

SouthWest Energy

ETHIOPIA EXTRACTIVE INDUSTRIES

October 7, 2014



**SOUTHWEST
ENERGY**



Introduction to SouthWest Energy - Ethiopia

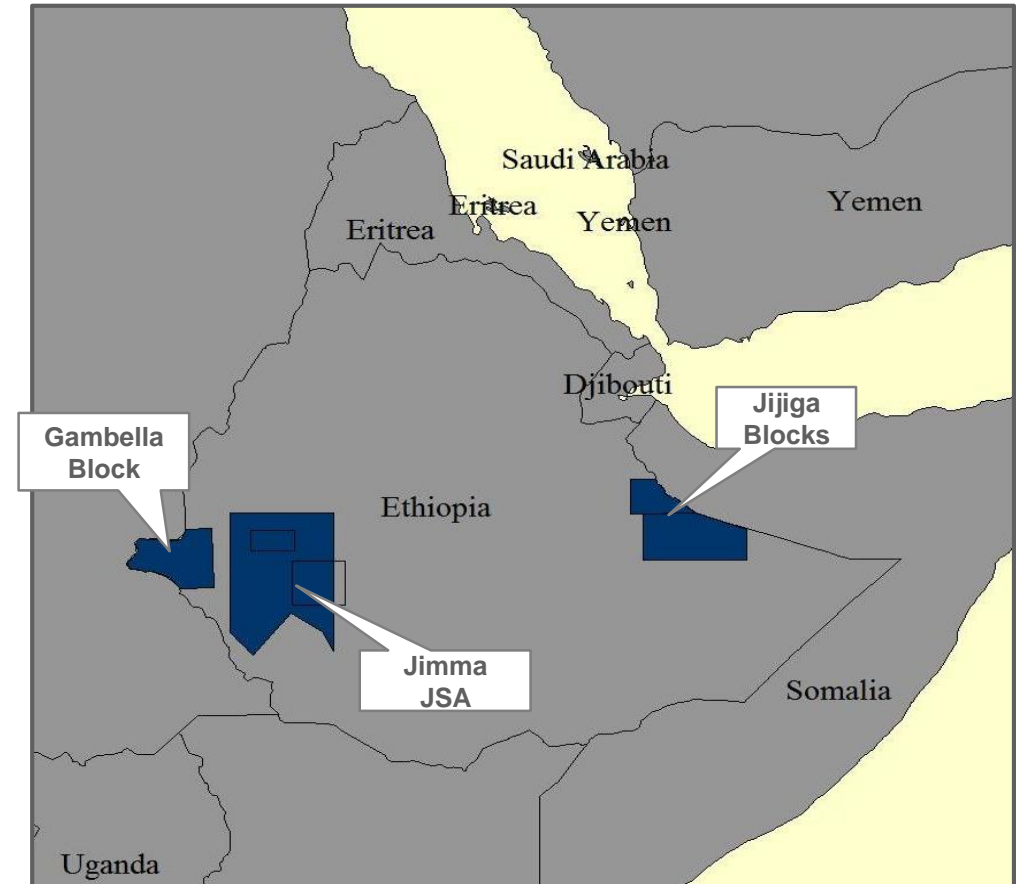


- Founded in 2005 as the first Ethiopian-owned oil and gas exploration company
- The only indigenous company to successfully obtain an energy concession in Ethiopia
- One of the top five largest exploration acreage holders in East Africa (46,000 km²)
- HQ offices are located in the capital city, Addis Ababa

