THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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DAGANG NeXCHANGE BERHAD

(Company No. 10039-P)
(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

PROPOSED SUBSCRIPTION BY DNeX PETROLEUM SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF DAGANG NeXCHANGE BERHAD, OF 30% OF THE ENLARGED ISSUED SHARE CAPITAL OF PING PETROLEUM LIMITED

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

AmInvestment Bank

AmInvestment Bank Berhad
(Company No. 23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting ("**EGM**") of Dagang NeXchange Berhad ("**DNeX**" or the "**Company**") and the Form of Proxy are enclosed in this Circular. The EGM will be held as follows:-

Date and time of the EGM : Wednesday, 27 April 2016 at 10.00 a.m., or at any adjournment thereof

Venue of the EGM : Ballroom 2, 1st Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur

If you decide to appoint a proxy or proxies for the EGM, you must complete, sign and return the enclosed Form of Proxy and lodge it with the Share Registrar of the Company, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, not later than the time and date indicated below. The completion and lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 26 April 2016 at 10.00 a.m.

This Circular is dated 30 March 2016

For the purpose of this Circular and the accompanying appendices, the following definitions shall apply, except where the context otherwise requires:-

1C	:	Low estimate scenario of Contingent Resources
2C	:	Best estimate scenario of Contingent Resources
3C	:	High estimate scenario of Contingent Resources
1P	:	Proven Reserves
2P	:	Proven and Probable Reserves
3P	:	Proven, Probable and Possible Reserves
Act	:	Companies Act, 1965 of Malaysia
AmBank	:	AmBank (M) Berhad (Company No. 8515-D)
AmInvestment Bank or **Principal Adviser**	:	AmInvestment Bank Berhad (Company No. 23742-V)
Anasuria Cluster	:	Comprises a geographically focused package of operated producing fields and associated infrastructure of the following:- (i) 100% interest in the Guillemot A field and the related field facilities ("**Guillemot A Field**"); (ii) 100% interest in the Teal field and the related field facilities ("**Teal Field**"); (iii) 100% interest in the Teal South field and the related field facilities ("**Teal South Field**"); (iv) 38.65% interest in the Cook field and the related field facilities ("**Cook Field**"); and (v) 100% ownership in the common infrastructure known as the Anasuria Floating Production Storage and Offloading unit and the related equipment ("**Anasuria FPSO**")
Anasuria Consideration	:	Consideration of USD105.0 million (equivalent to RM429.293 million) for the entire interest in the Anasuria Cluster
Anasuria Hibiscus UK	:	Anasuria Hibiscus UK Limited (Company No. 09696268), an indirect wholly-owned subsidiary of Hibiscus
Anasuria SPAs	:	Conditional sale and purchase agreements entered jointly by Ping UK and Anasuria Hibiscus UK with Shell U.K. Limited ("**Shell UK**"), Shell EP Offshore Ventures Limited ("**Shell EP**") and Esso Exploration and Production UK Limited ("**Esso UK**") on 6 August 2015 to each acquire 50% interest in the Anasuria Cluster
Anasuria SPAs Completion	:	Completion as defined in the Anasuria SPAs
Anasuria Vendors	:	Shell UK (Company No. 00140141), Shell EP (Company No. 01682052) and Esso UK (Company No. 00207426)

Announcement	:	The announcement dated 7 September 2015 in relation to the Proposed Subscription
AOCL	:	Anasuria Operating Company Limited (Company No. 09696268), a direct 50% subsidiary of Ping UK and an indirect 50% subsidiary of Ping
Balance Consideration	:	USD9.0 million (equivalent to RM36.797 million), which is the Consideration of USD10.0 million (equivalent to RM40.525 million) less the Commitment Fee of USD1.0 million (equivalent to RM3.728 million)
Barrel or **b**	:	Barrel of oil
Bermuda Companies Act	:	Companies Act 1981 of Bermuda
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of DNeX
Board of Ping	:	Board of Directors of Ping
Bscf	:	Billion standard cubic feet
Bursa Securities	:	Bursa Malaysia Securities Berhad (Company No. 635998-W)
Business Days	:	Days other than Saturday, Sunday and public holiday on which banks are ordinarily open for business in Kuala Lumpur (Malaysia) and Bermuda
b/d	:	Barrels per day
CAPM	:	Capital Asset Pricing Model
Circular	:	This circular to shareholders of DNeX dated 30 March 2016 in relation to the Proposed Subscription
Closing	:	The closing of the Proposed Subscription, which is subject to all of the Conditions Precedent stated in the SSA being fulfilled
Closing Date	:	Date of closing which shall take place at 12:00 p.m. (Malaysia time) on the date falling five (5) Business Days after the fulfilment of all the Conditions Precedent (other than Condition Precedent set out in Section 2.4.3.1(vi) of this Circular) (or such other date and time as the Parties may agree in writing)
Commitment Fee	:	Fee paid to Ping amounting to USD1.0 million (equivalent to RM3.728 million), which is part payment of the Consideration
Conditions Precedent	:	Conditions set out in the SSA that needs to be fulfilled prior to the Closing as set out in Section 2.4.3.1 of this Circular
Conditions Subsequent	:	Conditions set out in the SSA that needs to be fulfilled after the Closing as set out in Section 2.4.3.4 of this Circular
Consideration	:	Cash payment to Ping of USD10.0 million (equivalent to RM40.525 million) for 30% subscription in the enlarged paid up share capital of Ping
Contingent Consideration	:	Has the meaning assigned to it in Section 2.1.3 of this Circular

Contingent Resources	:	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commercially
CTA	:	Comparable Transaction Analysis
Deed of Indemnity and Guarantee		Two (2) separate deeds of guarantee and indemnity by Ping in favour of the Anasuria Vendors in respect of each of the Anasuria SPAs
Defaulting Party	:	Party in default
Deferred Consideration	:	A deferred consideration of USD45.0 million pursuant to the Anasuria SPAs
Designated Bank Account	:	A bank account established by Ping for the receipt of the Balance Consideration at Closing
Director(s)	:	Member(s) of a board of a company
Discounted FCFE	:	Discounted Free Cash Flow to Equity
Dispute	:	Any dispute, controversy or claim arising out of or in relation to the SSA
DNeX or the **Company**	:	Dagang NeXchange Berhad (Company No. 10039-P)
DNeX Group or the **Group**	:	Collectively, DNeX and its subsidiaries
DNeX Petroleum	:	DNeX Petroleum Sdn Bhd (Company No. 1105981-U)
DNeX Share(s)	:	Ordinary share(s) of RM0.20 each in DNeX
Economic Date	:	The economic date as stipulated in the Anasuria SPAs, being 1 January 2015
EGM	:	Extraordinary General Meeting
EIA	:	U.S. Energy Information Administration
EPS	:	Earnings per share
Events of Default	:	Occurrence of any of the events stated in Section 2.4.3.5 of this Circular
Expert's Fairness Report	:	Expert's report on the fairness of the Consideration for the Proposed Subscription as prepared by FHMH Corporate Advisory Sdn Bhd and set out in Appendix VIII of this Circular
Extension Period	:	Extension of thirty (30) days by Ping as stipulated in the SSA
Founders	:	David Roy Phillips, Ning Zhang, Ju Ling Hong and Paul A. Baltensperger, being the initial founders of Ping
FPE	:	Financial period ended/ending, as the case maybe
FYE	:	Financial year ended/ending, as the case maybe
GBP or £	:	British Pound Sterling

Hibiscus	:	Hibiscus Petroleum Berhad (Company No. 798322-P)
Hibiscus Group	:	Collectively, Hibiscus and its subsidiaries
IEA	:	International Energy Agency
Initial Consideration	:	An initial consideration of USD60.0 million pursuant to the Anasuria SPAs
Interim Period	:	Period from the date of the SSA until the Closing Date
KLRCA	:	Regional Centre for Arbitration in Kuala Lumpur
KM or **km**	:	Kilometre
LAT	:	Loss after tax
Letter of Intent	:	Letter executed by both Ping and DNeX Petroleum on 4 June 2015 that sets out the principal terms and conditions upon which DNeX Petroleum agreed to invest in Ping and hence, subscribe for the Subscription Shares
LPD	:	11 March 2016, being the latest practicable date prior to the printing of this Circular
LPS	:	Loss per share
Market Day(s)	:	Any day(s) between Monday and Friday (both days inclusive) which is a trading day on Bursa Securities
MMstb	:	Million stock tank barrels
NA	:	Net assets
Non-Defaulting Party	:	Party not at default
NPV	:	Net Present Value
OGPC	:	OGPC Sdn Bhd (Company No. 300347-H)
OGPCOG	:	OGPC O&G Sdn Bhd (Company No. 805887-X)
O&G	:	Oil and gas
OPEC	:	Organisation of the Petroleum Exporting Countries
Party(ies)	:	Referring to either DNeX Petroleum and Ping or DNeX Petroleum and Ping collectively, whichever is applicable
PAT	:	Profit after tax
PBT	:	Profit before tax
Ping	:	Ping Petroleum Limited (Company No: 46761)
Ping Group	:	Collectively refers to Ping and its subsidiaries
Ping Malaysia	:	Ping Petroleum Sdn Bhd (Company No. 939662-T), a direct wholly-owned subsidiary of Ping

Ping Share(s)	:	Ordinary share(s) of USD0.001 each in Ping
Ping UK	:	Ping Petroleum UK Limited (Company No. 09698077), a direct wholly-owned subsidiary of Ping
Proceeds	:	Proposed Subscription's proceeds to be used by Ping Group for the part payment of Ping UK's portion of the Anasuria Consideration
Proposals	:	Collectively, Proposed Rights Issue, Proposed Special Issue, Proposed Acquisitions and Proposed ESOS to be undertaken by DNeX, as announced on 18 June 2014 and revised on 5 March 2015
Proposed Acquisition of the Anasuria Cluster	:	Proposed acquisition by Ping UK and Anasuria Hibiscus UK of 50% interest each in the Anasuria Cluster from Shell UK, Shell EP and Esso UK for a total cash consideration of USD105.0 million (equivalent to RM429.293 million), which was completed on 10 March 2016
Proposed ESOS	:	Proposed establishment of an Employee's Share Option Scheme to be undertaken by DNeX
Proposed OGPC Group Acquisitions	:	Proposed acquisitions of 100.0% of the issued and paid-up share capital of OGPC and 52.0% of the issued and paid-up share capital of OGPCOG to be undertaken by DNeX
Proposed Rights Issue	:	Proposed renounceable rights issue to be undertaken by DNeX
Proposed Special Issue	:	Proposed special issue to be undertaken by DNeX
Proposed Subscription	:	Proposed subscription by DNeX Petroleum, a wholly-owned subsidiary of DNeX, of 30% of the enlarged issued share capital of Ping
PRT	:	Petroleum Revenue Tax
Reserves	:	Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial and remaining (as of the evaluation date) based on the development project(s) applied
Revised Proposals	:	Collectively, Proposed Rights Issue, Revised Proposed Special Issue, Revised Proposed OGPC Group Acquisitions and Proposed ESOS to be undertaken by DNeX, as announced on 5 March 2015
Revised Proposed OGPC Group Acquisitions	:	Revision of the terms of the Proposed OGPC Group Acquisitions
Revised Proposed Special Issue	:	Revision of the terms of the Proposed Special Issue
RFCT	:	Ring Fence Corporation Tax
RM and **sen**	:	Ringgit Malaysia and sen respectively
RNAV	:	Revalued Net Asset Valuation
RPS	:	RPS Energy Consultants Limited (Company No. 03287074)

SC	:	Securities Commission Malaysia
SCT	:	The Supplementary Charge
SHA	:	Shareholders agreement in relation to Ping between DNeX Petroleum, Founders and Ping
SSA	:	Share subscription agreement in relation to Ping between Ping and DNeX Petroleum dated 7 September 2015
Subscription Shares	:	30% of the enlarged issued share capital of Ping to be subscribed by DNeX Petroleum
UK	:	United Kingdom of Great Britain and Northern Ireland
USD or **$**	:	United States Dollar
U.S.	:	United States of America
Valuation Report	:	Valuation report issued by RPS dated 30 September 2015 to appraise the value of the Anasuria Cluster
VAT	:	Value Added Tax
WTI	:	West Texas Intermediate

Exchange rates

Unless otherwise stated, the exchange rate of USD1.00: RM3.7280, has been used for the Commitment Fee and the exchange rates of USD1.00: RM4.0885 and GBP1.00: RM5.8327, being the middle rates prevailing at 5.00 p.m. published by BNM on 11 March 2016, being the LPD, has been used throughout this Circular (where applicable).

Further notes

Unless specifically referred to, words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall include the feminine and neuter genders and vice versa. References to persons shall include corporations.

All references to "our Company" in this Circular are to DNeX. References to "we", "us", "our" and "ourselves" are to DNeX and where the context otherwise requires, shall include our subsidiaries.

All references to "you" in this Circular are to the shareholders of DNeX.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding. Any reference to time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

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LETTER TO THE SHAREHOLDERS OF DNeX IN RELATION TO THE PROPOSED SUBSCRIPTION CONTAINING:-

DAGANG NeXCHANGE BERHAD
(Company No. 10039-P)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:-
Tower 3, Avenue 5,
The Horizon, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

30 March 2016

Board:-

Tan Sri Abd Rahman bin Mamat	*(Chairman/Independent Non-Executive Director)*
Datuk Samsul bin Husin	*(Executive Deputy Chairman)*
Zainal 'Abidin bin Abd Jalil	*(Group Managing Director)*
Dato' Wong Kam Yin	*(Executive Director)*
Ang Hsin Hsien	*(Non-Independent Non-Executive Director)*
Rosli bin Abdullah	*(Senior Independent Non-Executive Director)*
Norlila binti Hassan	*(Independent Non-Executive Director)*
Dato' Arif Ambrose Leonard Ng	*(Independent Non-Executive Director)*
Satria bin Ahmad	*(Independent Non-Executive Director)*

To: The shareholders of DNeX

Dear Sir/Madam,

PROPOSED SUBSCRIPTION

1. INTRODUCTION

On 7 September 2015, AmInvestment Bank, on behalf of the Board, made the Announcement in which, DNeX's wholly-owned subsidiary, DNeX Petroleum, had entered into the SSA with Ping to subscribe for Ping Shares, which represent 30% of the enlarged issued share capital of Ping, for a total Consideration of USD10.0 million (equivalent to RM40.525 million) in cash.

Further to the above, DNeX Petroleum had, on 5 June 2015, paid to Ping the Commitment Fee of USD1.0 million (equivalent to RM3.728 million) in cash, which is part payment of the Consideration. The Balance Consideration of USD9.0 million (equivalent to RM36.797 million) shall be settled in cash.

Further information on the Proposed Subscription are in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED SUBSCRIPTION AND TO SET OUT THE VIEW AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SUBSCRIPTION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SUBSCRIPTION AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SUBSCRIPTION

2.1 Proposed Subscription

Ping had approached DNeX Petroleum and put forward a proposal for the latter to consider investing in Ping and hence, in O&G businesses and assets, which included the Proposed Acquisition of the Anasuria Cluster that was completed on 10 March 2016. DNeX Petroleum, following its deliberation of such proposal, had expressed its desire to invest in Ping.

On 4 June 2015, Ping and DNeX Petroleum had executed the Letter of Intent, which sets out the principal terms and conditions upon which DNeX Petroleum agreed to invest in Ping and hence, subscribe for the Subscription Shares. Pursuant to the Letter of Intent, DNeX Petroleum had, on 5 June 2015, paid to Ping the Commitment Fee of a sum of USD1.0 million (equivalent to RM3.728 million) in cash, which is part payment of the Consideration on the term of a definitive agreement to be entered between Ping and DNeX Petroleum to govern the subscription by DNeX Petroleum of the Subscription Shares.

Subsequently, Ping and DNeX Petroleum had entered into the SSA on 7 September 2015. Under the SSA, Ping shall allot and issue the Subscription Shares to DNeX Petroleum and DNeX Petroleum shall subscribe for those Subscription Shares, which represent 30% of the enlarged issued share capital of Ping. The Balance Consideration of USD9.0 million (equivalent to RM36.797 million) shall be settled in cash.

The Closing is subject to all of the Conditions Precedent stated in the SSA being fulfilled, as disclosed in Section 2.4.3.1 of this Circular.

After the Closing, in relation to the Conditions Subsequent stated in the SSA, as referred to in Section 2.4.3.4 of this Circular, upon the occurrence of any of the instances as disclosed in Section 2.4.3.4.1 of this Circular, which are:-

(i) The Anasuria SPAs are terminated prior to their completion; or

(ii) The Anasuria SPAs are not completed by 30 June 2016; or

(iii) Ping in good faith notifies DNeX Petroleum that the former does not expect that the Anasuria SPAs will be completed by 30 June 2016,

The Consideration paid by DNeX Petroleum less the sum of USD300,000 (equivalent to RM1.227 million) (as payment of agreed cost) shall be refunded to DNeX Petroleum, amongst others. Nonetheless, the Proposed Acquisition of the Anasuria Cluster was completed on 10 March 2016.

Please refer to **Section 2.4 of this Circular** for more details on the salient terms of the SSA.

2.1.1 Details of Ping

Ping was incorporated in Bermuda under the Bermuda Companies Act on 31 July 2012 as a private limited company. As at the LPD, the authorised share capital of Ping is USD25,000.00 (equivalent to RM102,212.50) comprising 25,000,000 ordinary shares of USD0.001 each whilst its issued and paid-up share capital is USD22,649.65 (equivalent to RM92,603.09) divided into 22,649,650 shares of USD0.001 each.

Ping's principal activities are exploration, development and production of crude oil and natural gas and investment holding.

Ping is an independent upstream O&G company, focusing on shallow water offshore production and development opportunities in South East Asia and the UK sector of the North Sea.

Ping's Founders include David Roy Phillips, Ning Zhang, Ju Ling Hong and Paul A. Baltensperger, who (except Ju Ling Hong), were former technical and management executives of Newfield Exploration Company, in which they helped to build and realise investments in the Gulf of Mexico, North Sea and Malaysia. As at the LPD, the Directors of Ping are David Roy Phillips, Ning Zhang, Michael J. Barrett and Paul A. Baltensperger.

Ping has a direct wholly-owned subsidiary, Ping UK, which was incorporated in England and Wales under the Companies Act 2006 of the UK on 22 July 2015 as a private limited company. Ping UK was incorporated as a special purpose vehicle for the purpose of acquiring an interest in the Anasuria Cluster. Ping UK's principal activities are exploration, development and production of crude oil and natural gas.

Ping UK has 50% direct interest in AOCL, a joint operating company between Ping UK and Anasuria Hibiscus UK. AOCL was incorporated in England and Wales under the Companies Act 2006 of the UK on 22 July 2015 as a private limited company.

Pursuant to the Anasuria SPAs Completion, a joint operating agreement ("**JOA**") was entered between Ping UK, Anasuria Hibiscus UK and AOCL. The JOA is for the purpose of providing the contractual basis for governing the joint operations for the business of exploration, development and production of O&G in the Anasuria Cluster (other than the Cook Field, which has a separate joint operating agreement novated to Ping UK and Anasuria Hibiscus UK upon Anasuria SPAs Completion). AOCL is responsible to carry out all the operations on behalf of Ping UK and Anasuria Hibiscus UK. Funding for the operations of the Anasuria Cluster may be procured from Ping UK and Anasuria Hibiscus UK via cash calls by AOCL.

In addition, Ping has another direct wholly-owned subsidiary, Ping Malaysia that was incorporated in Malaysia under the Act on 8 April 2011 as a private limited company. It was effectively acquired by Ping on 23 July 2014 through transfer of shares from the key management of Ping. The principal activities of Ping Malaysia are exploration and development of upstream O&G assets. Ping Malaysia will be the vehicle for Ping to acquire future upstream O&G assets in Malaysia.

Please refer to **Appendix I** of this Circular, for further information on Ping.

2.1.2 Details of the Anasuria Cluster

On 6 August 2015, Ping UK, together with Anasuria Hibiscus UK, an indirect wholly-owned subsidiary of Hibiscus, jointly entered into the Anasuria SPAs with Shell UK, Shell EP and Esso UK who are the "**Anasuria Vendors**", for each of them to acquire 50% interest in the Anasuria Cluster for a total cash consideration of USD105.0 million (equivalent to RM429.293 million).

Anasuria Hibiscus UK was incorporated in England and Wales under the Companies Act 2006 of the UK on 21 July 2015 as a private limited company. Anasuria Hibiscus UK is a special purpose vehicle, which, together with Ping UK, undertook the Proposed Acquisition of the Anasuria Cluster.

The Anasuria Cluster comprises a geographically focused package of operated producing fields and associated infrastructure of the following:-

(i) 100% interest in the Guillemot A Field;

(ii) 100% interest in the Teal Field;

(iii) 100% interest in the Teal South Field;

(iv) 38.65% interest in the Cook Field; and

(v) 100% ownership in the Anasuria FPSO.

A summary of the Anasuria Vendors' interests in the Anasuria Cluster is set out below:-

Vendor	Guillemot A Field	Teal Field	Teal South Field	Cook Field	Anasuria FPSO
Shell UK	50%	50%	50%	-	50%
Esso UK	50%	50%	50%	12.88%	50%
Shell EP	-	-	-	25.77%	-
Total	**100%**	**100%**	**100%**	**38.65%(1)**	**100%**

Note:-

(1) Ithaca Energy (UK) Limited, who is not a party to the Anasuria SPAs, holds the remaining 61.35% interest in the Cook Field.

The assets of the Anasuria Cluster have a proven and producing resources base, which provides a platform for further development. A number of incremental development and exploration opportunities exist within the licence area of the Anasuria Cluster, which are expected to generate incremental value in the medium to long term.

Ping Group and Hibiscus Group bring combined technical expertise and experience in creating value in mature basins in, amongst others, the Gulf of Mexico, Norwegian North Sea, Middle East, Australia and South East Asia. The acquisition of the Anasuria Cluster also brings two (2) new entrants (namely Ping Group and Hibiscus Group) into the UK sector of the North Sea and reflects the support provided by the UK Government in order to encourage small to medium-sized independent companies to invest and revive the UK sector of the North Sea basin.

Please refer to **Appendix III** of this Circular, for further information on the Anasuria Cluster.

2.1.3 Details of the Proposed Acquisition of the Anasuria Cluster

The Proposed Acquisition of the Anasuria Cluster was completed on 10 March 2016. It involved Ping UK acquiring a 50% interest in the Anasuria Cluster. Concurrently, Anasuria Hibiscus UK acquired the remaining 50% interest.

The Anasuria Consideration of USD105.0 million (equivalent to RM429.293 million), to be paid by Ping UK and Anasuria Hibiscus UK under the Anasuria SPAs comprises of the following:-

(i) Initial Consideration of USD60.0 million (equivalent to RM245.31 million), of which a deposit of USD8.0 million (equivalent to RM33.156 million) was paid upon the execution of the Anasuria SPAs on 6 August 2015.The balance of the Initial Consideration of USD52.0 million (equivalent to RM212.602 million) was paid on Anasuria SPAs Completion. The Initial Consideration means the sum of USD60.0 million (equivalent to RM245.31 million) and working capital and time value adjustments calculated in accordance with the Anasuria SPAs. Initial Consideration was also adjusted as at Anasuria SPAs Completion by interim period adjustment; and

(ii) Deferred Consideration of USD45.0 million (equivalent to RM183.983 million), which will be payable in the manner as set out below:-

(a) USD15.0 million (equivalent to RM61.328 million) within six (6) months from Anasuria SPAs Completion;

(b) USD15.0 million (equivalent to RM61.328 million) within twelve (12) months from Anasuria SPAs Completion; and

(c) USD15.0 million (equivalent to RM61.328 million) within eighteen (18) months from Anasuria SPAs Completion.

In addition, a contingent consideration is payable to the Anasuria Vendors from 2018 to 2021, if and only in a calendar year of that period, the annual average oil price (USDY) exceeds USD75/b, in which case the Anasuria Vendors will be paid USD0.15 x (USDY-USD75) per barrel of production from the Anasuria Cluster ("**Contingent Consideration**"). The management of Ping has provided the estimation of the oil price range of USD44/b to USD50/b from 2018 to 2021, which is below the USD75/b for the Contingent Consideration to be payable. In addition, the rate of USD0.15 is essentially treated as a windfall payment to the Anasuria Vendors in the event of a spike in oil price over the projected range of price. The Contingent Consideration is limited by the production volume and the oil price for the relevant calendar year. The Contingent Consideration was agreed to be paid in return for the Anasuria Vendors allowing Ping UK and Anasuria Hibiscus UK to pay a portion of the Anasuria Consideration on a deferred basis (i.e. the Deferred Consideration).

The summary of the Anasuria Consideration (excluding the Contingent Consideration) is as below:-

		Initial Consideration[1]				
	Interest in the Anasuria Cluster	Deposit	At Anasuria SPAs Completion	Sub-total	Deferred Consideration	Total Anasuria Consideration
	%	USD million				
Anasuria Hibiscus UK	50	4.0	26.0	30.0	22.5	52.5
Ping UK	50	4.0	26.0	30.0	22.5	52.5
	100	**8.0**	**52.0**	**60.0**	**45.0**	**105.0**

Note:-
(1) Subject to adjustments pursuant to the Anasuria SPAs.

Ping Group shall use the Proceeds from the Proposed Subscription for the part payment of Ping UK's portion of the Anasuria Consideration.

The remaining Anasuria Consideration to be paid by Ping UK will be financed through internally generated funds from the Anasuria Cluster, external borrowings, financial instruments such as call options and/or issuance of equity securities.

In addition, an introducer fee of USD6.0 million (equivalent to RM24.687 million) was agreed between Hibiscus and Ping to be payable to Ping upon successful completion of the Proposed Acquisition of the Anasuria Cluster as Ping had already achieved the preferred bidder status with the Anasuria Vendors prior to Hibiscus's entry into the transaction ("**Introducer Fee**"). In August 2015, Hibiscus paid USD600,000 (equivalent to RM2.487 million) on behalf of Ping to the Anasuria Vendors upon execution of the Anasuria SPAs. In view of this, USD600,000 (equivalent to RM2.487 million) was considered as being paid to Ping by Hibiscus in August 2015 as part of the Introducer Fee. The remaining at the date of Anasuria SPAs Completion, the Introducer Fee of USD5.4 million (equivalent to RM22.380 million) ("**Balance Sum**") is due and owing by Hibiscus to Ping.

On 11 March 2016, both Ping and Hibiscus have entered into a variation term sheet and mutually agreed to the following payment method for the Balance Sum:-

(i) USD2.7 million (equivalent to RM11.190 million) shall be settled by Hibiscus in the form of shares calculated based on USD2.7 million (equivalent to RM11.190 million) divided by the conversion price based on the 5-day volume weighted average price of the shares immediately prior to 14 March 2016; and

(ii) The remaining balance of USD2.7 million (equivalent to RM11.190 million) of the Balance Sum shall accrue interest monthly at 2% per month compounded from 10 March 2016 and both the USD2.7million (equivalent to RM11.190 million) and the accrued interest shall be settled prior to 31 July 2016.

In conjunction with the Proposed Acquisition of the Anasuria Cluster, the following agreements were also entered into:-

(i) **The Vessel Sale Agreement** - This agreement governs the terms for the sale of one vessel, i.e. Anasuria FPSO from Shell UK and Esso UK to Ping UK and Anasuria Hibiscus UK. The purchase price of the Anasuria FPSO is USD14.0 million (equivalent to RM57.239 million) and is specified as being part of the Initial Consideration for each of the Anasuria SPAs.

(ii) **The Transfer of Operatorship Agreement** - This agreement is between Ping UK, Anasuria Hibiscus UK, AOCL and Shell UK to provide the transfer of operatorship from Shell UK to AOCL, and is subject to relevant approvals being obtained.

(iii) **The Deed of Guarantee and Indemnity** - Under the Deed of Guarantee and Indemnity, Ping agrees to guarantee the Anasuria Vendors the due and punctual payment to the Anasuria Vendors of all amounts, which Ping UK is obliged to pay the Anasuria Vendors under the Anasuria SPAs and the due and punctual performance by Ping UK of all its obligations under the Anasuria SPAs other than the obligations under the decommissioning security agreement, which are the subject of a separate guarantee.

After the Proposed Subscription and Proposed Acquisition of the Anasuria Cluster are both completed, below is the structure of DNeX's effective interest in the Anasuria Cluster:-

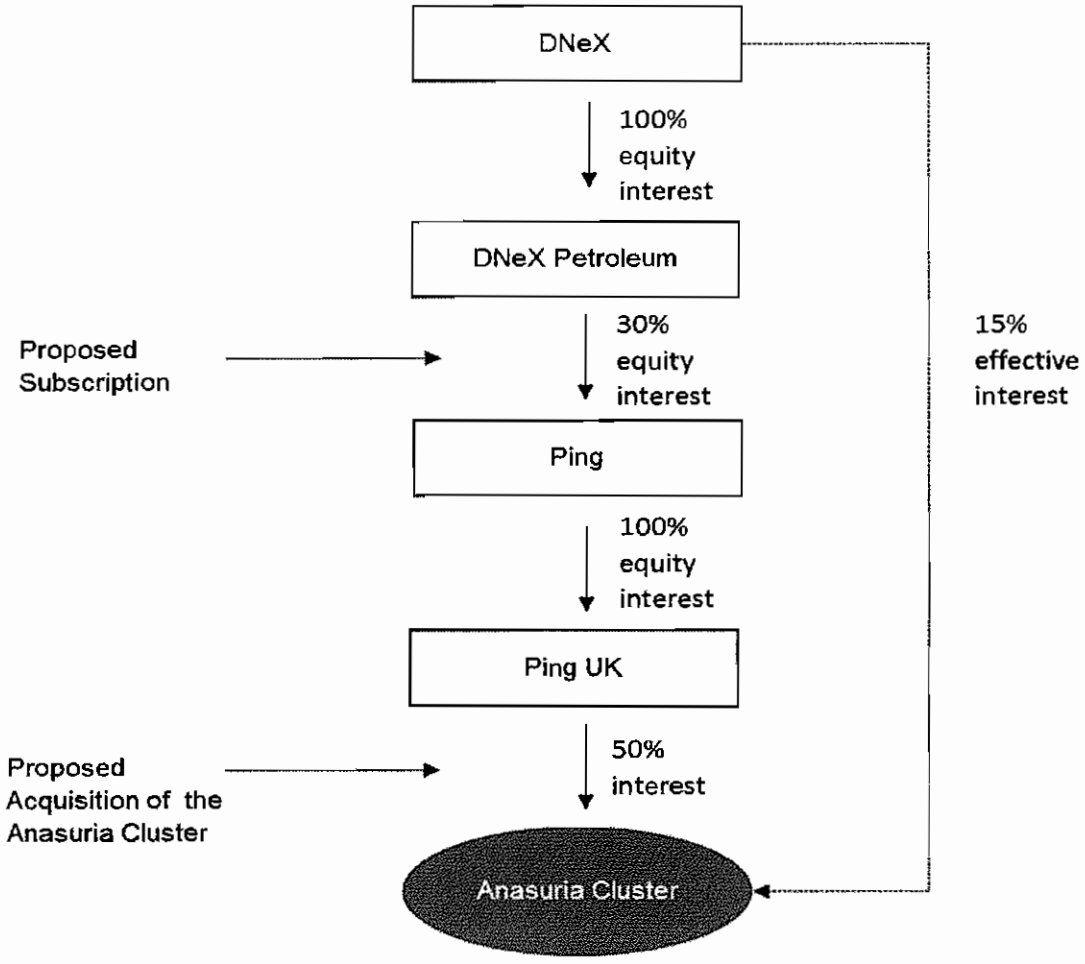

Figure 1. DNeX's effective interest in the Anasuria Cluster.

2.2 Basis and justification in arriving at the Consideration

The Consideration was arrived at on a willing-buyer and willing-seller basis and after taking into account, amongst others, the following:-

(i) Taking into account DNeX Petroleum's Proposed Subscription of 30% of the enlarged issued share capital of Ping and the Anasuria Consideration of USD105.0 million (equivalent to RM429.293 million) for the Proposed Acquisition of the Anasuria Cluster, DNeX's effective interest of 15% in the Anasuria Cluster is valued at approximately USD15.75 million (equivalent to RM64.394 million);

(ii) The indicative reserves and resources of the Anasuria Cluster as per the report by RPS appended in Appendix IX of this Circular. The report stated that as at 1 January 2015, the 2P O&G Reserves of the Anasuria Cluster are estimated at 40.4 MMstb of 2P oil Reserves and 27.9 Bscf of 2P gas Reserves (Please refer to Section 2.2.1 below for the summary of the report);

(iii) The valuation of DNeX's effective interest of 15% in the O&G fields of the Anasuria Cluster worth USD34.0 million (equivalent to RM139.009 million) (based on 2P O&G Reserves and NPV of 10%), as per RPS's Valuation Report that is appended in Appendix X of this Circular (Please refer to Section 2.2.2 below for the summary of the Valuation Report). For reference purposes, RPS values 100% effective interest in the O&G fields of the Anasuria Cluster at USD226.5 million (equivalent to RM926.045 million) (based on 2P O&G Reserves and NPV of 10%);

(iv) The global and UK outlook of the O&G sector as well as the prospects and growth potential of Ping Group and the Anasuria Cluster as set out in Section 5 of this Circular; and

(v) The Expert's Fairness Report prepared by FHMH Corporate Advisory Sdn Bhd, as appended in Appendix VIII of this Circular, has RNAV as the primary methodology and CTA and Discounted FCFE as the secondary methodologies to assess the fairness and reasonableness of the Consideration. In addition, FHMH Corporate Advisory Sdn Bhd has considered other factors in its overall assessment. Below is the summary of the Expert's Fairness Report:-

(a) Based on the RNAV of Ping Group of between USD90.2 million and USD91.8 million, DNeX Petroleum 30% equity interest in Ping will be valued at approximately USD27.1 million. Hence, the Consideration represents a discount of 63.1% of DNeX Petroleum's share of Ping Group's RNAV. The RNAV is computed as below:-

RNAV = Current NA Value – Contingent liabilities – Tax shield on accumulated losses + Net revaluation of its assets

	USD'million	30 June 2015 USD'million	31 December 2015 USD'million
NA of Ping Group		1.9[1]	0.3[2]
Adjustments:-			
- Advisory income[3]		6.0	6.0
- Conversion of Directors' loan to equity[4]		3.1	3.1
Adjusted NA of Ping Group		11.0	9.4
Add: Revaluation of the Anasuria Cluster			
NPV of Reserves[5]	113.3		
Less: Cost of investment[6]	(32.5)		
		80.8	80.8
RNAV of Ping Group		91.8	90.2

Notes:-

(1) Based on the audited financial statements of Ping Group for the FYE 30 June 2015.

(2) Based on the management accounts of Ping Group as at 31 December 2015.

(3) An advisory income of USD6.0 million is expected to be received from Hibiscus upon the Anasuria SPAs Completion.

(4) Ping's management represented that the bridge loan obtained from its Director(s) will be converted into Ping Shares.

(5) Based on RPS's report, the NPV of the Anasuria Cluster's Reserves is estimated at USD226.5 million. Ping Group will have 50% interest in the said Reserves.

(6) The cost of investment of Ping in relation to the Anasuria Cluster is derived as shown below:-

	USD'million	USD'million
Initial deposit		*4.0*
Payment upon completion of the Proposed Acquisition of the Anasuria Cluster		
Consideration as per the Anasuria SPAs	*52.0*	
Less: Estimated operating cash flow from the Anasuria Cluster from Economic Date to Completion Date(7)	*(40.0)*	
	12.0	
Ping's interest in the Anasuria Cluster	*50%*	*6.0*
Deferred payment		*22.5*
		32.5

(7) The estimated cash flow is based on the financial forecast prepared by the management of Ping Group. The Completion Date is defined as the date of completion of the Proposed Acquisition of the Anasuria Cluster.

(b) Based on the CTA methodology, the adjusted price per barrel of 2P Reserves of recent comparable transactions undertaken by companies listed on Bursa Securities that had entered into proposed acquisitions of oilfields overseas, ranges from USD1.68 to USD2.74 per barrel whilst the simple average is USD2.21 per barrel. DNeX's 15% effective interest in the Anasuria Cluster with the Consideration of USD10.0 million reflects an adjusted price per barrel of USD1.65 per barrel, which is below the range and lower than the simple average of recent transactions.

(c) The summary of the CTA is as below:-

Date	Acquirer	Target	Interest acquired %	Transaction value USD'million	Attributable 2P Reserves MMstb	Price/b USD(1)	Adjusted Price/b(2)
May 2015	Sumatec Resources Berhad*	Borneo Energy Oil and Gas Limited	100.0	190.0	68.9	2.75	1.68
November 2015	Sona Petroleum Berhad~	Stag Oilfield	100.0	50.0	16.2	3.08	2.74
						Average	**2.21**
March 2016	DNeX(3)	Anasuria Cluster	15	10.0	40.4	1.65	1.65

Source:-
**Sumatec Resources Berhad's circular dated 20 May 2015, ~Sona Petroleum Berhad's announcement dated 2 November 2015.*

Notes:-
(1) Transaction value divided by attributable 2P Reserves and then, divided by the interest acquired x 100.
(2) Adjusted price per barrel was calculated as follows:-

Price per barrel transacted x (Average oil price in January 2016 / (Average oil price at month of announcement/circular (whichever is later))

(3) Calculated premised on DNeX having a 15% effective interest in the Anasuria Cluster through the Proposed Subscription.

Source of oil prices for the respective month(s) were obtained from the EIA website http://www.eia.gov.

(d) Based on the Discounted FCFE methodology, the valuation of the equity interest in Ping based on the Discounted FCFE Methodology is approximately USD46.80 million. DNeX Petroleum's 30% equity interest in Ping will be valued at approximately USD14.04 million. Hence, the Consideration represents a discount of 28.78% based on the valuation derived from the Discounted FCFE Methodology. Below is the computation of the Discounted FCFE:-

CAPM inputs	Data
Market return(1)	8.38%
Risk-free rate(2)	3.83%
Re-geared beta(3)	0.85
Small capitalisation premium	3.81%(4)
Additional risk premium	5.00%(5)
Discount rate derived using CAPM	16.53%
Value derived therefrom(6)	USD46.80 million

Notes:-

(1) Based on the expected market return for Malaysia as extracted from S&P Capital IQ. The expected market return is based on the average yearly return of KLCI index for the past ten-(10) years extracted on 22 March 2016.

(2) Based on the risk free rate for Malaysia as extracted from BNM website. This risk free rate is based on the yield of ten-(10) years' Malaysian Government Securities as at 22 March 2016.

(3) Based on the gearing level as extracted from the unaudited management accounts of Ping Group as at 31 December 2015 and taking into consideration the settlement of the bridging loan in FYE 30 June 2016.

(4) A small capitalisation premium of 3.81% is applied, which is arrived based on Ibbotoson SBBI 2013 Valuation Yearbook published by Morningstar, Inc. Morningstar, Inc. is an investment research and investment firm having its headquarters in Chicago, U.S.

(5) Additional risk premium was added to take into account the risk involved in the oil and gas industry and unsystematic risk, which are not captured under the CAPM, which includes amongst others, business risk associated with the uncertainty of the future cash flows of Ping, considering the volatility and cyclicality associated with the oil and gas industry, geological risk, which considers the difficulty of extraction and the possibility that the accessible reserves in Anasuria Cluster will be smaller than estimated; and rig utilisation rate, which cannot be closely tracked with the oil price volatility.

(6) Basis used for the computation of the valuation of the equity interest in Ping includes the net future cash flow from operating, investing and financing activities (without taking into consideration any non-recurring cash flows) being discounted by the discount rate derived from the CAPM. The gross cash flow from operating activities is dependent on projected oil and gas production and prices (Ping's management estimation based on actual and forward prices, forward curve and/or contract).

FHMH Corporate Advisory Sdn Bhd had considered the consolidated cash flow forecast and projections with varying oil prices to find a break-even point to where the Consideration is at a slight discount on the valuation derived from the Discounted FCFE Methodology and using the same basis and discount rate previously adopted. If the average oil price were to decline to USD20.40 per barrel in 2016 and USD27.54 per barrel in 2017 as per the break-even scenario, the valuation of Ping will be at USD34.17 million which will bring DNeX Petroleum's 30% equity interest in Ping to USD10.25 million and the Consideration will be at a slight discount of 2.44% to valuation derived from the Discounted FCFE Methodology.

(e) Taking into account Section 2.2 (i) and (ii) above;

(f) The Anasuria Cluster is currently an actively producing oil field mitigating the risk factors; and

(g) AOCL has appointed Petrofac Facilities Management Limited, a wholly-owned subsidiary of Petrofac Limited, which is a large reputable international oilfield service provider listed on the London Stock Exchange, to extract oil and gas and manage the day to day operations in the Anasuria Cluster as well as operate the Anasuria FPSO, mitigating the risk of Ping inability to manage the Anasuria Cluster and realising its fullest potential. Petrofac Limited is a constituent of the FTSE 250 Index of the London Stock Exchange, providing

integrated services across the oil and gas asset life cycle in 29 countries worldwide with 35 years of track record. Petrofac Limited was involved in various oil and gas projects including but not limited to the EnQuest North Sea project, Chevron North Sea project, Lower Fars project in Kuwait and the RAPID project in Malaysia.

Premised on the above, the Expert's Fairness Report opined that the Consideration is fair and reasonable.

Please refer to **Appendix VIII** of this Circular, for further information on the Expert's Fairness Report.

2.2.1 Summary of the expert's report in relation to the reserves and resources evaluation of the Anasuria Cluster

A summary of 1P, 2P and 3P O&G Reserves and the equivalent categories for Contingent Resources of the Anasuria Cluster as at 1 January 2015 assessed/estimated by RPS are as set out below:-

(i) Summary of O&G Reserves as at 1 January 2015

	Net[1]					
	Oil Reserves			Gas Reserves		
	1P	2P	3P	1P	2P	3P
	MMstb	MMstb	MMstb	Bscf	Bscf	Bscf
Guillemot A Field	17.7	27.5	36.3	6.2	9.6	12.6
Cook Field	3.7	6.2	8.5	8.2	13.6	18.8
Teal Field	2.6	3.2	3.7	1.2	1.5	1.7
Teal South Field	1.7	3.5	5.5	1.5	3.2	5.0
Total	**25.8**	**40.4**	**54.0**	**17.1**	**27.9**	**38.2**

Note:-
(1) Ping UK and Anasuria Hibiscus UK net attributable Reserves after royalties.

(ii) Summary of O&G Contingent Resources as at 1 January 2015

	Net[1]					
	Contingent oil resources			Contingent gas resources		
	1C	2C	3C	1C	2C	3C
	MMstb	MMstb	MMstb	Bscf	Bscf	Bscf
Kite Discovery[2]	0.4	1.4	3.0	0.3	1.2	2.5
Cook Field	0.1	0.5	2.9	0.1	0.5	2.9
Teal South Field	0.8	1.5	3.0	0.4	0.7	1.4
Guillemot A Field South Infill	2.0	4.0	6.0	0.4	0.8	1.2
Guillemot A Field North (Sk) Infill	0.8	1.5	3.0	0.4	0.8	1.6
Guillemot A Field Central (Sk) Infill	0.8	1.5	3.0	0.4	0.8	1.6
Total	**4.8**	**10.4**	**20.9**	**2.0**	**4.8**	**11.2**

Notes:-
(1) Ping UK and Anasuria Hibiscus UK net attributable resources after royalties.

*(2) The Kite O&G discovery (**"Kite Discovery"**), a discovered resource, straddles the Teal Field, and is situated between the Teal Field and Cook Field. Penetrated in three (3) wells, the Kite Discovery is subdivided into two (2) separate stratigraphic accumulations of hydrocarbons, which could potentially be developed via two (2) wells tied-back to the Anasuria FPSO.*

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2.2.2 Summary of the Valuation Report

The valuation (NPV at 10%) of the 1P and 2P O&G Reserves as at 1 January 2015 estimated by RPS is set out below:-

	USD'million		USD'million		RM'million[2]	
	100% interest in the Anasuria Cluster		15% interest in the Anasuria Cluster		15% interest in the Anasuria Cluster	
	1P	2P	1P	2P	1P	2P
Developed	(98.4)	51.0	(14.8)	7.7	(62.8)	32.5
Developed + Undeveloped[1]	35.5	226.5	5.3	34.0	22.6	144.5

Notes:-

(1) Undeveloped Reserves are subject to infill well drilling activities and implementation of workover programmes.

(2) Exchange rate based on the Valuation Report.

2.2.3 Key valuation assumption

The key valuation assumption by RPS are set out below:

(i) The effective date for the valuation being 1 January 2015 (all future cash flows are discounted to 1 January 2015);

(ii) All values are post-tax and have been expressed over a range of discount rates, using mid-year discounting;

(iii) An annual inflation rate of 2% from 2016 onwards applied to both costs and revenues;

(iv) A constant exchange rate of USD1.50:GBP1.00;

(v) RPS long term price forecast (base case) for O&G as set out in Appendix X of this Circular;

(vi) RFCT of 30% and SCT of 20%;

(vii) An investment allowance of 62.5% (used in SCT calculation);

(viii) Brown field allowance of GBP20.6 million;

(ix) Plant and machinery allocation of USD30.0 million which has been included in the calculations of RFCT and SCT; and

(x) Mechanism for the decommissioning security agreement whereby 70% of the net profits is available to be paid into an escrow account with a floor of USD6.5 per barrel and an upper limit proposed to the Anasuria Vendors at USD12 per barrel to fund future abandonment costs.

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2.2.4 Additional information on the competent person and competent valuer from RPS is set out below:-

Mr. Gordon Taylor, the Managing Director of Consulting at RPS with a total of 35 years of experience in the upstream O&G industry is a competent person and competent valuer for the purpose of the valuation of the Anasuria Cluster and is based at RPS's operating office in Henley-on-Thames, Oxfordshire, UK. He is a Chartered Engineer and Chartered Geologist and a member of a number of relevant professional societies, including the Geological Society (UK), American Association of Petroleum Geologists, Members of the Institute of Materials, Minerals and Mining (UK) and Society of Petroleum Engineers. He holds a BSc in Geological Sciences and an MSc Foundation Engineering from Birmingham University.

2.2.5 Additional commentary on the expert's report in relation to the reserves and resources evaluation of the Anasuria Cluster and Valuation Report

(i) We and management of Ping note that the expert's report in relation to the reserves and resources evaluation of the Anasuria Cluster and Valuation Report present the Contingent Resources within the Anasuria Cluster. However, the chances of development (as quantitative percentages or qualitative description) of these Contingent Resources were not stated in those reports, as we and the management of Ping did not request RPS to assess their commercial development merit. As such, the contingent resources within the Anasuria Cluster were not valued and did not form part of the 2P O&G Reserves valuation. Hence, we and management of Ping view RPS's valuation to be conservative in this respect.

(ii) While RPS did not state a singular, best estimate fair market value of the Anasuria Cluster, the definition of 2P indicates that if a probabilistic determination of 2P O&G Reserves is done, that 2P O&G Reserves can be considered as the most likely outcome. Hence, the valuation of 2P O&G Reserves of the Anasuria Cluster of USD226.5 million (equivalent to RM926.045 million) using the base case price forecast would represent the singular, best estimate fair market value.

(iii) In valuing the Anasuria Cluster, RPS had calculated low and high cases, with 2P case being derived as arithmetic average of the low and high cases in its production decline curve analysis of the wells currently producing in the Anasuria Cluster. However there maybe valuers who may be of the view that the application of the optimistic high case will unduly skew the 2P case upwards and it may be more prudent to use a hyperbolic decline function to derive the 2P decline case.

In RPS's valuation, the low case is based on an exponential decline and the high case is a based on a harmonic decline, which is an approach commonly used by O&G companies and auditors. In management of Ping's experience, this method is used to determine the possible upper and lower bounds of outcomes. RPS has chosen a point in which lies mid-way between these bounds to determine the 2P O&G Reserves.

(iv) RPS had used the production history from similar past activities within the fields (i.e. infill drilling activities, gas lift workovers) and used this history to estimate the likely outcomes of similar future wells or future workovers of existing wells. Since reservoir characteristics may be different at different locations within a reservoir and well performance in response to gas lift varies between wells, the analogues may be deemed optimistic (higher uncertainty) and are stated to be not technically mature by RPS (increase in risk).

We and the management of Ping are of the view that whilst the infill drilling activities and gas workover projects are immature, there is quantifiable evidence of unswept Reserves in the Anasuria Cluster from the seismic surveys, sparse well spacing and very low recovery oil factors such that it would be unrealistic to not attribute any value to these unswept Reserves from infill drilling. We and the management of Ping also view it as reasonable that the application of gas lift to wells will increase late life production.

Hibiscus, Ping, Shell EP and Shell UK have identified over six (6) infill drilling opportunities to capture these unswept Reserves. However, RPS, being more conservative in their evaluation, has allowed for only two (2) infill wells in the Guillemot A Field with a similar outcome to the recent Guillemot A Field P5 well. They have also included the workover of wells that do not currently have a gas lift capability and one recompletion in the Forties reservoir (located within the Guillemot A Field), which have a much more certain outcome. We and management of Ping are of the view that RPS has a reasonable but conservative assessment of the incremental potential in the Anasuria Cluster from infill drilling activities and workover of existing wells.

(v) Although there has been a substantial drop in O&G prices since the Economic Date, the Valuation Report has been updated by RPS as at 30 September 2015. In this regard, RPS updates its internal O&G price forecast every three (3) months. RPS's third quarter 2015 base price forecast was not substantially different to that of the second quarter 2015 base price forecast and as such, RPS utilised its second quarter base price forecast for the purpose of its valuation. RPS's low and high price cases in the third quarter 2015 were unchanged from those in the second quarter 2015.

(vi) RPS is not in the legal position to comment on the licences, permit and approvals required to operate the Anasuria Cluster. Nevertheless, the safeguard is that approval of the Secretary of State for Energy and Climate Change of the UK Government is required for the transfer of the licences of the Anasuria Cluster taking into consideration the technical expertise of AOCL and financial capabilities of Ping UK and Anasuria Hibiscus UK. Ping and Hibiscus will not be able to acquire the Anasuria Cluster without the approval of the Secretary of State for Energy and Climate Change of the UK Government for the transfer of the said licences.

2.3 Sources and breakdown of funding

The Proposed Subscription was funded via internally generated funds and is also expected to be funded via bank borrowings.

The breakdown of the sources of funding for the Consideration of USD10.0 million (equivalent to RM40.525 million) is as below:-

Sources	Estimated breakdown (USD'000)
Internally generated funds	1,000(1)
Bank borrowings	9,000(2)
Total	**10,000**

Notes:-

(1) This amount had been paid from the internally generated funds of DNeX Group for the Commitment Fee.

(2) This amount, which will be obtained through bank borrowings, shall be used to pay the Balance Consideration.

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2.4 Salient terms of the SSA

The salient terms of the SSA are as set out below:-

2.4.1 Subscription of the Subscription Shares

Subject to the terms and conditions of the SSA, and in consideration for the payment of the Consideration, Ping shall allot and issue to DNeX Petroleum, and DNeX Petroleum shall subscribe for the Subscription Shares free from all encumbrances, liens, charges and any other third party claims and with all rights attached or accruing thereto as of and including the Closing Date after the fulfillment of all the Conditions Precedent stated in Section 2.4.3.1 below.

2.4.2 Consideration to subscribe for the Subscription Shares and payment

2.4.2.1 Amount of Consideration

Subject to the terms and conditions in the SSA, Ping shall allot and issue and DNeX Petroleum shall subscribe from Ping the Subscription Shares for the Consideration of USD10,000,000.

2.4.2.2 Payment of the Consideration

2.4.2.2.1 DNeX Petroleum had on 5 June 2015, paid to Ping a sum of USD1,000,000 as a Commitment Fee, to be treated as part payment of the Consideration on the terms of the SSA.

2.4.2.2.2 The Balance Consideration of USD9,000,000 shall be paid through wire transfer in immediately available funds in USD to a Designated Bank Account established by Ping for the receipt of the Balance Consideration at Closing whereupon the receipt of such funds shall be good and complete discharge of DNeX Petroleum's obligations to pay the Balance Consideration to Ping.

2.4.3 Conditions Precedent to the Proposed Subscription, share subscription and use of Proceeds

2.4.3.1 Conditions Precedent

The Closing is conditional upon the satisfaction of the following Conditions Precedent:-

(i) Ping having received from DNeX Petroleum, the written confirmation issued by DNeX Petroleum upon satisfaction as to the results of the due diligence review conducted by DNeX Petroleum on Ping and as to the disclosure letter disclosing certain exceptions to the representations and warranties under the SSA;

(ii) Ping having obtained the permission from the Bermuda Monetary Authority for the issuance of the Subscription Shares to DNeX Petroleum;

(iii) Ping having obtained the approval of its shareholders to the issuance of the Subscription Shares to DNeX Petroleum;

(iv) The receipt by DNeX Petroleum of a written opinion from Bermuda solicitors to Ping that the SSA is, and the SHA when duly executed, dated and delivered will be, legally valid binding and enforceable against Ping, such opinion to be in form and substance reasonably acceptable to DNeX Petroleum;

(v) DNeX Petroleum and DNeX having obtained the approval of their respective Boards of Directors to DNeX Petroleum subscribing for the Subscription Shares;

(vi) DNeX Petroleum having obtained the approval of BNM to subscribe for and purchase the Subscription Shares;

(vii) DNeX having obtained the approval of its shareholders to DNeX Petroleum subscribing for the Subscription Shares;

(viii) No material adverse effect (as defined under the SSA) having occurred as of the date of Closing;

(ix) Ping having procured the increase in its authorised share capital to an amount sufficient to accommodate the issue of the Subscription Shares to DNeX Petroleum and the passing of the necessary board of directors and shareholders resolutions for the said increase in its authorised share capital; and

(x) Ping having filed a memorandum of deposit of increase with the Registrar of Companies in Bermuda to record the increase in its share capital structure pursuant to the increase in its authorised share capital to accommodate the issue of the Subscription Shares to DNeX Petroleum.

