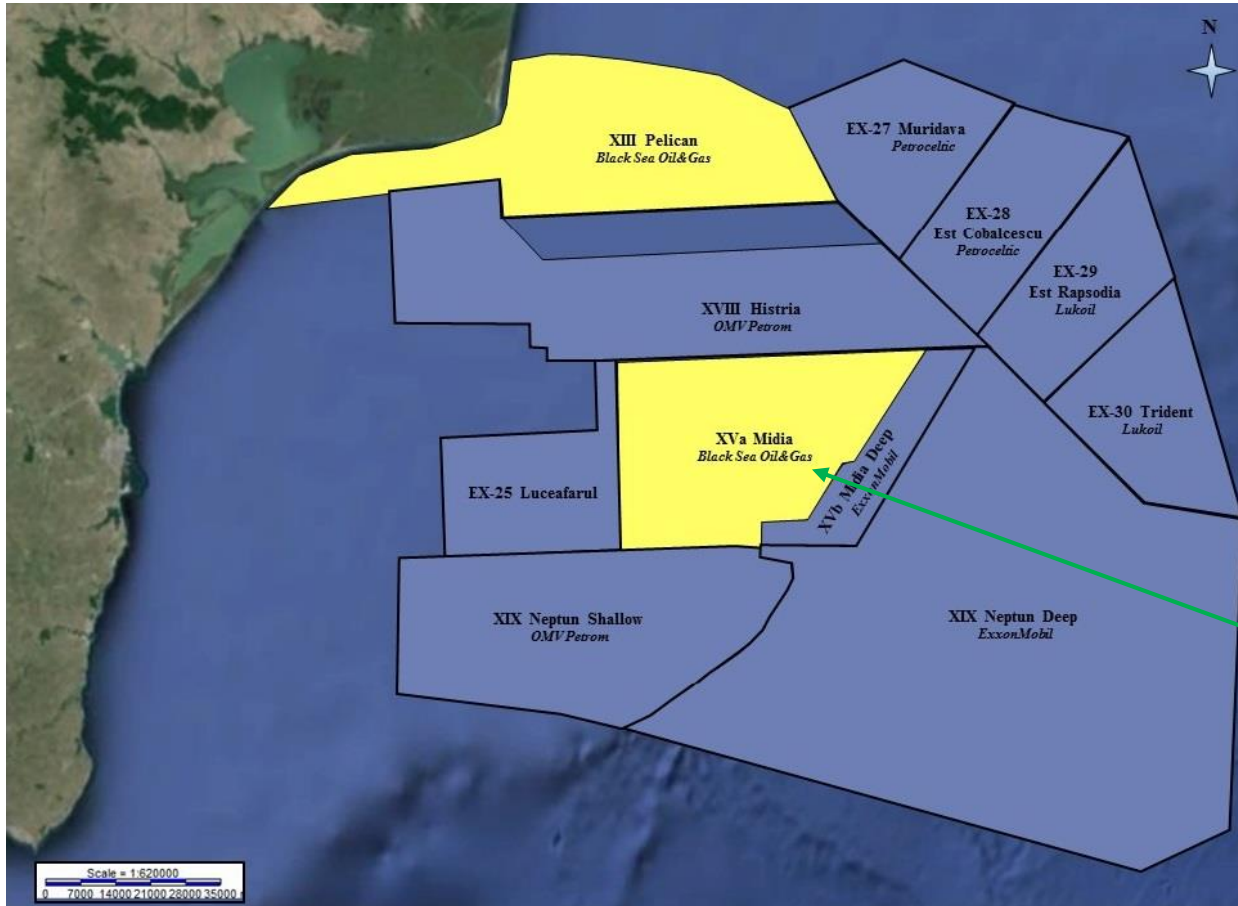


Black Sea Oil and Gas Conference

Timing for Final Investment Decision

24/25 October 2017 - Bucharest

Concession map



Midia and Pelican Blocks	
Black Sea Oil & Gas SRL	65%
Petro Ventures Resources SRL	20%
Gas Plus International BV	15%

