

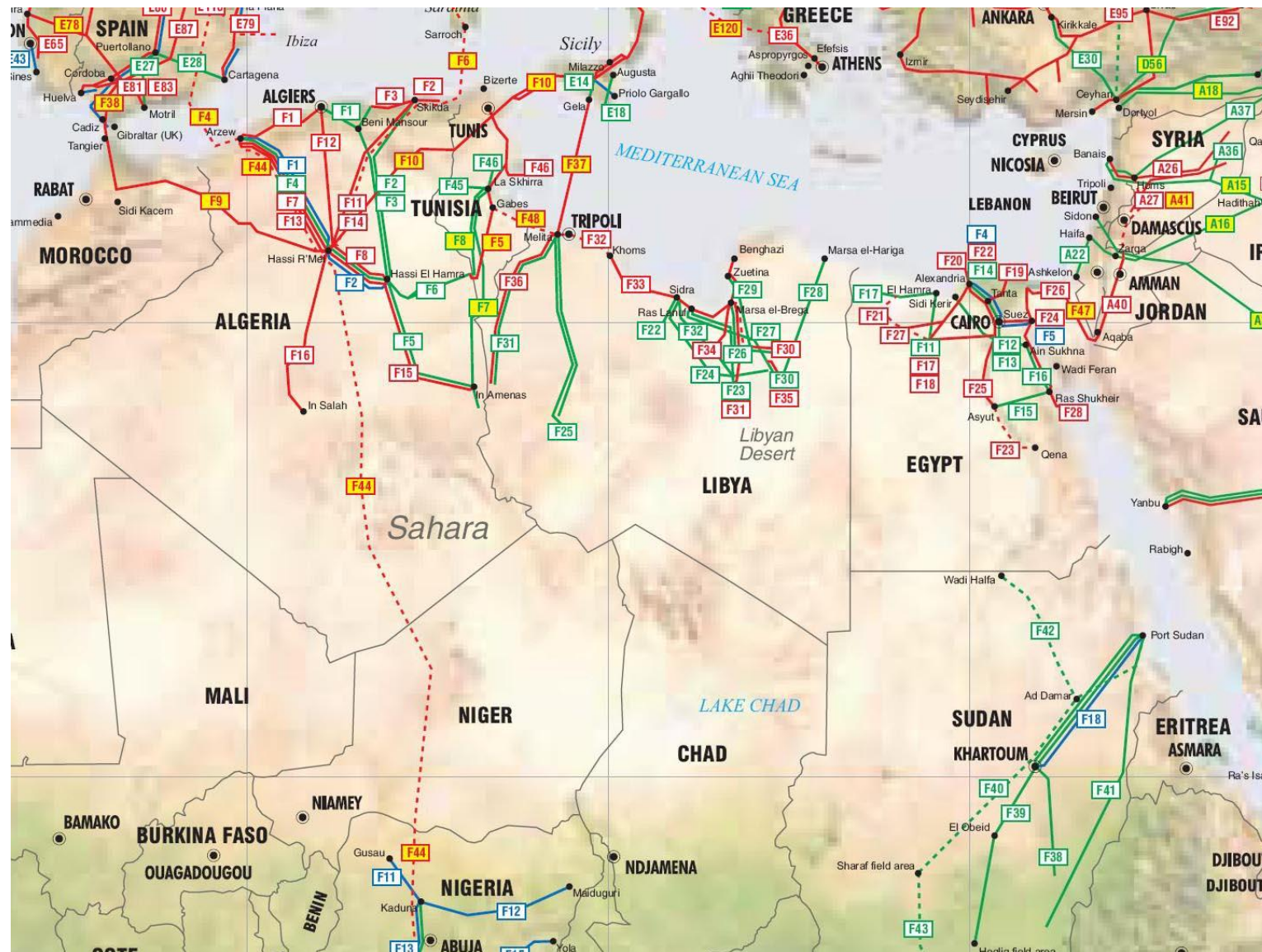


## Finding Petroleum

Morocco to Egypt overview - and the case  
for regional consolidation

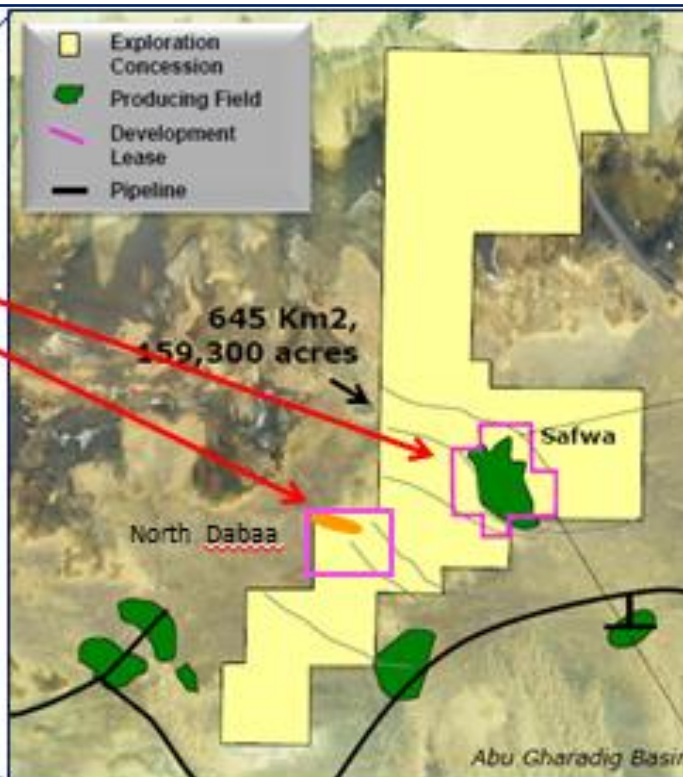
December 2016

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## East Ghazalat

(balance of acreage relinquished 6<sup>th</sup> Dec 2014)



### Degolyer & McNaughton CPR (Prepared as of 30 June 2015)

25% WI

1P	153,000 bbls
1P+ 2P	500,000 bbls
1P+2P+3P	632,000 bbls

2C contingent:

140,000 BOE

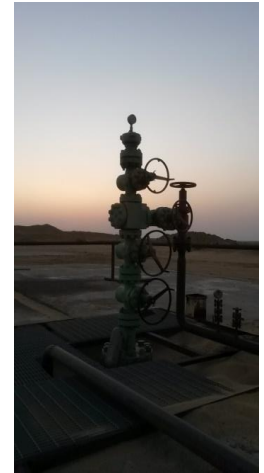
Mgmt Case

1,900,000 bbls (plus upside in gas development)

## Local knowledge Required

The way things are done round here

- Informality prevails
- Working within the JOAs inconsistent
- Safety not always a high priority



- Once on production the requirement to have an operating company jointly held with EGPC allows potential confusions and multiplication of people (high costs) between OpCo and Operator
- EGPC/EGAS/GANOPE relations are key



[Egypt reopens Gaza crossing for 3 days](#) - Anadolu Agency

[Egypt opens Rafah crossing with Gaza for three days](#) - WAFA - Palestine News Agency

Full Coverage



Flag as irrelevant

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## China making big diplomat gains in **Egypt**

The Japan Times

And, more recently, the Chinese government has stressed its long-standing interest in the Middle East and North Africa (MENA), and in **Egypt** in ...



Flag as irrelevant

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## **Egypt** bombs kill six policemen, civilian

SBS

Two separate bomb attacks in **Egypt** on Friday killed six policemen and a civilian, the latest in a string of attacks targeting security forces and officials, ...

[Egypt militant group claims Cairo bombing](#) - Sky News Australia

[Arab countries denounce Friday's terrorist attack in \*\*Egypt's\*\* Giza](#) - Ahram Online

