

# Lansdowne

## oil & gas



AGM Presentation

20 July 2016

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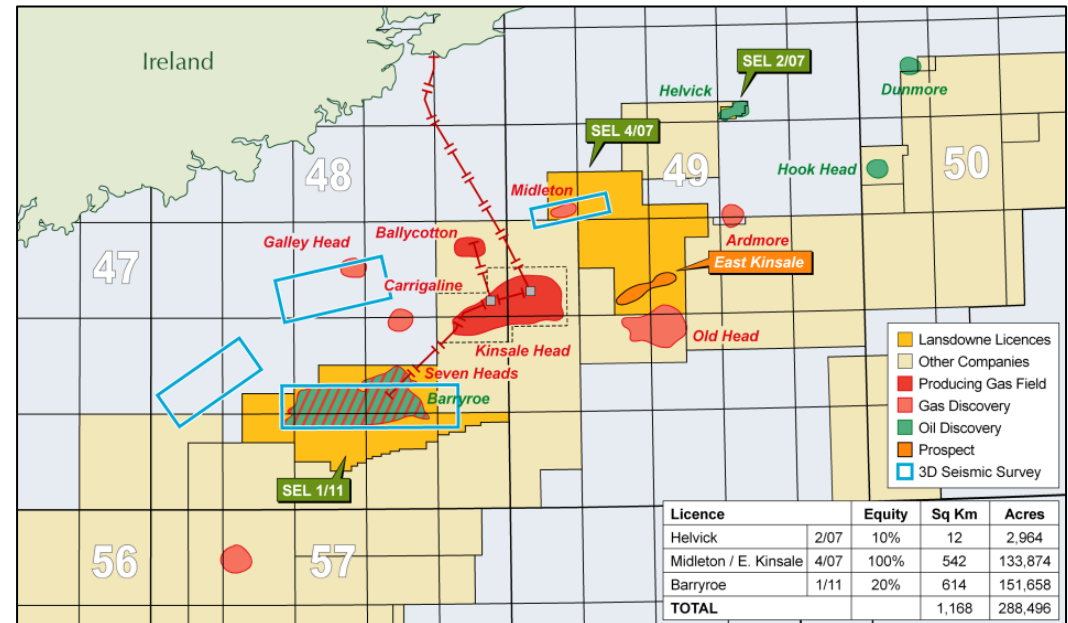
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# Since Last AGM

## Difficult times for small Oil & Gas companies

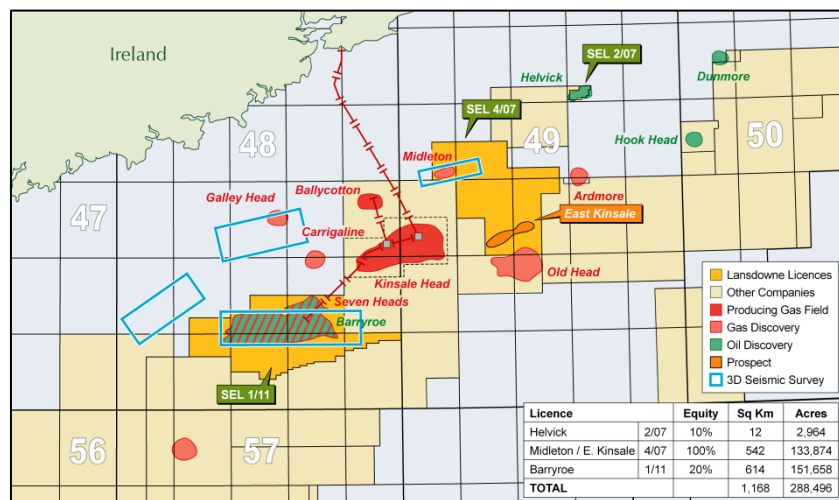
- Oil price
  - Declined through second half 2015
  - Low point below \$30/bbl in Q1 2016
  - Partial recovery to c. \$50/bbl today
- Midleton (SEL 4/07)
  - 49/11-3 drilled in July/August 2015
  - Lansdowne 20%, costs carried by Kinsale Energy under farm-out agreement
  - Well P & A non-commercial gas
- Barryroe (SEL 1/11)
  - Transocean costs award
  - Licence extended and area increased
  - Farm-out continues
- Amergin (SEL 5/08) and Rosscarbery (SEL 5/07)
  - Farm-out campaign unsuccessful
  - Licences lapsed end 2015



# Corporate Snapshot

## Introducing Lansdowne Oil & Gas

- Lansdowne has interests in three Standard Exploration Licences (SELs) in the North Celtic Sea Basin (NCSB).
- The Barryroe oil field, in which Lansdowne has a 20% stake, is estimated to contain gross 2C resources of 339 mmboe.
- Significant potential upside exists in additional oil and gas reservoir sands in Barryroe.