During the Interim Period, (a) DNeX Petroleum shall use its best efforts to procure the fulfilment of Conditions Precedent 2.4.3.1 (v), (vi), and (vii) above as soon as reasonably possible and (b) Ping shall use its best efforts to procure the fulfilment of Conditions Precedent 2.4.3.1 (ii), (iii) and (iv), as soon as reasonably possible.

If the Conditions Precedent are not satisfied within one hundred and twenty (120) days commencing from the date of the SSA (or such other period as may be agreed between the Parties*), unless otherwise waived by both Parties, the SSA may, by notice from any Party to the other Party, be immediately terminated and thereafter be of no effect, save for the Commitment Fee that shall be refunded within thirty (30) days of such termination to DNeX Petroleum, less the sum of USD300,000 as payment of agreed cost and (b) the rights and obligations of the Parties pursuant to any antecedent breach of the SSA. Notwithstanding the foregoing, if the only unfulfilled Condition Precedent at the expiry of the foregoing period is the approval mentioned in Section 2.4.3.1 (vii) above, and the delay in obtaining such approval is due to the approval of the authorities, Ping agrees to grant DNeX Petroleum a further Extension Period of thirty (30) days provided always that the Anasuria SPAs Completion is not anticipated by Ping (in good faith) to occur earlier than twenty (20) Business Days from the expiry of the Extension Period.

**Based on the announcements on 5 January 2016 and 25 February 2016 to Bursa Securities, the time period is extended up to 4 March 2016 and soon after 3 April 2016 respectively. Subsequently, based on the announcement on 28 March 2016 to Bursa Securities, the time period is further extended up to 2 June 2016.*

2.4.3.2 Share subscription

2.4.3.2.1 Closing

Subject to the Conditions Precedent of Section 2.4.3.1 above, Closing shall take place at the Closing Date at the offices of Ping in Kuala Lumpur (or such other place as the Parties may agree in writing) when all (but not some only) of the events described in this Section 2.4.3.2 shall occur.

At Closing, DNeX Petroleum shall:-

(i) Pay the Consideration by wire transfer in immediately available funds in USD to the Designated Bank Account whereupon the receipt of such funds shall be good and complete discharge of DNeX Petroleum's obligations to pay the Balance Consideration of USD9,000,000 to Ping;

(ii) Instruct counsel of Ping to date, release and deliver the SHA duly executed by DNeX Petroleum, to be dated as of the date of Closing.

At Closing, against compliance by DNeX Petroleum with the provisions of this Section, Ping shall, amongst others, deliver to DNeX Petroleum a certified true copy of the duly executed board resolutions of Ping approving, among others, the allotment and issue of the Subscription Shares, amendment to the bye-laws of Ping to incorporate relevant provisions of the SHA and appointment of two (2) persons nominated by DNeX Petroleum as Directors of Ping upon Closing.

2.4.3.2.2 Subscription Shares

The Parties expressly declare, acknowledge and agree that the issue and allotment by Ping of and the subscription by DNeX Petroleum for the Subscription Shares is on the basis that on the Closing Date:-

(i) Ping will have full right, power and authority to allot and issue the Subscription Shares without any restriction or impediment, whether legal or otherwise, and is capable of granting DNeX Petroleum absolute title and full ownership rights to the Subscription Shares together with all rights and benefits attaching thereto;

(ii) Ping remains as a going concern; and

(iii) The Subscription Shares will be free of any interest or equity of any person (including any right to acquire, option or right of first refusal) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement and constitutes thirty percent (30%) of the entire enlarged share capital of Ping.

2.4.3.2.3 Designated Bank Account

Ping shall establish the Designated Bank Account and shall promptly upon establishment of the Designated Bank Account notify DNeX Petroleum of the details of such Designated Bank Account.

From and after the Closing, and until the drawdowns as described in below is completed, Ping shall procure that the operation of the Designated Bank Account shall require the signatures of at least one DNeX Petroleum Director and one Founder Director. DNeX Petroleum shall procure that such DNeX Petroleum Director and Ping shall procure that such Founder Director shall sign such documents as are necessary to implement the drawdowns as stated in this Section.

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The Consideration shall be drawndown from the Designated Bank Account as follows:-

(i) Immediately prior to Anasuria SPAs Completion, Ping shall draw down such amounts as are required to be paid to the relevant accounts of the Anasuria Vendors, and shall pay such amounts to such relevant accounts of the Anasuria Vendors; and

(ii) Upon Anasuria SPAs Completion, Ping shall drawdown the remainder of the monies (if any), and shall pay such remaining amounts to the general bank accounts of Ping; and

(iii) If any instances as described in Section 2.4.3.4.1 below shall occur, Ping shall draw down from the Designated Bank Account and refund the Consideration to DNeX Petroleum less the sum of USD300,000, as payment towards agreed cost, in accordance with Section 2.4.3.4.2 below.

2.4.3.3 Use of Proceeds

Ping hereby covenants that subject to the provisions described in Section 2.4.3.2.3 (i) above, it shall only utilise the Consideration to pay for due diligence expenses, travel expenses, employee salaries and general & administrative expenses, and other costs incurred in developing the business of (a) O&G exploration, development and production; (b) the implementation of the acquisition, ownership, and operation of a specific O&G asset or group of related assets; and (c) all other works or tasks related or incidental to (a) and (b); and (c) any other business as agreed by the Parties thereto as under the SSA.

2.4.3.4 Conditions Subsequent

2.4.3.4.1 If, following Closing:-

(i) The Anasuria SPAs are terminated prior to Anasuria SPAs Completion;

(ii) Anasuria SPAs Completion has not occurred by 30 June 2016; or

(iii) Ping in good faith notifies DNeX Petroleum that it does not expect that Anasuria SPAs Completion will occur by 30 June 2016,

then Section 2.4.3.4.2 below shall apply.

2.4.3.4.2 Upon the occurrence of any of the events specified in Section 2.4.3.4.1 above,

(i) Ping shall refund to DNeX Petroleum all amounts of the Consideration actually paid by DNeX Petroleum and received by Ping, less the sum of USD300,000 being payment towards agreed cost; and

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(ii) Against such refund (i) DNeX Petroleum shall provide and execute all documents requested by Ping as may be required to cancel the Subscription Shares including, but not limited to, an instrument of transfer for purposes to effect a repurchase of the Subscription Shares by Ping; (ii) Ping shall cancel the Subscription Shares following repurchase of the same from DNeX Petroleum; and (iii) the Parties shall (and Ping shall procure that the Founders shall) terminate the SHA with immediate effect.

2.4.3.5 Termination

Any Party which is Non-Defaulting Party shall be entitled by giving thirty (30) days prior written notice to any Defaulting Party to terminate the SSA on the occurrence of any of the following Events of Default in relation to such Defaulting Party:-

(i) If the Defaulting Party shall have committed or permitted any serious or persistent breach of any of the obligations therein contained in the SSA and on its part to be performed or observed and shall not have remedied such breach (if capable of remedy) within fourteen (14) days after written notice shall have been given to the Defaulting Party by any of the other Parties requiring such remedy; or

(ii) If an order is made or an effective resolution passed for the bankruptcy or winding up of the Defaulting Party; or

(iii) If the Defaulting Party is dissolved or liquidated, as the case may be; or

(iv) If a receiver is appointed over a substantial part of the Defaulting Party's assets or if possession is taken of a substantial part of the Defaulting Party's assets on behalf of any creditor or creditors.

In the event an Event of Default falling under Section 2.4.3.5 (i) above hereof occurs and such default or breach is not remedied within fourteen (14) days after notification thereof by the Non-Defaulting Party or if an Event of Default falling under Section 2.4.3.5 (ii), (iii), (iv) above hereof occurs, the Non-Defaulting Party may terminate the SSA immediately and shall be entitled to take such action and to such remedies as may be available under the law.

Termination of the SSA for any cause in accordance with the provisions thereof shall not release any Party thereto from any liability which at the time of termination has already accrued to the other Parties or which thereafter may accrue in respect of any act or omission prior to such termination or which has accrued in consequence of this Section 2.4.3.5.

The termination of the SSA shall not excuse any Party from a default under the SSA or affect any obligation surviving the termination of the SSA.

2.4.4 Governing laws and dispute resolutions

2.4.4.1 Governing Law

The SSA shall be governed by, and construed in accordance with, the laws of Bermuda without giving effect to the principles of conflicts of laws.

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2.4.4.2 Dispute Resolutions

Any dispute, controversy or claim arising out of or in relation to the SSA, or the breach, termination or invalidity thereof (each referred to as a "**Dispute**") shall be settled, insofar as it is possible, amicably through mutual consultation and consent or mediation.

If the Parties are unable to reach mutual consent within thirty (30) days after a written notice by any Party of a Dispute, such Dispute shall be referred to and finally resolved by arbitration in accordance with the provisions described in this Section.

Where a Dispute is referred to arbitration by any Party, the arbitration shall be referred to and finally settled by arbitration administered by the KLRCA in accordance with its rules. Each Party to the dispute shall appoint one arbitrator within thirty (30) days after the expiry of the period referred to above and the two (2) arbitrators so appointed shall jointly agree on a third arbitrator. If the said two arbitrators are unable to agree upon the appointment of a third arbitrator within thirty (30) days after the Parties have appointed their respective arbitrators, such third arbitrator shall be appointed by the Director of the KLRCA.

Nothing shall preclude any Party from applying for interim relief or orders for interim preservation in any court of competent jurisdiction, provided that any such application shall not demonstrate an intention to act inconsistently in any way with the agreement to settle disputes by arbitration.

2.5 Additional financial commitment required

DNeX Group is not expected to incur any financial commitment to Ping Group in the near future in order to put the business of Ping Group on-stream subsequent to the Proposed Subscription.

Additionally, any potential financial commitment to Ping Group by DNeX Group, will require relevant approval(s) (where required) subsequent to the Proposed Subscription.

2.6 Encumbrances and liabilities to be assumed

The Subscription Shares will be acquired free from encumbrances.

As at the LPD, save for the above and potential bank borrowings to fund the Balance Consideration, there are no other liabilities, including contingent liabilities and guarantees to be assumed by DNeX Group pursuant to the Proposed Subscription.

3. POLICIES ON BERMUDA'S AND UK'S FOREIGN INVESTMENTS, TAXATION AND REPATRIATION OF PROFITS

3.1 Policies on Bermuda's foreign investments, taxation and repatriation of profits

The permission of the Bermuda Monetary Authority is required, pursuant to the provisions of the Exchange Control Act 1972 of Bermuda and related regulations, for all issuances and transfers of shares (which includes ordinary shares) of Bermuda exempted companies to or from a non-resident of Bermuda for exchange control purposes, other than in cases where the Bermuda Monetary Authority has granted a general permission.

Other than the above approval requirements, there are no Bermuda regulatory restrictions on ownership or transfer of shares in a Bermuda exempted company to non-residents of Bermuda proposing to subscribe for or transfer shares in Bermuda exempted companies.

Subject to the memorandum of association and bye-laws of a Bermuda exempted company, there are no limitations under Bermuda law on the right of shareholders of a Bermuda exempted company to hold or vote their shares in accordance with the memorandum and bye-laws of the Company solely by reason that they are non-residents of Bermuda.

There is currently no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by Bermuda exempted companies or their shareholders, other than shareholders ordinarily resident in Bermuda. Further, no such tax is imposed by withholding or otherwise on any payment to be made to or by the Bermuda exempted companies.

Bermuda exempted companies are designated as non-resident for exchange control purposes pursuant to the Exchange Control Act 1972 of Bermuda. The non-resident designation allows the exempted company to operate free of exchange control regulations and enables it to make payments of dividends, to distribute capital, to open and maintain foreign bank accounts and to purchase securities, etc. without reference to the exchange control authorities.

Under the Bermuda Companies Act, a Bermuda exempted company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:-

(i) The company is, or would after the payment be, unable to pay its liabilities as they become due; or
(ii) The realisable value of the company's assets would thereby be less than its liabilities.

Contributed surplus is defined for purposes of Section 54 of the Bermuda Companies Act to include the proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to the company. Subject to the memorandum of association and bye-laws of a Bermuda exempted company, there are no restrictions on payment of dividends to shareholders of a Bermuda exempted company in accordance with the memorandum and bye-laws of the Company who are non-residents of Bermuda.

Capital may not be returned to shareholders unless a capital reduction exercise is carried out in accordance with Section 46 of the Bermuda Companies Act and the company's memorandum of association and bye-laws. There are no restrictions on payment of capital from a capital reduction exercise to shareholders who are non-residents of Bermuda.

A Bermuda exempted company may, if so authorised by its memorandum of association and bye-laws and subject to the provisions of Sections 42, 42A and 42B of the Bermuda Companies Act, redeem, or purchase its own shares or acquire its own shares to be held as treasury shares and there are no restrictions on payment of the purchase price in respect of such redemption or repurchase to shareholders who are non-residents of Bermuda.

3.2 Policies on UK's foreign investments, taxation and repatriation of profits

In general, there are no restrictions imposed on the non-UK ownership of UK businesses and UK companies by the UK. However, non-UK persons should note that restrictions on the ownership of UK businesses and UK companies may be imposed from time to time in order to secure compliance with competition law rules and rules relating to trade sanctions and embargoes. The UK also imposes restrictions on the acquisition of UK companies and UK businesses in the following areas: financial services, banking, media, broadcasting, telecoms, energy and utilities.

In respect of taxation, companies engaged in upstream O&G activities within the UK, its territorial waters or in a designated area of the UK continental shelf are subject to the following corporate, field, and sales taxes:-

- Petroleum Revenue Tax
- Ring Fence Corporation Tax
- The Supplementary Charge

- Value Added Tax

PRT is a field based tax (rather than an entity based tax) and only applies to fields which were first given development consent before 16 March 1993.

PRT is payable at a rate of 35% (50% prior to 1 January 2016) of the field profits. PRT is calculated on six (6) months chargeable periods ending on 30 June and 31 December and a return must be submitted by the field operator within one (1) month of the period end. On 16 March 2016, the UK Government announced that it intends to bring in legislation later this year which will permanently reduce PRT to 0% for all chargeable periods ending after 31 December 2015.

All UK resident companies are subject to corporation tax on their worldwide taxable profits at a rate of 20% (this rate will fall to 19% from 1 April 2017 and then to 18% from 1 April 2020). Furthermore, on 16 March 2016, the UK Government announced that it intends to bring in legislation to further reduce the rate by an additional 1% to 17% from 1 April 2020.

Where a company is engaged in upstream O&G activities, those activities (including capital gains) will fall into RFCT. RFCT is calculated in the same way as 'normal' corporation tax with some key differences (for example, it is applied at a higher rate of 30%).

The SCT applies to 'adjusted' ring fence profits in addition to the 30% rate under RFCT. The current rate of SCT is 20% (reduced from 32% from 1 January 2015). On 16 March 2016, the UK Government announced that it intends to bring in legislation later this year which will reduce SCT to 10% for accounting periods commencing on and after 1 January 2016.

VAT is levied on the supply of goods and services by businesses in the UK and on the importation of goods and services into the UK. The standard VAT rate is 20% and for certain supplies there are lower rates of 5% (e.g. supplies of fuel and power for domestic use) and 0% (e.g. exports, international services, books, children's clothing and food). Companies engaged in the upstream O&G sector are able to register for VAT at the start of the exploration and recover input VAT on expenditure incurred.

Other taxation includes diverted profits tax. From 1 April 2015, a 25% diverted profits tax applies where a UK or foreign company creates a tax advantage by exploiting a permanent establishment or by utilising transactions or entities that lack economic substance. The 25% rate of tax is increased to 55% for companies operating in the upstream O&G sector.

Withholding tax at a rate of 20% is applicable to payments of interest (and royalties) to non-resident companies. However, full or partial relief may be obtained under double tax agreements with certain countries.

In general, the UK does not impose restrictions on the repatriation of profits to non-UK jurisdictions. However, the repatriations of profits need to be carried out in accordance with UK company law and insolvency law rules. For example, there is a requirement for dividends to be paid out of distributable reserves and capital reductions need to be carried out in accordance with the requisite formalities set out in company law.

There is no UK withholding tax on the payment of dividends from a UK tax resident company. The dividends may be taxable in the non-UK resident recipient company as applied by local rules in that country.

A non-UK tax resident shareholder in a UK company would not normally be subject to any UK tax on the sale of shares in that UK company and any gain would be taxable in the shareholders local territory subject to local tax rules.

However, where a UK company is operating in the UK upstream O&G sector, a non-resident shareholder in that company may be subject to UK capital gains tax on the sale of shares if the shares derive their value from UK upstream O&G assets. Relief may be available in certain circumstances under the terms of a double tax agreement or under the substantial shareholding exemption.

4. RATIONALE FOR THE PROPOSED SUBCRIPTION

4.1 In line with DNeX Group's plan to grow in the energy sector

The Proposed Subscription forms part of DNeX Group's growth strategy in the energy sector, in particular, the upstream O&G sector. With the current weak oil price scenario, the Board believes that this is an ideal opportunity, through Ping Group, to acquire producing assets that are for sale and offer development opportunities. The Proposed Subscription will be a critical building block to establish an upstream O&G business that can be progressively scaled up over time.

The Proposed Subscription paves the way for a 15% effective interest in the Anasuria Cluster for DNeX, which is a cluster of assets that has mature O&G fields already at the production stage. There is a future development plan for the Anasuria Cluster by Ping Group to maximise recovery from existing remaining resources base. This will potentially boost the income of DNeX Group in the future by virtue of being an indirect investor in the Anasuria Cluster.

Moving forward, there is also a long term plan by Ping Group to rejuvenate mature and producing O&G fields, develop and exploit undeveloped small O&G fields, further exploration of new O&G fields within the licence area of the Anasuria Cluster and acquisitions of similar assets to the Anasuria Cluster, which will potentially add more returns in the future for DNeX Group.

4.2 Immediate access to proven and probable O&G Reserves

Based on the valuation conducted by RPS, as at 1 January 2015, the 2P O&G Reserves of the Anasuria Cluster are estimated at 40.4 MMstb of 2P oil Reserves and 27.9 Bscf of 2P gas Reserves. DNeX Petroleum's subscription of 30% of enlarged issued share capital of Ping will equate to DNeX having a 15% effective interest in the Anasuria Cluster and hence, its Reserves.

Ping Group recognises the cash flow generated from the Reserves starting from 1 January 2015, being the Economic Date. Hence, this will potentially boost the future profit of Ping Group, which ultimately increase profitability for DNeX Group in the future by virtue of subscribing in Ping.

4.3 Politically stable location and good incentives by the UK Government

The Anasuria Cluster is located in the UK Central North Sea, which is regarded as a politically stable region.

The UK Government is providing good incentives for companies to invest and revive the UK sector of the North Sea basin through investment allowances and reduction in taxes. The effective corporation rate tax to be paid in relation to the O&G sector (RFCT and SCT) was reduced from 62% to 50% and was effective from 1 January 2015. Furthermore, on 16 March 2016, the UK Government announced that it intends to introduce a legislation later this year, which will reduce SCT to 10% for accounting periods commencing on and after 1 January 2016.

4.4 Competency building

The Proposed Subscription will enable DNeX Group to build its capability as an upstream O&G player via Ping Group. DNeX Group is able to tap into the expertise of the management team of Ping, whom have vast experiences in this line of business. In addition, as Ping UK, through AOCL, will be the joint operator in relation to the O&G fields of the Anasuria Cluster, this may assist in building up DNeX Group's competency as a future operator of O&G fields. The Group has plans to second their personnel to Ping Group for future work in the Anasuria Cluster and hence, able to benefit from the knowledge and experiences of Ping Group.

DNeX Group will use this opportunity to gather the necessary expertise to be able to leverage on its track record of being an upstream O&G player via Ping Group and bid for future O&G related jobs in Malaysia and regionally as well.

5. INDUSTRY OUTLOOK AND FUTURE PROSPECTS

This section consists of the global and UK outlook of the O&G sector and prospects of Ping Group and the Anasuria Cluster.

5.1 O&G sector outlook

5.1.1 Global O&G sector outlook

EIA estimates that global consumption of petroleum and other liquid fuels grew by 1.3 million b/d in 2015, averaging 93.7 million b/d. EIA expects global consumption of petroleum and other liquid fuels to grow by 1.1 million b/d in 2016 and by 1.2 million b/d in 2017. Forecast consumption growth is 0.1 million b/d and 0.2 million b/d lower in 2016 and 2017, respectively, than in last month's STEO because of lower expected growth in real gross domestic product (GDP) for the world, weighted by oil consumption. After rising by 2.4% in 2015, real GDP weighted by oil consumption is now forecast to rise by 2.3% in 2016 and by 3.0% in 2017.

Brent crude oil spot prices increased by USD1/b in February to a monthly average of USD32/b. Accelerating reductions in the U.S. rig count and market reactions to news of a potential OPEC/non-OPEC supply freeze gave support to oil prices in February that offset the downward price pressure from ongoing growth in global oil inventories and uncertainty over the strength of global oil demand growth.

With large global oil inventory builds expected to continue in 2016, oil prices are expected to remain near current levels. Forecast Brent prices average USD34/b in 2016, USD3/b lower than forecast in last month's STEO.

Global oil inventories are expected to grow by an average of 1.6 million b/d in 2016 and by 0.6 million b/d in 2017, both higher than in last month's STEO. Inventory builds are higher in this month's STEO as a result of recent updates to historical data showing continued resilience from non-OPEC oil producers in the current low-price environment and as a result of a reduction in forecast global oil demand growth. Higher forecast inventory builds and slower market rebalancing contribute to a more limited price recovery in 2017 than previously forecast, with Brent prices forecast to average USD40/b, USD10/b lower than in last month's STEO. Prices reach an average of USD45/b in the fourth quarter of 2017, as the oil market becomes relatively balanced at that point, with the potential for inventory draws beyond the forecast period.

Organization for Economic Cooperation and Development (OECD) and non-OECD

OECD petroleum and other liquid fuels consumption rose by 0.6 million b/d in 2015. OECD consumption is expected to increase by 0.1 million b/d in both 2016 and 2017, led by increases in U.S. consumption. Forecast U.S. consumption increases by 0.1 million in 2016 and by 0.2 million b/d in 2017. OECD Europe demand is expected to decline slightly through the forecast period. Consumption in Japan is forecast to decline by 0.1 million b/d in both 2016 and 2017.

EIA estimates that OECD commercial crude oil and other liquid fuels inventories totaled 3.04 billion barrels at the end of 2015, equivalent to roughly 66 days of consumption. Forecast OECD inventories rise to 3.24 billion barrels at the end of 2016, and are expected to be 3.30 billion barrels at the end of 2017.

Consumption of petroleum and other liquid fuels in countries outside of the Organization for Economic Cooperation and Development (OECD) increased by an estimated 0.7 million b/d in 2015. Non-OECD consumption growth is expected to be 1.0 million b/d in 2016 and 1.1 million b/d in 2017, reflecting higher growth in the Middle East and in Eurasia. Slowing economic growth in China poses a downside risk to the forecast for liquid fuels consumption.

Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC

OPEC crude oil production averaged 31.6 million b/d in 2015, an increase of 0.8 million b/d from 2014, led by rising production in Iraq and Saudi Arabia. Forecast OPEC crude oil production increases by 0.7 million b/d in 2016 and by 0.4 million b/d in 2017, with Iran accounting for most of the increase. The forecast does not assume a collaborative production cut among OPEC

members and other major producers in the forecast period, as major OPEC producers continue the strategy to maintain market share.

OPEC surplus crude oil production capacity, which averaged 1.6 million b/d in 2015, is expected to be 1.8 million b/d in 2016 and 1.6 million b/d in 2017. Surplus capacity is typically an indicator of market conditions, and surplus capacity below 2.5 million b/d indicates a relatively tight oil market. However, the continuing inventory builds and high current and forecast levels of global oil inventories make the projected low surplus capacity level less significant.

EIA estimates that petroleum and other liquid fuels production in countries outside of the OPEC grew by 1.5 million b/d in 2015, with most of the growth occurring in North America. EIA expects non-OPEC production to decline by 0.4 million b/d in 2016, which would be the first decline since 2008. Most of the forecast production decline in 2016 is expected to be in the United States. Non-OPEC production is forecast to decline by 0.5 million b/d in 2017.

(Source: Short Term Energy Outlook (STEO), March 2016, EIA)

5.1.2 UK O&G sector outlook

RPS considers that the UK sector of the North Sea is a relatively high cost producing province as a result of the high cost of personnel, goods and services compared with other jurisdictions. Recent reductions in oil price have created a significant cost challenge for the O&G industry in the North Sea. Late life assets such as the Anasuria Cluster are being sold by larger oil companies to smaller companies that do not have the high overhead cost structures. There has also recently been significant reductions in salaries and service costs in order to create a sustainable business environment for some which otherwise would have to be decommissioned.

Recognising the industry challenges, the UK Government introduced in the 2015 budget additional investment allowances and significantly reduced the taxes to be paid on O&G revenues. The effective corporation rate tax to be paid by the Anasuria Cluster was reduced from 62% to 50% and was effective from 1 January 2015. The UK Government has flagged the introduction of other brown field and new investment allowances to stimulate growth in the UK O&G sector if the current low oil prices prevail.

(Source: Valuation Report)

5.2 Prospects of Ping Group

Ping Group's near term strategy is to build a balanced portfolio of low to medium risk O&G assets, which consists of mid to late-life producing fields and proven-undeveloped fields. The management team brings a wealth of industry experience and expertise to identify, capture and create value in these assets. This will be done by increasing the recovery factor and maximising operational efficiency to optimise the commerciality of producing fields. Ping Group's strategy for proven-undeveloped fields will focus on efficient execution and implementation of innovative fast track development concepts. Ping Group's geographic focus will be South East Asia and the UK sector of the North Sea where the management team has extensive knowledge and strong relationships to identify and generate opportunities. Once the foundation has been built, the management team will look to include exploration prospects in the portfolio. Some of the characteristics which provide a competitive advantage for Ping Group relative to other similar O&G players are listed below:-

(i) Familiar with governmental regulators and have relationships with international O&G companies, service providers and regional O&G operators;

(ii) The key management of Ping has a track record of managing successful projects and creating value in the Gulf of Mexico, North Sea and Malaysia;

(iii) Ping has experience as a low cost operator applying innovative efficient operating procedures and fit for purpose methods to maximise value from the assets;

(iv) The key management of Ping have extensive experience related to operations and subsurface, specifically in the North Sea and Malaysia which can be leveraged to capture high quality assets to build a highly productive portfolio; and

(v) The key management of Ping bring experience from other petroleum regions, such as Gulf of Mexico, to bring innovative solutions to O&G asset management and operations.

The Proposed Acquisition of the Anasuria Cluster is Ping's first acquisition and will provide Ping Group with a strong foundational asset, which is expected to generate cash flow as well as further opportunities to develop, exploit and explore.

Based on Section 5.1.2 above, the UK O&G sector will be stimulated through the initiatives by the UK Government and hence, will have a positive commercial effect on Ping's acquisition of the Anasuria Cluster. The management team intends to replicate this model to the other potential assets in the UK Sector of the North Sea and other regions, which will enhance the future earnings of Ping Group.

(Source: Management of Ping)

5.3 Prospects of the Anasuria Cluster

Ping Group intends to pursue various future redevelopment activities and development opportunities across the licence area of the Anasuria Cluster, which have the potential to drive medium to long term production growth and significantly increase the value of the Anasuria Cluster.

Future planned redevelopment activities are expected to be funded by cash flow from the Anasuria Cluster will include utilising a dedicated semi-submersible rig to implement a programme of workovers and infill well drilling across the Anasuria Cluster to maximise recovery from the remaining resources base. Many things, including cashflow considerations related to asset performance and market conditions, will determine the specific timing of these redevelopment activities, which will be implemented over a six (6) year period. These activities include:-

(i) Drilling two (2) infill wells in the Guillemot A Field;

(ii) Workover of one (1) Guillemot A Field existing well to recomplete it within the Forties reservoir sand;

(iii) Workover and installation of gas lift on two (2) Guillemot A Field wells; and

(iv) Workover and Installation of gas lift on one (1) Teal South Field well.

The total estimated cost of these workovers and infill wells is GBP160.0 million (equivalent to RM933.232 million) over the six (6) year period.

The Anasuria Cluster Reserves will be produced through the current producing wells, the proposed infill wells and the well workovers listed above. These activities will be funded by cash flow from the Anasuria Cluster.

In addition, Ping Group intends to perform remedial work on the Anasuria FPSO over a six (6) year period, in order to ensure the long term operational capability of the Anasuria FPSO and facilities.

This remedial work will be funded by cash flow from the production and will improve and maintain operational efficiency and production uptime. The remedial work will upgrade important aspects of the facilities in order to maintain efficient operational capabilities of the Anasuria FPSO and subsea equipment to end of field life beyond 2030. The total estimated cost of the remedial work is GBP120.0 million (equivalent to RM699.924 million) over the six (6) year period.

Overall, Ping Group intends to pursue various future low risk well workovers, infill wells and development opportunities of existing discoveries across the Anasuria Cluster in the long term basis, which have the potential to maximise recovery from the remaining resources base, extend the economic life of the assets and optimise the value of the Anasuria Cluster. The future activities include, among others:-

(i) Implementing well workover programmes; the process of performing maintenance or remedial treatments on O&G wells in current developed/producing O&G fields that will ultimately increase recovery efficiency and performance;

(ii) Infill drilling, the addition of new wells in a developed O&G field that targets areas with unswept oil that has not been recovered by existing wells. This will add production and increase the ultimate recovery efficiency of the O&G field;

(iii) Development of existing discoveries within the licence area of the Anasuria Cluster; undeveloped O&G fields exist, which have wells with proven O&G but have not been developed and can be developed at low cost and be tied back to the Anasuria FPSO. The strategic and commercial advantages are:-

(a) clustering of undeveloped O&G fields;

(b) optimisation of development concepts; and

(c) fast track deployment of assets needed for the development,

(iv) Drilling of identified exploration targets, which are within the licence area of the Anasuria Cluster. Low to moderate risk exploration targets have been identified and have the commercial and technical advantages of low cost tie-back options to the Anasuria FPSO.

(Source: Management of Ping)

AOCL will strive to maximise the efficiency of subsurface evaluation, drilling, completions and production operations of the Anasuria Cluster.

Further, AOCL has engaged Petrofac Limited, which deepens the pool of available expertise. Petrofac employs over 1,000 people in Aberdeen with a very broad range of skills. Additionally, there is a large pool of competent contracting and consulting organisations within Aberdeen and the UK, which can be used to supplement the core team.

6. RISK FACTORS

6.1 Risk in the O&G Sector

As Ping Group's main market activities is in the O&G industry, the return from the subscription of Ping Shares by DNeX Petroleum will be substantially dependent upon the prevailing prices and demand for O&G. The markets for O&G are currently volatile in nature and this is expected to continue in the future.

Any potential fluctuations in the price of O&G could adversely affect the business, revenues and profits of the Anasuria Cluster and other potential investments of O&G fields and hence, affect Ping Group. As per America's Oil and Natural Gas Industry August 2015 report, the price received for any oil and/or gas produced will depend on changes in the supply and demand for O&G in the global markets and a variety of additional factors that are beyond control, including, among other things:-

(i) Production Decision made by Organisation of the Petroleum Exporting Countries;
(ii) Non- OPEC supply growth;
(iii) Spare production capacity;
(iv) Geopolitical risk and uncertainty;
(v) Exchange rate and inflation;

(vi) Speculation, hedging and investment;
(vii) Weather conditions;
(viii) Global economic growth; and
(ix) O&G inventories.

As per IEA's January 2016 Oil Market Report, markets were routed in December 2015 as persistent oversupply, bloated inventories and a slew of negative economic news pressured prices so that by mid-January 2016, crude oil touched twelve-year lows. In the first two weeks of the year, both WTI and Brent crude oil settled below USD30 per barrel and a procession of investment banks had warned that oil prices "could" fall to USD25 per barrel, USD20 per barrel or, in one case, USD10 per barrel. From the world of Big Oil, BP Plc eliminated another 4,000 jobs and Petrobras slashed its five-year investment programme by 25%, clear signs - and there are many other examples - of expectations for a long period of lower prices.

In a scenario where Iran adds 600,000 b/d to the market by mid-year and other members maintain current output, global oil supply could exceed demand by 1.5 Mb/d in the first half of 2016. While the pace of stock building eases in the second half of the year as supply from non-OPEC producers falls, unless something changes, the oil market could drown in over-supply. Hence, it is possible for the price of crude to go lower.

With that possibility, it is important to gauge the impact of low crude oil prices on O&G sector's upstream players. Based on IMF's report titled "Global Implications of Lower Oil Prices" published on July 2015 ("**IMF Report**"), lower oil prices benefit users, but for owners of oil resources and the oil sector more broadly, they result in real income losses. Countries with a small domestic oil sector (net oil importers) benefit from real income gains, as the lower import prices point to terms-of-trade gains. By contrast, in countries where the oil sector is large or even dominant (net oil exporters), other activity depends importantly on oil revenue; including through the public spending that revenue permits. Such countries experience a terms-of-trade loss. Conversely, there could be significant adverse effects on corporate balance sheets in the O&G sectors, and on fiscal positions in oil exporters. Thus, country and other risk premiums will likely increase and the cost of credit will rise, hence dampening future activity.

Additionally, a prolonged period of low oil prices will put at risk the debt servicing capacity of exploration and production firms with a high cost base. The outstanding worldwide notional value of bank loans and corporate debt extended to the energy sector amounts to about USD3 trillion, USD247 billion of which is attributable to the U.S. high-yield bond market alone. Global issuance in 2014 was substantially higher than during the previous cycle peak in 2007. Additionally, the leveraged (that is, high-yield) share of syndicated oil and gas loan issuance has steadily increased, from 17% in 2006 to 45% in 2014. While the majority of global systemically important banks appear to have only about 2–4 percent of their total loan book exposure devoted to the energy sector, some emerging market and U.S. regional banks reportedly have much higher exposures (albeit, firm estimates are difficult to establish). Hence, it is widely believed that with banks cutting back its exposure on O&G sector, it will be difficult for companies with direct exposure in upstream O&G sector to refinance its debt.

Finally, a reduction in investors' exposure to highly leveraged companies may have knock-on effects on investment and, eventually, on oil extraction. For instance, Russian companies have increased capital expenditure in line with their leverage over the past ten (10) years. With financing opportunities drying up, companies in the upstream O&G sectors are expected to cut their capital expenditure by 10 to 15 percent in 2015, possibly leading to lower oil production in future years.

Based on the IMF Report above, the impact can already be seen, with the recalibration of Malaysia's 2016 budget. As extracted from the Special Address by The Prime Minister of Malaysia on 28 January 2016 concerning 2016 Budget Recalibration, the Government of Malaysia has revised the assumption of average Dated Brent crude oil price at around USD30 to USD35 per barrel against initial assumption of USD48 per barrel during the tabling of the 2016 Budget on 23 October 2015.

To mitigate this, with the significant drop in the price of crude oil for the month of January 2016, FHMH Corporate Advisory Sdn Bhd, being the independent adviser to the Company for the Proposed Subscription, did an additional break even case scenario to the Discounted FCFE methodology. If the average oil price were to decline to USD20.40 per barrel in 2016 and USD27.54 per barrel in 2017, the Consideration will be at a slight discount to valuation derived from the Discounted FCFE Methodology. Nevertheless, the Expert's Fairness Report, as appended in Appendix VIII of this Circular, opines that the Consideration is fair and reasonable.

In addition, the Board will work together with the management of Ping to ensure that this risk is potentially hedged by amongst others, utilising derivative instruments such as future contracts.

6.2 Non-completion of the Proposed Subscription

There is a possibility that the Proposed Subscription may not be completed due to failure in fulfilling the relevant conditions as set out in the SSA within the timeframe prescribed therein.

Nevertheless, the Board will take reasonable steps to ensure that such relevant conditions as set out in the SSA are met and fulfilled within the prescribed timeframe, such as organising meetings on status updates and any negotiation of terms and undertaking further due diligence exercises, in order to complete the Proposed Subscription in a timely manner.

6.3 Difficulty in obtaining full amount of bank borrowings for the Balance Consideration

As set out in Section 2.3 of this Circular, the Proposed Subscription was funded via internal generated funds and is also expected to be funded via bank borrowings. There is no guarantee that DNeX Group will be able to obtain the intended full amount of bank borrowings for the Balance Consideration at the Closing Date due to the current volatility in the foreign exchange prices of RM against the USD and adverse market conditions.

The Board is of the view that the above can be mitigated by adopting a prudent financial strategy in obtaining the requisite bank borrowings.

6.4 Foreign exchange risk

If the currencies of the countries in which Ping Group conduct its operations and receive its revenue, fluctuate relative to the RM, these fluctuations may result in higher or lower financial numbers after conversion into RM (for consolidation into DNeX Group). In addition, major devaluation or depreciation of any such currencies may also result in a collapse of the international foreign exchange markets and may limit Ping Group's ability to transfer or to convert such currencies into RM and/or other currencies.

There can be no assurance that the currency fluctuations or limitations on Ping Group's ability to convert or transfer currencies would not have a material adverse effect on DNeX Group' financial condition, results of the operations and prospects.

Moving forward, management of Ping Group and DNeX Group will monitor and evaluate such risks and where considered necessary, may use financial instruments, such as dual currency investments and foreign exchange contracts, to hedge foreign exchange risk.

6.5 Oversight on Ping Group's operations

Taking into account the technical expertise and experience of the Founders, any future endeavour by Ping Group will be driven by the Founders. There can be no assurance that DNeX Group will have full oversight on all of Ping Group's operation.

To mitigate this, pursuant to the SSA, DNeX Petroleum will have two (2) representatives on the Board of Ping. Additionally, there is a plan for DNeX Group's skilled and experienced personnel to be seconded to Ping Group, which will allow for the personnel to observe and oversee Ping Group's operations, whilst at the same time improve and enhance their own technical expertise and experience. In addition, moving forward, DNeX Group's management intends to have representatives to do regular audit on the operations and financials of Ping Group. This will further strengthen the operational and financial governance between DNeX Group and Ping Group.

6.6 Dilution risk

As disclosed in Section 2.1.3 of this Circular, the remaining Anasuria Consideration to be paid by Ping UK, will be financed through internally generated funds from the Anasuria Cluster, external borrowings, financial instruments such as call options and/or issuance of equity securities.

In the event that Ping may decide to undertake additional issuance of equity securities (aside from the Subscription Shares) and that DNeX Petroleum opt to not subscribe for the equity securities, DNeX Petroleum interest may be diluted in the future hence affecting its future earnings that may be derived from Ping in relation to the Anasuria Cluster.

6.7 Risks inherent to the Anasuria Cluster

Below are the risks associated with the Anasuria Cluster:-

6.7.1 Unpredictable revenue and profits due to volatility in O&G prices

As stated in Section 6.1 of this Circular, any potential fluctuations in the price of O&G could adversely affect the business, revenues and profits that could be derived from the Anasuria Cluster.

Hence, there can be no assurance that any movement in the prices of O&G will not materially affect the future business, revenues and profits derived from the Anasuria Cluster for Ping Group and in return, any future gains from DNeX Petroleum's subscription of Ping Shares. The management of Ping may consider hedging this risk by derivative instruments such as future contracts.

6.7.2 Exposure to development and production risks

The development operations are subject to operational risks such as natural disasters, fire, explosions, pipelines ruptures and spills. In more severe circumstances, these could result in loss of human life or serious injury, environmental pollution, litigation, damage to equipment and machinery as well as damage to Ping Group's reputation. Production risks could arise from factors such as delays in obtaining relevant governmental approvals or consents, inadequate or insufficient storage or transportation capacity or equipment failure as a result of extreme weather conditions.

There can be no guarantee that the above adverse operational factors will not materially and adversely affect the business and financial performance of the Anasuria Cluster.

Additionally, there is no assurance that additional oil can be accessed via development drilling in the Anasuria Cluster as development drilling is uncertain and may involve unprofitable efforts, which may arise from dry or unproductive wells. Moreover, there is also the risk of cost overruns in executing the infill drilling of the Anasuria Cluster due to factors such as unexpected drilling conditions, adverse weather or equipment failures, which may result in an increase in the overall cost of operations.

Furthermore, notwithstanding the warranties given by the Anasuria Vendors in relation to the decommissioning, environmental and safety obligations, Ping UK and Anasuria Hibiscus UK will be responsible for such obligations arising before, on or after the Economic Date, regardless of whether they result from any acts or omissions, negligence or breach of duty by the Anasuria Vendors. There can be no assurance that the abovementioned obligations, if they arise, will not cause a material and adverse impact to the financial position of Ping Group and hence, DNeX Group, by virtue of DNeX Petroleum subscribing to Ping Shares.

However, the management of Ping, will ensure necessary steps to ensure proper procedures are in place to mitigate such risks, including ensuring the operations of the Anasuria Cluster is properly insured (where possible and to the extent practicable).

6.7.3 Reserves and resources estimates depend on many assumptions that may turn out to be incorrect

There is no assurance that the reserves and resources estimates made by RPS, are accurate, due to the difficulty as well as the complexity in estimating the reserves and resources of hydrocarbon.

Additionally, there were assumptions made by RPS, which is a wholly-owned subsidiary of RPS Group plc, a multi-national energy consultancy company listed on the London Stock Exchange, in which, any divergence from the interpretations or assumptions made by RPS, could materially affect the quantities of hydrocarbons estimated, which in return will affect the future prospects of the Anasuria Cluster, in view of the current oil price.

In the event of a decline in the fair market value of the Anasuria Cluster's Reserves, Ping UK will be exposed to the depreciation in the value of the Anasuria Cluster that may adversely affect its financial performance and hence, any future gains from DNeX Petroleum's subscription of Ping Shares.

6.7.4 Political, economic, market and regulatory considerations

Like all business operations in any country, the Anasuria Cluster could be adversely affected by changes in political, economic, market and regulatory conditions in the UK. These uncertainties include, amongst others, risks of war, terrorism, riot, expropriation, changes in political leadership, nationalisation, termination or nullification of existing contracts, changes in interest rates and methods of taxation, and exchange control policy or rules. In addition, the UK Government could amend their existing laws, policies and regulations or invoke new ones. Any adverse developments or uncertainties in the political, economic, market and regulatory conditions may affect the financial performance of the Anasuria Cluster.

The management of Ping will ensure a proactive approach in keeping abreast of political, economic, market and regulatory developments in the UK.

6.7.5 Environmental risk

The O&G industry is subject to the laws and regulations relating to environmental and safety matters in the exploration for and development and production of hydrocarbons. The discharge of oil, gas or other pollutants into the air, soil or water may give rise to liabilities and may require the owners of the Anasuria Cluster to incur costs to remedy such discharge. There is no guarantee that environmental laws and regulations will not in the future result in a curtailment of production or a material increase in the costs of production, or development activities, which will adversely affect the results of operations of the Anasuria Cluster.

The management of Ping will ensure that reasonable measures are taken, such as maintaining constant communication with the relevant authorities to keep abreast of potential issues to limit impact of such risks.

6.7.6 Insurance coverage risk

O&G operations are subject to various risks inherent in exploration, development and production operations, many of which concern recklessness and negligence in operations and may cause personal injury, loss of life, severe damage to or destruction of property and environmental pollution. This may even result in suspension of operations and the imposition of civil or criminal penalties. Future insurance policies may not cover, and insurance may not be commercially available, to cover all potential risks to which Ping UK is or may be exposed.

6.7.7 Dependence on skilled professionals and experienced staff

The business and activities conducted by the Anasuria Cluster require highly skilled personnel. The pool of qualified personnel is limited and competition for the employment of such personnel is high. Shell UK, Ping UK, Anasuria Hibiscus UK, AOCL, which is a company incorporated by Ping UK and Anasuria Hibiscus UK, had entered into a transfer of operatorship agreement, in which, most of the existing employees will be offered an opportunity of employment under AOCL's operating structure.

In the event that those personnel refuse the offer of transfer, then new employees will be recruited to replace them. However, there is no assurance that suitable replacements can be found. If AOCL is unable to attract and retain skilled employees, this may have an adverse impact on the operations and financial performance of the Anasuria Cluster.

The management of Ping working together with Hibiscus Group will continuously adopt appropriate measures to attract, employ and retain key management personnel in AOCL to spearhead the operations of the Anasuria Cluster. In order to retain existing key personnel and attract new talents, a proactive human resource strategy will be adopted, such as, suitable compensation packages and career development.

6.7.8 Acquisition risk

The Proposed Acquisition of the Anasuria Cluster is expected to enhance the earnings of Ping Group and hence, DNeX Group, by virtue of subscription of Ping Shares by DNeX Petroleum. However, there is no assurance that the anticipated benefits of the Proposed Acquisition of the Anasuria Cluster will be realised or that Ping Group will be able to generate sufficient revenues to offset the associated acquisition costs incurred and the potential capital expenditure to be committed. There is also no assurance that Ping Group is able to maintain or improve the standards or production level of the Anasuria Cluster.

6.7.9 Joint venture risk

Risk factors affecting Ping UK in relation to the joint arrangements with Anasuria Hibiscus UK include the financial strength of Anasuria Hibiscus UK and whether Anasuria Hibiscus UK is able to meet cash call requirements and its share of obligations in relation to the Anasuria Cluster in the future.

6.7.10 Funding risk

As stated in Section 2.1.3 of this Circular, the remaining Anasuria Consideration to be paid by Ping UK, will be financed through internally generated funds from the Anasuria Cluster, external borrowings, financial instruments such as call options and/or issuance of equity securities.

Eventhough the above can be met, there is no assurance that the terms of the source of funding for example, external borrowings, will be favourable to Ping, which might affect future profitability of Ping Group. However, management of Ping will adopt prudent financial strategies in mitigating this risk.

7. EFFECTS OF THE PROPOSED SUBSCRIPTION

7.1 Share capital

The Proposed Subscription does not have any impact on the issued and paid-up share capital of DNeX as it does not involve any issuance of new DNeX Shares.

7.2 Earnings and EPS

The Proposed Subscription is not expected to have a material effect on the earnings and EPS of DNeX Group for the FYE 31 December 2016 as the Proposed Subscription is expected to be completed by the second (2nd) quarter of the calendar year 2016.

Also, Ping has no revenue based on its audited consolidated financial statements for the FYE 30 June 2015. Therefore, any proforma effects on the earnings and EPS of DNeX Group if the Proposed Subscription had been effected as at the beginning of DNeX's audited consolidated financial statements for the FYE 31 December 2015 will be minimal.

Nonetheless, barring any unforeseen circumstances, the Proposed Subscription is expected to contribute positively to the future earnings and EPS of DNeX Group in relation to acquiring 30% of the enlarged issued share capital of Ping and hence, 15% effective interest in the Anasuria Cluster.

7.3 NA and gearing

For illustration purpose only, based on DNeX's latest audited consolidated financial statements for the FYE 31 December 2015 and on the assumption that the Proposed Subscription had been effected on 31 December 2015, the proforma effects of the Proposed Subscription on the consolidated NA per share and gearing of DNeX Group are as follows:-

	Audited as at 31 December 2015 RM'000	**After Proposed Subscription RM'000**
Share capital	155,049	155,049
Reserves		
- Translation reserve	(54)	(54)
- Accumulated losses	(53,995)	(54,995)[1]
Total equity attributable to owners of the Company	101,000	100,000
Non-controlling interests	(747)	(747)
Total Equity	**100,253**	**99,253**
Number of DNeX Shares in issue ('000)	775,245	775,245
NA per DNeX Share (RM)[2]	0.13	0.13
Total borrowings (RM'000)	20,036	56,833[3]
Gearing ratio (times)[4]	0.20	0.57

Notes:-

(1) After netting off estimated expenses incidental to the Proposed Subscription of approximately RM1.0 million.

(2) The NA per DNeX Share is calculated by dividing the total equity attributable to owners of the Company with the number of DNeX Shares in issue.

(3) The Balance Consideration of USD9.0 million (equivalent to RM36.797 million) will be funded through bank borrowings (Please refer to Section 2.3 of this Circular).

(4) The gearing ratio is total borrowings divided by total equity attributable to owners of the Company.

7.4 Substantial shareholders' shareholdings

The Proposed Subscription does not have any impact on the substantial shareholders' shareholdings of DNeX as it does not involve any issuance of new DNeX Shares.

7.5 Convertible securities

The Company does not have any convertible securities as at the date of this Circular.

8. APPROVALS REQUIRED

The Proposed Subscription is subject to and conditional upon inter alia the following being obtained:-

(i) Approval of the shareholders of DNeX at the forthcoming EGM; and

(ii) Approvals/ consents of any relevant governmental or regulatory authorities and/or other third parties, where required.

9. INTER-CONDITIONALITY OF THE PROPOSED SUBSCRIPTION

The Proposed Subscription is not conditional upon any other existing or future corporate exercises of the Company.

10. DIRECTORS' AND/OR MAJOR SHAREHOLDERS' INTERESTS

None of the Directors and/or major shareholders of the Company and persons connected with them have any direct or indirect interest in the Proposed Subscription.

11. DIRECTORS' STATEMENT

The Board, after having considered all aspects of the Proposed Subscription (including but not limited to, basis and justifications in arriving at the Consideration, the salient terms of the SSA, rationale for the Proposed Subscription, prospects of Ping Group and effects of the Proposed Subscription), is of the opinion that the Proposed Subscription is in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Subscription to be tabled at the forthcoming EGM.

12. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Subscription and below, there is no other corporate exercise or scheme, which has been announced by the Company but pending completion as at the LPD.

On 18 June 2014, AmInvestment Bank, on behalf of the Board, announced that DNeX is undertaking the "**Proposals**". On 5 March 2015, AmInvestment Bank, on behalf of the Board, announced that the Company is undertaking the "**Revised Proposals**", which is a revision to some corporate proposals in the "**Proposals**".

On 21 October 2015, AmInvestment Bank, on behalf of the Board, announced that the SC had, via its letter dated 20 October 2015, approved the Revised Proposals' applications subject to certain terms and conditions. On 27 January 2016, the shareholders of DNeX approved the Revised Proposals.

13. TENTATIVE TIMELINE FOR IMPLEMENTATION

Barring any unforeseen circumstances, the Proposed Subscription is expected to be completed by the second (2nd) quarter of the calendar year 2016.

Pursuant thereto, the tentative timeline for the implementation of the Proposed Subscription is as follows:-

Date	Event
End of April 2016	EGM of DNeX for the Proposed Subscription
End of May 2016	Fulfilment of relevant conditions precedent stipulated in the SSA
Early June 2016	Closing of the SSA Completion of the Proposed Subscription

14. EGM

The EGM, the Notice of which is enclosed in this Circular, will be held at Ballroom 2, 1st Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 27 April 2016 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing, with or without modifications, the resolution pertaining to the Proposed Subscription.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete, sign and return the enclosed Form of Proxy and lodge it with the Share Registrar of the Company, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, not less than twenty-four (24) hours before the time fixed for the EGM. The completion and lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

15. FURTHER INFORMATION

You are advised to refer to the enclosed appendices for further information.

Yours faithfully
For and on behalf of the Board
DAGANG NeXCHANGE BERHAD

Datuk Samsul bin Husin
Executive Deputy Chairman

1. BACKGROUND INFORMATION ON PING

1.1 Ping's incorporation, share capital and principal activities

Ping was incorporated in Bermuda under the Bermuda Companies Act on 31 July 2012 as a private limited company. As at the LPD, the authorised share capital of Ping is USD25,000.00 (equivalent to RM102,212.50) comprising 25,000,000 ordinary shares of USD0.001 each whilst its issued and paid-up share capital is USD22,649.65 (equivalent to RM92,603.09) divided into 22,649,650 shares of USD0.001 each.

Ping's principal activities are exploration, development and production of crude oil and natural gas and investment holding.

