



**EUROPEAN ENERGY  
VENTURE FAIR 2006**



# **Gravitec Instruments**

**Energy Venture Fair 2006  
September 11-12 2006  
Zurich, Switzerland**

## General



- Gravitec Instruments was set up in 1996 to fund a research concept for a gravity gradiometer conceived by Dr Alexey Veryaskin, a Russian-born scientist working on the European Space Programme.
- Privately owned. Founding shareholders represent core management and ownership.
- Principal laboratory is at the University of Western Australia (“UWA”) in Perth.
- The Company’s technical development has been based in part on a strong network of technical partners (IRL, QinetiQ), academic partners (Strathclyde University, UWA) and commercial partners.
- The Company’s financial support has come from private/institutional investors, government agencies (both defence & research agencies) and corporate entities.

## Overview

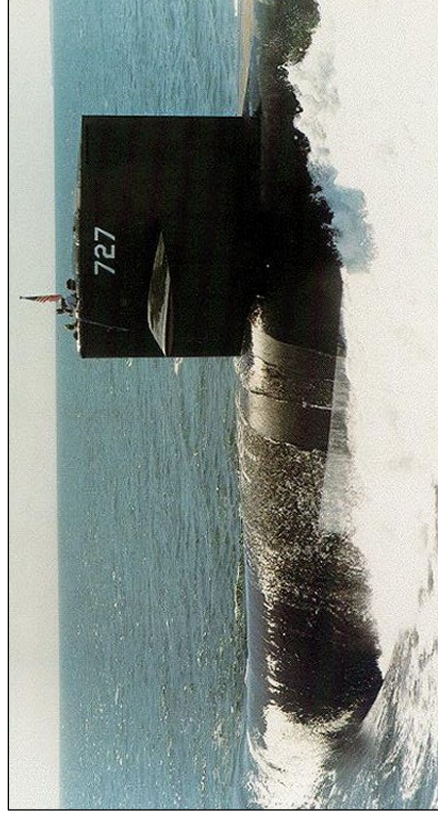


- Gravitec has developed a sensor (a “gravity gradiometer”) which can detect the gravitational signature of buried objects or geological structures from a mobile platform.
- The technology has broad based IP protection.
- There are multiple commercial applications, energy exploration is a key market.
- Gravitec’s sensors have substantial competitive advantages
- Gravitec’s primary business model is to license its technology.
- Gravitec has agreed in principle to set up a JV with a major oil company to develop the technology for downhole deployment.
- Gravitec is seeking to raise 6 mm Euro, the principal use of funds is to co-finance its participation in the JV company.

