



The Middle East's Leading Private Sector Natural Gas Company

Second Quarter 2010 Results Presentation – 11th August 2010

Disclaimer

This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward looking statements.

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Today's Speakers



Ahmed Al Arbeed
Chief Executive Officer



James Dewar
Chief Financial Officer



Donald Dorn-Lopez
Technical Director

Presentation Outline – Second Quarter 2010



CEO

Overview

Technical Director

Egypt Year to Date Drilling Results

Production

CFO

Financial Results

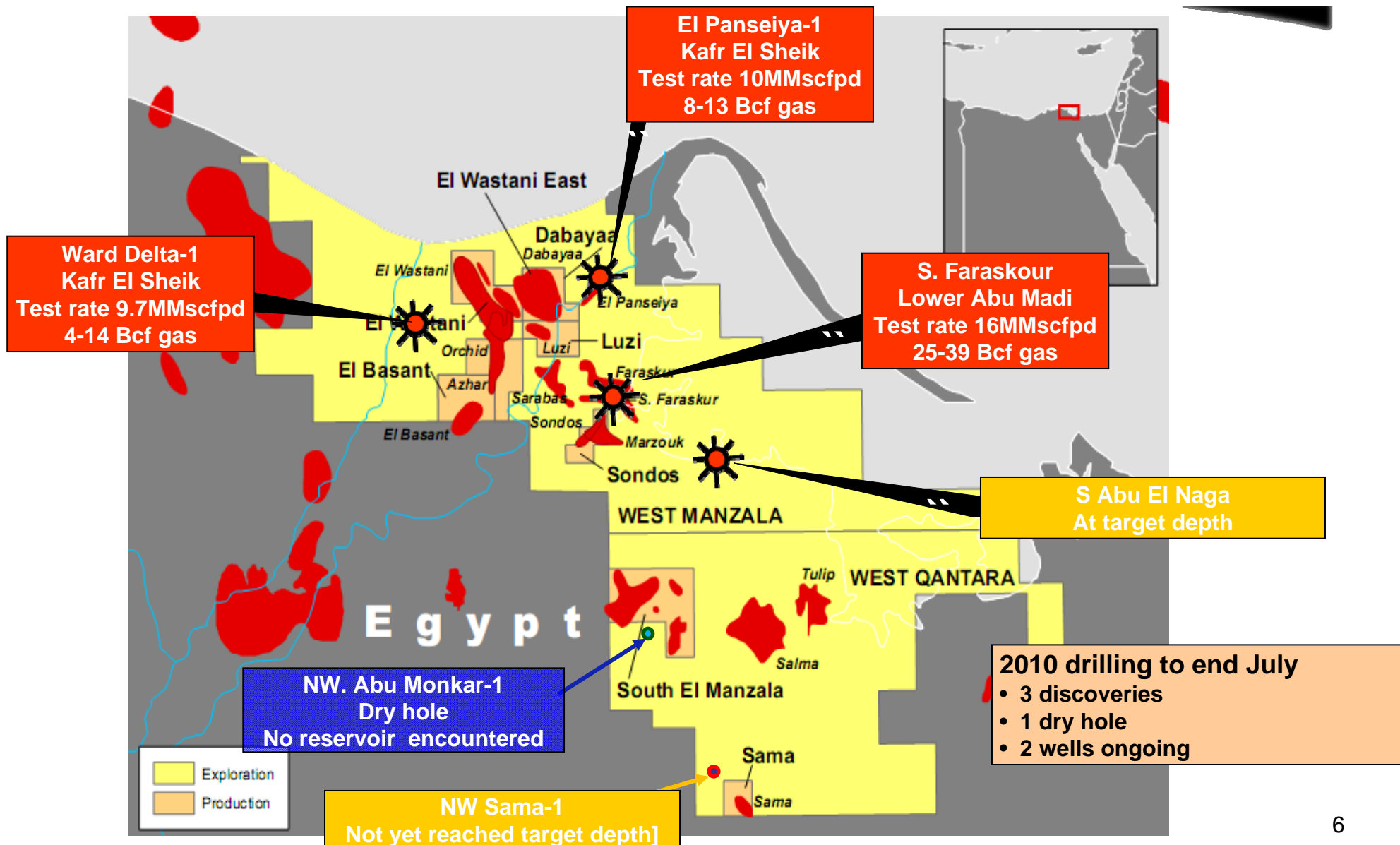
- Average Realized Prices
- “Underlying” Profit after Tax “Bridge”
- Capital Expenditure
- Cash Flow
- Trade Receivables Analysis
- Key Financial Metrics
- Third Quarter Production Forecast & Price Assumptions