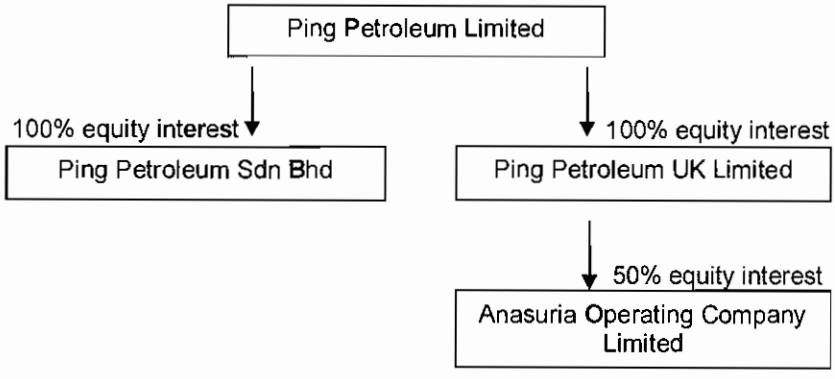
1.2 Ping's subsidiaries' details

As at the LPD, the details of the subsidiaries of Ping are as below:-

Subsidiary	Date and place of incorporation	Issued and paid-up share capital	Date of acquisition and effective equity interest (%)	Principal activities
Ping Petroleum UK Limited	22 July 2015/ England and Wales	GBP1.00 made up of one (1) ordinary share of GBP1.00 each	22 July 2015/ 100.00	Exploration, development and production of crude oil and natural gas
Ping Petroleum Sdn Bhd	8 April 2011/Malaysia	RM3.00 made up of three (3) ordinary shares of RM1.00 each	23 July 2014/ 100.00	Exploration and development of upstream O&G assets
Anasuria Operating Company Limited	22 July 2015/ England and Wales	GBP2.00 made up of two (2) ordinary shares of GBP1.00 each	22 July 2015/ 50.00	Exploration, development and production of crude oil and natural gas

1.3 Group structure of Ping

As at the LPD, the group structure of Ping is as below:-



1.4 Ping's Directors

As at the LPD, based on internal records of Ping, the Directors of Ping and their shareholdings are as follows:-

			Shareholdings	
			Direct	
Directors	**Designation**	**Nationality**	**Number of shares**	**%**
Ning Zhang	Director and Chief Executive Officer	American	7,264,290	32.07
Paul A. Baltensperger	Director and Chief Operating Officer	American	6,811,430	30.07
David Roy Phillips	Non-Executive Director and Chairman of Board of Ping	American	2,678,570	11.83
Michael J. Barrett	Non-Executive Director	American	250,000	1.10

The Directors of Ping have the key experience as below:-

Directors	**Designation**	**Key experience**
Ning Zhang ("**Ning**")	Director and Chief Executive Officer	Ning has over 20 years of O&G experience. At the Newfield Exploration Company, he served in a number of petroleum engineering, corporate planning, risk management, commercial and asset management roles. Prior to founding Ping, Ning spent 6 years in Malaysia and was commercial manager and asset manager for the USD300 million East Piatu project bringing on first oil within 3 years of production sharing contract signing. Ning was also instrumental in capturing 3 new production sharing contracts with PETRONAS for the Newfield Exploration Company. Ning has a BSc in Petroleum Engineering from the University of Texas at Austin (U.S.) and was distinguished as the Leader-Scholar of the Year for the College of Engineering. He also has a Masters in Business Administration from Rice University (U.S.).
Paul A. Baltensperger ("**Paul**")	Director and Chief Operating Officer	Paul has over 30 years of industry experience in geophysics and geology and a proven track record in identifying opportunities and creating value through capturing and managing O&G assets. Prior to founding Ping, Paul spent 10 years focused on Southeast Asia for Newfield Exploration Company. Paul was the Asset Manager of Newfield Exploration Company's offshore operated blocks in Sarawak and was instrumental in Newfield Exploration Company's capture of oil producing assets in the Malay Basin. Previously, Paul was a key member of the start-up team for Apache's Egypt operations where he helped grow the business to production of over 100,000 b/d. Paul has a BSc in Geology and with a minor in Geophysics from New Mexico State (U.S.) and an MSc in Geology from the University of Texas at Austin (U.S.). Paul has published numerous technical papers throughout his career.

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Directors	Designation	Key experience
David Roy Phillips ("**Roy**")	Non-Executive Director and Chairman of Board of Ping	Roy has over 40 years of experience in O&G exploration and production. Between 2002 and 2007, Roy was Managing Director of Newfield Petroleum UK Ltd, where he led the development, growth and later, divestiture of the USD500 million portfolio to Centrica plc. Roy was CEO of Summit Petroleum from 2008 to 2010 where he led the acquisition of Oranje Nassau and sale of older assets, adding USD500 million to Sumitomo's North Sea business. Previously. Roy held technical, operational and commercial roles with Exxon Corporation, BP and Kerr McGee Corporation in the Gulf of Mexico, Alaska and North Sea. Roy has a BSc in Mechanical Engineering from Salford University (UK) and an MSc in Management Science and Operations from Warwick University (UK).
Michael J. Barrett ("**Michael**")	Non-Executive Director	Michael has more than 30 years of banking experience in the U.S. and Southeast Asia. His most recent position was the Chief Executive Officer of RHB Bank Berhad and Group Managing Director for RHB Banking Group in Malaysia. He also served as Council Member of the Institute of Bankers Malaysia (IBBM). Prior to that, he held several positions at Chase Manhattan Bank, U.S. for 14 years (including as Chief Executive Officer and President). He holds a BSc in Economics and Business Administration from Alfred University, Alfred, New York and a Masters in Business Administration in Finance from Fordham University, Bronx, New York.

1.5 Ping's substantial shareholders

As at the LPD, based on internal records of Ping, the shareholders (more than five percent (5%) holdings in Ping) and their shareholdings in Ping are as follows:-

			Shareholdings	
			Direct	
Shareholders	**Designation**	**Nationality**	**Number of shares**	**%**
Ning Zhang*	Director and Chief Executive Officer	American	7,264,290	32.07
Paul A. Baltensperger*	Director and Chief Operating Officer	American	6,811,430	30.07
Ju Ling Hong	Corporate Administration Manager	Malaysian	2,890,360	12.76
David Roy Phillips*	Non-Executive Director and Chairman of Board of Ping	American	2,678,570	11.83

* Share options granted to the following shareholders for the financial year 2015:-

	Number of share options
Ning Zhang	545,460
Paul A. Baltensperger	545,460
David Roy Phillips	338,574

2. FURTHER ASSESSMENT OF PING

2.1 Historical overview of Ping

Ping was founded in the year 2012 and is a privately held, independent upstream O&G company, focused on shallow water offshore production and development opportunities in South East Asia and the UK sector of the North Sea.

Our team has over one hundred (100) years of combined experience with an exceptional track record and expertise in creating value in mature basins; complemented by access to international offshore experience specifically from the Gulf of Mexico, North Sea and Malaysia. The company's key members have a successful record of accomplishment in completing sizable transactions with major companies that has led to dramatic field development efforts and value creation for both their partners and host governments. All of these have been achieved, along with an outstanding historical health, safety and environment performance in these assets.

In May 2014, Ping began evaluating opportunities in the UK sector of the North Sea, as major players in the basin were looking at rationalising their portfolios and divesting mid to late life producing assets. This provided an opportunity for smaller companies like Ping, which do not have high overhead cost structures to create value from those assets. In addition, the UK Government has introduced additional investment allowances and reduced the taxes to be paid on O&G related revenues in the 2015 budget, which makes the UK sector of the North Sea an attractive investment region.

On 6 August 2015, Ping and Hibiscus through their respective wholly-owned subsidiaries, Ping UK and Anasuria Hibiscus UK, have jointly entered into conditional sale and purchase agreements with Shell UK, Shell EP and Esso UK, for each of them to acquire 50% interest in the Anasuria Cluster.

The Anasuria Cluster is located approximately 175km east of Aberdeen in the UK Central North Sea and consists of 100% interest in the Anasuria FPSO, Guillemot A Field, Teal Field, Teal South Field, and 38.65% interest in the Cook Field. The cluster represents an attractive, geographically focused package of operated interests in producing fields and associated infrastructure. The assets have a substantial proven and producing resources base with an expected remaining producing life of over ten (10) years. A number of incremental development and exploration opportunities exist within the licence area of the Anasuria Cluster, which are expected to generate significant incremental value in the medium to long term.

2.2 Principal services offered and markets

Ping is an independent upstream O&G company that focuses on shallow water offshore production and development opportunities in South East Asia and the UK sector of the North Sea. The Founders, Directors of Ping, employees and private investors, privately hold the company.

The address of the registered office of the Ping is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of Ping is Level 24, PETRONAS Tower 3, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia.

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3. FINANCIAL INFORMATION ON PING

The table below sets out a summary of Ping's audited financial statements from the FYE 30 June 2013 to the FYE 30 June 2014 and Ping Group's audited financial statements for the FYE 30 June 2015 and unaudited financial statements of six (6)-months FPE 31 December 2015:-

	← 30 June →			
	Company	**Company**	**Group**	**Group**
	2013 (Incorporated on 31 July 2012) USD	**2014 USD**	**2015 USD**	**6-months FPE 31 December 2015 USD**
Revenue	-	-	-	-
PBT/(LBT)	(338,576)	591,787	(9,647)	(1,655,323)
Taxation	-	-	(277)	-
PAT/(LAT)	(338,576)	591,787	(9,924)	(1,655,323)
Issued and paid-up share capital	100	22,399	22,649	22,650
Share premium	-	1,498,029	1,522,779	1,522,778
Deposit for share subscription	-	-	1,000,000(1)	1,000,000(1)
Shareholders' funds/ NA	634,737	1,781,139	1,905,595	276,352
Total borrowings	-	-	2,452,750(2)	3,096,531(2)
Number of ordinary shares	100	22,399,650	22,649,650(3)	22,649,650(3)
Gross EPS/ LPS(5)	(3,385.76)	0.026	(0.0004)	(0.07)
Net EPS/ LPS(6)	(3,385.76)	0.026	(0.0004)	(0.07)
NA per Ping Share	6,347.37	0.080	0.084	0.012
Current ratio (times)(7)	5.37	9.08	1.28	0.41
Gearing ratio (times)(8)	-	-	1.29(4)	11.21(4)

Notes:-

1) *Deposit of USD1.0 million from DNeX Petroleum for the Proposed Subscription.*
2) *The bridge loan of USD 3.05 million (FYE 2015 USD2.4 million) from Directors of Ping and one (1) family member of one (1) Director of Ping. Directors' loan of USD 52,750 in relation to historical expenses paid on behalf of Ping. Both of the bridge and Directors' loan are unsecured.*
3) *Excludes share options granted to Directors.*
4) *Excludes DNeX Petroleum's deposit of USD1.0 million for the Proposed Subscription.*
5) *PBT divided by number of ordinary shares.*
6) *PAT divided by number of ordinary shares.*
7) *Current assets divided by current liabilities.*
8) *Total borrowings divided by NA.*

Financial commentaries:

31 July 2012 (Date of incorporation) to FYE 30 June 2013

There is no revenue registered for the FYE 30 June 2013.

FYE 30 June 2013 vis-à-vis FYE 30 June 2014

There is no revenue registered for the FYE 30 June 2014.

The increase in PAT that was recorded in the FYE 30 June 2014 against the FYE 30 June 2013 was attributed to USD1,000,000 termination payment received from Energy XXI International Limited (Ping's former joint venture partner).

FYE 30 June 2014 vis-à-vis FYE 30 June 2015

There is no revenue registered for the FYE 30 June 2015.

The decrease in PAT that was recorded in the FYE 30 June 2015 against the FYE 30 June 2014 was attributed to goodwill impairment of USD65,104 and the higher expenses on professional services and due diligence activities of the Anasuria Cluster, despite the reversal of allowance for impairment of receivables and arbitration award of USD1,698,751.

Six (6)-months FPE 31 December 2015

Ping Group recorded an LBT for the six (6)-months FPE 31 December 2015 of RM1,655,323. This was due to insurances, professional service fees and expenses in relation to the Anasuria Cluster transaction and subsequent asset transition activities.

Ping Group's NA decreased in the six (6)-months FPE 31 December 2015 against the FYE 30 June 2015. The decrease was mainly due to the USD1.7 million loss during the said period for expenses to progress the acquisition activities.

A deposit was placed for investment in the Anasuria Cluster amounting to USD3.4 million.

4. ACCOUNTING POLICIES AND AUDIT QUALIFICATIONS

Based on the audited financial statements of Ping and Ping Group during the years under review, the financial statements of Ping and Ping Group have been prepared in accordance with the provisions of International Financial Reporting Standards.

Ping and Ping Group have not adopted any accounting policies, which are peculiar due to the nature of the business or the industry in which Ping and Ping Group are involved.

The auditors' report of all audited financial statements of Ping and Ping Group issued for the financial years from FYE 30 June 2013 to FYE 30 June 2015 were not subject to any qualification, modification or disclaimer of opinion.

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Company No.

46761

PING PETROLEUM LIMITED

(Incorporated in Bermuda)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

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Company No.

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PING PETROLEUM LIMITED
(Incorporated in Bermuda)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

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Company No.
46761

PING PETROLEUM LIMITED
(Incorporated in Bermuda)

STATEMENT BY DIRECTORS

We, Ning Zhang and Paul A Baltensperger, being two of the Directors of Ping Petroleum Limited, state that, in the opinion of the Directors, the financial statements set out on pages 4 to 43 have been properly drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and Company as at 30 June 2015 and of the financial performance and cash flows of the Group and Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with their resolution.

NING ZHANG
DIRECTOR

PAUL A BALTENSPERGER
DIRECTOR

Kuala Lumpur

pwc

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PING PETROLEUM LIMITED
(Company No: 46761)
(Incorporated in Bermuda)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Ping Petroleum Limited, which comprise the statement of financial position as at 30 June 2015 of the Group and the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 43.

Directors' Responsibility for the financial statements

The Directors of the Group and the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group's and the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers (AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

pwc

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PING PETROLEUM LIMITED (CONTINUED)
(Company No: 46761)
(Incorporated in Bermuda)

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and Company as at 30 June 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

OTHER MATTERS

This report is made solely to the members of the Group and of the Company, as a body and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

Kuala Lumpur
23 October 2015

Company No.

46761

PING PETROLEUM LIMITED
(Incorporated in Bermuda)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	2015 USD
Revenue		-
Cost of sales		-
Gross profit		-
Other operating income		1,906,900
Administrative and general expenses		(1,916,547)
Interest expense		-
Profit before taxation	3	(9,647)
Taxation	4	(277)
Loss after taxation/ total comprehensive losses for the financial year		(9,924)
Other comprehensive income for the year		
Exchange differences on translation of foreign operations		9,721
Total comprehensive losses for the year		(203)

The accounting policies on pages 13 to 23 and the notes on pages 24 to 43 form an integral part of these financial statements.

Company No.

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PING PETROLEUM LIMITED
(Incorporated in Bermuda)

STATEMENT OF COMPREHENSIVE INCOME OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	2015 USD	2014 USD
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other operating income		1,905,486	1,000,000
Administrative and general expenses		(1,866,100)	(28,338)
Interest expense		-	(379,875)
Profit before taxation	3	39,386	591,787
Taxation		-	-
Profit after taxation/ total comprehensive income for the financial year		39,386	591,787

The accounting policies on pages 13 to 23 and the notes on pages 24 to 43 form an integral part of these financial statements.

Company No.
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PING PETROLEUM LIMITED
(Incorporated in Bermuda)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 USD
NON-CURRENT ASSET		
Property, plant and equipment	6	57,903
Investment in joint venture	7(i)	-
Deferred expenses	8	583,636
		641,539
CURRENT ASSETS		
Receivables	9	140,015
Deposits and other receivables		106,475
Cash and bank balances	11	5,528,827
		5,775,317
CURRENT LIABILTY		
Accounts payable	12	511,479
Other payables and accruals	13	547,032
Deposit for share subscription	14	1,000,000
Loan payable	15	2,400,000
Directors' loan	16	52,750
		4,511,261
NET CURRENT ASSETS		1,264,056
		1,905,595
FINANCED BY		
Share capital	17	22,649
Share premium	18	1,522,779
Accumulated profit/(losses)		250,787
Foreign currency reserve		9,721
Share based payment reserve		99,659
TOTAL EQUITY		1,905,595

The accounting policies on pages 13 to 23 and the notes on pages 24 to 43 form an integral part of these financial statements.

Company No.
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PING PETROLEUM LIMITED
(Incorporated in Bermuda)

STATEMENT OF FINANCIAL POSITION OF THE COMPANY
AS AT 30 JUNE 2015

	Note	2015 USD	2014 USD
NON-CURRENT ASSET			
Property, plant and equipment	6	57,903	-
Investment in joint venture	7(i)	-	-
Investment in subsidiary	7(ii)	1	-
Deferred expenses	8	583,636	-
		641,540	-
CURRENT ASSETS			
Receivables	9	140,015	40,000
Deposits and other receivables		99,154	13,095
Amount owing by related party	10	-	33,545
Amount owing by subsidiary	10	22,234	-
Cash and bank balances	11	5,452,618	1,914,989
		5,714,021	2,001,629
CURRENT LIABILTY			
Accounts payable	12	511,479	-
Other payables and accruals	13	498,898	220,490
Deposit for share subscription	14	1,000,000	-
Loan payable	15	2,400,000	-
		4,410,377	220,490
NET CURRENT ASSETS		1,303,644	1,781,139
		1,945,184	1,781,139
FINANCED BY			
Share capital	17	22,649	22,399
Share premium	18	1,522,779	1,498,029
Accumulated profit/(losses)		300,097	253,211
Share based payment reserve		99,659	7,500
TOTAL EQUITY		1,945,184	1,781,139

The accounting policies on pages 13 to 23 and the notes on pages 24 to 43 form an integral part of these financial statements.

Company No.
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PING PETROLEUM LIMITED
(Incorporated in Bermuda)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	Share capital USD	Share premium USD	Foreign currency reserve USD	Accumulated profit/(losses) USD	Share based payment reserve USD	Total USD
At 1 July 2014		22,399	1,498,029	-	253,211	7,500	1,781,139
Issue of new shares		250	24,750	-	-	-	25,000
Shares and share options granted	17	-	-	-	-	99,659	99,659
Share options forfeited	17	-	-	-	7,500	(7,500)	-
Other comprehensive income for the financial year		-	-	9,721	-	-	9,721
Profit after taxation/ total comprehensive income for the financial year		-	-	-	(9,924)	-	(9,924)
At 30 June 2015		22,649	1,522,779	9,721	250,787	99,659	1,905,595

The accounting policies on pages 13 to 23 and the notes on pages 24 to 43 form an integral part of these financial statements.

Company No.
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PING PETROLEUM LIMITED
(Incorporated in Bermuda)

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	Share capital USD	Share premium USD	Accumulated profit/(losses) USD	Share based payment reserve USD	Total USD
At 1 July 2014		22,399	1,498,029	253,211	7,500	1,781,139
Issue of new shares		250	24,750	-	-	25,000
Shares and share options granted	17	-	-	-	99,659	99,659
Share options forfeited	17	-	-	7,500	(7,500)	
Profit after taxation/ total comprehensive income for the financial year		-	-	39,386	-	39,386
At 30 June 2015		22,649	1,522,779	300,097	99,659	1,945,184

The accounting policies on pages 13 to 23 and the notes on pages 24 to 43 form an integral part of these financial statements.

Company No.
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PING PETROLEUM LIMITED
(Incorporated in Bermuda)

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

	Share capital USD	Share premium USD	Shares to be issued USD	Accumulated profit/(losses) USD	Share based payment reserve USD	Total USD
At 31 July 2013	100	-	674,900	(338,576)	298,313	634,737
Issue of shares	11,400	1,163,500	(674,900)	-	-	500,000
Shares and share options granted	-	-	-	-	54,615	54,615
Exercise of share options	10,899	334,529	-	-	(345,428)	-
Profit after taxation/ total comprehensive income for the financial year	-	-	-	591,787	-	591,787
At 30 June 2014	22,399	1,498,029	-	253,211	7,500	1,781,139

The accounting policies on pages 13 to 23 and the notes on pages 24 to 43 form an integral part of these financial statements.

Company No.
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PING PETROLEUM LIMITED
(Incorporated in Bermuda)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	2015 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		(9,647)
Adjustment for:		
Other income		(211,693)
Share based payment expense		99,659
Write off of property, plant and equipment		5,997
Depreciation		26,850
Impairment of goodwill		65,104
Foreign exchange losses		32,057
Changes in working capital:		
Other receivables		(54,132)
Deferred expenses		(380,332)
Other payables and accruals		701,568
Tax paid		(277)
Net cash flow generated from operating activities		275,154
CASH FLOW FROM INVESTING ACTIVITY		
Payment for deferred expenses		(203,305)
Acquisition of subsidiary		116,907
Net cash flow used in investing activity		(86,398)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bridge loan		2,400,000
Proceeds from issuance of shares		25,000
Deposit received from DNex Petroleum Sdn Bhd		1,000,000
Net cash flow generated from financing activities		3,425,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,613,756
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES		82
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,914,989
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	11	5,528,827

The accounting policies on pages 13 to 23 and the notes on pages 24 to 43 form an integral part of these financial statements.

Company No.
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PING PETROLEUM LIMITED
(Incorporated in Bermuda)

STATEMENT OF CASH FLOWS OF THE COMPANY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	2015 USD	2014 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		39,386	591,787
Adjustment for:			
Other income		(211,855)	-
Share based payment expense		99,659	54,615
Write off of property, plant and equipment		5,997	-
Depreciation		25,035	-
Foreign exchange losses		22,418	-
Interest expense		-	379,875
Changes in working capital:			
Prepayments		(85,572)	66
Amount due (to)/from related party/subsidiary		11,311	58,325
Deferred expenses		(380,332)	-
Other payables and accruals		789,887	75,157
Net cash flow generated from operating activities		315,934	1,159,825
CASH FLOW FROM INVESTING ACTIVITY			
Payment for deferred expenses		(203,305)	-
Net cash flow used in investing activity		(203,305)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bridge loan		2,400,000	-
Proceeds from issuance of shares		25,000	460,000
Deposit received from DNex Petroleum Sdn Bhd		1,000,000	-
Interest paid		-	(379,875)
Net cash flow generated from financing activities		3,425,000	80,125
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,537,629	1,239,950
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,914,989	675,039
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	11	5,452,618	1,914,989

The accounting policies on pages 13 to 23 and the notes on pages 24 to 43 form an integral part of these financial statements.

Company No.

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PING PETROLEUM LIMITED
(Incorporated in Bermuda)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements, unless otherwise stated.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and Company have been prepared in accordance with the provisions of International Financial Reporting Standards.

The financial statements have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's and Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

(a) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company and are effective

- Amendment to IAS 32, 'Financial Instruments: Presentation' (effective 1 January 2014). These amendments are to the application guidance in IAS 32, 'Financial instruments: Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.

- Annual Improvements 2012 Cycle
  - Amendment to IFRS 2, 'Share based payment'
  - IFRS 3, 'Business combinations'
  - IAS 16, 'Property, plant and equipment', and IAS 38, 'Intangible assets'
  - IAS 24, 'Related party disclosures'

- Annual Improvements 2013 Cycle
  - IFRS 1, 'First-time adoption of International Financial Reporting Standards'
  - IFRS 3, 'Business combinations'
  - IFRS 13, 'Fair value measurement'

There is no significant impact on the financial results and position of the Group and Company upon adoption of the above new standards and amendments to published standards.

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PING PETROLEUM LIMITED
(Incorporated in Bermuda)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective

The Group and the Company will apply the new standards, amendments to standards and interpretations in the following period:

(i) Financial year beginning on/after 1 July 2016

- Amendments to IFRS 11, 'Joint Arrangements' (effective 1 January 2016) require an entity to apply IFRS 3 'Business Combinations' when it acquires an interest in a joint operation in which the activity of the joint operation constitutes a business. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is not re-measured when the acquisition of an additional interest in the same joint operation results in retaining joint control.

- IAS 16, 'Property, Plant and Equipment' (effective from 1 January 2016) clarifies that the use of revenue-based methods to calculate the depreciation of an item of property, plant and equipment is not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

- The amendments to IAS 138, 'Intangible assets' (effective 1 January 2016) also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

- The IASB has made amendments to IAS 27, 'Separate Financial Statements' (effective 1 January 2016) which will allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates. IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or as a financial asset in their separate financial statements. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

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PING PETROLEUM LIMITED
(Incorporated in Bermuda)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (continued)

(ii) Financial year beginning on/after 1 July 2018

- IFRS 15, 'Revenue from contracts with customers' (effective 1 January 2018) will replace IAS 18, 'Revenue' and IAS 11, 'Construction Contracts' and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

  Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

- IFRS 9, 'Financial Instruments' (effective from 1 January 2018) will replace IAS 39, 'Financial Instruments: Recognition and Measurement'. The complete version of IFRS 9 was issued in July 2014.

  IFRS 9 retains but simplifies the mixed measurement model in IAS 39 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ('OCI'). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

  For liabilities, the standard retains most of the IAS 39 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

  IFRS 9 introduces an expected credit loss model on impairment for all financial assets that replaces the incurred loss impairment model used in IAS 39. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group and the Company are currently assessing the impact of adopting the above standards and amendments to published standards on the financial statements.

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PING PETROLEUM LIMITED
(Incorporated in Bermuda)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

B BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiary made up to 30 June 2015.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Changes in ownership interests in subsidiaries without change of control
All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Disposal of subsidiaries
Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred also includes the fair value of a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs, other than the costs to issue debt or equity securities, are expensed as incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Company No.

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PING PETROLEUM LIMITED
(Incorporated in Bermuda)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

B BASIS OF CONSOLIDATION (CONTINUED)

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

C JOINT VENTURES

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting. Equity accounting involves recognising the Group's share of the post-acquisition profit or loss and other comprehensive income within consolidated profit or loss and other comprehensive income respectively. The cumulative post-acquisition movements are adjusted against the cost of investment and include goodwill on acquisition (net of accumulated impairment loss).

If the Group's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Group discontinues recognising its share of further losses. The interest in a joint venture is the carrying amount of the investment in the joint venture under the equity method together with any long term interest that, in substance, form part of the Group's net investment in the joint venture.

After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. Where necessary, adjustments have been made to the financial statements of joint venture to ensure consistency of accounting policies with those of the Group.

On the disposal of the investment in a joint venture, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in statement of comprehensive income.

Refer to Note F to the financial statements for the impairment policy.

D SUBSIDIARIES

Investments in subsidiaries are carried at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of each reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amounts of the investments is recognised in profit or loss.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

E PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Plant and equipment are depreciated on straight line basis to write off the cost of each asset to its residual value over its estimated useful life at the following annual rates:

Office equipment	33.3%
Leasehold improvement	33.3%
Furniture and fittings	20.0%

Gains and losses on disposal are determined by comparing proceeds with the carrying amount, and are include in the income statement. Repairs and maintenance are charged to the income statement during the period in which they are incurred.

At each statement of financial position date, the Group assesses whether there is any indication of impairment. If such indication exists where the carrying amount of the asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. See accounting policy Note G on impairment of assets.

F IMPAIRMENT OF FINANCIAL ASSETS

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of loans and receivables financial assets is recognised in statement of comprehensive income and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discontinued at the financial asset's original effective interest rate.

With the expectation of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through statement of comprehensive income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

G IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have indefinite useful life or intangible assets not ready for use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment when there is an indication that these assets may be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised in statement of comprehensive income immediately.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised.

H CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances, cash on hand and deposits with licensed banks which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

I RECEIVABLES

Receivables are carried at anticipated realisable value. Allowance is made for impairment based on specific review of outstanding balances at the reporting date. Bad debts are written off during the period in which they are identified.

J PAYABLES

Payables, including accruals represent liabilities for goods purchased and services rendered to the Group prior to the end of the period and which remain unpaid.

K PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligations, and when a reliable estimate of the amount can be made.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

L INCOME TAXES

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred tax liability is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred tax is measured:

(i) at the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred taxes are recognised as income or expense in statement of comprehensive income, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from business combination is adjusted against goodwill on acquisition, if any.

M EMPLOYEE BENEFITS

(i) Short term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are recognised in statement of comprehensive income in the period in which the associated services are rendered by employees.

(ii) Defined contribution plan

The Group makes statutory contributions to the Employee's Provident Fund ('EPF'), which is a defined contribution plan. The contributions to the EPF are recognised in the statement of comprehensive income in the period in which they relate. Once the contributions have been paid, the Group has no further payment obligations.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

M EMPLOYEE BENEFITS (CONTINUED)

(iii) Share-based payments

The Company operates a number of equity-settled, share-based compensation plan under which the entity receives services from employees as consideration for equity instruments of the Company, such as shares and share options. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Company revises its estimates of the number of equity instruments that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

When share options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. When options are not exercised and lapsed, the share-based payment reserve is transferred to retained earnings.

N FINANCIAL INSTRUMENTS

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends, gains and losses relating to a financial instrument classifies as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

N FINANCIAL INSTRUMENTS (CONTINUED)

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit and loss, held-to-maturity, loans and receivables, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date. The Group had only financial assets classified as loans and receivables at the reporting date.

Loans and receivables financial assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in other comprehensive income relating to that asset is reclassified to profit or loss.

(ii) Financial liabilities

All financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

O FOREIGN CURRENCY

(i) Functional and presentation currency

The financial statements of the Group and Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars ('USD'), which is also the Company's functional currency.

(ii) Foreign currency transactions

Foreign currency transactions are translated into USD at exchange rates ruling at the transaction dates. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate at the reporting date are recognised in statement of comprehensive income.

(iii) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rates at the reporting date;
- Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- All resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date. Exchange differences are recognised in other comprehensive income.

(iv) Closing rates

The principal closing rates used in translation of foreign currency amounts are as follows:

Foreign currency	2015 USD	2014 USD
1 RM	0.2648	0.3114
1 GBP	1.5717	1.7028

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NOTES TO THE FINANCIAL STATEMENTS
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1 GENERAL INFORMATION

The principal activities of the Group and the Company are exploration, development and production of crude oil and natural gas and investment holding. The principal activities of the subsidiary is set out in Note 8 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

The Company is a private limited company, incorporated and domiciled in Bermuda.

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda (2014: Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda)

The principal place of business of the Company is Level 24, PETRONAS Tower 3, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia.

The numbers of employees at the end of the year amounted to 5 (2014: 7).

2 FINANCIAL RISK MANAGEMENT POLICIES

The Group's and Company's financial risk management policy seek to ensure that adequate financial resources are available for carrying on the Group's and Company's operations while managing its foreign currency exchange risk, interest rate risk, liquidity risk and credit risk. The Group and Company operate within clearly defined guidelines that are approved by the Group's and Company's policy which is not to engage in speculative transactions. The Group's and Company's policies in respect of the major areas of operating activities are as follows:

(a) Market risk

(i) Foreign currency exchange risk

The Group and Company are exposed to fluctuations in foreign currencies for transactions entered into its currencies other than the USD.

At 30 June 2015, the Company do not have material monetary assets and liabilities and other financial instruments denominated in foreign currencies other than the functional currency at the year end. The Company's exposure to foreign currency risk are low and therefore no foreign currency sensitivity analysis are required.

During the year, the Group has USD in a RM denominated bank accounts. The sensitivity of the Group's profit before tax to a reasonably possible change in the USD exchange rate against the Group's functional currency with all other factors remaining constant as at the reporting date are set out below:

Group	2015
	USD
5 percent increase in USD	(1,885)
5 percent decrease in USD	1,885

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk

At 30 June 2015, the Group and Company do not have any interest-bearing borrowing and hence are not exposed to interest rate risk. The interest on proceeds received of USD2,400,000 at 30 June 2015 will only commence when the proceeds are used to support the Group's obligation to provide a down payment required for an asset acquisition, related acquisition costs and for other general corporate purposes and will be repaid within a year.

(iii) Liquidity risk

As part of the Group's and Company's prudent liquidity management, the Group and Company maintain sufficient levels of cash to meet its working capital requirements.

The undiscounted cash flow contractually payable under financial instruments are as follows:

Group	Less than 1 year USD	Between 2 to 5 years USD	More than 5 years USD	Total USD
2015				
Accounts payable	511,479	-	-	511,479
Other payables and accruals	547,032	-	-	547,032
Deposit for share subscription	1,000,000	-	-	1,000,000
Loan payable	2,400,000	-	-	2,400,000
Directors' loan	52,750	-	-	52,750

Company	Less than 1 year USD	Between 2 to 5 years USD	More than 5 years USD	Total USD
2015				
Accounts payable	511,479	-	-	511,479
Other payables and accruals	498,898	-	-	498,898
Deposit for share subscription	1,000,000	-	-	1,000,000
Loan payable	2,400,000	-	-	2,400,000
2014				
Other payables and accruals	220,490	-	-	220,490

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(a) Market risk (continued)

(iv) Credit risk

Credit risk arises from deposits with financial institutions, receivables and amounts owing by related party/subsidiary. The Group and Company seek to invest the cash assets safely and profitably. Deposits are placed only with financial institutions with strong long-term credit ratings based on independently rated parties. The maximum credit exposure associated with financial assets is equal to the carrying amount.

The credit quality of financial assets that are neither past due nor impaired as at the end of reporting period can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Group	2015 USD
Cash and bank balances	
Counter parties with external credit rating of Aa3	5,452,618
Counter parties with external credit rating of AAA	76,209
	5,528,827

Company	2015 USD	2014 USD
Cash and bank balances		
Counter parties with external credit rating of Aa3	5,452,618	1,914,989
Amounts owing by subsidiary/related party		
Counter parties without external credit rating	22,234	33,545

	Group/Company 2015 USD
Receivables	
Counterparties without external credit rating* (Note 8)	140,015

* Receivables including shareholder with no known defaults in the past.

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NOTES TO THE FINANCIAL STATEMENTS
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2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(b) Capital risk management

The Group and Company manage its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group and Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares. The capital structure for the Group and Company consists of borrowings, cash and cash equivalents and total equity as follows:

Group	2015 USD
Cash and cash equivalents (Note 11)	5,528,827
Less: Total Bridge Loan (Note 15)	2,400,000
Net cash	3,128,827
Total equity	1,970,700
Total capital	5,099,527

Company	2015 USD	2014 USD
Cash and cash equivalents (Note 11)	5,452,618	1,914,989
Less: Total Bridge Loan (Note 15)	2,400,000	-
Net cash	3,052,618	1,914,989
Total equity	1,945,184	1,781,139
Total capital	4,997,802	3,696,128

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NOTES TO THE FINANCIAL STATEMENTS
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2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(c) Classification of financial instruments

Group	2015 USD
Financial assets:	
Loans and receivables	
Receivables	140,015
Deposits	88,849
Cash and bank balances	5,528,827
	5,757,691
Financial liabilities:	
Other financial liabilities	
Accounts payable	511,479
Other payables and accruals	547,032
Deposit for share subscription	700,000
Loan payable	2,400,000
Directors' loan	52,750
	4,211,261

Company	2015 USD	2014 USD
Financial assets:		
Loans and receivables		
Receivables	140,015	40,000
Amount owing by subsidiary/related party	22,234	33,545
Deposits	88,849	-
Cash and bank balances	5,452,618	1,914,989
	5,703,716	1,988,534
Financial liabilities:		
Other financial liabilities		
Accounts payable	511,479	-
Other payables and accruals	498,898	220,490
Deposit for share subscription	700,000	-
Loan payable	2,400,000	-
	4,110,377	220,490

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(d) Fair value of financial instruments

The financial assets and financial liabilities reported in the financial statements are stated at their respective carrying amounts which approximated their fair values.

(e) Offsetting financial assets and financial liabilities

(i) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar arrangements:

Group/Company	Gross amount of recognised financial assets	Gross amount of recognised financial liabilities set-off in the Statement of Financial Position	Net amounts of financial assets presented in the Statement of Financial Position
	USD	USD	USD
At 30 June 2015			
Other receivables	351,208	(228,963)	122,245

(ii) Financial liabilities

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar arrangements:

Group	Gross amount of recognised financial liabilities	Gross amount of recognised financial assets set-off in the Statement of Financial Position	Net amounts of financial liabilities presented in the Statement of Financial Position
	USD	USD	USD
At 30 June 2015			
Accounts payable	740,442	(228,963)	511,479

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NOTES TO THE FINANCIAL STATEMENTS
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2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(e) Offsetting Financial Assets and Financial Liabilities (continued)

(ii) Financial liabilities (continued)

Company	Gross amount of recognised financial liabilities USD	Gross amount of recognised financial assets set-off in the Statement of Financial Position USD	Net amounts of financial liabilities presented in the Statement of Financial Position USD
At 30 June 2015			
Accounts payable	740,442	(228,963)	511,479
At 30 June 2014			
Accounts payable	-	-	-

3 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

Group	2015 USD
Staff costs (include Directors remunerations)	
- wages, salaries and bonuses	403,265
- defined contribution plans	54,465
- share based payment expense	99,659
- other staff costs	131,717
Reversal of allowance for impairment of receivables	(162,908)
Impairment of goodwill	65,104
Waiver of amount payable for property, plant and equipment*	(88,935)
Auditors' remuneration	11,714
Write off of property, plant and equipment	5,997
Depreciation	26,850
Realised loss on foreign exchange	35,534
Unrealised loss on foreign exchange	22,337
Office expenses	119,667
Travel and business development expenses	132,908
Professional services	824,170
Software subscription and scouting expenses	7,977
Arbitration award	(1,535,843)
Recovery of expenses and shared overhead costs with related party	(162,908)

* Upon dissolution of the joint venture effective 9 March 2015, Energy XXI Limited ('EXXI') waived and deem satisfied any amounts due, owing and payable by the Company to EXXI.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

3 PROFIT BEFORE TAXATION (CONTINUED)

Profit before taxation is arrived at after charging/(crediting) (continued):

Company	2015 USD	2014 USD
Staff costs (include Directors' remunerations)		
- wages, salaries and bonuses	403,265	1,952,732
- defined contribution plans	54,465	132,084
- share-based payment expense	99,659	54,615
- other staff costs	131,717	207,211
- Directors' fee	-	60,000
Reversal of allowance for impairment of receivables	(162,908)	-
Allowance for impairment of receivables	-	162,908
Auditors' remuneration	5,755	6,073
Write off of property, plant and equipment	5,997	-
Depreciation	25,035	-
Realised loss on foreign exchange	54,239	-
Unrealised loss on foreign exchange	22,418	-
Office expenses	119,667	249,948
Travel and business development expenses	132,908	279,728
Professional services	824,170	284,960
Software subscription and scouting expenses	7,977	115,704
Termination payment income	-	(1,000,000)
Arbitration award	(1,535,843)	-
Recovery of expenses and shared overhead costs with related party	(162,908)	(3,950,735)

Included in the Group and Company staff costs are Directors' remuneration as follows:

Staff costs		
- wages, salaries and bonuses	300,593	733,943
- defined contribution plans	44,762	60,872
- share based payment expense	99,659	38,081
Directors' fee	-	60,000

4 TAXATION

	Group 2015 USD
Current tax	
- Current year	277
- (Over)/under accrual in prior year	-
	277

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

4 TAXATION (CONTINUED)

Numerical reconciliation between the effective tax rate and the applicable tax rate is as follows:

Group	2015 USD
Loss before taxation	(9,647)
Tax calculated at the Malaysian corporate rate of 20%	(1,929)
Tax effect of:	
Expenses not deductible for tax purposes	809
Income not chargeable for tax purposes	1,403
Deferred tax assets not recognised	-
Utilisation of previously unrecognised tax losses	(6)
Taxation	277

5 DEFFERED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

Group	2015 USD
Deferred tax assets	363
Deferred tax liabilities	(363)
	-

The movement of the deferred tax is as follows:	
At 1 July 2014	-
(Charged)/Credited to income statement	
Property, plant and equipment	(363)
Tax losses	363
Capital allowances	-
At 30 June 2015	-
Deferred tax assets (before offsetting)	
Tax losses	363
	363
Offsetting	(363)
Deferred tax assets (after offsetting)	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

5 DEFFERED TAXATION (CONTINUED)

	2015 USD
Deferred tax liabilities (before offsetting)	
Property, plant and equipment	(363)
	(363)
Offsetting	363
Deferred tax liabilities (after offsetting)	-

The amount of unused tax losses (which have no expiry date) for which no deferred tax asset is recognised in the balance sheet as follows:

Group	2015 USD
Unused tax losses	475

6 PROPERTY, PLANT AND EQUIPMENT

Group	Office equipment USD	Leasehold improvements USD	Furniture and fittings USD	Total USD
Cost				
At 1 July 2014	-	-	-	-
Additions	21,738	27,339	41,673	90,750
Write-Off	(1,500)	(2,155)	(8,446)	(12,101)
At 30 June 2015	20,238	25,184	33,227	78,649
Accumulated depreciation				
As at 1 July 2014	-	-	-	-
Charge for the financial year	9,404	12,636	4,810	26,850
Write-Off	(1,250)	(1,616)	(3,238)	(6,104)
As at 30 June 2015	8,154	11,020	1,572	20,746
Net book value				
30 June 2014	-	-	-	-
30 June 2015	12,084	14,164	31,655	57,903

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Office equipment USD	Leasehold improvements USD	Furniture and fittings USD	Total USD
Cost				
At 1 July 2014	-	-	-	-
Additions	19,923	27,339	41,673	88,935
Write-Off	(1,500)	(2,155)	(8,446)	(12,101)
At 30 June 2015	18,423	25,184	33,227	76,834
Accumulated depreciation				
As at 1 July 2014	-	-	-	-
Charge for the financial year	7,589	12,636	4,810	25,035
Write-Off	(1,250)	(1,616)	(3,238)	(6,104)
As at 30 June 2015	6,339	11,020	1,572	18,931
Net book value				
30 June 2014	-	-	-	-
30 June 2015	12,084	14,164	31,655	57,903

7 INVESTMENT IN JOINT VENTURE AND SUBSIDIARY

(i) Investment in Joint Venture

	Group/Company 2015 USD	Company 2014 USD
Unquoted shares at cost:		
At the date of incorporation	-	-
Additions during the financial year/period	-	-
Share of post-acquisition results	-	-
	-	-

Ping Petroleum Limited's ownership interest in the joint venture (Ping Energy XXI Limited) is 20%.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

7 INVESTMENT IN JOINT VENTURE AND SUBSIDIARY (CONTINUED)

(i) Investment in Joint Venture (continued)

In relation to the Company's interest in a joint venture, the asset, liabilities, income and expenses are shown below:

	Group/Company 2015 USD	Company 2014 USD
Current assets	-	-
Non-current assets	-	-
Current liabilities	-	-
Non-current liabilities	-	-
NET LIABILITIES	-	-
Income	-	-
Expenses	-	(2,258,456)
	-	(2,258,456)

Ping Petroleum Limited's share of losses as of 30 June 2014 was USD200, which made up to the cost of investment in the joint venture. The joint venture has no significant contingent liabilities to which the Company is exposed, nor has the Company any significant contingent liability in relation to its interest in the joint venture. The joint venture was dissolved effective 9 March 2015.

(ii) Investment in Subsidiary

Company	2015 USD	2014 USD
At cost:		
Unquoted shares	-	-
Additions during the financial year	1	-
Less: Impairment loss	-	-
	1	-

On 23 July 2014, Ping Petroleum Sdn. Bhd. ('PPSB') became a wholly owned subsidiary of Ping Petroleum Limited via transfer of shares at par value of RM1.00 each from the key management personnel of PPSB to Ping Petroleum Limited. The acquisition was part of management restructuring program to form a larger group of companies. The principal activities of the subsidiary in the Group is shown in Note 10.

From the date of acquisition, PPSB has contributed nil revenue and USD 26,169 to the profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been nil and the profit before tax from continuing operations for the Group would have been USD 2,635.

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NOTES TO THE FINANCIAL STATEMENTS
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7 INVESTMENT IN JOINT VENTURE AND SUBSIDIARY (CONTINUED)

(ii) Investment in Subsidiary (continued)

The assets and liabilities recognised as a result of the acquisition are as follows:

	2015 USD
Other receivables	1,619
Cash and bank balances	116,908
Prepayments	3,506
Property, plant and equipment	1,976
Other payables and accruals	(96,285)
Directors' loan	(92,827)
Net liabilities acquired	(65,103)

Purchase consideration – cash outflow

	2015 USD
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	(1)
Less: Balances acquired	
Cash	116,908
Net inflow of cash – investing activities	116,907

Details of net assets acquired and goodwill as of 30 June 2015 is as follows:

Company	2015 USD
Purchase consideration	1
Less:	
Total tangible assets	124,009
Total liabilities	(189,112)
Fair value of net liabilities acquired	(65,103)
Goodwill	65,104
Less: Impairment	(65,104)
	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

8 DEFERRED EXPENSES

	Group/Company 2015 USD	Company 2014 USD
Deferred expenses	583,636	-

Expenses in relation to the due diligence activities of Anasuria Cluster which will be capitalised upon completion of acquisition.

9 RECEIVABLES

	Group/Company 2015 USD	Company 2014 USD
Other receivables	122,245	162,908
Allowance for impairment of receivables	-	(162,908)
Amount due from shareholder	17,770	40,000
	140,015	40,000

The amount due from the shareholder represents amounts due for subscription of 177,700 ordinary shares of USD0.001 each issued at a premium of USD0.099 per share.

	Group/Company 2015 USD	Company 2014 USD
Allowance for impairment of receivables:		
At 1 July	162,908	-
Charge for the financial year	-	162,908
Reversal of allowance for impairment of receivables	(162,908)	-
At 30 June	-	162,908

The aging of accounts receivables are as follows:

Group/Company	Less than 1 year USD	Between 2 to 5 years USD	More than 5 years USD	Total USD
2015				
Accounts receivable	140,015	-	-	140,015

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

10 RELATED PARTY BALANCES

Parties are considered related if the party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Amount owing to related companies arose mainly from recovery of expenses and shared overhead costs with other related parties. The amounts are unsecured, interest free and repayable on demand.

(a) The related parties of, and their relationships with the Company, are as follows:

Related parties	Relationship
Ping Petroleum Sdn. Bhd. (Incorporated in Malaysia)	Wholly owned subsidiary of Ping Petroleum Limited Principal Activities: Exploration and development of upstream oil and gas assets
Ping Energy XXI Limited (Incorporated in Bermuda)	Joint venture of Ping Petroleum Limited (terminated effective 23 January 2014 and company dissolved effective 9 March 2015)
Energy XXI Limited (Incorporated in Bermuda)	Joint venture partner (Joint Development Agreement terminated effective 23 January 2014)

(b) Transactions with related parties during the financial year:

Company	2015 USD	2014 USD
Termination payment received from Energy XXI Limited	-	1,000,000
Arbitration award received from Energy XXI Limited	1,535,843	-
Recovery of expenses and shared overhead costs with other related parties:		
- Ping Energy XXI Limited	-	2,747,355
- Energy XXI Limited	162,908	1,203,380

(c) Outstanding balance:

Company	2015 USD	2014 USD
Ping Petroleum Sdn Bhd	22,234	33,545

Amount owing by subsidiary/related party are denominated in USD.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

11 CASH AND BANK BALANCES

Group	2015 USD
Cash at bank, denominated in:	
USD	5,453,118
RM	75,709
	5,528,827

Company	2015 USD	2014 USD
Cash at bank, denominated in:		
USD	5,452,618	1,914,989

Cash at bank denominated in USD are non-interest bearing.

12 ACCOUNTS PAYABLE

	Group/Company 2015 USD	Company 2014 USD
Accounts payable	511,479	-

Accounts payable are current and denominated in USD.

13 OTHER PAYABLES AND ACCRUALS

Group	2015 USD
Other payables	533,199
Accruals	13,833
	547,032

Company	2015 USD	2014 USD
Other payables	493,143	214,417
Accruals	5,755	6,073
	498,898	220,490

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

14 DEPOSIT FOR SHARE SUBSCRIPTION

	Group/Company 2015 USD	Company 2014 USD
Deposit for share subscription	1,000,000	-

On 29 May 2015, DNex Petroleum Sdn Bhd ("DPSB") executed a Letter of Interest in subscribing for 30% of the enlarged paid up capital in Ping Petroleum Limited for a total subscription sum of USD 10 million. DPSB had, on 5 June 2015, paid to the Company the commitment fee of USD 1,000,000 in cash as deposit for share subscription in the Company.

15 LOAN PAYABLE

	Group/Company 2015 USD	Company 2014 USD
Bridge loan	2,400,000	-

Bridge loan made available to the Company to support the acquisition of Anasuria Cluster and associated acquisition expenses. The unsecured bridge loan carries an interest of 2% per month compounded monthly from the funding date (payment of deposit for acquisition of Anasuria Cluster) and 12 months maturity with minimum commitment of 6 months.

The bridge loan does not have an active exit market and due to the highly tailored nature of the obligation and short-notice termination provisions. Considering these circumstances, the Group and Company considers the carrying amount as an approximation for the fair value.

16 DIRECTORS' LOAN

	Group 2015 USD
Directors' loan	52,750

Amounts due to the Directors are denominated in Ringgit Malaysia, unsecured, interest free and has no fixed terms of repayment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

17 SHARE CAPITAL

	Group/Company 2015 USD	Company 2014 USD
Authorised		
25,000,000 ordinary shares of USD0.001 each	25,000	25,000
Issued and fully paid capital		
22,649,650 ordinary shares of USD0.001 each	22,649	22,399

During the year, 250,000 shares were issued. The shares were issued at a premium of USD 0.099 per share.

Salaries Converted into Options

(a) Effective on 30 June 2015, certain Directors of Ping Petroleum Limited have accepted half of their salaries in options in the Company. The conversion of salaries is to manage the Company's cost base and minimise the cash impact on the business. A total of 1,429,494 new options have been issued at an exercise price of USD 0.01 each. The options awarded at the time have been standardised to a three year term. The expiry date of these options is 30 June 2018.

The weighted average fair value of the shares granted during the year is USD 0.07 (2014: USD 0.05). This was determined based on the present value of committed equity by shareholders less cumulative net losses incurred. A venture capital discount rate of 50% was used in estimating the present value of committed equity. Fair value per share is arrived at based on the enlarged share capital.

(b) Share options were also granted to selected employees, which expired on 30 June 2014. The average exercise price of the share options granted in 2014 is USD 0.18.

Performance Based Share Grant

On 30 June 2014, performance based share grants are granted to selected employees conditional upon successful acquisition of an asset in Malaysia. The vesting period is one year from the date of employment. The fair value of the share grant in 2014 was USD 0.05. The amount charged to the income statement as of 30 June 2014 amounted to USD 7,500. The share options were forfeited in 2015.

Movements in the number of shares and share options outstanding:

			Group/Company 2015
	ESOS (a)	ESOS (b)	Share Grant
At 1 July	-	-	150,000
Granted	1,429,494	-	-
Forfeited	-	-	(150,000)
At 30 June	1,429,494	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

17 SHARE CAPITAL (CONTINUED)

Performance Based Share Grant (Continued)

Movements in the number of shares and share options outstanding:

			Group/Company 2014
	ESOS (a)	ESOS (b)	Share Grant
At 1 July	10,849,650	800,000	150,000
Granted	50,000	-	-
Exercised/Issued	(10,899,650)	-	-
Expired	-	(800,000)	-
At 30 June	-	-	150,000

18 SHARE PREMIUM

	Group/Company 2015 USD	Company 2014 USD
Ordinary shares	1,522,779	1,498,029

19 OPERATING LEASE COMMITMENTS

The Company leases office and lodging accommodation under non-cancellable operating lease agreements. The lease terms are between 1 and 3 years, and the lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Group	2015 USD
No later than 1 year	50,018
Later than 1 year and no later than 3 years	-
	50,018

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (CONTINUED)

20 ARBITRATION REWARD

On 26 August 2014, Ping Petroleum Limited has formally demanded, under the rights of the Termination Agreement effective 23 January 2014, a binding arbitration with Energy XXI International Limited ("EXXI"), seeking recovery of USD 1,162,907 which includes fee payable, general and administrative allowance as per the Termination Agreement and direct out-of-pocket expenses incurred at the request and for the benefit of EXXI.

The arbitration was concluded on 23 June 2015, and a total of USD 1,698,751 was awarded to Ping Petroleum Limited.

21 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

On 22 July 2015, Ping Petroleum UK Limited ("PPUK"), a wholly owned subsidiary of Ping Petroleum Limited and Anasuria Operating Company Limited, a joint operating company with Hibiscus Petroleum Berhad ("Hibiscus") were incorporated in England and Wales in connection with the acquisition of Anasuria Cluster in the UK North Sea of the United Kingdom.

On 6 August 2015, the Company and Hibiscus Petroleum Berhad ("Hibiscus") have jointly entered into sale and purchase agreements to each acquire 50% of the entire interests of Shell UK Ltd, Shell EP Offshore Ventures Limited ("Shell") and Esso Exploration and Production UK Limited ("Esso") in the Anasuria Cluster of oil and gas fields effective from 1 January 2015. The acquisition of the Anasuria Cluster is subject to regulatory approvals, and third party consents, including the UK Government's approval and Hibiscus' shareholder approval.

The Anasuria Cluster is located approximately 175km east of Aberdeen in the UK Central North Sea and consists of a 100% interest in the Anasuria FPSO, Teal, Teal South, Guillemot A fields and a 38.65% interest in the Cook field.

On 7 September 2015, DNex Petroleum Sdn Bhd ("DPSB"), a wholly owned subsidiary of DNex Berhad executed a Share Subsciption Agreement and the Shareholders Agreement with Ping Petroleum Limited to acquire 30% equity of the Company for a consideration of USD 10,000,000.

