



LEKOIL

Investor Presentation

September 2014

Shaping the Future of Oil Exploration in Africa



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Who we are

- Africa focused exploration and production company with assets in West and Southern Africa.
- Management team and Board with strong relationships and experience in global financial markets.
- Strong technical team with deep local and global expertise.
- London Stock Exchange (AIM) listed with current market capitalization of ~\$400 million.



Management Team



Lekan Akinyanmi, Executive Board Member | Chief Executive Officer

Formerly the international Energy Sector Head at AllianceBernstein L.P. (Global asset manager with over \$400 Billion under management) with direct responsibility for a \$1 Billion Energy and Natural Resource Portfolio.

Engineering and operational roles within Schlumberger in a career that spanned Nigeria, Egypt, Pakistan, Oman and Scotland.

BSc. in Electronic and Electrical Engineering from Obafemi Awolowo University Ile-Ife, Nigeria (1991); and an MBA from MIT Sloan School of Management, USA.

Member of the #1 institutional investor-ranked team of analysts covering the oilfield services industry as an Associate Director at UBS Investment Research.



David Robinson, Executive Board Member | Chief Financial Officer

Former Senior Vice President and Global Sector Head for Energy & Natural Resources at AllianceBernstein L.P. where he managed multi-billion dollar equity portfolios for institutional and mutual fund clients, investing in global energy and mining.

Substantial experience in corporate analysis and company research having worked for HSBC Securities, Credit Suisse First Boston and Westpac Investment Management where he was responsible for both primary stock coverage and research marketing to institutional clients.

Mr. Robinson is a Chartered Financial Analyst (CFA) Charter holder and has over 20 years global financial markets experience.



Sam Olotu, Executive Vice President, Technical

Over 25 years experience in Oil and Gas industry with Oil majors and Schlumberger. With broad ranging experience in asset management and field development, reservoir management, seismic data processing and interpretation.

Managed major projects under difficult conditions and tight schedules, excellent project conceptualization and implementation abilities.

Experience in project management and assurance tools. Sound ability in building/leading diverse teams of varying sizes and delivering in a performance-driven environment. Has held responsibilities in Nigeria, Europe, Middle-East and Asia.

