BLUELAKE ENERGY

Mitra Energy Valuation

Presented to

TUDOR INVESTMENT CORPORATION

Summary and Conclusion

Summary

- We have prepared this valuation of Mitra Energy as at January 2010 for Tudor for internal valuation purposes.
- The valuation is based on the discovered and contingent assets of the company and focuses on the Philippines and Indonesian assets, where in our opinion there are immediate plans to drill prospects.
- The valuation of the Philippines is based on detailed consideration of the known geology on Block SC 56 in particular.
- As yet guidance from Mitra post drilling is sketchy at best so we have relied upon the pre-drill reserve potential and compared this to other known discoveries in the Sula Sea basin and in basin analogs around Kalimantan Island such as the Baram delta.
- We have then constructed a DCF model of a potential gas development on SC 56 as used this as the basis for our valuation.
- The other discovered asset in the portfolio is Sibaru in Indonesia and we value this on the basis of work carried out on Salamander Energy in the region where our detailed DCF modeling has produced $/boe values of between $5/boe-$10/boe for Indonesian projects. This is backed up by our transactions analysis shown on page 17 of $8.10/boe for 2P reserves. We use an unrisked $5/boe for Sibaru to be conservative.

Conclusion

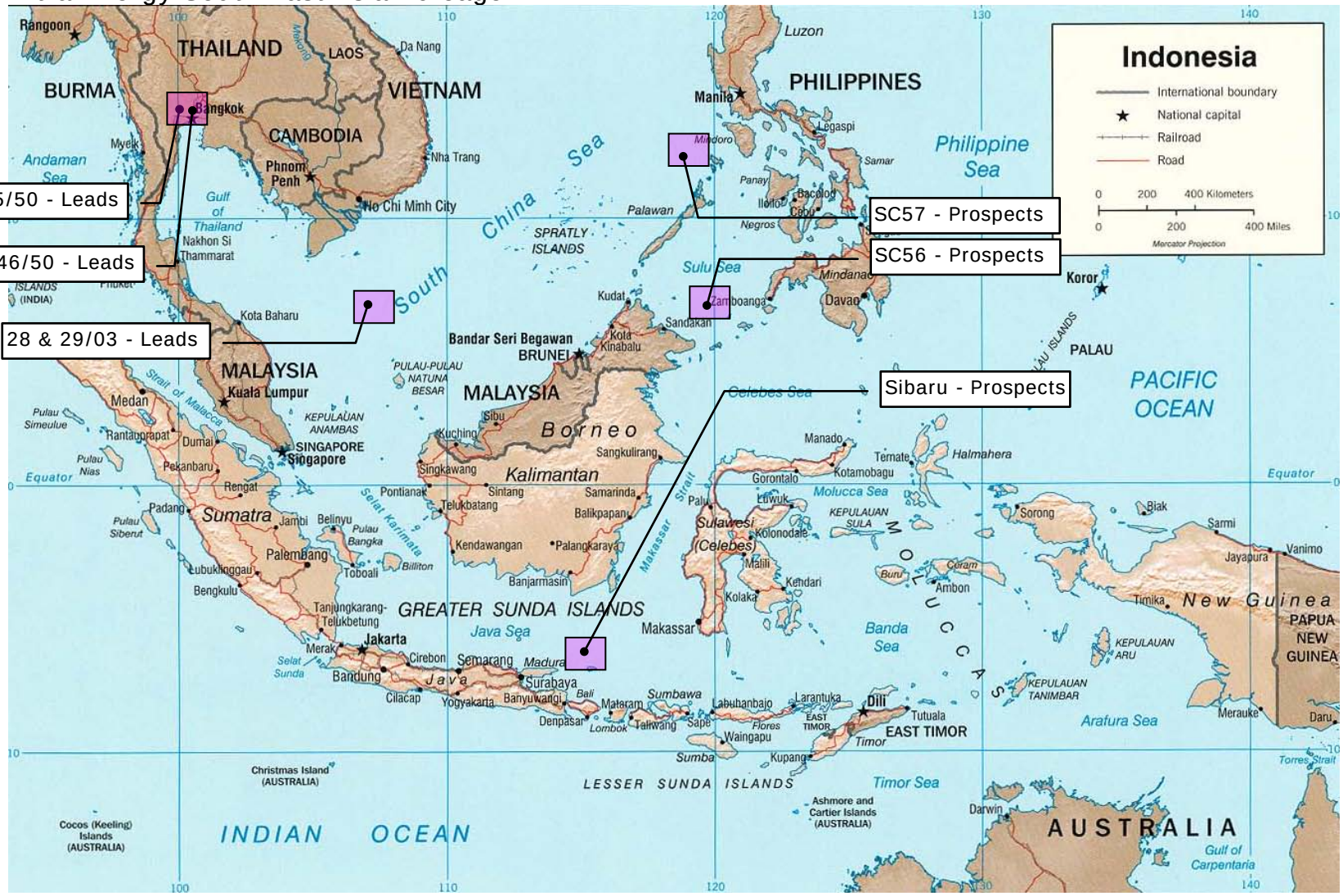
- So far, from speaking to Mitra and studying press releases there appears to have been a significant gas discovery on SC 56 in the Philippines.
- Exxon (Operator) and the Philippines government have released joint press statements hailing the discovery and in our opinion both parties would not normally have done this unless the discovery was material.
- Furthermore, a second prospect will be drilled immediately and this is usually an indication of predictable geology in the first well leading to predictable follow-on drilling in the second.
- That is why our valuation is based on the mid-high case pre drill volumes on SC 56 with some risked value for the second well included in the valuation. More information should be forthcoming in the first quarter of 2010 to re assess this position.
- So in the main part of our valuation we assume
  - SC 56 gross gas discovery 380MMboe-703MMboe (Mitra 25% of this)
  - Second gas prospect 630MMboe (Mitra 25% of this)
  - Sibaru 464MMb unappraised discovery (Mitra 60% of this)
- In valuation terms the Core (discovered but unappraised) value is $603MM ($6.60/share). Risked Upside to this is a further $373MM ($4.10/share) giving total value of $976MM ($10.70/share)

Reserve Assumptions

Country	Working Interest (%)	License	Gross Gas (bcf)	Gross Oil (MMbbl)	Gross Total (Mmboe)	Net Total (Mmboe)	Notes
Philippines	25%	Dabakan-1	3302	110	660	165	1st of 10 mapped prospects totalling 2634MMbbl
	25%	2nd well	3180	100	630	158	2nd of 10 mapped prospects totalling 2634MMbbl
	21%	SC57 - SO2			248	52	1 of 8 mapped prospects totalling 652MMboe
Indonesia	60%	Sibaru			464	278	Single prospect
Vietnam	50%	28/03			50	50	High risk lead
		29/03			50	50	High risk lead
Thailand	100%	L45/50 & L46/50			28	28	High risk lead

Asset Overview

Mitra Energy South East Asia Acreage



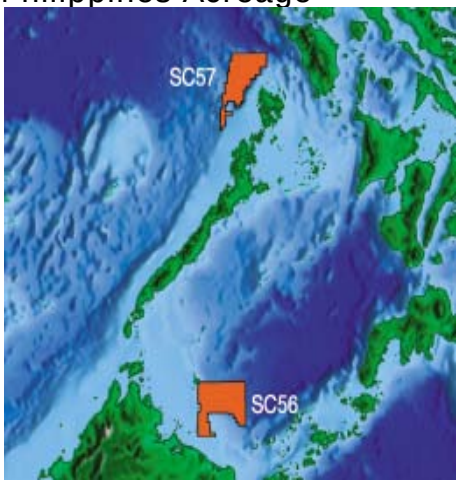
Source: University Texas Maps, Hulf Hamilton

Commentary

- Map shows main Mitra licenses with working interests as follows:
  - L45/50 (100%)
  - L46/50 (100%)
  - 28 & 29/30 (50%)
  - SC 57 (21%)
  - SC 56 (25%)
  - Sibaru (60%)
- In valuation terms we value drillable Prospects higher than leads.
- Leads are shown but do not carry any value until they have become drillable.
- Mitra must invest in certain geological analysis such as 2D/3D seismic and interpretation to migrate Leads to Prospects.
- The status of seismic on certain licenses is as follows:
  - L45/50 (none)
  - L46/50 (none)
  - 28,29/30 (2D +3D)
  - SC 57 (2D + 3D)
  - SC 56 (2D + 3D)
  - Sibaru (2D + 3D)

