

# OIL BRITANNIA



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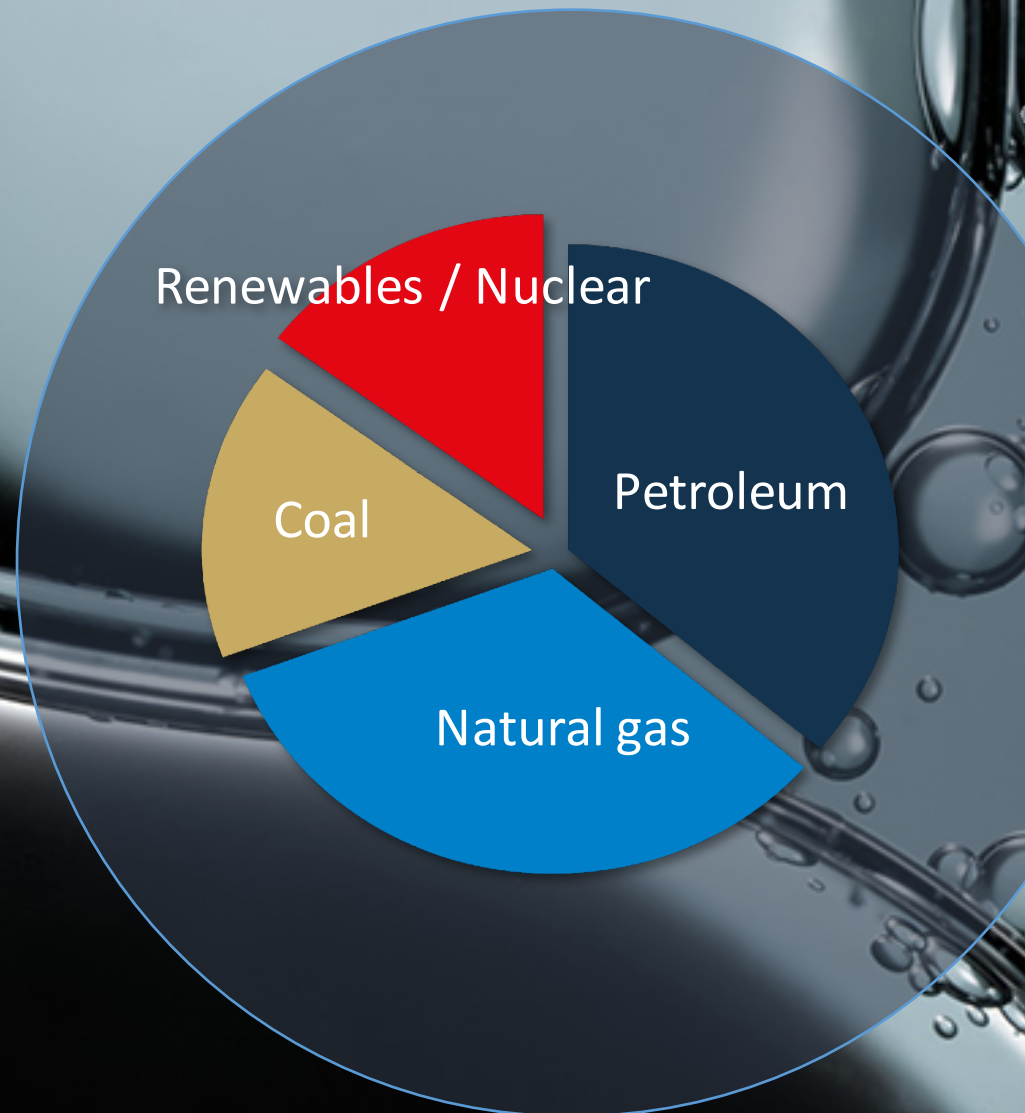
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# UK ENERGY CONSUMPTION 2014

