

President Petroleum Company plc

Argentine Acquisition

27th June 2011

“President considers Argentina a very fertile location to build a major hydrocarbon producing business”

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Argentine Acquisition

- 1 ➤ Exciting acquisition of existing producing assets with significant upside through exploitation of reserve base and exploration
- 2 ➤ Use of modern drilling and completion technology to unlock potential resources previously ignored or not considered commercial
- 3 ➤ 6.6 mmbbl 2P reserves acquired for \$2.2/bbl valued by President at NPV10 US\$ 60 million
- 4 ➤ President brings funds, experience and expertise alongside reputable local partner
- 5 ➤ Opportunity for scalable growth in Argentina through building on this first step via further acquisitions
- 6 ➤ Expected to be funded from existing cash resources and current and anticipated production
- 7 ➤ Adds to Presidents existing reserves and production in Louisiana, USA

Argentina Deal Headlines

Joint Venture Partnership

- Entry to very prospective CNO-8 “Puesto Guardian” Licence in NW Argentina effective 1st July 2011
- 50/50 “Joint Operatorship” with local operator Petrolera San Jose
- 622 sq km licence in Noroeste Basin with Cretaceous Yaroraite production 225 bpd (net)

Existing Production, Material Upside

- Reserves to 2016*: 1P 1.3MMboe, 2P 3.6 MMboe (Net)
- Reserves with Licence Extension to 2026**: 1P 2.1MMboe, 2P 6.6 MMboe, 3P 8.2 MMboe (Net)
- Material further upside through exploitation and exploration

Farm-in Terms

- Acquisition cost \$2.2/bbl 2P reserves
- \$1.5 million cash + 5,102,041 PPC shares at 24.5p/sh
- \$10.75 million capped carry of drilling costs
- 1 million warrants to purchase PPC shares at £0.50 per share (exercise in 1-3 years)

Activity Program

- 5 well program (4 PUDS + 1 2P location) commencing Q4’11
- 30 Day-Initial-Production 380-600 bopd/well taking net production to 1,200bpd by mid-2012
- Further 27 2P & 3P sites identified – extension of drilling program possible to 2,500bpd net by 2014

Expanded Team

- Creation of Latin American business unit with 2 senior management hires & regional office in BA
- This is the first step - build through further acquisitions

* Based upon Independent Reserve Audit dated May '10 corrected to effective date of 1.07.11 based upon actual production

** Company Estimates

Why Argentina?

- **Significant Hydrocarbon Reserves**

- 2 billion bbl Oil & 18.6 Tcf Gas

- **Significant Underexplored and Underexploited Basins**

- Lots of old wells and large proven areas with only 2D seismic
- Stacked Pay
- Game-changing unconventional

- **Fertile Ground to Build Significant Scalable Business**

- Application of 3D and modern drilling and completion techniques
- Repsol, Majors (Exxon, Shell, Total, Chevron), US Independents (Apache, Oxy) & LatAm Independents with significant interests, but few Independents
- Build critical mass quickly through further acquisitions

Why Now?

- **Energy pricing dynamic in Argentina undergoing positive structural change**
 - Nine years of price controls meant industry failed to replace reserves
 - Market price imports to meet domestic demand not sustainable
 - Outlook for continued increasing domestic oil and gas prices
 - Supportive Government initiatives

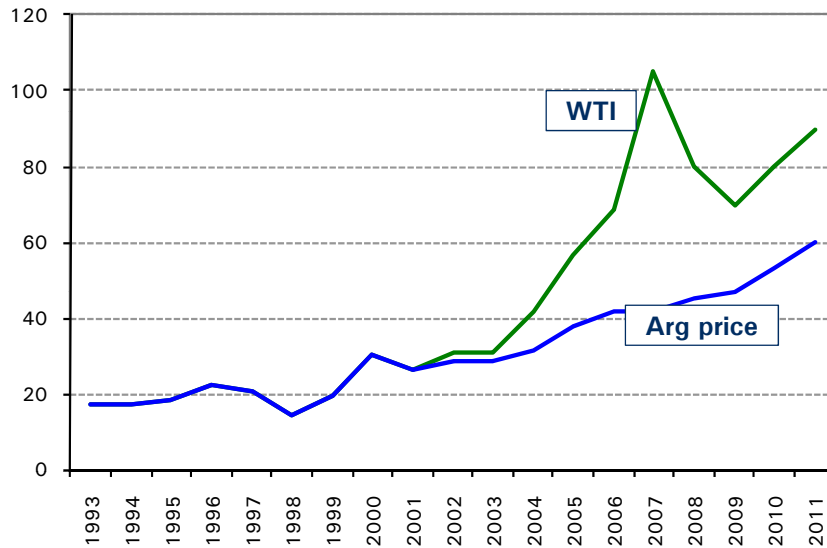
- **Economic Outlook at macro level is good with continued GDP growth**

