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Company overview



Company Snapshot



- AIM listed oil & gas explorer focussed on projects in Ireland, Iraq and Ghana
- Experienced management team
- Exciting projects marrying geological and political risk

Corporate Information

Exchanges	AIM (LSE)
Ticker	PET
Share price	3.25p
Shares in Issue	99.7m
Market Cap	£3.2m
Cash	\$0.2m

Share Price – 1 Year



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Significant Shareholders

Shareholders with more than 3% holding	% Holding
Amira International Holdings	16.2
Citibank Nominees	9.3
John Teeling	5.4
Interactive Investor Services Nominees Ltd	4.7
David Horgan	4.2
HSDL Nominees	3.9
Barclayshare Nominees	3.3

The right properties...

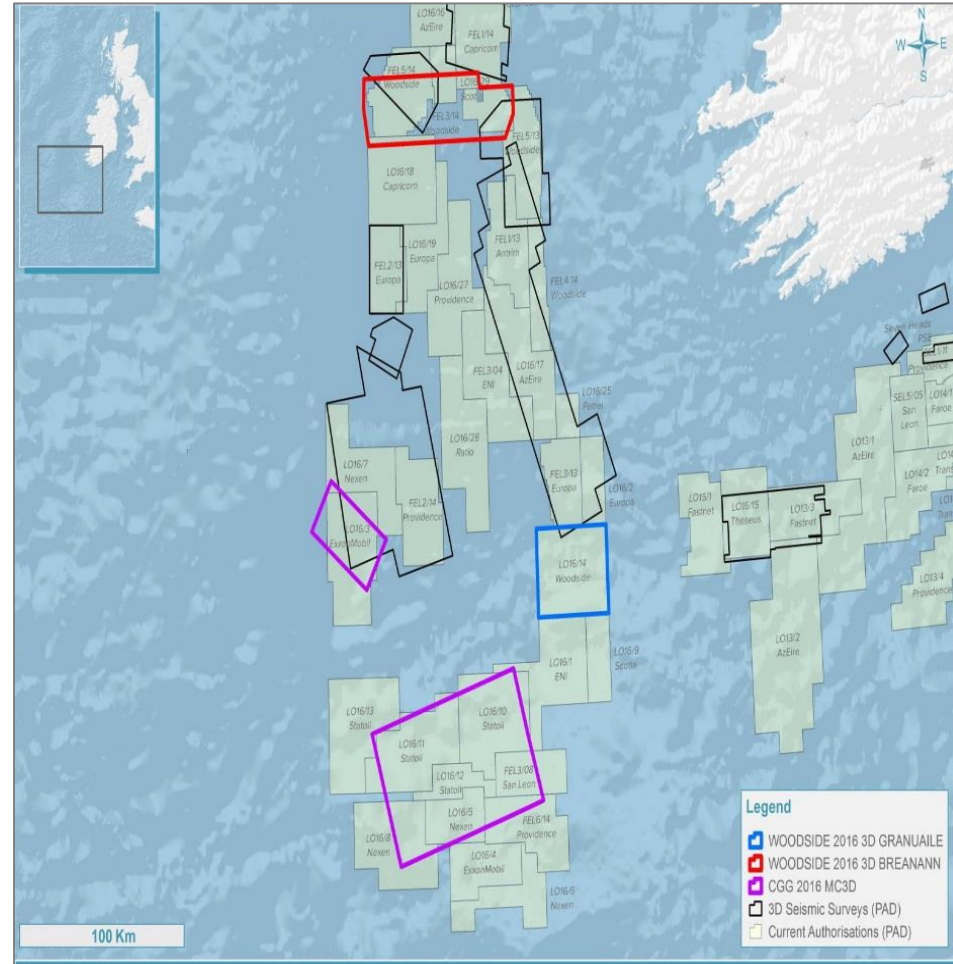


Location	Licences	Ownership	Operator	Highlights
Ireland	Porcupine Basin Frontier Exploration 3/14	15%	Woodside	<ul style="list-style-type: none"> • High value basin – low entry cost, attractive fiscal terms • Carry through exploration and one well • 85% owned & operated by Woodside
	Licensing Options 16/14	10%		<ul style="list-style-type: none"> • 1,500 km² 90% owned & operated by Woodside, • 924 km² 100% Petrel owned & operated, of which • 664 km² borders Connemara oil-field discovered by BP in 1983.
	16/24	100%		
	16/25	100%		