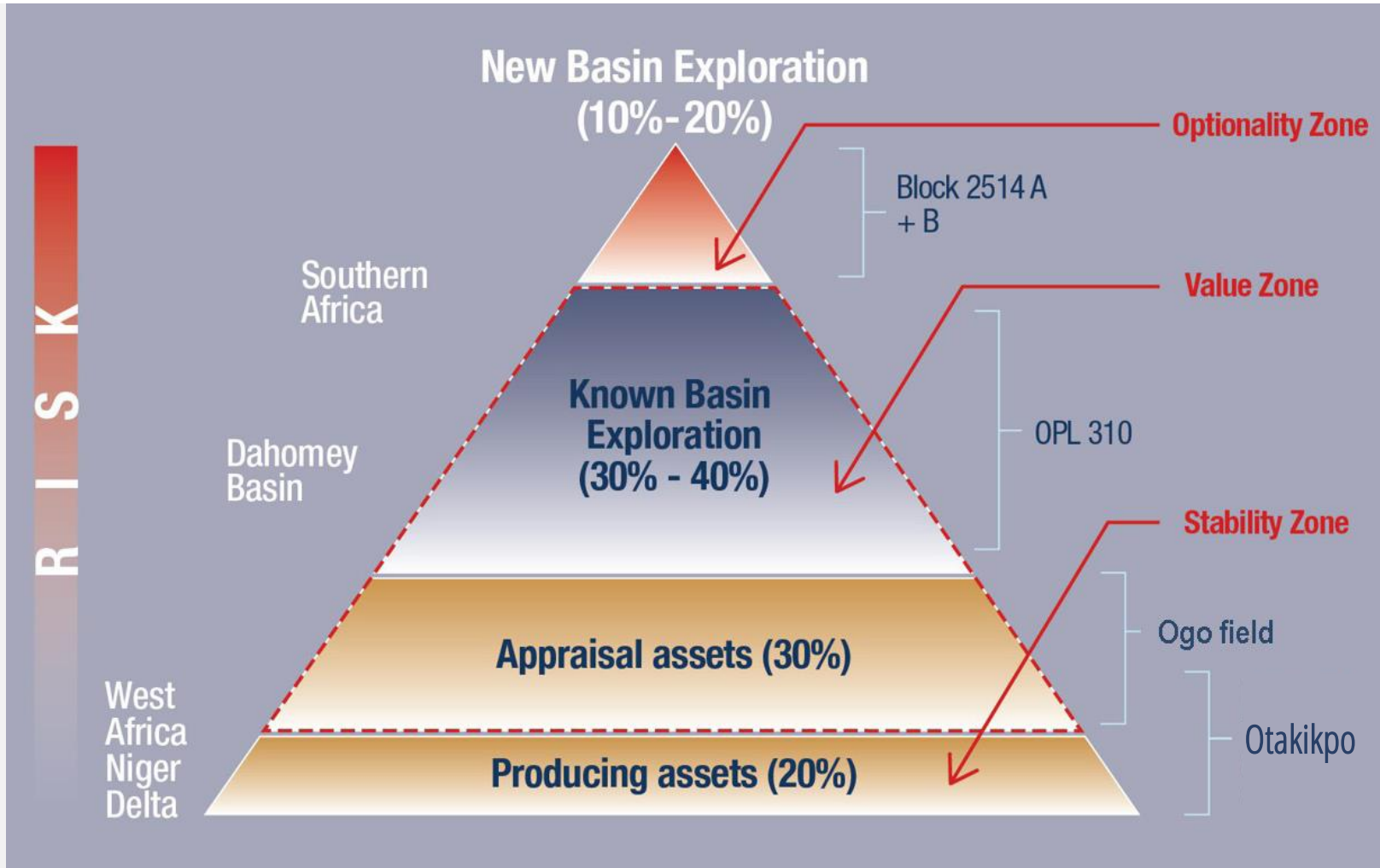


Corporate Strategy: Pan African Focus

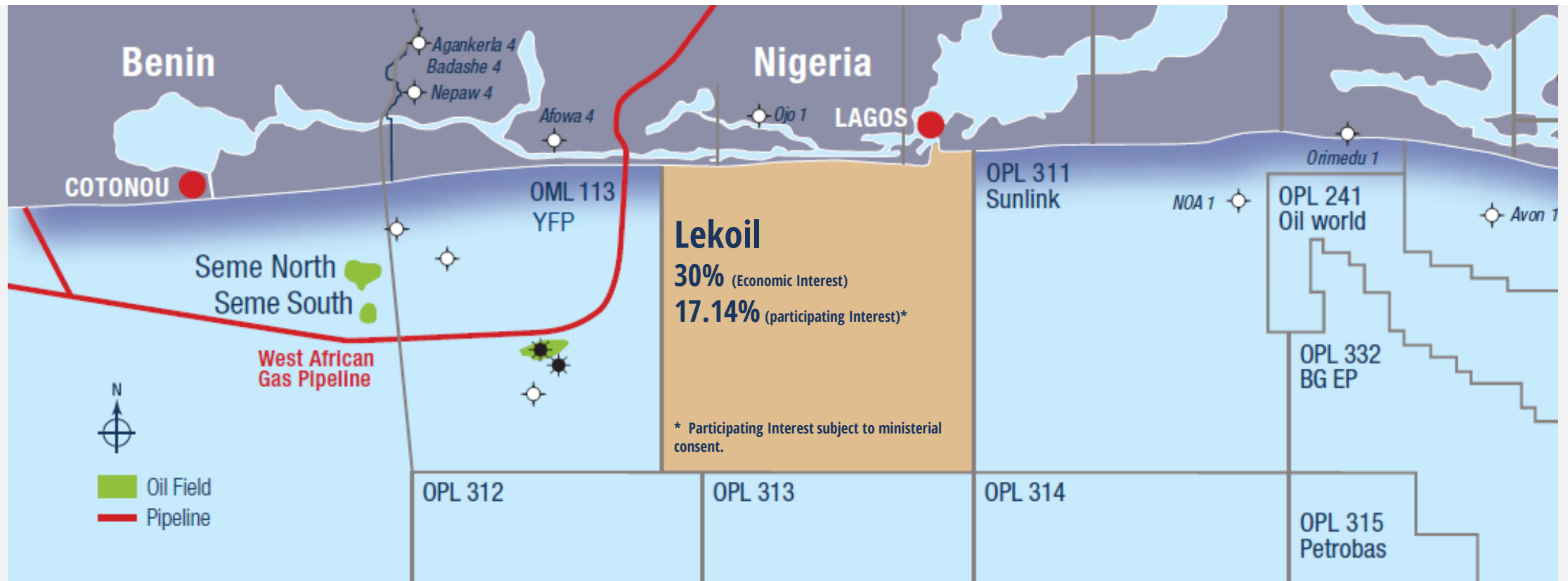
- Dahomey Basin
- Niger Delta
- New Basins
- Exploit overlooked opportunities in new and existing basins



