



6th ANNUAL GENERAL MEETING

26 June 2019

PRESENTATION BY CEO

INTRODUCTION

Reach Energy has only one asset, which is Emir-Oil LLP in Kazakhstan



Reach Energy holds 60% equity in Emir-Oil and assumed sole operatorship role in May 2017

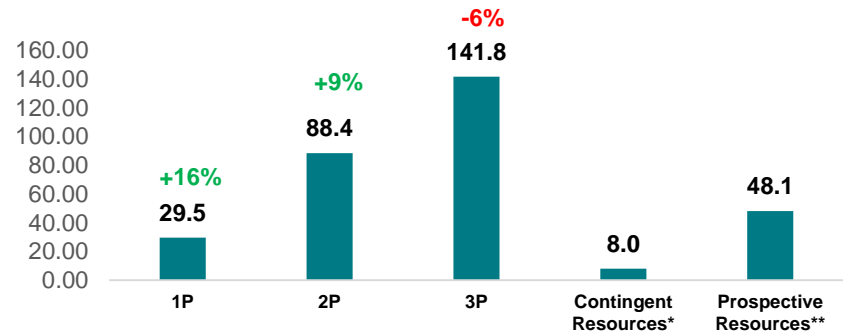
OVERVIEW OF EMIR OIL LLP

ONSHORE BLOCK COVERING 850 KM²



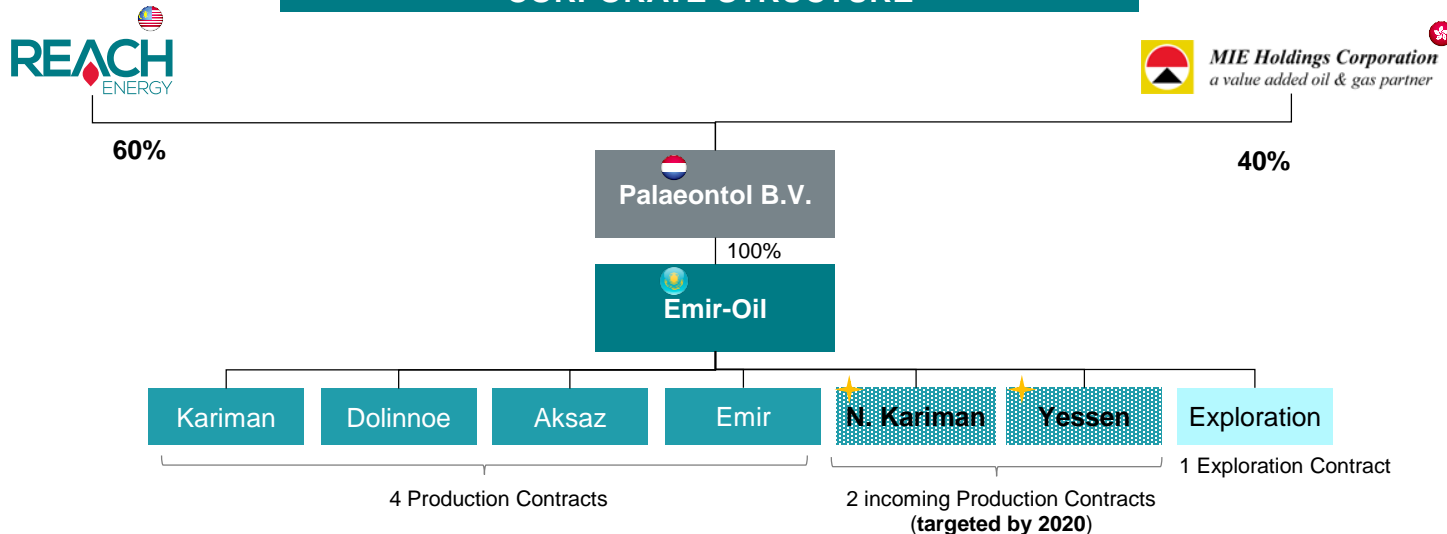
RESERVES AND RESOURCES, MMboe

Oil and Gas Reserves and Resources (Mmboe)