Iraq	Western Desert Block 6	100%	Petrel	<ul style="list-style-type: none"> • Multi-billion barrel potential • Analysed all available data and ready to drill • Awaiting ratification, ownership status unclear
Ghana	Tano 2A	30%	Clontarf Energy (60%)	<ul style="list-style-type: none"> • Major petroleum system, including the largest find offshore West Africa in the last decade • Revised co-ordinates agreed. Negotiation / Ratification process ongoing.

Focus on Atlantic Porcupine Basin – carried FEL 3/14



- Petrel formed in 1982 to explore offshore Ireland
- The team has long experience and knowledge of Irish offshore
- Why now?
 - Oil is c. \$66 vs long-term average of \$25
 - ‘Eastern Canada’ play
 - ‘West African’ play
 - Low entry cost
 - Attractive fiscal terms
- Petrel holds a carried 15% of Frontier Exploration Licence (FEL) 3/14 with 85% operator Woodside, Australia's leading oil and gas company
- Carried through exploration including one well
- 10% Heads-up on FEL phase of Licence Option (LO) 16/14



Petrel holds 10% of Licensing Option 16/14



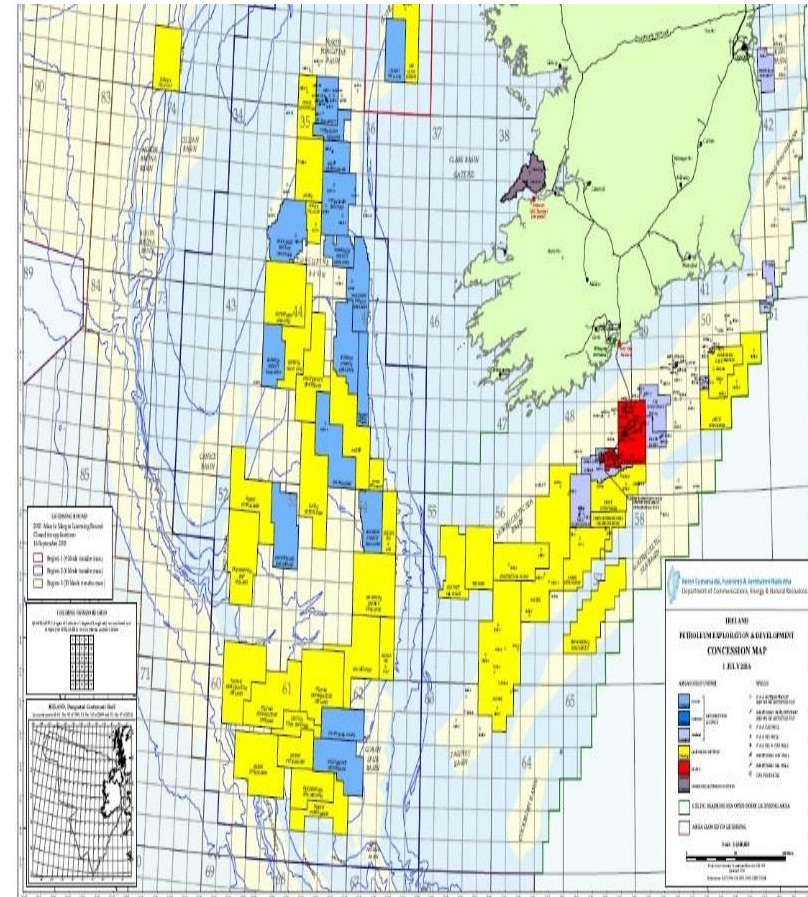
- Woodside's sole application area in the 2015 Bid Round
- Arguably the 'filet mignon' of the south Porcupine
- >1,600km² of state-of-the-art 3D seismic acquired without problems in 2016
- Modest water depth
- Multiple plays identified in different rock levels
- Application to convert to a full Frontier Exploration Licence