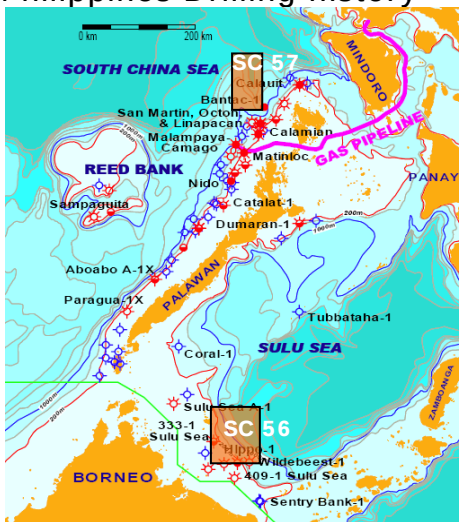
Philippines Asset Overview

Philippines Acreage



Source: Mitra

Philippines Drilling history



Source: Gov Philippines

Overview

The Philippines acreage is generally characterized by high risk high reward deepwater prospects on the fringes of existing basins. Although the company is far from the discovery stage – fiscal terms in the Philippines are attractive and this is a motivation for companies in the area – [Service fee of up to 40% of net production, cost reimbursement of up to 70% gross production with carry-forward of unrecovered costs, exemption from all taxes except income tax, income tax obligation paid out of government's share].

SC57

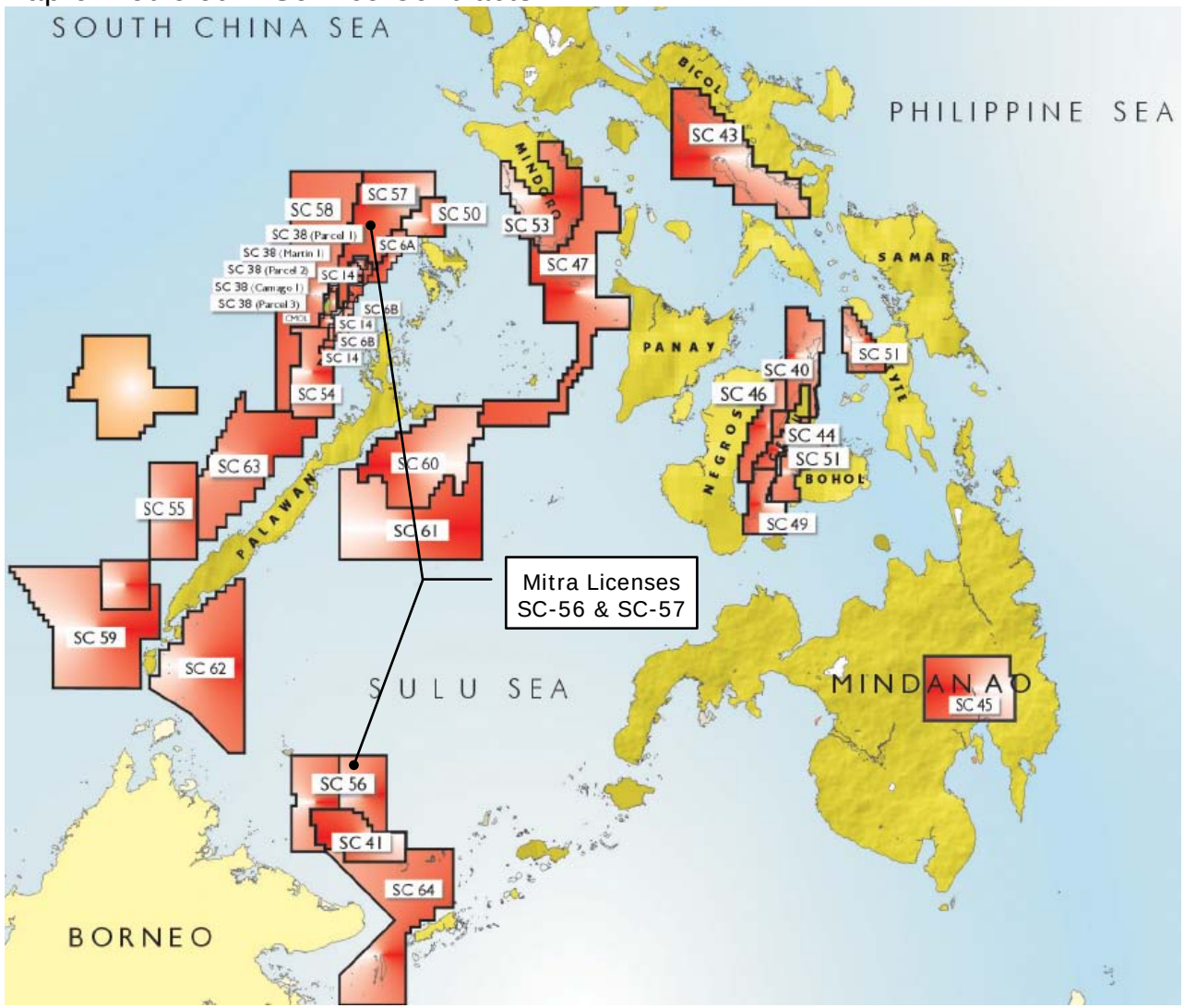
- Mitra has a 21% working interest in the SC57 located in Philippines waters off the northeast coast of Borneo; CNOOC holds 51% equity and is operator of the block, with Philippines National Oil Company (PNOC) holding the remaining 28%.
- SC57 is in the West Palawan basin as drilled by Nido Petroleum (Galoc field), but is in deeper waters. The license covers an area of 7,120km2.
- Since April 2006 2,269km of 2D seismic data has been acquired and 1,080km reprocessed.
- More than 40 prospects and leads have been identified in the established Nido Limestone trend, analogous to the Camago-Malampaya field to the southwest, and in Lower Miocene and Paleogene clastics.
- The play potential is high risk-high reward in nature and exploration drilling is planned for 2010 where the first (248MMbbl) of 8 prospects totaling 652MMbbl will be drilled.

SC56

- Mitra has a 25% working interest in SC56. A farm-out agreement has been signed with ExxonMobil whereby ExxonMobil will assume operatorship and drill the first well, Dabakan-1.
- The PSC covers an area of 8,620km^2.
- In November - December 2006, Mitra acquired 2,265km of 2D seismic data and 1,760km^2 of 3D seismic
- The PSC is located in water depths up to 3,000m, covering the transition from offshore shelf to abyssal plain. The principle hydrocarbon play is the Miocene deepwater turbidite of the Sandakan Basin. An independent (Gaffney Cline 2006) best estimate for the block's resource potential is 5674MMbbl for the top twelve prospects; we have valued the first two prospects (380MMbbl + 630MMbbl gross).
- SC 56 is in the Sulu Sea region It was drilled in 1957 to test the Tubbataha reefs. Since then, a total of 18 wells have been drilled in the region, 7 in East Palawan and 11 in Sulu Sea. Eight of these wells have oil and gas shows. The Block covers an area of 7,120km^2 in water depths up to 3000m offshore NW Palawan.

Philippines Petroleum Licenses

Map of Petroleum Service Contracts



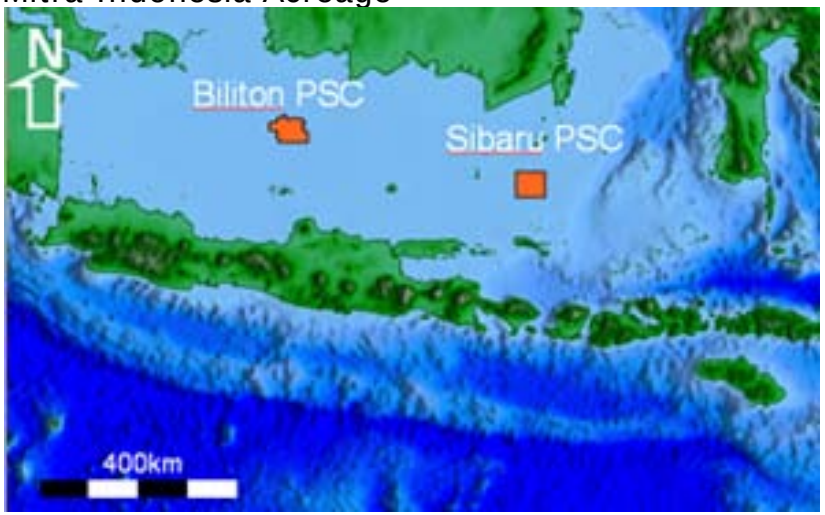
Source: Department of Energy, Philippines, 2006