Focus of Activities
Midia Block

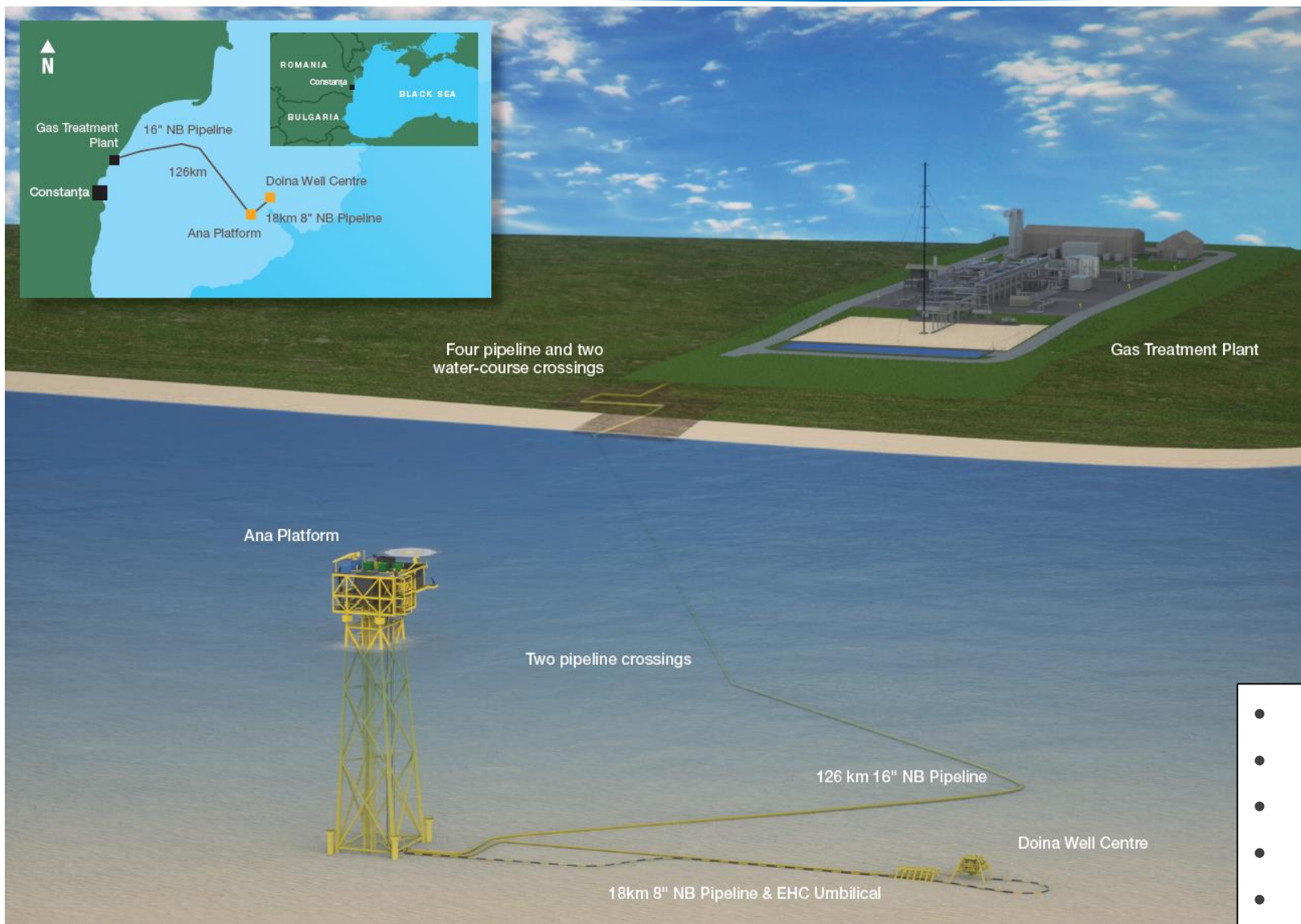
Midia Gas Development – Concession Owners

