



## **From Explorer to Producer**

**April 2017**

Ascent is an AIM listed European  
focussed Oil & Gas exploration &  
production company,  
headquartered in London

Our main asset is the Petišovci concession in Slovenia where we have been involved for ten years.

Commercial production from our first well will commence in the coming weeks and the recompletion of our second well is planned to begin in April.



**Clive Carver**, *Non-executive Chairman*

- Clive Carver has worked in the City since 1986 and focused exclusively on the small cap sector since 1994.
- Chairman of Caspian Sunrise PLC, an AIM listed oil and gas exploration and production company operating in Kazakhstan.
- Also Non-executive Chairman of 365 Agile plc, Non-executive Director of Tax Systems plc; and Darwin Strategic Limited.
- Fellow of the Institute of Chartered Accountants in England and Wales and is a qualified Corporate Treasurer.



**Colin Hutchinson**, *Chief Executive Officer*

- Chartered accountant, law graduate with an MBA from Warwick Business School.
- Previously served as the Company's Finance Director, prior to joining Ascent, he was Group Financial Controller at Lochard Energy plc.



**Nigel Moore**, *Non-executive Director*

- Chartered Accountant and was a partner at Ernst & Young for 30 years where he specialised in the oil and gas sector, advising a wide range of client companies.
- Currently on the Board and Chairman of the Audit Committee of Hochschild Mining PLC.



**Cameron Davies**, *Non-executive Director*

- Cameron Davies is an international energy sector specialist and the former Chief Executive of Alkane Energy plc.
- A geologist, Dr Davies has over thirty-five years' experience in the oil and gas sectors.
- PhD from Imperial College, is a Fellow of the Geological Society of London and a member of the European Petroleum Negotiators Group and the PESGB.

# Slovenia



EU Member

Since 2004

Schengen since 2007

Currency

Euro

Capital

Ljubljana

Government

Parliamentary representative democratic republic  
Last elections were 2014; next should be 2018  
Government is centre-right pursuing a privatisation agenda.

