



Ophir Energy

2014 Full Year Results
19 March 2015

2014 Financial Highlights

- Completed divestment of 20% interest in blocks 1, 3 and 4 to Pavilion for \$1.288bn
- Cash and cash investments at YE '14 of \$1.17bn
- Total net contingent resource at YE '14 of 1,031 MMboe
- 3 year total finding cost of \$1.34 per boe
- More than doubled exploration acreage with no well commitments through new licences in Gabon, Myanmar, Seychelles and Indonesia
- Delivered key milestones for FLNG project

2015 Outlook

- Identified cost savings of \$250 MM over 2015-16
- Closed Salamander acquisition on 3 March
- Capex guidance of \$250 MM - \$300 MM
- Estimated YE 2015 cash position of \$700 MM - \$750 MM

Strategy

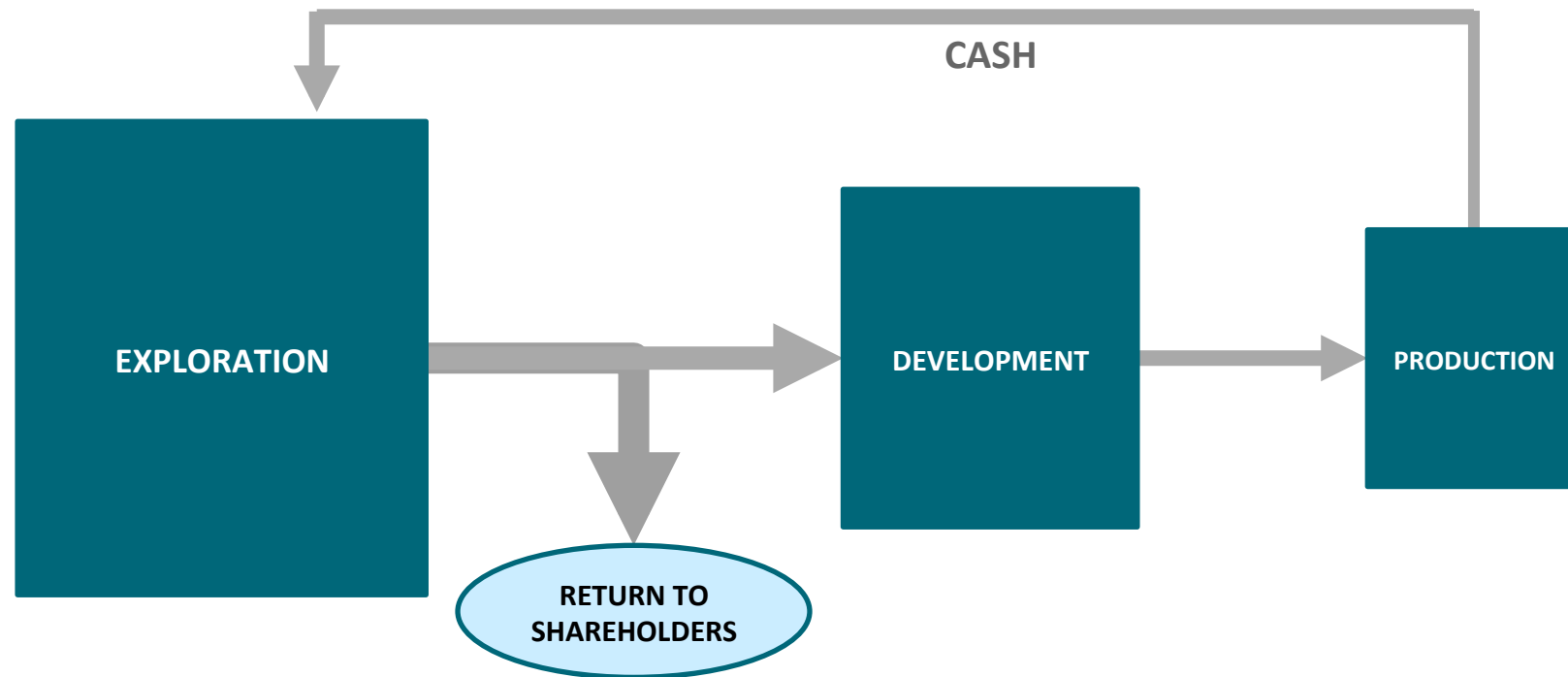
Positioned to thrive in uncertain times



- Value creation through exploration
- Focus on ROCE through capital allocation and cost management
- Active portfolio and risk management

Ophir does not think like a traditional, full cycle E&P

Ophir is BIG E and little p



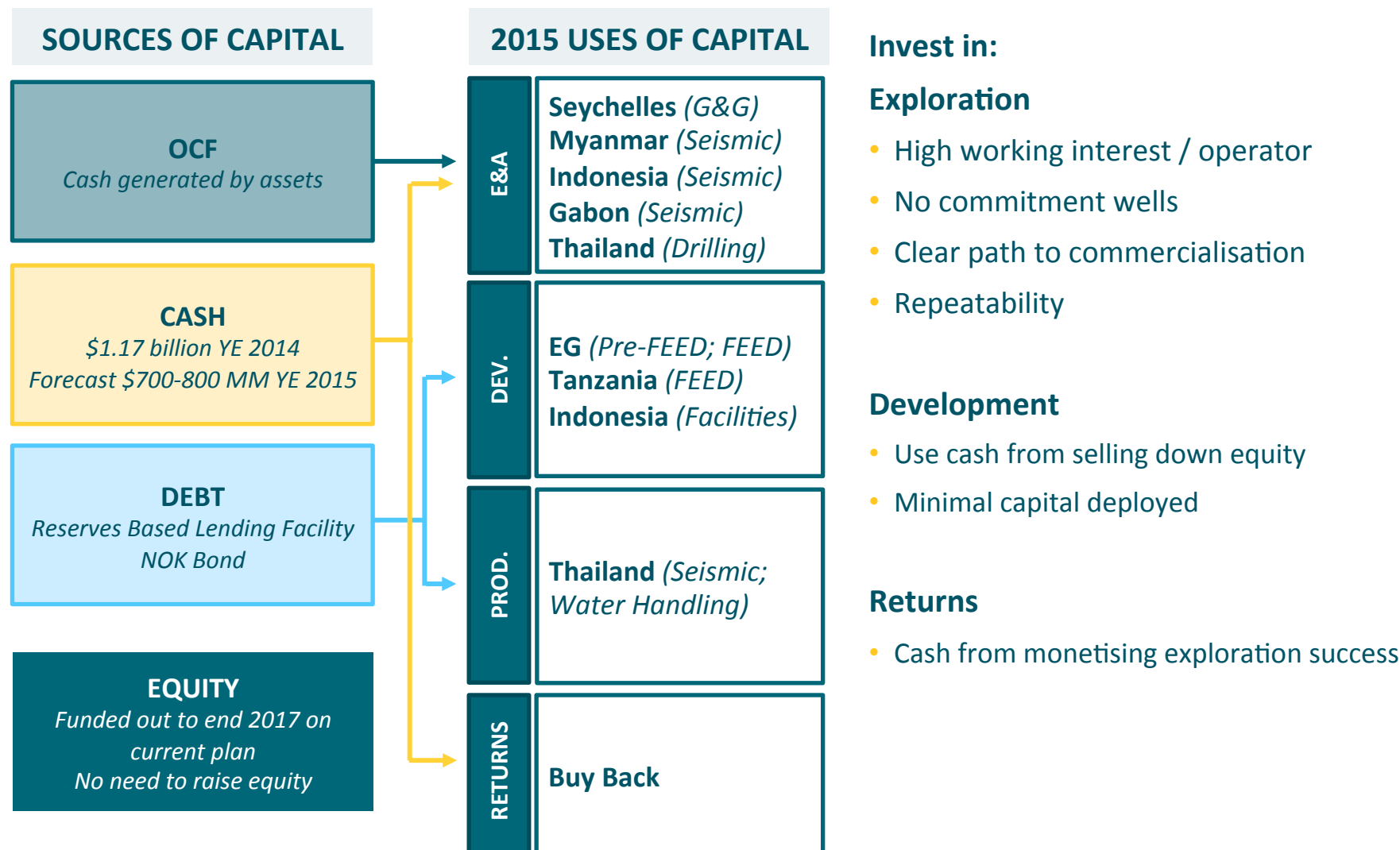
- Exploration is focus for creation of shareholder value
- Unique position to deliver high graded portfolio due to strong balance sheet and minimal well commitments

