



# SACOIL HOLDINGS LIMITED

Building a Leading Pan-African Independent  
Oil & Gas Exploration and Production Company



**Dr Thabo Kgogo** | Chief Executive Officer

November 2014

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# OUR OFFERING TO SHAREHOLDERS



## New Management Team

- Wealth of experience in the oil and gas sector and Africa with the right skills set and network to drive the company forward. New CEO has a strong track record in the oil and gas industry

## Revised Strategy

- Portfolio balancing with relentless focus on proven resources as a base for growth, quick monetisation of assets and cash flows

## Strong Balance Sheet – Zero Debt and Cash Reserves of R220 million

## Development Asset in Egypt

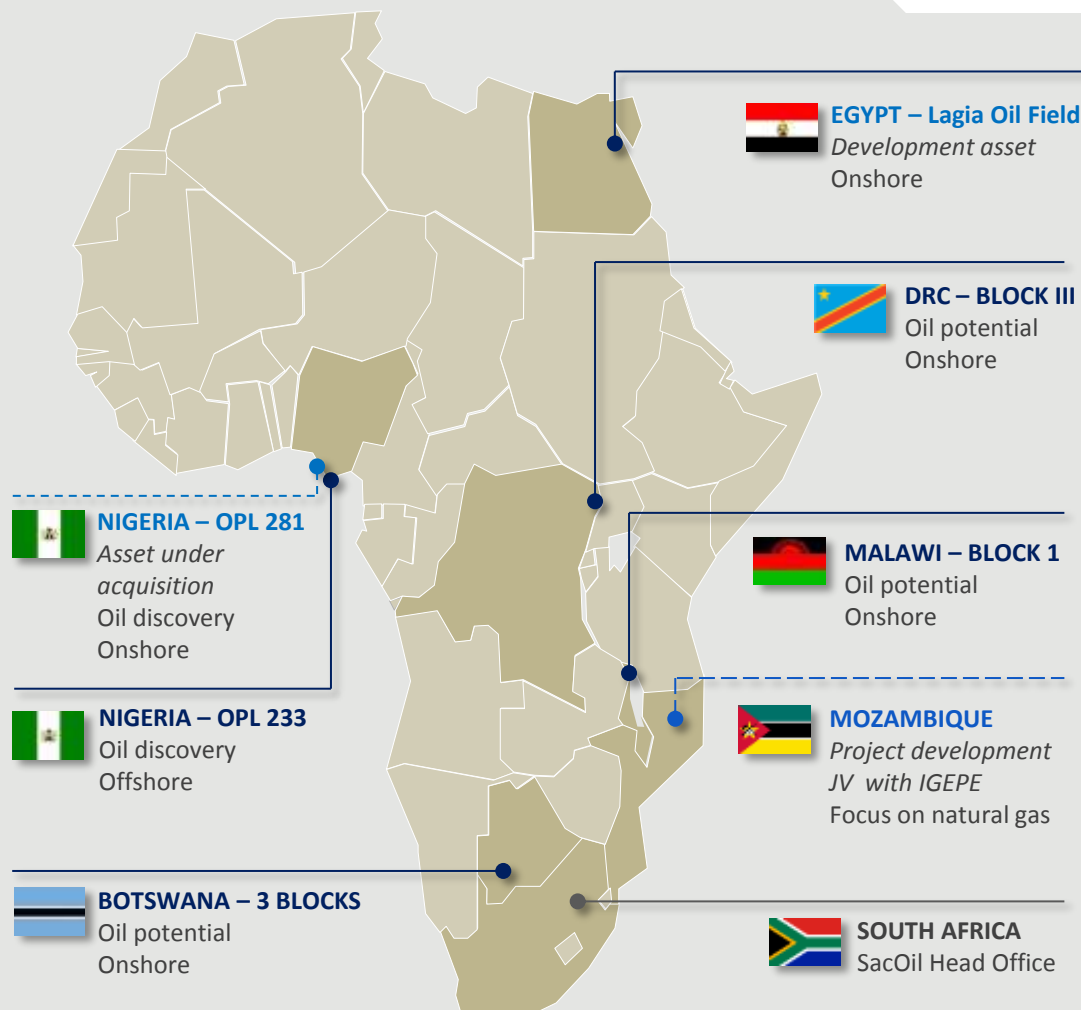
## Advanced Assets in Nigeria

- Near-term production assets with exploration potential

## Exploration Assets in the DRC, Malawi and Botswana

- High degrees of exploration potential

## Project Development of Gas Infrastructure and Marketing in Mozambique



# OUR STRATEGY



## OBJECTIVE

**Balancing the Portfolio**

**Growing the Portfolio**

- Focused on advanced assets

**Operational Excellence**

**Capital Efficiency**

**Risk Management  
Strong Governance  
Focused Investment Criteria  
Partnering with Majors  
Environmental Responsibility  
Technology  
Resources**

