



Shaping the future of oil exploration in Africa

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# Investor presentation

March 2015

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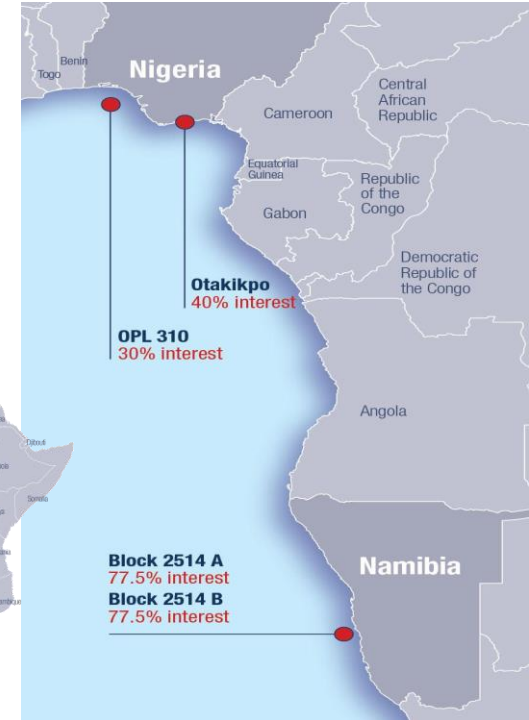
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# Corporate overview

- **Africa focused exploration and production company.**
  - Management team and Board with strong relationships and experience in global financial markets
  - Strong technical team with extensive local and global expertise.
  - Exploit overlooked opportunities in new and existing basins.
- **Appraisal and production assets in Nigeria (Niger Delta and Dahomey basin).**
- **Exploration assets in Namibia.**
- **London Stock Exchange (AIM) listed.**



# Management team



**Lekan Akinyanmi**

**Executive Board Member,  
Chief Executive Officer**

Formerly the international Energy Sector Head at AllianceBernstein L.P. 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.



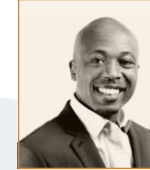
**David Robinson**

**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.



**Dotun Adejuyigbe**

**Head, Commercial**

Dotun and his team coordinate the commercial, business and strategic planning functions at Lekoil. His responsibilities include hydrocarbon marketing and support for corporate finance functions.

Dotun has wide-ranging experience in project management, consulting, private equity and corporate finance across projects in Africa, Europe, North and South America. He holds a BSc in Electronics and Electrical Engineering from Obafemi Awolowo University, Nigeria an MBA from INSEAD, France.

# Management team



**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.



**Leke Adedipe**

**Executive Vice President  
Operations**

Over 35 years of experience in Oil and Gas industry with Shell and Agip in a career that spanned locations in Nigeria, Italy, The Netherlands and Sultanate of Oman.

Extensive experience in production operations and maintenance engineering, drilling engineering, production technology, reservoir management and production enhancement and a successful track record in corporate security.

Leke has held various senior management positions (Production Operations and Maintenance Manager, Senior Portfolio Development Manager and General Manager Corporate Security). He also had an early career at the Nigeria Agip Oil Company.