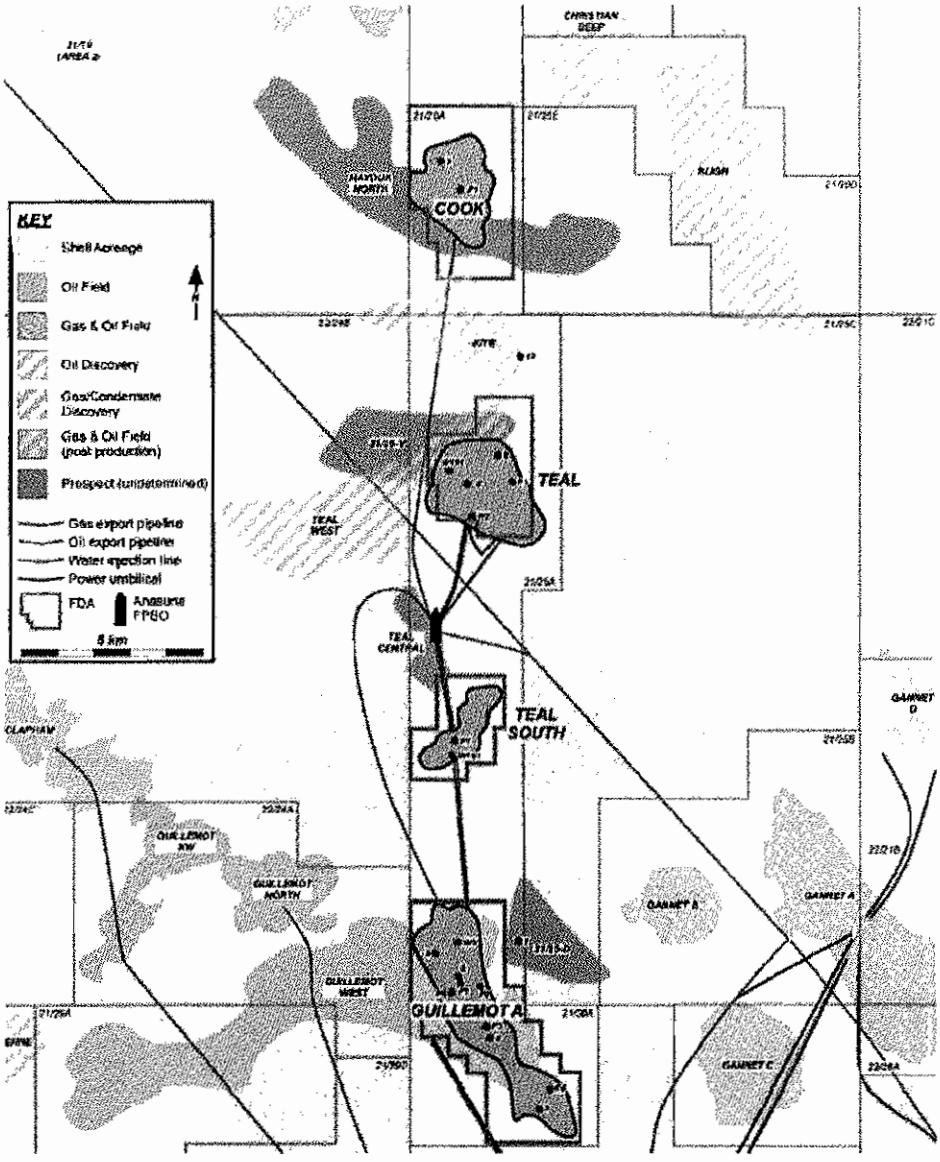
The acquisition above will be financed by the proceeds from the share subscriptions by DPSB and consideration fee from Hibiscus.

22 AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors dated

1. OVERVIEW OF THE ANASURIA CLUSTER

The Anasuria Cluster represents a geographically focused package of operated producing fields and associated infrastructure. The Anasuria Cluster is located in a water depth of 94 metres approximately 175km east of Aberdeen in the UK Central North Sea as shown below.



Production from the Anasuria Cluster commenced in the year 1996, with the Guillemot A Field, Teal Field and Teal South Field jointly developed under a single field development plan as subsea tie-backs to the purpose-built Anasuria FPSO. The Cook Field was developed later as a single well subsea tie-back to the Anasuria FPSO, with production commencing in the year 2000.

1.1 Guillemot A Field

The Guillemot A Field is located in Blocks 21/25 and 21/30. The field was discovered in the year 1979 and was subsequently developed with four production wells and two water injection wells tie-back to the Anasuria FPSO, with first production in the year 1996. A fifth (5th) production well was drilled on the field in early of the year 2014 and came on-stream on 28 May 2014.

1.2 Cook Field

The Cook Field is located in Block 21/20a and is the northernmost field of the Anasuria Cluster. The field was discovered in the year 1983 and developed as a single-well subsea tie-back to the Anasuria FPSO, with production commencing in the year 2000.

1.3 Teal Field

The Teal Field is located in Block 21/25 and was discovered in the year 1989. The Teal Field was subsequently developed as a subsea tie-back to the Anasuria FPSO, with first production in the year 1997.

1.4 Teal South Field

The Teal South Field is located in Block 21/25 and was discovered in the year 1992. The field was developed as a subsea tie-back to the Anasuria FPSO with production commencing in the year 1996.

1.5 Anasuria FPSO

The Anasuria FPSO was built in the year 1995 and was installed in the year 1996 as part of the development of the Guillemot A Field, Teal Field, and Teal South Field, with the Cook Field being tied-in four years later. The Anasuria FPSO is located between the Teal Field and Guillemot A Field, approximately 175km east of Aberdeen. The Anasuria FPSO represents the infrastructure hub for the Anasuria Cluster, including future discoveries in the wider area.

The Anasuria FPSO provides the infrastructure for the development of the oilfields and has the capacity (ie. Processing facilities for up to 69,000 b per day of well fluid, separating it into oil plus gas for export and produced water and storage capacity of 850,000 b of oil) and longevity to accommodate future infill opportunities, tie-backs of new fields and any future discoveries in the surrounding area.

The primary functions of the Anasuria FPSO are to:-

(i) Produce dead crude for export via offtake tankers;

(ii) Treat and export associated gas into the Fulmar Gas Line;

(iii) Provide gas lift for the Guillemot A Field and the Cook Field;

(iv) Treat produced water prior to disposal overboard; and

(v) Treat and inject seawater for water injection.

In addition, the Anasuria FPSO controls all the wells in the Anasuria Cluster and provides mooring, connection, loading and disconnection services for tankers offloading Anasuria Cluster crude.

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1.6 Further information on the Anasuria Cluster is set out below:-

Estimated remaining lifetime	20 years		
Licences	(i) Guillemot A Field, Teal Field and Teal South Field interests - United Kingdom Petroleum Production License number P.013 dated and with effect from 17 September 1964; and (ii) Cook Field - United Kingdom Petroleum Production License number P.185 dated 10 July 1972 and with effect from 15 March 1972. Licenses in the UK are granted for the field life. Annually the operator has to submit a production consent application and field development plan for approval by the Oil and Gas authority. There is no obligation on the part of the licensee to pursue further field development if the economics are unfavorable or the participants cannot fund the development.		
Area	21.5 square km (5,321.4 acres)		
Number of wells	7 (4 producing wells in the Guillemot A Field, 1 producing well in Cook Field, 1 producing well in the Teal Field and 1 suspended well in the Teal South Field)		
Total cumulative production of O&G as at 31 December 2014		**Oil MMstb**	**Gas Bscf**
	Guillemot A Field	41.5	20.2
	Cook Field	43.7	48.6
	Teal Field	56.6	47.5
	Teal South Field	7.2	4.5
Production volume as at 31 December 2014 (b/d)*	Guillemot A Field	5100	
	Cook Field	4000	
	Teal Field	1600	
	Teal South Field	-(1)	
	Note:- *(1) Teal South Field is currently not in operation due to the detection of hydrogen sulphide, however efforts are on-going to bring the field back on-stream in 2016.*		
Estimated cost of production per barrel (based on the estimated 2P Reserves by RPS)	**Timeline**	**USD**	
	2015 to 2020	27.0	
	2021 to 2034	34.7	

(Source: Anasuria Vendors, management of Ping)

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2. O&G RESERVES OF THE ANASURIA CLUSTER

Based on valuation conducted by RPS, as at 1 January 2015, the 2P O&G Reserves of the Anasuria Cluster are 40.4 MMstb and 27.9 Bscf, respectively. The expert's report in relation to the reserves and resources evaluation of the Anasuria Cluster is appended in Appendix IX of this Circular.

3. INFORMATION ON ANASURIA VENDORS

3.1 Information on Shell UK

Shell UK was incorporated in England and Wales as The Shell Company of the United Kingdom Limited under the Companies Acts 1908 and 1913 on 30 April 1915 as a private limited company.

Shell UK engages in O&G upstream and downstream businesses in the UK. Shell UK's upstream business activities include the exploration and production of O&G while its downstream business activities comprise supplying, trading and shipping crude worldwide, manufacturing and marketing a range of oil products, and producing petrochemicals for industrial customers.

The existing directors of Shell UK are Erik Bonino, Nigel Hobson, Paul Goodfellow, Joanne Wilson, David Moss and Michael Coates. As at the LPD, Shell UK is a wholly-owned subsidiary of Shell Holdings (U.K.) Limited. The ultimate shareholder of Shell UK is Royal Dutch Shell plc.

(Source: Shell)

3.2 Information on Shell EP

Shell EP was incorporated in England and Wales as British Gas (Fulmar) Limited under the Companies Act 1981 on 26 November 1982 as a private limited company.

The principal activities of Shell EP are the exploration and production of O&G.

The existing directors of Shell EP are Duncan van Bergen, Lynn Sprouse, Gary Archibald and David Kemshell. As at the LPD, Shell EP is a wholly-owned subsidiary of Enterprise Oil Limited. The ultimate shareholder of Shell EP is Royal Dutch Shell plc.

(Source: Shell)

3.3 Information on Esso UK

Esso UK was incorporated in the UK under the Companies Act 1908 on 22 July 1925 as a private limited company.

The principal activities of Esso UK are exploring, producing and marketing O&G.

The existing directors of Esso UK are Louise McKenzie, Stacey Weltmer, Mike Cooper and Peter Clarke. As at the LPD, the ultimate shareholder of Esso UK is the ExxonMobil Corporation.

(Source: Esso UK)

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3.4 Information on Anasuria Consideration payable to the Anasuria Vendors

The Anasuria Consideration payable to each of the Anasuria Vendors (excluding Contingent Consideration) is set out below:-

	Initial Consideration			
	Deposit	At Anasuria SPAs Completion	Deferred Consideration	Total Anasuria Consideration
	USD million			
Shell UK and Shell EP	4.5	29.3	25.3	59.1
Esso UK	3.5	22.7	19.7	45.9
	8.00	**52.00**	**45.00**	**105.00**

The allocation of the total Anasuria Consideration to the Anasuria Vendors is based on the proportion of their respective interests in the Anasuria Cluster. Shell EP and Shell UK collectively are receiving higher amount than Esso UK due to Shell EP having a larger interest in Cook Field as compared to Esso UK as set out in Section 2.1.2 of this Circular.

4. KEY FINANCIAL DATA

Key financial data of the Anasuria Cluster such as revenue, PBT and PAT has not been made available due to the following:-

(i) The confidentiality of the off-take prices for the sale of O&G from the Anasuria Cluster by each Anasuria Vendor; and

(ii) The Anasuria Vendors recording their share of the Anasuria Cluster at their respective holding company levels and no separate financial records are maintained for the Anasuria Cluster. As such, the following information in respect of the Anasuria Cluster is not available:-

(a) Stock balance at each year end for each Anasuria Vendor;

(b) Total cost base including depreciation charges and finance costs for each of the Anasuria Vendors;

(c) Asset retirement obligation relating to the Anasuria Cluster which impacts the depreciation and finance costs for each Anasuria Vendor; and

(d) Current tax and deferred tax relating to the operations of the unincorporated joint venture between the Anasuria Vendors.

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However, the following production data and costs of the Anasuria Cluster for the past three (3) years have been obtained from the Anasuria Vendors' data room and are set out below:

	For the year ended 31 December		
	2012	**2013**	**2014**
Oil production (b)	849,986	1,568,331	1,723,264
Gas production (Standard cubic meters -Sm^3)	33,785,910	39,646,852	38,624,919
Lifting volume (b)[1]	866,201	1,783,901	1,674,950
Capital expenditure (GBP'000)[2]	35,069	44,181	58,051
Operating expenditure (GBP'000)[3]	47,450	48,429	58,256
Total (GBP'000)	**82,519**	**92,610**	**116,307**

Notes:-

(1) The amount of crude oil which is transferred from the Anasuria FPSO tanks and the export tanker.

(2) Capital expenditure covers costs associated with:

(a) Drilling of new oil producer or water injector wells;

(b) Workover of an existing well to enhance/increase the production from the well;

(c) Replacement of equipment/hardware in order to extend the design life of the Anasuria FPSO, process systems, pipelines/umbilicals and the oil/water injector wells;

(d) Upgrade of the Anasuria FPSO or process system in order to increase its capacity; and

(e) Acquisition of data (e.g. Guillemot Field 4D Seismic) which could potentially lead to drilling of additional wells and increased oil reserves.

(3) Operating expenditure represents day-to-day running costs of the Anasuria Cluster including offshore manpower and production consumables such as fuel and chemicals, logistics such as helicopters, maintenance spares and personnel and onshore support personnel.

(Source: Anasuria Vendors)

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Conyers Dill & Pearman

29 March, 2016

Matter No.:811374
Doc Ref: pl/al/102471978v1

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The Board of Directors
Dagang NeXchange Berhad
Tower 3, Avenue 5
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Dear Sirs,

Re: Ping Petroleum Limited (the "**Company**")

We have acted as special Bermuda legal counsel to Dagang NeXchange Berhad ("**DNex**") in connection with the proposed subscription of ordinary shares of par value US$0.001 each in the share capital of the Company ("**Shares**") by DNeX Petroleum Sdn. Bhd., ("**DNex Petroleum**"), a wholly-owned subsidiary of DNex.

For the purposes of giving this opinion, we have examined a copy of the share subscription agreement made between DNex Petroleum and the Company dated 7 September, 2015, (the "**Share Subscription Agreement**") which is herein sometimes referred to as the "**Document**" (which term does not include any other instrument or agreement whether or not specifically referred to therein or attached as an exhibit or schedule thereto).

We have also reviewed the memorandum of association and the bye-laws of the Company, each certified by the Secretary of the Company on 3 September, 2015, written resolutions of its directors dated 2 March, 2016, and minutes of a meeting of its shareholders held on 16 February, 2016 (the "**Resolutions**"), and such other documents and made such enquiries as to questions of law as we have deemed necessary in order to render the opinion set forth below.

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We have assumed (a) the genuineness and authenticity of all signatures and the conformity to the originals of all copies (whether or not certified) examined by us and the authenticity and completeness of the originals from which such copies were taken; (b) that where a document has been examined by us in draft form, it will be or has been executed in the form of that draft, and where a number of drafts of a document have been examined by us all changes thereto have been marked or otherwise drawn to our attention; (c) the capacity, power and authority of each of the parties to the Document, other than the Company, to enter into and perform its respective obligations under the Document; (d) the due execution and delivery of the Document by each of the parties thereto, other than the Company, and the physical delivery thereof by the Company with an intention to be bound thereby; (e) the accuracy and completeness of all factual representations made in the Document and other documents reviewed by us; (f) that the Resolutions were passed at one or more duly convened, constituted and quorate meetings or by unanimous written resolutions, remain in full force and effect and have not been rescinded or amended; (g) that there is no provision of the law of any jurisdiction, other than Bermuda, which would have any implication in relation to the opinions expressed herein; (h) the validity and binding effect under the laws of Malaysia (the "**Foreign Laws**") of the Document which is expressed to be governed by such Foreign Laws in accordance with their respective terms; (i) the validity and binding effect under the Foreign Laws of the submission by the Company pursuant to the Document to arbitration to be conducted in Kuala Lumpur under the Regional Centre for Arbitration in Kuala Lumpur (the "**KLRCA**") in accordance with the KLRCA rules in force when notice of arbitration is submitted; (j) that none of the parties to the Document carries on business from premises in Bermuda at which it employs staff and pays salaries and other expenses; and (k) that on the date of entering into the Document the Company is and after entering into the Document will be able to pay its liabilities as they become due.

The term "enforceable" as used in this opinion means that an obligation is of a type which the courts of Bermuda enforce. It does not mean that those obligations will be enforced in all circumstances in accordance with the terms of the Document. In particular, the obligations of the Company under the Document (a) will be subject to the laws from time to time in effect relating to bankruptcy, insolvency, liquidation, possessory liens, rights of set off, reorganisation, amalgamation, merger, moratorium or any other laws or legal procedures, whether of a similar nature or otherwise, generally affecting the rights of creditors as well as applicable international sanctions; (b) will be subject to statutory limitation of the time within which proceedings may be brought; (c) will be subject to general principles of equity and, as such, specific performance and injunctive relief, being equitable remedies, may not be available; (d) may not be given effect to by a Bermuda court, whether or not it was applying the Foreign Laws, if and to the extent they constitute the payment of an amount which is in the nature of a penalty; (e) in the case of the Share Subscription Agreement, may be subject to the common law rules that damages against the Company are only available where DNex Petroleum

rescinds the Share Subscription Agreement; (f) may not be given effect by a Bermuda court to the extent that they are to be performed in a jurisdiction outside Bermuda and such performance would be illegal under the laws of that jurisdiction. Notwithstanding any contractual submission to the jurisdiction of specific courts, a Bermuda court has inherent discretion to stay or allow proceedings in the Bermuda courts.

We express no opinion as to the enforceability of any provision of the Document which provides for the payment of a specified rate of interest on the amount of a judgment after the date of judgment or which purports to fetter the statutory powers of the Company or which purports to grant exclusive jurisdiction to any courts.

Any provision of a document governed by Bermuda law expressly or impliedly providing that certain statements, calculations and/or certificates will be conclusive and binding may not be effective if such statements, calculations or certificates are incorrect on their face or fraudulent and will not necessarily prevent judicial enquiry into the merits of a claim of an aggrieved party. In addition, an agreement governed by Bermuda law may be amended orally despite any provision to the contrary in such agreement, and the question of whether any provisions of such an agreement which may be illegal, invalid or ineffective may be severed from the other provisions of such agreement would be determined by the courts at their discretion.

We have made no investigation of and express no opinion in relation to the laws of any jurisdiction other than Bermuda. This opinion is to be governed by and construed in accordance with the laws of Bermuda and is limited to and is given on the basis of the current law and practice in Bermuda. This opinion is issued solely for your benefit and use in connection with the matter described herein and is not to be relied upon by any other person, firm or entity or in respect of any other matter.

On the basis of and subject to the foregoing, we are of the opinion that:

1. The Company is duly incorporated and existing under the laws of Bermuda in good standing (meaning solely that it has not failed to make any filing with any Bermuda governmental authority, or to pay any Bermuda government fee or tax, which would make it liable to be struck off the Register of Companies and thereby cease to exist under the laws of Bermuda).

2. The Company has the necessary corporate power and authority to enter into and perform its obligations under the Document. The execution and delivery of the Document by the Company and the performance by the Company of its obligations thereunder will not violate the memorandum of association or bye-laws of the Company nor any applicable law, regulation, order or decree in Bermuda.

3. The Company has taken all corporate action required to authorise its execution, delivery and performance of the Document. When duly executed and delivered by or on behalf of the Company, the Document will constitute the valid and binding obligations of the Company in accordance with the terms thereof.

4. No order, consent, approval, licence, authorisation or validation of or exemption by any government or public body or authority of Bermuda or any sub-division thereof is required to authorise or is required in connection with the execution, delivery, performance and enforcement of the Document, except such as have been duly obtained in accordance with Bermuda law.

5. It is not necessary or desirable to ensure the enforceability in Bermuda of the Document that it be registered in any register kept by, or filed with, any governmental authority or regulatory body in Bermuda.

6. The Document will not be subject to *ad valorem* stamp duty in Bermuda and no registration, documentary, recording, transfer or other similar tax, fee or charge is payable in Bermuda in connection with the execution, delivery, filing, registration or performance of the Document.

7. An award granted pursuant to arbitration proceedings in Malaysia and conducted in accordance with the KLRCA rules against the Company based upon the Document would be enforceable in Bermuda under the Bermuda International Conciliation and Arbitration Act 1993 (which incorporates the Convention on the Recognition and Enforcement of Foreign Arbitral Awards adopted by the United Nations Conference on International Commercial Arbitration on 10th of June, 1958) either by action or by leave of the Supreme Court or a judge thereof, in the same manner as a judgment or order to the same effect, and where leave is so given, judgment may be entered in the terms of the award. Enforcement of an award may be refused if the person against whom it is invoked proves:

   (a) that a party to the arbitration agreement was (under the law applicable to him) under some incapacity; or

   (b) that the arbitration agreement was not valid under the law to which the parties subjected it or, failing any indication thereon, under the law of the country where the award was made; or

(c) that he was not given proper notice of the appointment of the arbitrator or of the arbitration proceedings or was otherwise unable to present his case; or

(d) that the award deals with a difference not contemplated by or not falling within the terms of the submission to arbitration or contains decisions on matters beyond the scope of the submission to arbitration (save that in such case an award on matters submitted to arbitration may be enforceable to the extent these matters can be separated from those not submitted); or

(e) that the composition of the arbitral authority or the arbitral procedure was not in accordance with the agreement of the parties or, failing such agreement, with the law of the country where the arbitration took place; or

(f) that the award has not yet become binding on the parties, or has been set aside or suspended by a competent authority of the country in which, or under the law of which, it was made.

Enforcement may also be refused if the award is in respect of a matter which is not capable of settlement by arbitration, or if it would be contrary to public policy to enforce the award.

8. When issued and paid for in accordance with the Share Subscription Agreement, the Shares will be validly issued, fully paid and non-assessable (which term when used herein means that no further sums are required to be paid by the holders thereof in connection with the issue thereof).

9. Based solely on a review of the Register of Members of the Company as at 6 October, 2015, the shares are validly issued, fully paid and non-assessable (which term when used herein means that no further sums are required to be paid by the holders thereof in connection with the issue thereof) and the shareholders of the Company are as follows:

Name of Shareholders		Number of shares
1.	Paul Baltensperger	6,811,430
2.	David Roy Phillips	2,678,570

3.	Ning Zhang	7,264,290
4.	Emma Noor Aireen Abdul Rahim	25,000
5.	Adil Ahmad	250,000
6.	Nadir Ahmad	25,000
7.	Charles William Austin	50,000
8.	Michael Barrett	250,000
9.	Andrew Thomas Boog	50,000
10.	Shin Ni Chai	100,000
11.	Ju Ling Hong	2,890,360
12.	Lester Huang	200,000
13.	Joseph Teek Seng Koh	100,000
14.	Kong Chin Kok	250,000
15.	Wai Peng Lai	312,000
		250,000
16.	Bee Chern Lee	25,000
17.	Bruno Maldonado	250,000
18.	Ryan Oliver Owen	187,500
19.	Mohammed Zaim Bin Awang Pon	30,000
20.	Stephen Lip Jin Saw	50,000
21.	Henry Harper Woods	500,000
22.	Changyin Zhang	100,000

10. There are no limitations under the Companies Act or the memorandum of association and bye-laws of the Company on the rights of any holders of the Shares to hold or vote such Shares in accordance with the memorandum of association and bye-laws of the Company.

11. DNex Petroleum has standing to bring an action or proceedings before the appropriate courts in Bermuda for the enforcement of the Document. It is not necessary or advisable in order for the DNex to enforce its rights under the Document, including the exercise of remedies thereunder, that it be licensed, qualified or otherwise entitled to carry on business in Bermuda.

12. The Company is not entitled to any immunity under the laws of Bermuda, whether characterised as sovereign immunity or otherwise, from any legal proceedings to enforce the Document in respect of itself or its property.

13. The obligations of the Company under the Document will rank at least *pari passu* in priority of payment with all other unsecured unsubordinated indebtedness of the Company, other than indebtedness which is preferred by virtue of any provision of the laws of Bermuda of general application.

14. Based solely upon a search of the Cause Book of the Supreme Court of Bermuda conducted at 11:15 a.m. on 24 March, 2016 (which would not reveal details of proceedings which have been filed but not actually entered in the Cause Book at the time of our search), there are no judgments against the Company, nor any legal or governmental proceedings pending in Bermuda to which the Company is subject.

15. Based solely on a search of the public records in respect of the Company maintained at the offices of the Registrar of Companies at 11:29 a.m. on 24 March, 2016 (which would not reveal details of matters which have not been lodged for registration or have been lodged for registration but not actually registered at the time of our search) and a search of the Cause Book of the Supreme Court of Bermuda conducted at 11:15 a.m. on 24 March, 2016 (which would not reveal details of proceedings which have been filed but not actually entered in the Cause Book at the time of our search), no details have been registered of any steps taken in Bermuda for the appointment of a receiver or liquidator to, or for the winding-up, dissolution, reconstruction or reorganisation of, the Company, though it should be noted that the public files maintained by the Registrar of Companies do not reveal whether a winding-up petition or application to the Court for the appointment of a receiver has been presented and entries in the Cause Book may not specify the nature of the relevant proceedings.

16. Any monetary judgment in the courts of Bermuda in respect of a claim brought in connection with the Document may be expressed in the currency in which

such claim is made, since such courts have power to grant a monetary judgment expressed otherwise than in the currency of Bermuda but they may not necessarily do so.

Yours faithfully,

Conyers Dill & Pearman

Conyers Dill & Pearman

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SINGAPORE

Conyers Dill & Pearman

24 March, 2016

Matter No.: 811374
Doc Ref: pl/al/102472059v1

(852) 2842 9551
Paul.Lim@conyersdill.com

The Board of Directors
Dagang NeXchange Berhad
Tower 3, Avenue 5, The Horizon
Bangsar South, No. 8 Jalan Kerinchi
59200, Kuala Lumpur
Malaysia

Dear Sirs,

Re: Bermuda Exempted Companies – Policies governing Foreign Investments, Taxation, Exchange Control and Repatriation of Capital and Profits

We have acted as special Bermuda legal counsel to Dagang NeXchange Berhad (the "**Company**") in connection with the proposed subscription of ordinary shares of par value US$0.001 each in the share capital of the Ping Petroleum Limited, a Bermuda incorporated exempted limited company by DNeX Petroleum Sdn. Bhd., a wholly-owned subsidiary of the Company.

You have requested that we advise you on certain policy aspects governing foreign investments, taxation, exchange control and the repatriation of capital and profits in Bermuda relating to Bermuda exempted companies. The following is not intended to be exhaustive but merely to provide brief details and information which may be applicable to the Company.

This letter is to be governed by and construed in accordance with the laws of Bermuda and is limited to and is given on the basis of the current law and practice in Bermuda. This letter is issued solely for your benefit and use in connection with the matter described herein and is not to be relied upon by any other person, firm or entity or in respect of any other matter.

General

The principal statute in Bermuda governing the formation, management and administration of companies is The Companies Act, 1981 (the "**Companies Act**"). In general, many of the provisions of the Companies Act have been taken from The Companies Act, 1948 of the United Kingdom although their application has, in certain instances, been adapted to conform to general concepts of company law in Bermuda. In some circumstances, however, certain statutory provisions differ quite substantially from their equivalent in the United Kingdom Act (such as with respect to redemption of shares). In addition, certain aspects of Canadian company law have been included in the Companies Act.

The Companies Act draws a distinction between companies which carry on their business activities in Bermuda and those which carry on their business activities out of Bermuda but from a place of business in Bermuda. Certain provisions of the Companies Act, therefore, relate specifically to "local" companies and, as such, are not considered further in this letter.

There is a large body of common law which has developed relating to companies. The Bermuda courts treat English common law relating to companies as of strong persuasive authority. Further, a court is directed by The Interpretation Act, 1951 of Bermuda to apply as nearly as practicable the rules for interpretation and construction of provisions of law which are applicable in England to the interpretation and construction of statutory provisions of Bermuda law.

Policies and law on foreign investment

The Companies Act provides that no Bermuda company shall carry on any prohibited business activity set out in the Tenth Schedule of the Companies Act which are as follows:

(a) trafficking in armaments as defined in the Armaments (Control) Act 1964 of Bermuda;

(b) except as authorised by law, operating lotteries as defined in the Lotteries Act 1944 of Bermuda or gambling facilities, including the operation thereof through the Internet; and

(c) except as authorised by law, importation, exportation trading in, manufacture, production or supply of controlled drugs as defined by the Misuse of Drugs Act 1972 of Bermuda.

The Companies Act also provides that no Bermuda company shall carry on any restricted business activity set out in the Ninth Schedule of the Companies Act without the consent of the Bermuda Minister of Finance.

Such restricted business activities are:

(a) operating a financial institution within the meaning of section 1(1) of the Bermuda Monetary Act 1969 other than institutions that are investment funds or person registered under section 4 or 10 of the Insurance Act 1978 of Bermuda;

(b) providing by way of business any of the following services to the general public:-

offering of professional services as a barrister and attorney, medical practitioner, architect, dental practitioner, public accountant, optometrist, optician, professional surveyor, nurse, health service provider or any profession or occupation specified under the First Schedule to the Professions Supplementary to Medicine Act 1973 of Bermuda; and

(c) acquiring land or holding land other than in the case of land acquired or held under sections 120 and 129 of the Bermuda Companies Act.

An exempted company shall not carry on business of any kind or type whatsoever in Bermuda either alone or in partnership or otherwise except:

(i) carrying on business with persons outside Bermuda;

(ii) doing business in Bermuda with an exempted undertaking in furtherance only of the business of the exempted company carried on exterior to Bermuda;

(iii) buying or selling or otherwise dealing in shares, bonds, debenture stock obligations, mortgages or other securities or investments issued or created by an exempted undertaking, or a local company, or any partnership which is not an exempted undertaking (an exempted undertaking means an exempted company or permit company or an exempted partnership as defined in the Exempted Partnership Act 1992 of Bermuda);

(iv) transacting banking business in Bermuda with and through an institution licensed as a bank under the Banks and Deposit Companies Act 1999 of Bermuda;

(v) effecting or concluding contracts in Bermuda, and exercising in Bermuda all other powers, so far as may be necessary for the carrying on of its business with persons outside Bermuda;

(vi) as manager or agent for, or consultant or adviser to any:

(aa) exempted company or permit company which is affiliated whether or not incorporated in Bermuda with the exempted company; or

(bb) exempted partnership registered under the Exempted Partnership Act 1992 of Bermuda or overseas partnership registered under the Overseas Partnerships Act 1995 of Bermuda in which the exempted company is a partner;

(vii) carrying on the business of reinsuring risks undertaken by any company incorporated in Bermuda and permitted to engage in insurance and reinsurance business; or

(viii) in accordance with subsection (7) of Section 129 of the Companies Act:

(aa) marketing of shares or dealing with the holders of the shares of an exempted company where the exempted company is a mutual fund;

(bb) marketing interests in or dealing with holders of interests in a limited partnership in respect of which the exempted company is a general partner;

(cc) marketing units in or dealing with holders of units in a unit trust scheme in respect of which the exempted company is a manager.

Unless otherwise authorised by the Companies Act, an exempted company shall not:

(a) acquire or hold land in Bermuda except:

(i) land required for its business held by way of lease or tenancy agreement for a term not exceeding fifty years; or

(ii) with the consent of the Minister granted in his discretion, land by way of lease or tenancy agreement for a term not exceeding twenty-one years in order to provide accommodation or recreational facilities for its officers and employees;

(b) acquire or hold land that is designated as tourist accommodation or a hotel residence by regulations made under section 102D(1)(ba) of the Bermuda Immigration and Protection Act 1956, unless:

(i) the company has a physical presence in Bermuda and the Minister responsible for Immigration has given his consent by issuing a licence under Part VI of that Act; and

(ii) the land is acquired or held by way of lease or tenancy agreement for a term not exceeding 131 years, or such longer period as is

provided for in a hotel concession order made under the Hotels Concession Act 2000;

(c) except as provided by section 144 of the Companies Act take any mortgage of land in Bermuda; and

(d) acquire any bonds, or debentures secured on any land in Bermuda except bonds or debentures issued by the Government or a public authority in Bermuda.

The permission of the Bermuda Monetary Authority is required, pursuant to the provisions of the Exchange Control Act 1972 and related regulations, for all issuances and transfers of shares (which includes the ordinary shares) of Bermuda exempted companies to or from a non-resident of Bermuda for exchange control purposes, other than in cases where the Bermuda Monetary Authority has granted a general permission. The Bermuda Monetary Authority, in its notice to the public dated June 1, 2005, has granted a general permission for the issue and subsequent transfer of any securities of a Bermuda company from and/or to a non-resident of Bermuda for exchange control purposes for so long as any "Equity Securities" (meaning a share issued by a Bermuda company which entitles the holder to vote for or appoint one or more directors or a security which by its terms is convertible into a share which entitles the holder to vote for or appoint one or more directors of the company (which would include ordinary shares)) are listed on an "Appointed Stock Exchange" (that is to say any stock exchange appointed by the Minister of Finance under section 2(9) of the Companies Act 1981). Subject to the foregoing, there are no Bermuda regulatory restrictions on ownership or transfer of shares in a Bermuda exempted company to a non- resident of Bermuda.

There are no restrictions in the bye-laws of the Company on the rights of shareholders of the Company to transfer their shares in accordance with the bye-laws of the Company solely by reason that they are non-residents of Bermuda.

There are no limitations, either under Bermuda law or the memorandum and bye-laws of the Company on the rights of shareholders of the Company to hold or vote their shares in accordance with the memorandum and bye-laws of the Company solely by reason that they are non-residents of Bermuda.

Taxation

There is currently no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or its shareholders, other than shareholders ordinarily resident in Bermuda. Further, no such tax is imposed by withholding or otherwise on any payment to be made to or by the Company.

The Company has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 to the effect that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or

computed on any capital assets, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, such tax shall not until 31st March, 2035 be applicable to the Company or to any of its operations or to the shares, debentures or other obligations of the Company except in so far as such tax applies to persons ordinarily resident in Bermuda and holding such shares, debentures or other obligations of the Company or to any land leased or let to the Company.

As an exempted company, the Company will be liable to pay the Bermuda Government an annual registration fee based on a sliding scale by reference to its share capital, ranging from BD$1,995 per annum to a maximum of BD$31,120 per annum.

An annual declaration is submitted each year at the time of payment of the annual registration fee. This declaration states (i) the type of business carried on by the Company; (ii) the amount of the company's authorized share capital; (iii) the amount of the company's share premium account; (iv) amount of the company's assessable capital (or the total amounts of (ii) and (iii)); (v) the amount of the company's assessable capital expressed in Bermuda dollars; and (vi) the exchange rate used for the conversion under (v).

Exchange control

Exchange control is operated under the Exchange Control Act 1972 of Bermuda and related regulations and is administered by the Bermuda Monetary Authority.

The Company has been designated as non-resident for exchange control purposes pursuant to the Exchange Control Act 1972 of Bermuda. The non-resident designation allows the Company to operate free of exchange control regulations and enables it to make payments of dividends, to distribute capital, to open and maintain foreign bank accounts and to purchase securities, etc. without reference to the exchange control authorities.

Stamp duty

A Bermuda exempted company is exempt from all Bermuda stamp duties except on transactions involving "Bermuda property". This term relates, essentially, to real and personal property physically situated in Bermuda, including shares in local companies (as opposed to exempted companies). Transfers of shares and warrants in all exempted companies are exempt from Bermuda stamp duty.

Repatriation of capital and profits

There are no exchange control restrictions presently in effect in Bermuda that would, in the ordinary circumstances, prevent the repatriation of funds in a foreign currency from Bermuda to any country by a Bermuda exempted company designated as a non-resident of Bermuda for exchange control purposes.

Pursuant to the Companies Act, a company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of the company's assets would thereby be less than its liabilities. Contributed surplus is defined by the Companies Act to include the proceeds arising from donated shares, credit resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to the company.

Capital may not be returned to shareholders unless a capital reduction exercise is carried out in accordance with the Companies Act and the company's memorandum of association and bye-laws. There are no restrictions on payment of capital from a capital reduction exercise to shareholders who are non-residents of Bermuda.

A Bermuda exempted company may, if so authorised by its memorandum of association and subject to the limits imposed by sections 42, 42A and 42B of the Companies Act, redeem or purchase its own shares or acquire its own shares to be held as treasury shares.

The memorandum of association of the Company specifically incorporates the powers contained in section 42 of the Companies Act which permits the Company, subject to the terms of section 42 of the Companies Act, to issue preference shares which are redeemable at the option of the Company or at the option of the holder thereof. Moreover, the memorandum of association also incorporates the powers contained in section 42A of the Companies Act pursuant to which the Company is entitled to purchase its own shares. In addition, the memorandum of association incorporates the powers contained in section 42B of the Companies Act which empowers the Company to acquire its own shares to be held as treasury shares. Any purchased shares cancelled will, in effect, revert to the status of authorised but unissued shares. If shares of the Company are held as treasury shares, the Company is prohibited to exercise any rights in respect of those shares, including any right to attend and vote at meetings, including a meeting under a scheme of arrangement pursuant to Section 99 of the Companies Act, and any purported exercise of such a right is void. No dividend shall be paid to the Company in respect of shares held by the Company as treasury shares; and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) shall be made to the Company in respect of shares held by the Company as treasury shares. Any shares allotted by the Company as fully paid bonus shares in respect of shares held by the Company as treasury shares shall be treated for the purposes of the Companies Act as if they had been acquired by the Company at the time they were allotted.

The redemption or purchase may only be effected (i) with respect to the par value of the shares to be redeemed or purchased, out of the capital paid up thereon, the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose and (ii) with respect to any premium on the redemption or purchase of such shares, out of the share premium account or funds of the Company otherwise available for dividend or distribution. Any amount due to a shareholder on a redemption or purchase by the Company of its own shares may (i) be paid in cash; (ii) be

satisfied by the transfer of any part of the undertaking or property of the Company having the same value; or (iii) be satisfied partly under (i) and partly under (ii).

No purchase or redemption by the Company of its own shares may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing, that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

Under Bermuda law, a subsidiary is not prohibited from holding shares of the Company and, in certain circumstances, may acquire such shares. There is no statutory restriction preventing a subsidiary from voting the shares it holds in the Company.

There is no longer any statutory restriction in Bermuda on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in accordance with their fiduciary duties to the company, that such assistance can properly be given.

Yours faithfully,

Conyers Dill & Pearman

Conyers Dill & Pearman

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23 March 2016

Dagang NeXchange Berhad
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Our ref THJ/DEO.4-1

Dear Sirs

Opinion on non-UK investment in an English law company and on the repatriation of profits from an English law company:

We hereby issue our opinion to Dagang NeXchange Berhad (the **"Company"**) a company duly incorporated in Malaysia on non-UK investment in an English law company and on the repatriation of profits from an English law company in connection with the proposed subscription by DNeX Petroleum Sdn. Bhd. ("**DNeX Petroleum**"), a wholly-owned subsidiary of the Company, of 30% of the enlarged issued share capital of Ping Petroleum Limited, the holding company of Ping Petroleum UK Limited (the **"Target"**).

This opinion is limited to the laws of England as applied by the English courts and is given on the basis that it will be governed by and construed in accordance with English law. We do not purport to be experts on, or generally familiar with, any laws other than the laws of England. Accordingly, we have made no investigation of, and do not express or imply any views on the laws of any territory or country other than England. In particular, we have made no investigation of the laws of Malaysia and do not express or imply any views on such laws.

You should note that this opinion does not cover the Excluded Matter, as discussed in paragraph 3.2 below.

1 **Documents**

We have examined the following documents in the preparation of this Opinion:

1.1 The Memorandum and Articles Association of the Target.

1.2 The circular to the shareholders of the company (the **"Circular"**)

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP

Dagang NeXchange Berhad
The Horizon, Bangsar South
23 March 2016

2 **Assumptions**

We have assumed:

2.1 There are no material facts in respect of the affairs of DNeX Petroleum of which we are unaware and have not been disclosed to us by the directors and management of DNeX Petroleum;

2.2 All the information furnished to us by DNeX Petroleum is true, correct, accurate, not misleading, represents a complete and up to date account of the information given; and

2.3 All documents submitted or made available to us as copies conform to the authentic original documents which such copies purport to represent.

3 **The Excluded Matter**

3.1 We have been informed that the Target acquired the Anasuria Cluster on 10 March 2016 and that this acquisition was subjected to UK Government and other regulatory approvals.

3.2 We are not advising on this matter in this opinion. We note that the Company's indirect investment in the Target may need to be disclosed as part of these approval processes.

3.3 For completeness we observe that investment in English law companies with interests in defence, banking, media, financial services, energy and utilities may also be subject to UK Government regulatory approval processes.

4 **Opinion**

Subject to the assumptions and qualifications made in this legal opinion, we set out below our opinion on the matters requested as follows:

4.1 **Non-UK investment in an English law company**

(a) There are no restrictions imposed on non-UK persons investing in English law companies.

(b) There are no restrictions on non-UK persons holding shares in the Target or in exercising the voting rights attached to their shares.

4.2 **Repatriation of profits from an English law company**

(a) There are no exchange control restrictions on the extraction of the profits from an English law company.

(b) Under the Companies Act 2006, dividends may only be paid out of the profits of an English law company. There are no restrictions on the payment of dividends to a non-UK shareholder.

4.3 Capital may not be returned to the shareholders of an English law company unless a capital reduction exercise is carried out in accordance with the provisions of the Companies Act 2006. There are no restrictions on the payment of capital from a capital reduction exercise to non-UK shareholders.

4.4 An English law company may, if so authorised by the Articles of Association and subject to the conditions imposed by the Companies Act 2006, buy back its own shares. There are no restrictions on payment of the purchase price in respect of share buy backs to non-UK shareholders.

5 **Qualifications**

This opinion is subject to the following qualifications:

(a) This legal opinion is strictly limited to the matters stated in it and does not apply by implication to other matters and, in particular.

(b) This opinion relates only to the laws of England in force at the time of giving this opinion. We neither express nor imply any opinion as to and have not made any investigation of, the laws of any other jurisdiction. We are under, and assume, no obligation to inform any person of, any future changes to the laws of England or any other laws.

(c) The statements made and the opinion contained in this letter are given only to the extent of that a law firm, having the role described above, could reasonably be expected to have become aware of relevant facts and to have identified the implications of those facts.

(d) This opinion is given in the view of, and subject to, the accuracy of the instructions which we have been given.

(e) No opinion is expressed on matters of fact.

(f) This opinion merely covers matters considered by us from a legal perspective and we disclaim any skills or expertise in assessing any matter from an accounting, taxation, financial or other non-legal perspective and give no opinion on any operational, technical, financial, statistical, taxation or accounting matter or its adequacy.

6 **Benefit**

This opinion is addressed to you for your sole benefit and may not without prior written consent:

(a) be relied upon by any other person or for any other purpose;

SQUIRE PATTON BOGGS

Squire Patton Boggs (UK) LLP

Dagang NeXchange Berhad
The Horizon, Bangsar South
23 March 2016

(b) be disclosed to any other person, other than:

(i) to persons who in the ordinary course of your business have access to your papers and records on the basis that they will not make any disclosure; or

(ii) if required by law;

(iii) in connection with legal proceedings relating to the document; or be filed with any Government agency or quoted or referred to in any public documents (except as may otherwise be required by applicable law or regulation);

(iv) in the Circular to Shareholders in relation to the proposed subscription by DNeX Petroleum SDN BHD, a wholly-owned subsidiary of DNeX, of 30% of the enlarged issued share capital of Ping Petroleum.

Yours faithfully

Squire Patton Boggs (UK) LLP

Squire Patton Boggs (UK) LLP

report

Subject:

Taxation of companies in the upstream oil and gas sector in the UK and the repatriation of profits

Prepared for:

Dagang NeXchange Berhad

Date: 30 March 2016

1. Purpose of the report and work undertaken

1.1. The purpose of this report is to provide summary information on the taxation of UK companies operating in the upstream oil and gas sector in the UK together with a summary of the tax implications for repatriating interest and dividends out of the UK. We understand that this report is to be included in a Circular to shareholders arising from the investment by DNeX Petroleum Sdn Bhd ("DPS") (DPS being a 100% subsidiary of Dagang NeXchange Berhad("DNEX")) in Ping Petroleum Limited ("Ping").

1.2. The report is intended to be a summary and limited to general overview, it does not cover every aspect of taxation in the UK. This report does not constitute legal advice.

1.3. This report may be relied upon as general summary information by DNEX and DPS in connection with Ping's interest in its 100% subsidiary, Ping Petroleum UK Ltd and no other person may use or rely on the contents of this paper unless otherwise stated and without the prior written consent of MHA MacIntyre Hudson and we do not accept any duty of care to any such persons in respect of it.

1.4. This report has been prepared on the basis of current tax law and understanding of published practice of the date of this report. Events becoming known to us or occurring after this date may have a significant impact on the matter to which this report relates. We accept no responsibility for updating our report or for informing any addressee of this report of any such event.

2. Taxation of companies operating in UK upstream oil and gas sector

2.1. Companies engaged in upstream oil and gas activities within the UK, its territorial waters or in a designated area of the UK continental shelf are subject to the following corporate, field, and sales taxes:

- Petroleum Revenue Tax ("PRT")
- Ring Fence Corporation Tax ("RFCT")
- The Supplementary Charge ("SCT")
- Value Added Tax ("VAT")

2.2. The above taxes are summarised below.

2.3. Petroleum Revenue Tax

2.3.1. PRT is a field based tax (rather than an entity based tax) and only applies to fields which were first given development consent before 16 March 1993.

2.3.2. PRT is payable at a rate of 35% (50% prior to 1 January 2016) of the field profits. PRT is calculated on 6 month chargeable periods ending on 30 June and 31 December and a return must be submitted by the field operator within 1 month of the period end.

2.3.3. There is a specific method for calculating the assessable field profit for this purpose. In broad terms, relief is given for most expenditure directly relating to the field, but there is no deduction for financing costs.

2.3.4. PRT is deductible for the purposes of calculating RFCT (see 2.4 below).

2.3.5. On 16 March 2016 the UK Government announced that it intends to bring in legislation which will permanently reduce PRT to 0% for all chargeable periods ending after 31 December 2015.[1]

2.4. Ring Fence Corporation Tax

Corporation tax for all UK companies

2.4.1. All UK resident companies are subject to corporation tax on their worldwide taxable profits at a rate of 20% (this rate will fall to 19% from 1 April 2017 and then to 18% from 1 April 2020). Furthermore, on 16 March 2016 the UK Government announced that it intends to bring in legislation to further reduce the rate by an additional 1% to 17% from 1 April 2020.

2.4.2. In calculating taxable income, operational and administration costs of a revenue nature are usually deductible if they have been incurred wholly and exclusively for the purposes of the trade. In most cases, expenditure is deductible on an accruals basis.

2.4.3. Tax relief is given for amortisation of certain intangible assets.

2.4.4. No tax relief can be claimed for depreciation of tangible fixed assets, but where such assets qualify as plant or machinery or constitute certain 'integral features' of a building then it the company can claim a writing down allowance of 18% or 8% per annum respectively. In addition, companies can claim a 100% annual allowance on such expenditure up to certain limits (£500,000 per annum up to 31 December 2015 and £200,000 per annum thereafter).

[1] Legislation is expected to be enacted later in the year and in addition to the changes in PRT and SCT (see below) there are expected to be other less significant changes to oil and gas taxation.

2.4.5. Taxable income generally includes capital gains. Capital losses can be offset against capital gains realised in the same accounting period, with any unused losses being offset against capital gains realised in future tax years. Note that capital losses cannot be offset against trading income.

2.4.6. Transactions with related parties must be undertaken on an arm's length basis for tax purposes. The UK has adopted the OECD's transfer pricing guidelines. The transfer pricing regulations include debt financing from related parties (thin capitalisation).

2.4.7. In addition to transfer pricing regulations, there are further anti-avoidance rules where there is an 'unallowable purpose', where there is arbitrage or where debt in the UK exceeds the total worldwide debt of a group of companies (the worldwide debt cap).

2.4.8. Where a company is a participator in a joint venture which is not an entity, the company accounts for its own share of the assets, liabilities and cash flows in the joint arrangement, measured according to the terms of that arrangement. The company will be taxable on its share of the joint venture activity.

2.4.9. Trading losses can be offset against trading income and capital gains realised from the same trade in the same accounting period, with any unused losses carried forward indefinitely for relief against future trading income. Relief for trading losses can also be claimed against trading income and capital gains realised in the previous 12 months (this is extended to the previous 36 months on cessation of trade). Losses cannot be carried forward if there has been a change in the company's ownership and a major change in the nature or conduct of the company's trade within a period of three years.

2.4.10. Large companies (i.e. with annual taxable profits in excess of £1.5m or, in the case of associated companies, £1.5m divided by the number of associated companies plus one) are required to make equal instalment payments based on their estimated current year tax liability. The instalments are due in the 7th, 10th, 13th and 16th months following the commencement of the company's accounting period. Interest is charged on insufficient or late payments. All other companies must pay their corporation tax in one lump sum nine months and one day after the end of the accounting period.

Special regime for companies engaged in upstream oil and gas activities

2.4.11. Where a company is engaged in upstream oil and gas activities, those activities (including capital gains) will fall into RFCT. RFCT is calculated in the same way as 'normal' corporation tax with the following key differences:

2.4.12. RFCT is calculated at a higher rate of 30% (and will not benefit from the reductions in corporation tax referenced above in 2.4.1 above).

2.4.13. The capital allowance regime is more favourable. First year allowances of 100% may be claimed on plant and machinery used in the ring fence trade, but this is withdrawn if the plant or machinery is used on activities outside of the ring fence trade within 5 years. Where the first year allowance does not apply, the annual writing down allowance is at 25%.

2.4.14. Mineral extraction allowances ("MEA") can be claimed on the acquisition of mineral assets (e.g. an oil licence) at a rate of 10% on a reducing balance basis. The amount qualifying for relief is restricted to the amount payable to the relevant authority for obtaining the licence. Where a second hand licence is acquired, the expenditure incurred generally only qualifies for allowances to the extent of 10% MEA on that part of the cost attributable to the original licence cost and 25% MEA on that part attributable to the seller's past exploration costs.

2.4.15. Where a company incurs expenditure on mineral exploration and access (not including a mineral asset) then 100% first year mineral extraction allowances may be claimed.

2.4.16. There is a ring fence expenditure supplement ("RFES") of 10% per annum (for a maximum of 10 years) which is applicable to companies which do not yet have any income to offset exploration, appraisal and development costs. The RFES increases the value of unused expenditure carried forward.

2.4.17. Decommissioning costs are not deductible as provisions are made in a company's financial statements. Specific rules give 100% tax relief in respect of expenditure incurred on decommissioning offshore oil fields. There are however restrictions on the allowances where a connected person provides the decommissioning service. In addition, the UK government will enter into a contractual arrangement with companies operating in the North Sea to guarantee the level of tax relief that will be available on decommissioning.

2.4.18. Interest is deductible for RFCT purposes to the extent the debt is used to meet expenditure incurred in carrying on the oil and gas extraction activities or acquiring oil and gas rights from an unconnected person (interest on debt used to acquire shares cannot be included for RFCT).

2.4.19. The worldwide debt cap does not apply.

2.4.20. Any losses from activities outside of upstream oil and gas activities ('the ring fence') and therefore outside of the RFCT regime cannot be used to reduce profits within RFCT.

2.4.21. Losses incurred in any accounting period in which capital allowances are available for general decommissioning expenditure may be carried back (up to the value of those allowances) for three years against total taxable profits and further back in respect of ring fenced profits.

2.4.22. Payments of tax under RFCT are due in three instalments and based on a 12 month accounting period will be due in the 7th, 10th and 13th months following the commencement of the accounting period.

2.5. The Supplementary Charge ("SCT")

2.5.1. The SCT applies to 'adjusted' ring fence profits in addition to the 30% rate under RFCT.

2.5.2. The current rate of SCT is 20% (reduced from 32% from 1 January 2015). On 16 March 2016 the UK Government announced that it intends to bring in legislation later this year which will reduce SCT to 10% and will have effect for accounting periods commencing on and after 1 January 2016.

2.5.3. For the SCT, the profits chargeable start with the same profits chargeable under RFCT but no deduction is given for financing costs which are defined as the costs of debt and include the following expenditure:

- Interest on debt financing
- Exchange losses or gains on debt financing
- Credits or debits in respect of derivative contracts relating to debt finance
- Financing costs within finance lease payments.

2.5.4. The profits subject to SCT may be reduced by a field allowance ("FA") or investment allowance ("IA") which are intended to incentivise investment in certain new projects. The FA has been repealed from 1 April 2015 (subject to transitional arrangements) and the IA applies to qualifying investment expenditure from 1 April 2015. Both the FA and the replacement IA apply to new fields or 'additionally developed fields' (otherwise known as 'brown field').

2.5.5. In addition to the IA, there is a new cluster area allowance ("CAA") to promote investment in high pressure high temperature cluster areas. The allowance applies to eligible expenditure after 3

December 2014 and the key difference to the IA is that the CAA is activated by income from the cluster area as opposed to the field. Where a company can benefit from both the IA and CAA then the company can chose the order in which to apply them.

2.6. VAT

2.6.1. VAT is levied on the supply of goods and services by businesses in the UK and on the importation of goods and services into the UK.

2.6.2. The standard VAT rate is 20% and for certain supplies there are lower rates of 5% (e.g. supplies of fuel and power for domestic use) and 0% (e.g. exports, international services, books, children's clothing and food).

2.6.3. Companies engaged in the upstream oil and gas sector are able to register for VAT at the start of the exploration and recover input VAT on expenditure incurred. We understand that it is HMRC practice that any input VAT reclaimed is not repayable if the business of exploration is unsuccessful resulting in no taxable supplies.

2.7. Other taxes

Diverted profits tax

2.7.1. From 1 April 2015 a 25% diverted profits tax applies where a UK or foreign company creates a tax advantage by exploiting a permanent establishment or by utilising transactions or entities that lack economic substance.

2.7.2. The 25% rate of tax is increased to 55% for companies operating in the upstream oil and gas sector.

3. Repatriation of interest and dividends

3.1. The tax consequences of the payment of interest from a UK company to a non-resident company and the extraction of profit from a UK company to a non-resident company by way of dividend has been considered below.

3.2. In addition the UK tax implications of a non-resident realising gains through the sale of shares in a UK company are considered.

3.3. Interest

3.3.1. Withholding tax at a rate of 20% is applicable to payments of interest (and royalties) to non-resident companies. However, full or partial relief may be obtained under double taxation agreements with certain countries or the EU directive on interest and royalties paid between member states. Where a company believes it can use a lower rate of withholding tax on interest it must obtain clearance from HMRC in advance of making the interest payments.

3.4. Dividends

3.4.1. There is no UK withholding tax on the payment of dividends from a UK tax resident company. The dividends may be taxable in the non-UK resident recipient company as applied by local rules in that country.