## OUTCOME

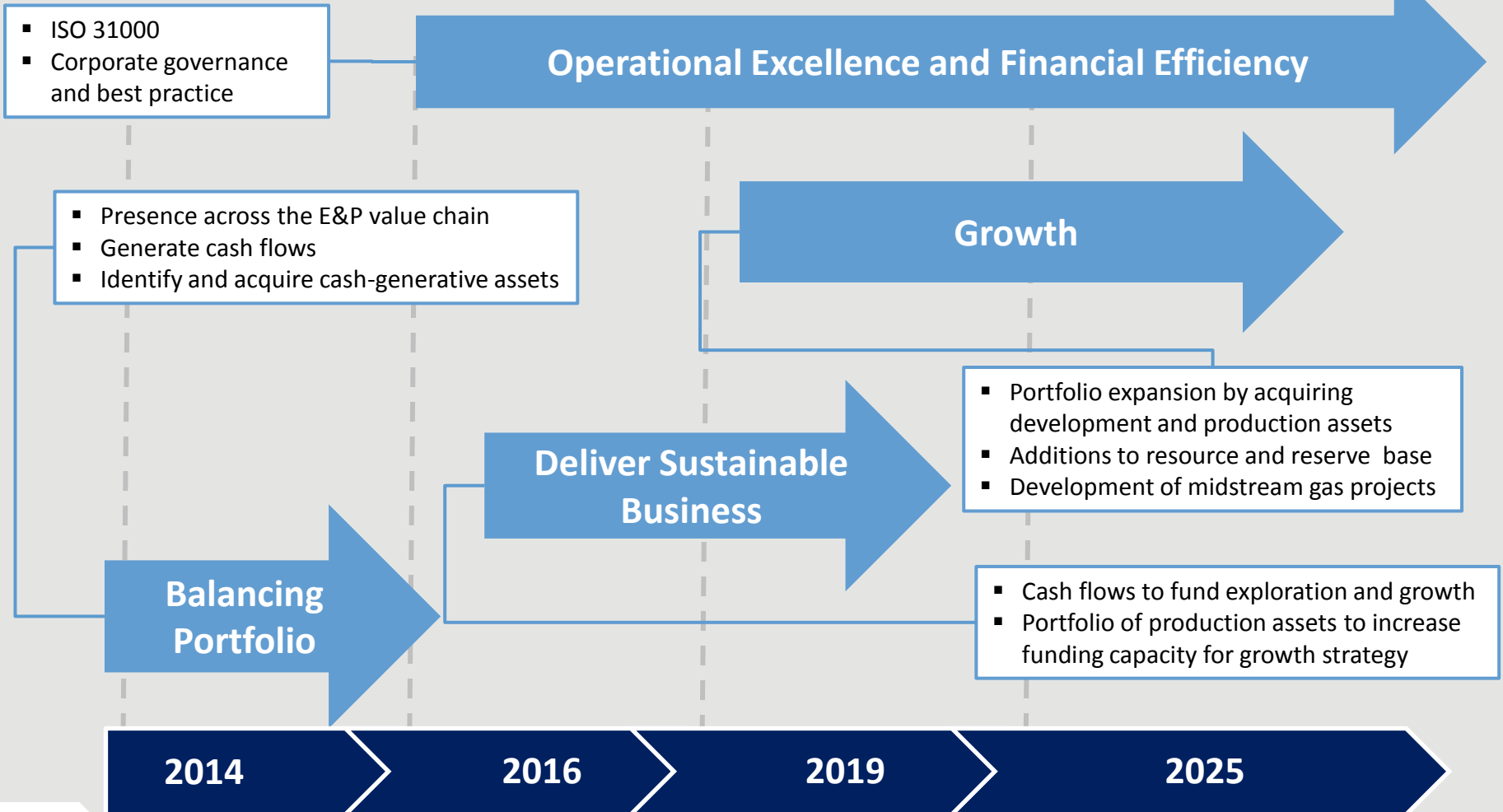
**Shareholder Value**

**Growth in Reserves and Production**

**Cash Generative with strong Balance Sheet**

**Sustainability**

# STRATEGY IMPLEMENTATION





# ASSETS

# EGYPT, LAGIA DEVELOPMENT LEASE

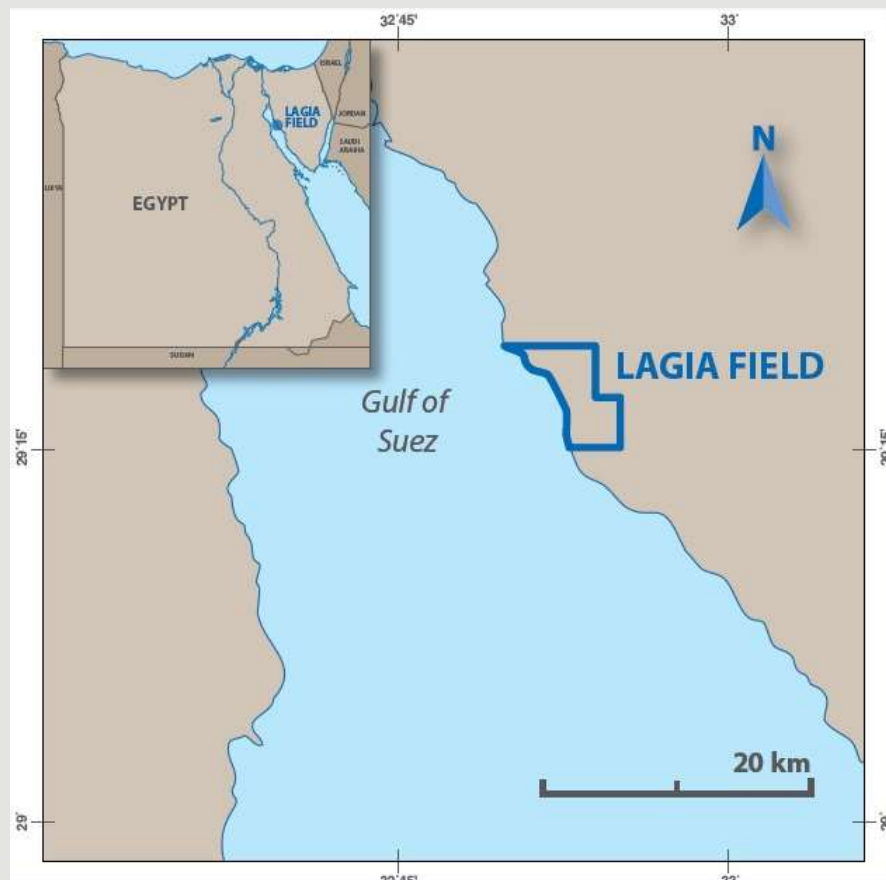


## Acquisition of Mena International Petroleum Company (Cyprus) owning 100% equity interest in the