



# KUWAIT ENERGY PLC

Corporate Profile

*February 2017*



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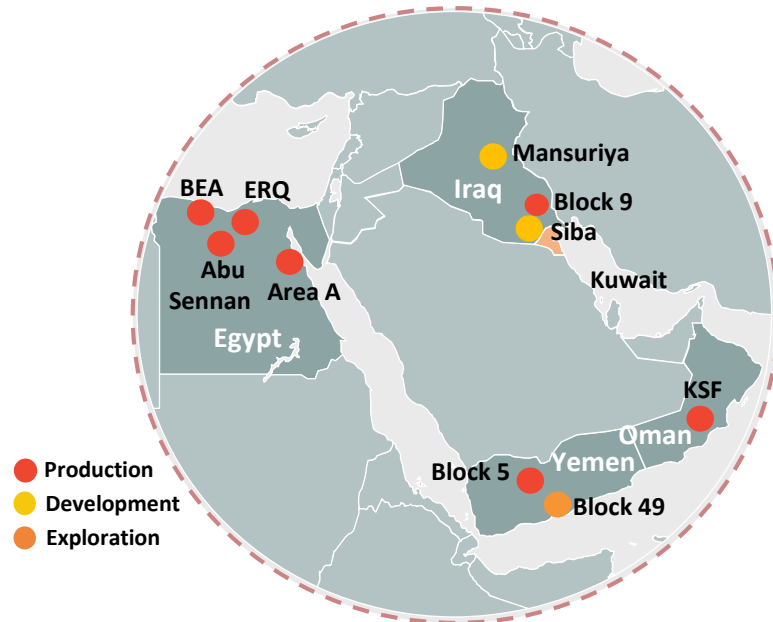
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Estimates of reserves and resources are inherently speculative and involve numerous uncertainties. The reserve and resources estimates contained in this document are as of 31 December 2015 and were, in the case of reserves and contingent resources, audited by Gaffney Cline Associates ("GCA"). The reserves, contingent resources and prospective resources estimates contained in this document are all currently being audited by GCA for the purpose of providing estimates as of 31 December 2016. The reserve and resources estimates provided by GCA as of 31 December 2016 will be different than the estimates set forth in this document due to 2016 production, exploration adds, revisions and the farm-outs of partial working interests in Siba and Abu Sennan.

# Production and Development Focused Leading E&P Company



## Diversified Asset Portfolio<sup>(1)</sup>



- Since establishment in 2005, Kuwait Energy has built a diversified, majority operated asset portfolio<sup>(2)</sup>
- Focused on proven oil regions in MENA
- Established track record; recognised by governments and peers as a trusted and capable partner
- Shareholder focused and prudent financial policy

## Company Highlights

**10**

Assets across four countries, seven operated<sup>(2)</sup>

**818**

mmboe

2P reserves, 83% oil

**942**

mmboe

2C resources, 85% oil

**24.6**

kboepd

2016 average production<sup>(1)</sup>

**25.7**

kboepd

2016 exit production<sup>(1)</sup>

**\$127m**

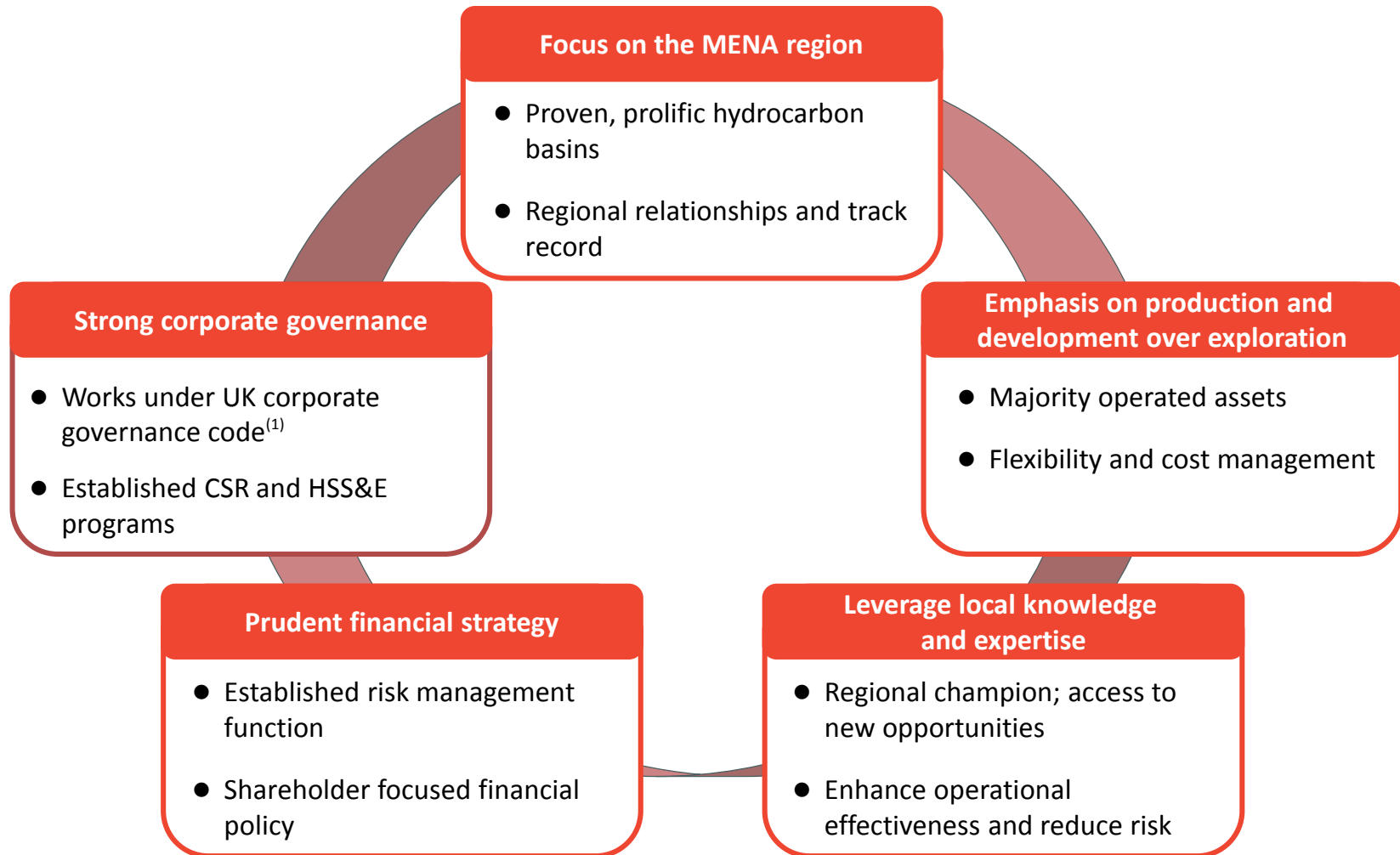
Estimated liquidity headroom<sup>(3)</sup>

Source: Company filings, GCA report.

Note: Reserves and resources figures based on GCA report as at 31 December 2015, prior to Siba and Abu Sennan farm-out and excludes Oman Karim Small Fields reserves due to service contract restrictions.

(1) Block 5 and Block 49 currently not producing; Mansuriya currently under administrative hold. (2) Operated by either Kuwait Energy or subsidiaries of Kuwait Energy; this applies to the definition of operatorship throughout this presentation. (3) Estimated liquidity headroom includes \$27m cash balance at 30 September 2016 and \$100 Vitol facility (signed in December 2016) of which \$40m has been drawn down.

# Corporate Strategy Focused on Sustainable Growth



*Striving to deliver a diversified, cost effective and low risk growth*

(1) Kuwait Energy board has an Executive Chairman role.

# MENA Focused Asset Portfolio

**Egypt**

**Core Production**

**Assets:** Abu Sennan, BEA, Area A, ERQ  
**Status:** Prod'n, Dev't  
**2015 WI 2P:** 31 mmboe  
**2015 WI 2C:** 18 mmboe  
**2016 WI Avg. Prod'n:** 18.2 kboe/d

**Iraq - Block 9**

**Long Term Growth Asset**

**Status:** Prod'n, Dev't, Expl'n  
**Kuwait Energy WI:** 60%\*  
**2015 WI 2P:** 671 mmboe  
**2015 WI 2C:** 871 mmboe  
**2016 WI Avg Prod'n:** 4.0 kboe/d

**Iraq - Siba**

**Near Term Growth**

**Status:** Dev't, Expl'n  
**Kuwait Energy WI:** revenue 45%\*/ cost 60%  
**2015 WI 2P:** 59 mmboe  
**2015 WI 2C:** 15 mmboe  
**First gas:** targeted for 2017

**Oman<sup>(1)(2)</sup>**

**Stable Production**

**Assets:** KSF  
**Status:** Prod'n  
**Kuwait Energy WI:** 15%  
**2016 WI Avg. Prod'n:** 2.4 kboe/d

**Other Assets**

**Potential Upside**

**Assets:** Mansuriya (Iraq)<sup>(3)</sup>, Block 5<sup>(4)</sup> & Block 49<sup>(4)</sup> (Yemen)  
**Status:** Prod'n, Dev't, Expl'n  
**Kuwait Energy WI:** Mansuriya 22.5% (revenue)/30% (cost), Block 5 15%\*, Block 49 64%\*(revenue)/75.29% (cost)  
**2015 WI 2P/2C:** 56/38 mmboe

