

Annual General Meeting of Shareholders 2008

3 December 2008

our company - what sets us apart

**Capturing global opportunities
and building
an international E&P company**

- **Global assets**
- **Large upside potential**
- **Technology agreement**
- **Skilled and proven team of explorers**



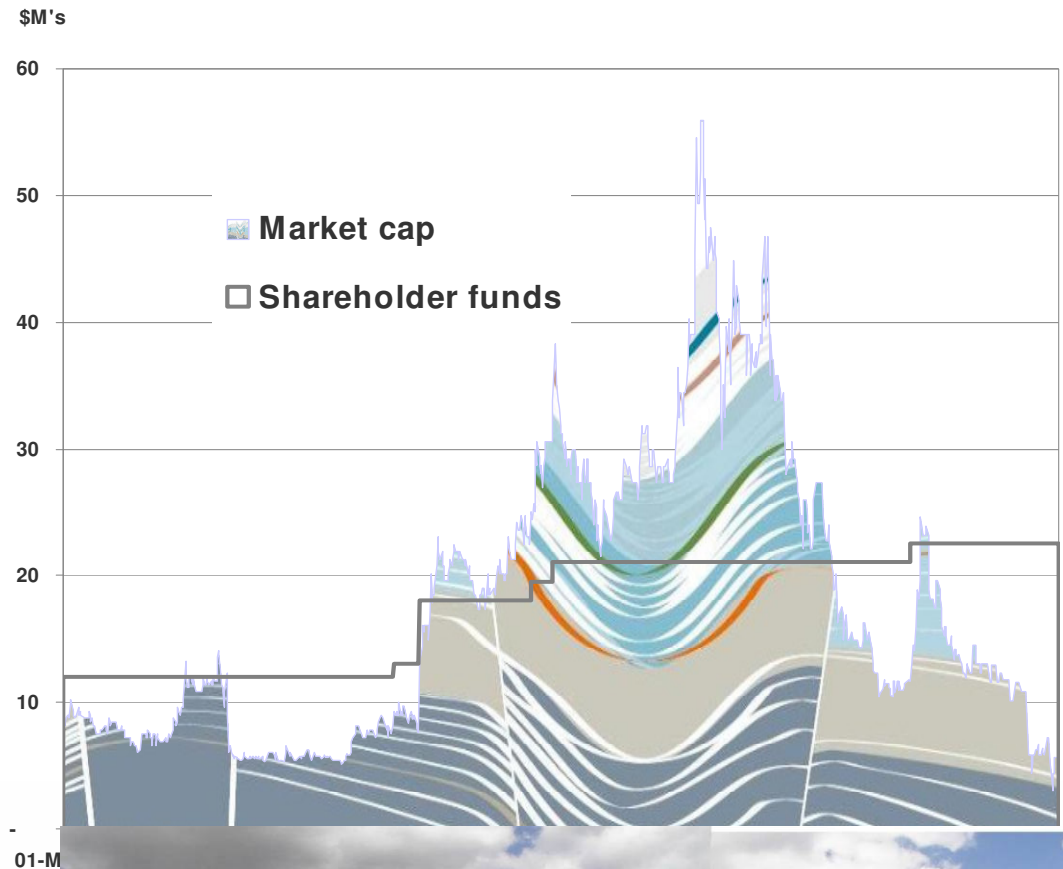
our industry, the year to date

- **Unprecedented global shift in oil price – USD150/bbl to USD50/bbl within 4 months**
- **Highest cost environment in industry to date – labour, seismic vessels, drill rigs, infrastructure**
- **Current lack of confidence in future oil price – Sept report from DOE in USA forecast oil price settling at USD80/bbl and Nov revision forecasting 2009 average of USD60/bbl**
- **Global demand for oil and gas expected to double in the next 20 years**
- **Majors taking less exploration risk**
- **Access to capital difficult**
- **Not all bad news for us!**



our company – the year to date

- **Ordinary shares : 145M**
- **Current cash : AUD2.1M**
- **Loyal shareholder base**
- **Prospect mapping completed on 2 main projects**
- **Seeking a partner for Jamaica project ongoing**
- **Award of the French project**
- **BHP announce sale of FALCON® technology**
- **Year of solid technical achievements**