List of Petroleum Service Contracts

SC	SERVICE CONTRACTS (SC)
6	The PHILODRILL Corporation/Oriental - NW Palawan (Area = 164,837.72 ha.)
14	The PHILODRILL Corporation - NW Palawan (Area = 70,887.56 ha.)
37	Philippine National Oil Co.- EC - Cagayan Basin (Area = 36,000.00 ha.)
38	SHELL PHILIPPINES Exploration B.V. - Palawan (Area = 158,526.00 ha.)
40	FORUM ENERGY PHILIPPINES Corp.- N. Cebu (Area = 458,000.00 ha.)
41	Tap (Philippines) Pty. Ltd.*. - Sulu Sea (Area=832,386.00 ha.)
43	PREMIER OIL EXPLO. BV - Ragay Gulf (Area = 1,088,000.00 ha.)
44	GAS2GRID Pte Limited - Central Cebu (Area = 100,000.00 ha.)
45	South Sea Petroleum Holdings Inc. - Agusan-Davao (Area = 748,000.00 ha.)
46	JAPEX Philippines,Ltd.- Offshore Tañon Strait (Area = 328,000.00 ha.)
47	PETRONAS Carigali, Sdn. Bhd. - Offshore Mindoro (Area = 1,466,700.00 ha.)
48	Aragorn Power & Energy Corp. - Cagayan (Area = 748,000.00 ha.)
49	RANHILL BHD - Southern Cebu (Area = 265,000.00 ha.)
50	NORASIAN Energy Limited - Northwest Palawan (Area = 172,000.00 ha.)
51	NORASIAN Energy Limited - East Visayan (Area = 444,000.00 ha.)
52	E.F. Durkee & Associates, Inc. - Cagayan (Area = 96,000.00 ha.)
53	LAXMI Organic Industries- Onshore Mindoro(Area = 660,000.00 ha.)
54	Nido Petroleum Philippines Pty. Ltd. - NW Palawan (Area = 537,616.15 ha.)
55	NORASIAN Energy Limited - West Palawan (Area = 900,000.00 ha.)
56	MITRA Energy Limited - Sulu Sea (Area = 862,000.00 ha.)
57	CNOOC Int'l. Ltd.* - North Calamian, NW Palawan (Area = 720,000.00 ha.)
58	Nido Petroleum Phil. Pty. Ltd.* - West Calamian,NWP (Area = 1,340,000.00 ha.)
59	Phil. National Oil Co.- EC - West Balabac, SWP (Area = 1,476,000.00 ha.)
60	SHELL PHILIPPINES Exploration B.V. - NE Palawan (Area = 1,008,000.00 ha.)
61	Burgundy Global Exploration Corp. - NE Palawan (Area = 1,356,000.00 ha.)
62	Burgundy Global Exploration Corp. - SE Palawan (Area = 1,302,000.00 ha.)
63	PNOC- EC/ Nido Pet Philippines - SW Palawan (Area = 1,056,000.00 ha.)
64	RANHILL BHD - Sulu Sea (Area = 1,264,940.00 ha.)
	In Process for Service Contract Award

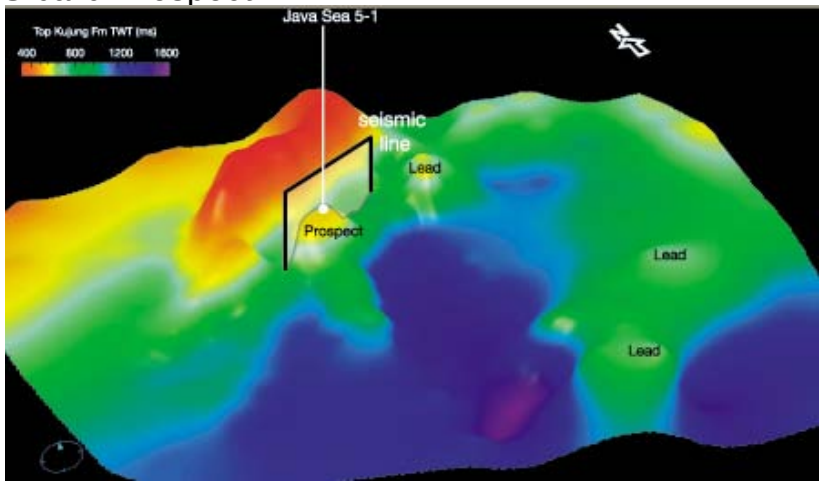
Indonesia Asset Overview

Mitra Indonesia Acreage



Source: Mitra

Sibaru Prospect



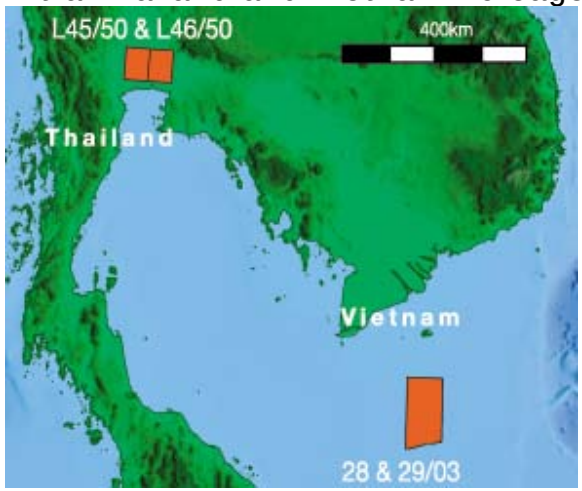
Source: Mitra

Commentary

- Mitra has a 60% working interest in the Sibaru PSC with Pearl Energy holding the remaining 40%.
- The block lies in the East Java Sea, south of Borneo, and covers an area of 3,983km2 in water depths of up to 100m.
- 3,000km of vintage 2D seismic data covers the Sibaru PSC. Two wells have been drilled in the block: the first well, JS5-1 was drilled by Cities Service in 1971, and targeted the culmination of a large, approximately 120km^2, Kujung Reef structure. The second well, NSA-1C, was drilled by Agip in 1982 in the syncline to the southeast, targeting Ngimbang clastics in a small four-way closure. A recent fluid inclusion study on that well indicates the presence of liquid and gaseous phase hydrocarbons, suggesting the presence of mature source rock nearby.
- The JS5-1 well encountered five zones and partially tested these at 2.0MMcf/d before technical difficulties foreshortened the test.
- Oil shows were recorded during drilling
- In 2008 a petrophysical study undertaken by Schlumberger interpreted a 30km2 four-way closure.
- Mitra believes only one of 3 potential zones was tested earlier and if three hydrocarbon-bearing zones are present this corresponds to a 1256MMbbl resource.
- If only the single deeper zone holds oil then the most likely resource is 464MMbbl.
- In order to delineate the prospectivity, Mitra has reprocessed over 2,800 line kilometers of vintage 2D seismic data and acquired 1,271km new 2D seismic in June 2008.
- A high impact re-drill of the JS5-1 well is planned for 2010 and we carry the gross 464MMbbl prospect.
- (We exclude Biliton from our valuation following 2 dry holes drilled in 2007).