Lagia Development Lease, Egypt

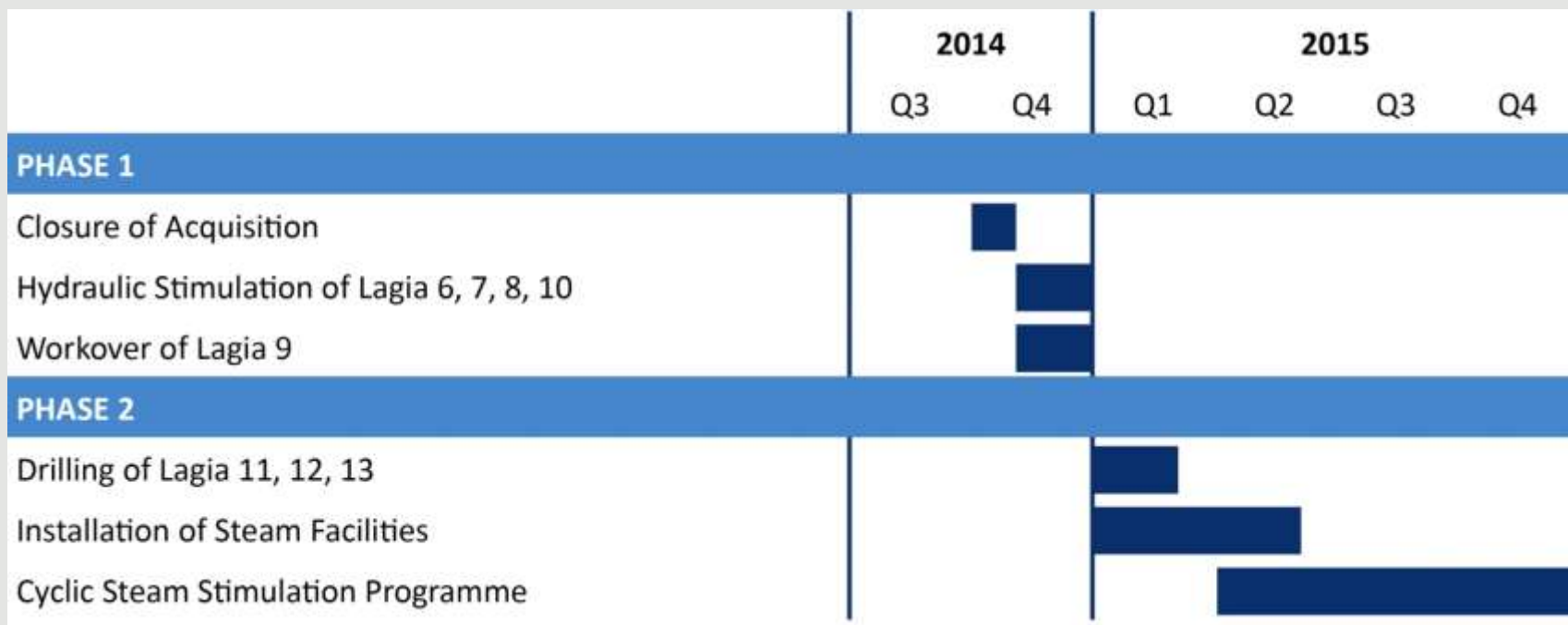
- Total consideration of \$14.1 million
- Effective price per Proven plus Probable barrels of \$2.28
- Addition of development asset to SacOil's portfolio
  - Independently assessed 2P oil reserves of 6.174 million barrels
- Consistent with SacOil's short-term strategic focus of near-term production and portfolio balancing