our strategy at work

jamaica

kenya

france

madagascar

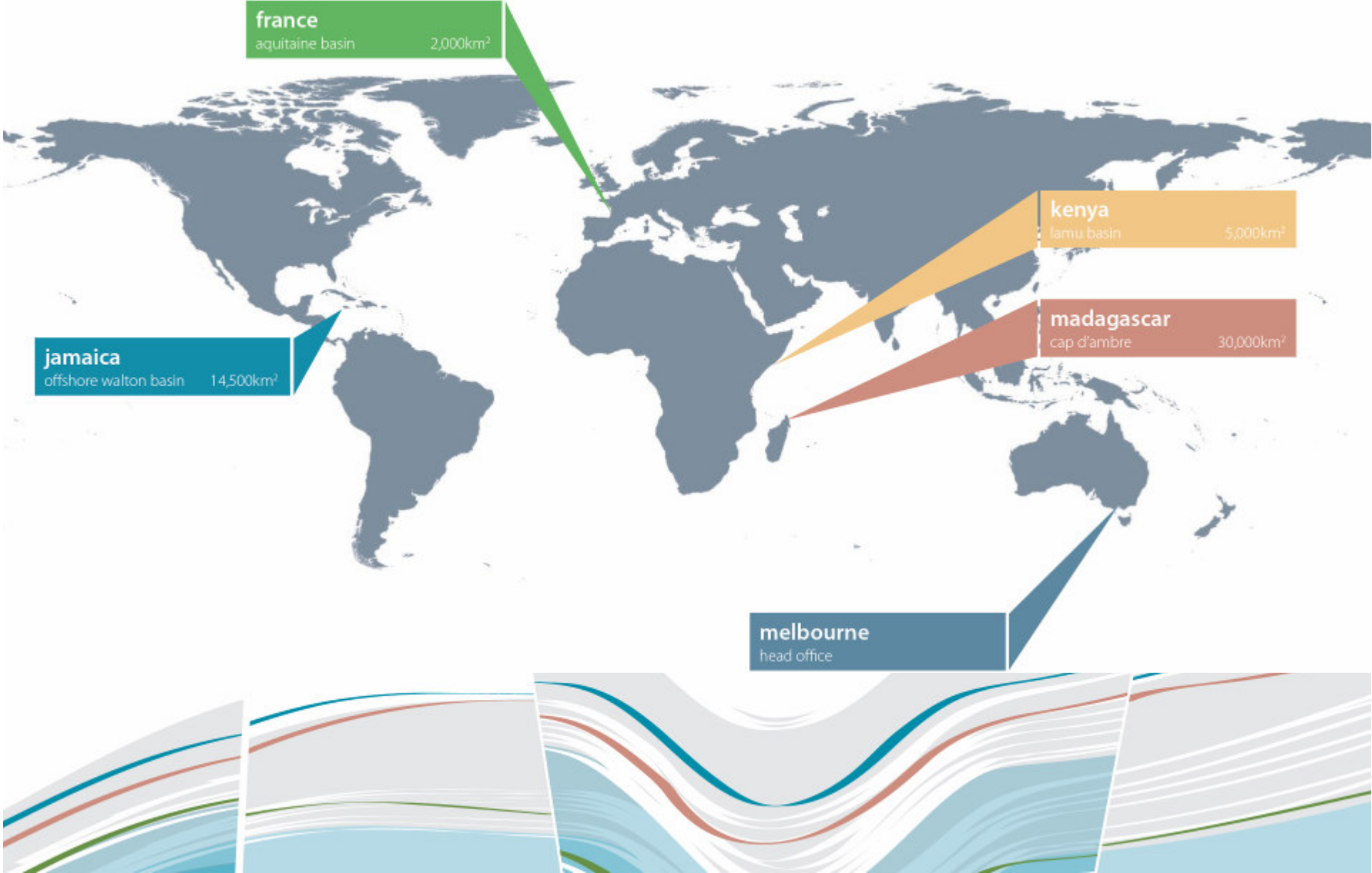
timetable of events

BHP FALCON® agreement

2008 and beyond

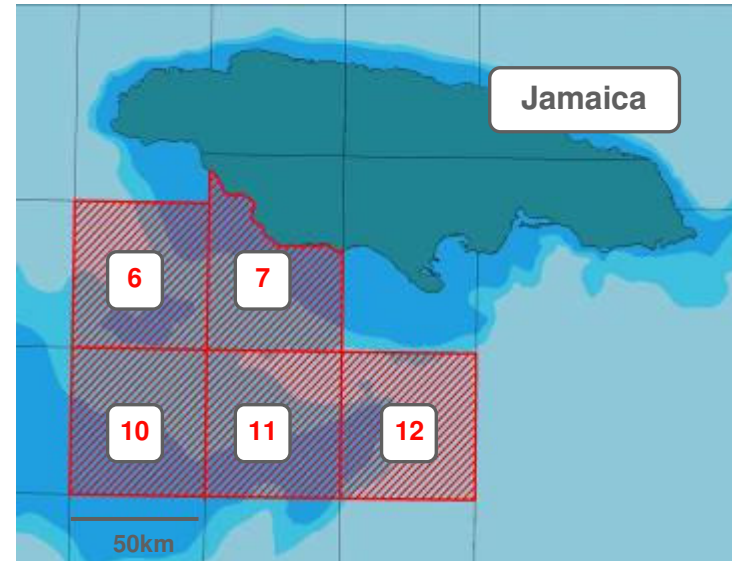


our strategy at work



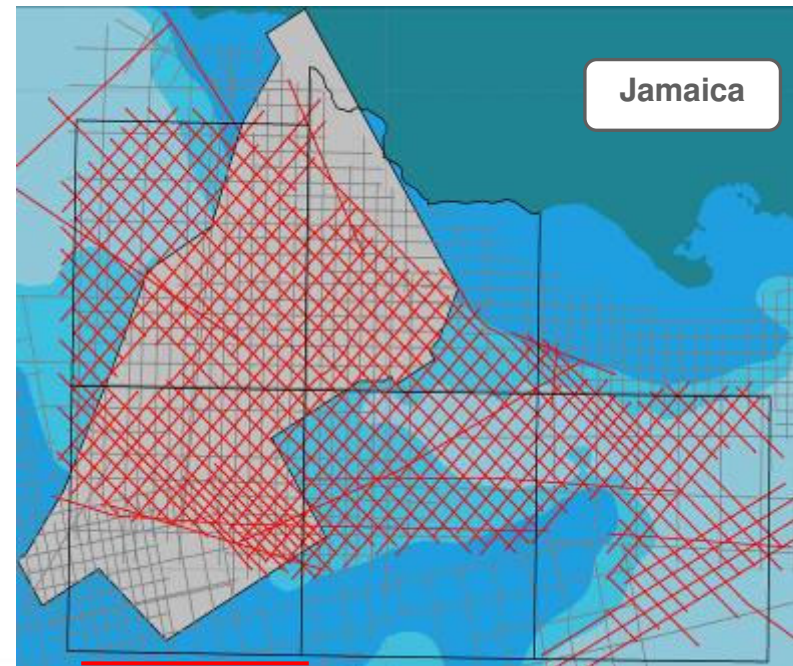
jamaica

- 14,500km² of frontier exploration acreage : the entire Walton Basin!
- Gippsland Offshore 50%
- FALCON® key to award
- 5 exploration blocks
- No exploration since 1980's
- 10 of 11 wells have oil shows
- onshore and offshore seeps mapped