3.5. Sale of shares

3.5.1. A non UK tax resident shareholder in a UK company would not normally be subject to any UK tax on the sale of shares in that UK company and any gain would be taxable in the shareholders local territory subject to local tax rules.

3.5.2. However, where a UK company is operating in the UK upstream oil and gas sector, a non-resident shareholder in that company may be subject to UK capital gains tax on the sale of shares if the shares derive their value from UK upstream oil and gas assets. Relief may be available in certain circumstances under the terms of a double tax agreement or under the substantial shareholding exemption.

Signed

MHA MacIntyre Hudson

Ferrier Hodgson
CORPORATE FINANCE

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Date: 22 March 2016

The Board of Directors
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Strictly Private & Confidential

Dear Sirs

PROPOSED SUBSCRIPTION BY DNeX PETROLUEM SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF DAGANG NeXCHANGE BERHAD, OF 30% OF THE ENLARGED ISSUED SHARE CAPITAL OF PING PETROLEUM LIMITED

1.0 INTRODUCTION

FHMH Corporate Advisory Sdn Bhd ("**FHCA**") has been appointed by Dagang NeXchange Berhad ("**DNeX**" or the "**Company**") as an Independent Financial Adviser to provide an opinion on the fairness and reasonableness of the Consideration for the Proposed Subscription in which DNeX Petroleum, a wholly-owned subsidiary of DNeX had entered into a subscription agreement with Ping to subscribe for 30% of the enlarged issued share capital of Ping.

An extract of the summarised opinion is presented and tabulated in this letter ("**Letter**"). Readers are advised to refer to our detail report dated 22 March 2016. This Letter is prepared for inclusion in the circular to shareholders of DNeX in relation to the Proposed Subscription ("**Circular**") and should be read in conjunction with the same. All definitions used in this Letter shall have the same meaning as the words and expressions provided in the definitions section of the Circular, except where the context otherwise requires or where otherwise defined herein.

Ping was incorporated in Bermuda under the Bermuda Companies Act on 31 July 2012 and is principally involved in the exploration, development and production of crude oil and natural gas and investment holding. Ping is an independent upstream oil and gas company, focusing on shallow water offshore production and development opportunities in South East Asia and the UK sector of the North Sea.

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Details of Ping's subsidiaries are as follows:-

Name	Date and place of incorporation	Issued and paid-up share capital	Date of acquisition/ Effective equity interest (%)	Principal activities
Ping UK	22 July 2015/ England and Wales	GBP1.00 made up of one (1) ordinary share of GBP1.00 each	22 July 2015/ 100.00	Exploration, development and production of crude oil and natural gas
Ping Malaysia	8 April 2011/Malaysia	RM3.00 made up of three (3) ordinary shares of RM1.00 each	23 July 2014/ 100.00	Exploration and development of upstream O&G assets
AOCL	22 July 2015/ England and Wales	GBP2.00 comprising two (2) ordinary shares of GBP1.00 each	22 July 2015/ 50.00	Exploration, development and production of crude oil and natural gas

Ping UK was incorporated as a special purpose vehicle for the purposes of acquiring an interest in the Anasuria Cluster whilst Ping Malaysia will be the vehicle for Ping to acquire future upstream oil and gas assets in Malaysia. Ping UK has 50% direct interest in AOCL, a joint operating company between Ping UK and Anasuria Hibiscus UK. The Proposed Acquisition of the Anasuria Cluster was completed on 10 March 2016.

2.0 TERMS OF REFERENCE

2.1 Sources of Information

The sources of information to which we have used to form our opinion on the fairness and reasonableness of the Consideration are as follows:-

(i) DNeX's announcement dated 7 September 2015;
(ii) the Audited Financial Statements for the FYE 30 June 2014 and 2015 of Ping and Ping Malaysia;
(iii) the unaudited management accounts for the 6-months FPE 31 December 2015 of Ping, Ping UK and Ping Malaysia
(iv) the financial due diligence report on the Ping Group prepared by Ferrier Hodgson MH;
(v) the financial forecast and projections for FYE 30 June 2015 to FYE 30 June 2024 provided by the Directors and management of Ping;
(vi) the Anasuria Cluster Reserves and Resources Evaluation Report prepared by RPS dated September 2015;
(vii) Representation and explanation by the Directors and management of DNeX and Ping; and
(viii) Other publicly available information in respect of the industry that Ping is involved in.

Ferrier Hodgson

CORPORATE FINANCE

We have made all reasonable enquiries to and have relied on the Board and management of DNeX to exercise due care to ensure that all information and documents as mentioned above and that all relevant facts, information and representations necessary for our evaluation of the Proposed Subscription have been disclosed to us and that such information is accurate, valid and there is no omission of material facts, which would make any information provided to us incomplete, misleading or inaccurate. The Board has, individually and collectively, accepted full responsibility that all material facts, financial and other information in this Letter, and for the accuracy of the information in respect of the Proposed Subscription (save for those in relation to our evaluation and opinion pertaining to the same) as prepared herein and confirmed that after making all reasonable enquires and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein incomplete, false and/or misleading. We have not undertaken an independent investigation into the business of DNeX and Ping. With respect to the financial forecast and projections furnished to us by Ping, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgement by the management of Ping on its future financial performance and of which the management of Ping are solely responsible for the basis and assumptions and the preparation and presentation of the same. Based on the above we are satisfied with the information and documents provided by DNeX and are not aware of any fact or matter not disclosed which renders any such information untrue, inaccurate or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this Letter. We have also assumed that the Proposed Subscription will be implemented based on the terms as set out in the SSA without material waiver or modification.

It should be noted that the valuation in itself is highly dependent on, amongst others, the amount of reserves located therein, the ability to extract and sell the O&G extracted, the market price and risk associated therein, the achievability of the financial forecast and projections as well as the materialisation of the bases and assumptions used therein. It should also be highlighted that the valuation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the relevant reports and financial forecast and projections were based. As such, the adoption of such assumptions and projections does not imply that we warrant their validity or achievability. It is also based on prevailing economic, market and other conditions that may change significantly over a relatively short period of time.

2.2 Date of Opinion

The date of opinion is 22 March 2016 (herein also referred to as the "Date of Opinion").

2.3 Scope and Limitation of Review

FHCA was not involved in the formulation of the Proposed Subscription or any deliberation and negotiation on the terms and conditions of the Proposed Subscription. Our role as the Independent Financial Adviser does not extend to expressing an opinion on the commercial merits of the Proposed Subscription.

The assessment of the commercial merits of the Proposed Subscription is solely the responsibility of the Directors of DNeX, although we may draw upon their views in arriving at our opinion. As such, where comments or points of consideration are included on matters, which may be commercially oriented, these are incidental to our overall financial evaluation and concern matters, which we may deem material for disclosure.

Further, our terms of reference does not include us rendering an expert opinion on legal, accounting and taxation issues relating to the Proposed Acquisition. The Directors and management of DNeX and Ping are responsible to make available to us all relevant financial information pertaining to the above valuation exercise, including informing us of any material changes in the subject matters which may have an impact on our opinion.

Our work includes holding discussions with certain officers and making enquiries from the Directors and management of DNeX and Ping regarding representations embodied in the financial position of Ping as well as rely on third party experts' report. We rely on the Directors and management's oral and written representations and in no event shall we, our partners, principals, directors, shareholders, agents or employees be held liable for any misrepresentations by the Directors and management of DNeX and Ping.

Our procedures and inquiries did not include any verification work that constitutes an audit on the information that we have relied upon in preparing this Letter. Further, certain information relied upon are only representation of the Directors and management of DNeX and Ping, as well as reliance on third party experts as explained in the relevant sections of this Letter. Accordingly, we make no representations as to the accuracy or completeness of the information provided.

The preparation of this Letter is based upon market, economy, industry and other conditions prevailing as at the Date of Opinion, as well as publicly available information and information provided to us by DNeX and Ping. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update and revise our Letter in light of any subsequent development after the date of this Letter that may affect our opinion in the Letter contained herein.

We have also assumed that the Proposed Subscription will be implemented based on the terms set out in the relevant agreements without material waiver or modification.

3.0 VALUATION METHOD

3.1 Basis and Method Used to Form an Opinion on Valuation

From a strategic standpoint, we take note that the Proposed Subscription is expected to create new opportunities for DNeX, allowing it to have an interest in a company with its own producing hydrocarbon assets.

In establishing our opinion on the valuation of the equity interest in Ping which is the subject of the Proposed Subscription, FHCA has considered various valuation methodologies, which are commonly used for valuation, to arrive at its opinion on the fairness and reasonableness of the Consideration, taking into consideration Ping Group's future earnings generating capabilities, projected future cash flows, its sustainability as well as various business considerations and risk factors affecting its business.

Exploration and production companies are generally very capital intensive and rely heavily on their existing reserves, its ability to replace depleting reserves and the price of natural resources, which are depleting and subject to commodity price risk. In this instance, we have not considered Ping Group's ability to source for new oilfields in the region. It is always extremely difficult to predict the future prospects for any company or industry, and the oil and gas sector can be especially challenging. Pending government regulations or an incident exclusive to a specific region or company, can negatively impact the entire industry. Alternatively, a new discovery or advancements in production technology can ultimately lead to higher valuations due to optimism about potential future earnings.

Based on the above, FHCA had use the Revalued Net Asset Valuation ("**RNAV**") Methodology as the primary methodology to assess the fairness and reasonableness of the Consideration. FHCA had also taken into consideration the Comparable Transaction Analysis ("**CTA**") and the Discounted Free Cash Flow to Equity ("**FCFE**") Methodology as the secondary methodologies to assess the fairness and reasonableness of the Consideration.

Further, FHCA has also considered the Relative Valuation Analysis ("**RVA**") and have found that this methodology is not suitable in the determination of the fairness and reasonableness of the Consideration as the RVA method seeks to compares a company's implied trading multiple to that of comparable companies to determine the firm's financial worth. Under the RVA, reference will be made to the valuation statistics of companies listed on regional stock exchanges with principal activities that we consider broadly comparable to the business of Ping Group to get an indication of the current market expectation with regards to the implied value of Ping Group. In this instance, Ping Group owns the only the Anasuria Cluster whilst companies that are listed are mainly fully operating Exploration and Production Companies. Further, Ping Group had only just assumed control of the Anasuria Cluster and as such any analysis to be derived at will be dependent on its financial forecast and projections that may not accurately reflect the potential of Ping

3.2 RNAV

RNAV method seeks to adjust the NA value of a company to take into consideration the valuation of assets of a company, which in this instance relates to its reserves, to determine the adjusted value of the firm's financial value.

It is computed in the following manner:-

RNAV = Current NA Value – Contingent Liabilities – Tax Shield on accumulated losses + net revaluation of its assets.

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Ferrier Hodgson

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Computation to determine the RNAV of Ping:-

	USD million	30 June 2015 USD million	31 December 2015 USD million
NA of Ping Group		1.9[1]	0.3[2]
Adjustments:-			
- Advisory Income [3]		6.0	6.0
- Conversion of directors' loan to equity [4]		3.1	3.1
Adjusted NA of Ping Group		11.0	9.4
Add: Revaluation of the Anasuria Cluster			
Net Present Value of Reserves [5]	113.3		
Less: Cost of investment [6]	(32.5)		
		80.8	80.8
RNAV of Ping Group		91.8	90.2

Notes:-

1 *Based on the audited financial statements of Ping Group for FYE 30 June 2015.*

2 *Based on the management accounts of Ping Group as at 31 December 2015.*

3 *An advisory income of USD6.0 million to be received from Hibiscus following the completion of the Anasuria SPAs.*

4 *Ping's management represented that the bridging loan obtained from its director(s) will be converted into Ping's ordinary shares.*

5 *Based on the RPS Reserves and Resources Evaluation Report on the Anasuria Cluster dated September 2015, the NPV of the Anasuria Cluster's reserves is estimated at USD226.5 million. Ping Group will have 50% interest in the said reserve.*

6 *The cost of investment of Ping in relation to the Anasuria Cluster is derived as shown below:-*

	USD million	USD million
Initial deposit		4.0
Payment upon completion of the Proposed Acquisition of the Anasuria Cluster		
Consideration as per the Anasuria SPAs	52.0	
Less: Estimated operating cash flow from the Anasuria Cluster from Economic Date to Completion Date[7]	(40.0)	
	12.0	
Ping's interest in the Anasuria Cluster	50%	6.0
Deferred payment		22.5
		32.5

7 *The estimated cash flow is based on the financial forecast prepared by the management of Ping Group. The Completion Date is defined as the date of completion of the Proposed Acquisition of the Anasuria Cluster.*

Based on the RNAV of Ping Group of between USD90.2 million to USD91.8 million, DNeX Petroleum 30% equity interest in Ping will be valued at approximately USD27.1 million. Hence the Consideration represents a discount of 63.1% of DNeX Petroleum share of Ping Group's RNAV.

Ferrier Hodgson

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3.3 CTA

CTA is a valuation method whereby it seeks to compare the Consideration against other recent comparable transactions undertaken by companies listed on Bursa Securities that had entered into proposed acquisitions of oilfields overseas.

FHCA has considered the valuation of the reserves as derived by RPS in its Reserves and Resources Evaluation Report and compare the valuation therein to recently announced transactions of oilfields as follows:-

Date	Acquirer	Target	Interest Acquired %	Transaction Value USD'million	Attributable 2P reserves MMstb	Price/b USD[1]	Adjusted Price/b[2]
*May 2015	Sumatec Resources Berhad	Borneo Energy Oil and Gas Limited	100.0	190.0	68.9	2.75	1.68
~November 2015	Sona Petroleum Berhad	Stag Oilfield	100.0	50.0	16.2	3.08	2.74
Average							2.21
March 2016	**DNeX[3]**	**Anasuria Cluster**	**15**	**10.0**	**40.4**	**1.65**	**1.65**

Source:
**Sumatec Resources Berhad's circular dated 20 May 2015 and ~Sona Petroleum Berhad's announcement dated 2 November 2015*

Note:

1 *Transaction value divided by attributable 2P reserves and then, divided by the interest acquired x 100.*

2 *Adjusted price per barrel was calculated as follows:*

Price per barrel transacted x (average oil price in March 2016/ Average oil price at month of announcement/circular (whichever is later)

3 *Calculated premised on DNeX having a 15% effective interest in the Anasuria Cluster through the Proposed Subscription.*

Source of oil prices for the respective month(s) were obtained from the U.S. Energy Information Administration website http://www.eia.gov

Based on the above analysis, the adjusted price per barrel of 2P Reserves of recent transactions ranges from USD1.68 to USD2.74 per barrel whilst the simple average is USD2.21 per barrel. The Proposed Subscription's adjusted price per barrel of USD1.65 is below the range and lower than the simple average of recent transactions.

3.4 Discounted FCFE

Discounted FCFE is a valuation method used based on discounted cash flow, involving the application of an appropriately selected discount rate applied on the projected future cash flows to be earned by the equity holders of a company. FCFE is the free cash flow available to be paid to the equity shareholders of the company after all expenses, reinvestment and debt repayment.

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For the purposes of the Discounted FCFE Method, reference was made to the valuation of companies listed on Bursa Securities with principal activities that we consider broadly comparable to Ping ("**Comparable Companies**"). In arriving at the appropriate discount rate for Ping, we have applied the prevailing risk free rate, market risk premium and betas of available Comparable Companies with relevant adjustments made taking into consideration the gearing, the profile and other risk factors that may affect Ping.

All information obtained were sourced from S&P Capital IQ as at 22 March 2016.

The projected FCFE as determined annually based on Ping Group's financial forecast and projection shall be discounted using the equity discount rate adjusted based on the gearing level of Ping.

The cost of equity takes into account a combination of risk factors associated with the industry in which the Ping is involved in namely the systematic risk, i.e. the inherent market risk such as interest rate fluctuation, and the financing mix, i.e. the financing risk. These risks are translated into the required rate of return as determined below, which is built upon the Capital Asset Pricing Model ("CAPM"). For the purpose of determining the equity value of Ping, Comparable Companies' betas are adjusted (de-geared) for their individual gearing ratio, and the average is then re-geared based on the gearing level of Ping Group as at 31 December 2015.

The Comparable Companies that were selected are Sona Petroleum Berhad ("**SONA**"), Sumatec Resources Berhad ("**SUMATEC**") and Hibiscus Petroleum Berhad ("**HIBISCS**"). These companies were selected due the nature of their businesses in oil and gas industry, which is similar to Ping as well as the recent acquisitions announced or completed by these companies.

Comparable Companies	Principal activities
SONA	SONA is a special purpose acquisition company intended to acquire operating companies or assets in the O&G industry.
SUMATEC	SUMATEC offers services to the oil and natural gas industry. It offers engineering and construction services, marine transport services of oil, onshore drilling rigs and related equipment, stores oil, and explores and develops marginal oil fields.
HIBISCS	HIBISCS is an independent upstream exploration and production company that explores for O&G. It has operations in the Middle East, Norway and Oceania regions.

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The Comparable Companies and the input parameters for CAPM as at 22 March 2016, as extracted from S&P Capital IQ, are as follows:-

Comparable Company	Market Cap (RM million)	Levered Beta	Unlevered Beta
SONA	641.88	0.29	0.29
SUMATEC	404.51	0.89	0.85
HIBISCS	237.10	1.09	1.09
Median		0.89	0.85

(Sources: S&P Capital IQ as at 22 March 2016)

In the evaluation of the equity interest in Ping, and based on the Discounted FCFE Methodology used, the following were noted:

CAPM Inputs	Data
Market Return[1]	8.38%
Risk-Free Rate[2]	3.83%
Re-geared Beta[3]	0.85
Small capitalisation premium	3.81%[4]
Additional risk premium	5.00% [5]
Discount rate derived using CAPM	16.53%
Value of the equity interest in Ping derived therefrom[6]	USD46.80 million

Notes:

[1] Based on the expected market return for Malaysia as extracted from S&P Capital IQ. The expected market return is based on the average yearly return of KLCI index for the past 10 years extracted on 22 March 2016.

[2] Based on the risk free rate for Malaysia as extracted from Bank Negara Malaysia website. This risk free rate is based on the yield of ten (10) year Malaysian Government Securities as at 22 March 2016.

[3] Based on the gearing level as extracted from the unaudited management accounts of Ping Group as at 31 December 2015 and taking into consideration the settlement of the bridging loan in FYE 30 June 2016.

[4] A small capitalisation premium of 3.81% is applied, which is arrived based on Ibbotoson SBBI 2013 Valuation Yearbook published by Morningstar, Inc. Morningstar, Inc. is an investment research and investment firm having its headquarters in Chicago, United States of America.

[5] Additional risk premium was added to take into account the risk involved in the O&G industry and unsystematic risk, which are not captured under the CAPM, which includes amongst others, business risk associated with the uncertainty of the future cash flows of Ping, considering the volatility and cyclicality associated with the O&G industry, geological risk, which considers the difficulty of extraction and the possibility that the accessible reserves in Anasuria Cluster will be smaller than estimated; and rig utilisation rate, which cannot be closely tracked with the oil price volatility.

[6] Basis used for the computation of the valuation of the equity interest in Ping includes the net future cash flow from operating, investing and financing activities (without taking into consideration any non-recurring cash flows) being discounted by the discount rate derived from the CAPM. The gross cash flow from operating activities is dependent on projected O&G production and prices (Ping's management estimation based on actual and forward prices, forward curve and/or contract).

Basis used for the computation of the valuation of the equity interest in Ping includes the net cash flow without taking into consideration any non-recurring cash flows.

Premise on the above, the valuation of the equity interest in Ping based on the Discounted FCFE Methodology is approximately USD46.80 million. DNeX Petroleum's 30% equity interest in Ping will be valued at approximately USD14.04 million. Hence the Consideration represents a discount of 28.78% based on the valuation derived from the Discounted FCFE Methodology.

FHCA had also considered the consolidated cash flow forecast and projections with varying oil prices to find a break-even point to where the Consideration is at a slight discount on the valuation derived from the Discounted FCFE Methodology and using the same basis and discount rate previously adopted. If the average oil price were to decline to USD20.40 per barrel in 2016 and USD27.54 per barrel in 2017 as per the break-even scenario, the valuation of Ping will be at USD34.17 million which will bring DNeX Petroleum's 30% equity interest to USD10.25 million and the Consideration will be at a slight discount of 2.44% to valuation derived from the Discounted FCFE Methodology.

3.5 Limitations

The primary assets of O&G companies are their entitlements to future production from reserves, and one of the distinct features of the industry is its depleting asset base and need for replacement through drilling and acquisition.

The physical attributes of the asset class – located miles under the ground in rocks with variable properties and uncertain boundaries, relying on indirect measurements that are expensive to perform – means that reserves estimates and deliverability are uncertain, and because future production is subject to variable production rates, unknown prices and cost, and is impacted by regulatory and fiscal uncertainty, the value of reserves are uncertain.

It should be noted that the valuation in itself is highly dependent on, amongst others, the amount of reserves located therein, the ability to extract and sell the oil extracted, the market price and risk associated therein, the achievability of the financial forecast and projection as well as the materialisation of the bases and assumptions used in therein.

It should also be highlighted that the valuation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the relevant reports and financial forecast and projection were based.

One should also recognise that there is no company listed on Bursa Securities or regional stock exchanges which may be considered to be identical to Ping Group in terms of, inter-alia, composition of business activities, scale of business operations, production capacity, risk profile, asset base, accounting and tax policies, track record, future prospects, competitive environment, financial positions and that such business may have fundamentally different profitability objectives.

One should also note that any comparisons made with respect to the Comparable Companies and comparable transactions are merely to provide a comparison to the implied valuation of Ping Group and the selection of Comparable Companies and comparable transactions and adjustments made are highly subjective and judgmental and the selected companies may not be entirely comparable due to various factors.

4.0 CONCLUSION

It should be recognised that the valuation of any entity is always subject to a great deal of uncertainty and involves a high degree of subjectivity and element of judgement. Because of the susceptibility of valuations to inputs of the model applied, valuations can change quite quickly in response to market changes or changes in the surrounding circumstances, including the market outlook (whether in general or relating to the industry itself).

In establishing our opinion on the valuation of the equity interest in Ping which is the subject of the Proposed Subscription, FHCA has considered various valuation methodologies, which are commonly used for valuation, to arrive at its opinion on the fairness and reasonableness of the Consideration, taking into consideration Ping's capabilities in future earnings generating capabilities, projected future cash flows, its sustainability as well as various business considerations and risk factors affecting its business.

FHCA had used the RNAV Methodology as the primary methodology to assess the fairness and reasonableness of the Consideration. FHCA had also taken into consideration the CTA and the Discounted FCFE Methodology as the secondary methodologies to assess the fairness and reasonableness of the Consideration and has considered the following:-

(i) Based on the RNAV of Ping Group of between USD90.2 million to USD91.8 million, DNeX Petroleum's 30% equity interest in Ping will be valued at approximately USD27.1 million. Hence the Consideration represents a discount of 63.1% of DNeX Petroleum share of Ping Group's RNAV.

(ii) Based on the CTA, the adjusted price per barrel of 2P Reserves of recent transactions ranges from USD1.68 to USD2.74 per barrel whilst the simple average is USD2.21 per barrel. Based on the Consideration divided by the effective interest in the Anasuria Cluster's 2P Reserves, Consideration per barrel is below the range and lower than the simple average of recent transactions.

(iii) Based on the Discounted FCFE Methodology, the valuation of the equity interest in Ping is approximately USD46.80 million. DNeX Petroleum 30% equity interest in Ping will be valued at approximately USD14.04 million. Hence the Consideration represents a discount of 28.78% based on the valuation derived from the Discounted FCFE Methodology. For the Consideration to be at a slight discount on the valuation derived from the Discounted FCFE Methodology, oil prices will have to decline to an average of USD20.40 for FYE 2016 and USD27.34 for FYE 2017.

(iv) Taking into account DNeX Petroleum's Proposed Subscription of 30% of the enlarged issued share capital of Ping and the Anasuria Consideration of USD105.0 million for the Proposed Acquisition of the Anasuria Cluster, DNeX's effective interest of 15% in the Anasuria Cluster is valued at approximately USD15.75 million.

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(v) The indicative reserves and resources of the Anasuria Cluster, as assessed by RPS in its Reserves and Resources Evaluation Report, in which, as at 1 January 2015, the 2P Reserves of the Anasuria Cluster are estimated at 40.4 MMstb of 2P oil reserves and 27.9 Bscf of 2P gas reserves and an NPV valuation based on a discount rate of 10% of USD226.5 million.

(vi) The Anasuria Cluster is currently an actively producing oil field mitigating the risk factors.

(vii) AOCL has appointed Petrofac Facilities Management Limited, a wholly-owned subsidiary of Petrofac Limited which is a large reputable international oilfield service provider listed on the London Stock Exchange, to extract O&G and manage day to day operations in the Anasuria Cluster as well as operate the Anasuria FPSO, mitigating the risk of Ping's inability to manage the Anasuria Cluster and realising its fullest potential. Petrofac Limited is a constituent of the FTSE 250 Index of the London Stock Exchange, providing integrated services across the O&G asset life cycle in 29 countries worldwide with 35 years of track record. Petrofac Limited was involved in various oil and gas projects including but not limited to the EnQuest North Sea project, Chevron North Sea project, Lower Fars project in Kuwait and the RAPID project in Malaysia.

Premise on the above, FHCA is of the opinion that the Consideration is FAIR AND REASONABLE.

5.0 RESTRICTIONS

Save for the purpose stated herein, this Letter cannot be relied upon by any party other than DNeX. Accordingly, we are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or use of, or reliance on this Letter, in whole or in part. We are not required to give testimony or to be in attendance in court with reference to the opinion herein provided. Neither FHCA nor any of its members or employees undertakes responsibilities arising in any way whatsoever to any person in respect of this Letter, including any error or omission therein, however caused, as a result of the unauthorised circulation, publication, reproduction or use of this Letter, or any part hereof.

We are under no obligation to update our Letter in respect of the events or information that comes to our attention subsequent to the Date of Opinion. Notwithstanding this, we reserve the right, should we consider if necessary, to revise our Letter in light of any information that existed at the Date of Opinion but which becomes known to us subsequent to the Date of Opinion.

Yours faithfully
FHMH Corporate Advisory Sdn Bhd

ANDREW HENG
Partner

NARIMAH MOHD PERAI
Executive Director

Anasuria Cluster
Reserves & Resources Evaluation

Prepared for
Dagang NeXchange Berhad

September 2015

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Anasuria Cluster
Reserves & Resources Evaluation

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Dagang NeXchange Berhad

DISCLAIMER

The opinions and interpretations presented in this report represent our best technical interpretation of the data made available to us. However, due to the uncertainty inherent in the estimation of all sub-surface parameters, we cannot and do not guarantee the accuracy or correctness of any interpretation and we shall not, except in the case of gross or wilful negligence on our part, be liable or responsible for any loss, cost damages or expenses incurred or sustained by anyone resulting from any interpretation made by any of our officers, agents or employees.

Except for the provision of professional services on a fee basis, RPS Energy does not have a commercial arrangement with any other person or company involved in the interests that are the subject of this report.

DOCUMENT REVISION RECORD

Document Description	Date	Issued by	Checked by	Accepted by Client	Comment
Version 1 – Draft	31/05/2015	KR/JB/DG/JA	MH/DB		For Client Comments / No Economics
Version 2	15/06/2015	KR/JB/DG/JA	MH/DB		Updated with Economics
Version 5	30/09/2015	KR/JB/DG/JA	MH/DB		Updated DCA & Developed NPV

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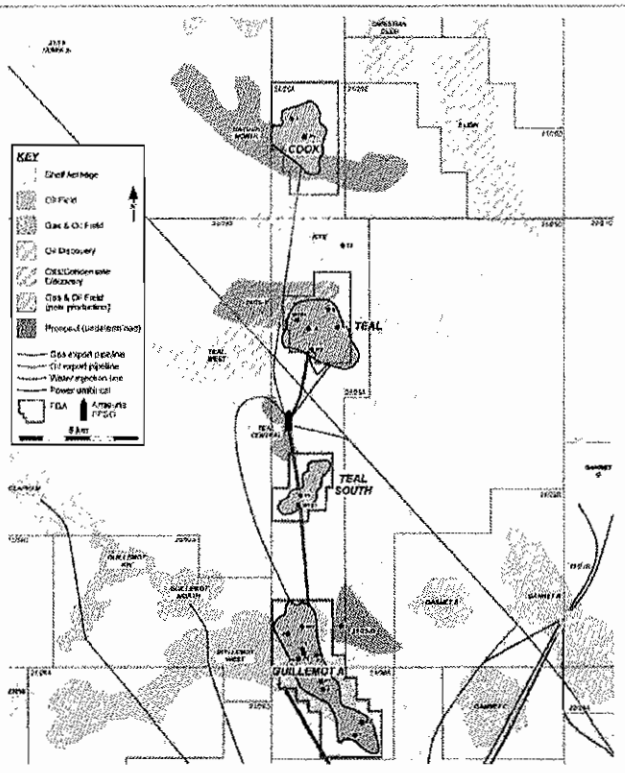
1. EXECUTIVE SUMMARY

RPS has conducted a Reserves and Resource evaluation to SPE-PRMS of the four producing fields, being the oil and gas-producing Guillemot A, Cook, Teal, and Teal South fields tied back to the Anasuria Floating Production Storage and Offloading unit. Shell U.K. Limited ("Shell UK"), Shell EP Offshore Ventures Limited ("Shell EP") (Shell UK and Shell EP are collectively "Shell") & Esso Exploration and Production UK Limited ("Esso") own an aggregated 100% interest in the Guillemot A, Teal, and Teal South fields and the Anasuria FPSO, and an aggregated 38.65% interest in the Cook Field. The Anasuria Cluster is located in a water depth of 94 metres approximately 175 km east of Aberdeen in the UK Central North Sea as shown in Figure 1.1 below.

Figure 1: Anasuria Cluster Location



Source: Operator
Note: Guillemot West field is not included in the Proposed Acquisition

Figure 1.1: Anasuria Location (from IM)

The primary reservoir is the Upper Jurassic Fulmar Fm, significant in place volumes also exist in the Triassic Skagerrak Fm, but there is modest evidence of sustained economic recovery from this reservoir. Minor volumes are also present in the Palaeocene Forties Fm and Upper Jurassic Heather Fm sandstones. RPS has estimated Developed Reserves by decline curve analysis (DCA). The development to date has been mainly based on water injection supplemented by depletion in some of the reservoirs; in particular Cook Field where there is no water injection and a secondary gas cap has been developed.

RPS has reviewed the in place volumes and attended a dataroom in Aberdeen to review a number of the geological models. The Operator in-place volume estimates are considered reasonably well defined. Given (IM) in-place volume estimates reported in the Shell Information Memorandum and the Developed Reserves from DCA a number of the field's exhibit modest recovery factors. In particular the largest field, Guillemot A, has a forecast developed Recovery Factor of only circa 20%. A large number of potential infill opportunities across the four fields are summarized in the Shell IM but none are very mature technically and they are not supported by reservoir simulation.

Although this low developed recovery may suggest scope for further development and infill drilling activity the expected ultimate recover factors are modest because of:-

- Heterogeneity of the primary fulmar reservoir leading to relatively inefficient water-flooding performance.
- The low GOR oil resulting in low primary deletion (~12% down to the bubblepoint).
- The low well count, generally one producer injector pair per fault block has made achieving high areal sweep challenging.

RPS has considered the gas lift additions to the Guillemot A wells and two infill Guillemot A wells as undeveloped Reserves. In the absence of simulation models this has been done by analogue to the recent P5 infill well and suggests a EUR of 1.2 to 2.5 MMstb/well. In addition the recompletion of Guillemot A well P2 into a dedicated Forties producer has also been included as Reserves.

Other opportunities are considered by RPS as Contingent Resources for the following reasons: -.

- The Kite discovery on the basis of the very limited appraisal data (no flow tests or PVT data). The Chalk reservoirs, which have a modest analogues in the UK sector of the North Sea, as they depend on natural fracture systems (which are a challenge to define without test data) to achieve commercial rates. RPS considers this project subject to further appraisal to demonstrate commercial production rates.
- A potential infill well located to the South West of the Cook field on the basis of uncertainty whether reservoir is present, no evidence of JV commitment and the need to achieve JV alignment on the opportunity (as the Shell Esso JV does not hold a 100 % WI).
- Infill wells in the Triassic Skagerrak are also considered as Contingent Resources.

Significant remedial work is required at the FPSO and RPS has included future capex for this. Field uptime has been relatively low over the last three years and RPS has assumed this remedial work will help improve uptime.

Reserves and Resources for the Evaluation are summarized in Table 1.1 and Table 1.2 below.

Summary tables containing the Net Reserves (pre economic limit) and Net Contingent Resources by individual activity can be found in Appendix 2. Annual production profiles of Net Reserves (after economic limit) are shown graphically in Appendix 3. Appendices 4 to 7 contain tables of the production profiles for all cases

of Reserves and Contingent Resources that were evaluated. Economic evaluation has been conducted for the Contingent Resources opportunities (see Table 1.3 and Table 1.4) but it should be noted that the evaluation of the opportunities is relatively immature.

SUMMARY OF OIL RESERVES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	Full Field Gross Reserves[1]			Shell/Esso Working Interest Reserves					
				Gross[2]			Net[3]		
	1P MMstb	2P MMstb	3P MMstb	1P MMstb	2P MMstb	3P MMstb	1P MMstb	2P MMstb	3P MMstb
Guillemot A	17.7	27.5	36.3	17.7	27.5	36.3	17.7	27.5	36.3
Cook	9.6	16.0	22.1	3.7	6.2	8.5	3.7	6.2	8.5
Teal	2.6	3.2	3.7	2.6	3.2	3.7	2.6	3.2	3.7
Teal South	1.7	3.5	5.5	1.7	3.5	5.5	1.7	3.5	5.5
TOTAL[4]	**31.7**	**50.2**	**67.6**	**25.8**	**40.4**	**54.0**	**25.8**	**40.4**	**54.0**

Notes:
*[1] Gross field Reserves (100% basis) **after** economic limit test*
*[2] Companies working interest share of gross field Reserves **after** economic limit test*
[3] Companies net attributable share of Reserves, after royalties
[4] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Reserves are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1P Reserves may be a very conservative assessment and the total 3P Reserves a very optimistic assessment.

Table 1.1: Summary of Oil Reserves

SUMMARY OF GAS RESERVES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	Full Field Gross Reserves[1]			Shell/Esso Working Interest Reserves					
				Gross[2]			Net[3]		
	1P Bscf	2P Bscf	3P BScf	1P Bscf	2P Bscf	3P Bscf	1P Bscf	2P Bscf	3P Bscf
Guillemot A	6.2	9.6	12.6	6.2	9.6	12.6	6.2	9.6	12.6
Cook	21.2	35.3	48.7	8.2	13.6	18.8	8.2	13.6	18.8
Teal	1.2	1.5	1.7	1.2	1.5	1.7	1.2	1.5	1.7
Teal South	1.5	3.2	5.0	1.5	3.2	5.0	1.5	3.2	5.0
TOTAL[4]	**30.1**	**49.5**	**68.0**	**17.1**	**27.9**	**38.2**	**17.1**	**27.9**	**38.2**

Notes:
*[1] Gross field Reserves (100% basis) **after** economic limit test*
*[2] Companies working interest share of gross field Reserves **after** economic limit test*
[3] Companies net attributable share of Reserves, after royalties
[4] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Reserves are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1P Reserves may be a very conservative assessment and the total 3P Reserves a very optimistic assessment.

Table 1.2: Summary of Gas Reserves

SUMMARY OF CONTINGENT OIL RESOURCES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	Full Field Gross Resources[1]			Shell/Esso Working Interest Resources					
				Gross[2]			Net[3]		
	1C MMstb	2C MMstb	3C MMstb	1C MMstb	2C MMstb	3C MMstb	1C MMstb	2C MMstb	3C MMstb
Kite	0.4	1.40	3.0	0.4	1.4	3.0	0.4	1.4	3.0
Cook SE Infill	0.3	1.29	7.5	0.1	0.5	2.9	0.1	0.5	2.9
Teal South Infill	0.8	1.50	3.0	0.8	1.5	3.0	0.8	1.5	3.0
Guillemot A South Infill	2.0	4.00	6.0	2.0	4.0	6.0	2.0	4.0	6.0
GUA North (Sk) Infill	0.8	1.50	3.0	0.8	1.5	3.0	0.8	1.5	3.0
GUA Central (Sk) Infill	0.8	1.50	3.0	0.8	1.5	3.0	0.8	1.5	3.0
TOTAL[4]	**4.9**	**11.2**	**25.5**	**4.8**	**10.4**	**20.9**	**4.8**	**10.4**	**20.9**

Notes:

*[1] Gross field Resources (100% basis) **after** economic limit test*

*[2] Companies working interest share of gross field Resources **after** economic limit test*

[3] Companies net attributable share of Resources, after royalties

[4] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Resources are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1C Resources may be a very conservative assessment and the total 3C Resources a very optimistic assessment.

Table 1.3: Summary of Contingent Oil Resources

SUMMARY OF CONTINGENT GAS RESOURCES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	Full Field Gross Reserves[1]			Shell/Esso Working Interest Reserves					
				Gross[2]			Net[3]		
	1C Bscf	2C Bscf	3C BScf	1C Bscf	2C Bscf	3C Bscf	1C Bscf	2C Bscf	3C Bscf
Kite	0.3	1.2	2.5	0.3	1.2	2.5	0.3	1.2	2.5
Cook SE Infill	0.3	1.3	7.5	0.1	0.5	2.9	0.1	0.5	2.9
Teal South Infill	0.4	0.7	1.4	0.4	0.7	1.4	0.4	0.7	1.4
Guillemot A South Infill	0.4	0.8	1.2	0.4	0.8	1.2	0.4	0.8	1.2
GUA North (Sk) Infill	0.4	0.8	1.6	0.4	0.8	1.6	0.4	0.8	1.6
GUA Central (Sk) Infill	0.4	0.8	1.6	0.4	0.8	1.6	0.4	0.8	1.6
TOTAL[4]	**2.1**	**5.6**	**15.8**	**2.0**	**4.8**	**11.2**	**2.0**	**4.8**	**11.2**

Notes:

*[1] Gross field Resources (100% basis) **after** economic limit test*

*[2] Companies working interest share of gross field Resources **after** economic limit test*

[3] Companies net attributable share of Resources, after royalties

[4] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Resources are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1C Resources may be a very conservative assessment and the total 3C Resources a very optimistic assessment.

Table 1.4: Summary of Contingent Gas Resources

The evaluation reflects our informed judgement based on the SPE PRMS 2007 Standards, but is subject to generally recognised uncertainties associated with the interpretation of geological, geophysical and engineering data. The reported hydrocarbon resource volumes are estimates based on professional engineering judgment and are subject to future revisions, upward or downward, as a result of future operations or as additional information become available.

We reserve the right to revise any estimates provided herein if any relevant data existing prior to preparation of this report were not made available, if any data between the effective date of the evaluation and the date of this report were to vary significantly from that forecast, or if any data provided were found to be erroneous.

Yours faithfully

On behalf of RPS Energy Consultants Limited

Gordon Taylor, C.Eng, C.Geol
Director, Head of Subsurface

2. INTRODUCTION

In late 2014 RPS energy were asked to perform a Phase 1 initial assessment of the UK CNS Anasuria cluster. This consists of four producing fields, Guillemot A, Cook, Teal and Teal South tied back to the Shell operated Anasuria FPSO.

RPS generated a production profile by decline curve analysis for a no-further-activity (NFA) case and considered any potential red-flag barriers to Hibiscus/Ping purchasing this asset.

In this second phase RPS has updated the Phase 1 evaluation and also considered undeveloped activity, including the addition of gas lift and the drilling of two of Development infill wells at Guillemot A. A number of additional infill opportunities have been evaluated but as a result of the limited technical maturity these they have been categorized as Contingent Resources.

There are four reservoir formations which make up the Guillemot A field, Triassic Skagerrak, Upper Jurassic Fulmar and Heather and Palaeocene Forties. In the case of Cook and Teal the Fulmar is the only reservoir. The Fulmar sandstone is the most important producing interval for all the producing fields. The Fulmar sands were deposited in a shallow marine setting and are present over the most Guillemot, Cook and Teal South structures. In Guillemot A the sand package thickness is commonly in the range of 190 to 210ft with the maximum thickness of 263ft, as penetrated by the 21/30-3 well. The majority of the production from the Fulmar is from an 80ft thick slightly coarser sand interval with some secondary porosity developed. The permeabilities in this interval are 1-2 orders of magnitude higher than the rest of the Fulmar at about 500 to 1000mD with average porosities of about 24%.

The Skagerrak formation in Guillemot A is formed of floodplain mudstones with interbedded fluvial sands. The later are of reasonable reservoir quality, 10 to 100mD, where coarser grained channel sands are encountered however these are described as be ephemeral. The background clastic facies, the much poorer quality silty sheetflood splay sandstones, have a permeability range of 0.1 to 10mD. The result is reasonable flow rates from the channel sands falling off to low rates once the high permeability facies are depleted.

The Heather formation has local sand development in Guillemot A, 235ft thick, in the GUA-P2 well. This unit is difficult to define on seismic and has not been penetrated in any of the other wells in the field. The in-place volumes of these sands is currently uncertain with a tentative estimate of 10MMstb.

In Guillemot A the Palaeocene Forties sands are trapped in a 4-way-dip closed structure draping a deeper salt induced structure. The sands were deposited as part of the extensive Forties turbidite system. Sand thickness is about 250-300ft TVD which is significantly thicker than the vertical closure of 108ft. Reservoir quality is generally excellent with porosities ranging from 25% to 35% and permeabilities from 30mD to 3D.

3. METHODOLOGY

Four producing assets have been assessed for this study; Cook, Guillemot, Teal and Teal South. In addition the Kite discovery was also assessed as a Contingent Resource.

RPS reviewed the Guillemot A static model for the Forties, Fulmar and Skagerrak reservoirs plus the Cook and Teal South Fulmar static models for reasonableness over two days in a Shell data room. A summary of our approach was as follows:

- Determine if the structural interpretation has been reasonably captured in the model with good agreement between the depth surface and model horizon, e.g. Figure 3.1.

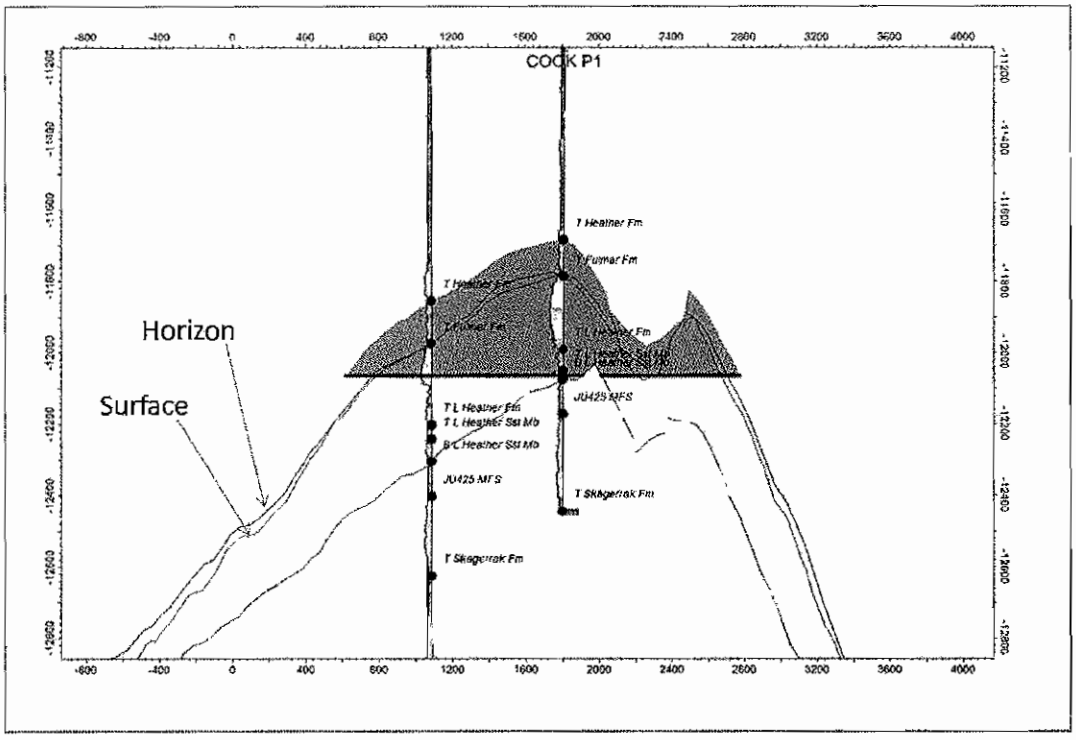


Figure 3.1: Example of Surface versus Model Horizon in Cook Fulmar

- Review the main reservoir formation and reservoir unit correlations between the wells is sound and has been translated into model
- Review that the depositional model is appropriate and if so ensure is reasonably reflected in the static model both in terms of facies definition and controls on deposition
- Review reservoir property distribution and that the controls on the distribution have been honoured
- Compare Sw from height function to log calculated Sw for reasonableness.
- Calculate in-place volumes and cross check against published volumes and volumes being taken into reservoir simulation.

RPS was able to review five petrel models in a data room provided by Shell. Within the time restrictions it was only possible to conduct a basic review of the reasonableness of the models to determine if the published oil in-place values are justified.

Based on the above methodology RPS was generally content with published STOIIP values for the reservoirs although concerns in the Cook model became clear on inspection of the Cook seismic interpretation, as described below. Specific comments on the individual reservoirs and resulting STOOIP are given below.

No reservoir simulation models were available for review and to generate developed forecasts, RPS generated an OFM database with production up to May 2015 for the producing fields. The production data was converted into monthly potential using the fraction of the month on production and hence was a 'producing days' forecast. The 1P forecasts were calculated using an exponential decline, 3P using a harmonic decline and 2P calculated arithmetical as the mean of the 1P and 3P.

Petrofac provided RPS with an uptime forecast based on a 2017 offshore shut-down scenario, this is broadly consistent with a separate FPSO uptime benchmarking exercise conducted by RPS independently, see Table 3.1 below.

Uptime	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Base	68	76	62	82	84	78	84	68	84	84	78	81	74	73
High	73	86	72	92	94	88	94	78	94	94	88	91	84	83
Low	63	66	52	72	74	68	74	58	74	74	68	71	64	63

Table 3.1: Uptime Assumptions used for Production Forecasts

RPS applied the actual uptime for each well as recorded by Shell from January to May 2015 and then applied the uptime factors, as supplied by Petrofac, for the rest of the forecast. This was done by converting the monthly potential rate versus cumulative production into a function and using linear regression to assign the rate for each month's production based on the cumulative production already achieved. This has the effect of delaying production from early years with lower uptime, increasing production in later years, but has minimal effect on overall ultimate recovery (given a long enough period of production).

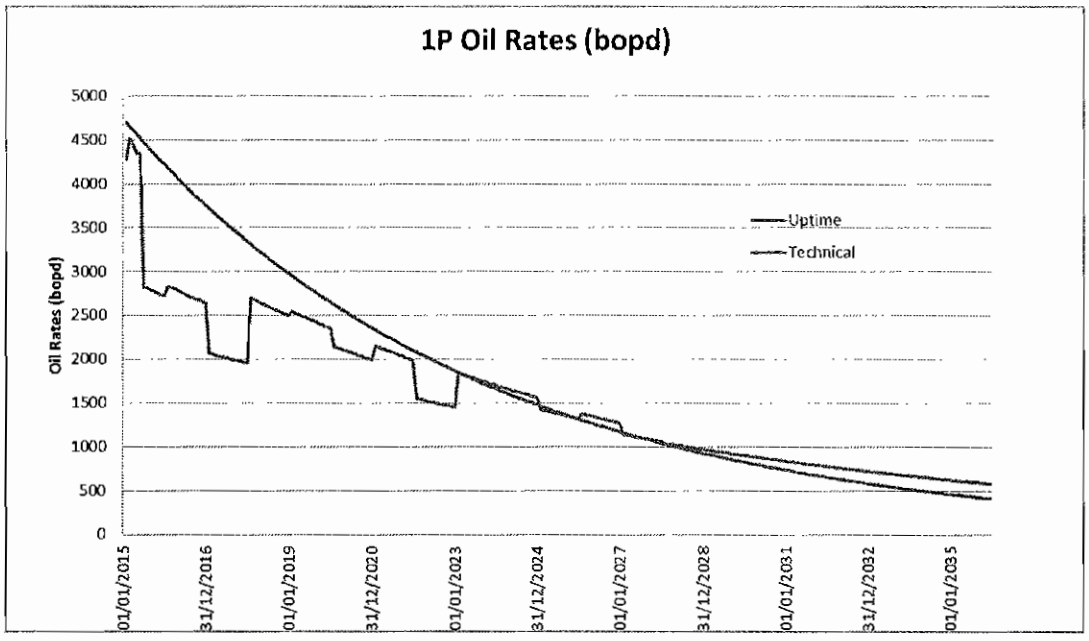


Figure 3.2: Example Uptime Calculation

4. GUILLEMOT A FIELD

The Guillemot A oil and gas field is located in Blocks 21/25 and 21/30 (Figure 4.1). The field was discovered in 1979 and was subsequently developed with four production wells and two water injection wells (one water injector was later converted into a producer) tied-back to the Anasuria FPSO, with first production in 1996. A fifth production well ("GUA-P5") was drilled on the field in early 2014 and came onstream on 28 May 2014. Guillemot A has the largest in-place volume of the Anasuria assets.

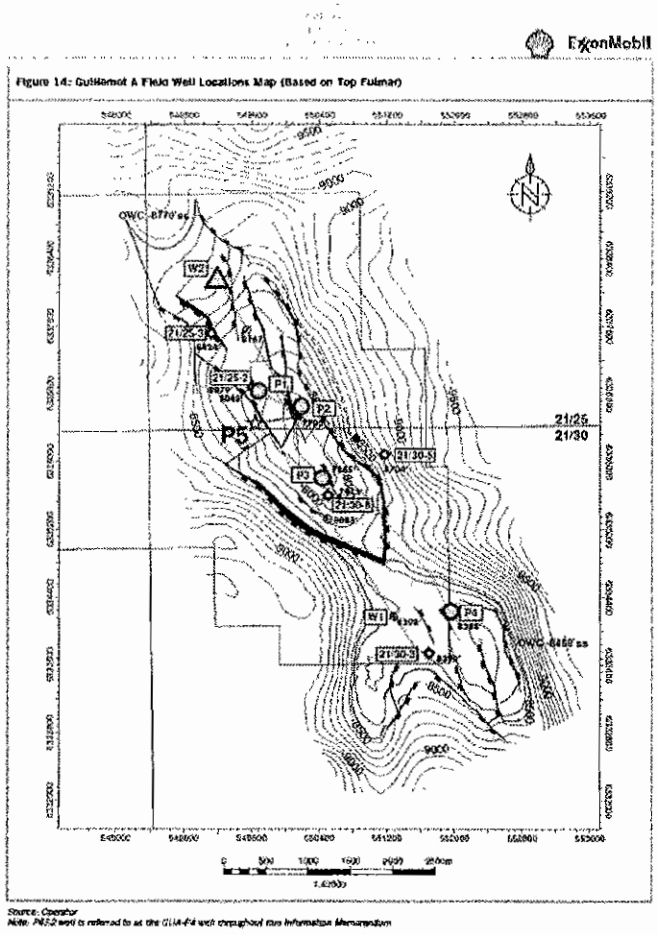


Figure 4.1: Guillemot Field (from IM)

4.1 Hydrocarbon Initially in Place

4.1.1 Seismic Interpretation

The Top Fulmar time reflector is fairly easy to map on the various seismic data cubes available, particularly over the crest of the structure where there is well control, and in the south where the Top Fulmar has been mapped on a strong, continuous peak. On the eastern flank however, the presence of a salt wall and probably a major N-S fault has made seismic correlation from the crest to the east rather difficult. The P2 well penetrated the Fulmar on the crest and re-entered downflank, so giving some well control there. There is probably no major risk of no reservoir on the eastern flank, where there is potential to recomplete the P2 and/or to drill a new infill well further

south on this side. The southern fault block is already drained by the P4 well but there is likely to be unswept oil to the south of the southern culmination and this appears to be supported by 4D effects.

4.1.2 Geological Models

Fulmar

- Structural model has good agreement with the seismic interpreted surface with the exception of the small crestal graben area where the model horizon is shallower than the mapped surface. It is our view that this difference is not significant.
- Average reservoir properties in the model show reasonable agreement with the average values from the well logs. The Sw property, based on a saturation height function shows good agreement with the log calculated Sw.
- There are two OWCs areas, North and South, Figure 4.2:
  - North - 8770ft TVDSS based on RFT pressures
  - South – 8458ft TVDSS based on logs in 31/30-3
- The NTG distribution in the model gave an average NTG similar to that from well logs. No trends were applied which was considered to be reasonable with well control available.
- The average porosity property show good agreement with log computed averages, consistent with NTG property.
- The Sw property was based on a saturation height function which gave good agreement with
- The in place volumes quoted in the IM, 160 MMstb, were confirmed and reproduced in the model.