**Strong track record of delivery**

- Since 2010, MENA reserves have grown from 22 to 818 mmboe at the end of 2015 and production from 12 to 25 kboe/d in 2016
- Stable management team with long history of operating and investing in the MENA region
- Low cost operator – average finding cost of \$0.3/boe between 2013 and 2015<sup>(5)</sup> and opex of \$6.8/boe over the last 2 years

**Significant growth opportunity in Block 9 and Siba developments**

- Gross 1.1 bnboe 2P / 1.5 bnboe 2C with two producing wells and one additional well completed (targeted to go onstream in mid February 2017), Block 9 offers a significant growth opportunity
- Siba gas production currently planned to go onstream in 2017

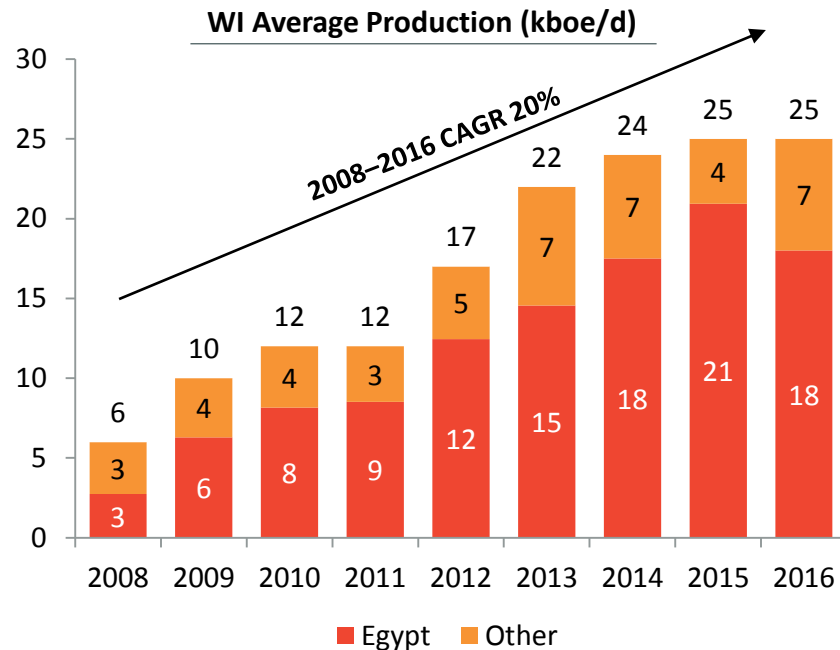
Source: Company filings, GCA report.

Note: Reserves and resources figures based on GCA report as at 31 December 2015, prior to Siba and Abu Sennan farm-out and excludes Oman reserves due to service contract restrictions.

Denotes Kuwait. Energy's operatorship. (1) Oman reserves not included due to service contract restrictions. (2) Kuwait Energy's interest is indirect via Medco LLC; Kuwait Energy operates under a service agreement. (3) Currently under administrative hold. (4) Block 5 and Block 49 are currently not producing. (5) Based on 2P reserves exploration adds and exploration capex.

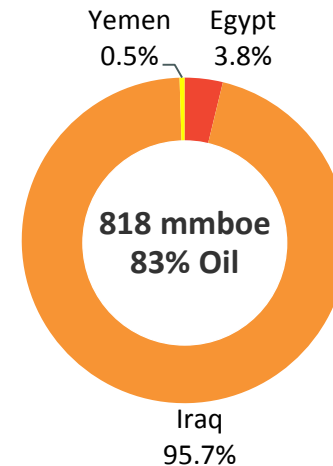
# Existing Production Supports Development of Large Reserve Base

## Historical Production Growth from Egypt

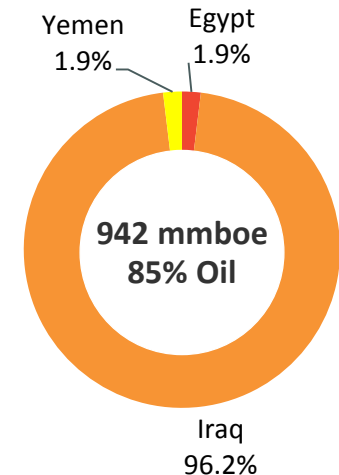


## Iraqi Reserves & Resources to Drive Future Growth

### WI 2P Reserves (mboe)



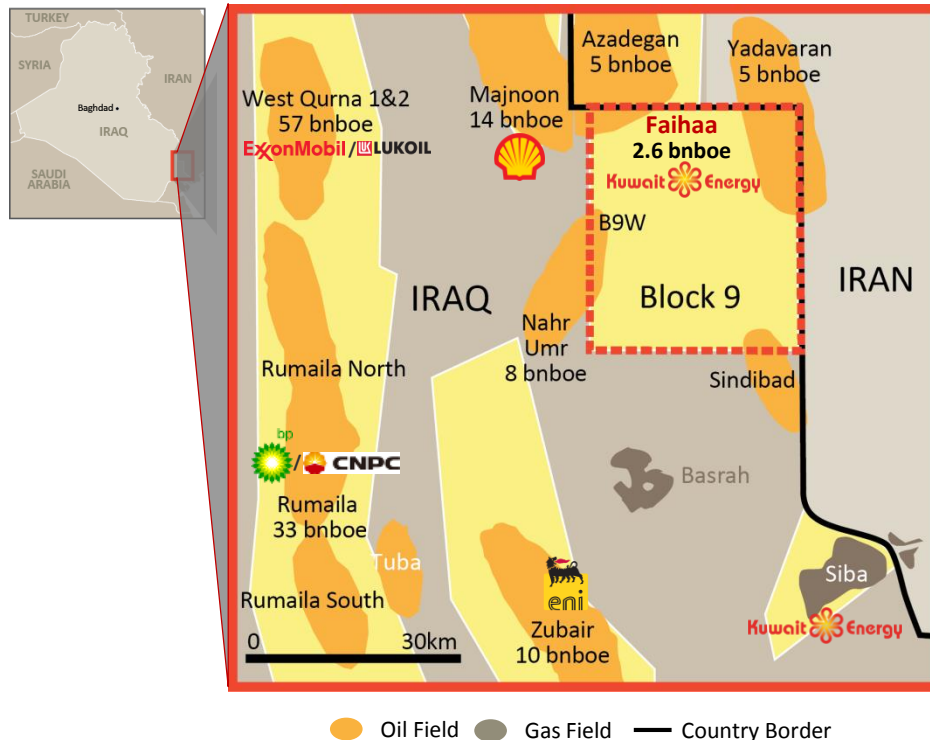
### WI 2C Resources (mboe)



- Egypt has been the key driver of growth since 2008 with 25 discoveries resulting in 50% exploration drilling success rate
- Kuwait Energy expects Iraqi assets to contribute to production growth from 2017

# Block 9 – Key Development Opportunity

## Surrounded by Giant Oil Fields<sup>(1)</sup>



- Giant oil field in one of the most prolific oil regions in the world
  - Southern Iraq producing 3.2 mmbbl/d<sup>(2)</sup>, significant existing infrastructure
  - Well understood geology and proven basin
- Three existing giant oil fields potentially intersect with Block 9 – only one assessed so far
- Three wells drilled and two under production
  - Directors believe that there will be no production restriction from OPEC cuts
- Field shared with Iran (Yadavaran)<sup>(3)</sup> – production on the Iranian side of 76.9 kboe/d<sup>(4)</sup> in 2016

Source: Company filing, Wood Mackenzie.

Note: Companies in the map represent international operators (not including Iraq's state and national oil & gas companies); volumes represent recoverable resources as at 1 January 2017 according to Wood Mackenzie, except for Faihaa field which represents the gross 2P and 2C resources based on GCA report as at 31 December 2015.

(1) Giant oil field defined as fields with > 500 mmboe of recoverable resources or with daily production exceeding 100 kboe/d.

(2) Southern Iraqi fields include: Block 9, Gharraf, Halfaya, Majnoon, Nahr Umr, Rumaila, West Qurna, Zubair, Tuba and Sindibad; production for all fields represent 2016 average production based on Wood Mackenzie.

(3) Yadavaran field not part of Kuwait Energy's asset portfolio; Faihaa field crosses over into Yadavaran.