- PSC with Jamaican Government signed Jan 2006
- Acquired first exploration data for 25 years
- First 4 years exploration commitments met in 1 licence year
- JJV spent USD13M in 2 years:
 - 7,000kms long offset 2D seismic data
 - 24,000kms of FALCON®
 - Geological and geophysical studies

- Existing 2D seismic
- 2006 seismic program
- FALCON® airborne program

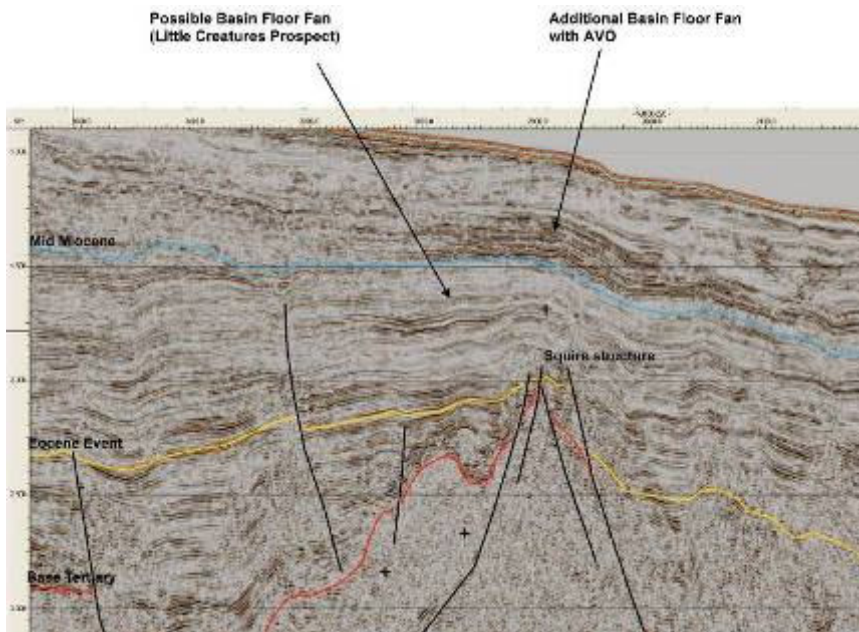


50km

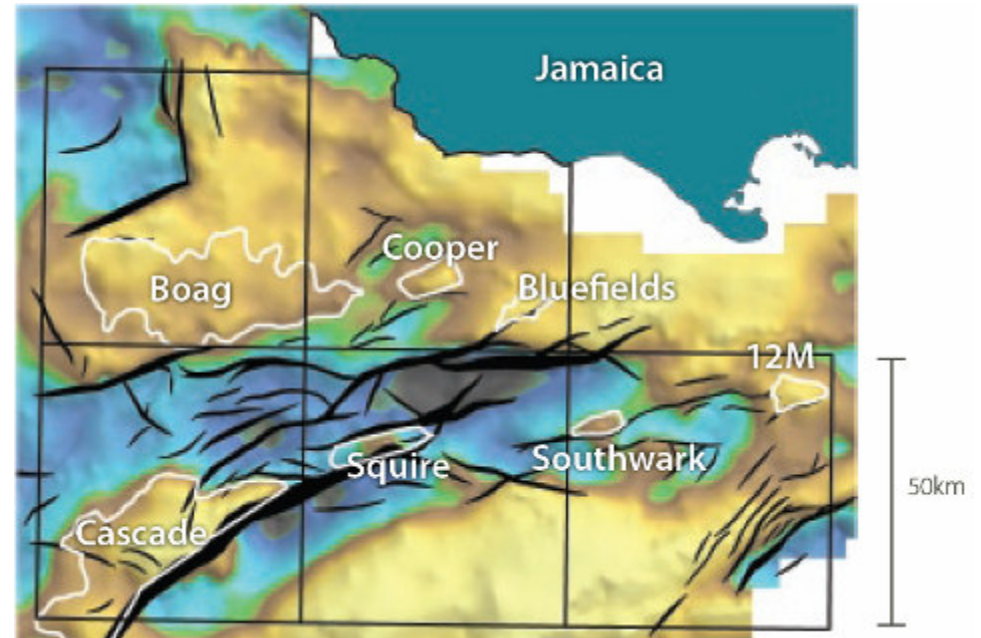
jamaica

prospects and leads

- Upside potential > 2bbbl recoverable
- Farm-out to seek drill partner underway
- 7 prospects mapped with EMV totalling USD525M*



* After AMOG Consulting Economics Report



	Mean Oil (mmbbl)	Mean Gas (bcf)	Water (m)
Boag Prospect	968.67	2322.72	440
Cooper Prospect	364.47	1287.33	650
Bluefields Prospect	227.55	697.16	500
Cascade Prospect	796.60	1909.80	20
Squire Prospect	220.95	529.75	750
Southwark Prospect	137.06	502.48	750
Lead 12M	175.16	642.61	900
Total	2890.46	7891.85	

