

## Rampart Energy Limited

**Rampart Energy Ltd (RTD.ASX) has entered into an agreement to earn into 42,350 net acres in the prolific North Slope of Alaska.**



Investor Presentation – October 2013

**Rampart**

[www.rampartenergy.com.au](http://www.rampartenergy.com.au)





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Information in this report relating to hydrocarbon reserves or resources has been reviewed and checked by Mr C. Ashley Smith Vice President and Petroleum Engineer and Shane Howell Vice President and Petroleum Geologist, of Netherland Sewell & Associates who combined have over 30 years of experience in petroleum engineering and geology and are members of the Society of Petroleum Engineers and AAPG. Messrs Smith and Howell (pending) to the inclusion of the information in this report relating to hydrocarbon reserves and resources in the form and context in which it appears. Resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, Petroleum Resources Management System, 2007. This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to, statements concerning Rampart Energy Ltd's planned exploration program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate" "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Netherland Sewell & Associates believes that its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

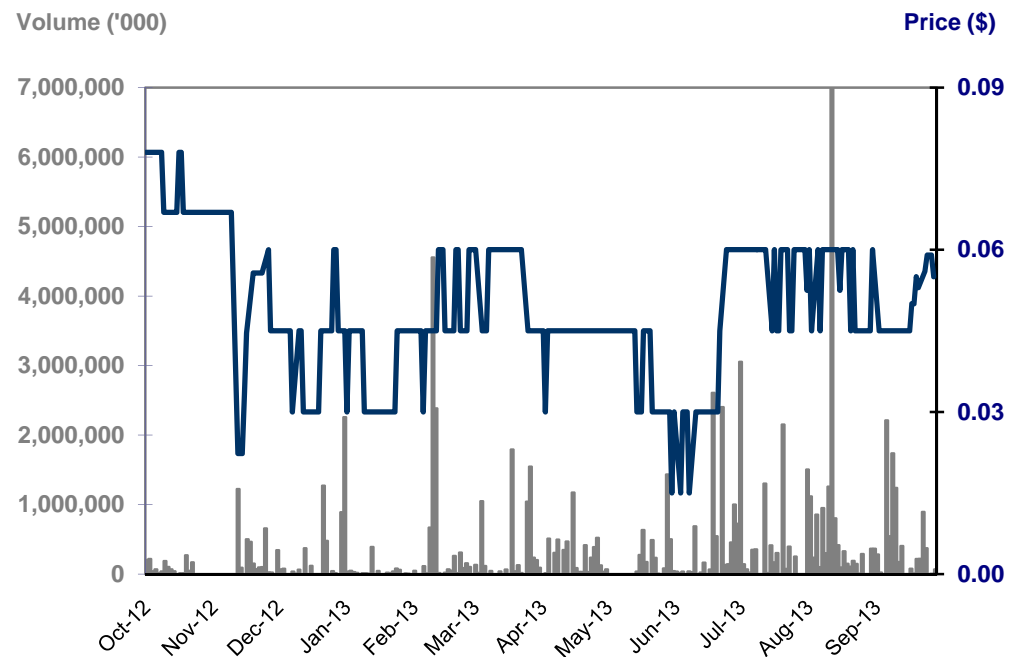
# Corporate Overview

Rampart Energy Ltd (ASX: RTD) is an oil and gas explorer focused on dual plays with conventional and unconventional oil and gas potential in the North Slope, Alaska.

The North Slope is a proven prolific oil and gas province and home to the largest producing oil field in the U.S., Prudhoe Bay. Rampart has secured an early mover position in the heart of the unconventional play fairway south of the Kuparuk and Prudhoe Bay fields.

Rampart 12 month price/volume

<b>SHARES ON ISSUE:</b>	<b>200.7m</b>
Share Price (18/10/13)	5.5c
Market Cap (AUD)	\$11.0m
Options 6c (Exp 20/11/13)	~15.5m
Options 7.5c (Exp 31/1/14)	~40.1m
Options 10.5c (listed Exp 31/1/16)	~88.2m
Cash at 30/09/13 (AUD)	Circa \$1m
Debt	nil
<b>SHAREHOLDER SUMMARY</b>	
Top 20 shareholders	52.1%
No of shareholders	~1,150



**BOARD OF DIRECTORS:**

- Mr. Torey Marshall Managing Director
- Dr. Raymond Shaw Non Executive Chairman
- Mr. Malcolm Lucas-Smith Non Executive Director & Co Sec



[www.rampartenergy.com.au](http://www.rampartenergy.com.au)



# Rampart Energy Today

- Generating big things in oil and gas in the United States
  - Secured high leverage position in the prolific North Slope of Alaska
- **Material conventional and unconventional upside**
  - World class shale oil resource of up to 7bn barrels OOIP net to RTD\*
  - Conventional assessment pending
- Busy work program & multiple funding options
  - Multiple parties inside 3D seismic negotiation – announcement expected in November, commencement January 2014
  - Credit system provides multiple funding options, not heavily equity weighted to achieve greenfields exploration
- Potentially world class asset
  - Commanding acreage position surrounded by titans of the petroleum industry provides leverage for future deals
  - Liquids rich with gas upside
- Excellent jurisdiction which **guarantees up to 85%** of allowable expenditure can be refunded in cash, by the state, over the years 2014 & 2015
- Significant newsflow and activity over next 12 months