**Dr. Kehinde Ladipo**

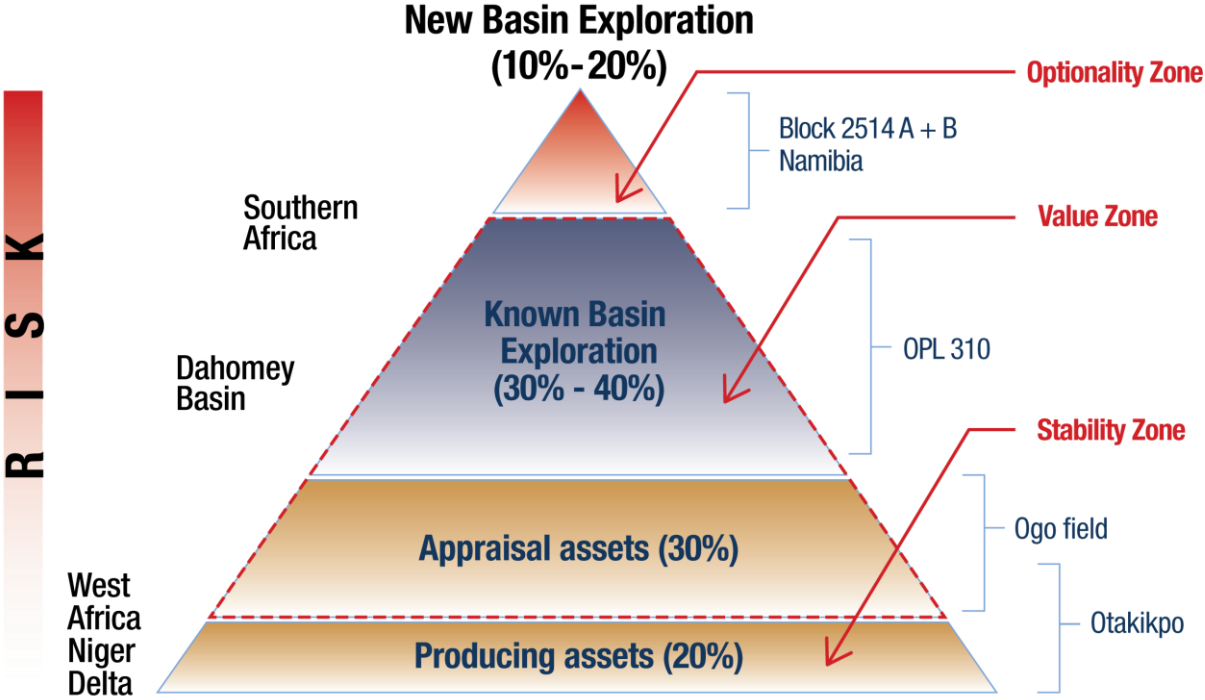
**Senior Exploration Advisor**

Dr. Ladipo is an award winning and leading Nigerian expert in the geosciences, specializing in sedimentology, geology and geophysics.

With over 35 years of experience in Exploration Geology, Dr. Ladipo has had a long career in the Oil Industry and has held various senior management positions at Shell Petroleum Development Company, where he was most recently Head of Geological Services Department with Corporate responsibilities for geological data analyses and technical support.

He is a member of the Nigerian Mining and Geological Society (NMGs) and a Fellow of the Nigerian Association of Petroleum Explorationists (NAPE)

# Corporate strategy: Portfolio approach



# Near term production and appraisal

## Objectives

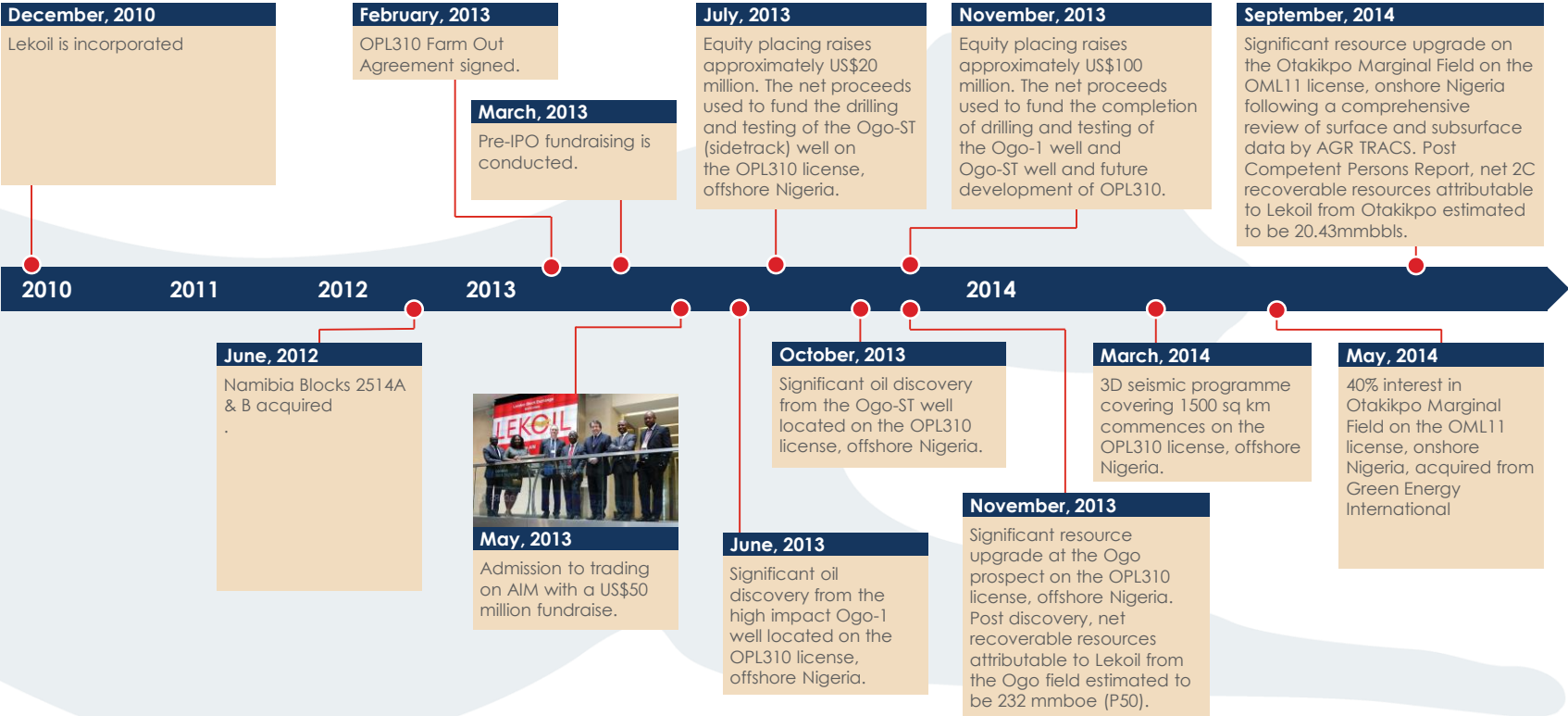
### Medium Term (12 to 36 Months)

1. Commence and grow production from Otakikpo Marginal field.
2. Further appraisal of OPL 310.
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.

