



borders&**southern**
petroleum plc

AGM
Institute of Directors – Pall Mall
11 am, 30th June 2014

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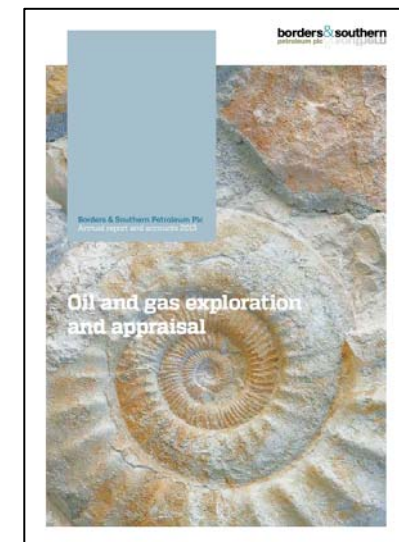
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Financial Summary

as at 31 December 2013:

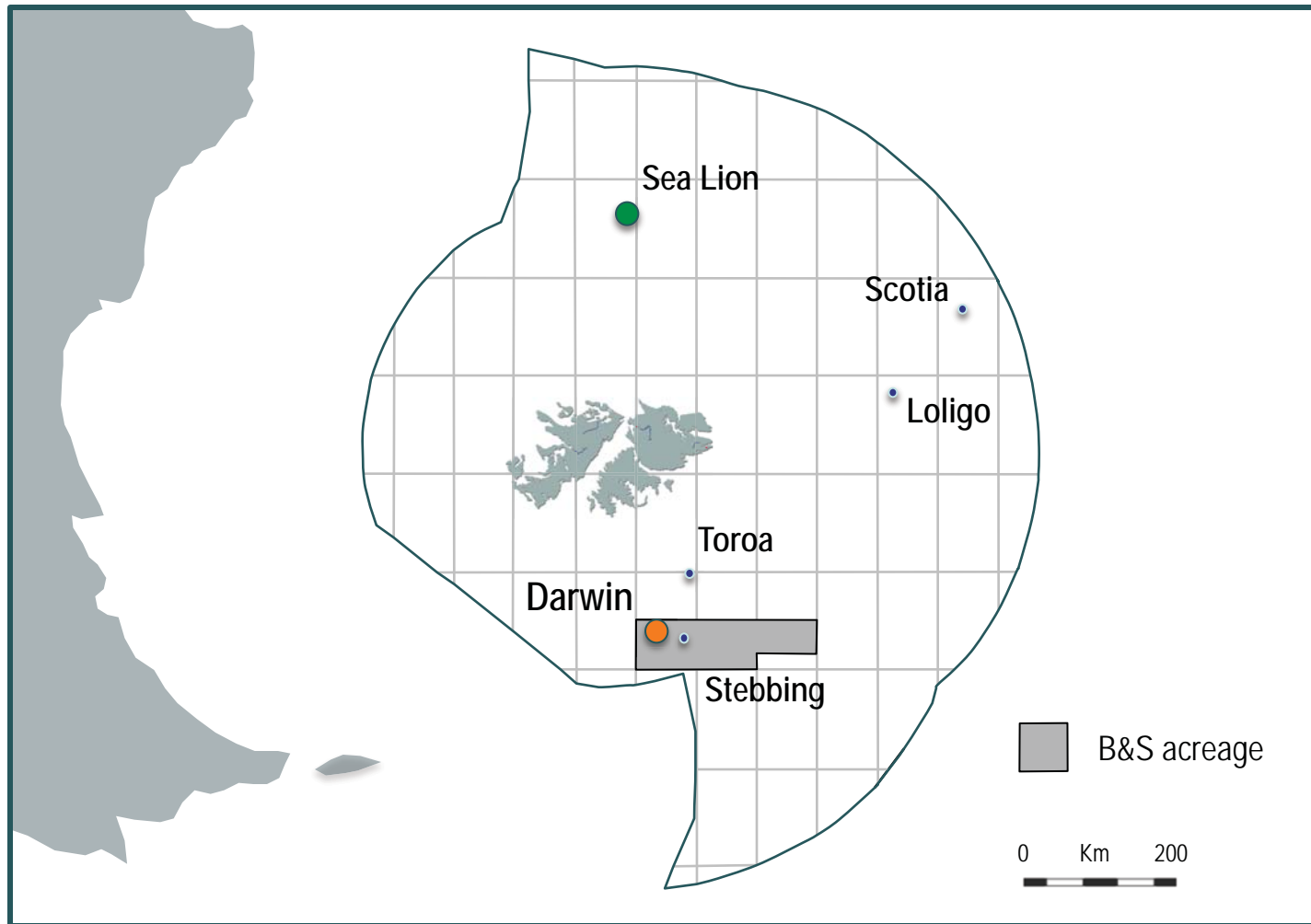
	2013 \$	2012 \$
• Profit (Loss)	(2,955,526)	(1,280,504)
• Cash Balance (including restricted use cash)	23,289,453	56,435,057



Farm-out

- The farm-out process is on-going
- Reaction to our discovery and surrounding prospectivity has been very encouraging – this gives us confidence that our technical case is robust
- Further news will be provided as soon as a Farm-out Agreement has been signed

