



EQUATOR EXPLORATION LIMITED

Exploring West African Waters

Corporate Presentation

June 2006

Caution Regarding Forward Looking Statements

Safe Harbor Statement under the United States Private Securities Litigation Reform Act of 1995:

Except for the statements of historical fact contained herein, the information presented constitutes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements, including but not limited to those with respect to the price of commodities, the timing and amount of estimated future production, costs of production, reserve determination and reserve conversion rates, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks relating to environmental laws and regulations, risks relating to joint venture operations, the actual results of current exploration activities, actual results of current reclamation activities, conclusions of economic evaluations. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

CORPORATE PROFILE

- **Focused on offshore oil and gas exploration & development in Gulf of Guinea, West Africa:**
 - **Significant knowledge, experience and contacts in region**
 - **Chevron, ExxonMobil, Shell and Total hold neighbouring blocks**
 - **Partnerships with Indigenous and National Oil Companies (KNOC, ONGC, Sinopec)**

- **Holds interests in four blocks plus rights to two more:**
 - **Bulford Dolphin drilling rig contracted for extensive drilling programme**
 - **Drilled 2 wells – discovered oil & gas**
 - **Initiated oil development – production planned to commence 3Q 2007**

- **Listed on AIM December 2004 (symbol: EEL):**
 - **Registered in British Virgin Islands**
 - **Diversified shareholder base (Europe, USA, Africa)**

OFFSHORE EXPLORATION ASSETS

- **Offshore Nigeria**
 - **Oil Mining Lease (OML) 122**
 - **FIRST PRODUCTION PLANNED FOR 3Q 2007**
 - **Bilabri estimated 2P reserves 45 Million barrels oil; 730 bcf gas**
 - **Additional exploration potential – not tested**
 - **OPL 323**
 - **Immediately west of Agip’s large Abo field and immediately north of ExxonMobil’s Bosi and Ehra fields**
 - **Four prospects identified**
 - **Potential of 4 billion barrels of recoverable resources**
 - **OPL 321**
 - **On trend with the Shell Bobo discovery**
 - **One very large prospect identified, could hold more than 2 billion barrels of recoverable resources**

OFFSHORE EXPLORATION ASSETS cont'd

- **Joint Development Zone (JDZ)**
 - **Block 2**
 - **15% interest awarded in March 2005 to a consortium of Equator and ONGC Videsh Ltd**
 - **Equator now has a 9% participation interest**
 - **Adjacent to Nigerian Block OML 130, containing the 700+ million barrel Akpo field due onstream at a rate of 175,000 bpd**
 - **Adjacent to Block 1, containing the recently announced discovery Obo 1 by Chevron and Exxon**

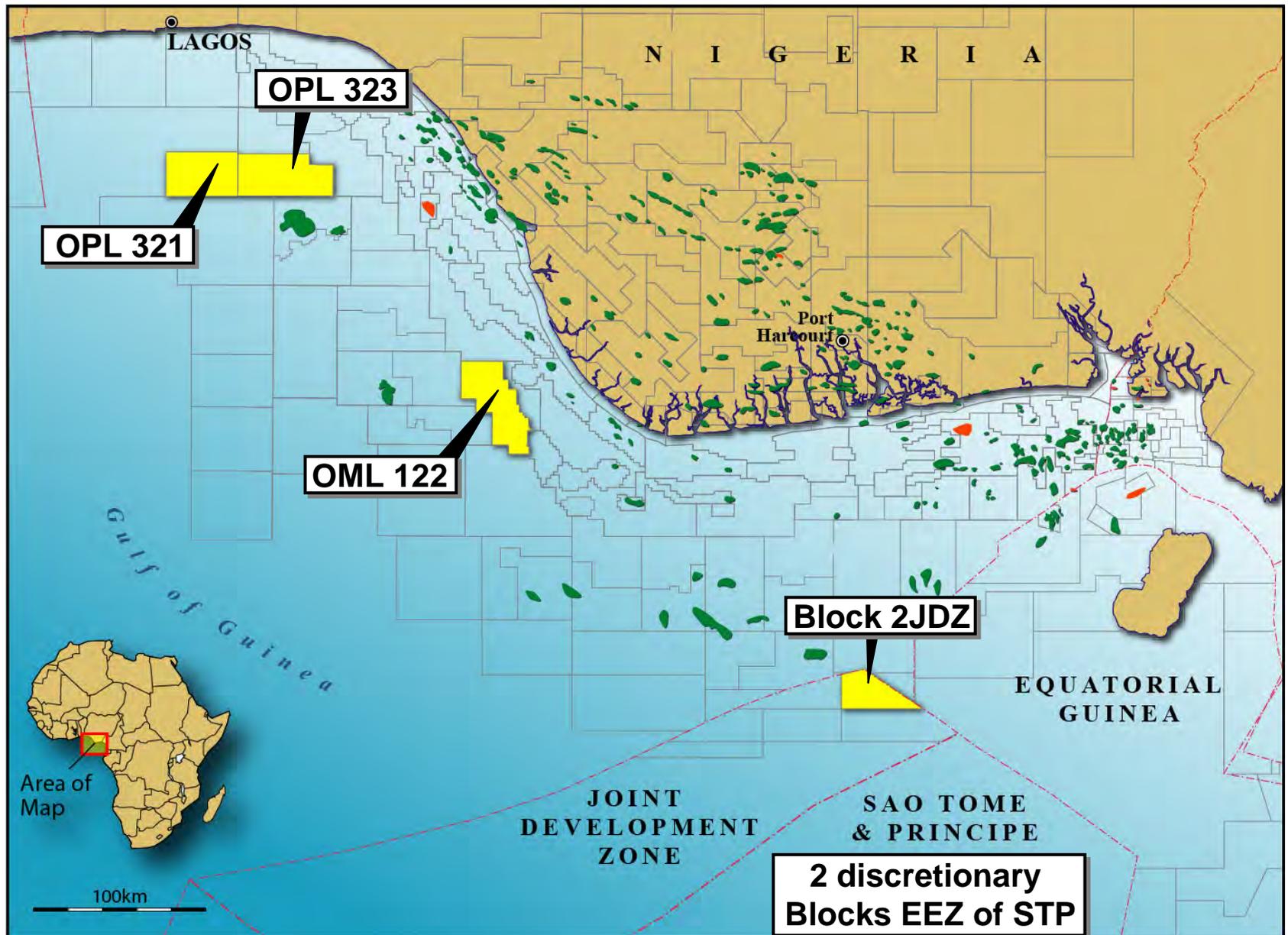
- **São Tomé & Príncipe Exclusive Economic Zone (EEZ)**
 - **Right to acquire 100% interest in two blocks of Equator's choice**
 - **Option to participate with Government, up to 15%, in any Government participating interest in EEZ**
 - **Revenue from seismic data acquired in Joint Development Zone (JDZ) and in EEZ**

MANAGEMENT TEAM

Strong Management Team has Long Standing Presence in Region

- **Executive Chairman** Sir Samuel Jonah
- **Chief Executive Officer** Wade Cherwayko
- **Chief Operating Officer** Philip Dimmock
- **Vice President Finance** Philip Rand
- **Corporate Lawyer/Secretary** Stacey Kivel
- **Country Manager, Nigeria** John Munson
- **Asset Manager, Nigeria** Ken Seymour
- **Drilling Operations Manager** Robert Montgomery