Overview of SWE Holdings



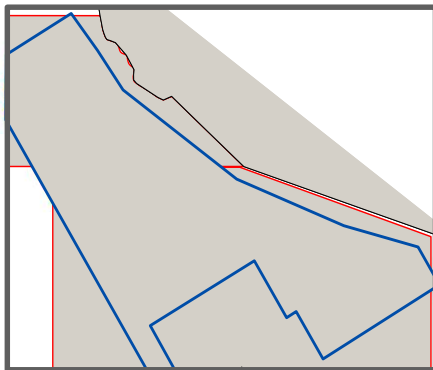
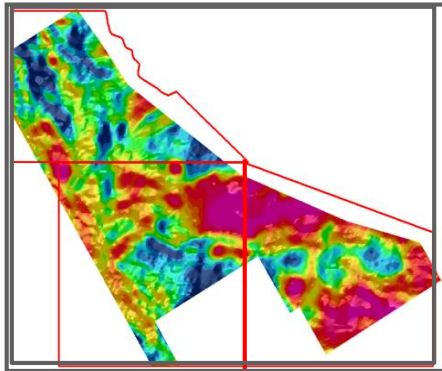
- Operator and 100% holder of rights in three adjacent blocks in the Jijiga Basin (subset of Ogaden Basin) and one block in the Gambella region
- Assets cover 46,000 km² (29,000 km² in the Jijiga Basin and ~17,000 km² in the Gambella)
- Aims to become the first African indigenous company to open a basin in its own country
- Independent third party study (by Senergy) shows more than a billion barrels of hydrocarbon potential
- Plans to complete 3-well drilling program during the course of 2014 and 2015



Overview of Completed Work

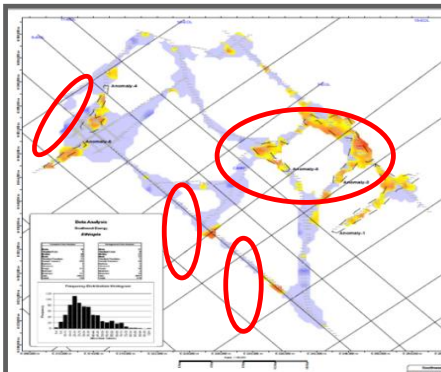
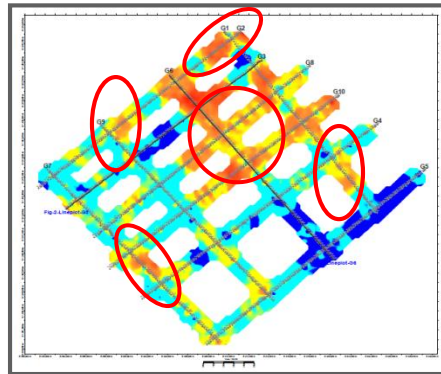
ARKeX

- Full Tensor Gravity
- Conventional gravity
- Magnetic data
- Indicated the presence of hydrocarbon systems



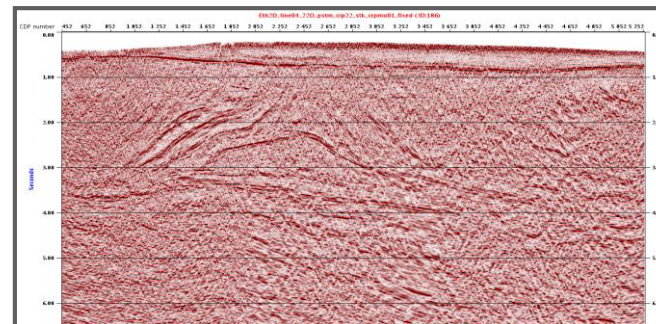
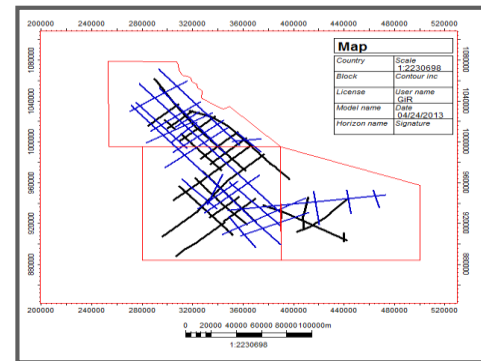
GeoMicrobial Technology

- MOST (Microbial Oil Sampling Test)
- SSG (Soil Sorbed Gas)
- Indicated presence of working HC systems



GII (Geophysical Inst. Israel)

- 1,461 km of 2D seismic data
- Reduced grid density from approx. 20x20km to 9x11km



Other Works

- Ekolog: field work
- Prime Energy: Field work
- LandOcean: seismic processing
- ReximSeis: seismic reprocessing

All data collected so far encourages that there is a working petroleum systems in Blocks 9A & 9

Providing Support to Local Communities



Our Active Community Programs Include...

