



SONORO ENERGY LTD.

AGM Presentation

October 19, 2017

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Corporate Profile



Sonoro Energy Ltd. (TSXV:SNV)

- Focused on proven Indonesia basin with shallow but material oil and gas resources

Exploration and Appraisal with a Paradigm Shift

- Utilization of a drilling coring rig for exploration/appraisal
- Core data, logging and testing to validate reservoir quality for early development

Indonesian Budong Budong License – Period of Activity

- LG-1 Up-dip well currently being drilled
- Sonoro, through its subsidiary Stockbridge Budong Budong BV, has a working interest of 71.5%
- Appraisal well with 15.9MMbbls of prospective recoverable resources
- Several other larger structures identified on Budong Budong

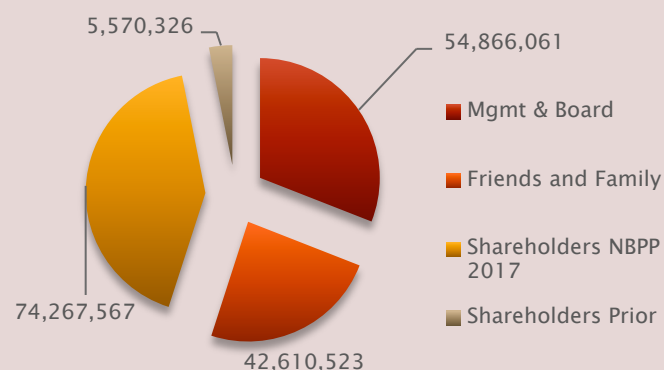
Experienced Board and Management Team

Several other opportunities are being reviewed and pursued where the Company can utilize its drilling – coring – testing methodology

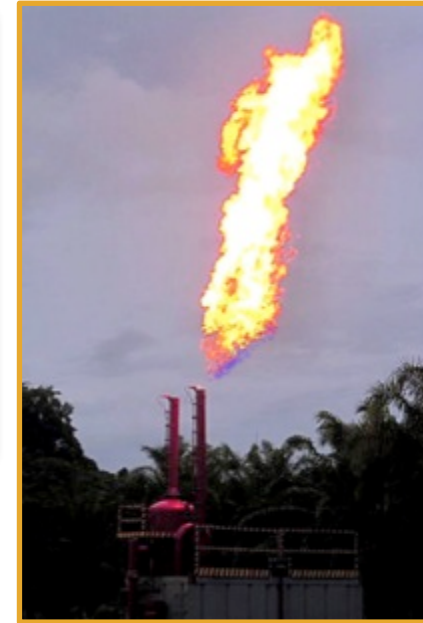
Market Data

Shares Issued	177 million
Closing Price (10/17)	\$0.04
Market Capitalization	~7.1 mm

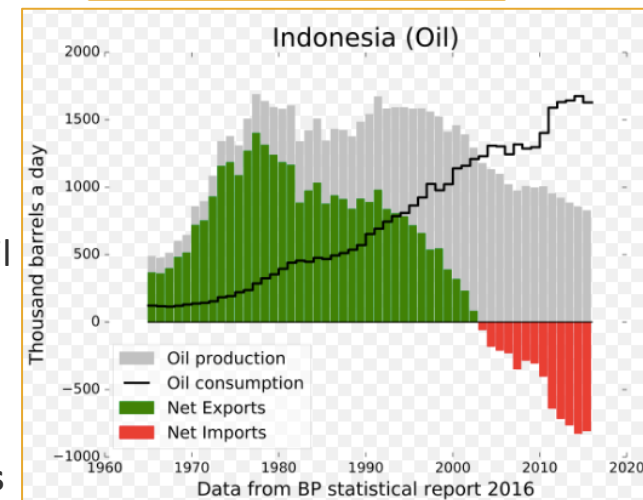
Ownership Estimates (June 2017)



Why Indonesia?



- One of the world's fastest-developing economies
- Demand for energy is outstripping supply
- Oil and gas fiscal regime is very well established
- Proven and mature oil and gas basins
- Indonesian government attracting more investment into energy in the face of declining oil and gas production
- Large pool of professionals and skills to draw upon in our oil and gas industry
- **Sonoro has an experienced team with a track record in Indonesia and the region**
- **Technical Advantage with approved drilling coring process**





What Differentiates SNV – Competitive Advantage

Exploration/Appraisal with Core Drilling and Testing

- Reduced Capital Requirements (potential 50% from conventional)
- Additional high quality core data, logging and testing to prove development potential
- Smaller footprint, lower mobilization cost and time

Proven execution with new approach

- SKKMIGAS approved Core Drilling Rig and approach
- Current proven rig and system can drill to 1,500m
- Larger core rig could drill to 2,000m

Veni, Vidi, Verti ... where others came, looked and left!