Population

2 million

Language

Slovene

Religion

58% Catholic

GDP Composition

Services 65% Industry 33% Agriculture 2%

Annual gas  
consumption

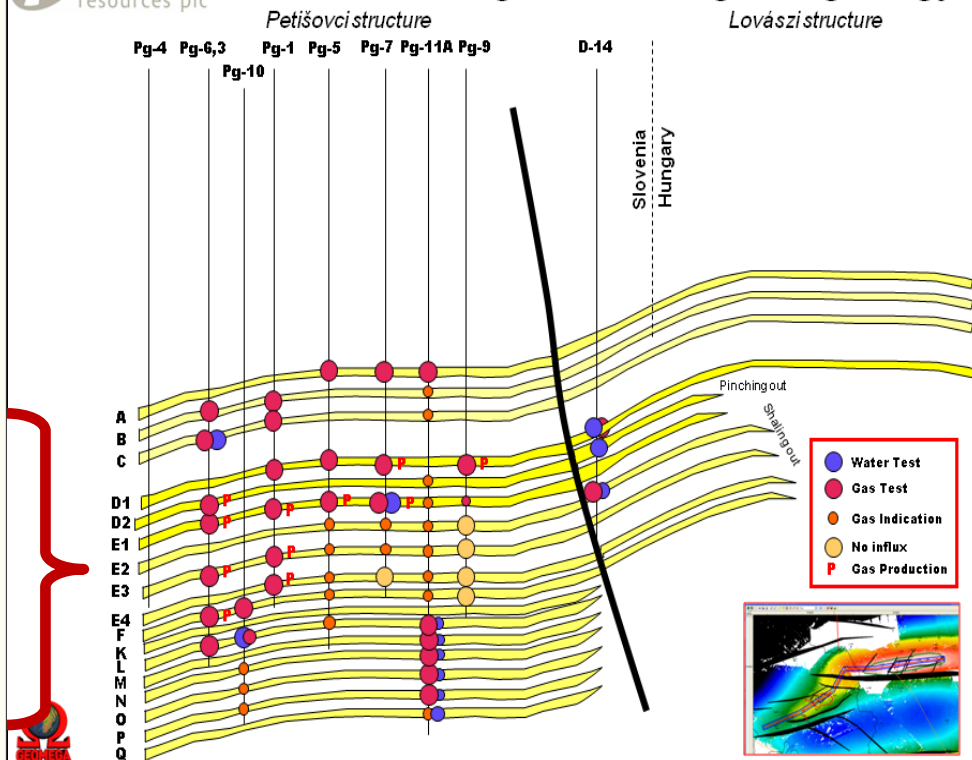
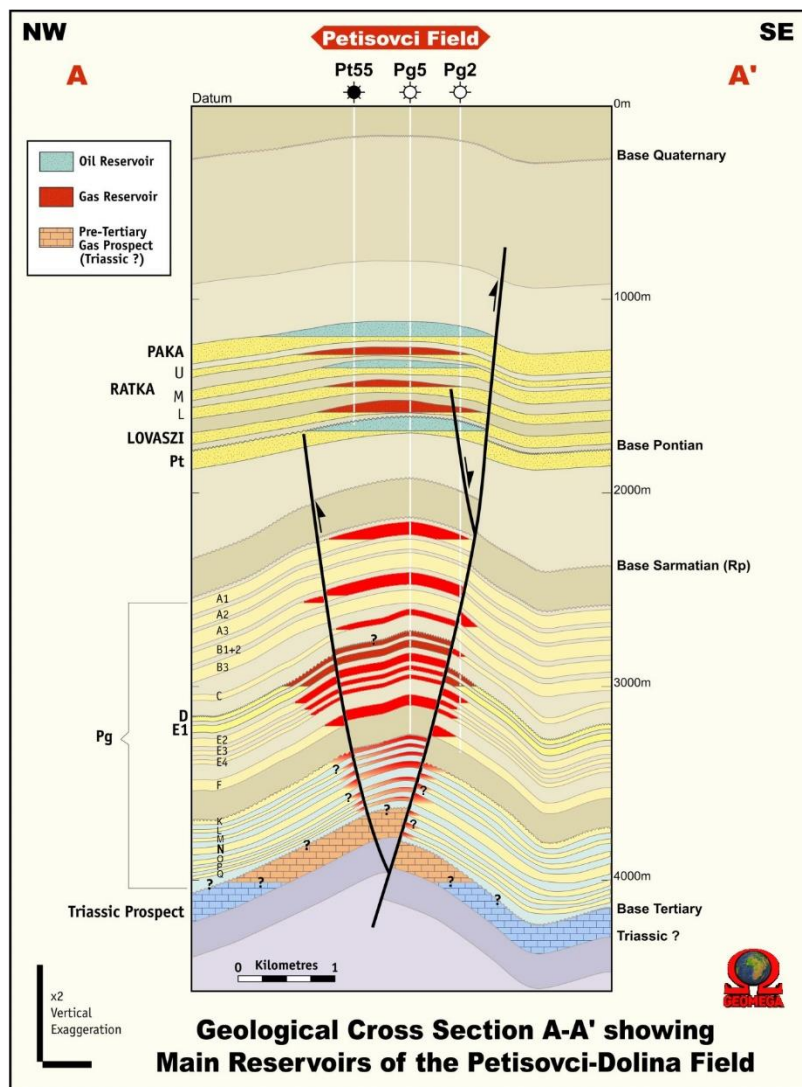
761m cubic metres