EQUATOR INTERESTS



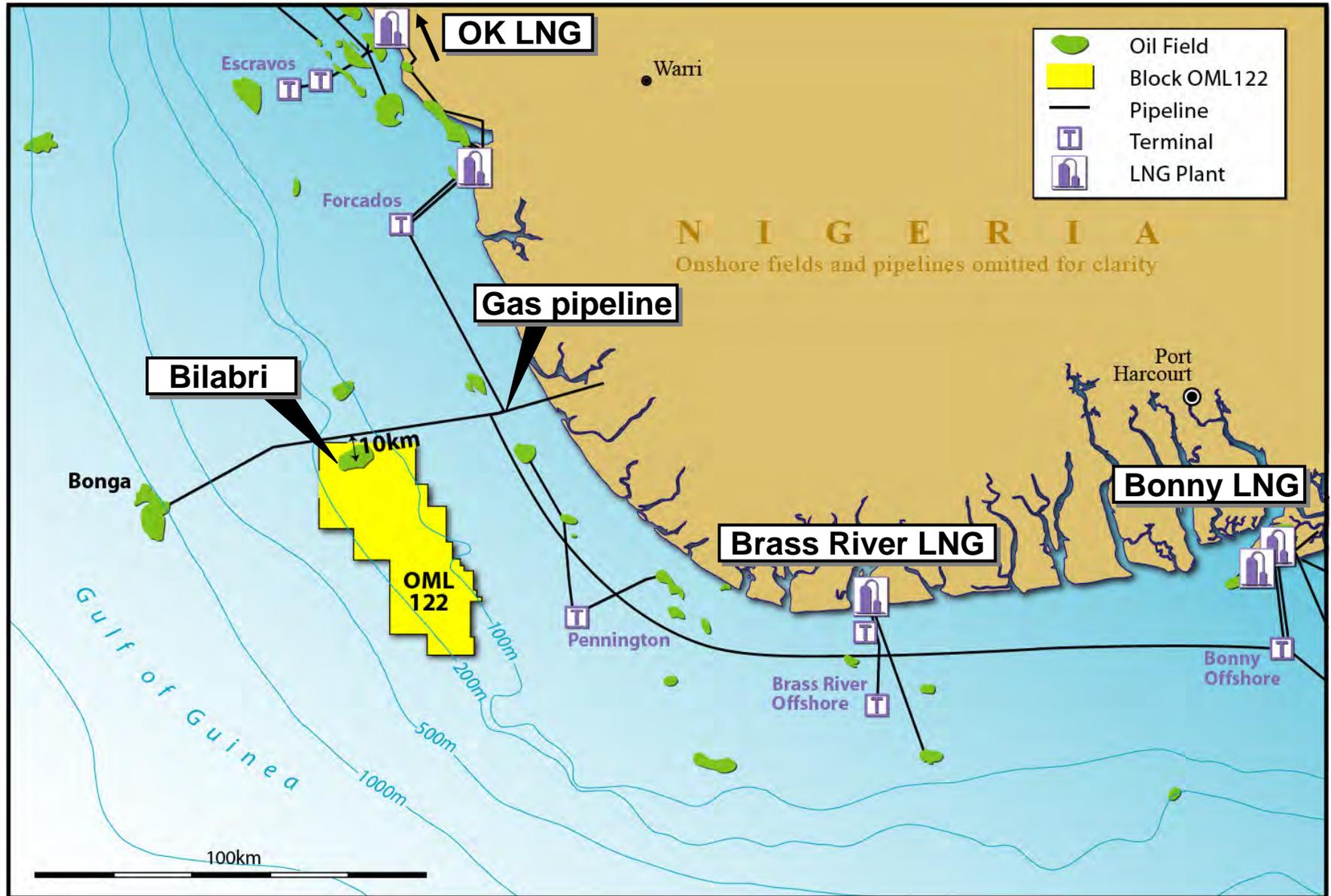
INVESTMENT SINCE IPO DECEMBER 2004

	<u>US\$mm</u>
▪ OML 122	123
▪ OPL 321/323	
– Signature bonuses & seismic	171
– Guarantee for 4 wells	83
▪ JDZ Block 2	
– Signature bonus & seismic	11
– Guarantee for 1 well	3
▪ G&A, Business Development	<u>5</u>
	396

INTERESTS IN OML 122

- **Agreement with Peak Petroleum Industries Nigeria Limited (Peak), signed in April '05, to develop two oil and gas discoveries and drill an exploration prospect in Oil Mining Lease 122, offshore Nigeria**
- **OML 122 is located 25 to 60 km offshore in water depths of 40 to 300 metres**
- **OML 122 is east of Shell's giant Bonga Field (estimated 1.4 billion barrels) on OML 118 and southwest of Shell's EA Field on OML 79**
- **Successful Appraisal Well on Bilabri Discovery completed in March 2006**
- **Owanare Gas Discovery Well completed in May 2006**

STRATEGIC LOCATION OF OML 122

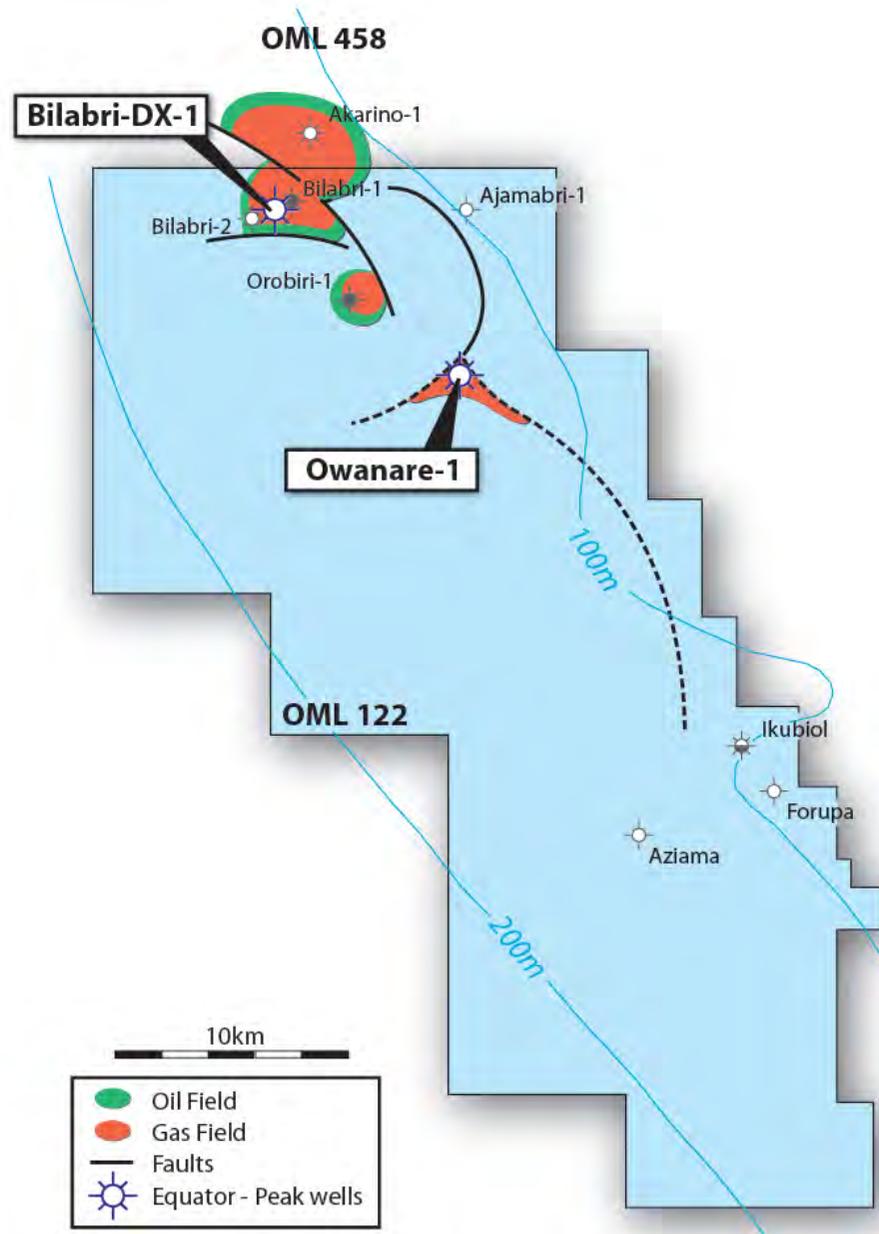


DRILLING RIG - 'BULFORD DOLPHIN'