Corporate Strategy: Portfolio Approach



OPL 310: Exploration and appraisal asset

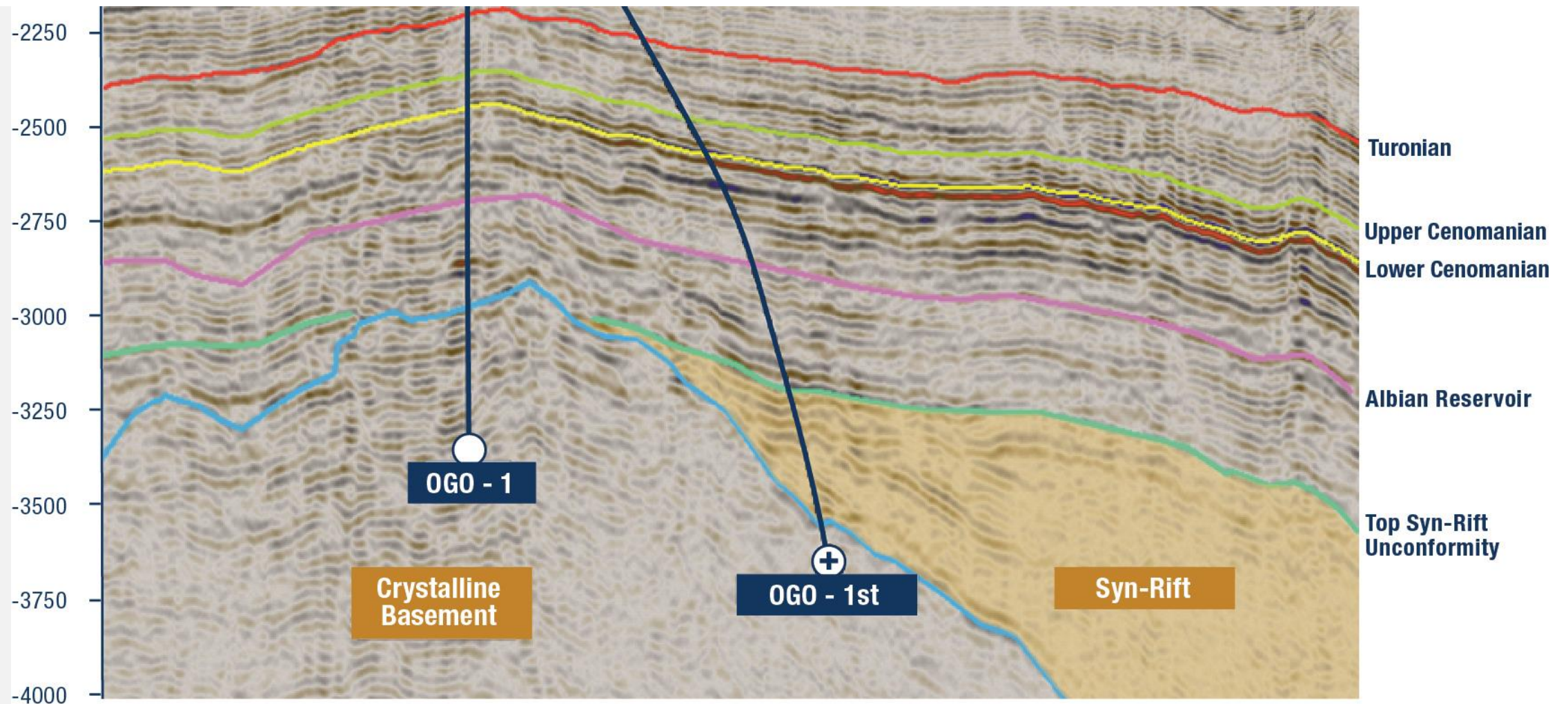




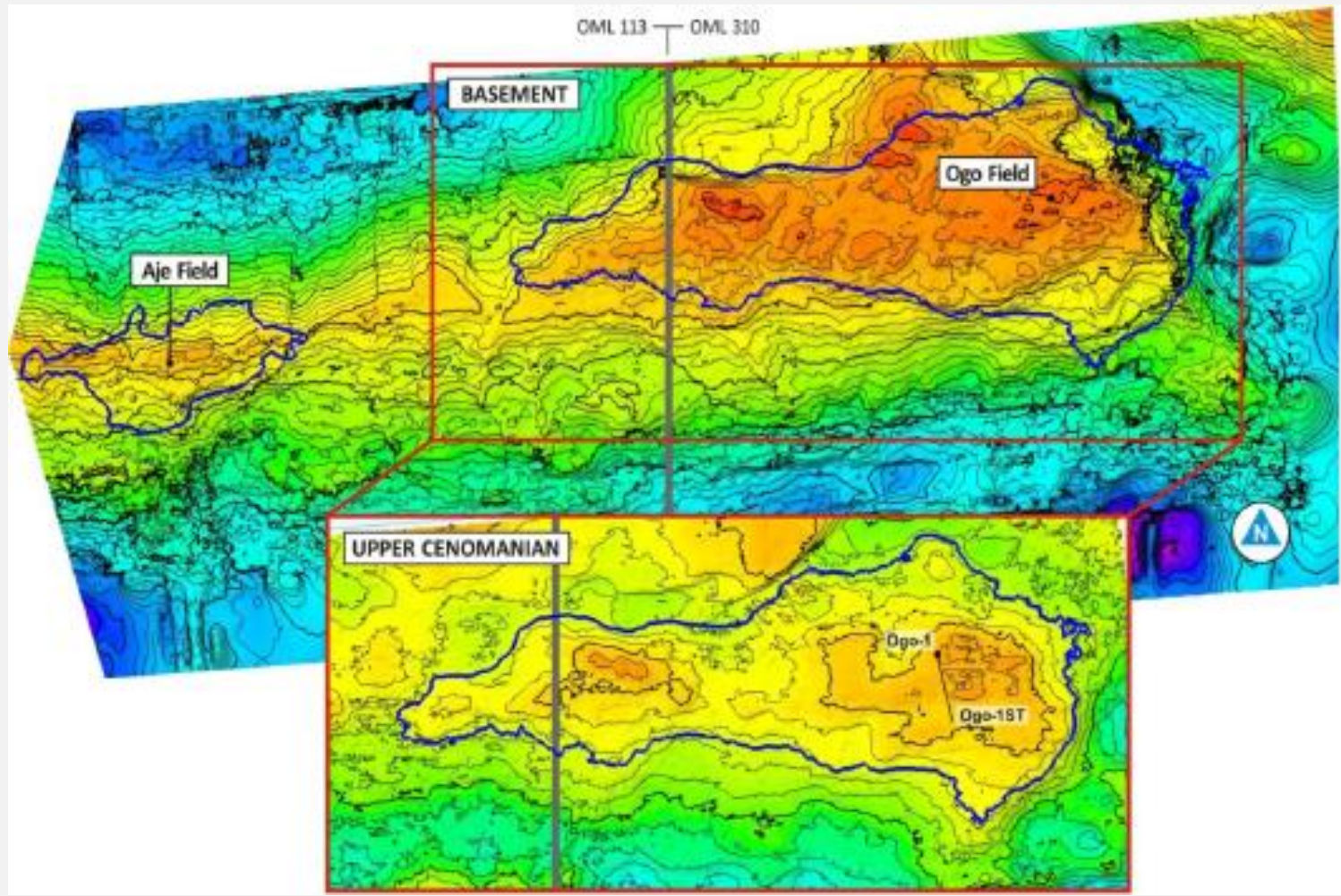
OPL 310: Background and update

- Dahomey basin block identified as a key target by LEKOIL-commissioned regional basin study.
- In 2013, Lekoil funded first \$50M towards drilling an exploration well and sidetrack that resulted in the significant Ogo discovery.
- Post discovery, net recoverable resources attributable to Lekoil from the Ogo field are estimated to be 232 mmboe (P50).
- Additional upside potential is expected from the Synrift and the rest of OPL 310 which is expected to contain a light oil or a condensate rich gas.
- Lekoil and partners completed acquisition of additional 1500 sq km of seismic in May 2014.
- Appraisal well expected to follow seismic processing.