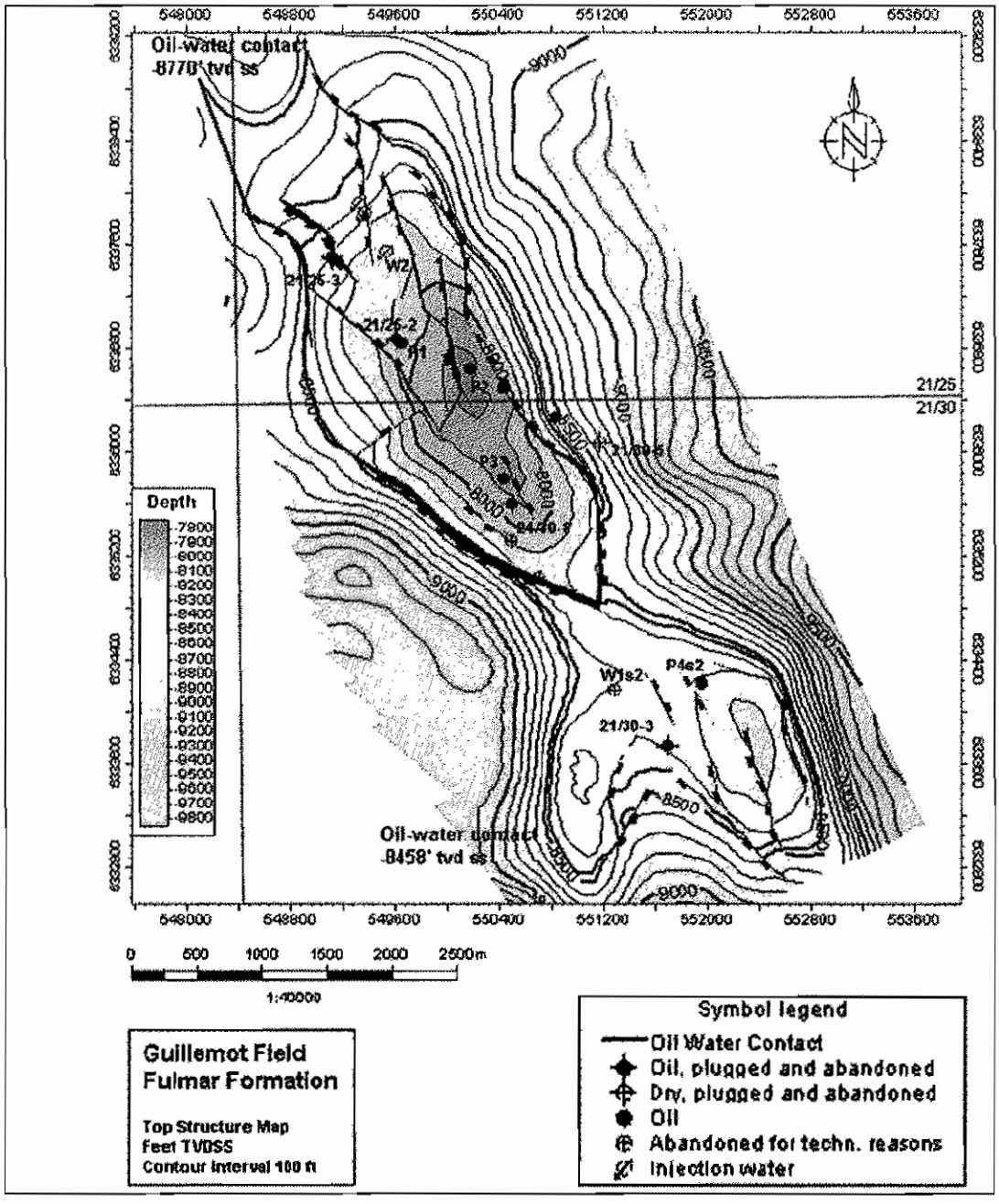


Figure 4.2: Guillemot Field Top Fulmar, Depth. OWC Areas North and South

Forties

- There was no documentation for the Forties Petrel model in the supplied data base due to the work having been recently completed by Shell. A report was available in the dataroom as was the Forties static model.
- The seismic depth surfaces and modelled horizon show reasonable agreement, Figure 4.3.

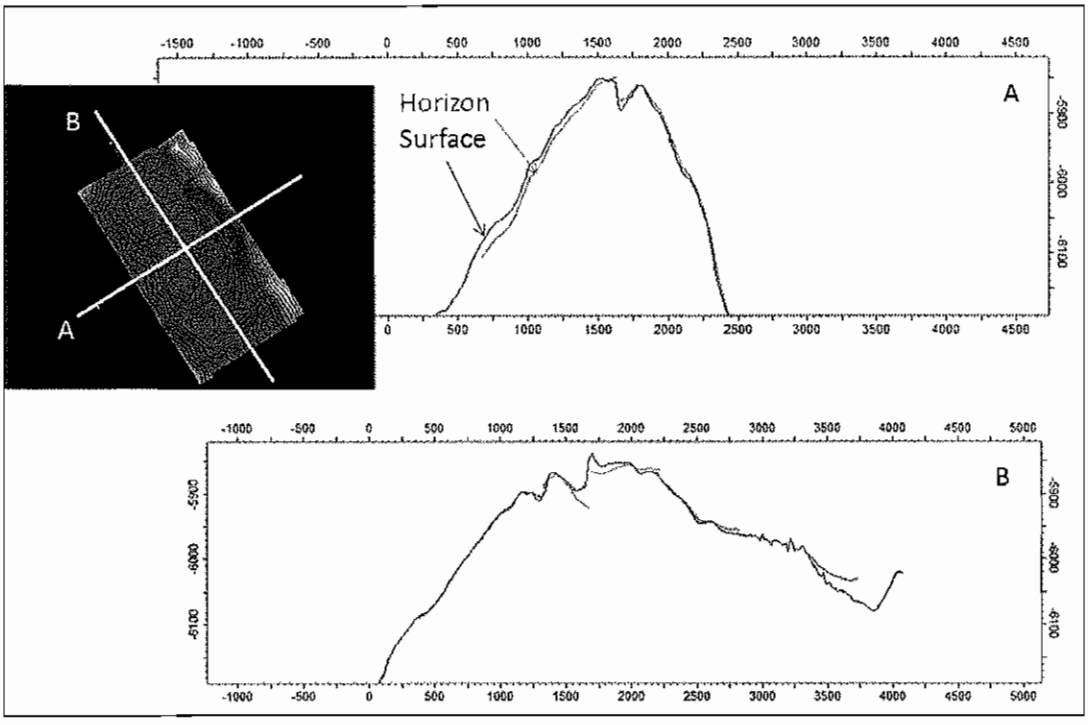


Figure 4.3: Guillemot Forties - Surface v Horizon

- Average reservoir property distribution consistent with the averages in the wells.
- It was not possible to check the how well the Sw from the height function compared to the log derived Sw. The average Sw of 38% however seems reasonable. A range of OWC's was define, shallow 5948 ft TVDSS, mid 5953ft TVDSS, deep 5963ft TVDSS, which reflect the contact uncertainty.
- The modelled properties NTG and porosity gave overall averages in good agreement with well averages reflection no trend was applied. Over the limited area of the accumulation this is satisfactory.
- It was not possible to compare the Sw derived from the height function with log computed Sw's due to the latter not being in the model. Average model Sw of 38% would appear to be reasonable for the reservoir quality.
- The mid case IM STOIIP of 17.7 MMstb was confirmed in the model.

Skagerrak

- The model horizon conforms well to the seismic surface.
- In general the Skagerrak has poor reservoir quality. Interbedded distributary cannel sands are of better quality. In the P1 well these are well developed as stack channel deposits but are significantly less in 21/25-2 well, Figure 4.4. This supports the view from Shell that they are "ephemeral". The facies model had a high proportion of better quality channel sand. This represent an uncertainty since the distribution and connectivity of these better quality sands is unknown. There is no production data to give confidence that flow rates from these sands is sustainable

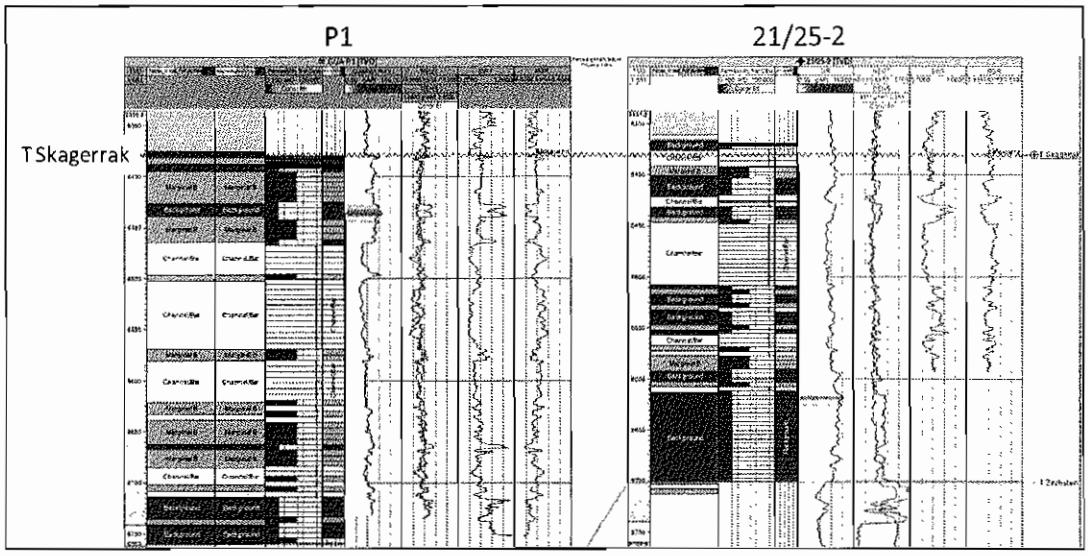


Figure 4.4: Correlation between Wells P1 and 21/25-2 illustrating the Channel Facies Development

- OWC was defined at 8728ft TVDSS from pressure data
- The modelled properties could not be compared to log calculated values as the later were not supplied in the model
- The in place volumes could be reproduced confirming the mid case in the IM. It is noted that range of STOIIP is very tight at Low: 81.1 MMstb, Mid: 95.7 MMstb, High: 106.2 MMstb. There should more uncertainty captured on the distribution of the channel sands.

4.2 Reserves and Production Profile

The total developed and undeveloped 1P to 3P profiles are given below in Table 4.1.

Year	Yearly Oil Production (Mstb)		
	1P	2P	3P
2015	1462	1522	1583
2016	1227	1453	1702
2017	1170	1551	2046
2018	2126	2925	4010
2019	2026	2749	3679
2020	1681	2288	3058
2021	1613	2164	2852
2022	1176	1619	2166
2023	1309	1749	2280
2024	1202	1605	2083
2025	1006	1355	1651
2026	945	1190	1312
2027	788	869	1083
2028	588	763	1007
2029	537	708	949
2030	477	666	901
2031	444	629	858
2032	415	596	821
2033	387	562	782
2034	361	533	750
2035	338	507	720
pre ELT Reserves to end 2035 (MMstb)	**21.3**	**28.0**	**36.3**

Table 4.1: Guillemot Field Forecast Profile

4.2.1 Developed Reserves

To generate Developed forecasts RPS generated an OFM database with production up to May 2015 for Guillemot A and the other producing fields. For Guillemot A forecasts RPS estimated a range of profiles for the three producers P1, P3 and P5.

The production data was selected so that only months with good uptime that displayed the full potential of the well were included in the calculation and hence represents a producing days forecast.

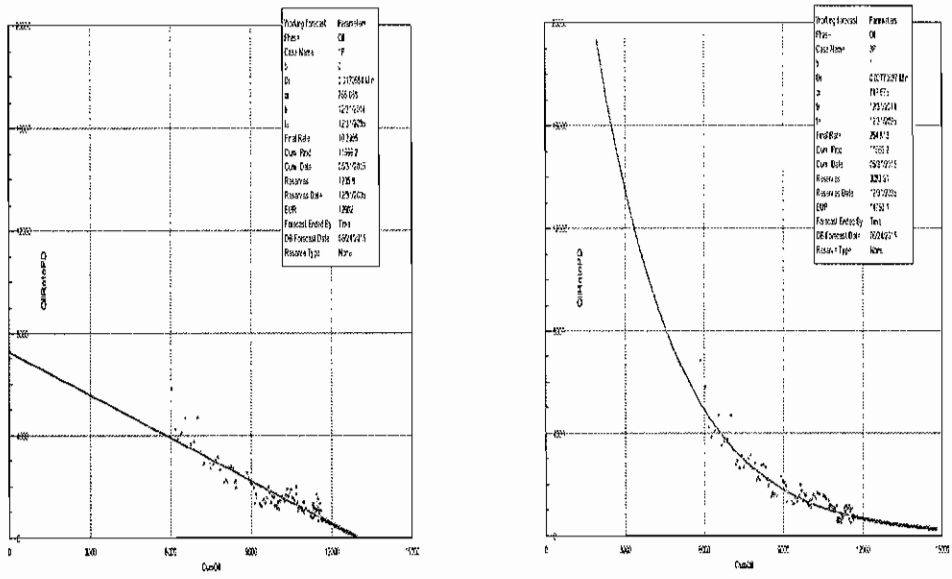


Figure 4.5: Guillemot P1 DCA 1P & 3P

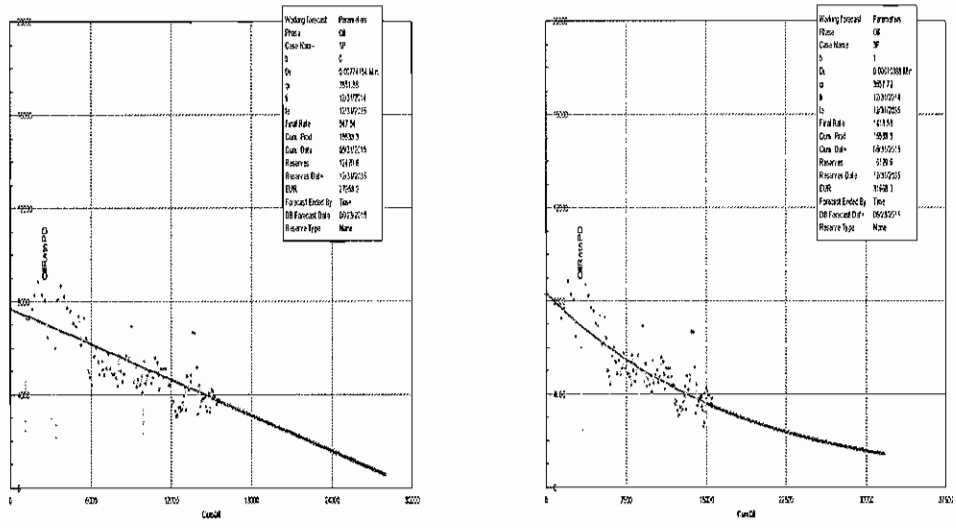


Figure 4.6: Guillemot P3 DCA 1P & 3P

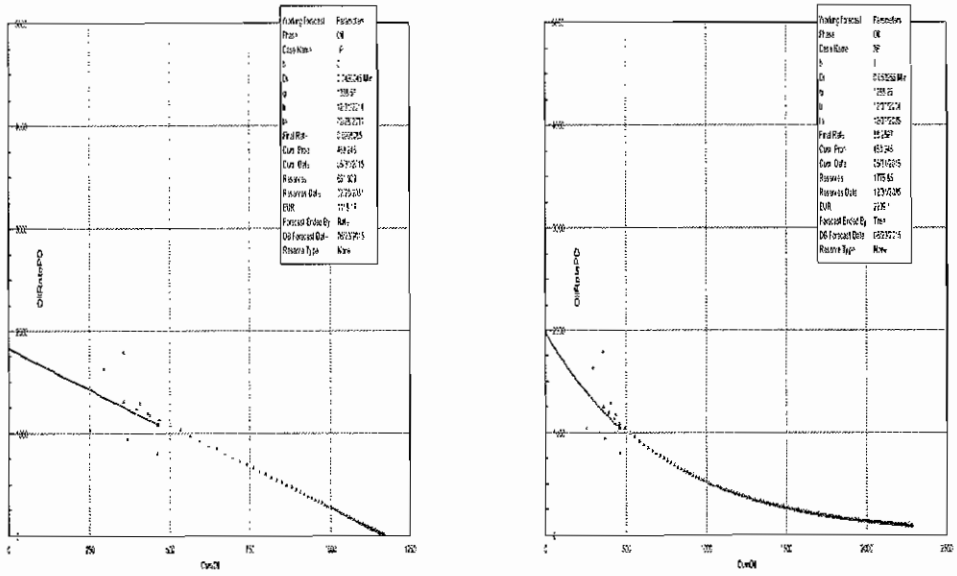


Figure 4.7: Guillemot P5 DCA 1P & 3P

With the inclusion of the uptime factor the resulting profiles for well P1 are shown below.

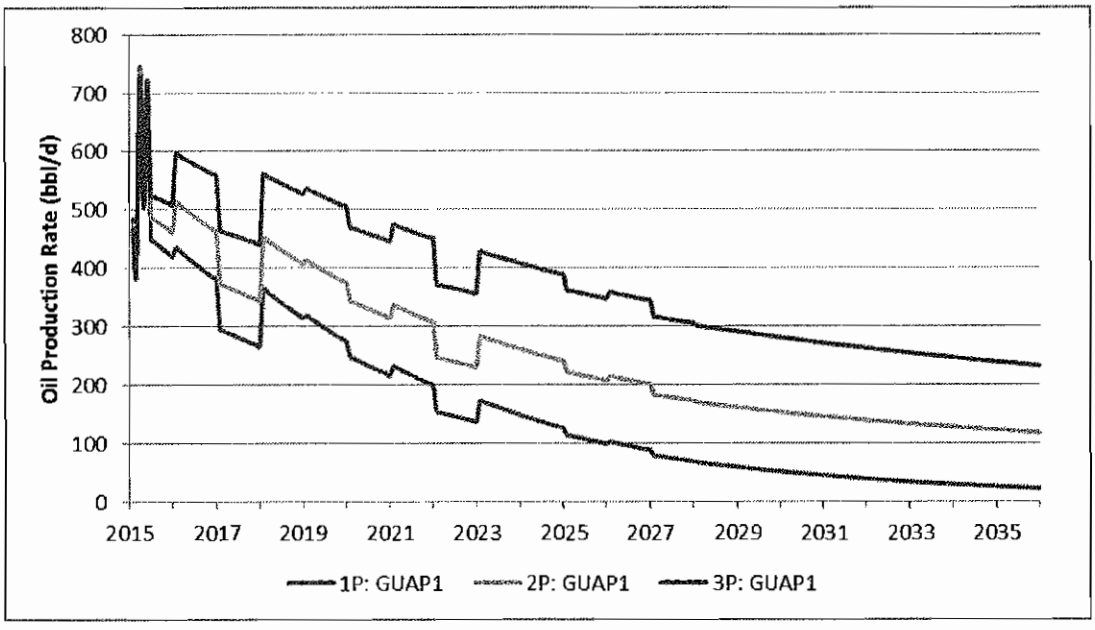


Figure 4.8: Guillemot A PDP Reserves Profile for Well P1

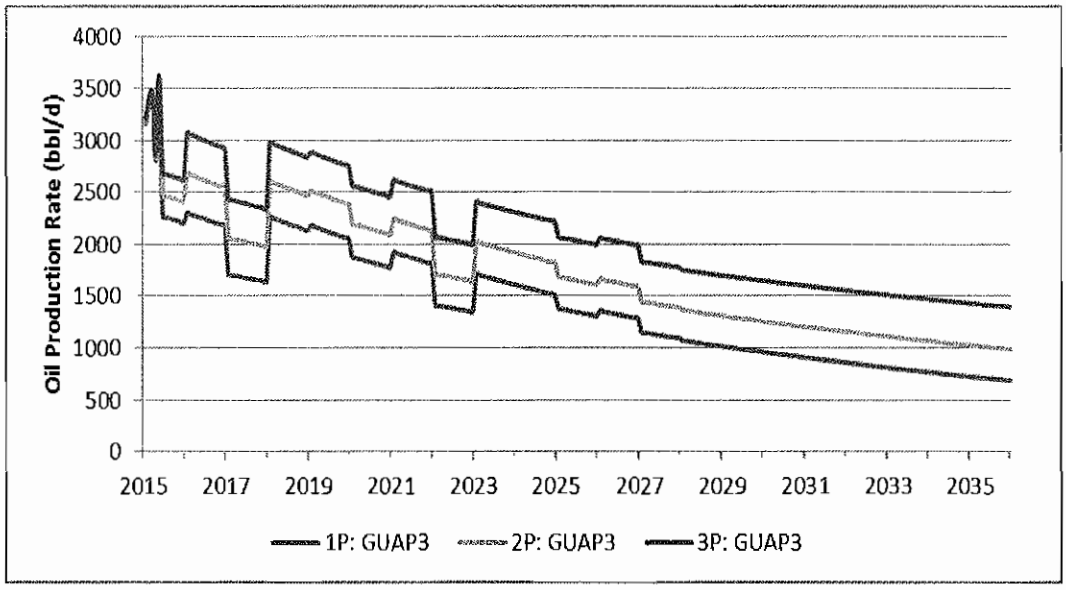


Figure 4.9: Guillemot A Reserves Profile for Well P3

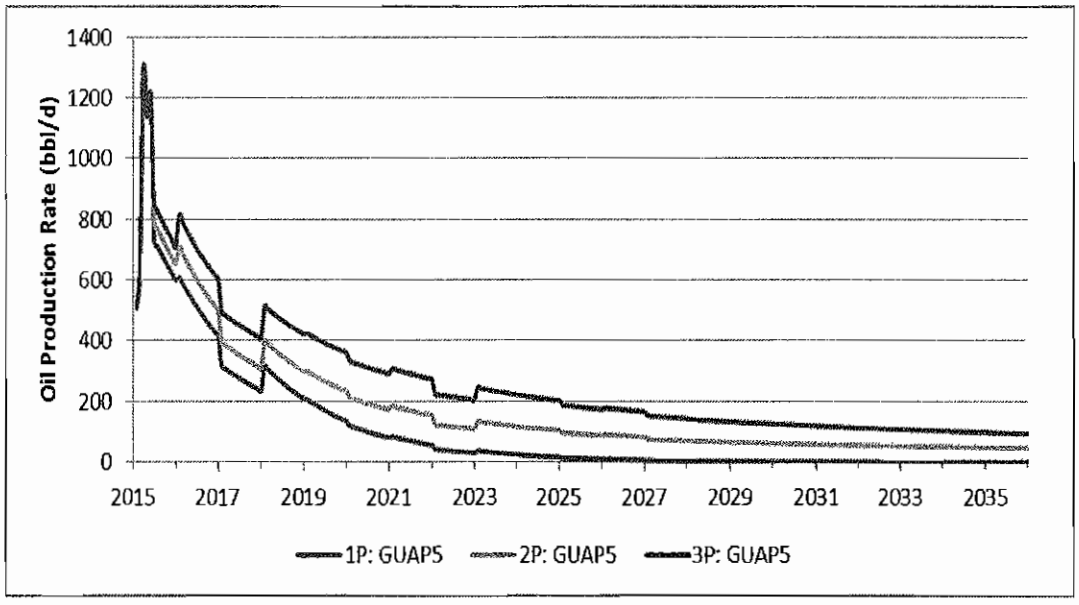


Figure 4.10: Guillemot A PDP Reserves Profile for Well P5

RPS combined the three wells into a single field profile by simple addition to produce the final technical profiles for economic analysis.

4.2.2 Guillemot A Gas Lift and Forties Recompletion Reserves

The performance of the P3 well has led to development plans being put in place to implement gas lift for the remaining Fulmar wells. P5 already has the required facilities but P1 and P4 require interventions to hook up gas lift. P5 can be expected to benefit from gas lift from 2016 with P1 and P4 from 2017. In addition the P2 well is planned to be recompleted over the Forties reservoir which could bring in additional potential.

4.2.2.1 Gas Lift

Without access to full field simulation models assessing the potential benefit of gas lift on ultimate recovery is difficult to quantify. Shell developed an MBal model for the P4 well that suggested an incremental recovery of 2 MMstb.

To assess the impact of gas lift RPS looked at the wells being targeted especially P1 and using the water-oil-ratio (WOR) trend against cumulative oil production estimated how much extra oil could be produced from a gas lifted well that could operate up to 98% watercut over the 2PDP case, see Figure 4.11.

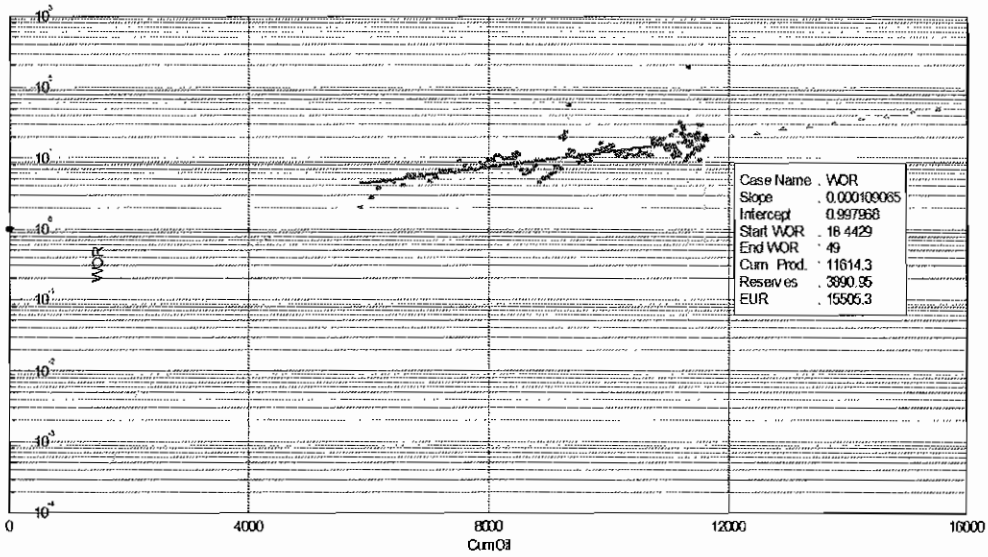


Figure 4.11: Guillemot A Well P1 WOR Trend

The increase (which was also 2.0 MMstb in this case) was then converted into a performance enhancement percentage over the 2P Reserves of 2.4 MMstb, so in this case 80%. This percentage was then applied to the 1P and 3P profiles to provide their gas lift incremental profiles. The application of monthly uptime slightly reduces this 2PDNP estimate to 1.9 MMstb.

For the P4 gas lift increment the MBal modelled increment suggested that the P1 well would provide a suitable analogue for future production in the absence of recent production performance that meant a DCA analysis couldn't be performed. Hence the gas lift profiles for P1 and P4 are identical. Following the application of uptime factors the resulting profiles are shown below.

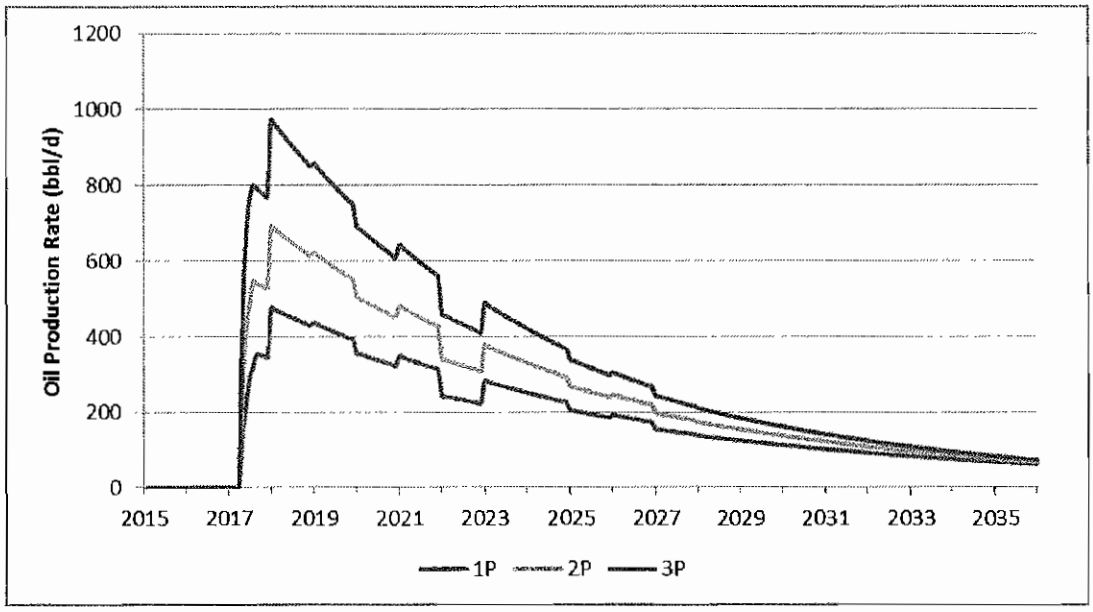


Figure 4.12: Guillemot A Wells P1 & P4 Gas Lift Profile

Well P5 has limited production and no discernible Water-Oil-Ratio trend so it was not possible to do the same calculation for this well. The increments calculated for P1 were thus assigned to P5 adjusted for earlier implementation.

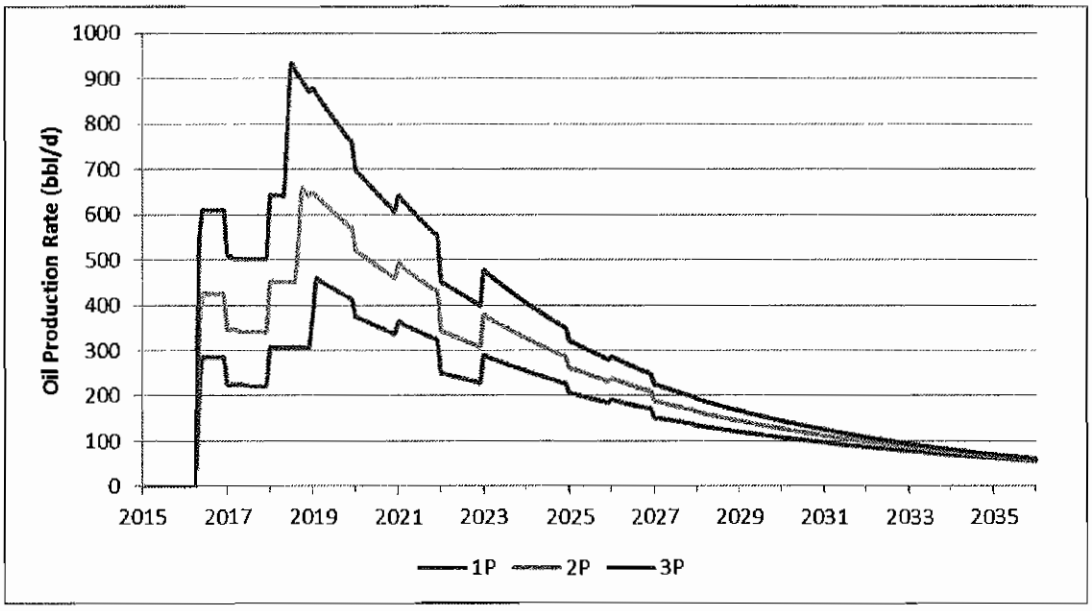


Figure 4.13: Guillemot A Well P5 Gas Lift Profile

4.2.2.2 Well P2 Forties Recompletion

RPS agrees with the P50 estimated STOIIP for the Forties reservoir of 17.7 MMstb and that an additional 2 MMstb of oil could be additionally produced from the Forties reservoir with a recovery factor of 11%. This recovery factor when applied to RPS 1P and 3P STOIIPs of 14.0 and 25.0 MMstb respectively indicates a range of ultimate recoveries from 1.5 MMstb to 2.8 MMstb.

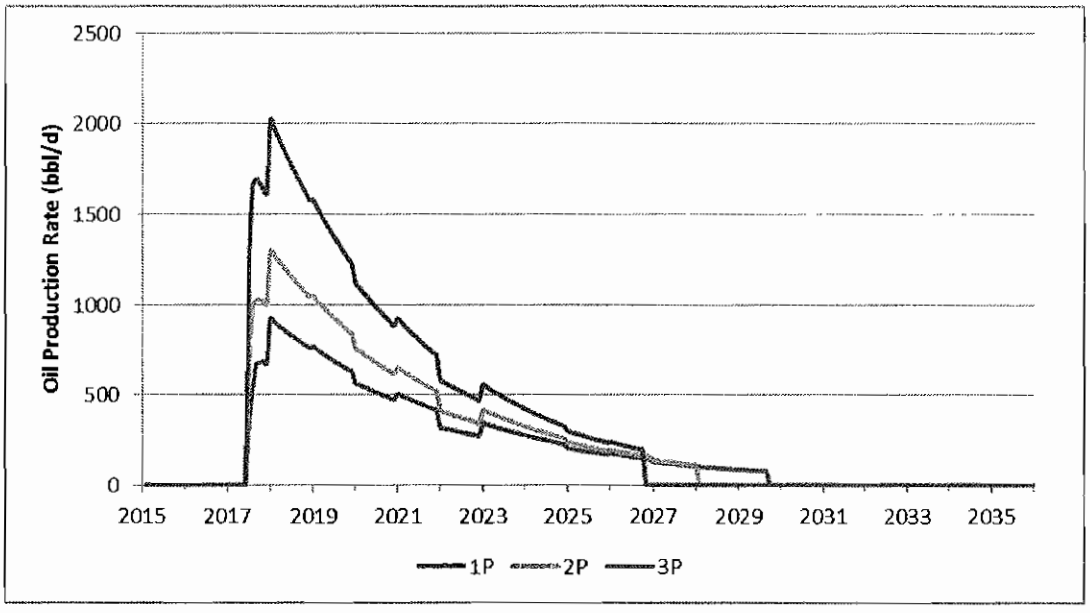


Figure 4.14: Guillemot A Well P2 Forties Re-completion Profile

Reserves (MMstb	1P	2P	3P
GUA –P1 Gas Lift	1.4	1.9	2.4
GUA –P4 Gas Lift	1.4	1.9	2.4
GUA –P5 Gas Lift	1.4	1.9	2.5
GUA–P2 Recompletion	1.5	2.0	2.8
Total	**5.6**	**7.6**	**10.2**

Table 4.2: Gas Lift & Forties Recompletion Reserves for Guillemot A

4.2.2.3 Infill Drilling (Reserves)

RPS is satisfied that the proposed drilling of two infill Guillemot wells, one in Guillemot Central and one in Guillemot North, can be considered as Reserves. In the absence of simulation models to quantify their potential however, the volumes of these wells have been limited, by analogue, to the recent P5 infill well and assigned EURs of 1.2 to 2.5 MMstb/well.

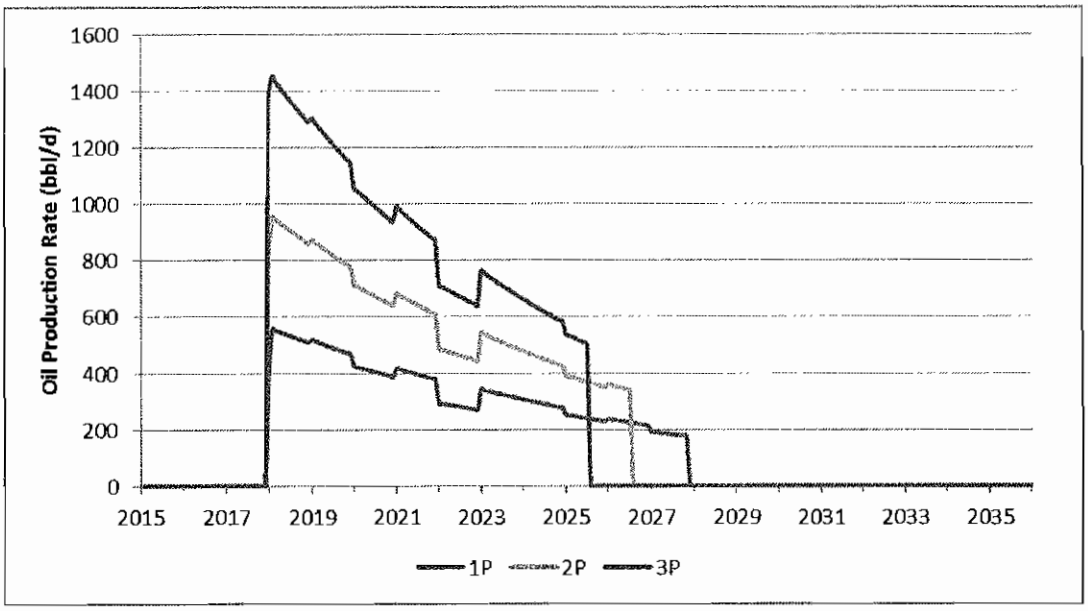


Figure 4.15: Guillemot Central and North Infill Well Profiles

It is noted that simulation modelling would give much more clarity to these wells potential and could increase their Reserves accordingly.

4.3 Contingent Resources

Three opportunities proposed have been classified as Contingent Resources by RPS. Firstly the in the Southern block where significant volumes remain and also for two Skagerrak wells one in the Northern block and one in the Central block.

The Southern infill well is a very immature prospect and was not proposed by Shell in its IM, it could if successful however produce in line with the P**4** wells that totalled some **4** MMstb from this block.

The Skagerrak formation in Guillemot is of unknown potential and has uncertain communication with the Fulmar formations above it. It may that will it is penetrated in P1, P3 and P5 it may not contribute to the production of these wells. It is also possible that it has contributed significantly and in hence largely with future potential.In fact analysis of Fulmar PVT data indicates a recovery factor down to bubble point of around 8%, perhaps indicating that the Skagerrak has, in part, been responsible for the recovery factors in both blocks that are significantly above that.

It is with these uncertainties in mind and in the absence of a simulation model that RPS has placed any Skagerrak infills into Contingent Resources. The 3C volume represents the high side Shell estimate of 3 MMstb/well with the 2C volume simply reduced to 50% of that at 1.5 MMstb/well and the 1C at a largely depleted 0.5 MMstb/well.

5. COOK FIELD

The Cook oil and gas field is located in Block 21/20a and is the northernmost field of the Anasuria Cluster. The field was discovered in 1983 and developed as a single-well subsea tie-back to the Anasuria FPSO, with production commencing in 2000. The producing reservoir units of the Cook Field are the Fulmar and Heather sandstone members, which were deposited during the late Jurassic. The Jurassic Fulmar is the main producing interval which displays high permeabilities and porosities, whilst the Heather sandstone is a minor producing interval.

5.1 Hydrocarbon Initially in Place

A deterministic STOIIP has never been convincingly established due to uncertainties in the depth mapping, the small well count and subsequent uncertainty over the extent and distribution of the sand.

5.1.1 Seismic Interpretation

The Fulmar over the core area of the field is fairly well imaged on the Shell proprietary data (Figure 5.1). The seismic character of the Fulmar is typical of the interpod Fulmar play on the western platform, showing a strong reflective package between the BCU and the Top Salt horizons.

However, beyond the core area there is more ambiguity in the seismic data. The undrilled SE fault block, where a production well has been proposed (P2), shows a much weaker seismic response below the BCU. Although the seismic character improves towards the north of this block, there is a reasonable chance that Fulmar reservoir is not present and that this block is a Triassic pod with only Skagerrak reservoir developed. To the west of the core Cook area, there is a similar weakening in the reflector amplitude, area recognised in the IM as possible infill target, perhaps suggesting reduced or non-existent Fulmar reservoir. These areas exhibit weak or no 4D signal which has been suggested as a possible indicator of unswept reservoir. Such judgments based on 4D responses are uncertain at the Fulmar level. Equally it could be that there is no significant reservoir developed here, which would more simply explain the lack of 4D response.

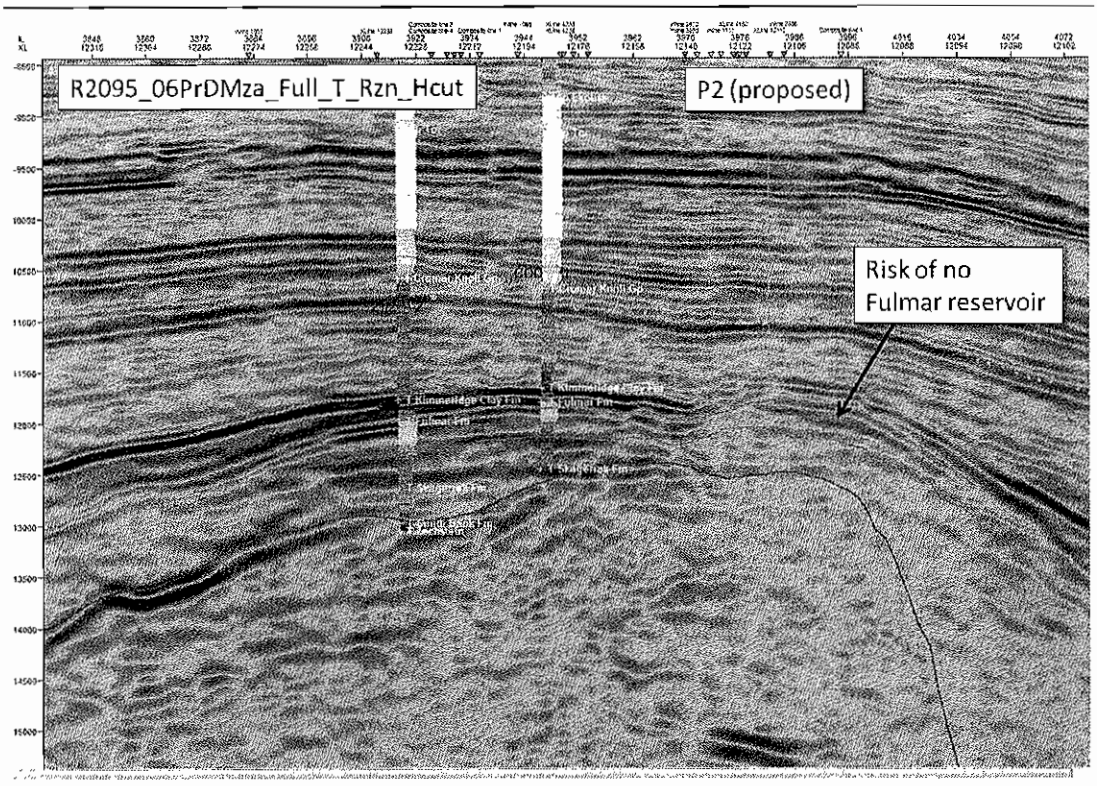


Figure 5.1: NW-SE random Line through the Cook Wells and the Potential P2 Production Well

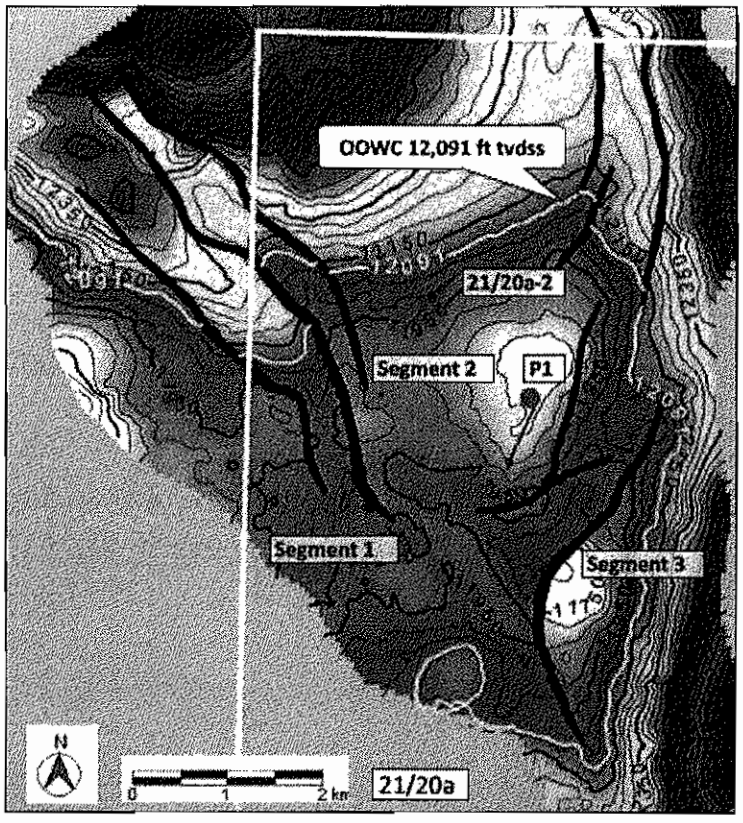


Figure 5.2: Cook Field, Top Fulmar Depth Structure Map

- The modelled horizon is in places shallower than the input depth surface, Figure 5.2. This may result in a slight overestimation of GRV.
- Am OWC was defined in the 21/20A-2 well.
- In general the average NTG and porosity in the model were in good agreement with log derived averages, where differences existed the model was more conservative.
- The Sw property from the height function was in reasonable agreement with log calculated curves, Figure 5.3.
- The model STOIIP of 86.6 MMstb was reproduced and is consistent with that in the IM.

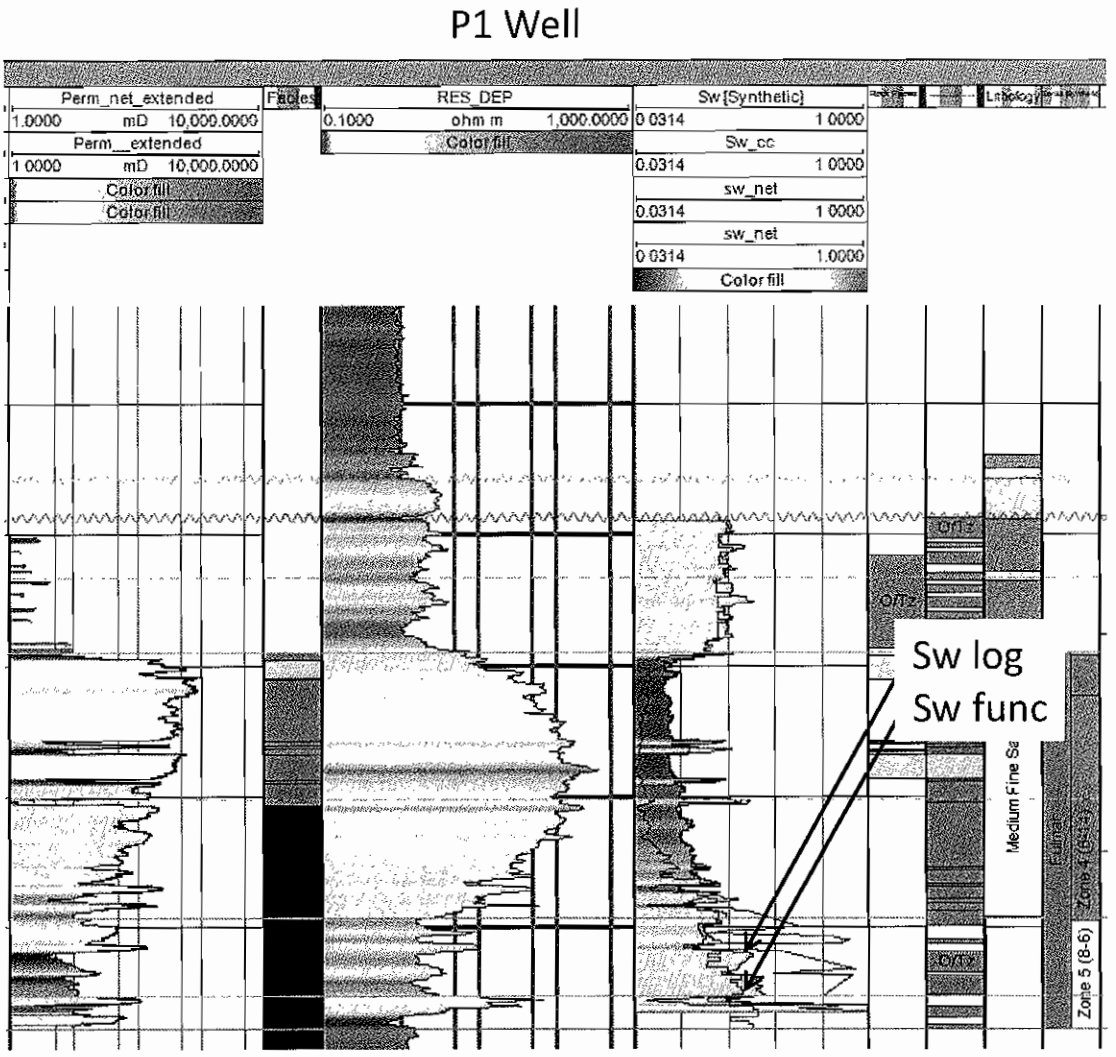


Figure 5.3: Comparison of Log Sw and Saturation Height Function derived Sw (NB black curve to the left to be ignored)

Main issue in Cook is the uncertainty on the presence of sand at the potential infill target, as discussed above in the Geophysics.

5.2 Reserves and Production Profile

Although there is limited downhole pressure data the early permanent gauge data and the single pressure survey acquired in 2005 was used to build a simple material balance model. This model indicated a best fit STOIIP of 135 MMstb and a very small aquifer (Re/Ro = 1.2 and 10 mD). This material balance evaluation demonstrates good agreement with the volumetric evaluations and a small limited aquifer, consistent with the Shell 2009 simulation study and suggests the risk of rapid water breakthrough is very low.

The total developed and undeveloped 1P to 3P profiles are given below in Table 5.1.

Year	Yearly Oil Production (Mstb)		
	1P	2P	3P
2015	1303	1426	1555
2016	1005	1237	1495
2017	756	973	1221
2018	930	1163	1433
2019	897	1132	1412
2020	768	994	1269
2021	756	988	1275
2022	564	773	1036
2023	640	870	1160
2024	600	833	1130
2025	509	733	1019
2026	485	713	1006
2027	409	624	904
2028	371	584	862
2029	343	555	831
2030	319	530	806
2031	296	507	782
2032	276	487	762
2033	255	466	739
2034	237	447	719
2035	220	430	700
Cumulative to end 2035 (MMstb)	**11.9**	**16.5**	**22.1**

Table 5.1: Cook Field (100 % WI) Forecast Profile

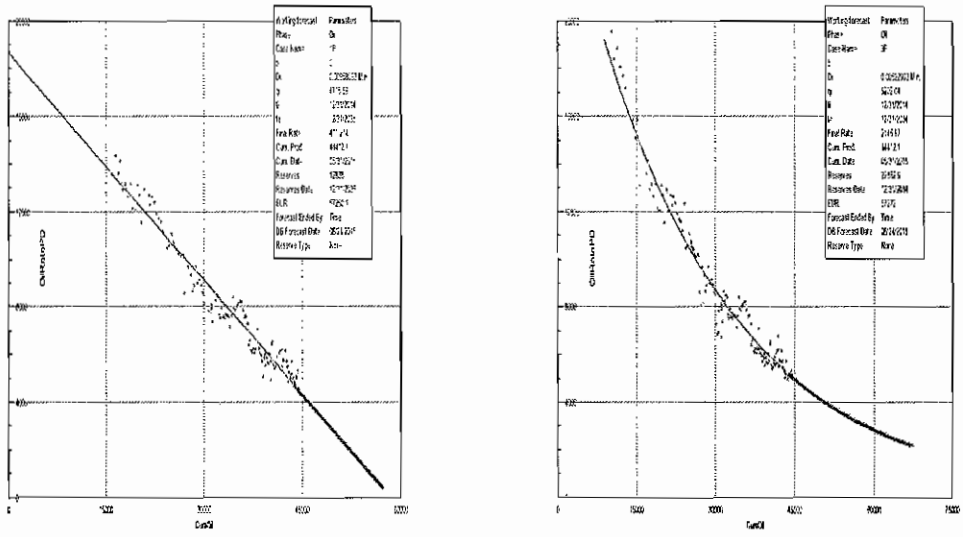


Figure 5.4: Cook P1 DCA 1P & 3P

The inclusion of monthly uptime generates gross production profiles for Cook as shown below.

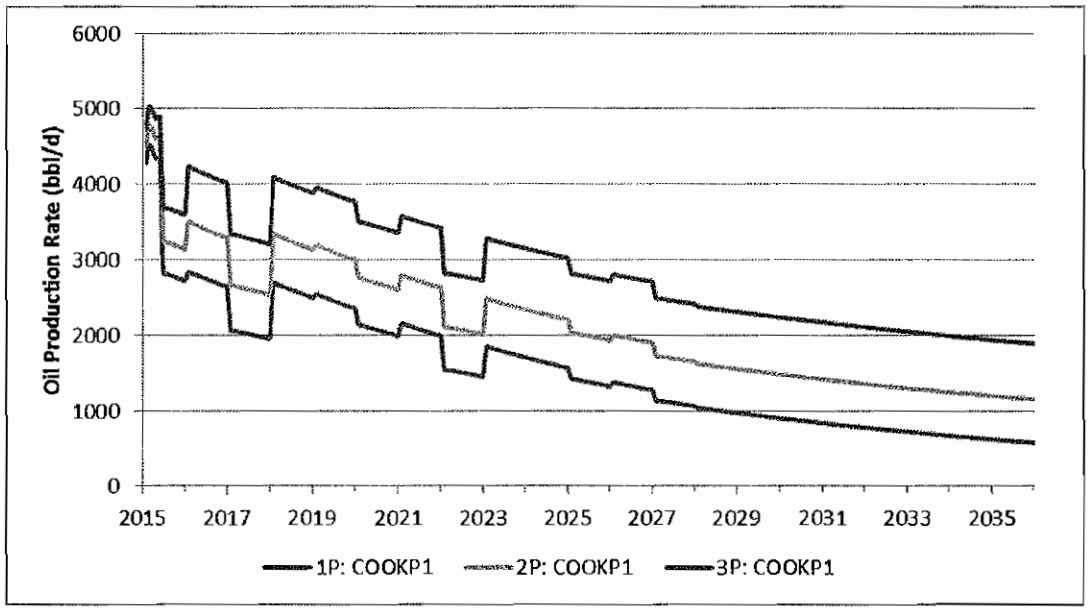


Figure 5.5: Cook P1 Profiles

5.3 Contingent Resources

Several infill wells have been proposed for the Cook field to supplement production from the prolific P1 well, with none being drilled to date. The South East infill which would target the South East flank is being driven by 4D seismic that suggests that this area has not been depleted by the production in the neighbouring main block.

