



Investor Update

March 2017



David Casey
Managing Director & CEO

Corporate Overview

Key Assets

Norte Basin, Uruguay - Targeting conventional oil and gas targets in Piedra Sola & Salto Concessions (3.5M acres)

Betic Alps, Spain - Targeting conventional sandstone gas reservoirs in 94,000 acres in Southern Spain

Lochend Cardium, Alberta, Canada - Targeting “tight oil” in siltstone and sandstone units in 5,400 acres

Board & Management

Alexander Sundich*	Chairman
David Casey*	Managing Director & CEO
Russell Porter	Non-Executive Director
Andrew Williams	Non-Executive Director
Ian Kirkham*	Company Secretary

Capital Structure

Cash:	\$5.0m (Dec. Qtrly)
Issued Cap:	1,091m Shares 262m Listed Options at 4c 19m Unlisted Options at 5c
Market Cap:	\$27.3m (at \$0.025)
Debt:	\$0 external debt
ASX Code:	PRL

Shareholders

Cameron Richard Pty Ltd	5.7%
David Casey*	5.5%
Discovery Investments Pty Ltd	5.2%
Linwierik Super	4.6%
Private Portfolio Managers	4.1%
Alexander Sundich*	3.7%
Ian Kirkham*	2.0%
Top 20	45.0%

Challenging times...but exciting future

2014

- Share price – **\$0.255**
- Market cap – **\$113m**
- Significantly outperformed the ASX Energy Index & Peers for CY2013
- **Prospective resource for Spain of up to 2.3TCF, independently certified by NSAI (1TCF net to Petrel)**
- **Successful corehole programme**

2015

- Share price – **\$0.05**
- Market cap – **\$23.1m**
- **Prospective resource for Uruguay, up to 910 MMBBL oil and 3.1TCF gas (464 MMBBL of oil and 1,583 BCF of gas net to Petrel)**
- Low and falling oil price and negative market and corporate sentiment

2016-17

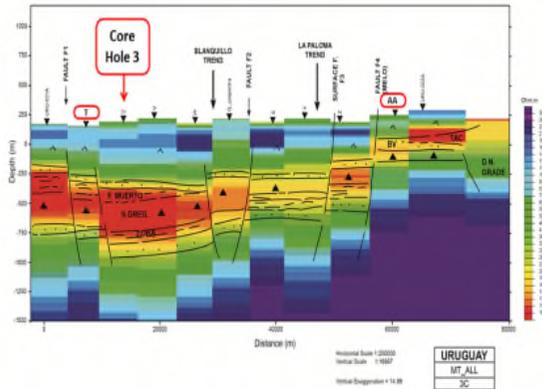
- Share price – **\$0.025**
- Market cap – **\$27.3m**
- **Landowner Agreements in place**
- **Equipment mobilised**
- **Drilling/spud in April**
- Farmout feedback positive
- Market conditions improving

Lowest share price at time of maximum project upside...

With improving oil prices and funding in-place for a high impact drilling programme...thematics are improving for Petrel and the industry as a whole

Exploration to date...next step drilling!

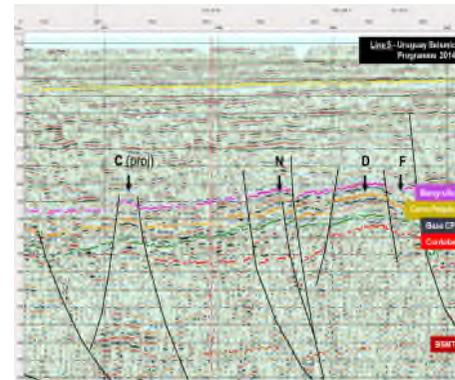
Potential



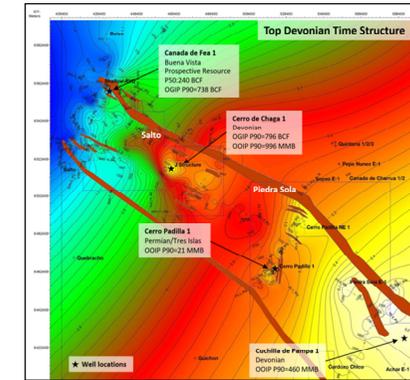
Resource



Targets



Drilling & Partner



- Ideal operating environment with local and regional oil & gas markets
- Petrel acquires concessions in Uruguay
- MT survey carried out - confirms northwest rift basin
- **Enabled refinement of corehole programme**

- **Corehole programme** confirms oil generation and active petroleum system
- Evidence of free oil in coreholes more than 100km apart
- **Results support seismic acquisition programme**

- **Seismic programme successfully completed**
- NSAI independently certify the Prospective resource in the Salto and Piedra Sola concessions of up to 910 MMBBL oil and 3.1TCF gas
- **AVO's increase propsectivity**

- Confirm conventional reservoir development and test closures identified from seismic and MT programmes
- Confirm source rock & maturation modelling to validate resource upside potential

