



## **1H 2016 Interim Results**

3 August 2016

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## Operational Highlights

### Vietnam

- Vietnam 1H production 10,862 BOEPD
- TGT RAR approved by Vietnam Government
  - Updated FFDP undergoing partner review prior to submission to the Vietnam authorities

### Africa

- MXI 12 month extension to licence granted
- Lidongo discovery area commercialisation discussions progressing

## Strategic and Financial Highlights

- Dividend paid - \$9.4m
- Cash balance - \$80.6m
- No debt
- Low cash operating costs - \$10/bbl
- Strong producing asset base

# 1H 2016 Interim Financial Summary– Income Statement

US\$ millions, unless otherwise stated

	1H 2016	1H 2015	Commentary
Sales revenue	72.7	116.6	<ul style="list-style-type: none"> <li>1H 2016 production of 10,862 BOEPD (2015: 11,856 BOEPD)</li> <li>1H 2016 realised oil price of \$40.89/bbl (2015: \$59.58/bbl)</li> </ul>
Cost of sales	(68.6)	(81.3)	
Gross profit	4.1	35.3	
Administrative expenses	(5.7)	(5.8)	
Exploration expense	-	(0.8)	
Operating (loss)/profit	(1.6)	28.7	
(Loss)/profit after tax	(12.2)	5.9	

US\$ millions, unless otherwise stated	1H 2016	1H 2015
Operating costs	20.9	22.9
Inventory movements	(2.4)	1.6
Royalty	5.7	8.6
Export duty	0.8	0.5
DD&A	43.6	47.7
<b>Total</b>	<b>68.6</b>	81.3
Operating costs (\$/bbl)	10.06	9.88
DD&A costs (\$/bbl)	22.04	22.23

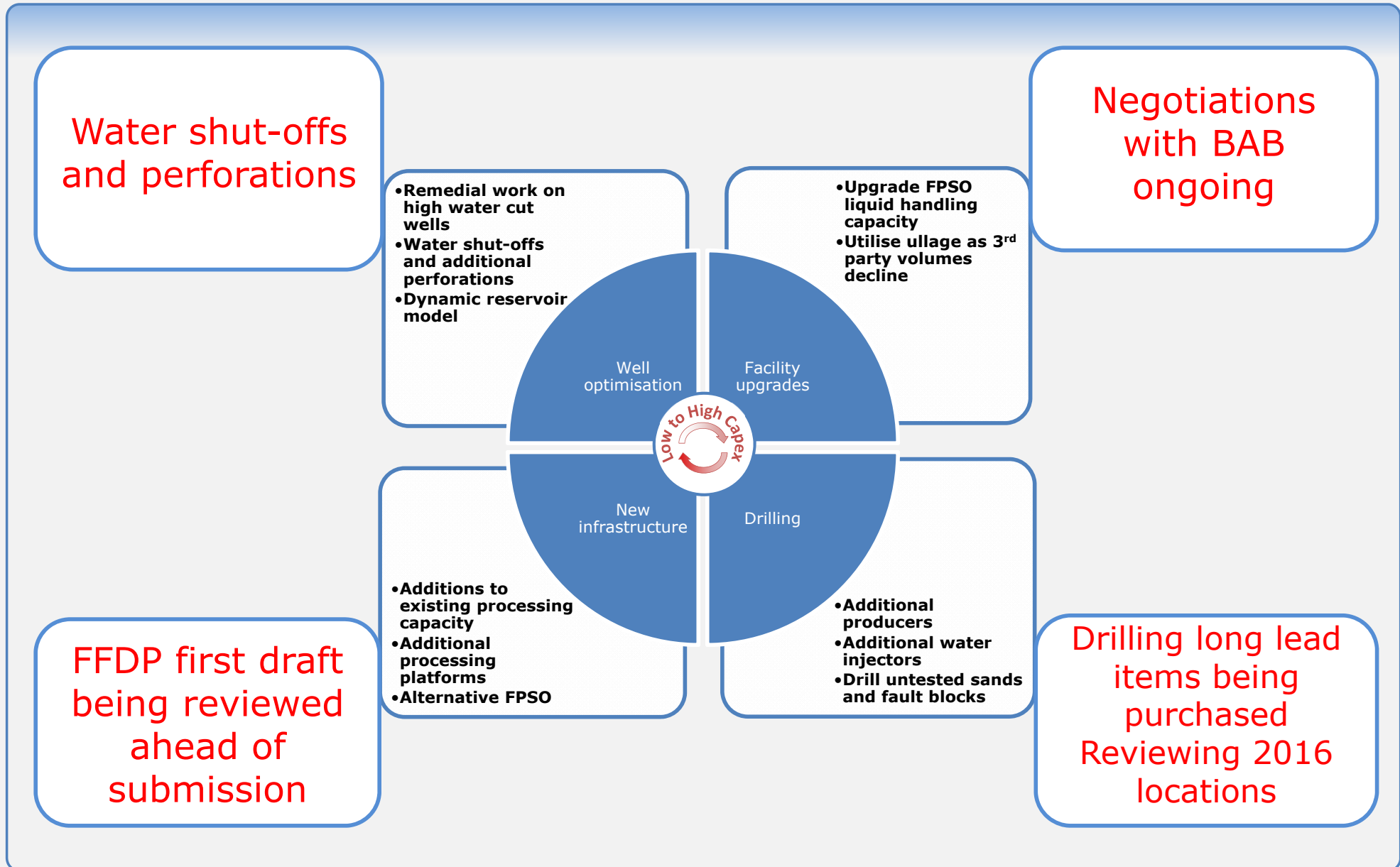
# 1H 2016 Interim Financial Summary– Cash Flow

