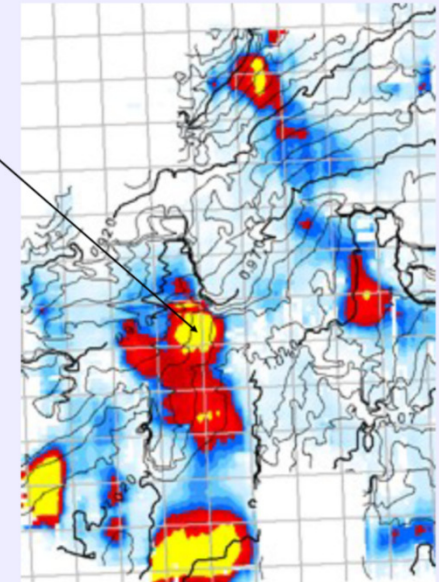
**PROSPECTS**

**BLUE RIDGE DOME  
PROPRIETARY  
3D SEISMIC IMAGE  
WITH PROPOSED  
INITIAL  
HIGH IMPACT  
TARGETS**



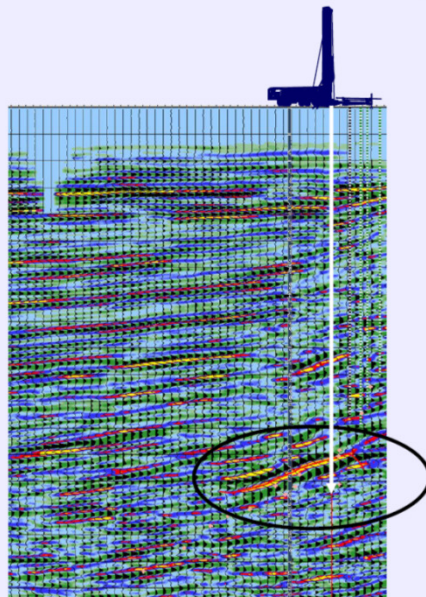
**MUSTANG  
PROSPECT**

**BLUE RIDGE DOME  
PROPRIETARY  
3D SEISMIC IMAGE  
WITH PROPOSED  
INITIAL  
HIGH IMPACT  
TARGETS**



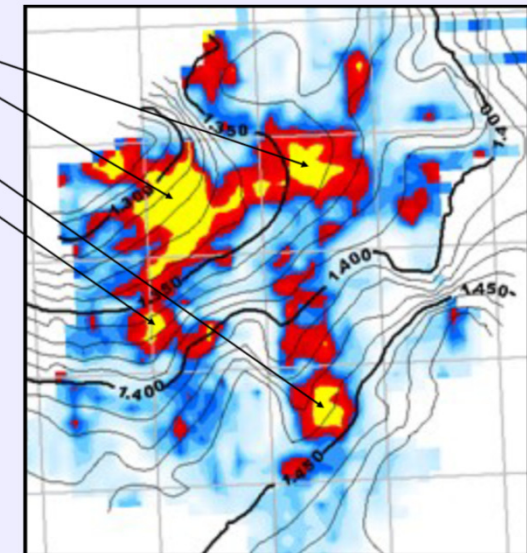
**HONEYSUCKLE  
PROSPECT**

**BLUE RIDGE DOME  
PROPRIETARY  
3D SEISMIC IMAGE  
WITH PROPOSED  
INITIAL  
HIGH IMPACT  
TARGET  
INDICATED  
(BLACK OVAL)**



**PETUNIA  
HONEYSUCKLE  
AZALEA  
GARDENIA  
PROSPECTS**

**BLUE RIDGE DOME  
PROPRIETARY  
3D SEISMIC IMAGE  
WITH SEVERAL  
HIGH IMPACT  
TARGETS**



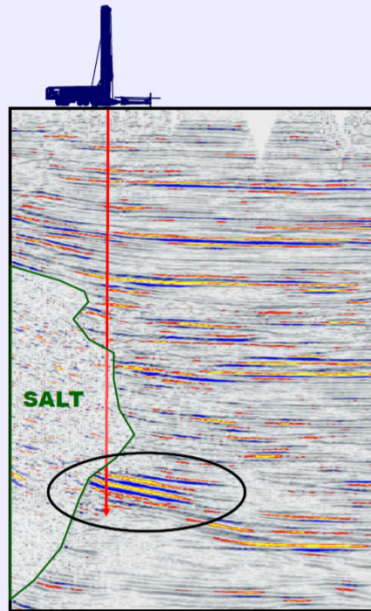


# Blue Ridge & Nash Dome 2D seismic

Example high impact prospect leads – Images also available at [www.maverickdrilling.com](http://www.maverickdrilling.com) in high resolution