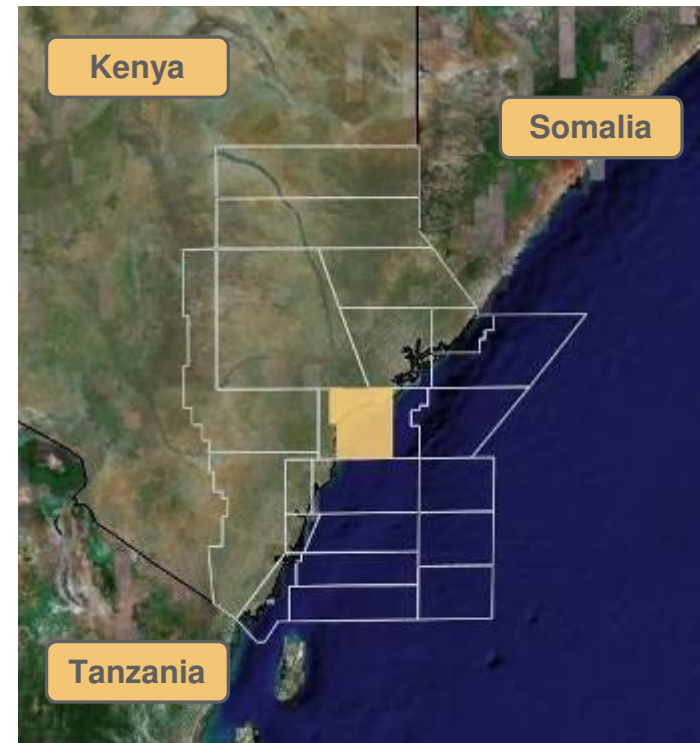


- **Great relationship with Gvt**
- **Potential to house multi billion barrel oil and gas fields**
- **FALCON® and 2D seismic resulted in 3D geological model**
- **A number of international E&P companies have expressed interest in the basin**
- **Farm-out process has been slow - JJV looking for potentially USD60M farm-in deal**
- **Risk profile of larger companies has been changing over last year**
- **Rethinking the farm-out process**
- **AUD150K expenditure budgeted for 2009**

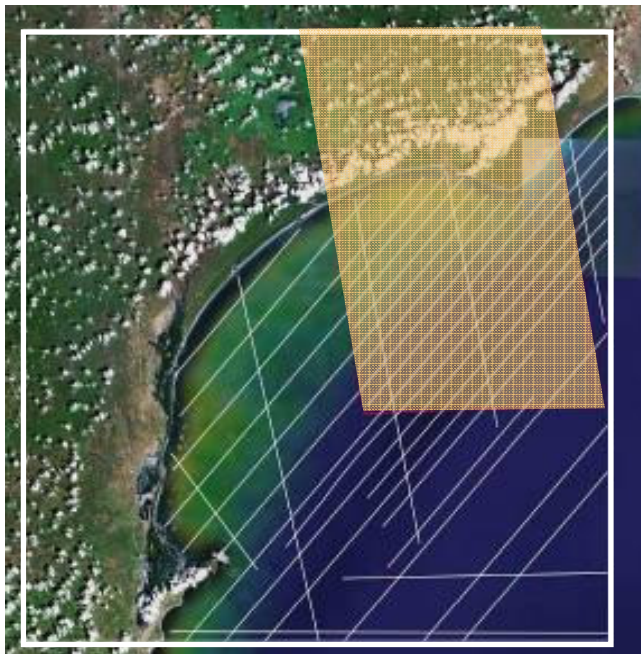


kenya

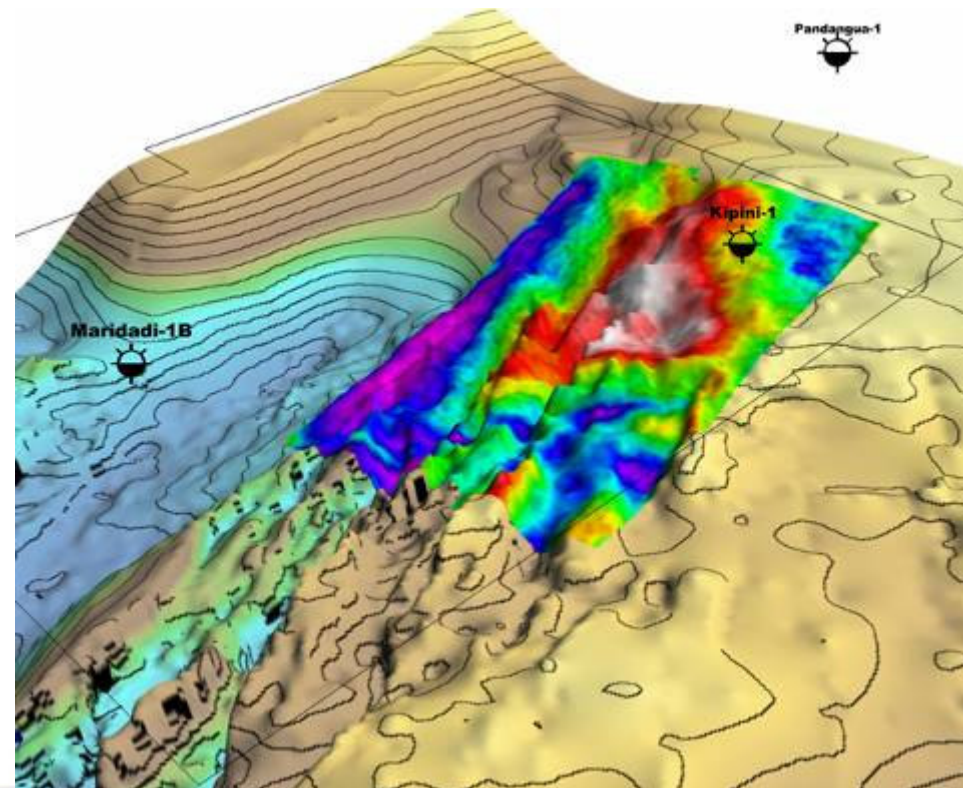
- Farmed into Block L-6 offshore Lamu Basin Jan 2007
- FALCON® key to entry as 40% of block onshore
- Fast-track exploration opportunity
- New seismic and FALCON® program undertaken
- PSC terms favourable – better than onshore Australia!