US\$ millions, unless otherwise stated

	1H 2016	1H 2015	Commentary
Operating cash flow before working capital, interest and tax	42.7	78.2	
Change in working capital	(7.4)	0.5	
Cash taxes	(19.3)	(33.6)	
Net cash from operating activities	16.2	45.3	
Capital expenditure	(27.2)	(61.9)	
Payment to abandonment fund	(2.3)	(2.6)	
Free cash flow <sup>(1)</sup>	(6.1)	(19.9)	▪ Free cash flow excludes movements in working capital
Cash, cash equivalents and liquid investments	80.6	96.6	
Distributions to Shareholders	9.4	51.0	▪ Dividend in June 2016 paid in respect of 2015
Distributions (pence per share)	2	10	

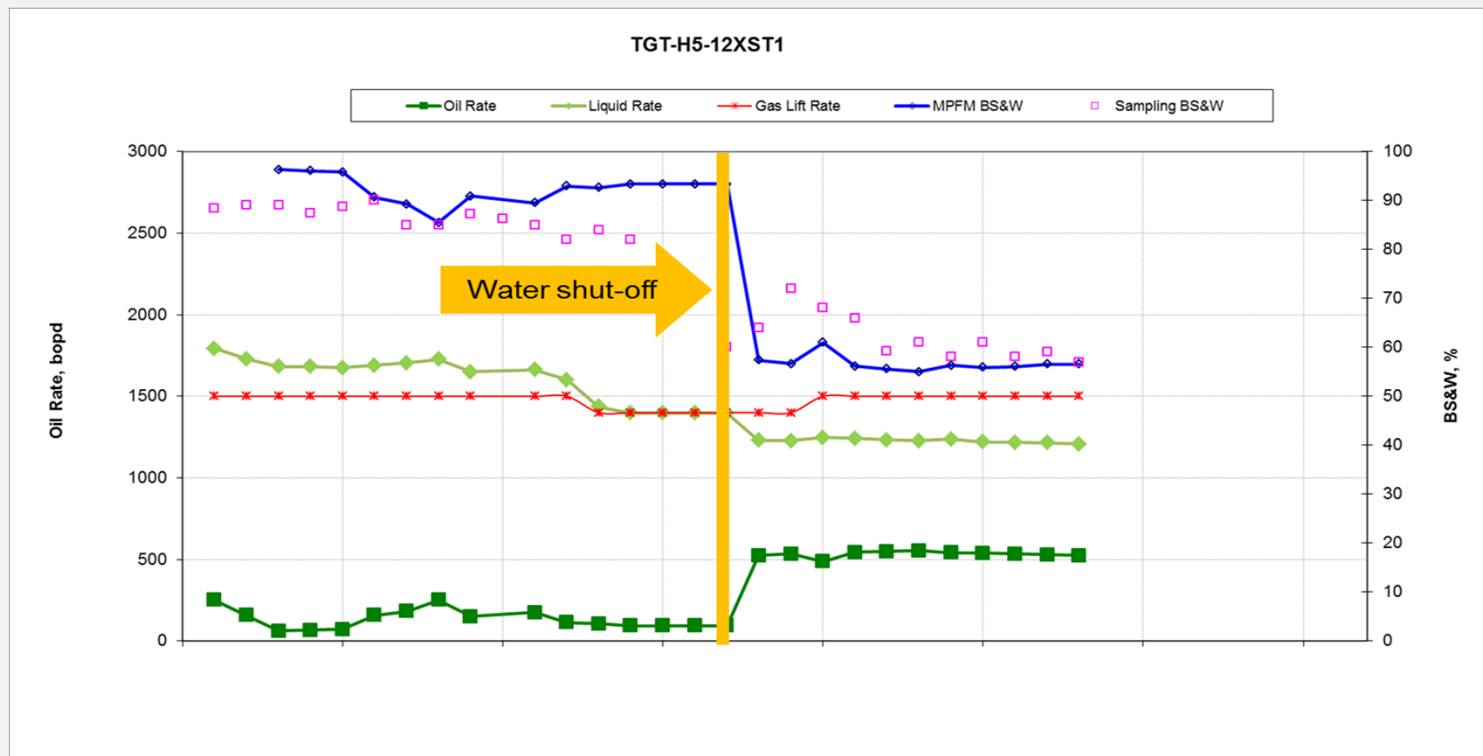


(1) Free cash flow is calculated as operating cash flow before movements in working capital and after payments for income taxes, capital expenditure and abandonment.