Falkland Islands

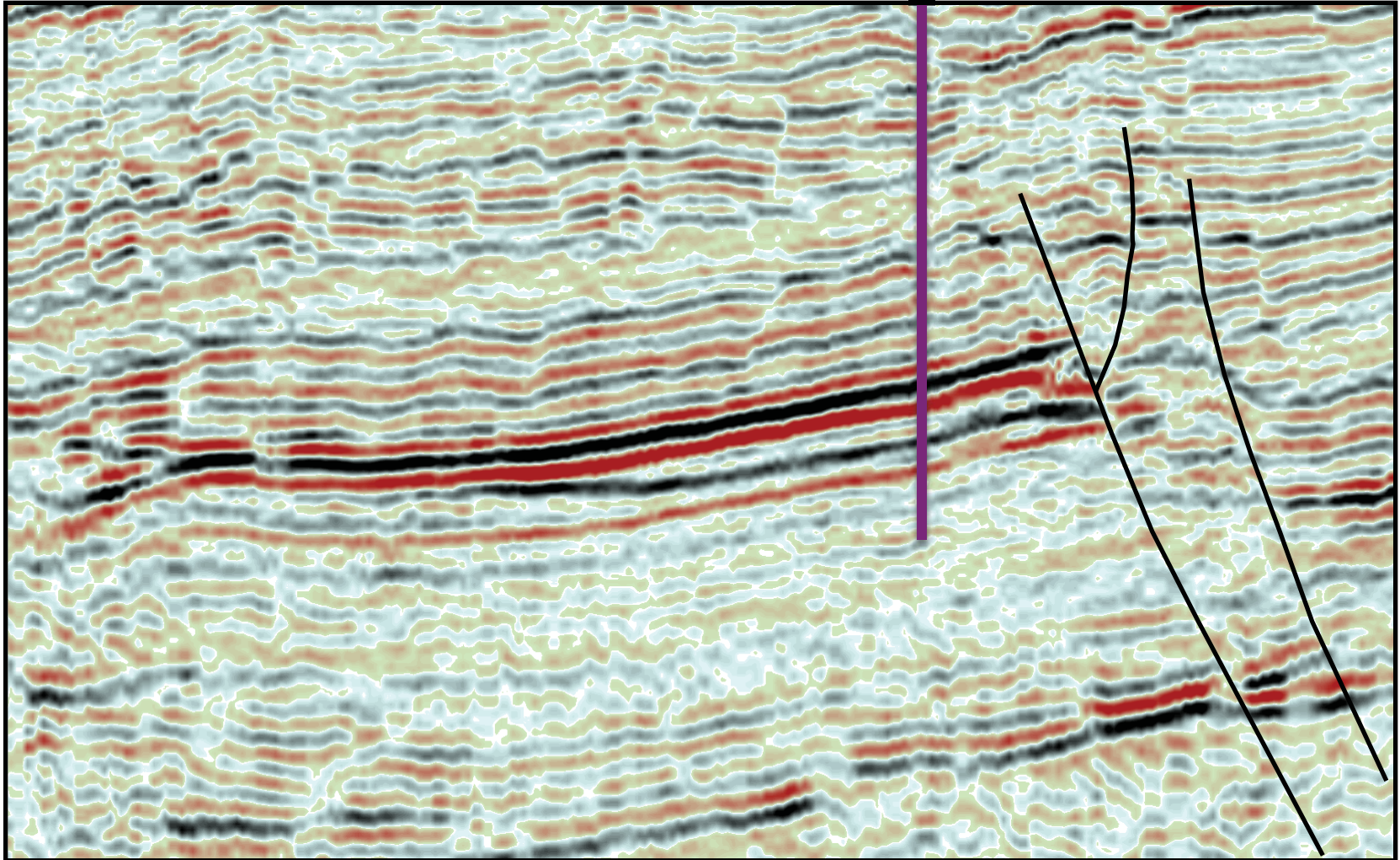


Darwin Resource Estimate Upgrade

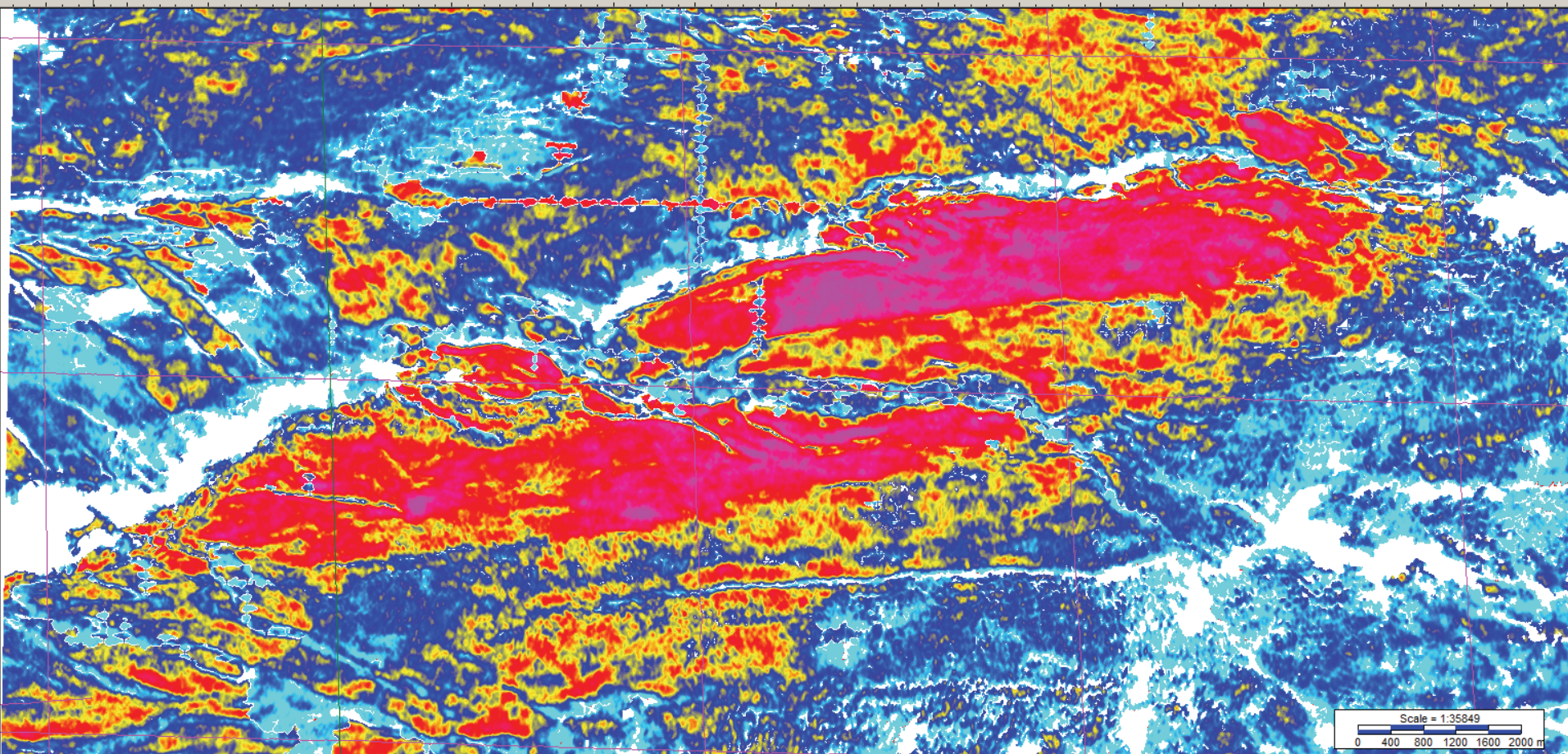
- Located approximately 150 km south of the Falkland Islands
- Water depth: 2km
- Comprises: Darwin East & Darwin West tilted fault blocks
- Hydrocarbon Phase: Gas Condensate
- Reservoir quality: very good
- Condensate API: 46⁰ to 49⁰
- Development concept: FPSO, gas re-cycling
- Estimated In place wet gas resource: **2.6 TCF**
- Revised estimated recoverable resource: **263 million barrels of condensate**
- Potential for additional growth
- Next step: appraisal