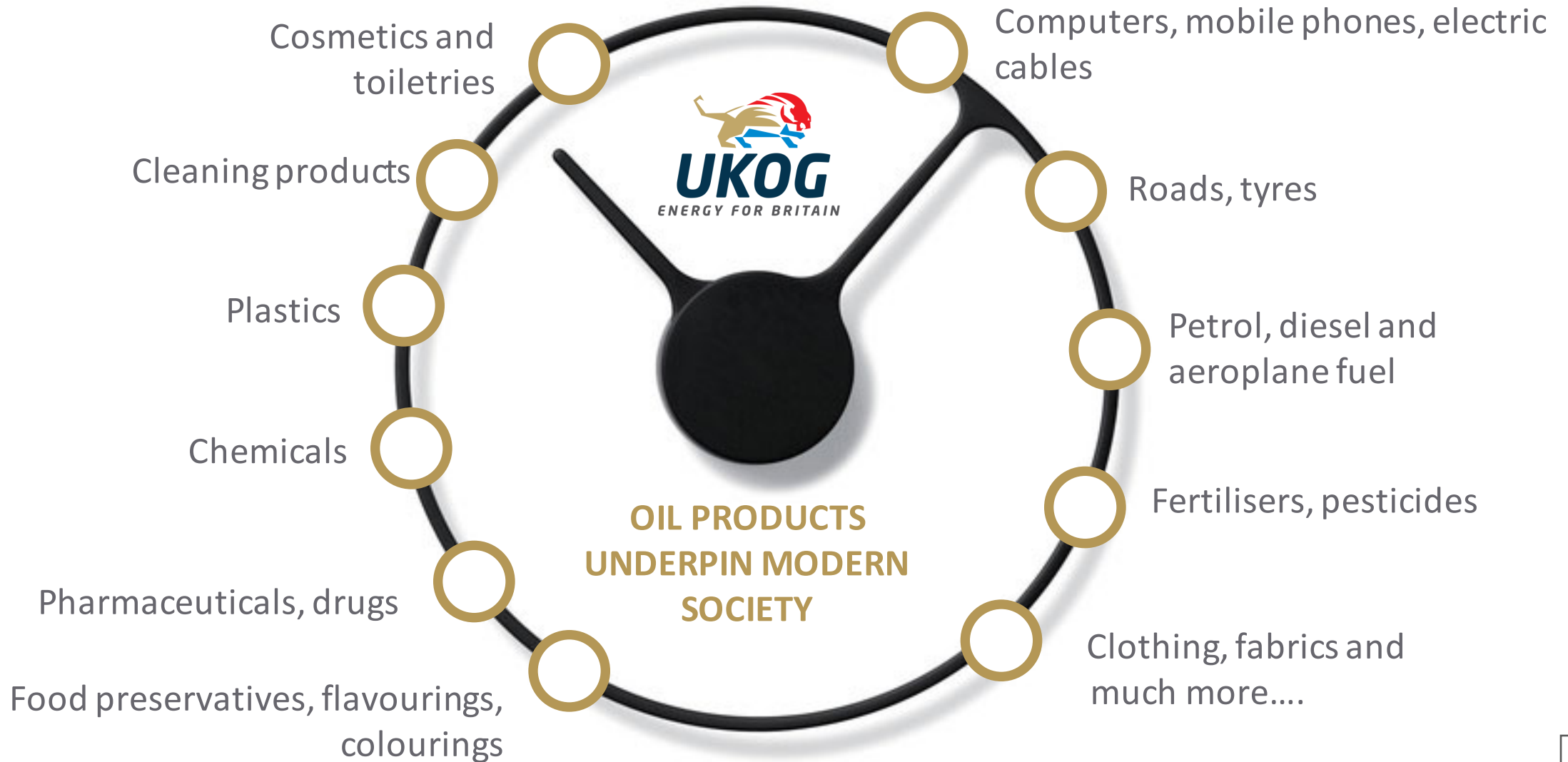


- Oil accounts for 40% of UK energy demand
- Unlike renewables, coal, natural gas, oil is not used primarily to generate electricity
- Used for land, sea, air transport, plastics, pharmaceuticals etc essential for modern life

# RENEWABLES

- Renewables generate electricity. Oil is not used for electric power generation
- Renewable projects need oil based products & components
- Renewables cannot replace oil

