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Onshore Oil and Gas  
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energy & utilities alliance  
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## Islandmagee Storage



The Front End Engineering & Design (FEED) and Insitu Downhole Testing programme for the Islandmagee gas storage project is co-financed by the European Union's Connecting Europe Facility.

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# Interims Presentation

## 22 March 2016

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# Presentation team

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## Andrew David Hindle, Chief Executive Officer

- Andrew Hindle, BSc., MSc., PhD, FGS, CGeol, is an experienced geologist with over 30 years worldwide experience.
- Andrew worked for Texaco between 1985 and 1996 and Anadarko Algeria from 1996 to 1997.
- In 1997 Andrew became a founding director of Egdon Resources plc.
- Andrew has been the Chief Executive of InfraStrata plc since 2008.



## Stewart McGarrity, Finance Director

- Stewart McGarrity, BCom. CA, has over 30 years of UK and international experience in both senior finance and commercial roles.
- Following qualification as a Chartered Accountant, Stewart spent a number of years with Deloitte in Zimbabwe and Hong Kong in senior audit and technical roles and since returning to the UK, he worked with property investor and developer MEPC plc.
- Stewart joined InfraStrata in 2013.

## Anita Gardiner, Commercial Development Director

- Anita Gardiner, BA, MA, MCIPS, worked at BP from 2005 and held various project and managerial positions in the UK and India, most recently as Business Development Manager for BP Gas Marketing where she had responsibility for asset development and origination activities across Europe.
- Anita joined InfraStrata in 2014.



# Operational overview – Islandmagee gas storage project

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- Following completion of the £3.8m salt core well programme in 2015 the feasibility phase of the project is complete.
- EU grant support for the 2015 salt core well programme has been followed by an offer of grant support for 50% of the costs of Front-End Engineering Design (“FEED”) and associated activities up to a maximum of €4.024 million.
- Advisors have been appointed by both InfraStrata and its subsidiary Islandmagee Storage Limited to help deliver new investment into the project which would result in a monetisation of all or part of the Group’s interest in the project as soon as practicable.
- A dataroom for the monetisation of the project has opened.



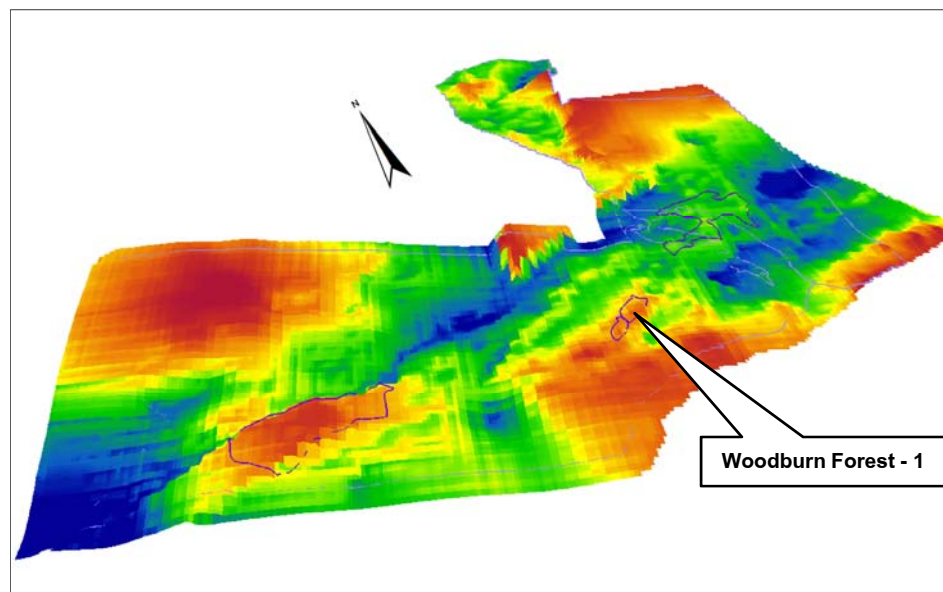
*Islandmagee-1, Northern Ireland  
(same drilling rig to be used for Woodburn Forest-1 well)*

## Operational overview – exploration project

- Funding of the Woodburn Forest-1 well on PL1/10 was completed through a series of farmout agreements concluded in January 2016.
- All consents have been received, site construction commenced on 10 March 2016 and drilling is expected to commence in May 2016.
- InfraStrata will retain a 10% interest in PL1/10 fully carried through the well.



