



# Ramping Up Natural Gas Production in Europe & Turkiye

17 New Wells & Record-High Natural Gas Prices

September, 2022

CSE: TCF | Frankfurt: Z62 | OTC: TRLEF



Trillion Energy Akçakoca Gas Production Platform, SASB Gas Field, Black Sea, Turkiye



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References to dollars or "\$" are to U.S. dollars unless specified otherwise.

# Notes to Disclosure of Reserves and Resources

Statements made herein regarding Reserves, Prospective Resources, Resources, Net Present Value (NPV), Discovered petroleum initially-in-place, UPIIP, DPIIP for the SASB Project are generally derived from the two reports prepared by GLJ Ltd, an independent reserves estimator, the estimates of conventional natural gas reserves are from the December 31, 2021 year end reserve report and filed form NI 51-101F1 and estimated prospective resources are from the October 31<sup>st</sup>, 2021 report. Prospective resources have both an associated chance of discovery and a chance of development to derive a final chance of commerciality. GLJ has assigned a 90% chance of development for all six prospects and a chance of discovery ranging from 50% to 90%, resulting in a range of chance of commerciality between 45% to 81%. Statements herein are made consistent with Canadian Oil and Gas Evaluation (COGE) Handbook. The resources definitions used in preparing this report are those contained in the COGE Handbook and the Canadian Securities Administrators National Instrument 51-101 (NI 51-101). WI means Working Interest in the SASB Project. Our working interest is 49% of the SASB Project. TPAO currently has the other 51% working interest. 100 % WI or 100% Interest means the total working interest of all parties in the SASB Project. When we refer to 49% interest, that means our interest exclusive of TPAO who owns 51% interest in SASB. "Total Petroleum Initially In Place" means DPIIP + UPIIP. When calculating DPIIP, there is no material production or reserves associated with these properties. Contingent resources is the only category of DPIIP that has been categorized as recoverable. Prospective resources is the only category of UPIIP that has been categorized as recoverable. There is no certainty that it will be commercially viable to produce any portion of the contingent resources referred to in the tables above. There is no certainty that any portion of the prospective resources referred to in the tables above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of these resources. (2) Certain volumes are arithmetic sums of multiple estimates of contingent & prospective resources, which statistical principles indicate may be misleading as to volumes that may actually be recovered. Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class as explained herein. "Proven" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. There is a 90% probability that the actual remaining quantities recovered will equal or exceed the estimated proved reserves. "Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. "Possible" reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves. "Discovered petroleum initially-in-place" or "discovered resources" or "DPIIP" Definition: That quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially-in-place includes production, reserves and contingent resources; the remainder is unrecoverable. "Developed" reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure to put the reserves on production. "Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty. "Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown. "Undeveloped" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned. P = proven undeveloped, PP = Proven + Probable undeveloped, PPP = Prove + Probable + Possible undeveloped "Prospective resources" Definition: Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Both risked and unrisked prospective resources are referred to in this document. "Total petroleum initially-in-place", "total resources" or "TPIIP" Definition: That quantity of petroleum that is estimated to exist originally in naturally occurring accumulations; equal to DPIIP plus UPIIP. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered. "Undiscovered petroleum initially-in-place", "undiscovered resources" or "UPIIP" Definition: That quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially-in-place is referred to as prospective resources; the remainder is unrecoverable. Any values assigned to UPIIP are subject and contingent upon discovering occurring. There is no certainty that UPIIP will be discovered, although management believes that further discoveries will be made. GLJ has assigned individual monetary values discounted for prospective resources in the GLJ Report, which have been discounted for risk of discovery. Although management believes that discovery will occur, it cannot guarantee a discovery of any individual particular prospective resource target and there is uncertainty associated with same. Amounts of discovered petroleum may vary significantly from those projected herein or may not be discovered at all.

# Company Highlights

## Ramping up European Natural Gas Production During The Energy Crisis

### ▶ Key Points

- Large shallow water natural gas fields, Black Sea, Turkiye
- 4 fields with reserves; plus added prospects on license area
- 7 Well Development Drilling Program Sept 22 – May 23
- 10+ more step out wells planned to 2024
- Extensive production infrastructure allows for immediate production & revenue ramp up from new wells coming online
- Additional targets to be defined though further exploration & seismic reprocessing
- Off-block blue-sky exploration potential proximate to Sakarya gas field discovery of 14+ TCF\*

### ▶ Excellent Economics

- <less than US\$1.00/mcf OPEX +12.5% Royalty
- Netbacks >USD\$26/MCF @ USD\$31 gas

### ▶ Record High Prices USD \$31/MCF

- BOTAS Price as @ Sept 1, 2022

### ▶ 17 Well Program

- 7 well development program started, 10 more wells in planning stages
- Wells to be immediately tied into pipeline for production
- Gas sales contract in place @ high BOTAS pricing
- New gas sales to start Oct 2022

\*<https://www.upstreamonline.com/exploration/Turkiye-increases-tuna-1-gas-catch-to-14-3-trillion-cubic-feet/2-1-895387>

\*<https://www.upstreamonline.com/exploration/Turkiye-makes-5-tcf-gas-discovery-in-black-sea-close-to-huge-sakarya-field/2-1-1020996>