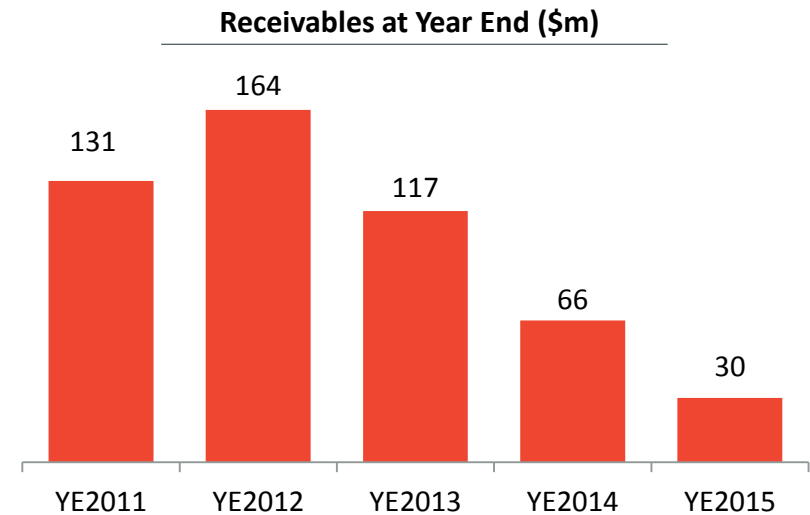
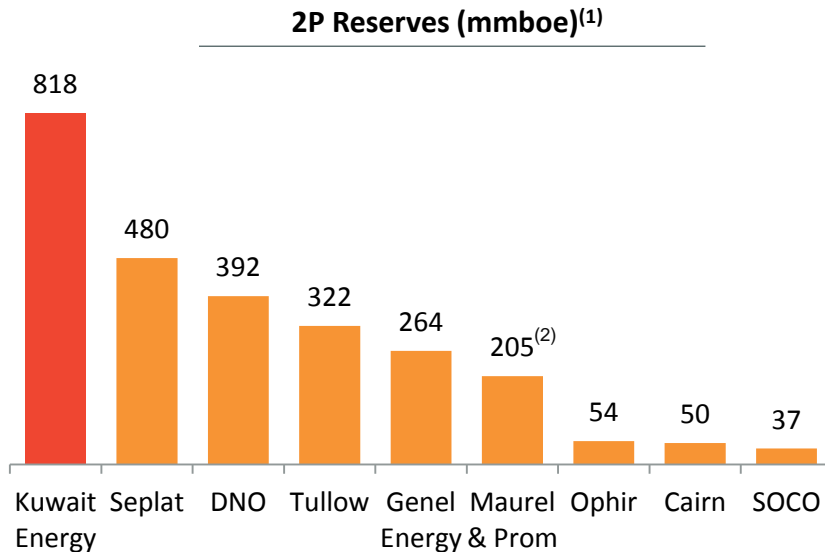
(4) Source: Wood Mackenzie.

# Regional Champion and Indigenous E&P Operator



## Largest 2P Reserves Amongst Peers

## EGPC Receivables Successfully Managed



- Established reputation in the MENA region as a reliable operator with an excellent track record
  - Long standing relationships with regional governments, NOCs and IOCs
  - Trusted partner as an indigenous company with international standard of operating expertise since 2008
- Block 9 represents one of the largest independent-operated oil field developments globally<sup>(3)</sup>
- Egyptian business benefits from broader strategic partnership with EGPC, including EGPC's investments in Iraq

Source: Company filings, GCA report.

(1) Source: Latest company disclosure for peers; Kuwait Energy figures based on GCA report as at 31 December 2015 prior to Siba and Abu Sennan farm-out and excludes Oman reserves due to service contract restrictions.

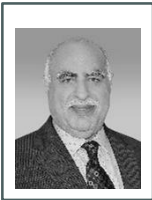
(2) Net of royalties.

(3) Source: Wood Mackenzie; excluding fields operated by oil and gas majors and national oil and gas companies.



# Substantial In-house MENA & Technical Expertise

## Experienced Management Team



**Dr. Mansour Aboukhamseen** (*Executive Chairman*)

- Co-founder of Kuwait Energy
- Over 25 years of oil & gas experience
- Previously worked at Kuwait Oil Company (KOC)



**Mohammad Al Howqal** (*SVP – HSS&E, Risk & Compliance*)

- Over 30 years of oil & gas experience
- Expertise in managing relationships in Egypt and Yemen, both operated and non-operated projects



**Sara Akbar** (*CEO*)

- Co-founder of Kuwait Energy
- Over 30 years of oil & gas experience
- Previously worked at Kuwait Foreign Petroleum Exploration Company (KUFPEC) and KOC



**Ahmed Haider** (*Head of Projects & Operations*)

- 18 years of oil & gas experience
- Mechanical engineer
- Previously worked at Schlumberger, KOC and KUFPEC



**Roger Phillips** (*CFO*)

- 9 years at Kuwait Energy
- Over 30 years of oil & gas experience
- Previously worked at Hess, Regal Petroleum, ExxonMobil and PwC



**Paul Ditchburn** (*SVP - Strategy & Portfolio*)

- Over 25 years of oil & gas experience
- 8 years at Kuwait Energy
- Previously worked at Santos



**Mohammed Aboush** (*SVP – Iraq*)

- Over 40 years of experience in petroleum engineering, production pipelines and oil & gas processing
- Expertise in managing relationships in Iraq



**Alex Paterson** (*General Counsel & Company Secretary*)

- Over 7 years at Kuwait Energy
- Previously worked at Dubai Holding, Dorsey & Whitney, Brown Rudnick, Bird and Bird law firms

*Full team of in-house geologists, subsurface specialists, drilling / facilities engineers  
90%+ local staff in country of operations*

# Strong Commitment to Corporate Governance, Integrity and Social Responsibilities



## Experienced Board with Majority Independent Directors

Member	Experience	Independent
<b>Dr Mansour Aboukhamseen</b> <i>Executive Chairman</i> <i>Member: Nomination Comm.</i>	<ul style="list-style-type: none"> <li>Co-founder of Kuwait Energy</li> <li>Previously worked at KOC</li> </ul>	
<b>Sara Akbar</b> <i>CEO</i>	<ul style="list-style-type: none"> <li>Co-founder of Kuwait Energy</li> <li>Previously worked at KUFPEC and KOC</li> </ul>	
<b>Roger Phillips</b> <i>CFO</i>	<ul style="list-style-type: none"> <li>Previously worked at Hess, Regal Petroleum, ExxonMobil and PwC</li> </ul>	
<b>Sir Steve Robson</b> <i>Member: Audit &amp; Risk Comm.</i> <i>Member: Nomination Comm.</i>	<ul style="list-style-type: none"> <li>Former non-exec director at the Financial Reporting Council, RBS and JP Morgan Cazenove</li> <li>Former member of KPMG Chairman's Advisory Board</li> <li>Served the UK's HM Treasury for 30 years in various roles</li> </ul>	✓
<b>Dr Yousef Al Awadi, KBE</b> <i>Chairman: Audit &amp; Risk Comm.</i> <i>Member: Remuneration Comm.</i>	<ul style="list-style-type: none"> <li>CEO of YAA Consultancy</li> <li>Former President and CEO of Kuwait Investment Office in London</li> </ul>	✓
<b>Rachel English</b> <i>Chairman: Remuneration Comm.</i> <i>Member: Audit &amp; Risk Comm.</i>	<ul style="list-style-type: none"> <li>Over 30 years of experience in international blue-chip energy companies</li> <li>Non-exec director of Acacia Mining and Adam Smith Int.</li> </ul>	✓
<b>Mohamed Yusof Rafie</b> <i>Chairman: Nomination Comm.</i> <i>Member: Remuneration Comm.</i>	<ul style="list-style-type: none"> <li>Chairman of Gabas Albilad Holding Company and member of the Saudi National Committee for World Petroleum Congress (WPC)</li> <li>Former Sr. VP at Saudi Aramco (38 years)</li> </ul>	✓
<b>Mohammad Ahmad Husain</b> <i>Member: Audit &amp; Risk Comm.</i>	<ul style="list-style-type: none"> <li>34 years of experience in the Kuwait oil &amp; gas industry</li> <li>President and CEO at EQUATE Petrochemical Company and Director at GPCA</li> </ul>	✓
<b>Abdel F. (Abby) Badwi</b> <i>Member: Remuneration Comm.</i> <i>Member: Nomination Comm.</i>	<ul style="list-style-type: none"> <li>Current Executive Chairman of Growmax Resources Corp.</li> <li>Past CEO &amp; Vice Chairman of Bankers Petroleum (TSX listed)</li> <li>Former President, CEO and Director of Rally Energy</li> </ul>	✓

## Commitment to CSR and HSS&E

### Corporate Social Responsibility (CSR)

- Active local community engagement, as an indigenous operator
- Contribution to the sustainable development of people and economies in the MENA region

### Health, Safety, Sustainability and Environment (HSS&E)

- International HSS&E standards
- HSS&E program overseen by the CEO
- HSS&E measures are part of the annual corporate performance metrics
- A primary criteria for the subcontractor selection process

# OPERATIONS



# Portfolio Overview



	WI 2P <sup>(1)</sup>	WI 2P+2C <sup>(1)</sup>	2016 Avg. WI Production	2P Hydrocarbon Split <sup>(1)</sup>
<b>Iraq</b> Block 9 and Siba – Development Opportunity	<b>731</b> mmboe	<b>1,618</b> mmboe	<b>3,974</b> Boe/d	
<b>Egypt</b> Steady Production	<b>31</b> mmboe	<b>49</b> mmboe	<b>18,155</b> Boe/d	
<b>Iraq<sup>(2)</sup></b> Mansuriya	<b>52</b> mmboe	<b>71</b> mmboe	- Boe/d	
<b>Yemen<sup>(3)</sup></b> Block 5, Block 49	<b>4</b> mmboe	<b>22</b> mmboe	- Boe/d	
<b>Oman<sup>(4)</sup></b> KSF	- mmboe	- mmboe	<b>2,444</b> Boe/d	
<b>Total Portfolio:</b>	<b>818</b>	<b>1,760</b>	<b>24,573</b>	<b>83% Oil</b>

Source: Company filing, GCA report.

(1) Figures based on GCA reported as at 31 December 2015 prior to Siba and Abu Sennan farm-out. (2) Mansuriya field is currently under administrative hold.

(3) Yemen production has been suspended due to security concerns since April 2015. (4) Oman reserves not included due to service contract restrictions.