*Seismic acquisition in 2011*



*Top Permian Collyhurst Sandstone structure map in 3D*

# Summary of interim results

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- Cash at bank 31 January 2016: £1,024,471 (31 January 2015: £624,227) and net working capital was £314,859 (31 January 2015: £154,624).
- New sources of funds received between December 2015 full year results and 31 January 2016:
  - Placing of ordinary shares £421,963 (after expenses)
  - Proceeds from the disposal of exploration assets totalled £326,459
  - Receipt of back costs under farmout agreements £199,170
- Subsequent to 31 January 2016 we have received a further £500,000 from a data agreement and expect to receive a further £300,000 from Corallian Energy Limited prior to commencement of Woodburn Forest-1.
- Group has sufficient resources to meet anticipated project management and administrative costs to the end of December 2016 and to invest as necessary in advisory and technical resources to progress the monetisation of the Islandmagee gas storage project.
- Loss for the six month period ended 31 January 2016 of £254,782 (31 January 2015 – loss £599,048) after deducting a gain recorded on the disposal of Exploration and Evaluation assets of £156,466 (31 January 2015 Nil). Cash cost of project management and administration for the 6 months ended 31 January 2016 was £405,778 (31 January 2015 - £537,910).

# InfraStrata's key credentials

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- Only AIM-listed company with a focus on gas storage – a strategic infrastructure project to support a growing demand for peak gas-fired power generation which would support the growth of renewable generation.
- Only gas storage project in NW Europe with EU Project of Common Interest status.
  - ✓ eligible for up to 50% of funding via grants.
  - ✓ Favourable regulatory treatment.
- High impact petroleum exploration activities.
- Project manager/ operator with well developed stakeholder relationships built up in Northern Ireland over 9 years.
- The gas storage and exploration projects could have a significant potential impact on security of energy supplies for Northern Ireland, the wider UK and Republic of Ireland consumers.

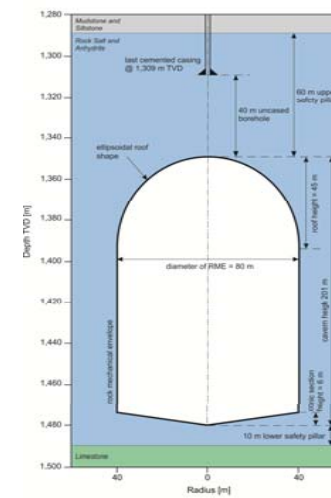
# Overview of Islandmagee gas storage project

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- Majority (65%) interest in a fast acting salt cavern gas storage project.
- Only gas storage project being developed on the island of Ireland – gas storage is required in Ireland to counter the intermittent nature of renewable generation (40% electricity generation from renewable sources by 2020).
- Project of Common Interest (“PCI”) status awarded by the EU demonstrates its strategic importance at Europe wide level.
  - ✓ Ability to apply for Grant Funding for Studies and Works only available to PCI projects.
  - ✓ Under PCI rules projects benefit from accelerated permitting procedures and improved regulatory conditions.
  - ✓ Only gas storage project in NW Europe with PCI status.
- Favourable geology and proximity to all key infrastructure required during construction reduces necessary capital investment.
- Access to three markets – Northern Ireland, Republic of Ireland and GB - with differing characteristics provides diverse monetisation opportunities.
- Fully consented with land, planning permission and environmental permits secured.
- Technical feasibility of the project confirmed following drilling of Islandmagee-1 well.