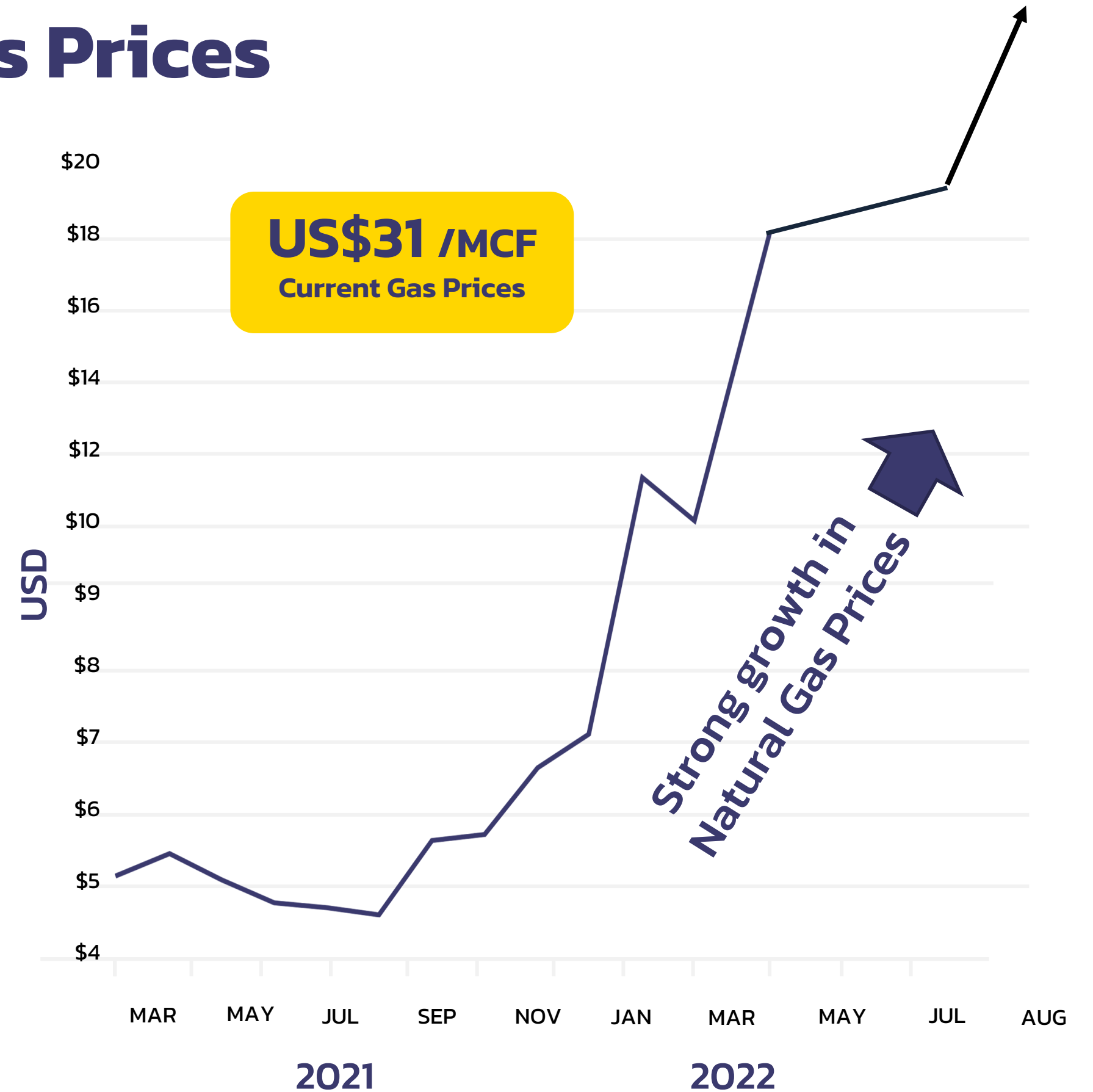
# Turkiye– Soaring High Nat Gas Prices

## Acute Shortages & Parabolic Natural Gas Prices

- ▶ Turkiye and Europe imports 90% of its natural gas with a large % from Russia. EU Plans of reducing dependance on Russian gas is exuberating a shortage of supply.
- ▶ Current natural gas price is US\$31/mcf. (Historical prices averaged >US\$7/mcf over the last 10 years.)
- ▶ Attractive fiscal regime with 12.5% royalties, low corp taxes 23%
- ▶ Stable G-20 Country and NATO Member



North American gas pricing (Henry Hub) vs. BOTAS (Turkiye) @ Sept 2022 in USD





# Existing SASB Gas Field Infrastructure

Large under-utilized, gathering and processing infrastructure = Turnkey Production



**4** Existing Natural Gas Production Platforms

**4** 42 BCF produced to date (approx. US \$355m (100% interest))

**5** Conventional natural gas reserve pools ready to be produced using existing infrastructure

**6** Additional, gas pool prospective targets

**18**<sub>km</sub> Pipeline tied into Natural Gas production plant onshore capable of 75MMcf/day, expandable to 150MMcf/day

**\$608M**<sup>\*</sup> CapEx Investment on Project to Date (100% -all parties)

\* Trillion's interest is 49% Interest in the SASB Gas Field. Of the \$608 million Capex expended to date, \$180m were contributed by Trillion's 100 % owned subsidiary, Park Place Energy Turkiye Limited. Trillion is responsible for 49% of the future CAPEX for the 17 well Phase III & IV exploration and development program.



**Pictures of infrastructure**

# SASB : Reserves, Resources & Netbacks

## 51-101 Report:

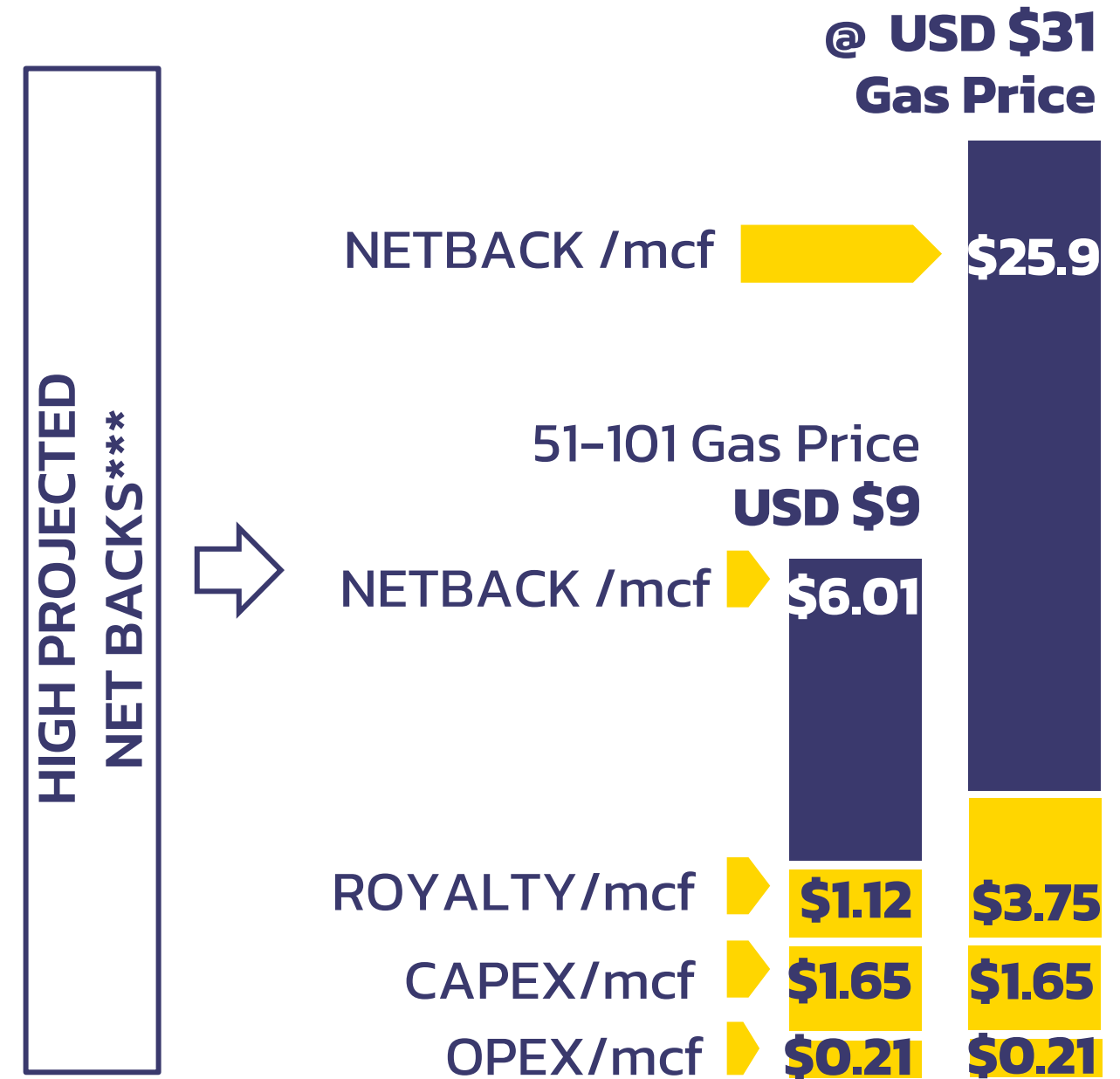
(Used USD \$8 - \$9.5 /mcf) – (current prices \$31+)