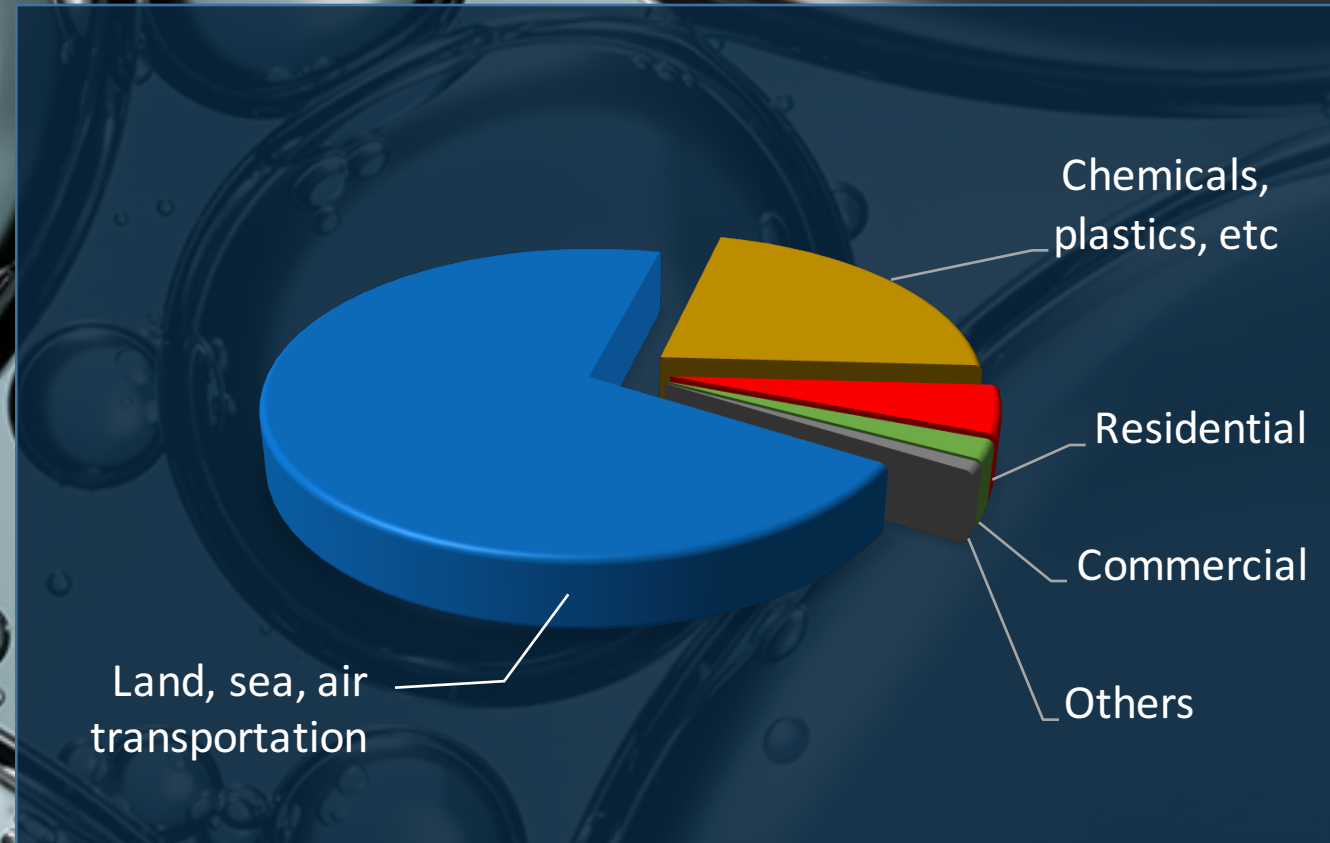
# OIL: IMPORTANCE IN DAILY LIFE



# UK DAILY OIL CONSUMPTION 2014-15

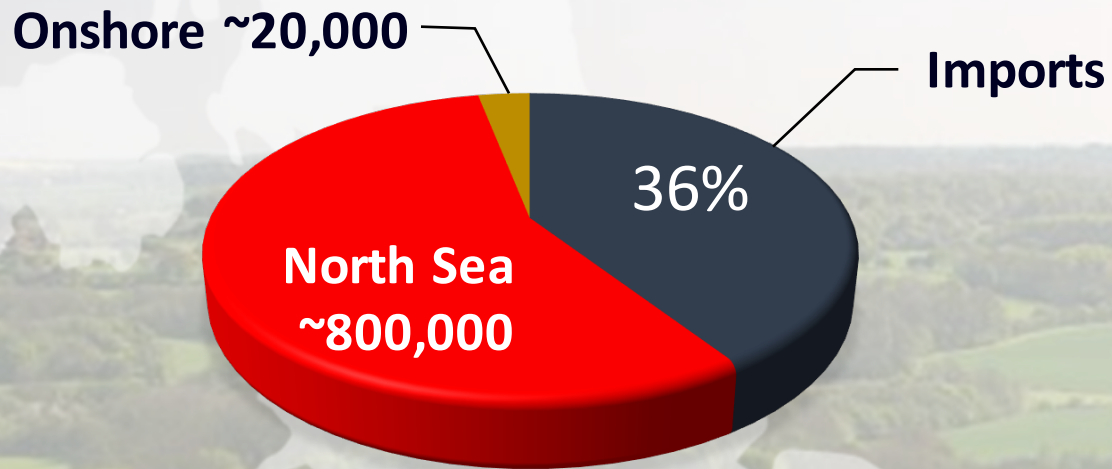
Britain consumes  
**~1.4 million  
barrels per day**

- 70% of it is used as fuel for transport.
- 30% of it is used as petrochemical feedstock
- None of it is used for electricity generation



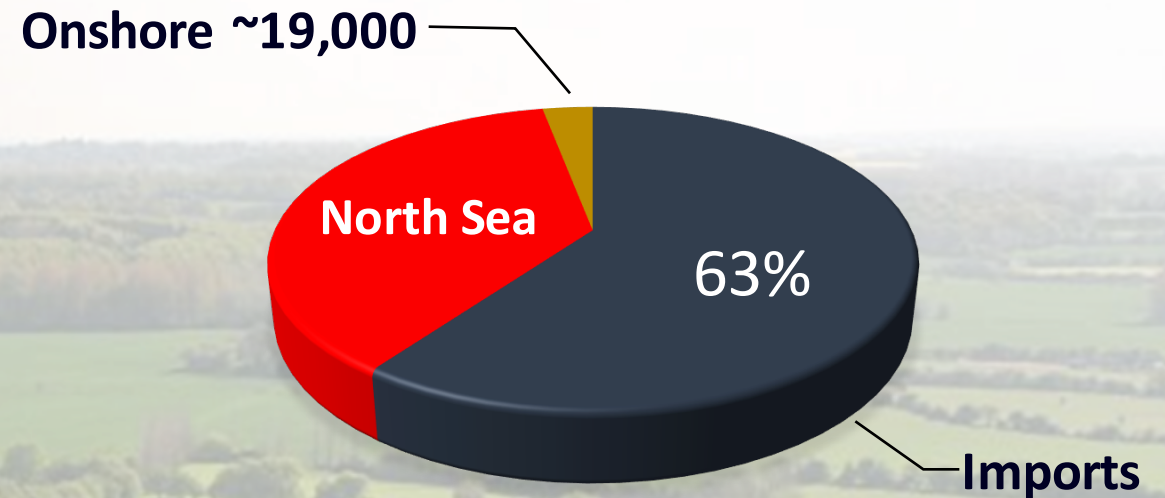
# UK OIL SUPPLY 2016-2030, NORTH SEA DECLINES

