



# **Investment Opportunity**

## Lagia Oil Field

*27 September 2018*

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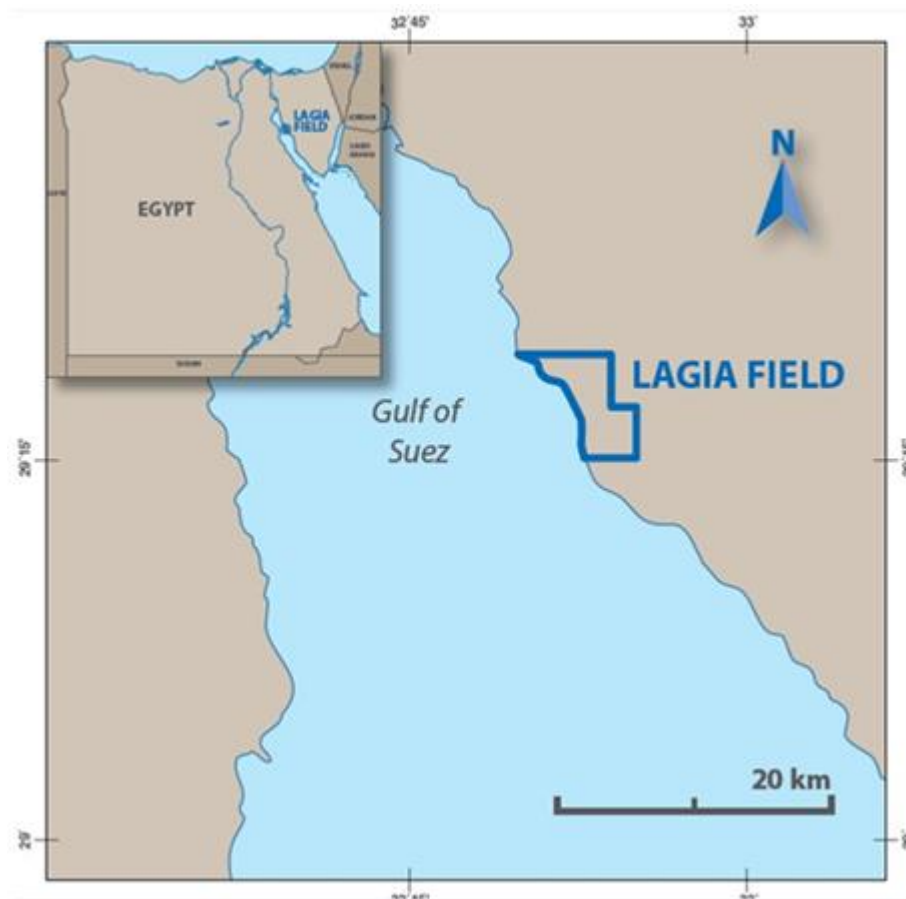
# Introduction



Efora is a South African oil and gas company with a diverse portfolio of assets in Africa. It is the 100% owner and operator, through its wholly owned subsidiary, Mena International Petroleum Company Limited (“MIPCL”), of the Lagia Development Lease granted in January 2010 (the “Asset”).

Efora also has a 12.5% interest in Block III in the DRC, an exploration asset operated by its partner Total E&P RDC, a downstream liquid fuels distribution business in South Africa and Zimbabwe and a midstream project relating to crude trading in Nigeria.

Efora is inviting interested parties to participate in the further development of the Asset and the appraisal and exploration of opportunities within the license area.



## Country & Topography



- The Asset is on the eastern shore of the Gulf of Suez, a prolific area which provides around 20% of Egypt's production.
- Egypt has a well-established and booming oil and gas industry with long established official institutions, existing infrastructures (pipelines network, export terminals, local refineries, etc.) as well as qualified local personnel and contractors.
- Egypt is the largest oil and natural gas consumer in Africa, accounting for more than 20% of total oil consumption on the continent and more than 40% of total dry natural gas consumption.
- Egypt is attracting renewed interest from international investors. The oil and gas industry has been operating for over 80 years in Egypt with a solid legal, institutional and infrastructure framework and an attractive fiscal regime that is favourable to foreign investors.





