



# 32<sup>nd</sup> Annual Alaska Resource Development Council Conference

Jim Watt



OPERATING PLATFORM COOK INLET, ALASKA



## DISCLAIMER

- **Securities Disclaimer**

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- **Competent Persons Statement**

Information pertaining to Lee County project contained in this report were compiled by Gary Rinehart, BS in Geology from University of Oklahoma and who has had more than 35 years experience in petroleum geology. Mr Rinehart has consented to the inclusion in this report of the technical matters and information herein in the form and context in which it appears.

Information contained in this report pertaining to the Alaskan projects was reviewed by Dr. Vijay Bangia, PhD in Petroleum Engineering from the University of Tulsa, who has over 30 years experience including employment by Shell Oil Company, Union Texas Petroleum, Burlington Resources and Renaissance Alaska. Dr. Bangia has approved the inclusion in this report of the technical matters and information herein in the form and context in which it appears.



## WHY ALASKA & THE COOK INLET

- Majors out / Independents In
  - Buccaneer (April 10), Apache (June 11), Hilcorp (July 11)
- Underexplored basin (USGS study)
  - Estimated 600 MMBO & 19 TCF gas
- Strong Local Market
  - Projected gas supply shortfalls
  - Plans to import LNG
  - Tesoro Refinery demand for Cook Inlet Crude
- Premium Natural Gas Prices
  - 50-100% premium to Lower 48
  - Negotiated directly with end users
- Attractive Fiscal Terms (ACES)
  - Still ELF
  - 45% - 65% tax rebates
  - Special Jack-Up Rig rebates



## OPERATING OVERVIEW & CORE FOCUS

### Alaska - Onshore

- 66,265 acres (Gross and Net)
- Kenai Loop development -- Establish production & Cash flow (December 2011)
- West Nikolai Creek and West Eagle prospects onshore gas weighted prospects

### Alaska - Offshore

- Leases (16,300 acres – 2 State Units) in Cook Inlet Alaska State waters
- Multi-pay horizons; Close to infrastructure; offset to proven oil/gas structures
- Southern Cross Unit: Oil Weighted
- Northwest Cook Inlet - Gas Weighted

### Endeavour Jack-Up Rig

- Strategic asset for Cook Inlet and Chukchi Sea
- Available to unlock Alaskan offshore value
- Finalized acquisition

### U.S. - Lower 48

- GoM shallow-water gas: Pompano, Swordfish & Big Fish Package -- high potential reserves
- Lee County, Central TX – onshore oil
- Potential near term cash flow



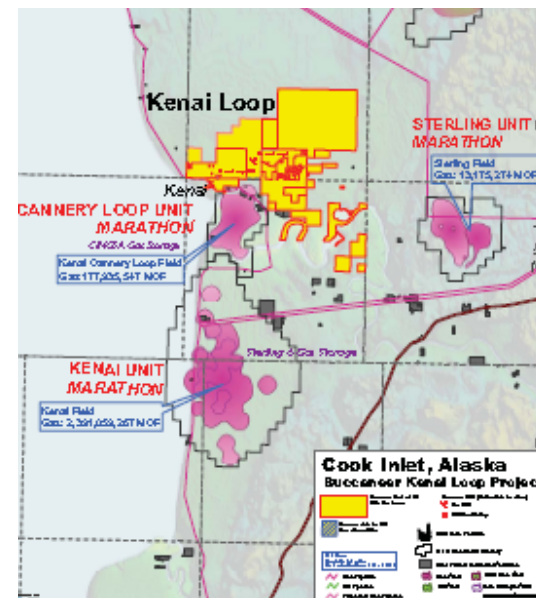
## PROVEN SUCCESS: KENAI LOOP / ONSHORE

### Highlights: Kenai Loop #1 Well

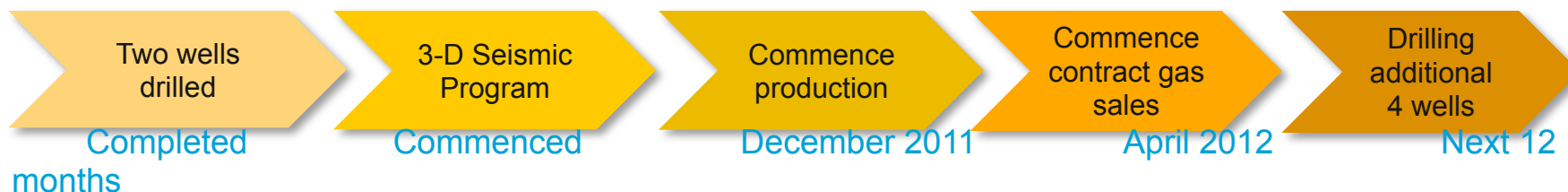
- Leased, permitted and drilled within 9 months
- 100% working interest / 82.0% Net Royalty Interest (NRI): 9,308 Acres
- Reserves 52 BCF (Ralph E Davis Report)
- Adjacent to Marathon's Cannery Loop Field - 175 BCF Produced
- Pipeline construction began in October; production to begin December 2011

