

Selan Exploration Technology Limited

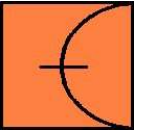
Corporate Presentation



March 2020



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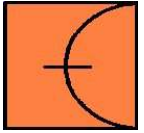
- ❑ Fiscal Terms

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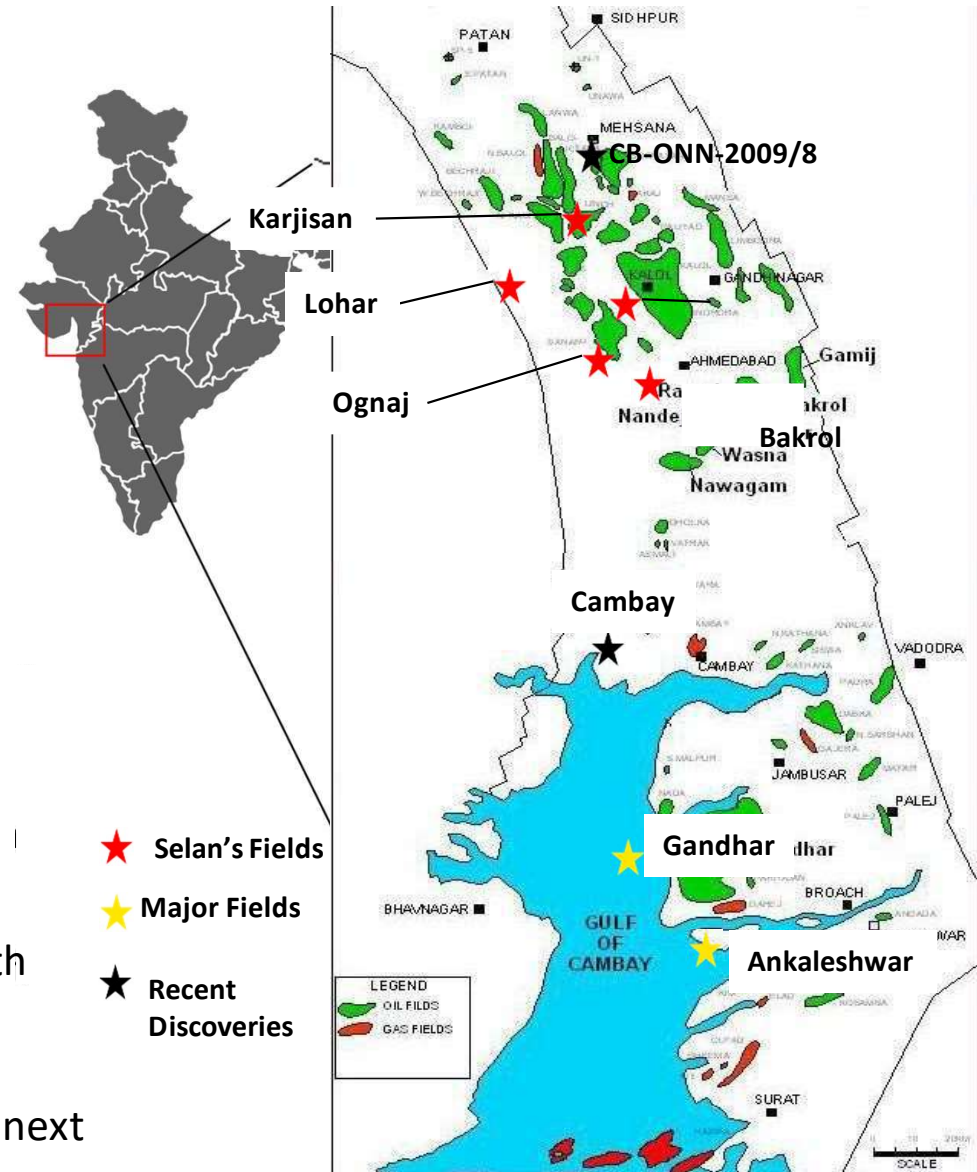


COMPANY OVERVIEW

Company Overview



- Founded in 1985, Selan is an established hydrocarbon producing company operating 4 oil & gas fields in prolific Cambay Basin in Gujarat, India since 1995
- Publicly listed and traded on NSE & BSE
- 100% Ownership of all assets ⇔ ~82.48 MM BOE Oil in place
- Cumulatively produced 4.01MM BOE till 2020.
- Expected to produce 5.32 MM BOE more of oil & gas with significant unproved upside
- Debt-free company. Steady cash flow & strong balance sheet
- Significant opportunity to scale up and grow business with remaining recoverable resources
- Cumulative Recovery factor expected to double over the next 10 years



Corporate Highlights



Impressive Track Record

Proven capability to maximize potential of marginal fields

- Cumulative production of 3 major fields prior to Selan – 125 K BOE (in approximately 25 years)
- Cumulative production from major fields under Selan – 4.01 MM BOE (in approximately 24 years)

Low Risk Operating Environment

Operating in well explored basin & mature market

- Fields within 60 Km of Ahmedabad city in prolific & well defined Cambay basin
- Close proximity to customer leading to low supply costs
- Gujarat offers excellent infrastructure, geo-political & economic stability

Significant Opportunities

Low risk strategy focused on maximizing recovery from under-exploited resources

- Significant recoverable reserves offer multi-fold upside to oil production
- Internationally experienced new management team with proven track record at Chevron, Cairn, Halliburton, Baker Hughes and Petronas in place to develop and execute growth plans.

