



**OIL BASINS** LIMITED

ABN 56 006 034 764



# CORPORATE UPDATE & EP487 – Derby Block Update

NWS Scale Potential Wet Laurel Basin Centred Gas (**BCG**)  
July 2015

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- The information in this document will be subject to completion, verification and amendment, and should not be relied upon as a complete and accurate representation of any matters that a potential investor should consider in evaluating Oil Basins Limited. Assumed in-the ground values of unrisks prospective potential resources assets as stated in text (ignoring finding and development costs). No assumption of either commercial success or development is either implied with their adoption by either the Company and its directors and representatives in the application of these indicative values to its assets.
- Prospective Resources are those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations. Recipients should not infer that because "prospective resources" are referred to that oil and gas necessarily exist within the prospects and USG tenements. An equally valid outcome in relation to each of the Company's prospects is that no oil or gas will be discovered. Under PRMS Classification used in this study, it represents those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations. Potential accumulations are evaluated according to their chance of discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analogue developments in the earlier phases of exploration
- Information on the Reserves and Resources on the Company's operated assets in this release are based on an independent evaluations conducted by 3D-Geo Pty Ltd (3D-Geo). 3D-Geo is a independent geoscience consultancy specialising in petroleum. The technical work was undertaken by a team of geoscientists and petrophysicists and is based open-file seismic and well data and data supplied by OBL. The technical assessment was performed primarily by, or under the supervision of Dr Jeff Keetley, Director 3D-Geo. Dr Keetley holds the qualification BSc (Petroleum Geoscience) & PhD from Melbourne University, has over 16 years of experience as a geophysicist and is a Member of Society of Exploration Geophysicists (SEG) and the American Association of Petroleum Geologists. 3D-Geo's approach has been to review the data supplied by OBL for reasonableness and then independently estimate ranges of in-place and recoverable volumes using Petrel™. 3D-Geo have estimated the degree of uncertainty inherent in the measurements and interpretation of the data and have calculated a range of recoverable volumes, based on predicted field performance for the property. The modelling and Monte Carlo risked assessment of prospective potential resources has been completed using Petrel™, Trinity 3D and Lithotect software with resources assessed using PRMS. 3D-Geo and Dr Keetley have given their consent at the date of the release to the inclusion of this statement and the information in the form and context in which they appear in the OBL Presentation. **The Retention Lease R3/R1 reserves statement was released to the ASX on 18 May 2015.**
- The technical information quoted has been compiled and / or assessed by Company Director Mr Neil Doyle who is a professional engineer (BEng, MEngSc - Geomechanics) with over 36 years standing and has been a full and continuous member of the US Petroleum Engineers since 1981 and by Mr Geoff Geary who is a professional geologist (Bachelor Science – Geology) with over 34 years standing and who is also a Member of Petroleum Exploration Society of Australia. Both Mr Doyle and Mr Geary have consented to the inclusion in this announcement of the matters based on the information in the form and context in which they originally appear – investors should at all times refer to appropriate ASX Releases. Other data presented on the Gippsland Permits Vic/P47 and Vic/P41 relies on the former operator ASX Releases and disclosures.
- Investment in Oil Basins Limited is regarded as speculative and this presentation includes certain forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements. These factors include, among other things, commercial and other risks associated with estimation of potential hydrocarbon resources, the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.
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# Corporate Snapshot.

## Directors

Kim McGrath	Executive Chairman ( <i>Founder</i> )
Neil Doyle	Director & CEO ( <i>Founder</i> )
Nigel Harvey	Non-Executive Director
Carl Dumbrell	Non-Executive Director

## Senior Management

Justin Mouchacca	Company Secretary
Geoff Geary	Exploration Consultant
Mimi D'Auvergne	Environmental Manager

## Major Shareholders – Top 20 circa 35%

The Albers Group / Octanex	5.2%
Directors & Management	4.1%

## ASX Trading Symbol (ASX code)

**OBL**

Shares (Ordinary <b>OBL</b> )	1,077.1 M
Unlisted Options (@ 9 cents 30/06/16)	48.0 M
Unlisted Options (@ 2.32 cents 14/09/17)	8.0 M
52-week Trading Range – Closing Price	\$0.003 – \$0.012
Share Price @ COB 2 June 2015	\$0.004
52-week Average Daily Volume (circa)	2.1 M
Cash & near cash (@ 30 June 2015)	\$0.45M
<b>Market Capitalisation</b>	<b>\$4.3 M</b>

Oil Basins has access via long-term arrangements to highly experienced corporate, geology & engineering teams delivering modern technologies & techniques to evaluate permits and conduct low cost operations.

In 2012 the Company strengthened its operational & technical support base:

- ❖ **DU-EL** (Petroleum Engineering)
- ❖ **3D-GEO** (Geophysical & Reservoir Engineering)
- ❖ **Ecoscope** (Environment)
- ❖ **Terrex** (Onshore Seismic)

Oil Basins Limited (**OBL**) is an established operator in exploration and development oil and gas opportunities in both the east and west coast of Australia. Its upstream interests include:

- ❖ Offshore Carnarvon Basin (100% & Operator + 2% ORRI) undeveloped Cyrano Oilfield (2P 3MMbbls);
- ❖ Canning Basin (100% & Operator) Backreef Area Deep Tight Oil / Deep USO;
- ❖ Canning Basin (50% & Operator + 2% ORRI pending) EP 487 Derby Block USG Domgas & Export LNG potential via SAA with LNG Limited;
- ❖ Offshore Gippsland Basin (100% & Operator + 2% ORRI) Vic/P47 (two undeveloped gas fields – Judith and Moby Location) and OBL Group 35.395% non-operator Vic/P41

# OBL has an established portfolio in strategic locations with all reserves & resources under SPE PRMS (2011)

Permit EP 487  
(Derby Block)  
Gross USG P50  
18.7 Tcf & 462MMbbls  
3D-GEO

100% Backreef Area  
USO P50 391 MMbbls  
3D-GEO

**HIGH LEVERAGE  
TO LARGE USO**

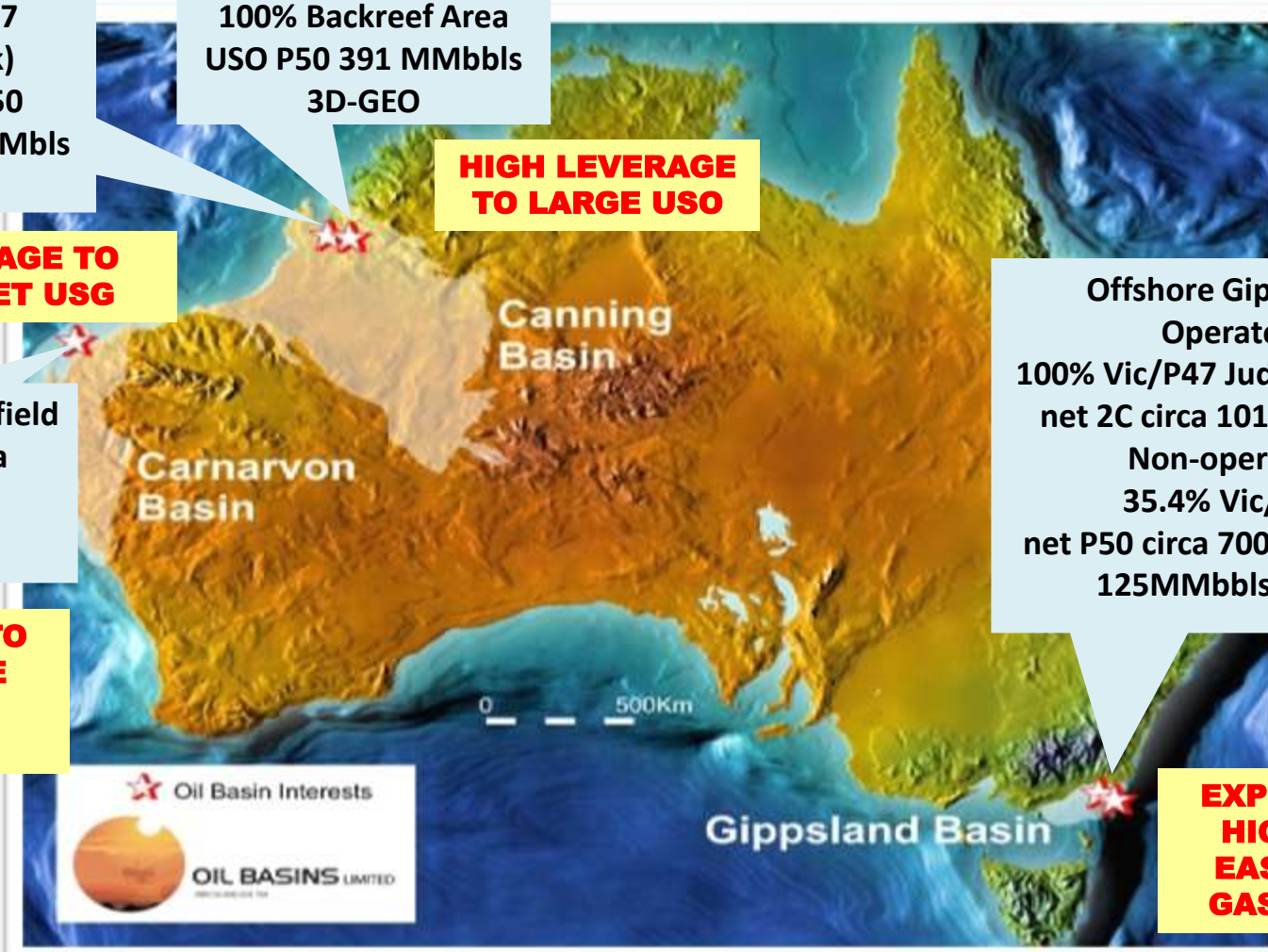
**HIGH LEVERAGE TO  
CANNING WET USG**

100% Cyrano Oilfield  
Gross 2P circa  
3 MMbbls  
3D-GEO

**EXPOSURE TO  
HIGH PRICE  
WA GAS  
MARKET**

Offshore Gippsland  
Operator  
100% Vic/P47 Judith & Moby  
net 2C circa 101 Bcf (GCA)  
Non-operator  
35.4% Vic/P41  
net P50 circa 700 Bcf & circa  
125MMbbls (BAS)

**EXPOSURE TO  
HIGH PRICE  
EAST COAST  
GAS MARKET**



**OBL is seeking Farmin  
interest**

# Update Derby Block – Ownership Resolved.

Company advised that after close of market 29 May 2015 it reached Settlement on the ownership and way forward for Permit EP487 (Derby Block), **whereby in summary:**

- OBL holds 50% and is operator of Derby Block.
- All Derby Block legal actions are resolved to OBL's satisfaction (with OBL attaining a significant portion of its costs since July 2014).
- OBL and Rey Resources Limited (REY) become 50/50 joint venture partners in the Derby Block (EP487 JV operating agreement executed)
- OBL receives \$391,000 in cash from REY (recoupment of legal costs and 50% of post Grant funds).
- OBL Group attains a gross 1% ORRI in the Derby Block on RLS's 50% of EP487 (for part compensation of back costs incurred pre-Grant) \* effective 0.5% ORRI has now been subsequently increased to net 2% ORRI (pre-farmout)
- OBL remains the continuing Operator of the Derby Block for the approved Work Program (WP).
- WP has now been approved and funded to end July 2014.
- OBL can now seek farmin partners to offer an attractive conventional 2 for 1 farmin or earnin (shared by both joint venture partners) with a minimum 2 year WP free carry.

