

## Resource Update on TL-SO-19-16 Production Sharing Contract

(the "Chuditch PSC" or the "PSC")

January 2021

### Key Points

- Proposal presented to ANPM to allow project to progress
  - Includes request for minimum 12-month extension
- Significant upgrade in estimated resources
  - Gross Mean GIIP: 4,703 BCF
  - Gross Mean Prospective Resources: 3,527 BCF
  - Mean Prospective Resources net to Baron interest: 2,448 BCF

In February 2020 the Company announced information on the Chuditch PSC, specifically from publicly released reports on the area prepared by Shell Development (Australia) Pty. Ltd. ("Shell") in 1998 and 2001 following the drilling of the Chuditch-1 discovery well. Shell's estimates of volumes of gas initially in place ("GIIP") were limited to the Chuditch-1 discovery and immediately adjacent prospects and parts of prospects lying within the licence area (the ZOCA 91-09 PSC) prevailing at the time. The aggregate gross Mean of those volumes is 2,901 billion standard cubic feet ("BCF") of gas.

Subsequently SundaGas TLS has gathered and interpreted subsurface information, mainly legacy 2D seismic and well data, both regional and specific to prospects lying within the Chuditch PSC, which incorporates areas outside the former ZOCA 91-09 PSC. As a result, the extension of the prospect known by Shell as Bilby, now renamed Chuditch North, is mapped to lie within the Chuditch PSC. The gross Mean volume associated with this extension as estimated by Shell is 258 BCF of GIIP.

Further, a significant new lead has been mapped within the Chuditch PSC which lay in Australian waters prior to the 2018 maritime boundary treaty between Timor-Leste and Australia and was therefore not mapped by Shell or other previous operators in the area. This new lead, named Chuditch North East, is on trend with, and mapped to be in the same reservoir and structural setting, as the Chuditch-1 discovery and the other prospects identified by Shell. This area has more limited legacy 2D seismic data coverage. SundaGas TLS has estimated the Chuditch North East lead to contain a gross Mean GIIP of 1,544 BCF.

The aggregate of these estimated gross Mean volumes within the Chuditch PSC is 4,703 BCF GIIP.

Shell's expectation of gas recovery at the time of their reports was in the range of 55% to 75%. Evaluation studies by SundaGas TLS, incorporating the more than 20 years of technical advances in reservoir management, indicate that the best case expectation of gas recovery is now 75%, which computes to gross Mean recoverable Prospective Resources of 3,527 BCF.

It is noted that the above estimates are not fully compliant with the 2018 SPE PRMS Prospective Resources standard.

## Summary of Estimated GIIP and Prospective Resources

The tables below summarise the volumetric estimates, as described above, for the identified discovery, prospects and lead on the Chuditch PSC, on a gross and net attributable basis. The figures represent estimates pending reinterpretation, remapping and volumetric re-estimation, following the planned 3D seismic reprocessing.

As previously reported the geological chance of success (“GCOS”) for the Chuditch Discovery was considered by Shell to be 100%; the GCOS for the prospects and lead are subject to ongoing review by the Operator.