## Discovered non-produced conventional natural Gas Reserves

- ▶ 20.1 BCF\* -2P gross company reserves
- ▶ **NPV10 US \$76.9M<sup>1</sup> (before tax) (Trillion 49%)**

## Exploration Prospects <sup>2</sup>

- ▶ 23 BCF\*\* best estimate case of conventional natural gas resources
- ▶ **NPV10 US \$93.6M<sup>2</sup> (before tax) (Trillion 49%)**



\*\*\*Figures based on forecasted 437 BCF being produced net to Trillion over 17 well program. Includes reserves and risked prospects.

1) NPV10% of 2P conventional natural gas reserves net to Trillion after royalty, but before income tax from independent engineering 2021 year end reserve evaluation effective date December 31, 2021 and as reported in Trillion's Form NI 51-101F1

2) NPV10% of Best Estimate of conventional natural gas prospective resource net to Trillion after royalty, but before income tax from independent engineering conventional natural gas prospective resource for Trillion's 49% WI for SASB effective date October 31, 2021. Risk associated with the prospective resources varies from 60% to 90% chance of discovery and a 90% chance of commerciality resulting in a range of 53% to 81% chance of development.

\* Trillion's Form 51-101F1 filed for December 31, 2021 year end reserve report, total Trillion interest of SASB conventional natural gas.

\*\* Trillion's Third party engineering report evaluation of conventional natural gas resources for certain exploration prospects on SASB, effective date October 31, 2021. Resource volume listed is total Trillion Interest for Best Estimate of prospective resources. Refer footnotes 2) above for associated risk the resources being there or recoverable.



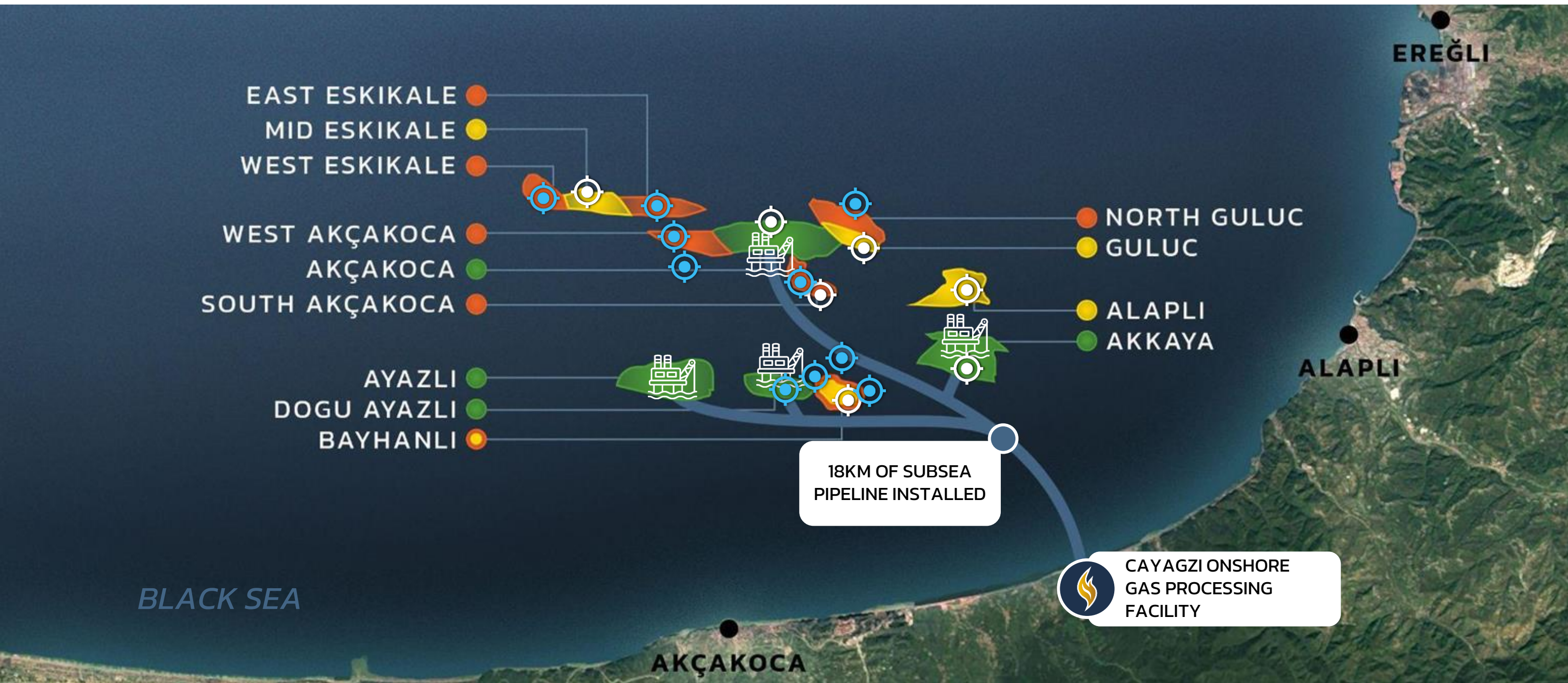
# SASB Planned 17 Gas Well Development Program

## 2022 – 2024 Development Program – SASB Gas Field





 7 Discoveries with unproduced Reserves

 10 Exploratory Drilling Locations

Tested and proved discoveries planned to be drilled, completed and put into production 2022-2023



### LEGEND

-  PLATFORM
-  DEVELOPED & PRODUCING
-  DISCOVERED & UNDEVELOPED
-  PROSPECTIVE RESOURCES



# SASB Funding Sources

## 17 Well Program is Fully Funded

- ▶ Initial drilling over 24 months is expected to have one well drilled approximately every approximately 45 days.
- ▶ Wells are expected to produce gas and gas sales on a monthly basis upon completion & tie in.