# Company is an experienced Canning Operator



**Backreef-1 (2010) Hunt Rig#3**  
1800 m TD ~ \$4.5m



**East Blina-1 (2012) Dynamic Rig#17**  
1195 m TD ~ \$2.5m

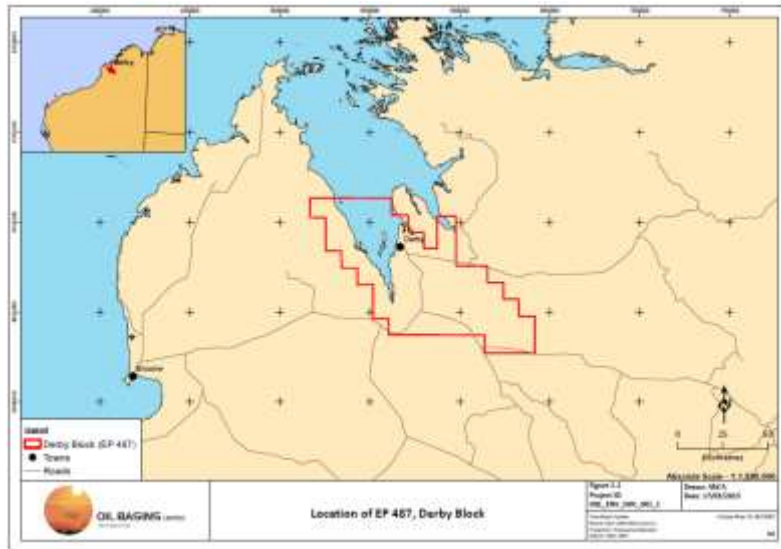


**Backreef-1 (2012) ADS Rig#2**  
2 x Production Tests ~ \$2.2m

**Oil Basins Limited (OBL) since mid-2010 has drilled two exploration wells: Backreef-1 (October 2010) and East Blina-1 (October 2012) - and conducted a modern production test program of Backreef-1 (May 2012) recovering oil shows using nitrogen stimulation (declaring an oil discovery).**

- ❖ Since 2010, OBL has mobilised 3 drilling rigs from east coast to WA
- ❖ Arranged rig inspection
- ❖ Finalised well drilling and well test programs
- ❖ Arranged environmental and traditional owner clearances using local contractors (wherever possible)
- ❖ Introduced / deployed new specialist service contractors to the region eg **DU-EL / ProTest / Vause Wireline**
- ❖ Successfully operated the drilling and testing programs in a low cost manner

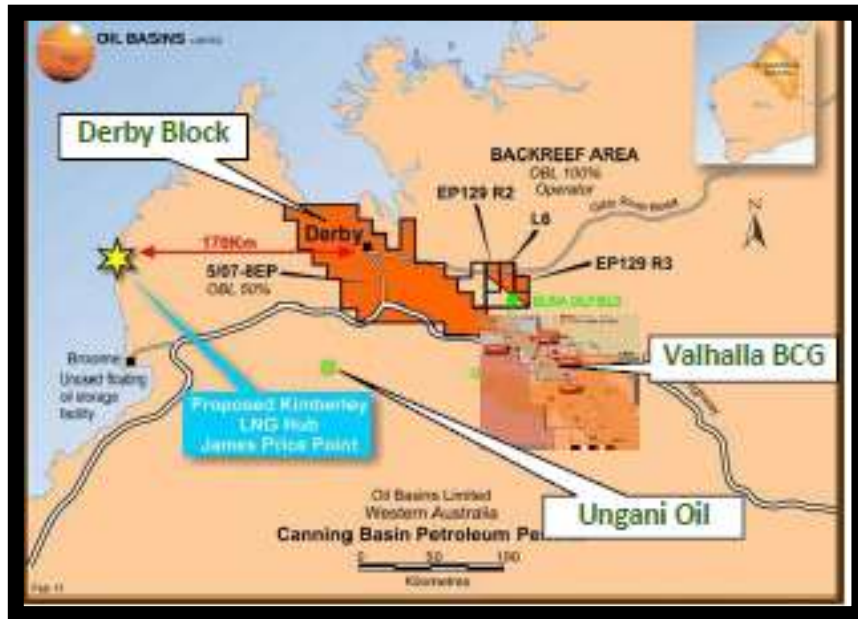
# Derby Block – Location and Land Use



- EP 487 (the “Derby Block”) is situated in the Fitzroy Trough of the Canning Basin. Block is over 5000 sqkm (circa 1.25 million acres) – no significant native vegetation or fauna issues have been identified to date.
- Cattle country – 6 pastoral stations are within the permit boundaries
- Main prospective area for BCG / USG within permit is bounded by bitumen roads and has an ‘exclusion zone’ in the west – Curtain Air Base.



# Derby Block – Great Address for Prospectivity & Infrastructure

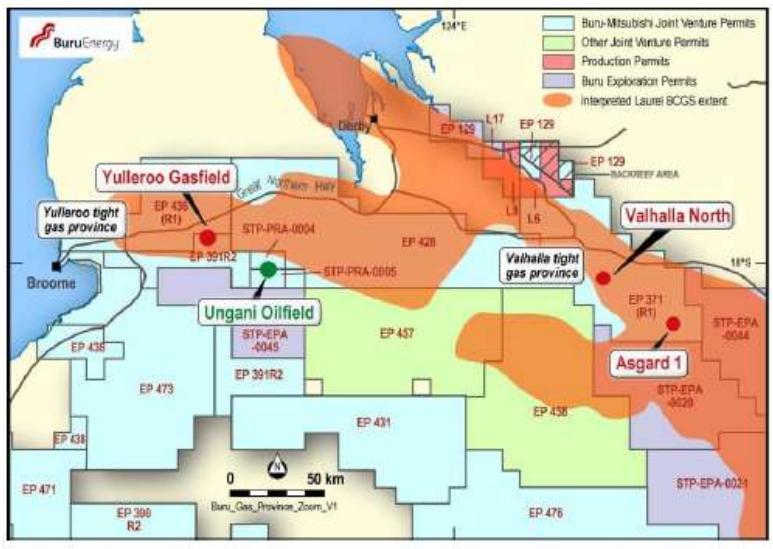
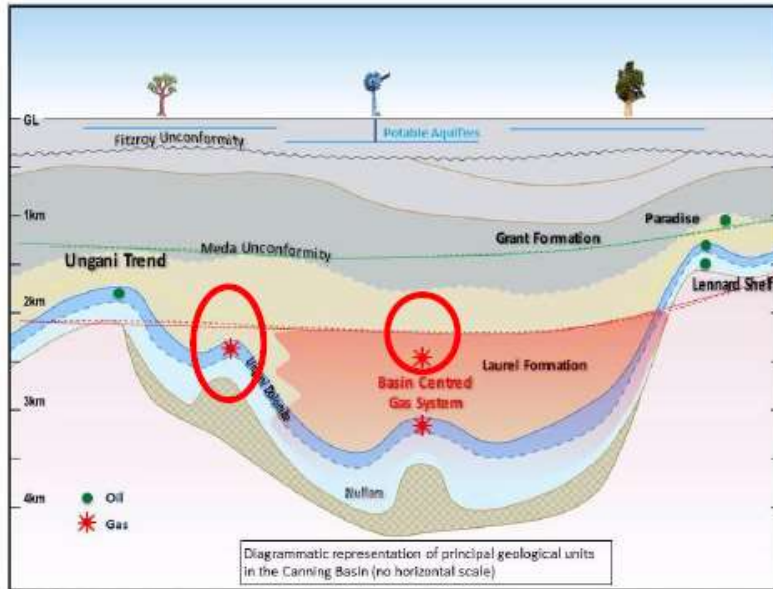


**OBL's Derby Block hosts potentially gross over 32Tcf Wet\* Laurel BCG Play down to 5000m cut-off (ie deep drilling) and circa gross 802 MMbbls of recoverable condensate within the non-King Sound regions of the Permit**

- **Thick Wet Marine Shale of right age:** EP 487 (the “Derby Block”) is an excellent location for wet Laurel BCG in the Fitzroy Trough of the Canning Basin. Permit contains a very thick (500m to over 1000m thick) sequence of mature marine source rocks of similar geological age (Permian and older) to those explored successfully in North America as USG.
- **Ease of Access:** Main prospective region is completely bounded to the west, north and south by all-weather bitumen highways and only 6 cattle station landowners.
- **Infrastructure:** Nearby Derby township, airports (Virgin operates domestic flights to Curtin Airbase in the centre of the Derby Block) and significant support infrastructure (Base Hospital).
- **Future Gas Pipeline:** Route of proposed new Great Northern Pipeline will likely traverse EP 487 in the south along the Great Northern Highway to connect to Valhalla BCG – **COMMON CARRIER**

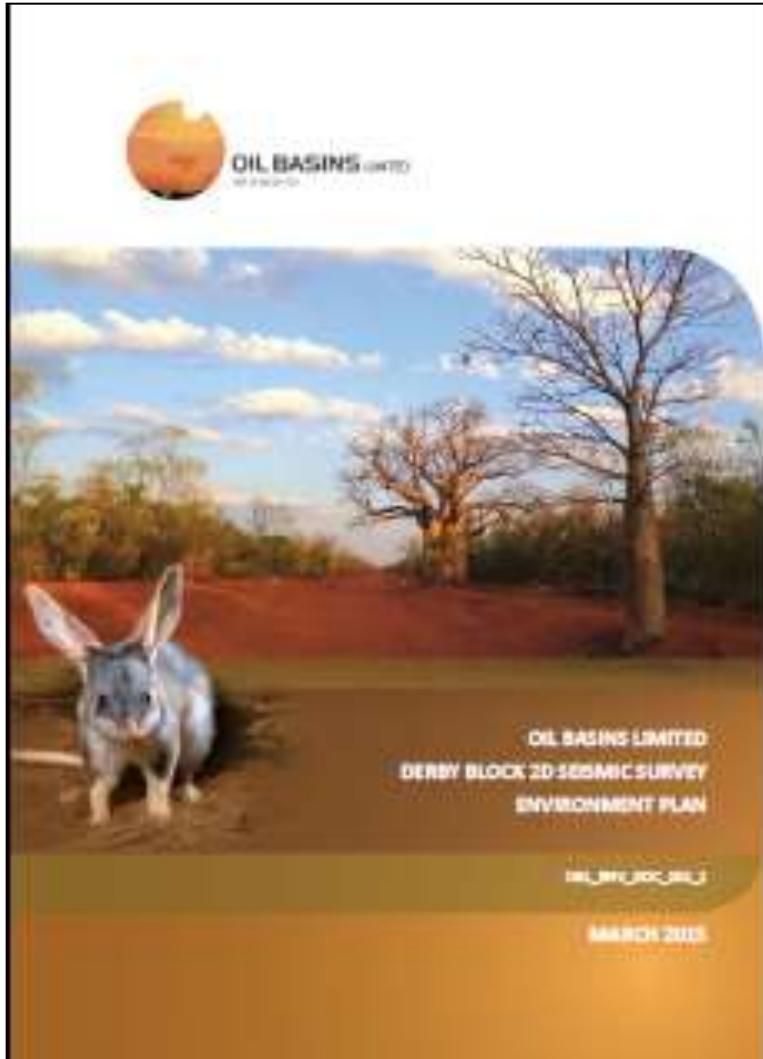


# Recent Exploration Success has focused on Shallow Conventional Oil and Deeper BCG



- Recent nearby successful exploration led by Buru since 2010 has delineated two predominate plays.
- **“Conventional Play”** Shallow Laurel age Dolomitic / Carbonate (reef) “conventional” oil plays (Ungani – circa 6 MMbbls plus) on the edge of the platforms and deeper tight gas conventional gas sands (Yulleroo circa 0.35 Tcf plus)
- **“New Play”** – Deeper **“Wet Laurel” Basin Centred Gas (BCG)** is prognosed to host >100 Tcf and > 1 Bn bbls oil with prognosed circa 43 Tcf and 1250 MMbbls net to Buru (down to 4000m depth) within the 5 State Agreement Permits – *WABS Conference (2013) Kingsley & Streitberg*
- Of the 5 vintage wells that have delineated the BCG system– two East Yeeda-1 (454m Laurel gas) and Puratte-1 (563m Laurel gas) were drilled in Derby Block (WABS 2013)