This scenario is possible, but an alternative is that the SE block doesn't contain the excellent quality Fulmar reservoirs at all and that explains the lack of 4D sweep.

It is also true that with the already very high recovery factors for P1 (>44%) to limit its drainage area by assuming it is effectively a compartmentalised structure could lead you to believe that perhaps the 4D signal failed to discern support from the SE block and that it is in direct communication and hence already depleted.

RPS has classified Cook SE as Contingent Resources because of the difficulties in progressing this target location given the uncertainties already discussed.

The 3C recoverable volume of 7.5 MMstb Gross (2.9 MMstb Net) represents a success case with undrained oil in a good quality sand, the 2C case represents a partially drained SE flank with only 1.3 MMstb Gross (0.5 MMstb Net) and the 1C case a largely absence SE flank with 0.3 MMstb Gross (0.1 MMstb Net)

6. TEAL FIELD

The Teal oil and gas field is located in Block 21/25 and was discovered in 1989. The Teal Field was subsequently developed as a subsea tie-back to the Anasuria FPSO, with first production in 1997. The Teal Field is produced via one producer and two water injectors which provide reservoir pressure support. The Teal Field has been shut-in since 2012 due to a riser leak, however production has now restarted in December 2014 following the planned replacement of the production riser in August 2014. The Teal Field comprises two reservoir intervals: the Jurassic Fulmar and Triassic Skagerrak. The main producing reservoir is the Upper Jurassic Fulmar.

6.1 Hydrocarbon Initially in Place

6.1.1 Geophysics

A brief review was conducted, in the data room, of Shell's seismic interpretation which was found to be reasonable and considered "fit for purpose"

6.1.2 Geological Model

- The Teal model was only briefly reviewed; the surface and modelled horizon had very good agreement.
- The Petrel volumes can be confirmed as those in the IM.

6.2 Reserves and Production Profile

The total developed and undeveloped 1P to 3P profiles are given below in Table 6.1.

	Yearly Oil Production (Mstb)		
Year	**1P**	**2P**	**3P**
2015	400	402	402
2016	325	350	369
2017	234	256	271
2018	277	286	291
2019	255	259	263
2020	208	213	221
2021	195	199	209
2022	139	148	162
2023	151	158	174
2024	135	144	163
2025	109	120	142
2026	99	112	136
2027	80	94	119
2028	69	85	111
2029	61	78	105
2030	55	72	99
2031	49	67	95
2032	43	62	91
2033	39	58	87
2034	34	54	83
2035	31	51	80
Cumulative to end 2035 (MMstb)	**3.0**	**3.3**	**3.7**

Table 6.1: Teal Field Forecast Profile

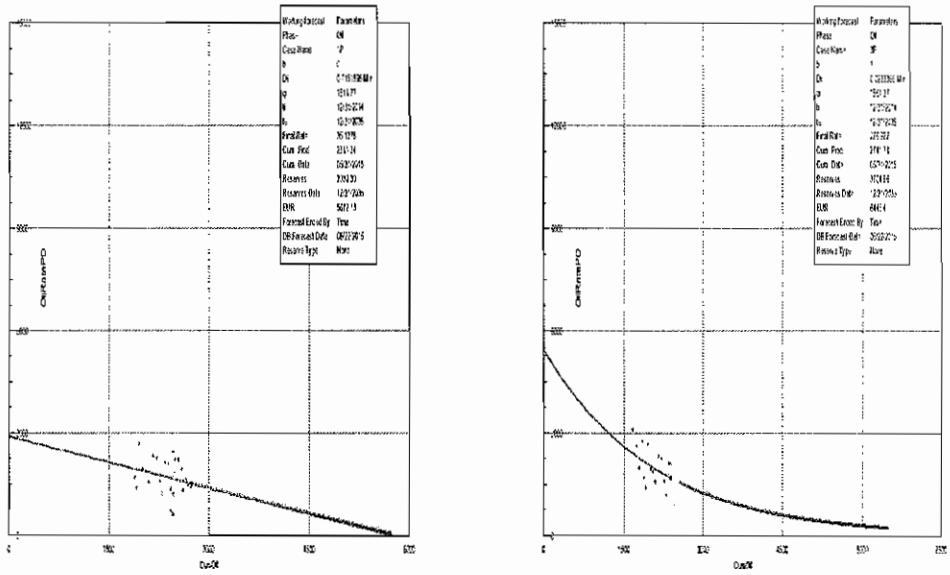


Figure 6.1: Teal P2 DCA 1P & 3P

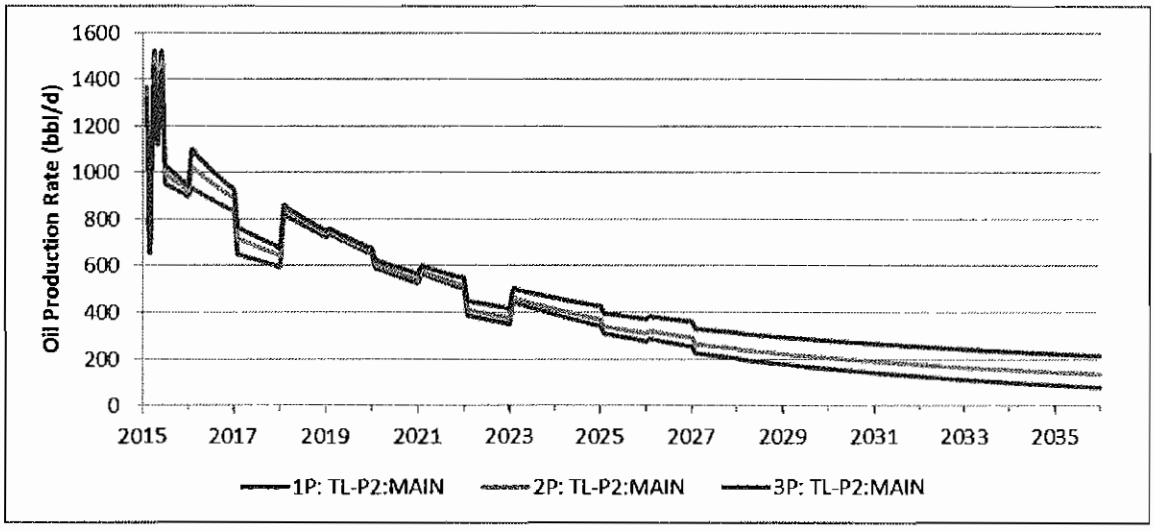


Figure 6.2: Teal P2 Profiles

6.3 Contingent Resources

No Contingent Resources have been identified for the Teal field.

7. TEAL SOUTH FIELD

The Teal South oil and gas field is located in Block 21/25 and was discovered in 1992. The field was developed as a subsea tie-back to the Anasuria FPSO with production commencing in 1996. The field is a two-well development consisting of a producer/water injector pair.

The Teal South Field comprises two reservoir intervals, the Jurassic Fulmar and the Triassic Skagerrak. The operator has divided the Fulmar into three zones with the high permeability Middle Fulmar being the main producing interval. The Teal South Field has been shut-in since 2012 following the detection of H2S however a project is ongoing to bring the field back onstream in 2016.

7.1 Hydrocarbon Initially in Place

Teal South is a small interpod developed on south flank of a salt wall. The reservoir and its lateral extent is well imaged on the seismic data. According to Shell's mapping, which seems to be reasonably robust, there is the possibility of unswept oil both in the attic above the producer and in an eastern structural nose where thicker Fulmar has been mapped. There may also be unswept oil to the west of the water injector (Figure 7.1).

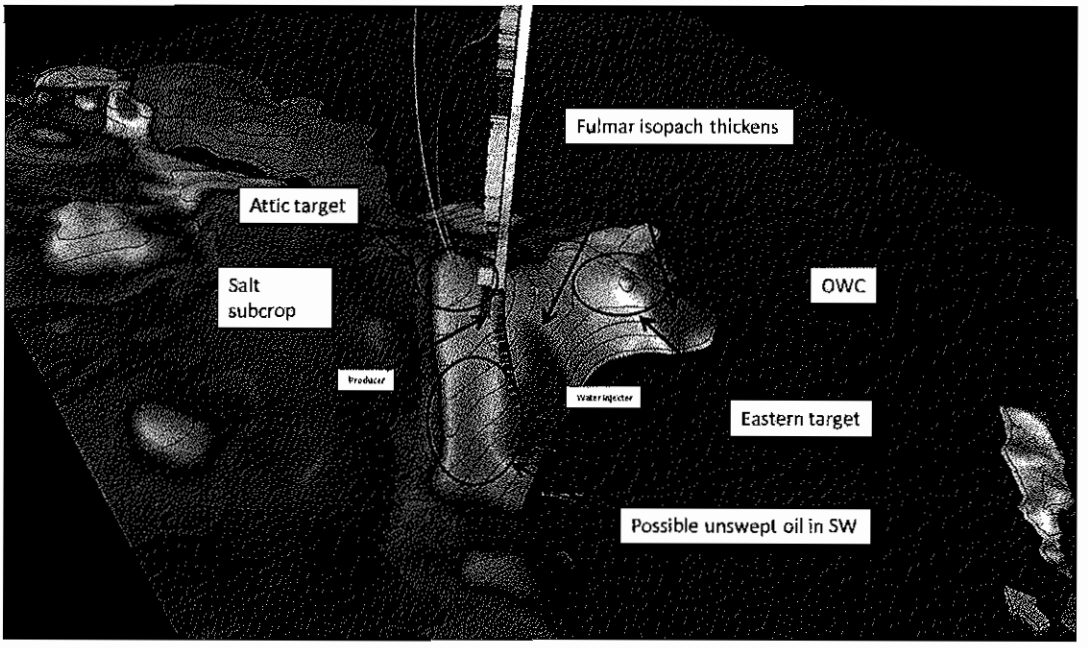


Figure 7.1: TEAL SOUTH

7.1.1 Reserves and Production Profile

The total developed and undeveloped 1P to 3P profiles are given below in Table 7.1.

	Yearly Oil Production (Mstb)		
Year	**1P**	**2P**	**3P**
2015	0	0	0
2016	84	102	122
2017	165	214	273
2018	253	363	512
2019	231	340	489
2020	185	287	424
2021	172	275	412
2022	121	208	324
2023	131	226	352
2024	116	210	332
2025	93	179	290
2026	84	170	278
2027	68	145	242
2028	59	133	225
2029	53	123	211
2030	47	116	200
2031	42	109	189
2032	38	103	180
2033	34	96	171
2034	31	91	162
2035	28	86	155
Cumulative to end 2035 (MMstb)	**2.0**	**3.6**	**5.5**

Table 7.1: Teal South Field Forecast Profile

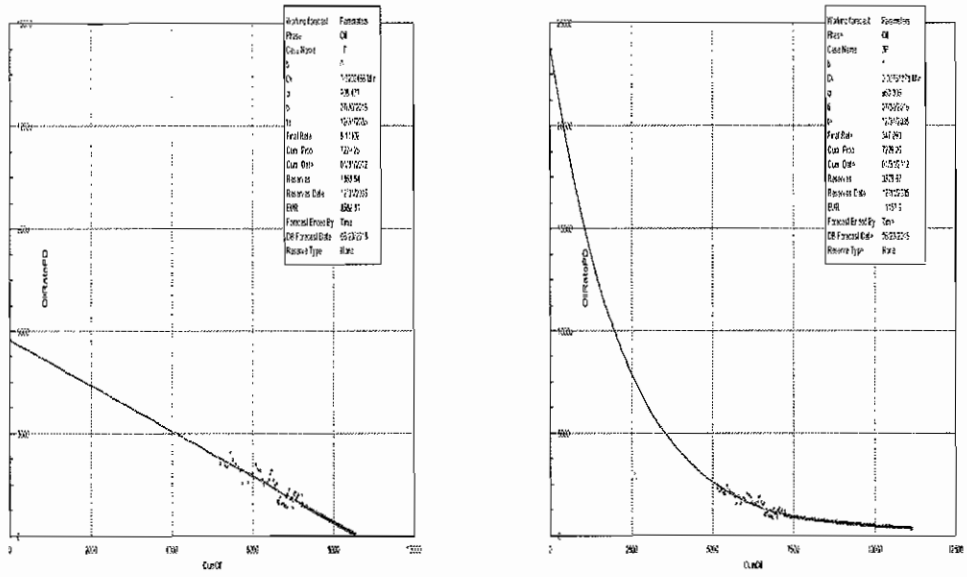


Figure 7.2: Teal South P1 DCA 1P & 3P

The Teal South P1 well is shut-in while H_2S scavenging measures are being put in place, it is expected to restart during 2016 (Figure 7.3).

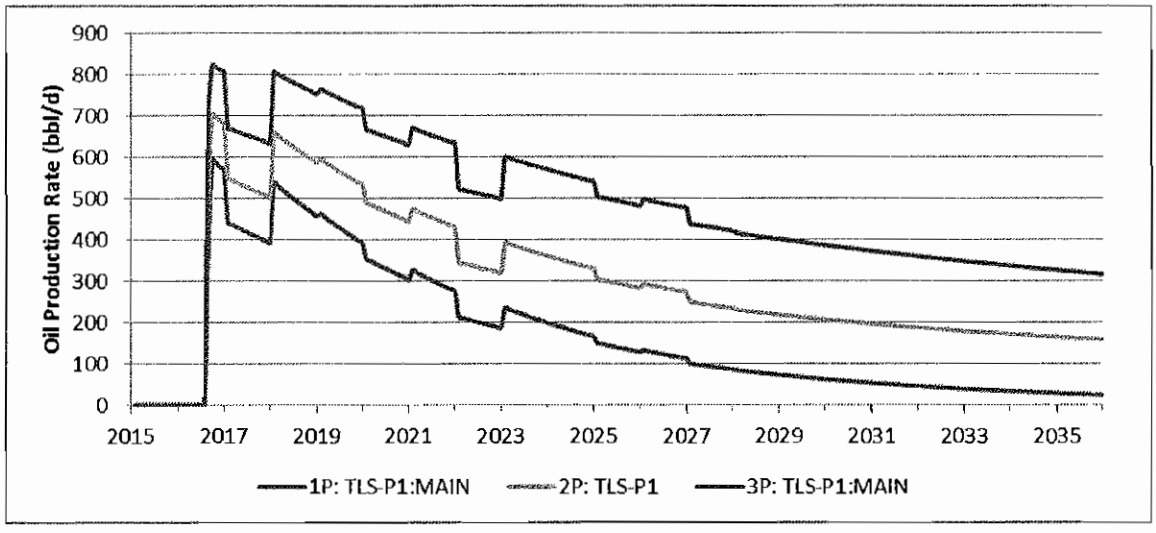


Figure 7.3: Teal South P1 Profiles

7.1.2 Teal South Gas Lift Reserves

To determine the impact of gas lift on the future performance and ultimate recovery of the Teal South P1 well a similar method was adopted as for the Guillemot wells.The water-oil-ratio trend was examined to determine what recovery could be achieved with a watercut of 98%, see below.

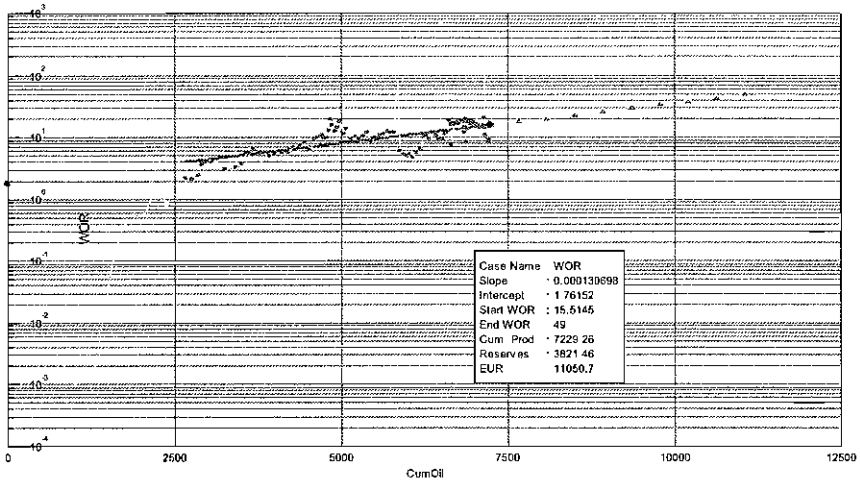


Figure 7.4: Water-Oil-Ratio trend for Teal South P1

The remaining Reserves being 3.8 MMstb of which the 2P DCA gives us 2.4 MMstb, so we assume 1.4 MMstb can be realised using gas lift or a 56% increment over a non-gas lifted well. This percentage increase when applied to the 1P and 3P Reserves translated into 0.8 MMstb and 2.0 MMstb respectively for 1P and 3P gas lift Reserves.

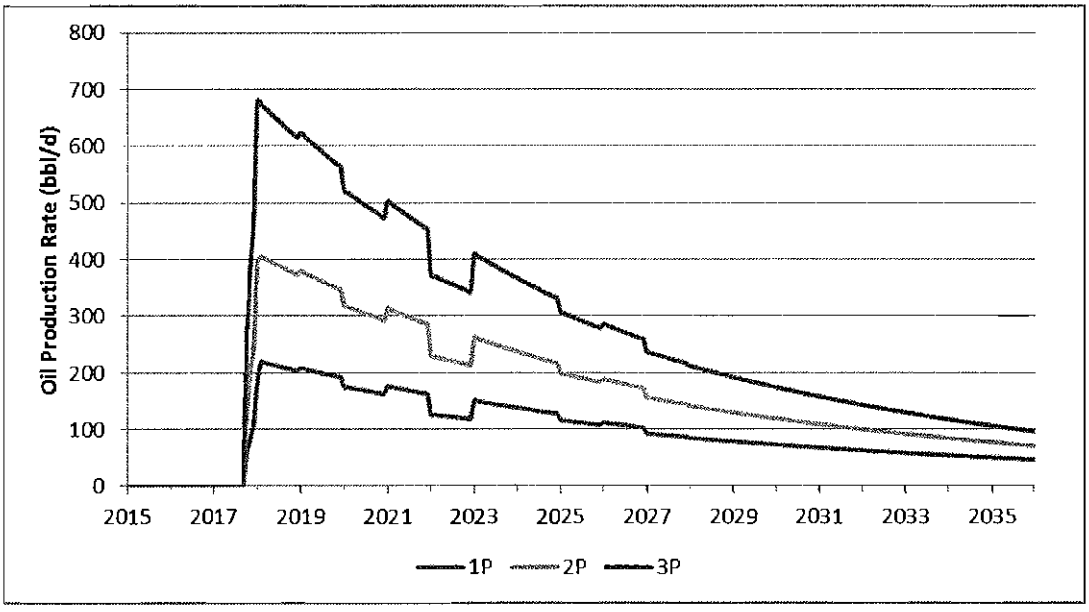


Figure 7.5: Teal South P1 Gas Lift Reserves

7.2 Contingent Resources

The proposed infill well for Teal South in the North East of the field is considered a valid target by RPS.

The volume of the target is estimated as 20% of the field total of 40 MMstb, thus is 8 MMstb. If we assume a 19% recovery factor, in line with the current production of P1 it could be expected to generate some 1.5 MMstb (2C), with a range from 0.5 MMstb (1C) to 3.0 MMstb (3C).

8. KITE DISCOVERY

This evaluation of the Kite discovery is based on a review of the Shell Information Memorandum and three documents provided by the client which are:

- Shell (2102) Kite feasibility Report
- Shell (2012) ExxonMobil Subsurface technical update: Kite Prospect
- Shell (2012) Kite Petrophysics Report

Whilst several seismic datasets cover the asset, no seismic data nor static or dynamic models have been made available for review.

Kite is located between the Cook and Teal fields and is mainly in Block 21/25a. Three wells penetrate the interpreted structural closure – 21/25-8, -9 and -12 (Figure 8.1).

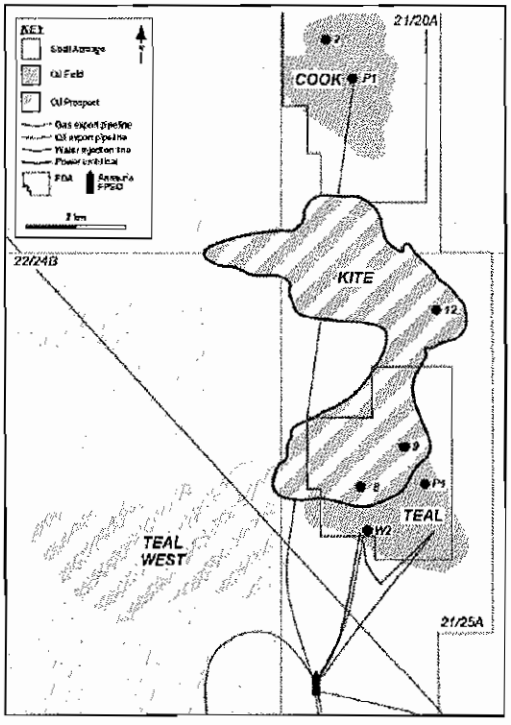


Figure 8.1: Kite Discovery Location Map

8.1 Field Description

The main reservoirs are the Palaeocene Ekofisk and Maastrichtian Tor formations of the Chalk Group which were penetrated in all three wells. Top seal to the Chalk is provided by shales of the Maureen and Lista formations. The source rock for the hydrocarbons is the Upper Jurassic Kimmeridge Shale Formation from which migration into the reservoir occurred via faults (Figure 8.2).

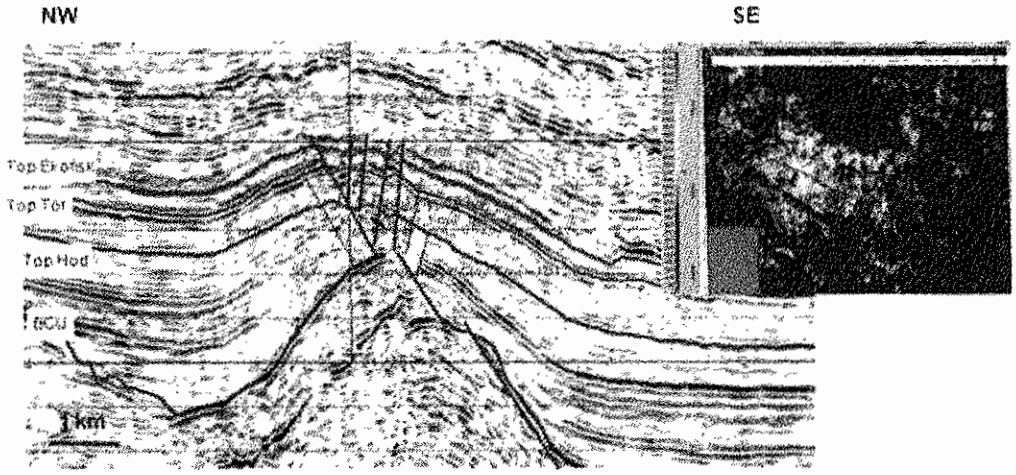


Figure 8.2: Kite Seismic Line

Oil shows were recorded at both Ekofisk and Tor reservoir levels in all 3 wells. No cores were taken, no well tests carried out, no image logs recorded and no hydrocarbon samples recovered. Standard well log suites were taken. Pressure data were recorded but were bad quality in 21/25-12, recorded in the water leg with limited drawdowns in 21/25-9 and showed low mobilities where recorded in the water leg in 21/25-8 (Figure 8.3).

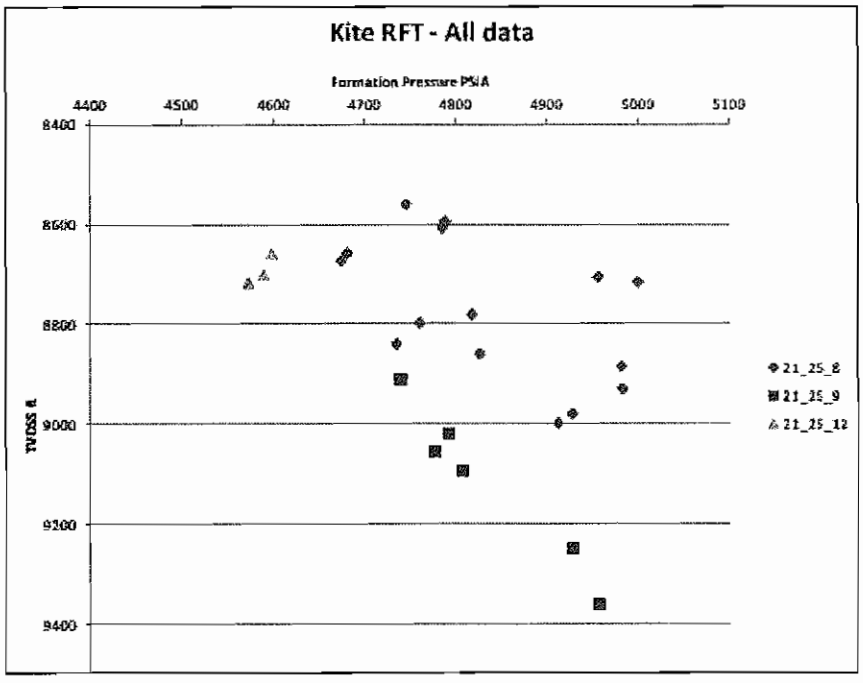


Figure 8.3: Kite RFT Data

The presence of possible oil columns in each well is interpreted largely from the oil shows and gas chromatograph readings whilst drilling from which it is interpreted by Shell that the most likely hydrocarbon phase is liquid but this is not proven.

The Techlog (Shell in-house log interpretation programme) CPI results are shown below.

In 21/25-8 an oil column is interpreted in the Ekofisk but it should be noted that there is a considerable washout and over-size hole at this interval (Figure 8.4). The base of the pay interval is interpreted to be at an oil-down-to (ODT) at the depth at which the Ekofisk is tight.

The Tor Formation shows very limited pay again with some over-size hole.

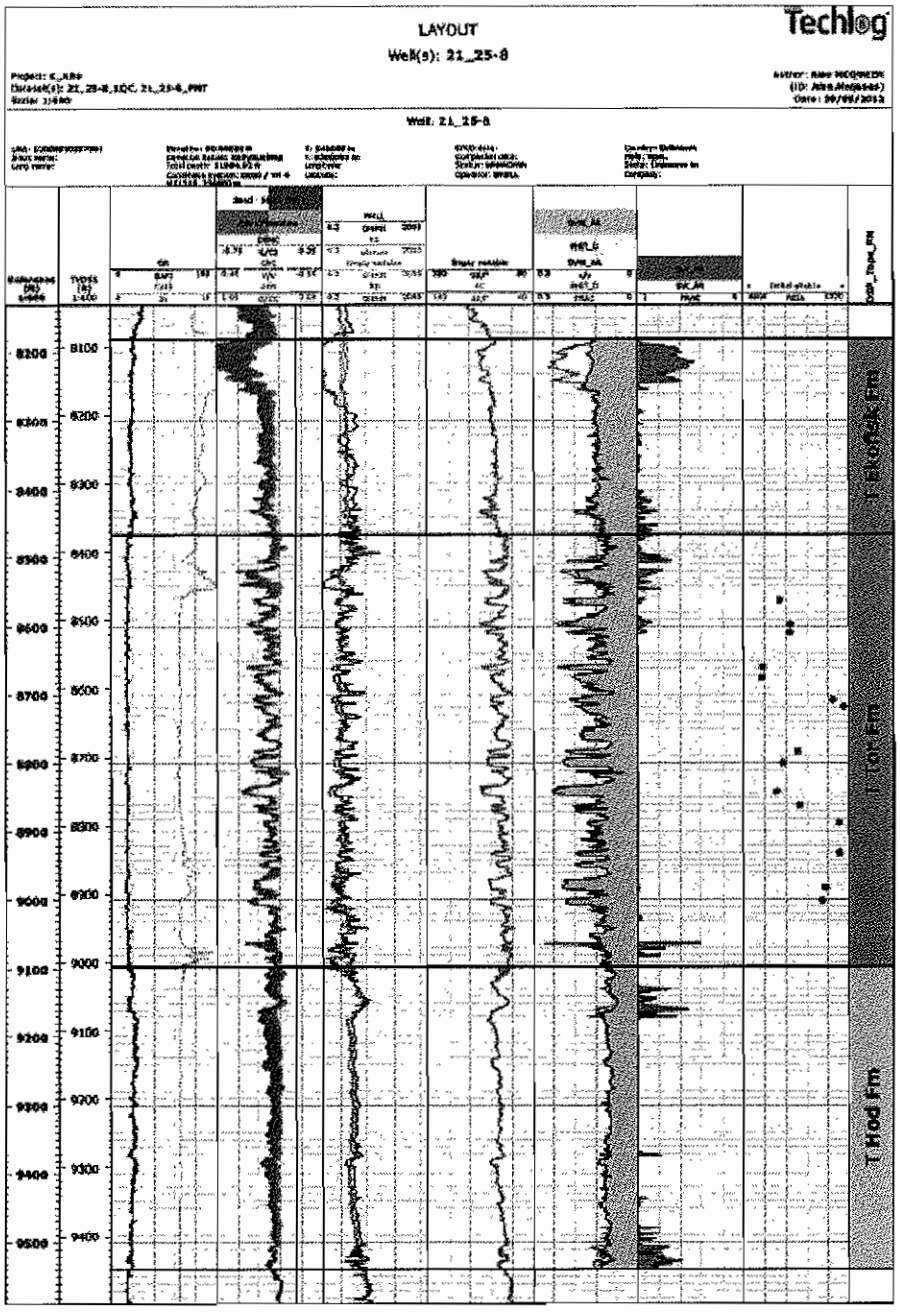


Figure 8.4: Well 21/25-8 CPI (Shell)

21/25-9 shows some oil pay at the top of the Ekofisk but no pay in the Tor (Figure 8.5).

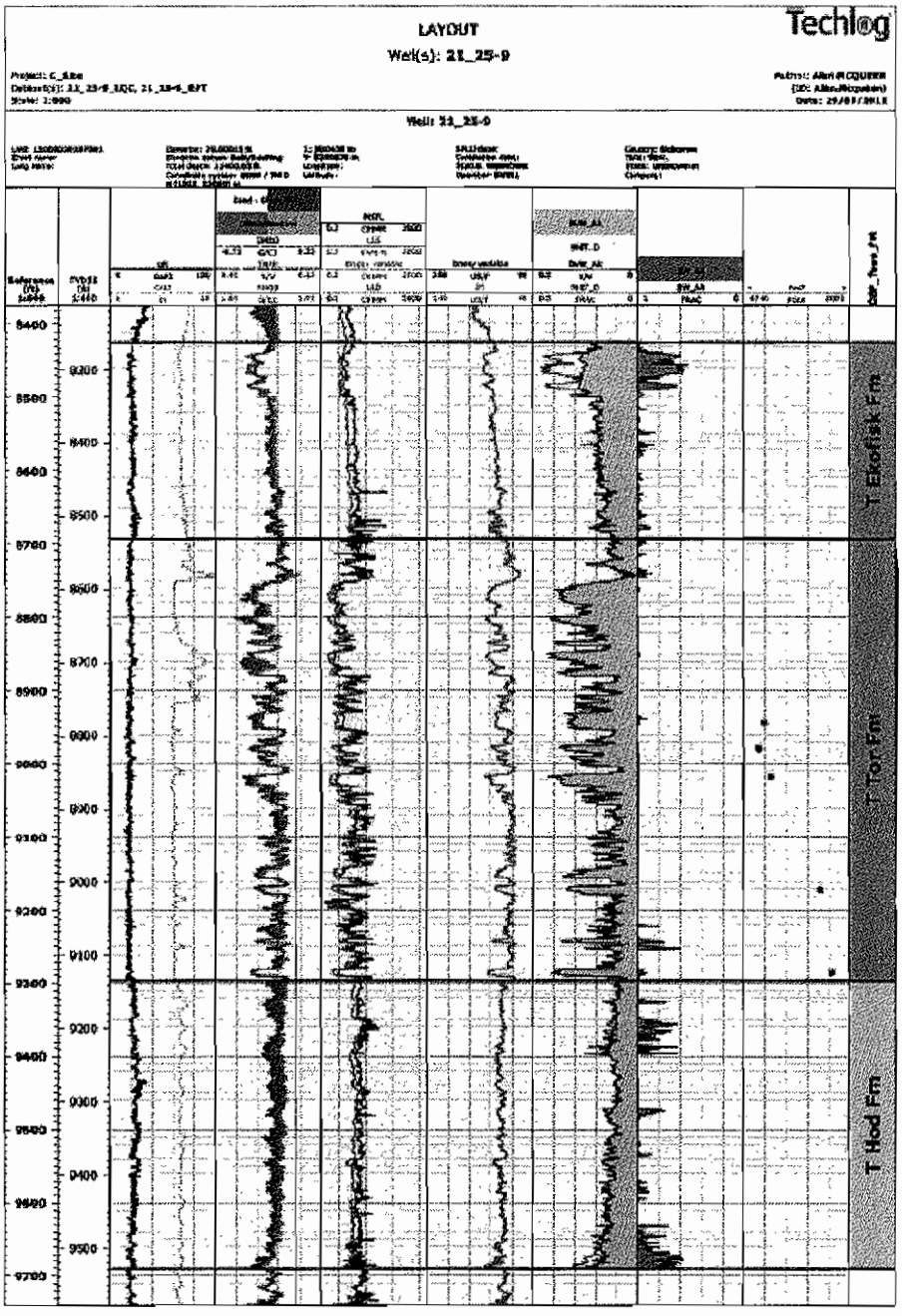


Figure 8.5: Well 21/25-9 CPI (Shell)

21/25-12, where the reservoirs are at their deepest, oil pay is interpreted in both the Ekofisk and the Tor (Figure 8.6).

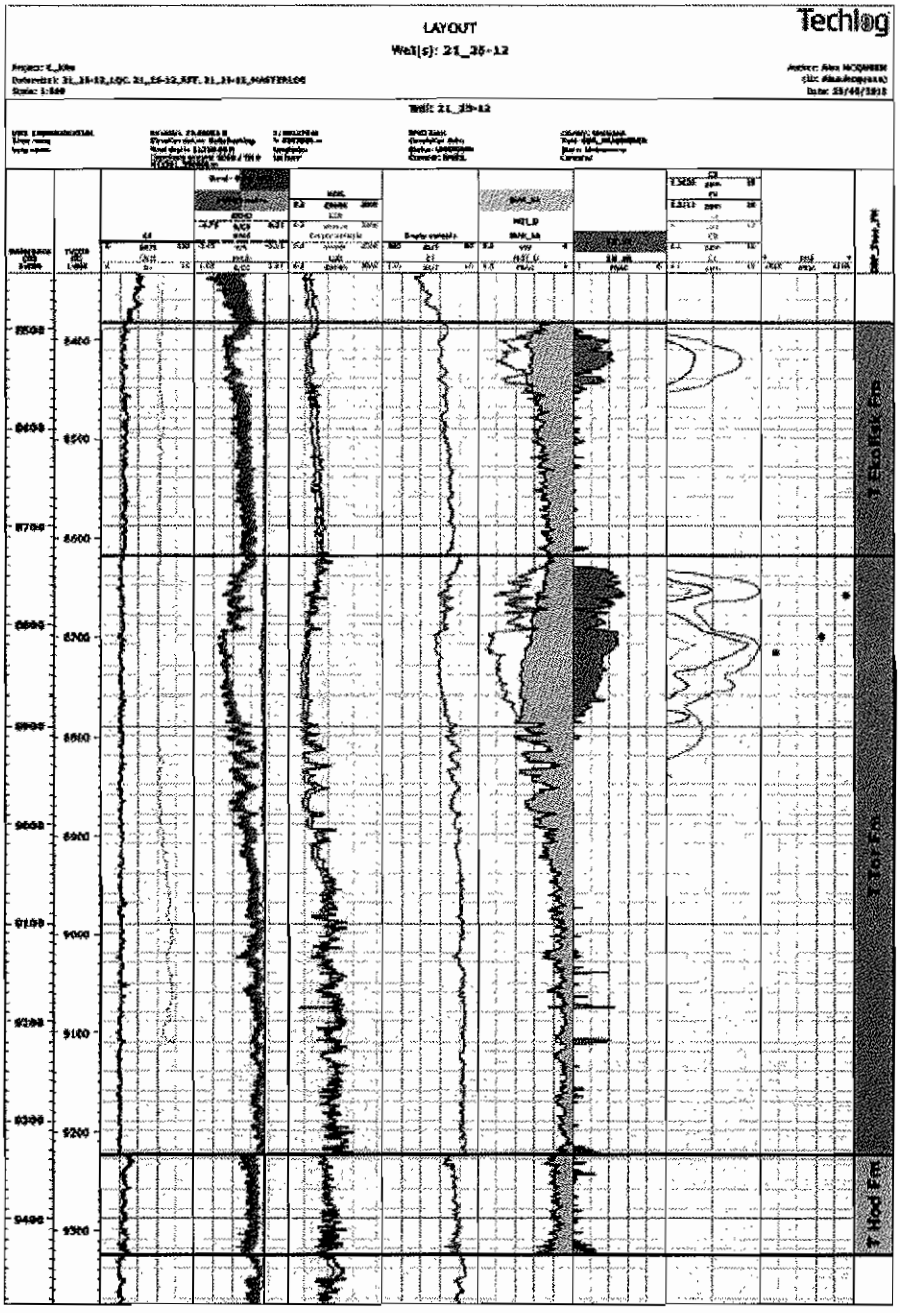


Figure 8.6: Well 21/25-12 CPI (Shell)

Average properties interpreted for the 3 wells are shown in Table 8.1.

Well	Zones	Top	Bottom	Reference unit	Gross	Net	Net to Gross	POR-TH	HCPOR-TH	Av POR	Av_Sw
21_25-8	T Ekofisk Fm	8179	8465	ft	286.0	84.5	0.30	16.30	4.63	0.193	0.72
21_25-9	T Ekofisk Fm	8424	8693	ft	269.0	68.0	0.25	14.15	3.51	0.208	0.75
21_25-12	T Ekofisk Fm	8493.31	8729.42	ft	236.1	54.0	0.23	10.33	2.95	0.191	0.71

Well	Zones	Top	Bottom	Reference unit	Gross	Net	Net to Gross	POR-TH	HCPOR-TH	Av POR	Av_Sw
21_25-8	T Tor Fm	8465	9098	ft	633.0	225.0	0.36	40.94	1.28	0.182	0.97
21_25-9	T Tor Fm	8693	9295.32	ft	602.3	218.0	0.36	41.79	0.36	0.192	0.99
21_25-12	T Tor Fm	8729.42	9334.8	ft	605.4	174.5	0.29	34.70	10.14	0.199	0.71

Table 8.1: Kite average reservoir parameters

The fluid distributions in the wells are shown below (Figure 8.7 and Figure 8.8). In the view of RPS, the presence of significant hydrocarbon saturations in the Tor Formation in 21/25-8 is questionable and in the Ekofisk is in doubt due to the hole size issue. The varying depths of the interpreted pay zones have been interpreted as indicating a tilted base to oil accumulations at both Ekofisk and Tor intervals, those tilts being at 1.5° at an azimuth of 40°. This is referred to by Shell as a diagenetic structural trap but clearly relies on a significant element of stratigraphic trapping with both base and lateral changes in rock properties.

The basis, therefore of the proposed, single, tilted accumulations over the area indicated by Shell is dubious at best.

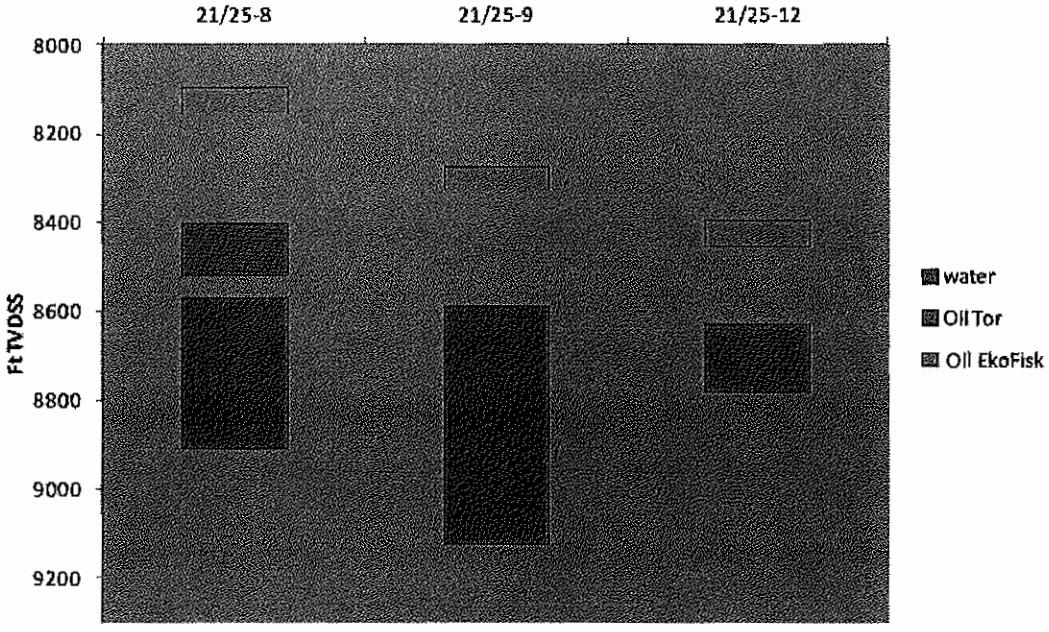


Figure 8.7: Kite Fluid Distribution from Shows and Logs (Shell)

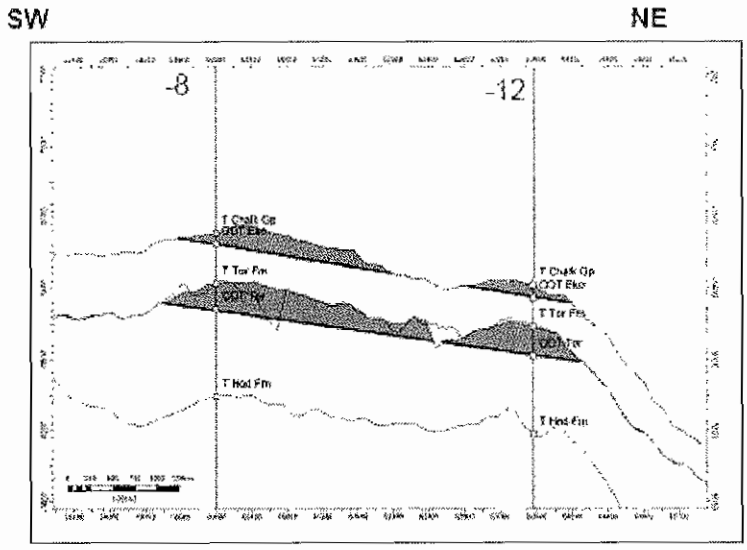


Figure 8.8: Kite Tilted Contact Base Case (Shell)

In the Kite Integrated Technical Review dated 29/02/2012 Shell recognise five key subsurface issues which are:

- Reservoir distribution and quality
- Structural depth uncertainty
- Fluid contact/OWC uncertainty
- Fracture potential
- Charge risk

The proposed mitigation focuses largely on the drilling of an appraisal well between the -8 and -12 wells.

8.2 Analogue Fields

Chalk reservoir oil fields are rare in the UK North Sea. Shell reference the Curlew-C field as a potential analogue for Kite. Curlew-C depends on fracture-enhancement of permeability for production. Public data suggest a STOIIP range of 32 – 64 MMstb. Ultimate Recovery from the single producing well is 6 MMstb indicating a recovery factor of 5 – 10%.

The Banff Field is a large Chalk oil field in the UK North Sea but is not considered a suitable analogue for Kite as it has a >3000ft oil column with a pervasively fractured reservoir. These fractures were formed during the extensive period of uplift against a rising salt diaper.

Oil saturations average 62% compared to the 30% on the Kite wells.

8.3 Hydrocarbon Initially in Place

8.3.1 Volumetrics - Shell

Shell has generated three different trapping models for Kite.

- Model 1 - Accumulations at Ekofisk and Tor levels around the -12 well only with stratigraphic seal to the SW. This is the Low Case model (Figure 8.9)
- Model 2 - Hydrocarbons in tilted traps at both Ekofisk and Tor levels. The Base Case and High Case models are based on these trapping configurations. Closure is generated by the diminution of permeability and its extent is derived from seismic amplitude extent. A stratigraphic component to the seal is required for the base seal and so it cannot be described purely as a 4-way dip closure as described by Shell. The absence of hydrocarbons in the Tor in the -9 well and the lack of convincing oil column in the Tor in the -8 well indicate that this trapping configuration is not yet proven and a chance of success should be applied (Figure 8.10)
- Model 3 - Additional accumulation stratigraphically trapped at Tor level and extending to the northwest of the -12 well. This upside potential is unproven and a chance of success should be applied to this model (Figure 8.11)

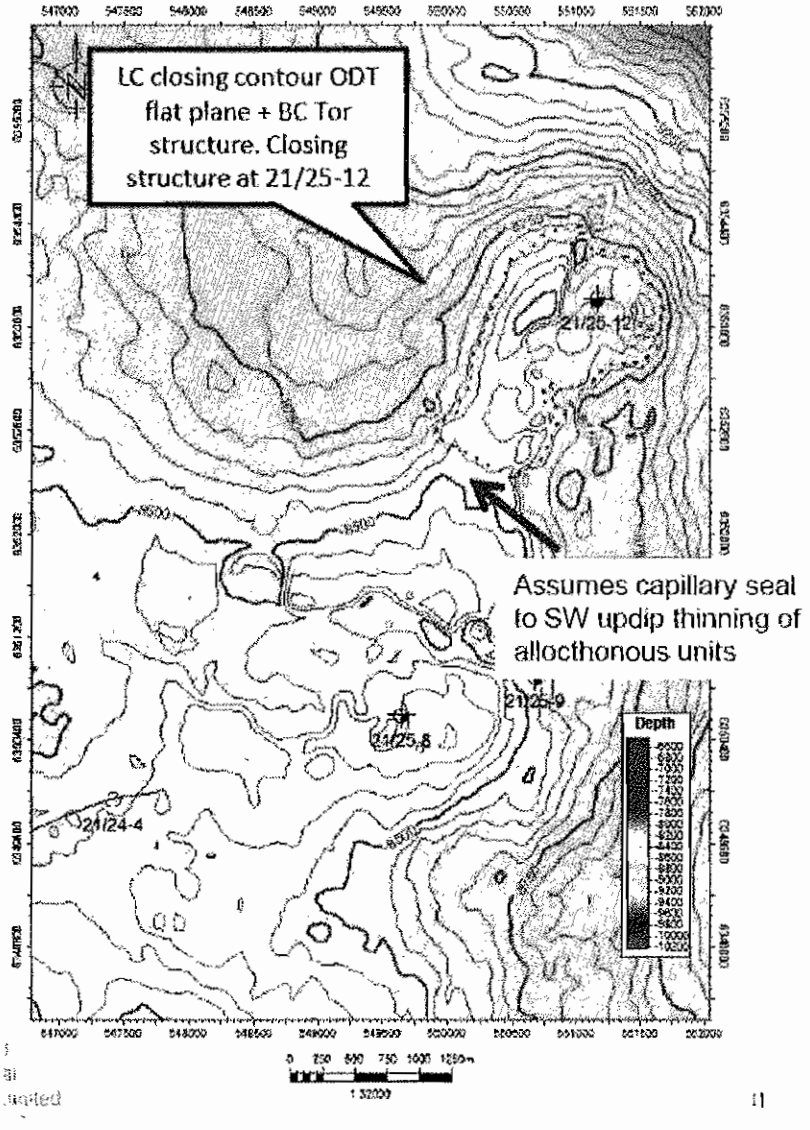


Figure 8.9: Kite Low Case Model Trap Extent (Shell)

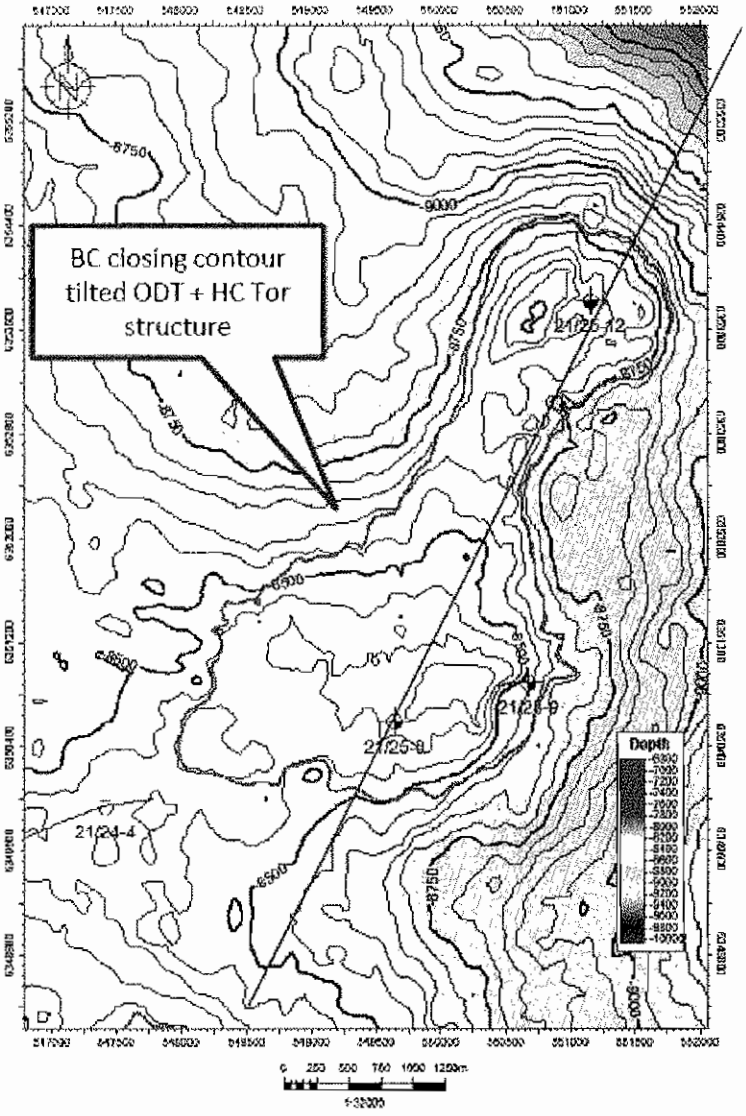


Figure 8.10: Kite Base Case Top Tor Tilted Contact Trap Extent (Shell)

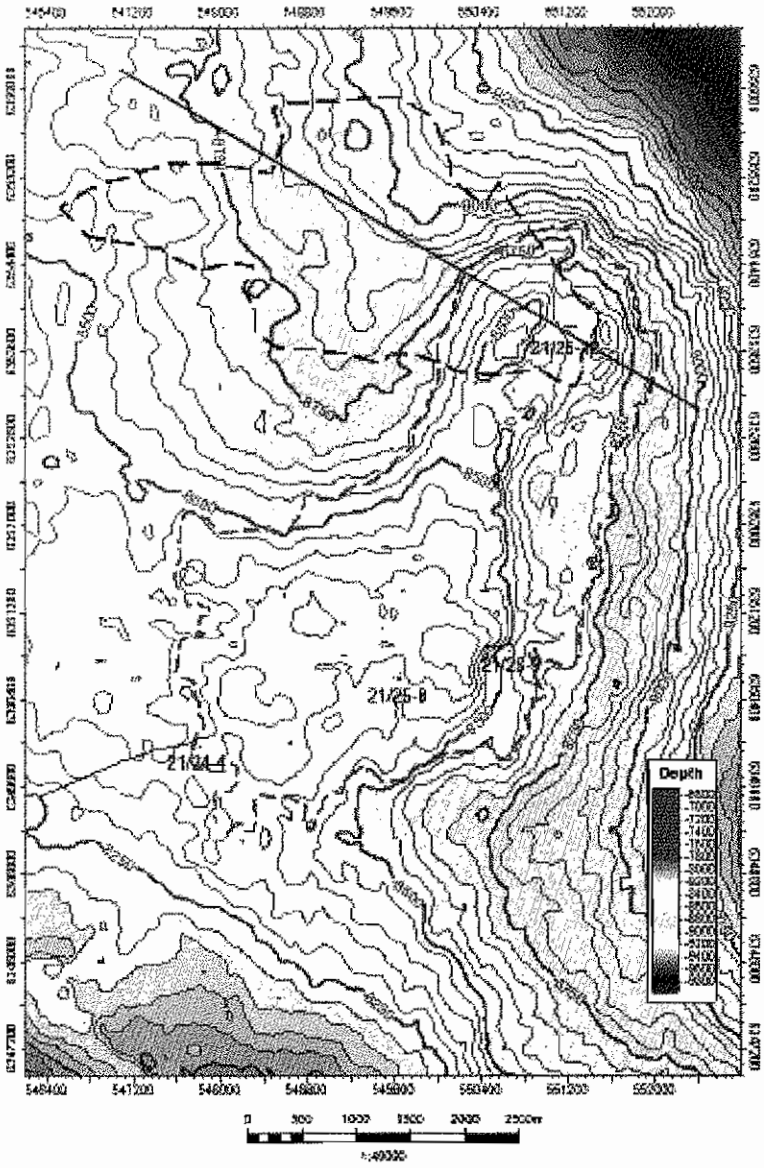


Figure 8.11: Kite Stratigraphic Upside Top Tor Trap Extent (Shell)

These are three distinct geological models with different chances of being correct. It appears that Shell has combined these models into a single probabilistic range for each reservoir without weighting the likelihood of each model. Whilst this approach covers the full range of possible STOIIP outcomes, the distribution or probability function will not represent the real P90, P50 and P10 values. It has the effect of skewing the distribution and enhancing the P90, P50, mean and P10 estimates.