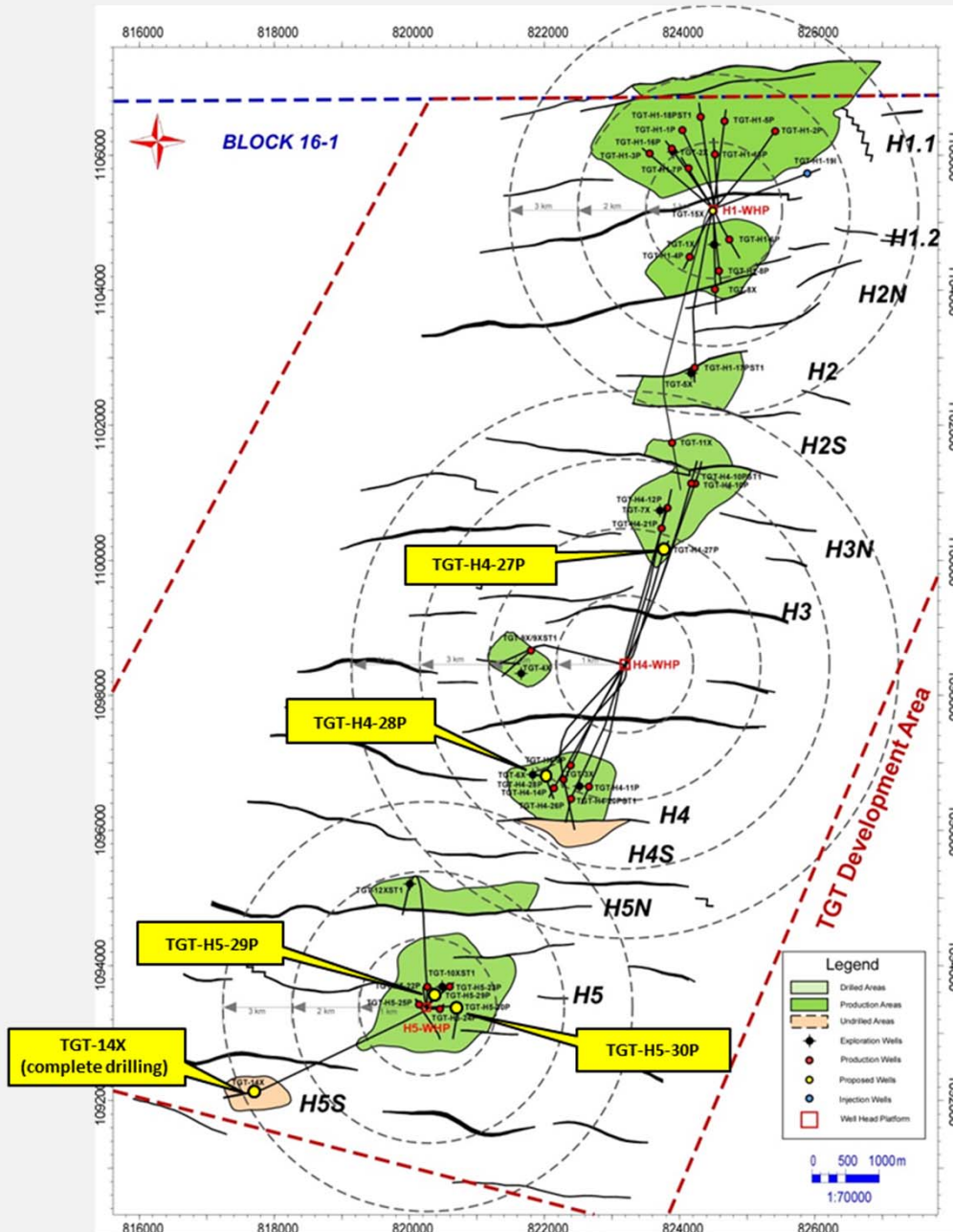


# Water Shut-offs and Perforations - examples

Well	Additional Perforations	Expected Oil Gain (BOEPD)	Actual Initial Oil Gain (BOEPD)
<b>TGT-H1-5P</b>	Upper 5.2U	300	700
<b>TGT-H4-12P</b>	5.2U	300	<100
<b>TGT-H4-14P</b>	Lower 5.2L	500	1500