Source: Reserves and Resources Assessment by Gaffney, Cline & Associates (GCA)
 Resources as at 31st December 2018
 * Represent 2C Case, ** Represents Best Case

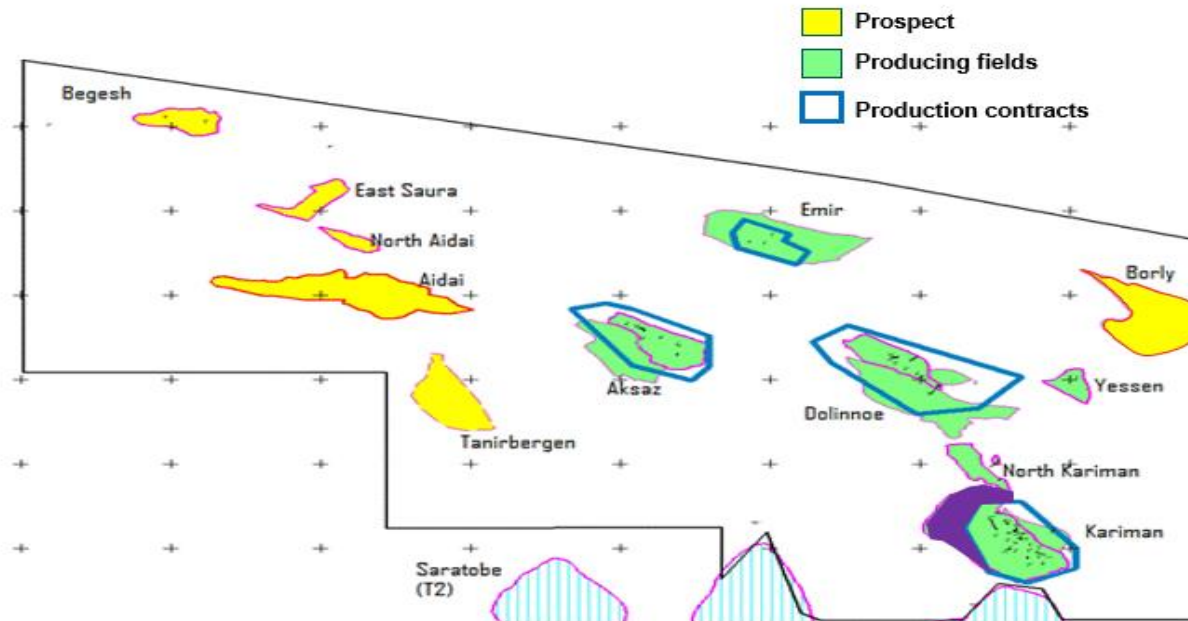
CORPORATE STRUCTURE



Business Scenario

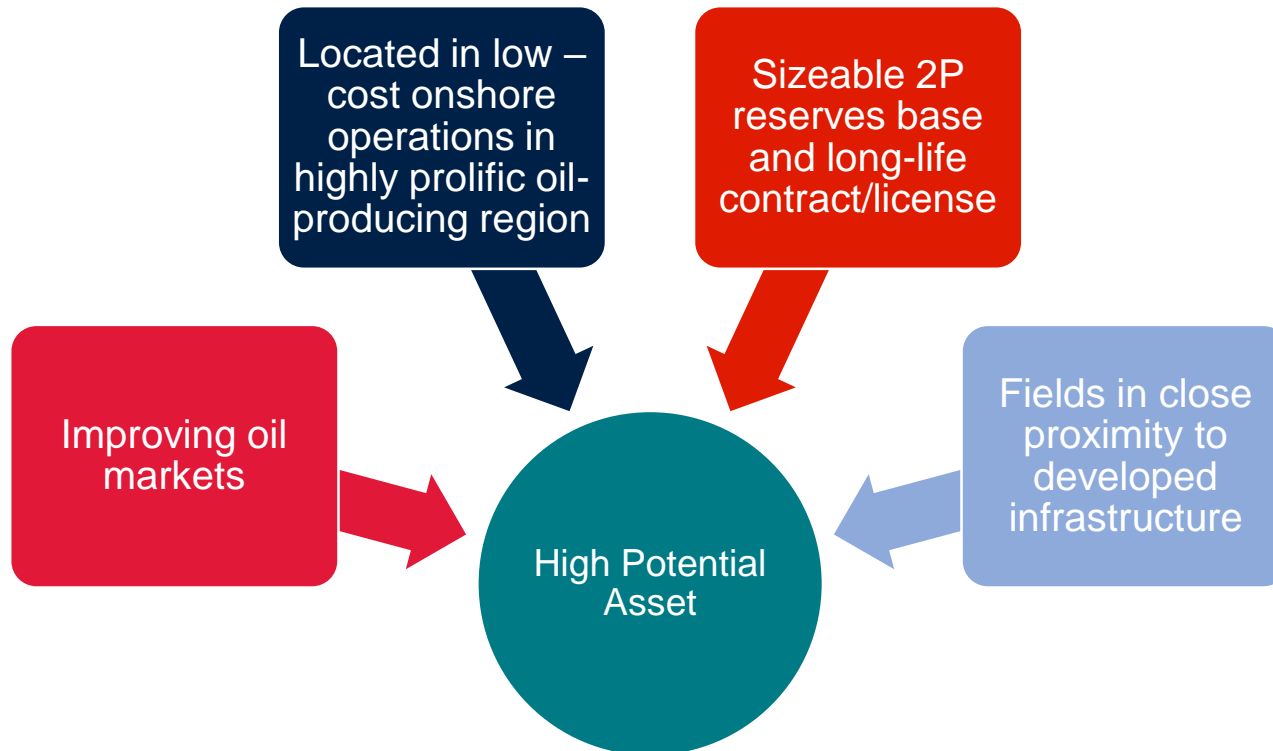
Solutions are being pursued

- i. Water and Gas Injection --- **replenish reservoir energy**
- ii. Drill new wells in strategic zones -- **ramp-up Production**
- iii. Expedite North Kariman & Yessen Production Contracts --- **for sustainable production contribution**
- iv. Strategic placement of exploration wells -- **expand mining allotment**
- v. Re-interpretation of 3D seismic and studies – **to increase prospective resources**