# Derby Block Update – Current Operations

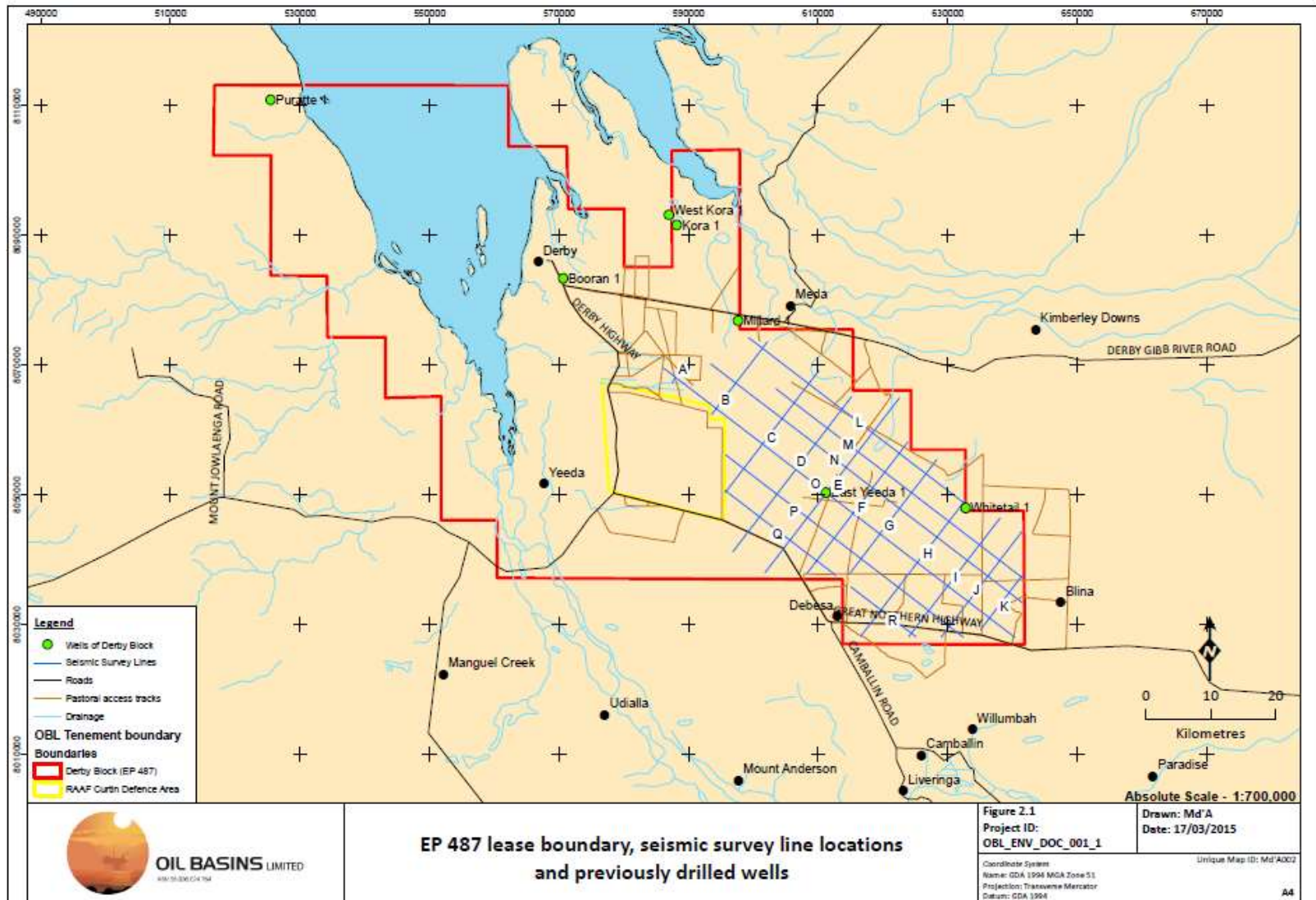


## ***Operations:***

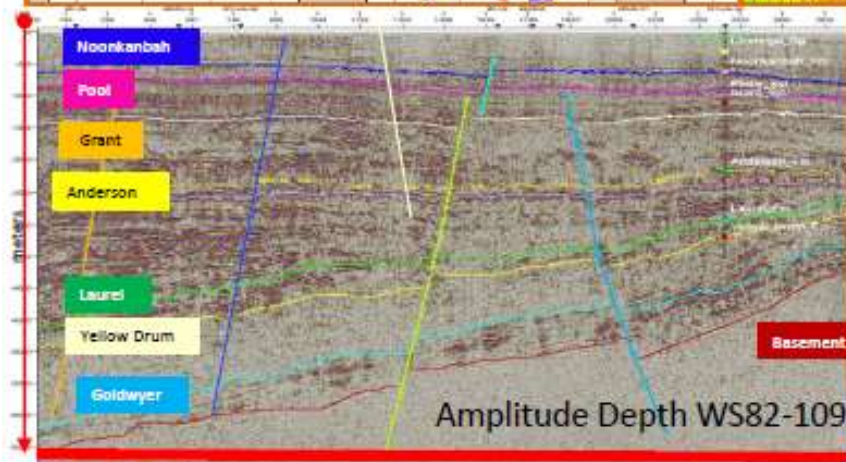
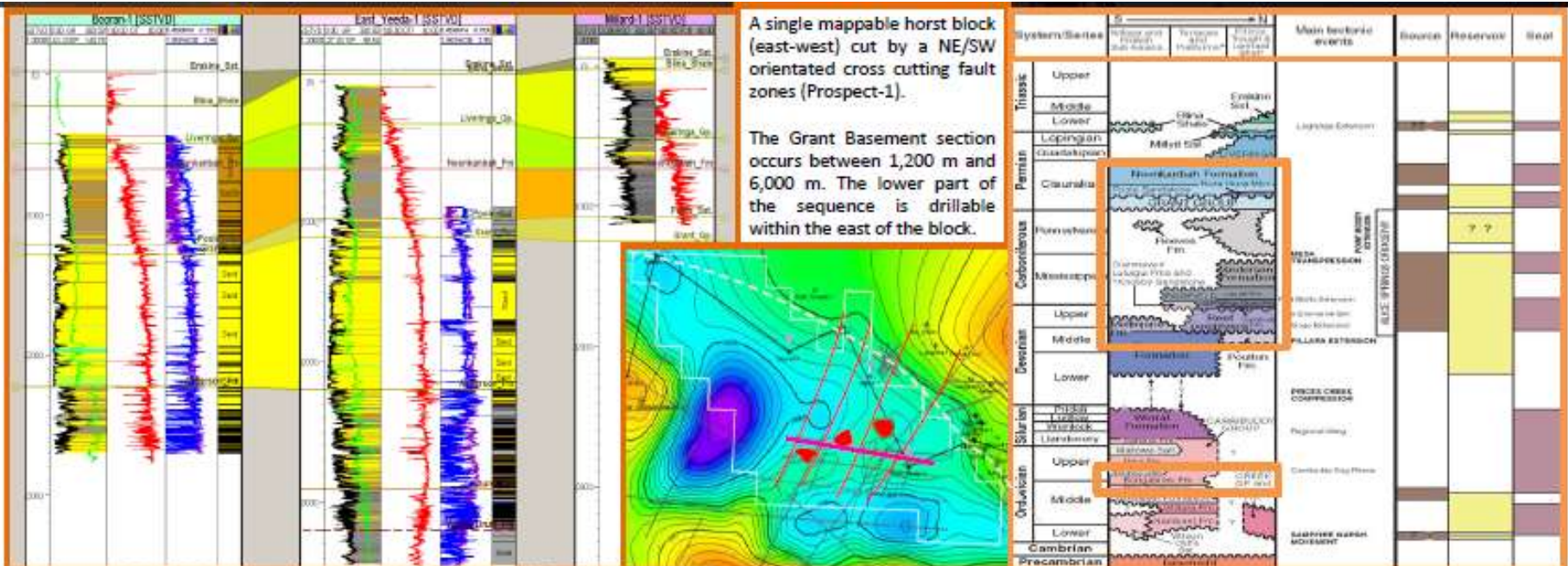
- Permit Granted on 14 March 2014.
- EP 487 Derby Block (OBL 50% and Operator) field operations concluded in late September 2014 (*Settlement imminent with Rey Resources*)
- EP 487 Derby Environmental Plan Seismic lodged with DMP Environment (DMP) on 31 October 2014.
- OBL received a 6 month extension of Permit Year 1 until 13 December 2015.
- OBL appointed full time Environmental Manager in early February 2015.
- Heritage Impact Assessments lodged 15 June 2015 – 90 days to assess or deemed cleared.
- Final Environmental plan lodging early July 2015.
- Planning continues for a 500km seismic survey commencing late in 3Q2015 at an overall gross budget estimated at circa \$4.0 million – with \$3.2 million seismic content.



# Derby Block EP487 – Current Year 1 Work Program 500km 2D Seismic Survey



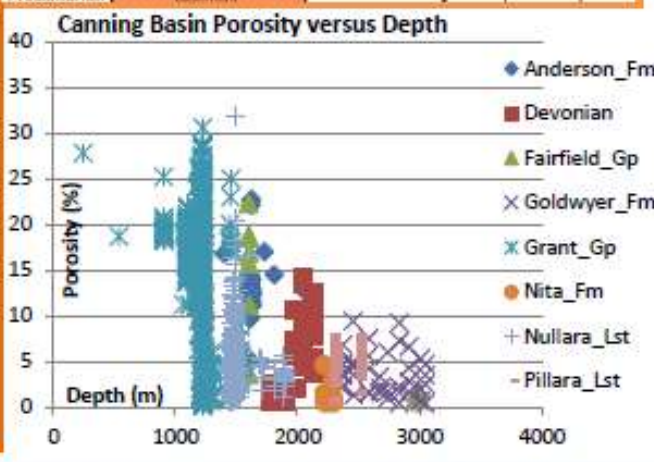
# Conventional Potential – centred around the Yeeda Rise



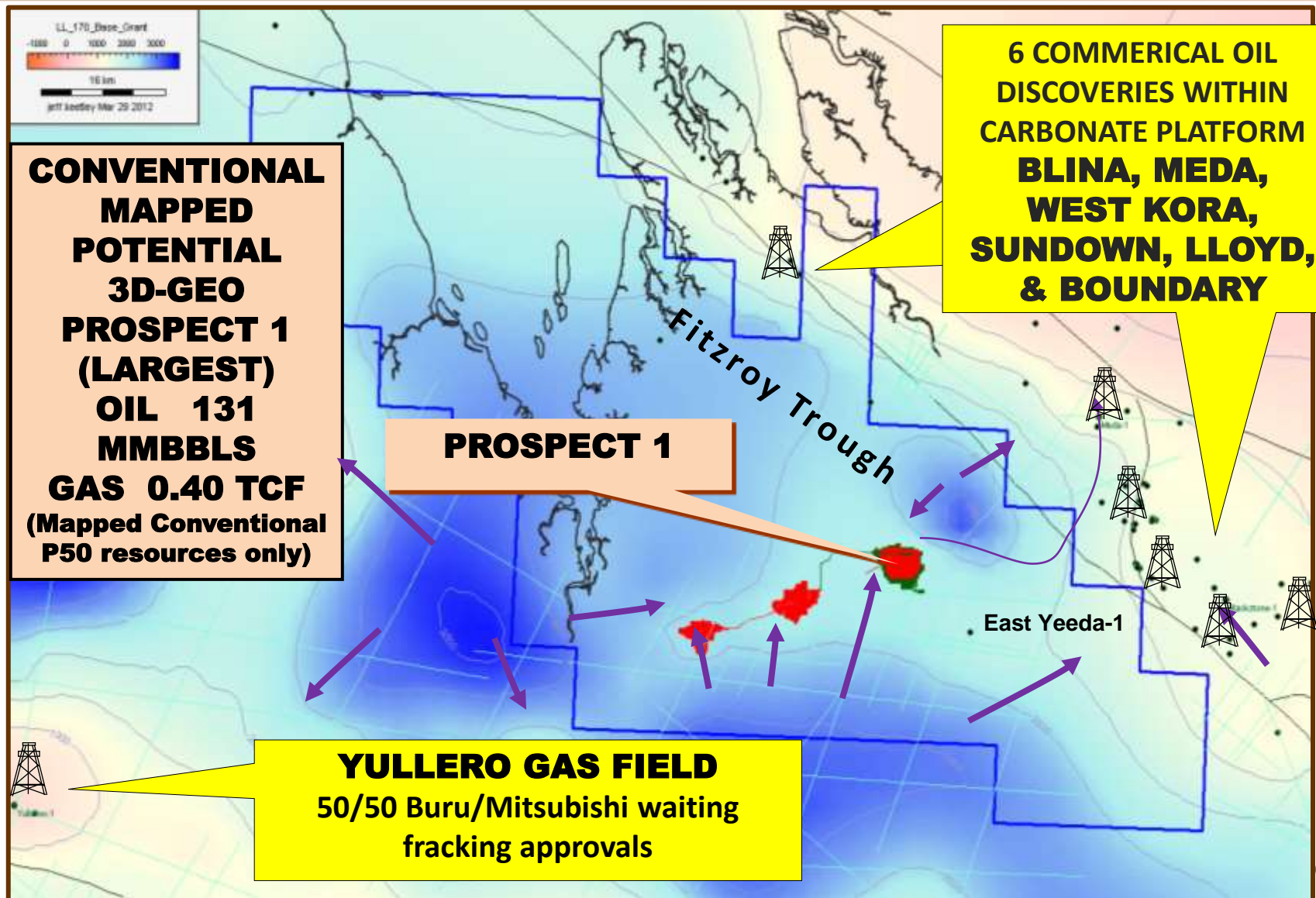
Key target intervals for Prospect-1 reservoirs within the Grant, Anderson, Laurel, Yellow Drum and Goldwyer.

