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# An Upstream O&G Company That Does Things Differently

Focus on generating returns for our shareholders

Close the gap between asset quality and share price performance

Invest in low risk, high impact projects with near term catalysts

Exploit ideal timing to put capital to work in upstream oil & gas

Deploy capital to drive activity

# Reabold Team

With over 20 combined years focused on the Oil & Gas equities sector, Stephen Williams and Sachin Oza bring a wealth of experience of the Junior Oil & Gas space

Key skills include project and company evaluation, sourcing investment ideas from across the World, insights into capital markets, and participation in oil & gas fundraising



## **Sachin Oza**

17 years' investment experience with the last seven focussed on the energy sector. He joined Guinness Asset Management in April 2016. Previously he was an investment analyst at M&G Investments from 2003-2016, where he covered the Utility, Transport, Mining and latterly the Oil & Gas sectors on a global basis. He has also held investment analyst roles at Tokyo Mitsubishi Asset Management and JP Morgan Asset Management.



## **Stephen Williams**

13 years' experience in the energy sector. He joined Guinness Asset Management in April 2016. Previously he was an investment analyst focussing on the energy sector at M&G Investments where he worked from 2010 to 2016. Prior to that, he was an energy investment analyst for Simmons & Company International from 2005 to 2010 and from the period 2003 to 2005 he was an analyst at ExxonMobil.

# Peter Dolan – Advisor

Industry veteran Peter Dolan part of the Reabold team

Highly experienced in pre-cashflow oil & gas, and extensive personal networks within the industry



## **Peter Dolan**

Co-Founder and Chairman of Fusion Oil & Gas, AIM listed, subsequently acquired

Co-Founder of Ophir Energy in 2004, currently listed on the LSE

Co-founder NED (was Chairman for 10 years) of Ikon Science, a quantitative interpretation service company

Invests in early stage oil companies (and non-oil sector ventures)

Geology graduate, Southampton University 1965, and UCL Ph.D. in 1972.

Active in the oil and gas exploration industry since 1965

Declared “Africa Oil Legend” at 2015 Africa Upstream conference

Active in Geological Society, other professional bodies, and charities.