**Lansdowne**  
oil & gas

### Market data<sup>(1)</sup>

Exchange	AIM
Ticker	LOGP
Price	1.25p
52 week range	9.38p – 1.00p
Shares outstanding	480.2m
Market capitalisation	£6.00m

Source: Reuters

<sup>(1)</sup> At 18<sup>th</sup> July 2016

### Top 5 shareholders

LC Capital Master Fund	28.77%
Beaufort Securities	8.36%
Sea Energy	6.29%
Artemis	4.81%
Directors	3.80%

### Contingent Resources (mmboe net to Lansdowne)\*

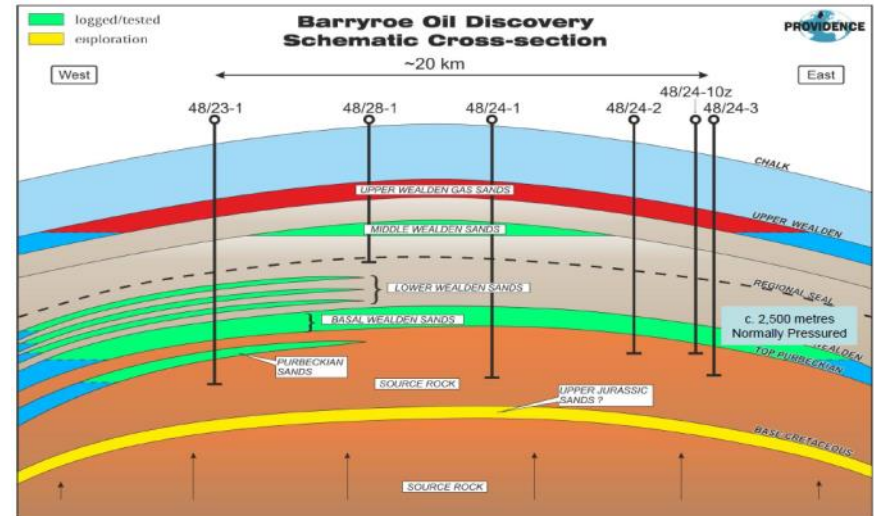
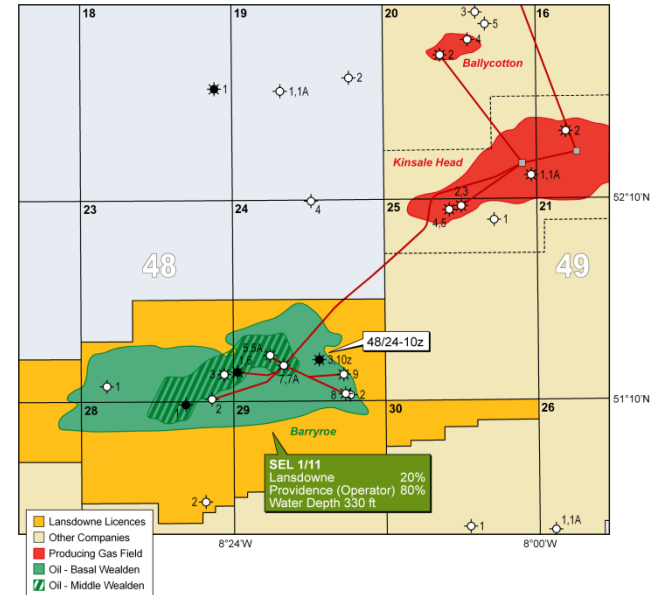
1C	2C	3C
19	68	155

\* Includes Barryroe, only

# Barryroe

## Establishing a substantial resource

- Barryroe is located off the south coast of Ireland in shallow water (c.100 metres) and was discovered in 1973 when Esso's 48/24-1 well tested 1,300 b/d from the Middle Wealden.
- During the remainder of the 1970s, Esso drilled two further wells on the structure and both encountered oil. In 1990, Marathon Oil tested over 1,600 b/d from Basal Wealden sands.
- Lansdowne Oil & Gas (20%) and Providence Resources (80%) acquired a 3D seismic survey over the field in 2011 before drilling the 48/24-10z well, which tested 4,002 boe/d in 2012.
- Netherland, Sewell & Associates Inc. (NSAI) has estimated the Basal Wealden contains 2C resources of 290 mmboe while RPS Energy put the figure for the Middle Wealden at 49 mmboe.

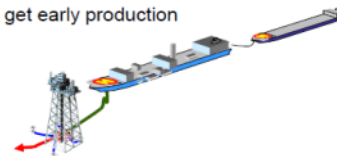


## Moving the project forward

- Providence Resources is running a farm-out process on behalf of the Barryroe partnership. Discussions are on-going with several potential counterparties.
- Subject to the results of a further appraisal well, it is envisaged that Barryroe will be developed in two phases with first oil being achieved before the end of the decade.
- Phase 1 would target an area containing around 70 mmbbl and produce up to 30,000 b/d through a leased FPSO or a small wellhead platform.
- A full field appraisal programme would then be completed to allow optimisation of the Phase 2 development plan. This will utilise up to three platforms to target c.240 mmbbl of incremental resource and production of up to 100,000 b/d.