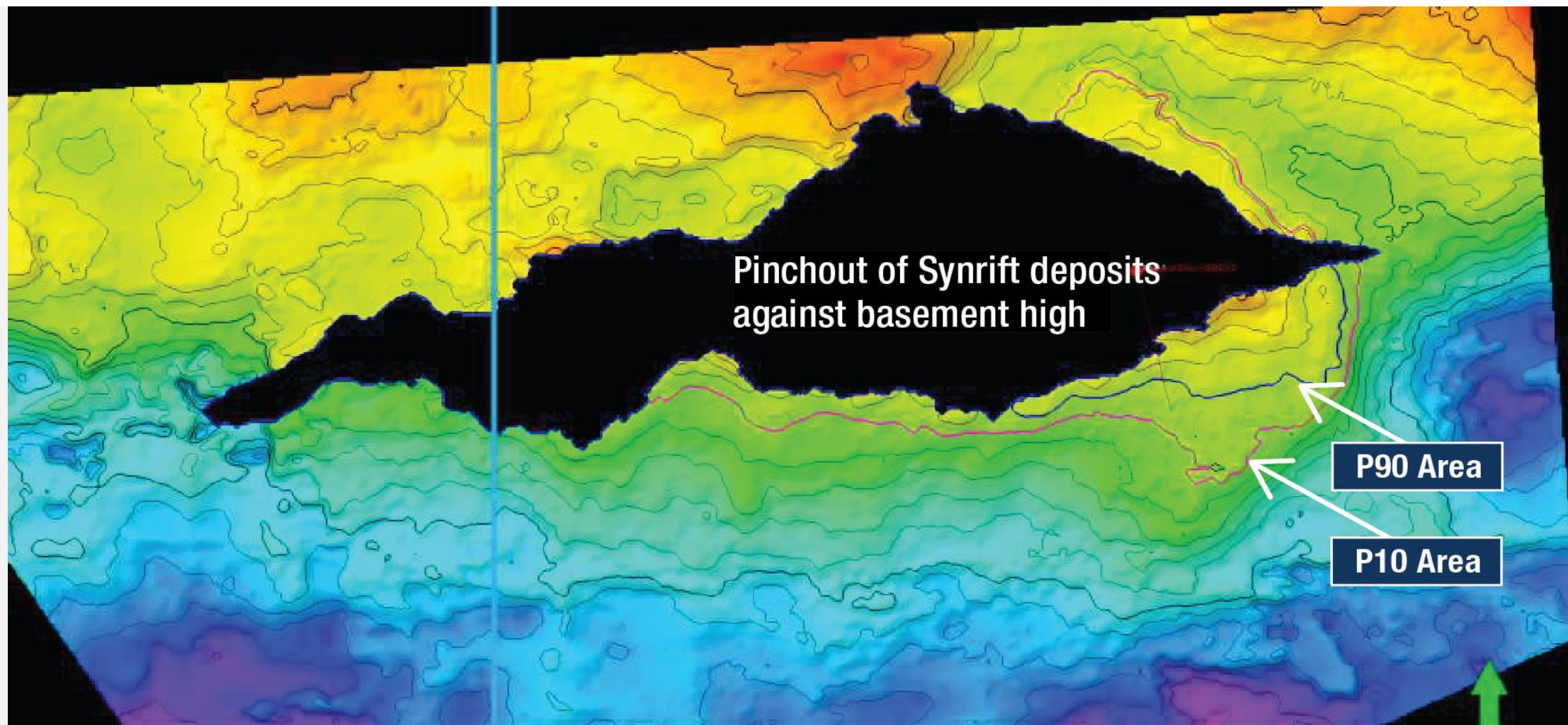
OPL 310: Ogo well – Previous predicted sequence