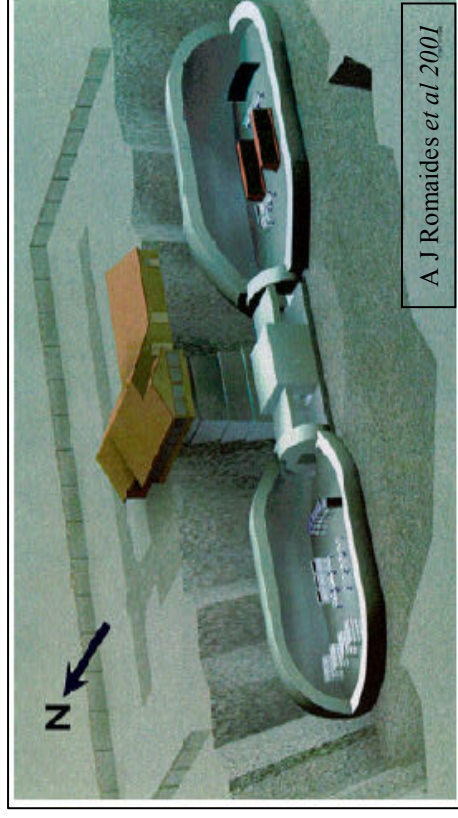
## Applications - Gravity



BHPB Gravity gradiometer Platform

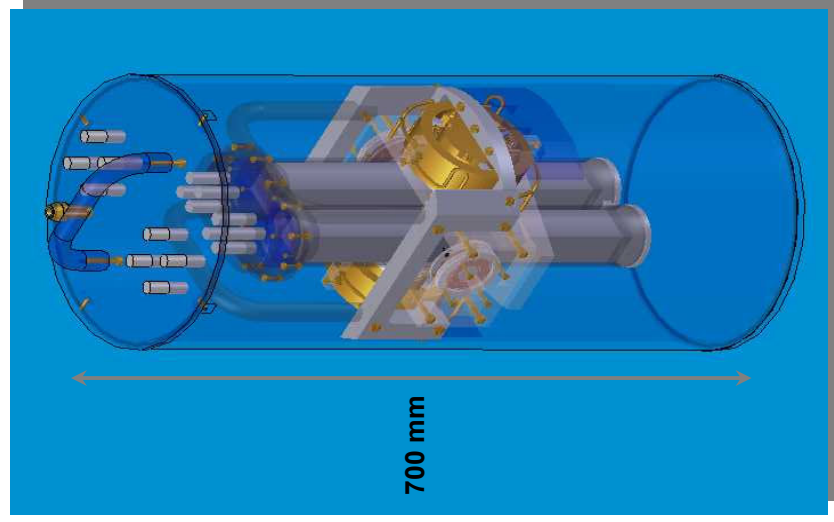


Trident Submarine – Original Driver for Technology

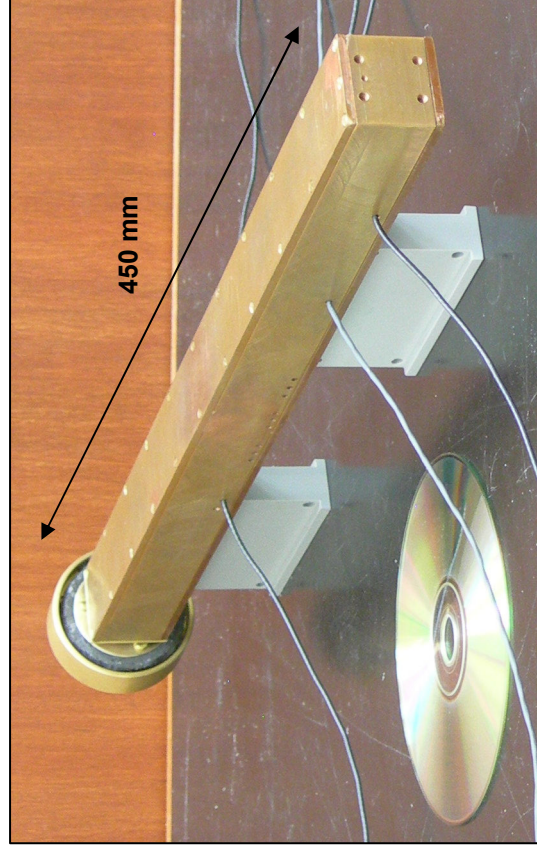


Underground Void – Defense Target

The Sensors



Gravitec Magnetic Gradiometer

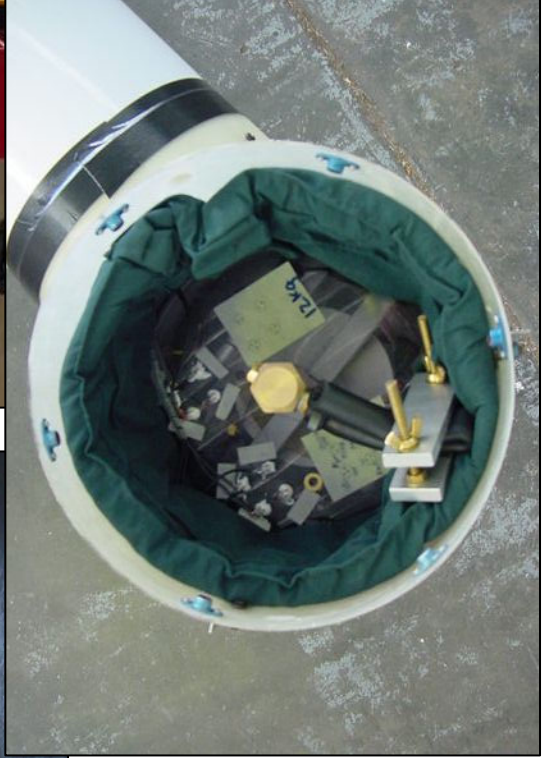


Gravitec Gravity Gradiometer





Magnetic Deployment



## Technology - Gravity Gradiometer



Technical Status	<ul style="list-style-type: none"><li>■ Strathclyde Characterisation</li><li>■ DSP Development complete</li><li>■ Sensor Integration complete</li><li>■ Working Prototype</li></ul>
Programme Status	<ul style="list-style-type: none"><li>■ Downhole: Partners in place<ul style="list-style-type: none"><li>➤ feasibility study completion Sept 2006</li><li>➤ pre-production tool mid 2008</li></ul></li><li>■ Airborne Programme: Partner identified<ul style="list-style-type: none"><li>➤ field prototype mid 2008</li><li>➤ deployment 2009</li></ul></li><li>■ Defence: Partners &amp; programme identified</li><li>■ Static: In discussion with potential partners<ul style="list-style-type: none"><li>➤ feasibility study 2007</li></ul></li></ul>

## Strategic Overview – Gravity



<p>Market Overview</p>	<ul style="list-style-type: none"><li>■ Downhole: gradient measurements deliver substantial commercial benefit for O&amp;G, less so minerals.</li><li>■ A/borne: mineral exploration well established, less so oil &amp; gas. Constraints: cost of acquisition, data resolution</li><li>■ Defence: high level of UK &amp; US defence interest in both static and mobile deployment.</li></ul>
<p>Competing Technologies</p>	<ul style="list-style-type: none"><li>■ A/borne: LM system is only operational system,<ul style="list-style-type: none"><li>➤ deployed by: BHP (Falcon), BellGeospace, ARKEX</li><li>➤ under development: ARKEX EGG, RTZ</li></ul></li><li>■ Downhole: No viable competing technology</li><li>■ Defence: requirements largely fall outside range of existing systems</li></ul>