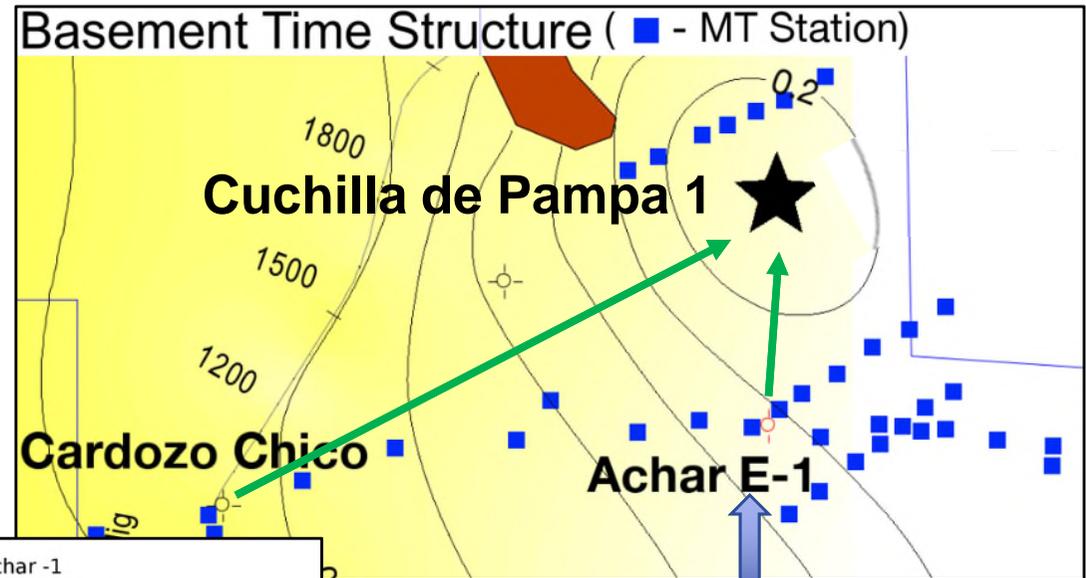
4 well drilling programme

Active oil and gas system confirmed and drillable targets identified

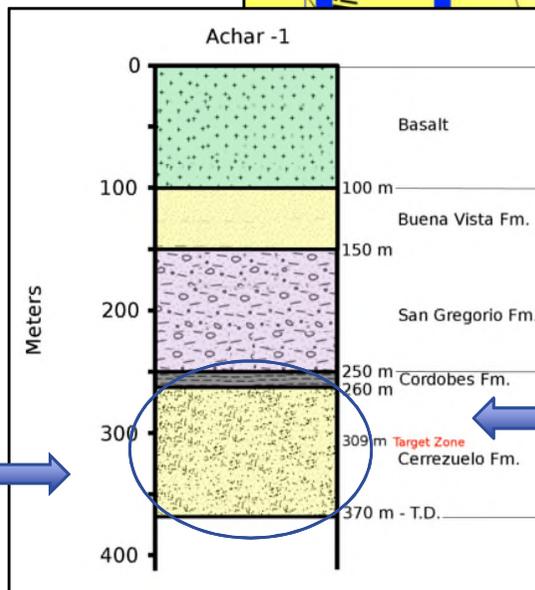
Cuchilla de Pampa 1 well (Achar)

Well objectives:

- Cordobes shale quality and development
- Testing oil **migration** in highly (+1000md) permeable sands up dip of Achar E-1 corehole
- Devonian OOIP P90 = 460MMB



Darcy Permeability in Cardozo Chico and Achar Coreholes



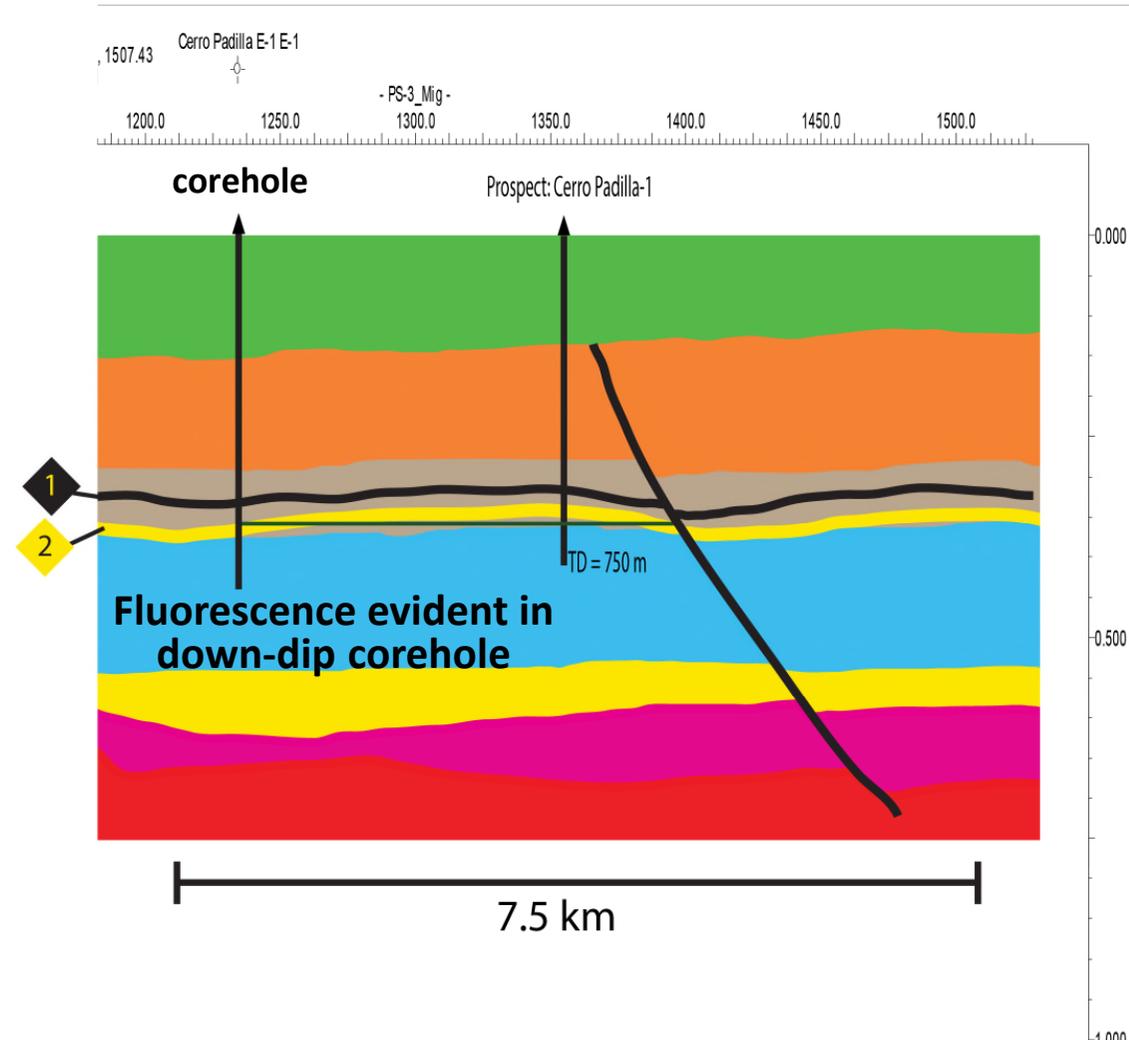
Corehole Achar E-1; Oil leaching from Devonian sandstones just below Cordobes Shales