# Technical feasibility proved through drilling in 2015

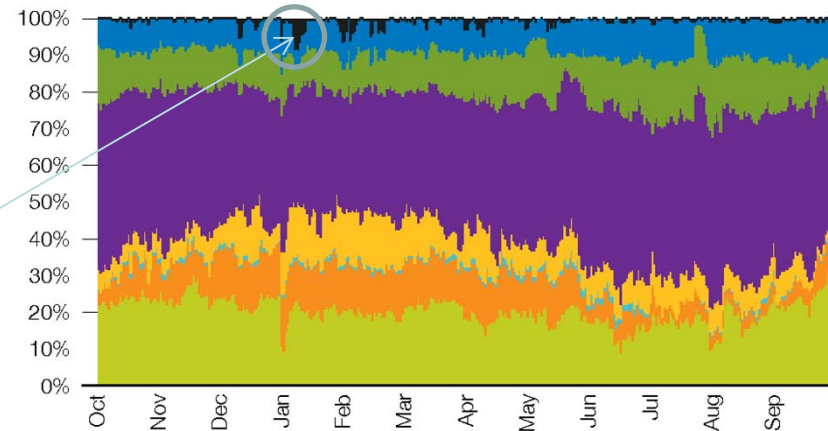


# Changing market fundamentals driving need for flexible gas

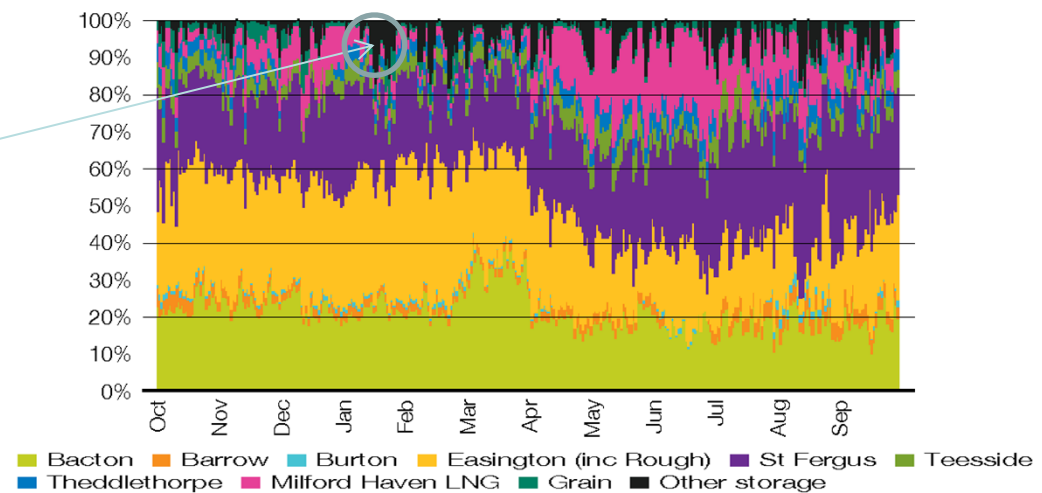
As market fundamentals in the UK and Ireland change with declining North Sea gas production, coal plant closures and increasing renewable generation in the energy mix, gas storage is playing an increasing role in delivering flexible gas to an increasingly volatile gas supply mix

As these trends continue and coal generation is closed, it is likely gas storage will have an increasingly pivotal role to play in providing fast delivery of gas to the system to meet demand