<p>Gravitec's Competitive Discriminators</p>	<ul style="list-style-type: none"><li>■ Size, configuration, low unit and deployment cost</li><li>■ Only technology capable of changing cost dynamics of a/borne market</li><li>■ Only technology capable of downhole deployment</li></ul>



## Key Personnel



Alexey Veryaskin Founder & Chief Scientist	Highly regarded physicist with PhD in Physics and Mathematics. Research focus at Moscow was in SQUID based sensor technologies applied to precise gravitational measurements. Established Gravitec's first laboratory in New Zealand in 1996.
Howard Golden Group Director	Geophysicist. 25 year career in the exploration industry, most recently as Principal Geoscientist and Chief Geophysicist with WMC Resources. Has been involved with significant R & D programmes including BHP Billiton's Falcon gravity gradiometer. He is a past president of the Australian Society of Exploration Geophysicists. Joined Gravitec in 2005.
Simon Fraser Founder & Group Director	Finance and Banking background with Lazards, Salomon Brothers and Morgan Stanley. Responsible for the Company's external relationships with technical and commercial and financial partners.
Clive Hayley Founder & Group Director	Solicitor with own London based partnership. Responsible for the negotiation of the Company's contractual relationships and the development & maintenance of its IP strategy.

## Summary of Fund Raising



Purpose of Fund Raising	<ul style="list-style-type: none"><li>■ To provide Gravitec with matching development capital for current &amp; future joint programme initiatives</li><li>■ To strengthen Gravitec's capital structure</li><li>■ To provide Gravitec with operational funding</li></ul>
Capital Requirement	<ul style="list-style-type: none"><li>■ Euro 6 million</li></ul>
Exit	<ul style="list-style-type: none"><li>■ Different applications will provide wide range of opportunities to realise value</li><li>■ There are step function value increases as the sensors utility becomes established</li><li>■ Borehole JV exit likely to be a trade sale to a wireline company.</li></ul>

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