Building a well-funded, full-cycle, exploration-led E&P company
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Strategy for value creation through the cycle

Building a balanced portfolio in core areas
- Focus on North Falkland Basin and Greater Mediterranean
- Full cycle exploration and production company
- Production base to cover costs and fund growth through exploration

Maintaining balance sheet strength
- Prudent balance sheet management
- Partial monetisation of assets to fund development
- Disciplined approach to cost management

Delivering value accretive exploration
- Leveraging technical skillset
- Focus on proven hydrocarbon basins
- Managed exposure to high-impact opportunities
## 2017 highlights

### Funding package for Sea Lion progressing
- LOIs signed with contractors for vendor finance
- Progressing senior debt discussions (export credit and commercial bank)

### Sea Lion cost estimates reducing
- Gross capex to first oil reduced to c.$1.5bn
- Opex incl FSPO <$25/bbl
- Life of field costs reduced to <$35/bbl

### Regulatory interface for Sea Lion well advanced
- EIS consultation complete
- FDP largely agreed
- Alignment with FIG on key fiscal, commercial and regulatory items

### Greater Med portfolio to protect balance sheet and fund growth
- Production 1.2 kboepd
- Revenue up 40% to $10.4m
- Cash opex $9.5/boe
- G&A funded by operating cash flows

### Ombrina Mare arbitration commenced
- International arbitration under ICSID (World Bank)
- Seeking significant monetary damages
- Hearing set February 2019

### Cost control and balance sheet strength
- YE cash $51m; no debt
- Sale of non-core assets in Italy
- G&A reduced 50% over 3 years
Growing our asset base in Greater Mediterranean
Production and revenue base to cover costs, protect balance sheet and provide upside

Revenue up 40% vs 2016
Low operating costs $9.5/boe
G&A down 50% over 3 years
Ombrina Mare arbitration

Note:
- 2016 production and revenue includes impact of Egypt acquisition from mid August 2016 onwards
Sea Lion project substantially de-risked with multiple phases of future development

Increasing resource base as project matures

Pre-drill estimate

- April 2009
- June 2010
- March 2012
- April 2016

35% increase
115% increase
Material low-risk upside remaining within the basin

1. Capture 3C resource within Sea Lion
2. Low risk exploration upside located close to Sea Lion
3. Further exploration and appraisal of Isobel-Elaine

**Gross Sea Lion Complex resources (mmbbl)**

<table>
<thead>
<tr>
<th>3C</th>
<th>2C</th>
<th>900</th>
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<td>517</td>
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Source: ERCE May 2016

**Mid case prospective resource**

- Sea Lion Area
- Zebedee Area
- Jayne Area
- Chatham Area

- 46.4% 17-29% GC05 Range
- 53.4% 21-49% GC05 Range
- 21-49% GC05 Range
- 42-80% GC05 Range

207 MMBbl

**High case prospective resource**

- Sea Lion Area
- Zebedee Area
- Jayne Area
- Chatham Area

- 140.9% 17-29% GC05 Range
- 141.2% 21-49% GC05 Range
- 194.2% 24-80% GC05 Range
- 70.4% 42-80% GC05 Range

547 MMBbl

**Contingent & Prospective Resources in the Isobel/Elaine Area**

- Recoverable Resources [MMbbl]

**Management Recovery Factors utilized against some of the ERCE audited STOIP values**
- Best Case: 25% and High Case: 30%
Sea Lion funding - working towards FID by end 2018

1. Key operational metrics
   - Initial target production 80,000 bopd gross
   - 23 well development (16 oil producers)
   - 220 mmbbl gross developed in Phase 1

2. Material costs savings achieved through FEED
   - Capex to first oil reduced to $1.5 billion gross
   - LOF costs <$35/bbl (capex, opex and FPSO lease)
   - Field opex $15/bbl
   - Indicative FPSO lease cost $10/bbl

3. Contractor finance
   - LOIs signed with contractors for provision of rig, well services and logistical services and vendor financing
   - Targeting ~$400m vendor financing

4. Senior debt
   - Positive engagement with senior debt providers (export credit and commercial bank)
   - Number of banks have indicated desire to support
   - Appointment of lead bank expected shortly
   - Lender due diligence advisers selected

Operator recently confirmed it is working towards FID by end 2018 with financial close expected H1 2019
Focus for 2018

**Progress Sea Lion towards FID by end 2018**
- Select preferred contractors and secure vendor financing
- Secure senior debt funding
- Financial close H1 2019

**Egypt drilling campaign**
- Four well campaign in 2018
- El Qa’a - exploration well in Q2
- Abu Sennan - one exploration and two infill development wells – expected to commence mid 2018

**Ombrina Mare arbitration**
- International arbitration under ICSID (World Bank)
- Seeking significant monetary damages
- Hearing set February 2019

**Continued pursuit of New Ventures**
- Opportunities screened on highly selective basis
- Focus on addition of production and cash flow
- Strengthen balance sheet
- Greater Mediterranean region