

ACER  ENERGY

**Activity Update**  
**February 2012**



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# Acer Energy Limited (ASX: ACN)



✿ Share Price	-	\$0.155
✿ Shares on Issue	-	459.6 million
✿ Market Capitalisation	-	~\$71 million
✿ Cash & Financial Assets	-	\$21 million
✿ Acreage	-	9 permits covering ~3,000 km <sup>2</sup>
✿ Employees/Consultants	-	15 personnel
✿ Major Shareholders	-	Republic (39%) Directors/Management (~6%)



# Strong Foundation



## Operational

- One of only four SA Cooper Basin producers (Santos, Beach, Senex and **Acer**).
- Already transitioned from explorer to producer.
- Experienced field personnel with extensive Cooper Basin knowledge.
- Ability to leverage our existing operational footprint for future developments.

## Technical

- Philosophy of detailed technical evaluation and assessment.
- Strong technical team with many years Cooper basin experience.
- In-house capability to use modern techniques and software.

## Corporate

- Proven transaction experience at both a corporate and project level.
- Executives with strong corporate and high growth track records.
- Prudent capital management with focus on shareholder value.

# Growth Platform



## 1. EXPLORATION

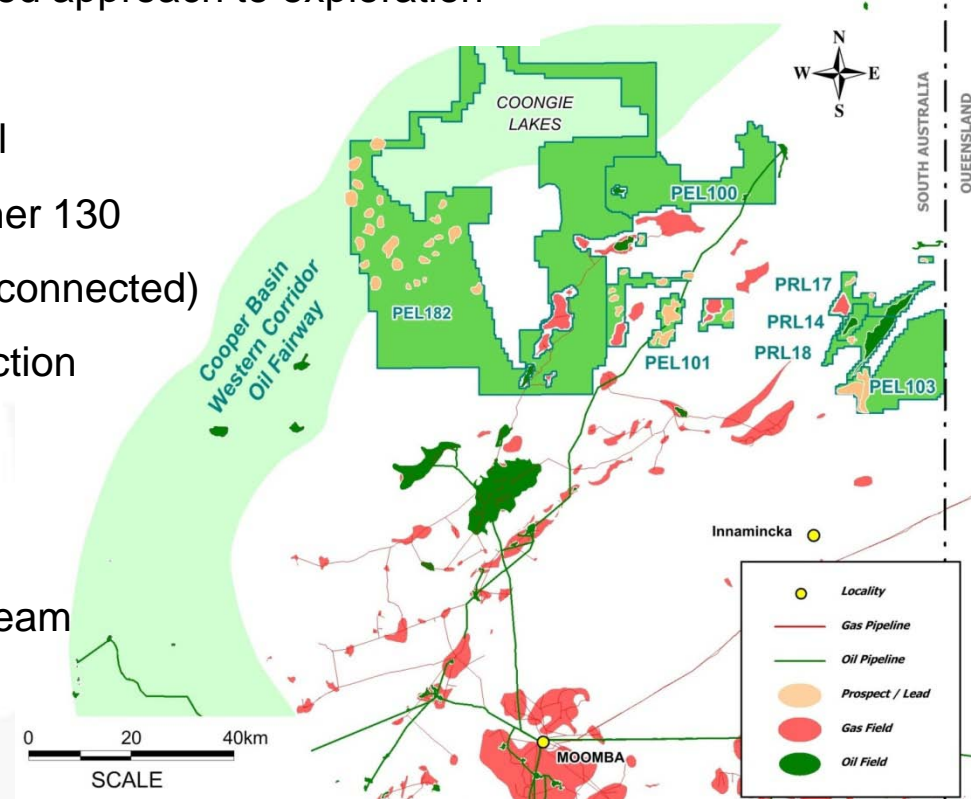
- Quality acreage position (PEL 103, PEL 182, PEL 100, PEL 101)
- Experienced technical team with disciplined approach to exploration

## 2. EXPLOITATION

- Flax & Juniper potential - large existing oil discoveries (42 mmbbls P50 OOIP + further 130 mmbbls of resource if Flax & Juniper are connected)
- Robust economics of increased oil production through existing Flax facilities