- Indonesian basins have numerous opportunities that have been overlooked or forgotten

Where there is documented “historic” success

- Lowers risk and Applied conventional wisdom

Where wells are REPEATABLE (like a resource play)

- Manufacturing process, bringing down costs

Where we apply our onshore experience to approach differently

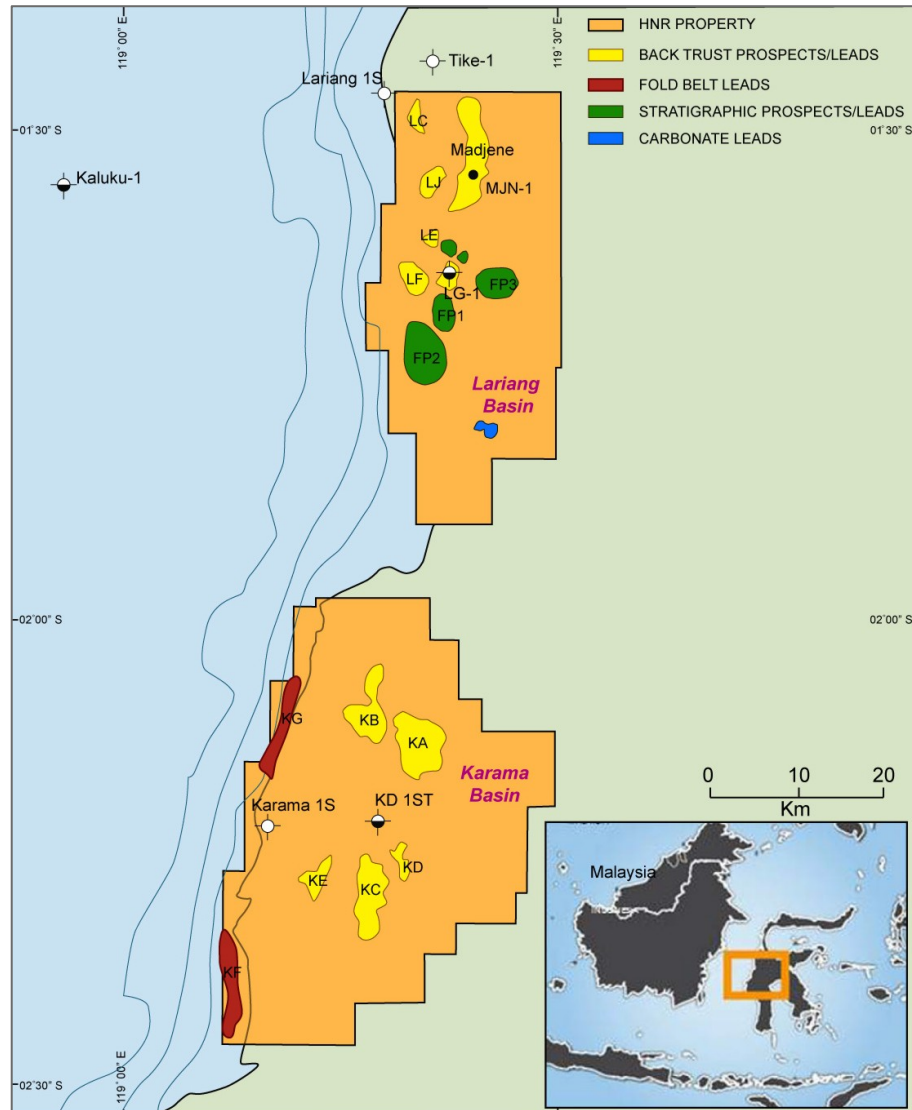
- Lower cost of exploration and appraisal
- Apply the right technology – Core Drilling Technique





BUDONG BUDONG PSC

Budong-Budong - Leads & Prospects



Two Major Basins

- Source kitchen known
- Extensive oil and gas seeps
- Discovery at LG-1 in shallow Lariang structures
- Oil and gas show at KD-1 Karama basin

Various Play Types

- Plio-Miocene sands in structural traps
- Pliocene sands stratigraphic trap
- Eocene sands in structural traps