Q & A session

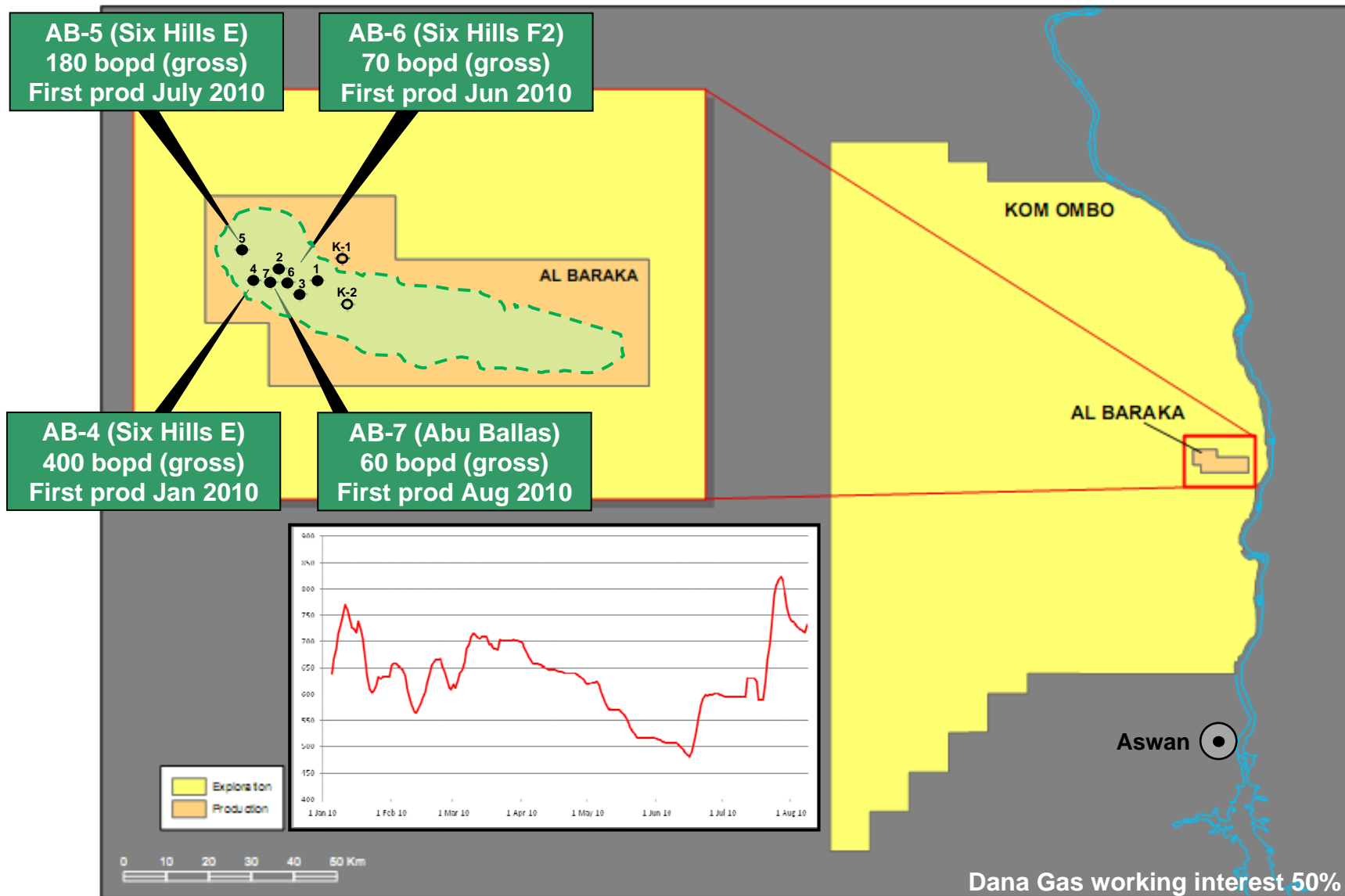
CEO Overview – Second Quarter Highlights

- Second Quarter Production:
 - Increase of 29% compared to Second Quarter 2009.
 - Increase of 7% compared to First Quarter 2010.
 - Increases reflect continuing progress in both Egypt and Kurdistan.
- 2010 Drilling Results – continued success in Egypt. Technical Director will discuss further.
- Second Quarter Profit After Tax – consistent with First Quarter. On an “underlying” basis, also showing good progress on 2009. Reflects stronger revenues and focused cost management. The CFO will discuss these further.
- Second Quarter Net Cash Flow - Positive at \$21 million.
- Egypt Farm out – process proceeding to plan. Bids received and being evaluated.
- No new update on the UAE Gas Project.
- LPG production from Kurdistan Train 1 will commence later this year.