27 BCF

99.9% is imported



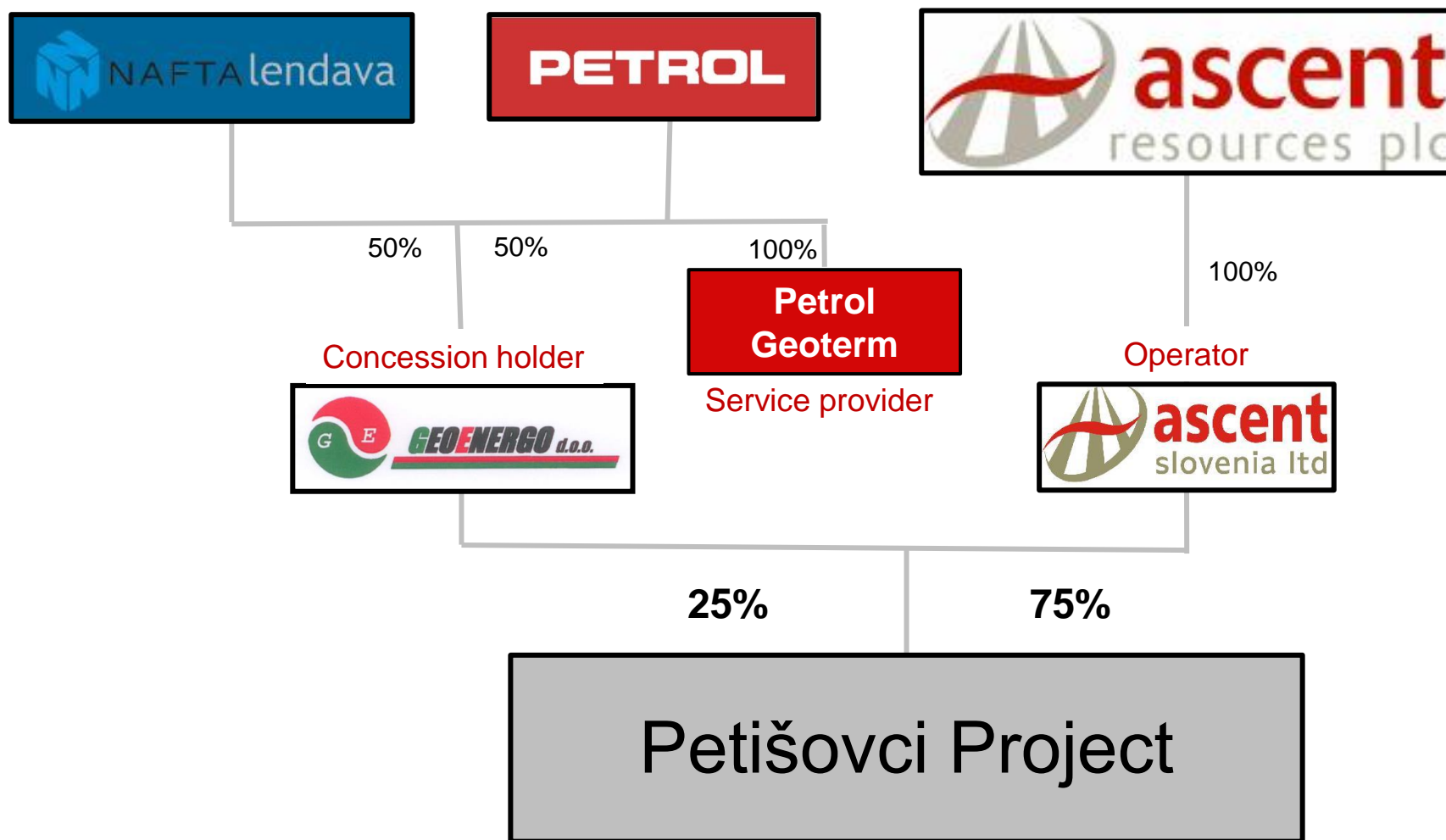
# Sub-surface



**Gas in place was independently assessed in 2013 by RPS at 456 Bcf (P50).**

Source: RPS updated volumetric assessment of the Petišovci area 2013

# Joint venture





# Area map





# Existing infrastructure



## Pg-10

- Drilled in 2011
- Depth of 3,497 metres.
- Recompleted in 2017.
- Flowed at 8.8MMscfd during testing in Jan 2017.

## Pg-11A

- Drilled in 2011
- Depth of 3,500 metres.
- Recompleted in 2013.
- Flowed at 2.5MMscfd during testing in 2011.

## CPP

- Constructed in 1988.
- Currently treats gas from around 10 wells.
- Connected to pipelines linking wells and the Methanol plant.
- Removes water and condensate.
- Owned by Petrol Geoterm a service provider to the Joint Venture and wholly owned subsidiary of our partner Petrol.

# Routes to market

## 1. Sell untreated gas to local industry

- Industrial customer will take gas treated through existing CPP.

Sales will begin  
in April 2017

## 2. Export untreated gas to Croatia

- Gas sales agreement signed in July 2016.
- Pipeline network in place and final connections being made.
- Sales will start in the next few months.

Commence June  
2017

## 3. Treat gas and sell into the Slovenian grid

- Requires a treatment facility which needs an environmental permit.
- Permit expected in 2017 and then c12 months required for construction.

IPPC Permit  
expected 2017

## 4. Sell gas for Methanol production

- Mothballed Methanol plant is adjacent to the field.
- Acquired by US Company in 2015 however they have not yet begun to restart the plant.

Reliant on third  
party.

# Sales to local industry

- Our JV partner, Geoenergo has contracts to supply local industrial consumers from its 'baseline' production.
- Baseline production is the level of production from the shallower wells which is outside of JV arrangements.
- We will sell gas from Pg-10 to these industrial customers bringing the field into production.
- Quantities & pricing are commercially sensitive locally.
- Revenues will be less than if we send to INA but still material.
- May continue after INA route has opened.