### Trillion's 49% CapEx:

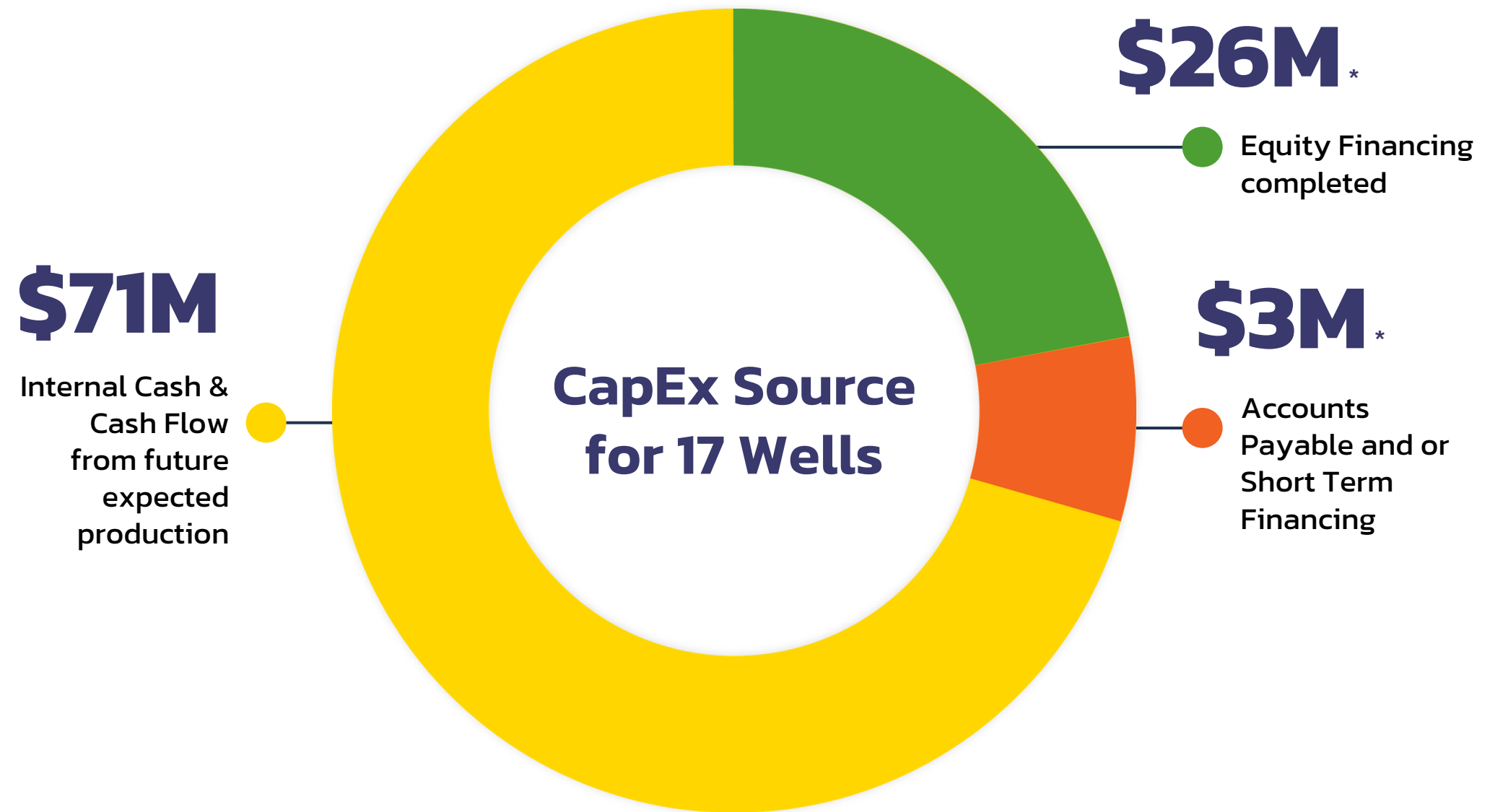
**A** Program  
7 Well Program

**\$30m**

**B** Program  
10 Well Program

**\$70m**

## Funding Sources (USD):



# SASB Projected Cash Flow Projections

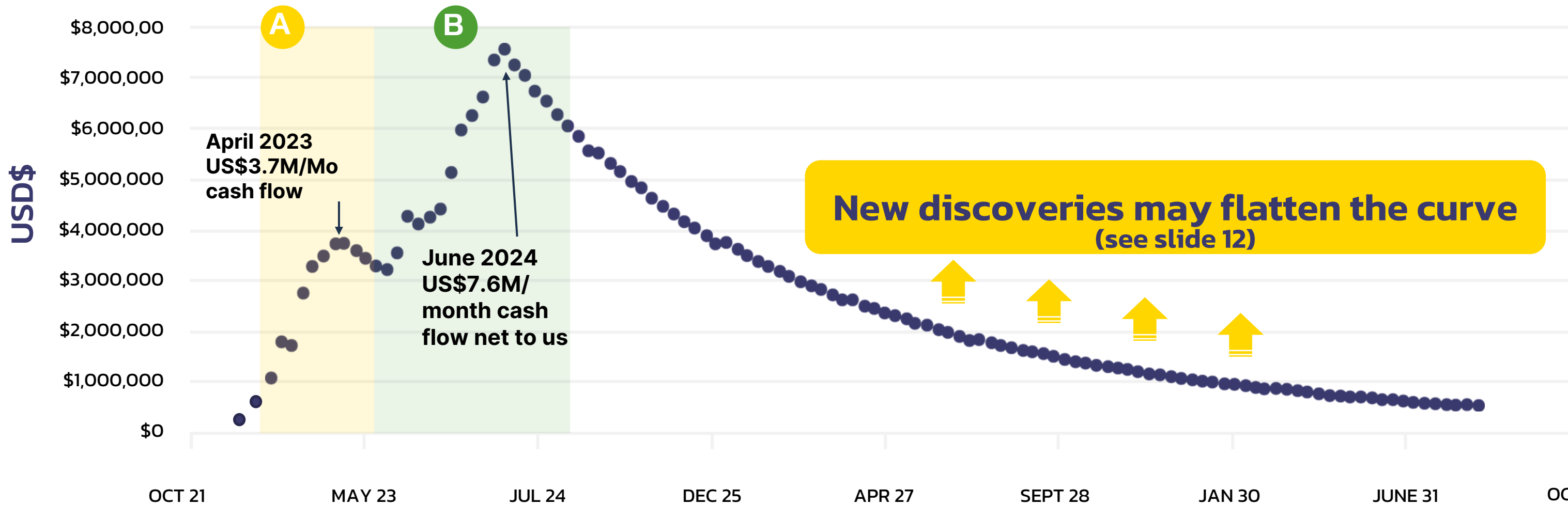
Projected Monthly Cash Flow (EBITA) Phase A & B based on \$9/MCF Gas (actual gas prices = \$31/MCF @ Sept 1, 2022)