Cerro Padilla-1 well

Well objectives (Tres Islas only):

- Drill on same fault block but up dip of Cerro Padilla E-1 corehole which encountered 3m of Tres Islas sandstone with flowing fluorescence – confirm potential oil charge
- Permian source rock quality
- Permian Tres Islas OOIP P90 = 21MMB

- 1 Mangrullo Shale
- 2 Tres Islas Sst



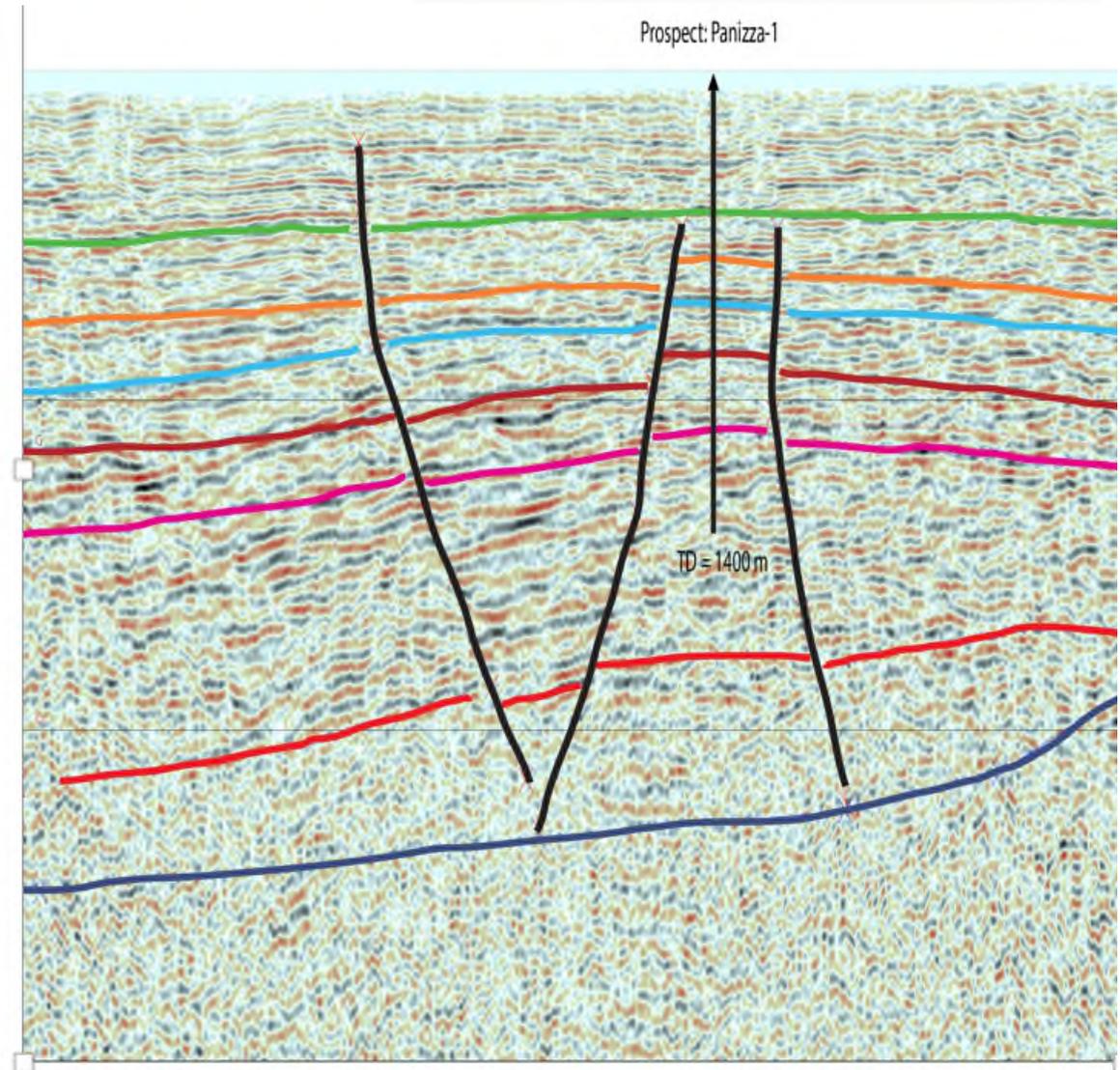
Cerro de Chaga 1 well (Panizza)

Well objectives:

- Test largest regional high with 4-way dip closure
- Confirm extent, quality and maturity of Devonian source and reservoir rock
- Test quality and maturity of secondary Permian source rock - Mangrullo Shale
- Devonian OGIP P90 = 796BCF & OOIP P90 = 996MMB