# Potential 2016 Infill Drilling Choices

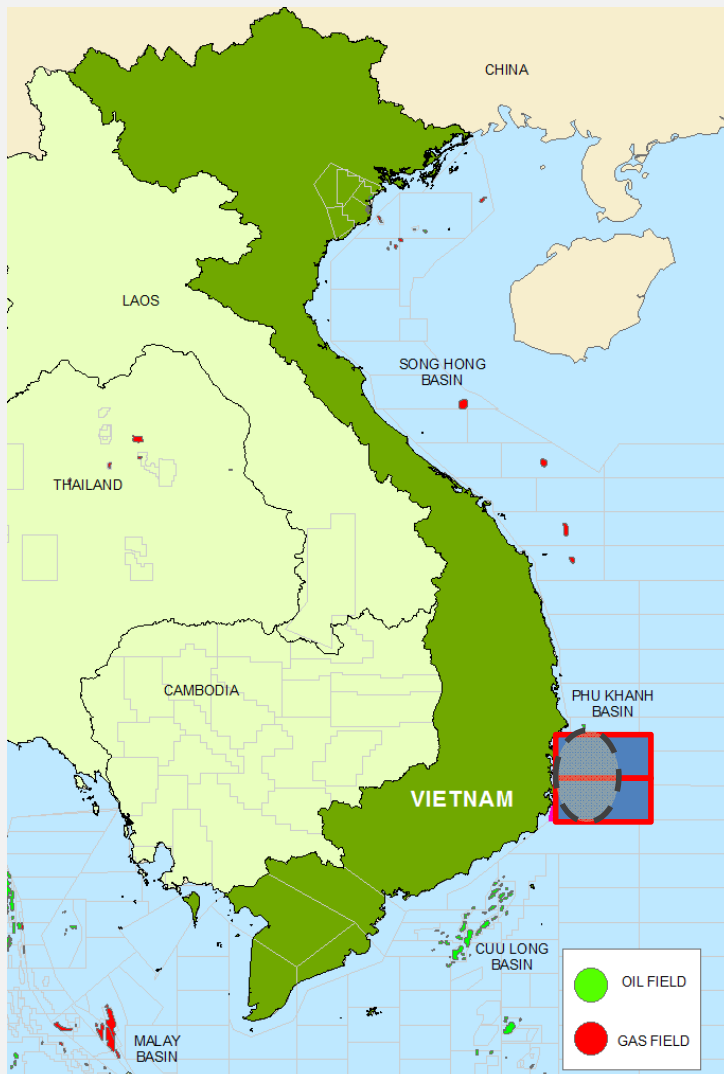


In parallel with the FFDP advancements partners are planning to take advantage of the low cost drilling environment and implement a drilling programme in 2H 2016



# Vietnam: Exploration Growth

## Blocks 125-126



## Highlights

- Prime Ministerial approval - May 2016
- PSC negotiations with PetroVietnam are progressing

## Block properties

- Medium to deep water
- Multiple structural and stratigraphic plays
- Observations indicate:
  - Good potential for source, expulsion and migration of oil
  - Numerous reservoir and seal intervals likely

## Work Programme

- Seismic acquisition, processing and interpretation 2016-2019
- One exploration well 2020-2021

## Operational

### Vietnam

- Production guidance - 10-11,500 BOEPD
- Submission of the updated FFDP to Vietnamese authorities
- 2H TGT infill development drilling - discussions underway
- Finalising the Production Sharing Agreement over Blocks 125/126

### Africa

- Progressing options to maximise value from the Africa portfolio

## Strategic and Financial

- Expected cash inflow of \$52.7m - Mongolian asset
- Potential for second half dividend distribution
- 2016 firm capex budget of \$45m (\$17m for Vietnam and \$28m for Africa)
- Exploring value adding opportunities
- Continued focus on cost reduction initiatives

# Realising Value

Asset Sales	Oct 1999	Aug 2001	Feb 2002	Nov 2004	Apr 2005	Feb 2008	Jul 2010
	▪ UK Onshore – \$18m	▪ Russia – \$50m	▪ Vietnam farm-out	▪ Tunisia – \$25m	▪ Mongolia – \$93m	▪ Yemen – \$465m	▪ Thailand – \$105m