OPL 310: Updated structure map post Ogo-well



OPL 310: Syn-rift upside scenario

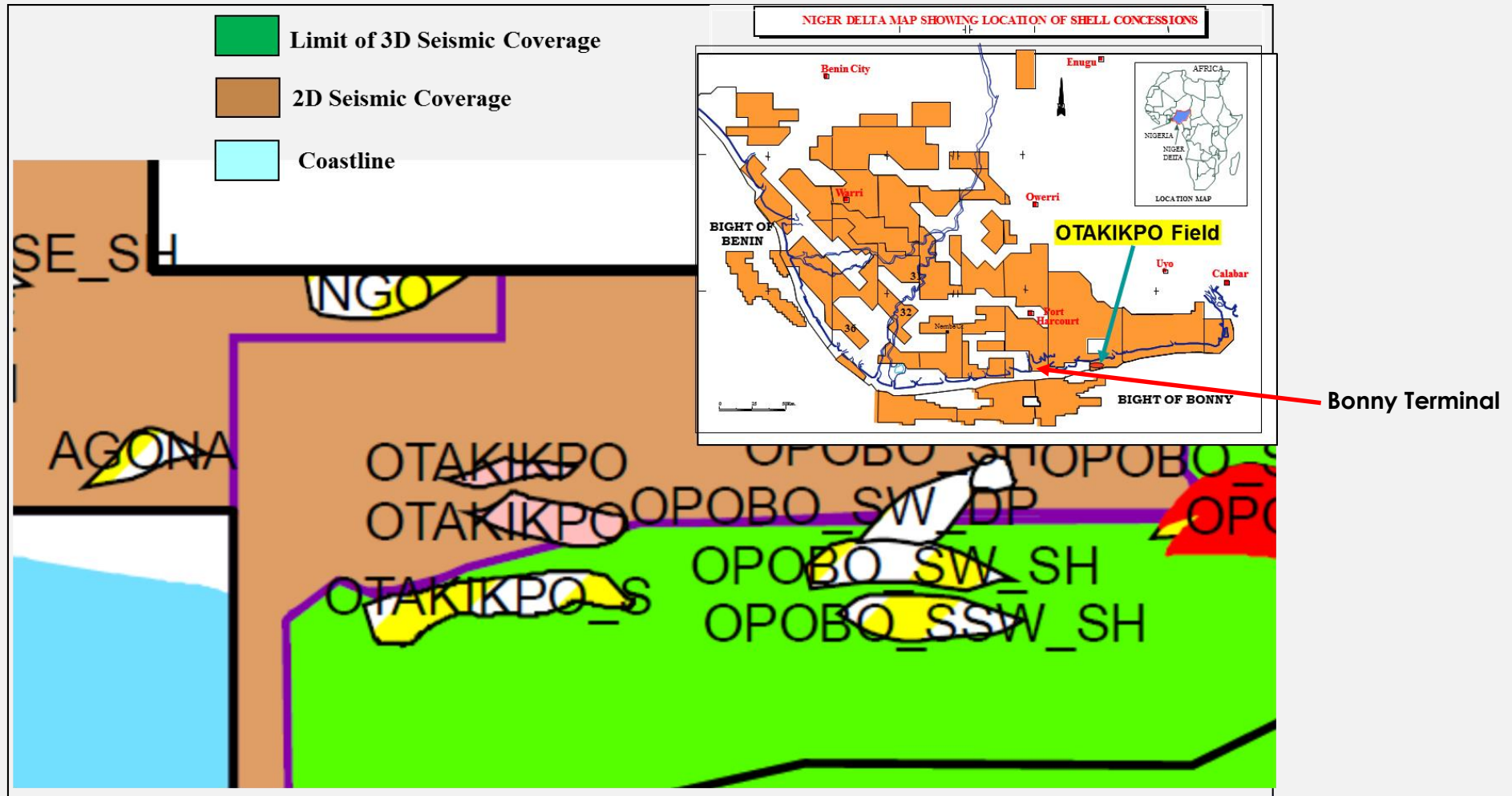