- Black Sea Oil and Gas SRL (“BSOG”) – 65% and Operator
 - Wholly owned subsidiary of Carlyle International Energy Partners (CIEP)
 - CIEP is one of a number of funds within The Carlyle Group, a global alternative asset manager with c.\$170Bn of assets under management
- Petro Ventures Resources SRL – 20%
 - Privately held oil and gas company
- Gas Plus International BV – 15%
 - Subsidiary of publicly listed company with upstream activities in Romania, Poland, Netherlands and Italy and gas distribution and storage operations in Italy

Status of Black Sea Developments

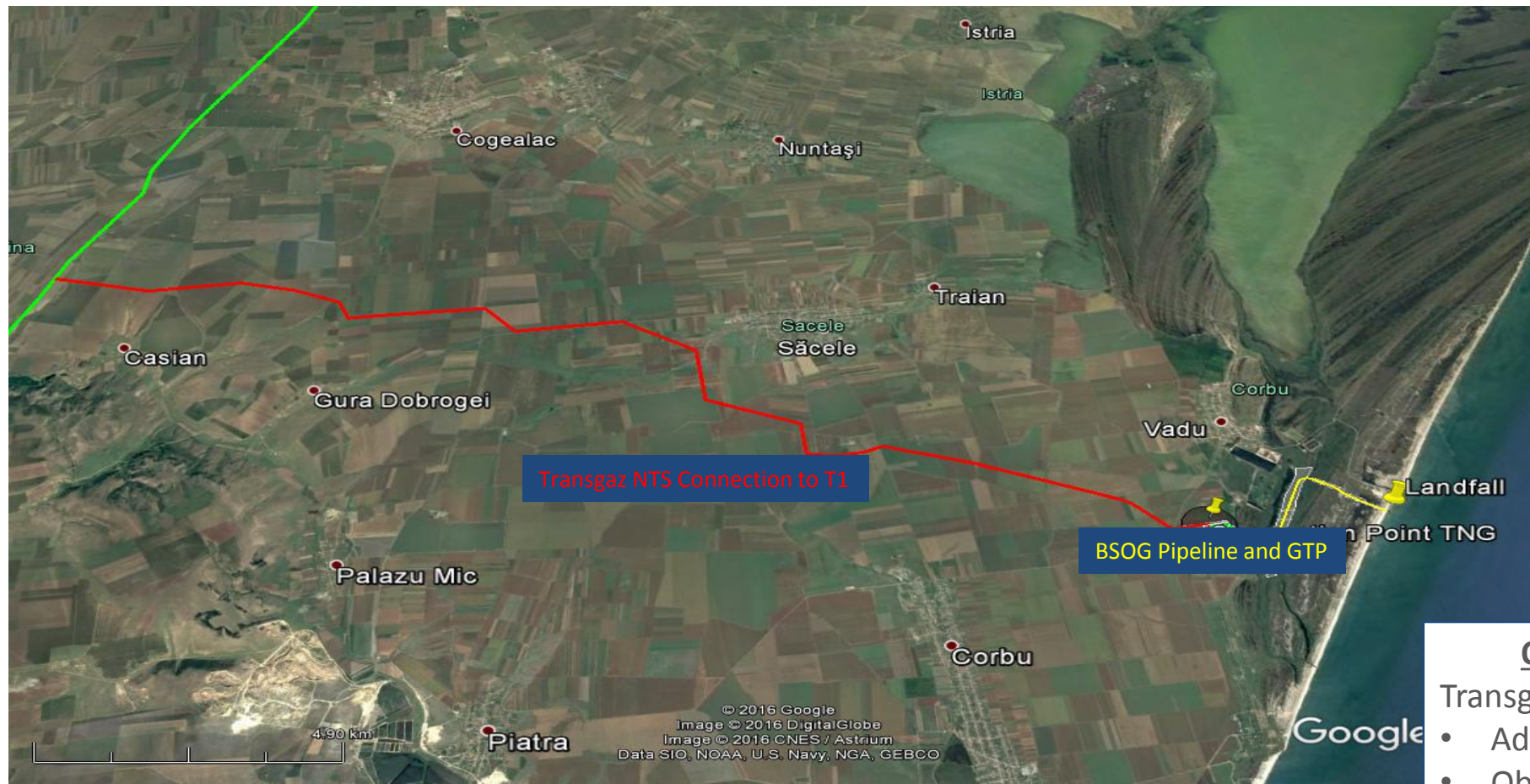
- Black Sea Discoveries made but no announcement yet of Commercial projects
 - Petrom's Cobalcescu discoveries in Istria Block in 2008
 - BSOG's Ana and Doina discovered in 2008
 - Xom's Domino discovered in 2013
 - Lukoil's LIRA 1X discovery in Trident Block in 2015
- Still need a "Final Investment Decision (FID)" event before announcing launch of a Commercial Project. All of the following needs to be completed for FID:
 - Technical – including FEED, surveys and EPCI Scope of Work
 - Commercial – Offtake, gas sales and EPCI Agreements in place
 - Economic – Demonstration of viable Economic Project
 - Financing – Debt and Equity financing approved
 - Regulatory – All local and State permits and approvals

