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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 in the right areas with encouraging results
- Marrying geological and political risk

Corporate Information

Exchanges	AIM (LSE)
Ticker	PET
Share price	7p
Shares in Issue	99.7m
Market Cap	£7m
Cash	\$0.8m

Share Price – 1 Year



Significant Shareholders

Shareholders with more than 3% holding	% Holding
Amira International Holdings	16.2
Citibank Nominees	9.4
TD Direct Investing Nominees	3.9
John Teeling	5.4
David Horgan	4.2
Barclayshare Nominees	3.1
HSDL Nominees	3.5

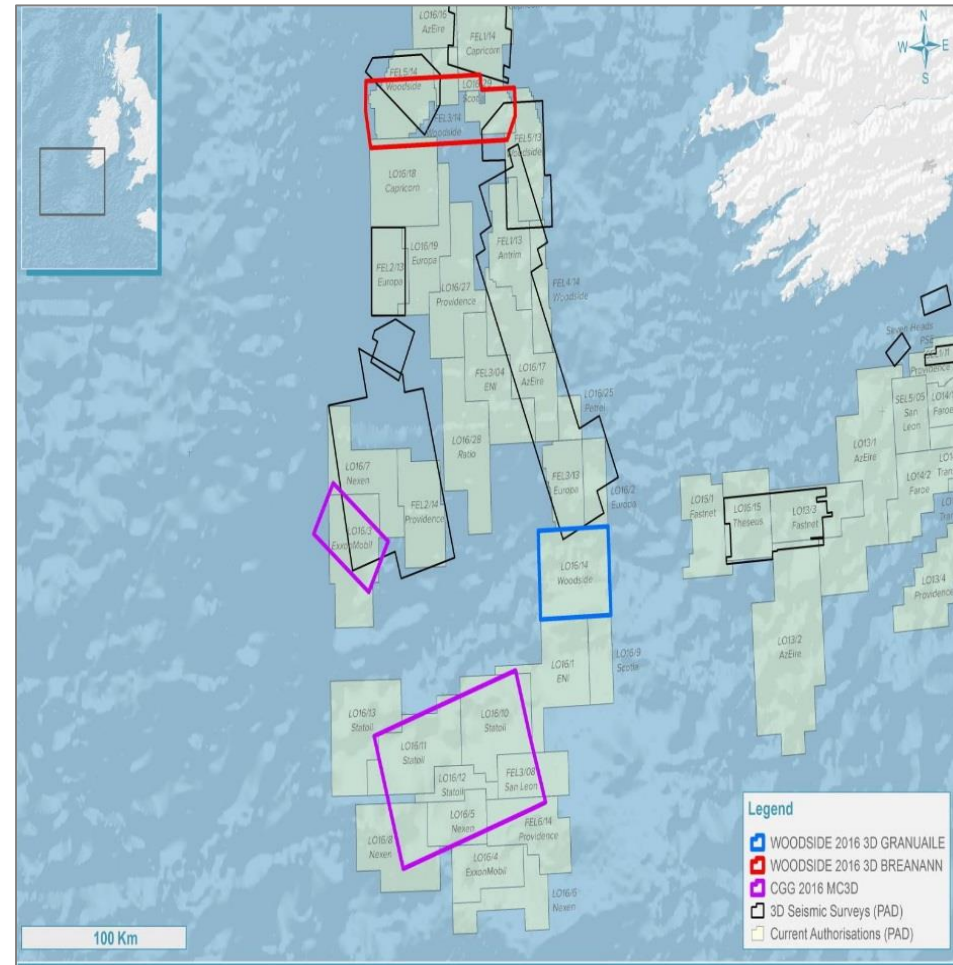
The right properties...



Location	Licences	Ownership	Operator	Highlights
Ireland	Porcupine Basin Frontier Exploration 3/14 Frontier Exploration 4/14 Licensing Options 16/24 & 16/25	15%	Woodside	<ul style="list-style-type: none"> • Billion barrel potential • Extension of established play into overlooked frontier basin • High value basin – low entry cost, attractive fiscal terms • Carry through exploration and one well on each block • 924 km² 100% owned & operated, of which • 664 km² borders Connemara oil-field discovered by BP in 1983.
Iraq	Wasit Province	5%	Oryx Petroleum	<ul style="list-style-type: none"> • Proven and underexplored basin • NSAI estimated 1bn bbl of oil resources • Competitive PSC terms, similar to KRG • Full carry through to drilling
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%	Petrel/ Clontarf (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 underway.