# Iraq Assets

## Overview

- Portfolio of three oil & gas blocks<sup>(1)</sup> awarded in the 2011 and 2012 licensing rounds
- Service contracts with 100% take-or-pay
  - Attractive service fees across all assets<sup>(1)</sup>
  - Service fee per boe, independent of oil price, and rapid cost recovery mechanism
- Block 9 and Siba located in the Basra Province in Southern Iraq
- First cargo of Kuwait Energy's Block 9 crude entitlement lifted in October 2016 with \$13.6m payment received by 2016 YE
  - Second cargo being scheduled to be lifted in March 2017

## Asset Images

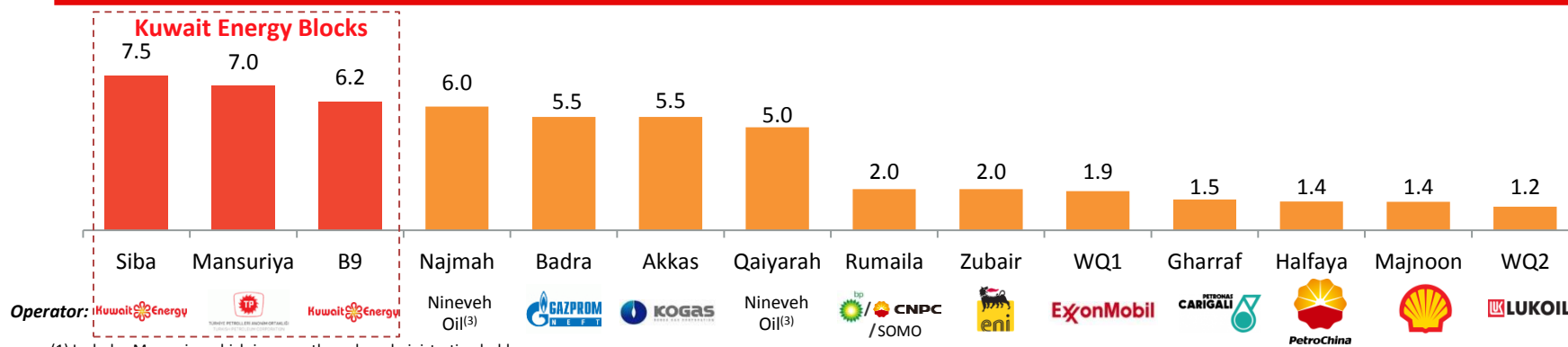


Block 9



Siba

## Service Fee Benchmark of Selected Iraqi Oil & Gas Fields (\$/boe)<sup>(2)</sup>



(1) Includes Mansuriya which is currently under administrative hold.

(2) Source: Petroleum Contracts and Licensing Directorate of the Iraqi Ministry of Oil. (3) Nineveh Oil is the State Oil Company of the Nineveh province in Iraq.

# Block 9: Development Commencing on a Key Asset

## Overview

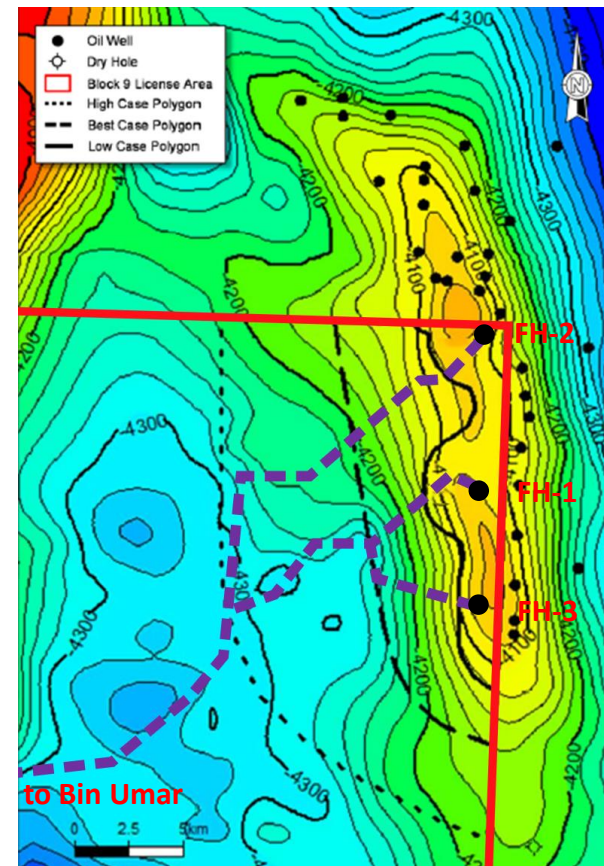
### Potentially Prolific Reserves and Resources Identified

- Over 2.5 bnbbbls of gross 2P + 2C identified, expected to facilitate rapid commercialisation
- Three appraisal wells drilled by Kuwait Energy; logged, cored and tested confirming scale<sup>(1)</sup>
- Knowledge of wells and structural features from nearby fields
  - Yadavaran, Azadegan, Majnoon, Nahr Umr, Sindibad
  - Same potentially prolific oil zones – Yamama and Mishrif, producing in nearby IOC operated fields

### Appraisal to Continue

- 3D seismic acquisition survey targeted to be completed by Q1 2017 with the processing and interpretation results targeted for Q1 2018
- At least three other giant oil fields potentially intersect Block 9<sup>(2)</sup>
  - Azadegan 5 bnboe, Nahr Umr 8 bnboe, Sindibad 0.3 bnboe

## Field Map



----- Proposed pipelines

(1) Testing currently ongoing for Faihaa-3 well.

(2) Source: Wood Mackenzie gross recoverable resources.

# Block 9: Reservoirs and Well Results

## Reservoirs Overview

Late Cretaceous – **Hartha & Sadi**

- Good oil shown in the mud log
- Nearby field shows tested oil

**No reserve or resources booked**

Late Cretaceous – **Mishrif**

- More than 300 meters reservoir
- Tested 3,380 bbl/d (20 API)
- 200 scf/stb GOR and 1,200 ppm H<sub>2</sub>S

**Reserves and contingent resources**

Early Cretaceous – **Zubair**

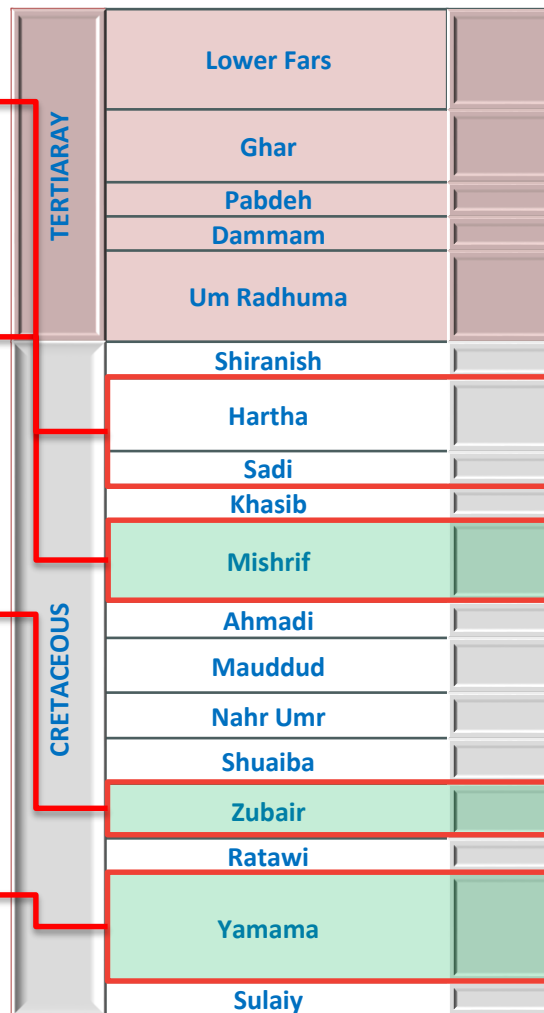
- Offset wells tested oil at rates of over 1,000 bbl/d
- Mud log and log interpretation show oil zone

**Contingent resources**

Early Cretaceous – **Yamama (layer A and B)**

- More than 400 meters reservoir
- Tested 5,000-7,000 bbl/d (35-37 API)
- 1,100 scf/stb GOR and 600 ppm H<sub>2</sub>S

