



26 November 2015

Annual General Meeting 2015

CHAIRMAN'S ADDRESS

The year started encouragingly with a proposal by Cadlao Development Company Limited (Cadco) to settle a long-standing dispute with Peak with respect to activities within the Cadlao SC-6 service contract by the Cadlao Joint Venture in the Philippines. Unfortunately, Cadco failed to pay any of the \$6.7million due, and as a result, the previous impasse continues.

Following receipt of the SBA seismic data in the South Block A Sumatra PSC, the directors determined that the outcome did not provide sufficient prospectivity that would facilitate successful farmout or support a new capital raising for an exploration well in the PSC. Accordingly, the Board sought purchasers for Peak's interest, after receiving approval from shareholders for the sale of that interest. Peak completed a transaction for the sale of its interest which, in turn, enabled Peak to reduce its debt to Octanex, which had funded the seismic program.

Peak's involvement with the Cadlao Project suffered a setback with the unexpected purported termination of Peak's prospective economic interest in the project held via VenturOil. The termination is without basis and counter and has appointed Filipino counsel to advise on Peak's position.

The Company's mineral exploration interests presently consist of four applications for Exploration Licences for minerals in the Rudall River region of Western Australia. Of the four applications, we intend to focus our attention on ELA 45/3278 Sunday Creek.

The past financial year was a most difficult one for junior resource companies. In December, the company advised that it would not be merging with Octanex NL and worked on refinancing the \$2M debt outstanding to Octanex. This debt was restructured to provide Peak with opportunities to address its satisfaction. Peak and Octanex are in an advanced stage of negotiation with respect to an agreement to satisfy the remaining outstanding amount due to Octanex.

Together with my family, I have invested significantly in Peak since early 2013. I share the disappointment of all shareholders regarding the outcome of the South Block A seismic survey and of the actions or inactions that see Cadlao mired in contractual difficulties.

Your directors have chosen to impair all of the Company's assets; to reflect the uncertainty related to the Cadlao interests, both the project uncertainty and the uncertainty relating to the collection of the \$6.7 million Cadlao buyback right and other loans receivable. The Company's balance sheet does not reflect any prospective value for any of the Company's interests. Your directors will continue to work to realize value from these interests.

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