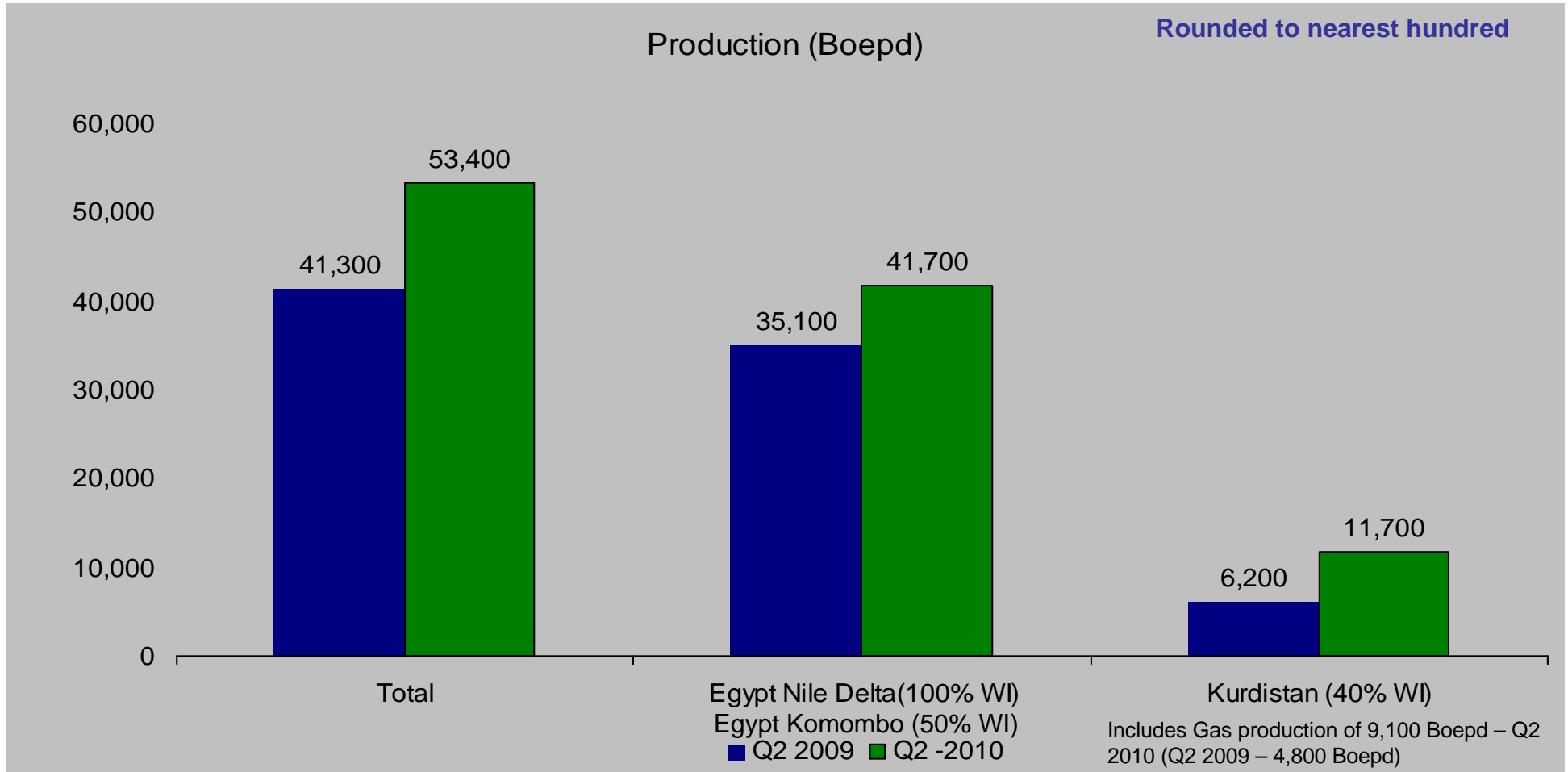
Year to Date 2010 Drilling Results – Egypt Exploration