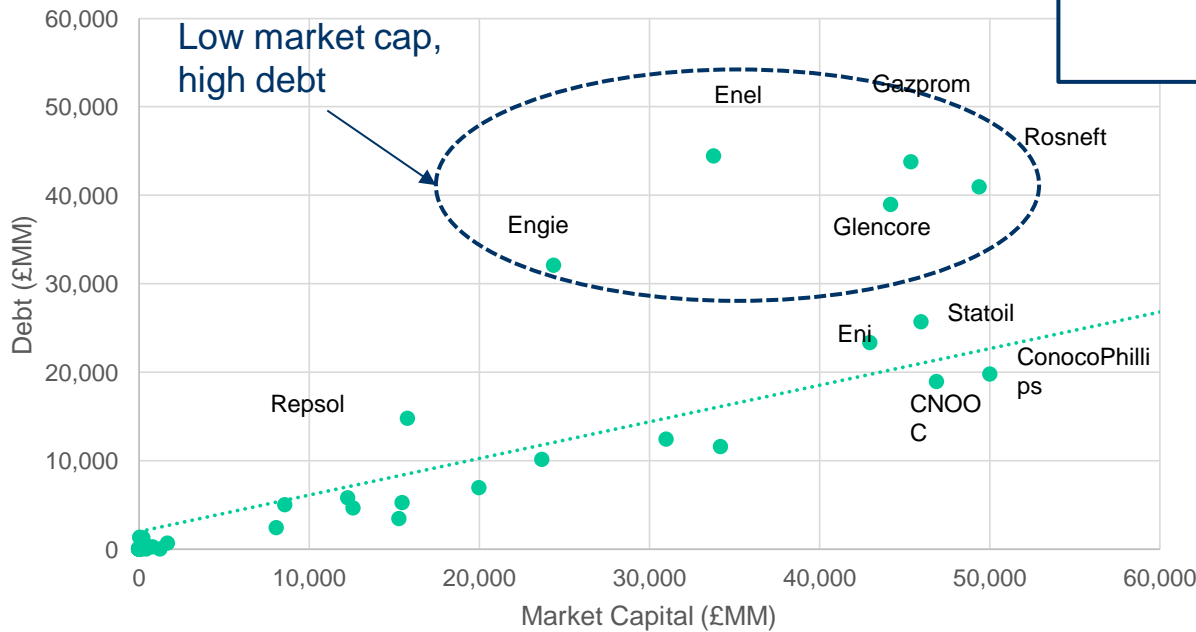
[Egypt security forces hit by two bombings in a single day](#) - Daily News & Analysis

- ✓ Apache                      Egypt since '90's
- ✓ Anadarko                  Algeria
- ✓ Kuwait Energy          Egypt
  
- Private
  - Pico                              Egypt
  - IPR                                Egypt
  - Vegas Now North Petroleum    Egypt
  - L-1 acquired DEA                Egypt
  - State Companies
    - KUFPEC                            Egypt/Tunisia
    - CNOOC/CNPC                      Algeria
    - Sinopec                             Egypt