### Phase 1 : First Phase Production System

- Core Area Appraisal/pre-Development Drilling
- Leased Floating Solution or small WHP/FSO to get early production
- 30,000 BOPD peak rate



### Phase 2 : Full Field Development

- Full field Appraisal/Development
- Phased Fixed Platform Solution for long term development & production
- 100,000 BOPD peak rate

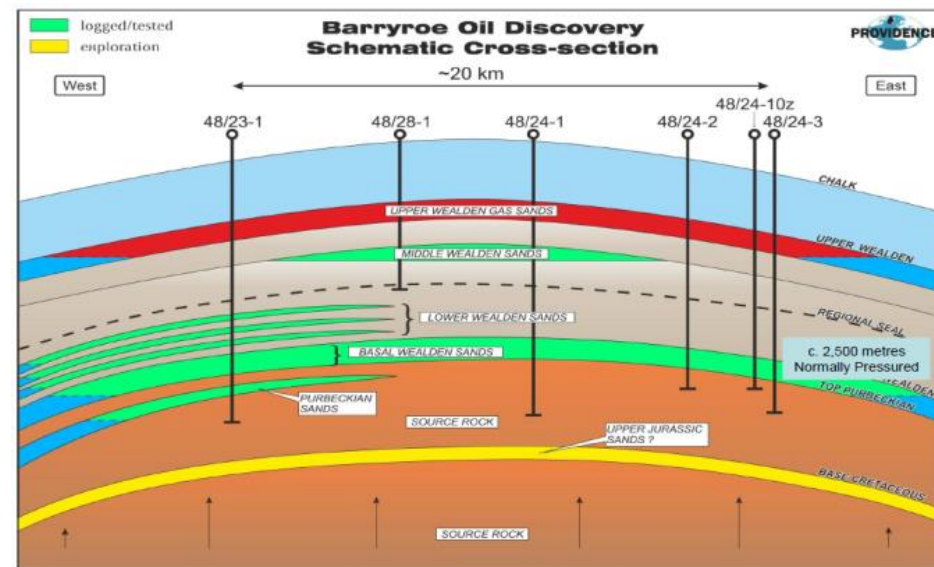


Barryroe contingent resources (mmboe)	1C	2C	3C
Middle Wealden oil	4	45	113
Basal Wealden oil	85	265	598
Gas	8	29	64
<b>Total gross</b>	<b>97</b>	<b>339</b>	<b>775</b>
Net to Lansdowne	19	68	155

Source: Netherland, Sewell & Associates Inc.

## Additional upside potential

- In addition to the existing 2C resources in the Basal Wealden and Middle Wealden reservoirs, there is significant upside potential in a number of other horizons.
- The 48/24-10z well tested gas from a shallower gas sand (C Sand) in the upper section of the Basal Wealden.
- Providence estimates this section contains up to 400 bcf in-place (between SEL 1/11 and OPL 1) and could produce up to 30 mmcf/d from a single vertical well.
- Providence has also estimated that the stacked Lower Wealden sands and the Purbeckian sands contain oil in-place of 778 mmbbl between them.



Barryroe upside potential (mmboe in-place)	P50
C-sand gas	36
Lower Wealden oil	416
Purbeckian oil	362
<b>Total</b>	<b>814</b>

# Financial position

## Funds Raised in June 2016

- In April 2016, the Court of Appeal ruled against Providence Resources in a dispute over drilling costs dating from 2012. As a result, Providence must pay Transocean US\$7.4m.
- Lansdowne is liable for 20% of this amount by virtue of its interest in Barryroe, which it must retain if it is to enable both existing and new investors to participate in the upside potential offered by future drilling.
- The Barryroe farm-out process is continuing and Lansdowne expects this to result in an appraisal well in 2017.
- Hence, the company raised £2.10m in order to pay its share of the Transocean judgement and to meet its working capital requirements until the middle of next year.

### Use of funds (£m)

Transocean settlement costs due in June 2016	(1.0)
Working capital	(0.9)
Estimated fund raising costs	(0.2)
<b>Total</b>	<b>(2.1)</b>

*Source: Company estimates*

- Excluding project expenditure, the cost of running Lansdowne was £0.9m in 2015. Further reductions will see this figure fall below £0.4m in 2017.
- In March 2015, Lansdowne received a loan of £1.86m from Lampe Conway, of which £0.93m was converted into equity in the recent fund-raising. The interest rate on the balance has also been reduced from 10% per annum to 5% per annum.

# Summary

## Retaining interest in a significant shallow water oil resource in a recovering oil price environment

- Barryroe was upgraded following 48/24-10z in 2012. The process to find a partner capable of taking the project to the next stage is on-going.
- Lansdowne offers investors exposure to 68 mmboe of 2C resources.
- Providence is targeting farm-out/appraisal drilling of Barryroe in 2017.
- The North Celtic Sea Basin offers:
  - Existing production and infrastructure
  - Relatively shallow water and reservoirs
  - Good fiscal terms – tax rate 25% to 40%



Market capitalisation <sup>(1)</sup>	US\$8.0m
Enterprise value <sup>(1)</sup>	US\$10.0m
2C resources	68 mmboe
Market capitalisation / 2C resources	US\$0.12/boe
Enterprise value / 2C resources	US\$0.15/boe

<sup>(1)</sup> At close of business on 18<sup>th</sup> July 2016 assuming US\$1.32 : £1