## A Program (Gas Reserves)

- Drill 5 Wells
- Recomplete 2 Existing Wells
- Focus on reserves

## B Program (Prospect Development)

- Drill 8 Wells
- Re-Enter 2 Existing Wells
- Subsea Tie-In





# Corporate Summary

- ▶ **Natural Gas Production Project for Europe / Turkey Region**
- ▶ **7 well drilling program commenced Sept 22 with first gas October 2022**
- ▶ **Helping Reduce Dependency on Russian Natural Gas**
- ▶ **High Projected Cash Flows for 17 Well Development Program**
- ▶ **Gas Prices at all time highs - USD \$31+/MCF**
- ▶ **Near-term Production & Cash Flow Ramp Up 2022-2023**

## Company Capitalization Table

<b>Share Price</b>	<b>CAN\$0.40</b>
<b>Basic Shares Issued &amp; Outstanding</b>	<b>369m</b>
<b>Fully Diluted (After Warrants &amp; Options)</b>	<b>483m</b>
<b>Market Capitalization (Basic)</b>	<b>CAN \$155m</b>

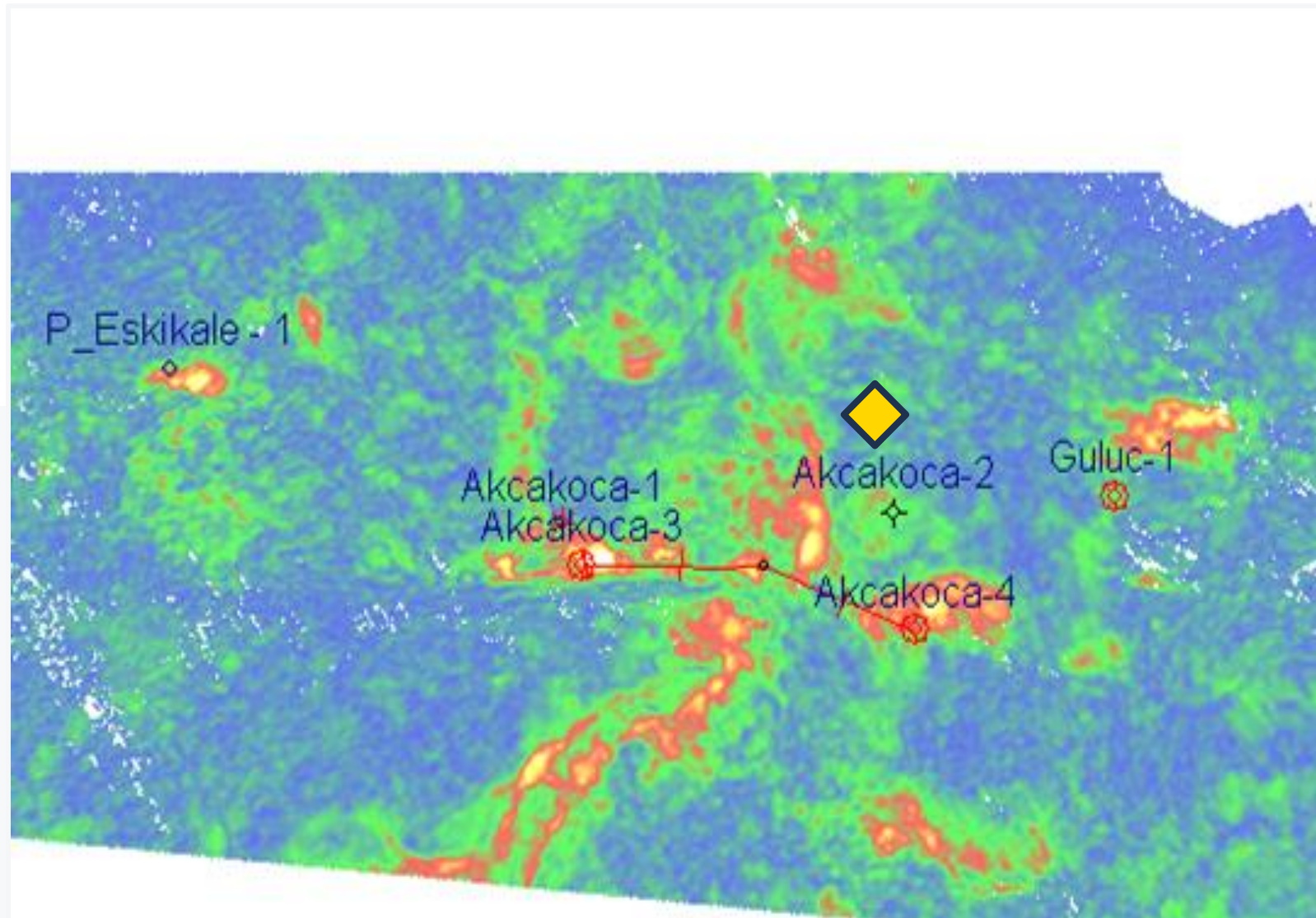




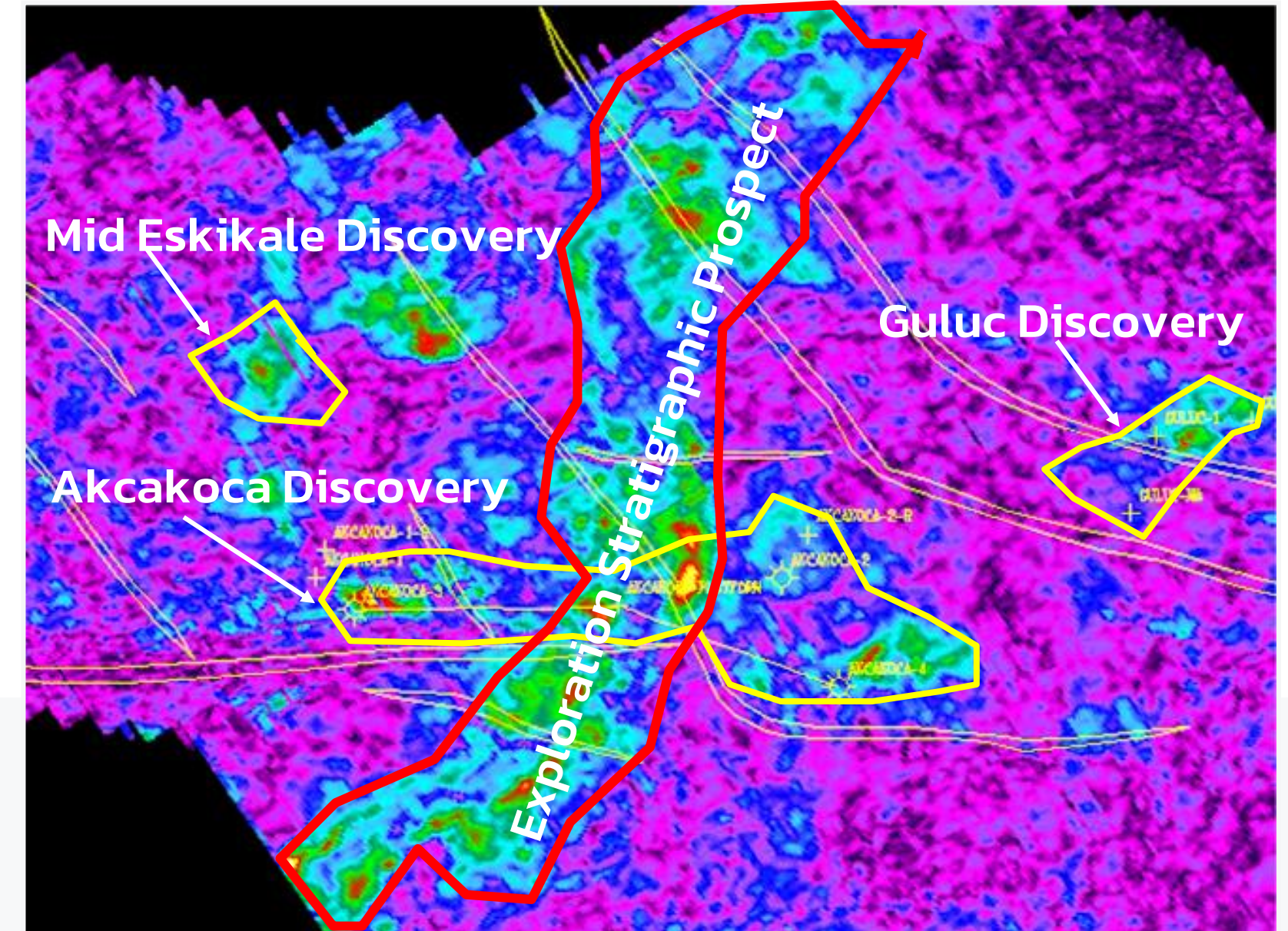
# SASB Near Field Low Risk Exploration

## 13 Additional Exploration Targets

- ▶ 13 additional exploration prospects provide significant additional upside
- ▶ These targets are proximate to the platforms & Includes stratigraphic targets



## Stratigraphic Exploration Targets



### LEGEND



ANOMALIES IN LOWER SANDS



PRODUCING GAS POOLS



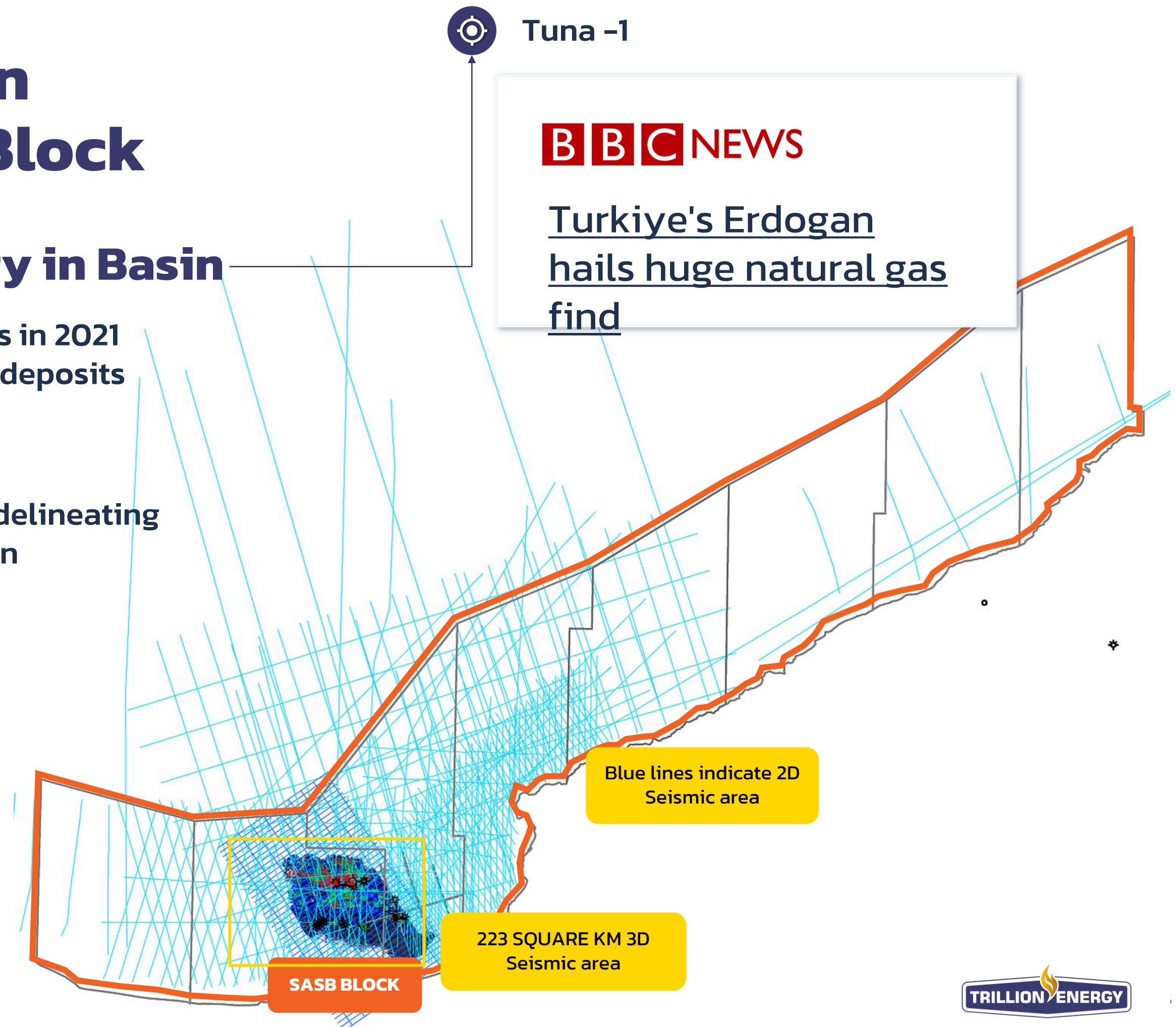
# Blue Sky Exploration Proximate to SASB Block