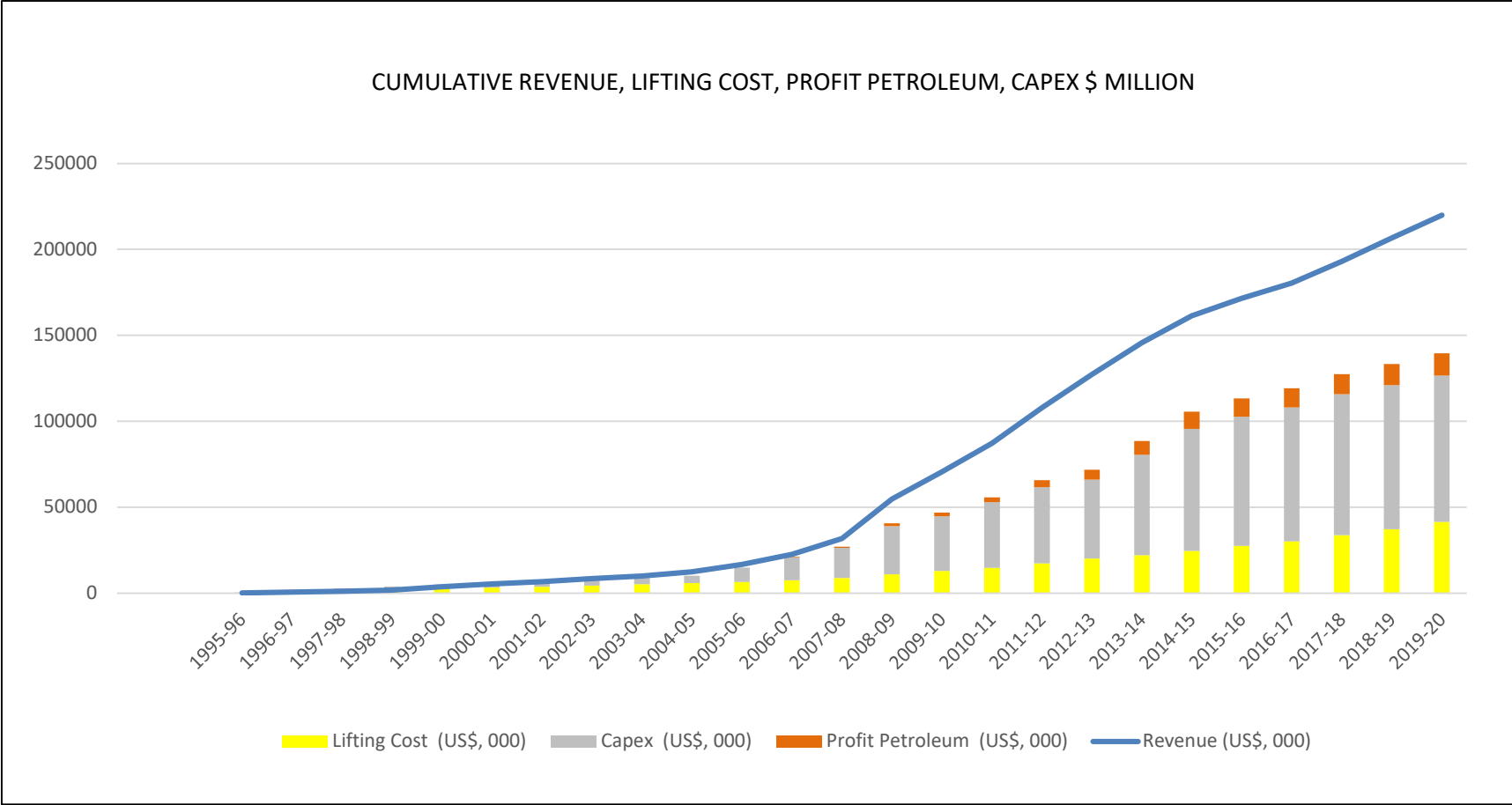
Strong Financial Position

Consistently delivered high profitability across industry cycles

- INR 1.49 Billion ⇔ \$ 21.29 MM cash reserves. ZERO Debt
- Fully capable of funding organic as well as inorganic growth opportunities with internal accruals/generation



Impressive Profit Margin



REV \$220 MM

GOVT \$13 MM

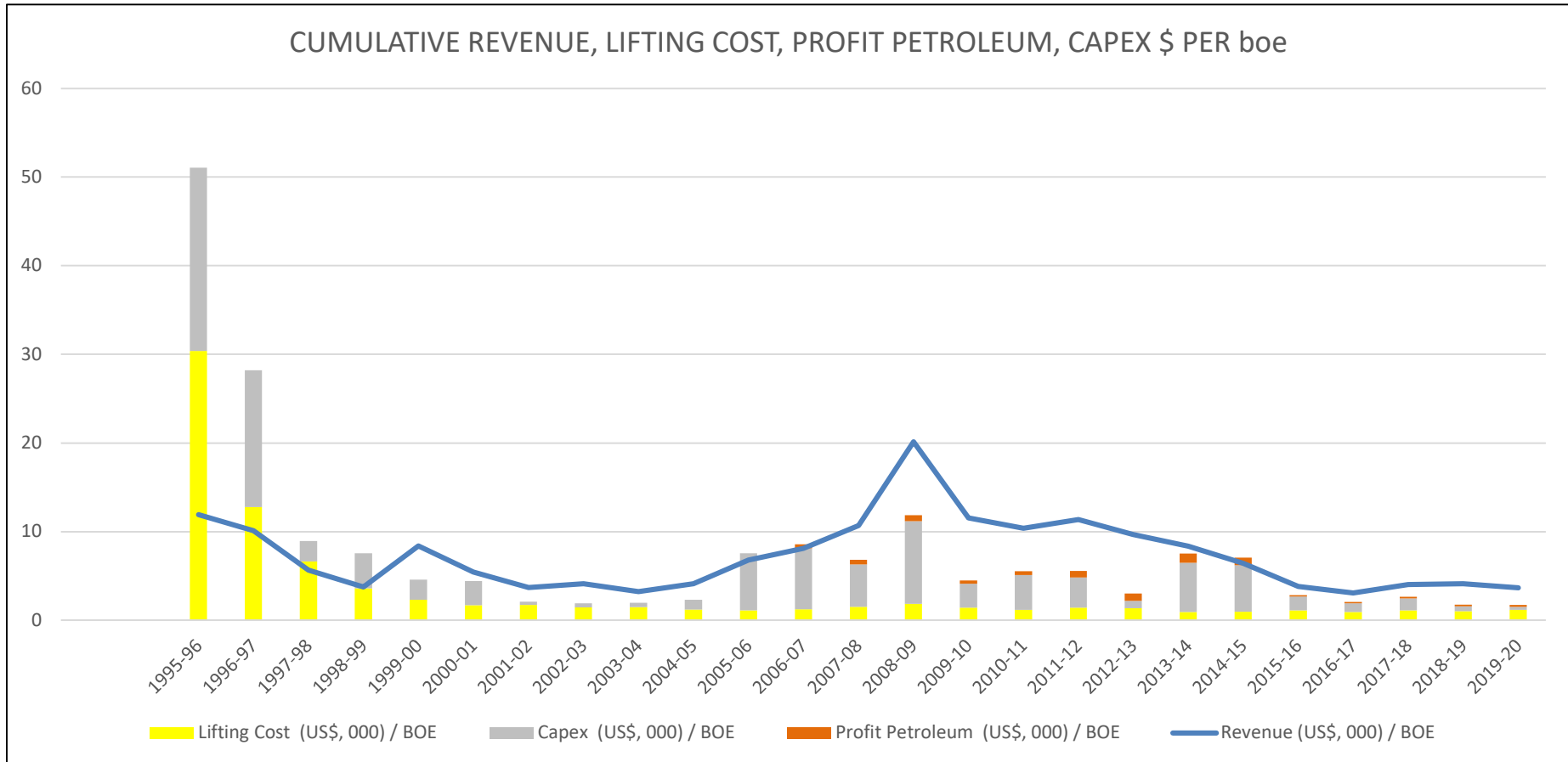
CAPEX \$85 MM

LIFT \$41 MM

For Bakrol, Lohar and Karjisan Fields

Selan Exploration Technology Limited

Impressive Profit Margin (Per BOE)



For Bakrol, Loхар and Karjisan Fields

Board of Directors



Rohit Kapur

Chairman

Mr. Kapur is a graduate of Columbia College (BA) and Columbia Business School (MBA) and is a former General Manager of a Fortune 100 Company for one of its international subsidiaries. A seasoned entrepreneur with international experience, he has played a pivotal role in the growth and evolution of SELAN since its inception.

Dr. Derek Corbishley

Director

Dr. Corbishley is a graduate of the University of London and received a Doctorate in Geophysics from the University of Durham. He has had a distinguished career at Shell for over three decades after his first few years at the UK Department of Defense. He worked for Shell in Africa, South America, Brunei, UK and The Hague, Netherlands. He also served as the MD of Shell India for five years.