Ireland: additional Licensing Options in 2016

Exploration

2015 Irish Atlantic Bid Round

- Petrel was awarded 924 km² of prospective Irish Atlantic Porcupine Basin acreage in June 2016 by way of two Licensing Options (LOs).
- The newly awarded Licensing Option 16/24 includes 664 km² bordering the Connemara oil-field discovered by BP in 1983.
- Licensing Option 16/24 work programme is now complete, with the acquisition of seismic. These North-Western Porcupine Basin blocks are our current priority, giving the best shot at a quality farm-out.
- A data room opened (end 2017) and partnering process underway.



Attractive “2007” Fiscal Terms Applies to FEL 3/14



- No royalties, no state carry, no bonuses
- Standard 25% tax rate with free depreciation and standard write-offs
- A ‘bonus tax’ if a bonanza:
 - A total 30% if profit is between 1.5 and 3 times total costs
 - A total 35% if profit is between 3 and 4.5 times total costs
 - A total 40% if profit is over 4.5 times total costs
- Minimal bonding
- Standard VAT, payroll taxes
- No special burdens on extractive industries
- 2015 tax changes were not retrospective

Irish fiscal terms for Recent LOs higher, though competitive :

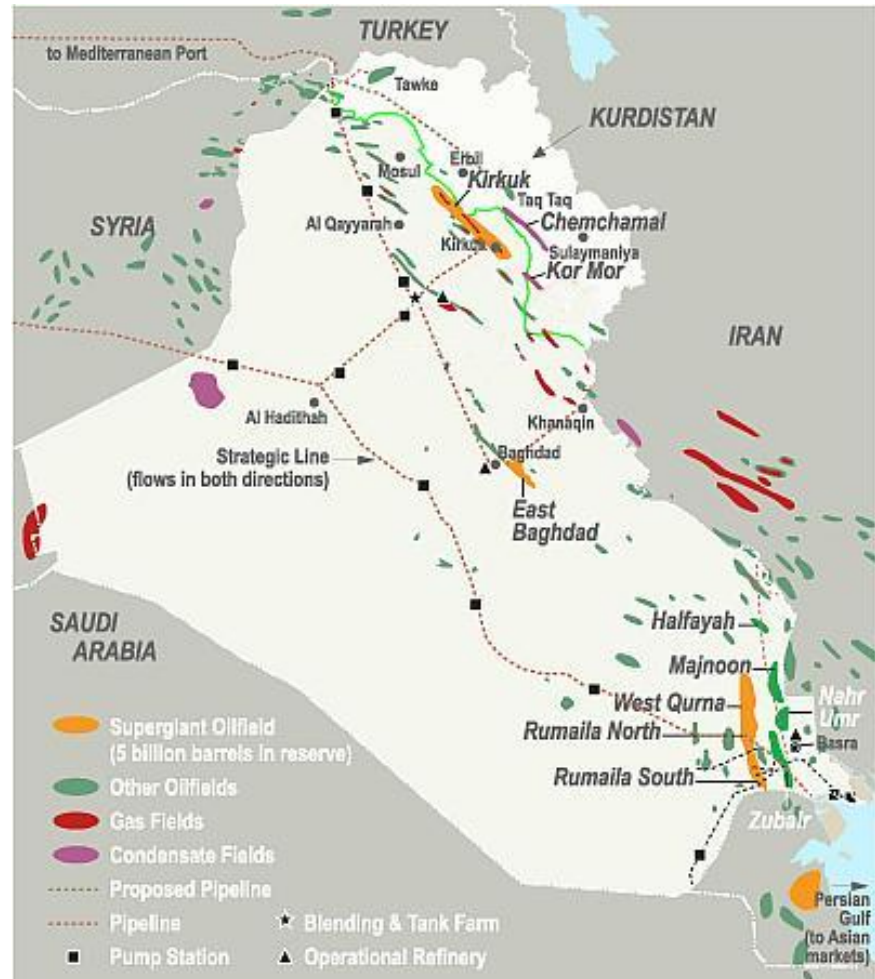


- Now **5% royalty**, but no state carry or back-in rights
- Then calculate **field profit** ('R factor' = revenue / costs)
- 'Petroleum Profits Tax', if any, set against royalty :
- **None** if profit is **under 1.5 times** total costs
- **10%** if profit is 1.5 times total costs, then *pro rata* up to
- **Maximum 40%** if profit is > 4.5 times total costs
- Then Standard Corporate 25% resource tax rate applies, with free depreciation and standard write-offs:

(e.g. $0.25 \times (1 - .40) = 0.15$ (or $0.15 + 0.40 = 0.55$ in total))
- But much value added will be in other taxes (income, PRSI, VAT) on producers and their contractors
- In mining the multiplier effect can be 9x
- So the total state take is likely to be > 50%

Iraq: World's Best Oil Play

- 143 billion barrels of proven reserves; 300 billion barrels of possible reserves
- Remains one of the least explored of the world's major producing countries
- Post-war production remains at c. 3 million forecast to increase to over 7 million barrel
- Operating costs in Iraq are one of the lowest in the world at about \$2 per barrel
- Petrel has been operational in Iraq since 1999, currently holding a 5% interest in a project with Wasit province, and an interest in the former Block 6 in the Western Desert
- No work is ongoing in the present political situation
- Wasit is Shia controlled, Block 6 is in a disputed area

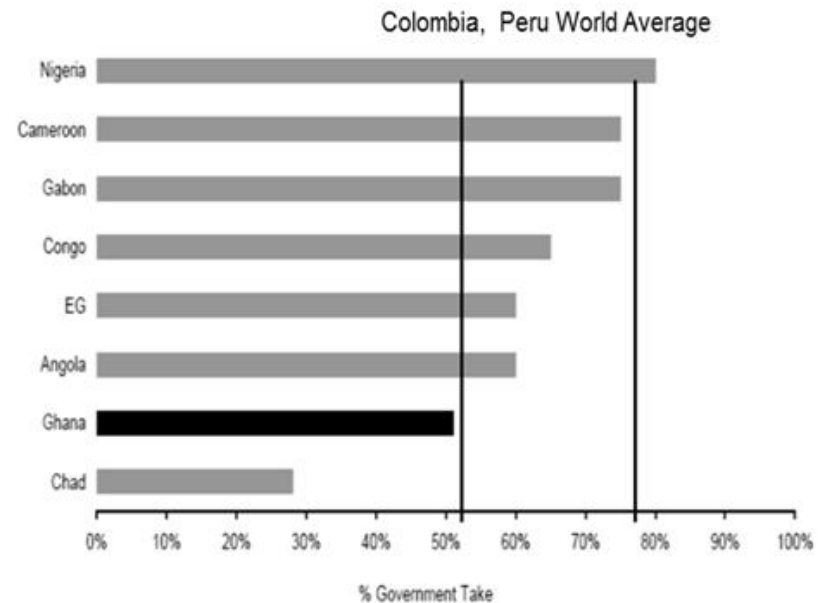


Ghana: New Oil Province

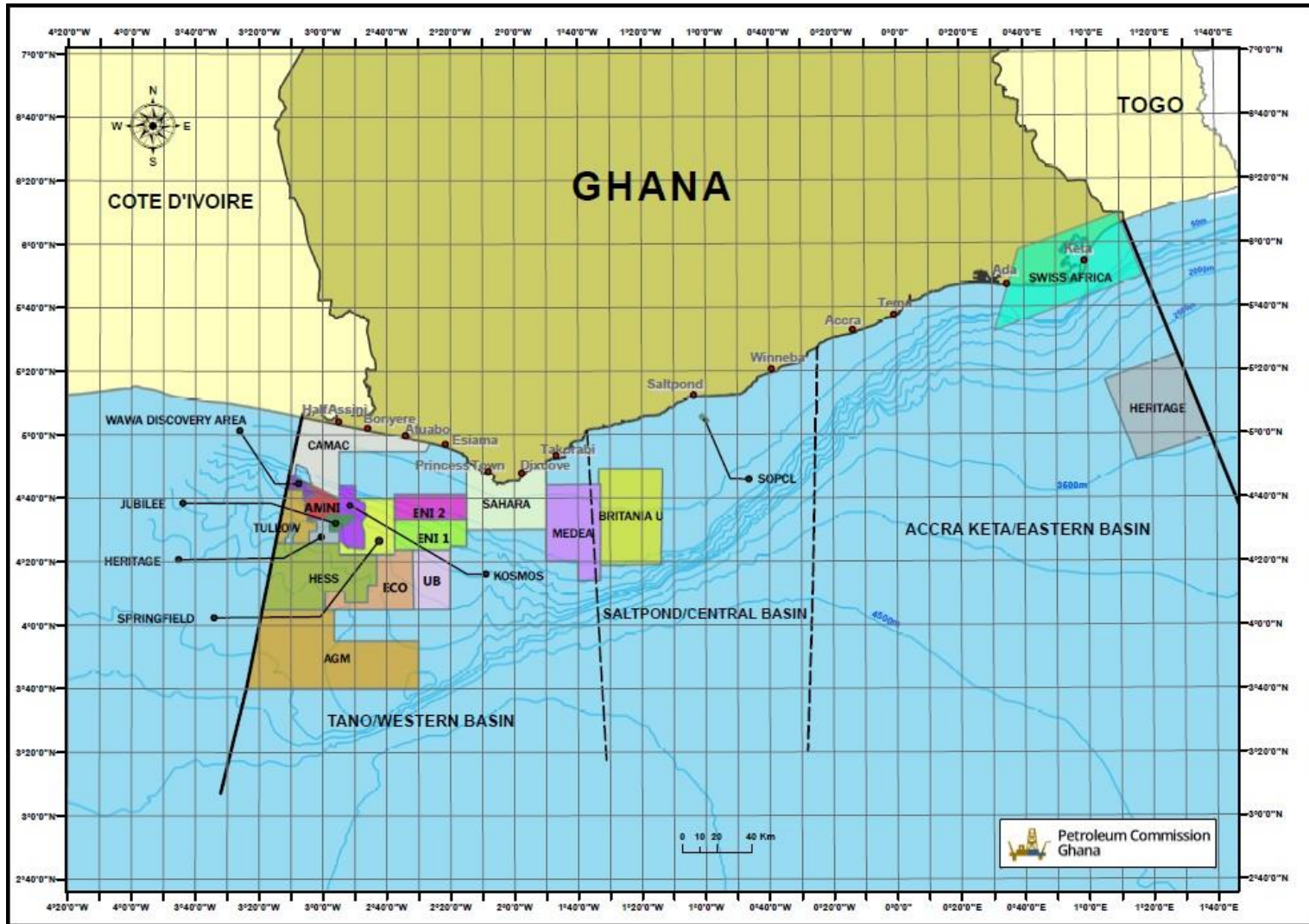


- 2 billion barrels discovered to date
- Production began from Jubilee in 2010
- West Africa attractive due to competitive conditions and large exploration potential
- Ghana fiscal terms extremely attractive:
 - Royalty – 12.5% on oil
 - GNPC carry – 10%
 - Income tax – 35%

Fiscal terms in Ghana are competitive



Ghana: offered & agreed open shallow water acreage



Management Team



- **John Teeling – Executive Chairman**

Established and managed many Stock Exchange listed resource companies in the past 30 years, currently chairs 4 AIM resource companies

- **David Horgan – Director**

Holds directorships in a number of resource companies. Holds an MBA from Harvard & MA from Cambridge

- **Jim Finn – Financial Manager/ Secretary**

Finance director for several publicly listed junior exploration companies. Has listed thirteen companies on AIM. Holds degrees in management and an accounting qualification

- **David Naylor – Geologist**

40 years worldwide experience in the oil industry globally. He worked previously for De Beers, Chevron, Exploration Consultants Ltd, Northgate, and the Geological Survey of Ireland. Dr Naylor is the co-author of five books, including 'Petroleum Geology Of Ireland'.