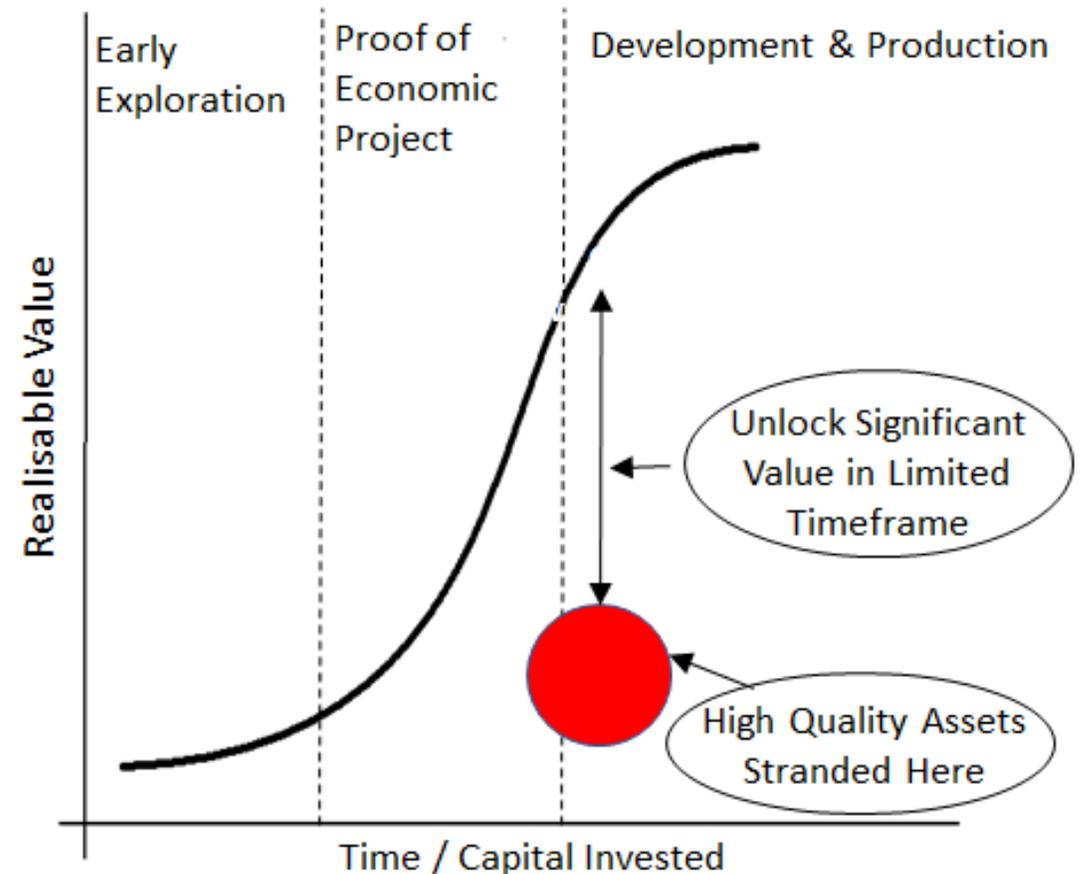
# Unlocking Value in the E&P cycle

Early stage oil & gas companies would normally expect the most dramatic value uplift for a project to occur between first resource discovery and project FID

Last several years have seen a dislocation between fundamentals and valuations

Reabold allows investors to focus on the “appraisal” part of the value chain. Significantly lower risk than early stage exploration. Much greater uplift potential than development & production stage

By providing funding to catalyse the progression of high quality projects, we are rewarded with extreme appreciation in perceived project value in a short time frame



# Strict Selection Criteria

## ***GEOLOGY:***

Initial focus on Europe

Projects are all substantially de-risked from a technical perspective

Existing regional production and historic discovery wells

Sufficient running room to turn initially small projects into substantial regional businesses

## ***ECONOMICS:***

Projects must deliver extremely attractive returns at current commodity prices

Must be robust down to very low commodity price levels

Focus on low capex / fast cycle projects

Low geopolitical risk

## ***INVESTMENT RETURNS:***

Buy in price does not reflect the de-risked nature of the assets

High project returns over a short time frame

Opportunity to scale up and increase project returns beyond initial project

## ***EXIT:***

Exit projects at optimal time in order to maximise return profile

Strategic assets that will appeal to industry

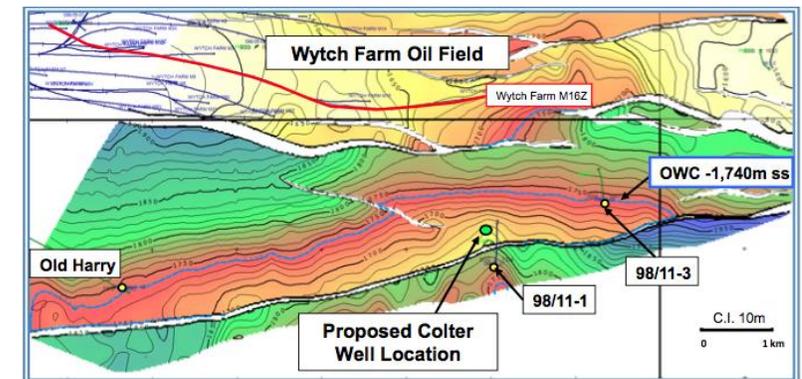
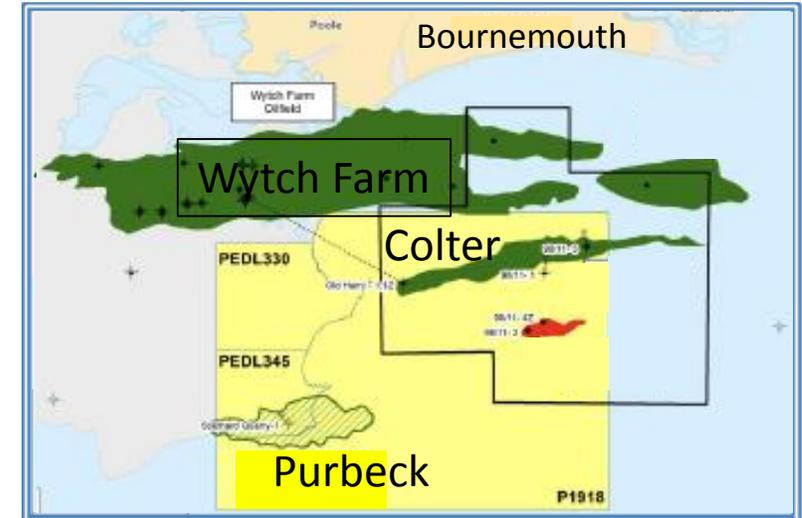
Ability to attract more capital over time

