



**columbus**

ENERGY RESOURCES PLC

[www.columbus-erp.com](http://www.columbus-erp.com)



# **End of Year Update: Presentation to Senior Management in Trinidad**

**13 December 2017**

## We are building an oil production-led South American exploration business

### Where we are today

Columbus launched on June 15 2017, after reviewing operations in Trinidad. We have a clear plan which will provide exciting growth opportunities, while living within our means.



Head Office:  
**London**

Current operating assets: **Trinidad**

The currently producing Trinidad assets give us the opportunity to create exceptional shareholder value and the necessary cash for organic growth. The exploration portfolio will help us truly transform our business.

### OUR STRATEGY ROAD MAP

We have a solid core asset base with very low operational costs. We are moving towards running and managing our operations from our own cash. We believe this will put us in a unique position. Simply by doing the basics right, we can steadily build production levels and operate at a sustainable rate.

2017 Positive cash flow

### Our Leadership Team

Our new leadership team has extensive experience in Columbus' requirements. Their focus is on increasing cash flow and production levels to meet our exploration targets.



**Mr. Leo Koot**  
Executive Chairman



**Mr. Gordon Stein**  
Chief Financial Officer



**Mr. Stewart Ahmed**  
Managing Director - Trinidad

"I'm excited by the quality and potential of our assets. I believe we can create a company with a strong and sustained production base that will create further growth within Trinidad and further into the Venezuelan basin."

"Having implemented cost controls, we are moving quickly towards becoming cash positive. We'll maintain strong capital discipline using free cash to drive investment and growth into 2018 and beyond."

"Using a combination of water injection pilot programmes and smart pumping systems, our focus will be on bringing energy into our well stock to increase and optimise recovery and production levels."



### Trinidad: a mature E&P region

Despite being a well-established oil economy, production has been in decline in Trinidad. The government is now keen to increase production and reserves through enhanced recovery methods like water, steam and CO2 injection.

### Benefiting Trinidad

We can provide a significant boost to Trinidad's oil industry and economy by using pressure support to increase production. By selling to the state, we'll help the state refinery maintain positive capacity levels which can't be met by indigenous suppliers. This reduces their need to ship crude in at significant cost. We are also free to sell our crude on the open market.

### Our portfolio fact file

Our Trinidad operations are made up of four main assets;

- Goudron Field: exceptionally high quality field - 100% Columbus

Three South West Peninsula Licenses including:

- Icacos Oilfield - 50% Columbus
- Cedros leases - 100% Columbus
- Beach Oilfield Limited leases (BOLT) containing the Bonasse Oilfield - 100% deep rights and 25% interest in BOLT

**South West Peninsula**  
Low oil production levels currently with excellent exploration opportunities

10-15 BOPD  
>25 API

Refinery capacity  
MAX 168,000 BPD  
Throughput Av.  
AV. 112,974 BPD

**Goudron field**  
High quality, low risk oil producing asset with significant growth potential

400-500 BOPD  
38 API

We'll create the pressure support and stimulus to the Goudron field assets to increase base production levels.

While production enhancement brings the foundations for success, it's the exploration opportunities that will help us transform our business. We have around a dozen high-grade targets which have the potential to add billions of barrels of oil to our reserve base. Our expertise and new technology will help us realise this potential.

Our present market cap is £15m. After successful production enhancement we'll be worth £50 - 75m. With exploration success we can become a £0.5bn+ organisation, a real transformation for our business.

Value Growth Production

3 to 5 year time line  
Value Growth Exploration

Transformation

With the right investment we can accelerate our strategy to drive greater value

### Opportunity rich

We are sitting in the sweet spot for the future of our industry with a wealth of value-generating opportunities to explore.

The onshore oilfields of southern Trinidad perfectly fit our strategy of acquiring and redeveloping oil and gas fields with unexploited reserves.

We will of course work hard to maintain strong relationships with our stakeholders, becoming a partner of choice in the ongoing development of onshore resources in Trinidad. While we are opportunity rich we recognise we need to live within our means and provide exceptional shareholder value.



### Entering South America

The expertise we're building in Trinidad in on-shore recovery and production means we'll be well placed to expand into other South American territories in the next 2-3 years.

**Our values**  
Our Values form the foundation of everything we do



## WI approval

- CEC approved the water inject pilot for the GY665 location
- Started WI on GY 669/670 pair

## Exploration portfolio

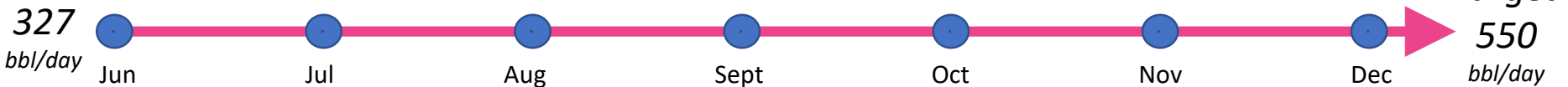
- Renegotiating lease agreement
- Restructuring “Bolt” transaction
- Apply for private production licences

