

Bowsprit Farm-out Flyer – Proven Oil with Exploration Upside

Breton Sound Area – Louisiana (USA)

Summary

- Sun holds 100% of Leases SL21754 & SL21787 (74%NRI), covering 1,155 acres, in <3m of water, located 70km SE of New Orleans in Breton Sound area. The surrounding areas have produced >1.2 billion bbls and 5TCF.
- Leases contain former fields, prospects and leads. Shell discovered a gas field in 1955 at 9,500ftTVD (~46bcf produced).
- Primary project is Bowsprit Field, a re-development of a small proven oil field, containing light sweet crude.
- Bowsprit discovered by Shell wells, 7,400ft deep, ~30ft sand, produced ~76,000bbls from vertical wells in 1960's, ~100bopd /well, not commercial for full field. Sun plans to re-develop using horizontal well(s).
- Horizontal well in nearby analogous field was production tested at 1,500bopd. RISC modelled a 1,200ft horizontal crestal well, in the Upper Miocene sand between two former producers as capable of up to 2,000bopd and EUR of 670,000bbls.
- High Quality 3D seismic shot 1997, reprocessed in 2014.

Sand	RISC Potential Hydrocarbons Initially in Place Probabilistic			Units	Status
	P90	P50	P10		
7,400' (Upper Miocene) Contingent Resources	0.7	5.01	12.6	MMbbls	Proven field – flowed 76,000 bbls in 1960's. Contingent on drilling & test hoz well.
7,400' Deep (Middle Miocene) Prospective Resources	0.99	11.8	49.00	MMbbls	Indications of oil on logs, but not yet flowed to surface (RISC COS 20%). Contingent on flowing to surface.

Work Program

- 8,000ft vertical pilot hole to test two Middle Miocene prospects
- Horizontal section to be completed in proven sand, at 7,400ft TVD
- DST to prove commercial rate (IP up to 2,000bopd)
- Suspend and potentially tie back to nearby facility

Schedule

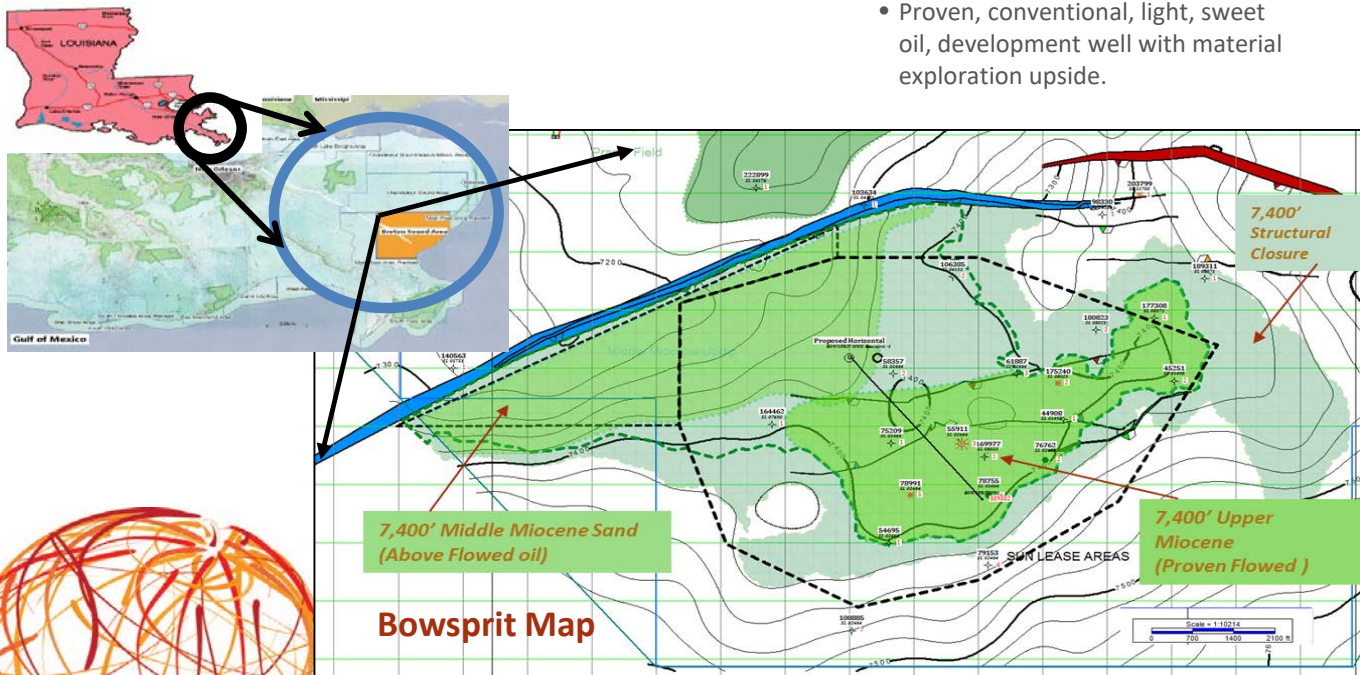
- Site Survey September 2019
- Well Permitted by December 2019
- Drilling Q1 2020
- Production Q3 2020

Indicative Farm out Terms

- 2 for 1 on single well or 1/3 for 1/4 on program
- Well Cost US\$3.6 million (Inc. DST)
- Tie-Back ~ US\$ 1 million
- Proportional contribution to back costs of US\$1million

Highlights

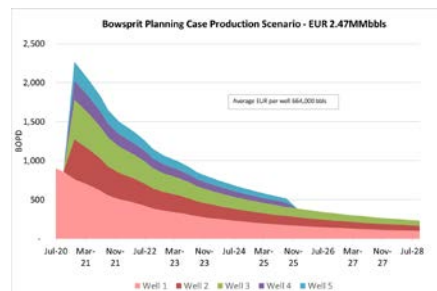
- Horizontal development well in to proven flowed reservoir.
- Near Term
- Low Cost & Low Risk
- Proven, conventional, light, sweet oil, development well with material exploration upside.