**Reserves and contingent resources**

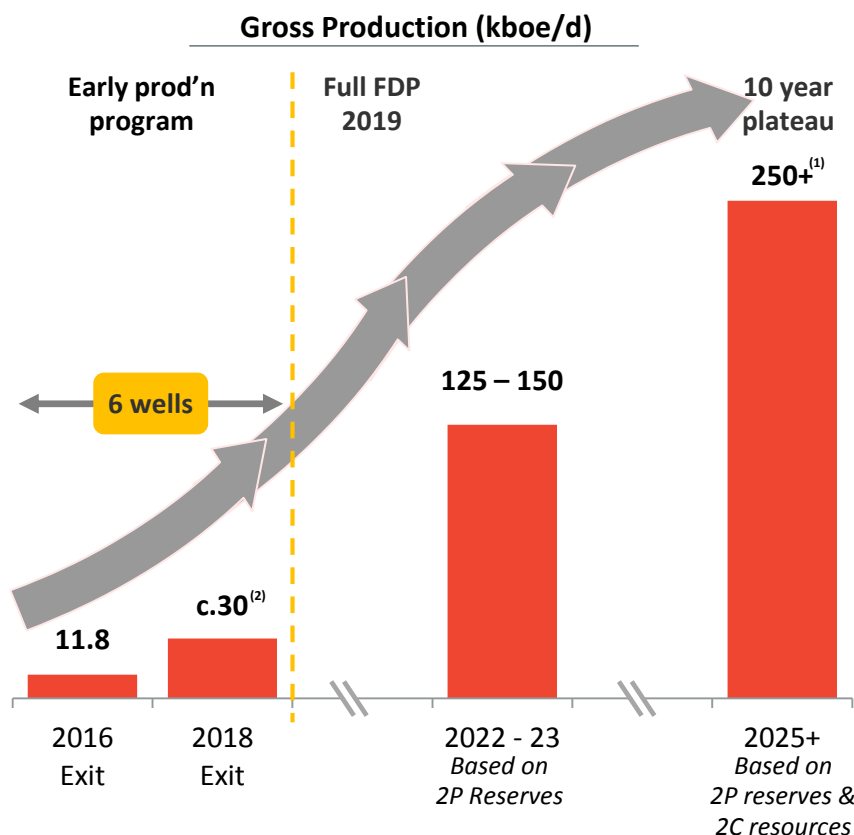


## Faihaa-2 Well Results

- Faihaa-2 logged the entire Yamama reservoir and tested all four of the Yamama layers
  - 425 meters gross thickness
  - 293 meters net pay
- API ranges between 35-44 degrees from the four layers
- GOR ranges between 1,000-2,500 from the four layers
- Mishrif reservoir
  - 304 meters gross thickness
  - 201 meters net pay

# Block 9: Development Plan

## Production Potential<sup>(1)(2)</sup>



## Field Development Plan

### Early Production Program<sup>(3)</sup>

- Two wells on production currently, oil trucked to Bin Umar station (42 km) – 90 kbb/d capacity
- One additional well (Faihaa-3) completed and production target to start in mid February 2017
- Two additional wells planned in 2017 and one in 2018
- Gross production of c.30 kboe/d targeted by 2018 YE<sup>(2)</sup>

### Full Field Development

- Kuwait Energy is planning to submit a full field development plan (FDP) in 2019<sup>(4)</sup>
- Production increases thereafter, with 125+ kboe/d targeted by 2022 and 250+ kboe/d by 2025<sup>(1)</sup>
- Optionality to monetise part of stake post FDP<sup>(5)</sup>

### Processing and Evacuation

- Separate processing facilities to be constructed for Yamama and Mishrif with planned total capacity of 155 kbb/d
- Separate export pipelines for Yamama and Mishrif crudes to Al Fao depot (140 km)

**Targeting gross production rate of 250,000 boe/d by 2025<sup>(1)</sup>**

Source: GCA report as at 31 December 2016.

(1) Production forecast based on management's best estimates in the early phase of the field development; key assumptions include: a) recovery factor of 20% and 35% for the Mishrif and Yamama reservoirs, respectively; b) potential implementation of water and/or gas injection projects; c) conversion of 2C resources. (2) Company estimate based on the assumption of 5 kbb/d per well and a six-well development program by 2018 year end. (3) Currently scheduled to expire at the end of 2018. (4) If approved, a 20 year development licence would be granted. (5) Subject to pre-emption rights and approvals.



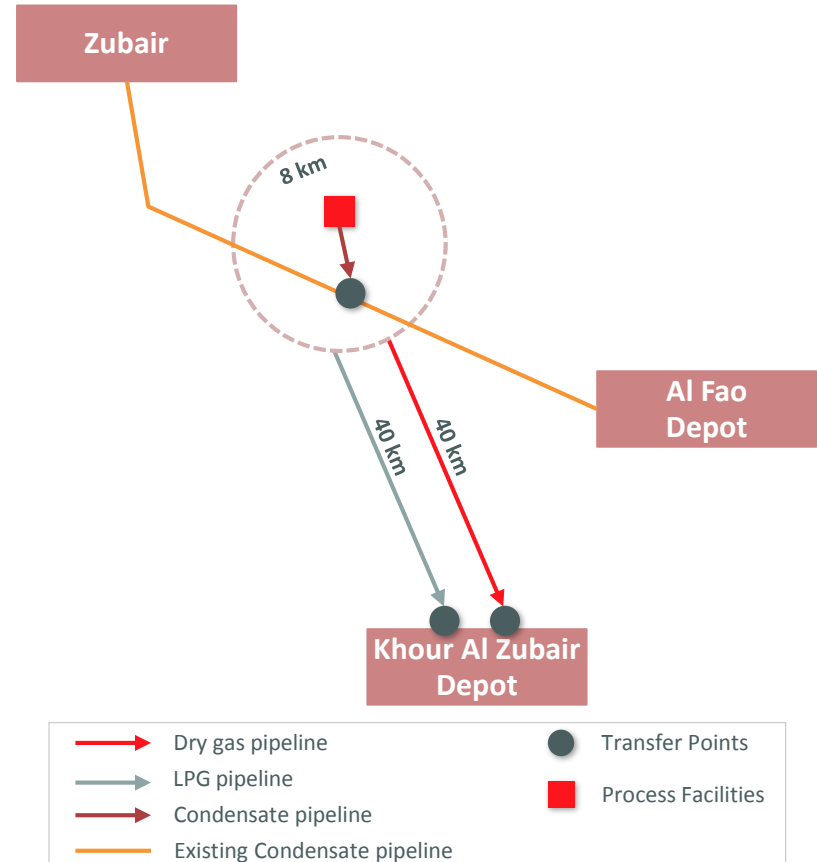
## Overview

- Gas field at development stage with a 20-year service contract<sup>(1)</sup> and an optional 5 year extension period
  - Current shortage of gas for power generation in southern Iraq expected to provide a ready market for gas
- Condensate production remunerated under the same terms as the contracted gas offtake
- Further upside to reserves and scope to increase the gas offtake quantity<sup>(2)</sup>
- Farm-out of 15% revenue WI/20% cost WI to EGPC announced in October 2016<sup>(3)</sup>
- Potential for future oil exploration<sup>(4)</sup>

## Field Development Update

- Overall project progress around 87%
- First gas and full contracted production targeted for 2017 and 2018, respectively
- Three wells drilled and ready to produce; supply pipelines completed

## Field and Infrastructure Layout



**Contracted gas offtake of 100 mmscf/d**

Source: Company filing, GCA report.

(1) Contract expiry in 2032. (2) New/amended contract would be required; this would be at the discretion of the Iraq government. (3) Farm-out completion subject to pre-emption rights and government approvals. (4) Oil exploration not included in the current licence; separate licence would need to be agreed with the government.

# Egypt Assets

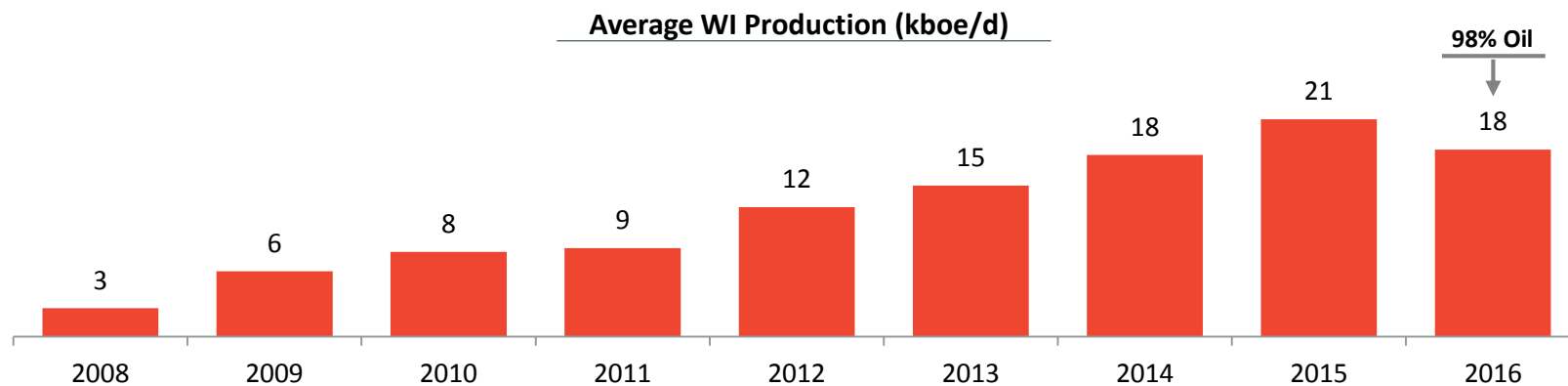
## Overview

- Four producing assets, three of which are operated by Kuwait Energy
  - Development plan focused on infill drilling
- Track record of production growth and cash flow generation
- Production upside from EOR across the portfolio and exploration potential in Abu Sennan
- Significant benefits from the strategic partnership with EGPC