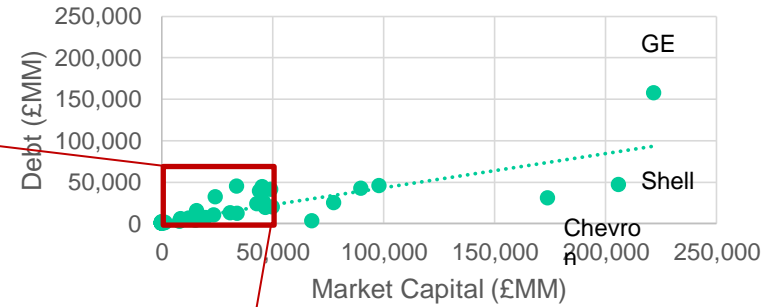
## Market Capital and Debt

Companies in Morocco, Algeria, Tunisia, Libya and Egypt

### North Africa Oil and Gas Companies, Market Cap vs. 2015 Debt



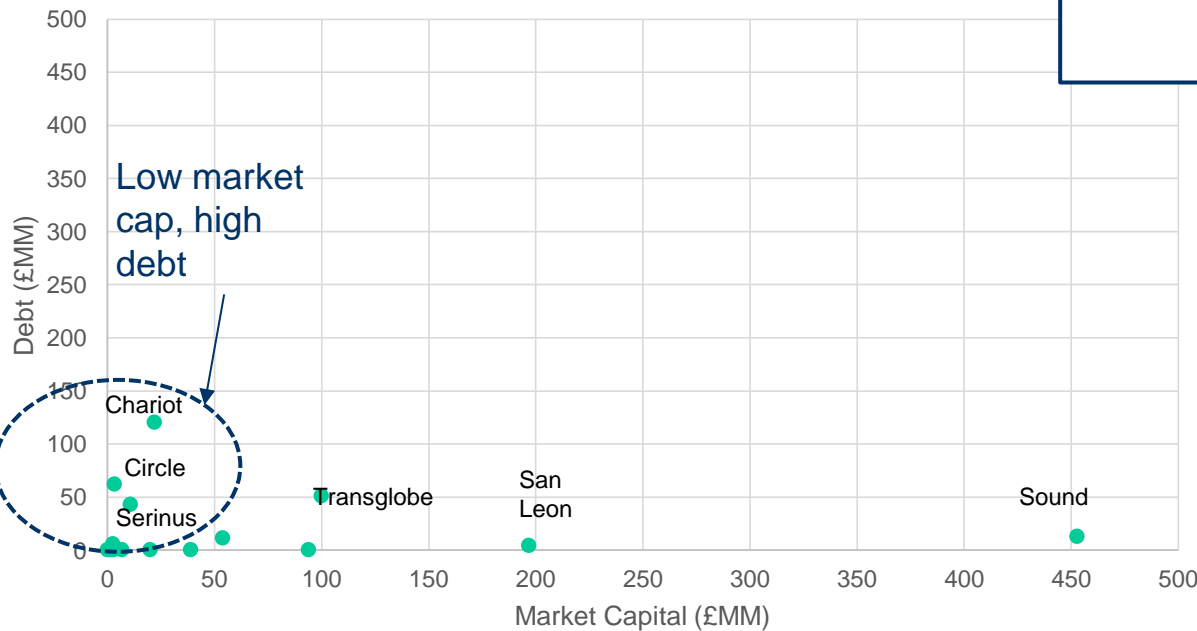
### North Africa Oil and Gas Companies, Market Cap vs. 2015 Debt



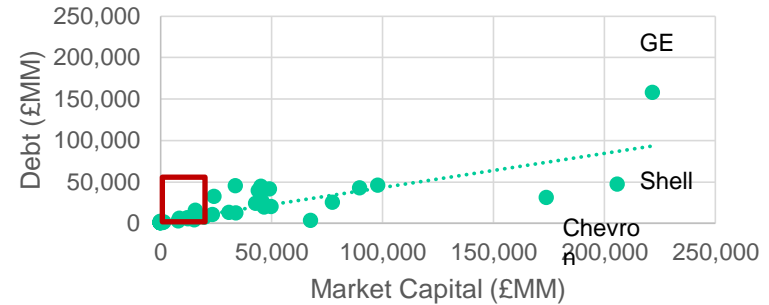


**Small Caps – Market Capital and Debt**  
 Companies in Morocco, Algeria, Tunisia, Libya and Egypt

North Africa Oil and Gas Companies, Market Cap vs. 2015 Debt



North Africa Oil and Gas Companies, Market Cap vs. 2015 Debt



- First Calgary Petroleum      Algeria      Now ENI
- Verenex      Libya      Now Medco
- Chinook      Tunisia      Now Medco
- Dana Petroleum      Egypt      Now KNOC

## Under Review

- Petroceltic/Melrose      Egypt      Now Worldview
- Circle Oil      Egypt, Morocco, Tunisia

## Current

- Transglobe      Egypt & *Canada*
- Winstar/Serinus      Tunisia & *Romania*
- Sound Energy      Morocco & *Italy*
- Petromaroc      Morocco
- Chariot Oil and Gas      Morocco
- SDX      Egypt
- Rockhopper      Egypt & *Italy and Falklands*
- Independent Resources      Egypt and Tunisia

- Locally in each country
  - Employment required
  - Financial stress- all countries reliant on foreign debt
  
- Politics will play a critical role
  - Chinese, Russian, American, Arab
  - Religion
  
- **To be successful**
  - Financial staying power- low/no debt
  - Scale to get to market- Apache & Transglobe marketing in Egypt
  - Patience 20+ year time frame

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