### Long Term (36+ Months)

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.

# Timeline of significant corporate and operational events to date





# Otakikpo Marginal Field

## Niger Delta, Nigeria

56.60\* mmbbbls

estimated 2P+2C  
recoverable

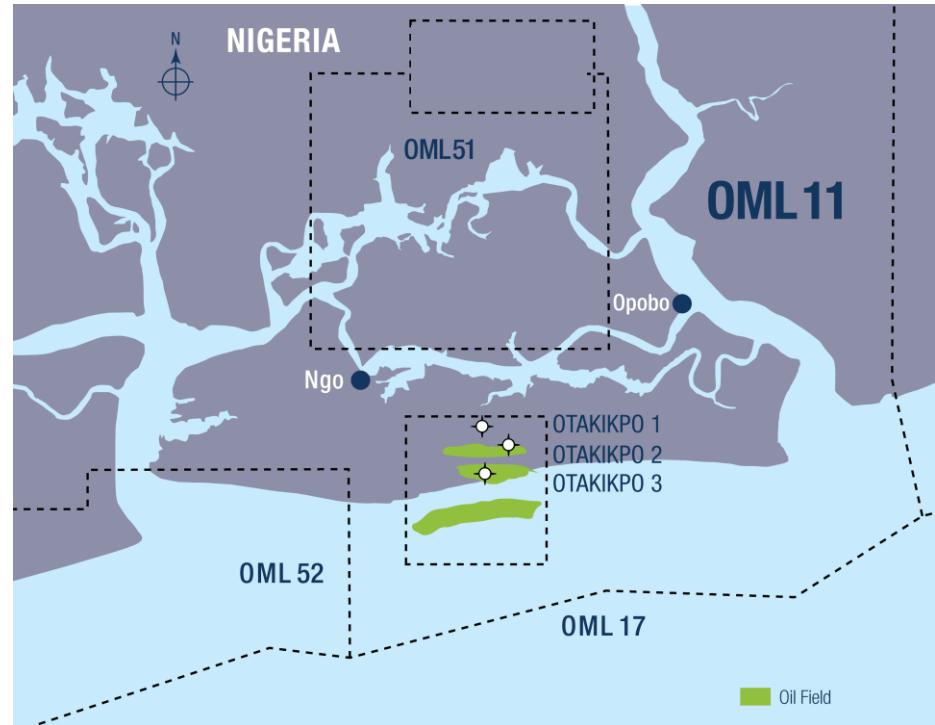
162.8\* mmbbbls

estimated STOIP upside

\*gross resources

# Otakikpo Marginal Field: Asset overview

- Situated in swamp location in OML 11 adjacent to shoreline (multiple crude evacuation options).
- Otakikpo field has partial 2D coverage with some 3D seismic
- 3 wells have been drilled in the field and encountered hydrocarbons in multiple intervals.
- 2P+2C recoverable reserves and resource estimates of 56.60mmbbls with additional 162.8mmbbl STOIP upside (onshore) – AGR TRACS.
- License terms include commitment to develop a small scale gas utilization project.
- Additional upside in the shallow water to be confirmed by appraisal drilling.



# Otakikpo Marginal Field: Asset and transaction highlights

- **Lekoil acquired 40% stake in Otakikpo marginal field from Green Energy**
  - Otakikpo's gross 2P+2C recoverable reserves and resources are estimated to be 56.60mmbbls by AGR TRACS
  - Farm-in fee of \$7M
  - 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 on a 60% (Green Energy), 40% (Lekoil) basis.**
- **Lekoil is the Technical and Financial Partner to the project. The contractual arrangement will be governed by a Financial and Technical Service Agreement (economic interest basis) until Ministerial consent is secured.**
- **Near-term oil production potential - production expected in first half of 2015**
- **Expected to generate cash flow to fund ongoing activities on portfolio**

# Otakikpo Marginal Field: Economic evaluations

▪ **Robust project with an NPV (10%) under the following oil price scenarios:\***

