RISC

decisions with confidence

Not all resources are equal

and why it’s important to understand

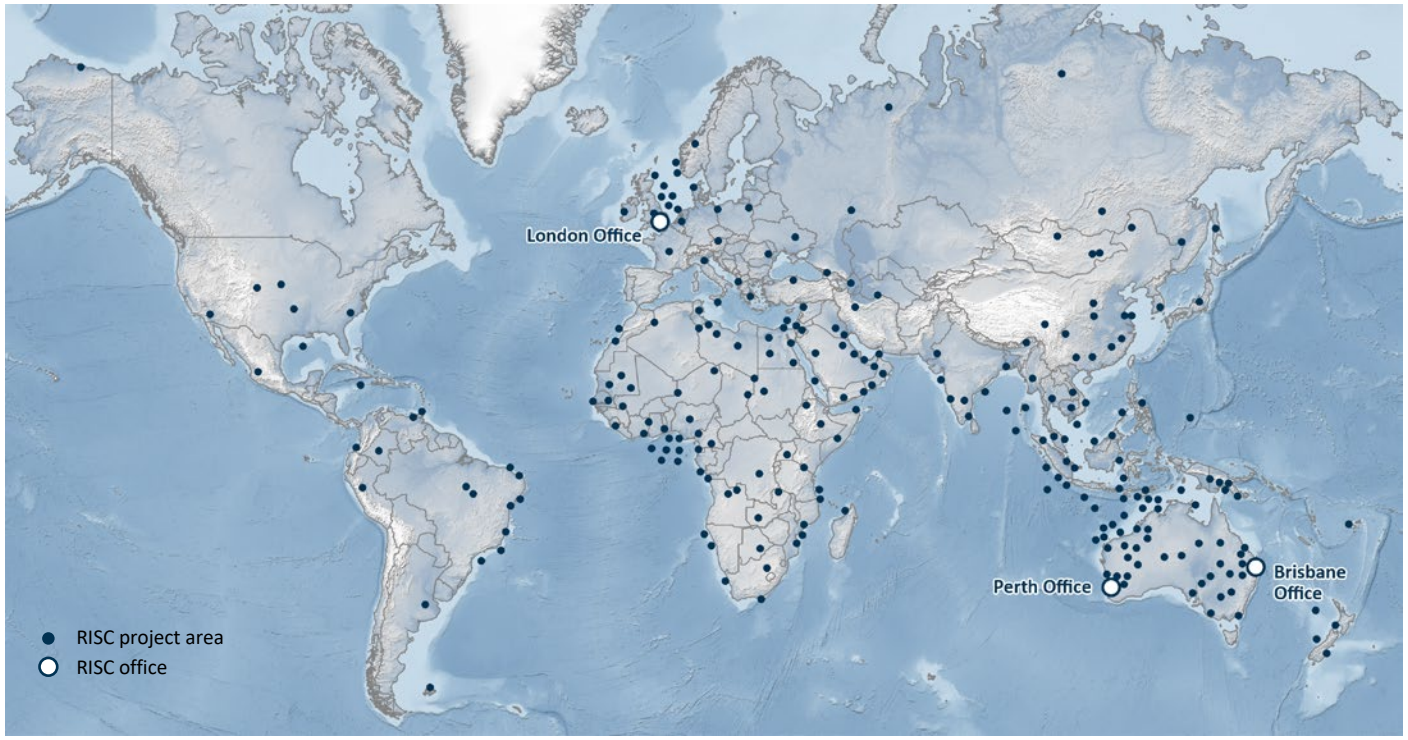
Essential Energy September 2026

Who we are

Founded in 1994, RISC is an independent advisory firm offering the highest level of technical and commercial advice to a broad range of clients in the energy industries.

RISC (Resource Investment Strategy Consultants) works in partnership with operators, non-operators, banks and private equity firms to support their interests in energy projects around the world.