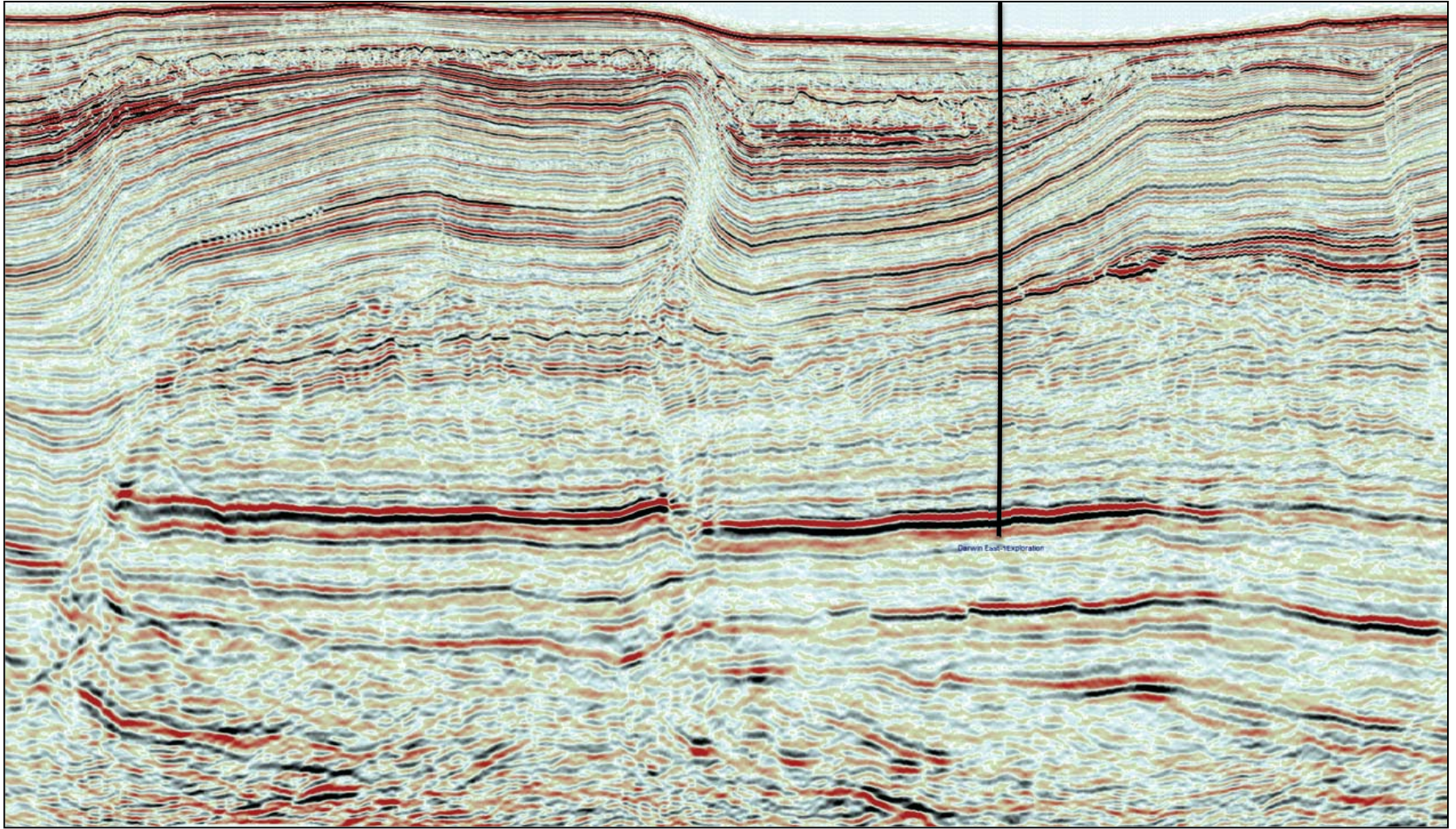
Darwin Discovery Well – 61/17-1



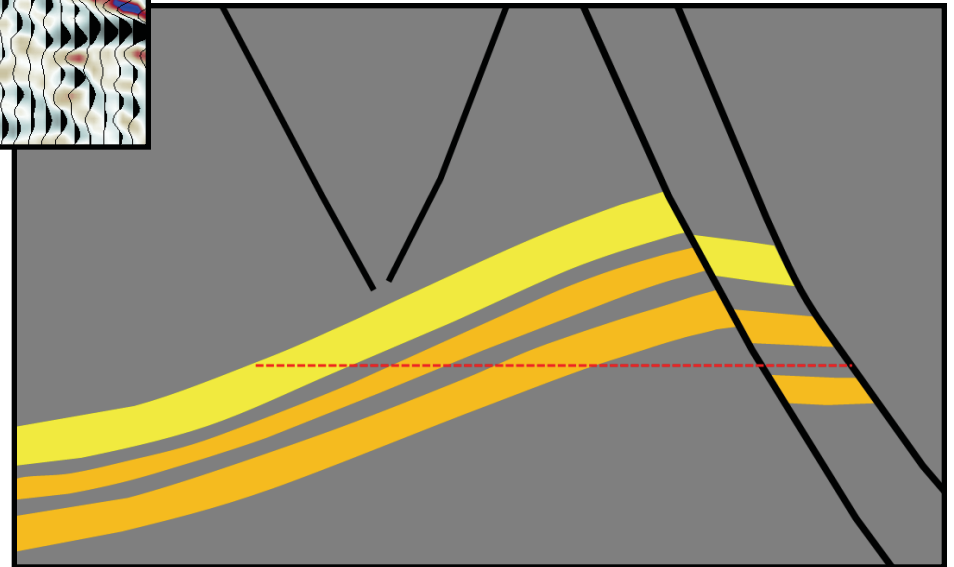
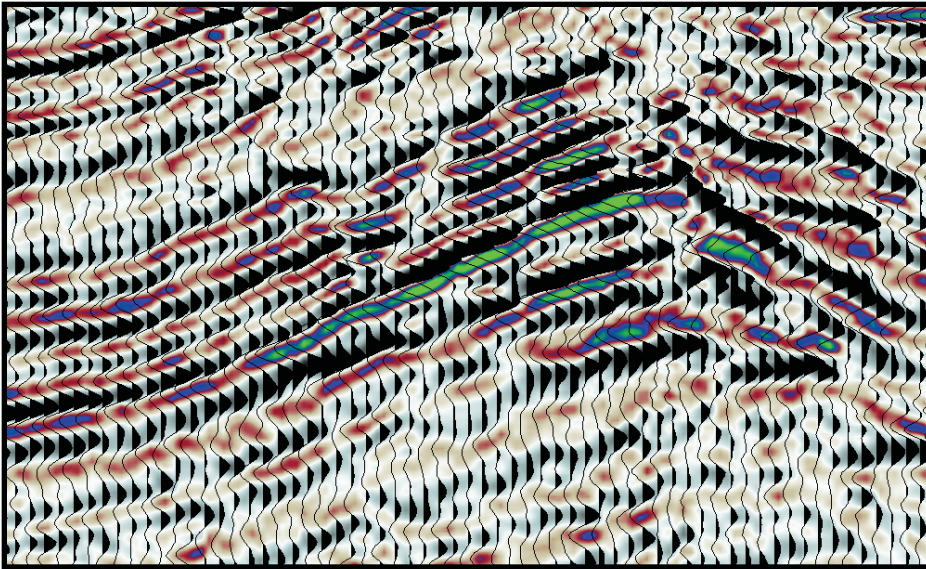
Darwin East & West