..... High Potential Asset

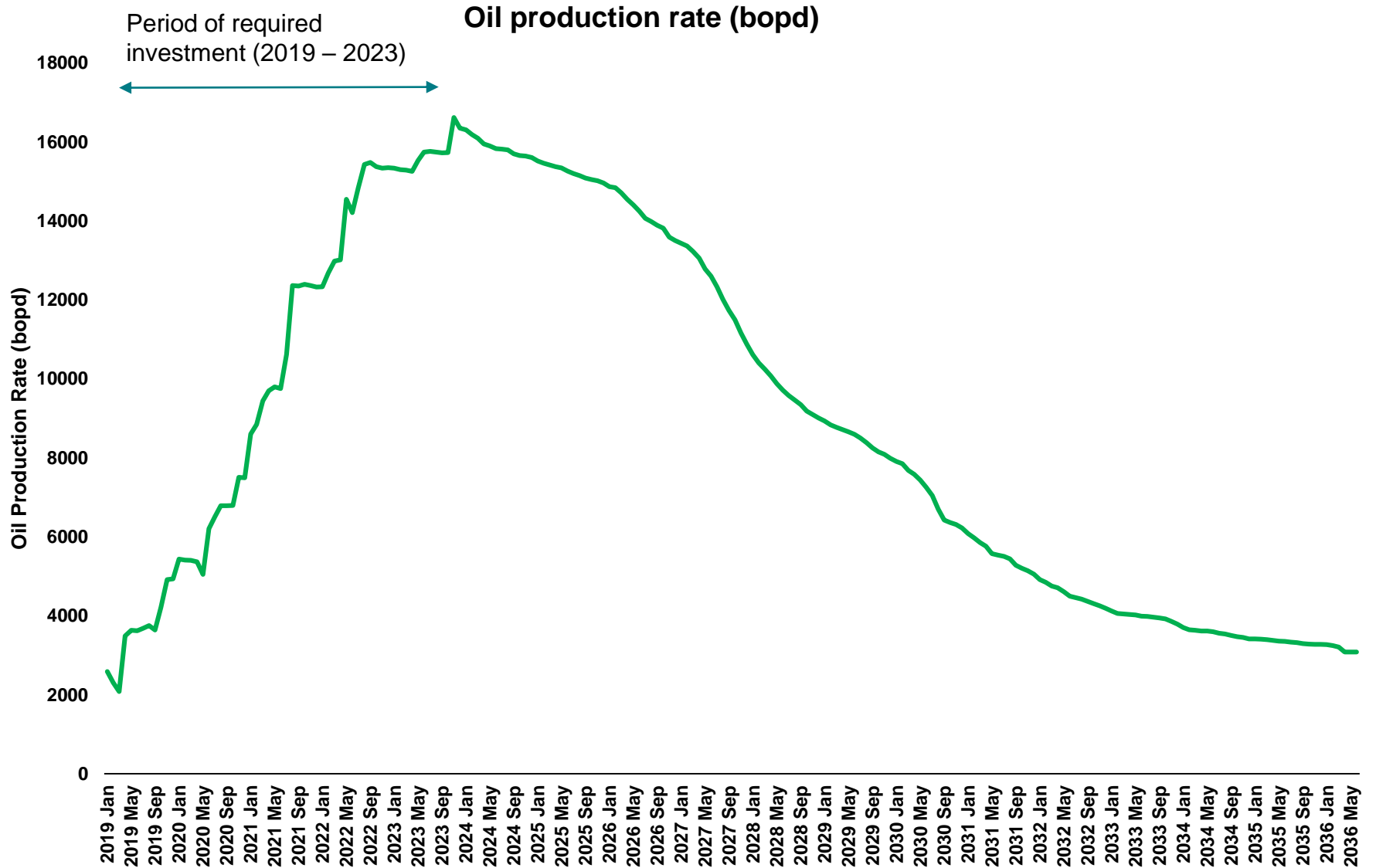
HIGH POTENTIAL ASSET



REB bottom-line is improving due to higher revenues and improved cost efficiencies, despite funding challenges