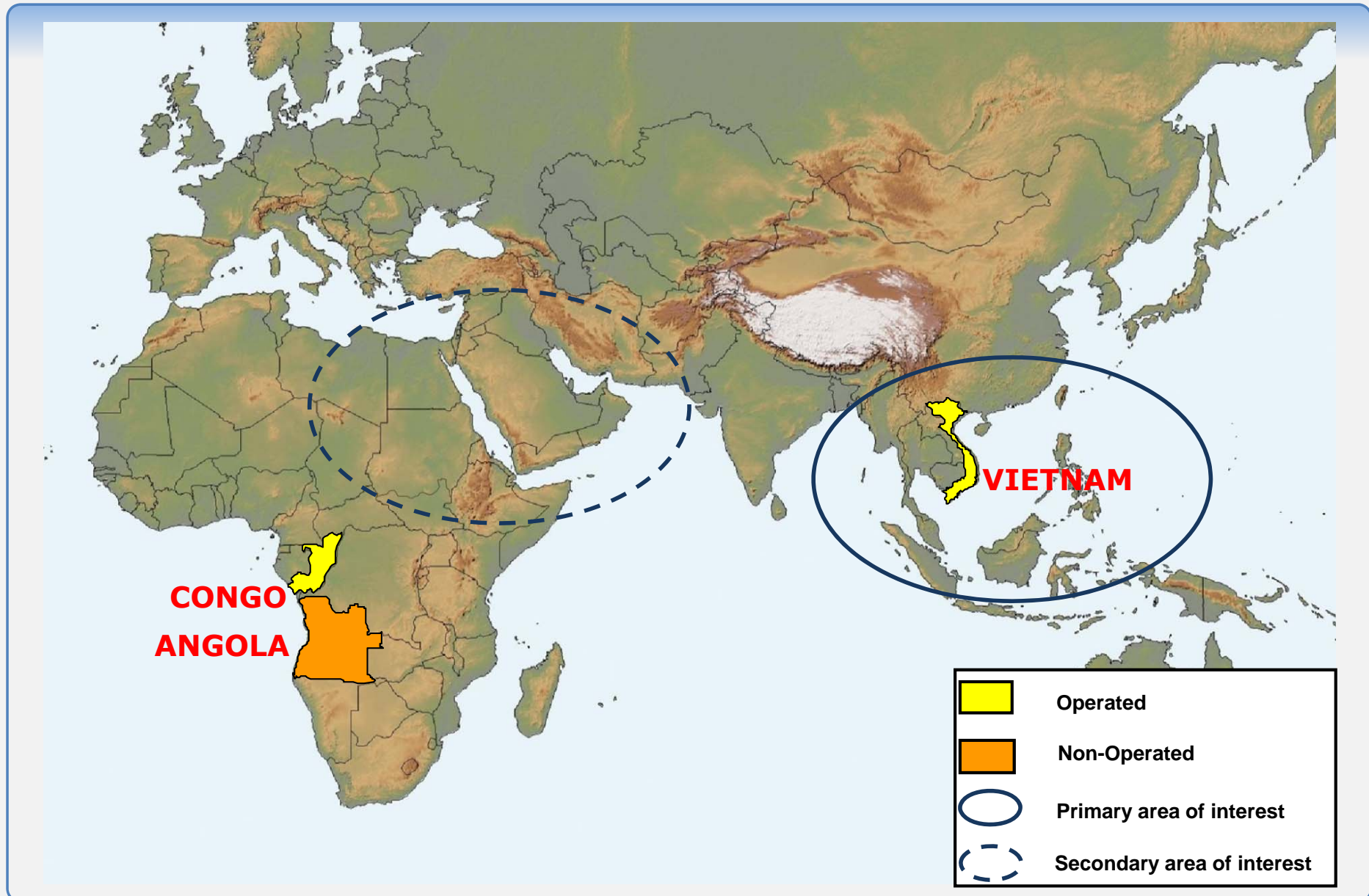
Capital Markets	May 1997	May 2006	Jan 2010	2006-2012	May 2013	Oct 2013	2014	2015	2016
	▪ IPO – \$65m	▪ Issue of convertible bonds – \$250 m	▪ Equity placing – \$166m	▪ Share buybacks – \$54m	▪ Convertible bonds full redemption	▪ Cash Return to Shareholders – \$213m	▪ Cash Return to Shareholders – \$119m	▪ Cash Return to Shareholders – \$51m	▪ Cash Return to Shareholders – c.\$9m+

(1) Includes share buybacks of \$54m and cash returns of \$213m in 2013, \$119m in 2014, \$51m in 2015 and \$9m in 1H 2016

(2) As at 30 June 2016

(3) Total return over the period including dividends as at 30 June 2016 (Source: Bloomberg)

# Recognising Opportunity



## **Uphold the highest standards of governance, safety and responsibility**

### **Continue our focus on value over growth**

- through-cycle capital discipline
- low cash costs, 2016 expected opex costs to be c.\$10/boe
- maintain financial flexibility and liquidity

### **Maintain track-record of generating shareholder value through**

- opportunistic divestments and acquisitions
- sustainable cash returns to shareholders
- maximising value from exploration portfolio



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