- The Asset is operated by MIPCL which utilises Petro Sinai as contracted operator, in terms of the Central Sinai Concession Agreement (“PSC”) with the Egyptian General Petroleum Company (“EGPC”), dated September 1997.
- The Asset contains the producing Lagia oil field, in the early stages of development and two light oil discoveries in the deeper section.
- The Asset offers an excellent opportunity for:
  - A farm-in partner to acquire operatorship and be recognised as operator in Egypt;
  - First entry into Egypt or consolidation by an in-country company; and
  - Participation in:
    - Current production and cash flow;
    - Further development upside; and
    - Appraisal and exploration of light oil discoveries.
- 5.6 MMbbl proved plus probable reserves and 7.9MMbbl proved plus probable plus possible reserves\* independently certified by Boury Global Energy Consultants Limited as at 1 March 2018.
- EGPC receivables are current.
- A possible upside in the main reservoir and further undeveloped light oil potential in deeper formations.

*\* Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.*



- The Lagia oil field was discovered in 1950 when the Lagia-3 well was drilled. The well was not flowed but proved an extensive hydrocarbon column in the Nukhul, Thebes and deeper formations.
- Lagia-6 and Lagia-7 were drilled in 2000 and were the first wells to be produced. Heavy 12° API oil was flowed at a rate of up to 60 bbl/d using an electrical submersible pump (“ESP”) from the Nukhul Formation.
- This oil pool was further appraised during 2012 when the Lagia-8, Lagia-9 and Lagia-10 wells were drilled which increased total field production to a high of 87 bbl/d, also using ESPs.
- The Lagia Development Lease was approved on 12 January 2010 by the Egyptian Government and is effective for a period of 20 years from the date of declaration of commercial oil discovery.
- During 2015 an early development program was implemented with the drilling of Lagia-11, Lagia-12, Lagia-13 and Lagia-16. All boreholes were hydraulically stimulated (“fracked”).
- During this period the field infrastructure was enhanced with the installation of a steam generator, 3,000 barrels of tank capacity and thermal in-field flowlines. A further well, Lagia-14, was drilled and fracked in 2017.

## Lease Detail

Country	Egypt
Area	Onshore Sinai
Lease Name	Lagia Development Lease
Term	20 years from Jan 2010
Interest	100%
Current Production	~ 60 barrels oil per day
Reserves as at 1 March 2018*	5.6 MMbbl proved plus probable 7.9MMbbl proved plus probable plus possible reserves**
Seismic Cover	210 km 2D seismic covering the whole lease area
Infrastructure	Thermal in-field flowlines, manifolds, diesel generators, steam generator, 3,000 bbl oil storage tanks, etc.