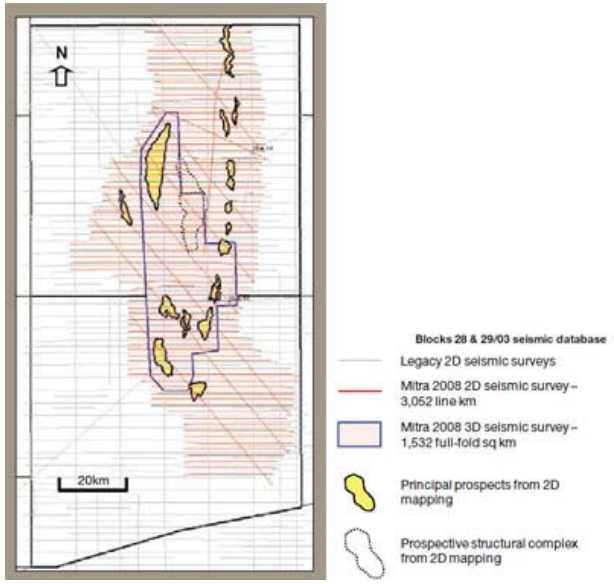
Thailand & Vietnam Asset Overview

Mitra Thailand and Vietnam Acreage



Source: Mitra

Block 28 & 29/03 Vietnam



Commentary

Thailand

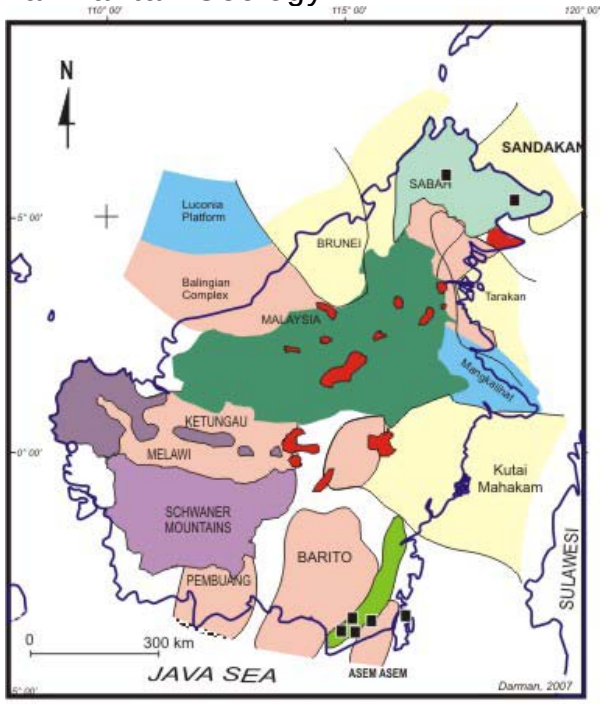
- Mitra has been awarded onshore Blocks L45/50 & L46/50 (100% equity). Covering an area of 7,966km^2 over the greater Bangkok area, the concession agreement was signed in January 2008. Mitra has mapped a number of leads in the Thon Buri Sub-basin and is planning seismic acquisition in 2009, followed by a well in 2010.
- Exploration will focus on the Thon Buri and Suphanburi sub-basins for Tertiary sandstone and possible fractured volcanic targets.
- Resource potential is expected to be in the 5-50 mmbo range, with a moderate (10%-20%) chance of success.
- We carry a single moderate risk 30MMbbl prospect in our valuation for the 2010 well

Vietnam

- In 2007 Mitra was awarded a 100% working interest in a PSC covering Blocks 28 & 29/03 covering almost 13,000km2.
- In January 2009, Mitra farmed out 50% of its 100% equity in the PSC to BHP Billiton, while continuing to operate the PSC. Vietnamese Governmental approval of the farm-in was granted on 19th August 2009.
- These blocks lie at the southwestern end of the Nam Con Son Basin, offshore southern Vietnam.
- After a full evaluation of existing data that was acquired primarily during the 1970s when the acreage was last licensed.
- Mitra acquired 3,054km of good quality 2D seismic data earlier in 2008 which is currently being processed for interpretation.
- In addition 1,532km² of high quality 3D seismic data was recently acquired. Based on the 2D seismic mapping, auditor RISC has assigned a net mean (Pmean) Prospective Resource of 709 mmbo and a high estimate (P10) of 1,585 mmbo for the 18 mapped prospects.
- At this preliminary stage, the play is characterised as low to moderate risk and reward, with individual leads predicted to lie in the 30-100MMbbl range. With acquisition of new exploration data, these estimates will be revised.
- Mitra is planning to drill two wells in 2010 and we carry two 50MMbbl high risk (1 in 5) prospects in our valuation. Our valuation is based on the modeling of the Chim Sao discovery by Premier where the project PV (@ $70/bbl) is $4.80/boe.

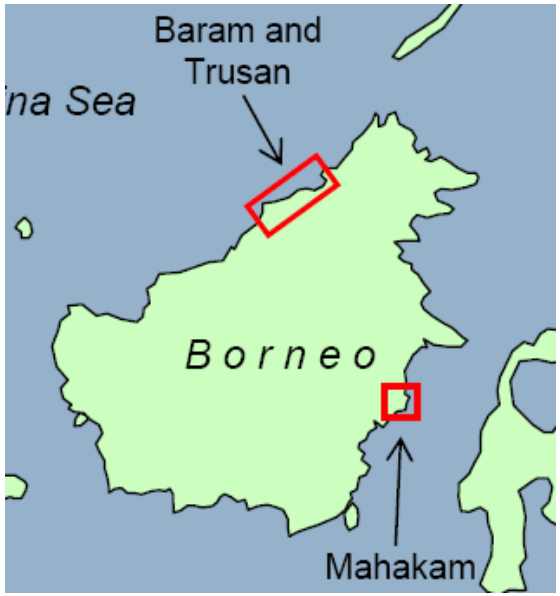
Kalimantan Basin Geology

Kalimantan Geology



Source: Wiki Books, Geology of Kalimantan

Baram & Mahakam Basins



Commentary

- The island of Kalimantan lies on the southeastern margin of the greater Eurasian plate. It is bounded to the north by the South China Sea marginal oceanic basin, to the east by the Philippine Mobile Belt and the Philippine Sea Plate and to the south by the Banda and Sunda arc systems. It is bounded to the west by the Sunda Shelf and ultimately by Paleozoic and Mesozoic continental crust of the Malay Peninsula.
- The Sandakan Basin in the southern portion of the Sulu Sea, with Tertiary deltaic complex in the south of the basin. **It is analogous in many ways to the hydrocarbon-producing Baram and Mahakam (Kutai) deltas,** which like the Sandakan, are adjacent to Kalimantan. This affinity with Borneo distinguishes the Sandakan Basin from all other sedimentary basins of the Philippines. The Sandakan Basin is filled mainly with Mio- Pliocene age fluvio-deltaic sedimentary rocks, up to 15 km thick.
- The stratigraphic section in the basin has been described by Tamesis (1990). The basin is bounded on the northwest by the Cagayan Ridge and extends southwestward into central and southeastern Sabah. The inactive Sulu Trench and the Sulu Archipelago form the eastern boundary of the basin. To the northeast, sediments are deformed by toe-of-slope compressional folds. Northeast of these folds, the sedimentary succession thins to 2.5 km and downlaps onto the Southeast Sulu Sea oceanic crust, marking the northeastern boundary of the basin (Graves & Swauger, 1997).

Regional Field Analogs

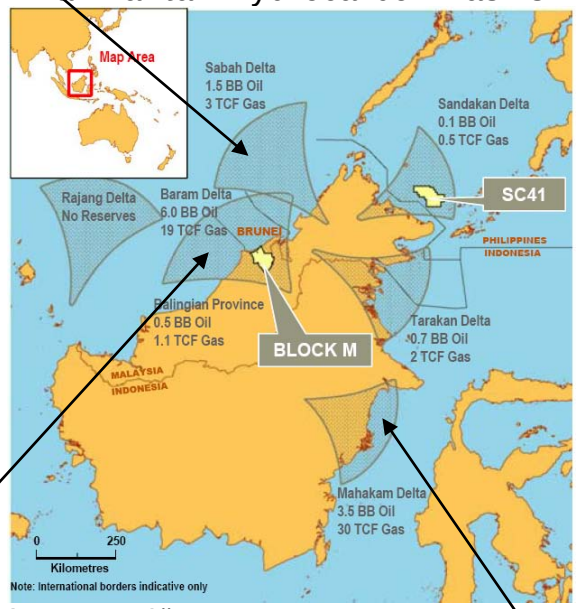
Sabah Delta

Field	Reserves (MMboe)	Startup
Kikeh	444	2007
Gumusut Kapkap	620	2012
Malikai	112	2013
Kebabagan	383	2011
Ubah	163	2014
Kamunsu	250	2016
Pisagan	47	2013
Jangas	81	2012
Average	**262**	

Baram Delta

Field	Reserves (MMboe)	Startup
Samarang Kecil	39	2002
Lutong West	232	1988
Fairley-Baram	65	1991
Betty	164	1993
Bokor	307	1993
Samarang	562	1984
Kinabalu	583	1997
Baram South	49	1995
Baronia Barat	54	2003
Linbayong 1	183	2005
Bagang 1	83	2005
Senangin 1	254	2007
Kerisi 1	78	2008
Ubah 2	200	2008
Pisagan 1	255	2008
Rempah 1	54	2012
Average	**198**	