Using highly experienced staff from our offices in Perth, London and Brisbane, we provide a more comprehensive, reliable, and respected opinion faster than anyone else in the industry. RISC's independent and practical perspective helps our clients to understand the uncertainties, risks, opportunities and challenges associated across the entire project lifecycle, enabling them to make their *decisions with confidence.*



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RISC provides a more comprehensive, reliable and respected opinion faster than anyone else in the industry, enabling our clients to make their business decisions with confidence.

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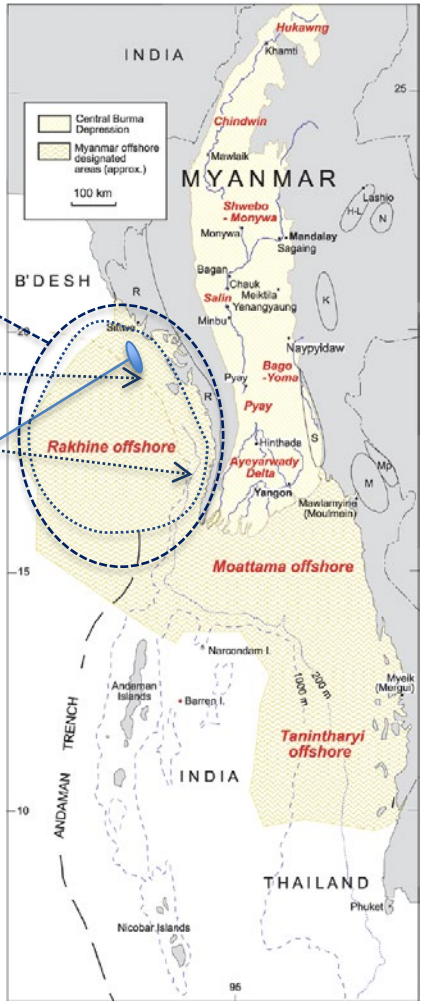
Petroleum Resources – what are they?

Petroleum Resources Management System (PRMS)

- Prospective Resources
  - Not yet discovered
    - May be vast or non-existent
- Contingent Resources
  - Something has been discovered
    - May or may not be commercially attractive
    - No firm plan to develop
- Reserves
  - Commercial quantities
    - Commitment to a development

- Prospective Resources
  - Up to 106 Tcf in Rakhine and Ayeyarwady
- Contingent Resources
  - 2-4 Tcf
    - Mahar (A-3)
    - Shwe Yee Htun (A-6)
  - Up to 14 Tcf "state certified" proven natural gas in Ayeyarwady deepwater blocks
- Reserves
  - ~4 Tcf Shwe / Mya