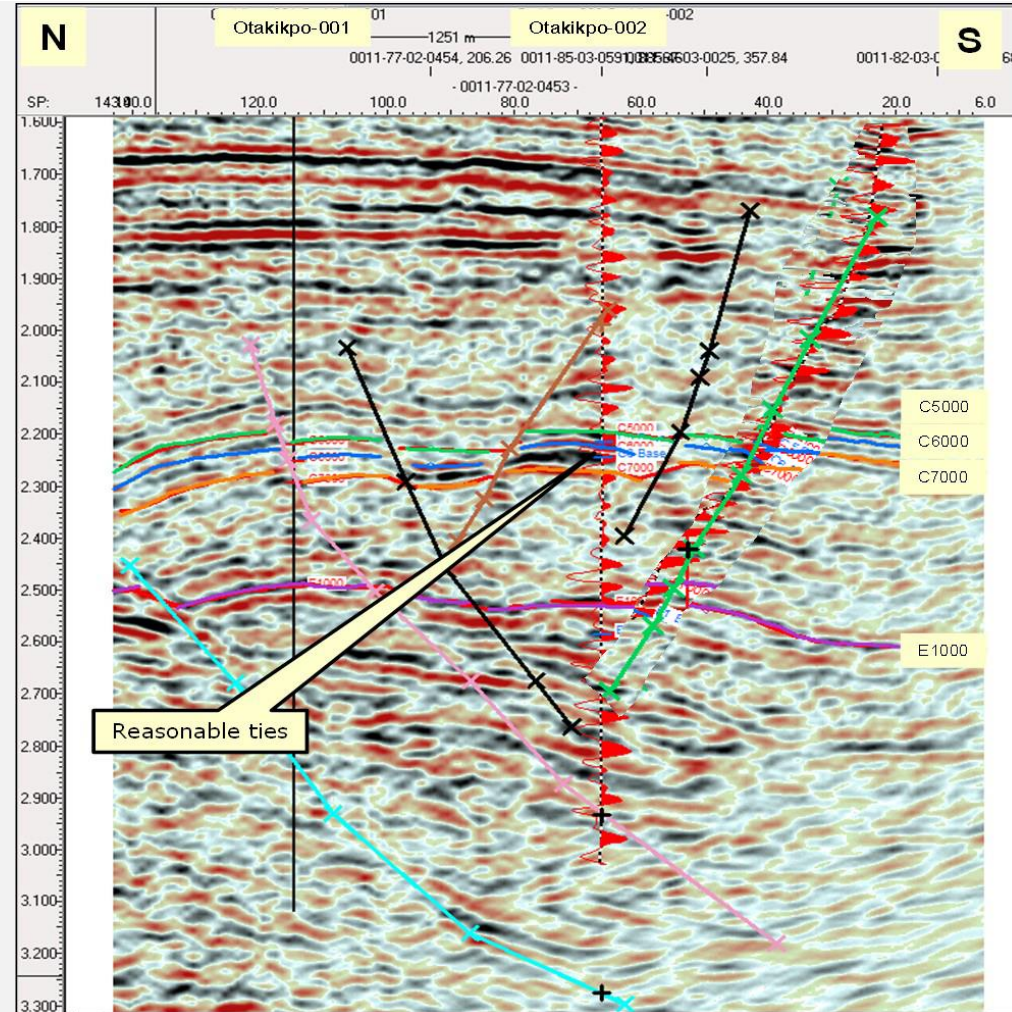
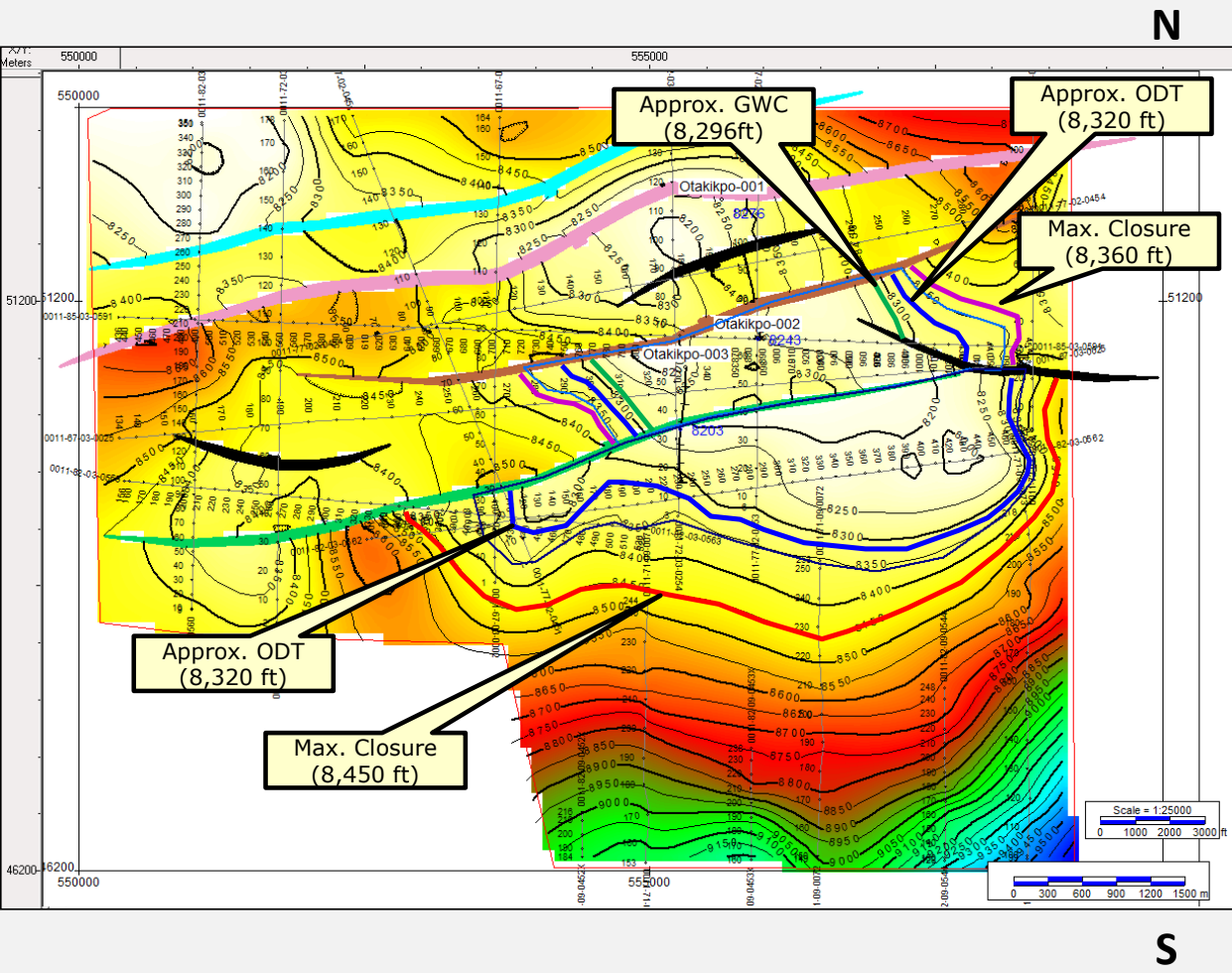
Otakikpo Marginal Field: Producing asset