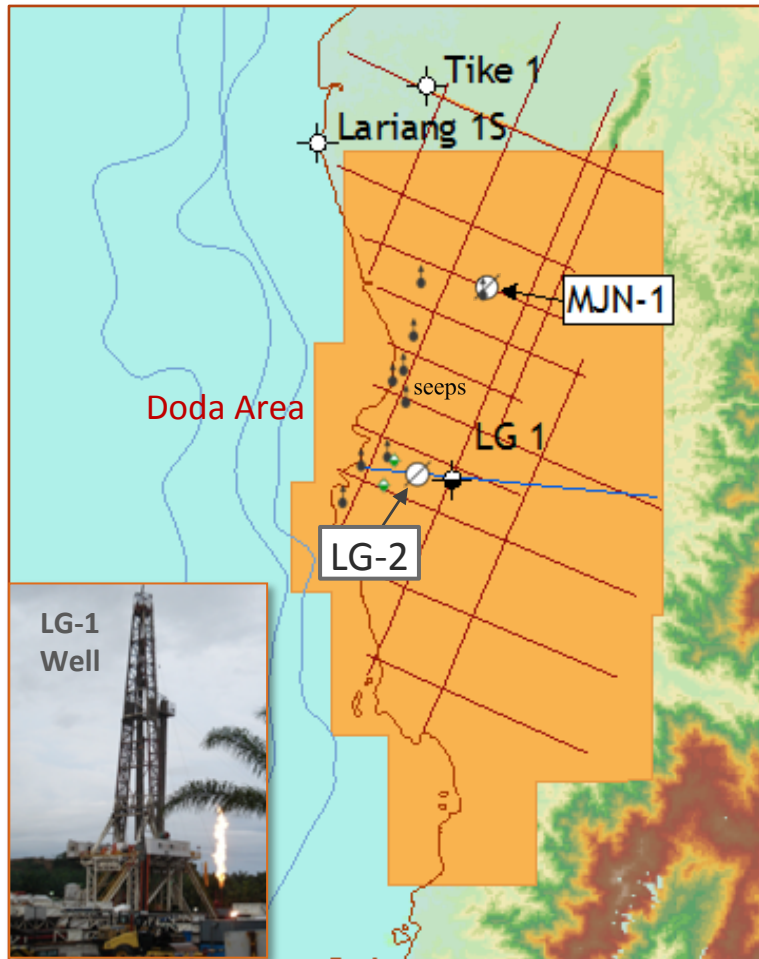
Appraisal Well at LG-1 Updip (Drilling Now)

- 15.9 mmBbls prospective resources
- Target 3-4 Pliocene sands between 300-500m

Additional Prospect Resources

- 13 prospects
- Madjene in north part of Lariang

Revisiting Success with LG-1 Updip well



Lariang: Revisit Success, 1900s Doda Area

- 100 years late!
- “Step out” to the LG-1 well
 - LG-2 is an up-dip “appraisal”
 - Favourable thickening seismic character
 - Will facilitate a fast-track POD
- Simple, very low risk exploration
- Shallow drilling targets (~500m)

Shallow Surface Anticlines and Oil Seeps

- Anticlinal Theory ... Revisited!
- “Oil seeps” successfully tested despite primitive 1900’s technology
- Recent LG-1 well
 - Plio-Miocene Lisu Fm. Sands penetrated w/good shows
 - Locations sub-optimal for Plio-Miocene given deeper Eocene targets
- New optimized Miocene locations
 - LG-2, MJN-1

Doda Area: Seeps, early success (1898)



