

ASX Announcement

29 November 2017

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Chairman's Address to Shareholders

Dear Shareholder

The 2017 financial year has delivered a number of important steps to regain momentum behind the Cambay Project, the Company's key asset. The Company remains committed to unlocking the multi-TCF in-place tight gas potential in the tight EP-IV siltstones at the onshore Cambay Project.


Energy demand in India continues to underpin a strong investment case for the Joint Venture partners at Cambay. The Indian government strongly supports the oil and gas sector with new initiatives to promote exploration and development and particularly to reduce the reliance on imported energy products. The improved operating environment in India is further strengthened by the recent strong rally in Asian LNG prices.

At Cambay, the Company has achieved several key milestones in recent months:

- In August, Schlumberger, Baker Hughes GE and ODSI completed a technical evaluation of the optimal well and stimulation design required to achieve potential commercial flow rates in the EP-IV reservoir. Notably the results from their analysis has confirmed the potential for substantially increased flow rates with the application of the appropriate stimulation technology suite.
- In September, a Field Development Plan covering both the high potential EP-IV reservoir and the modest potential OS-II reservoir was completed. It was submitted to the government as a requirement for the application to secure a 10 year extension to the PSC beyond 2019. A decision on the application for the extension is expected prior to mid-year 2018.
- In November, the Company released its work programme target for 2018 comprising up to 9 workovers, and 3 vertical wells with the possible commencement of a horizontal well. Of this, the EP-IV program carries up to 2 workovers, 2 vertical wells and the horizontal well.
- The 2018 work program provides for a cost effective approach and is designed to test commercial potential of the EP-IV. Upon success, it would likely lead into a multi-well horizontal development program at Cambay.

The Company continues to carefully manage its cash resources. Our Indian joint venture partner has commenced payment of current year cash calls and has also paid part of the legacy cash calls. Resolution of these legacy cash calls will continue to be a priority in 2018. At the moment, outstanding cash calls total US\$5.6 million.

Strategically, the Company continues to actively review new opportunities to create value by diversifying the project portfolio.

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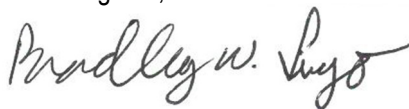
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On behalf of the Board, I wish to thank our staff, Joint Venture partners, contractors, local communities, shareholders and stakeholders for their ongoing support as the Company moves closer to unlocking substantial unconventional hydrocarbon resources within the Cambay Project.

Best Regards,



Brad Lingo
Chairman

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