○ Marginal Field Terms →

Otakikpo Phase 1 & Phase 2 Cases		Reserves / Unrisked Contingent Resources @ \$60/bbl (MMbbls)		NPV(10%) \$mIn MOD PV 1.1.015 - Marginal Field Terms			
		100%	Lekoil Ltd. Net	\$40	\$60	\$80	\$100
<b>LOW (P90)</b>	<b>1P+1C</b>	47.00	16.92	56.1	137.4	218.6	298.7
<b>MID (P50)</b>	<b>2P+2C</b>	56.60	20.38	77.2	169.1	260.8	351.3
<b>HIGH (P10)</b>	<b>3P+3C</b>	66.20	23.83	93.0	194.8	296.1	396.5

○ Provisional Pioneer Status →

Otakikpo Phase 1 & Phase 2 Cases		Reserves / Unrisked Contingent Resources @ \$60/bbl (MMbbls)		NPV(10%) \$mIn MOD PV 1.1.015 - Provisional Pioneer Status			
		100%	Lekoil Ltd. Net	\$40	\$60	\$80	\$100
<b>LOW (P90)</b>	<b>1P+1C</b>	47.00	16.92	63.1	188.8	318.6	447.3
<b>MID (P50)</b>	<b>2P+2C</b>	56.60	20.38	85.2	224.2	365.3	505.1
<b>HIGH (P10)</b>	<b>3P+3C</b>	66.20	23.83	103.6	253.9	406.0	556.7

\*Source: Addendum to Competent Persons Report issued by AGR Tracs on January 15, 2015

# Otakikpo Marginal Field: Notional development timeline

## 2015 – Phase 1

- Re Completions of Otakikpo 2 and 3
- Install Early Production Facility
- Pipeline
- Export via Shuttle Tanker

## 2015 > – Phase 2

- Central Processing Facility
- Grow Small Scale Gas Utilization
- 3D seismic acquisition, processing, evaluation
- Additional new wells
- Appraisal of shallow water opportunities (post 3D)

- Anticipated production volumes for Otakikpo 2 and 3 now reclassified as “Reserves – Approved for Development”.
- Regulatory approval has been received for the re-entry of the Otakikpo 2 and 3 wells.
- Tenders for key equipment and services have completed and contracts awarded.

# Otakikpo Marginal Field: Notional development timeline

* Oil Price	Pioneer tax netback (\$/bbl)	No pioneer tax netback (\$/bbl)
\$40	7	6
\$60	19	15
\$80	31	24

## Other Financial information

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

\*Source: Addendum to Competent Persons Report issued by AGR Tracs on January 15, 2015