Well site location

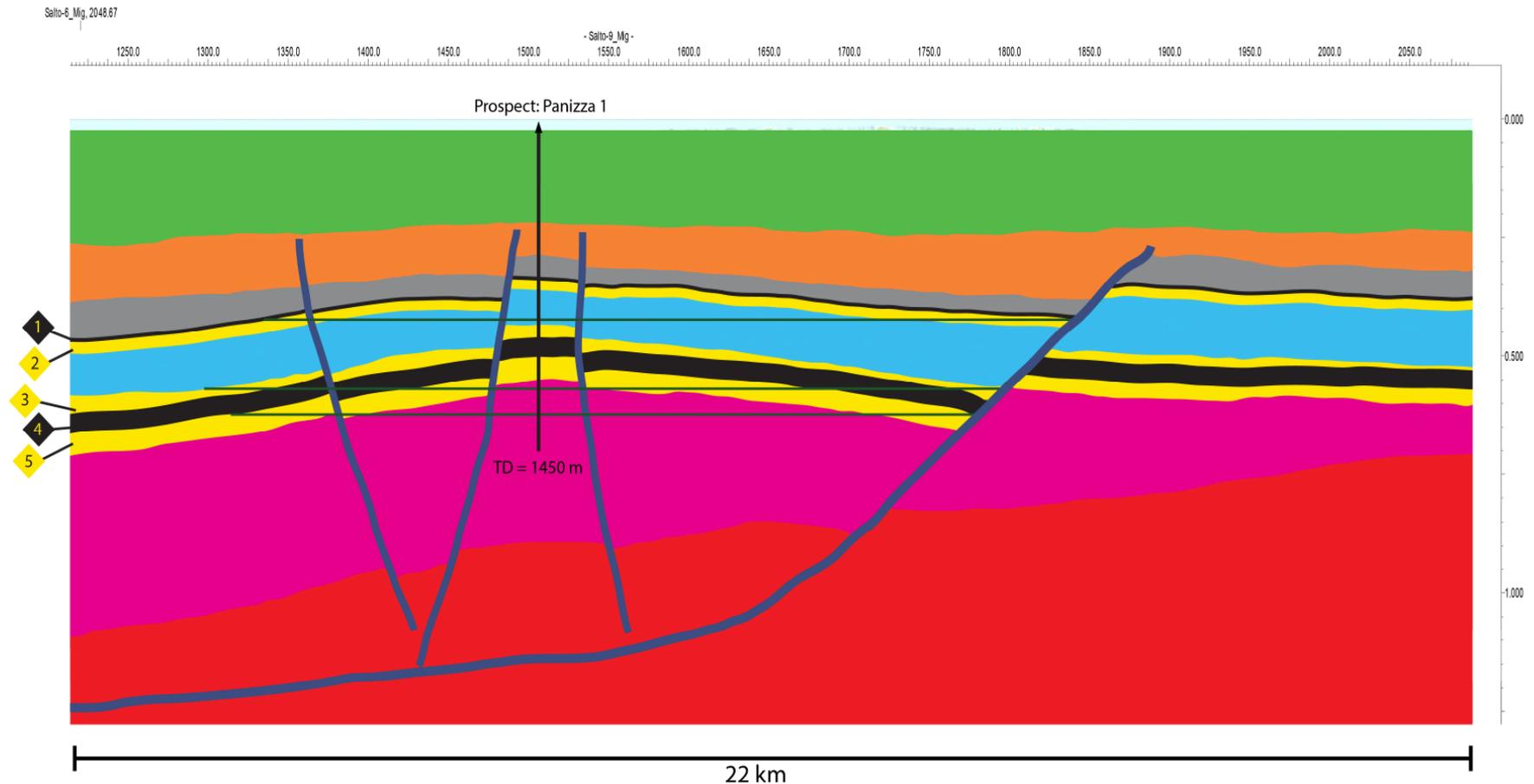


Very large regional structure with multiple source rock and reservoir targets

Cerro de Chaga 1 well (Panizza)

Legend

- Arapey Fm. Basalt
- Buena Vista Fm. and Tacuarembo Fm.
- Permian Shale
- San Gregorio Fm.
- Pre-Devonian (Lithology Unknown)
- Basement
- 1 Mangrullo Shale
- 2 Tres Islas Sst
- 3 La Paloma Sst
- 4 Cordobes Shale
- 5 Cerrezualo Sst
- Spill Point

