

CHUDITCH-1 DISCOVERY WELL, 1998

INFORMATION DERIVED FROM SHELL REPORTS ON THE WELL RESULTS

The following information on the TL-SO-19-16 PSC (the "Chuditch PSC") has been taken from publicly released reports¹ on the area prepared by Shell Development (Australia) Pty. Ltd. ("Shell") in 1998 and 2001 after the drilling of the Chuditch-1 discovery well in what was then the ZOCA 91-09 PSC. *Commentary by Baron is italicised.* Chuditch-1 was drilled in a total of 25 days for US\$8 million. *All GIIP figures have been derived from Shell's in-house review of existing 2D seismic data and neither they nor Baron's comments are compliant with the 2018 SPE PRMS Prospective Resources standard.*

Baron intends to invest in the Chuditch PSC project through its entitlement to a one third shareholding in SundaGas (Timor-Leste Sahul) Pte. Ltd., equating to an indirect net 25% interest in the Chuditch PSC.

Shell's "Greater Chuditch" Area, encompasses three structures that were mapped as having a common closing contour at the level of the gas-water contact in the Chuditch-1 well. These are Chuditch, Chuditch West and Bilby (*now renamed Chuditch North by SundaGas*).

Shell noted that they had set to zero the risks associated with trap, reservoir and charge for the Greater Chuditch closure (*that is, the Geological Chance of Success is assumed to be 100%, with remaining uncertainty relating to volumes*). The gas water contact at 2,920 metres subsea was used to define the areal extent of the hydrocarbon accumulation. The uncertainty associated with the reservoir has been reflected in the ranges they used for each parameter.

RESERVOIR PARAMETER	RANGE	SOURCE
Net to Gross	60-90%	Chuditch Core and Regional
Porosity	8-16%	Chuditch Core and Regional
Gas Saturation	75-95%	Chuditch Core and Regional
Condensate:Gas Ratio	0-5bbl/mmscf	Chuditch MDT samples
Non Hydrocarbon Gas	18-24%	Chuditch MDT samples
Gas Recovery Efficiency	55-75%	Shell Expectation

Note: bbl = barrels of Condensate; mmscf = million standard cubic feet of gas

Using the above parameters, Shell computed the range of gas initially in place (GIIP) in the Greater Chuditch area as follows:

GIIP	P85	MEAN	P15
Greater Chuditch	1775 BCF	2578 BCF	3395 BCF

P85 = a probability of 85% that the GIIP will be this figure or higher

P15 = a probability of 15% that the GIIP will be this figure or higher

¹ Reports obtained in early 2017 under the Australian NOPIMS release system:

Chuditch-1 END OF WELL REPORT ZOCA 91-09, November 1998;

Depth Conversion Over the Greater Chuditch Gas Accumulation ZOCA 91-09 Bonaparte Basin, August 2001

COMPONENT	VOLUME AS A % OF GRV	VOLUME BCF(MEAN GIIP)
Greater Chuditch	100	2578
Chuditch	71	1830
Chuditch West	5	129
Bilby in ZOCA 91-09	14	361
Bilby in Vacant Acreage	10	258

Note: GRV = Gross Rock Volume; BCF = Billion standard Cubic Feet of gas

Ignoring the portion of Bilby (Chuditch North) outside the PSC, total Mean volume estimated for GIIP in the Chuditch PSC area is 2,320 BCF, with an expectation of gas recovery in the range of 55% to 75%. Baron computes gross Mean recoverable Prospective Resources of 1,276 to 1,740 BCF from this GIIP figure.

Shell also estimated volumes of gas initially in place from the nearby Wombat Prospect (now renamed Chuditch SW by SundaGas), also lying entirely within the Chuditch PSC. The following GIIP figures were again derived using Shell's in-house analysis and are not SPE PRMS compliant: Note that the gross Mean GIIP is computed at 581 BCF and Shell gave a Probability of Success ("POS") of 59.5% (which Baron considers equates to the Geological Chance of Success).

GIIP	EXP (BCF)	POS (%)	MEAN (BCF)	P85 (BCF)	P15 (BCF)
Wombat	345	59.50%	581	139	985

EXP = Mean multiplied by POS

Using the same range of potential recoverability as Greater Chuditch would give gross Mean recoverable Prospective Resources for Wombat (Chuditch SW) of 320 to 436 BCF, with a 59.5% Geological Chance of Success.

Glossary:

Prospective Resources

Quantities of petroleum that are estimated to exist originally in naturally occurring reservoirs, as of a given date. Crude oil in-place, natural gas in-place, and natural bitumen in-place are defined in the same manner.