- Self funded development activity
- Minimal existing capital will be deployed to development activity

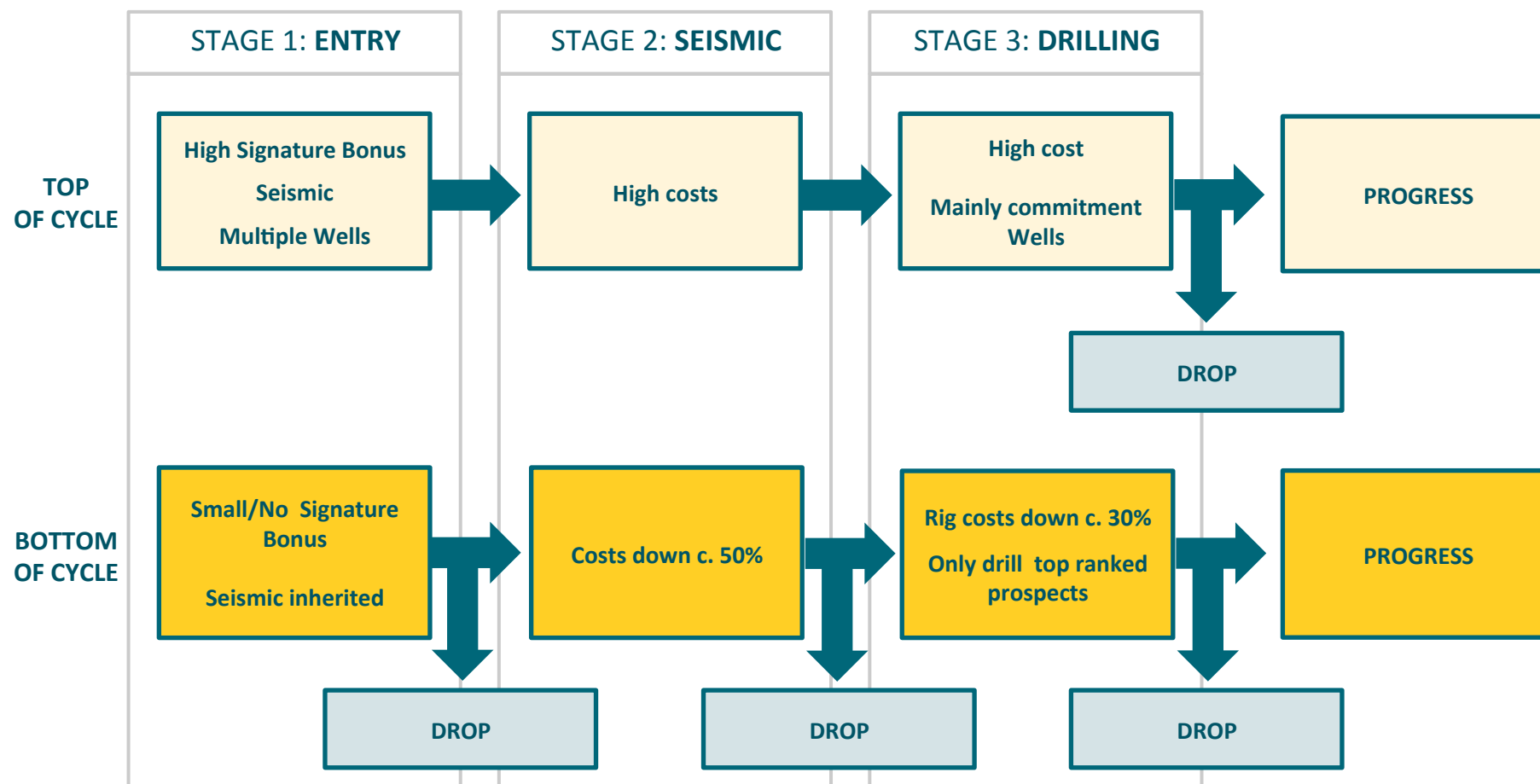
- Production is a financing stream for E&A activity
- Reserves replacement and production are not key metric
- Assets must break even at low oil price

