
**ANTILLES ACQUIRES LARGE, PROSPECTIVE BLOCK ONSHORE
PERU**

Highlights:

- **Antilles delivers on the first stage of their strategy acquiring large, prospective acreage position (~4,000km²) onshore Peru**
- **Working hydrocarbon system present with historic oil production on the block**
- **Recent 2D seismic data available for reprocessing/interpretation using modern technology**
- **High equity (100%) places Antilles in strong position with regards to potential future farm-out**
- **Low cost exploration and attractive fiscal terms**

David Ormerod, Managing Director, commented:

“Antilles looks forward to rapid evaluation of Block 105 in this productive trend we have identified in Peru and the further development of our exploration portfolio. Peru is an attractive investment environment where Antilles looks to understand and develop further exploration and development opportunities.”

Antilles Oil and Gas NL (**Antilles** or the **Company**) is delighted to announce the acquisition of an acreage position in onshore Peru. The position is in the Titcaca Basin on trend to historic producing field Pirin in the block. Antilles has a hundred per cent (100%) equity holding in the new block, which carries a work program of new 2D seismic in the initial term and drilling in a subsequent exploration term.

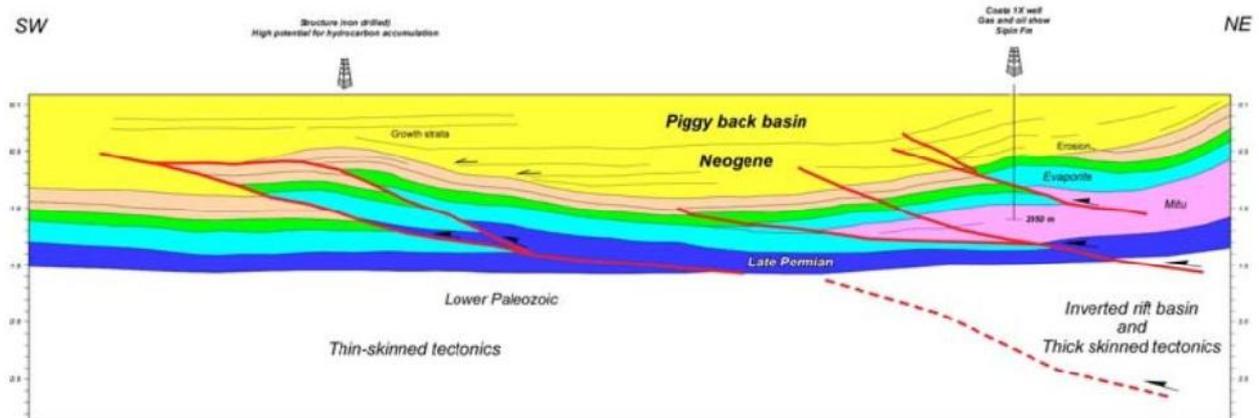
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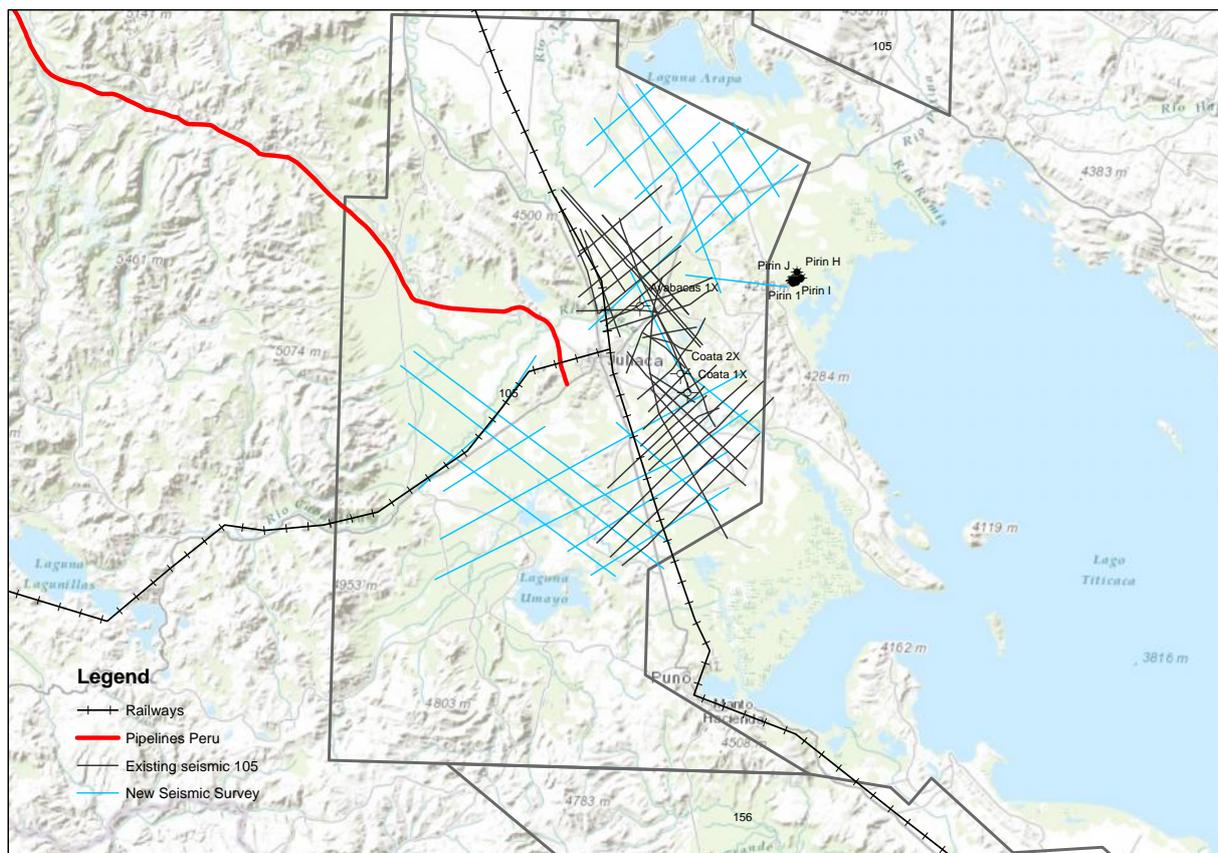
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Prospectivity