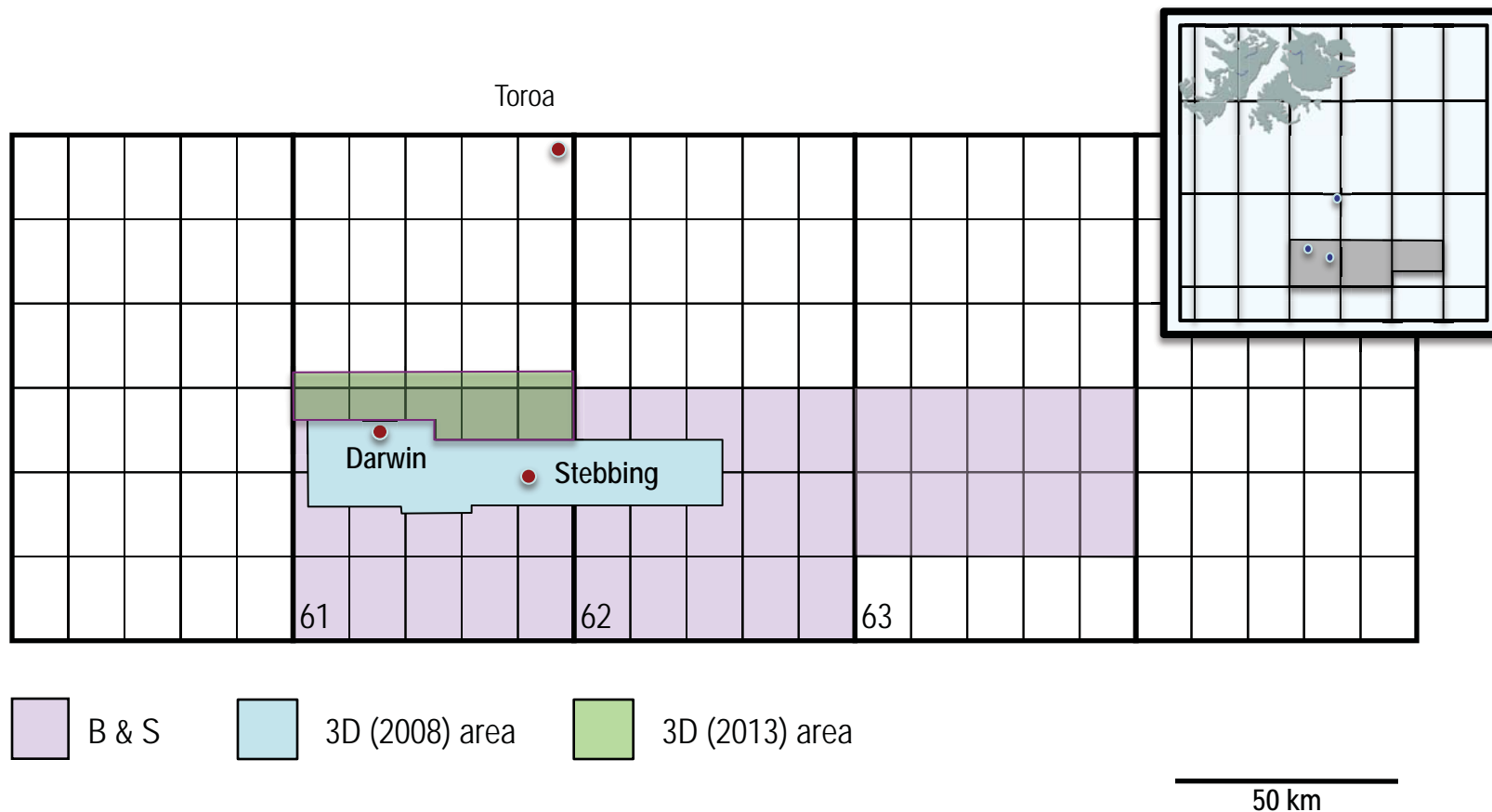
Darwin East & West



Darwin West – Additional Reservoir Potential



New Data - 3D Coverage – 2,517 sq km



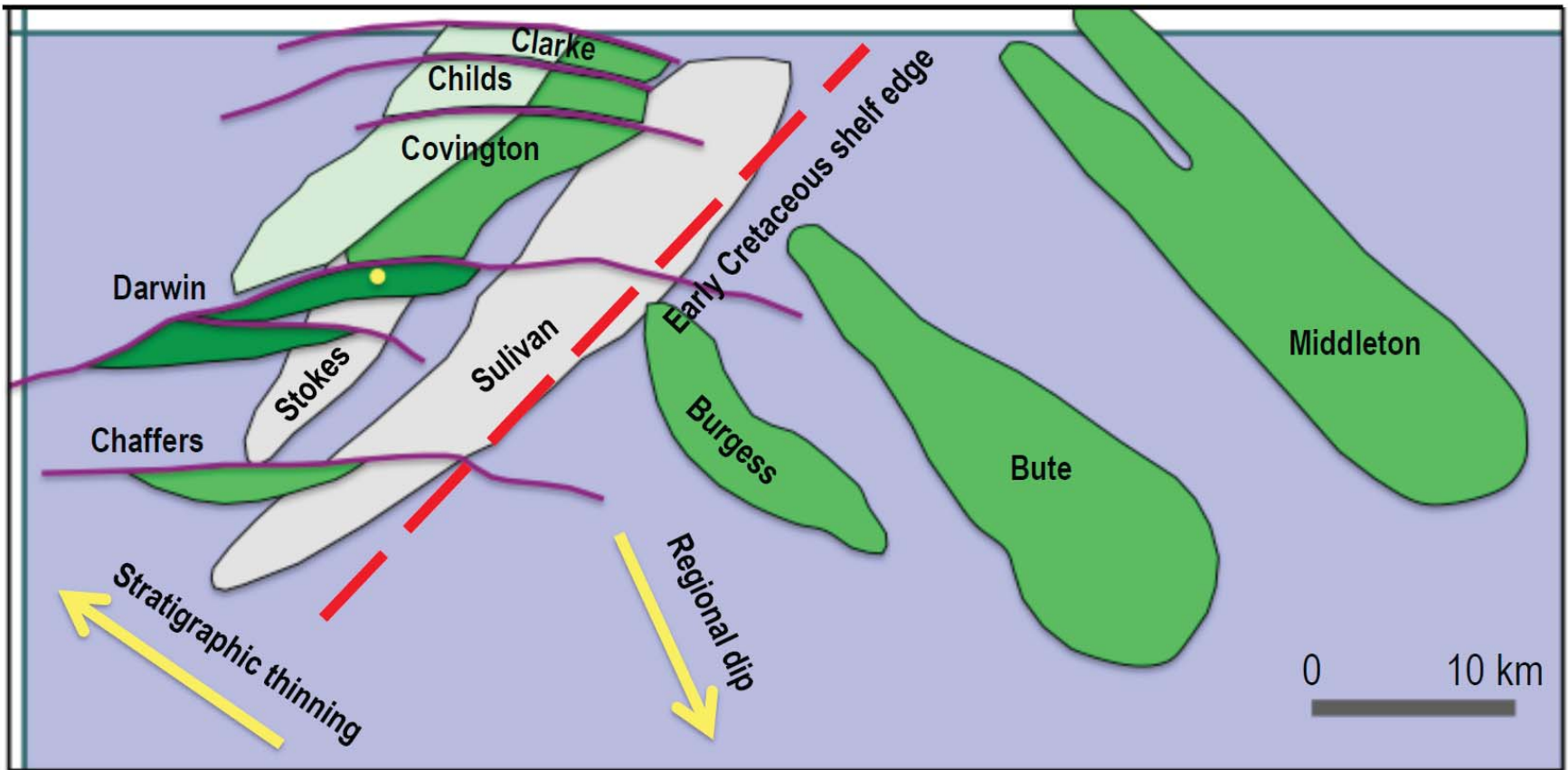
New Data – Work in Progress

- We are making tangible progress in our understanding the hydrocarbon system of the South Falkland Basin – new data has provided important insights
- The greater Darwin area represents the coming together of good quality reservoir, robust trapping mechanisms and a focal point for migrating hydrocarbons (both oil & gas) – this could end up being a major sweet spot in the basin
- We are developing an exciting portfolio of low risk, amplitude supported prospects – significant volumes could be added to our discovered resource