Disciplined capital allocation

Only deploy capital for a material ROCE



Exploration – a unique opportunity



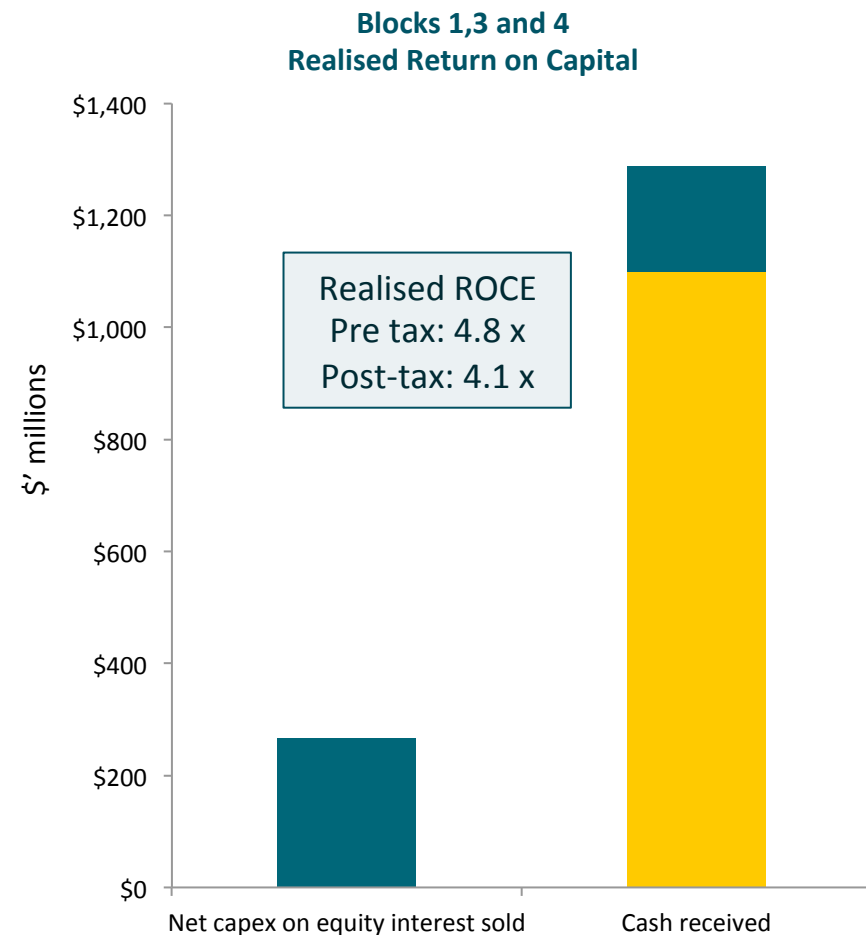
**ALL THREE COST COMPONENTS DROPPED IN PRICE
RISK OF ROCKS IS UNCHANGED**

Value creation through exploration

ROCE achieved in Tanzania Blocks 1, 3 and 4

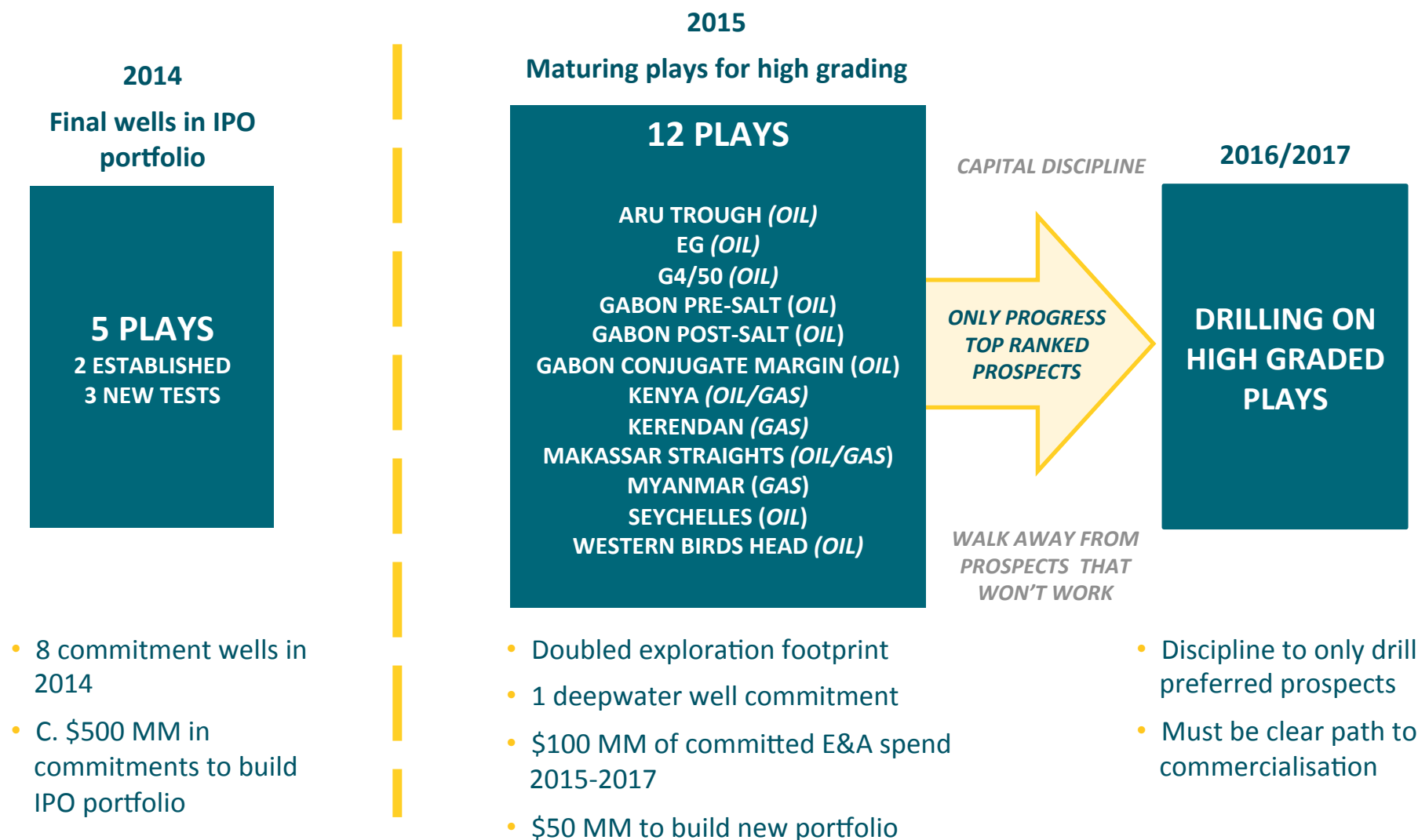


- Basin opening potential with repeatability
 - 100% success rate, 16 successful wells
 - Discovered over 17 Tcf (gross)
 - Low F&D cost
- High working interest and operatorship
 - Reduce equity as de-risk
 - Transact to fund work programme (e.g. farm out to BG)
- Aggressively pursue work programme
 - First to shoot seismic
 - First to drill



