

RISC Acquisitions & Divestments

Wain PSC Investment Opportunity

Comprising an approved low-cost gas development, proximal to existing infrastructure and one of Indonesia's gas hungry domestic markets

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PT. Pandawa Prima Lestari ("Pandawa") is offering prospective buyers the unique opportunity to acquire an interest in the Wain PSC, located in Indonesia's prolific Kutai Basin, onshore East Kalimantan. The Wain PSC contains the approved low-cost Karamba gas development together with an inventory of low risk prospects and leads. A 35% non-operated, or 51% operated interest is available to buyers.

Opportunity Highlights

- Near term production and low-risk exploration in one of Indonesia's largest gas producing regions, on-trend with multiple producing fields.
- PSC term to 2037 with all firm commitments and relinquishments completed.
- Includes the Karamba gas field with an estimated gross 2C contingent resource of 153 Bcf.
- High-quality, commercial reservoirs proven by DSTs. Significant Karamba resource upside potential associated with untested reservoir sands.
- SKK MIGAS approved Karamba Plan of Development ("PoD"), with FEED study underway and first gas achievable in less than one year.
- Potential to ramp production to over 35 mmscf/d.
- Low cost development facilitated by re-entry of existing well, two shallow development wells, dry gas processing facilities and ability to tie in to the nearby Lawe-Lawe terminal.
- Gas production to supply nearby Balikpapan refinery, with the under supplied East Kalimantan gas market driving attractive gas pricing.
- Further development potential from the discovered Mentawir structure and other identified prospects and leads ~1.1 Tcf (Best case, unrisked).
- Ability to quickly commercialise additional resources supported by declining regional gas supply, growing ullage in nearby pipeline and refining infrastructure and multiple emerging local gas buyers.

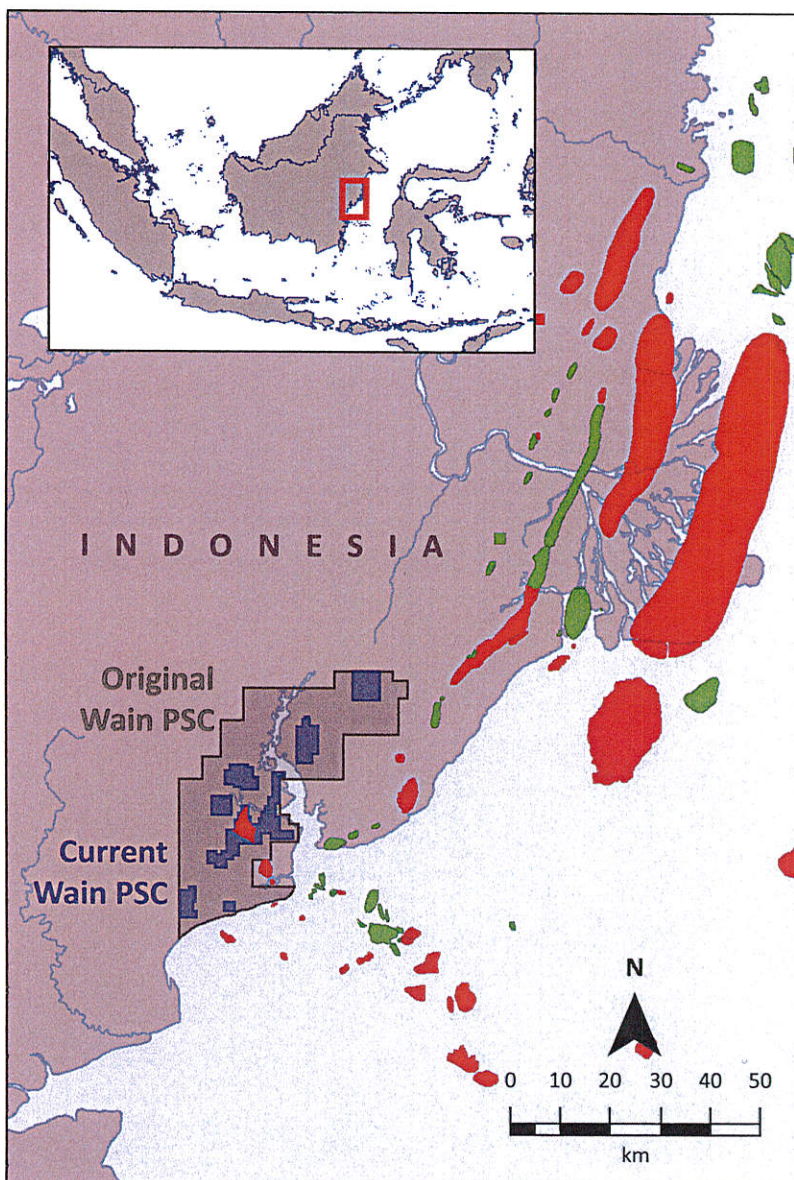


Figure 1: Wain PSC location



Wain PSC

The Wain PSC is located in the southern part of the Kutai Basin, on-trend with multiple large producing fields to the North East, and less than 20 km from the Lawe-Lawe terminal and Balikpapan refinery.