\*) Independently certified by Boury Global Energy Consultants Limited

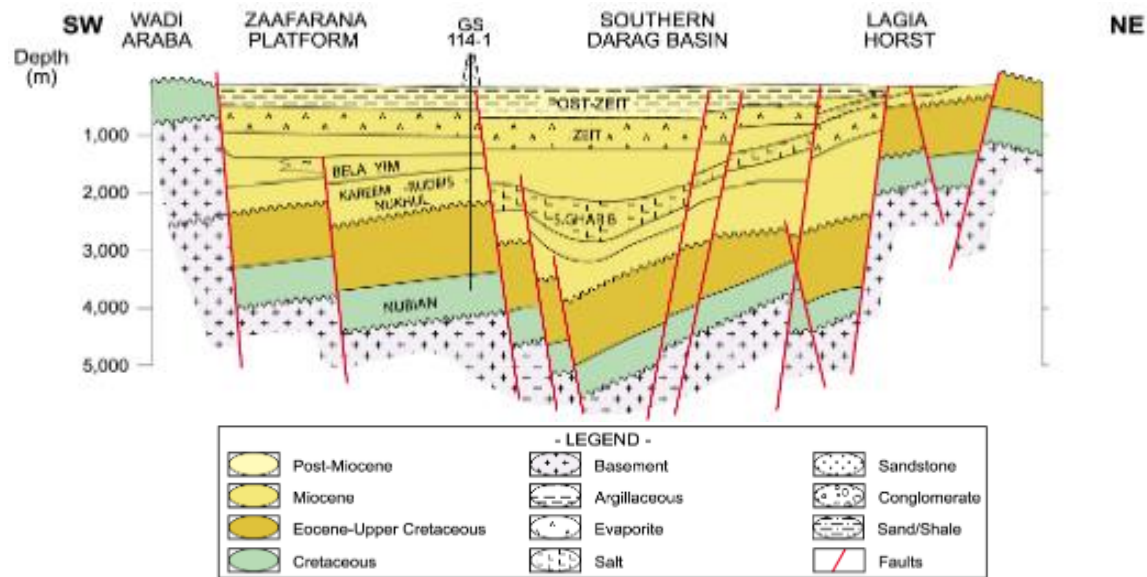
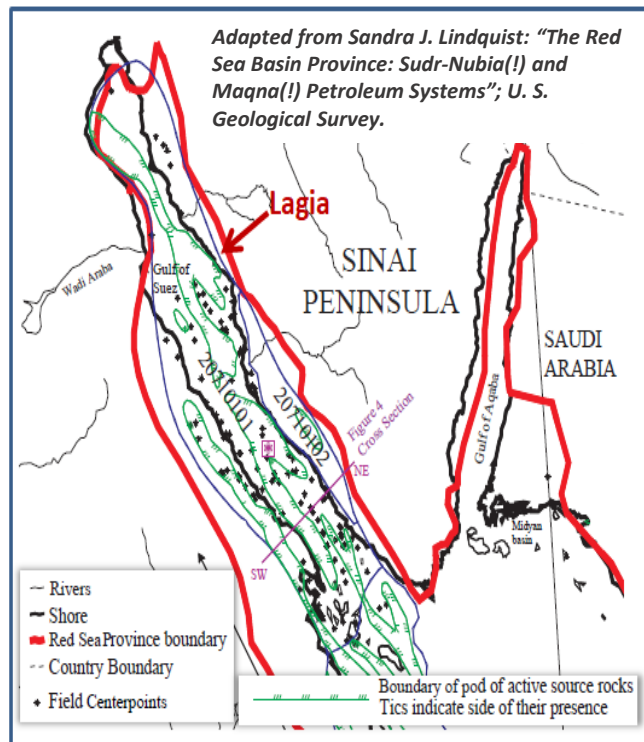
\*\*) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

# Geological Overview



The Gulf of Suez basin is a graben of late Tertiary age, separating the central Sinai massif from the Eastern Desert. The basin evolved in two stages; a pre-rift stage which involved the deposition of a sedimentary cover prior to normal block-faulting and the rift stage in the Oligocene to Miocene period which formed a successor basin with rapid deposition during faulting. During the rift phase in early Miocene times, uplifted platform areas were severely eroded.

In some places the lower Miocene Upper Rudeis Formation rests directly on crystalline Basement, but in the Lagia field area, the Nukhul Sandstone rests unconformably on the Eocene age Thebes Formation limestones. The Lagia field area is dominated by NW-SE trending normal faults.