**2016** (BOPD)



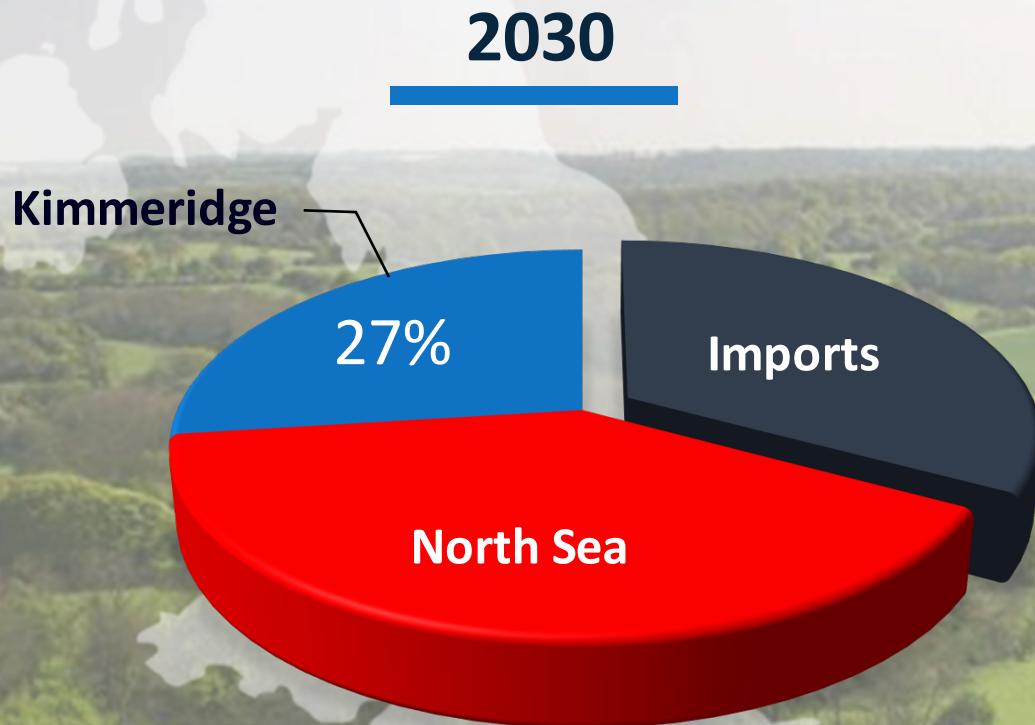
Net oil import dependency  
**36%**

**2030** (BOPD)



Net oil import dependency  
**63%**

# WEALD KIMMERIDGE OIL CAN INCREASE ENERGY SECURITY



*“Energy security provides the foundation of our future economic success. It is the top priority.”*

Amber Rudd, Secretary of State for Energy and Climate Change

*Kimmeridge Oil can reduce imports by ~27%, create jobs and boost economy*



# GEOLOGY LESSON- KIMMERIDGE BAY

**OIL:** The product of 'cooking' fossil organic matter (OM) in the earth's subsurface. OM derived mostly from fossil plankton and algae.

**SHALE:** A sedimentary rock made of fossilised mud and clay particles, deposited in very fine layers in marine/lake environments.

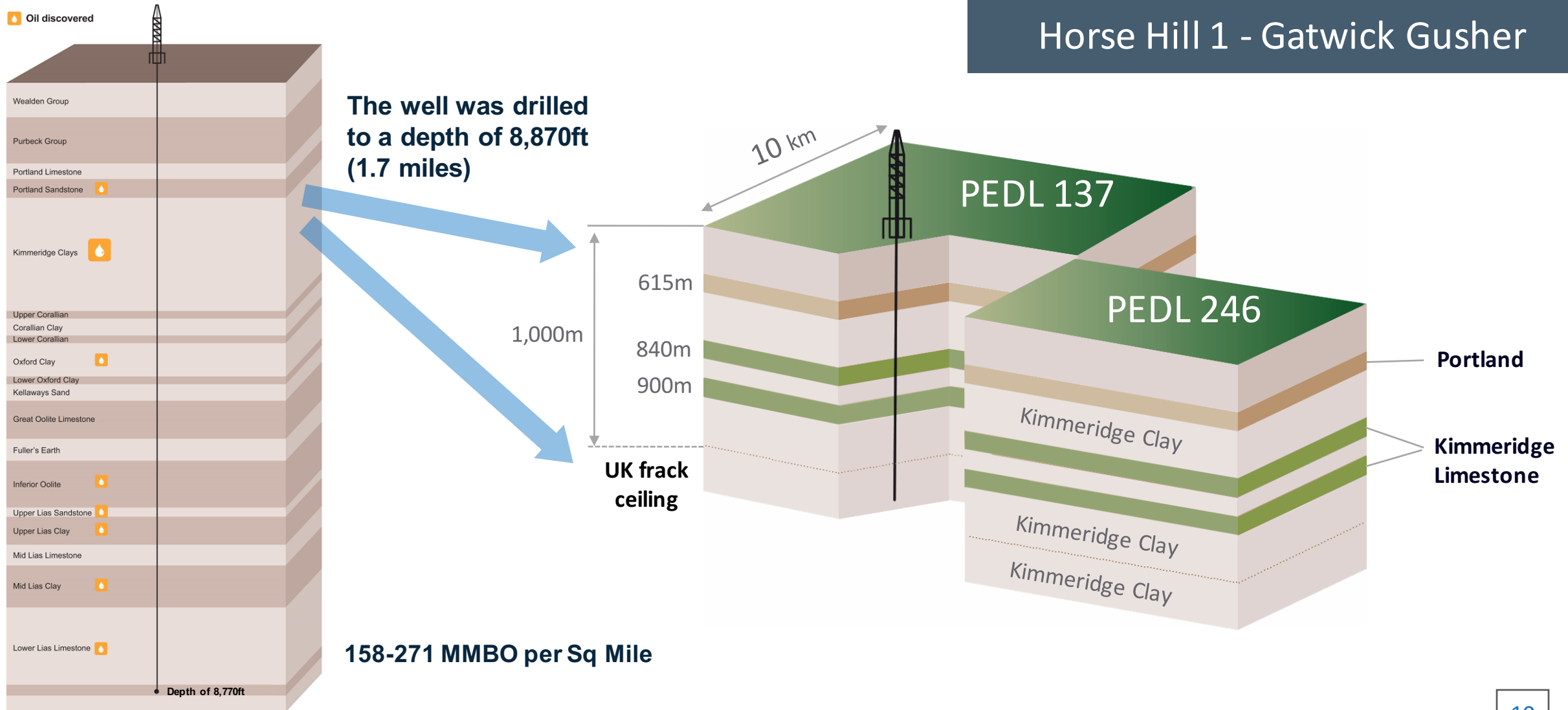
**SOURCE ROCK:** A rock which generates oil. A shale containing large amounts of organic matter which generates oil.