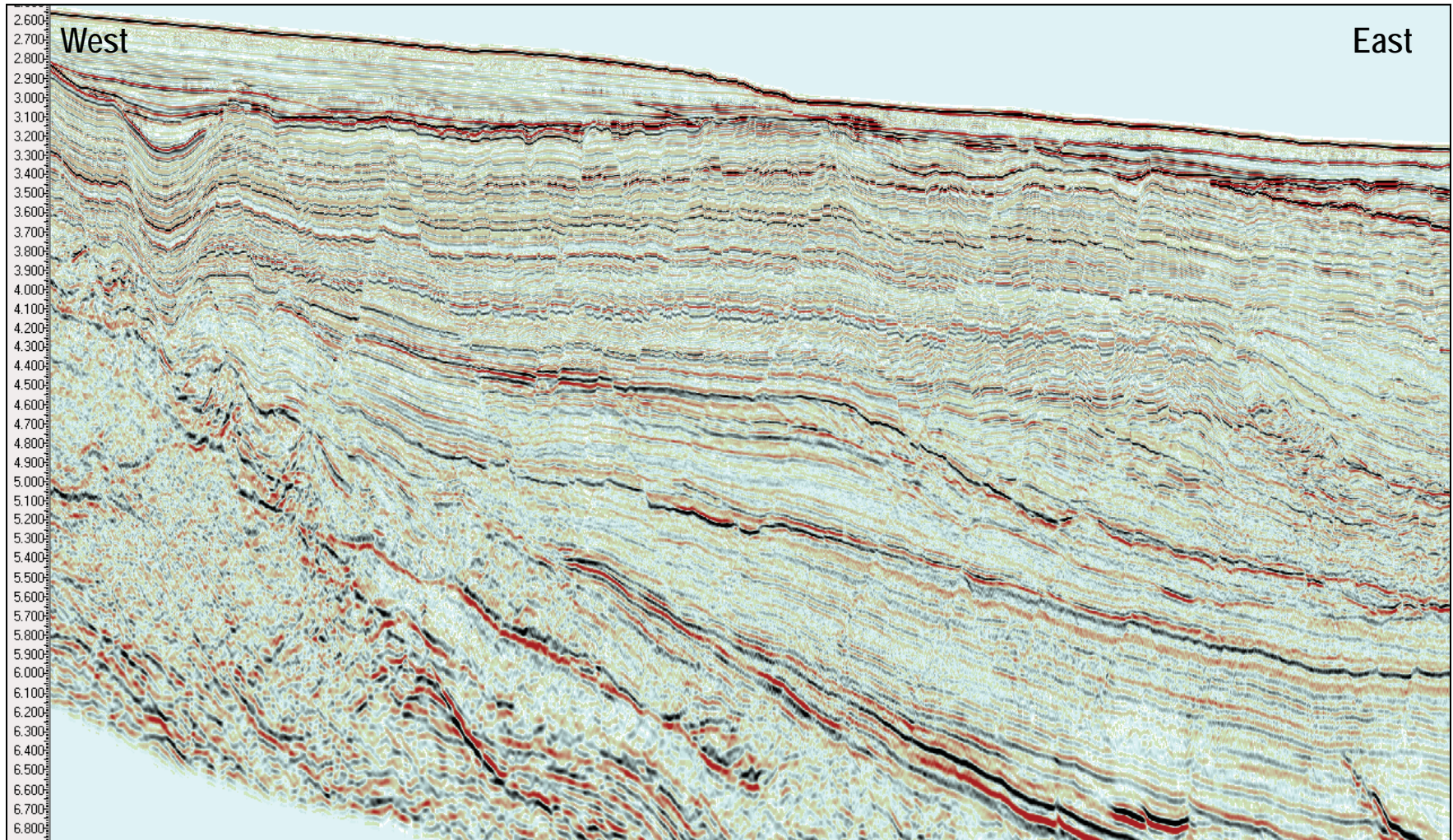
Prospect Inventory – Risk Profile

Play Type	Risk Profile	Key Risk	Examples
Early Cretaceous shallow marine	Low	Trap	Darwin, Covington, Chaffers.....
Early Cretaceous deep water fans	Moderate	Seal	Burgess, Bute, Middleton.....
Upper Cretaceous / Tertiary folds	High	Reservoir Quality	Stebbing, Fitzroy