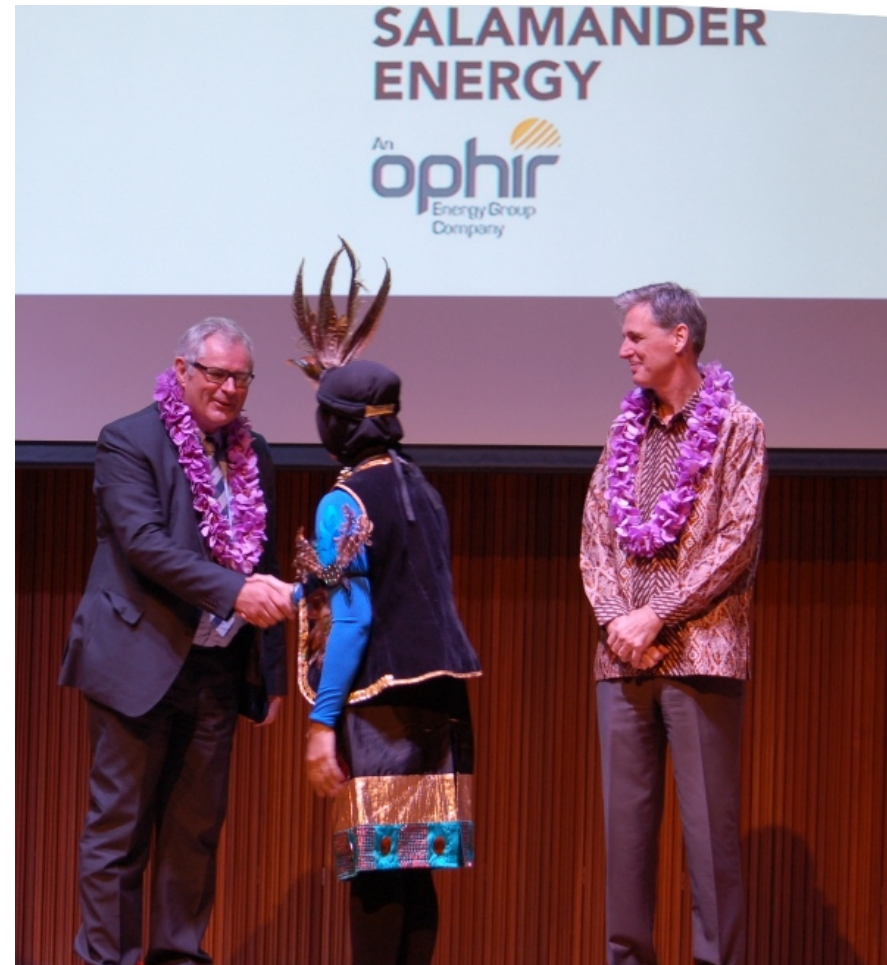
High graded exploration portfolio

Minimal commitments, low cost entry



Salamander integration progressing well

- No interruption to operations
- Implementing synergies
- Production assets break even at \$15 per boe
- Deleveraging & refinancing plans
- Established a platform for regional growth



Financials – Tony Rouse, Director of Finance

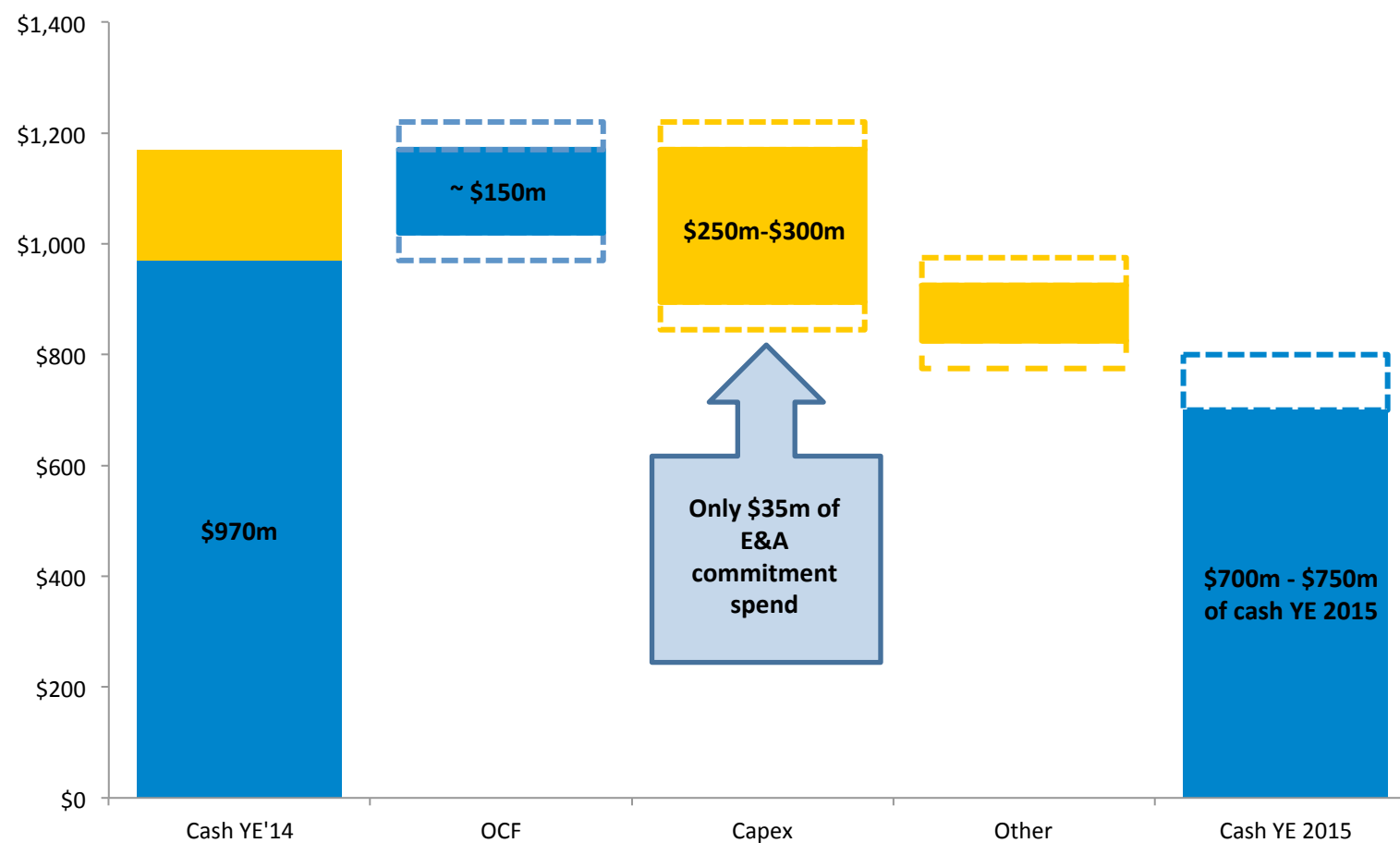


Financial highlights

		2014	2013	
Exploration expenses	\$ millions	(333)	(229)	Impairments in Gabon, Kenya and Tanzania
G&A	\$ millions	(21)	(32)	Reduced by 36% in line with objective of reducing cost base
Profit/(loss) after tax	\$ millions	55	(246)	After post-tax profit of \$460MM from farm-out of Tanzania
Earnings (loss) per share	GBp	6	(29)	
Cash and cash equivalents	\$ millions	1,170	667	Reflects funds received for Pavilion transaction
Capital expenditure	\$ millions	(590)	(389)	2015 Capex \$275-300 MM; reduced by 53% compared to 2014