<b>Summary of Gas Initially in Place</b>					
<b>GROSS</b>					
<i>All figures are billion cubic feet of petroleum gas</i>					
<i>Non-compliant with 2018 SPE PRMS standard</i>					
	<u>Status</u>	<u>Source</u>	<u>Low Estimate</u>	<u>Mean</u>	<u>High Estimate</u>
Chuditch-1	Discovery	Shell	1260	<b>1830</b>	2410
Chuditch West	Prospect	Shell	89	<b>129</b>	170
Chuditch South West (Wombat)	Prospect	Shell	139	<b>581</b>	985
Chuditch North (Bilby) in ZOCA 91-09	Prospect	Shell	249	<b>361</b>	475
Chuditch North (Bilby) in Chuditch PSC not in ZOCA 91-09	Prospect	Shell extension	178	<b>258</b>	340
Chuditch North East	Lead	SundaGas	599	<b>1544</b>	2782
<b>Total Gas Initially in Place</b>			<b><u>2,513</u></b>	<b><u>4,703</u></b>	<b><u>7,162</u></b>
<b>Summary of Prospective Resources*</b>					
<b>GROSS</b>					
<i>All figures are billion cubic feet of petroleum gas</i>					
<i>Non-compliant with 2018 SPE PRMS standard</i>					
	<u>Status</u>	<u>Source</u>	<u>Low Estimate</u>	<u>Mean</u>	<u>High Estimate</u>
Chuditch-1	Discovery	Shell	945	<b>1373</b>	1808
Chuditch West	Prospect	Shell	67	<b>97</b>	127
Chuditch South West (Wombat)	Prospect	Shell	104	<b>436</b>	739
Chuditch North (Bilby) in ZOCA 91-09	Prospect	Shell	186	<b>271</b>	356
Chuditch North (Bilby) in Chuditch PSC not in ZOCA 91-09	Prospect	Shell extension	133	<b>194</b>	255
Chuditch North East	Lead	SundaGas	449	<b>1158</b>	2087
<b>Total Prospective Resources</b>			<b><u>1,885</u></b>	<b><u>3,527</u></b>	<b><u>5,372</u></b>

**Summary of Gas Initially in Place****- Net Attributable to Baron****(63.75%)***All figures are billion cubic feet of petroleum gas**Non-compliant with 2018 SPE PRMS standard*

	<u>Status</u>	<u>Source</u>	<u>Low Estimate</u>	<u>Mean</u>	<u>High Estimate</u>
Chuditch-1	Discovery	Shell	803	<b>1167</b>	1536
Chuditch West	Prospect	Shell	57	<b>82</b>	108
Chuditch South West (Wombat)	Prospect	Shell	88	<b>370</b>	628
Chuditch North (Bilby) in ZOCA 91-09	Prospect	Shell	159	<b>230</b>	303
Chuditch North (Bilby) in Chuditch PSC not in ZOCA 91-09	Prospect extension	Shell	113	<b>165</b>	217
Chuditch North East	Lead	SundaGas	382	<b>984</b>	1774
			<b><u>1,602</u></b>	<b><u>2,998</u></b>	<b><u>4,566</u></b>

**Total Gas Initially in Place****Summary of Prospective Resources\*****- Net Attributable to Baron****(63.75%)***All figures are billion cubic feet of petroleum gas**Non-compliant with 2018 SPE PRMS standard*

	<u>Status</u>	<u>Source</u>	<u>Low Estimate</u>	<u>Mean</u>	<u>High Estimate</u>
Chuditch-1	Discovery	Shell	602	<b>875</b>	1153
Chuditch West	Prospect	Shell	43	<b>62</b>	81
Chuditch South West (Wombat)	Prospect	Shell	66	<b>277</b>	471
Chuditch North (Bilby) in ZOCA 91-09	Prospect	Shell	119	<b>173</b>	227
Chuditch North (Bilby) in Chuditch PSC not in ZOCA 91-09	Prospect extension	Shell	85	<b>123</b>	163
Chuditch North East	Lead	SundaGas	286	<b>738</b>	1330
<b>Total Prospective Resources</b>			<b><u>1,201</u></b>	<b><u>2,248</u></b>	<b><u>3,425</u></b>

Notes to Tables

- \* computed using a 75% recovery factor

Sources:

- "Shell": publicly released reports on the area prepared by Shell Development (Australia) Pty. Ltd. ("Shell") in 1998 and 2001 following the drilling of the Chuditch-1 discovery well
- "SundaGas": SundaGas Banda Unipessoal Lda., Operator of the PSC

Gross:

- 100% of the Gas Initially in Place or Prospective Resources attributable to the licence

Net attributable:

- the Gas Initially in Place or Prospective Resources attributable to Baron's indirect 63.75% interest in the Chuditch PSC