2002/3 Gas supply Variance

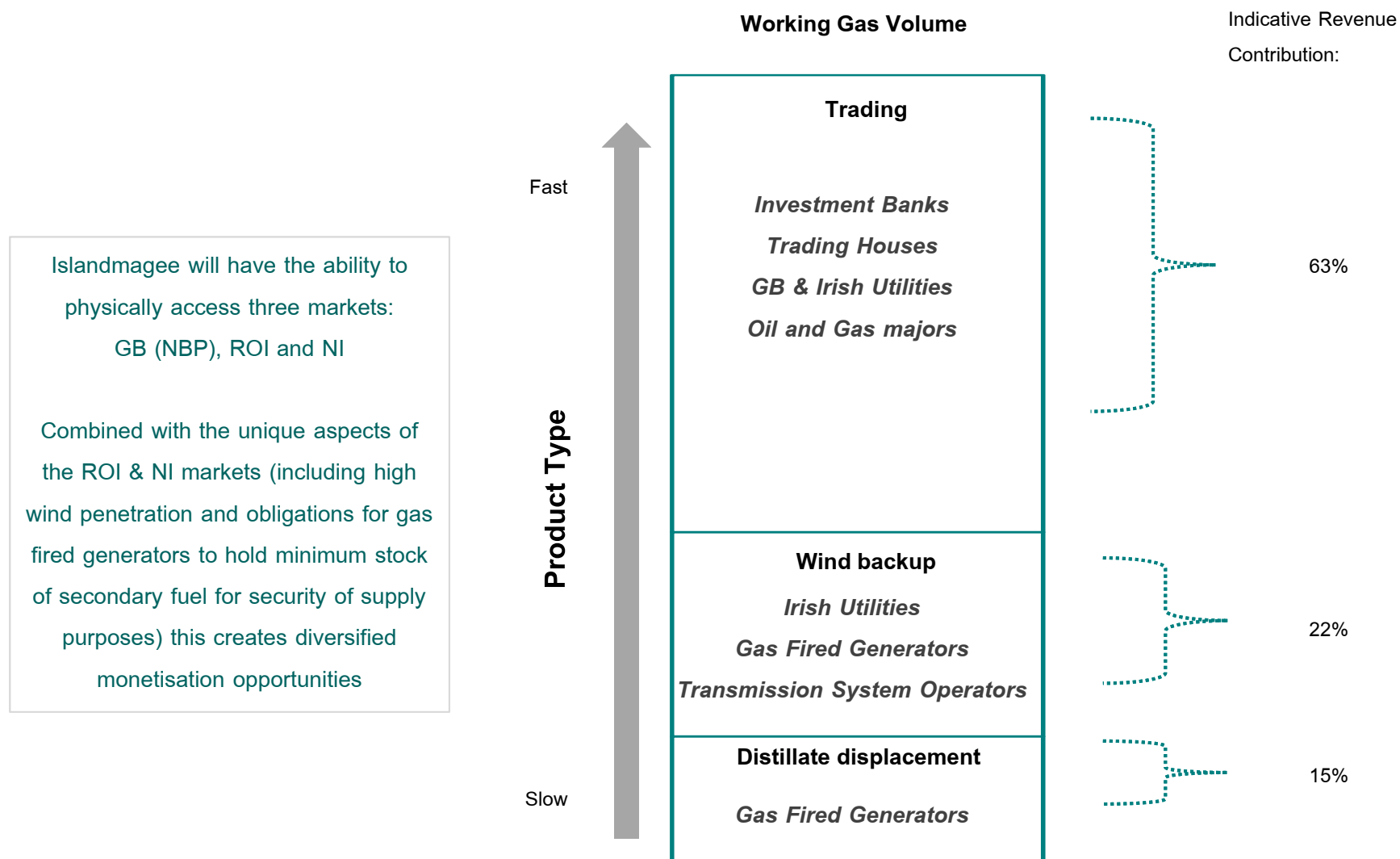


2013/14 Gas supply Variance



Source : National Grid - Gas Ten Year Statement 2014

# Access a broad potential customer profile



# Islandmagee monetisation – process commenced in March 2016

- VSA Capital Ltd has been appointed to advise InfraStrata plc.
- Centrus Advisors LLP has been appointed by project company, Islandmagee Storage Limited.
- New investment being sought into the project to monetise all or part of the Group's interest in the project as soon as practicable.
- A dataroom for the monetisation of the project has opened.