- Awarded to Green Energy in 2011
- Located in swamp location in OML 11 adjacent to shoreline
- Otakikpo field has partial 2D coverage with some 3D seismic in the Southern Area
- 3 wells have been drilled in the field and encountered hydrocarbons in multiple intervals.
- 2C recoverable resource estimates of 36mmbbl and 31 Bcf gas
- License terms include commitment to develop a small scale gas utilization project 30 months after commencement of production
- Additional upside to be confirmed by 3D seismic and appraisal drilling

Otakikpo Marginal Field: Location map



Otakikpo Marginal Field: Structure map





Otakikpo Marginal Field: Transaction highlights

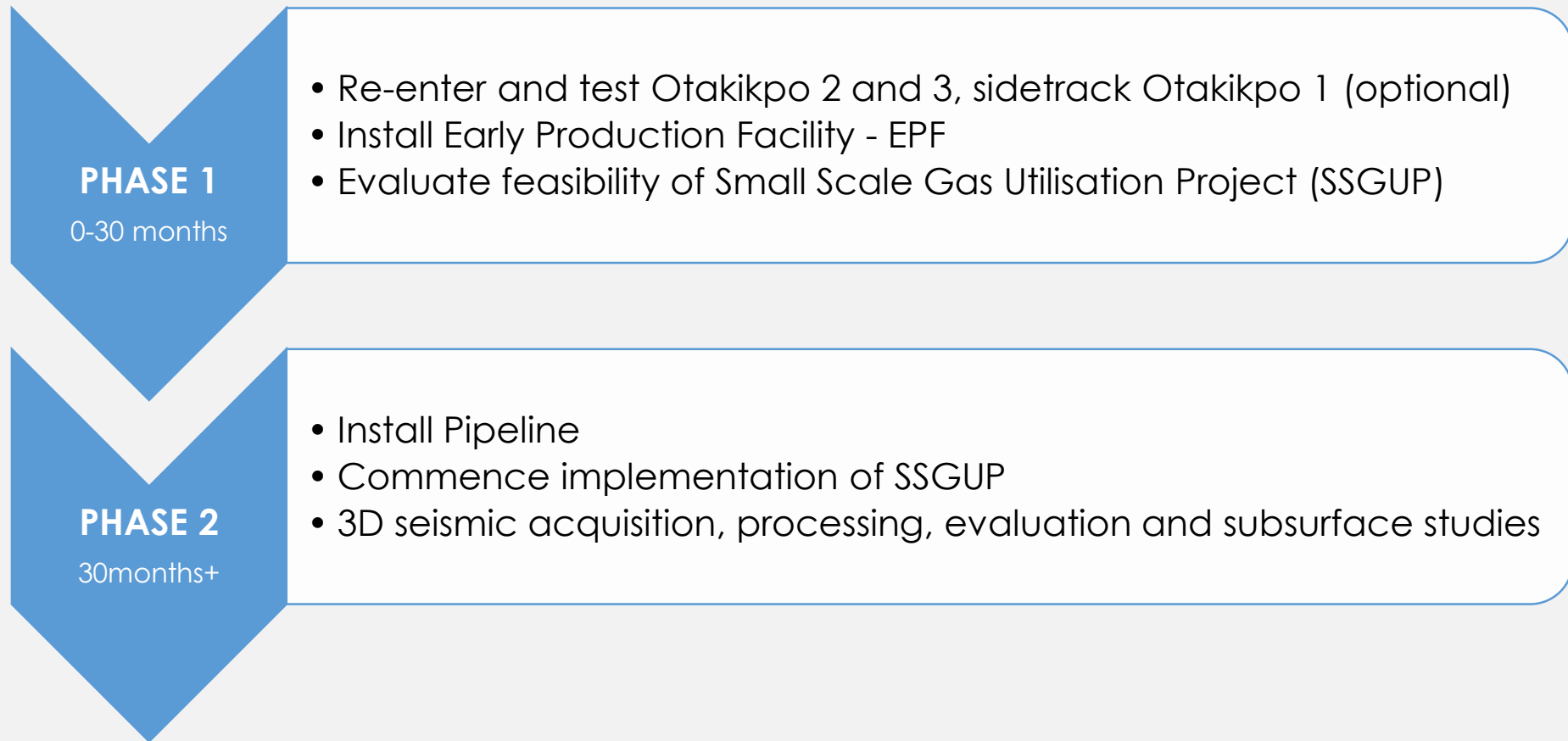
- Lekoil acquired 40% stake in Otakikpo marginal field from Green Energy (Net 2C recoverable resources of 14mmbbls).
 - Farm-in fee of \$7M (implied \$0.5/bbl acquisition price).
 - Production bonus of \$4M to be paid after production commencement and ministerial consent.
- Lekoil will provide all funding until commencement of production and recover preferentially from 88% of cash flow. Post cost-recovery proceeds will be split 60% Green Energy, 40% Lekoil.
- Lekoil will participate in the project via a Financial and Technical Service Agreement (economic interest basis) until Ministerial consent is secured.
- Lekoil will be the Technical and Financial Partner.
- Transfer of participating interest subject to ministerial and head farmors consent.

Otakikpo Marginal Field: A compelling transaction to showcase our technical capability

- Near-term oil production potential (Potential to achieve production within 18 months)
- The acquisition will showcase Lekoil's ability to operate assets
- Proximity to infrastructure and multiple evacuation options for crude
- Expected positive returns for Lekoil (Accretive to Lekoil's portfolio)
- Expected to generate cash flow to fund ongoing activities on portfolio
- Attractive marginal field fiscal terms (55% tax) and estimated netback of c.\$28/bbl



Otakikpo Marginal Field: Notional development plan





Otakikpo Marginal Field: Financial Summary

Lekoil acquired stake (%)	40%
Net resources acquired (bbl)	14.4 ¹
Project unit costs (\$/bbl)	17.8
Farm-in Fee	\$7M
Estimated Capex and Opex to first oil	\$55M - \$67M
Project netback (\$/bbl)	28 ²
Phase 1 estimated production exit rate	11kbbbl/d

1. Oil only.

2. \$90/bbl oil, Marginal field tax of 55% on commencement of production

Funding

- Equity funding of \$15M - \$20M expected in combination with Reserves Based Lending (RBL) facility
- RBL facility expected with size in the range of \$45M - \$55M
- Asset expected to generate c.\$40M of net cash flow p.a. at peak production in the base case
- Net cashflow could be up to \$78m-at peak- if pioneer tax secured

Other Financial information

- Project expected to be cash-flow positive within 12 months from commencement of production.
- Fiscal terms include marginal field tax of 55%



Corporate Strategy: Near term objectives

	Medium Term (18 to 36 Months)	Long Term (36+ Months)
Objectives	<ol style="list-style-type: none">1. Commence and grow production from Otakikpo Marginal field.2. Further appraisal of OPL 310., including a well.3. Grow asset portfolio with value accretive acquisitions in line with corporate strategy.4. Namibia: Historical data review prior to basin study and new data acquisition.5. Build out Dahomey basin portfolio.	<ol style="list-style-type: none">1. Continue phased implementation of Otakikpo development.2. Final Investment Decision for OPL 310.3. Add other producing assets – (marginal fields/ acquire economic IOCs divestments).4. Pursue other opportunities in known basins.5. Execute other studies and add high-impact, promising exploration plays.



Appendix

1. Non-Executive Directors
2. Key institutional Shareholders



Non-Executive Directors



Sam Adegboyega, Non-Executive Board Member | Chairman

Over 32 years of oilfield experience including working with Dowell Schlumberger in Iraq, Abu Dhabi, Venezuela, Canada, Syria, France and Nigeria.

Founder and Managing Director, SOWSCO Well Services – one of Nigeria's foremost indigenous oil service firms.

Founding member of PETAN (Petroleum Technology Association of Nigeria).

Mr. Adegboyega is also a member of the audit and remuneration committees of LEKOIL.



John Van Der Welle, Non-Executive Board Member

John has over 25 years oil industry experience, having qualified as a Chartered Accountant with Arthur Andersen in 1981. He is a member of the Association of Corporate Treasurers and the Institute of Taxation.

