



# SACOIL HOLDINGS LIMITED CAPITAL RAISING NOVEMBER 2010

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## Mission

- Africa will account for 20% of world oil and gas production in 2020. Hence the recent scramble for Africa's oil and gas real estate.
- South Africa has declining gas resources and no proven hydro carbons. South Africa is well positioned to develop African opportunities because of its geopolitical considerations and established financial markets.
- Indigenisation laws and the Majors retreating from discovered but undeveloped marginal oilfields in Africa providing opportunities to emerging companies such as SacOil.
- SacOil is intent on being a leading Independent Upstream Oil and Gas company, with African Assets. The mission is not new. Tullow plc began as Energy Africa in 2001 and today is a £12bn FTSE 100 company.

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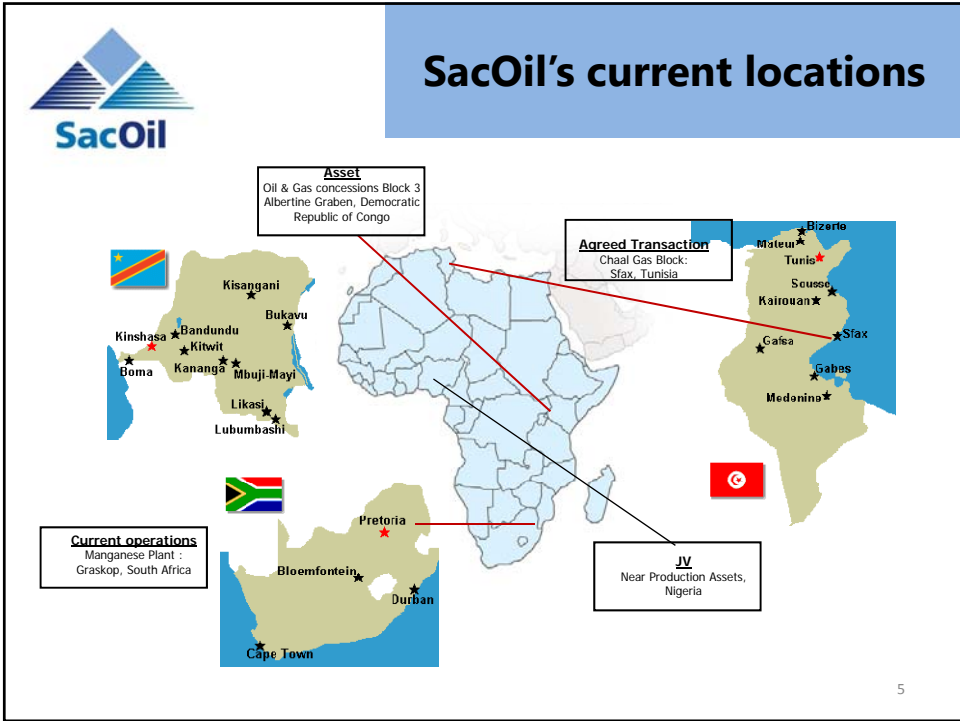