# Islandmagee monetisation – key project selling points

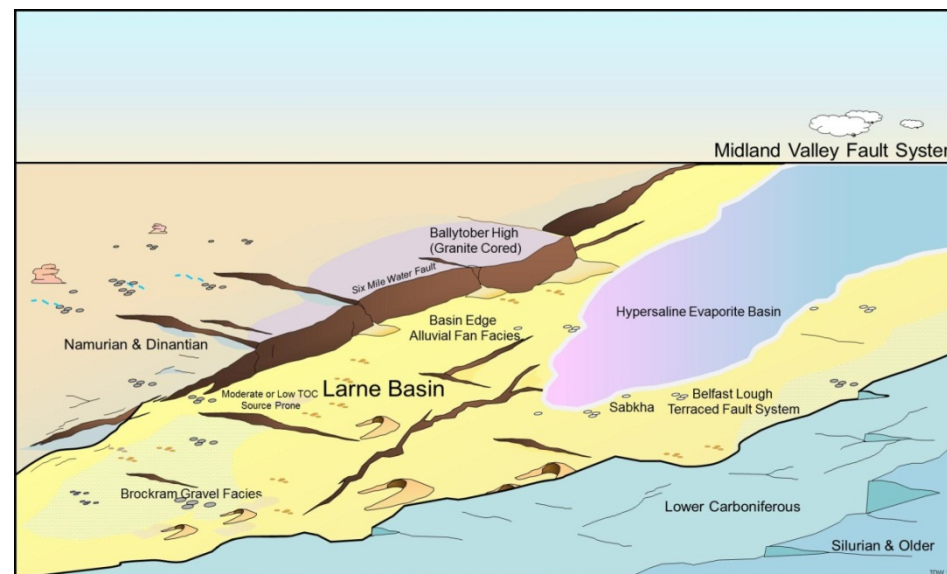
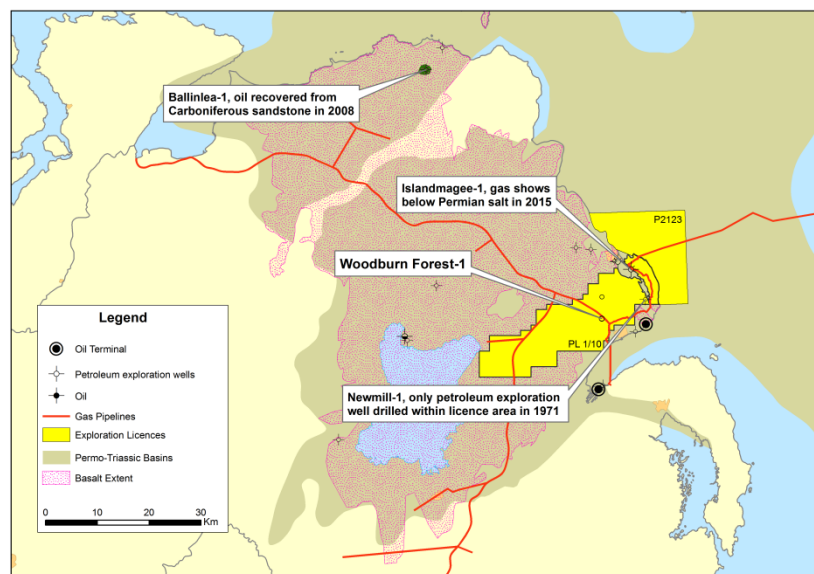
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- ☑ Significant position in the UK and Ireland gas storage market.
- ☑ Project ready to proceed.
- ☑ Ideal location for both construction and operations.
- ☑ Designed to be an attractive trading asset.
- ☑ Strong competitive position underpinned by high barriers to entry.
- ☑ Highly skilled and well regarded management team.



# PL1/10 licence – Woodburn Forest-1 exploration well

- Successful seismic imaging below basalt (400 kms of new seismic acquired in 2011 and 2012).
- Led to the identification of numerous previously unidentified onshore prospects of > 450 MMBO<sup>1</sup> P50 Prospective Resources.
- Woodburn Forest-1 – a well to 2000 metres – fully funded and permitted – drilling expected to commence in May 2016.
- P50 Prospective Resources of gross 25 MMBO<sup>1</sup> in Triassic & Permian sandstones within Woodburn Forest prospect.
- Additional potential in Carboniferous sandstones.
- InfraStrata believe this project if successful would have a very positive impact on the economy of Northern Ireland.



*Permian paleogeography<sup>1</sup>*

<sup>1</sup> Data from third party report by Merlin Energy Resources.

# Summary

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- The past six months has seen great progress towards the monetisation of InfraStrata's 65% interest in the strategically important Islandmagee gas storage project in County Antrim, Northern Ireland, following the drilling of a data-gathering well 50% funded by the EU in May/June 2015.
- A very material carried interest in a high-impact exploration project in the same operating area, net 2.5 million barrels<sup>1</sup> of P50 Prospective Resources with significant upside potential in the basin.