- 1,200 kms 2D seismic and 6,500 line kms FALCON® acquired within 3 months of sign-off
- Kipini-1 recorded movable gas in 9m sands
- Panadangua-1 not drilled on structure and flowed 13,000cfgd
- Offshore seepage



FALCON® area shaded

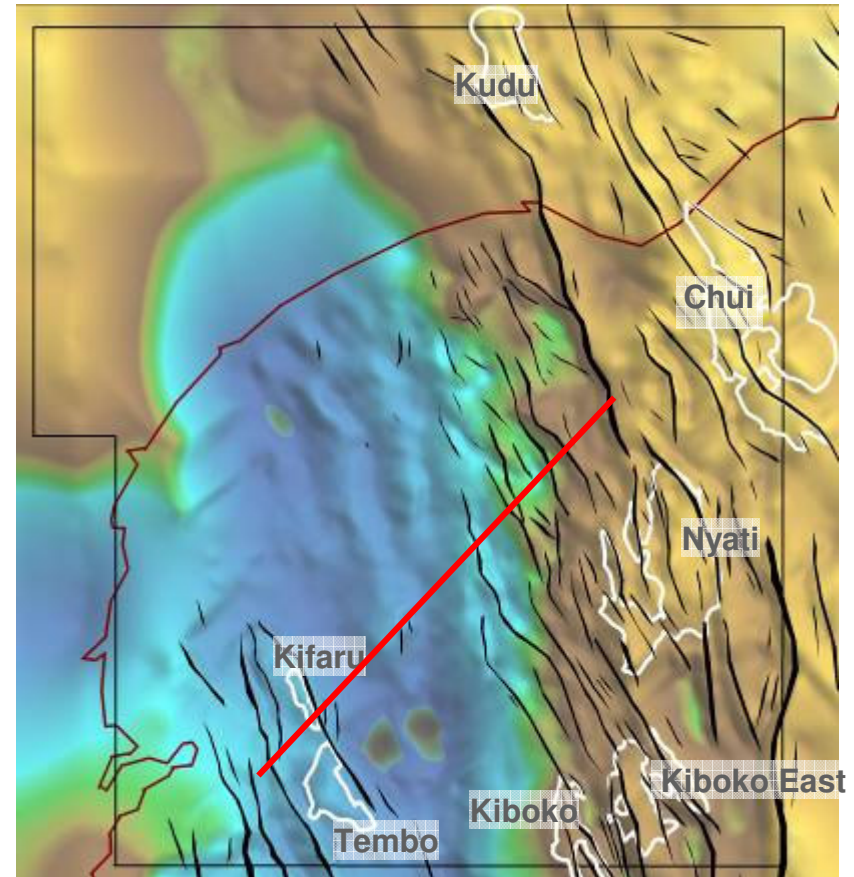
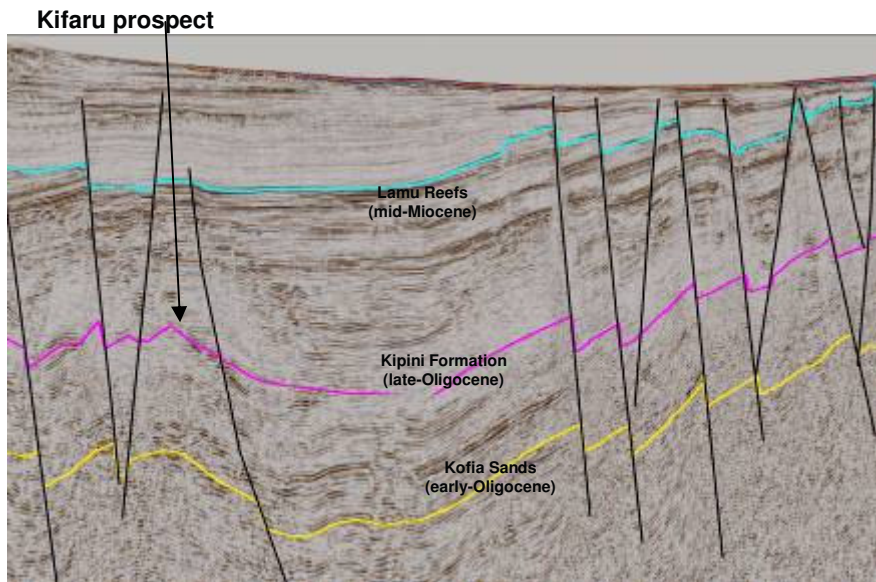


FALCON® data over depth to Kipini sands

kenya

prospects and leads

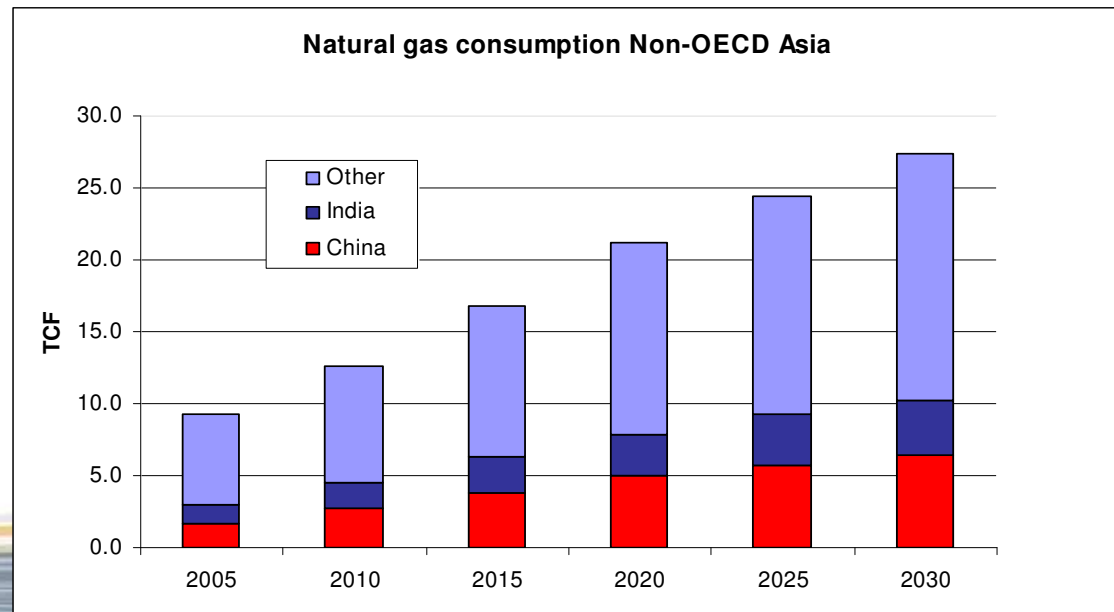
- 7 prospects mapped with EMV of USD605M*
- Oil and gas prospectivity
- On and offshore leads
- Supported by seeps and DHI's