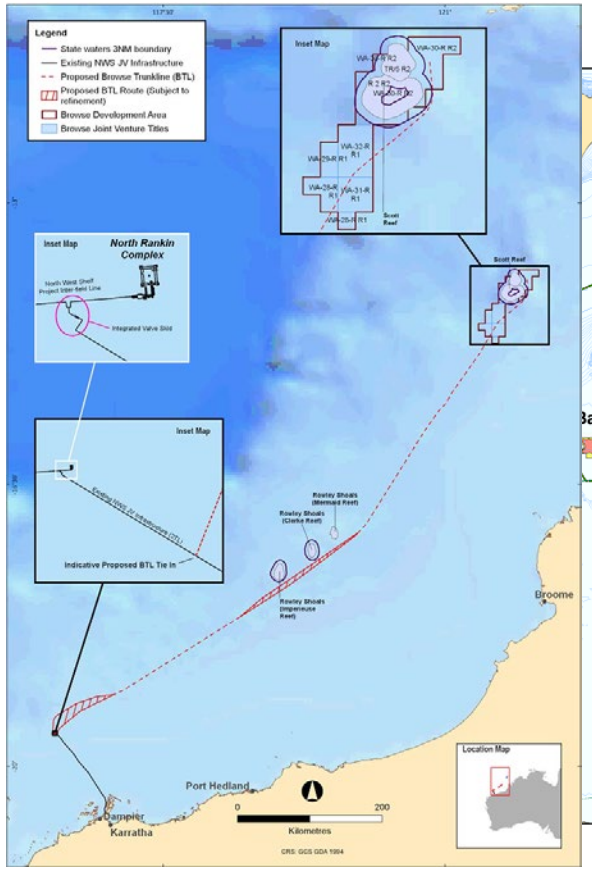


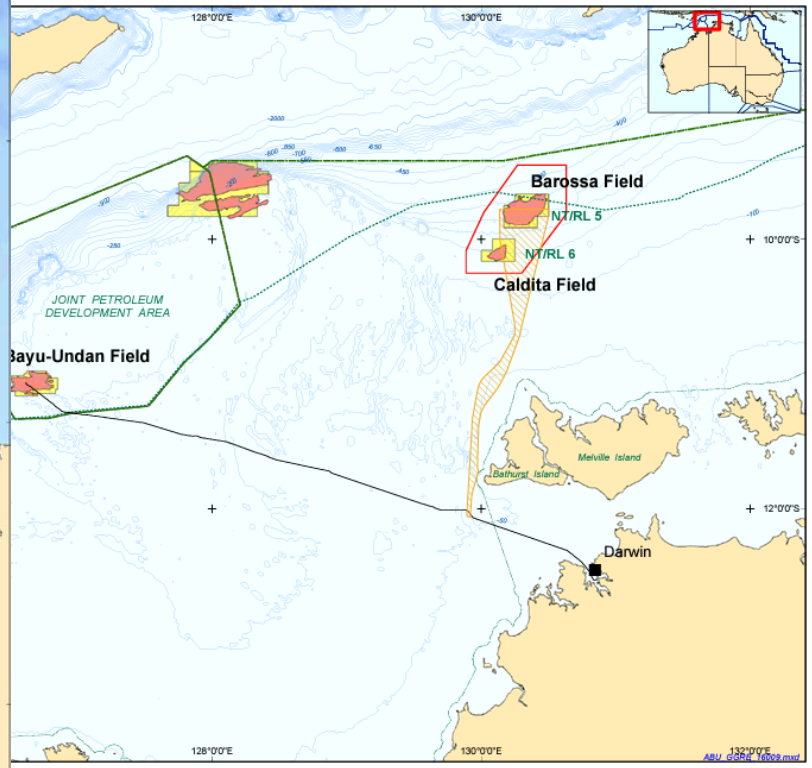
Not all projects are equal

In December 2020 both Woodside and Santos held 2C resources in their respective Browse and Barossa gas fields.

- "Browse is Australia's largest untapped conventional gas resource"
  - ~14 Tcf
  - Discovered in 1970's
  - Approached FID twice (JPP and FLNG concepts)
  - Now targeted as backfill to the NWSV
  - Still 2C, ("Development on Hold/Pending"?)