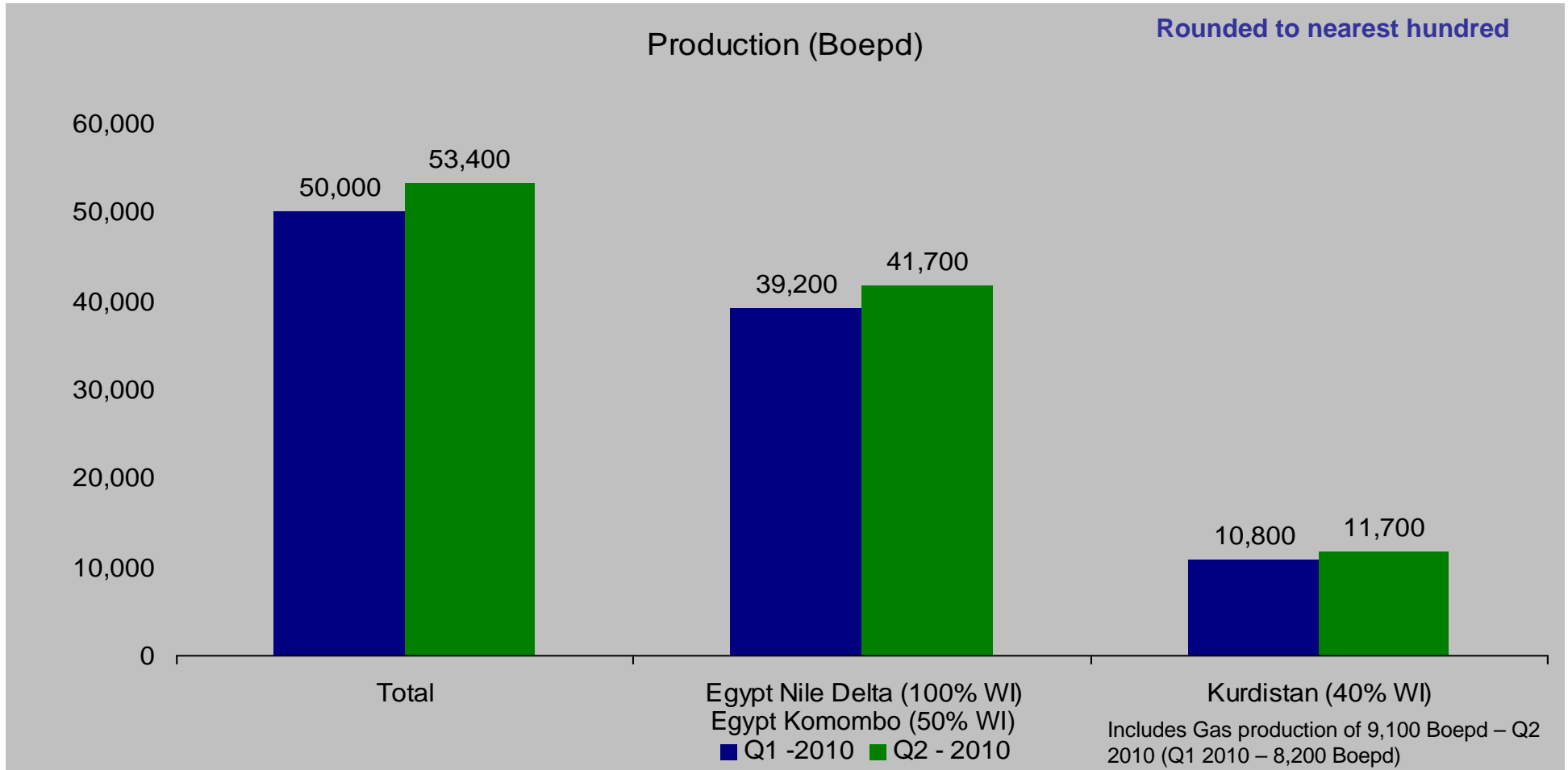
Al Baraka 2010 Development Drilling



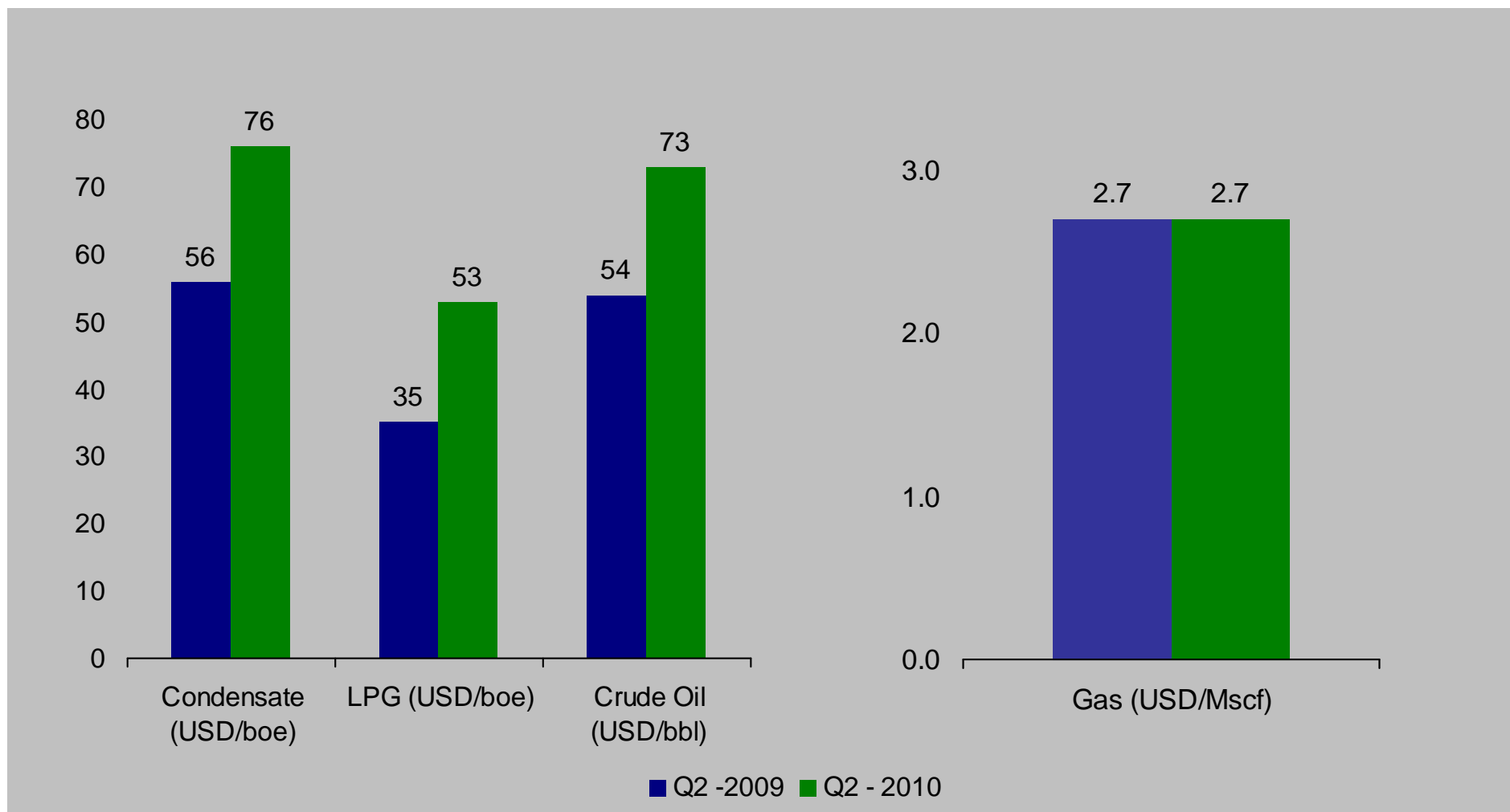
Production – Second Quarter Versus Second Quarter 2009