Focus on Atlantic Porcupine Basin – carried FELs

- Petrel formed in 1982 to explore offshore Ireland
- The team has long experience and knowledge of Irish offshore
- Why now?
 - Oil is c. \$46 - was \$13 a barrel in 1978
 - New tools in seismic and data
 - Greater knowledge of comparable plays
 - Low entry cost
 - Attractive fiscal terms
- Petrel holds two FE Licences over 1,050km² in the Porcupine Basin
- Farmed out 85% stake to Woodside, Australia's leading oil and gas company
- Carried through exploration up to and including one well on each block



Ireland: Attractive “2007” Fiscal Terms Apply to FELs

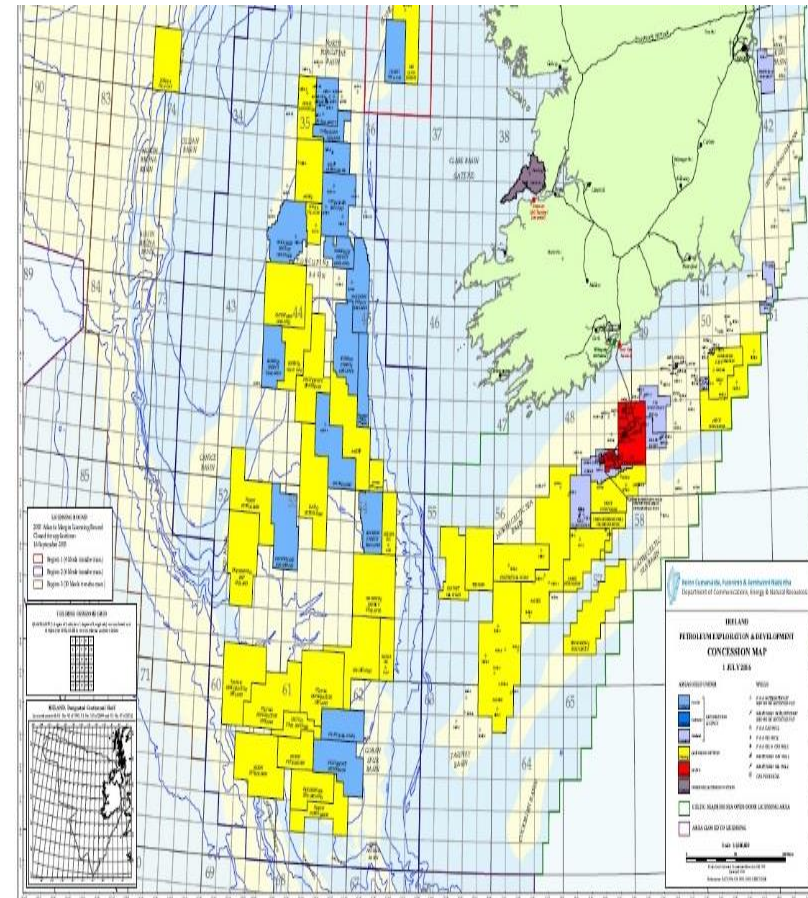


- No royalties, no carry, no bonuses (applicable to our FELs)
- Standard 25% tax rate with free depreciation and standard write-offs
- A ‘bonus tax’ if a bonanza:
 - A total 30% if profit is between 1.5 and 3 times total costs
 - A total 35% if profit is between 3 and 4.5 times total costs
 - A total 40% if profit is over 4.5 times total costs
- Minimal bonding
- Standard VAT, payroll taxes
- No special burdens on extractive industries

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.**
- • **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 underway with the acquisition of available seismic not already in Petrel's database. These North-Western Porcupine Basin blocks are our current priority, giving the best shot at a quality farm-out. We aim to achieve state-of-the-art interpretation in one phase rather than in incremental steps.**



Irish fiscal terms for LOs higher, though competitive :