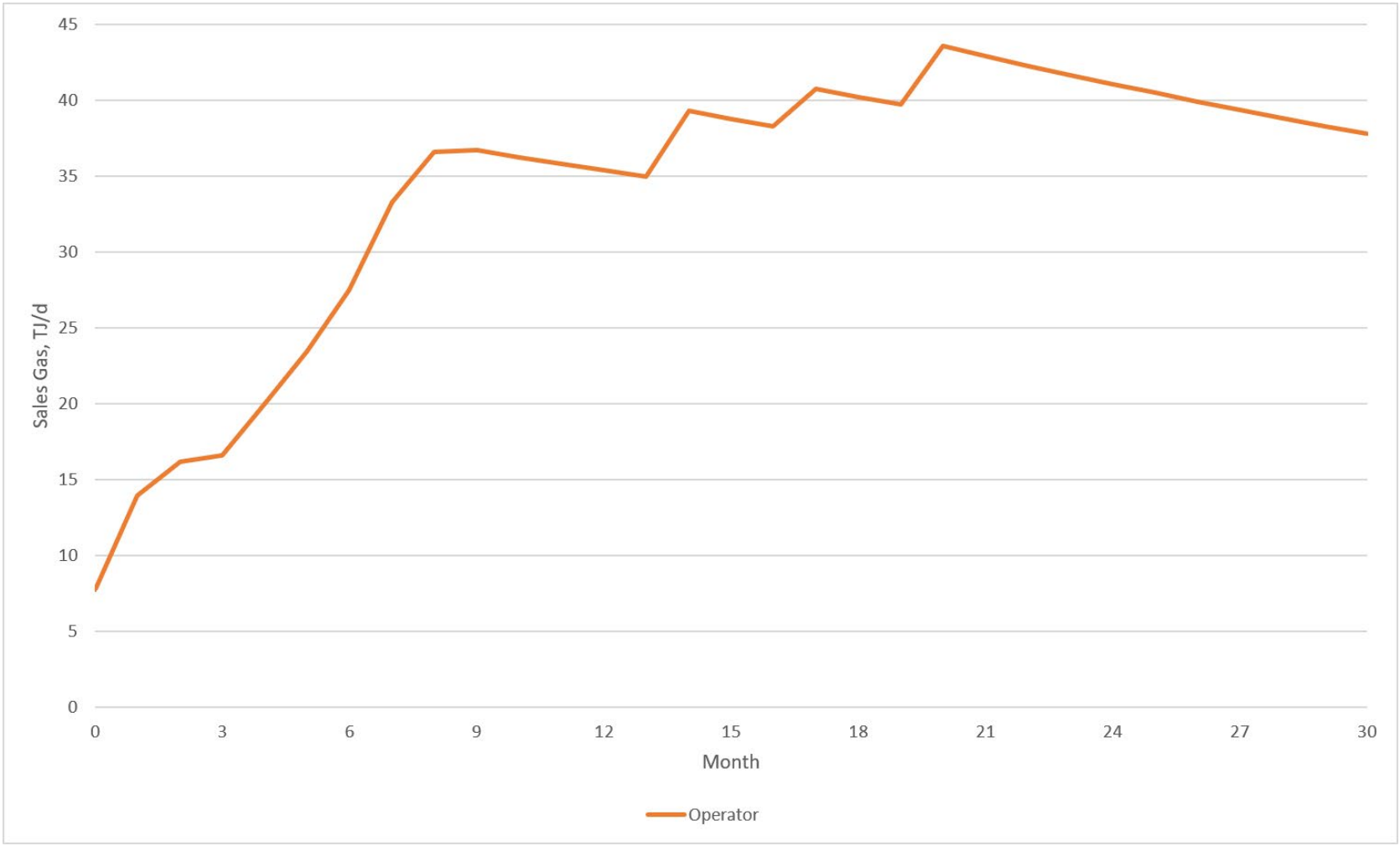
- Barossa
  - ~ 3.2 Tcf
  - Discovered in 2006
  - FID in March 2020
  - 2C → 2P (Approved for Development)
  - Started production at the end of 2025 (Developed Producing)





