



## **QUARTERLY ACTIVITIES REPORT FOR THE PERIOD 1<sup>st</sup> January 2018 to 31<sup>st</sup> March 2018**

**30 April 2018**

### **Corporate Development**

South Pacific Resources Ltd. (ASX:SPB) ("SPB" or "the Company") continues to focus on building capacity to advance the significant conventional and unconventional portfolio the Company holds in Papua New Guinea (PNG). The relationship with Tamarind Management (Tamarind) has significantly enhanced SPB's technical and commercial capacity enabling the Company to invest additional efforts in better understanding of the conventional, unconventional and business development opportunities in PNG while exploring appropriate expansion into neighbouring jurisdictions where SPB's unique skills and experience will enable a competitive advantage.

During the quarter, SPB continued to aggressively pursue a number of business development opportunities across the region in conjunction with Tamarind Resources. This activity is focused on cash flow generating production to augment the exploration and development portfolio of SPB.

### **Conventional**

SPB is the 100% holder of five petroleum prospecting licences in Papua New Guinea. PPL 366 & 367 are located onshore and PPL 356 & 357 offshore in the highly prospective Papuan Basin close to discovered oil and gas fields. PPL 358 is in the frontier Cape Vogel Basin where oil and gas indications have been reported. SPB is investigating joint exploration opportunities to enhance the prospectivity of its licenses.

Tamarind and SPB continue to review the potential of these blocks and are progressing discussions with the PNG Department of Petroleum and Energy to extend license tenure.

### **Unconventional**

In February 2016, The Government of PNG enacted new legislation, The PNG Unconventional Hydrocarbons Act, specifically designed to recognise the requirements of the unconventional sector. The legislation envisaged that the licensing, development and ultimate production from unconventional resources requires different investment timeframes and intensity, different logistics and a different approach to community relations when compared to conventional oil and gas resource developments. SPB continues to support the efforts of the government as the regulations in support of the legislation are finalised.

---

SOUTH PACIFIC RESOURCES LTD  
ACN 073 099 171

Australian Office: Level 5, 56 Pitt Street, Sydney, NSW 2000 Tel: +61 2 8823 3177 | Fax: +61 2 8823 3188  
PNG Representative Office: PO Box 599, Konedobu, National Capital District, PNG



SPB has applied for a 75% interest in five unconventional licences covering 75,000 km sq coincidental with all of the major conventional oil basins in PNG. Upon completion of the regulations and final license gazettal, SPB will be able to progress the further appraisal of these licences. Commercial and technical discussions with potential industry partners and oilfield service providers is ongoing.

## **Business Development**

During the quarter, Tamarind and a PNG oil producer continued a joint technical and engineering review of a late-life producing field. The initial aim of the review is to evaluate field redevelopment and appraisal opportunities within the identified asset. If the study outcome is promising, the review will be expanded to evaluate near-field exploration and development opportunities. In parallel, SPB's technical team continues to evaluate farmin opportunities in PNG.

## **Petroleum Prospecting Licenses**

Conventional licences held at the end of the quarter are as follows:

Petroleum Prospecting License	Location	SPB equity
PPL 356	Offshore Papuan Basin, PNG	100%
PPL 357	Offshore Papuan Basin, PNG	100%
PPL 358	Offshore Cape Vogel Basin, PNG	100%
PPL 366	Onshore Papuan Basin, PNG	100%
PPL 367	Onshore Papuan Basin, PNG	100%