# OPL 310

## Dahomey basin, Nigeria

1,900 km<sup>2</sup>

Dahomey basin block

>774\* mmboc

Lekoil owns economic interest of 30%

\*gross resources

# OPL 310: Location map





# OPL 310: Location map

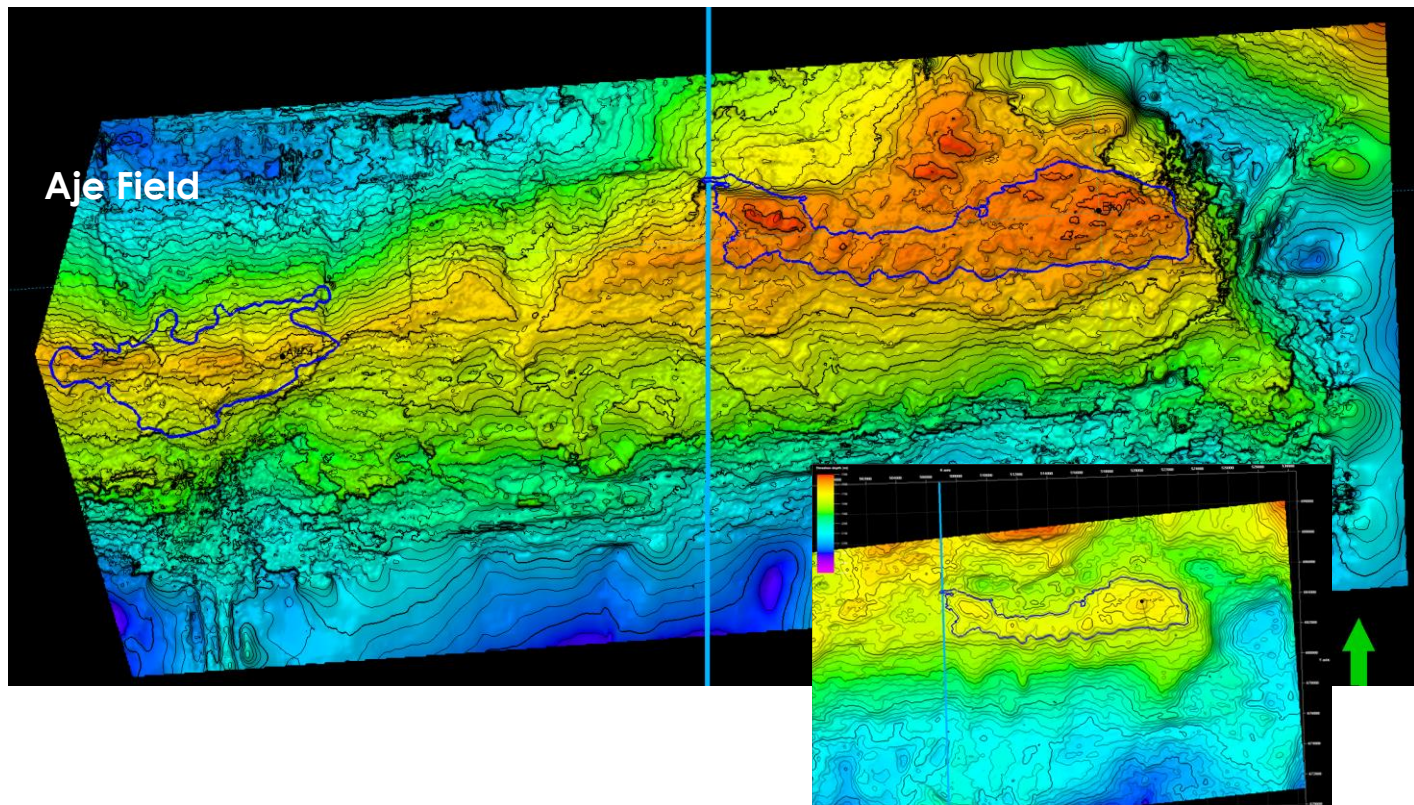


# OPL 310:

## Background and update

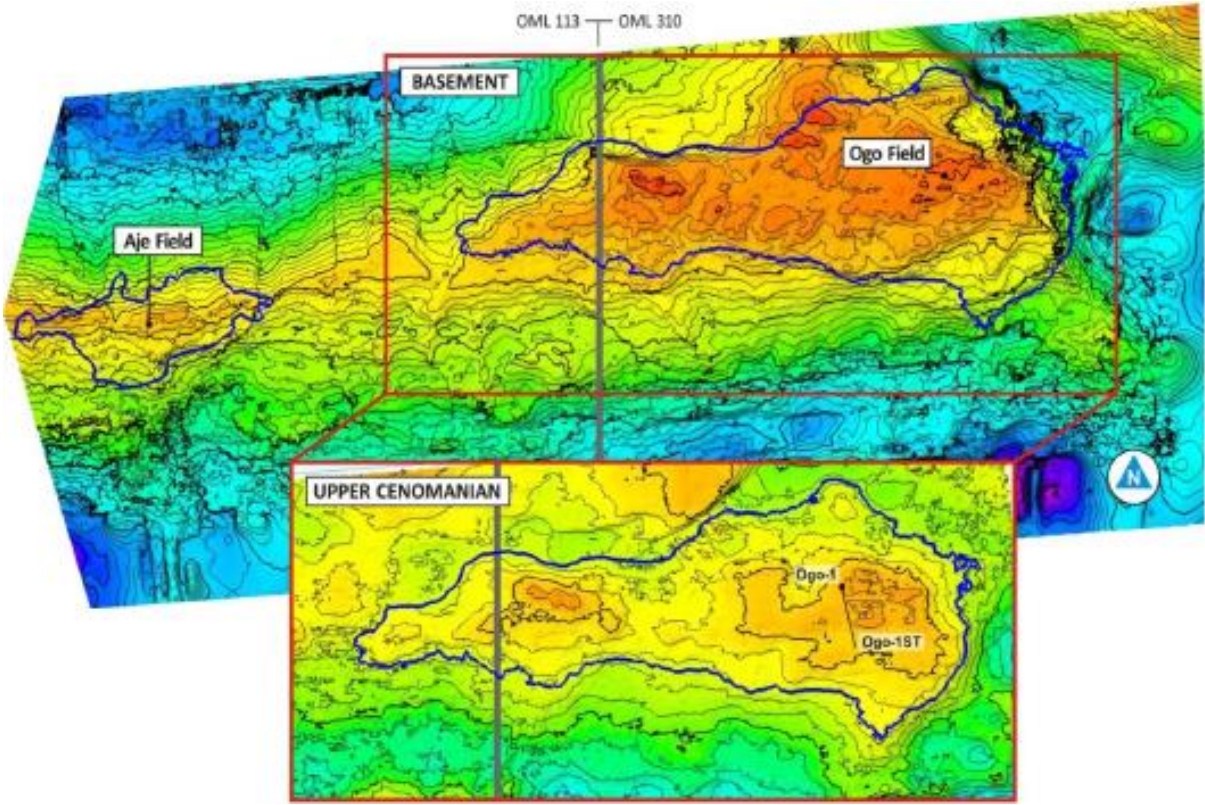
- Dahomey basin block identified as a key target by LEKOIL-commissioned regional basin study.
- In 2013, Lekoil funded the first \$50M towards drilling an appraisal well and sidetrack that resulted in the significant Ogo discovery
- Post discovery, net recoverable resources attributable to Lekoil from the Ogo field are estimated to be 232 mmboe (P50). Gross recoverable resources are 774 mmboe.
- Additional upside potential is expected from other identified Syn-rift leads within OPL 310 which are expected to contain light oil or condensate rich gas.
- Lekoil and its partners completed the acquisition of 1500 sq km of seismic in May 2014
- Seismic processing and interpretation ongoing to be followed by appraisal well