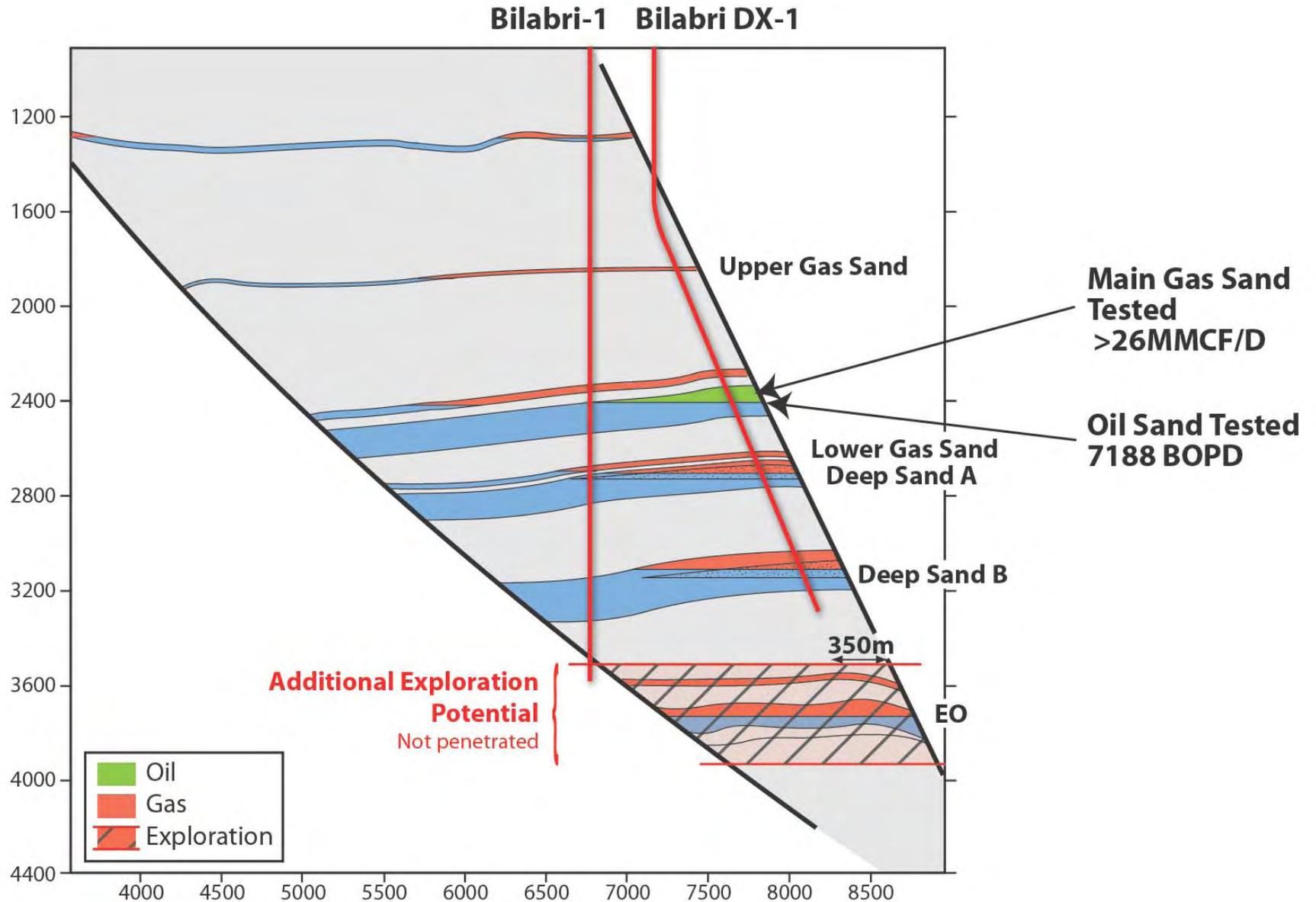


- Semi submersible rig
- Owned by Fred Olsen Group
- Contracted until end 2007
- Next well Bilabri D2