Kalimantan Hydrocarbon Basins



Source: Tap Oil

Mahakam Delta

Field	Reserves (MMboe)	Startup
Sisi Nubi	300	2007

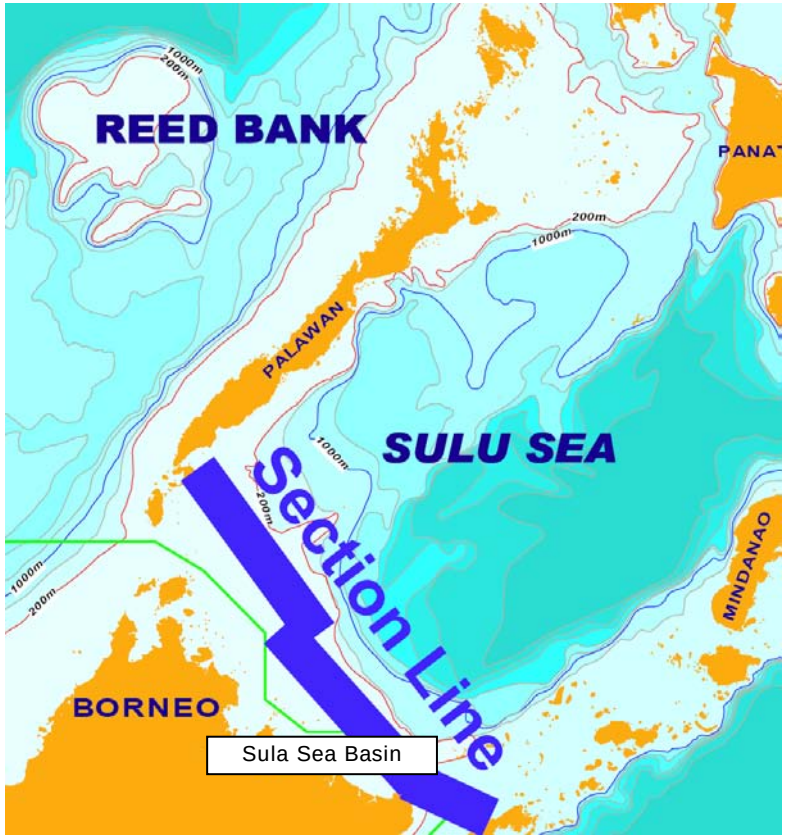
Conclusion

- According to our independent commentary on page 8 the Sandakan Basin is geologically similar to the Baram and Mahakam delta areas.
- The average field size in both deltas is 200MMbbl-262MMbbl according to our data shown.
- According to Mitra its pre drill estimate of the Dabakan prospect was 80MMboe-379MMboe-703MMboe.
- In our opinion the Dabakan prospect is likely to be in the upper range of these estimates and we feel that 660MMboe.
- In our opinion 660MMboe, although larger than the average field size is within the range of probability considering the largest field discovered in the Baram delta was 583MMboe.
- In addition – in the Baram delta 5 cubic feet of gas are produced for every barrel of oil.
- **On this basis a 660MMboe discovery would be approximately 110MMbbl condensate + 3.31tcf of gas.**
- **The upside case would be 120MMbbl plus 3.5tcf.**

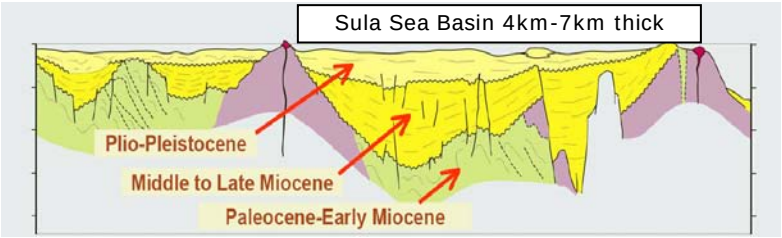
Data Source: IHS Herold, Instok

Sula Sea Geology

Sula Sea Basin



Reservoir Cross-section



Source: Department of Energy, Philippines

Sula Sea Geological Description

Source Rocks

- Potential source rocks in the basins consist of Early to Late Miocene sediments based on wells drilled in the basins.
- Early Miocene shows very poor source quality with very lean organic carbon content. Gray shales in the Middle Miocene section show average to above average organic content. The Late Miocene section contains predominantly humic kerogen with poor to fair hydrocarbon source potential at optimum maturity.

Reservoir Rocks

- Early to Middle Miocene quartzose sandstone gross thickness of upto 1300m show porosities in the range of 16-35% and permeabilities between 30 and 107md based on core analysis.
- Late Miocene rocks encountered in Sandakan sub-basin showed porosities of 18-25%.

Seals

- Potential seals are mostly interbedded claystones and siltstones overlying the Sebahat Formation or its equivalent for the Early to Middle Miocene reservoir rocks.
- Interbedded sections of claystones, shales and siltstones encountered in the Sandakan sub-basin wells are all potential seals for the Late Miocene reservoir rocks.

Petroleum Play types

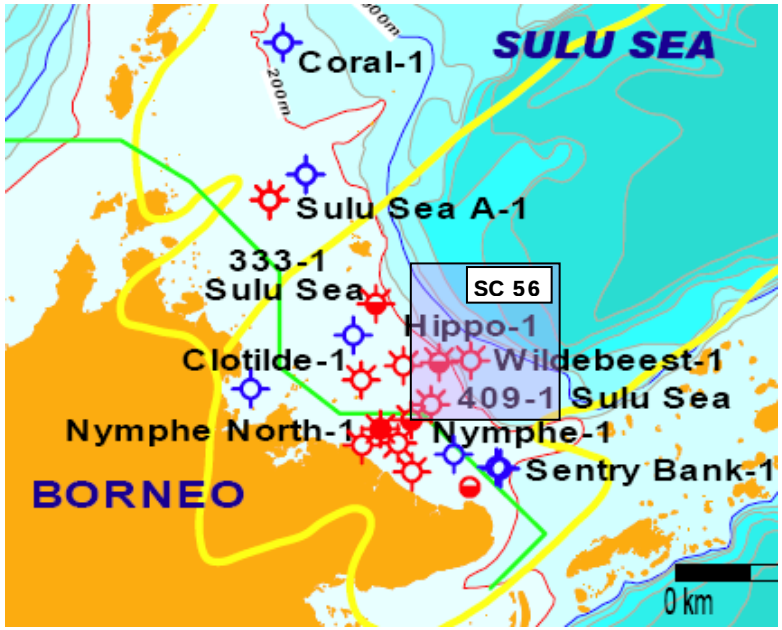
- The petroleum play types identified in the Sulu Sea basin are the carbonate reef buildup (RB), anticline (AN) and fault block (FB) plays.
- The confirmation of the AN and FB plays was based on the Nymphe North – 1 oil and gas discovery and Nymphe – 1 gas producer which are both on the Malaysian side of the basin.
- The RB play is yet to be confirmed in the basin but this may have been the target of the Dabakan-1 well.

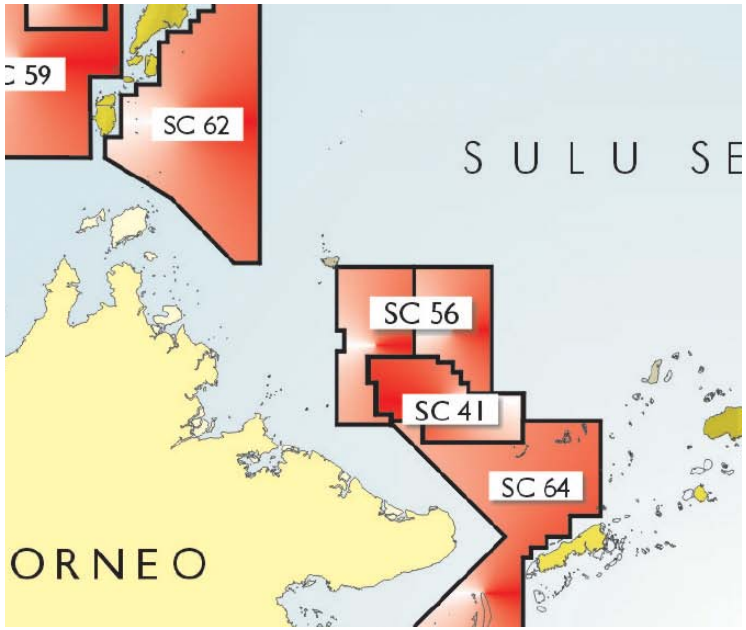
Prospect and Leads

- In 2002 (before 3D seismic coverage was available) the Philippines Government compiled 21 structures in the Sulu Sea basin consisting of 18 prospects (10 FB, 4 RB and 4 AN) and 3 leads (1 FB and 2 RB). The average probability of discovery in the basin was 5% at the time.