Porosity is reasonable for tradition petroleum plays down to a depth of 2,500m. Beyond this depth there are opportunities for tight gas and oil plays.

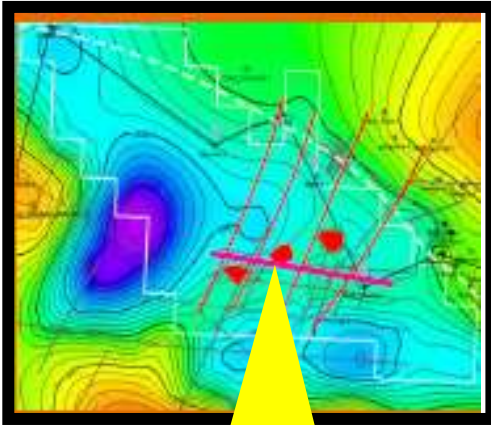
More detailed interpretation of unconformities may lead to a better understanding of the area.



# Mapped Conventional Prospects – Vintage 2D (Multiple undrilled multi-target “Horst Block Prospects”)



# Attributes – Derby Block (EP 487) USG



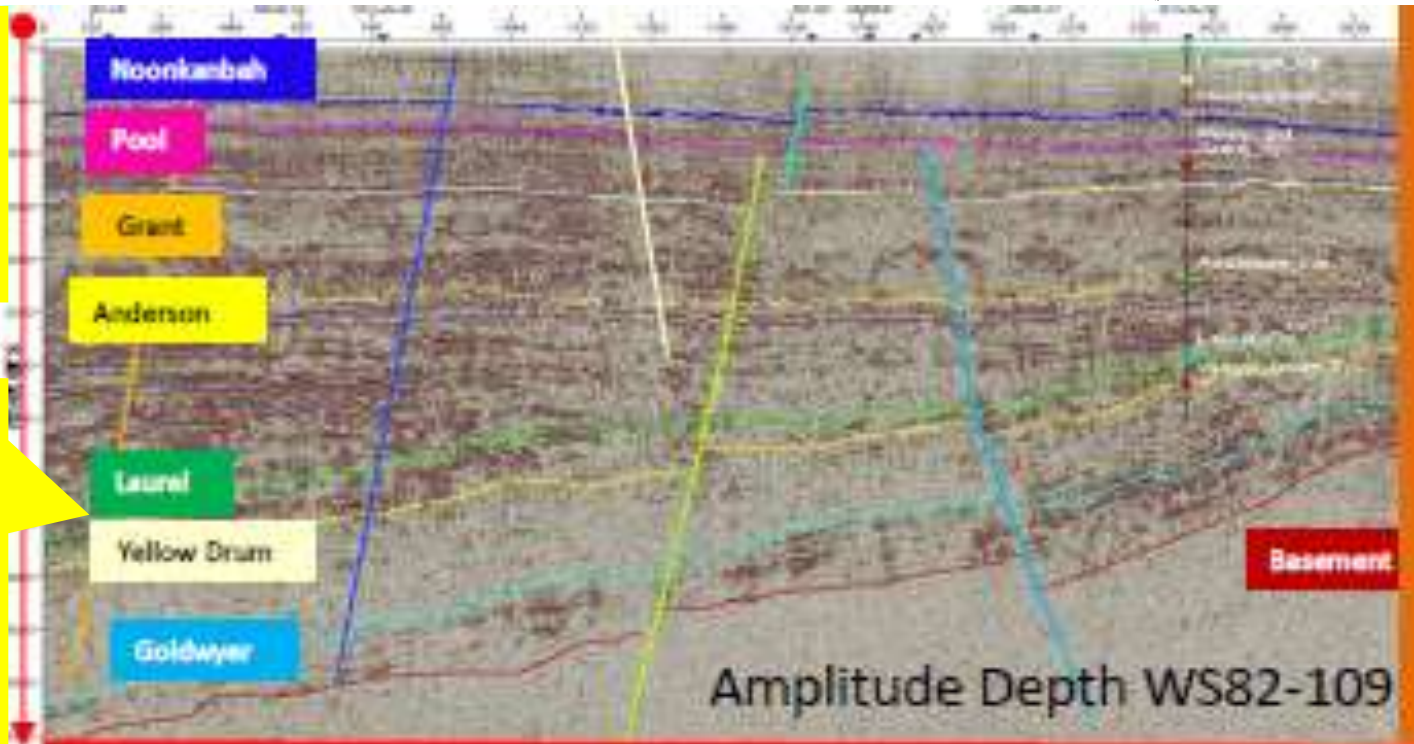
**Derby Block Laurel BCG is in general deeper and thicker. eg: Line WS82-109 is an E-W vintage line through East Yeeda-1 (drilled to 3557m TD 1985)**

East Yeeda-1

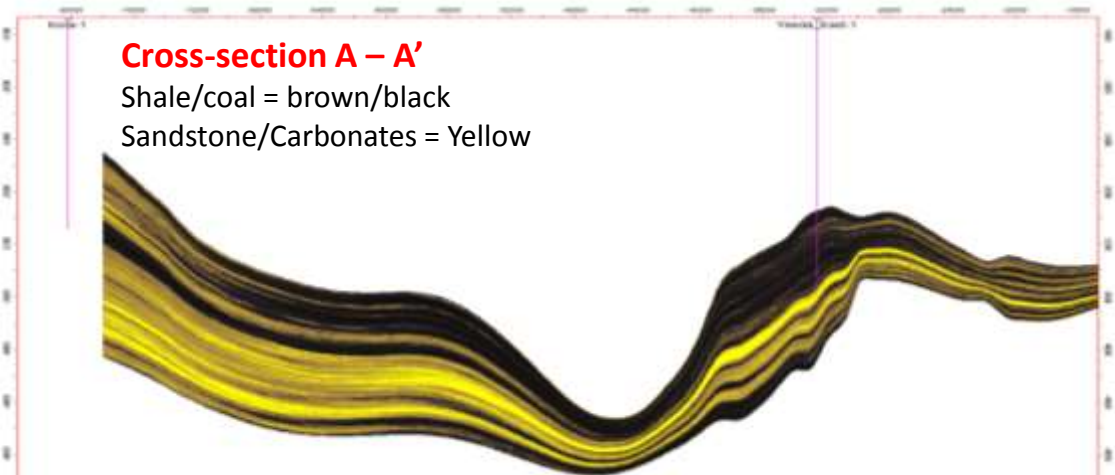
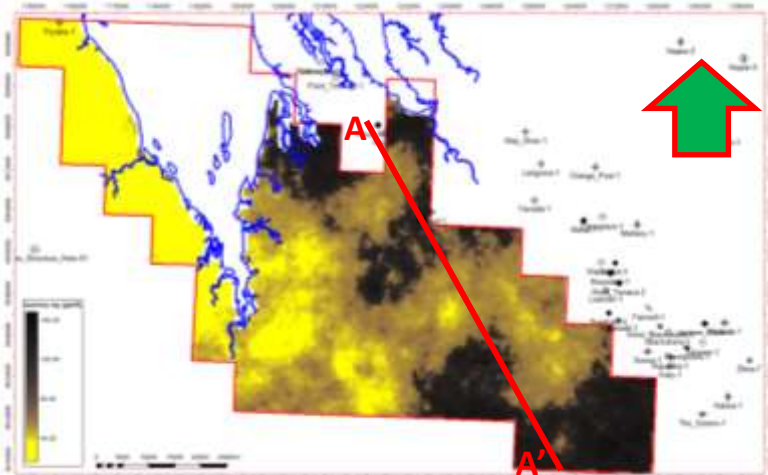
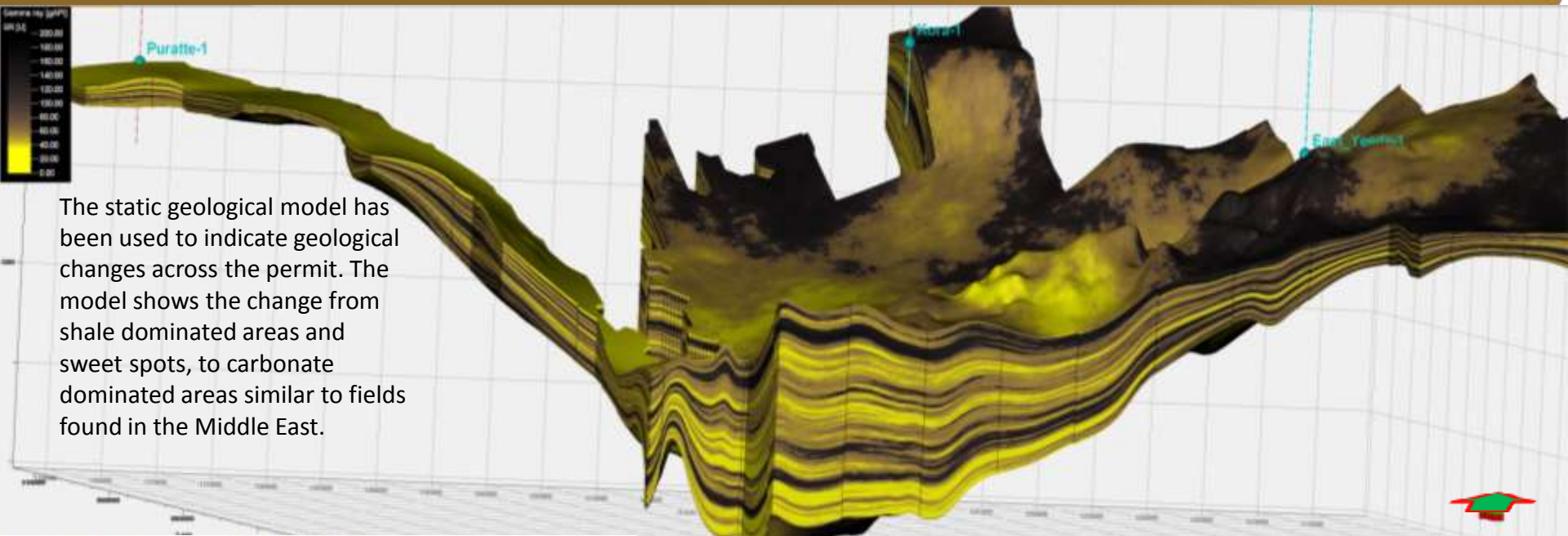