## THE ASSET

- Lagia Oil Field located on the Sinai Peninsula, Egypt
- Heavy oil discovered in Nukhul Formation with two discovery wells and three development wells drilled
- Light oil discovery in Nubia formation
- Installed facilities include in-field flowlines and 3 000 barrels storage tanks



# PROPOSED DEVELOPMENT PLAN



**Production target: 1 000 barrels of oil per day by end 2015**



# NIGERIAN ASSETS: ACQUIRED AND UNDER ACQUISITION

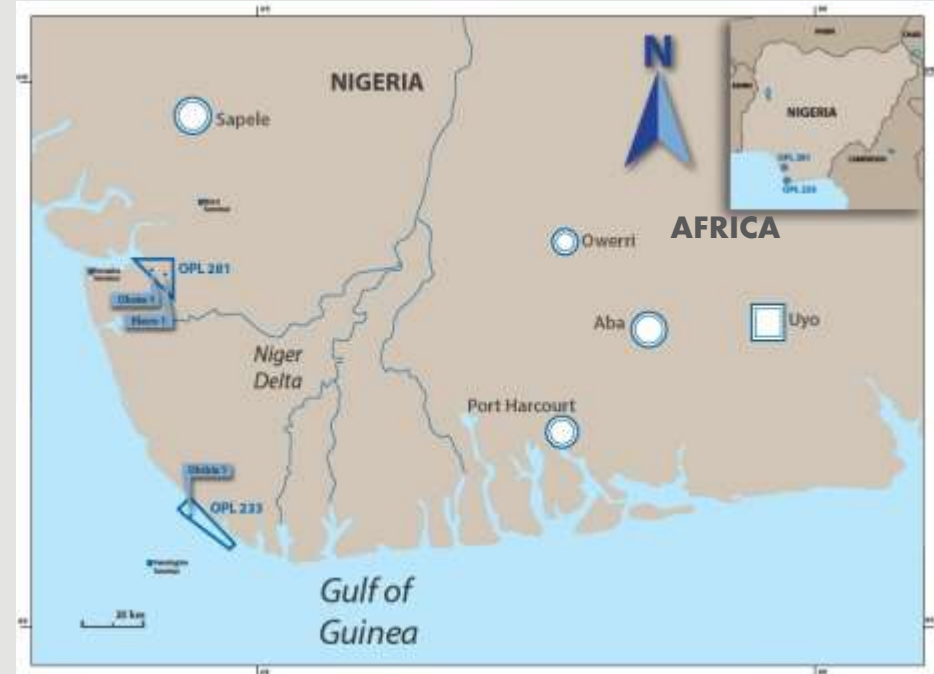


## OPL 233

- Licence area: 126 square km block
  - Nigdel 60% (Operator), SacOil 20%, EER 20%
- **One discovery on block**, certified contingent resources
- Acquiring 3D OBC seismic data over entire licence
- Minimum commitments:
  - Acquisition of 3D seismic data over the block
  - Drilling of two wells
  - Minimum expenditure: **US\$ 60 million**

## OPL 281

- New PSC – five-year Exploration Period divided into two separate phases
  - Transcorp 60% (Operator), SacOil 20%, EER 20%
- Minimum Commitments:
  - Reprocessing of existing 3D data over the block
  - Drilling of two wells
  - Phase 1, minimum expenditure: **US\$ 30 million.**