## Location Map

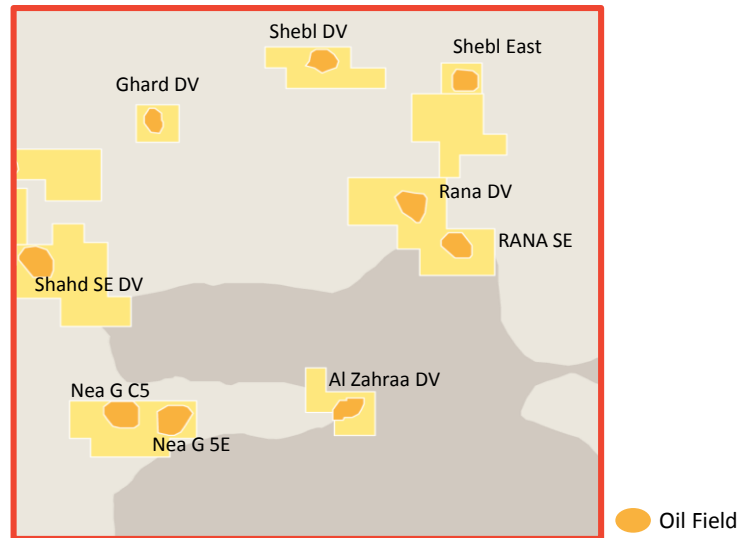


## Track Record of Stable Production Growth



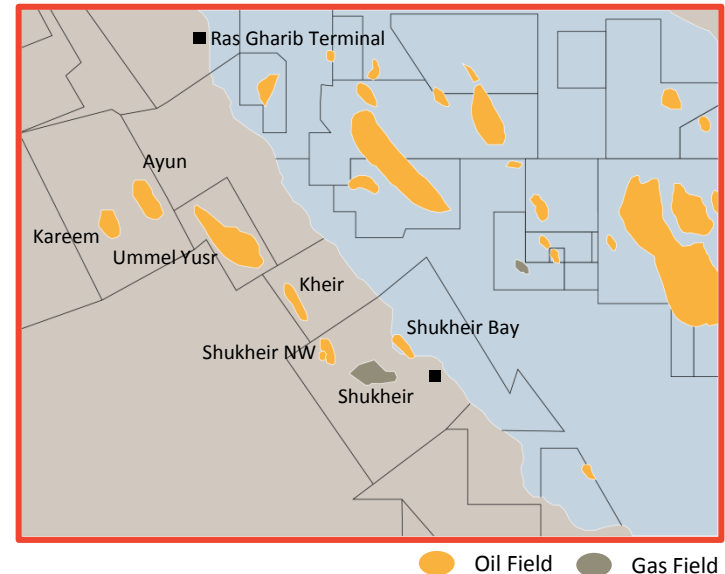
# East Ras Qattara (ERQ) & Area A

## East Ras Qattara (ERQ)



- Located in the Western Desert around 120 km west of Cairo
- Currently Kuwait Energy's largest producing asset with average WI production of 9.8 kboe/d in 2016
- Kuwait Energy holds 49.5% non-operating interest
- Total of 9 discoveries made from 19 exploration wells and has been producing since 2008

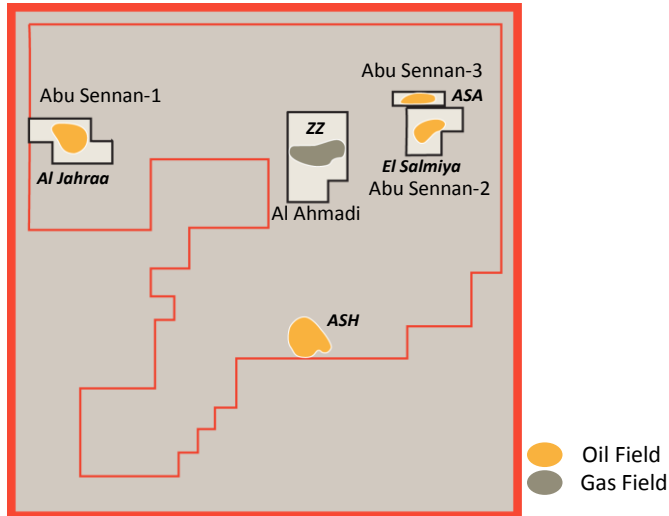
## Area A



- Located in the Eastern Desert and Kuwait Energy operated with 70% WI
- Average WI production of 5.1 kboe/d in 2016, 100% oil
- License expiry for the fields within the development area extends to between 2019 and 2023
- Ongoing water flooding program and gas resource potential in the area currently untapped

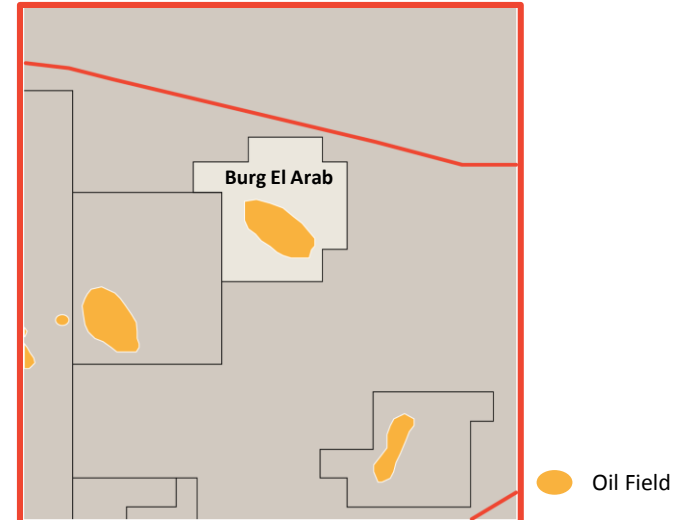
# Abu Sennan & Burg El Arab (BEA)

## Abu Sennan



- Located in the Abu Gharadig Basin in the Western Desert
- 25% revenue WI/53% cost WI, post the farm-out of 25% WI to Global Connect announced in 2017<sup>(1)</sup>
- Average WI production of 1.9 kboe/d<sup>(2)</sup> in 2016 from 5 fields
- Operational focus on increasing production levels through development drilling, appraisal and exploration activities

## Burg El Arab (BEA)



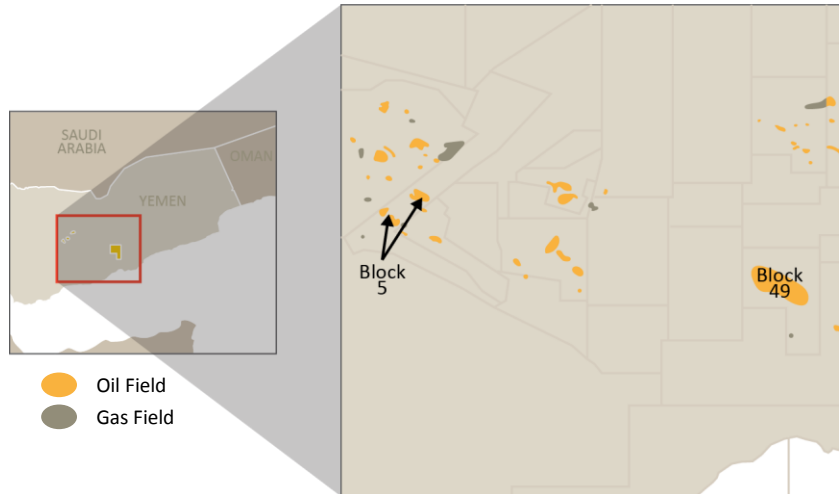
- Onshore block located in the Alamein Basin in the Western Desert
- Producing from the Abu Roash & Bahariya formations through 15 wells
- 100% WI with average production of 1.4 kboe/d in 2016
- Concession expiry in December 2021
- Ongoing drilling and work over program to support production level

Source: Company filing.

(1) Farm-out completion subject to pre-emption rights and government approvals. (2) Represents WI production pre-farm out of the 25% stake to Global Connect.

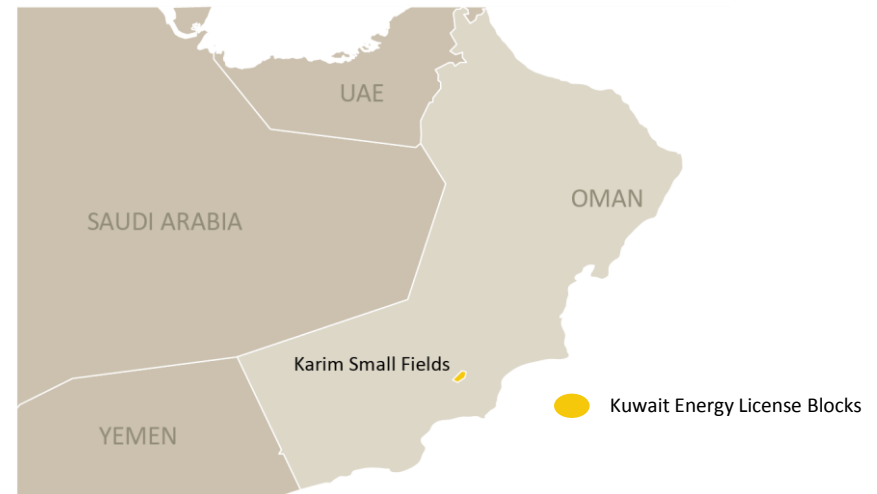
# Other Assets

## Yemen Assets



- Significant development or exploration potential in all of Kuwait Energy's blocks
- Yemen operations on hold since April 2015 due to political instability
  - Shut-in production of 3.8 kboe/d in Q1 2015
  - Management hopes to resume production in the near future; political situation being monitored
- Untapped contingent resources within the blocks provide potential upside when the security situation improves

## Oman Assets



- 25-year service contract for Karim Small Fields (KSF), a cluster of 13 oilfields and 7 discoveries
- 15% working interest
- Current operational focus on increasing production levels by well optimization, EOR and exploration
- Management believes that there is potential to expand Oman asset base in the future