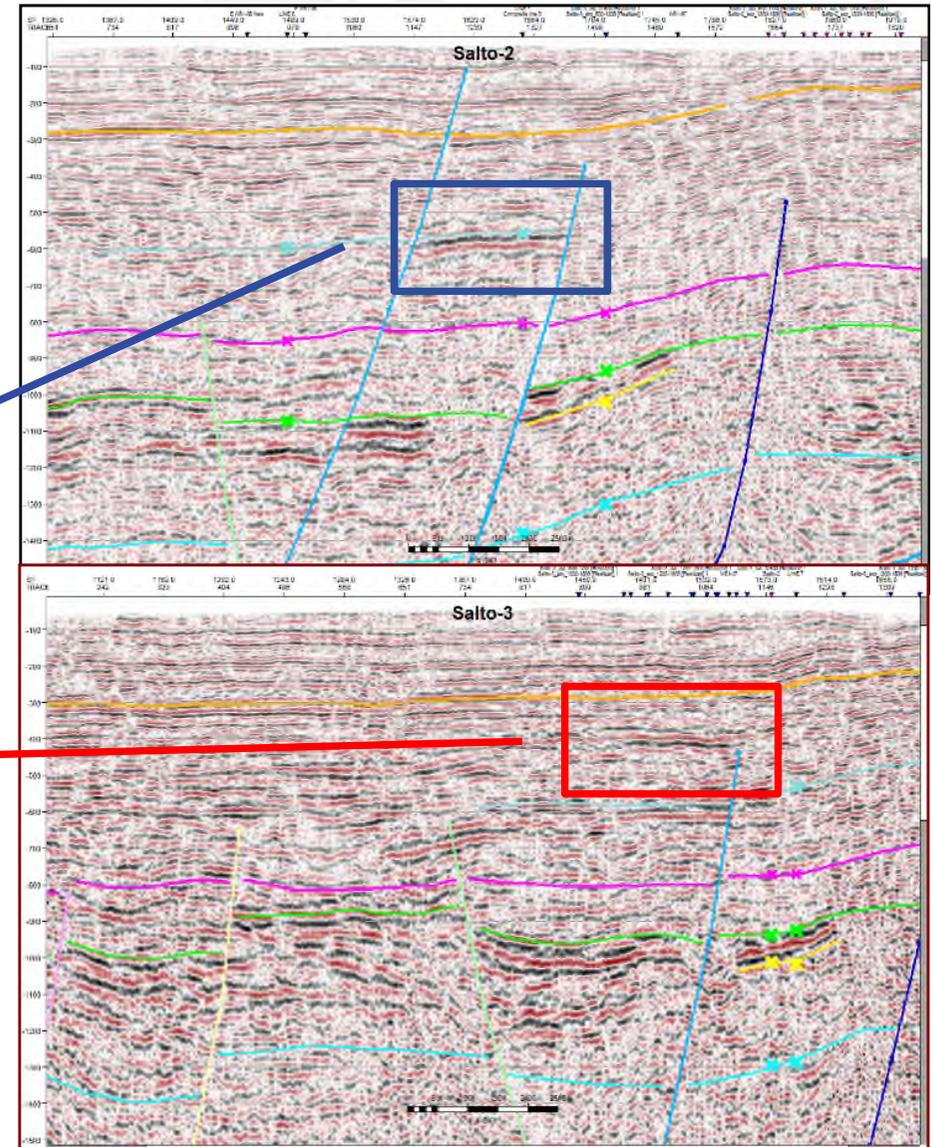
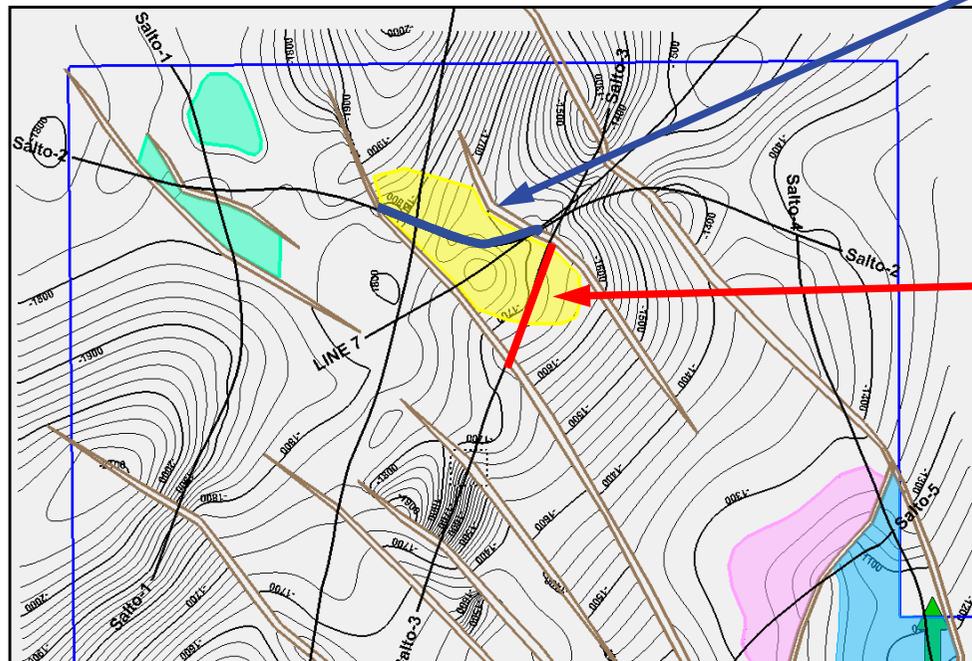