Tarik Currimbhoy

Director

A non-resident Indian, living and practicing in New York. Mr. Currimbhoy did his post graduate studies from Cornell University. He is well known to the Indian community in the US and the Middle East.

S. Bhagwati Dalal

Director

Ms. Bhagwati Dalal is an Architect with 30 years of domestic and international experience, having earned the prestigious L' Institute Francaise D' Architecture scholarship to study and work in France. She is actively engaged with an array of NGOs and social organizations aimed at improving the overall quality of life of the citizens of our Country.

Manjit Singh

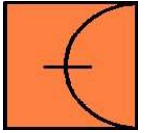
Director

Mr. Singh is a graduate from University of Delhi and seasoned TATA executive where he has had a 34 year long and illustrious career from the time he joined TATA Finlay in 1978 and retired in 2014 as CM of TATA' s Anamalai Tea Division. Having led various Strategic Business Units during his career, Mr. Singh has a wealth of management experience.

Raman Singh Sidhu

Director

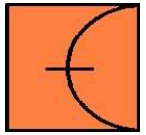
Mr. Sidhu is a qualified chartered accountant from the Institute of Chartered Accounts in England and Wales. He has served as a Senior Director and Board Director – HSBC Securities & Capital Markets (India) and as Director Fidelity Fund Management & Barclays Plc. He has also served as an independent director on several Boards, including BHEL, NHPC & IIFCL.



ASSET OVERVIEW & FIELD FACILITIES

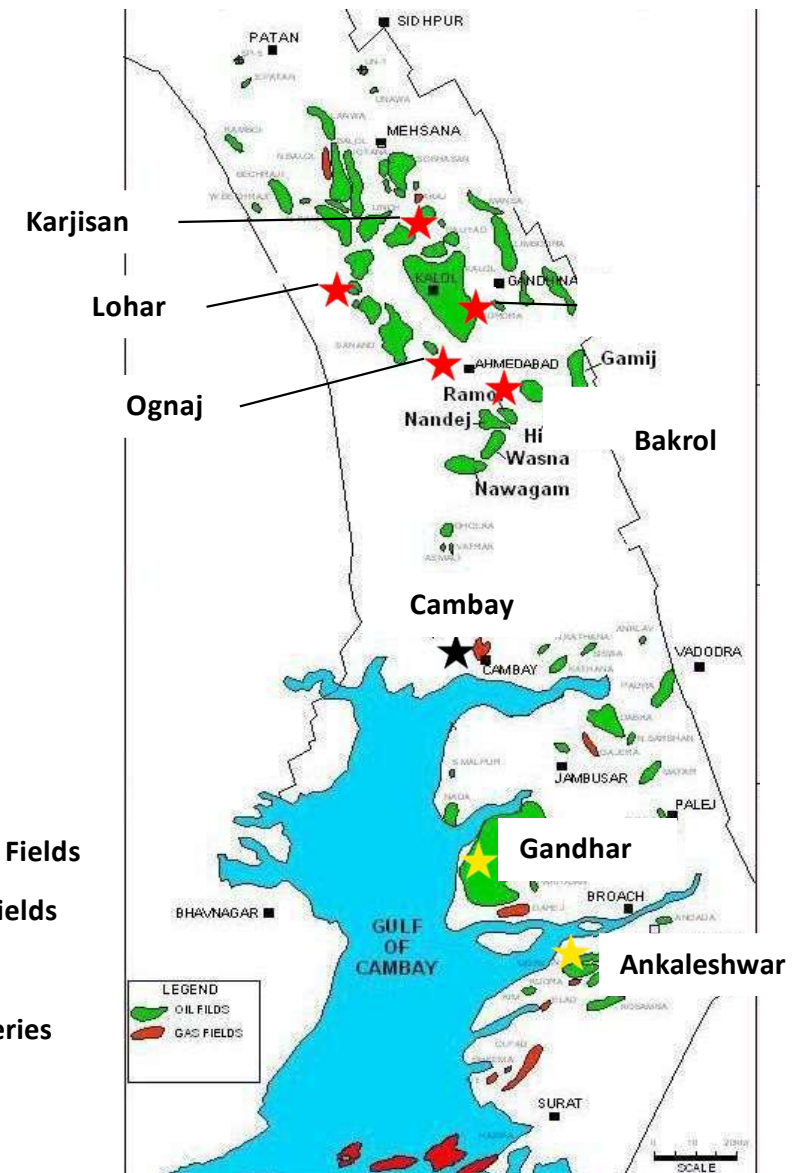
- **Cambay Basin**
- **Bakrol Field**
- **Lohar Field**
- **Karjisan Field**
- **Field Infrastructure**

Cambay Basin Overview

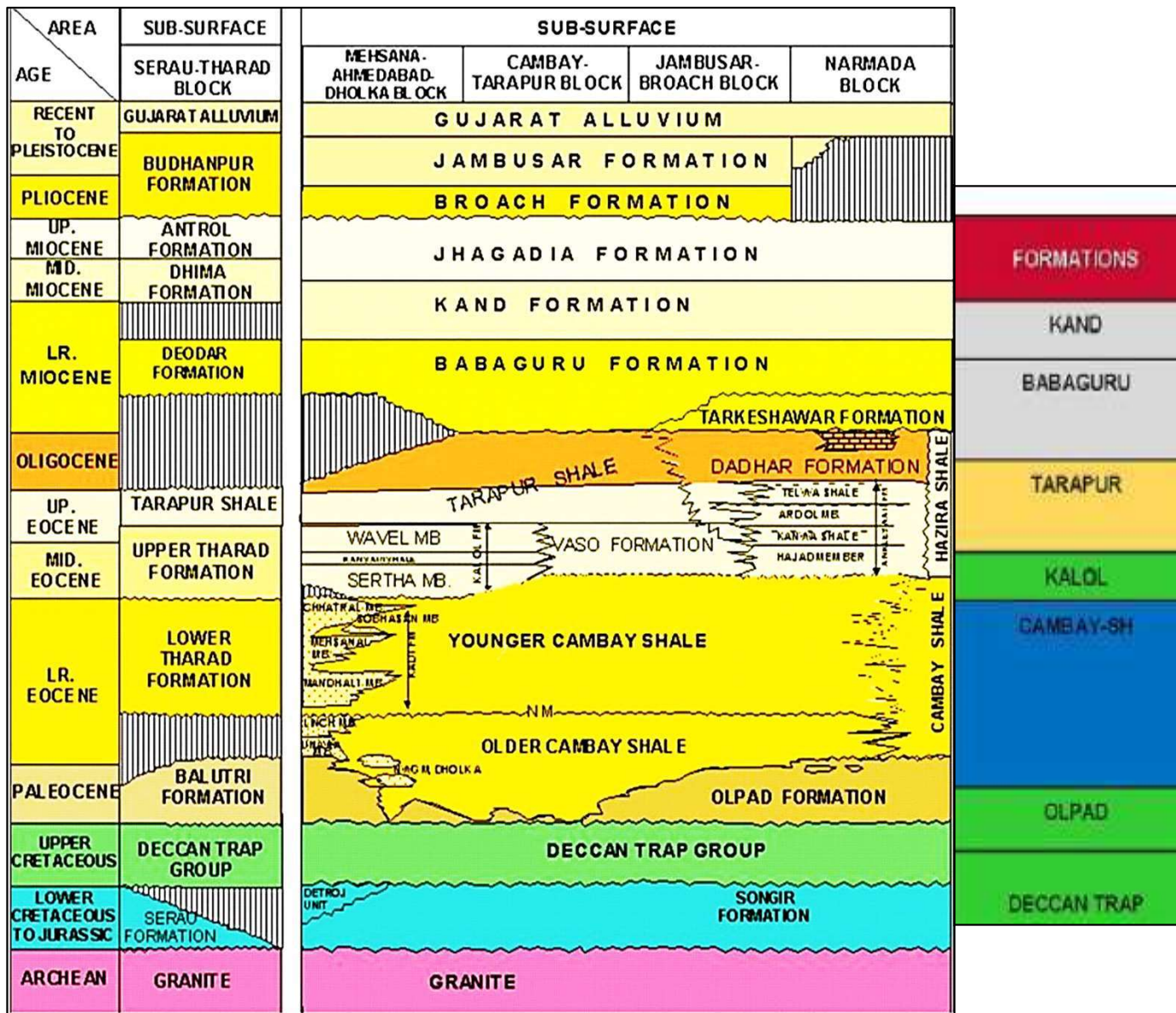
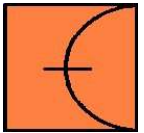