# DRC, EXPLORATION BLOCK III: OVERVIEW AND LOCATION

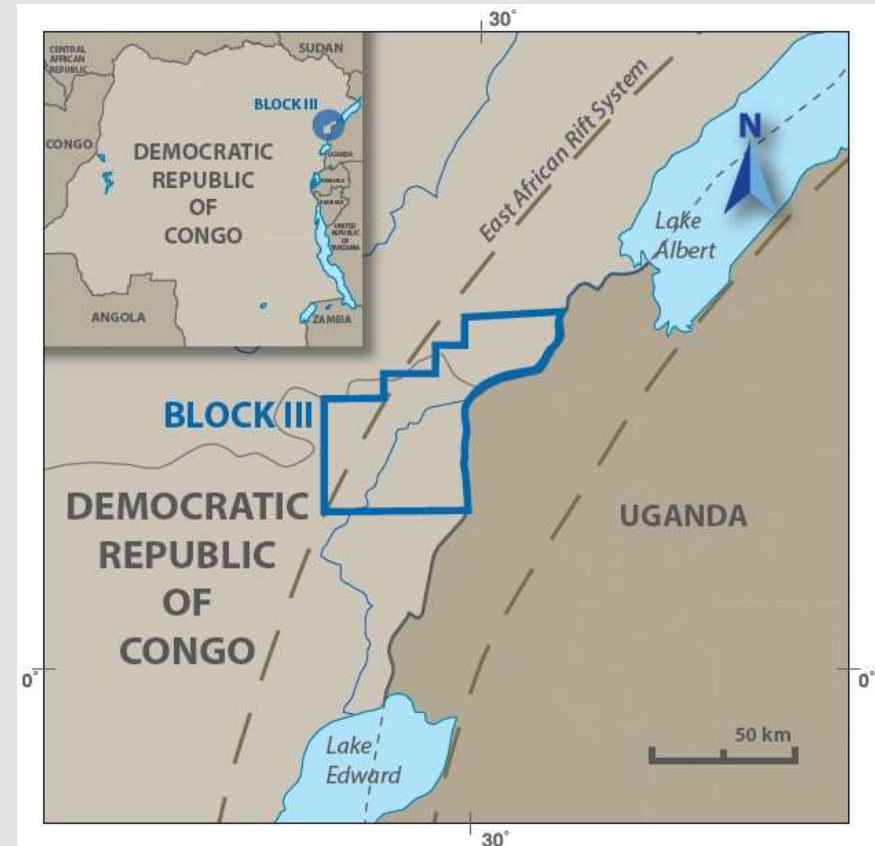


## LOCATION

- Licence area: 3 177 square km
- Located on the DRC side of the Albertine Graben Basin, part of the East African Rift System
- Block within proven petroleum system, on-trend with major Ugandan oil fields
- Existing oil/gas discoveries within 10 km of block boundary

## PSC TERM AND WORK PROGRAMME

- Total RDC – operator (66.66%), SacOil (12.5%), DRC Government (15%), DIG (5.84%)
- Firm Exploration Programme
  - Acquisition of 500 km of 2D seismic
  - Drilling of two exploration wells
  - Phase 1, expenditure commitment: **US\$ 70 Million**
    - SacOil's commitment carried by Total to FID