## Recent 19 TCF Gas Discovery in Basin

- ▶ Recent Tuna -1 & Amasra-1 discoveries in 2021 are game changers showing huge gas deposits

## Our Plan

- ▶ We have 3,100 km of 2D seismic data delineating targets off block for future exploration
- ▶ We plan to explore off block after production commences in 2022 seeking large natural gas structures



# Directors & Management Team



**Dr. Arthur Halleran** ▶ PRESIDENT, CEO & DIRECTOR

Dr. Halleran has served as a director of Trillion Energy since October 4, 2011. He has a Ph.D. in Geology from the University of Calgary and 40 years of petroleum exploration and development experience. His international experience includes countries such as Canada, Colombia, Egypt, India, Guinea, Sierra Leone, Sudan, Suriname, Chile, Brazil, Bulgaria, Turkiye, Pakistan, Peru, Tunisia, Trinidad Tobago, Argentina, Ecuador and Guyana. Dr. Halleran has worked for Petro-Canada, Chevron, Rally Energy, Canacol Energy and United Hydrocarbon International Corp. In 2007, Dr. Halleran founded Canacol Energy Ltd., a company with petroleum and natural gas exploration and development activities in Colombia, Brazil and Guyana which made a billion-dollar natural gas discovery in Colombia.



**Kubilay Yildirim** ▶ COO & DIRECTOR

Mr. Yildirim has had, over the past 24 years, hands-on experience in drilling, production, seismic acquisition and logistics for both onshore and offshore projects in Turkiye. He has spent most of career with Trillion Energy and its predecessor companies: Madison, Toreador and Tiway. He has also been involved in sales and divestitures of assets and has taken on a significant number of managerial positions until being promoted to General Manager in 2009. Mr. Yildirim has a degree in Petroleum and Natural Gas Engineering from Middle East Technical University and an MBA from Bilgi University in Istanbul.



**Ozge Karalli** ▶ CFO & FINANCE DIRECTOR

Mrs. Karalli began her career in Deloitte as tax compliance auditor where she was also senior auditor and supervisor between 1998 and 2004. She joined Toreador in 2004 as Accounting Manager and Financial Controller, before becoming the Finance Director of Tiway Oil in 2010. Mrs. Karalli has a Bachelor of Economics degree from Bilkent University and has been a Chartered Public Accountant in Turkiye since 2002.



**David Thompson** ▶ DIRECTOR, Audit Committee Chair

Mr. Thompson has 30 years of financial experience in the oil and gas industry. He successfully founded an oil trading company in Bermuda, with offices in the U.S. and Europe, and was responsible for the company's Turkmenistan production operations in the Lhamov and Zhdanoy oil fields (offshore Caspian Sea — part of the Turkmenistan project), which discovered producing reserves of 365M barrels oil and 2 TCF gas and successfully raised over \$100M in equity. He is Managing Director of AMS Limited, a Bermuda based Management Company. He has served as Founder, President and CEO of Sea Dragon Energy Inc. (London exchange: SDX 21.00 GBP), Financial Director of Forum Energy Plc (AIM) and SVP at Larmag Group of Companies. Mr. Thompson is a Certified Management Accountant since 1998.



**Dr. Barry Wood** DIRECTOR

Dr. Wood has over 45 years of experience in the upstream oil and gas industry, having spent the core of his career with Shell Canada and Marathon International Oil Company. With Marathon, he directed asset evaluations across Southeast Asia and the Afro/Arabian regions, and drilling campaigns in Egypt and Syria for over 16 years. In 1998 he founded PetroQuest International SA, which had exploration in Tanzania, Syria and Egypt. His experience has included senior advisory positions with Dana Gas, NPC (Egypt), Sea Dragon (Egypt) and Maurel et Prom (Tanzania), among others. Dr. Wood holds a DPhil from Oxford University and is a member of the Geological Society of London, The Petroleum Exploration Society of Great Britain and the American Association of Petroleum Geologists.

**Sean Stofer** DIRECTOR

Sean Stofer has over 20 years of renewable energy experience. Mr. Stofer is a graduate of the University of British Columbia in Engineering and is a registered Engineer in California. He is a founder of several successful renewable energy companies including for the arctic's largest solar array; 250 MW of solar in the USA; 200+MW of wind projects and over 300MW of hydroelectric projects. He is COO of Green Data Center Real Estate, which uses renewable energy to power data centers. Sean is leading a project of over 500 MW using wind, solar and hydropower. Sean has worked closely with Government to guide policy and has consulted to a wide range of companies. Sean was awarded the Top 40 Under 40 in Vancouver, Canada for his business achievements.



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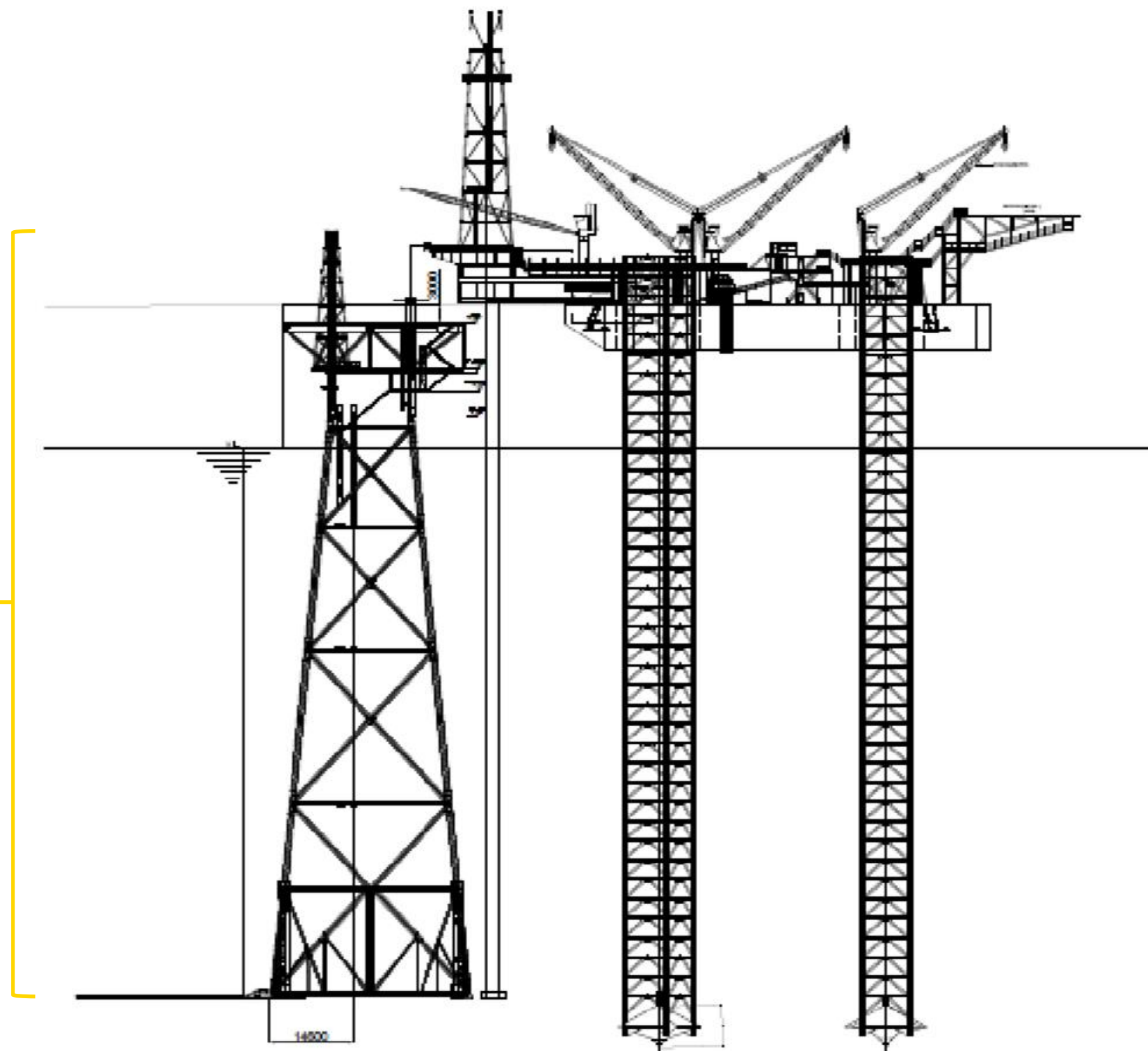
Drilling of Akçakoca well from an offshore rig, SASB Gas Field, Turkiye