Not all advice is equal

Comparison of Operator, 3rd Party & RISC forecast for first 2½ years' production



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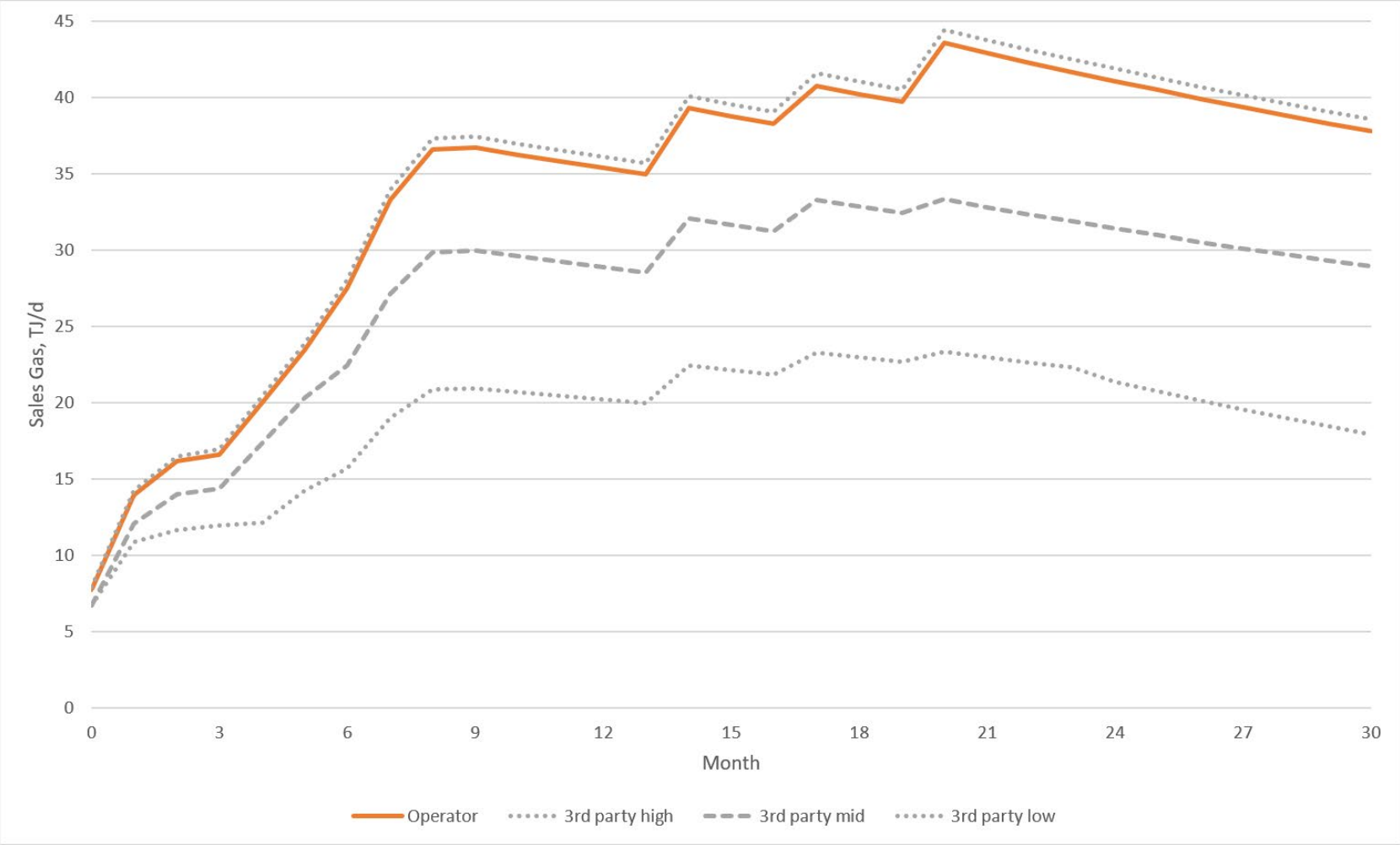

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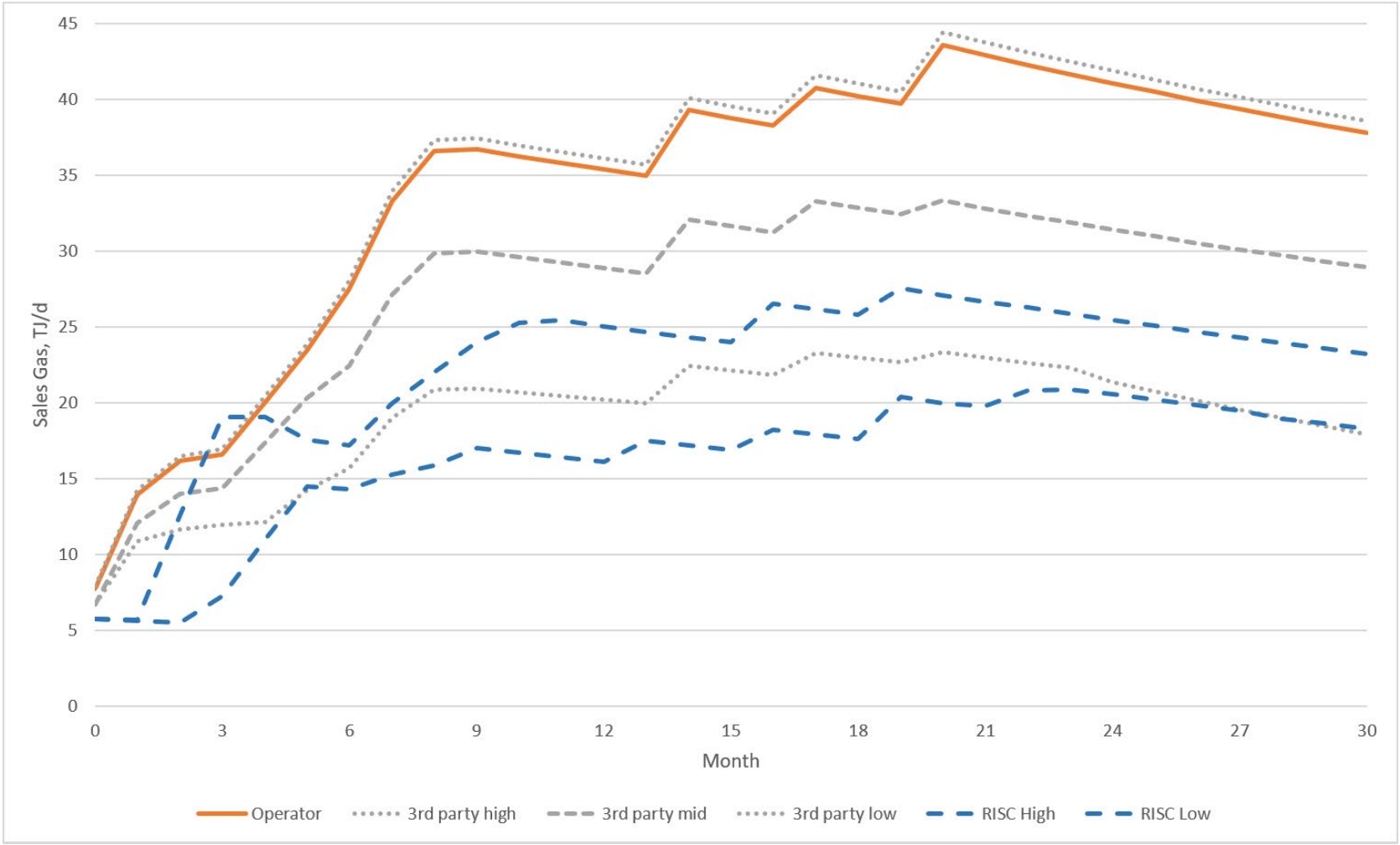

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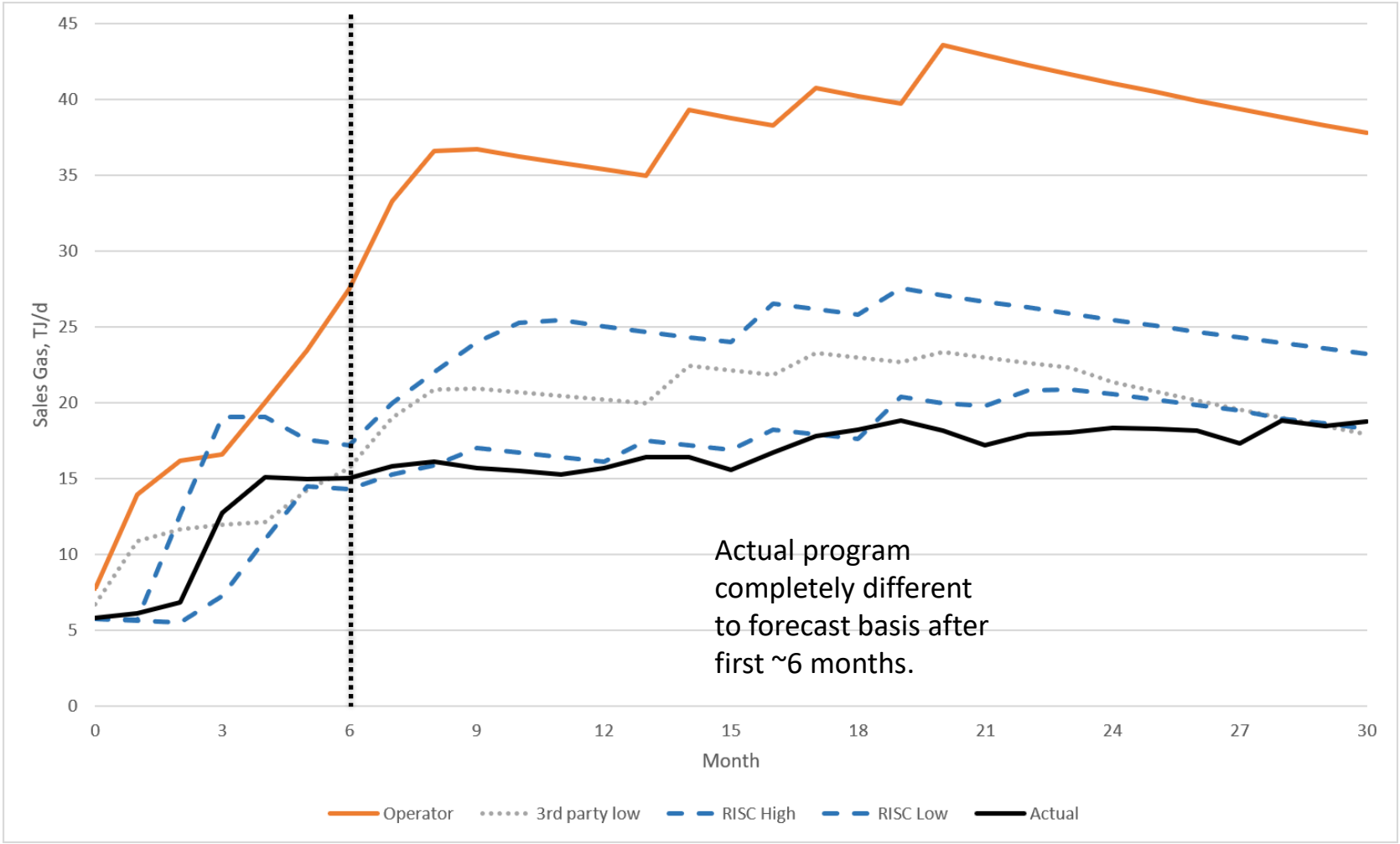

There's a difference between conservatism and realism

RISC's approach to managing uncertainty within our projects

- The industry works within accepted uncertainty ranges P90 – P10
  - 10% of the time we should expect to be wrong on the low side (too optimistic)
  - 10 % of the time we should expect to be wrong on the high side (too pessimistic)

- RISC works with other's assessments, so our "hit rate" should be P90xP90 and P10xP10, or P99 – P1.
  - 1% of the time we should be wrong on the low side (we are too optimistic)
  - 1 % of the time we should be wrong on the high side (we are too pessimistic or conservative)

- Since 2016, RISC has:
  - Carried out a total of: ~970 projects
  - "Got it wrong" on: 5 (or 6) projects

- Of the 6
  - 4 we were too optimistic (0.4%)
  - 1 we were too pessimistic (0.1%) (…the data set we were working with was horribly inconsistent…)
  - 1 we were both…

Our Services

RISC provides independent, insightful and impartial advice to our clients across a range of services

Independent, comprehensive and impartial advice

Identifying critical issues and creating value

Revealing opportunities and creating value

Explaining value, ranges and uncertainty

Helping improve performance and grow value

Helping resolve differences of opinion

Pathfinding the route to low emissions energy

Helping responsible investment and development

Guiding the transaction processes

Final thoughts

- Don’t add reserves, contingent resources and prospective resources together….they are different
  - ~~2P+2C~~
  - ~~2C+2U~~
- Be wary of claims of “reserves” when there is no confirmed development.
- Be aware that some contingent resources may never be developed…
- Understand that prospective resources may not be there at all…

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