Balance Sheet

Fully funded for next 3 years, high degree of financial flexibility



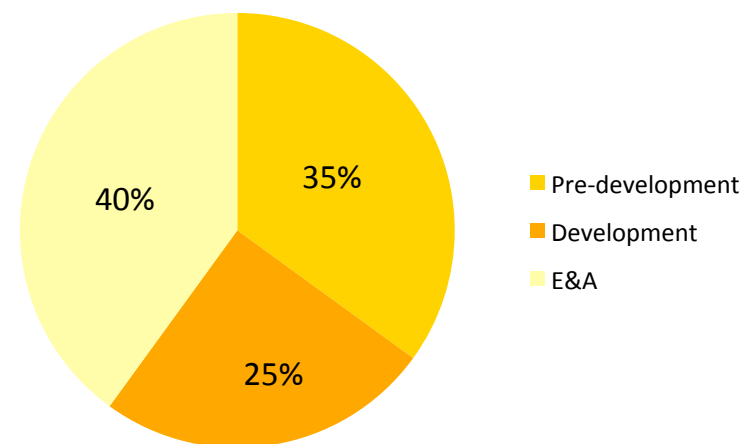
Capex and costs

Low levels of commitment spend, strong balance sheet, high degree of flexibility

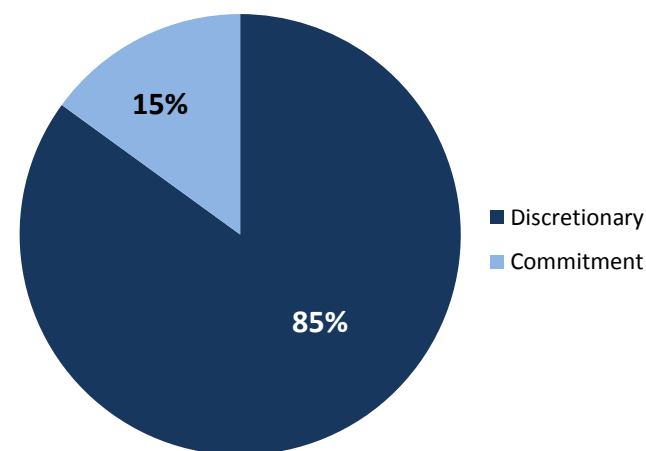


- 2015 capex 53% down on 2014
 - 2015 capex forecast \$250-300MM
- E&A capex down c. 60% on 2014
- \$250 million of cost savings
 - Capex revisions
 - G&A reductions
 - Acquisition synergies
- High degree of financial flexibility
 - Only \$35 million of commitment spend in 2014
 - Total E&A commitment spending of \$100 MM through end 2017; c. 9% of YE 2014 cash
 - \$150 MM carrying cost to FID for LNG projects
- Fully funded for 3 years on current plan
 - Flexibility to scale back capex if required
 - Combination of cash, debt and cashflow

2015 Capex – E&A v P&D



2015 Capex – Discretionary v Commitment



Operations – Bill Higgs, COO



Production is flywheel for E&A activity



Production Assets Provide Balance of Cash Flows

- Oil, Fuel Oil-indexed Gas and fixed price Gas revenues
- Production from Thailand and Indonesia in next two years

Outlook

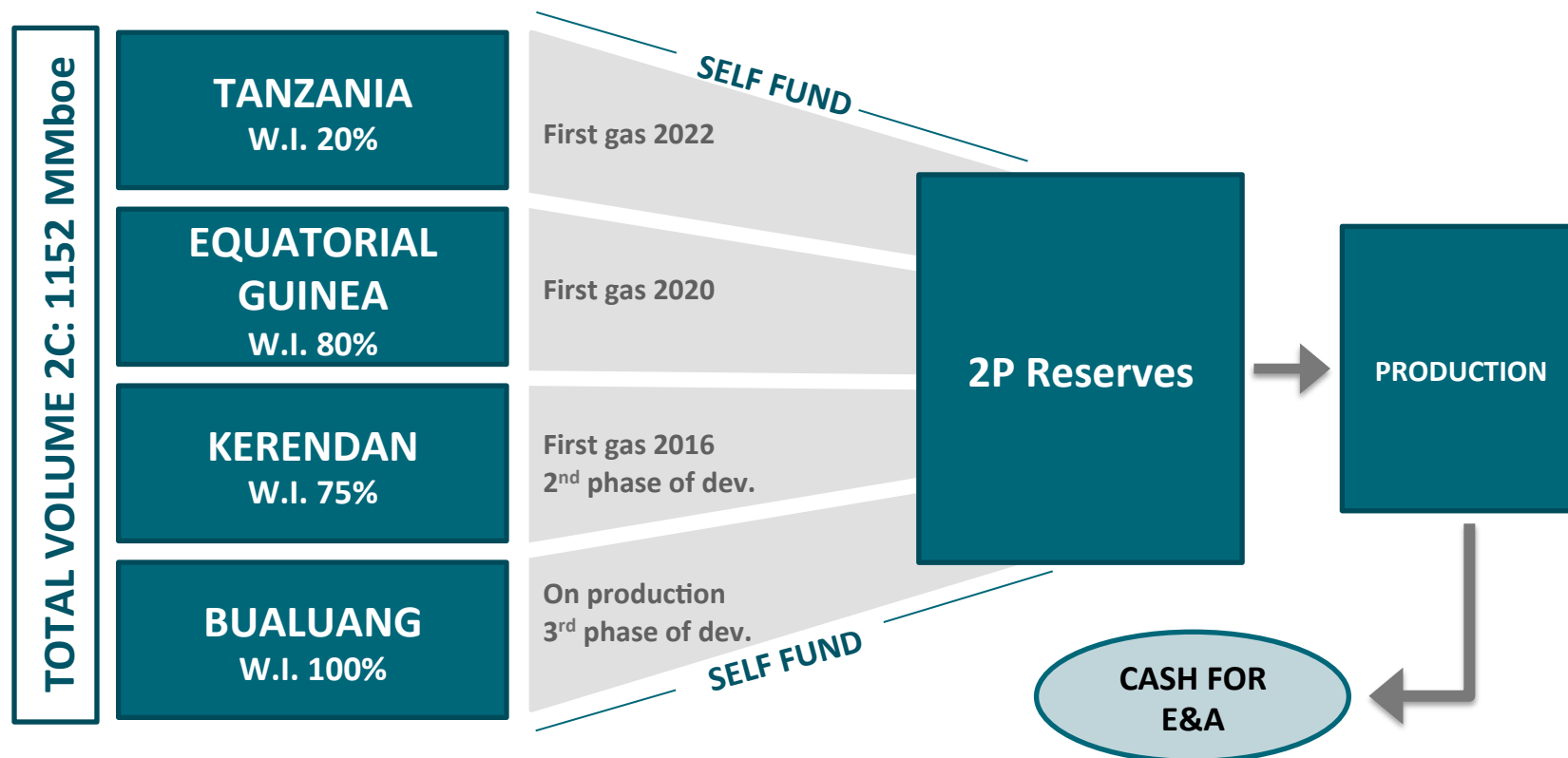
- Cash flow from production c. \$150 million in 2015
 - Production c. 10-12 Kboe/d
- Existing production is breakeven at c. \$15/boe
- Revisiting expansion of Bualuang in 2015 to enhance returns from 3rd phase
- Focus on pace of development at Kerendan