Well Control

Existing Drilling





Source: Department of Energy, Philippines

Well Results

- Previous wells drilled on SC-56 and SC-41 prove the hydrocarbon play with a number of gas condensate discoveries in the Miocene.

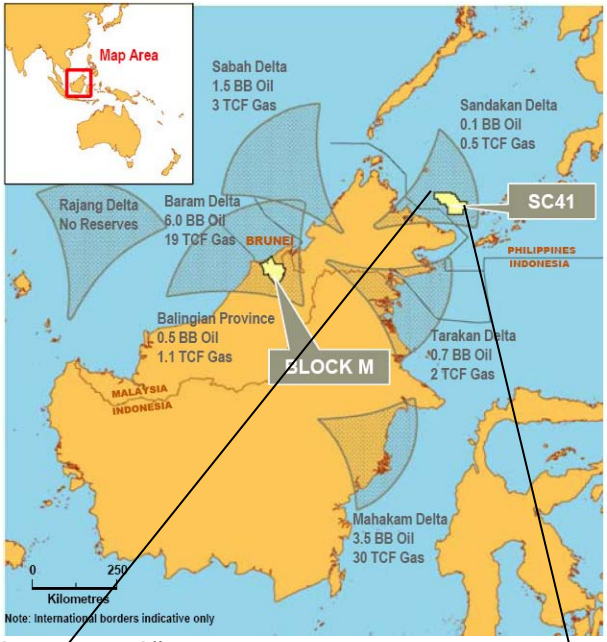
Year	Well	Result
2009	Dabakan-1	Gas Find
2000	Wildebeest-1	Oil/gas discovery from Miocene sandstone
1998	Hippo-1	Oil/gas find in Upper Miocene
1994	Mutiara Hitam-1	4MMcf/d + 20b/d from Middle Miocene
1975	Nymphe-1	15.3MMcf/d + 94b/d from Miocene
1972	Nymphe North-1	3.9MMcf/d + 504b/d from Middle Miocene
	409-1	1650m gross pay 18%-24% porosity
	Sentury Bank-1	13%-22% porosity
	333-1	1300m gross, 17%-15% poro, 107mD

Conclusion

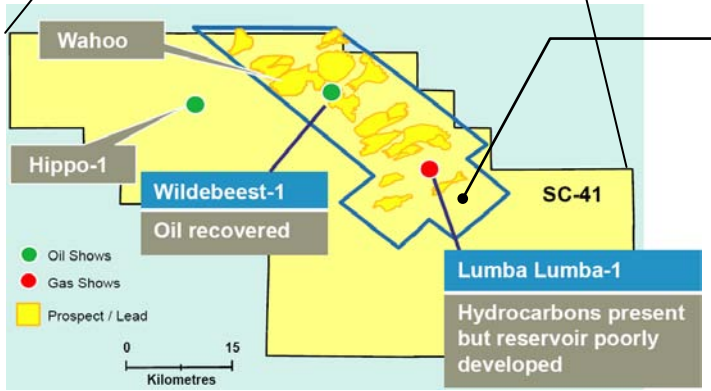
- Miocene channel sand reservoirs appear to be capable of initial rates of upto 15MMcf/d and 100b/d.
- Gross reservoir pay in the vicinity of SC 56 appears to be upto 1650m (5410ft) and this is substantial
- Reservoir quality (where present) also appears to be good with porosities in the range 13%-24% and good reservoir quality upto 100mD.

Adjacent Block

Kalimantan Basins with SC-41 shown



Source: Tap Oil



Reservoir risk appears to be apparent

Commentary

Tap Oil Commentary

- SC-41 adjacent to SC-59 is Operated by Tap Oil (50%) with partners Salamander (35%) and local partners(15%).
- Prospect size 100-200mmbbl (recoverable)
- Moderate risk
- Maturing prospects/ranking for drilling
- Expected well cost A$20M (net), implies US$36MM Gross well cost
- Tap expect drilling late 2010
- Tap seeking to farm out to manage cost/ risk exposure

Hulf Hamilton View

- Miocene channel sands targets appear to cross SC-41 on a SW-NE trending pattern.
- First prospect 100MMbbl-200MMbbl encouraging.
- Discoveries on Block from previous wells drilled.

Mitra Commentary on own Assets

Current Website Statement (out of date 50% WI is now 25%)

Country / Block	Working Interest	Oil (mmstb)		Gas (bcf)		Combined Oil + Gas (mmboe)	
		Best P50 (*mean)	High P10	Best P50	High P10	Best P50 (*mean)	High P10
Philippines / SC56	50%	702	2468	3689	10334	1317	4190
Philippines / SC57	21%[1]	120	593	769	3583	248	1190
Indonesia / Sibaru	60%	464*	1090	-	-	464*	1090
Indonesia / Billiton	95%	213	470	-	-	213	470
Vietnam / 28 & 29/03	50%	709*	1585	-	-	709*	1585
Vietnam / 19	40%	59	173	-	-	59	173
Vietnam / 20	40%	41	149	-	-	41	149
Thailand / L45/50 & L46/50	100%	28	-	-	-	28	-
Total (unrisked)		2336	6528	4458	13917	3079	8847

Prospective Resources evaluated by RISC in accordance with industry standard SPE – Petroleum Resource Management System, March 2007 definition.
Blocks 19 and 20 Prospective Resource evaluation by Mitra.

SC56 1.3bn – 4.19bn for first 10 prospects (net 50%)
SC56 2.63bn – 8.38bn (gross 100%)

SC56

- Covering over 8,600 square kilometres, the SC56 Service Contract lies in the deepwater Sandakan Basin, part of the prolific circum-Borneo deepwater trend. The block represents some of the most attractive undrilled deepwater potential remaining in Southeast Asia.
- Mitra's auditor, RISC (Resource Investment Strategy Consultants) has produced a net best estimate (P50) of more than 1.3 billion barrels and a high estimate (P10) of 4.2 billion barrels oil equivalent Prospective Resource for the top ten prospects.
- Their estimate was based on arbitrarily allocated 50/50 oil vs. gas split of combined equivalent resource. To date Mitra has acquired 2,265 line kilometres of 2D seismic data and a 1,760 square kilometre 3D seismic survey, the largest proprietary 3D survey ever shot in the Philippines. Approval for Mitra to farm out 50% equity and operatorship to ExxonMobil was granted by the DOE of The Philippines in July 2008.

SC57

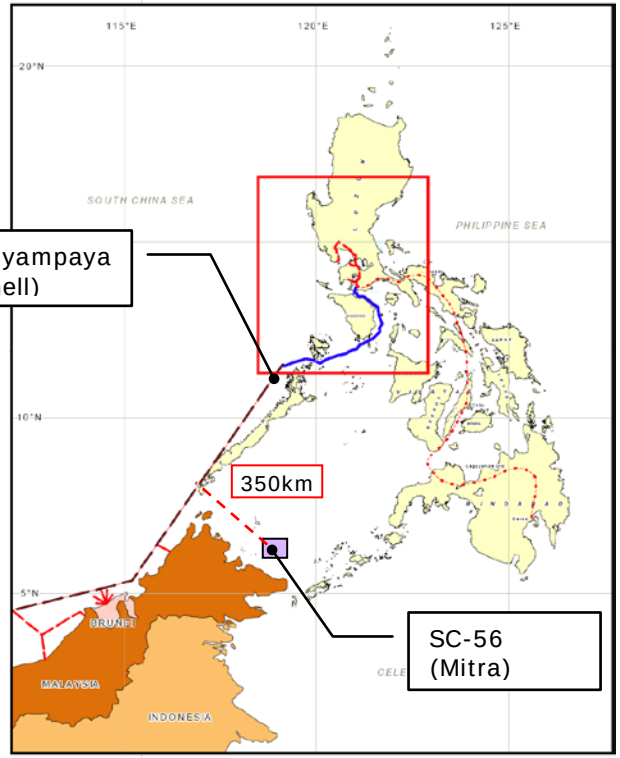
- The SC57 Service Contract covers over 7,000 square kilometres of shallow to deepwater acreage offshore Palawan Island and is on trend with the giant Camago-Malampaya gas field. Mitra owns a 21% interest in SC57[1] and works closely with partners CNOOC (51%) and PNOC (28%).
- To date, the partnership has acquired over 2,200 line kilometres of new 2D seismic data and reprocessed over 1,080 line kilometres of vintage 2D seismic.
- As in the Camago-Malampaya field, the main target is the Nido Limestone. Mitra's auditor, RISC, reported a net best estimate (P50) Prospective Resource of 248 mmboe and a high estimate (P10) of 1,190 mmboe for the 16 largest prospects on the block. As in SC56, the estimate was based on an arbitrarily allocated 50/50 oil vs. gas split of combined equivalent resources.