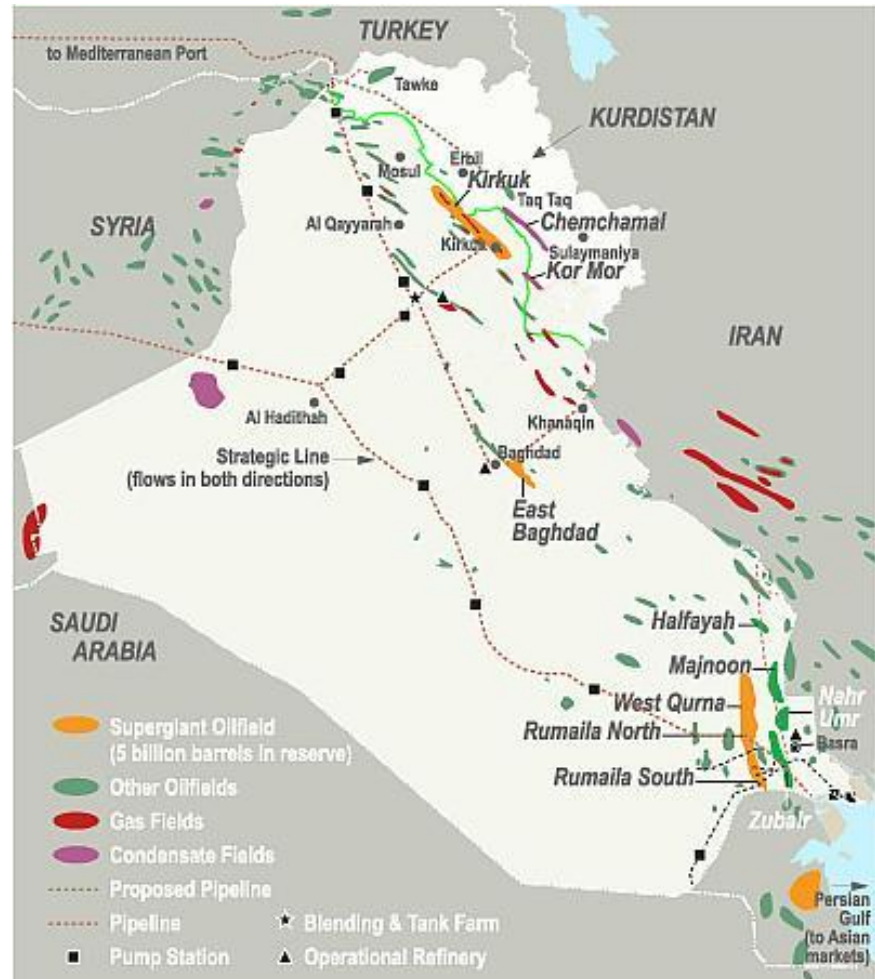


- Now **5% royalty**, but no state carry or back-in rights
- Then calculate **field profit** ('R factor' = revenue / costs)
- 'Petroleum Profits Tax', if any, set against royalty :
- **None** if profit is **under 1.5 times** total costs
- **10%** if profit is 1.5 times total costs, then *pro rata* up 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