- Rehabilitated two primary schools in the Somali State
- Provided computers and training to six public schools in Gambella
- Provided animal medicine and farm tools to communities in Somali State
- Ongoing support for youth initiatives and charities in the capital city



All projects are proposed by the local governments in the areas where we operate.

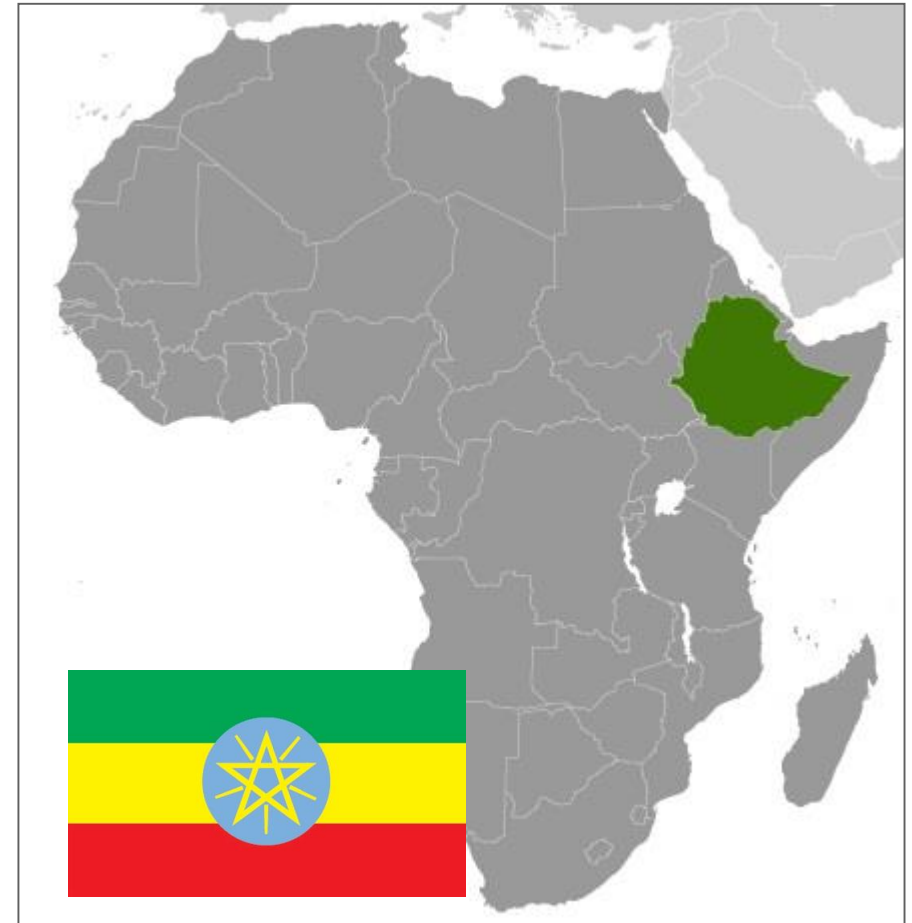


OPPORTUNITIES

- Oil readily monetisable: viable local market potential and coastal access for exports
- Clear desire from the Ethiopian Government to have a local refinery
- Encouraging foreign investment trend
- Very good infrastructure
- Full support from GoE and Ministry of Mines

CHALLENGES

- Sometimes unpredictable security situation
- Lack of local skilled talent – requires training and bringing talent from abroad





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