# OPL310: Pre Ogo-1 well: Lower Cenomanian Closures Superimposed on Basement Structure

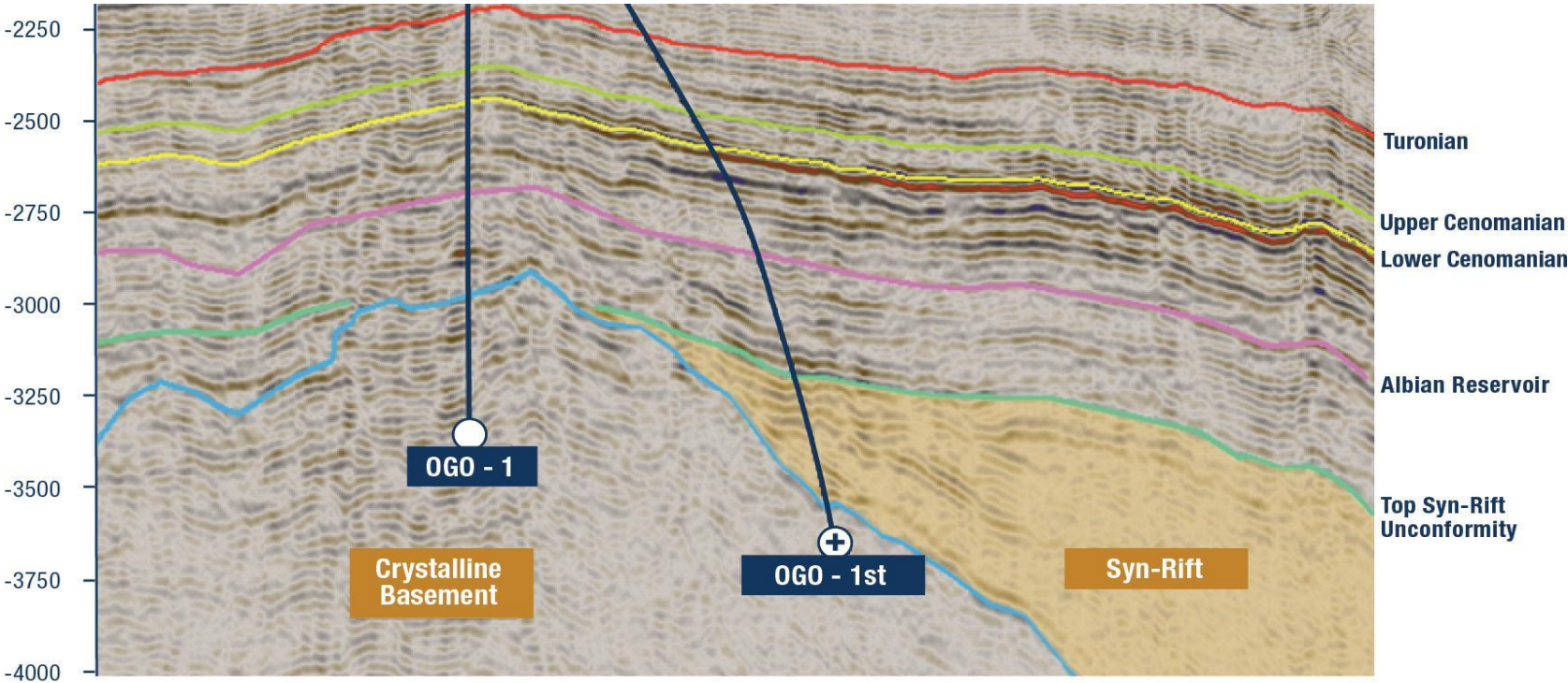




# OPL310: Updated structure map post Ogo-1 