# The Reabold Way

- Reabold only invests when our capital & capability can unlock value in the underlying investments
- Non-operator but not passive. Reabold will seek to drive value creation through Board representation
- Greater control via investments in the operator vs being a JV partner in the field
- Model minimises costs. Capital needs to go into the ground
- Viewed as investor, not competitor. Means Reabold is constantly approached with deals, allowing us to cherry pick the best options
- Reabold will exit projects at the appropriate time, allowing capital to be recycled and returns maximised

# Project 1: Corallian Energy

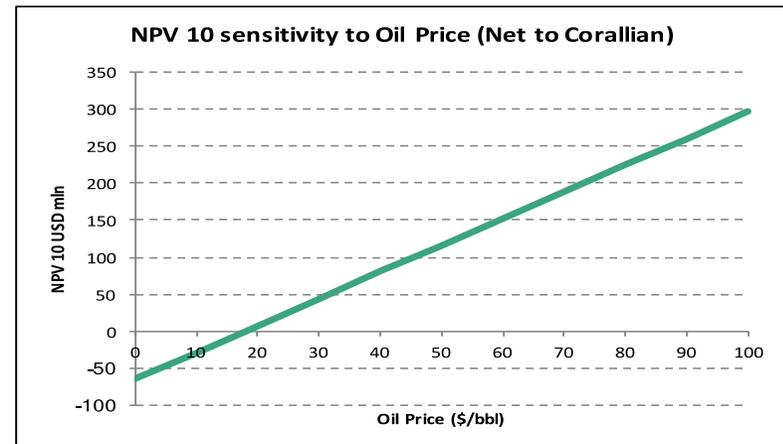
- Reabold has invested £1.5M for 35.4% of Corallian Energy to facilitate drilling a well on the Colter prospect early next year
- Colter is a UK oil discovery, initially drilled in 1986
- Adjacent to the prolific Wytch farm oil field (480mm bbls)
- Recent 3D data has identified over 100m mapped vertical relief up-dip of the discovery well
- Reabold's investment into Corallian brings exposure to a number of additional UK licences. Includes Wick, a North Sea near shore exploration prospect with low drilling costs