- Basin area 59,000 sq. km
- Discovered resources of over 15 Bn. Barrels
- Balance proven reserves of over 750 MMBOE
- 178 discrete fields with median size 18 sq. km
- Multi-Stack Reservoirs - Several producing & prospective layers
- Major Producing Fields
 - Mehasana, Kalol, Ankaleshwar, Gandhar, Sabarmati, Wavel, Gamij, Nawagam, Viraj, Sanand, Jhalora
- Recent Discoveries
 - Multiple Fields in CB-ONN (RIL, Jay, Sun Petro)
- Selan Operated Fields
 - Bakrol, Lohar & Karjisan

- ★ Selan's Fields
- ★ Major Fields
- ★ Recent Discoveries



Cambay Basin Stratigraphy



Kalol – Prolific Conventional Oil formation

- Lohar – Producing from K-III
- Karjisan - Producing from K-IV & K-III
- Bakrol - Producing from K-IX & K-VIII
- Ognaj – Tested in K-IX & K-X

Cambay Shale – Producing formation with significant upside potential

- Bakrol – Deeper prospective interval

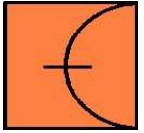
Asset Summary



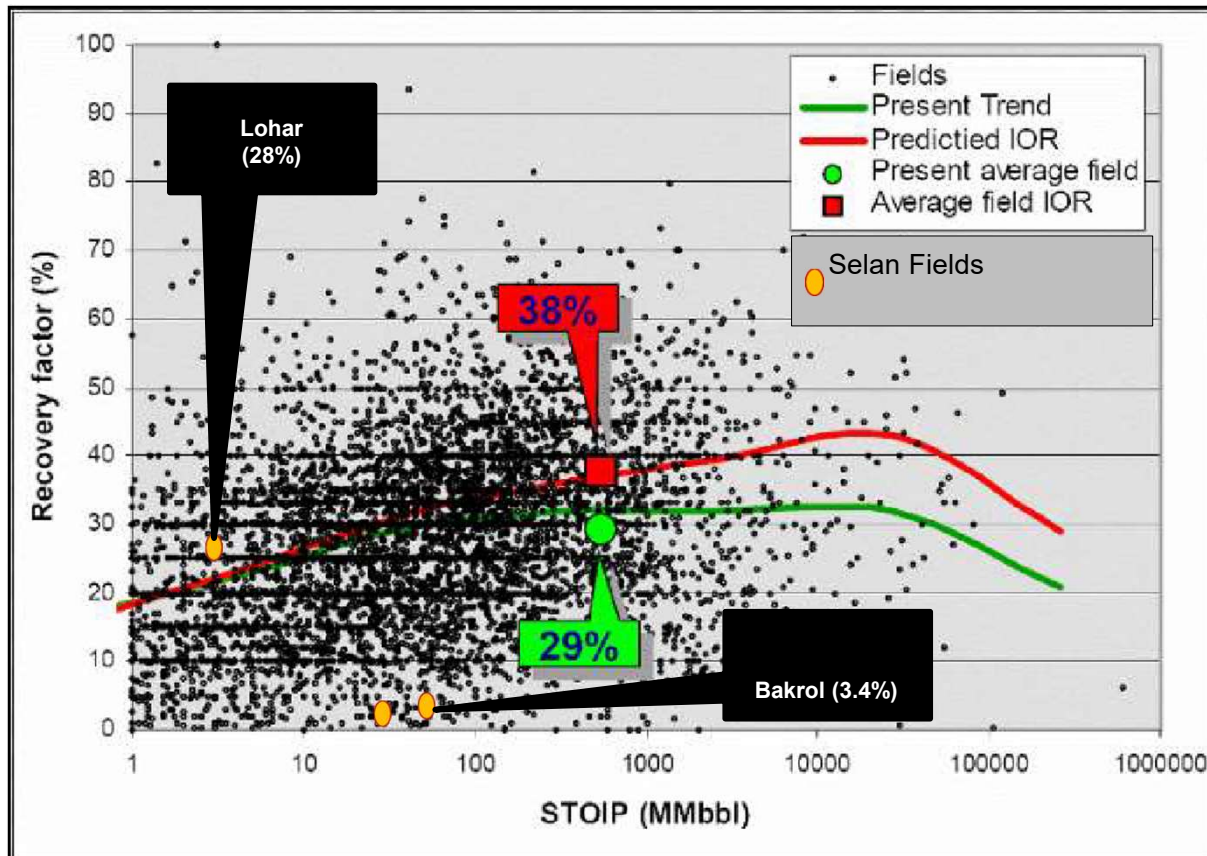
Key Facts	Bakrol	Lohar	Karjisan	Total
Block Area (sq. km)	36	5	5	46
Reservoir	Kalol	Kalol	Kalol	
Major Reservoir Depth	1500	1350	1350	
API Gravity (-)	35-41	20	18	
Formation Permeability (mD)	30	~1000	~1000	
Dead oil viscosity @ 50° C (cP)	20	300	600	
Drilled Wells/Producing Wells	29/23	13/6	4/2	46/31
Current Production (BOE/day) (March 2020)	492	134	129	755

- Shallow reservoirs ⇔ Low cost drilling & completions
- Multiple horizons with a range of reservoir characteristics
 - Reservoir Permeability – High perm sands to low perm silty reservoirs
 - Oil characteristics - Light to heavy oil with varying viscosities
- Productivity managed via fit-for-purpose approach for each field

Asset Status and Prospects



Resources	Unit	Bakrol	Lohar	Karjisan	Total
2P Oil In Place	MMBO	60.80	2.50	2.71	66.01
Cum. Production	MMBOE	2.49	0.77	0.06	3.32
Cum. Recovery to date	%	3.9	28.8	1.1	4.7