Self funding development assets

No fresh capital deployed to development

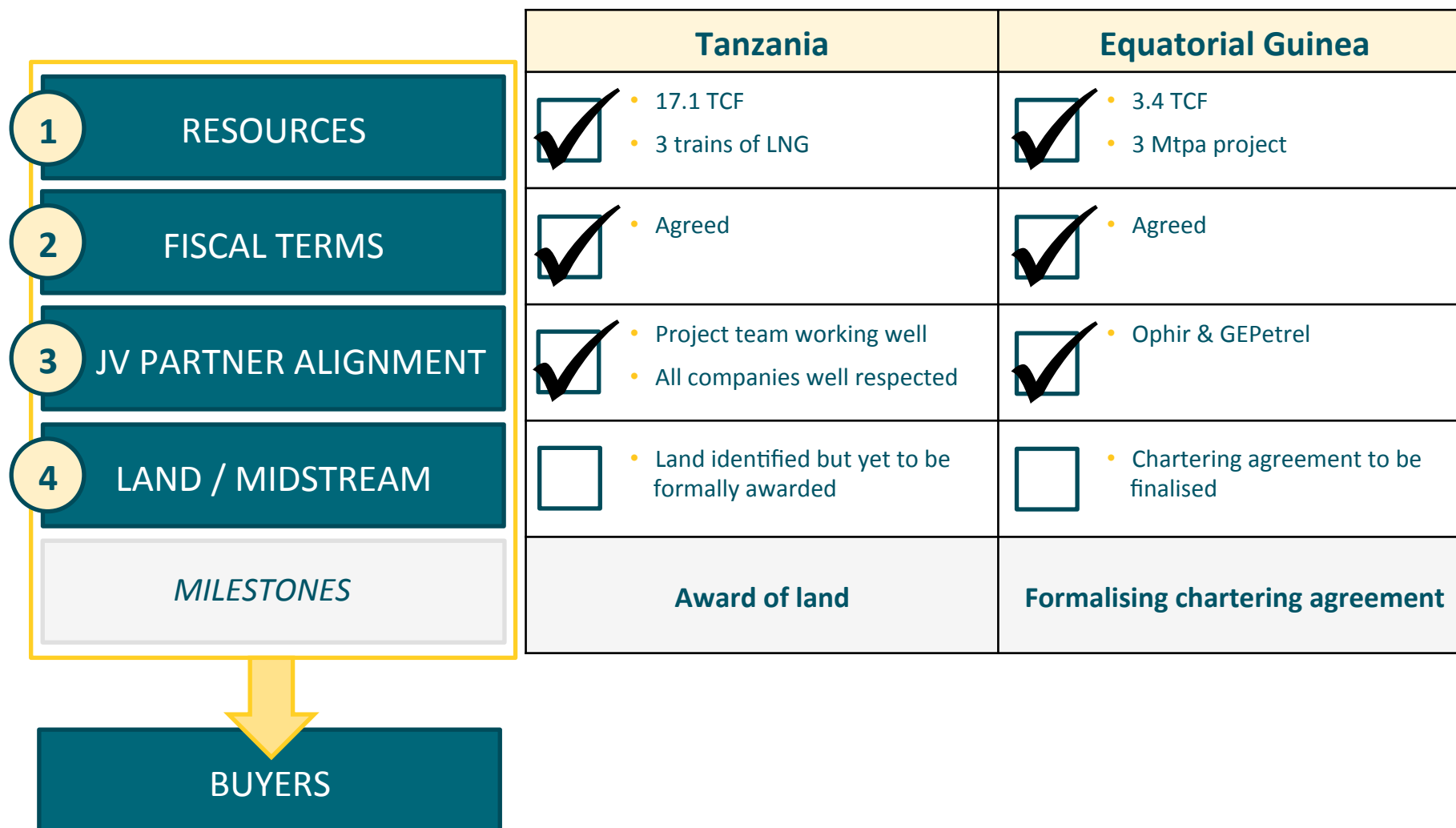


- Not all barrels are equal
- We explore for high quality barrels that generate cash in a low price environment
- Project equity is a source of capital