- **Exploitation of conventional resource inventories now possible**
 - Availability of services
 - Attractive netbacks

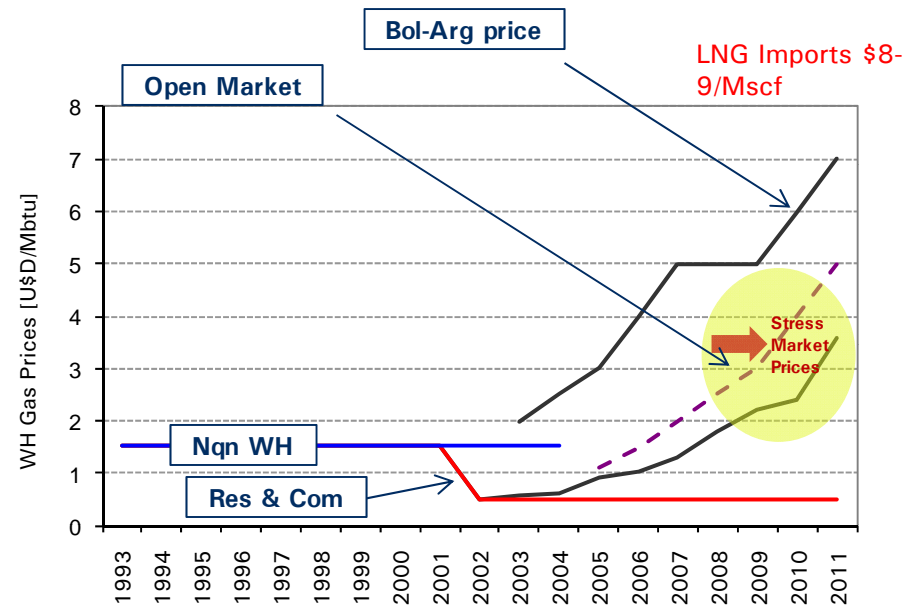