Oil in Place

Low geological risk

- Fields extensively mapped with 3D Seismic and infill drilling
- Integrated static & dynamic modeling being implemented on all the fields

Balance Reserves

Significant oil remaining

- Current recoveries well below industry norm
- Phased target to extract additional 4.32 MM BOE oil + 2.03 MMBOE gas
- Proven feasibility of production enhancement

Potential Upside

Viable un-risked prospects with low entry barrier

- Upside on existing zones & new targets in Olpad, Kalol & YCS.
- Oil flowed to surface
- Discoveries in neighboring fields
- Low capex with using existing wells for appraisal

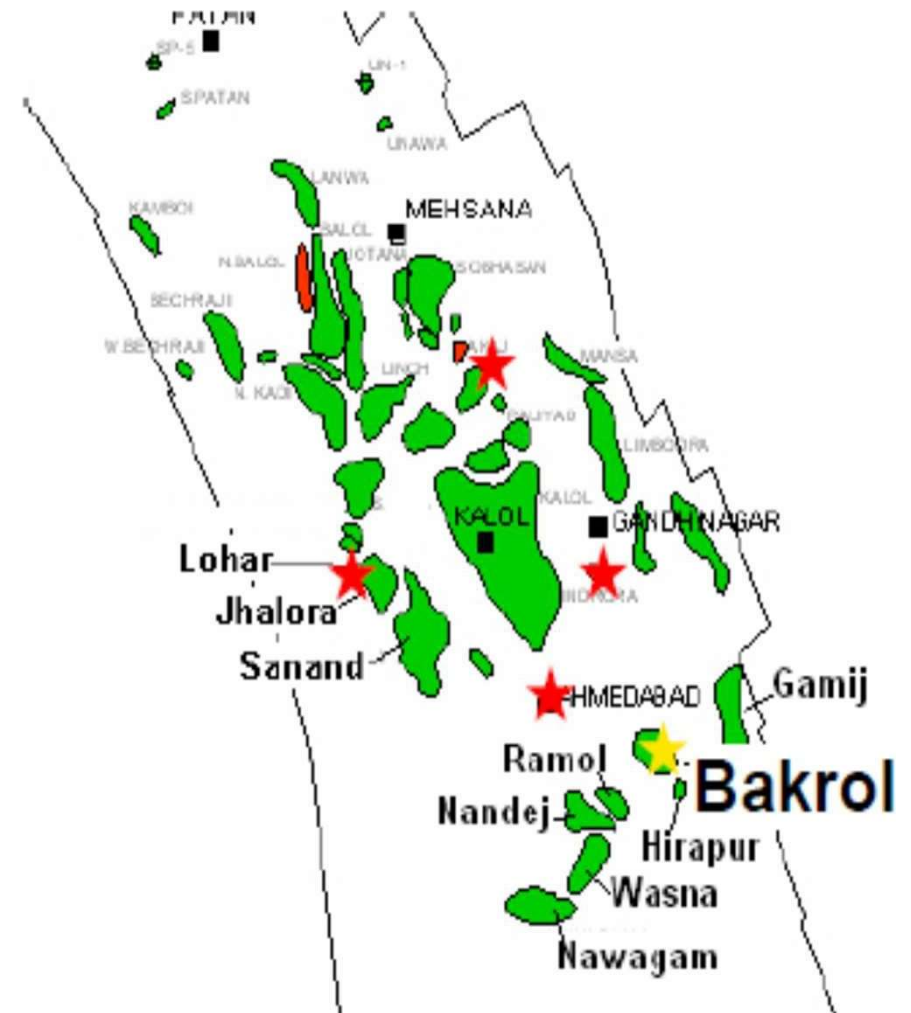
IEA Report 1997 Jean L.

Selan Exploration Technology Limited

Bakrol – Location & Field Overview

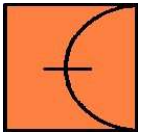


- 36 sq. Km. block.
- Discovered O&G 2P : 60.8 MMBO + 15.1 MMBOE of Gas
- ONGC discovery 1968 in BK-2 (Kalol)
- Selan awarded Field in 1995 under pre-NELP PSC
- ONGC **Cum. Prodn. 35 K BOE** from 7 wells.
- Selan **Cum Prodn. 3.10 MMBOE** from 29 wells
- Currently 23 of 29 wells producing.
- Facilities: 2 Early Production Systems (EPS)
- Delivery: Oil trucked to ONGC's Nawagam Terminal for onward sales to IOCL
- Gas sold to local customers via in-field transmission

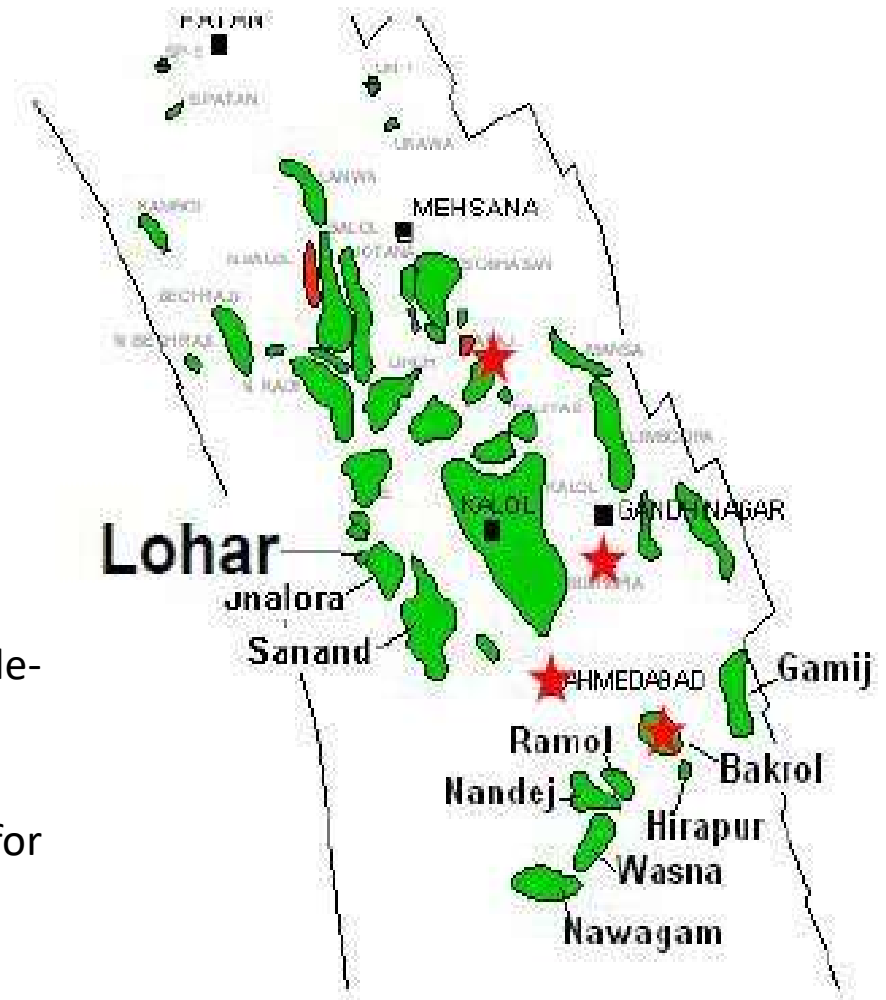


★ Selan's Other Assets

Lohar – Location & Field Overview



- 5 sq. Km Block.
- Discovered O&G 2P : 2.50 MMBO + 0.03 MMBOE Gas
- ONGC discovery in 1981 LH-1 (Kalol)
- Selan awarded field in 1995 under pre-NELP PSC
- ONGC drilled 3 wells **Cum prodn. 10.8 K BOE**
- Selan **Cum Production 0.78 MMBOE** from 13 wells
- Currently 6 out of 13 wells are producing.
- Facilities: 1 Early Production System with heater/de-emulsifier, Effluent treatment system and water injection
- Delivery: Oil trucked to ONGC's Nawagam Terminal for onward sales to IOCL
- Gas used as fuel for internal use