# Appendix I

The wells will be drilled from existing offshore platforms by placing the jack-up rig over the platform and drilling directionally. This way, the wells will be connected to existing platforms, and start producing immediately.

PRODUCTION  
PLATFORM



JACKUP  
DRILLING RIG

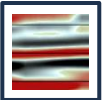




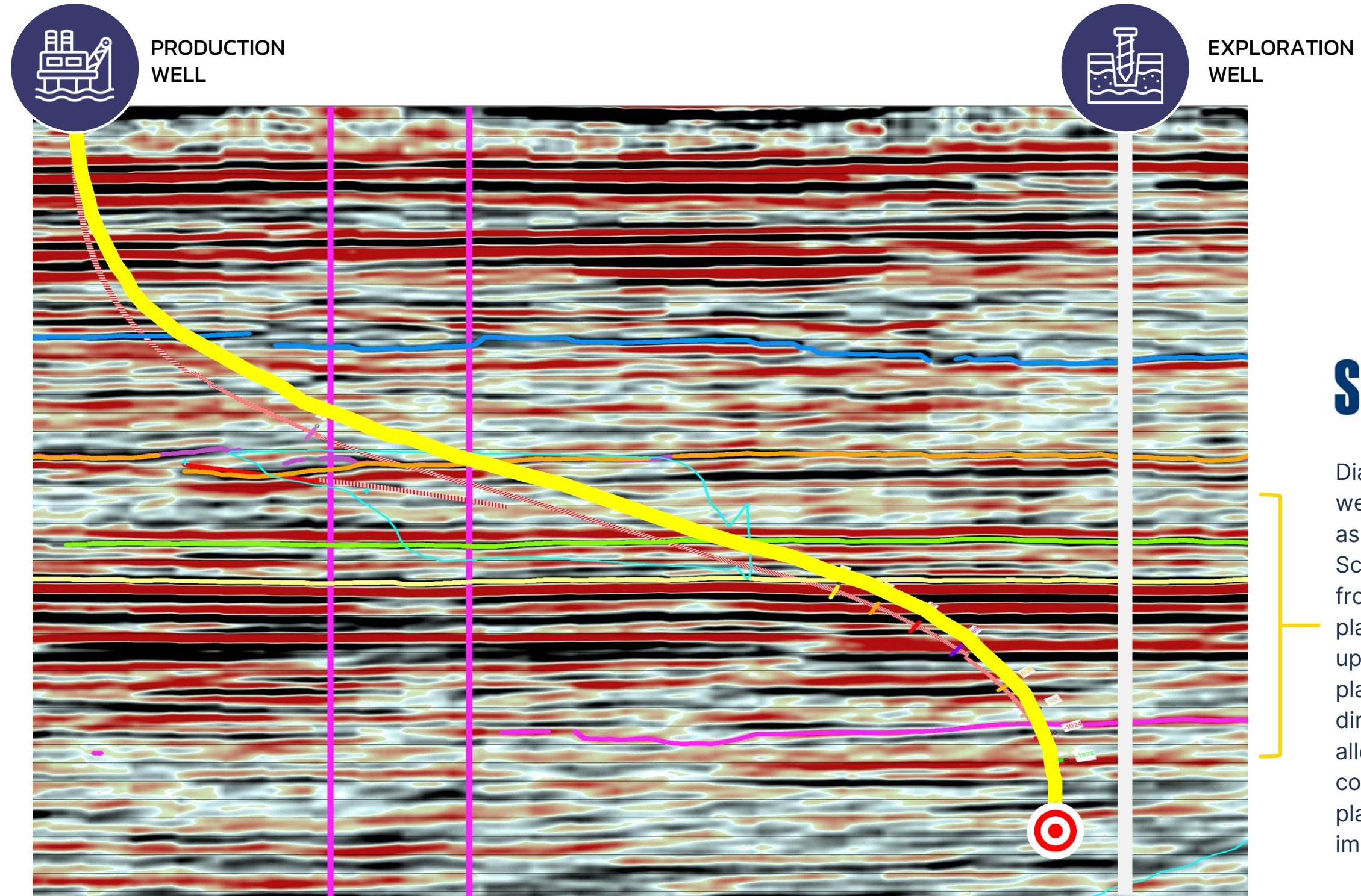
# Appendix II

## Bayhanli Well 2

Directional Drilling Method Utilized for Production Wells

### LEGEND

-  SEISMIC LINES
-  DIRECTIONAL DRILL WELLBORE
-  TARGET



## Schlumberger

Diagram illustrates how wells will be directionally as engineered by Schlumberger and drilled from existing offshore platforms, by placing jack up rig over the existing platform, then drilling directionally to target. This allows wells to be connected to existing platforms and produce immediately.



# Appendix III

## Bayhanli

### A detailed log illustrating gas sands and tested zones

Wells that have been previously drilled, tested and mapped, but not produced.

TESTED  
7.2 MMcf/d