# Untreated gas to Croatia

- Agreement signed between the Joint Venture and INA on 29 July 2016.
- INA are Croatia's leading oil & gas exploration and production company and are majority owned by MOL.
- INA owns a field at Medjimurje which is around 5km from the Petišovci field; they have recently invested around £50 million in bringing this field back into production.
- Production started at Medjimurje in July from five production wells and they expect to produce around 1 billion cubic metres (35 Bcf) by 2024.
- INA has constructed a 73km pipeline in Croatia that will enable it to transport gas from Medjimurje to its processing facility at Molve.
- The Petišovci field is already connected to Medjimurje by around 10km of pipeline.
- INA will purchase JV gas at the border with Slovenia at a price indexed to the Central European day ahead pricing.
- Contract is for an initial 12 month period with the potential to renew.

- IPPC Permit for the construction of our own gas treatment facility was awarded by the Environment Agency and confirmed by the Environment Minister.
- However this was reversed on procedural grounds by the Administrative Court.
- After filing additional paperwork the Environment Agency ruled in November 2016 that the facility did not require a full environmental impact assessment and the permit could be awarded without further delay.
- This was appealed to the Environment Minister again and we await her decision which is expected anytime.
- A further appeal to the courts is likely which would mean the permit being finally awarded sometime in 2017.



# Methanol plant



- The plant could take up to 500,000 cubic metres per day.
- A mothballed plant was last operational in July 2010 has been purchased by US Methanol.
- To date they have not begun to recommission the plant and may be considering shipping it to another location.
- While the restart of the plant seems currently unlikely it remains an option which would be very attractive for the Company.

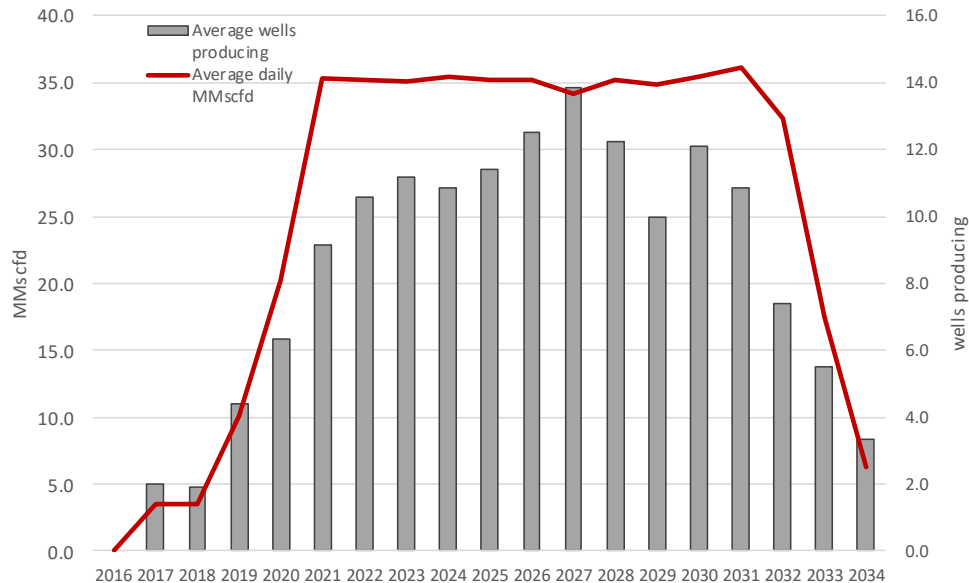
# Development plan: phase one

Development plan	2016		2017				2018				2019				2020				2021			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Pg11A & Pg10 prepared for production																						
Facilities upgrade completed																						
Sale of gas to local industry																						
Export of natural gas to Croatia																						
Gas treatment facilities installed																						
Sale of gas to the Slovenian grid																						
Pg11A & PG10 recompleted																						
Old wells deepened																						
In fill wells drilled																						

- **First sale of gas expected to be in April 2017.**
- Exports to Croatia are expected to last for around two years.
- Based on an award of the IPPC Permit sometime during 2017 we should have our own facility ready for use by the beginning of 2019.
- At the same time we will begin a program of deepening and stimulating some old wells which are known to be in suitable locations – this will be significantly lower cost than new wells.
- Towards the end of 2020 we will begin to add new wells in infill locations.

# Development plan: phase two

Production



New treatment facility ready

Existing wells deepened

Infill wells drilled

- Recomplete Pg-10 and Pg-11A on different sands to maintain production of 3-4 MMscfd.
- Install our own (new) gas treatment facility adjacent to the field which should result in an increase in gas sales price.
- Deepen seven existing wells should increase production to 25 MMscfd.
- Drill six infill wells to take production to a plateau of 35 MMscfd.
- Development plan should be financed by a mixture of debt and operating cash flow.