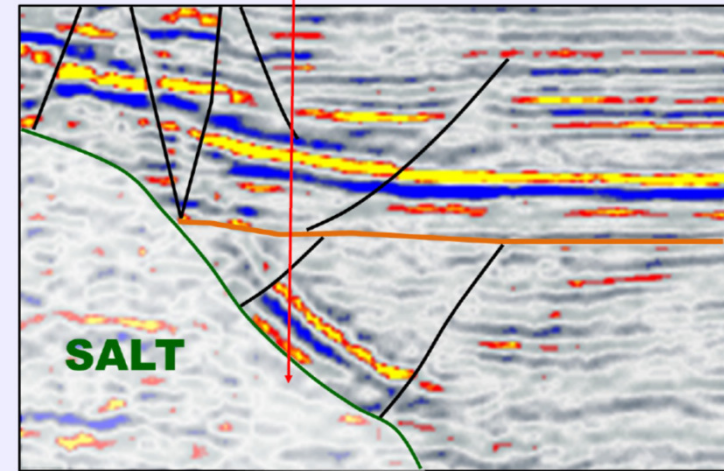
## MORNING GLORY PROSPECT

BLUE RIDGE DOME  
REPROCESSED  
2D SEISMIC IMAGE  
WITH  
HIGH IMPACT  
SALT OVERHANG  
TARGET INDICATED  
(BLACK OVAL)



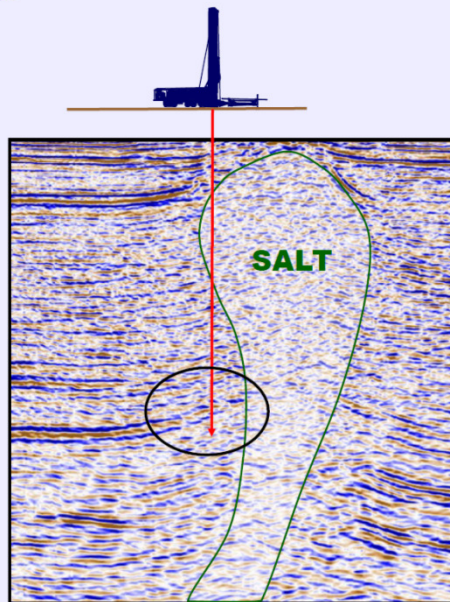
## TROUT PROSPECT

NASH DOME  
INTERPRETED REPROCESSED  
2D SEISMIC IMAGE  
WITH HIGH IMPACT TARGETS



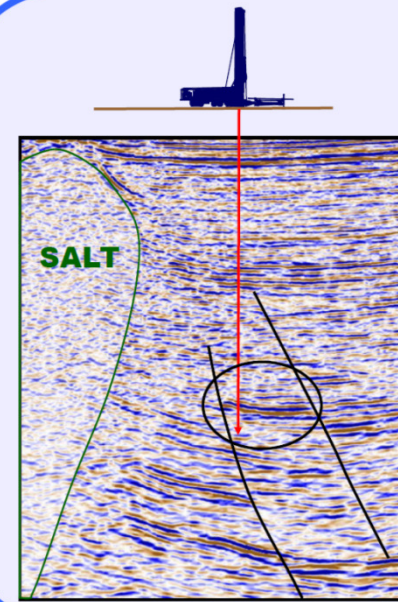
## OPAL PROSPECT

NASH DOME  
REPROCESSED  
2D SEISMIC IMAGE  
WITH DEEP  
HIGH IMPACT  
OVERHANG TARGET  
(BLACK OVAL)



## RUBY PROSPECT

NASH DOME  
REPROCESSED  
2D SEISMIC IMAGE  
WITH DEEP  
HIGH IMPACT  
FAULT-BLOCK TARGET  
(BLACK OVAL)



## Appendix

### Other



# Maverick Board of Directors

## **Don Henrich** *Executive Chairman*

- 37 years of industry experience, with 35 of them as president of Maverick Drilling Company
- Well known driller with extensive experience in contract drilling in Texas, Louisiana, Oklahoma and in the broader southwest of the United States
- Don holds a Bachelor of Science degree in Business Administration from Tarleton University

## **Roger Clarke** *Vice Chairman and Non-Executive Director*

- 30 years of commercial experience and is the current chairman of the advisory board of RBS Morgans Limited
- Deep finance sector experience across corporate finance, banking and funds management which is leveraged to develop Maverick's strategic investment focus
- Roger holds a Bachelor of Commerce degree and is a Chartered Accountant

## **Brad Simmons** *Executive Director*

- Substantial management and energy related expertise spanning 25 years in the industry
- Board level experience includes CEO roles with PetroSearch Energy Corporation, American Energy Group Ltd, Simmons Oil Company Inc, Simmons Drilling Company and Cottonwood Energy Development Corporation
- Brad holds a Bachelor of Science degree in Administrative Science from Yale university

## **Lee Clarke** *Independent Non-Executive Director*

- Core knowledge of the Australian investor market gained through 20 years of financial planning and wealth management services
- Advises a select group of successful private families and investors through his financial advisory and wealth management firm
- Lee is a principal member of the Financial Planning Association and a Certified Financial Planner

## **Joseph Camuglia** *Independent Non-Executive Director*

- Comprehensive accounting and wealth management knowledge developed through 25 years of industry experience
- Chartered Accountant and Certified Financial Planner, commenced his career with Pricewaterhouse before establishing a wealth management business
- Joseph holds a Bachelor of Business from Queensland University of Technology and a Diploma of Financial Planning from Deakin University



# MAVERICK

DRILLING & EXPLORATION