After 11 years at Enterprise Oil where he was Business Development Manager and subsequently Group Treasurer, John has been Finance Director of a number of listed E&P companies, including Premier Oil between 1999 and 2005.

He was Managing Director, Head of Oil and Gas, at the Royal Bank of Scotland in 2007-2008 and, since 2010 has worked as a consultant to, and non-executive director of, a number of listed and private E&P companies including his recent appointment to the board of Hurricane Exploration Plc.



Non-Executive Directors



Gregory Eckersley, Non-Executive Board Member

Currently the global head of the Abu Dhabi Investment Authority's internal equities department where he oversees portfolios, risk management and the due-diligence process.

Former Senior Vice President and Portfolio Manager at Alliance Bernstein LP, managing multi-billion dollar portfolios in Global and International Large Cap Growth Equities.

Chief Executive Officer & Chief Investment Officer of Alliance Capital Management, South Africa where he created and managed the business and grew assets to US\$2 billion under management.



Mrs. Aisha Mohammed-Oyebode, Non-Executive Board Member

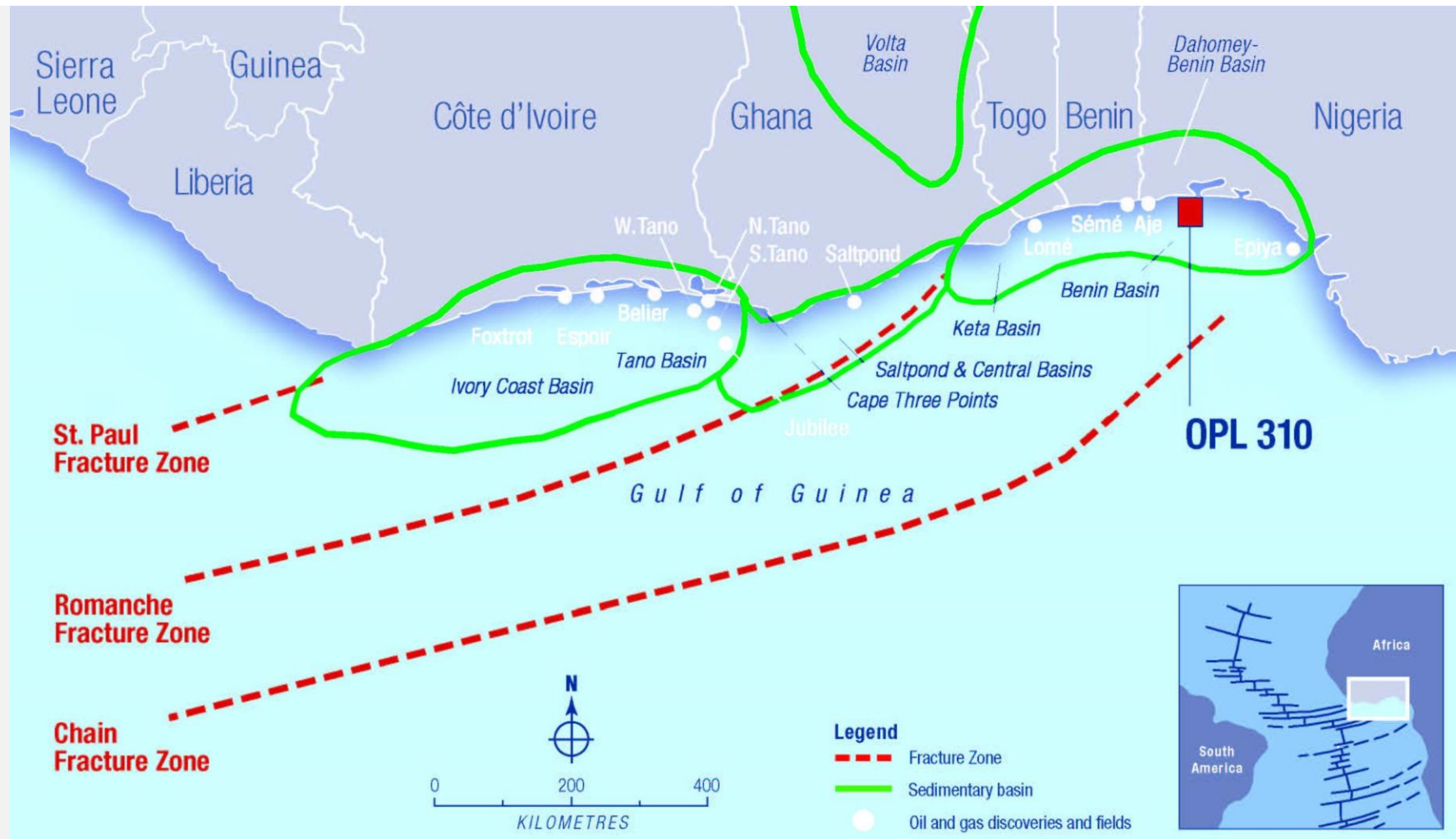
Group CEO of Asset Management Group (AMG) Limited.

Held the position of Executive Director of AMG from October 1991-June 1993.

Legal practitioner with an LL.M (Public International Law) from Kings College, University of London and a Masters in Business Administration (MBA) with a distinction in Finance from Imperial College, University of London.

Called to the Nigerian Bar Association in 1989. She has completed several attachments with the following: Caisse Privee Banque, Brussels; Banque Rivaud, Paris; Banque Privee, Geneva

Dahomey Basin





Key Institutional Shareholders

BLACKROCK®

SENATOR

JENNISON ASSOCIATES

OLD MUTUAL®
Asset Management

EVEREST CAPITAL

Fidelity™
WORLDWIDE INVESTMENT

CAPITAL GROUP™

Investec 

Fidelity.com

BLAKENEY MANAGEMENT

Holdings as of June 30 2014



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