

Hague and London Oil Plc

Natural Resources Forum

23 February 2016

- Wessex Exploration Plc restructured as Hague and London Oil Plc
 - New equity provided by “Insiders” now 29% Shareholding
 - Change of Name and Staff
 - Share Consolidation (40:1)
 - Portfolio augmentation, rationalization
 - SE Asia becomes a new “Core” area

Immediate focus on portfolio development:

- Philippines SC54, introduced as part of Wessex/HALO transaction
- Global “Legacy” Exploration Portfolio
- New Ventures
 - Southeast Asia represents many opportunities for value-accretion
 - Market support of proposed Duyung acquisition wholly positive
- Duyung PSC (Mako Discovery) acquisition announced
 - Material Natural Gas Discovery offshore Indonesia
 - 85% Working Interest, and Operatorship, to be acquired by HALO
 - Near existing Domestic Transportation and Export Infrastructure
 - Appraisal well Possibly to be Drilled in 2016

Opportunistic portfolio building



Clear strategy and on-going active portfolio management:

- Sell or farm out “non-core” aspects of existing portfolio
- Rapidly expand from “core” aspects of existing portfolio
- Define and establish new “core” aspects of future portfolio

Opportunities arising from the current environment:

- Range of distressed sellers of high potential assets
- Investor appetite may linger to fund lower risk projects
- Access to oilfield services at lower, and falling, costs
- Commitments and the cost of these are falling

Targeting assets with clear commercialisation potential:

- Low cost development and production
- Existing infrastructure or clear, affordable route to market
- Sizeable local market
- Micro-focus on high potential “spots” instead of wide geographical focus

Duyung PSC

Duyung PSC, Natuna Sea (Indonesia)

- PSC size 1 673 km² (= 8 UK Blocks)
- Water depths 60-100m
- Surrounded by West Natuna Transport System ("WNTS")
 - Gas export pipeline to Singapore
 - Also oil production facilities nearby

Mako Gas Field

- 3 wells & closely spaced 2D seismic
- Analogy with Netherlands AB-Blocks shallow gas development

Exploration

- Appraisal is Primary Focus
- Additional, conventional upside

Data

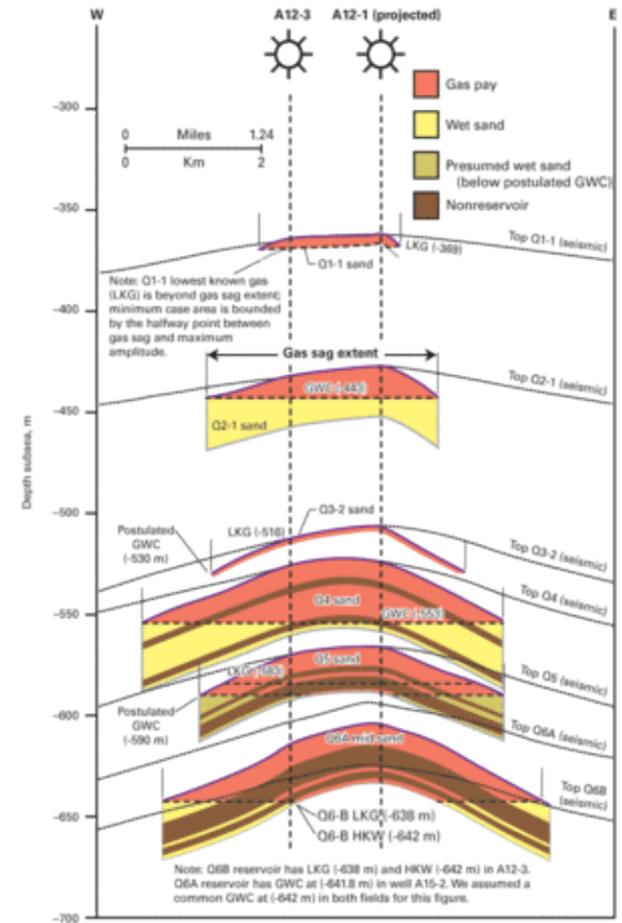
- Mako Permeability and Flow data absent – potential appraisal well
- Mako Seismic: good quality 2D

Shallow Gas Analogue

A&B Fields - Offshore Holland

- A&B blocks on the Dutch shelf but also in the Gulf of Mexico, the Nile Delta and in Western Canada
- Chevron have undertaken extensive work on the largely ignored shallow, unconsolidated, low pressure packages offshore The Netherlands (high methane gas)
- Producing fields offshore the Netherlands show similar characteristics to the Duyung PSC prospects such as bright spot properties, seal integrity and column heights
- Transfer of technical knowledge, e.g. the use of expandable screens for sand control and the use of early compression
- Issues around Groningen contributing to strong demand