## SacOil Milestones

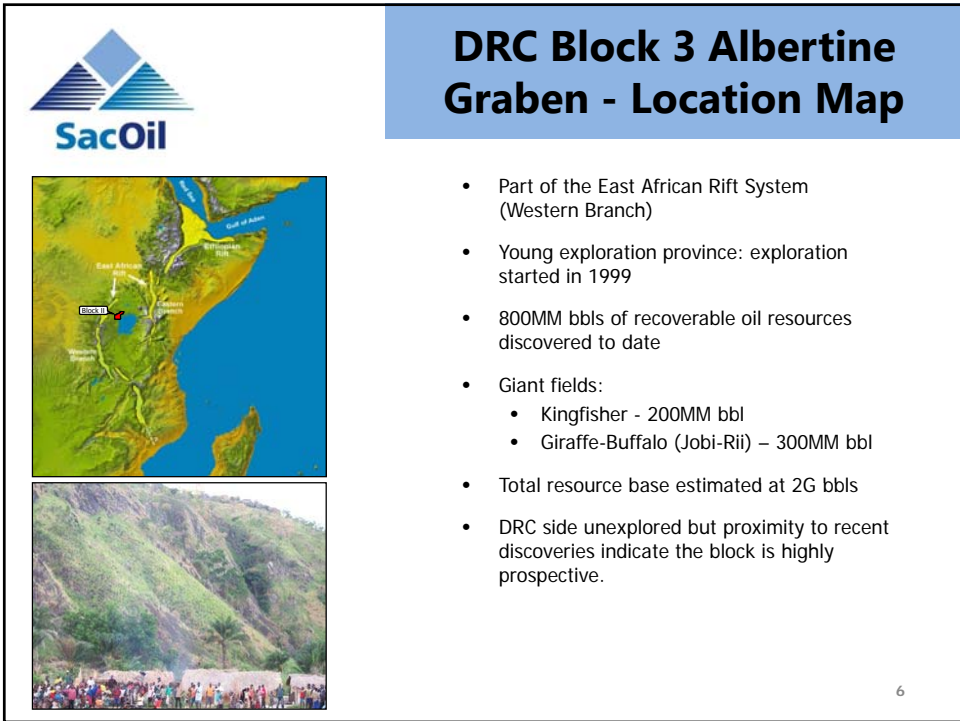
Encha Capital (Investec Bank and Encha Group SPV) took control of JSE Listed South African Mineral Resources Corporation ("SAMROC")	Agreement reached by SAMROC to acquire major oil & gas exploration assets ("DRC"), to convert SAMROC to an integrated Oil and Gas company, and to change name to SacOil Holdings Limited ("SacOil")	* Farm-in Agreement for acquisition of a 55 % participating interest in the exploration permit for the Chaal gas permit area in Tunisia	Presidential Decree granted for Block 3, Albertine Graben, DRC Oil Concession	Completion of acquisition of Block 3, Further equity investment from Metropolitan Asset Managers and STANLIB, commencement of Block 3 work programme	JV Agreement for Nigerian near production assets; Pursuing AIM listing; appointment of FINNCAP (Nomad and Joint Broker), RENCAP (Joint Broker), FASKEN MARTINEAU (UK Lawyer).
<b>December 2007</b>	<b>March 2008</b>	<b>May 2010</b>	<b>June 2010</b>	<b>Sept 2010</b>	<b>Oct 2010</b>

\* Subject to the Tunisian Government agreeing to licence extension and SacOil involvement. Candax Energy Inc's ("Candax") exploration permit expired in May 2010 and Candax announced the annulment of the same in October 2010.

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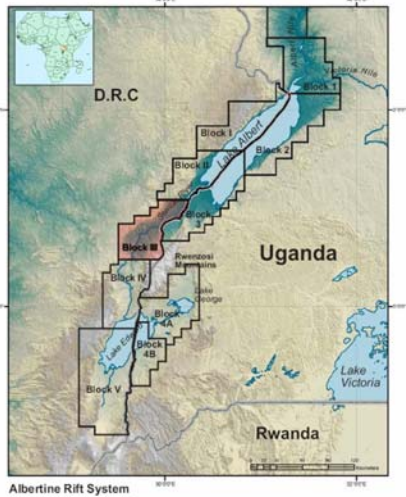
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## Block location



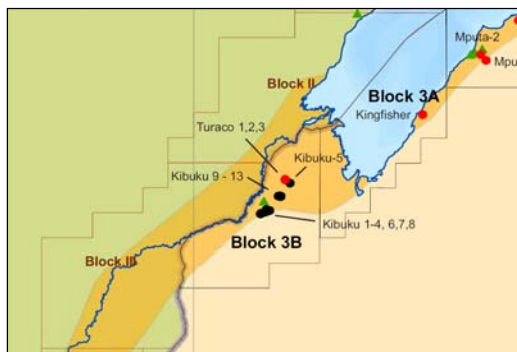
- SacOil Pty Limited has 85 % participating interest in Block 3
- SacOil Holdings Limited has a 50 % interest in title resulting in 42.50 effective interest
- The National Oil Company of the DRC hold a 15 % interest
- Located on the DRC side of the Albertine Graben basin. The area is a proven petroleum system region
- License area: 3,177km<sup>2</sup>
- Exploration License. Presidential decree issued. Unencumbered/ Uncontested title
- Mostly lowland (Semliki river plain), flanked by rift margins
- On-trend with Lake Albert discoveries in Uganda