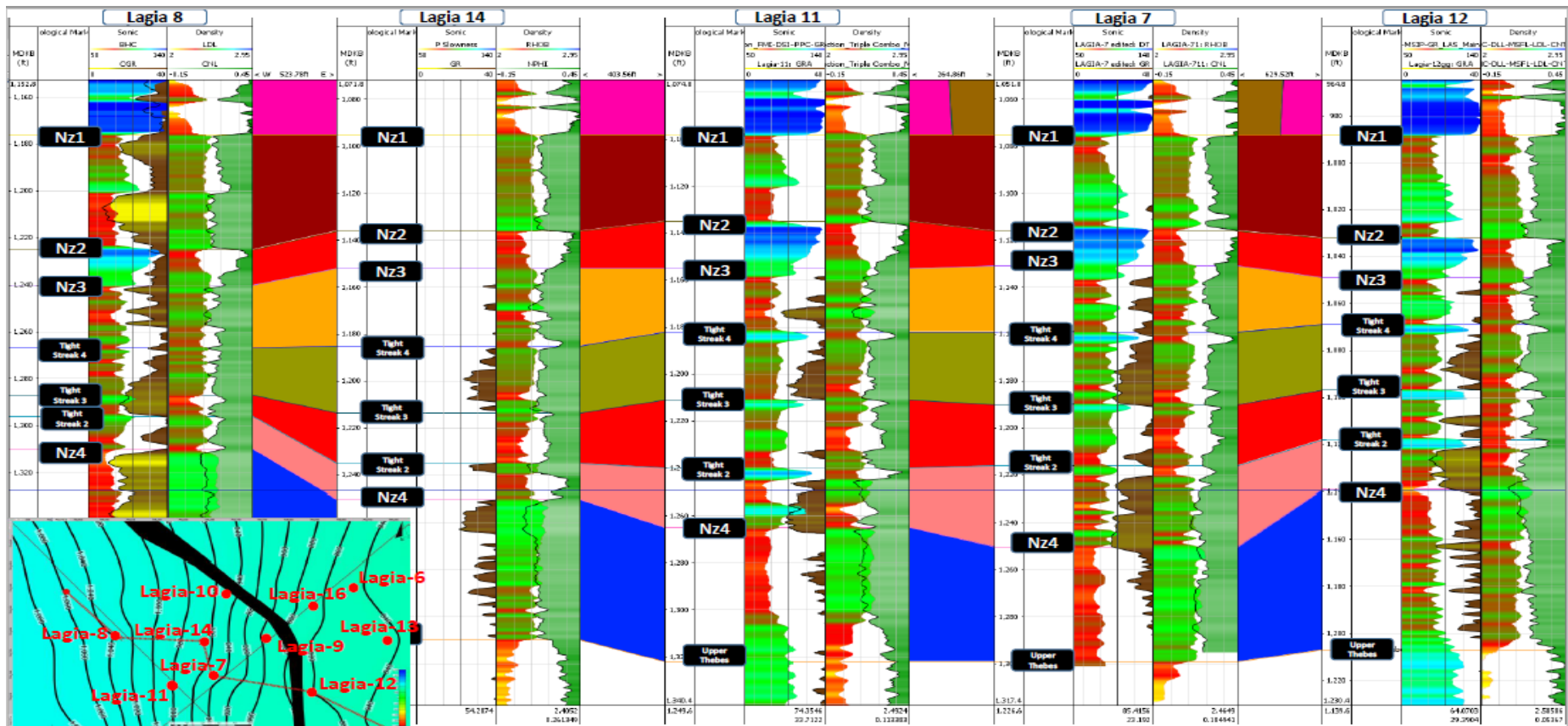


Adapted from Mohammed Abdallah Abu Al-Atta: "Hydrocarbon exploration and tectonic evolution of Belayim Marine oil field, Gulf of Suez, Egypt"; M.Sc thesis in Petroleum Geology, Mansoura University.