**Seismic Line WS82-109  
“Rosetta Stone”  
Defining the  
Derby Block  
stratigraphy**

**Deep thick  
package marine  
source rocks of  
the “right  
geological age”  
Laurel,  
GoGo &  
Goldwyer**



# 3D-GEO Laurel Facies Distribution: Derby Block has a significant mapped gross rock volume of potential wet Laurel BCG



# Unconventional Inputs for Monte Carlo Simulations

## ❖ Gross Rock Volume (GRV)

- P90/P50 Volumes Top Laurel to 4,000m
- P10 Volume Top Laurel to 5,000m

## ❖ Degree of fill

- Assumed filled-to-spill

## ❖ Net-to-gross (NG)

- Calculated from the geostatistical model shown in later slides, provides a sandstone/carbonate to shale ratio of 65:35

## ❖ Porosity

- P90 assumes 5% (Amie M. L. et al., 2011)
- P10 assumes 15%

## ❖ Sw

- Sw > 50%
- Sw < 70 % (Amie M. L. et al., 2011)

## ❖ Dry gas FVF (1/Bg)

- P90 pressure gradients (0.55psi/ft; Barnett shale)
- P10 pressure gradients (0.85psi/ft; Haynesville/Bossier)

## ❖ NGL/gas ratio

- Condensate (NGL) yield ranges calculated from ASX Announcement (ASX: BRU) 8 February 2013

## ❖ Gas recovery factor

- (See following slide)

Name	Unit	Shape	Min	P90	P50	P10	Max	Mode	Mean
GRV	km <sup>2</sup> .m	Lognor	138,552	431,728	1,007,720	2,352,173	7,329,360	650,667	1,254,096
Deg. of fill	%	Single	100	100	100	100	100	100	100
Net-to-gross	%	Lognor	9.58	20	34.6	60	125	28.8	38
Porosity	%	Lognor	2.39	5	8.66	15	31.3	7.21	9.49
Sw	%	Normal	36.6	50	60	70	83.4	60	60
Dry gas FVF (1/Bg)	vol/vol	Normal	66	210	180	265	350	265	265
NGL/gas ratio	m <sup>3</sup> /mm.m <sup>3</sup>	Normal	10.6	19	25.3	31.5	39.9	25.3	25.3
Gas rec fac	%	Lognor	4.79	10	17.3	30	62.7	14.4	19

Amie M. Lucier, Ronny Hofmann, and L. Taras Bryndzia, 2011, Evaluation of variable gas saturation on acoustic log data from the Haynesville Shale gas play, NW Louisiana, USA, The Leading Edge 30, 300-311.

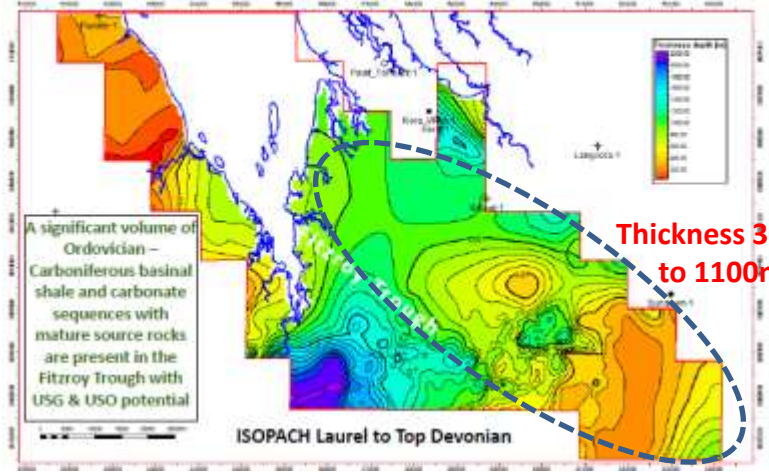
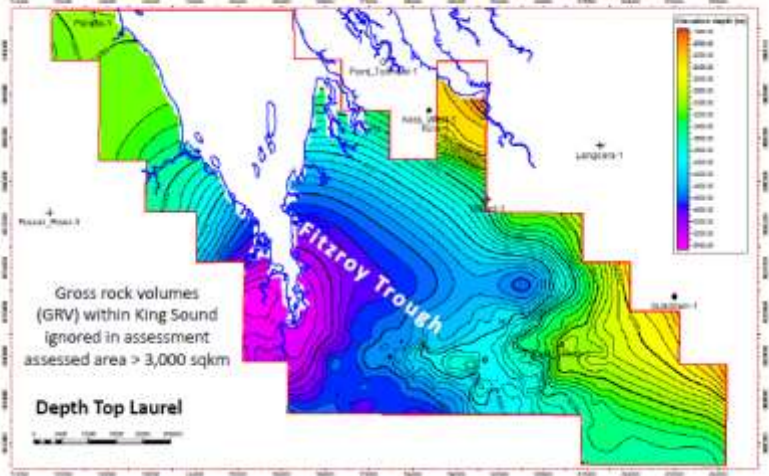




# Derby Block's Wet Laurel BCG Prospective Resources

Laurel Formation – Basin Centred Gas 3D-Geo mapped: In eastern / central parts of the block, the Laurel is at reasonable drillable depths (~4000 m) and is more than 500 m thick.

Early Carboniferous to Devonian isopach: **Laurel BCG – thicker & deeper**



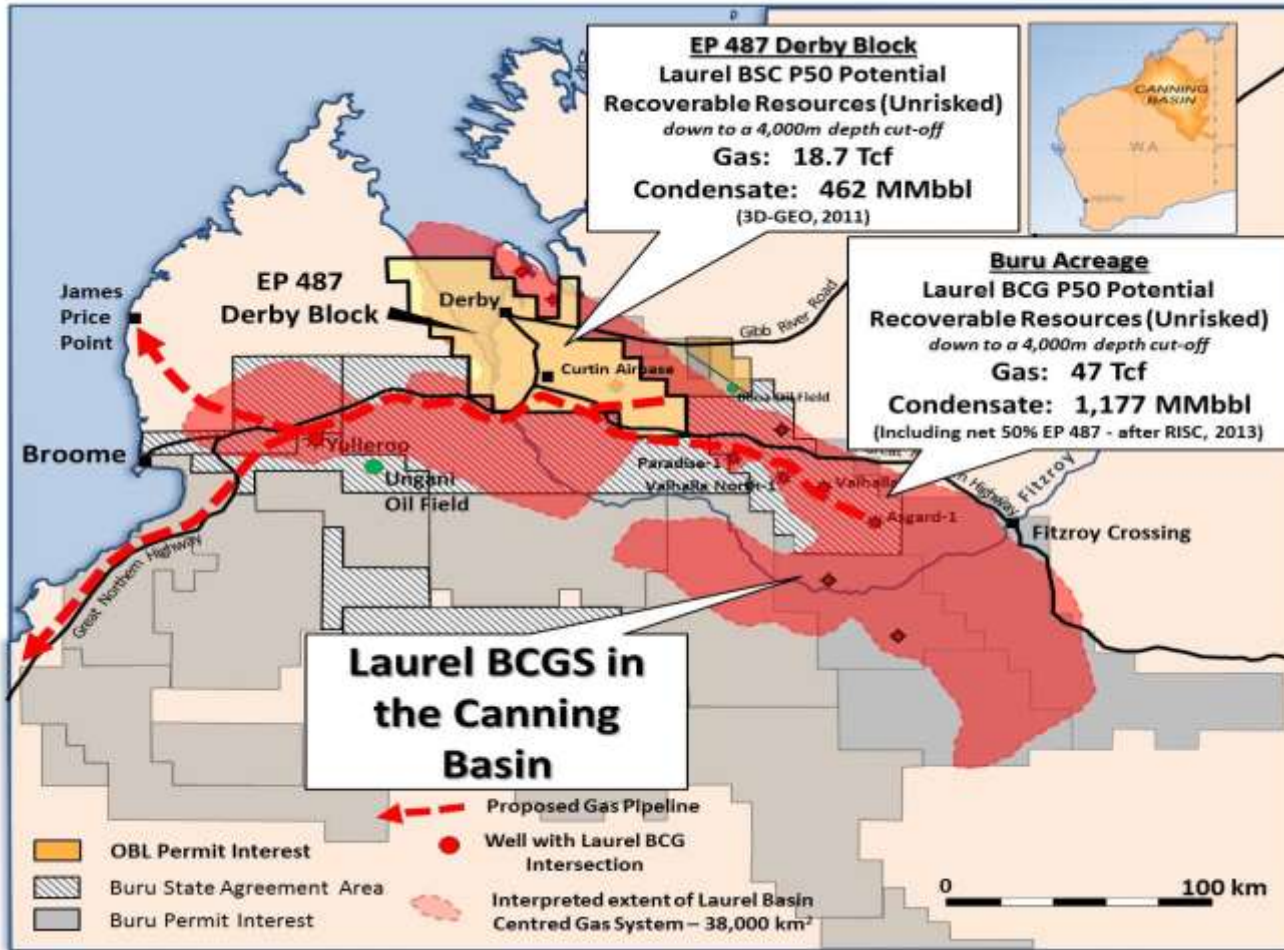
**Thickness 300m to 1100m**

EP 487 (Derby Block)	Prospective Resources PRMS SPE 2011			
	3D-Geo Independent Expert Assessment (2013)			
Product	P90	P50	P10	Mean
Gas In-Place Tcf	31.8	107.4	357.8	164.7
Recoverable Gas Tcf	4.8	18.7	68.8	31.2
Recoverable Condensate MMstb	117.4	461.9	1,785.0	801.7

**Depth to 4000m**

**Depth to 5000m**

# Derby Block is well positioned for Wet Laurel Basin Centred Gas (BCG)



OBL 50% and 2% ORRI

Bounded by oil discoveries in the north, Derby Block's Wet Laurel BCG is potentially the Sweet Spot in the Canning for Wet USG – 31.2 Tcf estimated @ 5000m ***le NORTH WEST SHELF SCALE*** and all within permit with unique attributes

# Derby Block – Farmin & Operatorship Opportunity

- OBL seeking a Third Party Farmin for upto the entire 6 year work program – (ie 2D seismic and drilling and testing of up to 6 wells)
- Under terms of the agreed Deed of Settlement, OBL has exclusive rights to immediately farmout 50% of Derby Block – **conventional deal terms are offered** including payment of backcosts (post-Grant 14 March 2014) and at a minimum the two year program seismic and 2 deep wells is free carried by Third Party at a minimum 2 for 1 promote ie earning 50% and operatorship).
- **With ownership satisfactorily resolved and OBL now offers certainty to a Third Party Farminee offering a compelling proposal**
- OBL's Year 1 exposure @ 50% is presently circa \$2.0 million which OBL believes will be fully covered by a Farmout to a Third Party via either a Two Stage Earnin on conventional 2 for 1 promote farmin terms.
- In addition, OBL has negotiated exclusive terms, whereby OBL can act as Operator during 2 Year period of Third Party staged Earn-in.
- A Strategic Cornerstone position is also available for an Aligned Farmin or Earnin partner

**OBL is now seeking support from either a  
Cornerstone Aligned Strategic Partner and/or  
Third Party Farmin / Earnin Partner to develop its  
vision of large scale unconventional tight gas to export LNG.**

# OBL has a Strategic Alliance Agreement with LNG Limited

**OBL has secured potential access to an Export LNG market in the event of large USG discoveries – technology is based upon relatively low cost LNG Limited’s OSMR technology.**

## Liquefied Natural Gas Limited



- OBL has a unique Strategic Alliance Agreement with LNG Limited whereby **OBL holds rights to participate in 20% of a future 1.5 to 2.0Mtpa Export LNG Project** (based on Fishermans Landing LNG Project, Gladstone Queensland / Magnolia LNG Project, Louisiana USA, modular-LNG)
- Under the SAA, OBL has rights to minimum 20% future LNG Train **increasing to net 30%** if OBL books > net 1 TCF 2P reserves within 4 years of the Derby Block being granted (ie 2018).