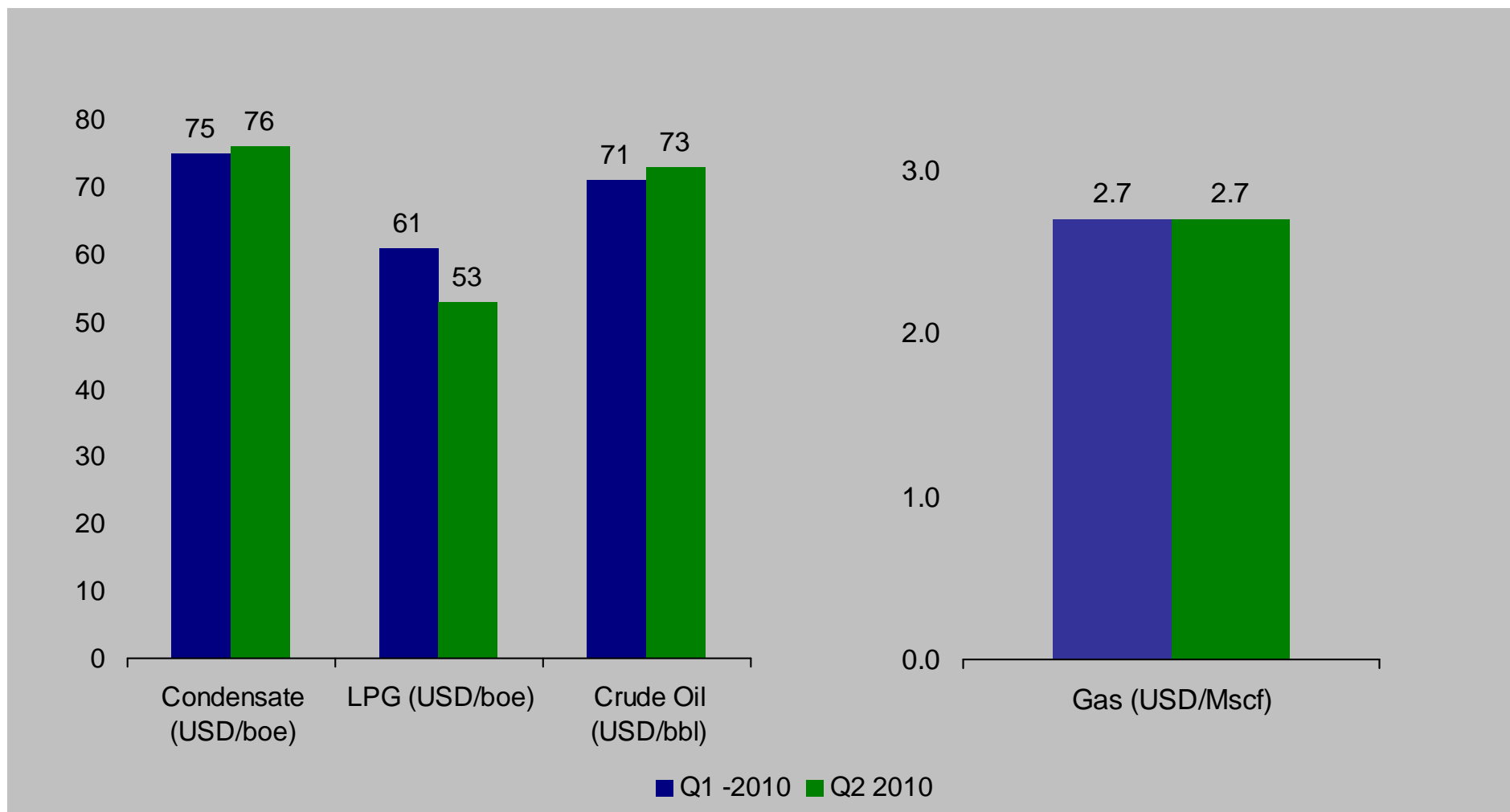
Production – Second Quarter Versus First Quarter 2010