Pandawa is the 100% owner and operator and was awarded the PSC in 2007 for a term of 30 years. The PSC covers an onshore area of ~230 km² post the final relinquishment. Firm commitments including two exploration wells (SK-1, KUD-1), 2D/3D seismic, reprocessing and studies have been completed.

Seven wells have been drilled on block since 1975, all encountering hydrocarbons. The block contains the discovered Karamba Updip structure, plus eleven identified prospects and leads.

Karamba Gas Field

The Karamba gas field is a small faulted anticline, located in the central part of the block. It was discovered by the Karamba Updip-1 (KUD-1) well in 2015, which encountered multiple good quality sandstone reservoirs in the Early Miocene aged Pulau Balang formation. Total net gas pay at KUD-1 was 235 feet.

Five DSTs were conducted, three of which flowed gas to surface and demonstrated commercial flow rates with a combined rate of ~20 mmscf/d (72 hour tests). With 3½" production tubing the combined rate could comfortably reach 35 mmscf/d, with no water. The gas is dry with very low CO₂ (below 0.5%) and no H₂S.

Pandawa estimates the gross 2C resource for the Karamba Updip structure to be 153 Bcf with a plateau production rate of 35 mmscf/d. GCA have independently assessed the gross 2C resource as 104 Bcf (including fuel gas) based only on the tested reservoir sands, and excluding the significant resource potential associated with a number of untested sands encountered by KUD-1.

Initial Low-cost Development: PoD

The Karamba PoD was approved by SKK MIGAS in April 2018. Key development attributes include:

- Production plateau: 7.5 mmscf/d, from H2 2019
- Drilling: Re-entry of KUD-1 well plus drilling of KUD-2 to ~1,500m TD. One infill well post first production.
- Production facilities: Flowline, separator, water pond/treatment plant, metering & compressor.
- Export pipeline: ~20 km from production facilities to existing Lawe-Lawe terminal.
- Commercial: Gas sales to Pertamina owned Balikpapan refinery via the Lawe-Lawe infrastructure.
- Significant approved sunk cost pool.

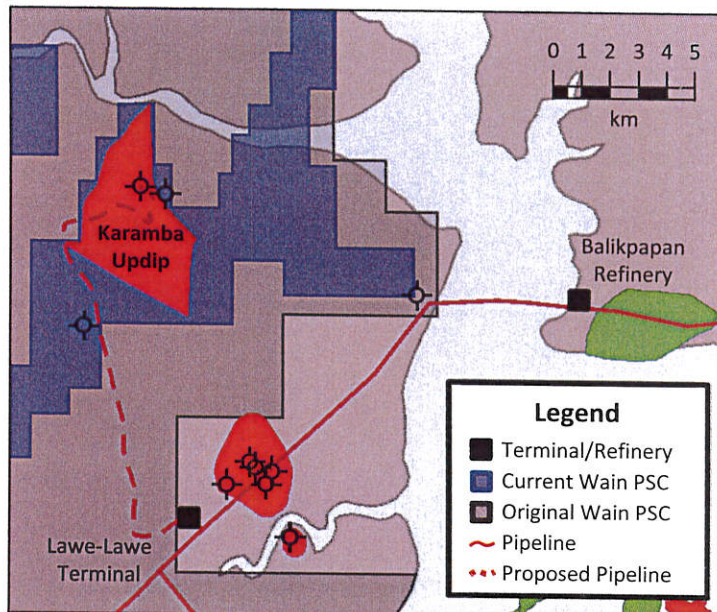


Figure 2: Karamba Updip Development

Significant Potential Beyond the PoD

The PoD represents the initial development. Further production & development potential is underpinned by:

- Potential to increase production to over 35 mmscf/d as Karamba infill wells come online.
- Additional Karamba resource potential associated with several untested reservoir sands. Testing is planned for the KUD-2 well in Q4 2019.
- Drilling and development of the low-risk Mentawir structure, previously drilled off crest by Mentawir-1 in 1976. The prospective resource associated with the Mentawir Updip structure is 240 Bcf (Best case).