Midia Gas Development (MGD)



- 300 bcf P50
- 1 platform with 4 wells
- 1 subsea well
- 126 km offshore pipeline
- Onshore gas plant

Transgaz Scope of Work



Offtake to NTS

Transgaz scope of work

- Administer Open Season
- Obtain land rights and permits
- Build 25 km pipeline
- Tie into T1
- Connect T1 to NTS

Path to FID

COMPLETED ACTIVITIES

- Basis of Design
- Offshore pipeline and platform surveys
- FEED
- NAMR field development review
- PUZ for GTP and Onshore Pipeline
- Resources Audit

TO BE COMPLETED BY YEAR END 2017

- FEED Endorsement
- EPCI and Drilling Contracts
- GSA Contract
- Construction Permit for GTP
- Construction Permit for Transgaz pipeline

TARGETED TO BE COMPLETED IN 1Q/18

- EIA for Offshore
- Construction Permit for Development Wells

TARGETED TO BE COMPLETED IN 2Q/18

- Capacity Agreement with Transgaz
- Project Financing

Only Regulatory Issues Outstanding after 2Q/18

Blockages are not Project Specific

1. Regulatory Blockages
 - Construction Permit for Onshore approach
 - Construction Permit for Offshore facilities
 - Other Offshore related approvals
2. Gas Market fully liberalized
3. Stable fiscal regime

Midia Gas Development Benefits

- Produce 10% of Romania's gas needs during 1st phase
- Up to \$400mm investment for 1st Phase with most spent in Romania
- Ability to tie back even more discoveries once infrastructure has been built
- Substantial Royalties and taxes paid to the state
- High quality and high paid employment for duration of infrastructure life

My Predictions made in 2011 at a Black Sea Conference

- 2012: **Predictions Correct**
 - Gas Market schedule for liberalization will be enshrined in law
 - Entry of RomGaz into Black Sea
 - Creation of a Black Sea Association
- 2013: **Predictions out by up to 5 years**
 - Major discoveries announced (Xom Domino 2013, Lukoil Lira 2015)
 - Appointment of an Offshore Permitting Authority (OSD President in 2017)
 - Exit Pipeline from Black Sea agreed (Transgaz TYNDP 2017)
 - FID for Midia Gas Development reached (2018?)
- 2014-2020 **Predictions not in sight**
 - Constanta achieves status as “Aberdeen of the Black Sea”
 - First gas achieved for at least 3 separate developments
 - Romania obtains self sufficiency becomes exporter in gas

Ready to Launch FID?

Statements Made at Previous Black Sea Oil and Gas Conferences:

November 2015 – “Not Yet”

October 2016 – “Almost”

For October 2017 – “Maybe Next Year”