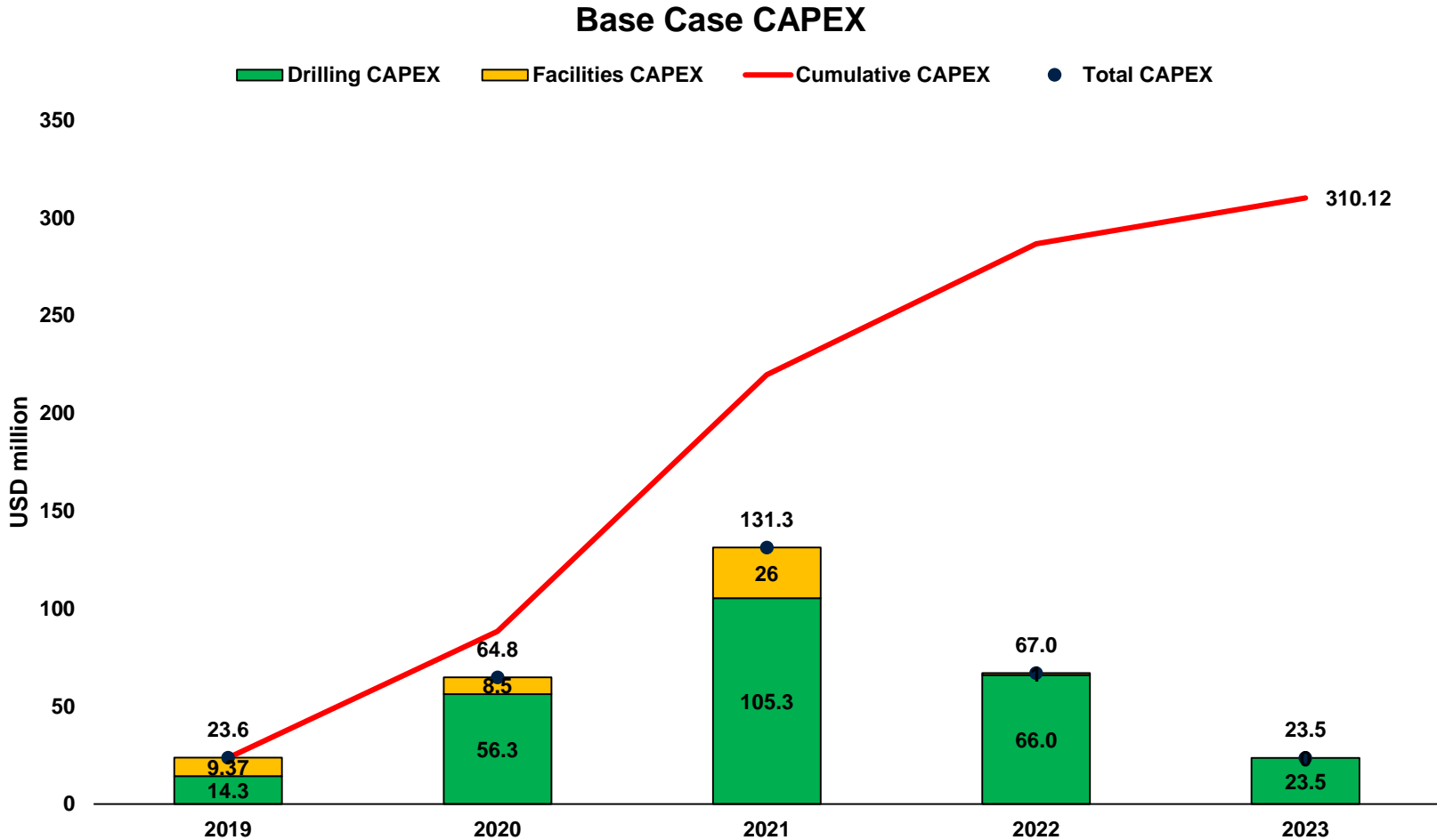
- **We have a Base Case Development Scenario and associated Production Forecast, but we require some initial external funding (CAPEX) for new wells to increase production**
- **Majority of CAPEX can be self-funded once production reaches higher levels**

BASE CASE SCENARIO - PRODUCTION PROFILE



- This is based on current audited 2P Reserves
- High potential for further increase

BASE CASE SCENARIO – CAPEX PROFILE (further optimization ongoing)