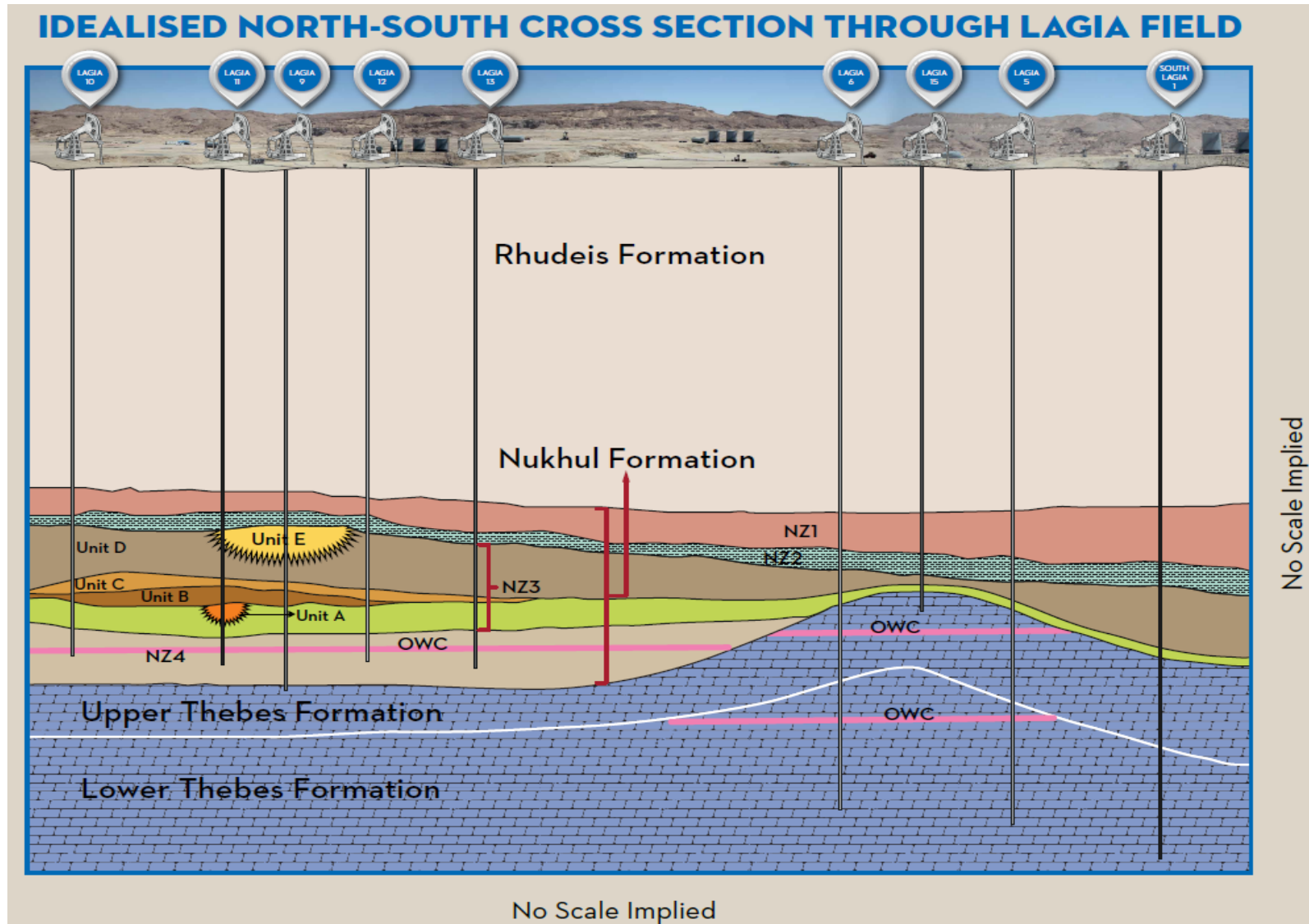
# Structure & Stratigraphy



The Nukhul sandstones are typically fine to medium grained and well cemented with calcareous cement. The Nukhul formation can be described as a transgressive-regressive system of which the regressive units predominantly consist of sandstones (Nukhul zone 1 and zone 3) and the transgressive units predominantly consist of mudstones (Nukhul zone 2 and zone 4). The Nukhul zone 3 can be subdivided into a series of channel, lobe and shoal sandstone units. The Nukhul Formation contains biodegraded heavy oil at Lagia with gravity between 10-12° API°. Regional source rocks are the Brown Limestone Member of Senonian age and the Thebes Formation of Eocene age, which are proven to be mature.