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## Block 3 location

**Working Petroleum System has been demonstrated**  
Block 3, DRC is on trend with Lake Albert discoveries



- Stratigraphic (shallow) well
- Exploration (deep) well
- Oil seep

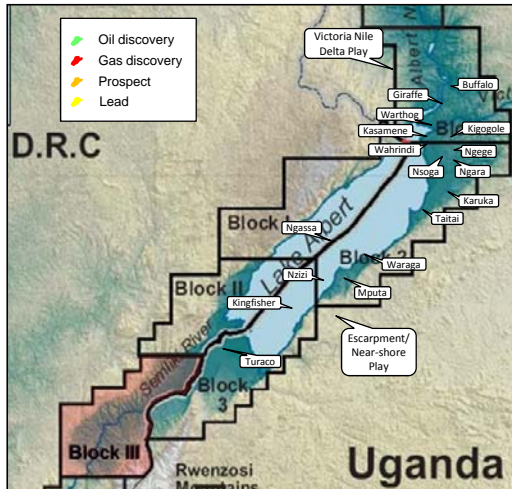
- Oil and gas prone
- Main source kitchen believed to be below deeper parts of Lake Albert
  - Believed to be currently in the main oil window
  - Likely source of Kibuku oils
- Smaller kitchen possible in the southern part of Block III
- Kibuku oil seeps suggest oil is likely to be found at least in the Northern Part of the Block



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## Regional Exploration Status



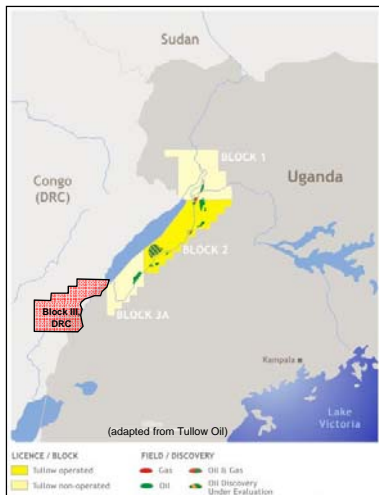
### Uganda – Tullow/Heritage Blocks Summary

- Well flow rates on the order of 350-13,000 bopd
- Largest Discovery in the Escarpment/Near-shore Play is Kingfisher (200MMbbl)
- Largest discovery in the Victoria Nile Delta Play is Giraffe-Buffero (300MMbbl)
- Both areas (plays) still contain a larger number of mapped prospects which are yet to be explored
- Block III, DRC expected to contain both types of plays
- Total discovered so far: 800MMbbl (P50 Contingent Resources): commercial threshold exceeded

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## Regional Recent Transactions



### December 2009

- Heritage signs a Sale and Purchase Agreement (SPA) for its entire 50% interest in Blocks 1 and 3A in Uganda with ENI S.p.A.
  - Cash consideration of \$1,350 million and a contingent consideration of either \$150 million in cash or an interest in a producing field

### January 2010

- Tullow exercises its right of pre-emption to acquire Heritage's 50% interest in blocks 1 and 3A
- SPA signed between Heritage and ENI terminated

### July 2010

- Tullow completed the US\$1.5 billion pre-emption of Heritage's 50% interest in Blocks 1 and 3A, Uganda

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# Resources

- No direct exploration data available from Block 3, DRC
- Ugandan discoveries used as an analogue for the number of prospects, sizes and reservoir parameters
- Probabilistic Monte Carlo simulation run with wide ranging parameters
- Risk (chance of success) determined using regional knowledge
  - Block III is completely unexplored
  - Only one out of 28 Tullow wells drilled to date was not a discovery
- Recovery in the order of 30% expected

	Gross Prospective Resources			Net Prospective Resources to SACOI: Unrisked STOIP (barrels or standard cubic feet)			Risk Factor (fraction)	Operator
<b>Oil &amp; Liquids Prospective Resources</b> * STOIP - Stock Tank of Oil Initially in Place								
	Unrisked *STOIP (barrels)			Unrisked STOIP (barrels)				
	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate		
Block III	767,490,000	1,518,470,000	2,828,040,000	652,367,000	1,290,700,000	2,403,834,000	0.21	SacOil
<b>Total for Oil &amp; Liquids</b>	<b>767,490,000</b>	<b>1,518,470,000</b>	<b>2,828,040,000</b>	<b>652,367,000</b>	<b>1,290,700,000</b>	<b>2,403,834,000</b>	<b>0.21</b>	
<b>Gas Prospective Resources</b> * GIIP - Gas Initially in Place								
	Unrisked GIIP (standard cubic feet)			Unrisked GIIP (standard cubic feet)				
	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate		
Block III (associated gas)	230,247,000,000	455,541,000,000	842,412,000,000	40,996,000,000	81,111,000,000	149,995,000,000	0.21	SacOil
<b>Total for Gas</b>	<b>230,247,000,000</b>	<b>455,541,000,000</b>	<b>842,412,000,000</b>	<b>40,996,000,000</b>	<b>81,111,000,000</b>	<b>149,995,000,000</b>	<b>0.21</b>	