## Launch

- Strengthened leadership team
- Build a value based organisation
- Revised strategy

## Field activities

- Dealt with mature field legacy
- Created water injection infrastructure
- General well work/enhancement
- Well treatments



## Lind re-structuring

- Renegotiated Lind’s debt
- Deal done at an approx. 40% premium to market
- Additional US \$ 750k

## Schroder’s investment

- London’s most reputable investor entered CERP’s shareholder register

## CERP open offer

- Columbus gave investors the opportunity to invest on the same terms as Schroder’s
- Board and Management invested in the business
- 3.2x over-subscribed

## Positive cash flow

- Reduced G&A
- Increased production
- Improved oil price
- 2018 Work Program fully funded


- **The Good**

- Made significant strides restructuring the company (slide 3)
- Confirmed reservoir potential
- Small, low cost intervention yielded very large results
- Increased production by more the 70%
- SWP negotiations are progressing well

- **The Bad**

- Our internal target for 2017 was greater than 550 bpd by year-end and, whilst being a stretch, was potentially achievable
- Pumping systems are challenged by changing downhole conditions
- SWP negotiations are slow

- **The Ugly**

- Still dealing with a lot of legacy challenges affecting production growth
  - Old infrastructure in poor state of maintenance
  - Inferior oil field practises and equipment
- 



- **The Bad**

- We are redesigning our artificial lift systems
- We have introduced a more tolerant pump and filter system
- Our strengthened team includes a new field manager who is an ex-Schlumberger artificial lift specialist (Troy)
- We continue to build upon our relationships in country which will help conclude SWP negotiations soon