- **Attractive Asset Prices**

Argentina – Price Controls

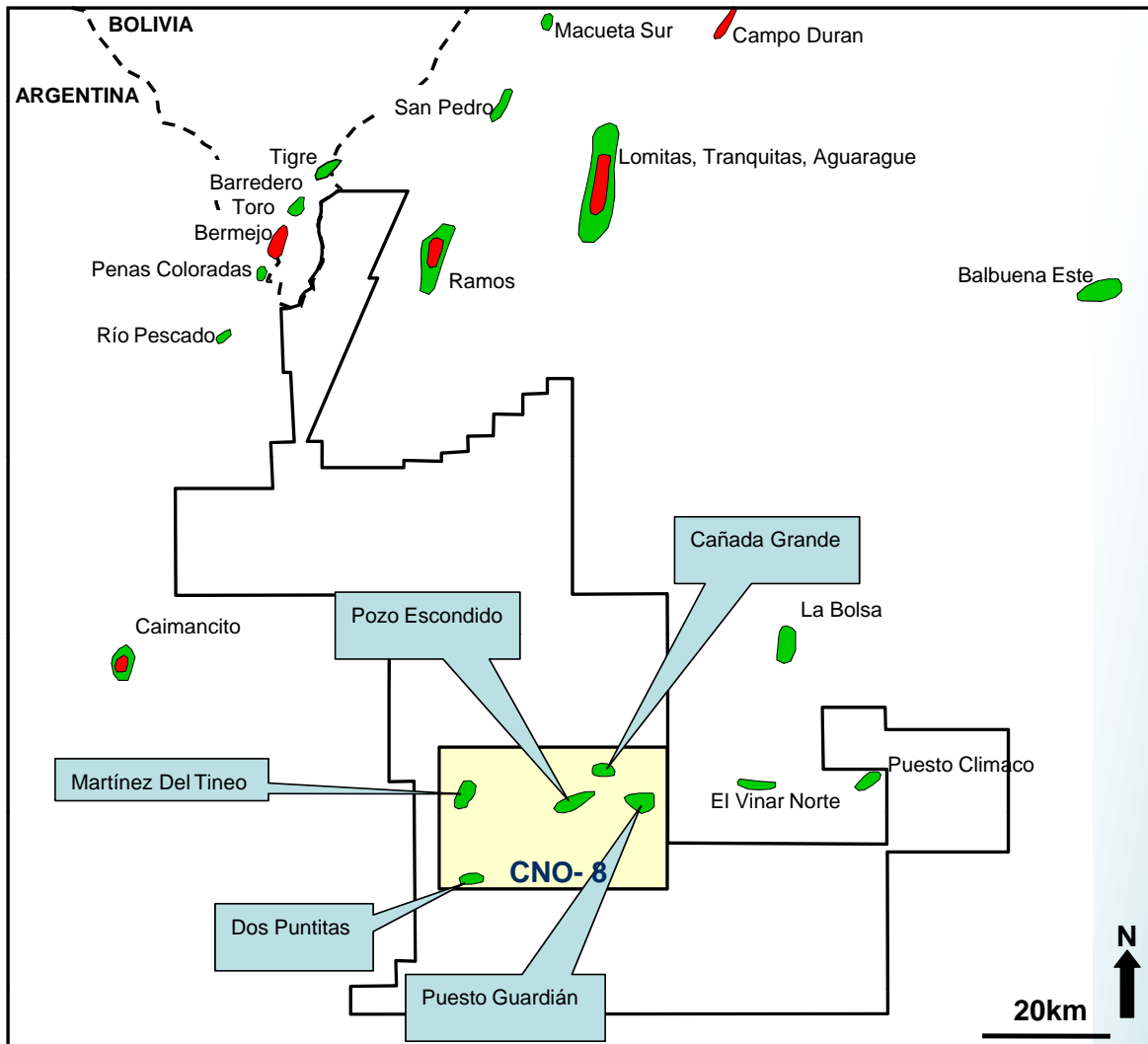
Oil Price



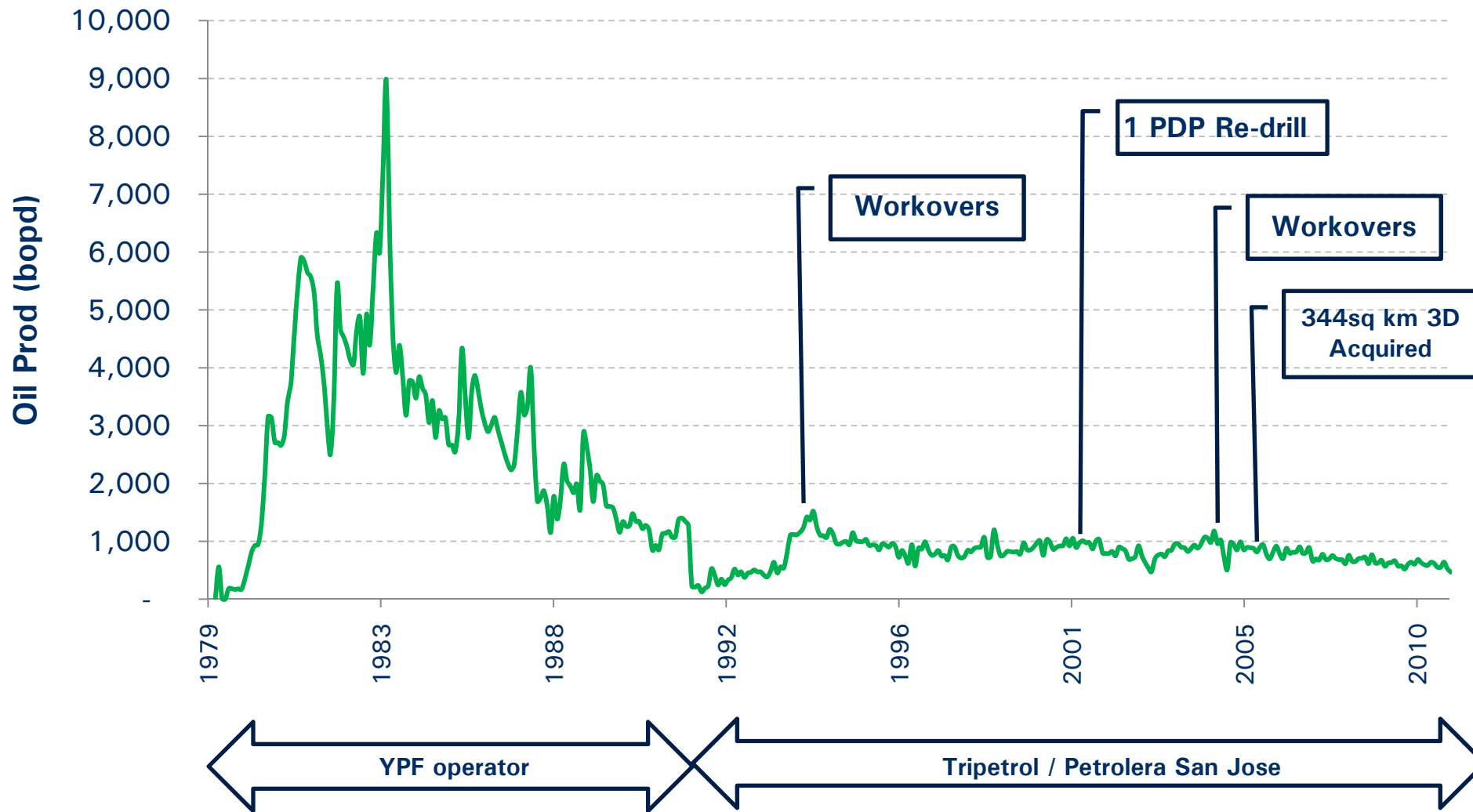
Gas Price



Assets Location – Noroeste Basin