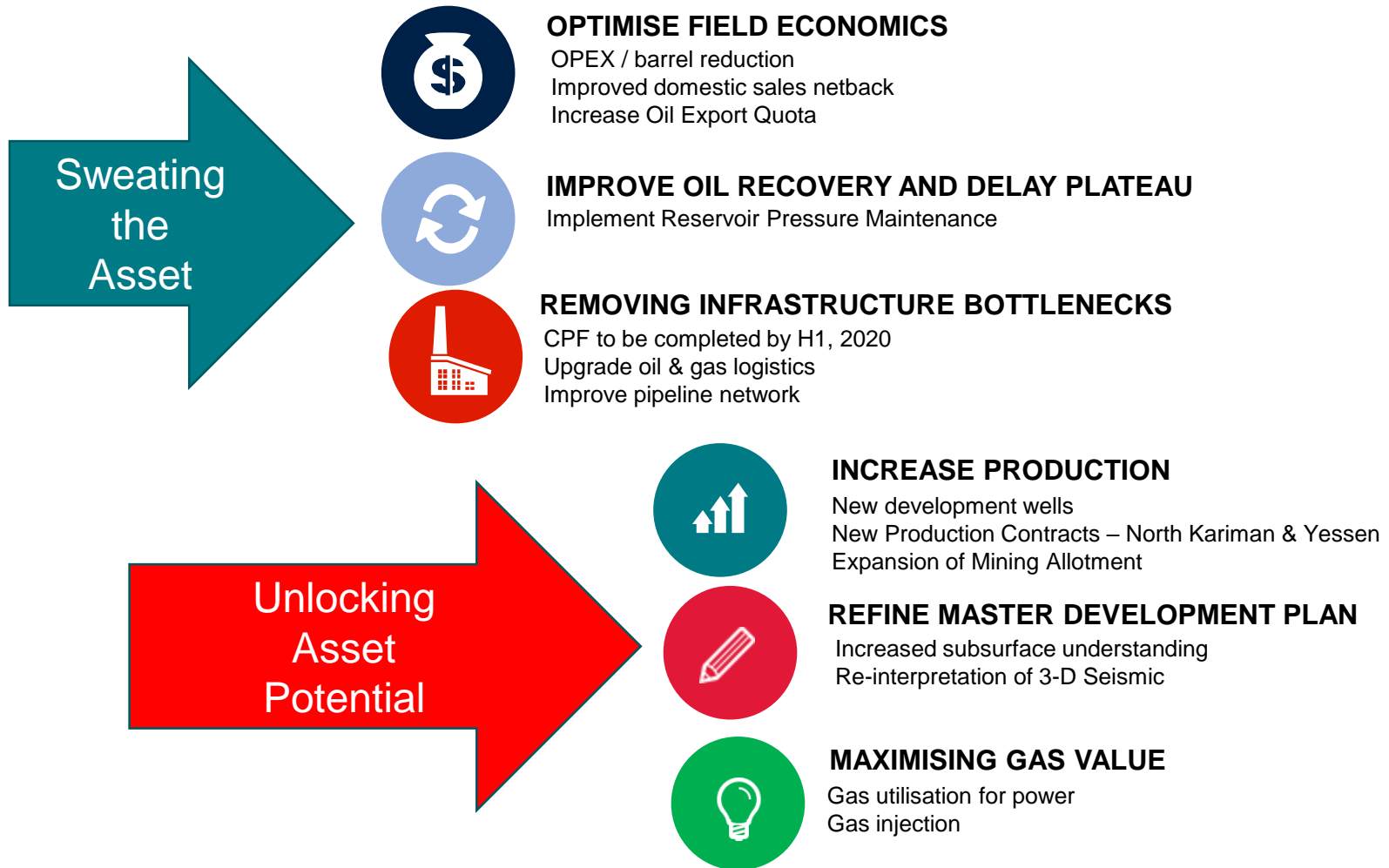
- Asset has robust economics, minimal external funding required
- The majority of Development CAPEX expected to be self funded once asset is producing at a higher level



..... Further Optimisation of the Base Case Scenario ongoing

Focus Areas

Two Pronged Strategy



STATUS OF KEY ACTIVITIES



Exploration contract extension

- Pending approval from State Ecology Board
- On schedule to obtain extension by end of 2019



North Kariman and Yessen Production Contract

- Pending approval from State Ecology Board
- On schedule to obtain Production Contracts by early 2020



Development well drilling

- Currently finalising well locations for 2019
- Target to drill 3 wells by end of 2019
- 12 new development wells targeted by end of 2020



Water and Gas Injection for Reservoir Pressure Maintenance

- Started lab test analyses for water and gas feasibility study
- Targeted to initiate pilot test in Q1 2020



CPF Completion

- Final inspections by contractor prior to resuming construction work for completion
- Construction targeted to start in September 2019

- **Reach Energy has made substantial improvements to Emir-Oil since May 2017 including now having healthy cash-flow under its sole operatorship.**
- **The Emir-Oil asset has been stretched with intensive workovers of the existing well stock. An initial CAPEX for new wells is required to take Emir-Oil to the next level -- majority of CAPEX can be self-funded once production reaches higher levels.**
- **REB bottom-line is improving due to higher revenues and better netbacks in Emir-Oil.**
- **REB is confident of unlocking the high potential of Emir-Oil given the results of its efforts so far, work ongoing and the plans ahead.**



One Team, One Goal

THANK YOU

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