MAP OF OML 122



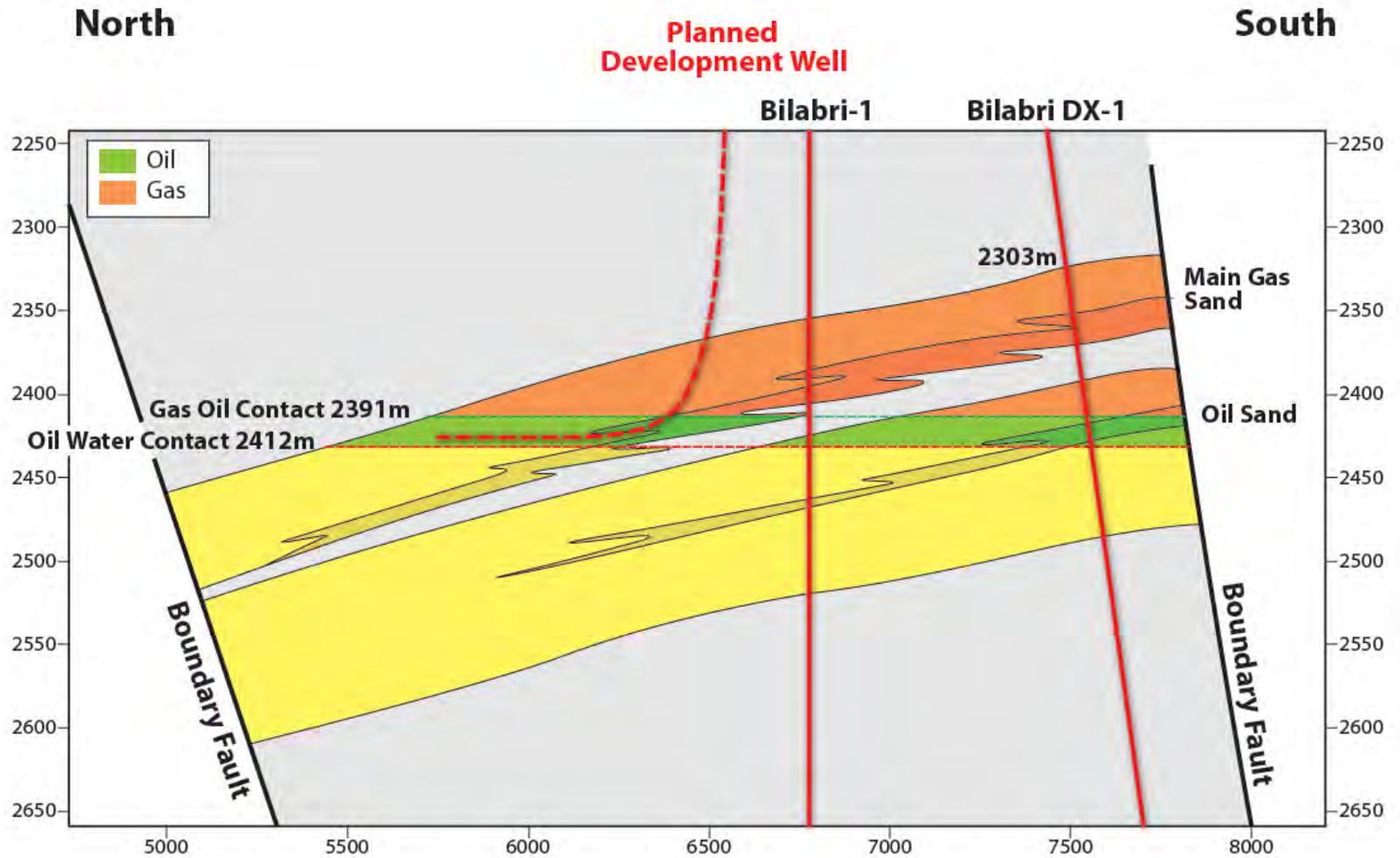
BILABRI DEPTH SECTION



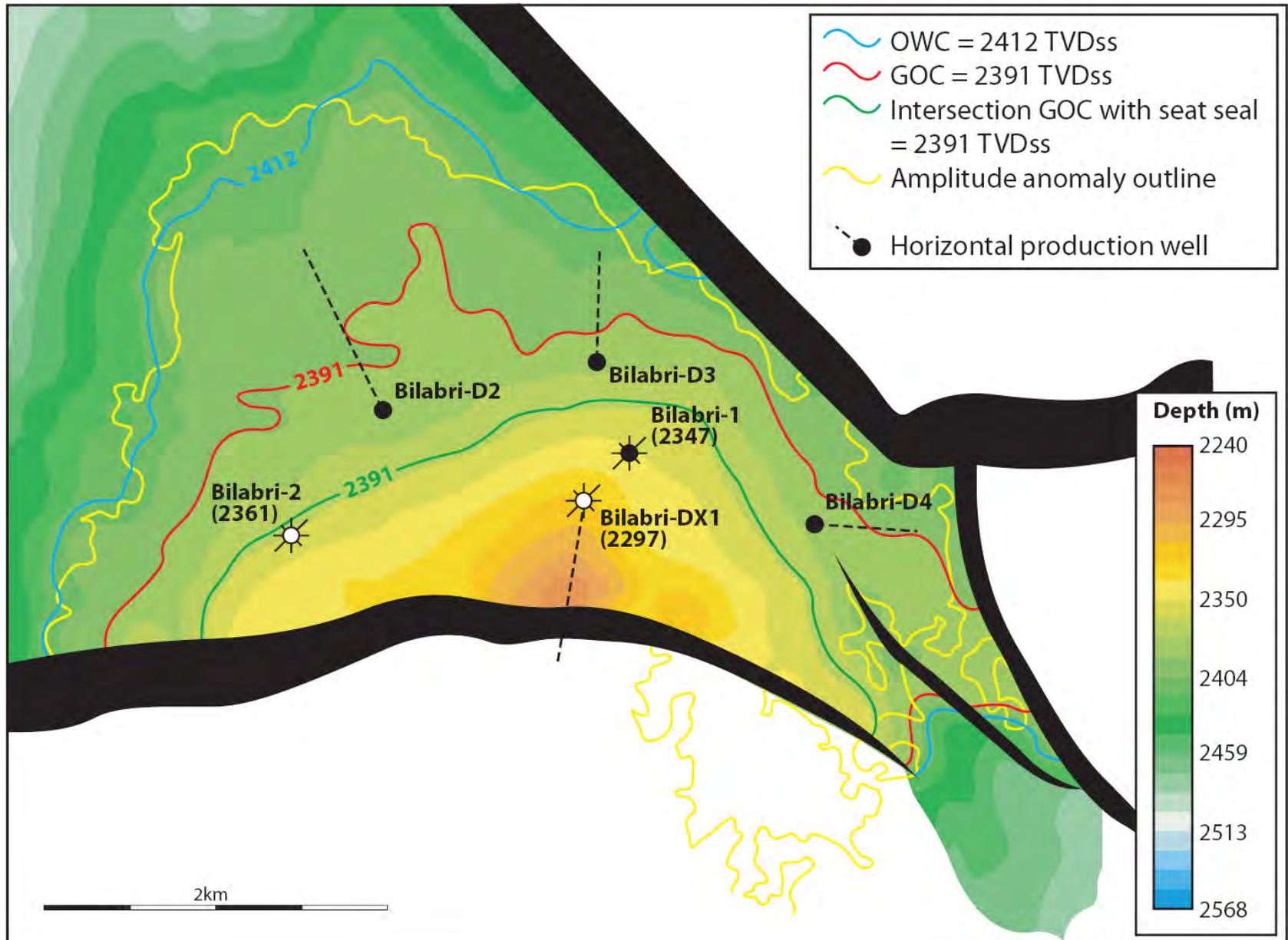
BILABRI DX1 - WELL TEST SUMMARY

- **Flow testing programme confirmed excellent reservoir properties as indicated on logs**
- **Oil reservoir flowed 40° API oil at 7188 BOPD,**
- **Main gas reservoir flowed at 26 MMSCF/D**
- **Flow rates restricted by rig facilities and heat**

BILABRI CROSS SECTION



BILABRI - SUBSURFACE MAP ON MGS

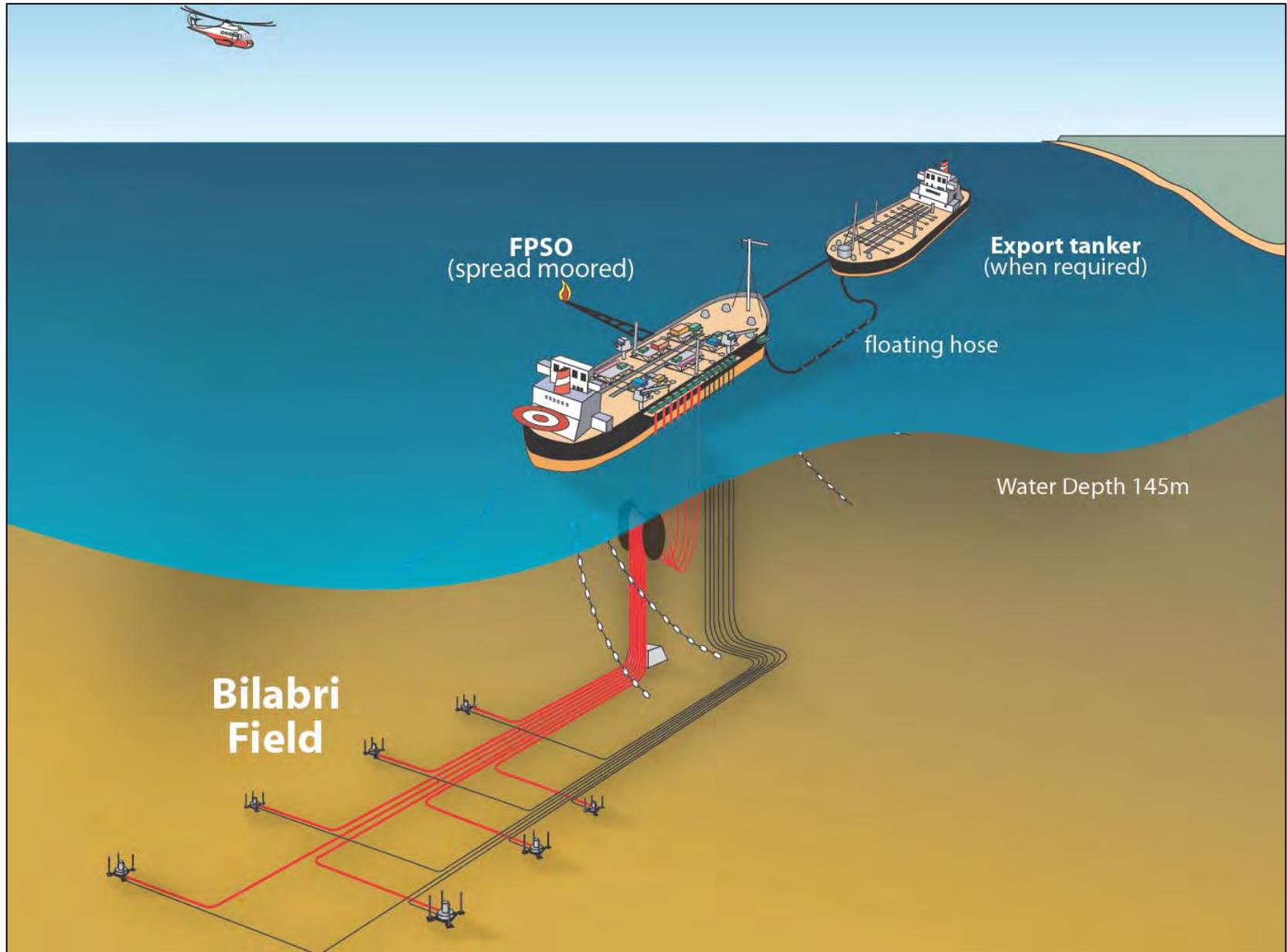


BILABRI OIL DEVELOPMENT

- **Oil-in-Place - 131* MMBBLS**
- **Proven & Probable Reserves – 45* MMBBLS**
- **Planned development comprising 6-7 sub-sea wells and Floating Production, Storage & Offtake (FPSO) vessel**
- **Long lead items have been purchased**
- **FPSO tendering nearing completion**
- **Oil production potential of 30,000+ bopd**
- **First Oil planned for Q3 2007**

*** Independent estimates by Horizon Energy Partners B.V.**

BILABRI CRUDE OIL DEVELOPMENT



BILABRI OIL - FISCAL TERMS

- Revised terms applicable for Petroleum Operations carried out by Indigenous Oil Companies

Royalty

Production Rate bopd

0-5,000

5-10,000

10-15,000

15-25,000

>25,000

Royalty

2%

5%

10%

16.65%

16.65%

Petroleum Profits Tax

60%

Investment Tax Allowance

15%

BILABRI OIL DEVELOPMENT – TECHNICAL PARAMETERS

- **Remaining Capital Expenditure** **\$279 million**
- **Plateau Production Rate** **30,000 bbls/day**
- **Recovery** **45mmbbls**
- **Opex per bbl** **\$4.39/bbl**