**Kimmeridge Clay**

# HH-1 OIL DISCOVERY 2014

## Horse Hill 1 - Gatwick Gusher

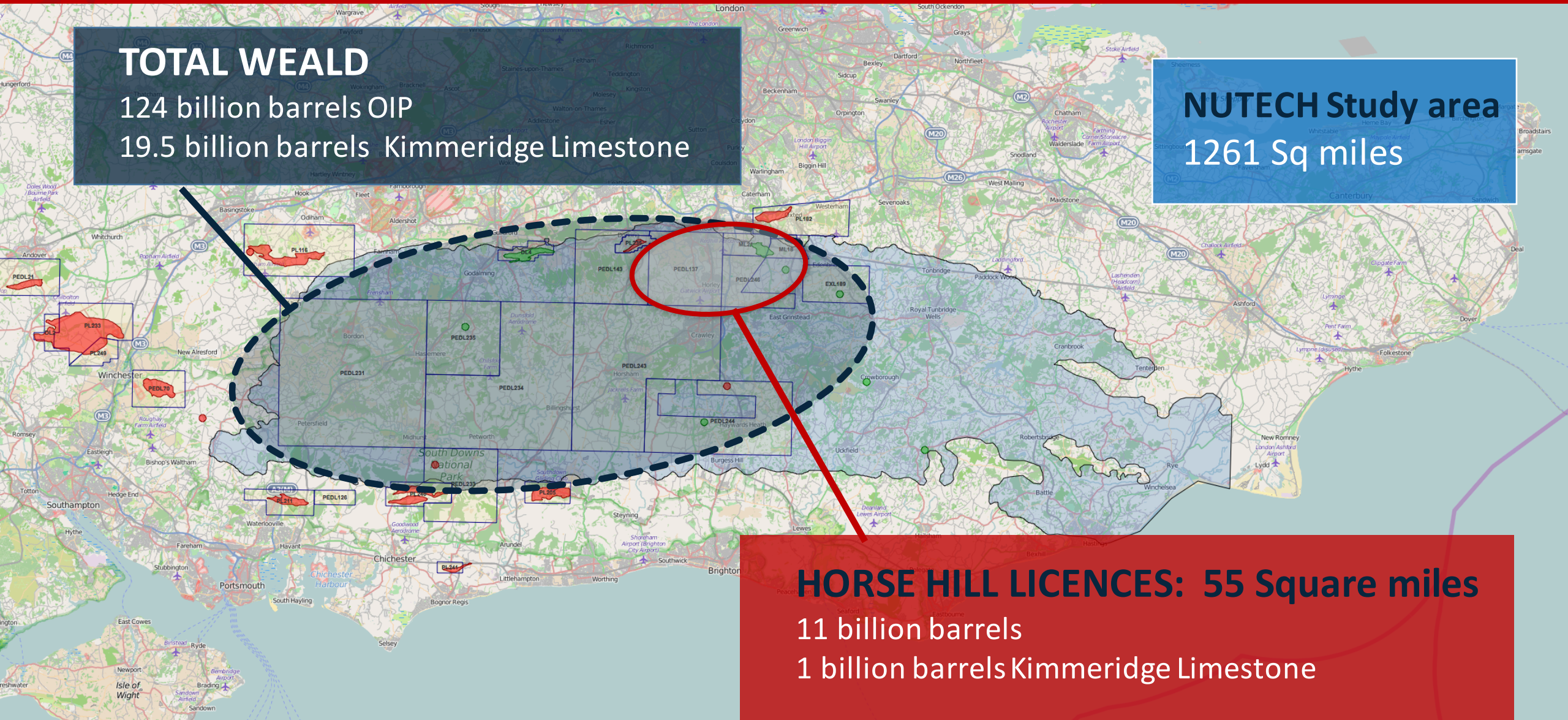


# WEALD BASIN: CALCULATED OIL IN GROUND, post HH-1



**TOTAL WEALD**  
124 billion barrels OIP  
19.5 billion barrels Kimmeridge Limestone

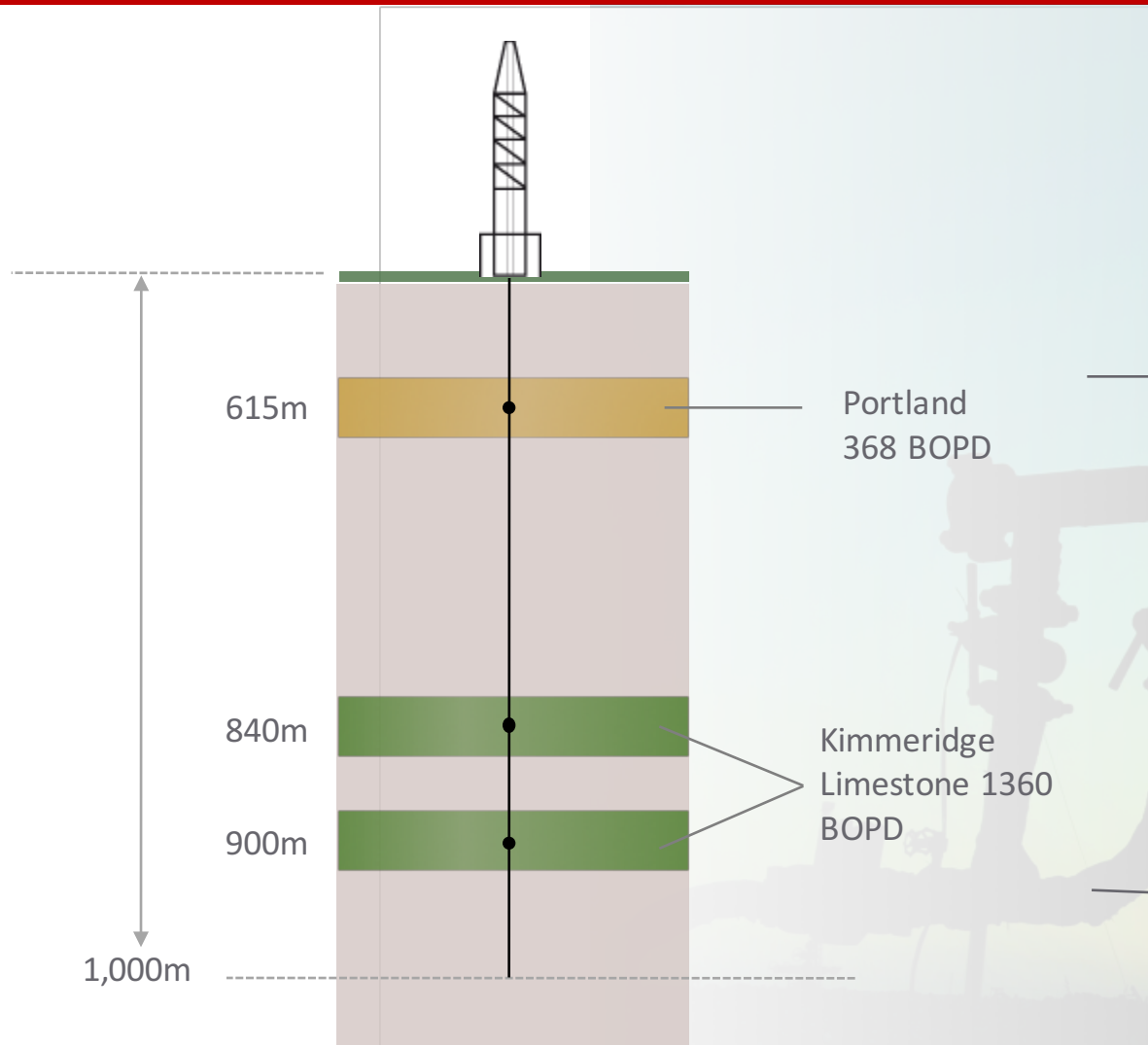
**NUTECH Study area**  
1261 Sq miles



**HORSE HILL LICENCES: 55 Square miles**  
11 billion barrels  
1 billion barrels Kimmeridge Limestone

# GATWICK GUSHER FLOW TEST

First-ever Kimmeridge Limestone Oil



Kimmeridge Limestone Oil:  
From science project to  
commercial reality