Source: internal management estimates based on current gas prices and development costs.

We have a significant asset in the Petišovci field and excellent local partners.

After many years of effort, production from the field is weeks away.

2017 is set to be a transformational year for the Company.

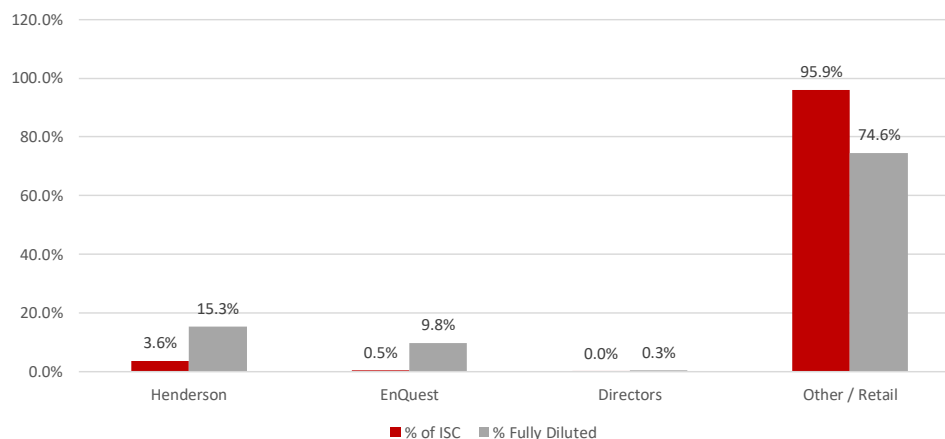
# Appendix



# Shares & loan notes in issue

31-Mar-17	Shares	% of ISC	Notes Principal	Notes Incl Interest	Equivalent Shares	Fully Diluted	% Fully Diluted
Henderson	59,740,775	3.6%	£2,493,589	£2,702,253	270,225,312	329,966,087	15.3%
EnQuest	8,045,197	0.5%	£2,038,241	£2,038,241	203,824,050	211,869,247	9.8%
Directors	283,745	0.0%	£67,500	£70,262	7,026,164	7,309,909	0.3%
Other / Retail	1,602,700,743	95.9%	£42,975	£70,018	7,001,845	1,609,702,588	74.6%
	<b>1,670,486,715</b>	<b>100.0%</b>	<b>£4,642,305</b>	<b>£4,880,774</b>	<b>488,077,372</b>	<b>2,158,564,087</b>	<b>100.0%</b>

## Significant shareholders



Loan notes convert at 1 pence per share and are due for redemption on 19 November 2019.

Fully diluted figures exclude the potential 75m Trameta consideration shares and the Directors 64.5m option award.

# Convertible loan notes

- 2013 CLN's issued in December 2012 to Henderson and in April 2013 following an Open Offer to all shareholders. *This was part of the £5.5m rescue package underwritten by Henderson.*
- 2014 CLN's issued between Feb 2014 and Jul 2015; £2.0m to EnQuest in satisfaction of a £3.0m deferred liability and the balance to Henderson to fund the Company. *At the time the Company was unable to raise equity elsewhere.*
- 2016 CLN's were issued in October 2016 as part of a Placing; £50k were taken by Directors and £1m by another investor.
- In total £7.4m has been converted to date with £4.9m outstanding; each £1 note is convertible into 100 Ordinary Shares and redemption is scheduled for November 2019.

£m	Issued	Converted	Balance	Incl Interest
<b>2013</b>				
Henderson	4.7	3.6	1.1	1.3
Directors	0.1	0.1	0.0	0.0
Others	0.2	0.1	0.0	0.0
	<b>4.9</b>	<b>3.8</b>	<b>1.1</b>	<b>1.3</b>
<b>2014</b>				
Henderson	4.0	2.6	1.4	1.4
EnQuest	2.0	0.0	2.0	2.0
	<b>6.0</b>	<b>2.6</b>	<b>3.4</b>	<b>3.5</b>
<b>2016</b>				
Others	1.0	1.0	0.0	0.0
Directors	0.1	0.0	0.1	0.1
	<b>1.1</b>	<b>1.0</b>	<b>0.1</b>	<b>0.1</b>
<b>Total</b>	<b>12.0</b>	<b>7.4</b>	<b>4.6</b>	<b>4.9</b>
<b>Henderson</b>	<b>8.7</b>	<b>6.2</b>	<b>2.5</b>	<b>2.7</b>
<b>Henderson %</b>	<b>72.2%</b>	<b>83.9%</b>	<b>53.7%</b>	<b>55.6%</b>