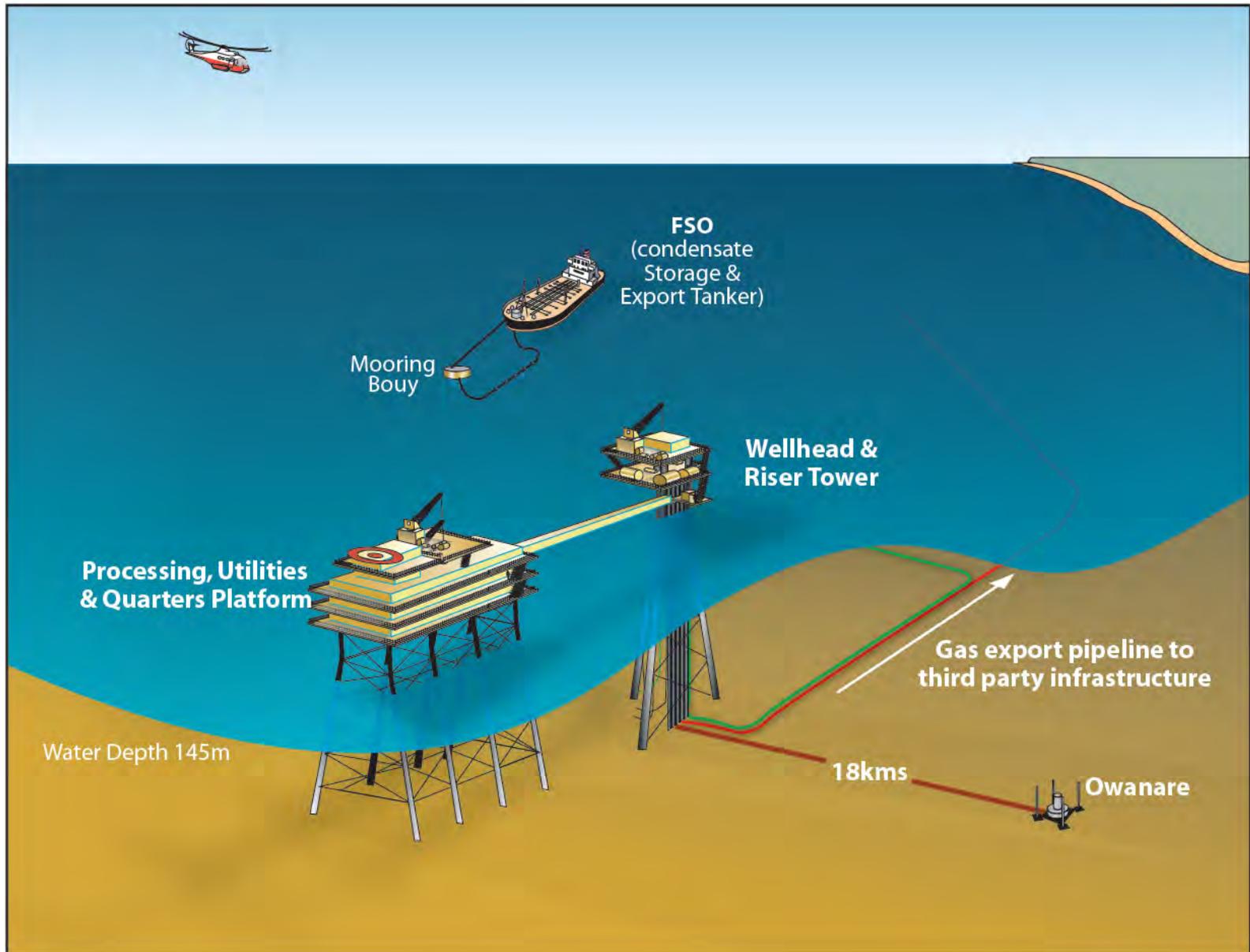
BILABRI & OWANARE GAS – CONCEPTUAL DEVELOPMENT

- **734*** bcf of recoverable gas resources discovered in Bilabri
- **Further gas and condensate potential from the deep sand penetrated but not logged & from further exploration potential below**
- **148*** bcf of recoverable gas resources discovered in Owanare
- **Equator aggressively pursuing the monetisation of these gas resources**
- **Conceptual technical studies indicate that development of Bilabri is viable from 4 wells through a number of schemes such as that illustrated**
- **Studies also indicate that Owanare can be developed simultaneously as a satellite scheme to Bilabri comprising the existing well and a sub-sea pipeline**
- **Marketing negotiations are underway**

*** Independent Estimates by Horizon Energy Partners B.V.**

Resources classified as Contingent Resources at the Best Estimate Level under SPE Classification System i.e. potentially recoverable but market not yet established