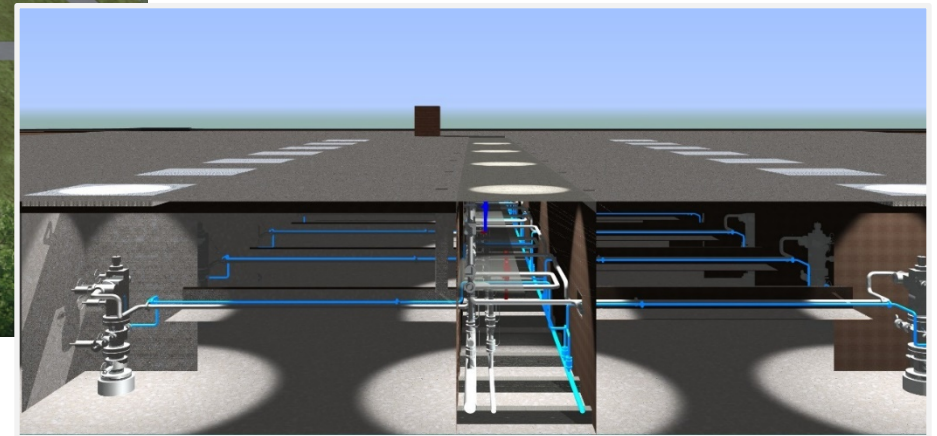
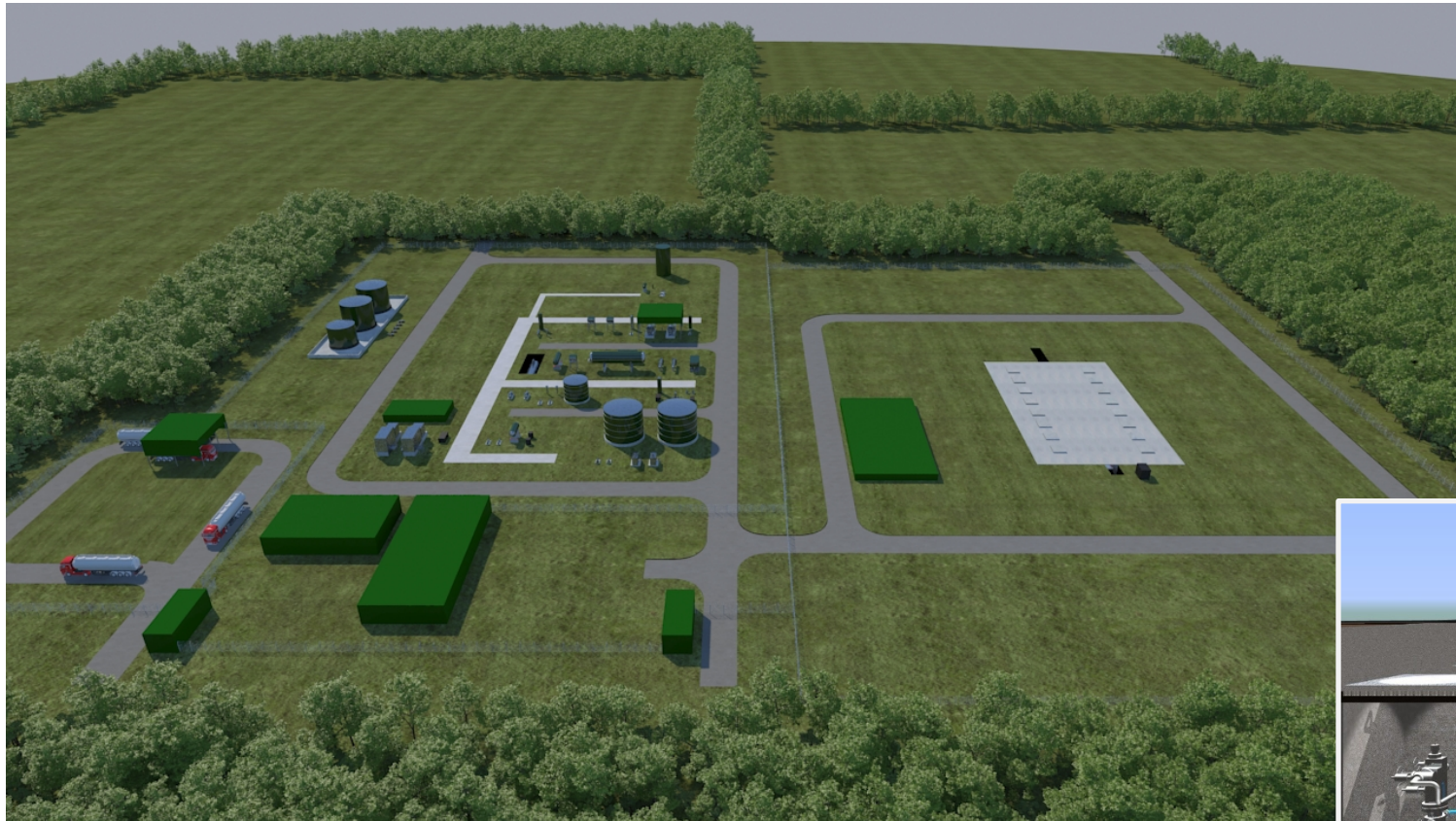
- Aggregate oil rate 1,688 BOPD ~ 8.5% of total UK onshore daily oil production
- North Sea rates
- Highest rate of any UK Discovery Well

## Can be produced with low visual impact


- 12-24 wells in 4-6 acre site
- Wells and pumps below ground level
- Control production to reduce initial road tanker impact
- Can be located in brown field sites and away from villages, houses, small roads



# LOW IMPACT DEVELOPMENT PLAN by Xodus Group



# IMPACT ON UK ECONOMY: EY REPORT



Future peak oil production could provide approximately 4% to 27% of UK daily oil demand over the life of the project