\*STOIP - Stock Tank of Oil Initially in Place

\*GIIP - Gas initially in Place

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# Minimum Work Programme

- Five year program, divided into five sub-periods
- Includes field studies and geochemical studies
- Acquisition, processing and interpretation of a minimum of 400km<sup>2</sup> of 2D seismic data (in two phases)
- Drilling and testing of two exploration wells
- Expenditure:
  - US\$ 5 million in the 1<sup>st</sup> year
  - US\$ 7.5 million in the 2<sup>nd</sup> year
  - Years 3, 4 and 5 expenditure will be determined by the results obtained from years 1 and 2
- Work program includes an aeromagnetic/gravity survey, as well as seismic data acquisition, followed by infill 2D seismic, drilling of the prospect and further 2D seismic data acquisition



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## Chaal Gas Permit Overview



- Chaal is a potential world class gas condensate discovery located onshore in central Tunisia some 25 km to the west of Tunisia's second largest city, Sfax
- Chaal covers approximately 1 200 square kilometers
- Gas condensate was discovered there in the early 1960s.
- Contingent Resource Appraisal Asset
- In 2006 a further well was drilled and encountered significant gas shows
- Chaal is within close proximity of established excess capacity gas pipeline infrastructure and gas markets
- Local and international market for gas

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## Chaal Gas Permit Agreed Farmout transaction\*

### Structure of the transaction:

SacOil to acquire 55% interest in the exploration permit for Chaal

Participants in the Chaal permit **before** the transaction:

Entity	% Share
Falcan Chaal Petroleum Ltd (Falcan) <sup>1</sup>	60%
Societe de Maintenance d'Installations Petrolieres (SMIP) <sup>2</sup>	20%
MCX North Africa Co Limited (Mitsubishi) <sup>3</sup>	20%
<b>Total</b>	<b>100%</b>

Participants in the Chaal permit **after** the transaction:

Entity	% Share
SacOil	55.00%
Falcan (1.)	18.75%
SMIP (2.)	6.25%
Mitsubishi (3.)	20.00%
<b>Total</b>	<b>100.00%</b>

#### Notes:

1.A wholly owned subsidiary of Candax Energy Inc. ("Candax")

2.Tunisian company.

3.A company wholly owned by Mitsubishi Corporation, a public company registered in Japan.

\* Subject to the Tunisian Government agreeing to licence extension and SacOil involvement. Candax Energy Inc's ("Candax") exploration permit expired in May 2010 and Candax announced the annulment of the same in October 2010.

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## Chaal Gas Permit Agreed Farmout transaction\*

### Purchase consideration:

Description	US\$m
Farmout out interest consideration: Upfront (non refundable)	0.25
Work Programme costs to development plan	6.4
Farmout out interest consideration: Contingent upon development plan approval	4.75
<b>Total</b>	<b>11.4</b>

- Falcan will be the operator for the re-entry or the drilling of a sidetrack to the Chaal 1 Well, followed by a stimulation and testing programme
  - SacOil shall have the right to request Falcan to resign as operator on completion of the Work Programme and shall during the conduct of the Work Programme be entitled to second employees to the programme and assume reasonable management, technical and financial control thereof
- Date for fulfillment of conditions is 31 January 2011 – Consent of the Tunisian Authorities for Extension of Permit for 1 year and assignment to SacOil/ SacOil producing letter of credit for US\$6.4 million in respect of work programme cost contribution.
- Candax has publicly announced license has expired and been annulled.

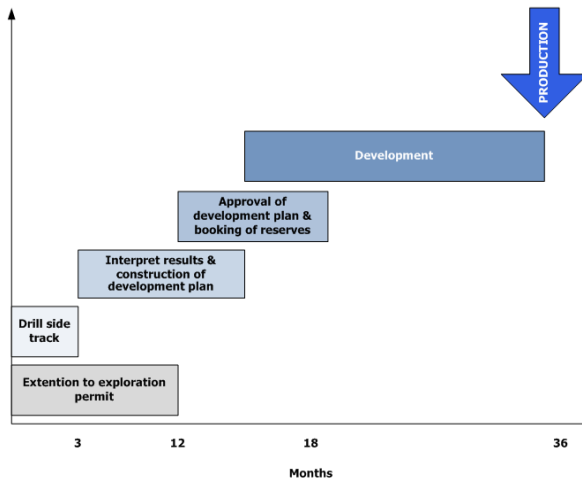
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## Chaal Gas Permit Indicative timeline