Shallow opportunity to test very 300m thick Devonian Cordobes Shale sequence

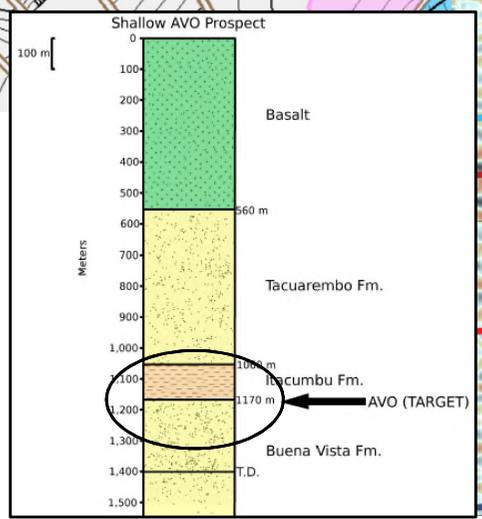
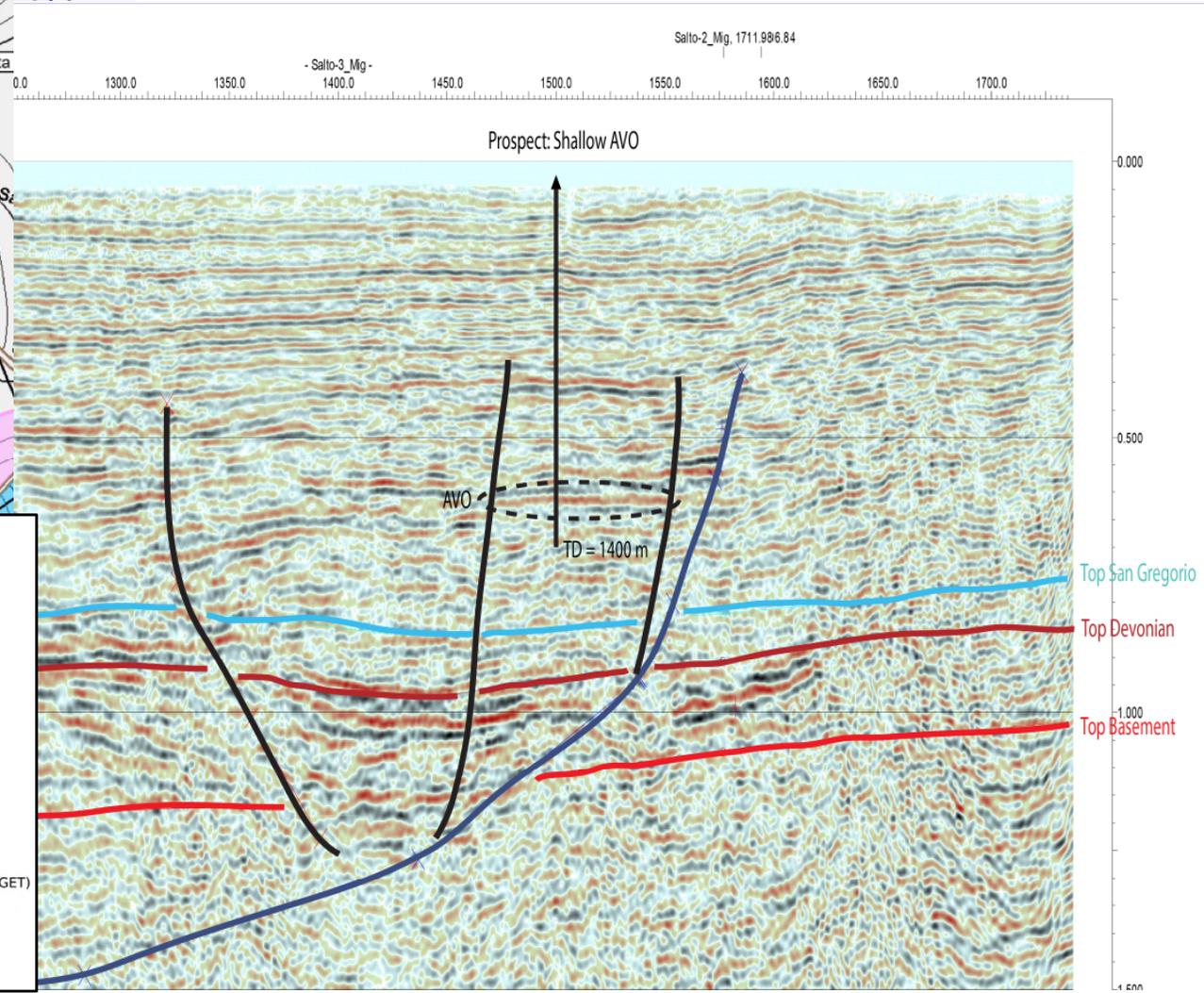
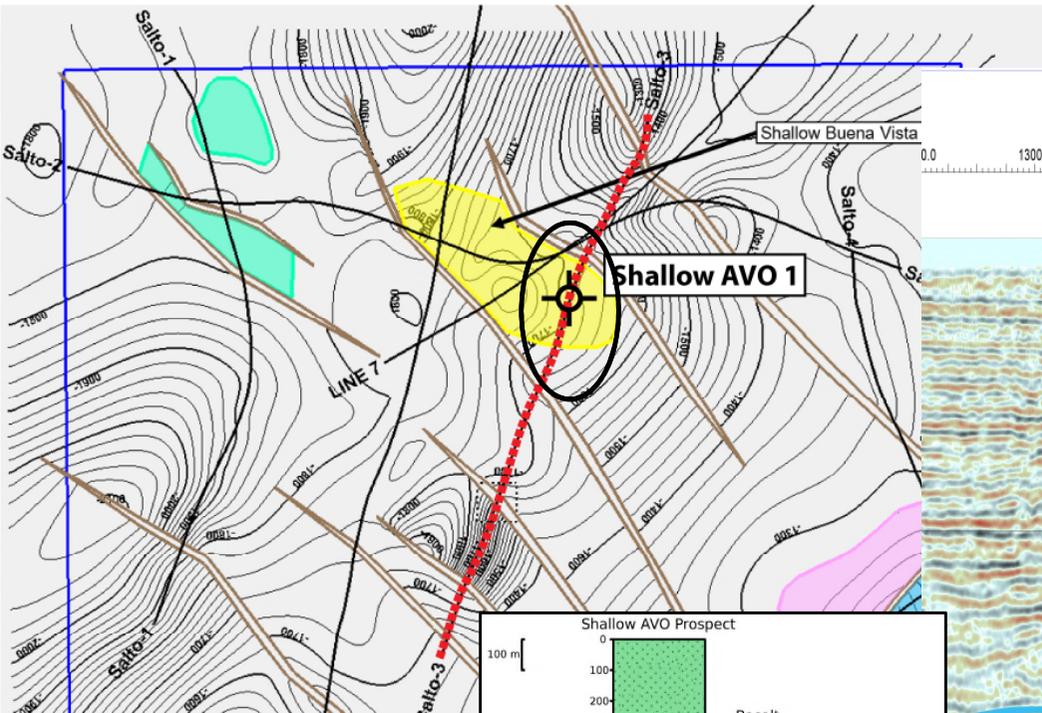
Canada de Fea 1 well (shallow AVO)

Well objectives:

- Test shallow AVO prospect identified by several seismic lines
- Confirm and refine thermal maturity model
- Establish potential of additional targets
- NSAI certified P50 prospective resource of 240bcf



Canada de Fea 1 well (shallow AVO)



- AVO is :**
- coincident with sandstone unit
 - Beneath potential shale/seal
 - Between potential sealing faults

AVO's can become a very successful exploration tool when "calibrated" for local geology

Oil Markets

- ANCAP currently imports in excess of 40,000bopd into the La Teja Refinery in Montevideo
- Uruguay imports were \$11.6B in 2014, led by oil and gas which was \$1.7B (\$2.3B in 2013)
- If Uruguay was oil and gas self sufficient its negative trade balance of \$2.4B (\$1.9B in 2013) would be largely eliminated
- Neighbour Argentina imported \$5.5B of gas and \$3.9B of refined petroleum in 2014