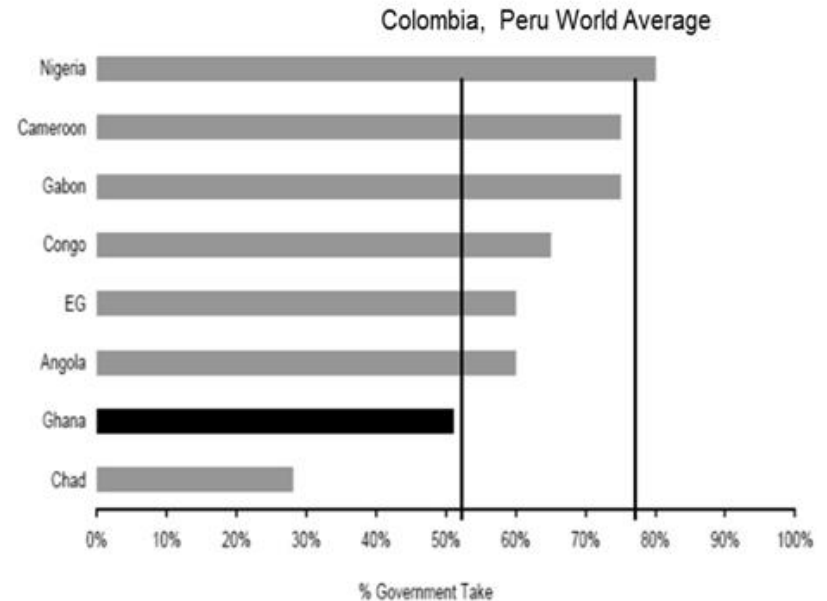


Ghana: New Oil Province

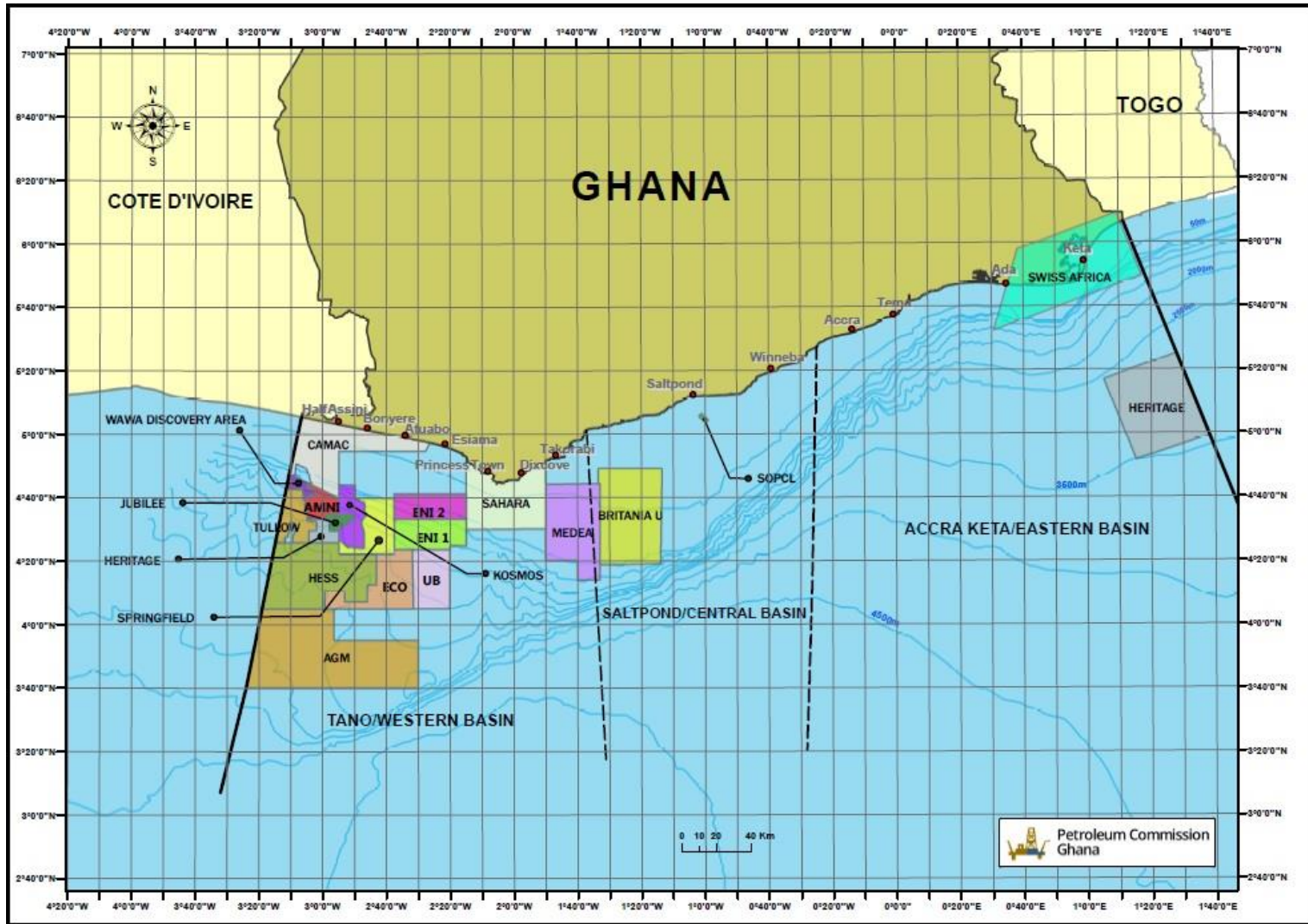


- 2 billion barrels discovered to date
- Production began from Jubilee in 2010
- West Africa attractive due to competitive conditions and large exploration potential
- Ghana fiscal terms extremely attractive:
 - Royalty – 12.5% on oil
 - GNPC carry – 10%
 - Income tax – 35%

Fiscal terms in Ghana are competitive



Ghana: offered & agreed open shallow water acreage



Summary



- IRELAND** Significant prospects identified.
World-class operating partner, Woodside. Seismic acquired 2016,
Seismic processed & Drill target 2017, well possible in 2018.
- IRAQ** Baghdad / provincial authorities' permits needed to acquire seismic
& drilling.
No field work is now possible, but future potential.
Iraqi production at 4.35mmbod.
- GHANA** All technical and financial work completed.
First phase of geological work completed.
Petroleum Agreement signed with the GNPC.
Rapid ratification promised with adjusted coordinates.

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

- **Arman Kayablian – Non-Executive Director**

Mr Kayablian is the COO of Amira Industries N.V. and has more than 10 years' experience in project finance and development operations in the energy, utilities and telecommunications industries. He holds a B.B.A. in International Business from The George Washington University

- **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'.

Management team is highly incentivised to achieve its business objectives