# MALAWI, EXPLORATION BLOCK 1:

## OVERVIEW AND LOCATION

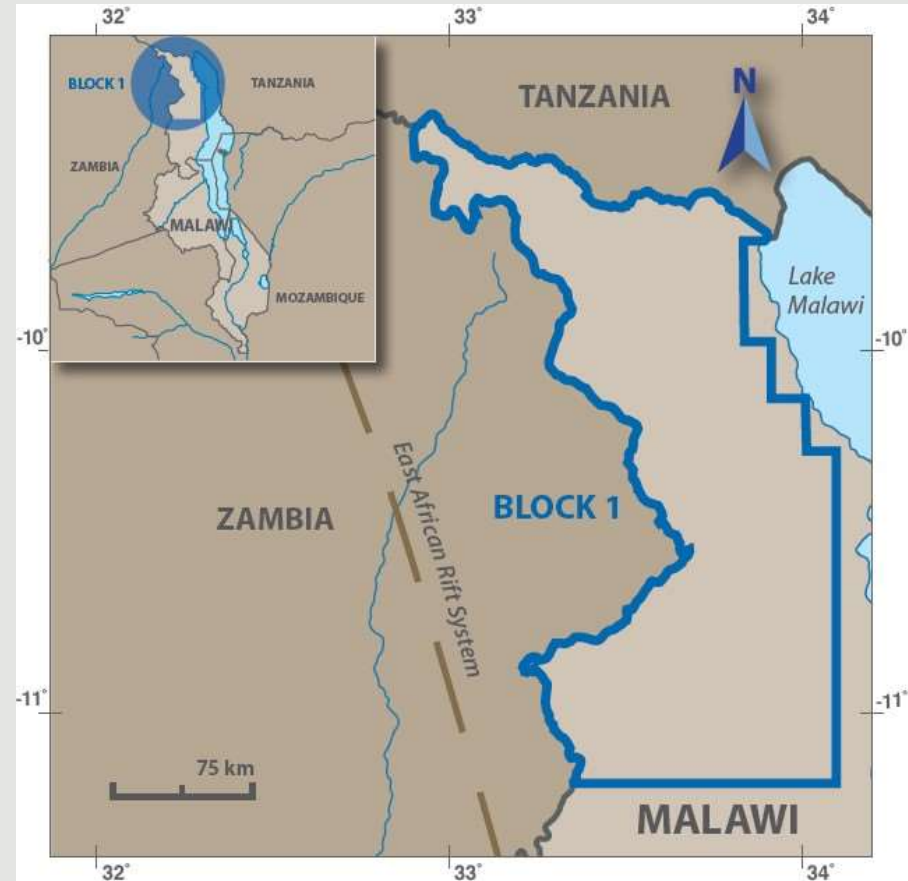


### LOCATION

- Located in the north western part of Malawi bordering Tanzania to the north and Zambia to the west
- Licence area: 12 265 square km
- Located on-trend with the East African Rift (EAR)
- Block not impacted by border disputes

### PSC TERM AND WORK PROGRAMME

- Licence awarded December 2012
- SacOil – Operator 100%
- Exploration licence divided into initial four-year period and two subsequent three-year renewal periods
- Initial exploration period (four years)
  - Minimum expenditure: **US\$ 2 million**



# BOTSWANA, EXPLORATION LICENCES: OVERVIEW AND LOCATION



## LICENCE AREA

- 123/2013: 34 635 square km
- 124/2013: 10 664 square km
- 125/2013: 4 164 square km

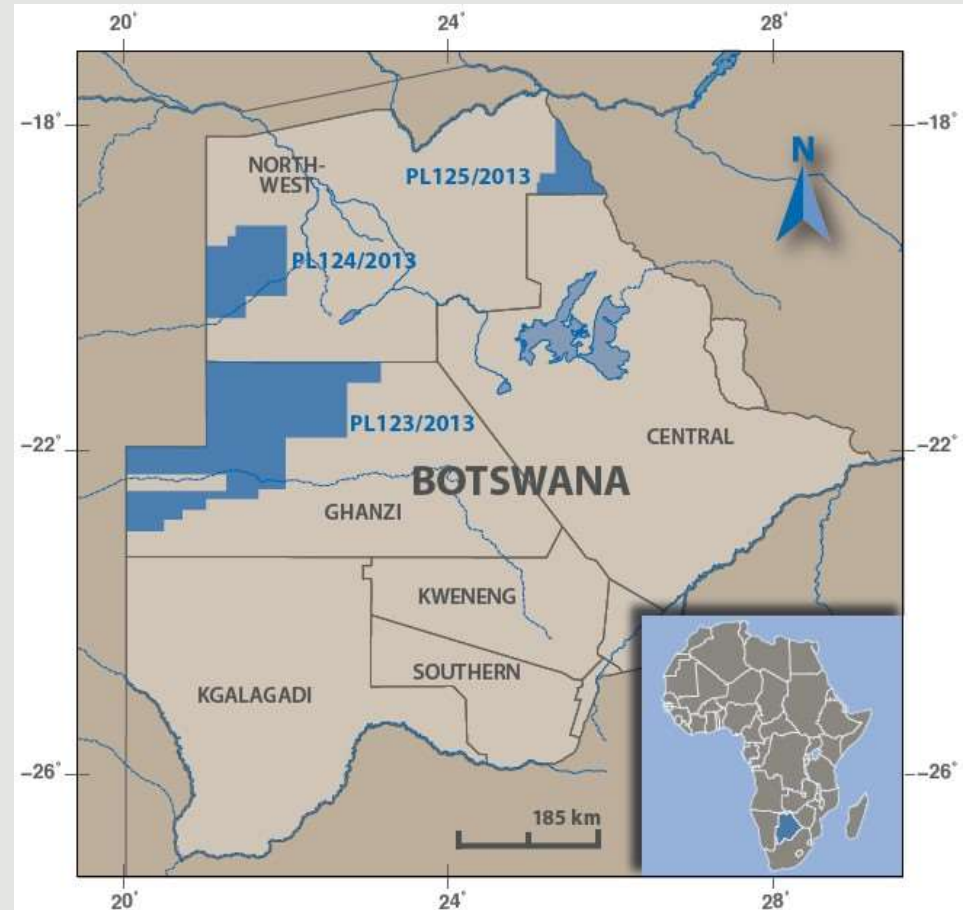
## WORK PROGRAMME

- Three-year initial exploration period

## MINIMUM EXPENDITURE PER LICENCE

- Minimum expenditure per licence:  
= BWP 4.4 million (US\$ 0.52 million\*)
- Total minimum expenditure for all three licences:  
= BWP 13.2 million (US\$ 1.6 million\*)