# CORPORATE & FINANCIALS

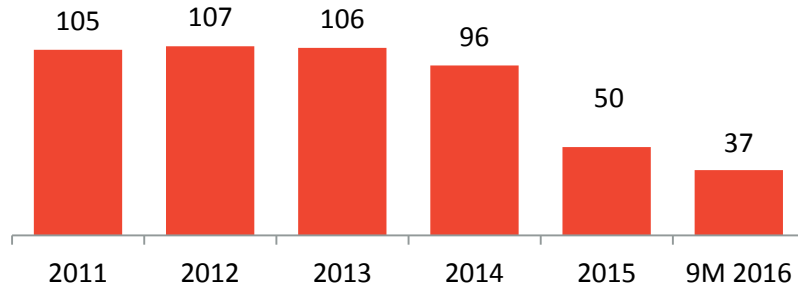


# Operations with Cash Generative Assets

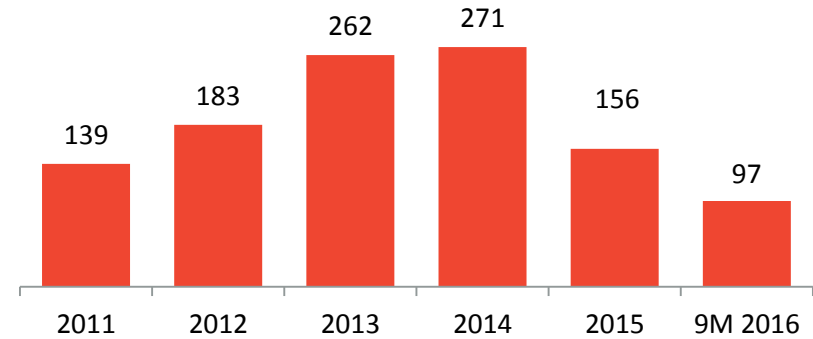
## High Margin Production

## Consistent Cash Flow Generation

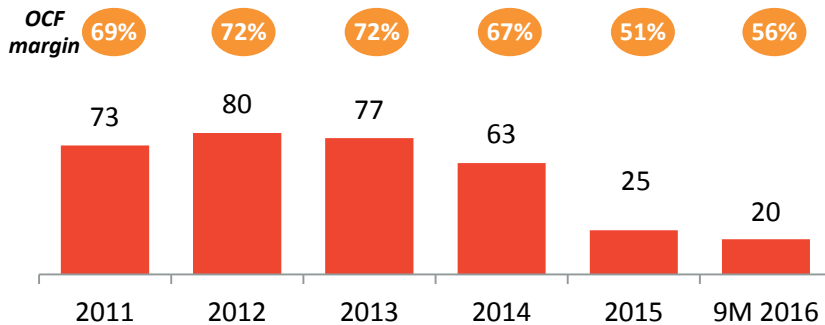
Average Realised Price (\$/boe)



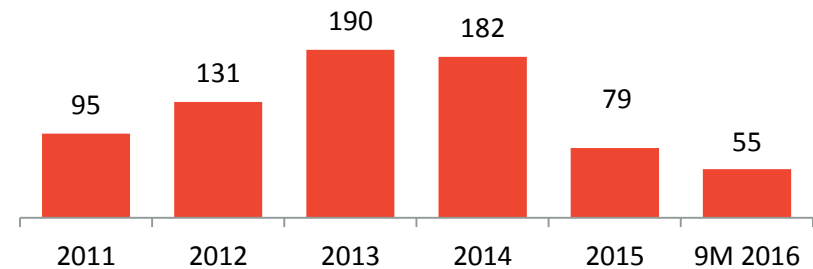
Revenue (\$m)



Operating Cash Flow (\$/boe)<sup>(1)</sup>



Operating Cash Flow (\$m)<sup>(1)</sup>



*Iraqi remuneration revenue is not sensitive to oil price volatility<sup>(2)</sup>*

Source: Company filing.

(1) Represents operating cash flow before change in working capital.

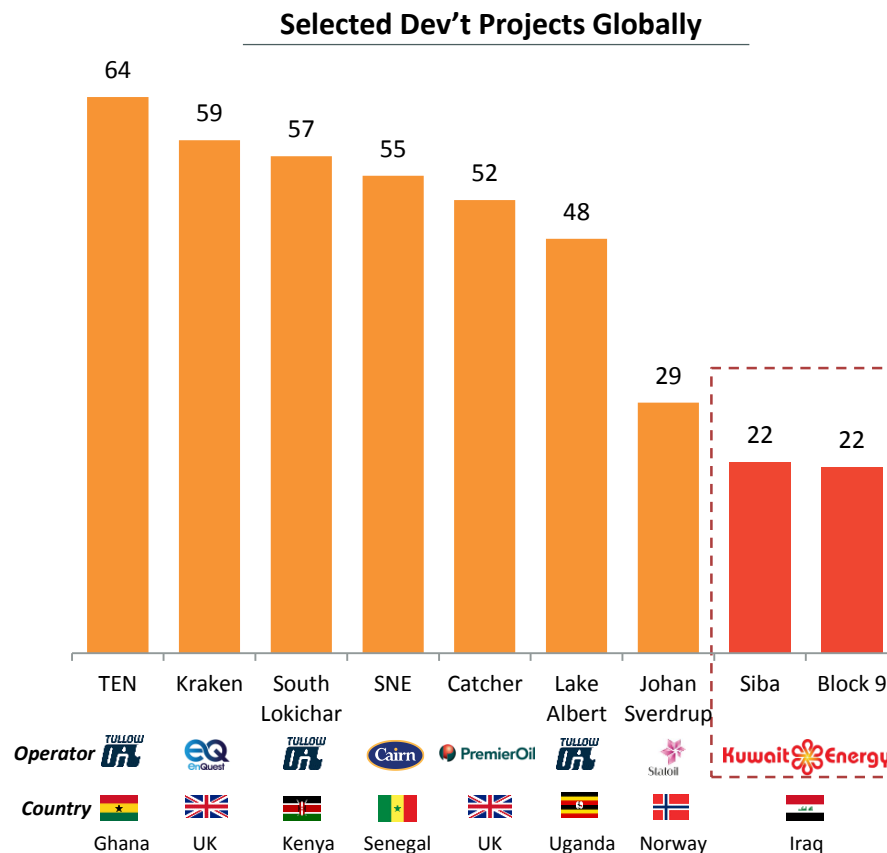
(2) Mansuriya on administrative hold; remuneration fee in respect of Siba and Mansuriya deferred until cost pool is below 50% of revenue in a given period.

# Prudent Financial Policy and Risk Management

## Key Elements of Financial Policy

- Funding policy aimed at ensuring that sufficient facilities are available to support business plan
  - A 3-year plan and 12-month budgeting process allows Kuwait Energy to regularly assess cash needs
- Investment opportunities evaluated on based on NPV, investment efficiency and payback period
  - Targeting primarily operated assets, allowing control of pace and quantum of spending
- Active portfolio management to optimise cash flows
  - Sale of 10% interest in Block 9 in 2015
  - Sale of 15% revenue WI / 20% cost WI in Siba in 2016<sup>(2)</sup>
  - Sale of 25% interest in Abu Sennan in 2016<sup>(2)</sup>

## Breakeven Brent Price (\$/bbl)<sup>(1)</sup>



Source: Company filing.

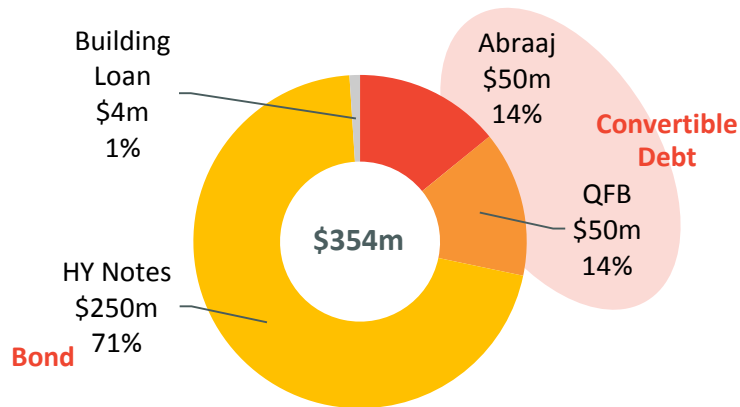
(1) Peers' breakeven costs based on Wood Mackenzie to achieve a 10% IRR; Block 9 and Siba breakeven costs to achieve 10% IRR based on Kuwait Energy company model; assumed 10% WACC.

(2) Farm-out completion subject to pre-emption rights and government approvals.