The Titicaca Basin has a proven source for the hydrocarbons both gas and oil in Block 105 Peru having sourced the Pirin oil field which produced in the early 1900's. Oil seeps at the surface have been sampled over the block further proving the extent and presence of a working hydrocarbon/oil system. Large-scale reservoirs are interpreted from existing drilling creating along with the large-scale structures attractive resource potential.



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Surrounding activity includes the Peru LNG project with associated pipeline network including a spur line into the block. An export gas pipeline runs through the centre of the block and a rail line runs to the coastal ports for export of oil.

The investment is a purchase of the block from an existing Russian company that is looking to exit Peru. The fiscal terms of the block are highly attractive with a low royalty rate and low cost due to the ease of access for onshore drilling activity. Environmental permitting has been completed for both seismic and drilling. The total expenditure for the initial work program is US\$2.0m dollars over a work term of one year, once the block is removed from Force Majeure.

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ASX ANNOUNCEMENT

23rd March 2015

Completion of the deal requires the normal approvals of the regulator Perupetro to transfer the operatorship to Antilles from the current operator.

Transactions metrics for assets in Peru are typically on the order of US\$5 per boe for proven plus probable net after royalty reserves.

Antilles is seeing good deal flow in our target regions in part due to the oil price and global market conditions which is allowing the company to cherry pick attractive opportunities for modest entry costs. This provides shareholders access to a developing portfolio which will create value through drilling and appraisal of these opportunities.

About Peru

Peru is one of the fastest growing economies in the region and in 2012 it achieved an annual growth rate of 6.3% GDP. Main economic activities are agriculture, mining and petroleum production. Peru has one of the lowest country risk ratings for South America (Peru's oil & gas investment guide E&Y 2014-15).

Peru has been an oil producing nation since the early 1900's and currently has an annual production of approximately 700,000 barrels of oil per day. Peru is a net exporter of oil and LNG. Major operators in country include Repsol, Ecopetrol, PacificRubiales, SK and Hunt.

For further updates refer to the website or contact the Managing Director for Antilles, Mr David Ormerod, on (03) 9674 0413.

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