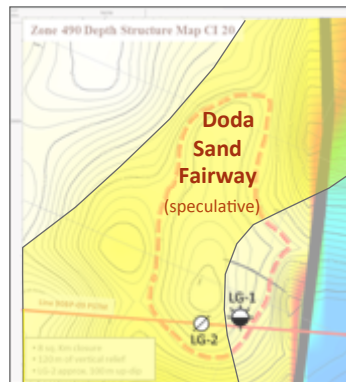
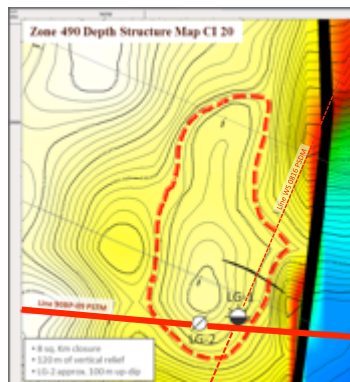
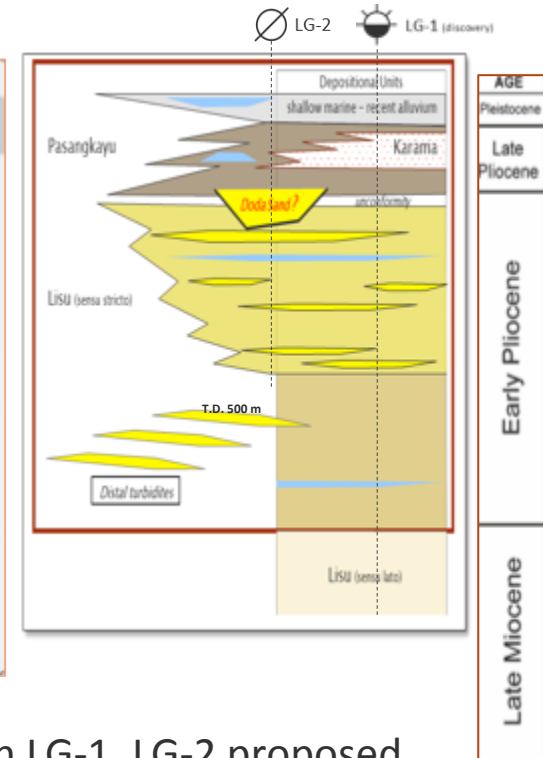
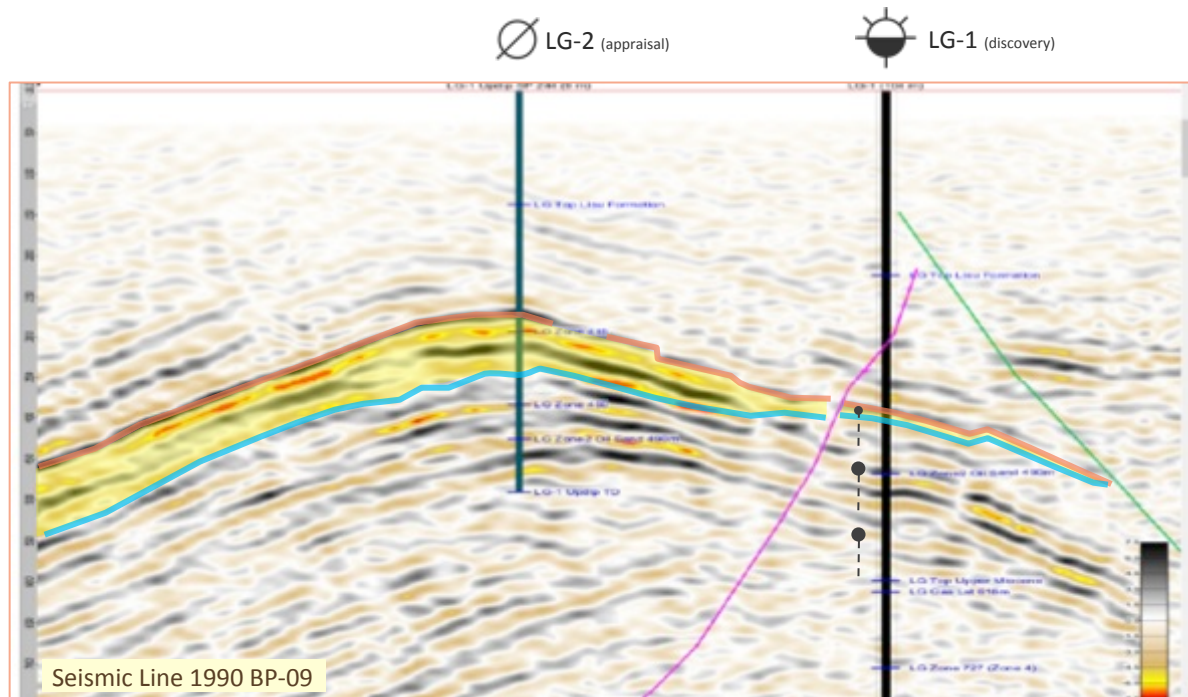
Shallow wells drilled with steam-powered cable tool rig to maximum depth of 250m (1898 to 1901): All wells reported significant oil and gas shows with several blow-outs

Production Sharing Contract Terms



Exploration License Term	<ul style="list-style-type: none">71.5 % Working Operating interest10 Years - Received Extension to Jan 15, 2018Will convert to a Production License on successful drill of LG-1 Up-dip and submission of POD
Production License Term	<ul style="list-style-type: none">Additional 20 Years following relinquishments - Expires January 15, 2038
Relinquishments	<ul style="list-style-type: none">Now down to 20% of original area, 1,099 sq. km remaining
First Tranche Petroleum	<ul style="list-style-type: none">10% to the Government
Cost Recovery	<ul style="list-style-type: none">Cost Recovery (100% to the contractor, unless the government has participated) - not limited until all approved costs have been recouped. <u>Cost pool ~US\$80 million (unaudited)</u>
Production Split	<ul style="list-style-type: none">Oil - 37.5% to Government and 62.5% to Contractor (35% after tax)Gas - 28.57% to Government and ~71.43% to Contractor (40% after tax)
Domestic Market Obligation	<ul style="list-style-type: none">After 5 years, 25% of Contractor share sold at 25% of Benchmark Price
Income & Distribution Tax	<ul style="list-style-type: none">44%
Production Bonuses	<ul style="list-style-type: none">\$250,000 @ 25 MMBoe; \$375,000 @ 50 MMBoe; and \$500,000 @ 75 MMBoe
Run Rate Production Takeaway	<ul style="list-style-type: none">Once all cost recovery is expended, Contractor after tax take is 31.50% (without accounting for the cost recovery pool which is further benefit to the Company)