Conclusion: Prior to the drilling of the first prospect on SC56 in 2009 we understand the pre drill gross reserves for the first prospect was in the range 80MMboe-379MMboe-703MMboe. This has remained the same since Gaffney Cline assessed 380MMbbl for the first prospect in 2006. At that time Gaffney cline also assessed the second prospect as 623MMboe. Gaffney Cline assigned 5674MMbboe to the first 12 prospects on the Block although the latest analysis by RICS assigns 2634MMboe (1317MMboe net to Mitra 50%, now 25%).

We conclude on a Gross mid case basis Prospect 1(Dabakan): 660MMboe, Prospect-2: 630MMboe, Prospects 3-8: 1631MMboe (204MMboe each). Considering geological risk Prospect 1 discovery now 70% Cos, Prospect-2 50% and remaining prospects 15% in our opinion.

Capex Assumptions

Gas Infrastructure



Source: Philippines Department of Energy

Country	Project Name	First Oil	Water Depth (ft)	Operator	Oil (MMbbl)	Gas (bcf)	Total (Mmboe)	Cost ($MM)	Cost ($/boe)	Peak Oil (kbd)	Peak Gas (MMcf/d)
Philippines	SC-56	2014	4500		110	3302	660	4231			
Philippines	Malampaya-Camago	2001	2415	Shell	155	3500	738	4300	5.8	15.76	368
Philippines	Sampaguita 1	1981	262	Philex	50	3500	633				
Malaysia	Kikeh	2007	4400	Murphy	440		440	1640	3.7	120	120
Malaysia	Gumusut-Kakap	2012	3037	Shell	500		500			135	
Brunei	Linbayong 1	2007	3937	Shell	50	800	183				
Malaysia	Senangin 1	2009	4695	Murphy	250	25	254				
Malaysia	Ubah 2	2010	4692	Shell	150	300	200				
Brunei	Pisagan 1	2010	4808	Shell	230	150	255				
Indonesia	Merah Besar	2009	1998	Chevron	100		100				
Indonesia	Gendalo-Gehem Project	2012	4700	Chevron	0	3000	500	6000	12.0	10	225
Malaysia	Kikeh	2007	4400	Murphy	440		440	1640	3.7	120	120
Malaysia	Gumusut-Kakap	2012	3037	Shell	500		500			135	
Malaysia	Malikai	2012	1574	Shell	108		108			54	
Malaysia	Kebabangan Gas Cluster	2013	1148	Kebabangan	0	2300	383				700
Average Values									**6.41**	**84**	**307**

Total Capex for SC 56 derived from comparable deepwater projects around Kalimantan, shown in table left = $4231MM

Description

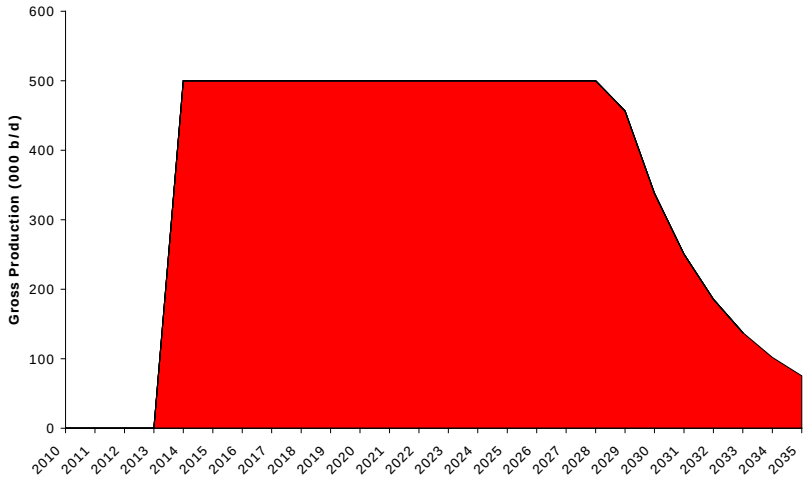
- Project Capex of $4.24bn derived from table below left.
- Split in project as shown below

SC56 Capex Assumptions

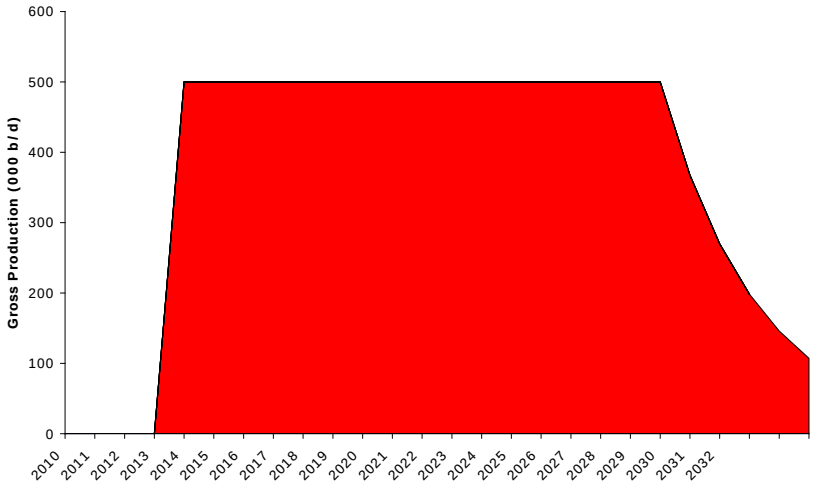
			2010	2011	2012	2013	2014
Drilling	78%	3301			1100	1100	1100
Pipeline	8%	350					350
Processing	14%	586				300	286
Total		4237					

Production Assumptions

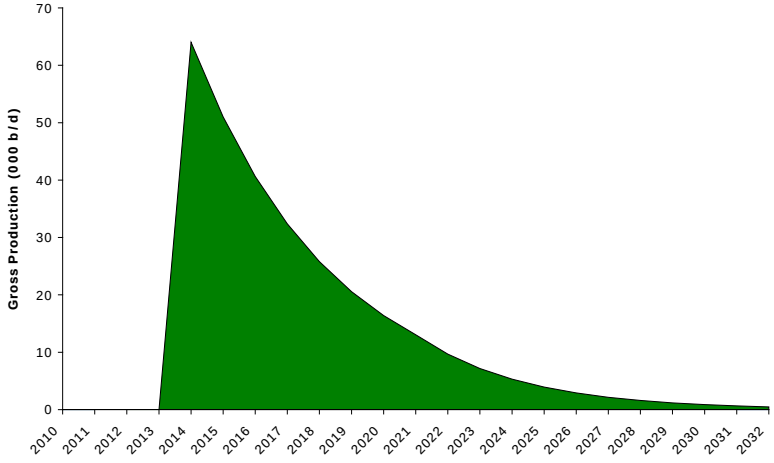
Gross (3300bcf) profile – Most Likely



Gross (3500bcf) profile – P10

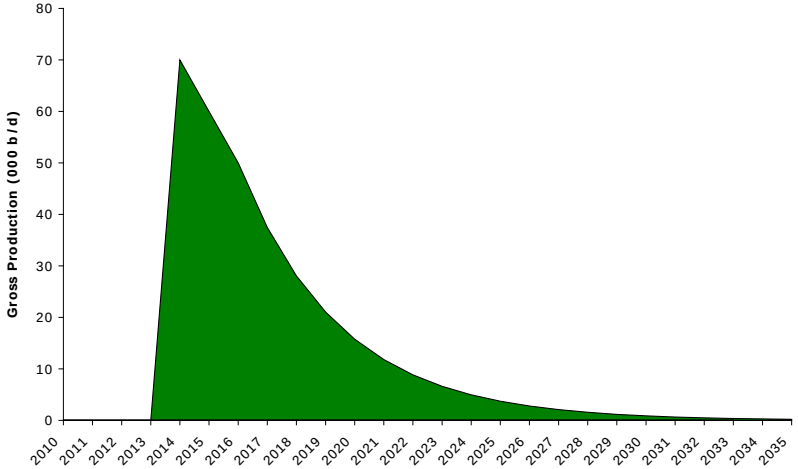


Gross (110MMbbl) profile



Conclusion: We use the profiles above are for the valuation of the 380MMbbl base case on SC56