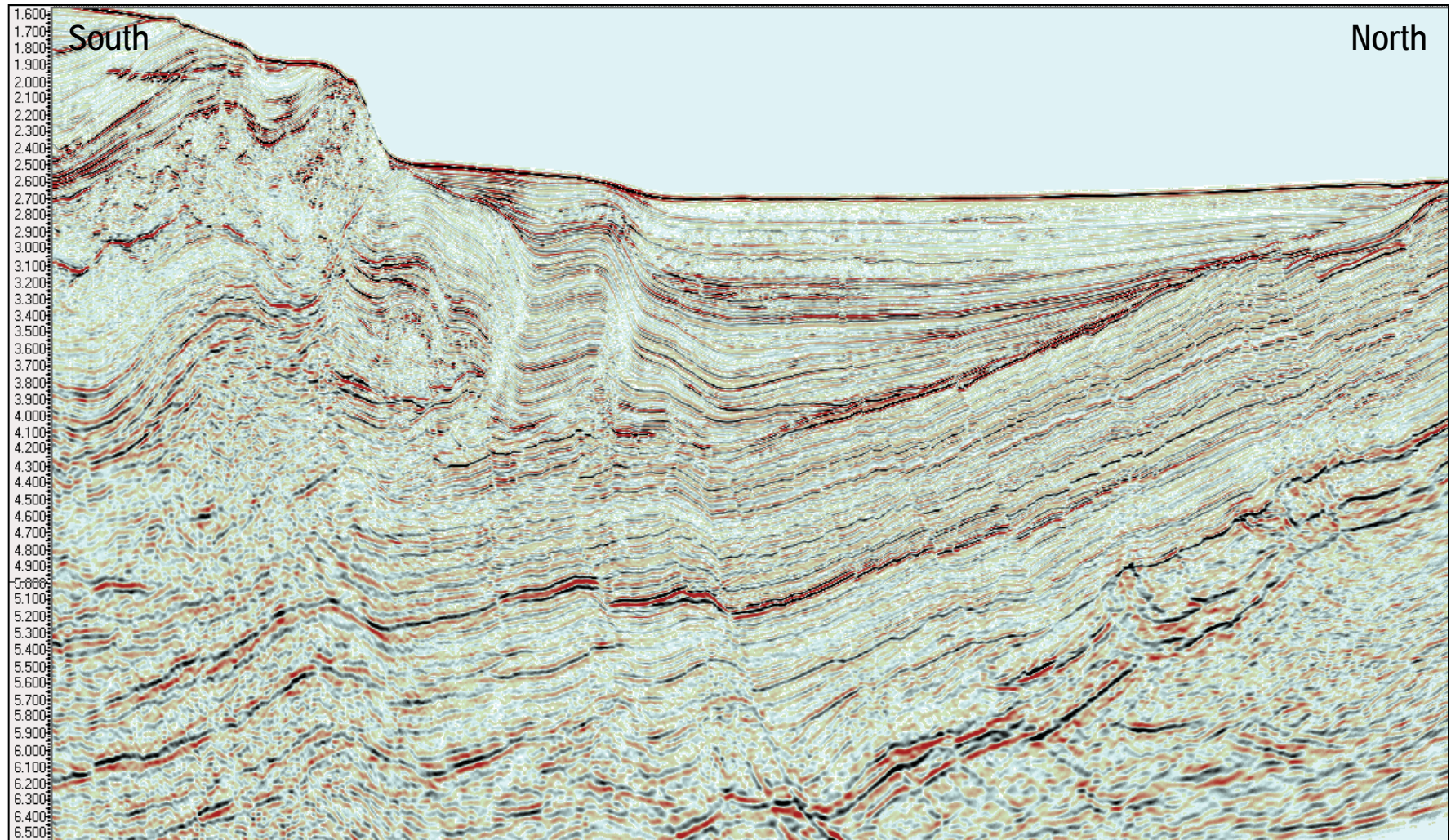
Early Cretaceous Prospects & Leads



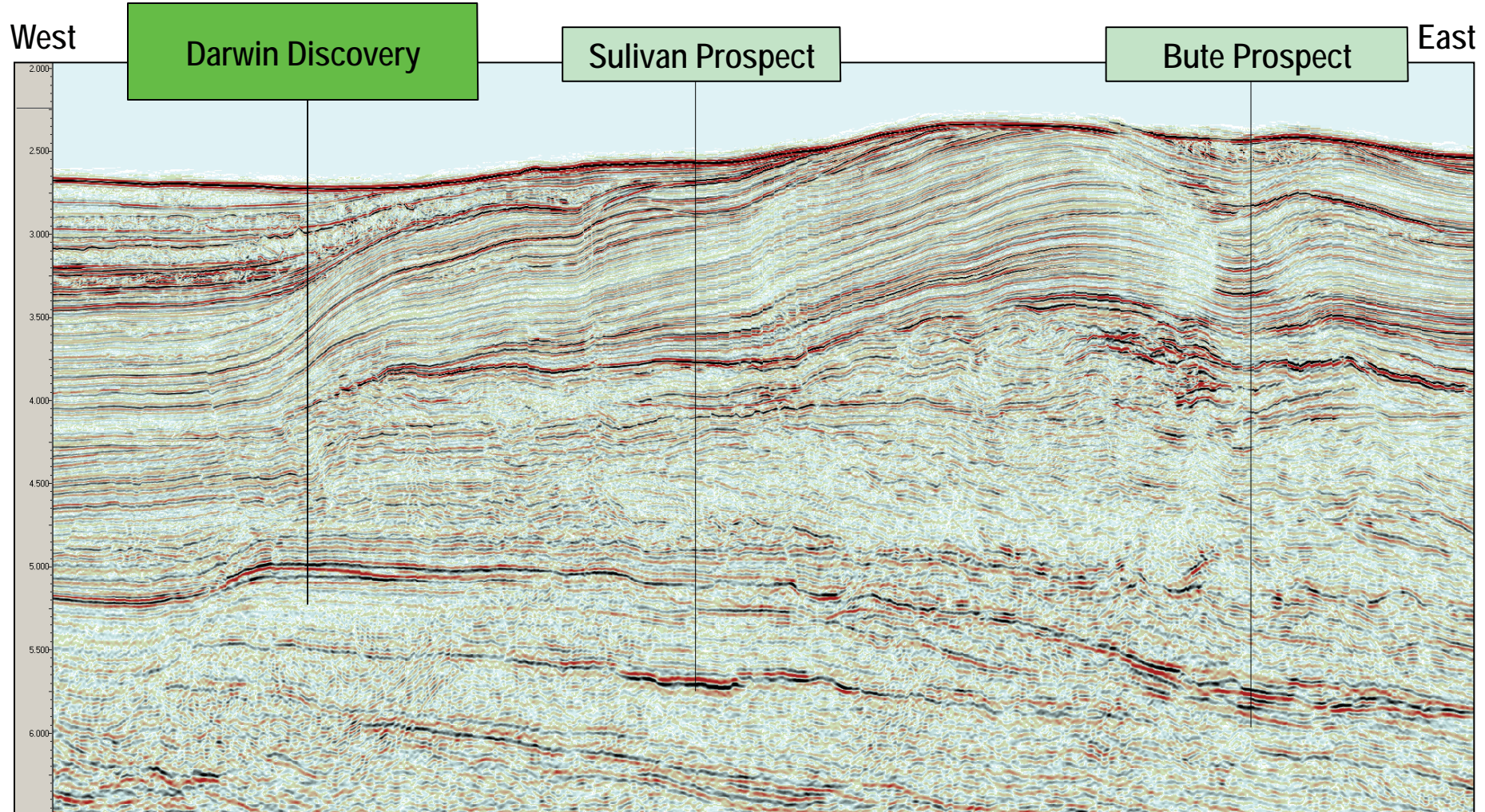
Early Cretaceous Plays (East – West line)



Early Cretaceous Plays (North – South line)



Early Cretaceous Plays



Short Term Objectives

- Complete the farm-out of our acreage
- Mature our prospect inventory
- Join the Falklands rig consortium
- Continue planning our future appraisal and exploration programme

Key Messages

- Our technical analysis indicates that the Darwin discovery is a significant resource
- Prospectivity of our acreage is looking really exciting
- Our short term priority is to secure partners to assist in the next phase of drilling