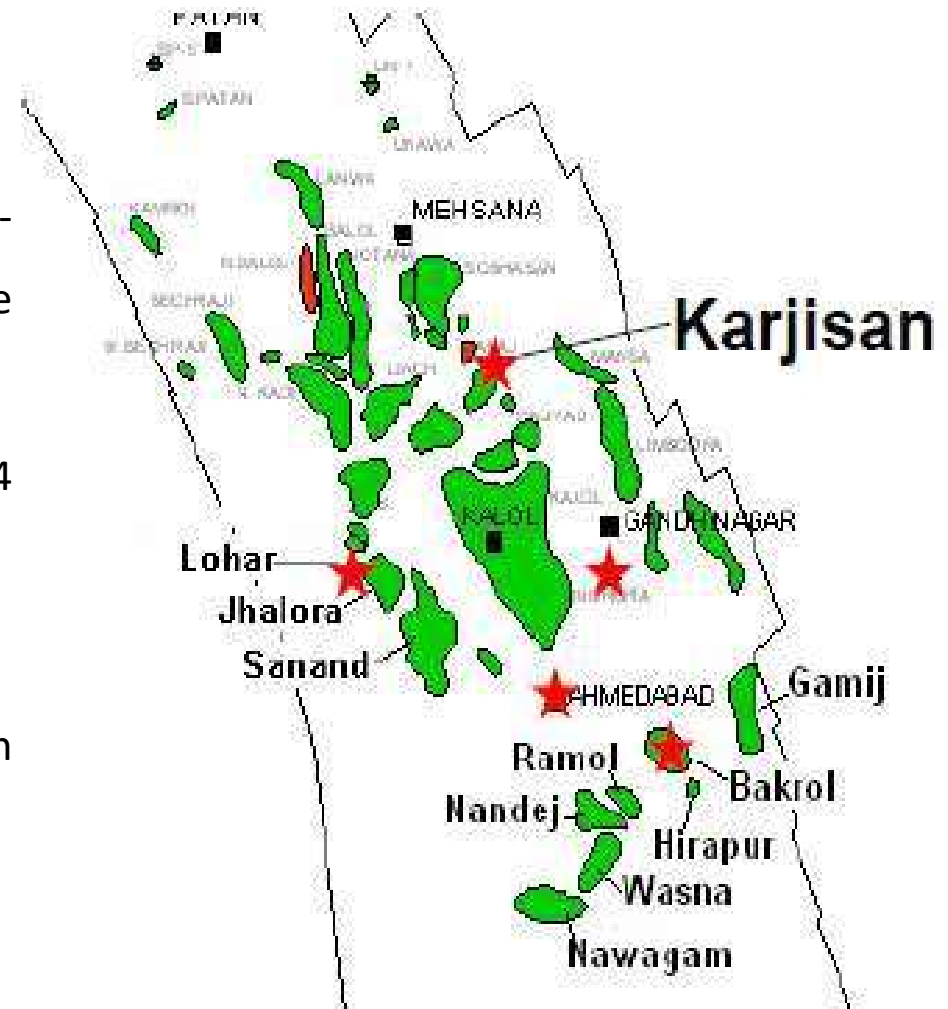


★ Selan's Other Assets

Karjisan – Location & Field Overview

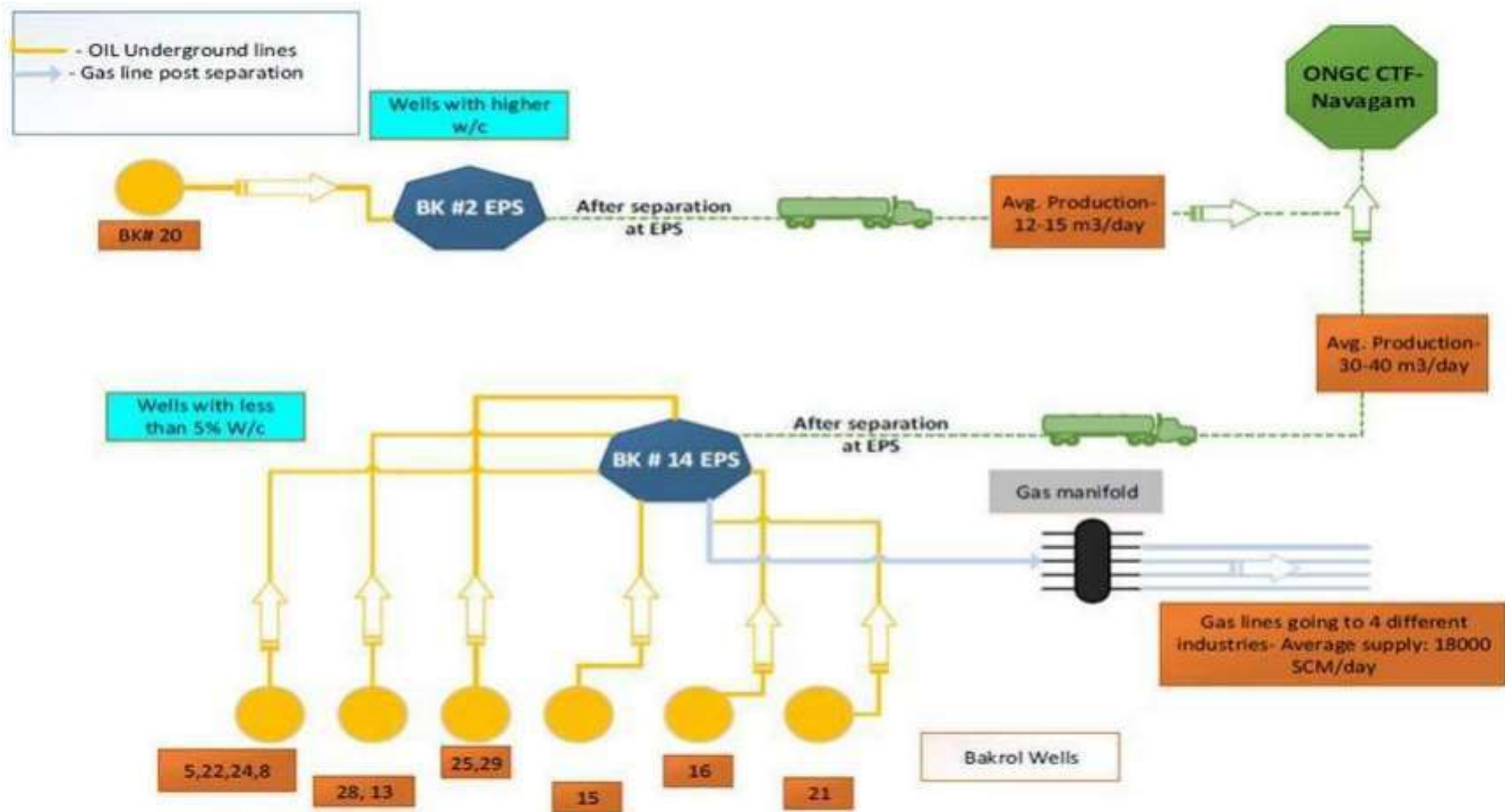
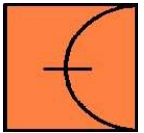