Bowsprit - 1960's Production History

Field	Well #	Well Serial #	Sand	Perforation Depth (ft)	Spud Date	Plugged & Abandoned	Allocated Cumulative Oil (bbl)	Allocated Cumulative Gas (MMCF)	Comments
1864	1	75209	-	-	26-May-59	-	-	-	Not a producer.
1864	2	76762	7400'	7430 - 7435	24-Sep-59	24-Mar-70	3,280	2	Only Produced for 2 months in 1960.
1864	3	55911	7400'	7421 - 7423	15-Mar-55	08-Apr-70	55,506	82	Predominant oil producer.
1864	4	78755	7200' 7400'	7119 - 7122 7429 - 7432	07-Mar-60	19-Mar-70	0 15,879	904 18	Predominant gas producer. Produced oil in the 7400' sand and was the only gas producer in the 7200' sand.
1864	5	78991	7400'	7440 - 7450	27-Mar-60	17-Mar-70	1,755	81	Produced at low rates until it was plugged and abandoned.
TOTALS							76,420	1,087	

Base Case Production Scenario



Appraisal Well Cost

Well Scenario Cost estimate Brammer 2019	US\$ million
Pilot Vertical to 8,000ft, log, samples 1500 ft horizontal, 36-hour DST, Suspend	\$3.6m with DST \$2.8m (dry hole)

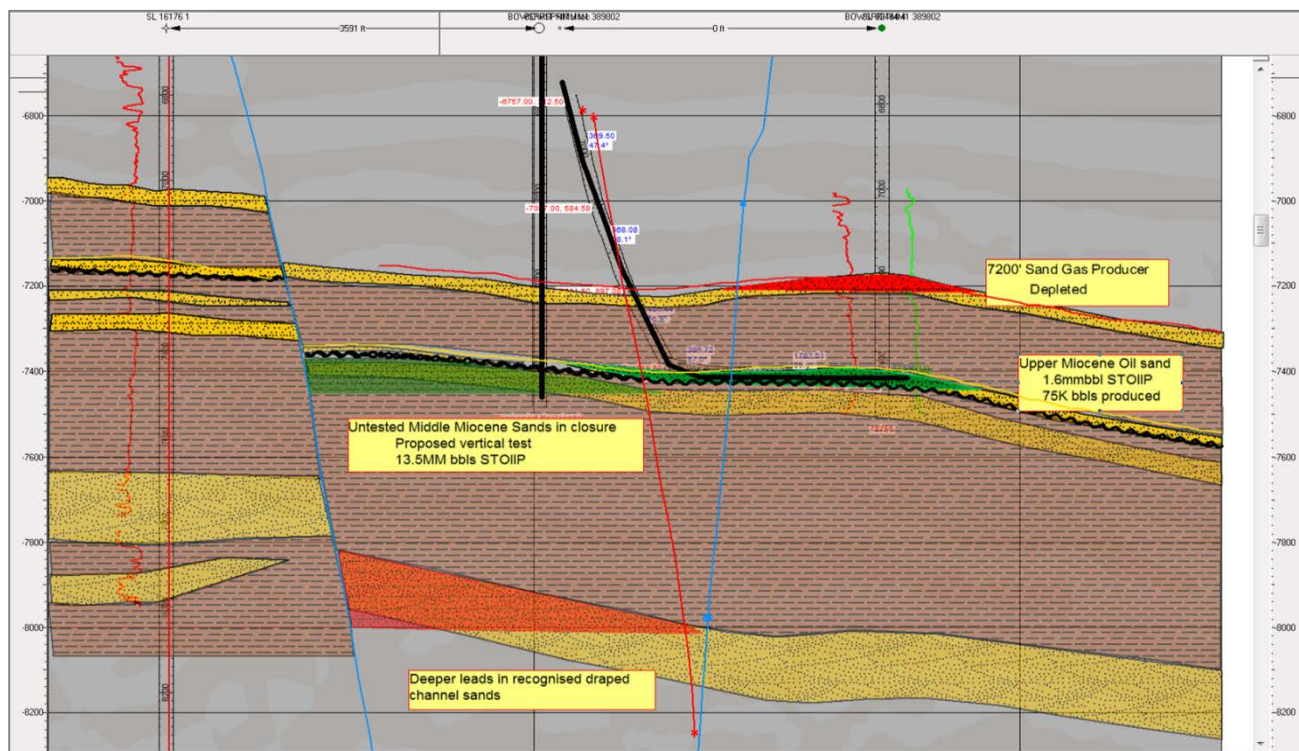
Barge Rig ~US\$30,000/ day



Project Development Costs

Assumptions	US\$ Million
Horizontal wells each	\$3.0m each
Unmanned Production Facilities	\$4.5m
Tie back / export pipelines (2.5km)	\$0.6m
US\$60/bbl, US\$2.50/Mscf, 2% escalation Royalty 26%, Sev Tax 12.5%	
A Single well development may be via tie back pipeline to a nearby facility at cost ~\$1million for early cash flow, OPEX ~\$7/bbl including processing toll	

Bowsprit -1 Well Path Schematic- (Louisiana USA)



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