BILABRI & OWANARE GAS – CONCEPTUAL DEVELOPMENT



BILABRI & OWANARE GAS – FISCAL & COMMERCIAL TERMS

Fiscal

Royalty on Gas is waived

Corporate Tax Rate 30%

Condensate taxed as Oil at 60%

Tax holiday of 5 years for gas

90% accelerated capital allowance

Investment Tax Allowance 15%

VAT & Duty Free

Commercial

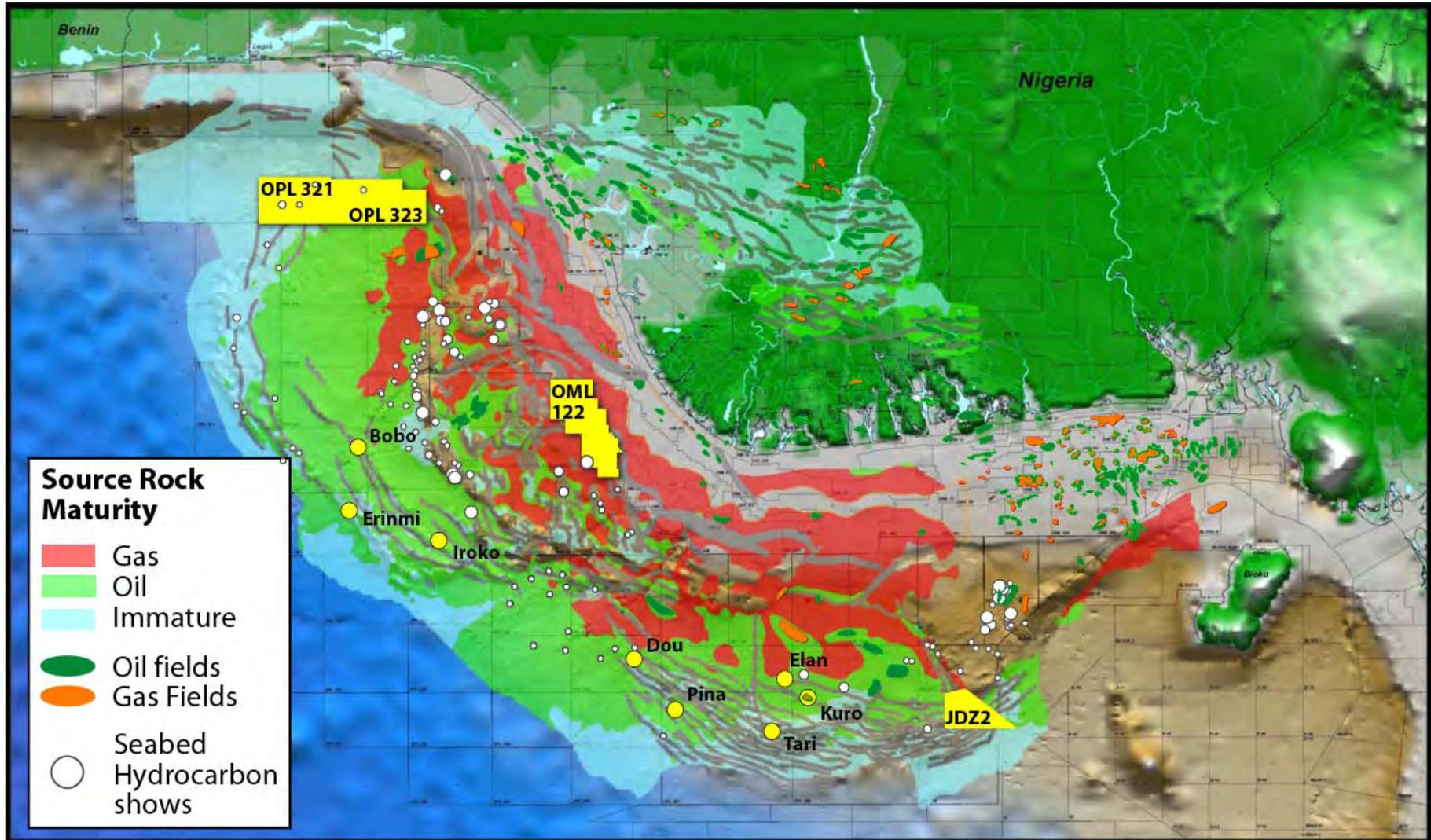
Equator Paying share = 40%

Equator Revenue Share = 40%

NIGERIAN 2005 LICENSE ROUND

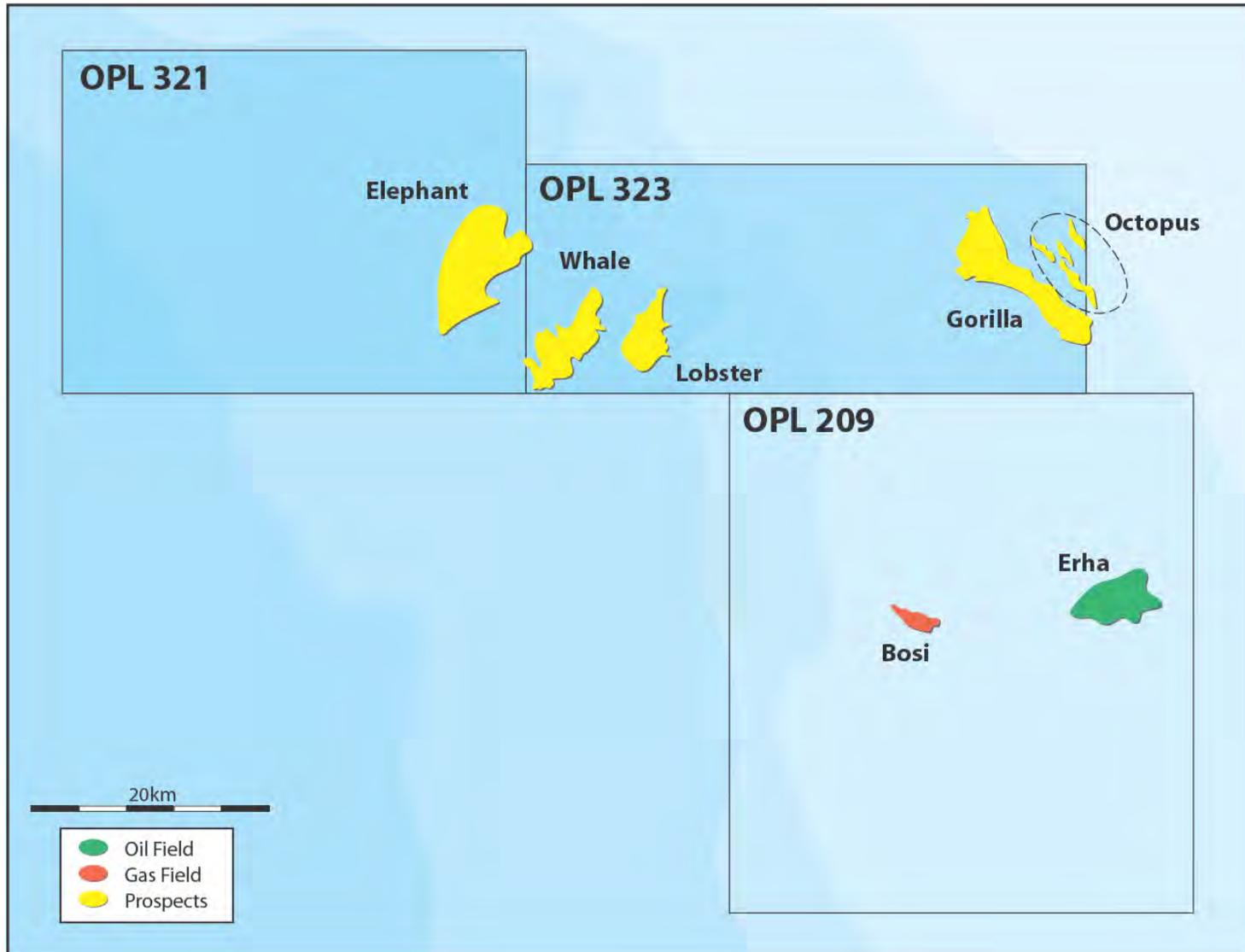
- **Joint bidding agreement with ONGC Videsh Ltd. for the 2005 Nigeria License Round**
- **Equator and ONGC bid on two deepwater blocks**
 - **OPL 321 & OPL 323**
- **Equator, ONGC and KNOC awarded Blocks OPL 321 & OPL 323**
 - **ONGC/Equator awarded 30% (net 10.5% to Equator)**
 - **ONGC withdraws; Equator acquires 30%**
 - **Production Sharing Contracts signed with Govt. March 2006**
 - **Signature bonuses paid & performance guarantees placed in April 2006**
- **Work Programme Underway**
 - **Technical & Operating Committee Meetings held in Seoul and Lagos**
 - **3D Seismic Purchased**
 - **Aggressively Searching for Drilling Rig**

OLIGOCENE MATURITY & WELL RESULTS



Source: Total investor relations presentation Aug 2005

OPL 323 & 321 - PROSPECTS



PROSPECTS

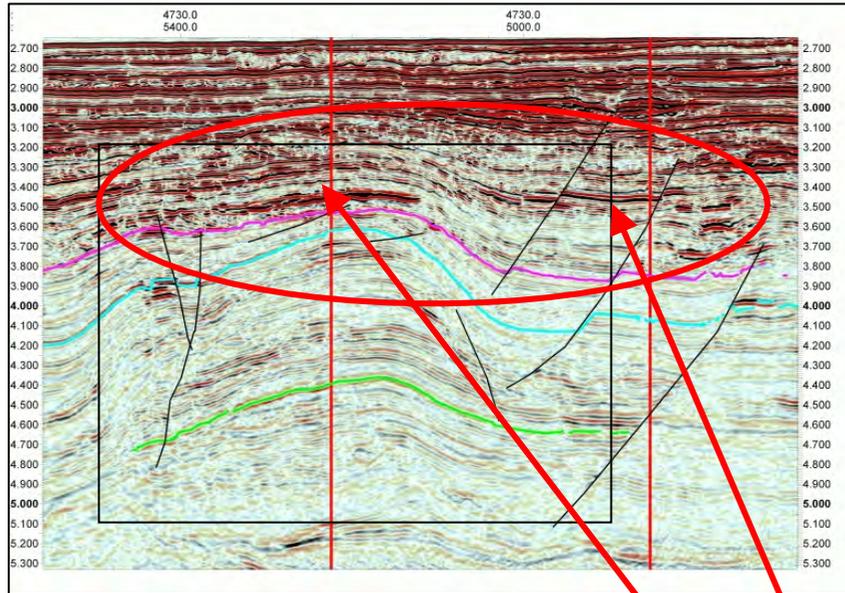
- **OPL 323:**
 - 4 prospects
 - **Aggregate 4* billion barrels of Prospective Resources at Best Estimate level**
 - **Seismic evidence of reservoir**
 - **Seismic amplitudes indicate hydrocarbon charge**
 - **Modeling predicts mature Akata source rock**

- **OPL 321:**
 - 1 giant prospect
 - **2.8* billion barrels of Prospective Resources at Best Estimate level**
 - **Lower Miocene to Oligocene reservoirs predicted**
 - **Direct access to Cretaceous Source rocks from Fracture Zone**
 - **Evidence of abundant Cretaceous aged oil migrating into Tertiary traps in adjacent fields**

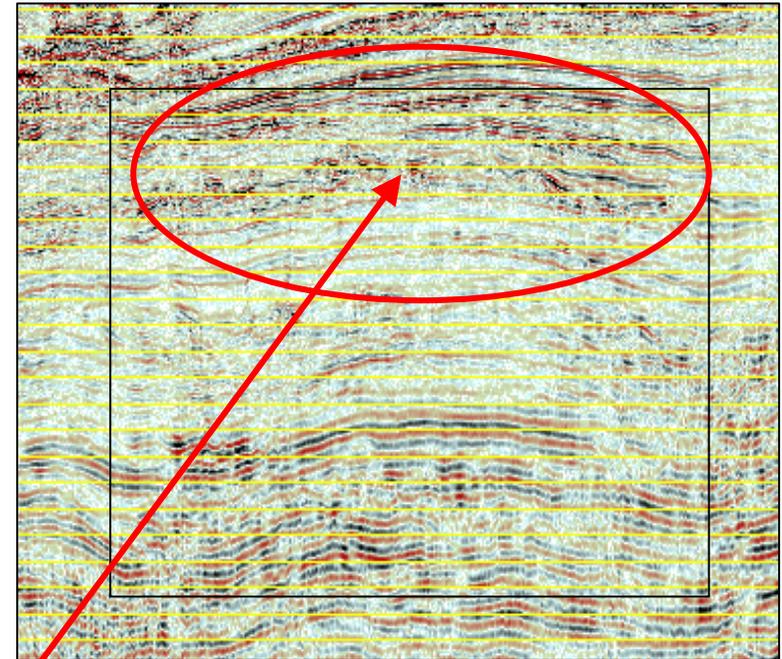
- *** Independent Estimates by Horizon Energy Partners B.V.**