Puesto Guardian Field History



Noroeste Basin Stacked Pay

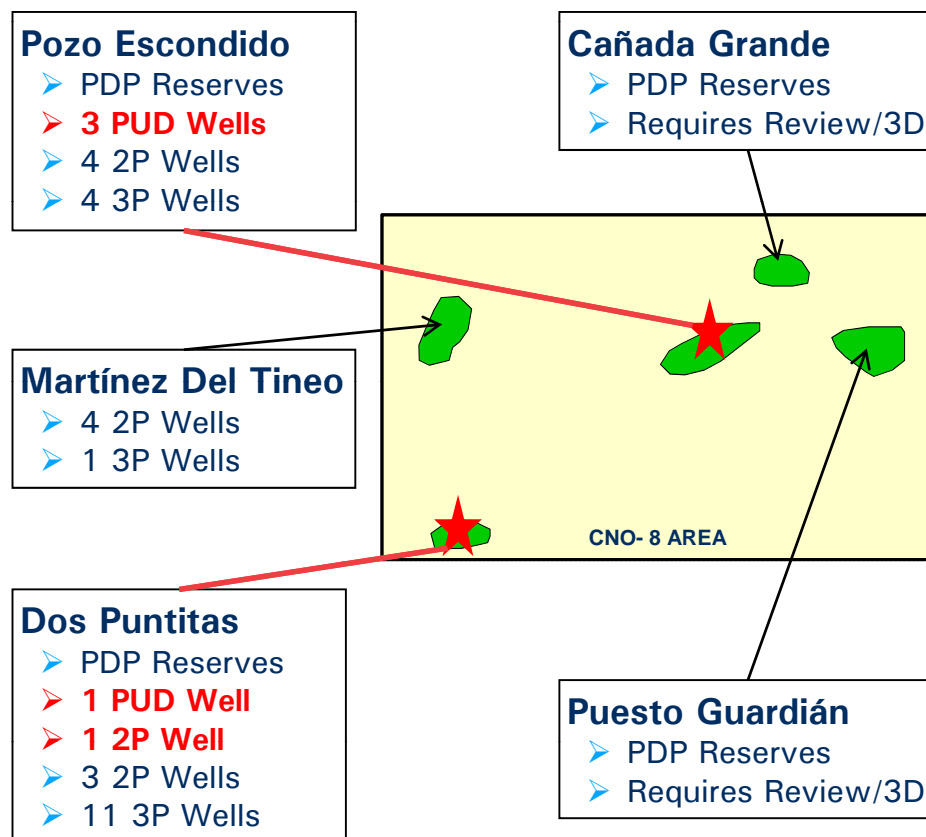
- Existing reserves and production
- Secondary HC Target