well

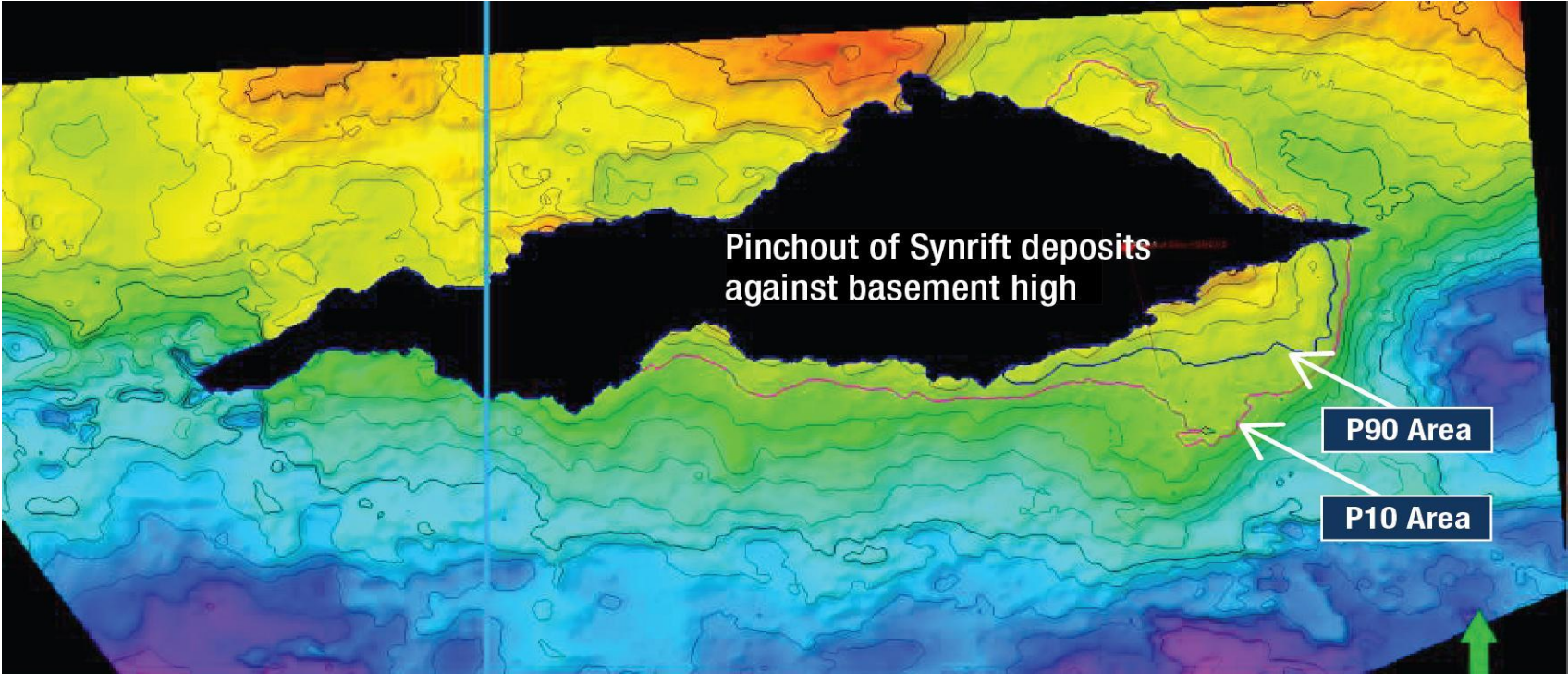


# OPL310: Ogo-1 well predicted sequence



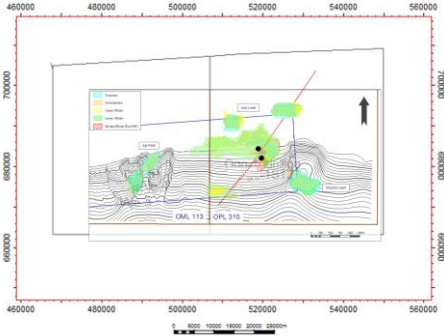
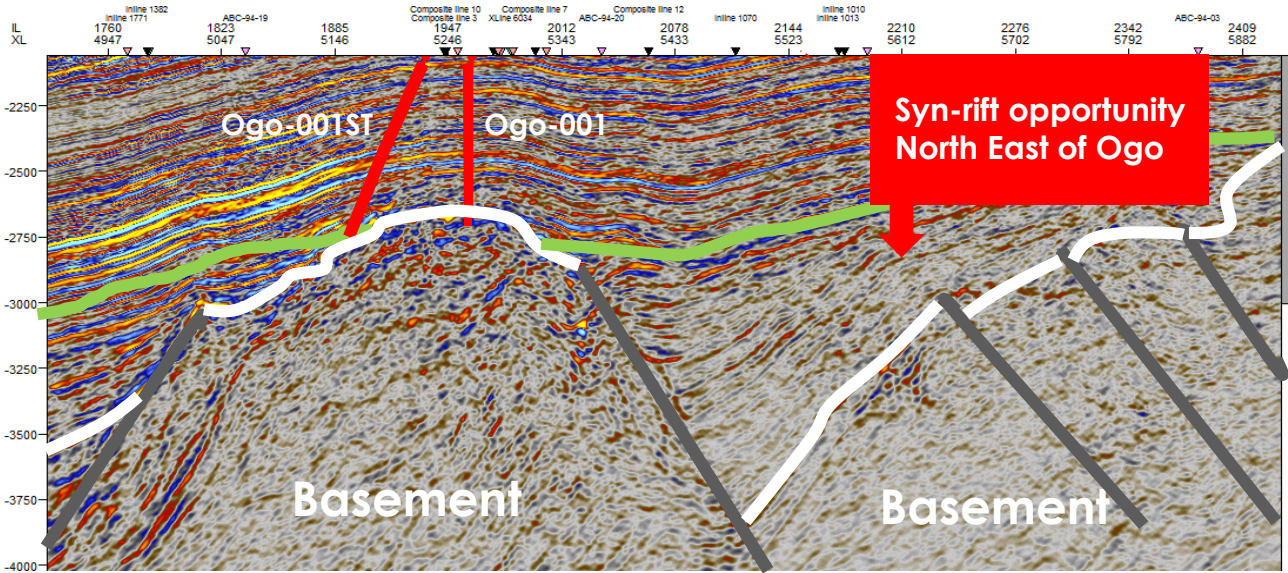


