WARWICK

How Warwick Built a Top Ten Position in the STACK Play, USA

Andrew Cullen

WHO WE ARE

- ✓ Oklahoma City-based firm founded in 2010
- ✓ Focused on the trillion $ US non-op asset market
- ✓ Institutionally backed NOT private equity
- ✓ $1.2 billion in managed assets
- ✓ 20,000 boe daily production (~50% liquids)
- ✓ Technically astute and data driven
- ✓ Decisive / Fast Moving / Disciplined

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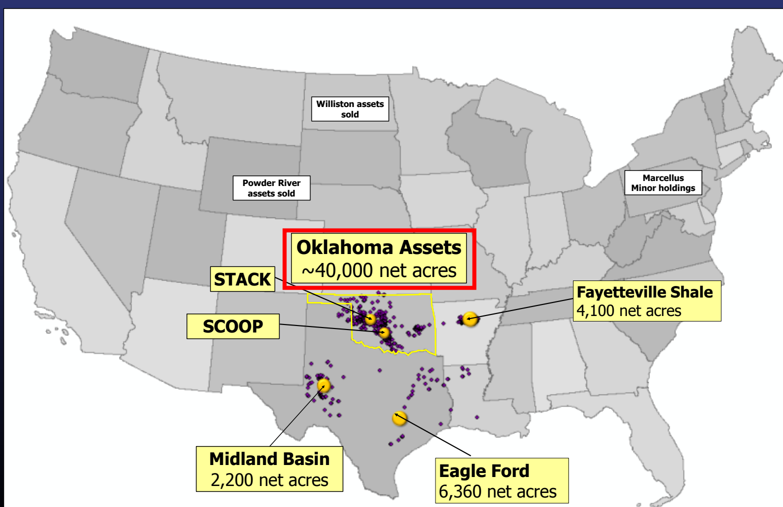
Focusing capital to optimize downside-protected returns

CRITICAL SUCCESS FACTORS

- Fully integrated Geology-Engineering-Land Databases
- Evaluated every major onshore US play > 650 type curves
- Mapping entire petroleum systems - rock & fluid properties
- Early production data & normalized to a per foot basis.
- Acreage assessed in terms of access, activity, and pricing
- Acquire at discount & lock in hedges for stable returns



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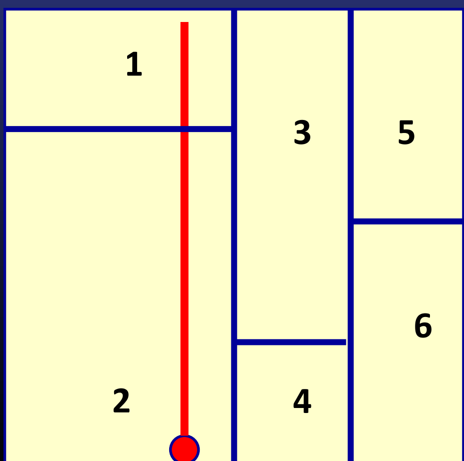
BACKGROUND FOR ONSHORE US NON-OP ASSETS (Micro-aggregation)

- Tax-Royalty Fiscal System
- Individuals NOT the State hold mineral rights
- Fractional mineral interests can be sold or pass through estates
- Each lease is negotiated separately for length and royalty
- Producing wells hold leases without time limits
- Minority working interest owners can force drilling
- Horizontal drilling units pool all interests proportionately

1 section 640 acres ~ 2.6km2



Example of a section with 6 different owners in spacing unit.
Operator #2 proposes a horizontal well to others in the unit
Clock starts on 30 days to pay on AFE for 8-12$mm well
Others elect-in or lose their entire interest in ALL wells

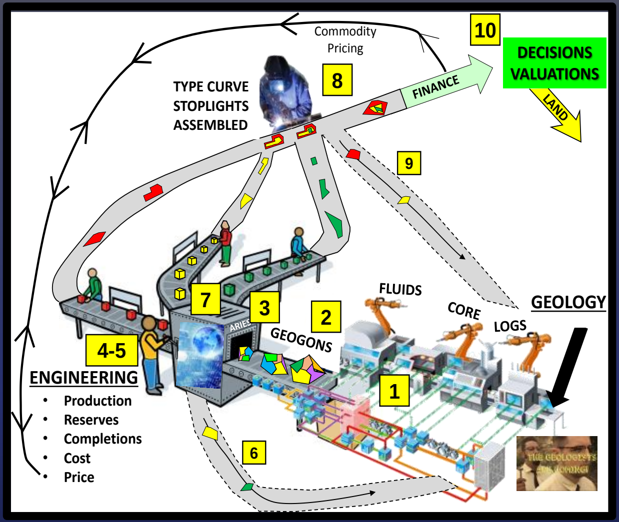
When other owners do NOT elect-in, they often sell their non-operated working interest to a third party, e.g. Warwick.