**For Cornerstone Investors  
OBL is offering participation in this  
STRATEGIC ALLIANCE AGREEMENT**

# Investment Case – exposure to Fitzroy Trough Wet Laurel BCG

Company	ASX Code Share Price \$ps TSO M shares	Mar Cap 3-Jun-15 \$M	Operator	Wet Laurel BCG Permits	Gross Area sqkm	Ownership Net %	Net Area sqkm	IER PRMS SPE (2011) SPE PRMS (2011) P50 Resources to 4000m			Comments
								TCF	MMbbbls	IER	
<b>Buru Energy Operator</b>	<b>BRU</b>	<b>\$148.3</b>	Yes	EP371	3,680	50%	1,840.0				State Agreement Permit
	<b>\$0.435</b>		Yes	EP390	1,624	50%	812.0				State Agreement Permit
	<b>340.997</b>		Yes	EP391	2,451	50%	1,225.5				State Agreement Permit
			Yes	EP428	6,476	50%	3,238.0				State Agreement Permit
			Yes	EP431	4,228	50%	2,114.0				State Agreement Permit
			Yes	EP436	2,419	50%	1,209.5				State Agreement Permit
				<b>Net BRU position</b>				<b>10,439.0</b>	<b>43.0</b>	<b>1,250</b>	RISC
<b>Rey Resources Non-operator</b>	<b>REY</b>	<b>\$74.8</b>	No	EP487	5,067	50%	2,533.5	<b>9.4</b>	<b>231</b>	3D-GEO	IER ASX dated 14/2/13
	<b>\$0.105</b>		No	EP457	5,080	15%	762.0	NA			Not available
	<b>712.451</b>		No	EP458	5,788	15%	868.2	NA			Not available
				<b>Net REY position</b>				<b>4,163.7</b>			
<b>Oil Basins Operator</b>	<b>OBL</b>	<b>\$4.3</b>	Yes	EP487	<b>5,067</b>	50%	<b>2,533.5</b>	<b>9.4</b>	<b>231</b>	3D-GEO	IER ASX dated 14/2/13
	<b>\$0.004</b>										
	<b>1077.087</b>										

Source: *Gordon Capital Research 9 June 2015* – market cap adjusted as at COB 30 June 2015

## INVESTMENT CASE

Oil Basins Limited is trading at a significant discount to its Canning Basin “Peers” with exposure to Wet Laurel Basin Centred Gas (BCG) within the highly prospective Fitzroy Trough.

In addition, OBL has significant other Assets in Gippsland backed by 3MMbbbls 2P in Carnarvon.

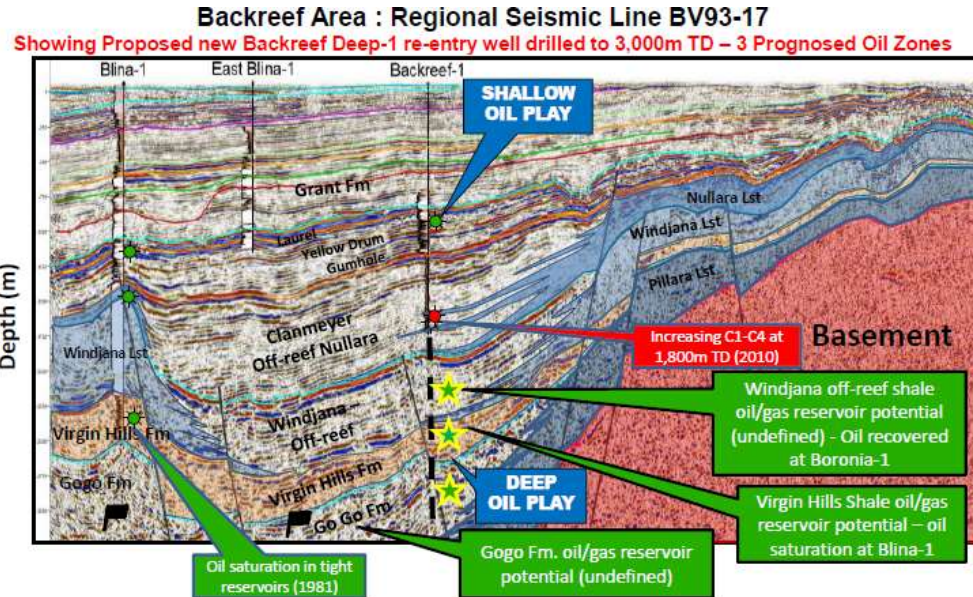
# Investment Case – Other Assets

**OBL has an attractive portfolio of highly prospective exploration and appraisal assets.**

- **Backreef Area – Canning Basin (OBL 100% & Operator)**
  - 1 oil discovery – Backreef production test
  - Shallow Dolomites and Deeper USO / Tight Oil
- **Vic/P47 (OBL 100% & Operator) & Vic/P41 (OBL 35.4%)**
  - 2 gas discoveries – Judith & the Moby Location
  - Gippsland Basin – Conventional Gas / NGL's
- **Retention Lease R3/R1 – Oil (OBL 100% & Operator)**
  - 1 oil discovery – Cyrano (booked 3MMbbls 2P)
  - Carnarvon Basin – Conventional Oil
- **Royalties Interests**
  - 2% R3/R1 (Cyrano)
  - 2% Vic/P47 (Judith)
  - 2% EP487 (Derby Block) *pending*

# Backreef Area Operations Tight Oil / USO

- ❖ OBL Group 100% beneficial rights to Backreef Area
- ❖ OBL finalised the rehabilitation of East Blina-1 sump in September/October and is fully compliant with DMP Environment.
- ❖ Final Environmental Plan – Drilling & Production Testing submitted 31 October 2014.
- ❖ Higher risk but shallower circa Dolomite oil circa unrisked 8.7 to 34.5 MMstb potential (IER 2011).
- ❖ Plan is re-enter the presently suspended Backreef-1 well (drilled to 1800m TD and cased to 1155m PBSD) and deepen as Backreef Deep-1 to 3000m. To test deep USO/Tight Oil – assessed as 391 MMbbls.
- ❖ Backreef Deep-1 or Kimberley Downs-1 are subject to DMP, stakeholder consents, and being drill-ready, while farmout discussions continue.



Backreef Area OBL Group 100%	Prospective Resources PRMS SPE 2011			
	P90	P50	P10	Mean
Product				
Oil-in-Place MM bbl	3,063	6,645	12,333	7,302
Recoverable Oil MM bbl	139	391	1,008	510
Recoverable Solution Gas Bcf	119	370	1,073	517

# Backreef Area – Deep Tight Oil / USO

## ❖ **Shallow Oil Play**

- With the second farmin obligation well at East Blina-1 completed by 31 October 2012. The Backreef Area beneficial ownership is OBL Group 100%. During 2012, OBL tested the Backreef-1 well and successfully delineated a new oil pool and drilled the second obligation well at East Blina-1 (which although dry delineated an extension of the basal Yellow Drum good reservoir observed at Backreef-1. Both the Yellow Drum / Laurel Carbonates were all non-reservoir).
- The assessed remaining SPE PRMS defined Yellow Drum dolomite shallow oil play prospectivity of circa mean gross 10 MMbbls prospective potential recoverable resources across a number of undrilled Leads (refer to EOG Conference Presentation announced to ASX dated 5 March 2013).

## ❖ **New Assessment of Deeper Tight Oil / USO Prospectivity**

- OBL commissioned 3D-Geo Pty Ltd (3D-Geo) to assess the deeper USO prospectivity of the Backreef Area. The plan is to re-enter Backreef-1 (**Backreef Deep-1**) and assess this New Play.

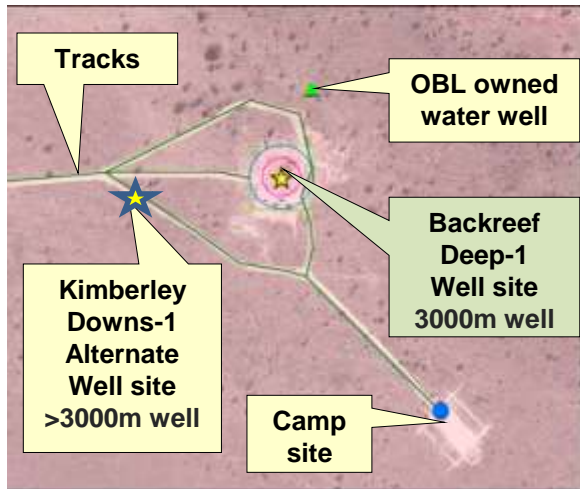
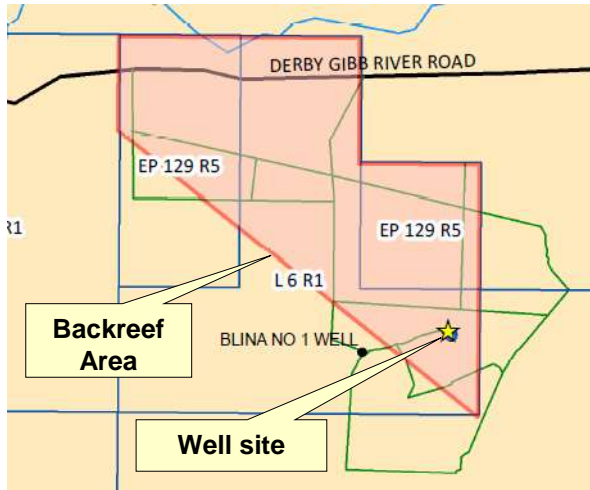
## ❖ **Bakken Shale Analogue**

- Latest modelling has identified a potential 'Bakken Shale' analogue and Monte Carlo risked assessment of prospective potential resources has been in accordance with SPE PRMS.
- The focus has been on Virgin Hills/Gogo USO accumulation (above and down to 3000 m depth) and in addition mapped the prospective resources down to 3300 m depth.
- There is additional potential in both the overlying off-reef Windjanna facies and the deeper Gogo Shale which have not been quantified.

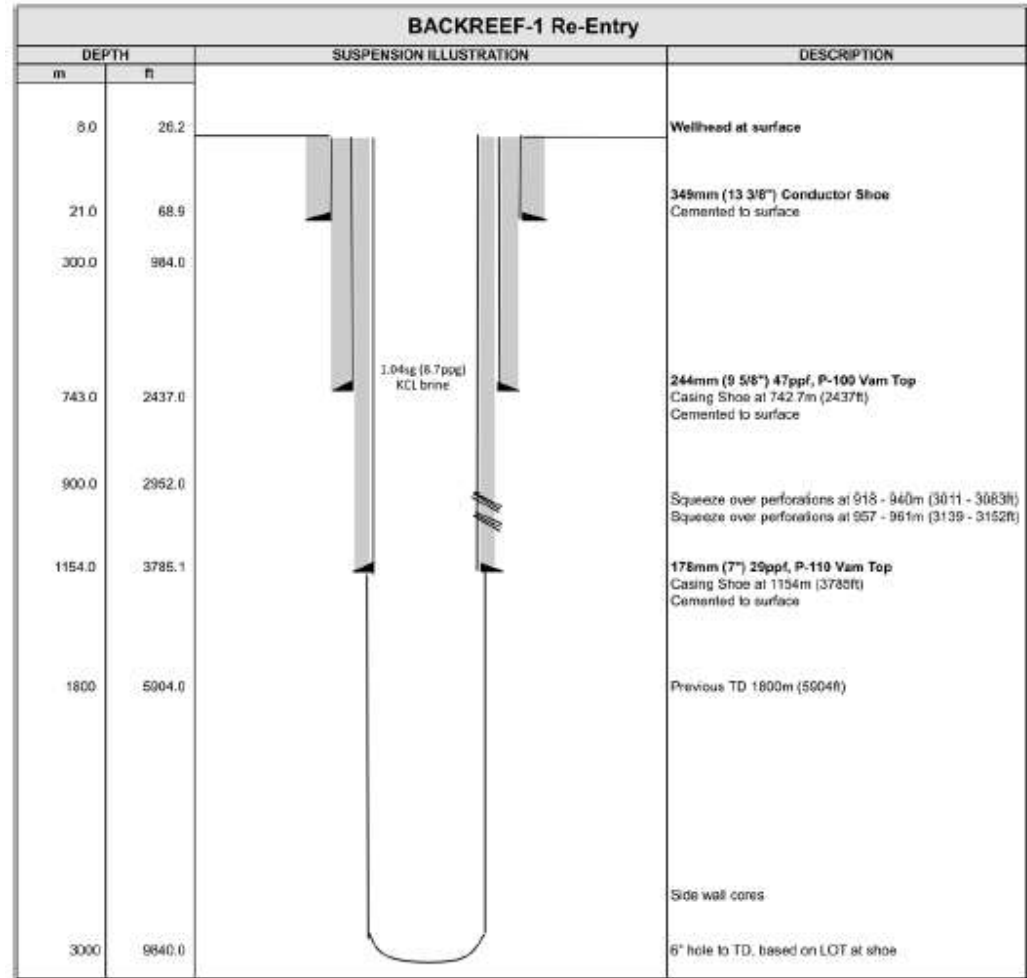




# Backreef Deep-1 Re-entry Planning & Infrastructure.



In addition to re-entry \$2.5m, OBL has 2 cleared drill-ready sites  
Cost 3000m wells circa \$3.75m