- 5 sq km block.
- Discovered O&G 2P : 2.711 MMBO + 0.23 MMBOE Gas
- ONGC discovered the Karjisan Field in 1985 by drilling the KJ-1 well which produced gas from Kalol-III formation of Middle Eocene Age
- Selan was awarded the Karjisan Field on 16th Feb 2004 under a PSC signed with MoPNG
- ONGC drilled only KJ-1 well.
- Selan drilled KJ-2, 3, & 4 wells making an oil discovery in Kalol-IV formation in KJ-3 well in 2014
- Selan **Cumulative Gas production 9.31 MSCM**
- There is 1 Early Production System in Karjisan Field



★ Selan's Other Assets

Typical Field Facilities





DEVELOPMENT PLANS & UPSIDE POTENTIAL

- **Bakrol**
- **Lohar**
- **Karjisan**

Phased Production Enhancement Plan (Upto 2030)

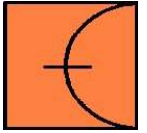


Resources		Unit	Bakrol	Lohar	Karjisan	Total
2P Oil In Place	Oil	MMBO	60.8	2.5	2.7	66
Cum. Production (March 2019)	Oil	MMBO	2.36	0.72	0.03	3.11
Cum. Recovery Factor (till 2019)	Oil	%	3.88	28.8	1.11	4.71

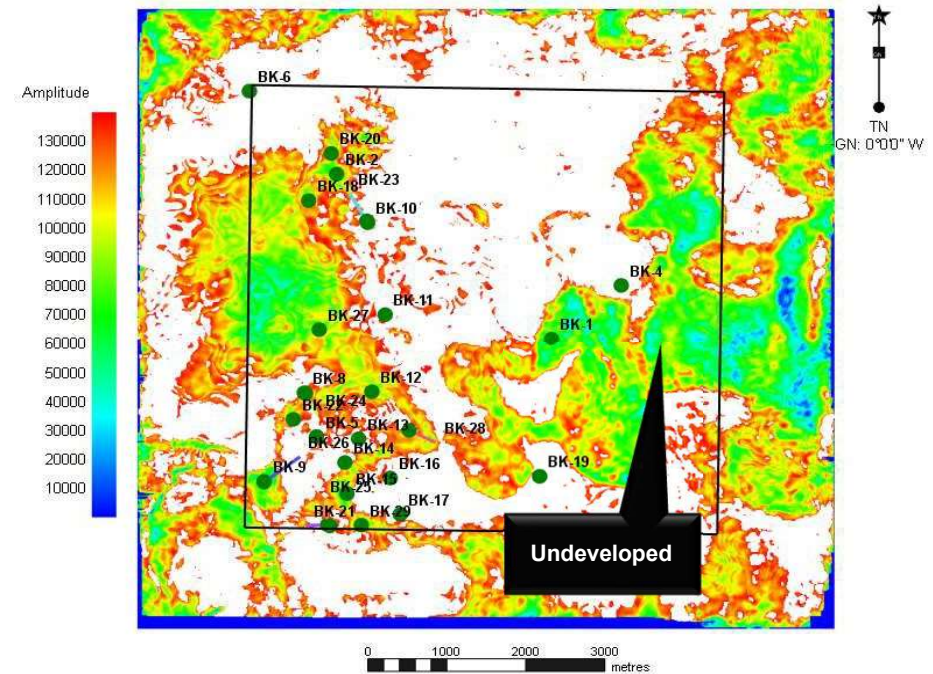
Phase Development						
Baseline Volume	Oil	MMBO	0.91	0.25	0.22	1.38
	Gas	MMBOE	0.43		0.13	0.56
Field wise Growth Plan (BK +16 wells) <i>(under review)</i>	Oil	MMBO	1.49	0.13	0.21	1.83
	Gas	MMBOE	0.38			0.38
Upside potential	Oil	MMBO	0.86			0.86
	Gas	MMBOE	0.04			0.04
Total	Oil	MMBO	3.26	0.38	0.43	4.07
	Gas	MMBOE	0.85	0	0.13	0.98
MMBOE (Oil + Gas)		MMBOE	4.11	0.38	0.56	5.05

Resources		Unit	Bakrol	Lohar	Karjisan	Total
2P Oil In Place	Oil	MMBO	60.8	2.5	2.7	66.00
Cum. Production (March 2019)	Oil	MMBO	2.36	0.72	0.03	3.11
Total Projected Oil Production	Oil	MMBO	3.26	0.38	0.43	4.07
Cum. Recovery Factor (till 2030)	Oil	%	9.24	44	17.03	10.88

Bakrol - Development Potential



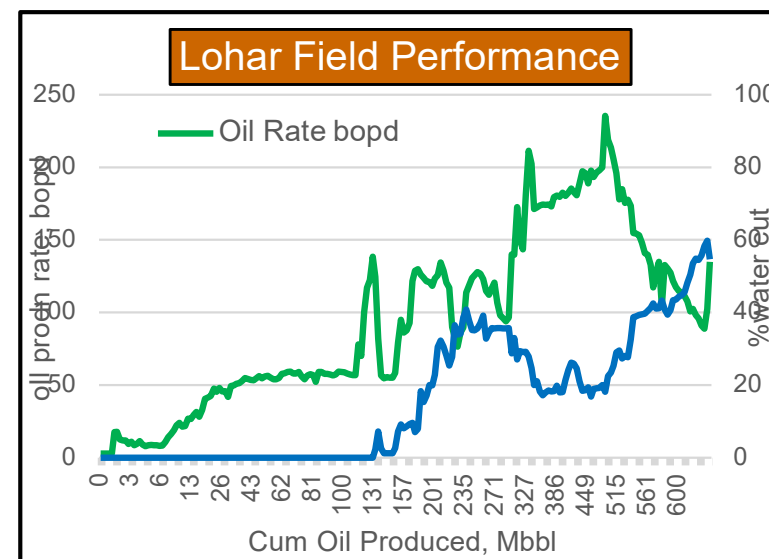
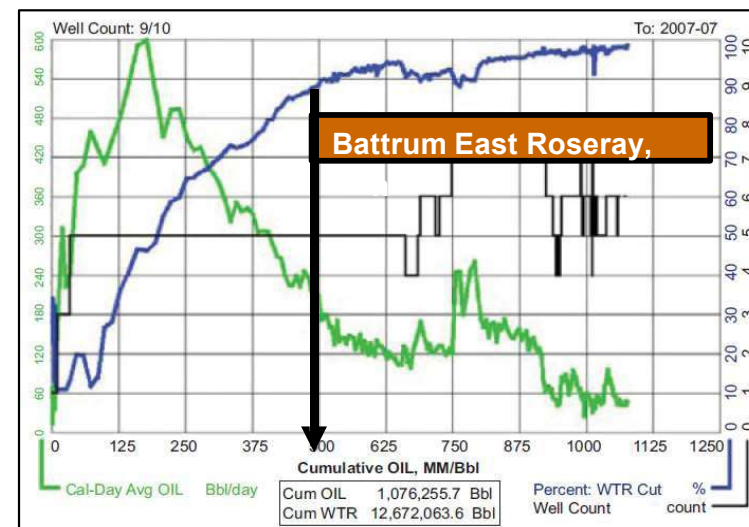
- Field producing from 23 of 29 wells
- Range of productivities
- Majority of wells need artificial lift to produce
- The extension of PSC tenure for Bakrol Field has recently been approved by Gol and now runs through March 2030.
- With the renewal now in place and the spectral decomposition and Reservoir Simulation work conducted, Selan has identified an number of highly valuable elements in an ambitious development program that would yield excellent rate of return even at conservative oil prices.



