



Annual General Meeting

23rd November 2017

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Managing Director & CEO

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12 months can be a long time...this time

Last year...

however...

Now...

- **Expectations high with funded drilling programme...**
- Partner funding delays rig contract and mobilisation
- Rig mobilised without final fit out
- Resultant knock on effect leads to prolonged shakedown issues
- As a consequence spud delayed until mid year
- Difficult drilling conditions and poor operational decisions result in yet further delays and parting of drill string
- **Operational management changed with immediate impact**

- **First hydrocarbon discovery ever in Uruguay and...**
- **First oil recovered to surface in Uruguay**

Fishing successful and first well drilled to TD with testing confirming...



Oil Discovery @ Cerro Padilla 1

- ✓ Well successfully drilled to Total Depth (TD) of 845m
- ✓ Logging confirmed 2m of oil saturated sand at 793m with fluorescence (oil shows) across extended interval
- ✓ **Testing confirms first ever discovery with oil to surface in Uruguay**
- ✓ Very encouraging but further work required as appears well missed top of structure



Modest initial discovery but **quantum leap in hydrocarbon prospectivity** of Uruguay

12 months can be a long time...from

this last year...

to...

Now...



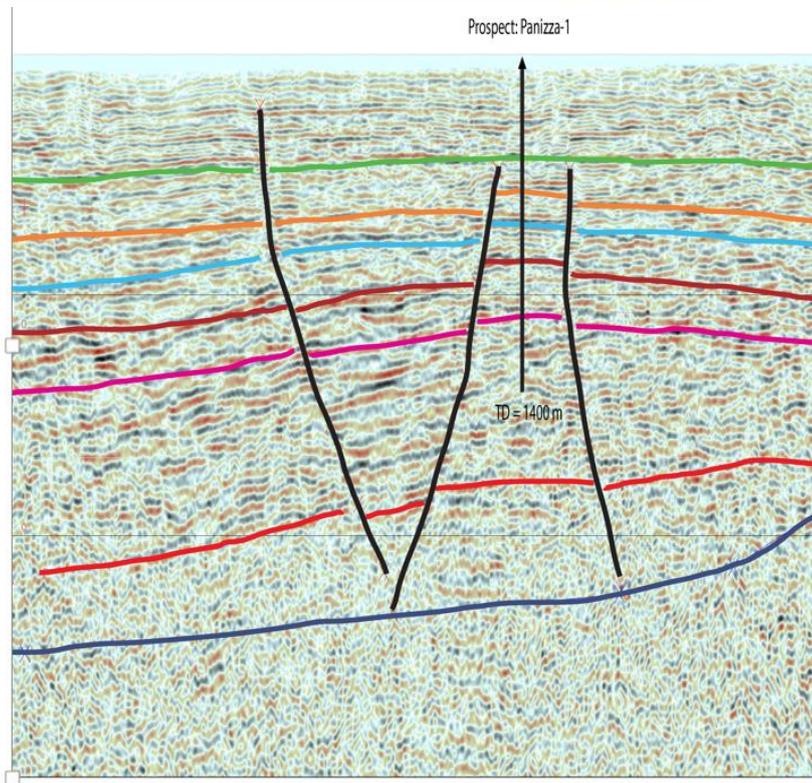
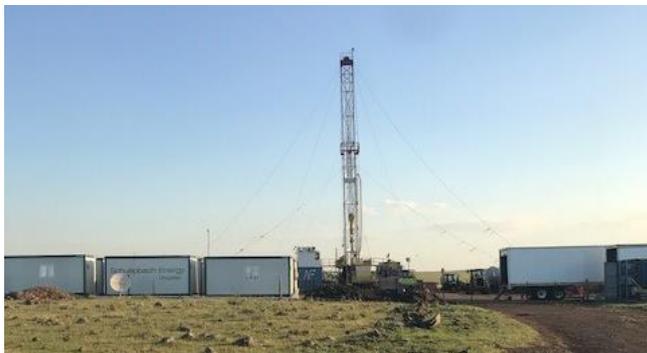
Currently on second well drilling ahead at 480m...

Second well (Cerro de Chaga 1) has multiple targets and objectives

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
- Test deeper sedimentary section
- Devonian (**only**) OGIP P90 = 796BCF & OOIP P90 = 996MMB