Gross Value Added to the UK economy could range from £7.1 billion to £52.6 billion

Generation of between approximately 1,000 to 5,600 jobs in the UK, averaged over the project's lifetime

Lifetime tax revenues of between £2.1 billion to £18.1 billion

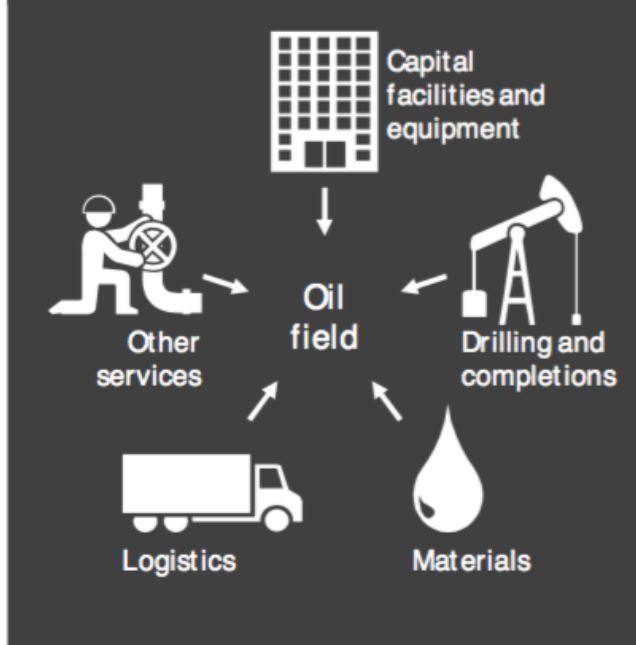
## Development Potential



Horse Hill  
oil licence  
area £

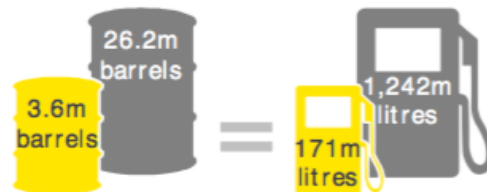
Kimmeridge  
limestones oil in  
entire Weald Basin £

## Supply Chain



## Fuel

Average oil  
production per  
year...