## 3. NEW BUSINESS

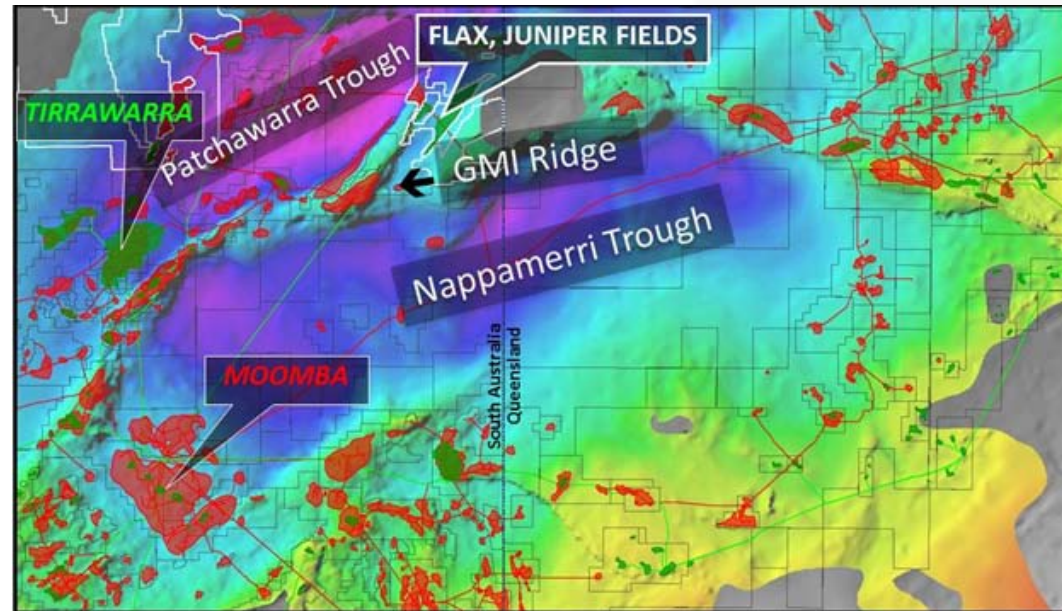
- Highly experienced transaction oriented team
- Technically driven pursuit of growth opportunities
- Significant upside in Cooper/Eromanga Basin



# Proven Hydrocarbon Province



- Post the 2010 floods there has been a sustained period of significant technical and corporate activity in the Cooper Basin
- Recognised as a premier hydrocarbon hot spot with Tight Conventional Reservoirs, Unconventional CSG and Shale Gas projects currently underway
- North American technology and modern equipment is arriving in the Basin
- Acer Energy has large, quality acreage and after extensive technical preparation is entering a period of high activity



# Flax and Juniper Opportunity



## Significant Potential

- Large in place oil resource (up to 170 mmbbls P50 OOIP)
- Existing operation with 1,000 bbl/day facilities provides outstanding incremental economics
- Currently 100% owned by Acer, actively marketing for a strategic and aligned project partner

