

# Farm-in / Oil Field Exploration Opportunity

– Western Australia, Perth Basin

February 2019

(near field exploration opportunities with high probability of success – proximate to existing production)



## Company Background

The RCMA Group is focused on commodities and supply chain management. With its origins tracing back to 1780, the RCMA Group continues to build on its extensive knowledge of commodity markets through strategic partnerships and investments. RCMA Energy, a key and rapidly growing division, participates in oil, gas, and electricity markets. Its core activities include trading, risk management, retail services, and asset investment. RCMA Energy is active across global energy markets.

## The Opportunity

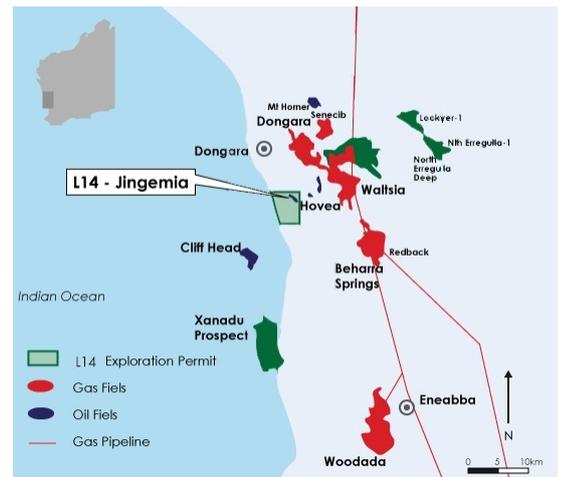
Existing Production

RCMA Australia Pty Ltd (“RCMA”) holds a 93.7% interest in production licence L14 over the Jingemia oilfield situated in the northern onshore Perth Basin, 360km north of Perth, Western Australia (the “Field”) (the “Licence”). The Licence covers an area of 9,835 acres. RCMA is the operator of the Field producing light oil from a Dongara Sandstone reservoir. Production commenced late 2003 and to date 4.6 million barrels have been produced. There are extensive surface facilities in place including oil storage, separators, piping, export, and water injection facilities. The Field has 4 oil wells currently producing at 330 bopd and 4 water injection wells of which 3 are operational and 1 is suspended.

### Exploration Farm-in

Based on reprocessed 3D seismic and data from 10 prior wells, there are a number of significant exploration opportunities for farminees:

- 4 Northern prospects with an estimated 9.5 million bbls of recoverable oil with a probability of success ranging between 16% and 72%; and
- 4 Southern leads having an estimated 328 million bbls oil in place.



### Alternative Investment Structures

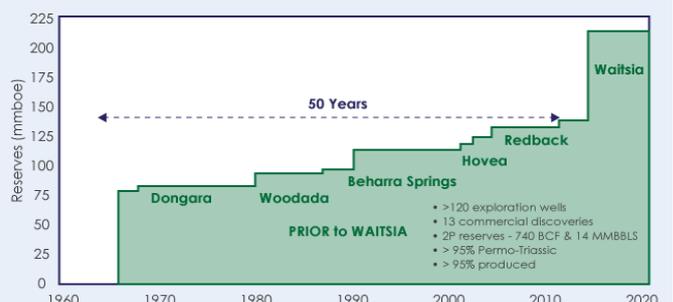
All of these farm-in opportunities are proximate to existing petroleum processing, storage and export infrastructure where offtake is readily available. RCMA is inviting proposals from potential farminees with opportunities ranging from farming into between 1 and 6 exploration wells on the portfolio of prospects and leads favouring parties that will drill more. RCMA will consider alternative structures such as investment in or acquisition of the existing production and associated infrastructure.

## Productive, Prospective & Underexplored Basin

The onshore North Perth Basin has been a very productive area for the last 50 years and the outlook remains positive.

Seismic data and geological precedents are plentiful and a full review of these L14 opportunities has been undertaken by LEAP Energy. The well-established proximate infrastructure makes development more cost effective.

### Exploration history - onshore North Perth Basin



## Technical and Investment Merits

- **High probability of success:** LEAP Energy has estimated that the probability of success ranges from 16% to 72% for the identified prospects.
- **Risk management:** Multiple targets for wells in the Dongara, High Cliff and/or Kingea formations allow for risk mitigation with upside.
- **Productive area:** Proximate current field discoveries and proven production track record indicate that these sandstones can be productive.
- **Low cost of development:** RCMA has proven capability and the resources to manage all workover and exploration programs and will be able to complete those at a cost that is a fraction of current Perth Basin cost benchmarks.
- **Proximate to existing infrastructure:** Targets are proximate to existing production infrastructure, thereby lowering development costs.
- **Crude buyer in place:** The current offtaker of Jingemia crude has the capacity to take all incremental production.
- **Low cost of production:** Pre-existing fully operational facilities and export infrastructure will enable a fast track to production with low incremental costs of production and development.
- **Quality data and analysis:** Quality 3D seismic and a detailed analysis by LEAP Energy are available for review.

