

Excellence in Upstream Energy Conference 2007

# Juniors unleashing their potential

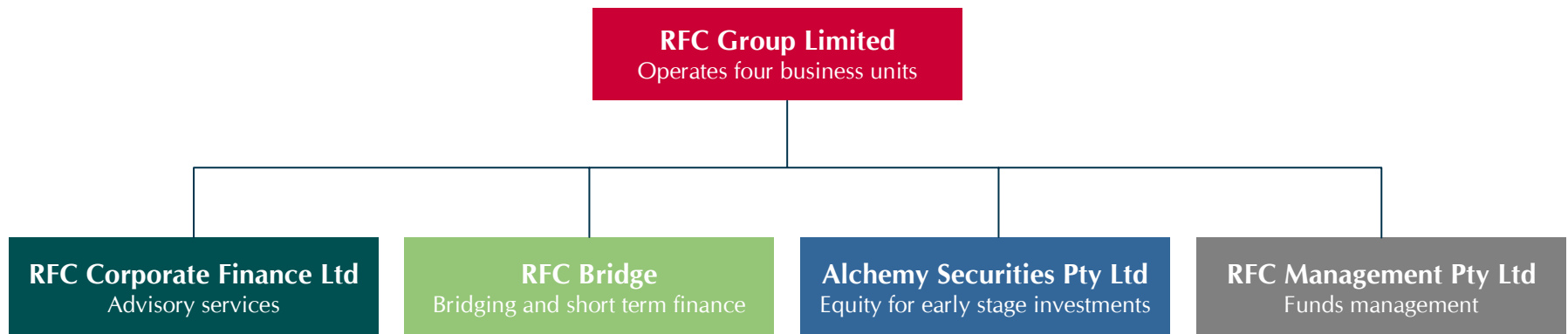
Rob Adamson



# Overview of RFC Group



- Privately owned Australian based investment and corporate advisory
- Focused on mining, oil and gas and basic industrial sectors
- In business for over 20 years – offices in Sydney & Perth
- Provide full range of corporate finance advisory services
- First Australian based AIM Nominated Adviser
- We invest our capital in the sector

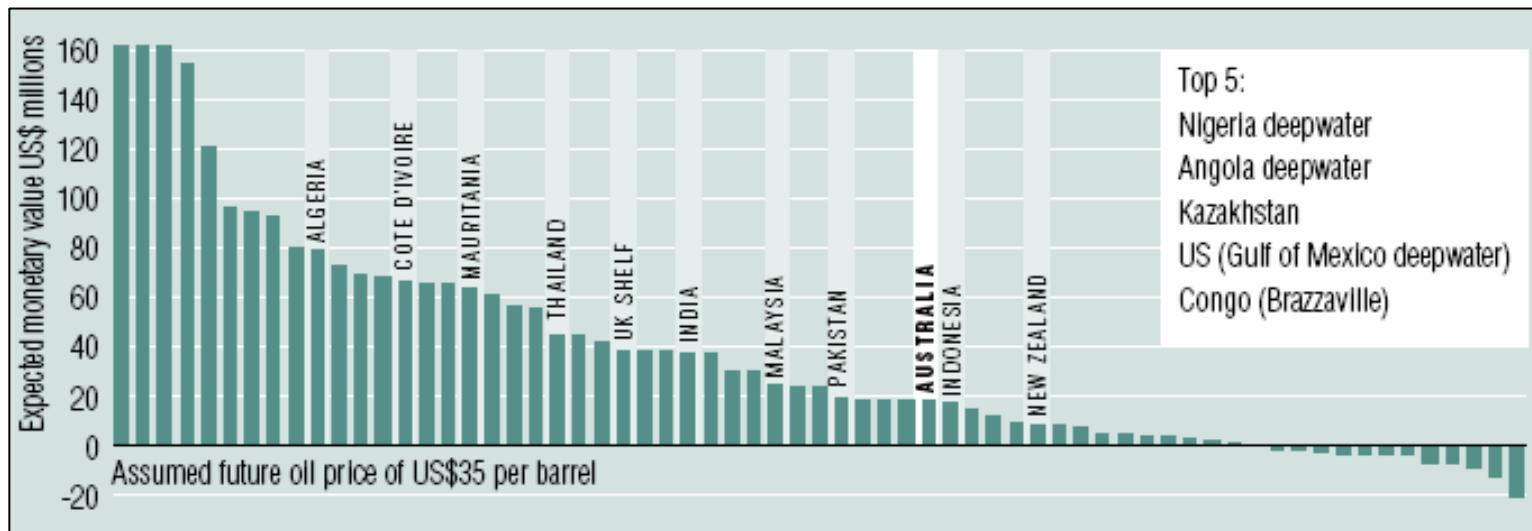


“We aspire to create value now and in the future”