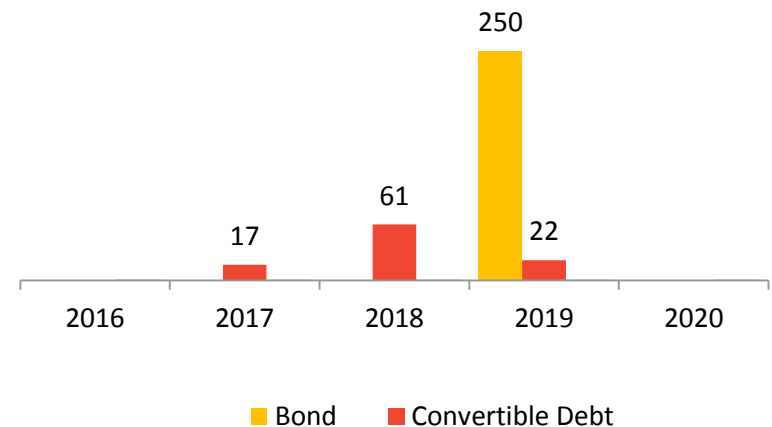


# Capital Structure and Debt Profile

## Debt Portfolio as at 30 September 2016



## Debt Maturities for Existing Facilities (\$m)

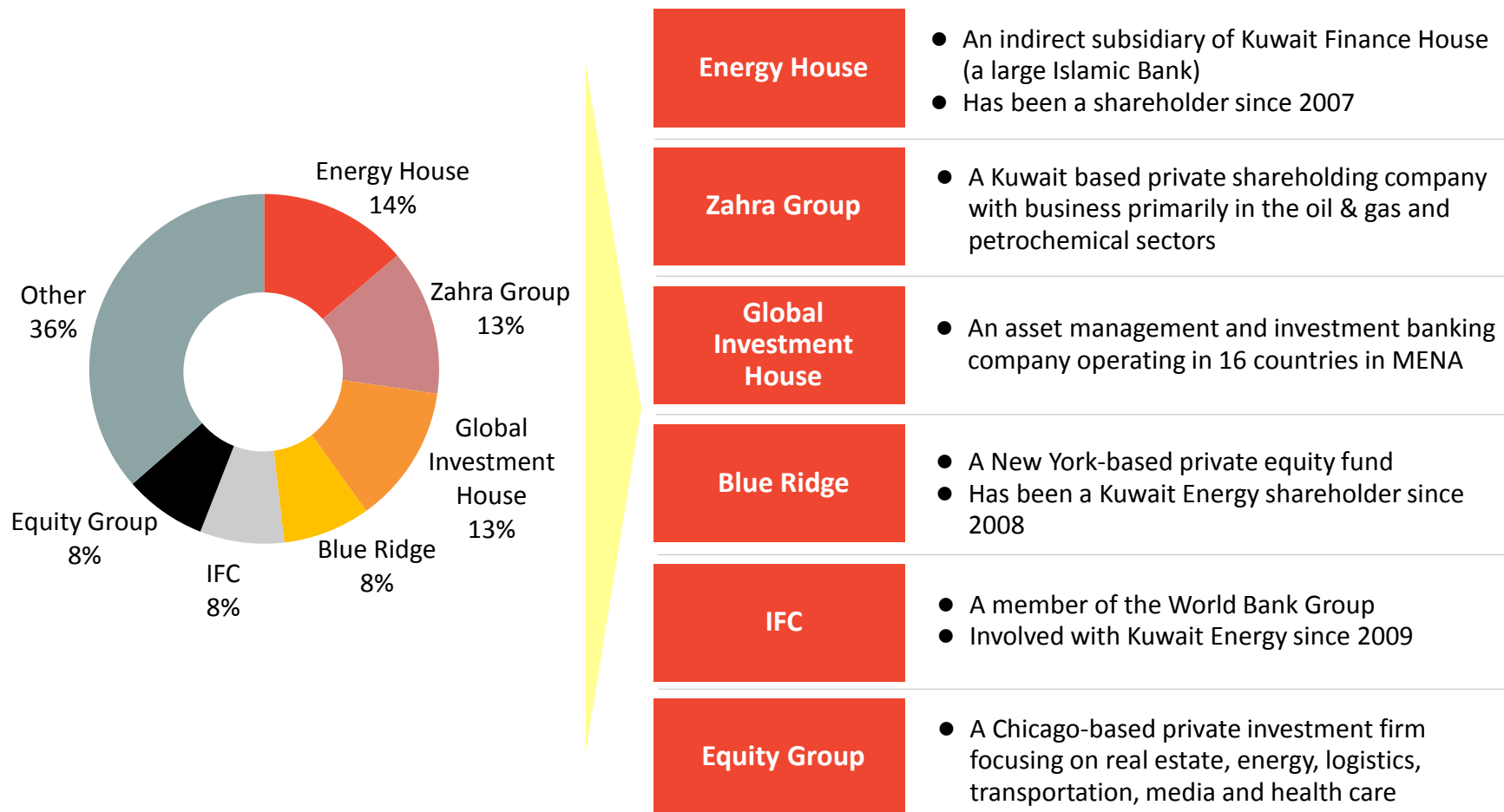


## Credit Facilities Update

- Agreement signed with Vitol in December 2016 for a pre-payment facility of up to \$100m
  - \$40m was drawn down in December 2016
- \$250m bond issued in August 2014 at 9.5% YTM, maturing in 2019
- \$50m Abraj and \$50m QFB convertible loans to convert upon a qualifying IPO as per terms of the loan agreements

# Diverse Shareholder Base

## Shareholder Structure<sup>(1)</sup>



Source: Company filing.

(1) Represents shareholdings excluding treasury shares.

# SUMMARY



# Company Highlights

- 1 Indigenous company in the MENA region, recognised by governments and peers as a trusted and capable partner
- 2 Strategic focus on producing and development assets and largest 2P reserve base amongst peers
- 3 Diversified, majority operated asset portfolio and established track record of reserves and production growth
- 4 Significant growth opportunity in Block 9 and Siba developments, supported by cash flow from producing assets in the portfolio
- 5 Experienced management team and strong commitment to corporate governance, integrity and social responsibilities
- 6 Shareholder focused, prudent financial policy

# APPENDIX



# Asset Working Interest and Partners



## Detailed Ownership by Asset

	Asset	KE Operator	Revenue WI <sup>(1)(2)</sup>	Cost WI <sup>(1)</sup>	Partners
Iraq	Block 9 <sup>(3)</sup>	✓	60.00%	60.00%	Dragon Oil 30%, EGPC 10%
	Siba	✓	45.00%	60.00%	TPAO 30%, Missan Oil Company 25%
	Mansuriya	✗	22.50%	30.00%	TPAO* 37.5%, OEC 25%, KOGAS 15%
Egypt	Abu Sennan	✓	50.00%	78.00%	Dover 28%, Rockhopper 22%
	Burg El Arab (BEA)	✓	100.00%	100.00%	-
	Area A	✓	70.00%	70.00%	Petrogas 30%
	East Ras Qattara (ERQ)	✗	49.50%	49.50%	ENAP Sipetrol* 50.5%
Yemen	Block 5	✓	15.00%	15.00%	YICOM 20%, KUFPEC 20%; Newco 15% <sup>(4)</sup> , Total 15%, ExxonMobil 15%
	Block 49	✓	64.00%	75.29%	Consolidated Contractors Company 25%, TYC 11%
Oman	Karim Small Fields (KSF)	✗	15.00%	15.00%	Medco Energy* 51%, Oman Oil Company 25%, Vision Oil 5%, Petrovest 4%

(1) Source: Company filing, reflects WI as at 31 December 2015 prior to Siba and Abu Sennan farm-out. \* Denotes operatorship.

(2) Revenue WI is the percentage interest of Kuwait Energy in the revenues derived from sale of production from an asset, before taking into account any taxes, fees, royalties or other payments.

(3) Kuwait Energy is currently engaged in a dispute under which the claimant asserts that it has a right to an increased non-controlling share. Kuwait Energy believes that the claimant's position will not be vindicated, and Kuwait Energy is firmly committed to vigorously rebutting the claim.

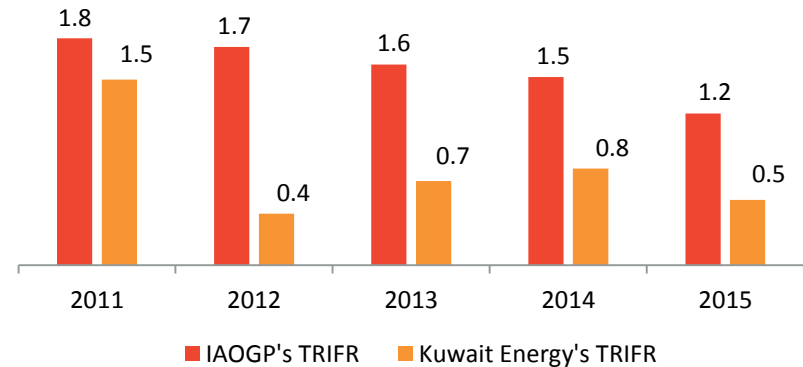
(4) Newco was formed by two Russian companies: Mashinoexport and Zarubezhgeologiya.

# Commitment to CSR and HSS&E Programs

## Historical HSS&E Performance and Achievements

- HSS&E is a key priority and core element to all of Kuwait Energy's activities
- Kuwait Energy's leadership and management commitment towards HSS&E are the key factors of the continuous improvements of the company's HSS&E performance
- Kuwait Energy implemented an integrated HSS&E Management System aiming to closely monitor its HSS&E performance in all of its operated fields
  - Achieved TRIFR below the IAOGP standard in the past 5 years

Kuwait Energy<sup>(1)</sup> vs. IAOGP TRIFR



## Key CSR Initiatives

### Iraq

- Yearly distribution of Ramadan food bags and school supplies to underprivileged families

### Egypt

- Yearly support and sponsorship of Petroleum Engineering students in partnership with SPE, AAPG and SEG

### Yemen

- Power generators providing electricity to areas within the vicinity of Block 5



Source: Company filing.

Note: IAOGP = International Association for Oil and Gas producers; TRIFR = Total Recordable Incident Frequency Rate.

(1) Figures for Kuwait Energy's operated areas.