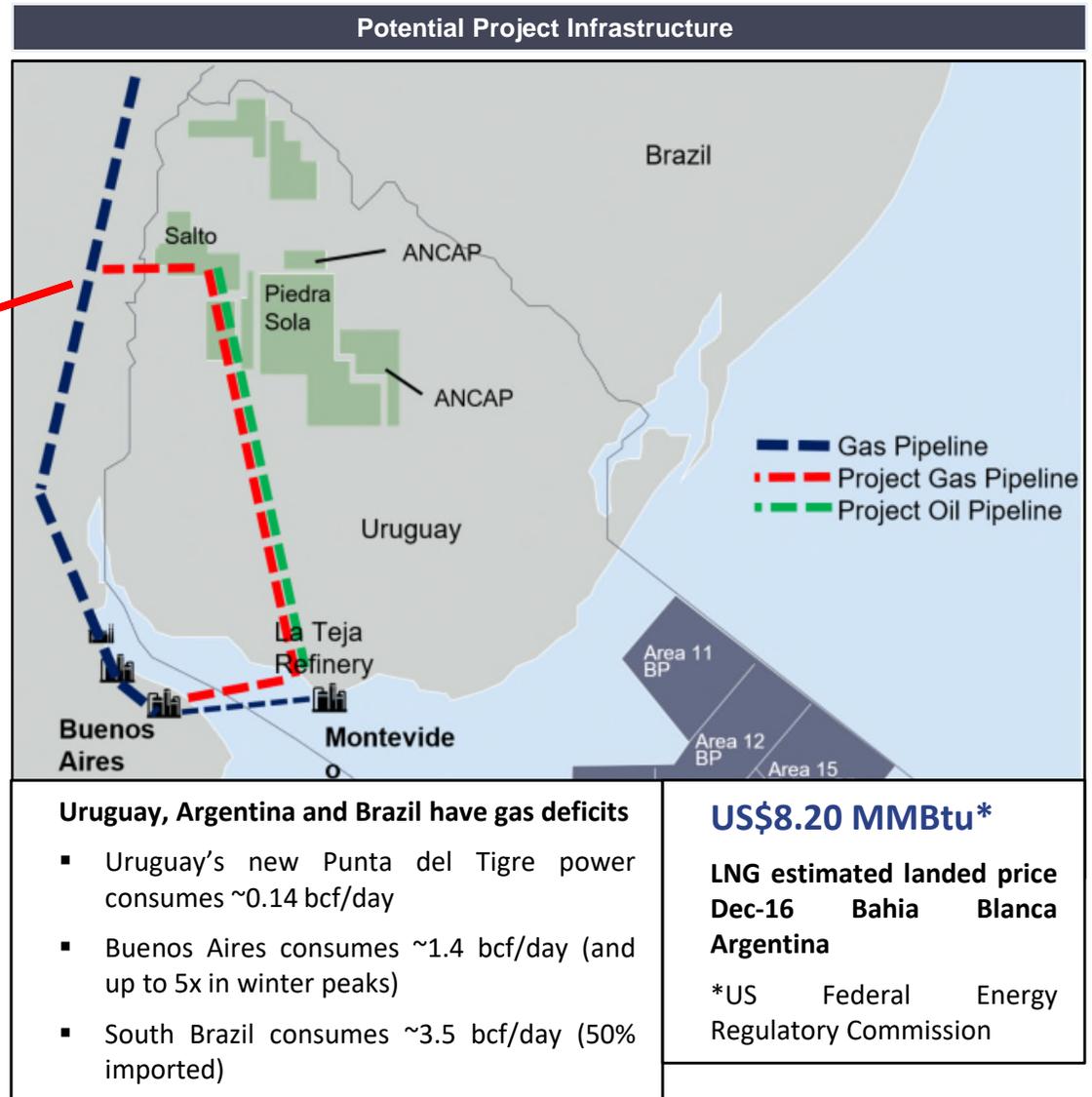
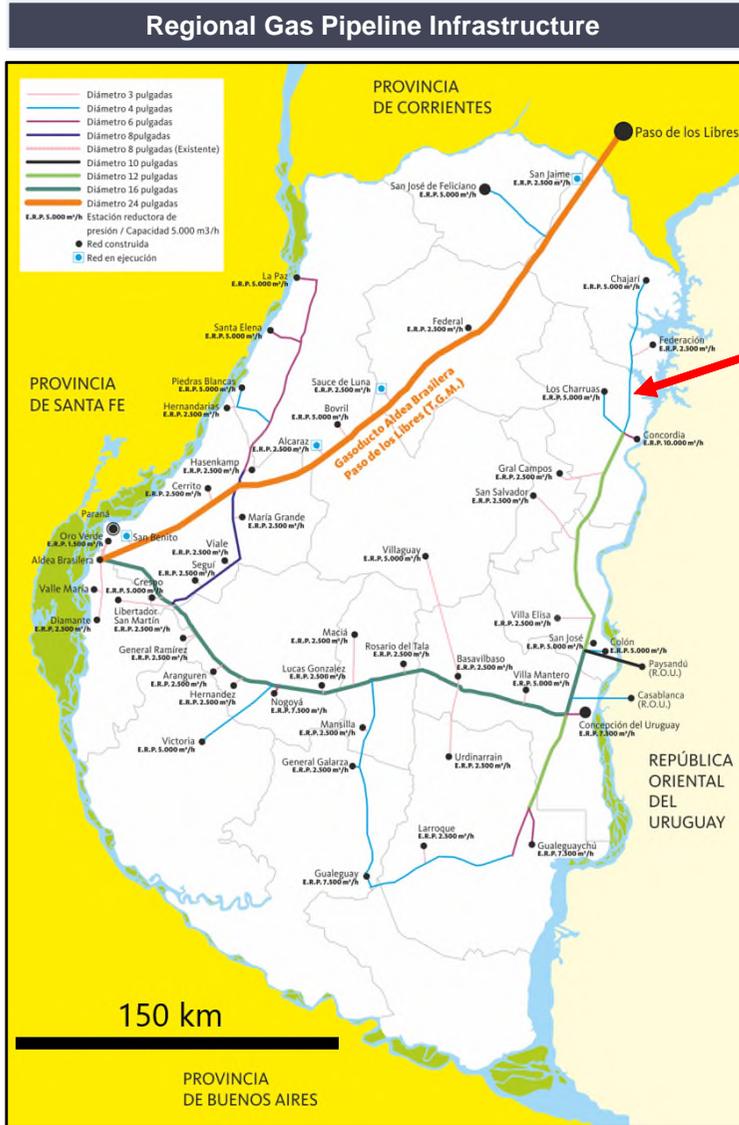
Source: MIT Media Lab

<http://atlas.media.mit.edu/en/profile/country/ury/#Imports>



La Teja Refinery

Gas Markets



Uruguay, Argentina and Brazil have gas deficits

- Uruguay's new Punta del Tigre power consumes ~0.14 bcf/day
- Buenos Aires consumes ~1.4 bcf/day (and up to 5x in winter peaks)
- South Brazil consumes ~3.5 bcf/day (50% imported)

Less than 60km of pipeline infrastructure required using roads and existing easements to reach 12 inch pipeline (and ultimately larger) in nearby Argentina

Prerequisites to success are in place...