# Returns from exploration investment

- Several medium to large sized companies have been successful and grown principally from their Australian activities (e.g. TAP, Nexus)
- Juniors are recognising that opportunities exist to create quantum leaps in places such as India, Africa and are encouraged by the global environment

Regional ranking for after-tax returns from exploration investment, 1993 to 2003

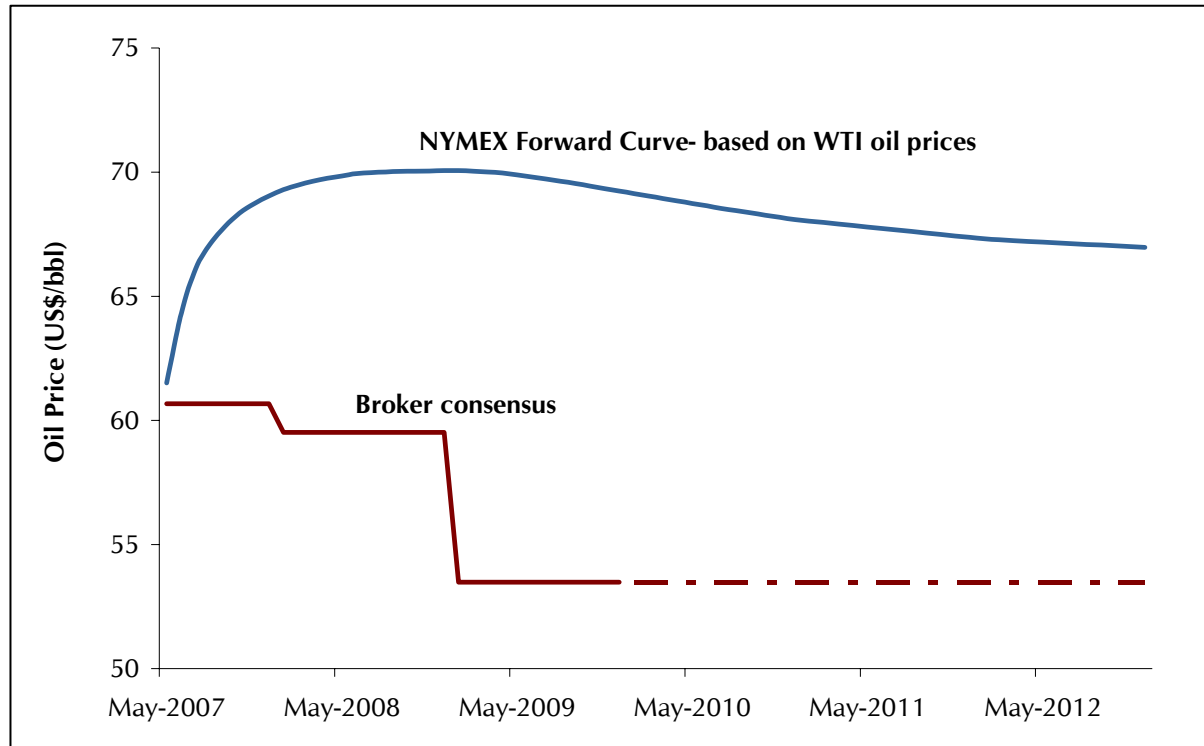


Source: Australian Upstream Oil and Gas Industry Strategy, APPEA, April 2007

Reference: Wood Mackenzie (2004)

Note: Returns on exploration spending based on discovery success rates, average discovered field sizes, development costs and government take and is a ranking of actual returns to exploration

# Are Australian companies fairly valued?



Source: Bloomberg (NYMEX forward curve), broker consensus based on 8 brokers estimates reported between Feb-07 to May-07  
Note: Broker forecasts available until FY09. Assumed FY09 forecast price to be the long term analyst consensus

## Is the oil price discrepancy spelling M&A activity?