## Economy



## Jobs

Total estimated average  
jobs created ...



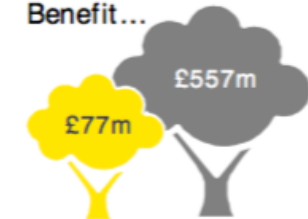
## Tax

Estimated lifetime tax  
revenues...



## Community

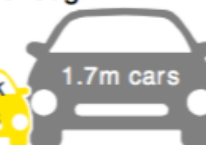
Total estimated Community  
Benefit...



That's enough  
to run



for a whole year\*



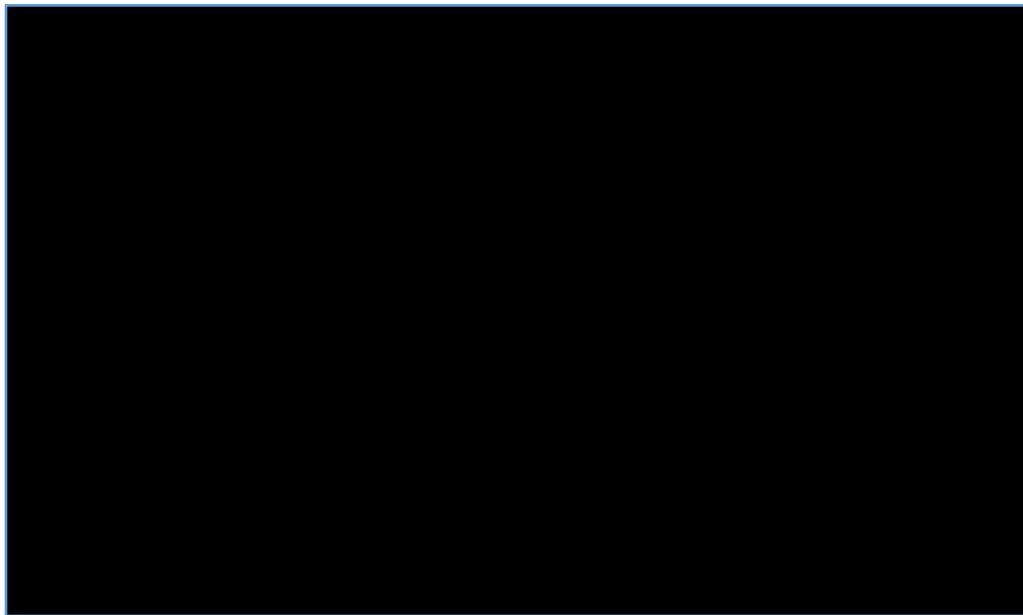
\*based on average fuel consumption  
of new petrol cars in 2014 and  
average annual car mileage in 2012



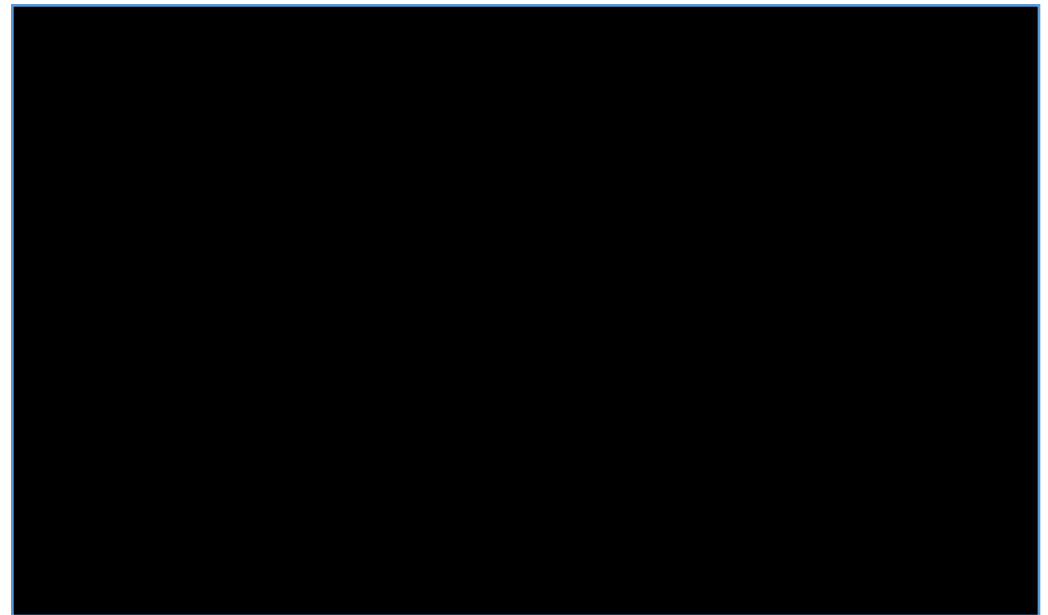
## The journey has just begun

- Consolidate and increase licences holding in Weald Basin – control the Kimmeridge Oil play
- Bring Horse Hill/Gatwick Gusher to production
  - 3x 90 day production tests (2016)
  - 3D seismic (2017)
  - Horizontal production wells (2017)
- Show HH-1 resources can be repeated to south and west in the Basin sweet-spots
  - Holmwood -1 well (2016/17)
  - 2 others identified wells (2017/18)

Steve Sanderson's presentation  
at Master Investor Show 2016



Steve Sanderson's interview  
with TIP TV



<http://www.ukogplc.com/>