### Indicative timeline:



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## Nigerian Joint Venture

- Joint Venture with EER a credible Nigerian partner
- Advances focus on production of oil and gas
- Joint Venture positioned to benefit from Nigerian divestment programme
- EER has extensive experience of working with major public and private companies, with Nigerian Authorities and in Nigerian Communities



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## Nigeria Block OPL 281

- Low risk opportunity close to existing facilities
- Onshore swamp location
- Contingent resources of 250 MMBOE
- Hydrocarbons situated between 2400 and 4000 metres
- Further exploration potential
- Two wells available with log data
- Shell 3D

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## Nigeria Block OPL 281 - Location

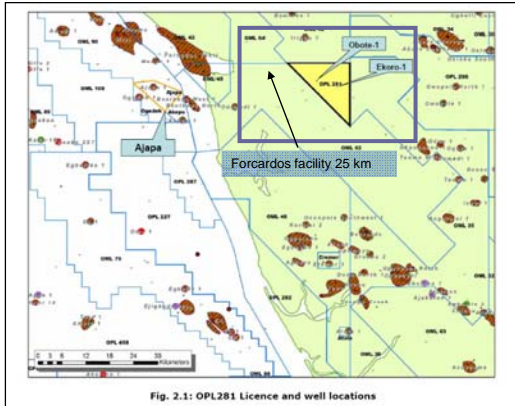
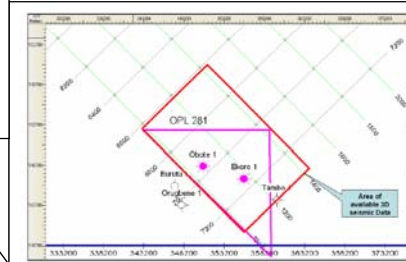


Fig. 2.1: OPL281 Licence and well locations

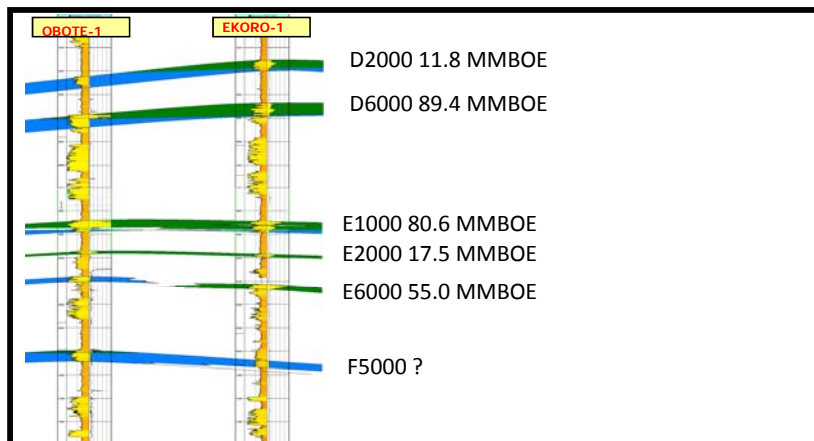
	Distance
Warri	20 km
Port Harcourt	163 km
Communities	Obotebe Kingdom
Forcados Crude Export Terminal	25km
Offshore Platform (Gas/Condensate processing)	22 km

Wells drilled 1967 /1970  
Ekoro well designated dry in IHS



## Nigeria Block OPL 281

Discovery wells correlation showing multiple zones (EER volumes)



Discovery wells drilled pre 1970 before 3D technology located sub optimally (on flanks)



## Cash Generative Asset Greenhills Plant

- SacOil operates a chemical manganese processing plant near Graskop in Mpumalanga, known as the Greenhills Plant
- Greenhills produces manganese sulphate powder (MSP) and manganese oxide (MnO) for the feed, fertiliser and chemical industries
- Turnover approximately ZAR 32 million
- Gross annual profit approximately ZAR 12 million
- **Non core asset**