AGE	GROUP	SUB-GROUP	FORMATION	THICKNESS (m)
TERTIARY	ORAN	METAN	Jesús María + Anta	609
			Río Geco	460
CRETACEOUS	SALTA	SANTA BÁRBARA	Upper Lumbrera Member	● 294
			Franja Verde Member	25
			Lower Lumbrera Member	● 111
			Maiz Gordo	● 152
			Upper Mealla Member	223
			Franja Gris Member	21
			Mealla Inferior Member	183
		BALBUENA	Olmedo	● 103
			Maestrichtian Yacoralte	● 288
			Basalto	> 100
		PIRGUA	Pirgua (1)	
			(Fault)	
			Pirgua (1)	
			Deeper Horizons?	●

Puesto Guardian Development Pipeline

Drilling Locations (All Cretaceous Yacoraite)

- Q4'11-Q1'12 Well Sequence: 4 PUD & 1 2P Well
- Further 27 2P & 3P sites identified



Well Economics

Locations (Q4'11-Q1'12/Rest)	5/27
30-Day Initial Production (bopd)	380-600
\$/bbl	56
Well cost \$MM	4.2
WI/NRI (5 well program/Rest)	100%/50* %
Field Netback after 5 wells (\$/bbl) **	23

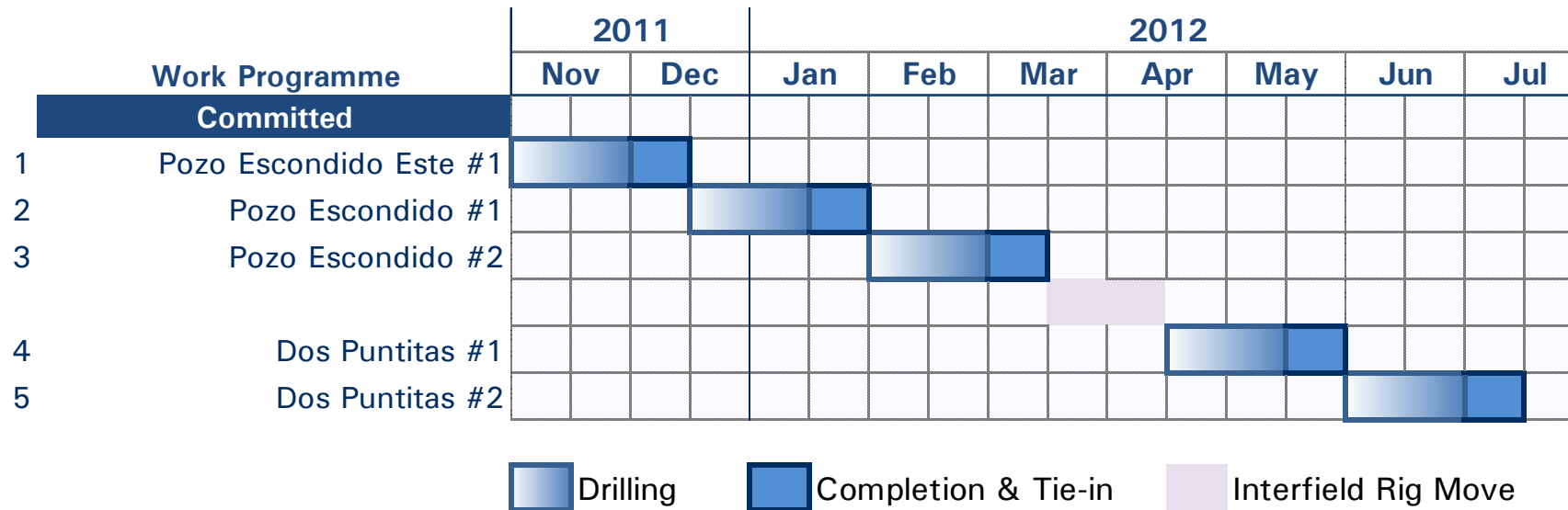
* 2.5% net profits interest with local Argentine management