Warwick typically pays for acreage, keeps all interest in 1st well & gives small royalty on subsequent wells in a unit.

8-10 well down-spacings can get rather expensive.

ACQUIRING ASSETS IN THE CORE IN THE BEST PLAYS

THE TYPE CURVE FACTORY



- Regional mapping rock-fluid properties
- Geological polygons sent to Engineering
- Analyze, production, completions& costs for a well set of Type Curves
- ENG feed back loop to GEO
- Type Curve economics run
- Price and PV sensitivities
- Valuations to LAND for leasing

ALL PLAYS RANKED – BEST SELECTED

In 2016 Warwick strategically focused on *STACK & **SCOOP plays Anadarko Basin, Oklahoma

* STACK: Sooner Trend Anadarko (basin) Canadian-Kingfisher (counties)

** SCOOP: South Central Oklahoma Oil Province

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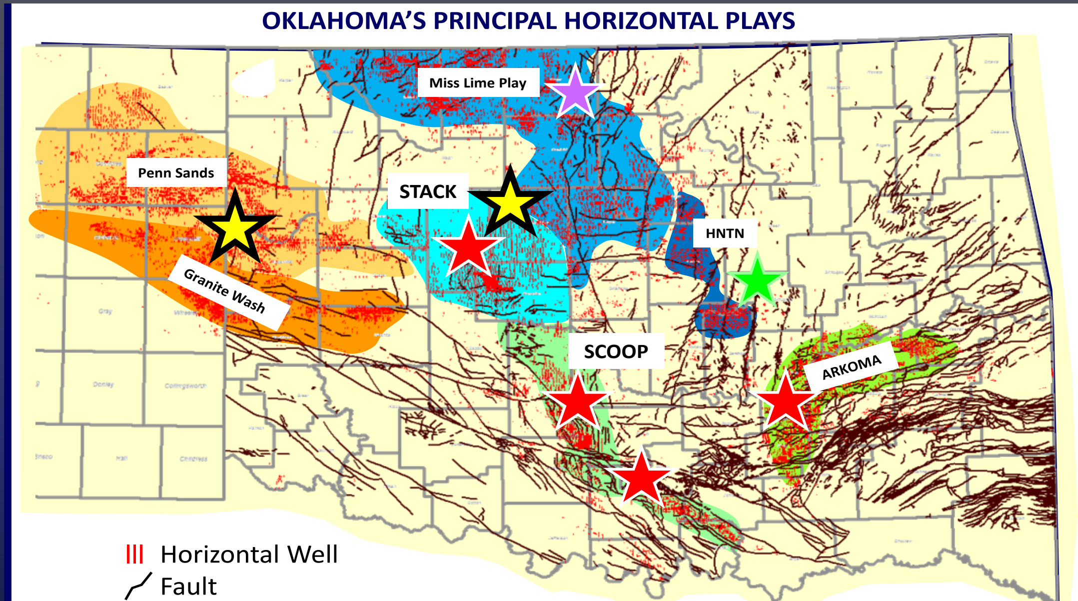
MULTIPLE HORIZONTAL PLAYS IN THE ANADARKO BASIN

28,000 horizontal wells. Vertical wells are now unconventional



4 Horizontal Play Types

1. Source-rock shales (Woodford and Springer shales)
2. Tight reservoirs adjacent to source rocks (Meramec)
3. Transition zones in tight reservoirs - long distance migration
4. Dewatering of dual porosity carbonates