\* Exchange rate used in conversions: 1 US Dollar = BWP 8.5

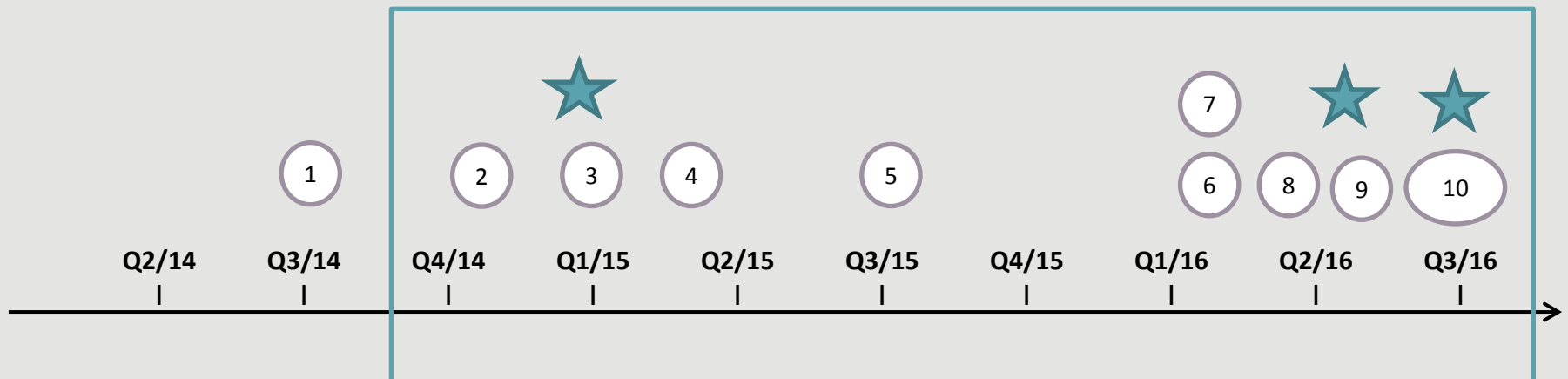


# PROGRAMME FOR ASSET DEVELOPMENT



## SacOil Indicative Activity Schedule

- |     |                                     |      |                           |
|-----|-------------------------------------|------|---------------------------|
| (1) | OPL 233 3D Seismic survey           | (6)  | OPL 233 appraisal well(s) |
| (2) | Lagia field development acquisition | (7)  | Block III seismic survey  |
| (3) | <b>Lagia production</b>             | (8)  | OPL 281 appraisal well(s) |
| (4) | OPL 233 resource review             | (9)  | <b>OPL 233 first oil</b>  |
| (5) | Completion of Block 1 ESIA          | (10) | <b>OPL 281 first oil</b>  |



# MOZAMBIQUE OPPORTUNITY

## Gas for the People Project



SacOil, PIC and Instituto De Gestão Das Participações Do Estado (“IGEPE”) entered into a Memorandum of Understanding (“MoU”), 31 March 2014.

- Construction of a gas pipeline from Mozambique to South Africa
- Gas distribution and marketing in southern Africa

**The MoU, regulates the relationship between the parties with regard to:**

- Assuring the supply of natural gas and energy security
- Opening up and growing the market for natural gas across Mozambique
- Establishing joint venture companies to:
  - Build an onshore natural gas central processing facility
  - Build a pipeline to link the gas fields in Mozambique with potential customers in southern Africa (“African Renaissance Project”)
  - Develop and grow the natural gas consumer market in South Africa and other Southern African Development Community countries