**Farmin Ready**



# Farmin / Acquisition Opportunities - Offshore Gippsland

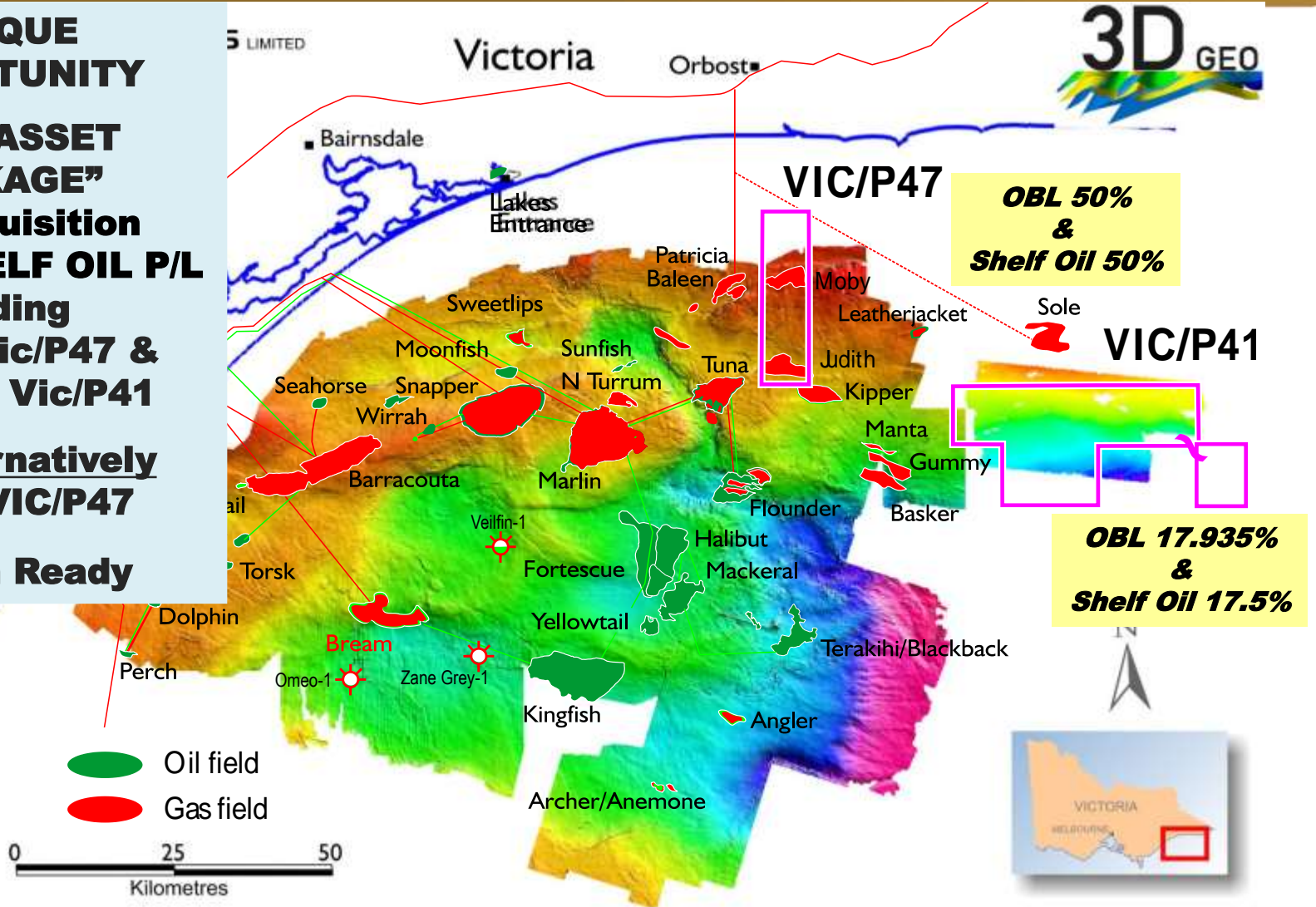
## UNIQUE OPPORTUNITY

**“GAS ASSET PACKAGE”**  
via acquisition  
**100% SHELF OIL P/L holding**

- **50% Vic/P47 &**  
- **17.5% Vic/P41**

**OR alternatively**  
**100% VIC/P47**

**Farmin Ready**

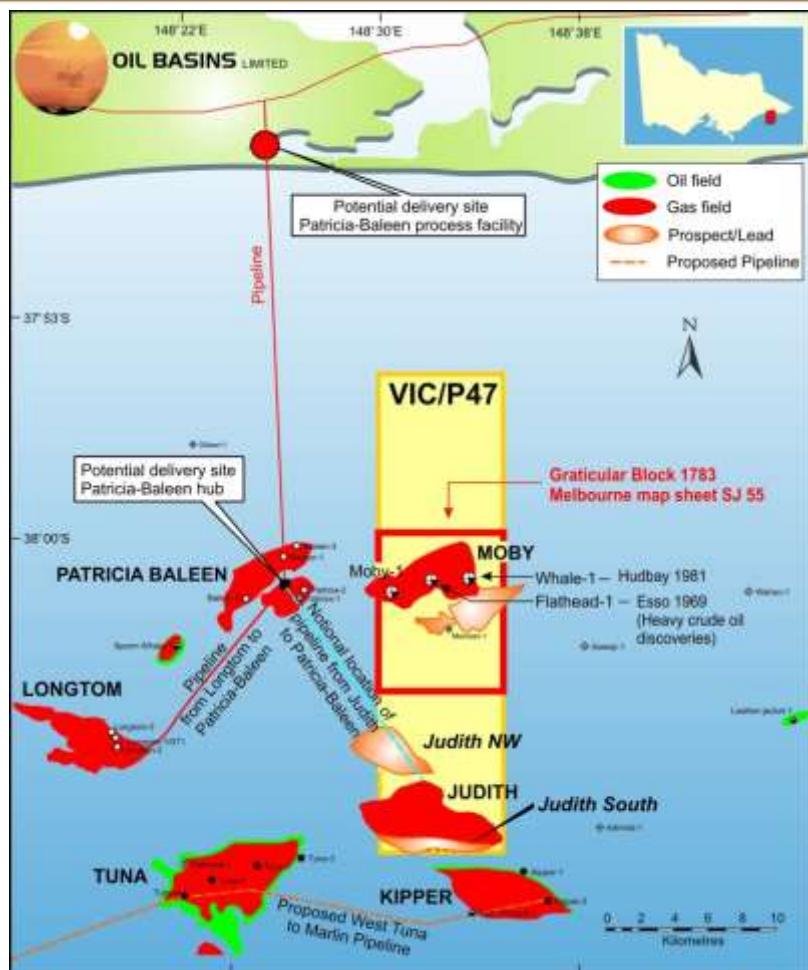


# Farmin / Acquisition opportunities – Gippsland Basin

- Oil Basins Limited (OBL) owns 100% SHELF OIL which together with OBL each holds 50% Permit Vic/P47 (two gas discoveries Judith and Moby Location) and 17.5% Permit Vic/P41 both situated in offshore Eastern Gippsland close to existing infrastructure and oil and gas developments.
- Other Vic/P41 partners are:

BAS	64.565% operator
OBL	17.935%
<b>SHELF OIL</b>	<b>17.5%</b>
- Strategic opportunity for Third Party to acquire SHELF OIL (100% equity – note there are no pre-emptives) for a straight-forward cash payment and agreed promote. Could be a vend for a start-up of listed E&P Co.
- SHELF OIL offers an immediate gas project platform – Vic/P47 two gas discoveries defined in 3D and Vic/P41 is highly prospective for wet gas.
- **ALTERNATIVELY, OBL will consider attractive offers for 100% Vic/P47**

# Gippsland Basin: Operated Assets 100% Vic/P47



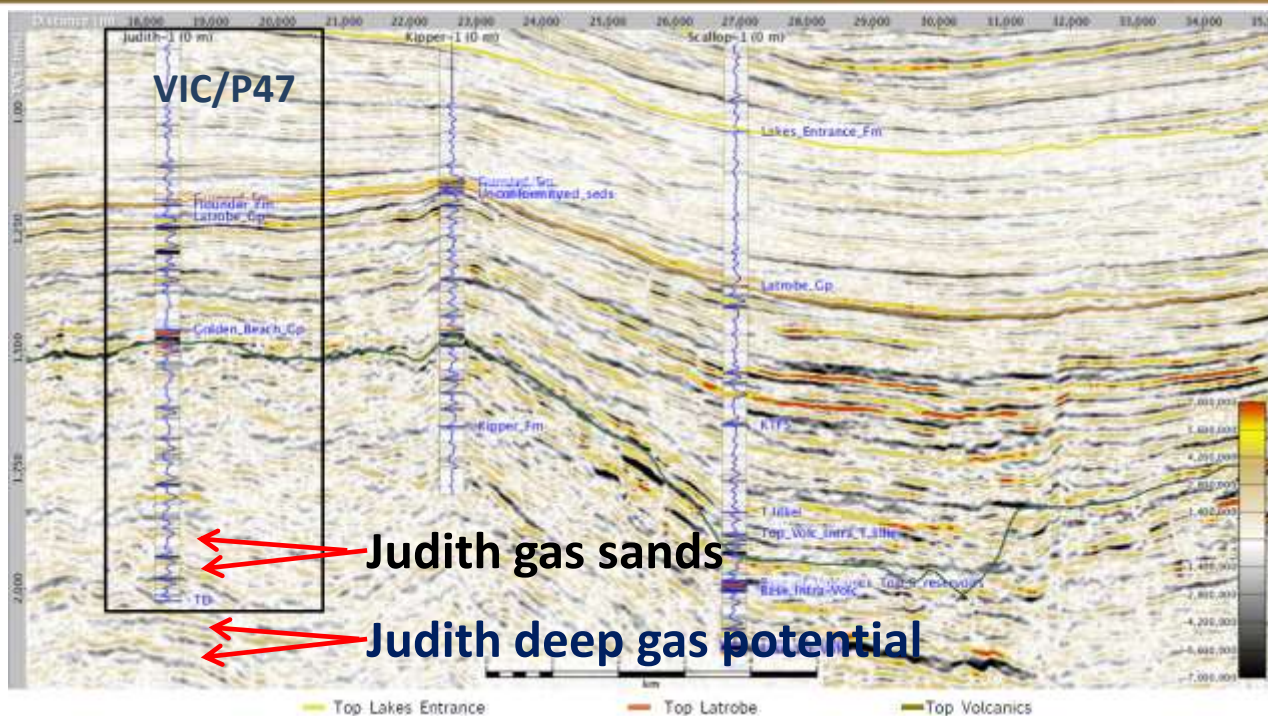
**OBL 100% and 2% ORRI**

- Subject to NOPTA approval, OBL holds 100% interest in Vic/P47, split 50% direct by OBL and 50% held by its 100% owned subsidiary Shelf Oil.
- OBL / Shelf Oil on title (25%) in July 2014.
- Vic/P47 is a gassy asset and hosts the Moby Gas Field Location and the Judith Gas Field Discovery – gross combined 2C and P50 Recoverable Resources estimated at circa 100 Bcf to 150 Bcf PRMS SPE (plus Moby Location circa 30 Bcf GIIP under evaluation)
- **OBL moved to 100% and as operator awarded a 12 month Year 5 variation WP circa \$500k with NOPTA to 16 November 2015**
- **OBL holds a 2% ORRI**
- **The approved Year 5 Variation moves the \$35m commitment well into 2018.**