	Rec Oil (mmbbls)	Rec Gas (bcf)
Tembo	93	268
Kiboko	157	454
Kiboko East	42	109
Kifaru	131	504
Chui	557	1072
Kudu	198	509
Nyati	497	1155
Total	1,675	4,070

* After AMOG Consulting Economics Report

- Good relationship with the Gvt
- Strong indication of hydrocarbons – CoS 20%
- Potential for recoverable reserves of 4.4TCF gas and 1.4bbbl oil
- Drill targets identified
- Gippsland Offshore are operator (60%)
- 2 wells in 4 years
- Bid submitted for additional acreage
- Proving our model to develop petroleum opportunities quickly and efficiently
- Recent interest from international companies in farming into the acreage
- Demand for gas and gas price in the region – strong!



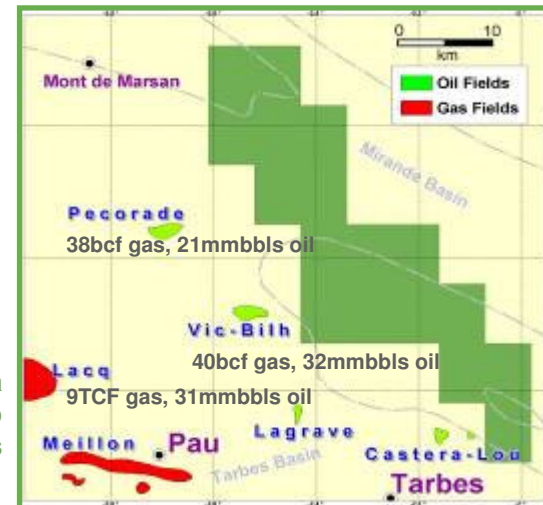
* After US DOE report Nov 08

- Last well drilled 1990
- 13 TCF gas and 450 mmbbls oil discovered to date
- Acreage available via Exxon withdrawal
- Infrastructure and market well developed
- Favourable economics
- 1,200 km² awarded through bid process
- Gippsland Offshore 50% equity

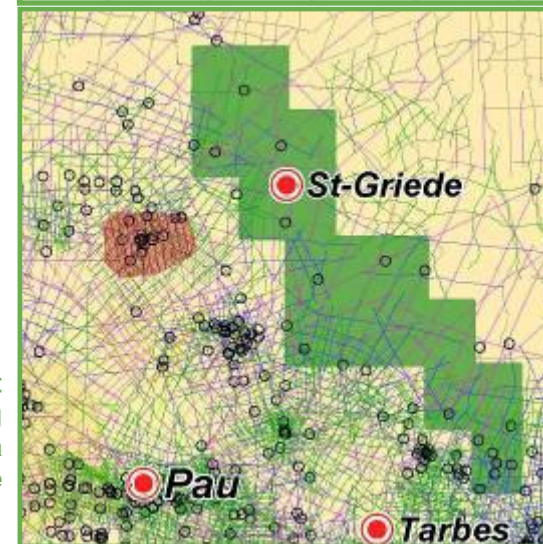


- Abundance of seismic data and wells in the area
- Close proximity to infrastructure
- “Fly-Drill” model to be adopted
- 5 year exploration term
- AUD6.5M expenditure commitment
- Budget expenditure 2nd half 2009 AUD500K

St Griede permit area showing proximity to producing fields



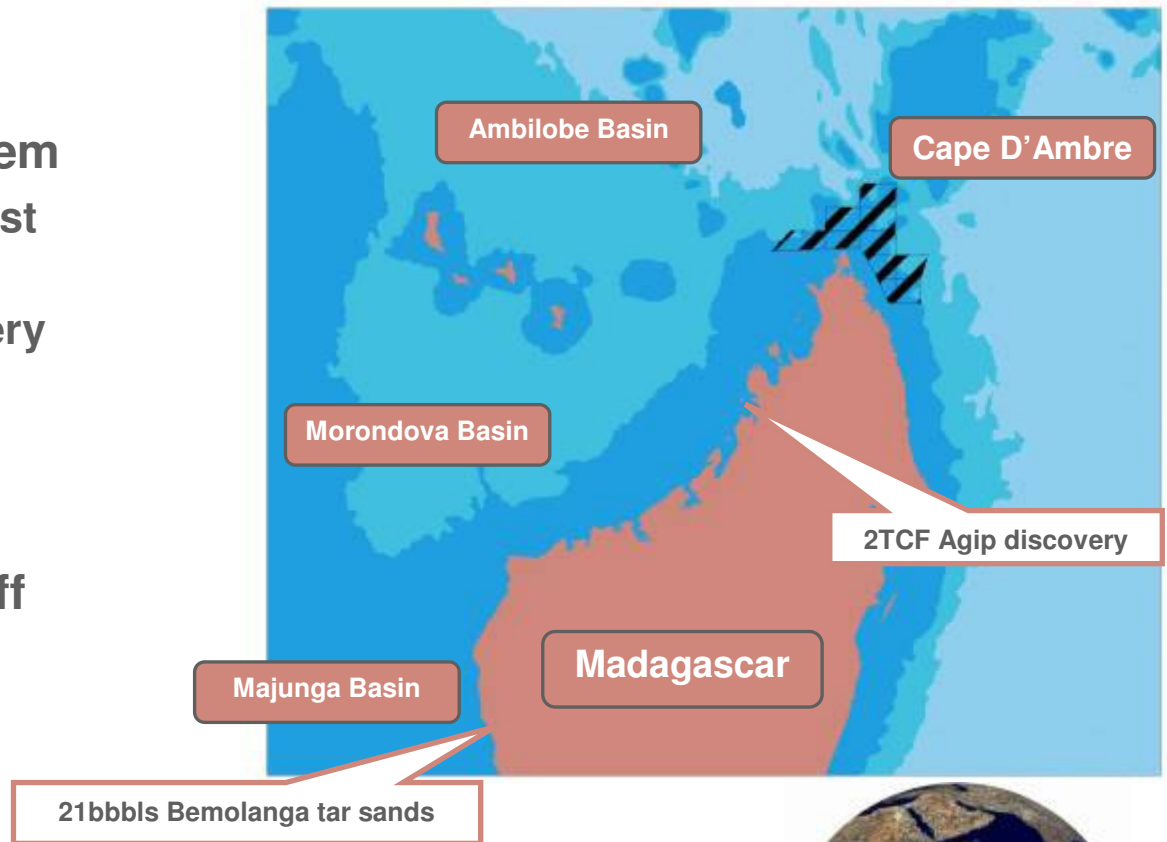
St Griede permit area showing seismic data coverage