LG-1 Up-dip Appraisal Well Drilling Underway



Seismic section through LG-1, LG-2 proposed

- LG-1 Up-dip to penetrate an untested reservoir section
- Significant thickening up-dip from LG-1
- Uppermost unit (yellow) may be a new reservoir
- Thickening: not included in resource estimates

The Prize: Appraisal of ~80mm bbls OOIP



Prospective Risked Resources (Sonoro Net Technically Recoverable) in the Budong Budong PSC area

LG Prospect	Sonoro Working Interest Prospective Resources - Unrisked ⁽¹⁾				Riskd Resources
	Low	Median	Mean	High	Mean ⁽²⁾
	Mbbl/MMcf	Mbbl/MMcf	Mbbl/MMcf	Mbbl/MMcf	Mbbl/MMcf
Crude Oil					
415 – Upper Zone ⁽⁴⁾	733	3,178	5,417	13,086	1,092
450 – Middle Zone ⁽⁴⁾	2,260	5,953	7,499	14,799	2,117
490 – Lower Zone ⁽⁴⁾	700	1,974	2,420	4,734	683
Total ⁽³⁾⁽⁴⁾⁽⁵⁾	6,614	13,073	15,336	27,368	3,892
Natural Gas					
415 – Upper Zone ⁽⁴⁾	166	692	1,238	3,037	250
450 – Middle Zone ⁽⁴⁾	520	1,359	1,726	3,421	487
490 – Lower Zone ⁽⁴⁾	161	440	555	1,104	157
Total ⁽³⁾⁽⁴⁾⁽⁵⁾	1,513	3,044	3,519	6,431	893
BOE ⁽⁶⁾					
415 – Upper Zone ⁽⁴⁾	761	3,293	5,623	13,592	1,134
450 – Middle Zone ⁽⁴⁾	2,347	6,180	7,787	15,369	2,198
490 – Lower Zone ⁽⁴⁾	727	2,047	2,512	4,918	709
Total ⁽³⁾⁽⁴⁾⁽⁵⁾	6,866	13,581	15,922	28,440	4,040

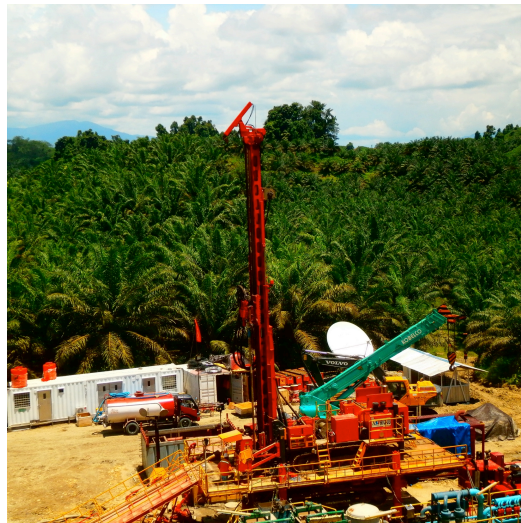
- (1) There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.
- (2) The riskd resources have been riskd for chance of discovery and riskd for the chance of development. The chance of development is defined as the probability of a project being commercially viable. Quantifying the chance of development requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social licence, internal and external approvals and commitment to project finance and development timing. As many of these factors are extremely difficult to quantify, the chance of development is uncertain and must be used with caution. After considering all of the relevant factors the chance of development was determined to be 70 percent.
- (3) Total based on the probabilistic aggregation of three zones within the LG structure.
- (4) Company gross resources are based on working interest share of the property gross resources.
- (5) Based on a Mcf to BOE conversion of 6 to 1.