### ENSTAR Gas Sales Contract Approved

- Minimum deliverability of 5.0 MMCFD commences April 2012
- Annual net weighted average price of \$6.24 / MCF
- Deliverability of up to 15.0 MMCFD and commitment volume up to 31 BCF



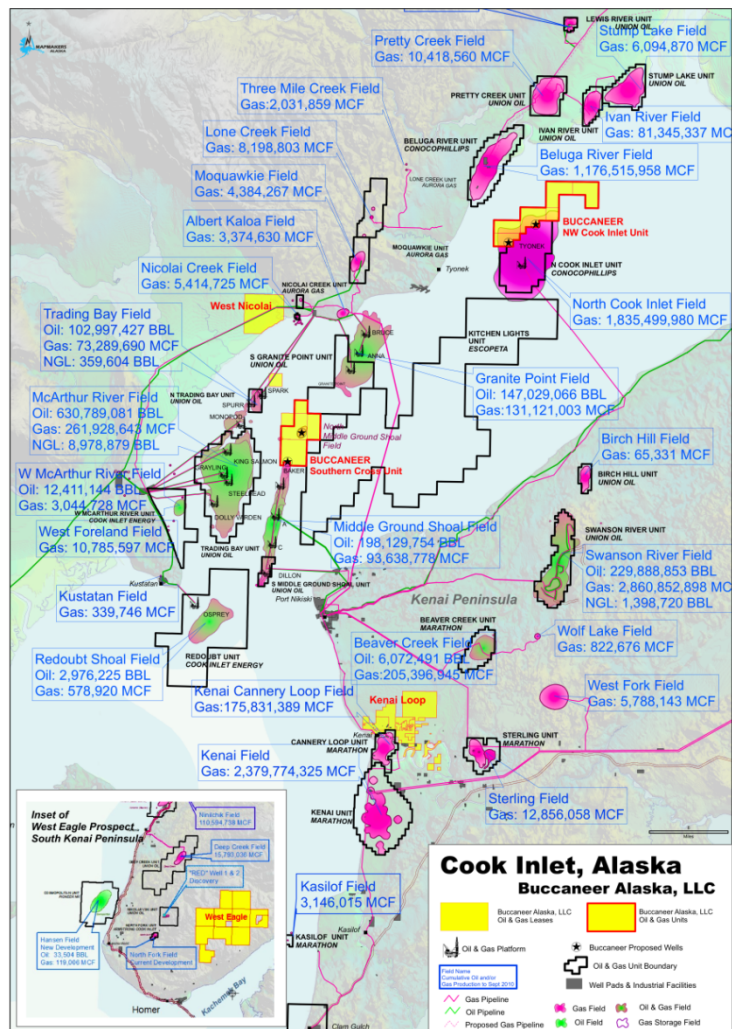
### Development Plan





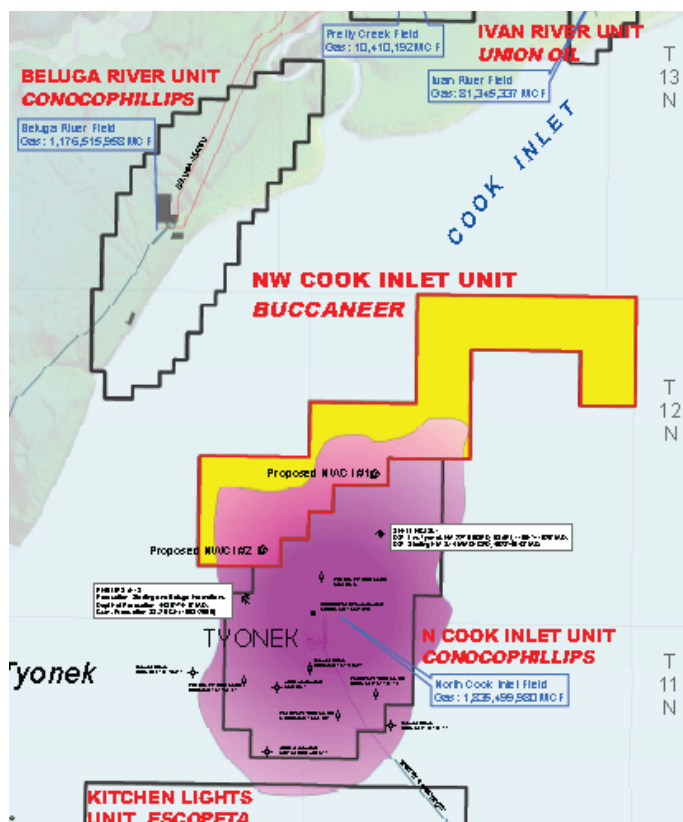


## LOCATION MAP and HIGHLIGHTS



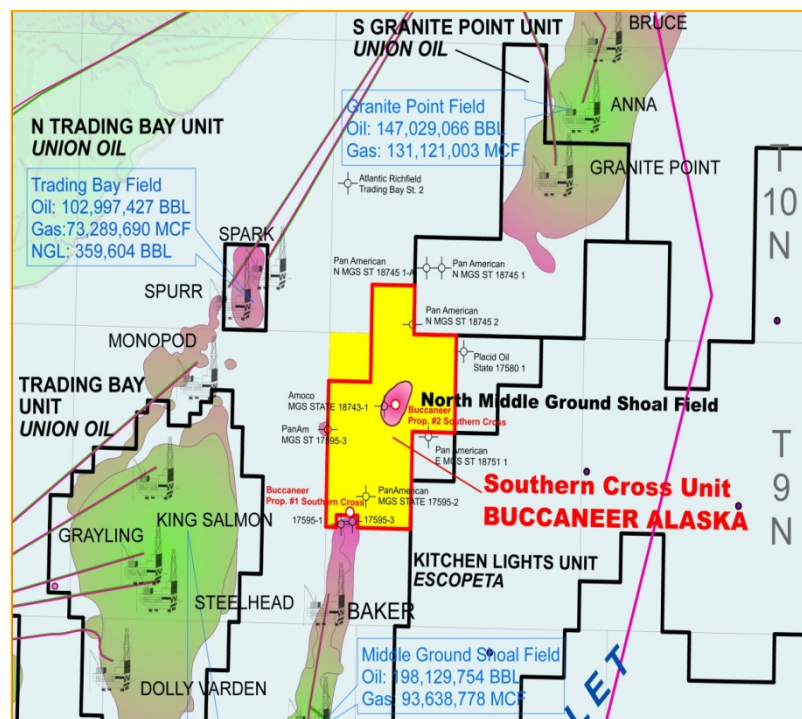
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  - Netherland Sewell P50 Resource: 49.4 MMBOE
  - Two wells committed; first in 2012
- Southern Cross Unit
  - 3D and Well Control
  - Netherland Sewell 2P 12.7 MMBO;  
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  - Two wells committed; first in 2012
- West Nicolai
  - Acquire Seismic 2012
  - Well in 2013
  - Close to Infrastructure
- West Eagle
  - Largest acreage position ~ 50,000 acres
  - Currently Reprocessing 2-D Seismic
  - Well planned for 2012