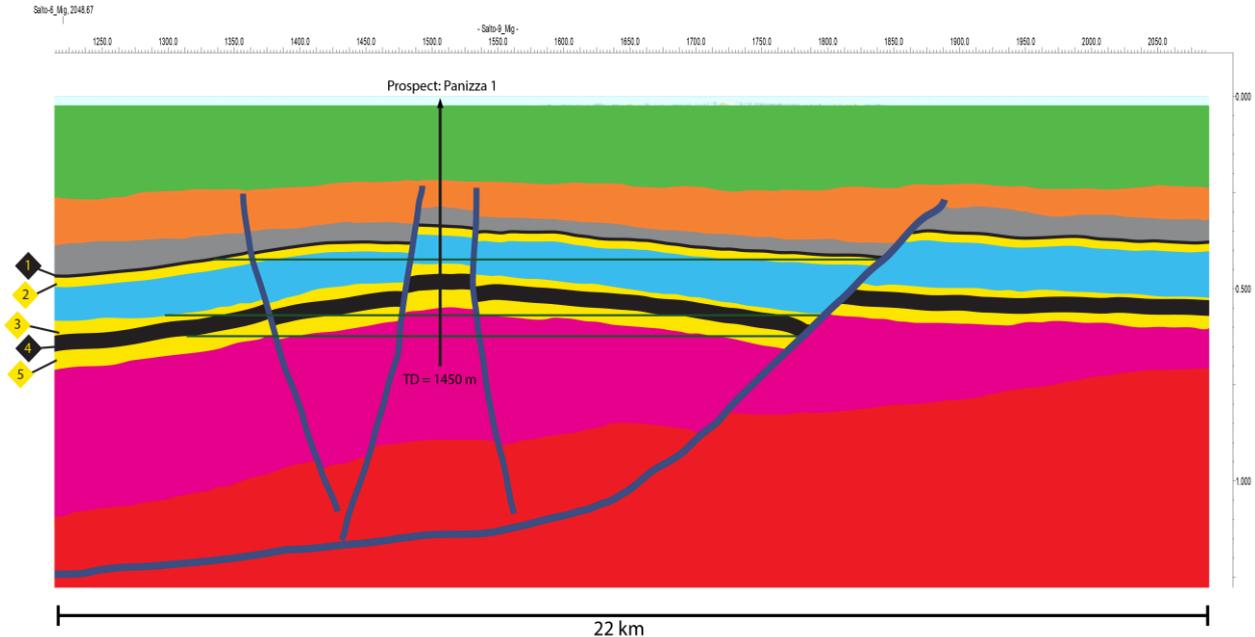


Very large regional structure with multiple source rock and reservoir targets

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
- Mangrullo Shale
- Tres Islas Sst
- La Paloma Sst
- Cordobes Shale
- Cerrezualo Sst
- Spill Point



Shallow opportunity to test very thick Devonian Cordobes Shale and deeper sedimentary sequence

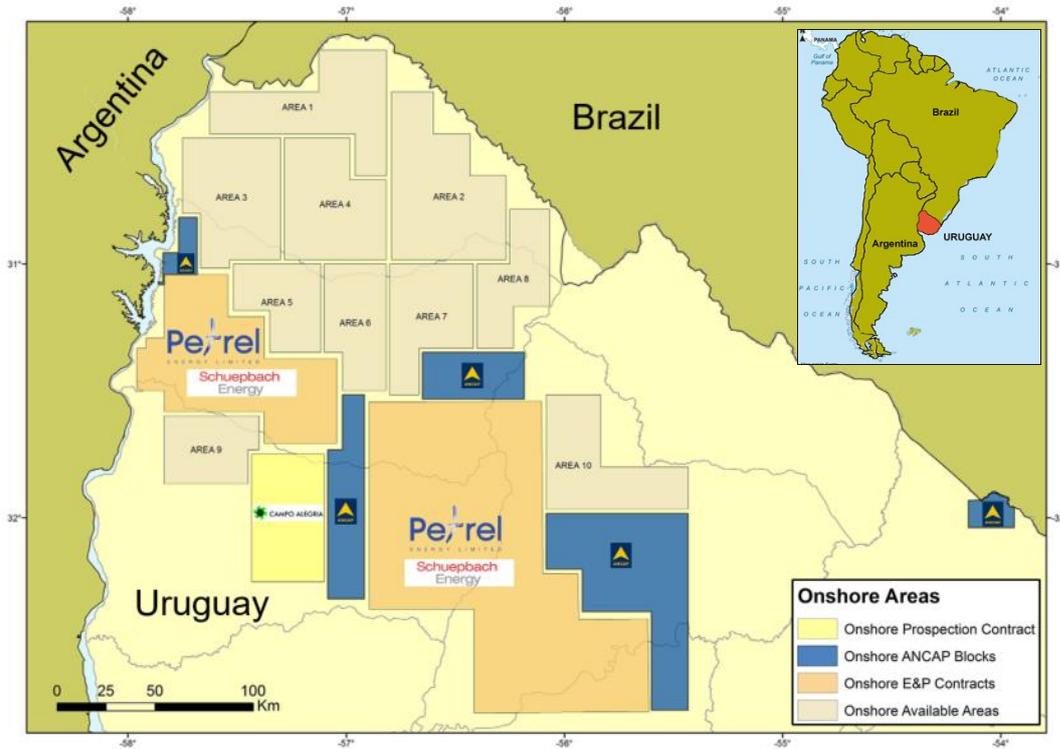
By way of background...

Why Uruguay?

Why Uruguay?