ANALOGY WITH EXXONMOBIL BOSI FIELD

**Whale Prospect
OPL 323**



**Bosi Field
Reserves ~500MMBO + 5 TCF**

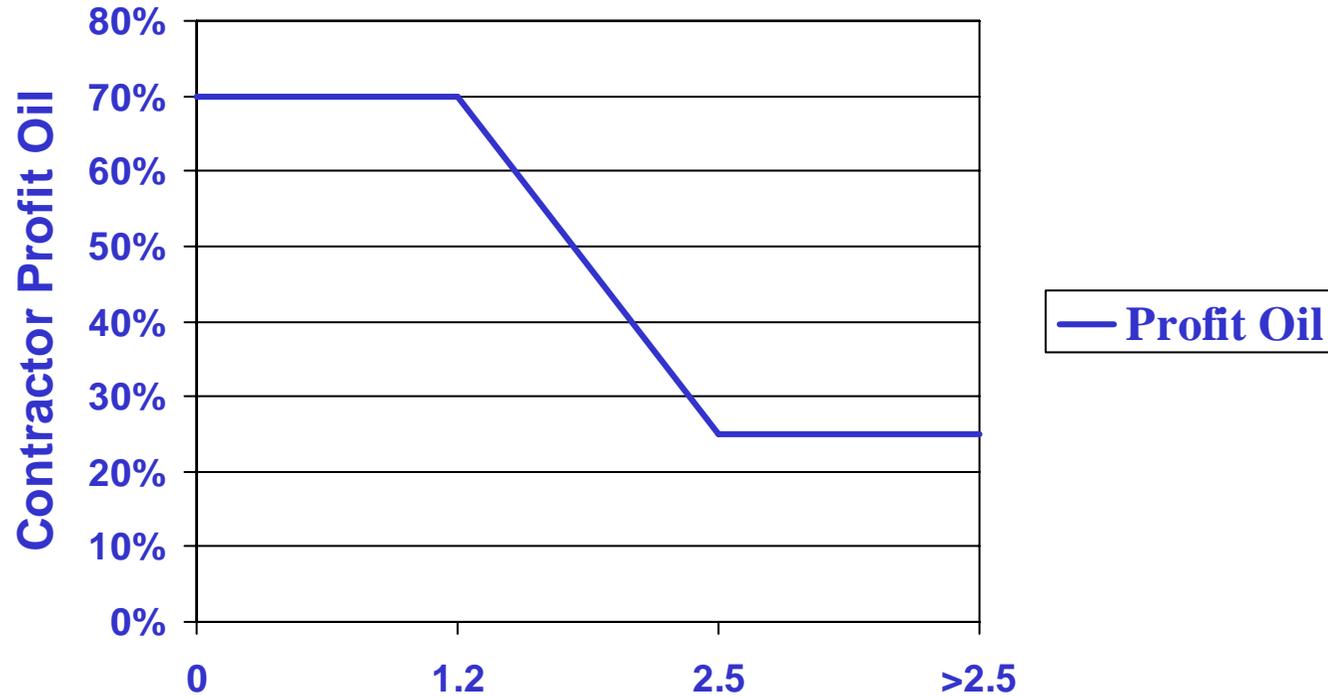


**Shallow, Upper to Mid Miocene
DHIs indicate charge
Lower Slope to Basin Floor sandstone seismic character
Simple closure**

OPL 321 & 323 - FISCAL TERMS

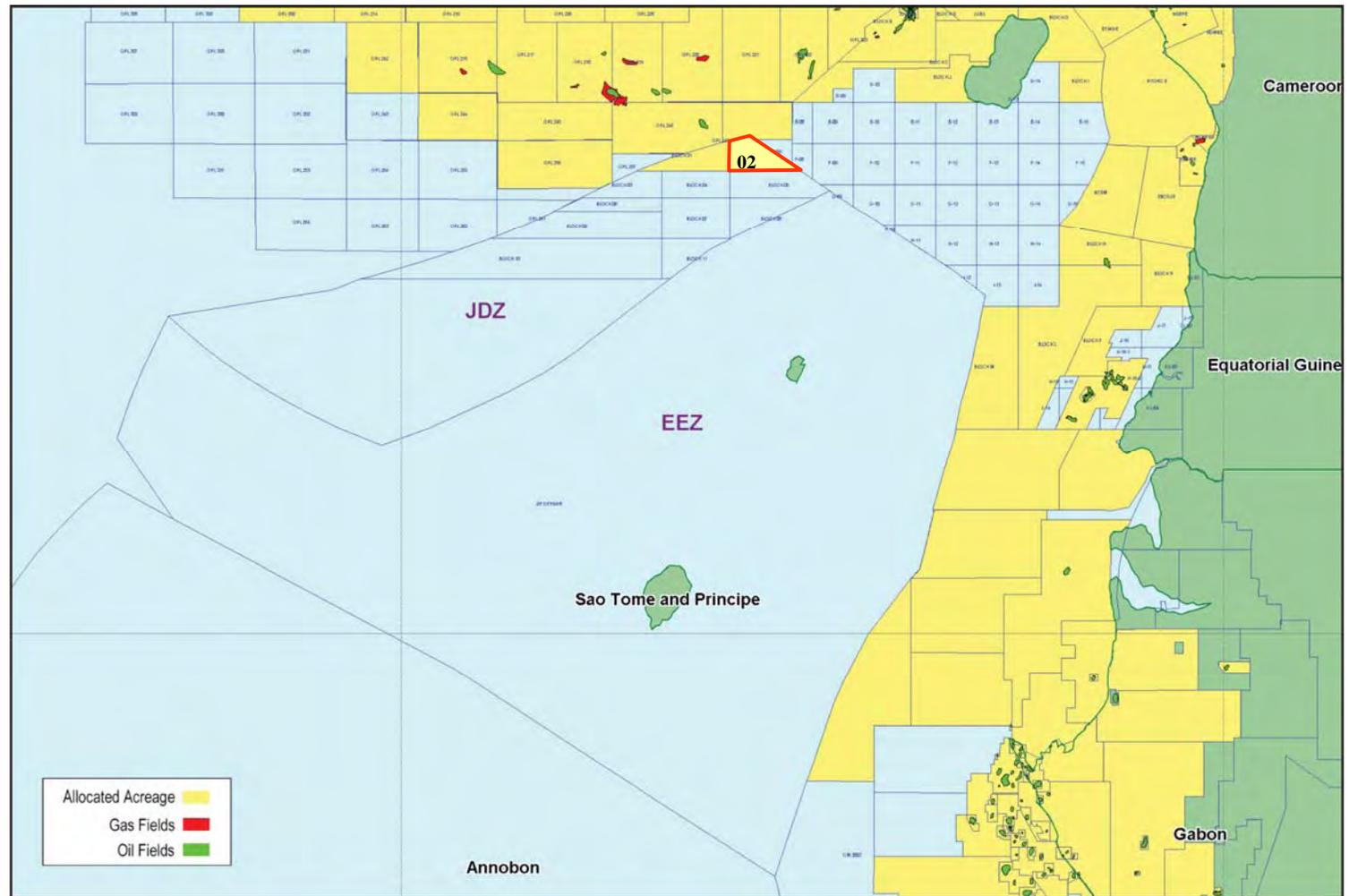
- **Cost Oil - 64%**
- **Profit Oil - Function of R (next slide)**
- **Royalty Rate 8%**
- **Petroleum Profits Tax 50%**
- **Fiscal depreciation 5 yrs (incl. pre-production capex)**
- **Investment Tax Allowance (ITA) 50%**
- **Production bonuses of 0.2, 1 and 1 MMbbls oil after cumulative oil production of 1, 220 and 500 MMbbls**
- **Fiscal entitlements not utilized are carried forward without limitation**
- **7% Carry for Local Companies; costs recoverable from LC profit oil**

