EKEH FIELD DEVELOPMENT

Investment Opportunity

June 2015
Section 1 Executive Overview

• EKEH field is one of the most attractive Marginal Fields in Nigeria

• Reserves of 25 mmbbls P50

• Significant Upsides

• All legal/technical/operational/contractual issues progressed to enable early production

• Key risks ameliorated
Section 2: Overview of Nigeria

- Oil production 2.4 m bbls/day (4m by 2020)
- Over 1,000 Fields discovered (30bn+ bbls reserves)
- Long standing presence of Major Oil and Independent Companies provide industry stability
- Nigeria 4th largest oil supplier to USA @ 7% (Source IEA)
- Attractive risk/reward profile:
  - Numerous proven/undeveloped field opportunities
  - Attractive Fiscal Regime
  - High quality crude oil with good infrastructure
Historical Oil and Gas Production

Nigeria Crude Oil Production by Year

Year


Thousands of Barrels per Day

0 600 1200 1800 2400 3000
Legal/Regulatory Environment

- The Ministry of Petroleum has the supervisory duty over the oil industry.
- The DPR is the technical arm of the Ministry and is responsible for ensuring compliance with applicable laws and regulations.
- The legal system in Nigeria based on UK legal system.
- The PIB is a legal framework that seeks to reform and harmonize all industry regulations.
- Other regulatory agencies are the National Oil Spill Detection Agency (NOSDRA), the Nigerian Content Monitoring Board, The Ministry of Environment and the Petroleum Inspectorate.
Section 3

Marginal Field Programme
History of Marginal Fields

- Introduced by FGN in 2001

- Goal to stimulate indigenous E & P and develop smaller fields

- 24 licences allocated in 2003

- Licences extended in 2011 for 4 years

- FGN committed to assisting licensees to get into production
Economics of Marginal Fields

- PPT:- Reduced from 67.5% / 85% to 55%.
- Royalties to Government on sliding scale.
- Throughput Royalties to original concessionary on sliding scale.
- Other attractive fiscal concessions.
Marginal Field Royalties

Source: Company reports
Map of Marginal Fields

Source: Nigerian Department of Petroleum Resources 2008
Section 4

EKEH  Field History / Technical
Ekeh Field History

- Discovered in 1986 by Texaco.
- Awarded as a Marginal Field in 2003 to Movido.
- Farm-out Agreement signed with Chevron in 2004.
- SLJ provided initial field development funding.
- Field Development Plan May 2005.
- Ekeh 2h well spudded May 2005.
- Confirmed well Integrity Sept 2008.
- First production October 2008.
- Licence extended in 2010.
Key Technical Data

- Location 15 Km offshore Bayelsa State in OML 88
- 3D seismic data available.
- Full suite of logs available.
- CPR available.
- Water Depth 50 ft.
- Test rate Ekeh 1 2195 bopd on ½” Choke from 10 ft perf.
- Gravity 35.5 API.
- GOR 450.
- Porosity high 25% +
- Permeability Excellent 1-2 Darcy
Source Rock: Shale from Akata and Agbada Formations

Reservoirs: Reservoir qualities excellent although reservoirs may be polygenetic

Porosity > 25% : Permeability > 1.7 Darcy

Sand Development: Excellent, ranging from 50’ to 350’

Hydrocarbon Trapping Mechanism: Structural 4-way closure on bounding faults

Sealing Mechanism: Sand in juxtaposition to shale/clays across faults

Hydrocarbon Manifestation:
- 57’ of net oil in Uro-9; no oil water contact
- 79’ of net oil in Iku 3 sand; no gas cap
- 71’ net gas in Iku 5 sand, no hydrocarbon water contact
- 42’ net oil in Iku 6 reservoir, no gas cap & no water contact
- 15’ net oil in Ewinti 2 sand
- 79’ net oil in Ewinti 2.1 sand no OWC
Figure 2-5: Seismic cross line 460 through Ekeh-2H
Depth Structure Map: Ewinti 2.1
Logs Ekeh 1H & 2H
Logs Ekeh 1H & 2H
Recoverable Reserves

Cumulative Probability vs Recoverable Oil Resources

- Movido P10
- High Case 6 well Development 12
- Movido P50
- Base Case 5 well Development
- Movido P90
- Low Case 4 well Development
- Minimum Case 3 well Development
- Probabilistic distribution
- Extreme High cases would require more than 6 wells
Potential Upsides

- Deeper sands in the Ekeh fault block not yet reached by this well are productive in the offset Middleton Field.
- Recovery factor - is dependant on oil price - additional wells only require to add an additional 180,000 bbls to cover costs at $70/bbl.
- There are other potential reserves within the area.
- Revenues from others using Middleton.
Development Plan Summary

- Refurbish Middleton in stages.
- Drill additional wells Ekeh 3H and 4 H.
- Install unmanned sealed well head platform with telemetry.
- Lay pipelines to Middleton and initiate production.
- Initial production targeted at 5,000 bpd.
- Drill further additional development wells.
### 25 MMBO Reserve

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<th>Item</th>
<th>Cost ($/bbl)</th>
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<tr>
<td>Development cost</td>
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<tr>
<td>Operating cost $35,000/day</td>
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<tr>
<td>Royalties/nddc 6.5% @ 5,000 bpd</td>
<td>6.0</td>
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<tr>
<td>Contingency</td>
<td>2.0</td>
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<tr>
<td>Total Costs</td>
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# 25 MMBO Barrel Economics