LNG Overview

Four key things required to make FLNG project work



FLNG is right solution, Upstream component within Ophir's ability to operate

Why FLNG appropriate solution

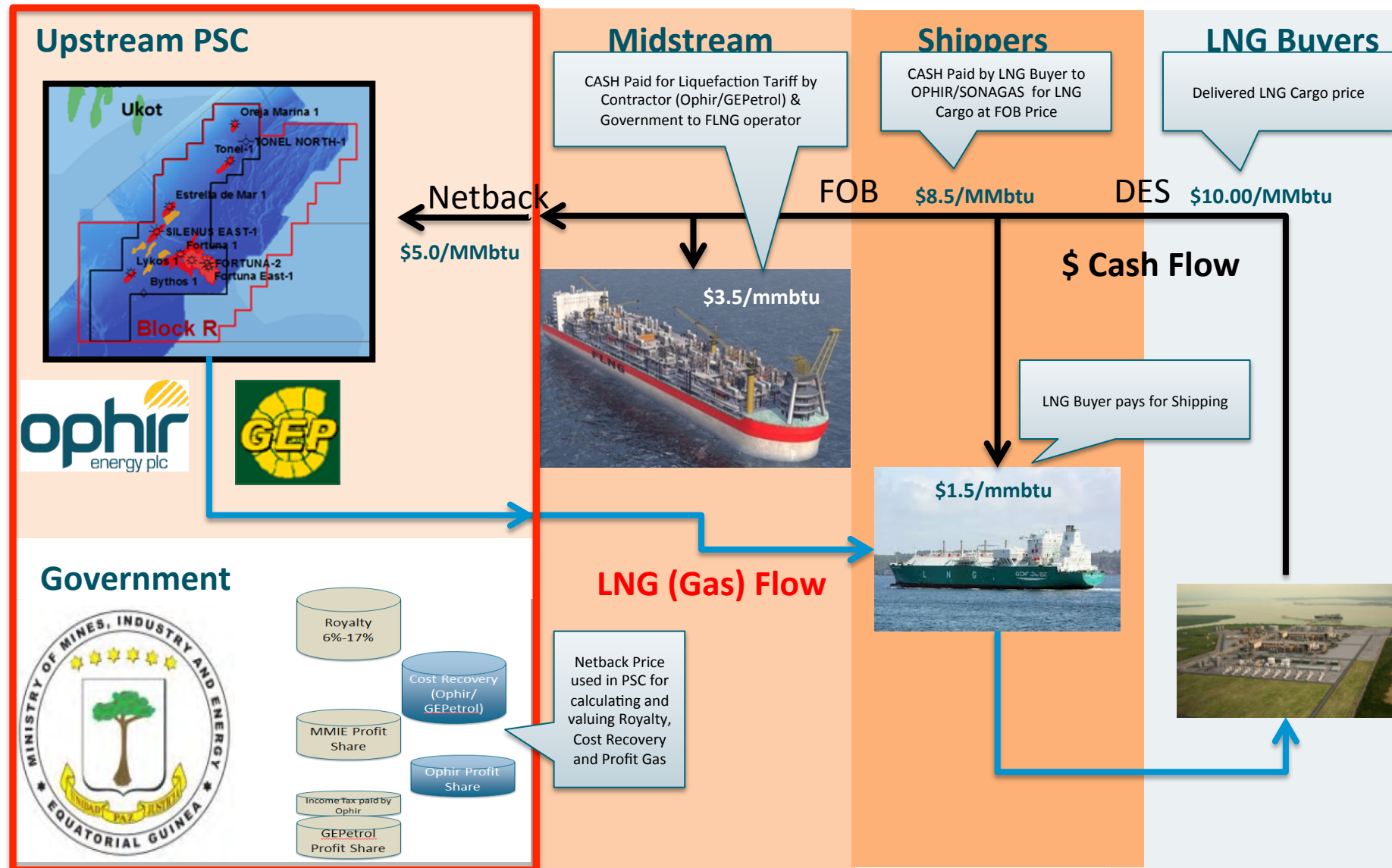
- Biogenic gas, 99.7% methane – clean and simple
- Benign meta-oceanic conditions
- c. 3 MTPA is ideal size for conventional vessel

Why Ophir can be the Upstream operator

- Operator's role in Upstream development relatively straightforward
 - Drill, complete and tie-back to vessel
- \$3bn of Midstream capex turned into opex
- c. \$1bn of Upstream capex to first gas
- Self fund once farmed out
 - Only progress to FID if equity has been reduced
- Upstream dev-ex c. \$1.76 per boe

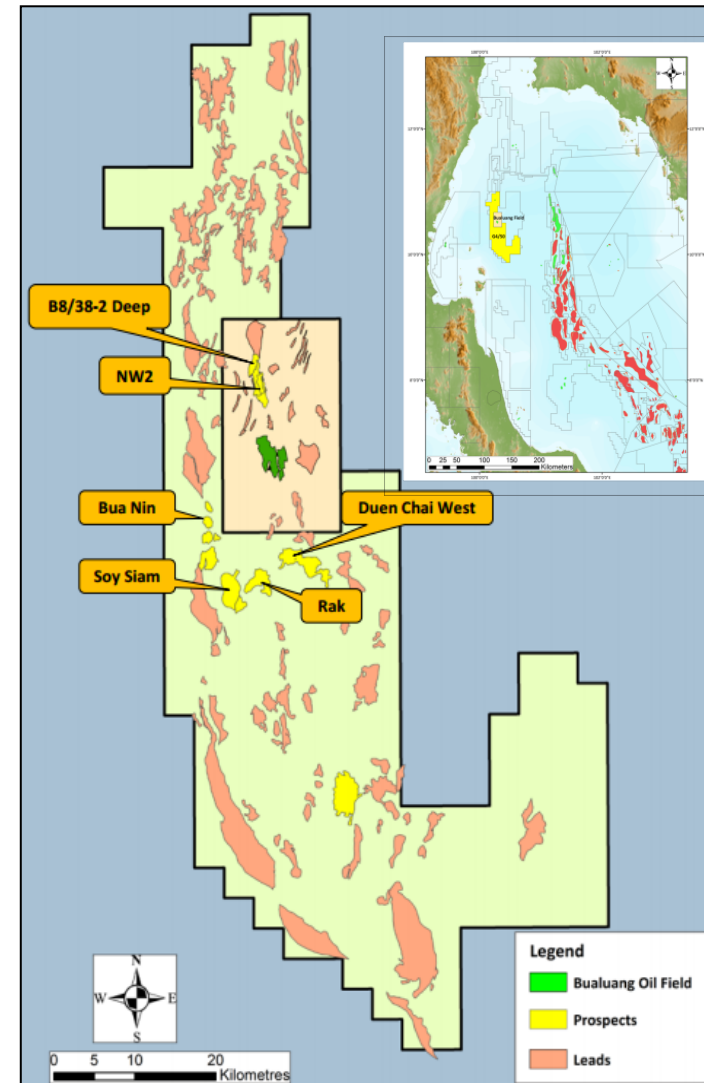


FLNG Value Chain (Prices Indicative)