✓ **Management**

- Experienced team who have done it before. First class technical capabilities

✓ **Asset**

- Material acreage position encapsulating entire Salto Graben – **first independent resource certification for Uruguay**

✓ **Technical**

- World class source rock – **proven oil province**
- World class reservoir rock – **Darcy permeability**

✓ **Risk Management/Mitigation**

- Diversified portfolio
 - Oil & Gas
 - Conventional with **material “resource” upside**
- Multiple wells and multiple targets – **non binary**
- Low cost **high impact wells**

✓ **Favourable jurisdiction**

- Low sovereign risk and positive stakeholder support

✓ **Markets**

- Local oil refinery currently consumes in excess on 40,000bopd and high regional gas prices

Conventional Resource Certification by NSAI ⁽¹⁾		
Salto & Piedra Sola Concessions 100%	Prospective Resource (MMbbl)	Prospective Resource (BCF)
Low Estimate (P90)	148	575
Best Estimate (P50)	405	1472
High Estimate (P10)	910	3104

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Appendix-1 Why Uruguay?

Why Uruguay?

Asset

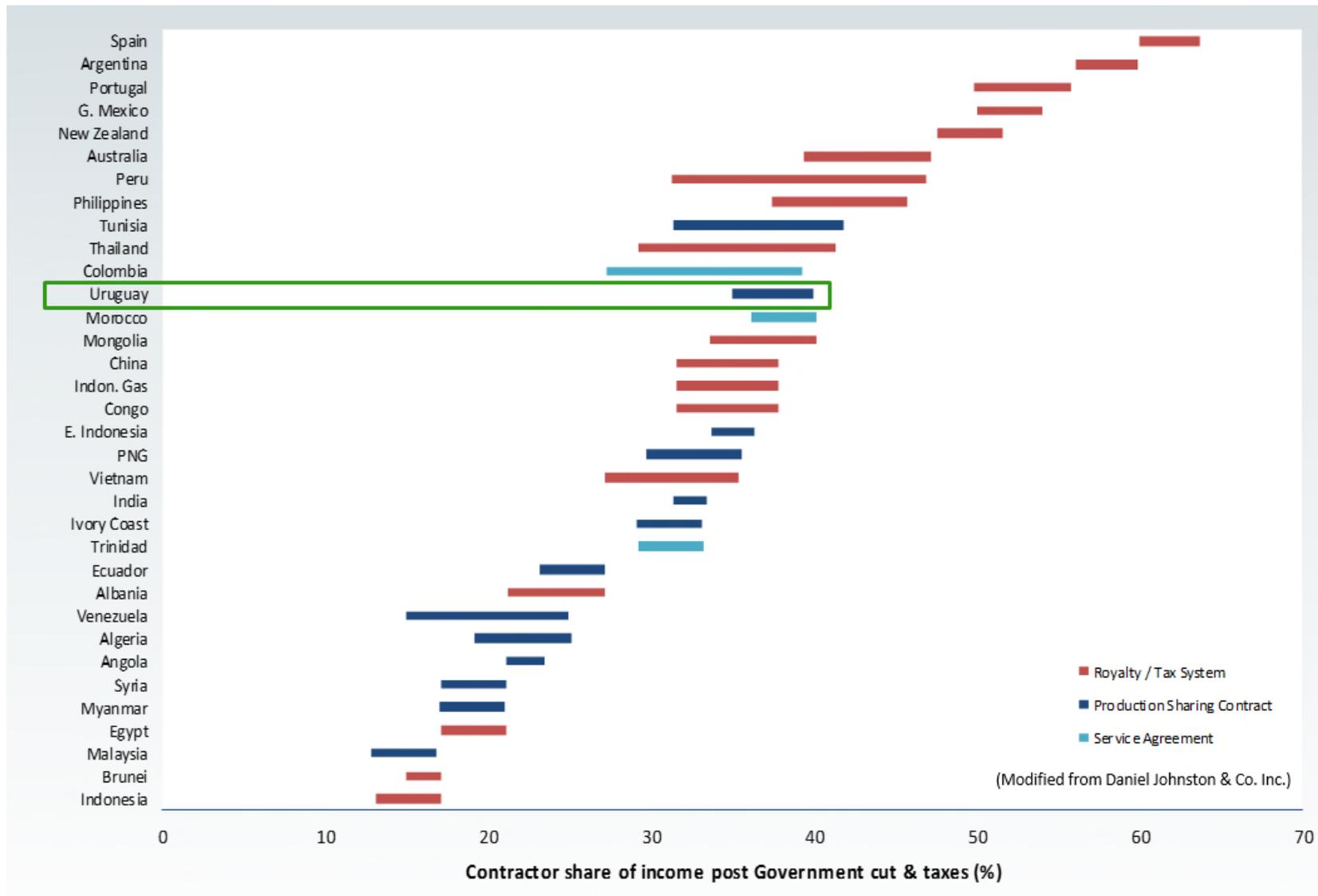
- 3.5 million acres provides a basin controlling position in one of Uruguay's most prospective onshore basins
- NSAI estimated P50 recoverable resource of 405 MMbbl oil and 1.5 TCF of gas in conventional plays
- World class reservoir rock – high permeability, high porosity, oil shows
- Gas production would replace LNG
- Attractive regulatory and fiscal regime

Country

<u>Ranking</u>	<u>Uruguay in Latin America</u>
Democracy Index (Economist Intelligence Unit, 2013)	1
Global Peace Index (Institute for Economics & Peace, 2013)	1
Low Corruption (Transparency International, 2013)	1
Prosperity Index (Legatum Institute, 2013)	1
Freedom of Press (Reporters without borders, 2014)	2
Economic Freedom (Heritage Foundation, 2014)	3
Human Development Index (United Nations Development Program, 2013)	3

Large unexplored opportunity in a low risk country

Comparison of fiscal terms





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