Progress Update



- ✓ LG-1 Up-dip Lease Site acquired, constructed and operational
- ✓ LG-1 Lease site modified to utilize as logistics site (and future potential step out drilling site).
- ✓ Drill Rig Contractor – Core Rig, secured mobilised and drilling
- ✓ Other Services all in place and operational
- ✓ Rig Mobilized mid-September
- ✓ LG-1 Up-dip Well spudded Oct 2, 2017
- ✓ SKKMIGAS and MIGAS extension of program to Jan 15, 2018 and approval of drill site as established
- ✓ Commence main hole drilling (60m – 300m) Currently drilling this section
- ✓ Pre-planning underway for further lease acquisitions for additional step out wells and possible early production scheme – assuming success at LG-1 Up-dip
- ✓ Pursuing other opportunities where we believe we can utilize this drilling coring concept at reduced costs for high impact potential exploration

Progress Pictures



Budong Budong Potential Next Steps



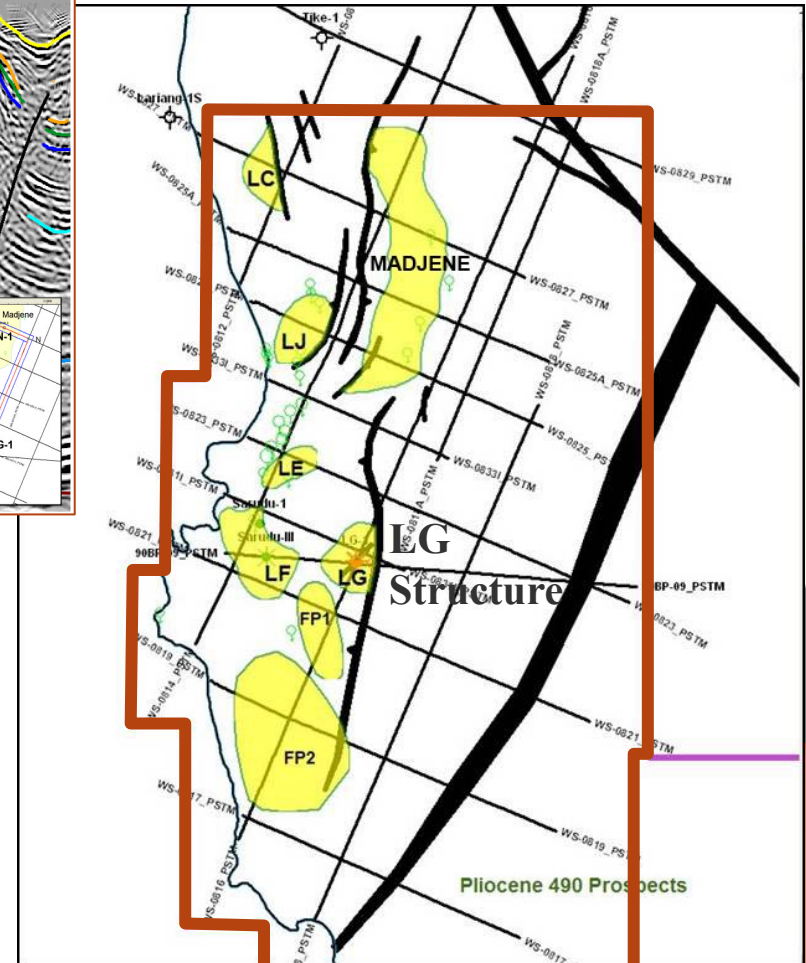
Assuming discovery....

Drill Step out Locations

- Drill 2-3 additional step out wells (UKLP environmental permit approved for 7 locations)
- One location may be original LG-1 site with slight deviation
- Complete 3-4 wells and place on early production
- Complete Plan of Development
- Potential early production and sales in 2018