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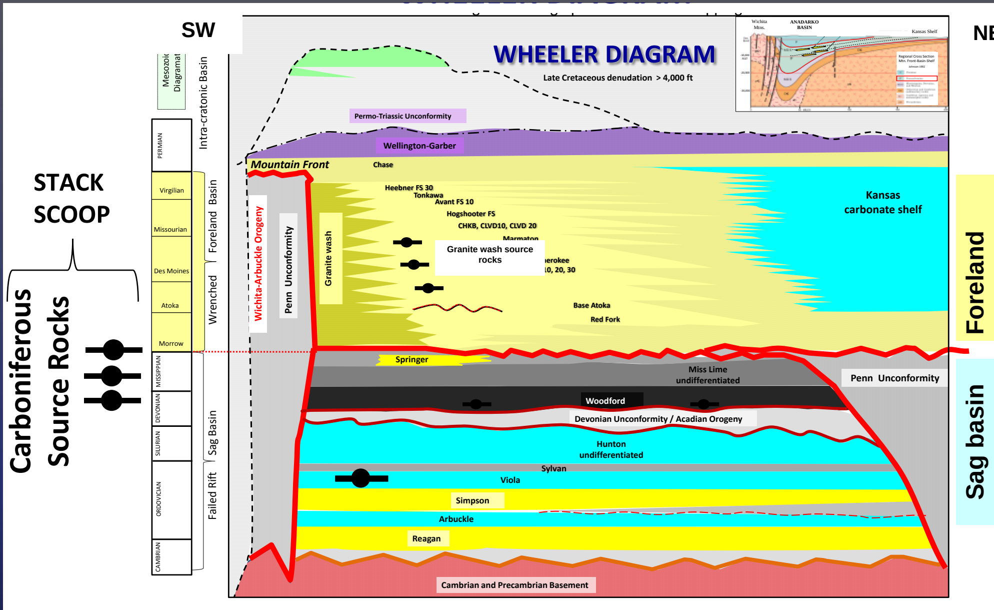
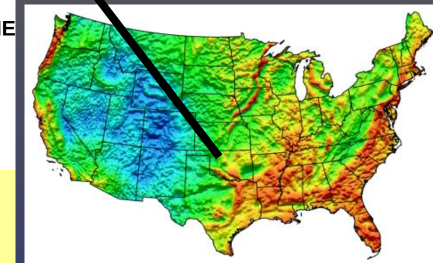
GEOLOGICAL OVERVIEW ANADARKO BASIN (OK & KS)





> 40,000ft of sediment

>15 billion boe produced

RESERVOIRS

Cambrian to Permian

SOURCE ROCKS

Ord. Miss. Penn.

Classic example of the Wilson Cycle

- Failed arm of Cambrian rift during opening of Iapetus Sea
- Carboniferous inversion- assembly of Pangea
- Triassic-Jurassic rifting in Gulf of Mexico

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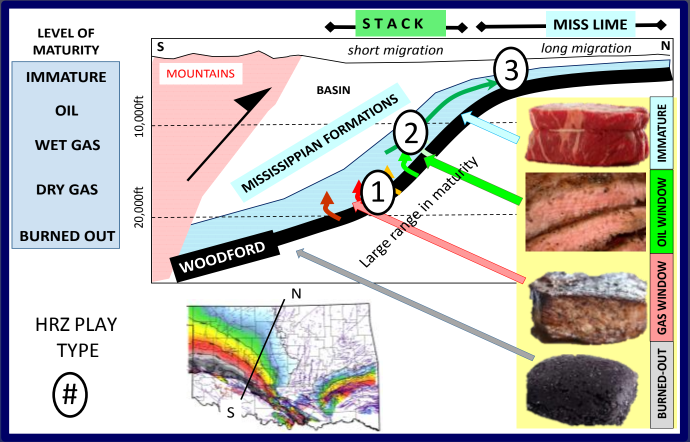
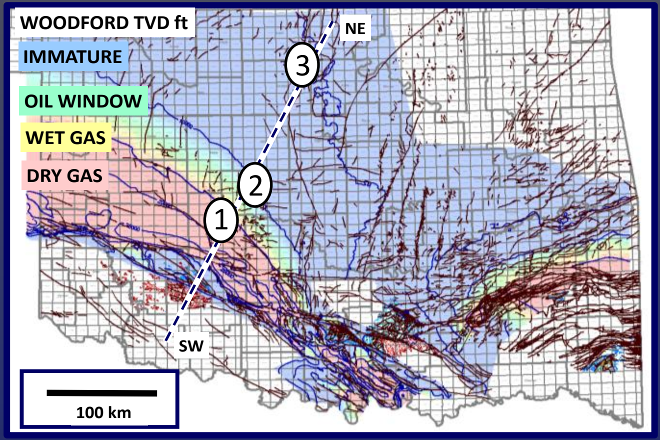
CARBONIFEROUS HORIZONTAL PLAY TYPES SOURCE ROCKS IMMATURE TO GAS WINDOW





STACK & SCOOP hydrocarbons from:

- Woodford, Meramec, Springer
- Light oil (40º API / 1,000 GOR)
- Dry Gas window (GOR >100,000)

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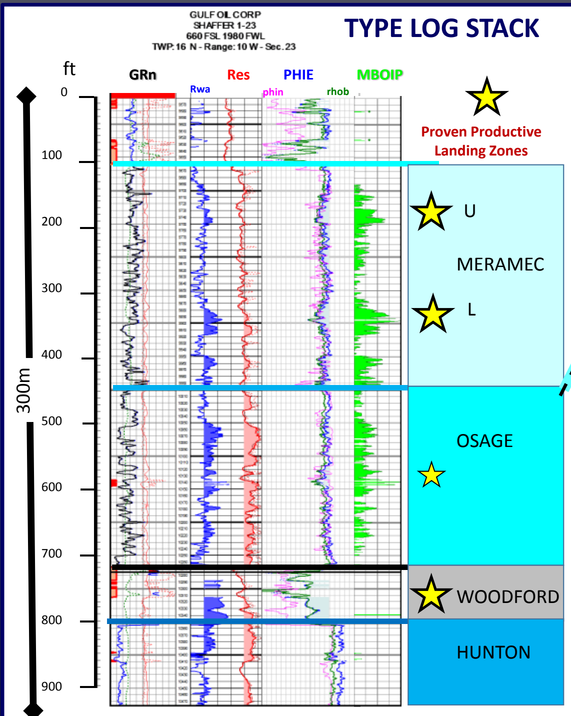
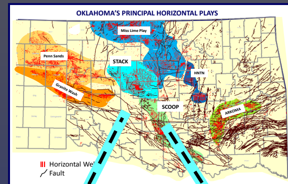
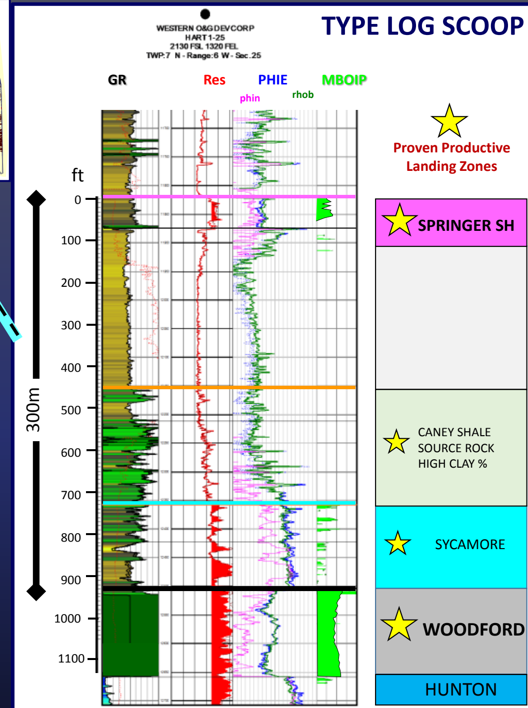
STACK-SCOOP MULTIPLE HORIZONTAL TARGETS







STACK

Current focus is on the Meramec.

Woodford was the initial basal target

Osage productive & being appraised

SCOOP

Woodford original target- active drilling.

Springer discovered later – active drilling

Sycamore productive & being appraised

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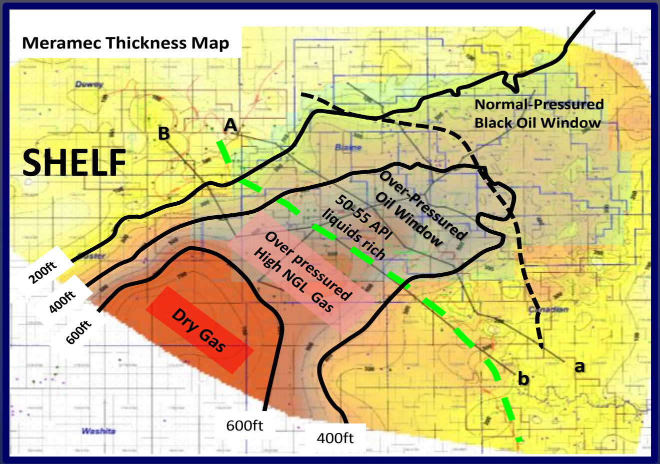
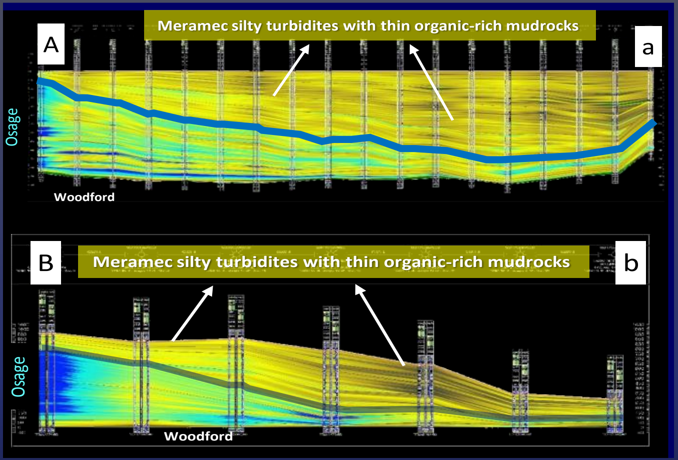
STACK: MERAMEC IS PRIMARY TARGET