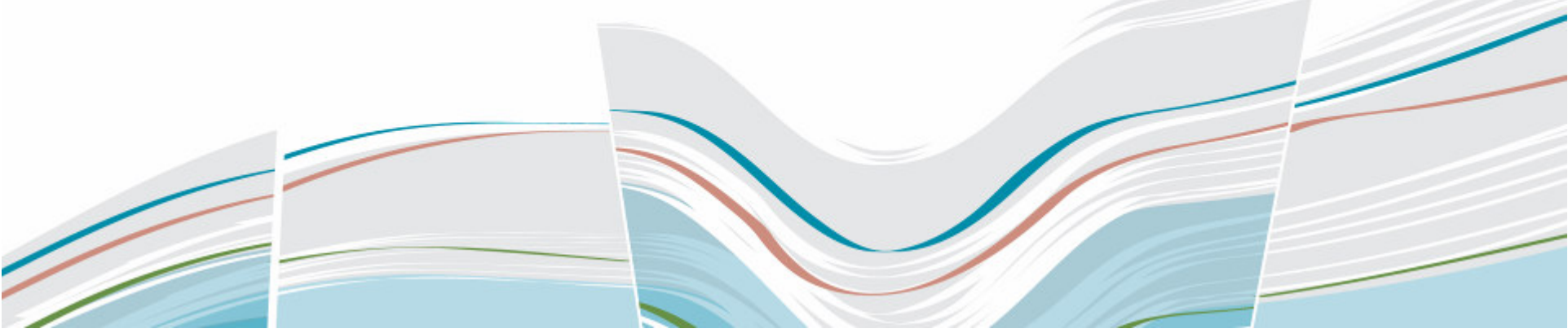
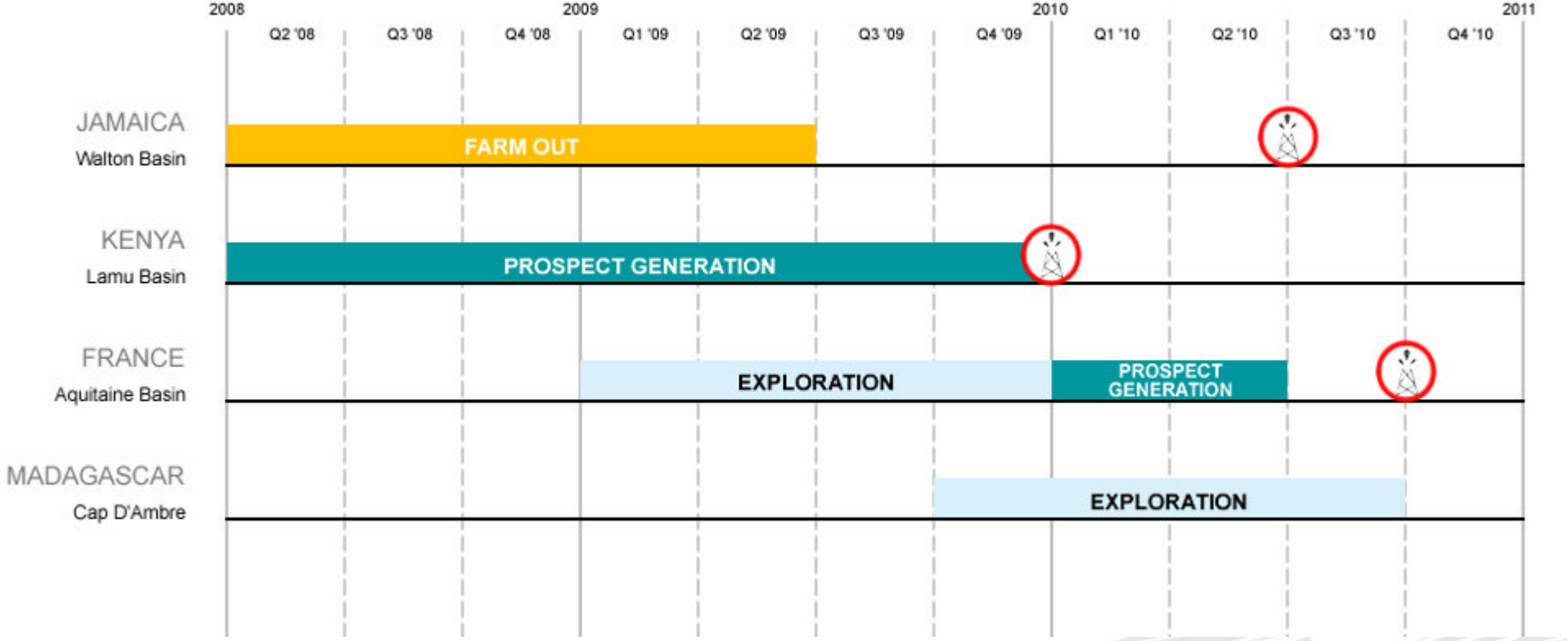
madagascar