FISCAL TERMS – PROFIT OIL



$$R = \frac{\text{Cum Contractor Cash Flow}}{\text{Cum Capex \& Opex}}$$

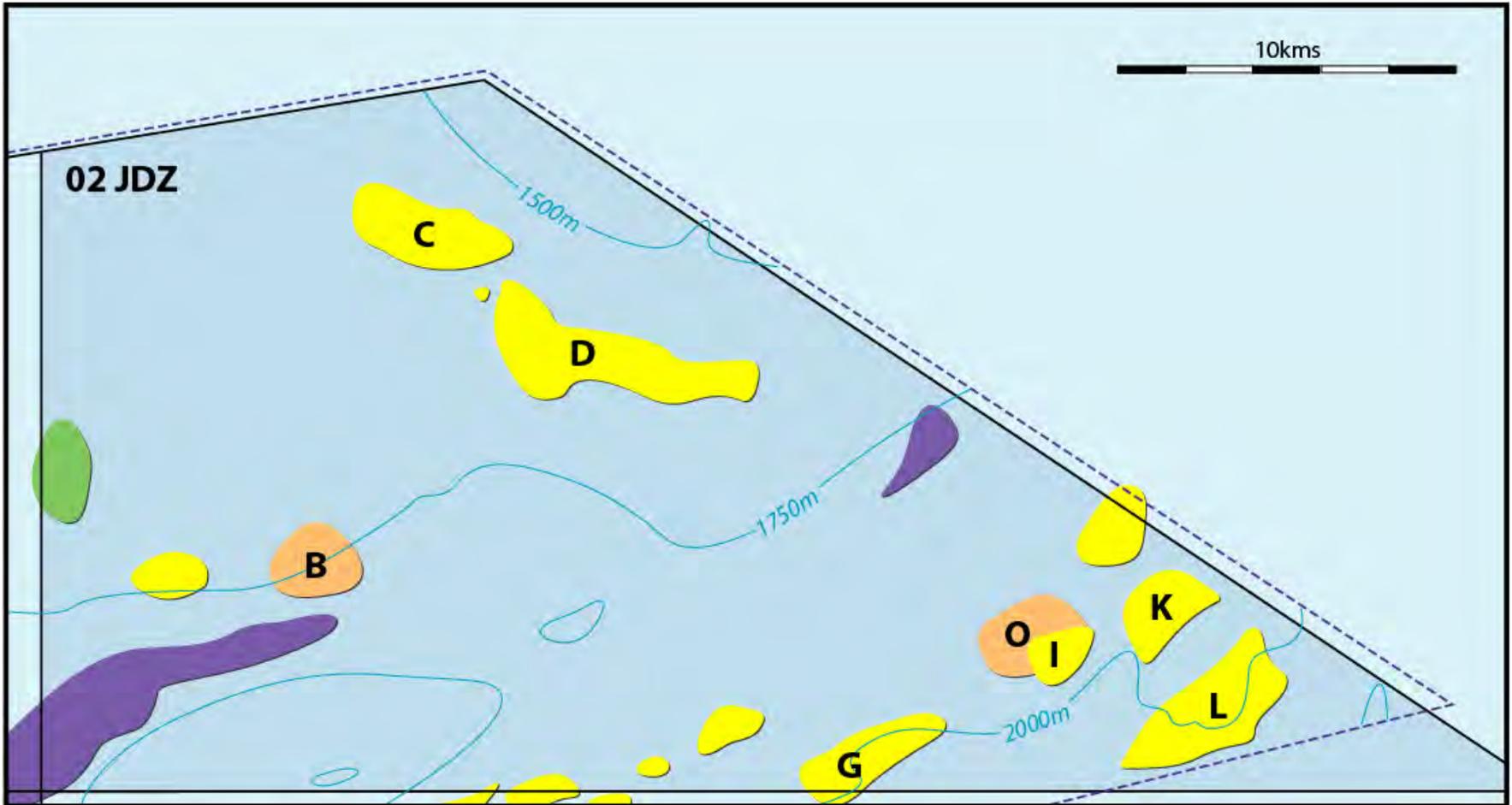
SÃO TOMÉ & PRÍNCIPE JDZ & EEZ



JDZ BLOCK 2 - PROGRESS

- **Equator jointly bid with ONGC in the 2004 JDZ Licensing Round**
- **PSC and JOA signed with the Joint Development Authority and Partners in March 2006**
- **Equator has 9% Working Interest**
- **Signature Bonus Paid and Work Guarantees Placed in April 2006**
- **Operator Sinopec**
- **Additional Partners: Addax, ERHC, Amber, Hatman and Foby**

JDZ BLOCK 2 - PROSPECTS



JDZ BLOCK 2 - PROSPECTIVITY

- Chevron recently announced that the Obo 1 Well, in adjacent Block 1, has encountered Oil and Gas in excellent sands,;
- **Independent report by PGS** on Block 2 estimates:
 - Risked Prospective Resources of 900 million barrels;
 - Top four prospects each have Prospective Resources (unrisked) ranging from 200 to 600 million barrels;
- 3D seismic has been purchased;
- Partners aggressively seeking rig;
- Anticipate drilling in 2007/08.

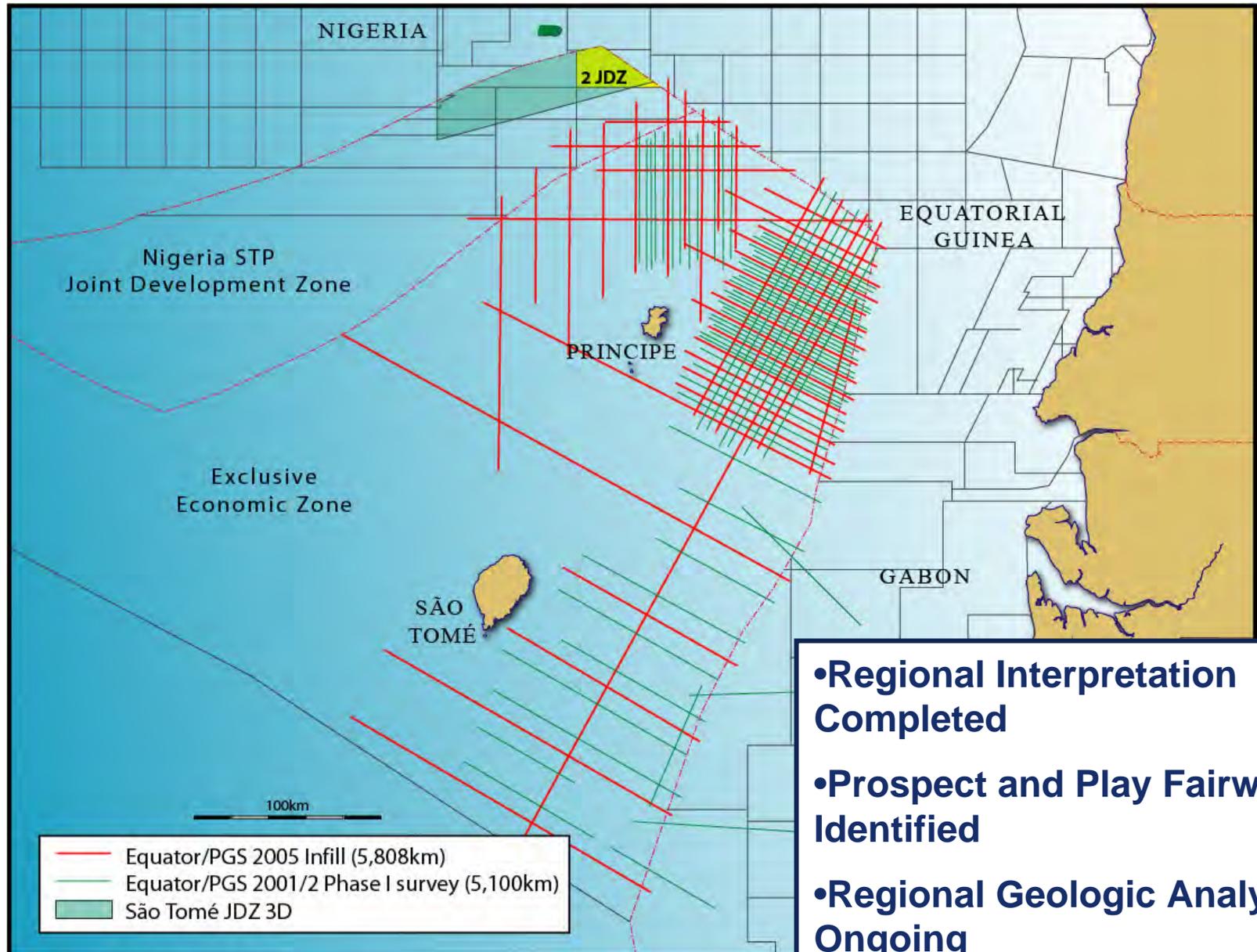
INTERESTS IN THE EEZ

- **Active Presence since 1998 giving *First Mover Advantage***
 - **Signed two contracts in 2001**
- **Rights to acquire a 100% working interest in two blocks in the EEZ**
- **Option to participate with the Government, up to 15% in any Government participating interests (back-in rights) in the EEZ**
- **Equator/PGS have Exclusive rights to acquire 2D/3D Seismic in JDZ and EEZ**
- **Plan to select its two blocks in Q3 2006**
- **Negotiations of PSCs with the Government anticipated to be concluded by end Q4 2006**
- **Equator anticipates offering participation in blocks in Q4 2006**

SEISMIC DATA ON THE EEZ

- **5,100 km of seismic acquired with PGS Exploration (UK) Limited (PGS) in 2001 and 2002**
- **Equator and PGS completed a 5,808 km infill 2D seismic acquisition programme in late June 2005**
- **Equator & PGS have evaluated existing 10,000 km of 2D data acquired in 1998**
- **Over 20,000 line km has been interpreted by Equator and PGS**

EQUATOR 2D SEISMIC DATA IN THE EEZ



- Regional Interpretation Completed
- Prospect and Play Fairways Identified
- Regional Geologic Analyses Ongoing

SUMMARY

- **Unique diversified asset portfolio in West Africa**
 - Acquire high impact exploration acreage in proven basins
 - Acquire appraisal/development assets with exploration upside
 - Technology driven
 - Numerous multi-client 3D data sets acquired
- **Proven reserves with early oil production planned**
- **Significant gas utilisation projects being developed in the region**
- **Aggressive drilling program in 2006**
- **Significant exploration upside**
- **Strategic partnerships with Asian NOC's (ONGC, KNOC, Sinopec)**
 - Access to deepwater drilling rigs
 - Significant demand for LNG and crude oil
- **Substantial growth opportunity**