## NORTH WEST COOK INLET



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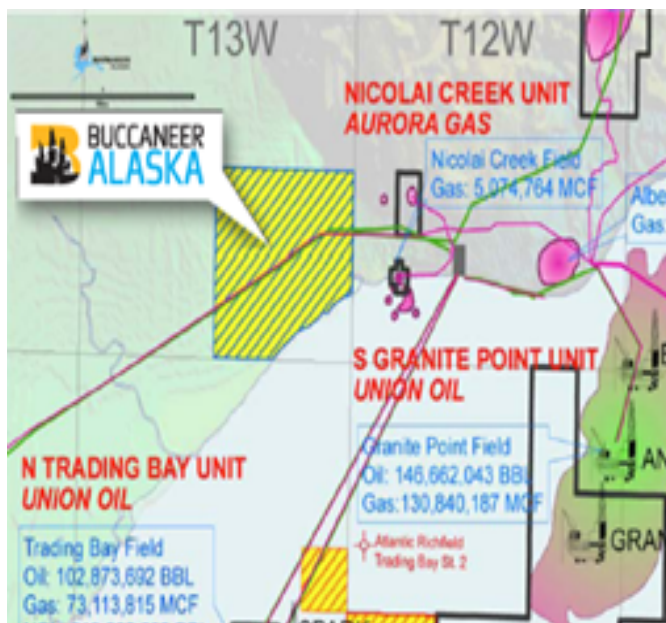
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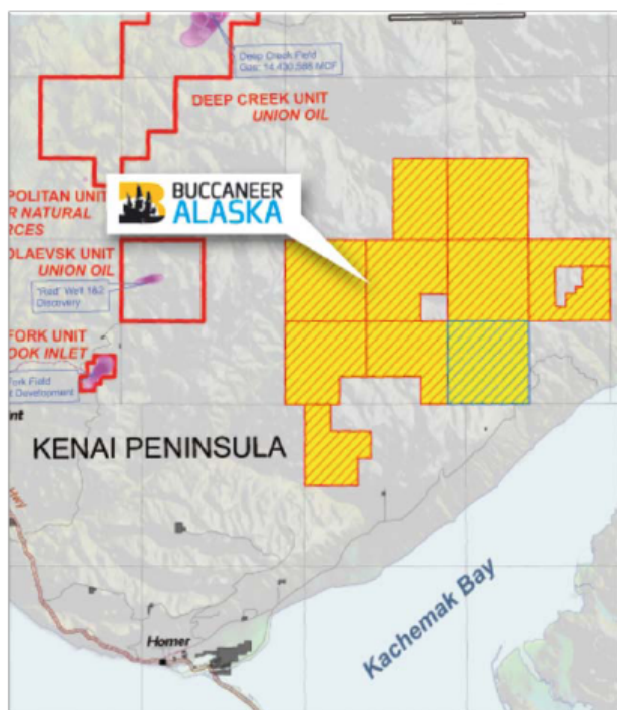


## WEST NICOLAI



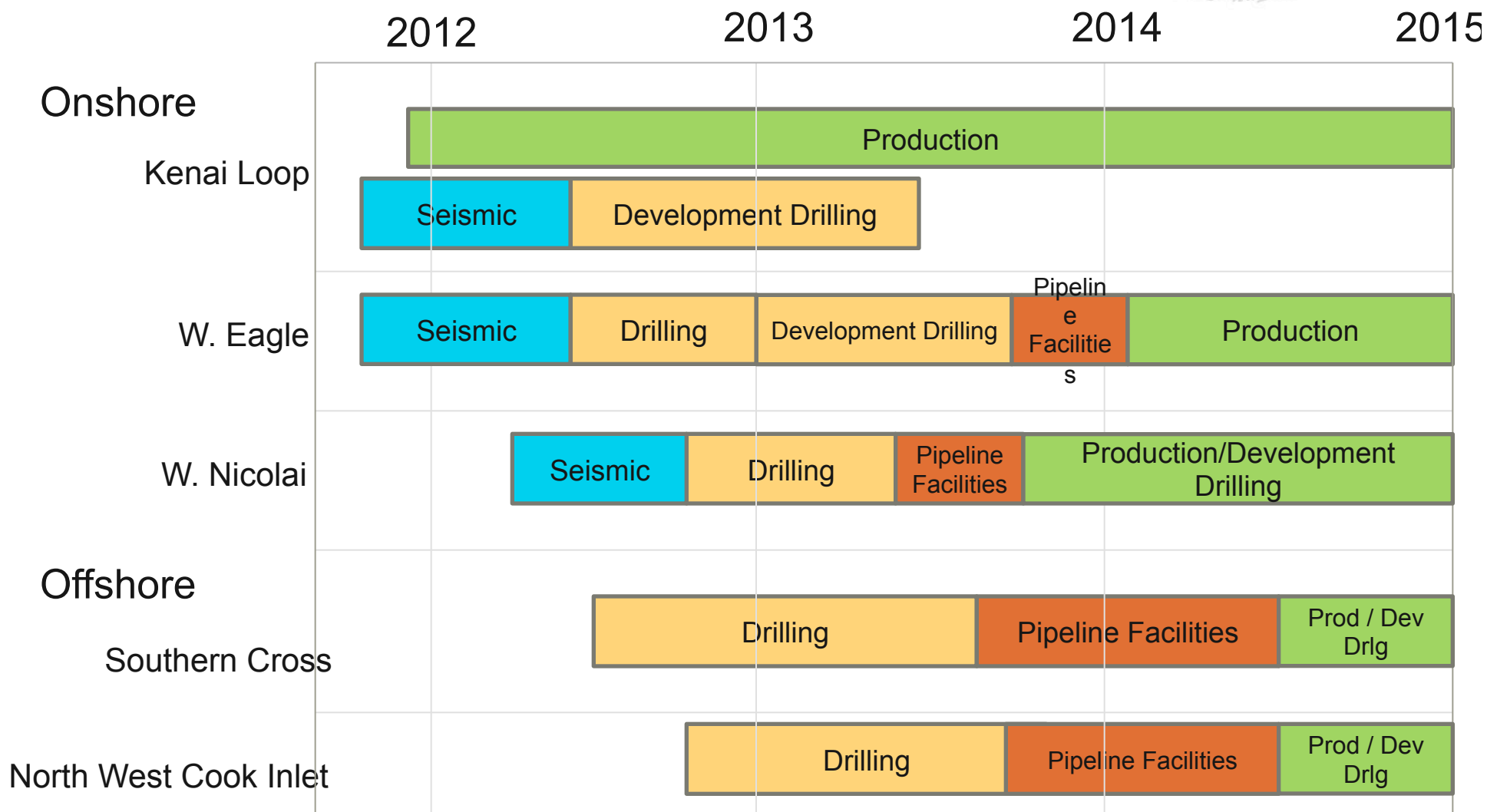
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## DEVELOPMENT SCHEDULE