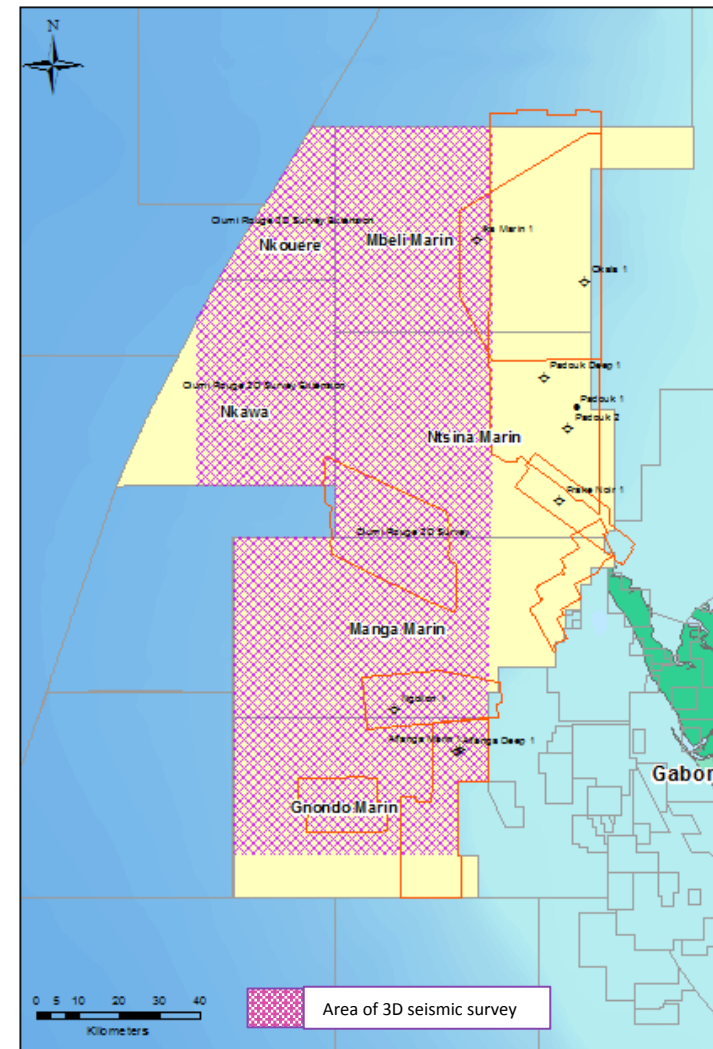
Thailand - near-field exploration drilling

- Step out from Bualuang oil field
 - G4/50 surrounds production licence
 - Blanket 3D over licence
 - 18 locations have approved EIAs
 - 2 wells in 2H 2015
- Ophir reviewing prospect inventory
 - Locations to be approved mid year
 - 2 wells to be drilled in Q4
 - Follow up drilling dependent on initial results
- Low cost drilling
 - Less than \$10 MM per well
 - Offset 50% of cost against Bualuang production tax



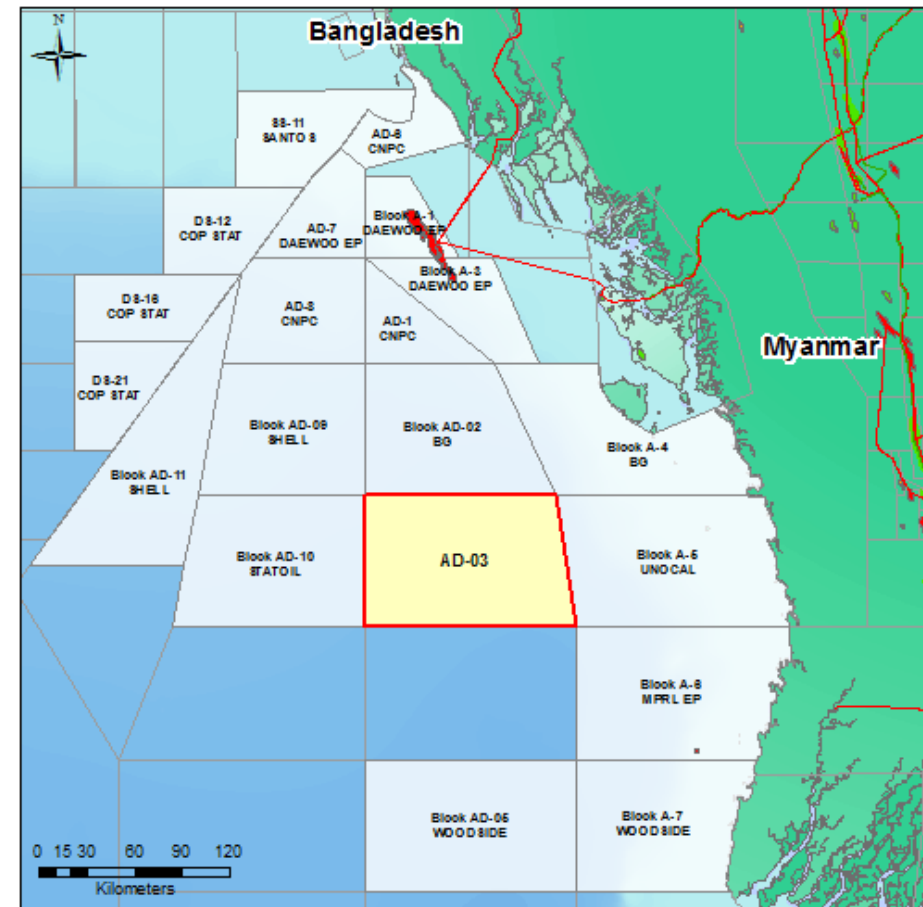
Gabon - high-grading exploration prospects

- Building on learnings from 2014
 - Saw all elements of hydrocarbon system
 - Update geological model
 - Apply learnings to interpretation of new 3D data
- New oil play emerging
 - Awarded Nkouere and Nkawa blocks outboard of previous acreage
 - Conjugate margin play
 - Analogous to Bara discovery, offshore Brazil
- 3D seismic survey shot in 4Q 2014
 - Shot over 10,000 sq km 3D survey
 - No drilling commitment
 - Seismic interpretation and prospect hi-grading in 2015
 - Possible drilling in 2016
- Looking for prospects between 250 – 500 MMbo



Myanmar - leading deepwater exploration

- 95% operated interest in Block AD-03
 - Located in Rakhine Basin
 - On trend with 9 Tcf Shwe gas field
 - Pipeline to China (current price c.\$9/mcf)
 - No drilling commitment
- 3D seismic survey commenced March 2015
 - Committed to shoot 2,500 sq km
 - 3D prices down by 65%
 - Shooting a 10,000 sq km survey
- First mover advantage
 - Only company capturing seismic in current weather window
 - 6-12 months ahead of other companies in terms of work programme
- Preliminary mapping on existing 2D indicates prospects of up to 40 Tcf



Summary & Outlook

- Development assets self funding
- Cost and capex reduction of \$250 MM in 2015/16
- YE '15 cash expected to be \$700 MM - \$750 MM
- Fully funded until end 2017 on current work programme
- Unique opportunity to access high quality portfolio with minimal commitments
- Disciplined approach to capital allocation – focus on ROCE
- Sustain a world class exploration track record

FORTUNE FAVOURS THE BRAVE!



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