## Leverage Existing Footprint

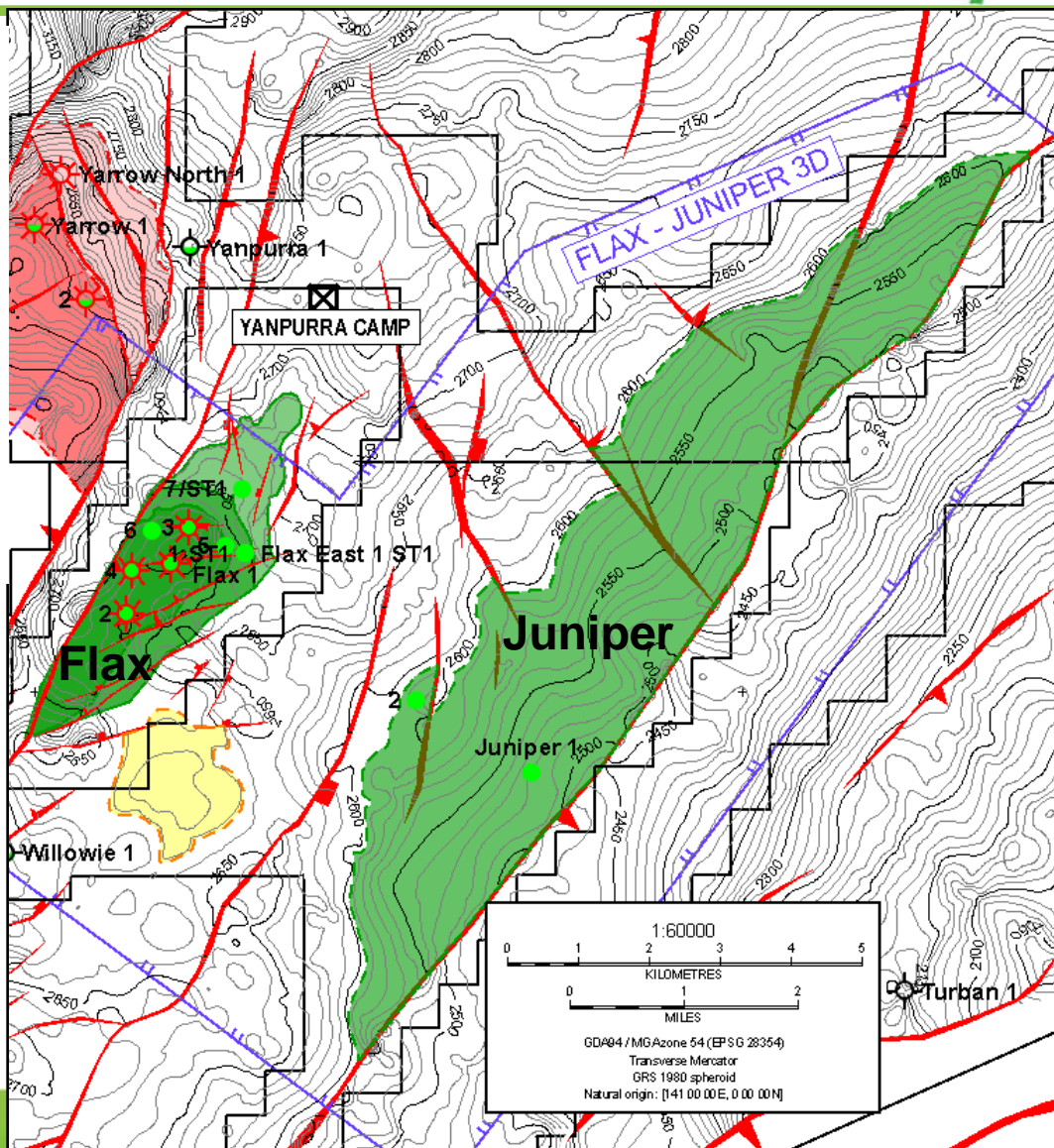
- Experienced operations team and key service contracts in place
- Potential tie back of Juniper success to Flax facilities
- Ability to utilise existing operational presence for drilling campaign and future developments

# Flax and Juniper Resources



- Flax (PRL14) - 15 mmbbls P50 OOIP with >150,000 bbls produced to date
- Juniper (PRL 17& 18) - 27 mmbbls P50 OOIP
- Additional 130 mmbbls prospective resource possible from further appraisal of the Juniper reservoir

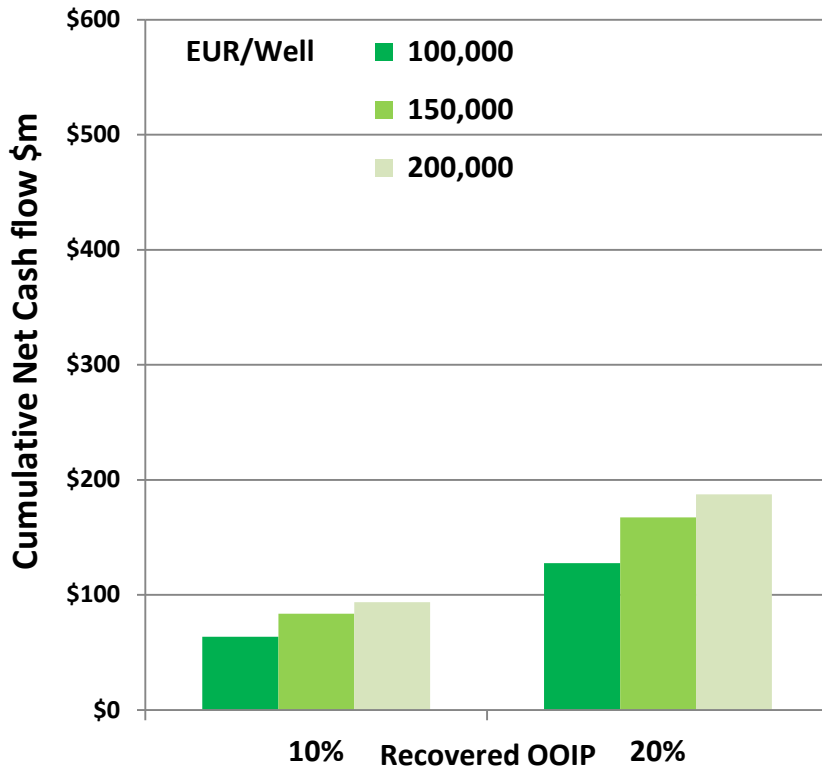
Gross OOIP MMbbls	P90	P50	P10
Flax	7	15	25
Juniper	8	27	45
<b>Total</b>	<b>15</b>	<b>42</b>	<b>70</b>



