

Hyperdynamics | HDY | Profile | Summary



Hyperdynamics' new management team began accelerating exploration activities on the Guinea concession in mid-2009, our strategy has been to maximize shareholder value by retaining as large a working interest ownership position in the concession as possible, for as long as possible.

To fund its ongoing exploration activities during this period, Hyperdynamics successfully raised more than \$220 million of equity from institutional investors, and nearly a quarter of its outstanding common shares are held by institutions.

In early 2010, Hyperdynamics sold a 23% stake in the Guinea project to Dana Petroleum for a total of \$19.6 million, which allowed the Company to retain a 77% working interest in and operatorship of the project as it spudded the first exploration well in late 2011, the Sabu-1

The Sabu-1 exploration well encountered oil shows while drilling the targeted Upper Cretaceous section, and our well-log interpretations indicated the presence of residual oil in non-commercial quantities. Following the drilling of the Sabu-1 well, Hyperdynamics

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Written by Editor

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was able to attract a world class independent explorer,
Tullow

Oil, to join as partner and operator of future exploration activities.

Following the sale to

Tullow

,
Hyperdynamics

still retains a 37% working interest in the Guinea concession



Summary and outlook of future O&G

Deepwater Production

>>limited mainly to basins of Atlantic Margin

Common factors:

- World class source rocks
- Continuous subsidence and deposition

Differentiating factors for mega provinces

- Presence of massive salt
- Major river systems for sediment inputCumulative Reserves estimated

160

BB0 of which 115 B

BO

have been discovered Production peaks at 11-12

MMBOD

in decade of 2020-2030

Heavy Oil Production

- **Production reaches 7 MMBOD in 2030**

>>85% of resources in two provinces

- High oil prices needed for profitability

• Heaviest environmental footprint (surface imprint, CO2 emission, water use) of

unconventional production

- Better commercial environment in Canada vs. Venezuela makes Canada leader in production and technology despite better reservoir and oil quality in Venezuela

Shale Oil Production by hydraulic fracturing

Significant production initiated in 2010 utilizing combination of fracking and horizontal drilling. Economics dominated by high well decline rates and need for extensive infrastructure. While potential high potential formations can be found worldwide, significant production only started in USA for mainly non-technical reasons

Shale Oil Production Increase: How much and how fast?

USA Production: (not including NGL's)

Major plays

Bakken and Eagle Ford should plateau at about 1.0 and 1.2 MMBOD for 5 years

before declining.

- Permian a combination of shale and conventional plays

- Other shale plays an order of magnitude smaller

- NGL's major part of play, as they are needed to make most gas shale plays economic

- Combination of crude oil and NGL's will add about 5 MMBOD to US production in the 2015-2020 period.

New Oil World

- Non renewable conventional production peaked in 2005

and is rapidly being replaced by high cost deep water and unconventional oil

- Remaining conventional production focused in the Arabian Basin and FSU, while

new production mostly in Western Hemisphere and Sub Saharan Africa

- World production growth slows in 2020's when deep water production peaks, and next

price spike a possibility

Sub Saharan Africa

- Production doubles in the 2000-2020 time period

- Low cost conventional oil largely replaced by high cost deep water oil

•Despite increased production, revenue per barrel is approximately half; without recognizing fiscal reality, necessary investment will not be attracted

•After 2020, production will gradually shift from current SW Africa hub to new

provinces in NW Africa and East Africa

Sources: [The company](#), [OxBridge Research](#), [OTCKING](#), [DailyStockDeals](#), [OTCstockIQ](#)

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