Average Prices - Second Quarter Versus Second Quarter 2009

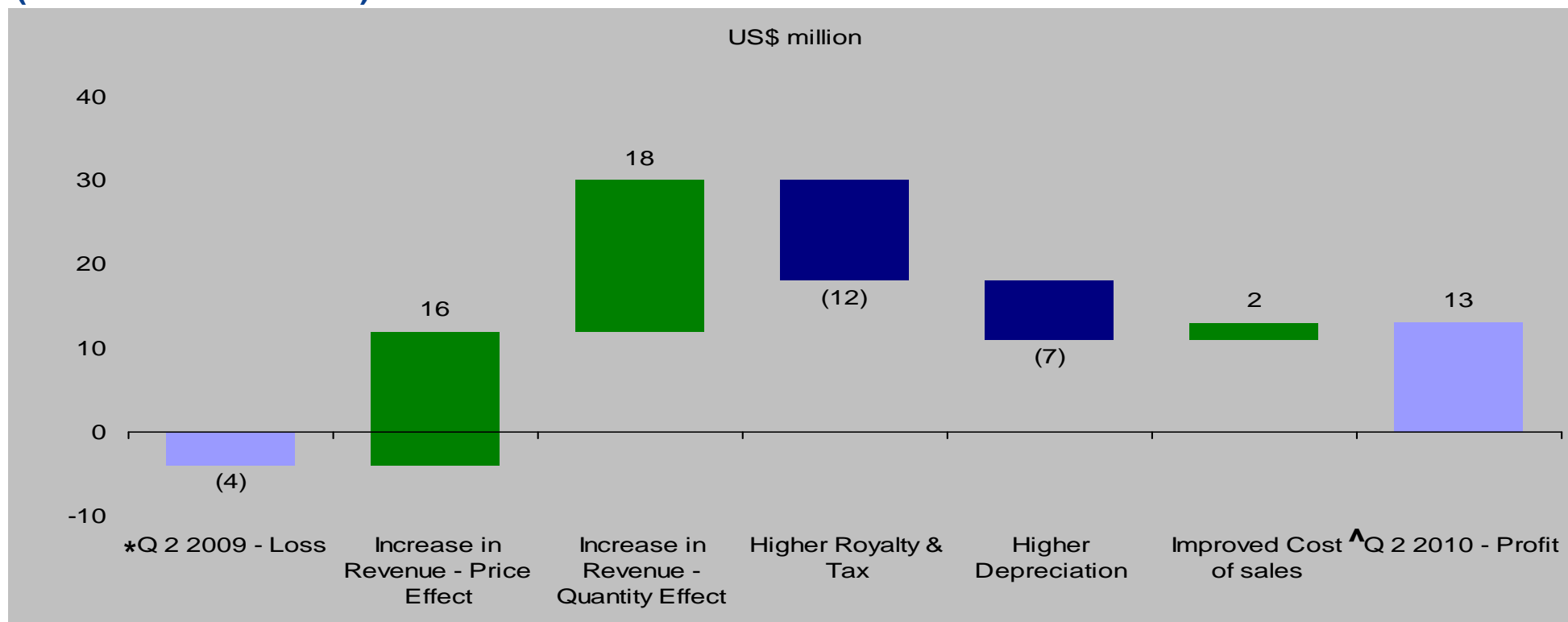


Average Prices - Second Quarter Versus First Quarter 2010



“Underlying” Profit After Tax Bridge – Second Quarter Versus Second Quarter 2009

(Before one off items)



* Loss before one off items (Q2 2009): (4)

^ Profit before one off items (Q 2 2010): 13

One-off items:

•Other income (net):	223	
•Change in fair value of investment prop.	(55)	
•Exploration expenditure	(42)	
•Provision for doubtful rec.	(15)	111

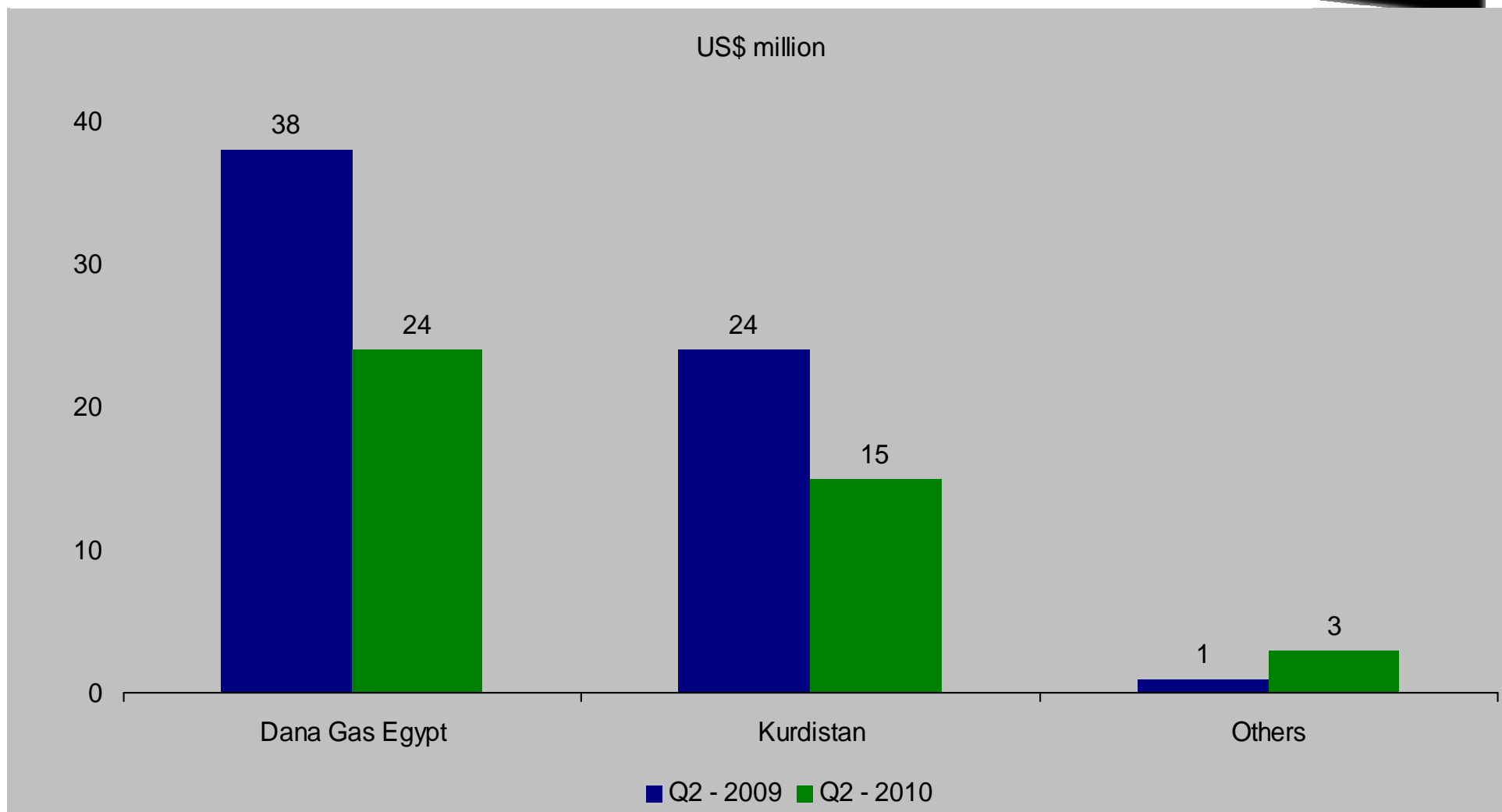
One-off items:

•Change in fair value of investment prop.	(2)	
• Other income	(1)	
•Exploration expenditure	(1)	(4)

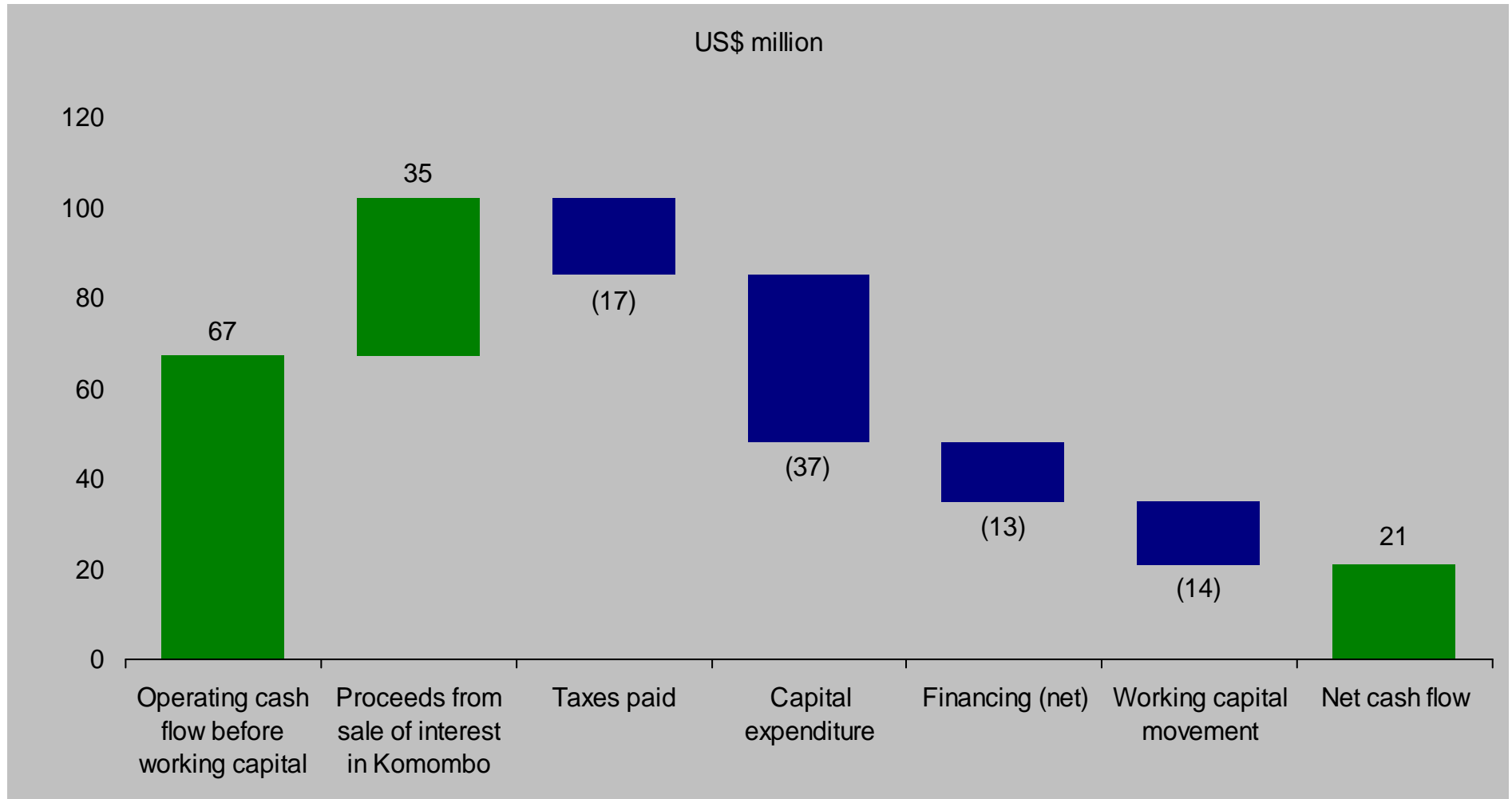
Reported Profit after tax **107**

Reported Profit after tax **9**

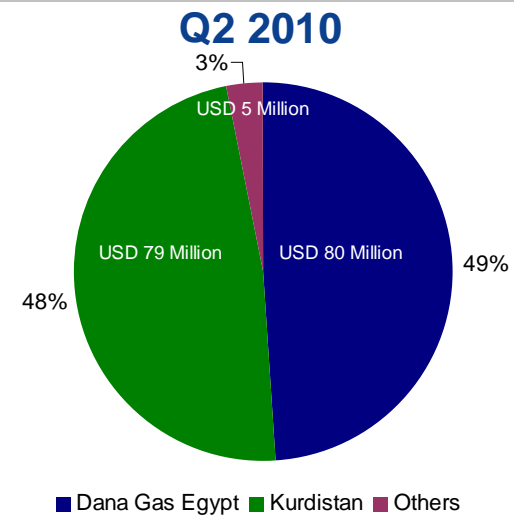
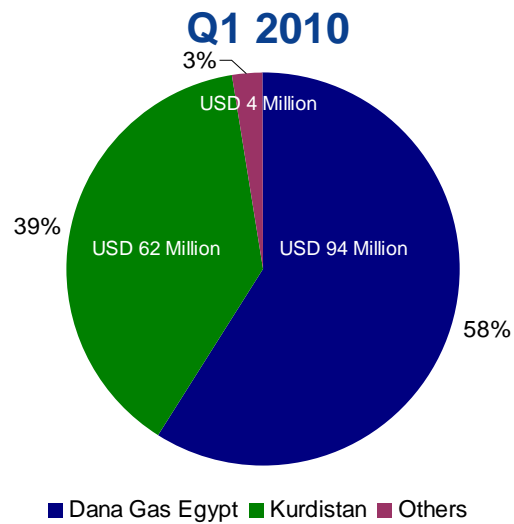
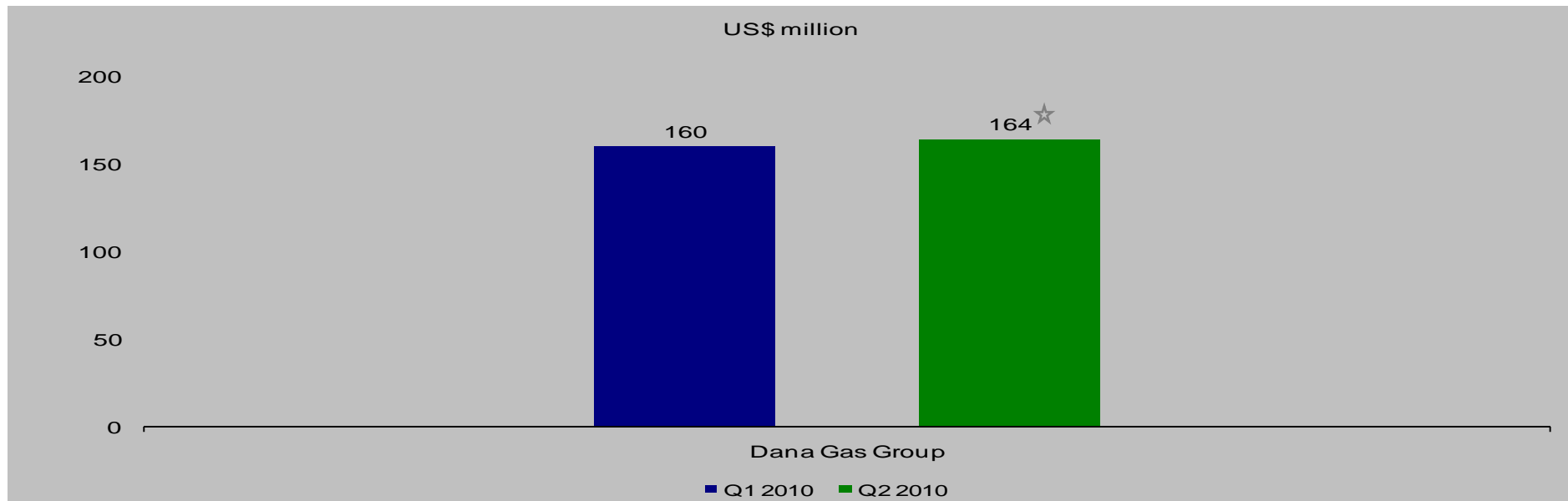
CAPEX - Second Quarter Versus Second Quarter 2009



Cash Flow – Second Quarter 2010



Trade Receivables - Second Quarter Versus First Quarter 2010



★ US\$ 25 million collected subsequently

Key Financial Metrics – Second Quarter 2010

- **SALES REVENUES** (↑): 41% increase is due to higher production in Egypt and Kurdistan, plus higher realized hydrocarbon prices compared to 2Q 2009.
- **GROSS PROFIT** (↑): 81% increase reflects the higher sales revenue, partially offset by higher royalty charges and increased DD&A as a result of increased production.
- “Underlying” **Profit After Tax** (↑): See “Bridge” Chart. An improvement of \$17m compared to 2Q 2009
- **Total Comprehensive Income** (↓): Reflects the Net Profit after Tax, offset by an unrealised fair value loss on investments, post the “Greek” crisis in 2Q. Expected to largely rebound in 3Q, based on current valuation.
- **Capital Expenditure** (→): Lower by 33% compared to same period last year mainly due to the fact that: (i) In 2009, deep horizon drilling was ongoing in Egypt and (ii) In Kurdistan, the LPG plant construction is nearing completion in 2010.
- **Net Cash from Operating Activities** (↑): \$32m higher compared to same period last year, principally due to increased sales revenues.

Production Forecast – Third Quarter 2010