# OPL310: Syn-rift upside scenario



# OPL310: New 3D Seismic lines: NE-SW

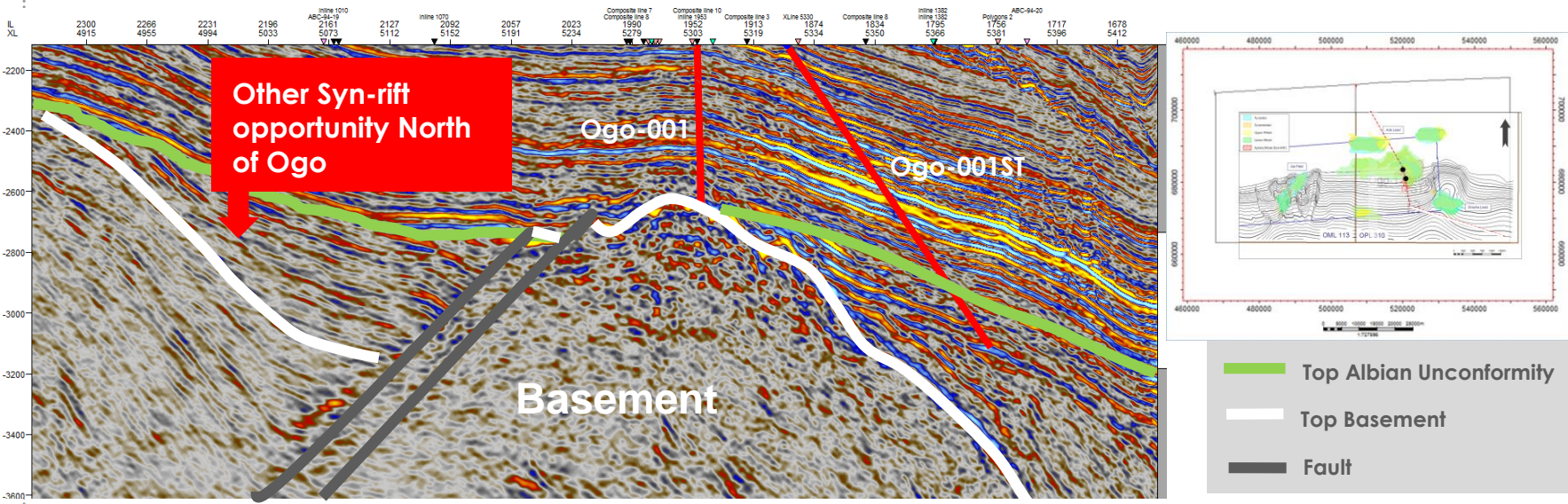
SW



- Top Albian Unconformity
- Top Basement
- Fault



# OPL310: New 3D Seismic lines: NW-SE





## Upside potential

### OPL 310 upside

- Syn-rift
- Shallow water leads

### Otakikpo upside

- 162.8mmbbls STOIP (gross)
- Other opportunities in the shallow water

## Newsflow: 6 to 12 months

### Otakikpo

- Drilling & completion
- Production commencement
- Pioneer Tax
- Interpretation of shallow water upside
- Debt financing for fast track development

### OPL 310

- Interpretation of newly acquired 3D
- Strategic decision and or appraisal

## Track record since listing

### Ogo discovery and Side-Track success

- Ranked by Wood Mackenzie as one of the largest discoveries in the world in 2013

### Successful fundraising

- Over \$200 million raised since listing on the AIM

### Focused execution on building a balanced portfolio

- Successful acquisition of the Otakikpo Marginal Field
- Recompletion of Otakikpo Marginal Field in progress
- Otakikpo work programme in progress – First Oil in 2015

### Building an enduring capital structure

- Strong support from institutional investors

# Appendix

- Board of Directors
- OPL310: Prospects and Leads from 3D Seismic
- 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

# Key institutional investors

**BLACKROCK®**



**JENNISON ASSOCIATES**



**BLAKENEY MANAGEMENT**

Holdings as of 19 February 2015



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