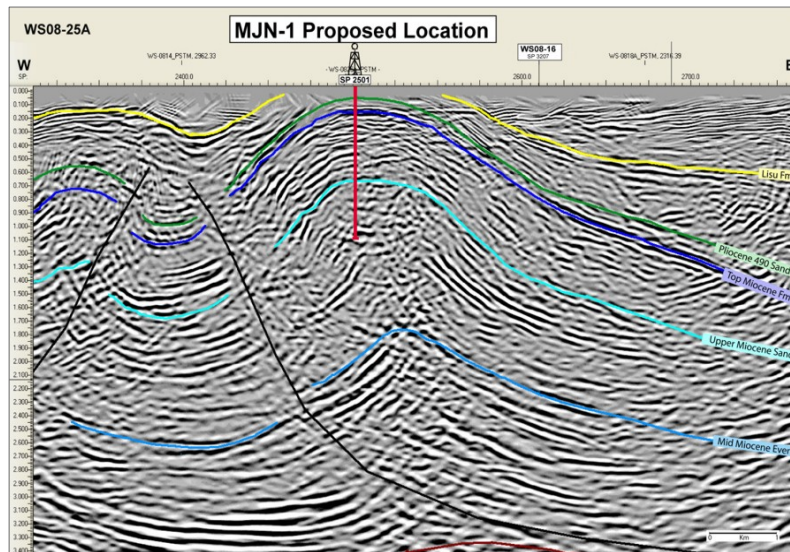
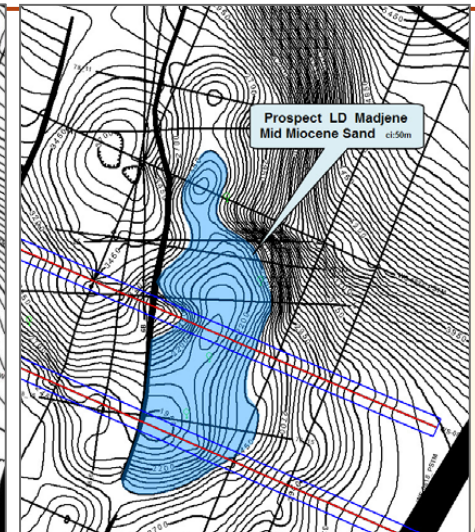
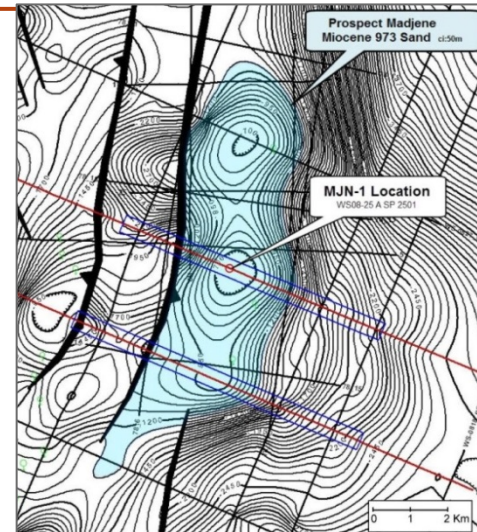
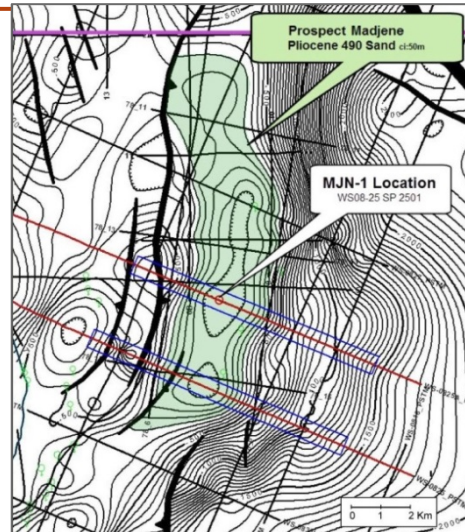
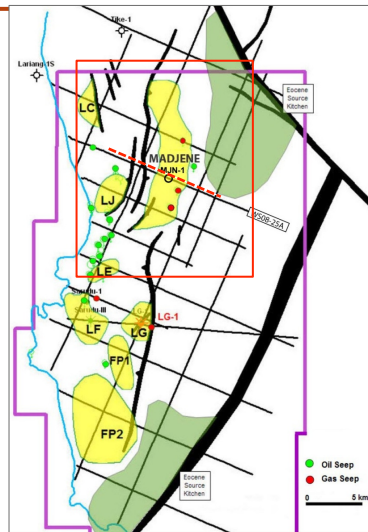
2D Seismic over Madjene Structure

Drill exploration well at Madjene



- Three potential Pliocene oil sands encountered in LG-1, but poor hole condition and resultant logging problems preclude a definitive reservoir description
- Potential plays include re-drill of LG-1 (Currently being Drilled), multiple flank sands and Doda high feature with significant surface oil seeps with old oil wells

Next Target Structure - Madjene Prospect (MJN-1)



- Large, thrust anticline
- Stacked Pliocene - Miocene reservoirs
- Associated surface O&G seeps
- Largest & best defined structure in Lariang Basin
- MJN-1 should be a valid structural test of Madjene



PROVEN TEAM WITH TRACK RECORD

Corporate Strategy



Leverage team track record, experience and technology to build a significant balanced portfolio of high-quality oil and gas assets in onshore Indonesia and South East Asia

Develop low-cost onshore development repetitive model

- Budong Budong (BB) Sulawesi, shallow 16 MMbbl potential development
- Additional larger structures in basin identified to pursue following BB success
- Repeat this process, along with technical onshore expertise, to other PSC's

Focused on other Indonesian potential large low-med risk , high impact De-Risked Exploration opportunities where we can apply newly proven drilling/coring model.