**Vic/P47 – hosts 2 gas discoveries Permit Vic/P47 hosts two discoveries – Judith-1 (Shell 1989) and Moby-1 Location (BAS 2004) nearby under-utilised Patricia-Baleen Gas Hub**

# Attributes Vic/P47 – Judith Gasfield

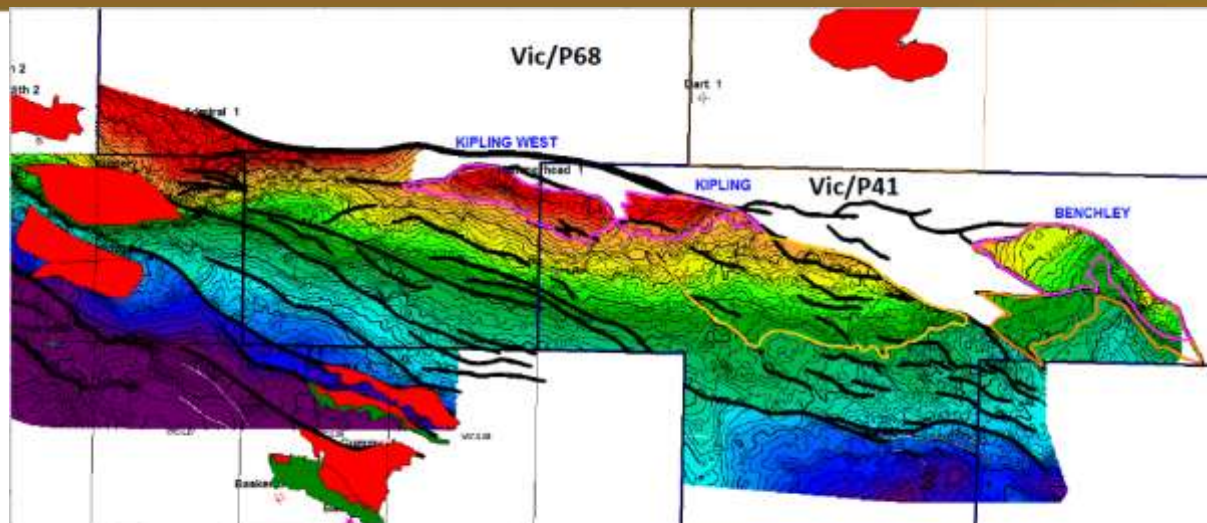
## Near-Angle Stack and Well Synthetics – new QI / AVO study



**New QI/AVO Study will focus upon deeper Judith potential estimated by former operator at circa >300 Bcf**

Judith Gas Field OBL Group 25%		Prospective Resources PRMS SPE 2011		
Product		Low	Medium	High
Gas-in-Place Bcf		66.7	155.4	368
Recoverable Gas (Contingent) Bcf		36.7	101	276

# Attributes Vic/P47 – large prospective potential



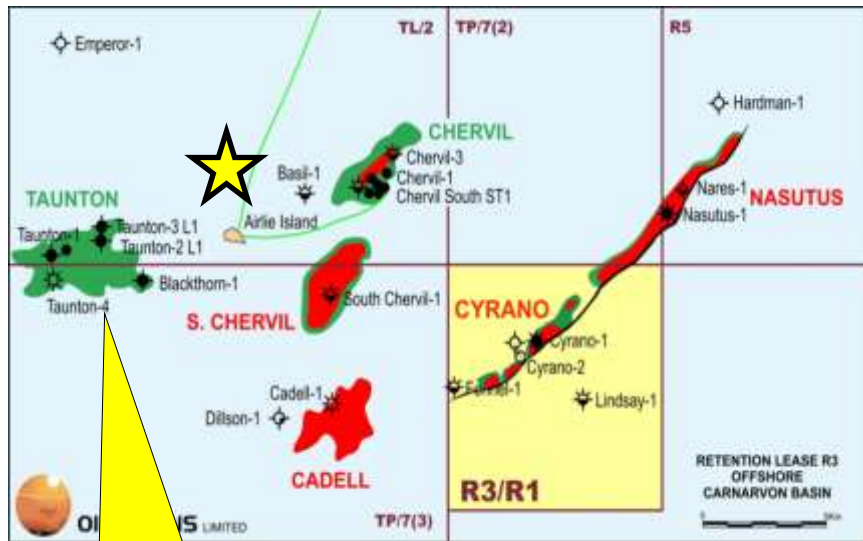
**New Study confirms Vic/P41 is highly prospective for wet gas. JV is seeking to farmout**

- OBL holds 35.465% held direct interest is 17.965% Vic/P41 and its wholly owned subsidiary Shelf Oil owns 17.5%.
- Combined interest 35.465%
- **Net P50 Prospective Resources estimated**  
**367.1Bcf**  
**17.5 MMbbbls**  
**78.7 MMBOE**
- Year 3 WP G&G studies recently extended to 28 Nov. 2014 – Well deferred to 2016

Source BAS ASX Release 29 October 2014		GIPPSLAND BASIN VIC / P41 ONLY								
OBL net interest 35.435%		Recoverable Prospective Resources SPE PRMS								
Prospect	Permit	P90			P50			P10		
		Gas (Bcf)		Liquids (MMbbl)	Gas (Bcf)		Liquids (MMbbl)	Gas (Bcf)		Liquids (MMbbl)
Kipling	100% Vic/P41	85.8		3.2	145.3		7.1	228.2		10.6
Kipling West*	Vic/P41 net 50%	43.2		1.9	57.1		2.7	105.4		5.1
Benchley	100% Vic/P41	87.5		4.3	146.3		6.7	220.8		10.6
Stanton	100% Vic/P41	14.5		0.7	18.4		1.1	23.4		1.1
<b>TOTAL NET OBL</b>		<b>231.0</b>		<b>10.1</b>	<b>367.1</b>		<b>17.5</b>	<b>577.8</b>		<b>27.5</b>
<b>TOTAL NET OBL</b>	<b>MMBOE</b>			<b>48.6</b>			<b>78.7</b>			<b>123.8</b>

Note - Assumed split of 50% / 50% of Kipling West between Exploration Permits Vic/P41 and Vic/P68

# Operated Assets – Offshore Carnarvon 100%



OBL 100% and 2% ORRI

**Undeveloped  
Taunton Oil Field  
Circa 2P 6.5 MMbbls**

**Booked Reserves 3.0 MMbbls 2P  
with potential for further future upsides  
(with further new reservoir simulation studies)  
Low cost EWT development proposed by OBL**

**OBL is seeking Farmin to fund these  
new reservoir simulation studies  
and/or acquisition interest**

Jack-Up Drilling  
& EWT Facility



Jack-Up Oil Storage Barge



FSO & Shuttle Tanker



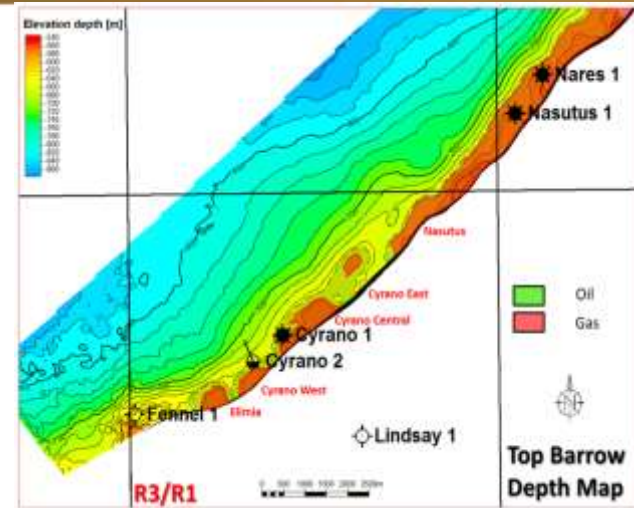
Downhole ESPCP (shown blow-up) Pumps



OBL Proposed Development Plan  
Series of EWT's

# Attributes – Cyrano Oil Project

- Nearby to Airlie Island – Jetty & 2 x 150,000 storage tanks, gas lift & gas/water separation facilities
- Field defined by 4 vintage wells and modern 3D seismic (est. over \$50 million expenditure \$2014).
- Field contains 10m net heavy 22.8 API, low Sulphur oil, 21m gas cap crude oil viscosity 3.95cp
- Water depth only 15m-17m & TD shallow 600m
- Previous operator's development plan tied back to unused Airlie Island Hub for over USD\$150M.
- Multiple extended well tests (EWTs) is OBL's preferred new low cost development plan.



- OBL has recently booked 2P reserves of 3.0 MMbbls – scope to double these reserves with reservoir simulation.
- Scoped initial EWT Rapid Development Project at circa Gross USD\$70M.
- Nearby Undeveloped Oil & Gas Fields Taunton, Cadell, Nasutus and South Chervil of similar 2P size to newly assessed Greater Cyrano Oil Project.

Discoveries		Oil MMstb		
		1P	2P	3P
Cyrano	Barrow	1.500	1.900	2.300
	Mardie	0.480	0.780	1.100
Nasutus Extension	Barrow	0.200	0.330	0.490
		<b>2.180</b>	<b>3.010</b>	<b>3.890</b>
Prospects		Oil MMstb		
		P90	P50	P10
Cyrano West	Barrow	0.187	0.260	0.385
Cyrano East	Barrow	0.125	0.358	0.625
Elimia	Barrow	0.200	0.310	0.485
		<b>0.512</b>	<b>0.928</b>	<b>1.495</b>

**1P, 2P and 3P based on modest 10%, 15% and 20% Recovery Factors (RF's)**  
 reservoir simulation is likely to significantly increase the RF's & booked reserves



# Glossary of Petroleum Terms

<b>M</b>	Thousand	<b>PSTM</b>	Pre-stack time migration – reprocessing method used with seismic
<b>MM</b>	Million	<b>PSDM</b>	Pre-stack depth migration – reprocessing method used with seismic converting time into depth
<b>B</b>	Billion	<b>AVO</b>	Amplitude versus Offset, enhancing statistical processing method used with 3D seismic
<b>stb</b>	Barrel of crude oil (ie 159 litres) at sea level (stock tank) atmospheric conditions	<b>GIP</b>	Gas initially in place – also known as GIIP
<b>PJ</b>	Peta Joule (1,000 Tera Joules (TJ))	<b>OIP</b>	Oil in place – also known as Stock Tank Oil Initially in Place (STOOIP)
<b>Bcf</b>	Billion cubic feet	<b>fm</b>	Formation
<b>Tcf</b>	Trillion cubic feet	<b>sst</b>	Sandstone
<b>BOE</b>	Barrel of crude oil equivalent – commonly defined as 1 TJ equates to circa 158 BOE – approximately equivalent to 1 barrel of crude equating to circa 6,000 Bcf dry methane on an energy equivalent basis)	<b>OWC</b>	Oil water contact
<b>CSG</b>	Coal Seam Gas	<b>USG</b>	Unconventional Shale Gas
<b>EPT</b>	Extended Production Test (also commonly referred to as an Extended Well Test)	<b>USO</b>	Unconventional Shale Oil
<b>ESPCP</b>	Electric Submersible Progressive Cavitation Pumps	<b>JU</b>	Jack-up (modified as a Production Unit)
		<b>MD</b>	Measured depth





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**State-of-the-art seismic analysis**  
**New play concepts**  
**High leverage**

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