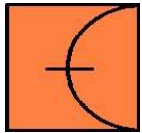
Lohar - Development Potential



- The Lohar field offers significant development potential wherein proved and the probable OOIP are 2.10 MM BBLs and 0.40 BBLs respectively.
- Production of Proved Oil Volumes are projected at 0.25 MM BBLs and Development of Probable Volumes are estimated at 0.13 MM BBLs through 2030.
- Worldwide analogous reservoirs generally recover over half of ultimate recoverable oil recovery after reaching 90% water cut.
- Lohar water-cut is currently 65-75% .
- Recent pilot for artificial lift enhancement delivered significant incremental production.
- Field-wise implementation in progress along with pilot water flood.



KARJISAN HIGHLIGHTS



■ KARJISAN OIL UPDATE

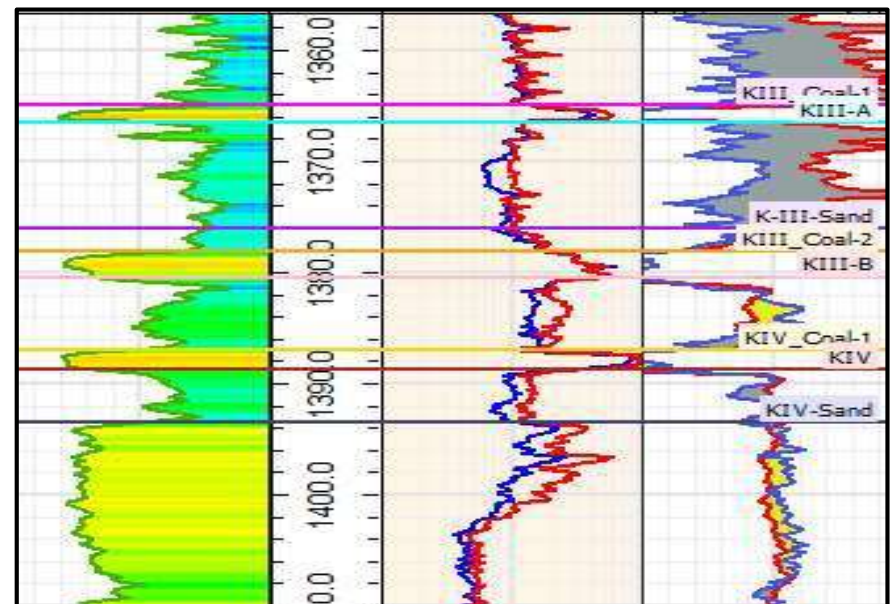
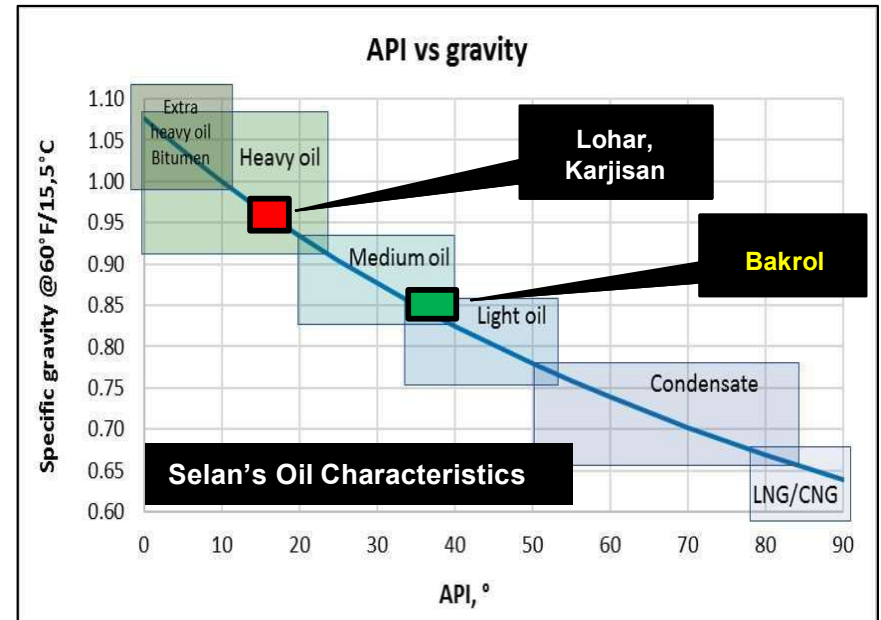
- Established Sustained production on KJ-4
- Oil delivery started May-2017
- Gas Production has commenced

■ READY TO DELIVER GAS

- Buyer & sales agreement in place.
- Well deliverability commenced

■ FIELD DEVELOPMENT PLAN (FDP)

- In final stages of approval





Fiscal Terms



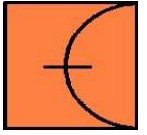
Favorable Fiscal Regime

- **100% Working Interest in all fields + Operatorship**
- Stable PSC regime
- 25 Year Contract, **10 Year Extension Received**
- 100% Cost Recovery Allowed
- **Profit Petroleum 100% to Selan Up to IM of 3.5, 50% thereafter**
- Economic Stabilization Clauses, In-Country Arbitration
- **Crude Oil Sold to IOC at ~ Brent minus 3% pricing**



Valuation

Future – Revenue & Profit Outlook



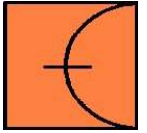
Being updated in light of market developments.

Cash Generation – Going Forward



Being updated in light of market developments.

Key Risks



■ Long term Outlook on Oil Prices

🗨 × Risks "*not present in Selan*" ...

- Lack of significant oil in place or high Recovery Factor targets
- Hypothecation of reserves
- **High Quality Manpower availability**
- Pending / un-met work commitments
- **Debt & Lack of any funds requirement**
- Partners and associated disputes
- **Challenges to create additional infrastructure**
- Any downside from litigation
- **Income Tax claims. All assessments current thru 2015-16**



Thank You

Disclaimer



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