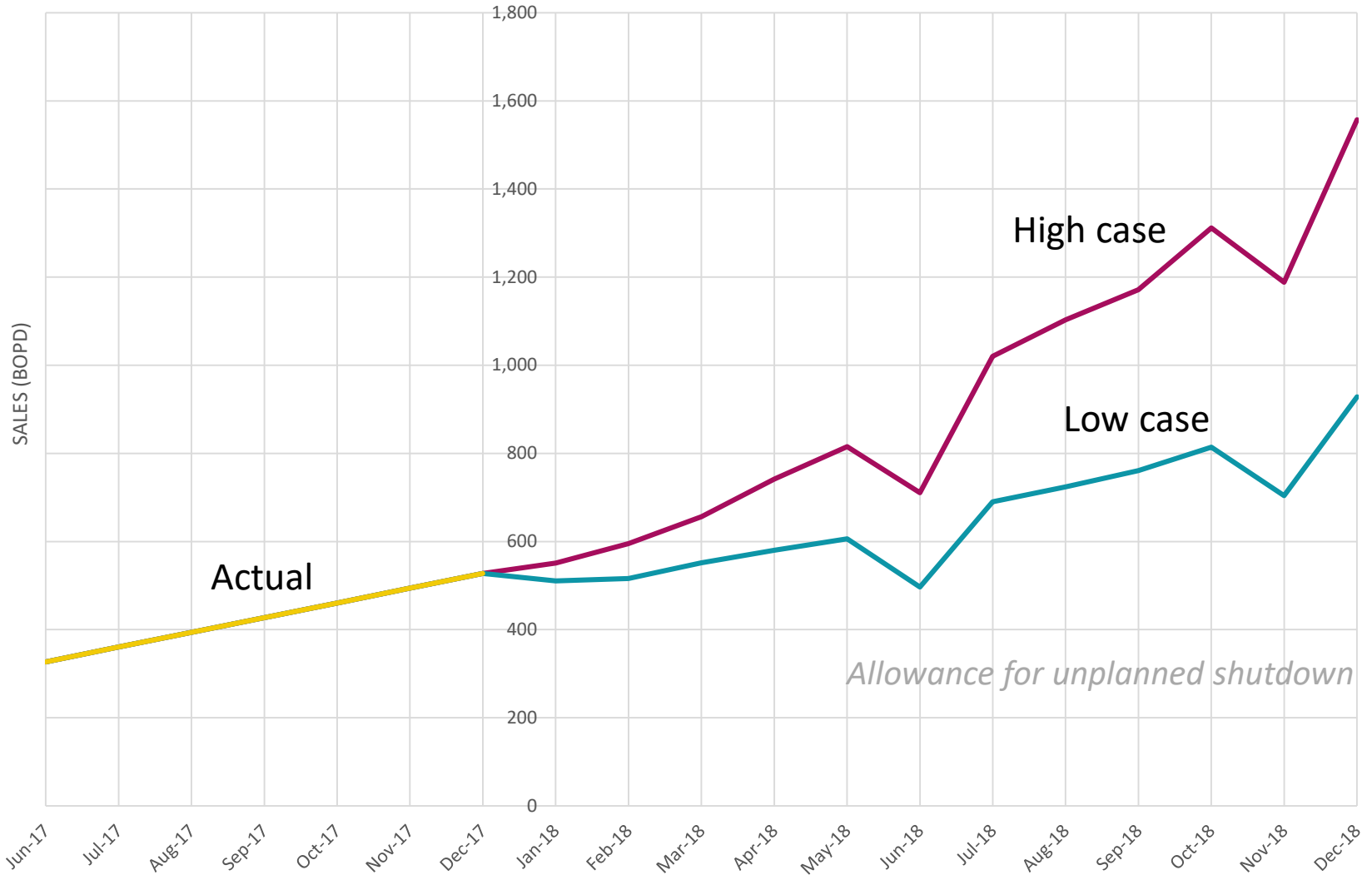
- **The Ugly**

- No patch work, fix properly, fit for purpose, long term (10 years +)
- Introducing new field leadership and robust processes
- Adding operational staff to drive forward multiple work programmes

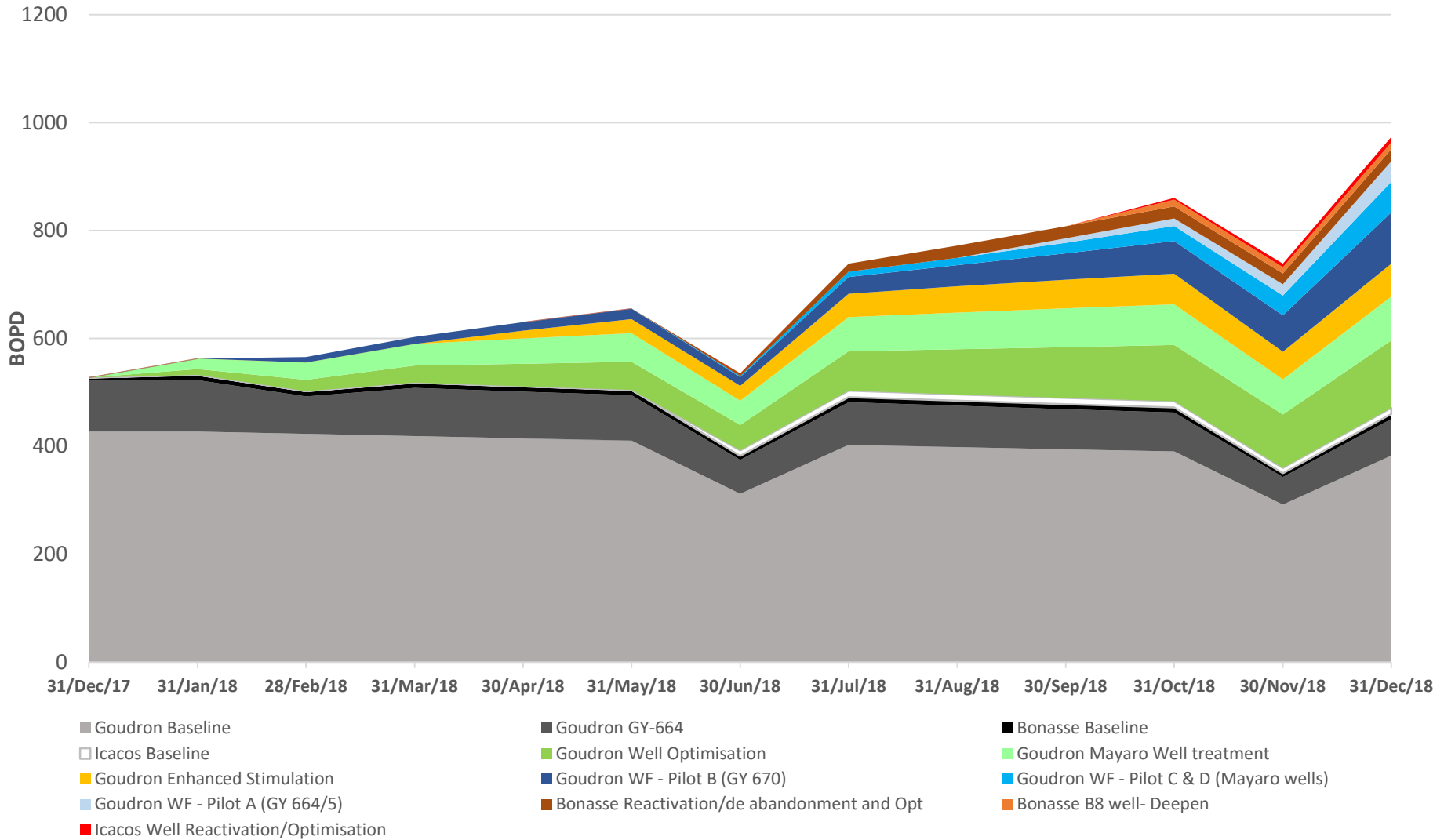
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# Production- 2017 actual & 2018 forecast



# 2018 Budget - sales profile - low case







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