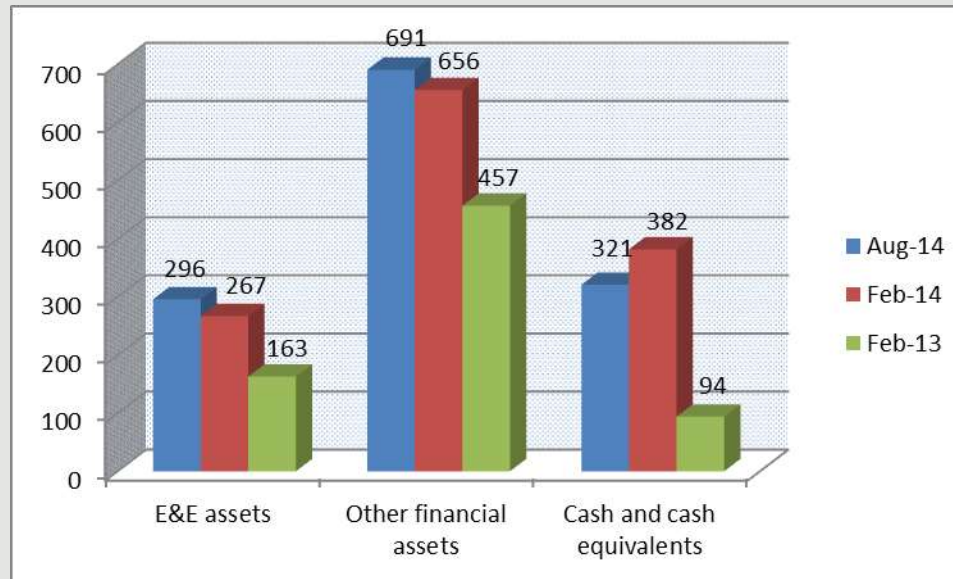


# FINANCIALS

# STRONG BALANCE SHEET

## KEY ASSETS

- Significant growth in the balance sheet following the rights offer in January 2014
- Net asset value of R969 million/R0.31 per share





# KEY MESSAGES

- Dual-listed African independent oil and gas company – effectively structured to take advantage of opportunities
- Offers exposure to discovered oil in the highly prospective East African Rift System
- Short production lead times balanced with high potential exploration
- Supported by a significant South African institutional investor, PIC
- Strong balance sheet with zero debt
- Highly experienced African management team
  - High profile board, chaired by previous Governor of the SA Reserve Bank
- Actively pursuing transformative deals:
  - Transactions that will substantially achieve strategy to become a self-funding, full life cycle exploration and production company and a major player in the African E&P sector
- The resulting African-wide portfolio will have very significant growth potential

**Focus on returns to shareholders, cash flow generation, balance sheet strength and portfolio expansion**



## APPENDIX

# OUR EXECUTION TEAM



## **Dr Thabo Kgogo**

*Chief Executive Officer*

Petroleum engineer

12 years oil and gas experience ranging from exploration, appraisal and development projects in upstream

Integrated operations experience including offshore production platforms and wells as well as gas to liquid refinery



## **Tariro Mudzimuirema**

*Finance Director (Interim)*

Chartered accountant

14 years international experience in finance, risk management, corporate governance and business development across various industries including oil and gas



## **Bradley Cerff**

*Executive Director*

Geophysicist

18 years oil and gas experience

Experience in exploration and production assets

Managing the execution of work programmes and budgets



## **Willem de Meyer**

*VP Commercial*

Geophysicist

30 years oil and gas experience

Experience in developing upstream portfolios

Development and introduction of risk-based economic evaluation of E&P investments.



## **Jordaan Fouche**

*VP Technical*

Geophysicist

26 years oil and gas experience

Seismic acquisition and interpretation

Commercial analysis of oil and gas reservoirs

# ASSET SUMMARY

## ASSET VALUES BASED ON CPR VOLUMETRICS AND COSTS

| Country | Block     | Unrisked Gross Resources (mmboe) | Chance of commercial success | Risked Gross Resources (mmboe)   | SacOil Interest | Risked Net Resources (mmboe)     |
|---------|-----------|----------------------------------|------------------------------|----------------------------------|-----------------|----------------------------------|
| Egypt   | Lagia     | 1P : 1.3<br>2P : 6.1<br>3P : 9.7 | 100 %                        | 1P : 1.3<br>2P : 6.1<br>3P : 9.7 | 100.0 %         | 1P : 1.3<br>2P : 6.1<br>3P : 9.7 |
| Nigeria | OPL 233   | 2C Best: 19.0<br>3C High: 26.1   | 40 %                         | 2C Best: 7.6<br>3C High: 10.4    | 20.0 %          | 2C Best: 1.5<br>3C High: 2.1     |
| Nigeria | OPL 281   | 2C Best: 99.2<br>3C High: 145.2  | 60 %                         | 2C Best: 59.5<br>3C High: 87.1   | 20.0 %          | 2C Best: 11.9<br>3C High: 17.4   |
| DRC *   | Block III | Best: 640<br>High: 1,250         | 20 %                         | Best: 130<br>High: 250           | 12.5 %          | Best: 16<br>High: 31             |

\* SacOil carried by Total up to FID - Includes contingent success bonuses from Total of \$54 mill

### LIMITS OF CPR VOLUMETRICS:

