

Oil & Gas Exploration and Production – Market Valuations of Australasian Industry Players

Overview

Clare Capital uses the Enterprise Value/2P reserves ratio to give an indication of how the market is valuing a number of New Zealand and Australian comparators in the oil and gas exploration and production industry (as at 22 September 2016). Companies with an EV less than NZ\$20 million are excluded (e.g. Pan Pacific Petroleum). The following table summarises this analysis.

Data

Company	EV (NZD M)	2P (mmboe)	EV/2P
AWE	314	71	4.4X
Beach Energy	989	70	14.2X
Cooper Energy	88	3	29.3X
Cue Energy Resources	29	4	7.3X
Carnarvon Petroleum	25	6	4.2X
Horizon Oil	237	9	26.3X
NZ Energy Corp.	10	1	9.0X
NZ Oil & Gas	77	9	8.3X
Senex Energy	179	83	2.1X
TAG Oil	41	4	11.5X
Tap Oil	47	4	11.8X
Greymouth Petroleum	650	65	10.0X
ROC Oil	522	11	49.7X
SGH Energy	188	14	13.0X
Westside Corporation	203	60	3.4X

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Clare Capital is a corporate finance advisory firm built on a base of structured fundamental analysis. We provide creative solutions for both origination and analysis mandates. We have a strong track record for the successful execution of commercial transactions.

Chart Methodology

The following bubble diagram illustrates the EV/2P ratios of companies with operations in Australia and New Zealand. The area of the circles indicates enterprise value, reserves are shown along the horizontal axis and the EV/2P ratio is on the vertical axis. Green colouration denotes companies with New Zealand operations, while blue colouration represents Australian only operations. The closer a company is to the horizontal axis, the 'cheaper' its market valuation. Greymouth Petroleum, ROC Oil, SGH Energy and Westside Corporation are all private companies. The 2P numbers are the latest publicly available. All financial data has been taken from Factset.

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