

CORPORATE STRATEGY

Our strategy is to bring our development asset to first gas on schedule and to maximise the value of our producing assets through on-going investment, active reserves management and cost control. Through discovery of assets with material hydrocarbon resource potential, we develop these assets to deliver superior shareholder value. We focus on developing material asset positions in attractive fiscal regimes with strong partners that can add complementary skills as well as financial strength. Our geographical focus is Middle East-North Africa ("MENA"), the Black Sea and the Mediterranean basin.

2014 Key Achievements

Algeria:

- Farm-out provides \$160m funding to cover capex until Q2 2016 and further contingent payments of up to \$20m
- FEED and Gas Sales Agreement contracts awarded

Egypt:

- Production of 19.3 Mboepd, generating revenue of \$106m
- Completion of two successful development wells and one workover
- New acreage granted - portfolio renewal
- Receivables reduced to \$50m

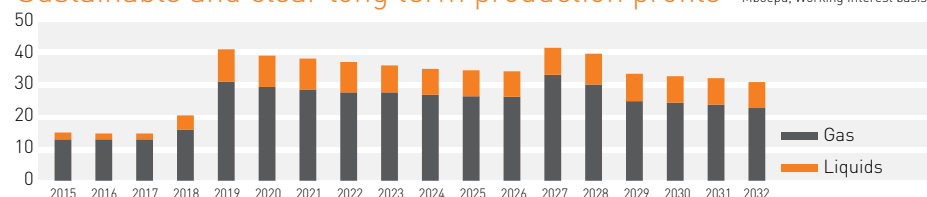
Bulgaria:

- Production of 3.2 Mboepd generating revenue of \$51m
- Successful export compressor major overhaul

Corporate/Other:

- \$100m share placing
- Net debt reduced to \$153m

Sustainable and clear long term production profile Mboepd, Working Interest basis



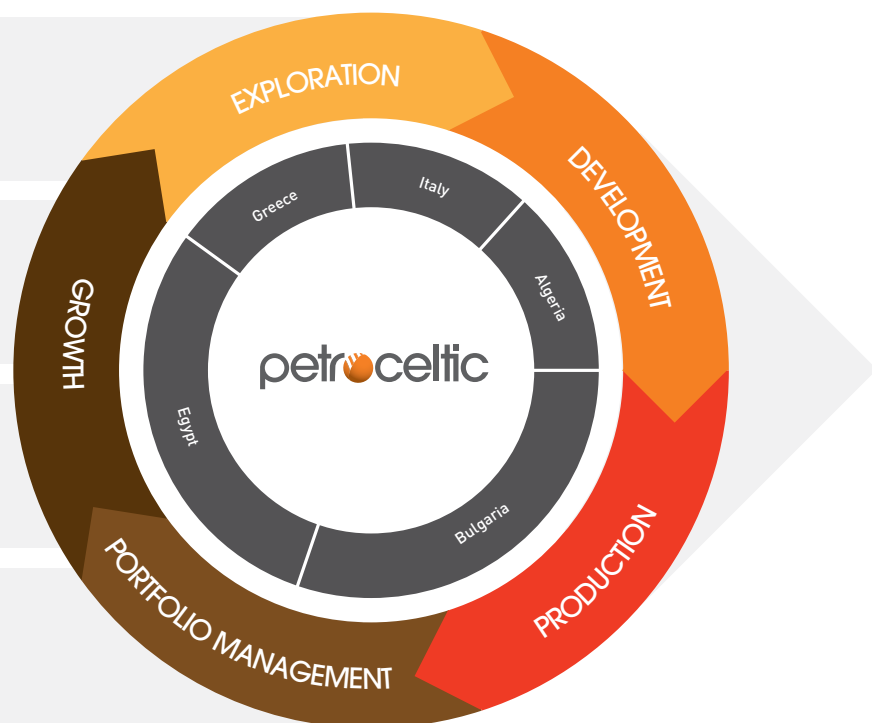
Future Key Targets

- Award of Rig Contract (achieved in April 2015) and EPC contract
- Project delivery on budget- circa \$430m net capex spend to first gas (post carry)
- First gas anticipated Q4 2018 with 14 year wet gas production plateau of 355 MMscf/d
- Maintenance of production- 2015 guidance of 12.5-13.3 Mboepd
- Infill drilling and facilities investment
- Gas injection to maximise liquids recovery
- Farm-out exploration acreage to manage risk and financial exposure
- Seismic acquisition on new licences
- Maintenance of production- 2015 guidance of 1.5-1.7 Mboepd
- Kavarna East completion and tie back
- Invest in Kaliakra to deliver existing reserves

- Progress financing strategy for Ain Tsila development expenditure
- Divest or relinquish non-core/low graded exploration licences at minimal cost
- Restructure the organisation to match reduced exploration
- Retain high quality opportunities (while minimising cost)

BUSINESS MODEL

In line with our strategy, the business model has evolved to be a full cycle E&P company with a portfolio in North Africa and the Mediterranean region. The Development asset is the core driver of value and the Producing assets provide funding for the Group's activities. In difficult climates, the model can adapt and focus away from low graded or high risk exploration towards near term developments. Growth and increased value for shareholders is always a central focus.



EXPLORATION

Confined to core areas for portfolio renewal and licences where material resources are possible. Joint venture partnerships are used to mitigate risk, share costs and gain external knowledge and experience.

DEVELOPMENT

Putting the right team in place and awarding contracts to experienced suppliers to ensure proper execution of projects. Cost control, stable financing and a focus on the project delivery timetable is central to the development.

PRODUCTION

Maximise producing wells and reserves to generate a strong cash flow. Low operating costs and a stable mix of liquids and gas with predictable gas prices on long term contracts.

PORTFOLIO MANAGEMENT

As part of preparation for drilling or other significant capital expenditure programmes, farm-outs are considered to mitigate financial and operational risk.

GROWTH

Develop opportunities arising from the existing asset base. Delivering growth in shareholder value is the primary focus of the business model.