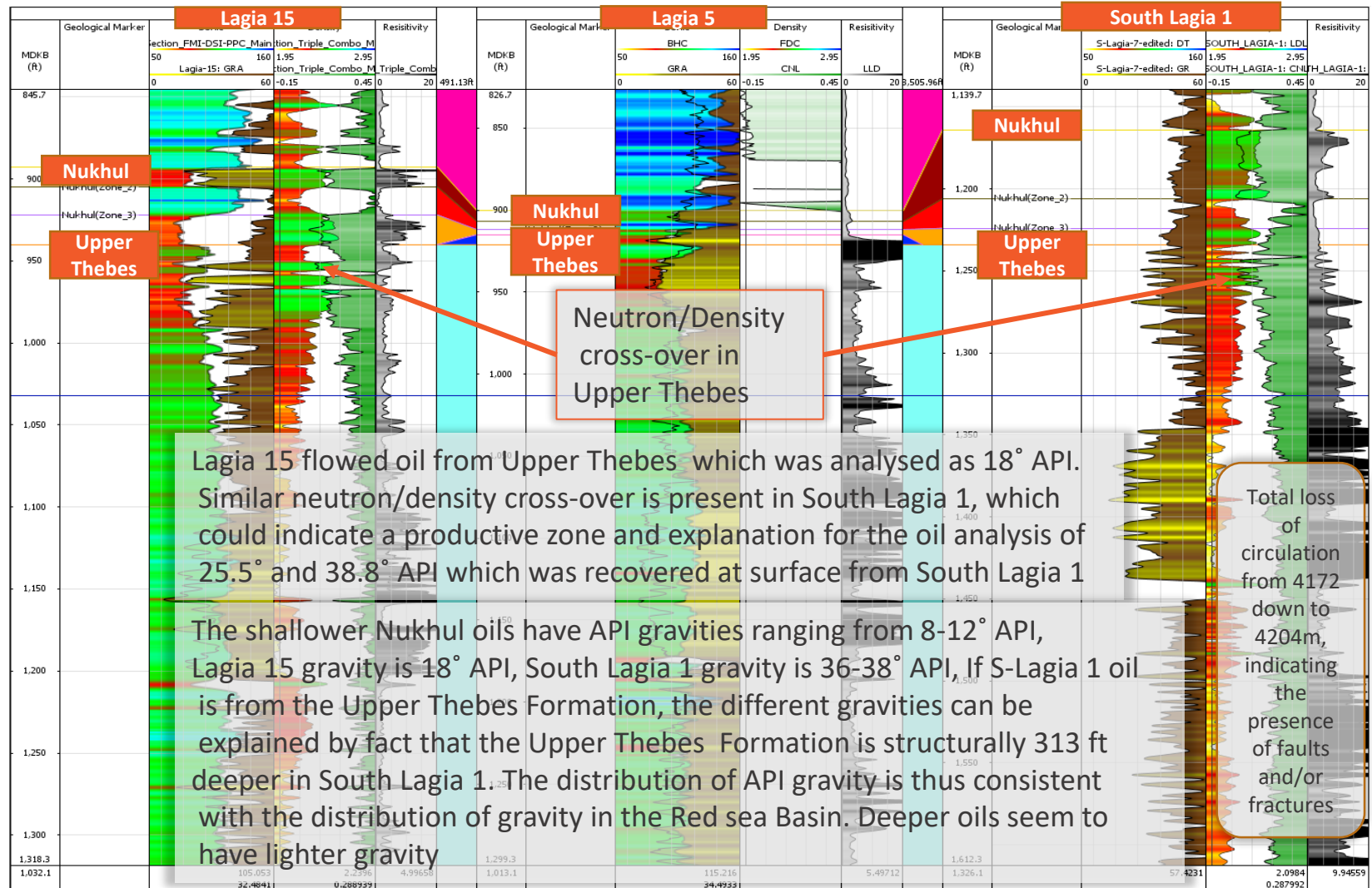


# Schematic Cross Section





**Cross section flattened on Upper Thebes through Lagia 15, Lagia 5 and South Lagia 1**





- Upon receipt of this brief Document, interested parties will be required to send a preliminary expression of interest (“EOI”).
- Interested parties will then need to execute a Confidentiality Agreement (“CA”), following which they shall be provided with access to an online Virtual Data Room (“VDR”), a Physical Data Room (“PDR”) in Cairo and a draft Farm-in Agreement (“FIA”).
- Further details about the process will be communicated within the VDR.
- At this moment, the anticipated steps for the transaction are as follows:
  - Preliminary EOI
  - Execution of CA
  - VDR Access from mid September 2018
  - Indicative Proposal
  - Physical Data room
  - Draft FIA
  - Binding Proposal: end of November 2018
  - Expected Closing Q1 2019

Communications and questions regarding this opportunity should be directed to the Efora representative:

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