\* Refer ASX release 22 August 2013

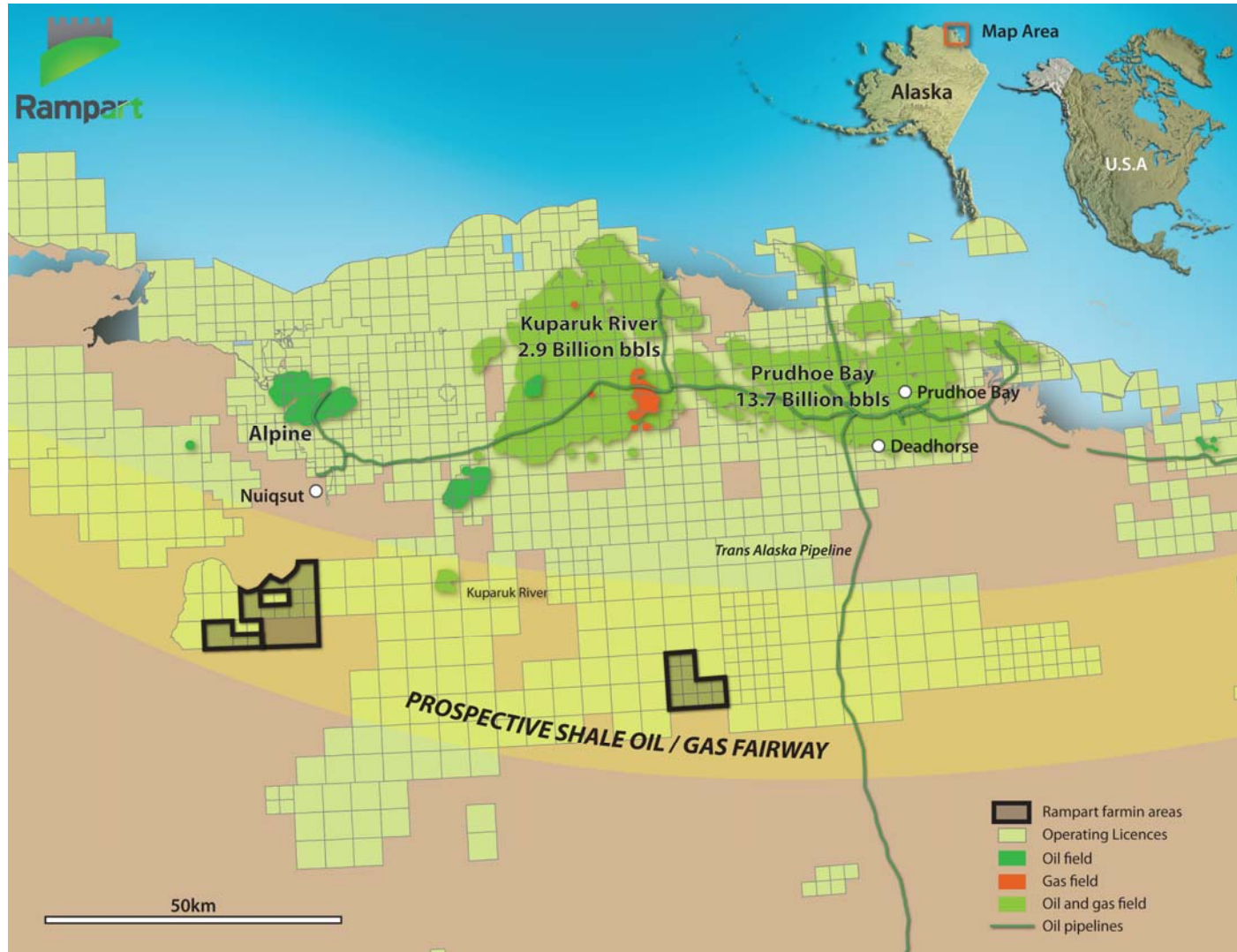
## North Slope, Alaska: One of the last significant shale plays in the US



- Agreement to earn up to 42,350 net acres in the prolific North Slope of Alaska
- Acreage located in close proximity to the largest oil fields in the US (Prudhoe Bay)
- Onshore oil and gas play with significant upside potential
- Shale oil and conventional oil prospectivity

- Material acreage position provides leverage for monetisation (e.g. farm-out)
- Low cost of entry and attractive terms
- Significant drilling activity in region with success value accretive to Rampart
- Potentially one of the last significant shale plays in the US

# Tightly held acreage through the main unconventional window



- Fully tenanted
- RTD has room for expansion
- Expect no room at all after 2013 lease sale of up to 14.7 million acres

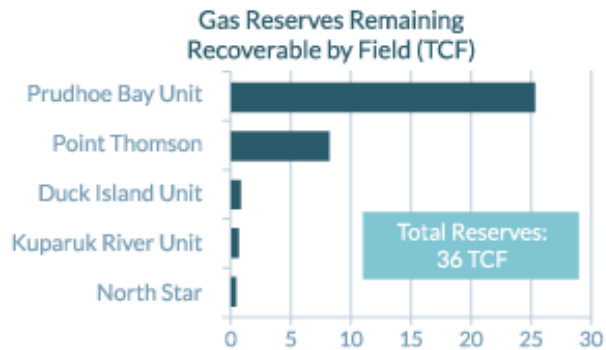
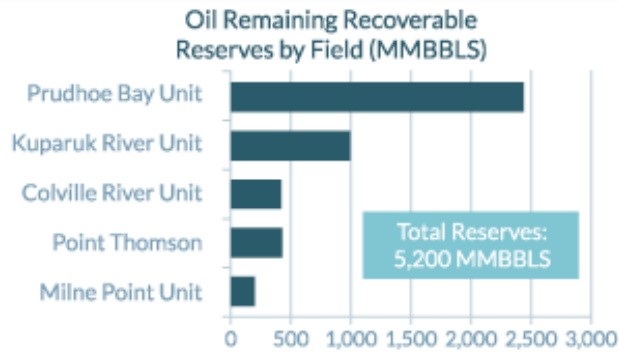
## Huge Upside in Acreage

- Prospective Resource classified by Netherland Sewell & Associates Inc\*.
- Represent oil numbers only;
- Considerable additional upside in conventional hydrocarbon systems;
- Recovery rates in lower 48 vary between 1% and 10% currently.

	Low Estimate (mmbbl)		Best Estimate (mmbbl)		High Estimate (mmbbl)	
	OOIP	Recoverable	OOIP	Recoverable	OOIP	Recoverable
Gross	810	36	3799	167	9485	481
Net RTD	608	27	2851	125	7119	361

\* Refer ASX release 22 August 2013 for full details

# Prudhoe Bay, North Alaska




- Prudhoe Bay is the largest producing oil field in the US and 18<sup>th</sup> largest worldwide
- Estimated 50 billion barrels (OOIP) and significant associated gas
- Produced 15 billion barrels to date
- 1mbopd and 6.75bcf gas per day
- > 1,000 currently producing wells
- World class infrastructure, very low sovereign risk, excellent fiscal regime

Source:  
Alaska Department of Natural Resources, Division of Oil and Gas



# Compelling Commercialisation Opportunities



-  Rampart Acreage
-  Refinery
-  Crude Export Terminal

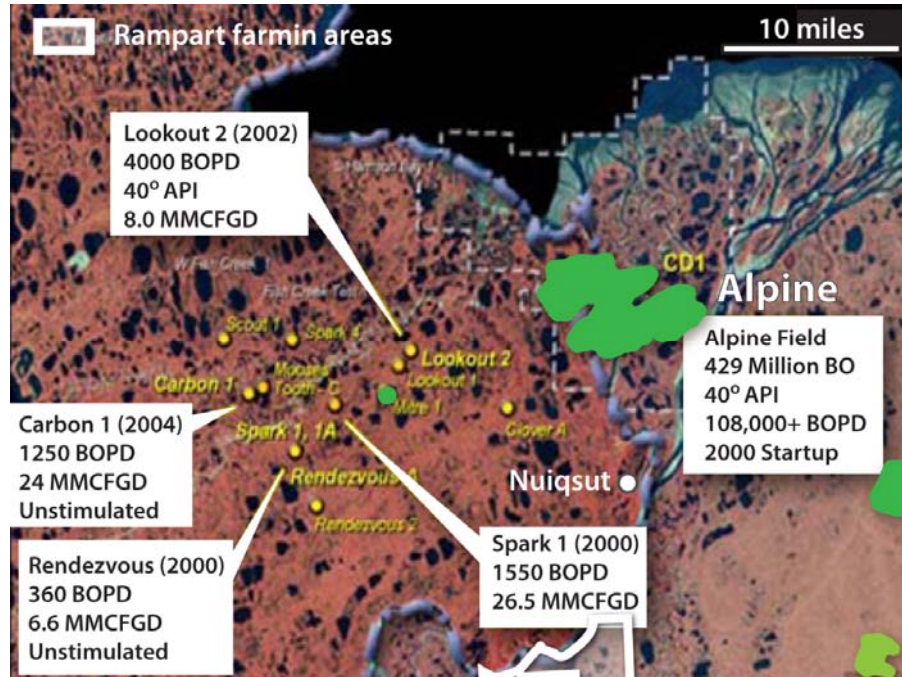
- Alaska = 4<sup>th</sup> largest energy producing state in the US
- Alaskan Government pro development
- Rampart’s acreage ideally located close to pipeline and refinery infrastructure
  - Pipeline infrastructure: Trans-Alaskan Pipeline at 42% capacity
  - Valdez Refinery: 60,000 bbl/day capacity
  - North Pole Refinery: 146,000 bbl/day capacity
  - Prudhoe Bay BP Refinery: 7,000 bbl/day capacity
  - Prudhoe Bay Conoco Refinery: 15,000 bbl/day capacity
- Light to medium crude
  - No heavy discount by refiners
- Supportive gas and electricity market
  - Gas prices between US\$6.00mcf - US\$20.00mcf
  - Oil still used for electricity generation
- Excellent Government incentives
  - Cash rebates for exploration
  - Attractive fiscal terms on exploration

## Fiscally Attractive, Significant Incentives

~85% of Rampart's exploration expenditure qualifies for DNR rebates

- The Department of Natural Resources (DNR) offers incentives to encourage exploration and development (E&P) on the North Slope
- E&P incentives – Alaska Cash Rebate
  - Exploration Credit system – 30-45% of allowable expenditure
  - Loss carry forward – up to 40% of allowable expenditure
  - **Total 85% refundable credit**
  - Cash rebate – Not repayable (claimable yearly for some, quarterly for others)
  - Not contingent on success
  - Accelerated system under SB 21 (up to 85% credits rebated) for 2014, 2015 only, reduces in 2015 (up to 75% credits rebated) and subsequent years. Subject to any further extensions
  - US\$1.2 billion rebated in past 3 years
- Favourable E&P tax jurisdiction
  - Exploration credits
  - Production credits
  - Various other taxation based incentives
  - Variety of credits depending on physical location in Alaska.

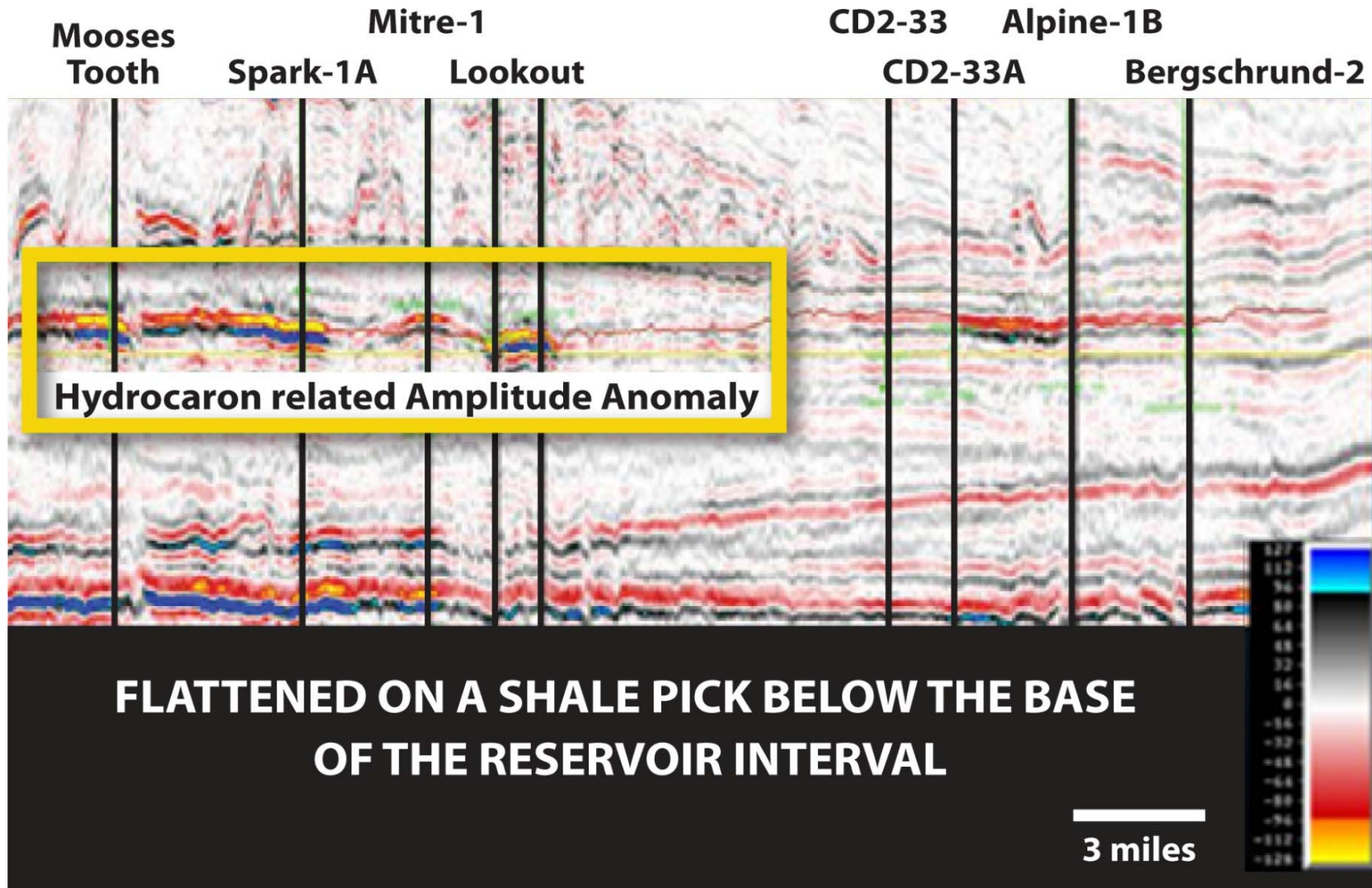
# Conventional Upside Provides Near Term Production Potential



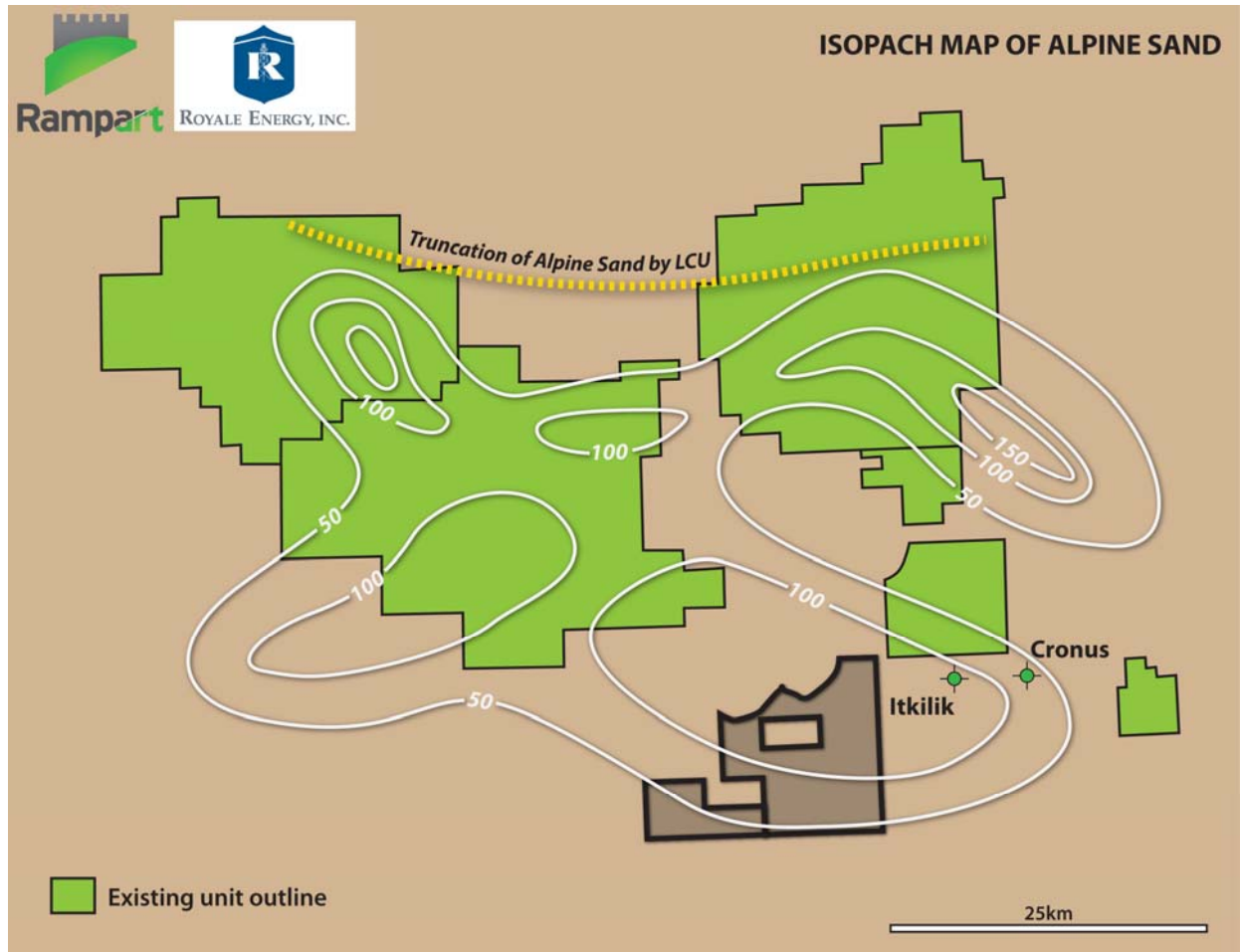
- Jurassic is an emerging play, 429 MMBO Alpine field (discovered in 1994)
- Since that first discovery the Joint Venture partners who discovered Alpine (ConocoPhillips & Anadarko), have announced the discovery of oil/gas or condensate in 8 wells, 4 of which had very good flow tests
- Brookian Oil plays, such as the nearby Meltwater field

Well	Year	Flow rate
Spark 1	2000	1550BOPD, 26.5MCFD
Rendezvous A	2000	360BCD, 6.6CMMCFD
Lookout 2	2002	4000BOPD, 8MMCFD
Carbon 1	2003	1250BCD, 24MMCFD

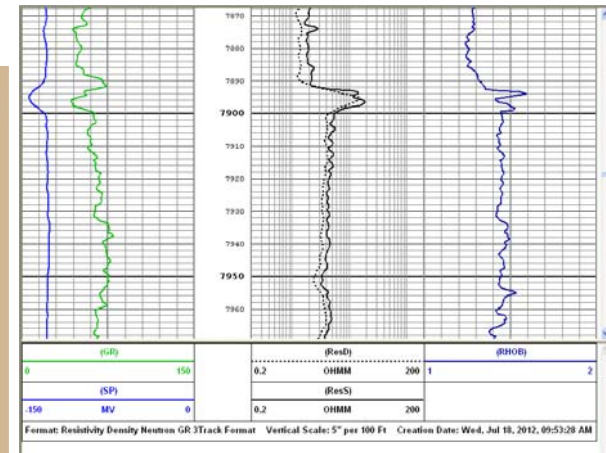
# Seismically Defined Upside based on Analogies Nearby



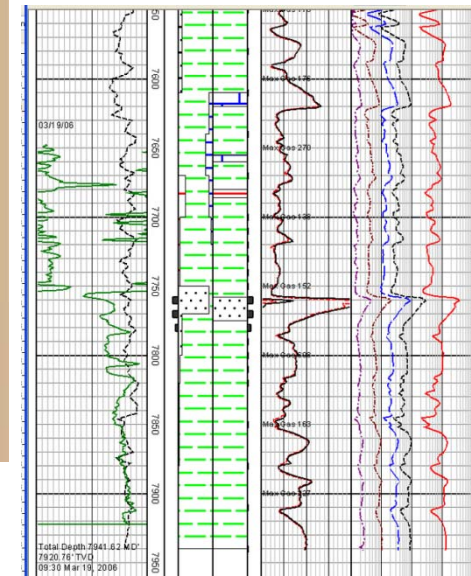
# Jurassic Potential of the Western Block



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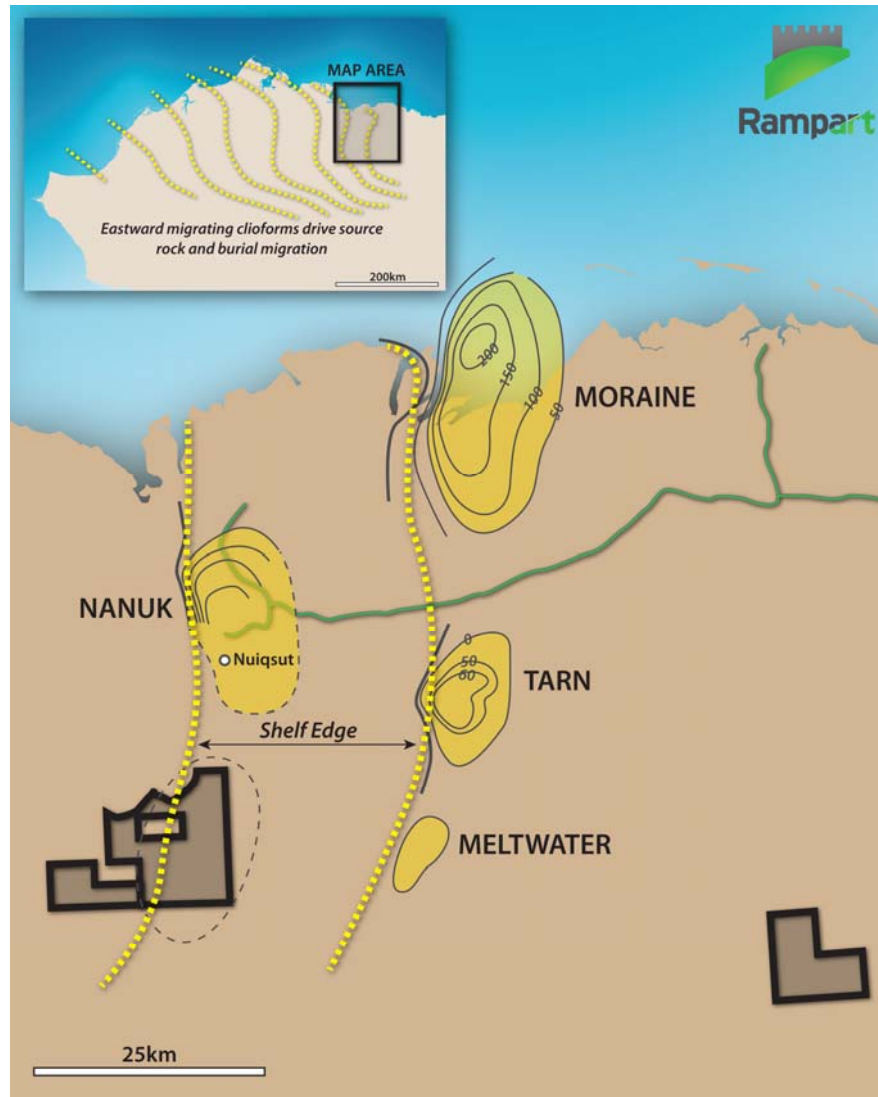


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# Brookian Potential of the Western Block



- Brookian is a proven stratigraphic play
- Considerable success around the area
- Follows eastward migrating clinoforms
- Effectively shelf edges, where fans develop very well
- Oil bearing nearby and field sizes vary widely between 20MMBBL to 80MMBBL (OOIP)

# What Makes The Unconventional Play Attractive?

The North Slope ranks near the top of the list of US shale plays based on the mean estimate of the technically possible oil production, according to the USGS.

- Bakken: 3,645 mm bbl
- **North Slope: 940 mm bbl**
- Eagle Ford: 853 mm bbl
- Woodford (Anadarko): 393 mm bbl
- Niobrara (Powder River Basin): 227 mm bbl

The US Geological Survey offered a breakdown of the technically recoverable oil, natural gas, and gas liquids in the three source rocks on the North Slope of Alaska

### Shublik Shale Oil Assessment Unit

- Oil: 0-928 mm bbl
- Associated Gas: 0-981 Bcf
- Nat. Gas Liquids: 0-26 mm bbl

### Brookian Shale Oil Assessment Unit

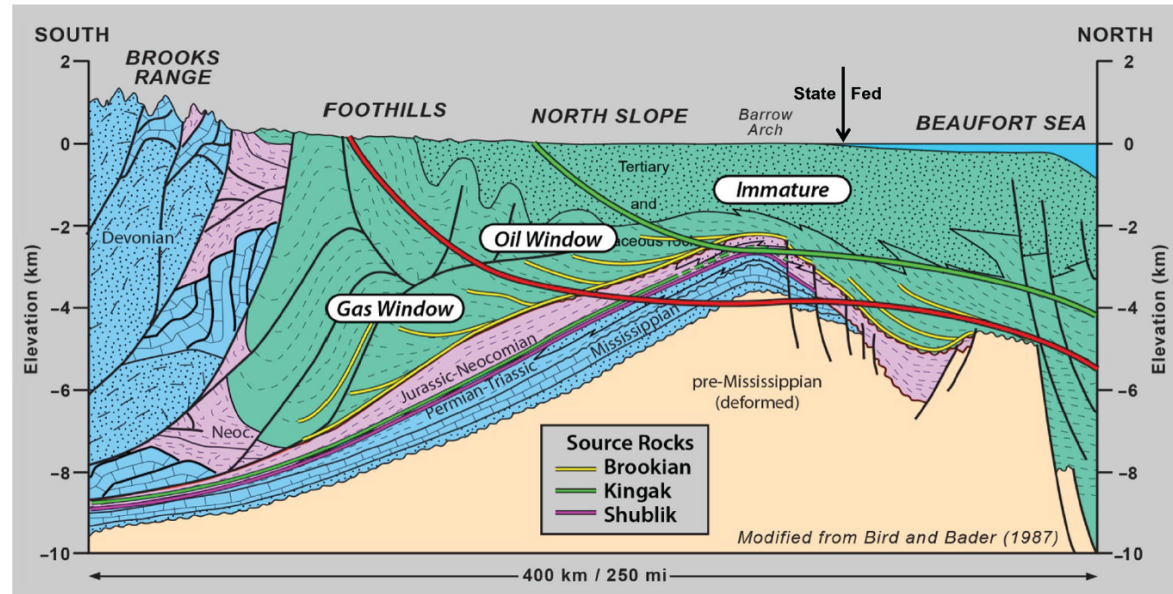
- Oil: 0-955 mm bbl
- Associated Gas: 0-1,996 Bcf
- Nat. Gas Liquids: 0-51 mm bbl

### Kingak Shale Oil Assessment Unit

- Oil: 0-117 mm bbl
- Associated Gas: 0-238 Bcf
- Nat. Gas Liquids: 0-6 mm bbl

Abbreviations:  
 mm bbl = million barrels  
 Bcf billion = billion cubic feet

Source: USGS



- Shale thickness
- Quality and maturity of the shale units
- Comparisons with lower 48 equivalents that are highly productive
- USGS estimates 2 billion barrels of recoverable oil and up to 80tcf gas from the key units
- NSAI report completed recently more than vindicates this assessment

Source:  
 US Geological Survey Fact Sheet Assessment of Potential Oil and Gas Resources in Source Rocks of the Alaska North Slope 2012  
<http://energy.usgs.gov>



# Key Unconventional Characteristics

## North Slope Unconventional Characteristics

	Bakken	Eagle Ford	Shublik	Kingak	Hue/HRZ
Total Organic Carbon	10%	2-7%	2.4% Ave	5% Ave	3% Ave
Main Kerogen Types	1/2 (oil)	1/2 (oil)	1/2 (oil)	2-3 (oil-gas)	2/3 (oil-gas)
Oil Gravity (API)	42	30-50	24	40	38
Thickness	up to 100ft	50-250ft	up to 600ft	175-550ft	100-800ft
Thermal Maturity	imm oil/gas	imm oil/gas	imm oil/gas	imm oil/gas	imm oil/gas
Lithology and Variability	sh-slt-sh	sh-slt-ls	sh-slt-ls	shale	sh-tuff

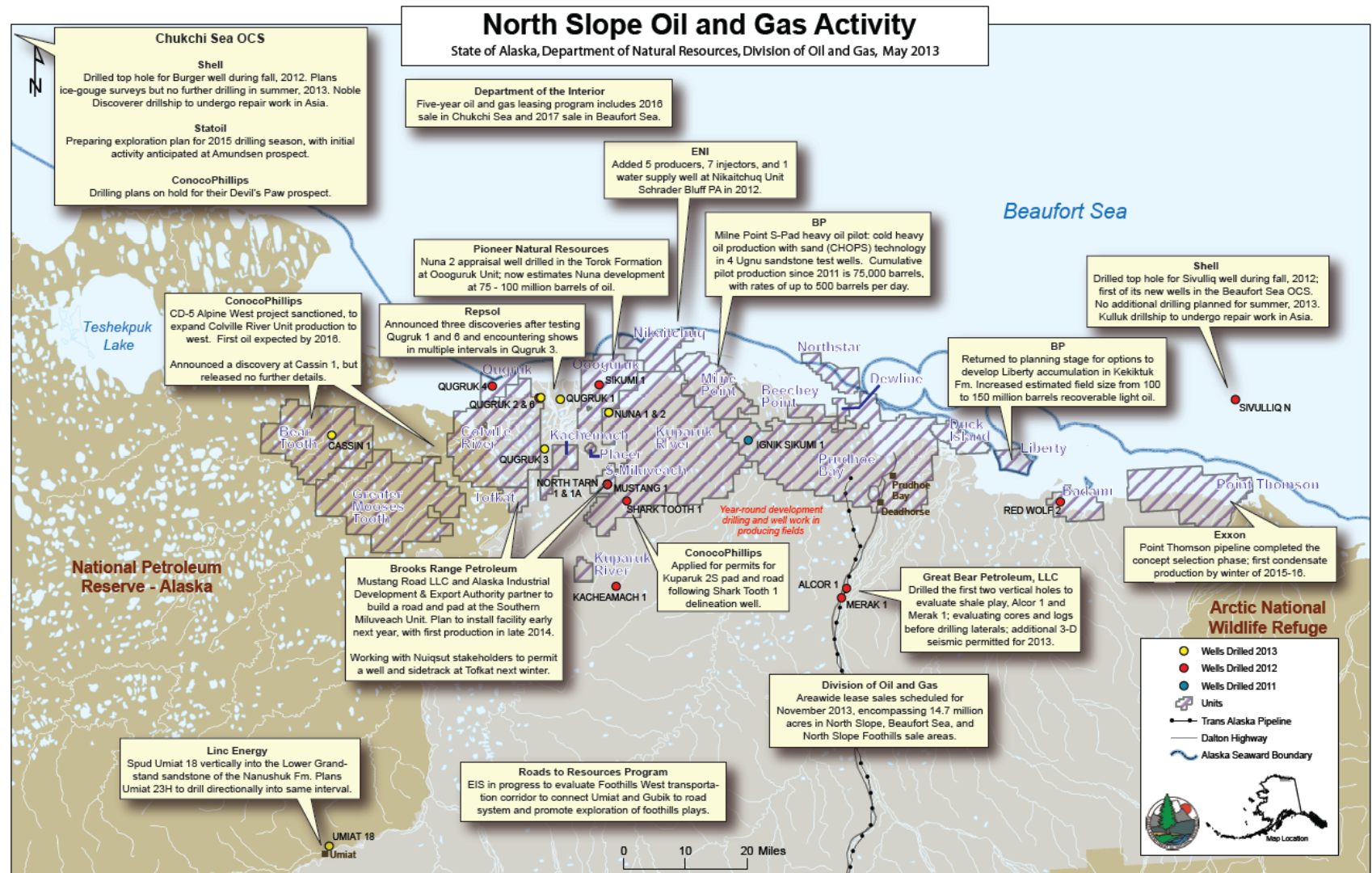
- Prudhoe Bay’s Shublik, Kingak and HRZ/Hue characteristics mirror those of the Eagle Ford and Bakken

## Key players in the region

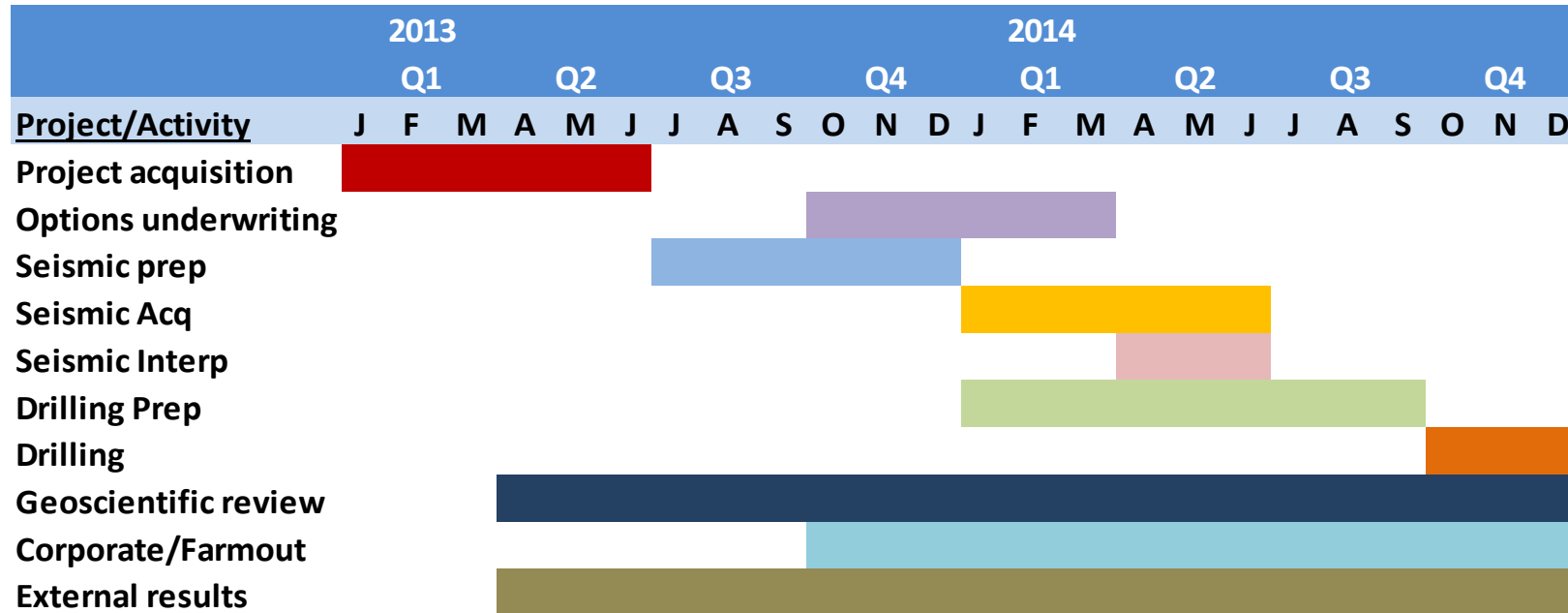
- Significant activity - around 1bn BOEs being developed in the region
- Super majors - **Chevron, Shell, ExxonMobil, ConocoPhillips, BP** (onshore and offshore)
- Majors - **Anadarko, Repsol, Statoil, ENI** are in joint venture with the Super majors and highly active in exploration generally onshore
- Large independent - **Pioneer Natural Resources** (developing 100mmbbl at Nuna)
- Private company - **Great Bear Petroleum LLC** – drilled first shale wells in the North Slope, backed by large private funder, results expected to be made public during 2014



# Big Activity, Big Results



# Work Program and Costs Timetable



Note: The above dates and timing are indicative only and may change without notice.

- Royale Payment (final for western block) plus rentals due December 1 2013 circa US\$2.5m
- 3D Seismic promote cost capped at US\$8m due in multiple payments through early 2014;
- Option to pay US\$1.71m by June 30 2014 to earn final interest in central block;
- Drill two wells during first half of 2015 US\$30m (average cost per well net to RTD US\$10m- US\$15m)

## 12 Month Milestones

- External drilling and seismic through Alaskan summer
- Prospective resource assessment – Conventional pending
- Acquisition and completion of 3DSS
- Declaration of drilling location
- Receipt of approvals
- Rig contract signature
- Mobilisation of drilling rig
- Commencement of drilling
- Review ongoing farm-out opportunities





## Contacts

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ASX : RTD

# Potential Comparatives

- Conventional Comparatives
  - Meltwater Oilfield (20km East), 50mmbbl OOIP, with a peak production rate of over 10,000bopd
  - Mustang Field (based on public disclosures), 40mmbbl oilfield, capex US\$250m, peak production of 13,500bopd
- Unconventional Comparatives
  - Bakken formation North Dakota, per well cost of US\$8m-US\$13m, 500kbbl to 900kbbl EUR – recognition of variations across states and fairways
  - Eagle Ford formation, US\$7m to US\$10m per well, initial production rates of up to 2000bopd – BHP chief Mike Yeager claims payback in half a year, EUR's commonly 200kbbl to 300kbbl

## Transaction Summary

- Agreement to earn up to 42,350 net acres in the prolific North Slope of Alaska across two contiguous blocks
- To earn an initial 10% working interest in the Western Block
  - Pay US\$3.4m in two tranches (\$100 per gross acre), half by June 3 2013 and half by December 1 2013
  - Issue Options to Royale to purchase US\$1.7m of RTD stock with a strike price of 150% of the VWAP prior to the signature on the agreement
- To earn an additional 20% working interest in the Western Block; acquire a 3D seismic survey over both the Western and Central Blocks by March 31 2014
- To earn a final 45% working interest in the Western Block; drill, test and complete two wells, including horizontal sections in target formations by March 31 2015
- To earn the 75% working interest in the Central Block, RTD must complete the 3D seismic survey above, and pay an additional US\$1.7m by June 30 2014