## Prospects & Leads

	Distance from facilities (km)	STOIIP (mmbbl)	EUR (mmbbl)	POS
<b>Prospects</b>				
Black Glove	2	2.3	1.6	72%
Agile	3	4.8	2.4	58%
Agile West	3	6.8	3.4	32%
Tammar	0	6.2	2.1	16%
<b>Prospects Total</b>		<b>20.1</b>	<b>9.5</b>	
<b>Leads</b>				
Yellow Foot	5	77.7		
Black Flanked	6	57.0		
Nabarlek	4	43.0		
Western Brush	6	150.2		
<b>Leads Total</b>		<b>327.9</b>		
<b>L14 Total</b>		<b>348.0</b>		



Jingemia Existing, Processing Storage & Export Facilities

## Technical Review

RCMA has engaged LEAP Energy to provide an independent review of the licence and to complete a Competent Persons Report with respect to the estimated STOIIP and prospective resources contained within the leads and prospects. 3D Seismic on the licence has been reinterpreted and a log interpretation completed on all 10 wells drilled and this has been compared with legacy Perth basin data. Geophysical work, reservoir engineering, and volumetric analysis has been undertaken on the Licence area and a static model has been prepared for the Field.

## Drilling Strategy

RCMA is reviewing drilling strategies to minimise costs. The current proposal is to lease a drilling rig for one year. This will significantly lower the well drilling cost. The drilling campaign will ideally involve a minimum of 4 wells up to 6 wells to secure the rig resources over a 12-month period. With success the rig utilisation can be increased by putting on another shift taking the maximum well count to 12 in a year.

## Development Strategy

Upon a successful discovery, RCMA proposes to utilise the existing facilities in the Field to minimise development cost. An estimated A\$2.5m will be utilised to upgrade existing facilities at the Field production site. Pipeline costs to connect the discovery to the facilities are expected to cost between A\$0.3m to A\$0.7m for the northern prospects. The exploration well would be converted to a producer for A\$0.6m and a further 1 or 2 production and injection wells may be drilled to optimise recovery rates.

## Funding and Opportunity

RCMA envisages a wide range of opportunities available, subject to budget, including:

### Exploration farm-in

Minimum farm-in:	A\$14m for <u>three</u> wells
Target base case:	A\$19m for <u>four</u> wells
Risk diversified case:	A\$28m for <u>six</u> wells

### Investment + exploration farm-in

Share of production + farm-in  
Investment in Jingemia production + farm-in

### Corporate transaction

Investment into the RCMA Energy business

## Next Steps

Interested parties are invited to complete an NDA in order to access the LEAP Energy-managed data room containing all pertinent data and to review our reservoir engineering model. The RCMA operations team are available to provide a management presentation and to address immediate questions, and our commercial team are on hand to discuss possible farm-in and investment structures.

## Contact

RCMA Energy	David Maher	Tel: +65 6505 9952	Email: david.maher@rcma.com
	Chris Newport	Tel: +61 467 456 043	Email: chris.newport@rcma.com
LEAP Energy	Chris Connell	Tel: +61 402 910 079	Email: chris.connell@leap-energy.com
Alpha Advisory	Nigel Jones	Tel: +65 6238 2371	Email: njones@alphaadvisory.com
	Jeffrey Goh	Tel: +65 6884 5457	Email: jgoh@alphaadvisory.com

The information contained in this document has been compiled by RCMA Australia Pty Ltd and its affiliates (hereby known as "RCMA") as at the date of transmission to you. While RCMA has taken reasonable care to ensure the accuracy and completeness of the information provided, RCMA assumes no responsibility for any errors or omissions. RCMA will not be liable for any loss or damage of any kind (whether direct, indirect or consequential losses or other economic loss of any kind) suffered due to any omission, error, inaccuracy, incompleteness or otherwise, or any reliance on such information. The information contained in this document may contain forward-looking statements relating to future events and/or the future financial or other performance of the oil market and/or RCMA. "Forward-looking statements" include statements that are not statements of historical fact (including without limitation those containing statements of belief, expectation, anticipation, plans, or similar expressions). Forward-looking statements are made based on current expectations and assumptions and involve risks and uncertainties, and there are a number of factors which could cause actual results to differ significantly from those contained in forward-looking statements. Forward-looking statements speak only as at the date on which they are made, and RCMA disclaims any and all obligation to update any forward-looking statement. The opinions expressed in this document are the author's personal views and must not be construed as representing the opinion of RCMA as a company. Further, the opinions expressed in this document should not be considered or construed as professional financial investment advice.