Base total costs 23$/bbl

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<tr>
<th>Oil Price</th>
<th>Net Taxable</th>
<th>PPT 55%</th>
<th>Net after tax</th>
<th>Field Value $mm</th>
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Reserves Oil Price & NPV
Big Picture
Key Investment Risks

- Security
- Oil Price
- Production rate
Section 7
EKEH Field Shareholders

• Movido E & P  60%
• DWC          20%
• SLJ          20%

Note: SLJ have circa 31.35% economic interest in the Ekeh field, subject to separate agreements between SLJ and DWC.
Movido: History

• Movido E & P was established in 2001 in response to the commencement of Federal Government of Nigeria’s Marginal Oil and Gas Fields Programme.

• Movido bid for 2 Marginal Fields in 2001 and was awarded the Ekeh Field in 2003 following the technical and commercial bids.

• Movido with its partners SLJ & DWC driled the Ekeh 2h well in 2005 and discovered 4 additional reservoirs, and significant reserves.
Movido: Key Personnel Board & Management

- The Movido Board comprises of seasoned administrators, businessmen and oil & gas professionals with several years of experience in the international oil and gas industry.
- Chairman Hajia Aisha M.S. Ismail (MON) is a seasoned administrator and has headed several international organizations and NGOs.
- Managing Director Mr. Bayo Sadare is a professional geologist with over 35 years in the international oil & gas industry and has held managerial positions in several petroleum provinces including the Niger Delta, North Sea and Gulf of Mexico.
- Executive Director Finance is Mr. Victor Enahoro has held management positions in several organizations and is director of other oil and gas companies.
- Director Mr. Dahiru Wada is a businessman who has held management positions in several organizations and is a director of other oil and mining companies.
- Director Dr. Kayode Aremu is a petroleum engineer with several years of experience in the international oil industry as well as director of other oil and mining companies.
- Director Mr. Sadiq El-Dau is a businessman and director of other oil and mining companies.
Movido Management

- Mr. Bayo Sadare – Managing Director is a 1972 graduate of Geology and a professional Petroleum Geologist with vast managerial experience in several petroleum provinces including the Gulf of Mexico, North Sea and Niger Delta. His experience covers such areas as prospect generation, well planning, field development and economic evaluation of exploration and development efforts. He has worked with Occidental Petroleum, Texaco and OPEC Secretariat as Development Geologist, Regional Geologist, Manager Exploration and Development. In 2008 he was given an award for Excellence for meritorious contribution to the Oil Industry in Nigeria. He is a member of the AAPG, SPE, SEG and NAPE.

- Mr. Victor Enahoro – Executive Director Finance has a B.Sc in Marketing and an MBA in International Business and has worked extensively in the local and international environment since 1986 holding management positions in several organizations. He is also a director of other oil and mining companies.

- Mr. Friday Lolo – Administrative/Business Manager is an Engineering graduate from Camborne School of Mines England. He has an MBA (Finance) and has attended several seminars on Finance and Management. He is a member of the Nigerian Society of Mining Engineers. Mr. Lolo has held management positions in mining companies.
Movido: Growth Strategy

• Phase 1: Movido’s growth strategy is to develop Ekeh Field in a cost efficient manner, and to safely, responsibly and professionally develop the known reservoirs in Ekeh Field and to explore and develop the upside potentials of Ekeh Field.

• Phase 2: Target and acquire other marginal oil and gas fields with large upside potentials where reservoir parameters are reliably known from wells that have been previously drilled. The availability of well heads, infield pipelines, etc., will reduce the risks typically associated with production of crude oil.

• Phase 3: To bid for and acquire oil and gas blocks in future Oil and Gas bid rounds in Nigeria and the West African region.
DWC Profile

• DWC Supplies SPV for Ekeh

• DWC has advised and supported many Nigerian Marginal oil Fields and investors.

• MD Michael R. Barnes 37 years international oil executive with Amoco and technical manager of Addax Nigeria before forming DWC.

• Thorough Knowledge of Nigerian market and opportunities

• Nationality: British
DWC History

• DWC Supplies was established in 2004 in response to the commencement of Federal Government of Nigeria’s Marginal Oil and Gas Fields Programme.

• Reviewed all Marginal Field opportunities extensively before selecting Movido/Ekeh to partner.

• DWC Companies have a history of assisting many indigenous Companies from studies through provision of drilling rigs and personnel to complete asset management.
DWC Key Strengths

• Many years of experience operating in the Nigerian environment.

• Excellent network of contacts together with technical expertise.

• Outstanding track record of delivering value additions through production and reserves increases.
SLJ Profile

- SPV created specifically to invest in EKEH Marginal field
- SLJ has provided majority of funds to date for field development works.
- SLJ main beneficial owners:
  - Lar Bradshaw
  - Jim O’Driscoll
  - Irish Government (IBRC)
Investment opportunity:

- Approximately $80m funding required for field development plan.
- Significant debt financing available.
- Possible opportunity to purchase equity in the field.
- Significant opportunity to create platform for further expansion in Nigeria/Marginal Fields, and other non-marginal blocks.