- ✓ **Stable political and financial regime**
- ✓ **Educated workforce and sound legal system**
- ✓ **Extremely under-explored**
- ✓ **Very large resource upside**
- ✓ **Domestic and regional oil & gas markets**
- ✓ **Modest infrastructure development required**

Material Acreage Position



- **3.5 million acres** provides a basin controlling position in Uruguay's most prospective onshore basin
- NSAI estimated P50 recoverable resource (PRL only) of **405 MMbbl oil and 1.5 TCF of gas** in conventional plays
- World class reservoir rock – **very high permeability and porosity, oil shows**
- With no production currently imports in excess of **40,000bopd**
- Gas production would replace LNG – prices currently around **\$8/mscf**

Company making first mover advantage with material upside

Why Uruguay?

 Petrel Energy
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ANCAP News: Cerro Padilla-1 analysis shows 2 metres of sand with oil saturation at a depth of 793 m. \$PRL
[ancap.com.uy/innovaportal/v ...](http://ancap.com.uy/innovaportal/v...)



News center
On October 20, 2017, the Cerro Padilla X-1 well, located to the northeast of the department of Paysandú, reached a total depth of 845 m, the exploratory objective being the sandstones of the Tres Islas formation.

Cosse called the finding "significant advance" and reiterated the need for "prudence"

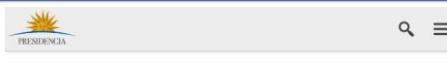
The Minister of Industry described as "good news" the finding of an oil system and added that "it is only a step in a long way".

Wednesday, November 01, 2017 8:13 PM

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Minister Carolina Cosse. Photo: El País Archive



NEWS

Article of Agencia EFE

International press highlights "excellent initial results" of the discovery of hydrocarbons and considers that "it can not be underestimated"

Posted: 10.11.2017 [Share](#) [Print](#)

An article published by the Spanish news agency EFE highlights that the presence of hydrocarbons detected in Paysandú is a "considerable first step" in the redefinition of oil and the future potential of gas in Uruguay, although more tests are needed to determine its potential. "the finding" can not be underestimated," said David Casey, executive of Petrel, the company in charge of the exploratory works.

News



Oriental Republic of Uruguay

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After three decades

Investment of five million dollars in oil prospecting in northwestern Uruguay

Posted: 13.08.2014 [Share](#) [Print](#)

The company Schuepbach Energy will have at the end of the year the necessary information to decide if it starts with drilling for the extraction of hydrocarbons in two blocks that occupy part of the departments of Tacuarembó, Paysandú and Salto. The initial investment for seismic exploration in Uruguay is five million dollars, within the framework of the diversification strategy of the energy matrix.



Pozo Cerro Padilla X-1



Published: 10/20/17

On October 20, 2017, the Cerro Padilla X-1 well, located northeast of the department of Paysandú, reached a total depth of 845 m, with the sandstone of the Tres Islas formation being the exploratory objective.

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The first Australian Studies Centre in Latin America will be launched at Universidad ORT Uruguay

15/11/2016



On the 24th November the [Australian Studies Centre \(ASC\)](#) at Universidad ORT Uruguay (ORT) will be inaugurated. Australian Ambassador to Argentina, Paraguay and Uruguay, Noel Campbell and Austrade's Senior trade and investment commissioner (Andean Latin America), Shannon Powell will attend the event.

The ORT-ASC is an academic institute for the study of Australian history, politics, international relations, economics, business, society, education, culture and literature. The Centre aims to strengthen the links between Australia and the region, particularly with Uruguay and it is totally interdisciplinary in its structure and activities. The ORT-ASC welcomes working with researchers, students and academics in any field of study in Australia helping to cement intellectual links between the two regions.

The Centre is initially funded by Petrel Energy and Universidad ORT Uruguay and counts with the support of the Australian Embassy in Argentina, Paraguay and Uruguay, the Uruguayan Embassy in Australia, Austrade and the Chamber Uruguay Australia.

Why Invest in Petrel & Why Now?

Why Petrel...

- ✓ Material certified “company defining” resource in Uruguay on 3.5m acres
- ✓ Multi TCF gas and billion barrel oil potential
- ✓ Multi well continuous conventional well drilling programme
- ✓ Multiple targets with multiple objectives
- ✓ Resource diversity – oil & gas and...
- ✓ **Experienced team that has done it before – operational and management changes successfully implemented to avoid repeat of past mistakes**

But more importantly...Why Now?

- ✓ Results driven programme with continuous news flow
- ✓ Numerous re-rating opportunities over extended period
- ✓ Coming off all time low share price...
- ✓ At time of maximum project upside, and...
- ✓ **Active drilling programme, building on success of “first oil” discovered in Uruguay with multiple targets and objectives in current well**

**While a frustrating start to 2017...
Petrel was nonetheless able to
achieve its goal of discovering the
“first ever oil in Uruguay”**

Petrel  **all the boxes...**

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