A12 FIELD STRUCTURAL CROSS-SECTION

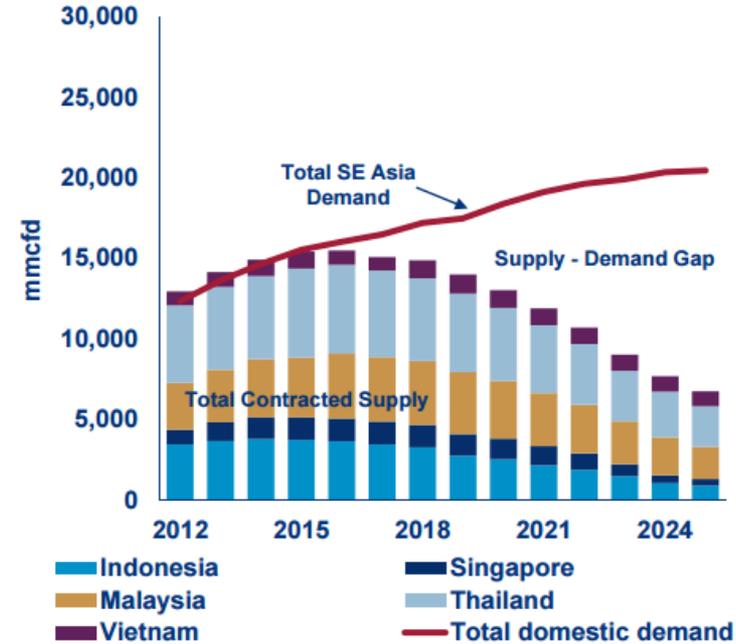


Note: A12-1 well petrophysical analysis is inconclusive due to insufficient log suite (ES/GR/Sonic) only run in 17 1/2-in. hole over zone of interest.
Note: Minimum case assumes that accumulation limit is coincident with gas sag outline.
Source: Chevron

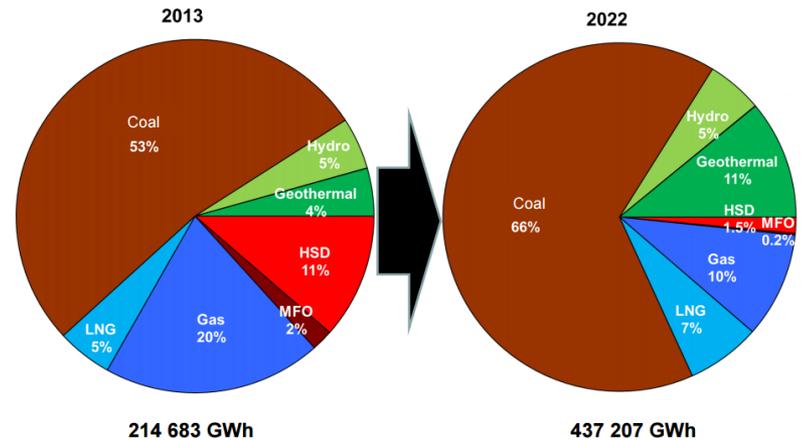
- Shallow Gas – Conventional Resource
 - Shallow gas has often been ignored as companies pass through multiple accumulations and volumes while targeting deeper horizons
 - Many are put off by the sometimes thin, unconsolidated, low pressure and sometimes dangerously high pressure accumulations
 - However volumes can be significant with multiple stacked reservoirs offering high volumes if a technical development solution can be reached
- Black Platinum have proved up around 3Tcf of shallow gas within its North Sokang and Sokang PSC's,
 - Dara-3 well testing 9Mmscfd with 1.9% Co2 and no water, in a basic DST
 - FLNG explored to monetise
 - Encouraging for HALO with Duyung monetisation less challenging
- Reports in the press about Chevron and ConocoPhillips aiming to sell their stakes in Block Bwith
 - Key component to future production growth cited to be from the shallow gas Dara field

Indonesian Gas Market

- The supply gap in the Indonesian gas market is expected to widen significantly in the next decade with natural gas production 14% lower than its 2010 peak
- Electricity usage in Indonesia is expected to grow 200% from 2013-2022 to 385TWh from 189TWh in 2013 with energy consumption having already more than doubled over the last 16 years
- As a result gas powered solutions are becoming highly desirable for a government facing a high reliance on coal for its power
- Recent domestic gas sales in Indonesia have been: **US\$6.0-9.45/mmbtu**



Source: Wood Mackenzie



Source: PLN

Dynamics of the SE Asian Energy Market



High potential market:

- Limited equities offering the UK market exposure to Asian energy market
- Experience and track record of successful transactions
- Early visibility of opportunities in the market
- Good terms and near robust hydrocarbon consumers (oil or gas)

The Asian E&P market is highly active in terms of transactions in 2014:

- New players from Asia entering
 - Sapura Kencana – Newfield Exploration (Malaysia)
 - Cepsa (IPIC) – Coastal Energy (Thailand)
 - Ophir Energy – Salamander Energy (Thailand)
 - Fosun International – Roc Oil (Malaysia)
 - Bangchak Petroleum – Nido Petroleum (Philippines)
 - Nido Petroleum – Otto Energy (Philippines)
- Aggressive valuations to acquire regional upstream exposure in 2014
 - \$12-40/boe (2P) was paid
 - \$21.7/boe (2P) Average (\$21.4/boe (2P) Mean) 2013-2014
 - Philippines attracted some of the highest \$/2P in SE Asia

Strategy for opportunistic targeting



- Opportunistic in a harsh market
- Spotting pockets of high potential
- Focus on clear path to commercialisation
- Asia and Europe among overlooked markets with many opportunities