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## SacOil Directors

Name	Designation	Resume
Richard John Linnell (South African)	Non-Executive Chariman	Richard Linnell is an experienced geologist, current Chariman of Coal of Africa (listed on ASE/JSE/LSE) and Independent Power South Africa, former board member of BHP Billiton.
Robin Vela (British)	Chief Executive Director	Robin Vela is a UK Chartered Accountant, UK Chartered Securities Institute member and seasoned investment banker, having co-founded two investment funds and worked for over 13 years as a senior investment banker for leading blue chip investment banking houses in the City of London.
Colin Bird (British)	Executive Director	Colin Bird is a chartered mining engineer with multi commodity mine management experience in Africa, Spain, Latin America and the Middle East. He has been the prime mover in a number of public listings in the UK, Canada and South Africa and is currently chairman of Jubilee Platinum PLC.
Carina de Beer (South African)	Financial Director	Carina de Beer is a Chartered Accountant (SA). She completed her articles with PricewaterhouseCoopers. She has 11 years experience in corporate financial management and reporting, company secretarial practice and corporate governance. Carina has sat on the main board of a number of SE listed entities.
Gontse Moseneke (South African)	Non-Executive Director	Gontse Moseneke has an extensive background in financial management and investment banking. He is a part of the executive team at Encha Group Limited, a diversified investment holding company.



## Technical Manager

### Glen Penfield

- Geologist and Geophysicist
- 30 year of oil and gas experience
- participated in a significant number of oil and gas discoveries
- broad African experience and has published papers on work in six different African countries
- consults to PEMEX the world fifth largest oil producer
- discovered CHICXULUB impact crater in Mexico

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## Sacoil's current shareholders

Shareholders	Number of shares	% Shareholding
Encha Group Ltd	201,884,800	32.63%
Encha Capital (Pty) Ltd 1	155,831,966	25.18%
Metropolitan Asset Management	84,565,015	13.67%
STANLIB	40,000,000	6.46%
Brian Christie	23,182,219	3.75%
Blackstar Investors	17,184,230	2.78%
South African Export Development Fund (Pty) Ltd (SAEDF)	10,756,365	1.74%
Coal of Africa (COAL)	8,343,216	1.35%
Colin Bird	5,300,000	0.86%
Other	77,043,017	12.45%
<b>Totals</b>	<b>618,790,828</b>	<b>100.00%</b>

#### Notes:

1. Encha Capital is a special purpose vehicle held by Encha Group (51%) and Investec Bank (49%).

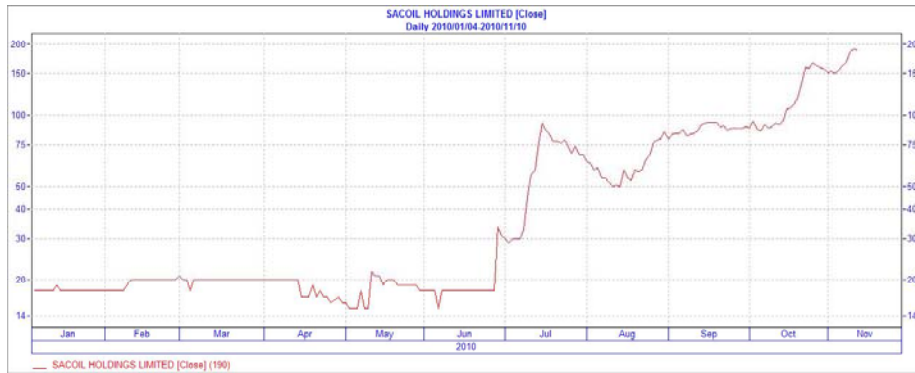
#### Encha Group:

- ✓ Moseneke family vehicle
- ✓ Track record:
  - Resources – diamonds (Lonhro Mining Plc), platinum (Jubilee Platinum Plc), gold (Simmer & Jack)
  - Property – Pretoria CBD, Bloemfontein, King Williams Town
  - Industrial – Siemens Limited/ Nokia Siemens Networks

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## Share price performance



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## Use of funds

	US \$'000
Existing cash in hand	7,000
Fundraising under current authority to issue 15% of issued share capital ( <i>expires November 2010</i> )	5,500
Post-fundraising cash resources	12,500
Cash resource will achieve:	
<ul style="list-style-type: none"> <li>Admission to AIM</li> <li>Support activity on Chaal and Block 3 for up to 12 months</li> </ul>	

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## The investment case

- Well structured independent developing upstream oil and gas company
- South African based with strong entrepreneurial management team
- Above average asset base
- Aggressive growth plans
- Financial community recognition and support
- Seeking an AIM listing to access European Capital Markets

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