Commercialisation of additional gas resources is aided by declining regional gas production, a lack of competing new gas supply and the opening up of significant ullage in the nearby Lawe-Lawe terminal and Balikpapan refinery. Multiple other local gas buyers are also emerging requiring significant gas supply beyond 2021.

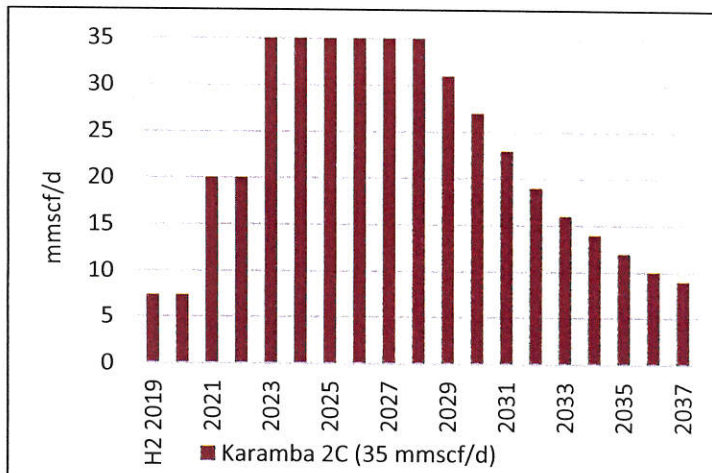


Figure 3: Wain Development Potential



Exploration Upside Potential

In addition to the Karamba gas field, nine prospects and two leads have been identified on 2D seismic data. The total unrisks prospective resources associated with the prospects is ~0.8 Tcf (Best case including Mentawir) plus an additional ~0.3 Tcf associated with the leads.

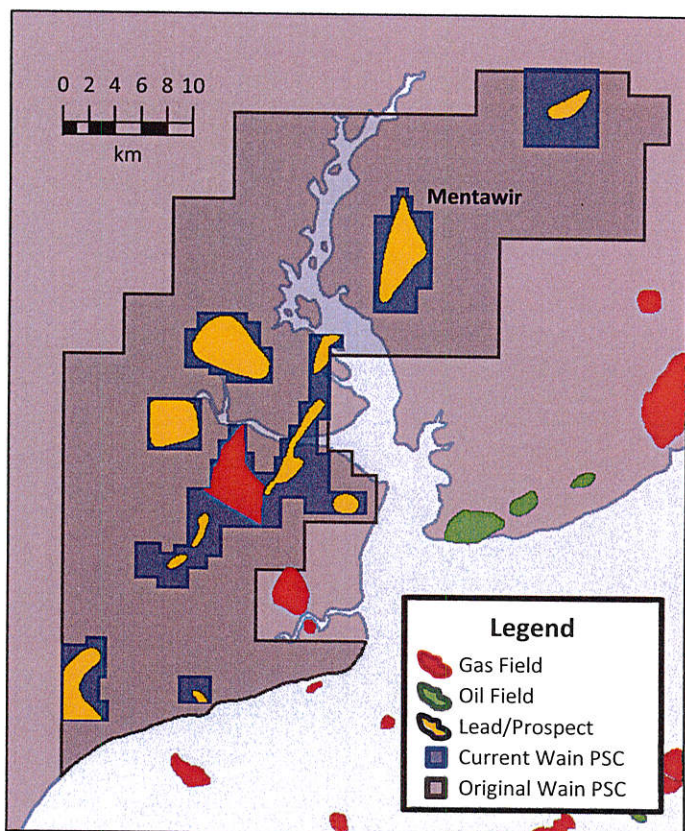


Figure 4: Wain PSC Prospects and Leads

PSC Terms

Attractive PSC terms provide for a Contractor profit share of 53.6% for gas. The cost recovery mechanism is block based rather than ring-fenced to any particular discovery, allowing future exploration expenditure to be cost recovered against near term Karamba production.

The contract period to 2037 allows ample time for the discovery and development of the block's resources.

Effective Date	Jan 2007
Contract Period	30 years to Jan 2037
First Tranche Petroleum	10% to Government
Cost Recovery Cap	100% of production
Contractor Profit Split	Gas: 53.6% (30% after tax) Oil: 35.7% (20% after tax)

Table 1: Key PSC Terms

Divestment Process

PT. Pandawa Prima Lestari is inviting selected parties to a Data Room with a view to divesting either a 35% non-operated, or 51% operated participating interest in the PSC.

RISC A&D has been appointed as the exclusive advisor for this process.

A management presentation and workstation data room located in Jakarta will be made available upon execution of appropriate confidentiality arrangements.

Contact

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