- Opportunities to drill high impact exploration wells at a fraction of cost, even within fairly remote areas (this is being proven in W. Sulawesi with our current LG-1 Updip well).

Continue to pursue other near term production/development opportunities in Indonesia and SE Asia (entry costs generally higher, but lower risk)

- Numerous companies in SE Asia in financial difficulty and unable to move discoveries forward, due to capital restraints
- Low risk as discovered, near term production and cash flow
- Private local companies and IOC's looking to gain liquidity or exit respectively

Potential to gain offshore experience in material projects through initial non-operated interests with strategic partner

Board



Chris Atkinson (Chairman)



- Geologist, 30 years international: Shell, ARCO, V.P. ARCO Europe/N. Africa
- Major successes in China, New Zealand, Indonesia and the United Kingdom
- Track record of building and financing start-up exploration and production ventures
- SE Asia, the UK, Canada and the Caribbean.

David Winter (Director)



- Geologist, over 27 years International Oil: Horizon Petroleum, CalValley, AEC, Cdn Oxy, Sun Oil, BP
- Europe, SE Asia, N. America, S. America, Africa
- Currently CEO and President of Horizon Petroleum Ltd.; Founder & Director of Canacol Energy
- Formerly with Cdn Occidental in Indonesia

David Robinson (Director)



- Geologist, 25 years International: RadCan, Arakis Energy, Forum Energy, and Benchmark
- Colombia, Philippines, Tunisia, Egypt, Indonesia, Turkmenistan, Sudan, PNG, Oman
- Currently VP Business Development of Horizon Petroleum Plc;
- Has been involved in raising over \$300mm across various ventures

Ryszard Kurr (Director)



- Over 30 years international commercial and financial experience in Oil and Gas
- Most recently with Noble and Glencore and formerly with BP and Vitol
- Majority of experience living and working in SE Asia, Europe and Africa
- Currently establishing and investing in start up and growth energy companies



Richard Wadsworth

Director and Chief Executive Officer
(see management)



Bill Marpe

Director and GM Indonesia
(see management)

Management Team



Experienced International & SE Asia Team with successful track record



L to R:

- Richard Wadsworth**
Chief Executive Officer : Engineer, 25+ years international: Premier, Anglo Albanian, Koch, Syncrude & Esso Co-Founder Bankers Petroleum, President & COO; Increased production to 7,000 bopd; 2P reserves of 100+ mmbbl While at Anglo Albanian Petroleum (Premier Oil), drilled the first twenty well in Albania in over 20 years Developed numerous oil and gas fields for Koch exploration in W.Canada during his early career
- Bill Marpe**
General Manager
Jakarta, Indonesia : Lawyer (TX), 35 years international: Union Texas Petroleum, Transworld Oil Ltd. President of three Production Sharing Companies in Indonesia. General Manager of P.T. Petcon Borneo: Palangkaraya Block sold to Conoco-Phillips Founder and President of Stockbridge Oil & Gas Ltd
- Dean Callaway**
Chief Financial Officer : 25 years International experience. Bukit Energy Indonesia, Gallic Energy, Pan African Oil, TG World, Enbridge, TransAlta, and Merrill Lynch. Chartered Professional Accountant, Bachelor Commerce from Dalhousie with MBA from Nijenrode University. Experience in Indonesia, Philippines, Thailand, France, Niger and N. America
- Hening Sugiatno**
Geoscience : Geologist, Colorado School of Mines, MSc; 20 years Oil E&P experience in Indonesia. Managed several PSC blocks: W. Kampar, Pandalian Field, Sumatera. Developed play concepts leading to award of Palangkaraya PSC, Kalimantan
- Alan Rachman**
Government Liaison) : Engineer, >30 years upstream and downstream operations in Indonesia. PT Petcon, Harvest Natural Resources and Ormat International. Started his career with Schlumberger. Regular participant in Indonesia Government and and regulatory consultative panels focusing on renewable energy.

Team Track Record



The Sonoro team has a proven track record of incubating startups.

Company	Initial Investment	Exit/IPO	Value Extracted
PDA/Serica	2000	2004	c15x initial \$*
Mitra Energy	2006	2008	c10x initial \$
TopOil	2006	2007	c25x initial \$
MPX	2006	2010–11	c5x initial \$
ZinMac	2007	2010	c8x initial \$
GFP	2008	2010	c10x initial \$
Transition/Vela	2011	2013	c20x initial \$
Bankers Petroleum	2004	2016	c\$500mm+

Digital Media Links



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SONORO ENERGY LTD.

THANK YOU!

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