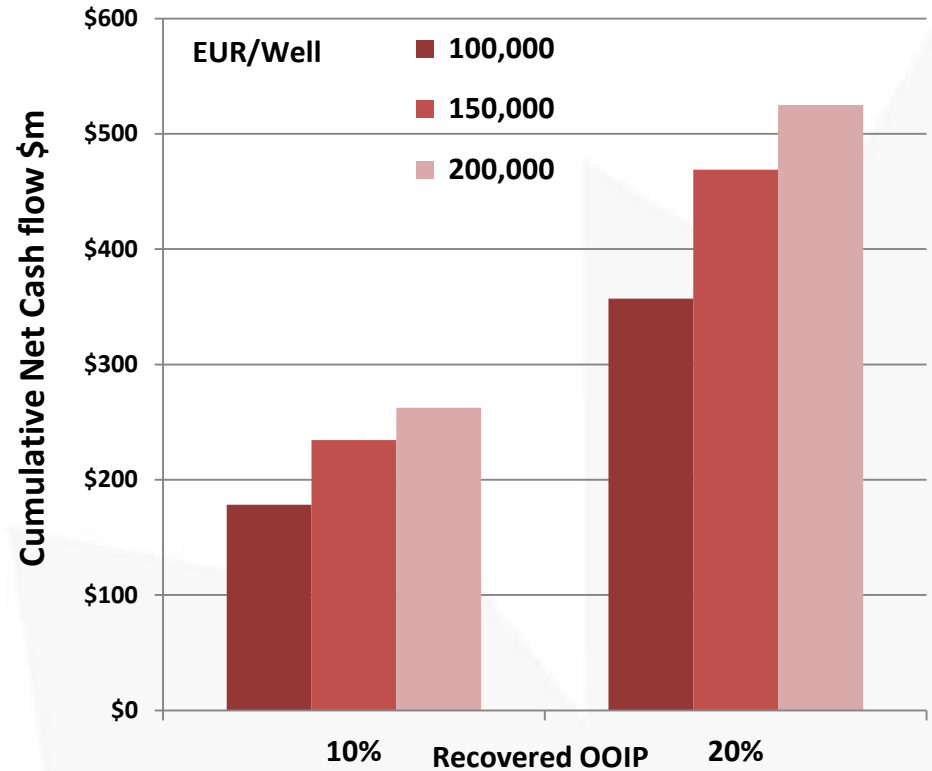
# Flax & Juniper Recovery



Flax OOIP – 15 mmbbbls

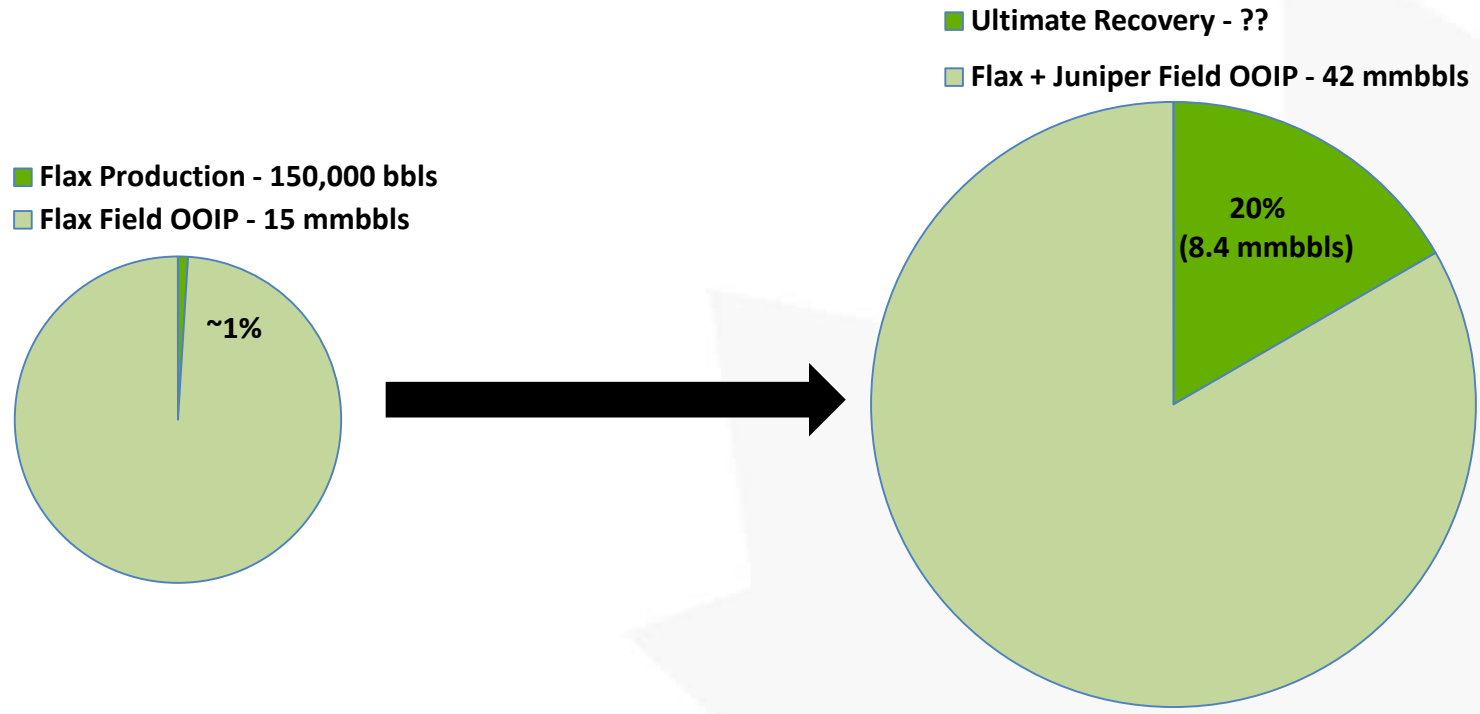
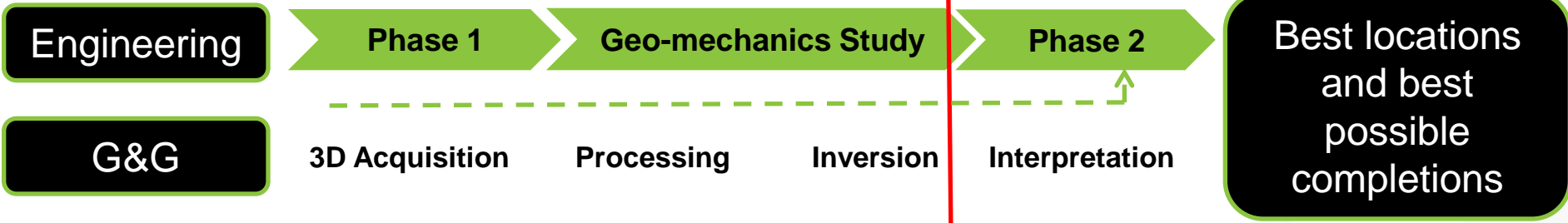


Flax + Juniper OOIP – 42 mmbbbls



**Assumptions**      Oil Price - A\$100      Well Cost - \$4.0m

# Flax & Juniper Development Pathway





## Engineering – Reservoir Study

- Utilising Schlumberger – significant experience in North American tight reservoir completions, horizontal drilling and unconventional plays
- Scope of Study
  - Phase 1 – review available petrophysics, drilling, completion, geomechanics and stimulation data to understand potential sand productivity in the reservoir
  - Phase 2 – Evaluate potential well deliverability different well types and completion methodologies to determine optimal design for upcoming program

## G&G – 3D Seismic

- 141 km<sup>2</sup> 3D acquired with increased field effort (wide azimuth, high fold, long offsets)
- Now in undergoing inversion and interpretation
- Preliminary images confirm excellent data

# 2012 Drilling Program



- 6 well program (3 firm / 3 contingent)
- Mixture of exploration and appraisal program
- Final well locations following 3D seismic evaluation, Phase 2 of Reservoir Study and reprocessing/inversion results
- Ensign Rig 18 secured
- Scheduled for commencement Q2 2012

# Near Term Value Drivers



- Completion of 3D seismic interpretation and Reservoir Study to enable finalisation of drilling locations
- Possible announcement of farm in partner for Flax-Juniper asset
- Drill 3 – 6 wells during Q2-Q4 2012
- Commence exploration of Western Flank blocks PEL 182 and PEL 100 (3D seismic acquisition)
- Continue to grow the acreage portfolio



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## Reserves & Resources

The resource estimates used in this statement were compiled by RISC Pty Ltd (ABN 75249408310) as part of an Independent Expert's Report for the placement of shares to Republic Investment Management Pte Ltd in March 2011. Specifically the resource information was compiled for RISC by Peter Stephenson (partner and director of RISC and member of the Institute of Chemical Engineers) and Joe Salomon (RISC's Geoscience Manager) who are qualified in accordance with ASX listing rule 5.11 and has consented to the form and context in which this statement appears.