** Includes increased Royalty with Licence Extension Agreement, CIT 35%, includes Operator G&A. Excludes DD&A

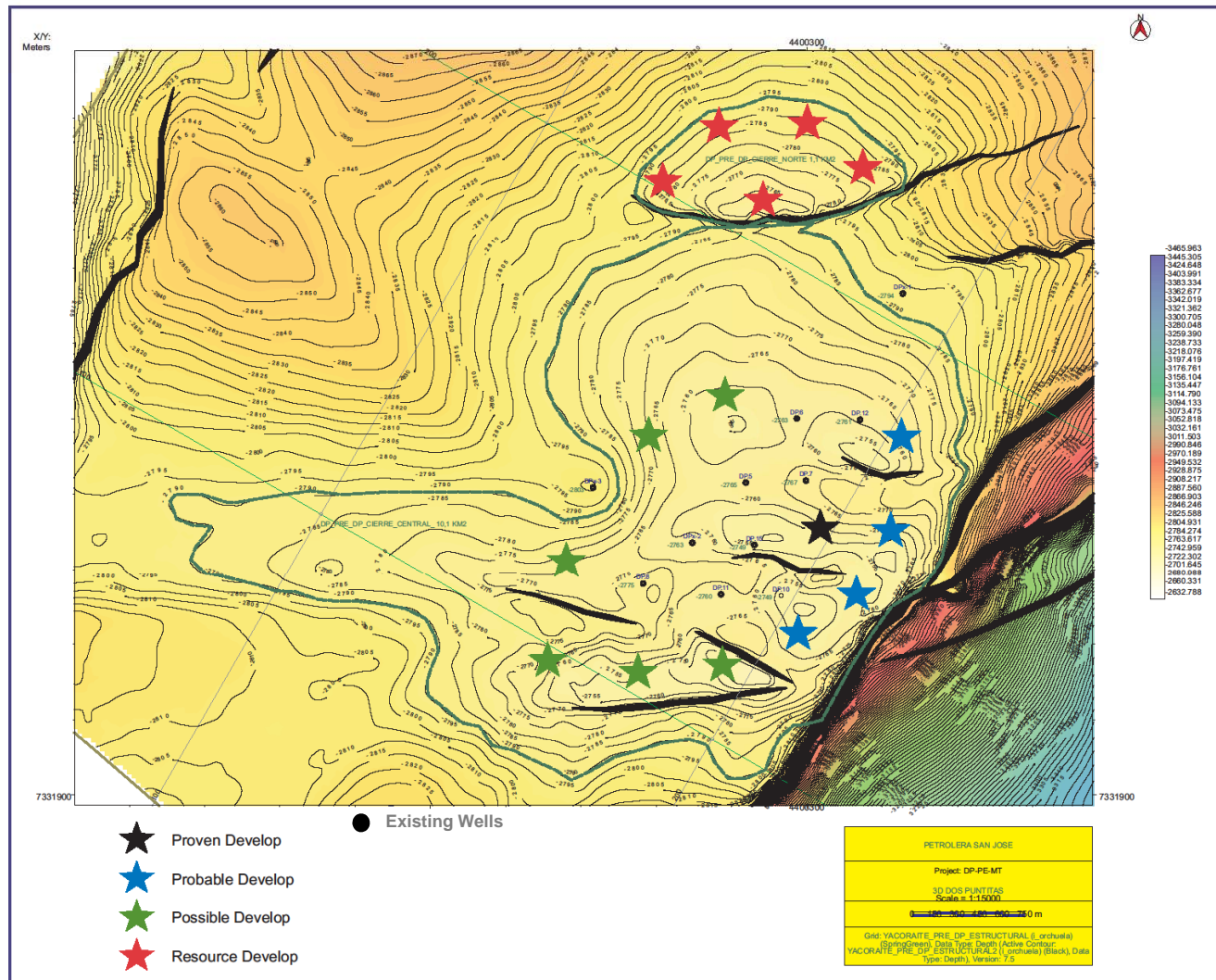
Upsides

- Higher 30-Day IP from successful fracking
- Anticipated continued expansion of project pipeline
- Horizontal drilling
- Cretaceous stacked pay exploitation
- Exploration (inc. deeper horizons)

Puesto Guardian Work Programme



Dos Puntitas Field Example



➤ Existing Wells drilled on 2D Seismic

Puesto Guardian Facilities



Acquisition Summary

- **President considers Argentina a very fertile location to build a major hydrocarbon producing business**
- **Entry into highly prospective onshore block with existing production, near-term production growth and material exploitation and exploration upside**
- **Acquisition of 6.6 mmbbl 2P reserves @ \$2.2/bbl***
- **2P reserves (net) valued by President at NPV10 US\$ 60 million***
- **Active Drilling Program commencing Q4 '11**
- **Expected to be funded from existing cash resources and current and anticipated production**

* Includes Licence Extension to 2026