cap d'ambre permit

- Prolific oil and gas generating region = working petroleum system
 - 30bbbls heavy oil on west coast
 - Agip 2TCF gas discovery
- Nice neighbours!
- Cape D'Ambre permit totalling 16,000km²
- Final government signoff underway (still)!
- 60% GOP (Operator)
- VERY frontier – poorly explored, min commitments



projects timetable



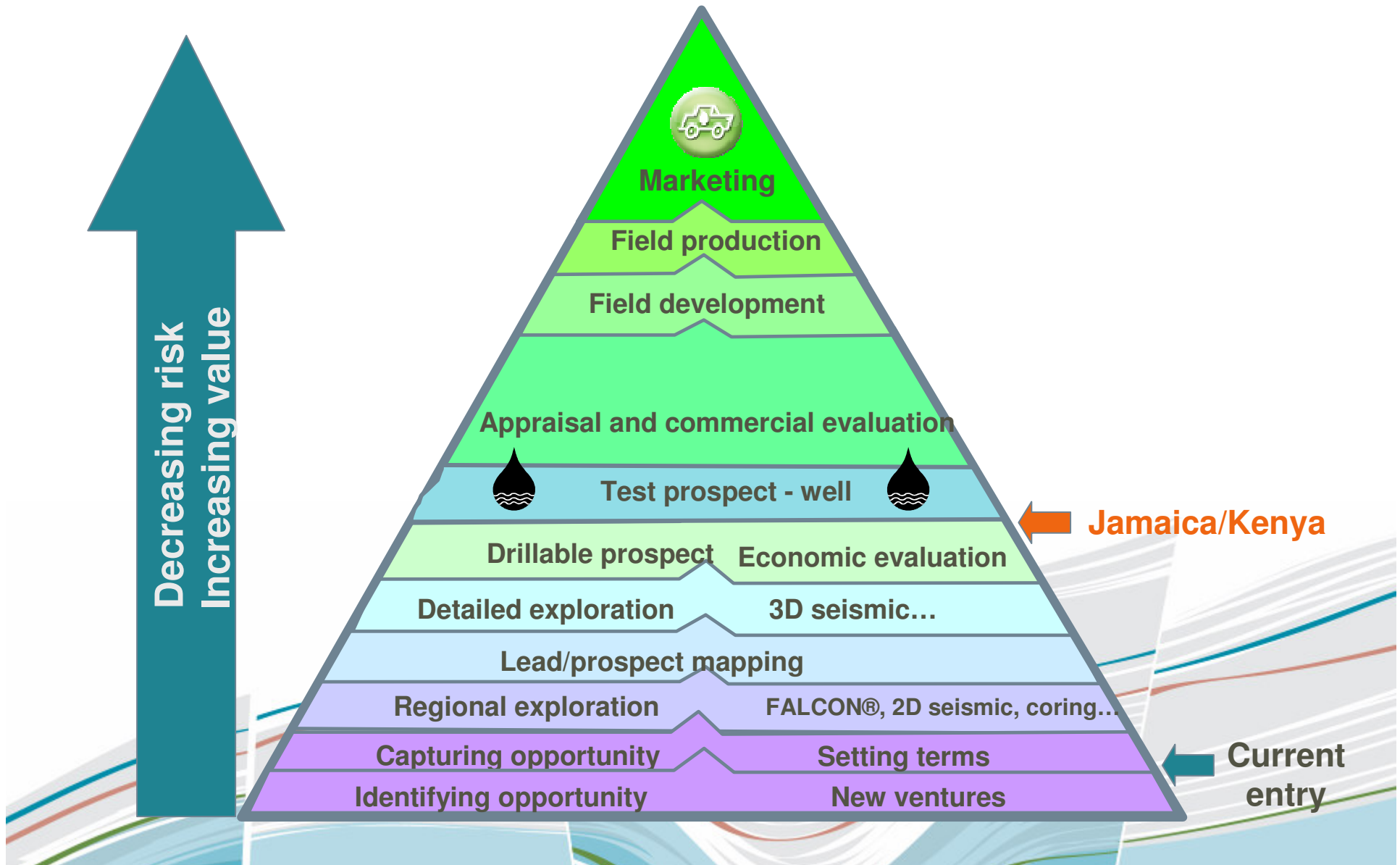
bhp billiton falcon[®] agreement update

- **FALCON[®] is high resolution density mapping tool**
- **Airborne gravity gradiometer technology**
- **Owned, developed and operated by BHP Billiton**
- **Excellent new venture scouting and leverage tool**
- **Exclusive, global rights to the technology for oil and gas exploration until March 2009**
- **BHP Billiton selling the tool to Fugro in 2009**

- **Currently building 3D geological models from FALCON[®] and 2D seismic integration**
- **GOP IP “transferrable” to competing technologies**



- Prove our fast tracking model works



- **Prove our fast tracking model works**
- **Continue to build a world class portfolio**
- **Continue to use our technology to lever into projects and be better at exploration**
- **Aim for balance on the portfolio – bring on potential development and production opportunities**
- **Testing exploration plays with a new partner in both Jamaica and Kenya in late 2009/2010**
- **Ride out the storm!**



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