## EXTRACTING THE VALUE: JACK – UP RIG ACQUISITION

### Kenai Offshore Ventures (KOV) Ownership & Partners

- 50/50 JV with Ezion Holdings (Singapore listed)
- AIDEA is a partner owning 100% Preferred Equity
- Acquisition Completed
- Rig mobilized to Singapore for modifications

### Kenai Drilling, LLC

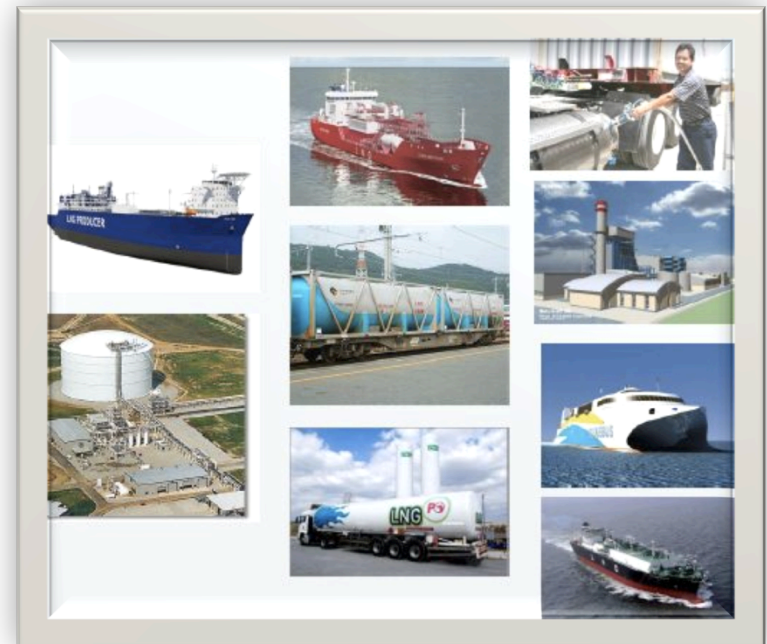
- Daily Operations of the Rig
- Drilling Contractor Chosen – Archer Drilling
  - Operates over 100 rigs globally
  - Extensive experience operating in harsh environments and engineering capabilities
  - Very familiar with the LeTourneau 116 Class jack-up rig
  - Excellent safety record



Endeavour  
*The Spirit of Independence*

## MARKET OUTLOOK

- Increased drilling in the Cook Inlet will increase:
  - Gas reserves
  - Gas production in the near term
- Increasing the gas market in Alaska will fuel enthusiasm for continued drilling.
- Impact
  - Bullet Line
  - LNG Plant Closing
- Cook Inlet LNG Growth
  - Fairbanks Initiative
  - Coastal & Transportation Market
  - Export





## CONTACT DETAILS

Thank you

Buccaneer Energy Limited

[www.buccenergy.com](http://www.buccenergy.com)

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