Gross (120MMbbl) profile



Conclusion: We include the P10 profiles above for additional information

Valuation Assumptions

PSA Terms

Hectarage	~ 400,000 to 1,100,000
Contract Duration	7 years extendible to maximum of 3 years for exploration; 25 years extendible for 5 years up to maximum of 3 extensions; provided that the total number of years of the contract from exploration to production shall not exceed 50 years
Filipino Participation Incentive Allowance (FPIA)	1.5% to a maximum of 7.5% of gross proceeds where the contractor allows at least 15% participation by Filipino companies
Cost Recovery	maximum of 70% of gross income per calendar year; 100 % recoverable costs for non-capital expenditures and capital expenditures depreciated over 5 to 10 years; unrecovered costs for the current calendar year to be carried over in the succeeding calendar year
Production Sharing	Government = 60% of net income Contractor = 40% of net income
Corporate Income Tax Rate	35% of net income on petroleum operations- paid out of government share
Signature Bonus	Minimum of USD 50,000
Prod. Bonuses - Oil	Minimum of: * USD 300,000 at start of production; USD 500,000 at 25,000 BOPD; USD 1MM at 50,000 BOPD; and USD 2MM at 75,000 BOPD
Prod. Bonuses - Gas	Minimum of: * USD 300,000 at start of production; USD 500,000 at 250 MMCFGD; USD 1 MM at 500 MMCFGD; and USD 2MM at 750 MMCFGD
Training Allowance	Minimum of USD 20,000 per year during exploration period (cumulative); Minimum of USD 50,000 per year during production year (cumulative)

Other Assumptions

- Crude price $70/bbl, gas price $10/mcf
- 10% discount rate, nominal cash flow
- 100% capital allowances

Transaction Values

Kalimantan Deals 2006-2009

Year	Buyer	Seller	Deal Value ($MM)	1P Total (Mmboe)	1P Value ($/boe)	2P Total (Mmboe)	2P Value ($/boe)	3P Total (Mmboe)	3P Value ($/boe)	Contingent Total (Mmboe)	Contingent Value ($/boe)	Assets
2009	KrisEnergy Pte Ltd	Serica Energy plc	99			8	10.8	13	7.3			25% Kambuna, 24.6% Kutai PSC & 33.33% Block 06/94 PSC
2009	Pertamina	BP plc	280			180	1.1			143		46% interest in North West Java PSC
2009	Star Energy	PT Medco Energi	0	9	0.0	12	0.0					25% interest in producing Kakap PSC
2008	Victoria Oil & Gas Plc	Bramlin Ltd	17	2	1.1	19	0.6	36	0.5			Reserves in undeveloped Logbaba Field
2008	Salamander Energy PLC	Serica Energy plc	213	9	21.1	14	14.7	20	10.4			Operations in UK Norway Spain Ireland Indonesia and Vietnam
2008	Pertamina	PT Medco Energi		7	0.0							Tuban Block
2008	Salamander Energy PLC	Serica Energy plc	53			4	12.0					15% in Glagah-Kambuna TAC and 23.4% interest in Kutai PSC
2008	Mubadala Development Co	Aabar Petroleum, Pearl Energy	833	20	38.3	39	21.4					100% of the issued shares in Pearl Energy Limited
2008	CNOOC Ltd	Husky Energy Incorporated	125			54	2.3					50% in Madura Strait PSC
2008	PT Energi Mega	PT Masagena Agung	12									53.4% WI in the Tonga PSC block
2008	Salamander Energy PLC	PT Medco Energi	0									25% interest in the Bengara 1 PSC
2007	Salamander Energy PLC	GFI Oil & Gas Corp	199			18	10.9			10		Kambuna gasfield and Seruway PSC in Indonesia and Bualuang
2007	Vital Resources Corporation	Undisclosed	14			1	25.4	2	6.6			Producing oil & gas fields located on the island of Sumatra Indones
2007	KUFPEC	ConocoPhillips	330	18	15.0			42	7.8			25% stake in the Pangkah block in the East Java Sea Indonesia
2007	Mitsubishi Corporation	PT Medco Energi, Encore Int	352	29	8.6	99	3.6					39.4% of Encore Energy Pte. Ltd. a
2007	Kuwait Energy Company	PT Medco Energi	24			5	4.6					Bawean PSC Block in East Java
2007	Japex	PT Energi Mega Persada Tbk	360	21	15.3	30	11.5	42	8.7			Oil and natural gas concession offshore Java Island Indonesia
2007	Nations	Cooper Energy Ltd				36	0.0					Farm into South Madura PSC in East Java Basin in Indonesia
2007	Premier Oil, PT Medco Energi	ConocoPhillips	72			54	1.3					A combined 50% stake in onshore Block A PSC in Indonesia
2007	Source Petroleum Inc	Fuel-X International Inc	52							22	2.3	Stakes in the Tungkal and Sebuku PSC in Indonesia
2006	EnCap Investments	GFI Oil & Gas Corp	1			4	0.2					Oil-weighted probable reserves offshore Indonesia and Thailand
2006	Sound Oil plc	Mitra Energia Ltd	30	8	3.5	9	3.5					Stakes in two Indonesia onshore exploratory blocks
2006	PT Bumi Resources Tbk	PT Energi Mega Persada Tbk	1572	319	4.1	469	3.1	678	2.3	133		producing oil & gas reserves in Indonesia
2006	Salamander Energy PLC	Interra Resources Ltd	22			13	1.7					Remaining 50% stake in Orchard Energy
2006	Serica Energy	Undisclosed						1	0.0			Additional 10% interest in Glagah Kambuna TAC Indonesia
2006	Premier Oil, Japex, PT Medco	Exxon Mobil Corporation	51			54	0.9					A 50% stake in North Sumatra Block A PSC
2006	MCube Petroleum Inc	Orna, Halmahera						11	0.0			Offshore Maluku and the Rembang PSC offshore East Java
2006	Aabar Petroleum	Pearl Energy Ltd	278	7	37.2	14	20.2					Remaining 51.71% stake in Pearl Energy
2006	Salamander Energy PLC	Citigroup	61			13	4.9					50% stake in Orchard Energy
2006	Aabar Petroleum	Pearl Energy, Austindo Group	259	6	37.2	13	20.2					48.29% stake in Pearl Energy
2006	PT Medco Energi	Singapore Petroleum	148					9	16.3			18.2% stake in Indonesia undeveloped Jeruk oilfield project
2006	PT Medco Energi	Cue Energy Resources	56					3.4	16.4			6.8% stake in the Indonesia undeveloped Jeruk oilfield project
Average Values					**16.5**		**8.1**		**6.9**		**2.3**	

Conclusion

- Benchmark market values for the region as follows:
  - 1P $16.50/boe
  - 2P $8.10/boe
  - 3P $6.90/boe
  - CR $2.30/boe

Valuation

Summary Valuation

Country	WI (%)	Asset	Oil (MMbbl)	Gas (bcf)	Total (Mmboe)	Risk (%)	Risked Value ($MM)	Risked Value ($/share)
Philippines	25%	Dabakan-1 Midcase	27	825	165	70%	268	2.96
Indonesia	60%	Sibaru	278		278	20%	278	3.06
Options/warrants							27	0.30
Net cash (Debt)							29	0.32
Core Value			**306**	**825**	**443**		**603**	**6.6**
Philippines	25%	Second prospect	25	795	158	50%	183	2.01
	25%	Remaining prospects SC56	65	2058	408	15%	142	1.56
Vietnam	50%	Block 28 Prospect-1	25		25	20%	24	0.26
	50%	Block 28 Prospect-2	25		25	20%	24	0.26
Upside Value			**140**	**2853**	**615**		**373**	**4.1**
Core + Upside			**446**	**3679**	**1059**		**976**	**10.7**

Assumptions

Oil Price	$70/bbl
Gas Price	$10/mcf
$/£	1.65
No Diluted shares	90.84

Shares calculation

Issued	78	Price ($)	Cash ($)
Options	6	1.63	10.35865
Warrants	6	2.79	16.76595
Fully Diluted	**91**		27.1246

Commentary

- Core value based on discovered hydrocarbons
- Upside value based on follow-on drilling campaign on SC 56
  - second prospect (630MMboe gross)
  - prospects 3-8 (1632MMboe gross)
  - Vietnam 2 x 50MMbbl (gross) prospects
- Risked $/boe values as follows
  - SC 59 Most Likely = $1.63/boe
  - Sibaru = $1.00/boe
  - Second prospect = $1.16/boe

  Compares conservatively to $/boe values from previous page as a sense check.
- Also assumes approximately 12m share options/warrants cashed at $1.63-$2.79/share.