The Meramec formation: turbidite siltstones deposited in foresets & small fan lobes on the ramp and basin floor outboard of the Osage shelf.





Turbidite siltstones 30-70% quartz.

Source rocks with > 6%TOC

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STACK: MERAMEC+WOODFORD - EUR 10,000 MMBOE

STOCK TANK OIL and GAS IN PLACE

ESTIMATED ULTIMATE RESERVES

Single Section Lateral TCs @ RF 15%

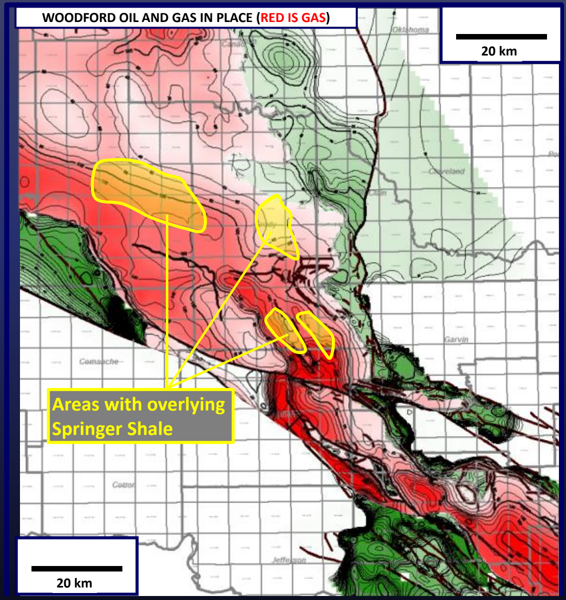
Continental, Devon, Newfield down-spacing units.
6 to 10 wells 800-1,200 mboe per well 40%-60% liquids.

High-NGL to dry gas window with wells having 20bcfg EUR

SCOOP:WOODFORD + SPRINGER PRIMARY TARGETS

The SCOOP - Woodford first Oklahoma shale play ; Springer discovered later
Prolific legacy vertical production in the Golden Trend and Carter-Knox
Woodford shale thick enough to support stacked completions with 12 well down-spacing

SCOOP Woodford play
EUR: 976mmbo and 28tcfg



Springer restricted deposition only locally overlies Woodford

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SOLID DIVERSED HOLDINGS ACROSS THE STACK

<10% WI in most sections. Exposure to all major operators

Oil Window - 800-1200 mboe per well with 40-70% liquids

Gas Window- 15-20 bcfg per well & high BTU gas up-dip

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STRONG & DIVERSE POSITION IN THE STACK

- Thru integrated disciplined work processes Warwick has built a large & diversified position in the STACK within the 2 years
- >1,660 wells drilled to date; 40 rigs currently drilling
- About 15,000 remaining economic locations (PUD+PROB) at the current Strip prices.
- Warwick will have an interest in ~14% of these future wells.
- This position will deliver volumes and value for many years to come

WARWICK HOLDS A SIMILAR POSITION IN THE SCOOP

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WWW.WARWICK-ENERGY.COM
Oklahoma City, USA

WE DID NOT COME THIS FAR - TO COME THIS FAR

- **Continue to BUY & SELL core positions in US plays**
- **Will grow through portfolio diversification**
- **Currently evaluating:**

  Deepwater Gulf of Mexico: Miocene

  Indonesia: Unconventional PSC – tight sands

  Kurdistan: Oligocene field development

Opportunities Wanted

THANK YOU