# Project 1: Colter Prospect Economics

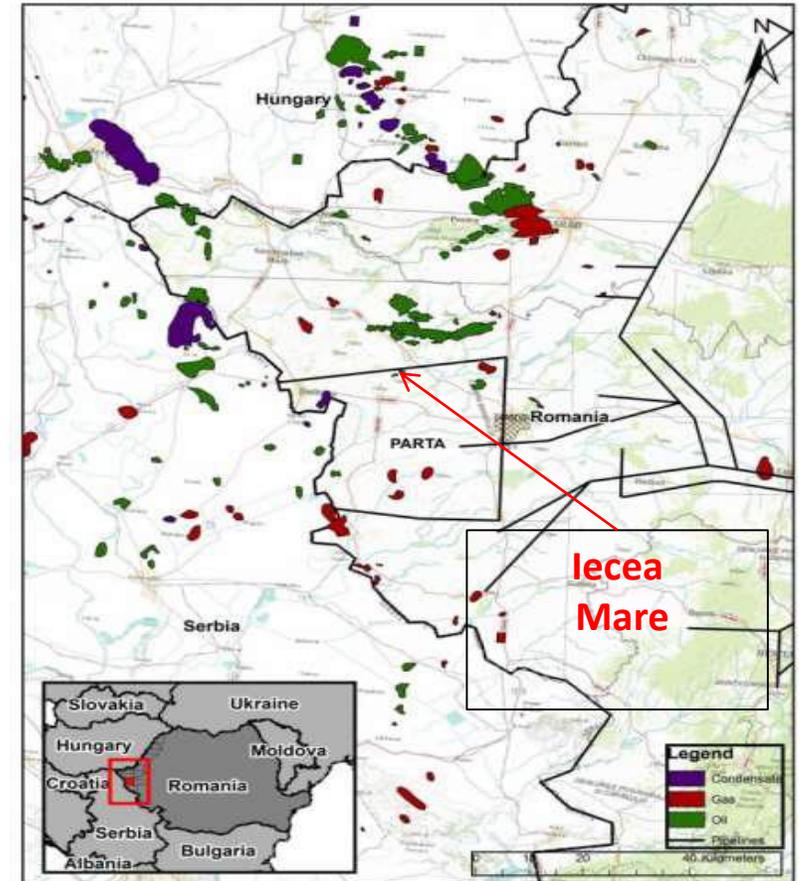
- Cost of initial appraisal well only \$3.4m net to Corallian
- Colter's near shore location ensures a highly cost effective development plan
- Net success case NPV of \$132 million assuming a \$55/bbl oil price
- Payback from first oil 16 months. High RoR of 70%
- Project highly robust at even low oil prices. Economic breakeven \$18/bbl
- Possible exit in success case via IPO or sale to industry

Colter Economics Forecast (net to Corallian)	
Prospective Resources	12M bbls
Commercial CoS	58%
Appraisal Well Cost	\$3.4M
Development Capex (\$M)	\$57M
Decommissioning Capex	\$2.1M
Assumed Oil Price (2% real inflation)	\$55/bbl
NPV10	<b>\$132M</b>
RoR	70%
Payback (from first oil)	16 months
NPV10/bbl	\$11



# Project 2: Parta, Romania

- Reabold will invest £1.5M into Danube Petroleum, a 50% owner of the Parta License, onshore Romania
- The License is situated within a proven and stable hydrocarbon region which benefits from low drilling and operating costs
- Danube will undertake initial drilling programme at 100% interest – drilling into existing gas discoveries
- Previous wells and subsequent seismic result in very low geological risk with significant resource potential
- Danube funded for first well in 2018, likely to raise additional capital for second well



# Project 2: Parta Indicative Economics

- Very low capex, ensures fast payback vs first gas
- Perfectly positioned to exploit convergence of gas prices across East and West Europe
- Success case NPV of \$86 million assuming gas price of \$6.2/Mbtu and 33bcf
- Robust at substantially lower gas prices
- Significant additional E&A upside on the block. Potential 300bcf and 45MMbbl oil
- Opportunity to consolidate other licenses in the area

## Parta Economics Forecast (net to ADX)

Prospective Resources	33bcf
Appraisal Programme Cost (2 Wells)	\$5M
Assumed Gas Price	\$6.2/Mbtu
<b>NPV10</b>	<b>\$86M</b>
RoR	>50%
Payback (from first gas)	2.5 years
NPV10/bbl	\$15