The STOIIP and recoverable volumes as generated by Shell both probabilistically and deterministically are shown in Table 8.2.

			STOIIP MMstb			Recoverable volumes MMstb			
			Ekofisk	Tor			Ekofisk	Tor	Data source
Probabilistic	Structural uncertainty only	P90	3.2	11.0		Low		0.8	Integrated Project Review (Shell)
		P50	6.1	24.3		Base		2.3	
		P10	11.2	45.2		High		5.1	
	Structural plus stratigraphic component	P90	3.1	19.4		Low		1.4	
		P50	6.1	57.7		Base		5.8	
		P10	11.1	135.2		High		16.2	
Deterministic	Structural uncertainty only	Failure		2.0		Failure		0.0	
		Low		22.0		Low		0.2	
		Base		22.0		Base		2.2	
		High		64.0		High		7.7	
	Structural plus stratigraphic component	Low		2.0					
		Mid		22.0					
		High		132.0				15.9	

Table 8.2: Kite Discovery volumetrics (Shell)

The drilling of an appraisal well is mentioned by Shell as being required to address the remaining risks and uncertainties.

8.3.2 Volumetrics – RPS

In the view of RPS, each of the models should be evaluated separately to generate a P90-50-10 range of volumes with an associated geological probability of success (GPoS).

Model 1 is equivalent to Shell's Low Case model with resources at the Tor interval. Shell do not calculate any resource volumes at the Ekofisk interval. Although no well test was carried out on the Tor in 21/25-12, the well log interpretation is considered sufficient to allocate these volumes to Contingent Resources (Table 8.3).

Model 2 is equivalent to Shell's "Structural Uncertainty" case which is based on seismic amplitude extent and a tilted contact at the Tor interval. With risks on reservoir quality including fracture distribution and hence productivity and the risk that the seismic amplitudes do not relate to hydrocarbon presence, this model and resultant volume range is considered as Prospective Resources with an associated chance of success.

Model 3 incorporates an unproven lobe interpreted from seismic amplitude data. It is considered to be a separate prospect that may or may not be in communication with the -12 well and would require a separate exploration to prove up Prospective Resource volumes.

Without access to the surfaces used by Shell in their volume estimates, RPS has calculated volume ranges and GPoS's for the Tor Formation for each of the three models. The GRV inputs are based on area, depth and thickness inputs for each model. Areas were measured from the Top Tor maps in Figure 8.9, Figure 8.10 and Figure 8.11. No seismic mapping to confirm the areal extent of the prospects was carried out by RPS due to very limted time to review the data.The potential volumes in the Ekofisk Formation are very small as shown by Shell.

Volume ranges for comparable models are not dissimilar to those generated by Shell. The main difference is that RPS apply a chance factor (GPoS) to models 2 and 3.

			STOIIP MMstb	Recoverable MMstb	GPoS %	Resource class
			Tor			
Probabilistic	Model 1	P90	8.6	0.4	100?	?Contingent
		P50	13.8	1.4		
		P10	20.3	3.0		
	Model 2	P90	10.1	0.5	25	Prospective
		P50	22.8	2.3		
		P10	46.6	7.0		
	Model 3	P90	11.0	0.6	20	Prospective
		P50	40.4	4.0		
		P10	98.2	14.7		

Table 8.3: Kite Discovery Volumetrics (RPS Energy)

8.4 Contingent Resources

The Contingent Resources for the Kite development have been entirely based on the volumetric's detailed above, thus the 1C, 2C and 3C range of 0.4 MMstb, 1.4 MMstb and 3.0 MMstb.

9. CAPEX AND OPEX

9.1 Facilities and Costs

RPS was requested to review costs associated with the production of hydrocarbons from Anasuria FPSO which serves as production and storage facilities for the Guillemot Teal and Cook Fields. This cluster of fields is located 175km east of Aberdeen and the FPSO operates in 94m water depth. The Guillemot A Field began production in 1996 with Teal coming on stream in 1997 and Cook in 2000. The vessel is located above Teal so the other fields are tied back to the FPSO.

Petrofac were contracted to perform survey work and Due Diligence on the FPSO (Floating, Production, Storage and Offloading) facilities including providing their view of the ongoing capital projects and operating costs. They were not instructed to QC the Sub-sea facilities associated with the Guillemot, Cook, and Teal fields.

Petrofac have an in depth knowledge of operating North Sea Fields. RPS was provided with cost data from the existing operator - Shell, Petrofac and Hibiscus.

9.2 Capital Expenditure

In addition to the ongoing operational costs there are a number of capital projects or backlog that were due to be undertaken in 2015. These projects have now been deferred and consequently the work packages for 2016 and 2017 are now considerable and require the attendance of a Diving Support Vessel (DSV), Heavy Lift Vessel and 'Walk To Work' Vessel to provide additional accommodation capacity. After a number meetings and discussions RPS has included the following costs for the 'capex' related items as follows (Table 9.1):

Work Package	2015 £MM's	2016 £MM's	2017 £MM's
Replace TEG Contacter			2.50
Gas Export Control Valve		1.50	1.50
FPSO Hull Strengthening (Offshore)			1.00
H2S Scouring Project		7.50	7.50
Mooring Inspection & Replacement		4.83	
Well Jumper Replacement		0.50	1.50
Hull Fatigue Survey		0.50	
Riser Replacement		5.00	16.00
Replace Mooring Jewellery		0.33	0.33
Routine Capex Maintenance	2.30	2.30	2.30
2017 DSV Campaign			5.00
WTW Vessel			38.40
HL Vessel			7.60

Table 9.1: CAPEX Costs

In addition to the above costs there is a general consensus that the Anasuria FPSO mooring system will require replacement in 2021. The advisors have agreed that the sum of £22.50MM should be allocated for the change out.

These work packages are subject to a 15% contingency which RPS has added for unforeseen additional costs.

9.3 Drilling Costs

For future drilling costs, RPS has used the latest Petrofac well cost estimates in our evaluation. Three sources of drilling costs were examined including Performance Drilling, the IM and Petrofac. The final drilling costs were included as follows (Table 9.2):

	2017 £MM's	2018 £MM's
Infill Drilling at GUA North	5.88	39.31
Infill Drilling at GUA Central	5.88	39.31
Rig Use - Gas lift GUA P5 & P1	0.80	15.13
Rig Use - Gas lift GUA P4	0.80	15.13
Rig Use - Gas lift at TLS-P1	0.80	15.13
Rig Use - Recompletions at Forties	0.68	12.94
Miscellaneous	0.08	4.44

Table 9.2: Drilling Costs

9.4 Operating Costs

As stated above Petrofac were instructed by Hibiscus to review the operators costs associated with the maintenance and operation of the FPSO. Both Petrofac and RPS used the Shell IM data as a starting point which has an average annual opex of £45MM. This excludes Operators Overheads which is estimated by the operator to be £5MM/annum for the vessel opex and any field specific costs (such as subsea scope). Several other minor opex items are included separately in the IM – life extension studies, riser storage, EU Trading and H_2S chemicals amounting to £3 to £4MM/annum. RPS has reduced the operators G&A by 50% in recognition that a new more focussed Operator would be able to make significant savings in this arena and It should be noted that the Shell IM does not account for reductions in the cost of services since 2014.

RPS has also addressed the subsea opex associated with the Guillemot A, Cook, and Teal fields. Again using Shell data as a starting point, RPS examined the Shell G&A content historically and were able to make similar reductions to the sub-sea opex for G&A / timewriting. The Guillemot A opex has now been reduced to an average of £7MM/annum and Teal to £2MM/annum.

The existing operator provides its own Insurance facility. RPS has included an annual premium of £1.78MM based on quotes provided.

A 5% contingency has been applied to the opex for any unidentified transitional cost for the period 2015 to 2017. Total opex costs for the vessel and sub-sea are averaging about £68MM/annum over the next ten year period. Adjusting for new

future cost scope (H2S chemical and the increased cost of Carbon Trading) this is circa 15 % lower than the Shell Historical opex cost for 2012 to 2014. RPS considers that this can be achieved on the grounds of a more focussed lower overhead operator, some softening in market conditions in light of the recent oil price decline and the movement of some Field opex for subsea scope into CAPEX in this evaluation.

The Petrofac evaluation suggests a further circa 10 £ mm PA savings could be achieved, manly by addressing manning levels and deferment of maintenance but this upside has not been included in the RPS Economic evaluation.

10. ECONOMICS

10.1 Valuation Assumptions

10.1.1 General

The effective date of this report is 1st January 2015 and this has been used as the discount date for the valuation. All values are post-tax and have been expressed over a range of discount rates, using mid-year discounting. An annual inflation rate of 2% has been assumed from 2016 onwards and is applied to both costs and revenues. The Evaluation Date is 1 January 2015, the same as the Economic Date of the sale and purchase of the Anasuria Cluster. Production and other data up to May 2015 was provided for the supporting technical work.

A constant exchange rate of 1.5 US$ to UK£ was assumed.

The Production profiles used in the valuations are presented in Appendices 4 to 7. They are also shown graphically in Appendix 3.

Appendix 8 contains the net cashflows for each of the combined PDP, 1P, 2P and 3P Reserves.

10.1.2 Oil Prices

The valuation has been based on the RPS long term forecast for Brent as shown in Table 10.1. A Low Price Case ($70/stb in real 2015 dollars) and High Price Case ($100/stb in real 2015 dollars) are also shown in the Table in Money of the Day (MoD) and have been used for price sensitivity purposes.

	Low Price Case (US$/stb, MoD)	Base Price Case (US$/stb, MoD)	High Price Case (US$/stb, MoD)
2015	50.0	60.00	100.00
2016	51.0	70.00	102.00
2017	52.0	77.00	104.04
2018	53.1	82.00	106.12
2019	54.1	86.00	108.24
2020	55.2	90.00	110.41
2021	56.3	94.00	112.62
2022	57.4	97.64	114.87
2023	58.6	99.59	117.17
2024	59.8	101.58	119.51
2025	60.9	103.61	121.90
2026 onwards	+ 2% p.a.	+ 2% p.a.	+ 2% p.a.

Table 10.1: RPS Brent Price Forecasts (Q2 2015)

Based on the historical realised crude price from 2011 to 2014, a premium to Brent of 1.63% was applied for the Anasuria Blend (39° API, 0.3% sulphur), which is crude oil offtake from the Anasuria FPSO and contains comingled oil from the Guillemot A, Cook, Teal and Teal South fields.

10.1.3 Gas Prices

Sales gas has been valued on the RPS long term price forecast for UK NBP gas as shown in Table 10.2. A Low Price Case (UK£4.50/MMBTU in real 2015 terms) and High Price Case (UK£7.50/MMBTU in real 2015 terms) are also shown in the Table in Money of the Day and have been used for valuation sensitivity to UK gas prices.

	Low Price Case (UK£/MMBTU, MoD)	Base Price Case (UK£/MMBTU, MoD)	High Price Case (UK£/MMBTU, MoD)
2015	4.50	4.67	7.50
2016	4.59	5.30	7.65
2017	4.68	5.93	7.80
2018	4.78	6.16	7.96
2019	4.87	6.28	8.12
2020	4.97	6.40	8.28
2021	5.07	6.53	8.45
2022	5.17	6.66	8.62
2023	5.27	6.80	8.79
2024	5.38	6.93	8.96
2025	5.49	7.07	9.14
2026 onwards	+ 2% p.a.	+ 2% p.a.	+ 2% p.a.

Table 10.2: RPS UK NBP Gas Price Forecasts (Q2 2015)

Gas from the Guillemot A, Teal and Teal South fields is transported, processed and redelivered via the SEGAL System. Shell and Esso require the purchaser of the Anasuria cluster to sell the gas from these fields to Shell and Esso at the point where the gas enters the SEGAL System for the price of 85% UK NBP and in accordance with the terms of a gas sale and purchase agreement to be agreed.

Cook gas is also exported via the SEGAL system and redelivered to the Cook field owners at the redelivery point at St. Fergus Terminal. Under the terms of the Cook GSA, Cook field gas is sold at a price that is 40% of the UK NBP gas price.

For the purpose of valuing the Contingent Resources, sales gas volumes from a future development of Kite are assumed to be sold at the point where the gas enters the SEGAL System for the price of 85% NBP.

10.2 Valuation Methodology

RPS production and cost forecasts for the Guillemot A, Cook, Teal and Teal South fields were generated for each field at the PDP, 1P, 2P and 3P Reserves in

conjunction with Anasuria FPSO cost estimates. The annual forecasts of production and costs were used in the RPS UK economic cashflow model and aggregated for the PDP, 1P, 2P and 3P Reserves cases.

Shell and Esso together wholly own the Guillemot A, Teal, and Teal South Fields, the Anasuria FPSO and the associated (non-Cook Field) production infrastructure in the Anasuria Cluster. No specific commercial agreements exist between Shell and Esso regarding ownership and operatorship of the assets, other than the 1965 Operating Agreement. Under the terms of the Cook Field TPOSA there is an opex sharing arrangement with the Cook field regarding Anasuria FPSO opex, based on Cook oil field production relative to the oil production from the Anasuria Cluster as a whole. Capital costs on the Anasuria FPSO are incurred by the owners of the Anasuria FPSO.

The RPS Reserves cases are truncated at the economic limit determined by the operating cashflow of the combined Anasuria cluster.

The RPS 1C, 2C and 3C Contingent Resources have been valued individually for each field as separate increments to the 2P Reserves case for the Anasuria cluster.

10.3 Fiscal Assumptions

UK petroleum activities are taxed within a concessionary tax system. Company profits from upstream oil and gas operations in the UK are subject to Corporation Tax (CT) at a rate of 30%, and Supplementary Charge (SC) at a rate of 20% from 1 January 2015. Both taxes are ring-fenced to upstream activities. Capital and operating expenditures are allowed against tax as incurred once the company is in a tax paying position. Abandonment and decommissioning costs are allowed at 100% against CT and SC subject to there being sufficient taxable revenues in prior years: tax losses caused by abandonment costs can be carried back to April 2002.

An Investment allowance is available from 1 April 2015 against SC. The allowance removes an amount equal to 62.5% of investment expenditure incurred by a company in relation to a field from its ring fence profits which are subject to the supplementary charge.

The existing Brown Field Allowance for the GUA-P5 well qualified for a Brown Field Allowance (BFA) of £25.8 million in 2014. The remaining allowance assumed at 1 January 2015 is £20.6 million. On Hibiscus/Ping advice from CW Energy this allowance can be transferred to a new licensee.

Hibiscus/Ping has advised that they intend to purchase US$30MM of Plant and Machinery Allowances. These have been included in the calculations of CT and SC.

A Contingent Payment to Shell has been also included in the valuation, calculated as follow: if during the period of time between 2018 and 2021 Brent Price is > to $75/stb a payment is triggered, calculated as a 15% of the additional revenue originated from the difference between the realised price and the $75/stb threshold price.

10.4 Decommissioning Security Agreement

Hibiscus has advised of their intended mechanism for a future Decommissioning Security Agreement, which has been included in the cashflow valuations. The DSA will be paid into an escrow account according to the following arrangement: 70% of net profit is available for the escrow account with a floor of US$6.50/bbl of oil and an upper limit proposed to Shell at $12/bbl of oil. No interest has been applied on the escrow account in the valuation.

10.5 Valuation of Reserves

After applying economic limits and applying the Shell/Esso Working Interest %, Reserves for the fields in the Anasuria Cluster are summarised in Table 10.3 and Table 10.4 below.

SUMMARY OF OIL RESERVES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	Full Field Gross Reserves[1]			Shell/Esso Working Interest Reserves					
				Gross[2]			Net[3]		
	1P MMstb	2P MMstb	3P MMstb	1P MMstb	2P MMstb	3P MMstb	1P MMstb	2P MMstb	3P MMstb
Guillemot A	17.7	27.5	36.3	17.7	27.5	36.3	17.7	27.5	36.3
Cook	9.6	16.0	22.1	3.7	6.2	8.5	3.7	6.2	8.5
Teal	2.6	3.2	3.7	2.6	3.2	3.7	2.6	3.2	3.7
Teal South	1.7	3.5	5.5	1.7	3.5	5.5	1.7	3.5	5.5
TOTAL[4]	**31.7**	**50.2**	**67.6**	**25.8**	**40.4**	**54.0**	**25.8**	**40.4**	**54.0**

Notes:

*[1] Gross field Reserves (100% basis) **after** economic limit test*

*[2] Companies working interest share of gross field Reserves **after** economic limit test*

[3] Companies net attributable share of Reserves, after royalties

[4] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Reserves are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1P Reserves may be a very conservative assessment and the total 3P Reserves a very optimistic assessment.

Table 10.3: Summary of Oil Reserves

SUMMARY OF GAS RESERVES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	Full Field Gross Reserves[1]			Shell/Esso Working Interest Reserves					
				Gross[2]			Net[3]		
	1P Bscf	2P Bscf	3P BScf	1P Bscf	2P Bscf	3P Bscf	1P Bscf	2P Bscf	3P Bscf
Guillemot A	6.2	9.6	12.6	6.2	9.6	12.6	6.2	9.6	12.6
Cook	21.2	35.3	48.7	8.2	13.6	18.8	8.2	13.6	18.8
Teal	1.2	1.5	1.7	1.2	1.5	1.7	1.2	1.5	1.7
Teal South	1.5	3.2	5.0	1.5	3.2	5.0	1.5	3.2	5.0
TOTAL[4]	**30.1**	**49.5**	**68.0**	**17.1**	**27.9**	**38.2**	**17.1**	**27.9**	**38.2**

Notes:

*[1] Gross field Reserves (100% basis) **after** economic limit test*

*[2] Companies working interest share of gross field Reserves **after** economic limit test*

[3] Companies net attributable share of Reserves, after royalties

[4] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Reserves are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1P Reserves may be a very conservative assessment and the total 3P Reserves a very optimistic assessment.

Table 10.4: Summary of Gas Reserves

The valuation of the 1P, 2P and 3P Reserves at 1 January 2015 are presented in Table 10.5. Sensitivities of valuations to changes in discount rate and low price and high price scenarios are shown in Table 10.6 and Table 10.7.

SUMMARY OF NET PRESENT VALUES of RESERVES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	NPV @ 10% (US$MM)		
	Shell/Esso Working Interest		
	1P	**2P**	**3P**
DEVELOPED[1]	**-98.4**	**51**	**198.4**
DEVELOPED + UNDEVELOPED[1]	**35.5**	**226.5**	**488**

Notes:

[1] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Reserves are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1P Reserves and the value derived may be a very conservative assessment and the total 3P Reserves and value derived a very optimistic assessment.

Table 10.5: Valuation of Reserves

SUMMARY OF NET PRESENT VALUES of RESERVES
as of January 01, 2015
DISCOUNT RATE SENSITIVITIES

	Anasuria Cluster 2P NPVs (US$MM)				
	Shell/Esso Working Interest				
	NPV0	NPV8	NPV10	NPV12	NPV15
TOTAL	405.0	250.8	226.5	205.7	179.7

Table 10.6: Sensitivity to Discount Rate of Valuation of Anasuria Cluster 2P

SUMMARY OF NET PRESENT VALUES of RESERVES
as of January 01, 2015
PRICE SENSITIVITIES

Price Scenario	NPV @ 10% (US$MM					
	Shell/Esso Working Interest					
	DEVELOPED			DEVELOPED + UNDEVELOPED		
	1P	2P	3P	1P	2P	3P
Low Price	-339.5	-239.4	-107.9	-343.2	-117.6	71.0
Base Price	-98.4	51.6	198.8	35.5	226.5	488.0
High Price	117.1	251.4	440.7	256.4	490.1	833.0

Notes:
[1] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Reserves are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1P Reserves and the value derived may be a very conservative assessment and the total 3P Reserves and value derived a very optimistic assessment.

Table 10.7: Sensitivity to Prices of Valuation of Anasuria Cluster Reserves

10.6 Valuation of Contingent Resources

After applying economic limits and applying the Shell/Esso Working Interest %, the Contingent Resources for the fields in the Anasuria Cluster are summarised in Table 10.8 and Table 10.9 below.

SUMMARY OF CONTINGENT OIL RESOURCES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	Full Field Gross Resources[1]			Shell/Esso Working Interest Resources					
				Gross[2]			Net[3]		
	1C MMstb	2C MMstb	3C MMstb	1C MMstb	2C MMstb	3C MMstb	1C MMstb	2C MMstb	3C MMstb
Kite	0.4	1.40	3.0	0.4	1.4	3.0	0.4	1.4	3.0
Cook SE Infill	0.3	1.29	7.5	0.1	0.5	2.9	0.1	0.5	2.9
Teal South Infill	0.8	1.50	3.0	0.8	1.5	3.0	0.8	1.5	3.0
Guillemot A South Infill	2.0	4.00	6.0	2.0	4.0	6.0	2.0	4.0	6.0
GUA North (Sk) Infill	0.8	1.50	3.0	0.8	1.5	3.0	0.8	1.5	3.0
GUA Central (Sk) Infill	0.8	1.50	3.0	0.8	1.5	3.0	0.8	1.5	3.0
TOTAL[4]	**4.9**	**11.2**	**25.5**	**4.8**	**10.4**	**20.9**	**4.8**	**10.4**	**20.9**

Notes:

*[1] Gross field Resources (100% basis) **after** economic limit test*

*[2] Companies working interest share of gross field Resources **after** economic limit test*

[3] Companies net attributable share of Resources, after royalties

[4] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Resources are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1C Resources may be a very conservative assessment and the total 3C Resources a very optimistic assessment.

Table 10.8: Summary of Contingent Oil Resources

SUMMARY OF CONTINGENT GAS RESOURCES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	Full Field Gross Reserves[1]			Shell/Esso Working Interest Reserves					
				Gross[2]			Net[3]		
	1C Bscf	2C Bscf	3C BScf	1C Bscf	2C Bscf	3C Bscf	1C Bscf	2C Bscf	3C Bscf
Kite	0.3	1.2	2.5	0.3	1.2	2.5	0.3	1.2	2.5
Cook SE Infill	0.3	1.3	7.5	0.1	0.5	2.9	0.1	0.5	2.9
Teal South Infill	0.4	0.7	1.4	0.4	0.7	1.4	0.4	0.7	1.4
Guillemot A South Infill	0.4	0.8	1.2	0.4	0.8	1.2	0.4	0.8	1.2
GUA North (Sk) Infill	0.4	0.8	1.6	0.4	0.8	1.6	0.4	0.8	1.6
GUA Central (Sk) Infill	0.4	0.8	1.6	0.4	0.8	1.6	0.4	0.8	1.6
TOTAL[4]	**2.1**	**5.6**	**15.8**	**2.0**	**4.8**	**11.2**	**2.0**	**4.8**	**11.2**

Notes:

*[1] Gross field Resources (100% basis) **after** economic limit test*

*[2] Companies working interest share of gross field Resources **after** economic limit test*

[3] Companies net attributable share of Resources, after royalties

[4] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Resources are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1C Resources may be a very conservative assessment and the total 3C Resources a very optimistic assessment.

Table 10.9: Summary of Contingent Gas Resources

The RPS 1C, 2C and 3C Contingent Resources have been valued individually for each field as separate increments to the 2P Reserves case for the Anasuria cluster. If all the Contingent Resource infill wells were drilled then the valuation from the sum of these wells would be higher than the sum of the individual incremental values because of the benefits of opex sharing. The valuations of the 1C, 2C and 3C Resources at 1 January 2015 are presented in Table 10.10.

SUMMARY OF NET PRESENT VALUES of CONTINGENT RESOURCES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	NPV @ 10% (USMM)		
	Shell/Esso Working Interest		
	1C	2C	3C
Kite	-72.6	-56.9	-21.6
Cook SE Infill	-12.2	1.2	60.5
Teal South Infill	-6.6	9.4	41.7
Guillemot A South Infill	14.7	52.6	92.8
GUA North (Sk) Infill	-6.5	9.6	42.1
GUA Central (Sk) Infill	-6.5	9.6	42.1
TOTAL[1]	**-89.7**	**25.5**	**257.6**

Notes:
[1] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Resources are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1C Resources and derived value may be a very conservative assessment and the total 3C Resources and value derived a very optimistic assessment.

Table 10.10: Valuation of Contingent Resources

APPENDIX 1: GLOSSARY OF TERMS AND ABBREVIATIONS

API	American Petroleum Institute
asl	above sea level
B	billion
bbl(s)	barrels
bbls/d	barrels per day
Bcm	billion cubic metres
B_g	gas formation volume factor
B_{gi}	gas formation volume factor (initial)
B_o	oil formation volume factor
B_{oi}	oil formation volume factor (initial)
B_w	water volume factor
bopd	barrels of oil per day
BTU	British Thermal Unit
Bscf	billions of standard cubic feet
bwpd	barrels of water per day
CO_2	Carbon dioxide
condensate	liquid hydrocarbons which are sometimes produced with natural gas and liquids derived from natural gas
cP	centipoise
C_{ROCK}	rock compressibility
C_w	water compressibility
DBA	decibels
E_a	areal sweep efficiency
EMV	Expected Monetary Value
EPSA	Exploration and Production Sharing Agreement
ESD	emergency shut down
E_{vert}	vertical sweep efficiency
FBHP	flowing bottom hole pressure
FTHP	flowing tubing head pressure
ft	feet
ftSS	depth in feet below sea level
GDT	Gas Down To
GIP	Gas in Place

GIIP	Gas Initially in Place
GOR	gas/oil ratio
GRV	gross rock volume
GWC	gas water contact
H_2S	Hydrogen sulphide
HIC	hydrogen induced cracking
IRR	internal rate of return
KB	Kelly Bushing
k_a	absolute permeability
k_h	horizontal permeability
km	kilometres
km^2	square kilometres
kPa	kilopascals
k_r	relative permeability
k_{rg}	relative permeability of gas
k_{rgcl}	relative permeability of gas @ connate liquid saturation
k_{rog}	relative permeability of oil-gas
k_{roso}	relative permeability at residual oil saturation
k_{roswi}	relative permeability to oil @ connate water saturation
k_v	vertical permeability
LNG	Liquefied Natural Gases
LPG	Liquefied Petroleum Gases
M	thousand
MM	million
M$	thousand US dollars
MM$	million US dollars
MD	measured depth
mD	permeability in millidarcies
m^3	cubic metres
m^3/d	cubic metres per day
MMscf/d	millions of standard cubic feet per day
m/s	metres per second
msec	milliseconds
mV	millivolts
Mt	thousands of tonnes

MMt	millions of tonnes
MPa	mega pascals
NTG	net to gross ratio
NGL	Natural Gas Liquids
NPV	Net Present Value
OWC	oil water contact
P_b	bubble point pressure
P_c	capillary pressure
petroleum	deposits of oil and/or gas
phi	porosity fraction
p_i	initial reservoir pressure
PI	productivity index
ppm	parts per million
psi	pounds per square inch
psia	pounds per square inch absolute
psig	pounds per square inch gauge
p_{wf}	flowing bottom hole pressure
PVT	pressure volume temperature
rb	barrel(s) of oil at reservoir conditions
rcf	reservoir cubic feet
RFT	repeat formation tester
RKB	relative to kelly bushing
rm^3	reservoir cubic metres
SCADA	supervisory control and data acquisition
SCAL	Special Core Analysis
scf	standard cubic feet measured at 14.7 pounds per square inch and 60° F
scf/d	standard cubic feet per day
scf/stb	standard cubic feet per stock tank barrel
SGS	Sequential Gaussion Simulation
SIS	Sequential Indicator Simulation
sm^3	standard cubic metres
S_o	oil saturation
S_{or}	residual oil saturation
S_{orw}	residual oil saturation (waterflood)
S_{wc}	connate water saturation

S_{oi}	irreducible oil saturation
SSCC	sulphur stress corrosion cracking
stb	stock tank barrels measured at 14.7 pounds per square inch and 60° F
stb/d	stock tank barrels per day
STOIIP	stock tank oil initially in place
S_w	water saturation
$	United States Dollars
t	tonnes
THP	tubing head pressure
Tscf	trillion standard cubic feet
TVDSS	true vertical depth (sub-sea)
TVT	true vertical thickness
TWT	two-way time
US$	United States Dollar
V_{sh}	shale volume
W/m/K	watts/metre/° K
WC	water cut
WUT	Water Up To
ϕ	porosity
μ	viscosity
μ_{gb}	viscosity of gas
μ_{ob}	viscosity of oil
μ_w	viscosity of water

APPENDIX 2: SUMMARY TABLES

NET RESERVES[1]

		Net Reserves		
MMstb		**1P**	**2P**	**3P**
Guillemot	**Np**			
GUA-P1	11.6	1.2	2.0	2.9
GUA-P3	15.0	11.0	13.3	16.2
GUA-P5	0.3	0.8	1.4	2.0
GUA-P1 G/L		1.4	1.9	2.4
GUA-P2 R/C	10.7	1.6	2.0	2.8
GUA-P4 G/L	3.9	1.4	1.9	2.4
GUA-P5 G/L		1.4	1.9	2.4
GUA North Infill Well		1.2	1.9	2.5
GUA Central Infill Well		1.2	1.9	2.5
Total Guillemot	41.5	21.2	28.0	36.3
STOIIP	283	283	283	283
Recovery Factor	0.15	0.22	0.25	0.27
Cook				
C-P1	16.9	4.6	6.4	8.5
Total Cook	16.9	4.6	6.4	8.5
STOIIP (Net)	49	49	49	49
Recovery Factor	0.34	0.44	0.47	0.52
Teal				
TL-P2	56.6	3.0	3.3	3.7
Total Teal	56.6	3.0	3.3	3.7
STOIIP	93	93	93	93
Recovery Factor	0.61	0.64	0.64	0.65
Teal South				
TLS-P1	7.2	1.3	2.3	3.6
TLS-P1 Gas Lift		0.7	1.3	2.0
Total Teal South	7.2	2.0	3.6	5.5
STOIIP	40	40	40	40
Recovery Factor	0.18	0.23	0.27	0.32
		1P	2P	1P
Total		31	41	54

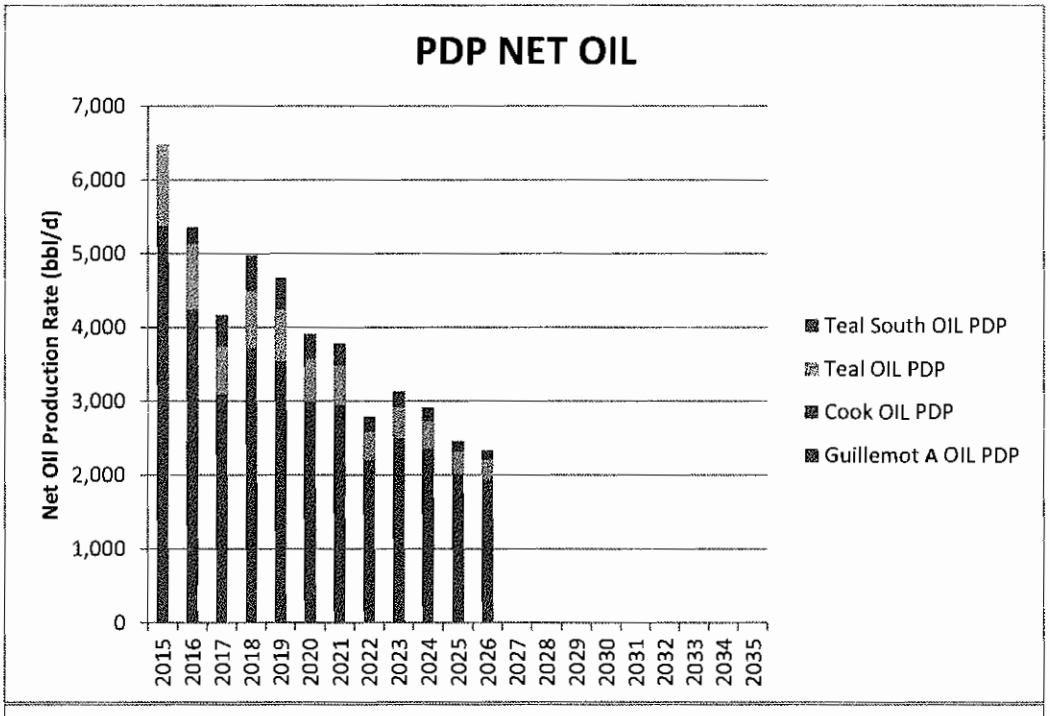
[1] STOIIPs based on central case from IM or RPS work. "Reserves" are pre ELT.

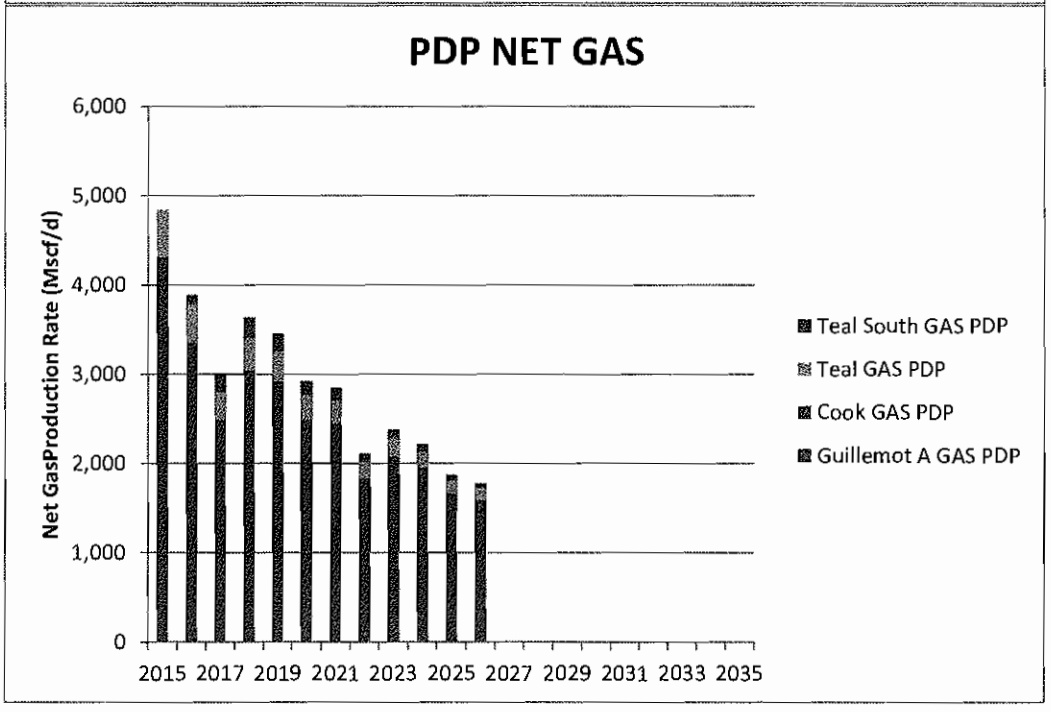
NET CONTINGENT RESOURCES[2]

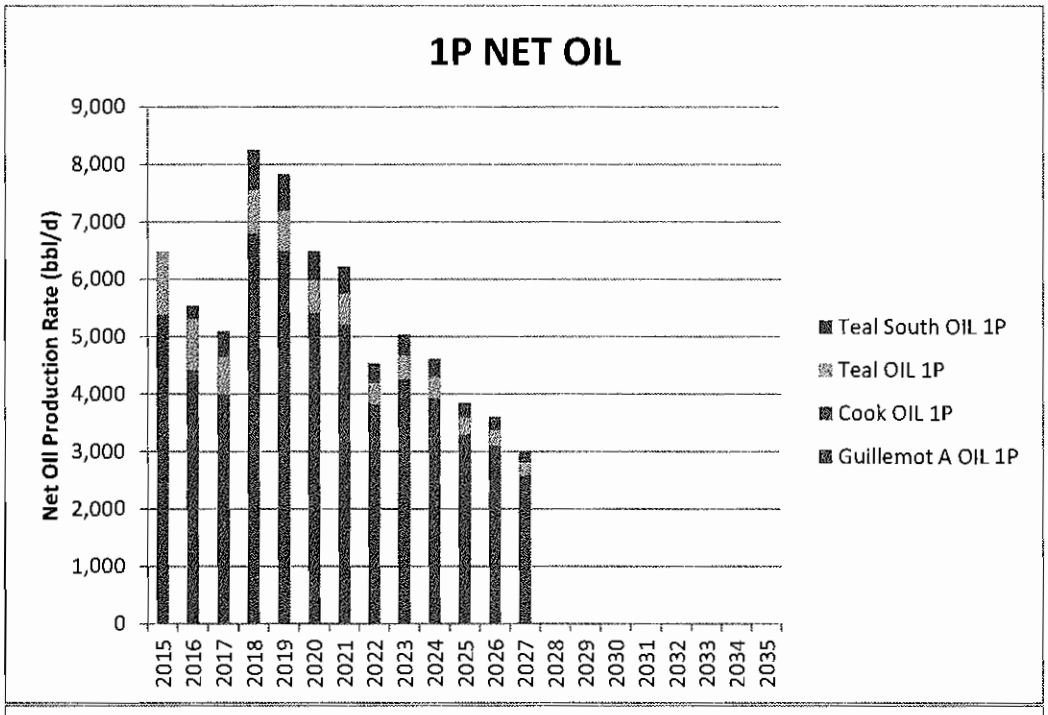
MMstb		1C	2C	3C
Guillemot	**Np**			
GUA South Infill Well		2.0	4.0	6.0
GUA Skagerral North Infill		0.7	1.5	3.0
GUA Skagerral Central Infill		0.7	1.5	3.0
Total Guillemot	**41.5**	**3.4**	**7.0**	**12.0**
STOIIP	**283**	**283**	**283**	**283**
Recovery Factor	0.15	0.23	0.26	0.31
Cook				
Cook SE Infil Well		0.1	0.5	2.9
Total Cook	**16.9**	**0.1**	**0.5**	**2.9**
STOIIP (Net)	**49**	**49**	**49**	**49**
Recovery Factor	0.34	0.44	0.48	0.57
Teal South				
Teal South Infill		0.8	1.5	3.0
Total Teal South	**7.2**	**0.8**	**1.5**	**3.0**
STOIIP	**40**	**40**	**40**	**40**
Recovery Factor	0.18	0.20	0.22	0.26
Kite				
Kite Discovery		0.4	1.4	3.0
Total Kite		**0.4**	**1.4**	**3.0**
STOIIP		**9**	**14**	**20**
Recovery Factor		0.05	0.10	0.15
		1C	**2C**	**3C**
Total		**5**	**10**	**21**

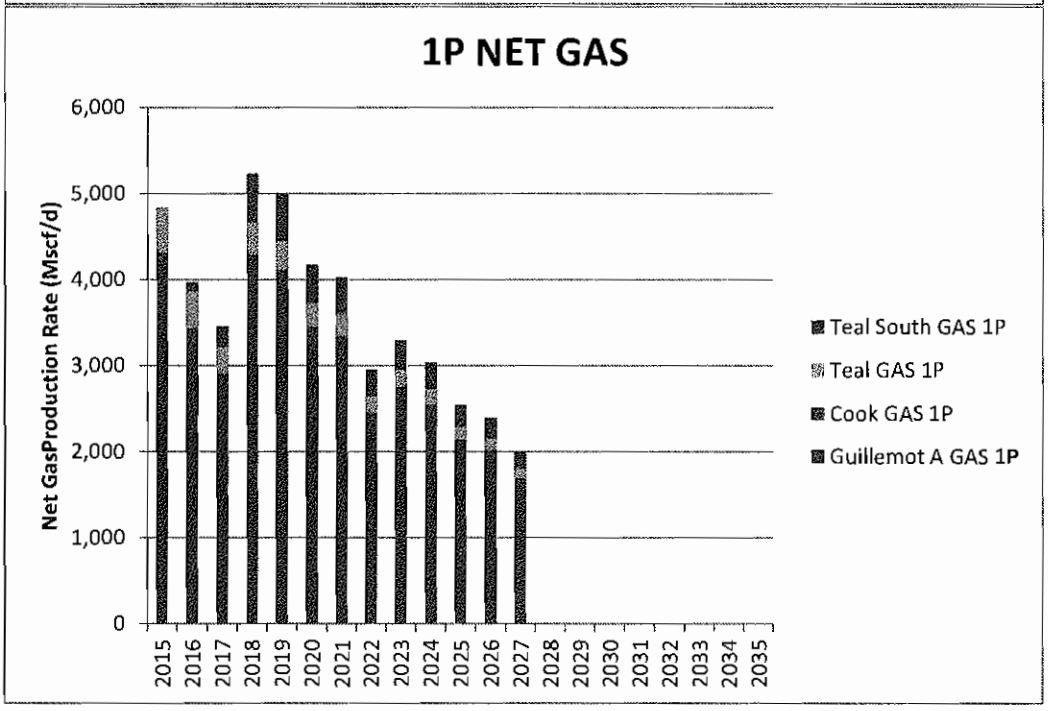
[2] STOIIPs based on central case from IM or RPS work

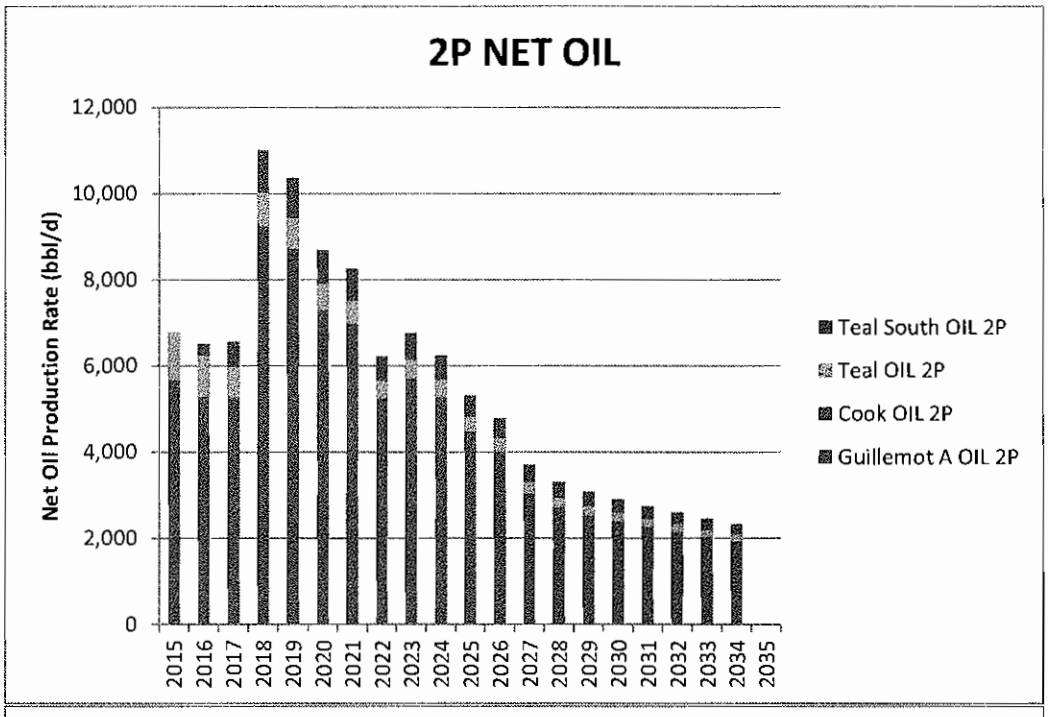
APPENDIX 3: RESERVES: GRAPHS OF NET ANNUAL PRODUCTION RATES

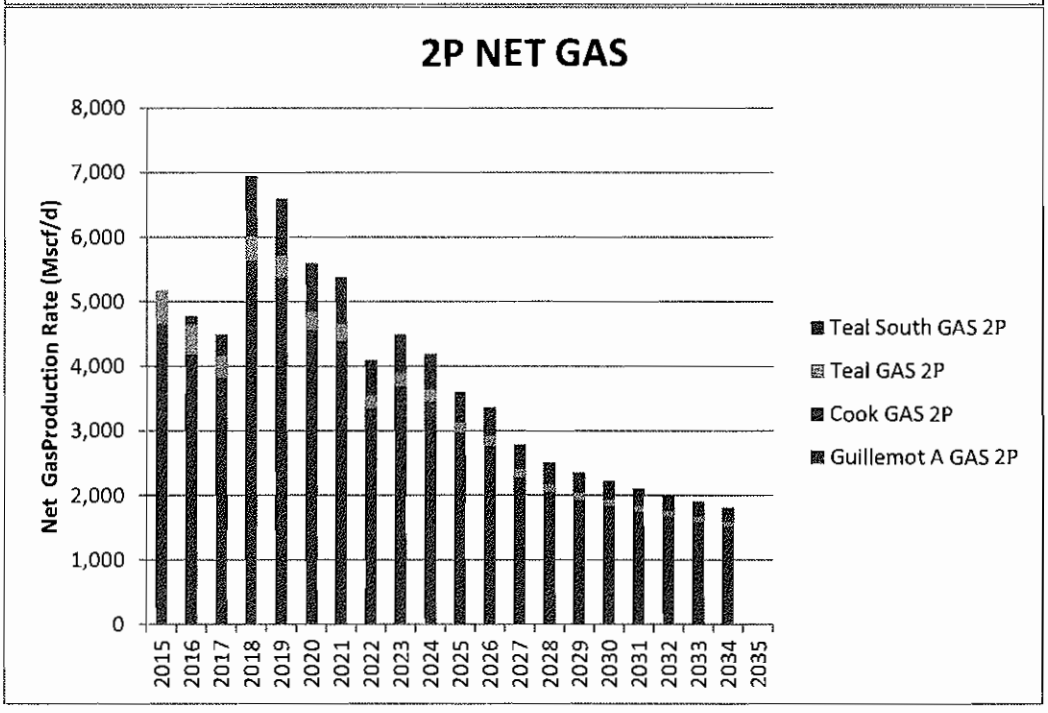


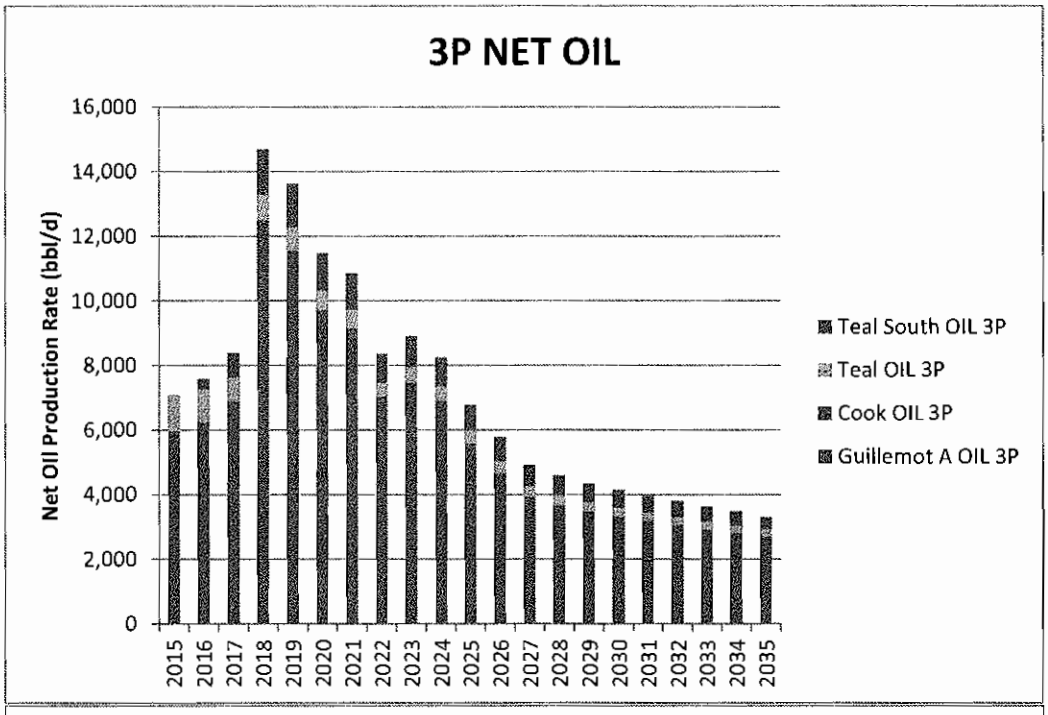


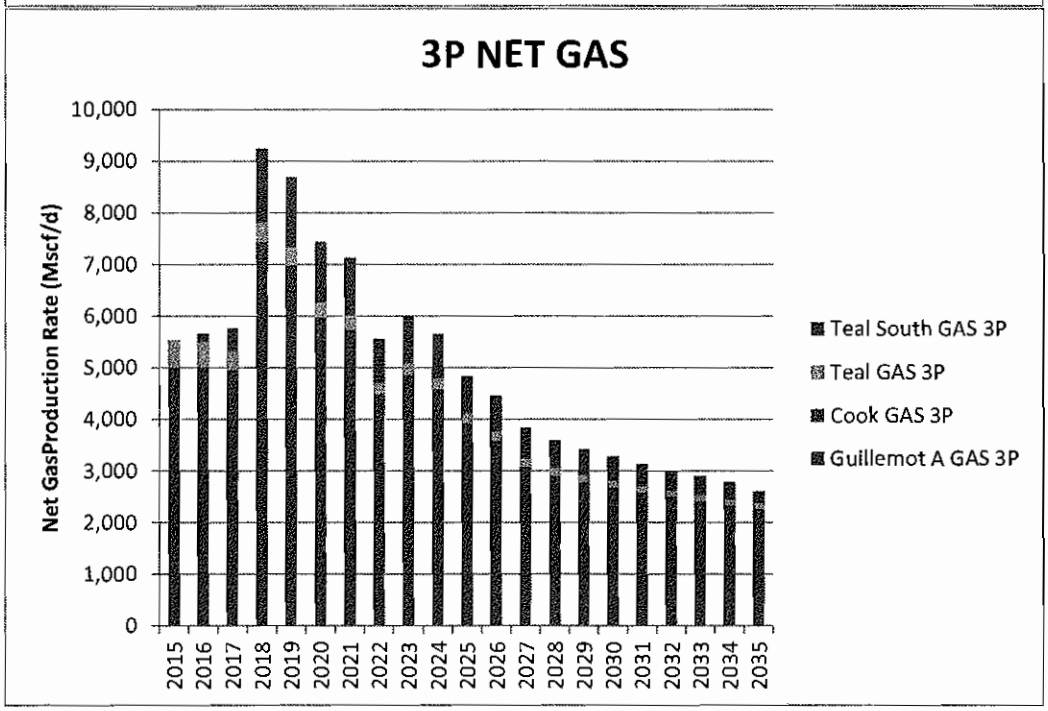

1P NET OIL
Net Oil Production Rate (bbl/d)
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Teal South OIL 1P
Teal OIL 1P
Cook OIL 1P
Guillemot A OIL 1P


1P NET GAS
Net GasProduction Rate (Mscf/d)
6,000
5,000
4,000
3,000
2,000
1,000
0
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Teal South GAS 1P
Teal GAS 1P
Cook GAS 1P
Guillemot A GAS 1P


2P NET OIL
Net Oil Production Rate (bbl/d)
12,000
10,000
8,000
6,000
4,000
2,000
0
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Teal South OIL 2P
Teal OIL 2P
Cook OIL 2P
Guillemot A OIL 2P


2P NET GAS
Net GasProduction Rate (Mscf/d)
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Teal South GAS 2P
Teal GAS 2P
Cook GAS 2P
Guillemot A GAS 2P


3P NET OIL
Net Oil Production Rate (bbl/d)
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Teal South OIL 3P
Teal OIL 3P
Cook OIL 3P
Guillemot A OIL 3P


3P NET GAS
Net GasProduction Rate (Mscf/d)
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
Teal South GAS 3P
Teal GAS 3P
Cook GAS 3P
Guillemot A GAS 3P

APPENDIX 4: OIL RESERVES: TABLES OF PRODUCTION PROFILES BY FIELD

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Guillemot A
Phase	OIL
Reserves Category	PDP

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	4,003	1.46	1.46	4,003	1.46	1.46	4,003	1.46	1.46	4,003	1.46	1.46
2	2016	366	3,179	1.16	2.62	3,179	1.16	2.62	3,179	1.16	2.62	3,179	1.16	2.62
3	2017	365	2,296	0.84	3.46	2,296	0.84	3.46	2,296	0.84	3.46	2,296	0.84	3.46
4	2018	365	2,747	1.00	4.47	2,747	1.00	4.47	2,747	1.00	4.47	2,747	1.00	4.47
5	2019	365	2,594	0.95	5.41	2,594	0.95	5.41	2,594	0.95	5.41	2,594	0.95	5.41
6	2020	366	2,193	0.80	6.21	2,193	0.80	6.21	2,193	0.80	6.21	2,193	0.80	6.21
7	2021	365	2,149	0.78	7.00	2,149	0.78	7.00	2,149	0.78	7.00	2,149	0.78	7.00
8	2022	365	1,605	0.59	7.59	1,605	0.59	7.59	1,605	0.59	7.59	1,605	0.59	7.59
9	2023	365	1,827	0.67	8.25	1,827	0.67	8.25	1,827	0.67	8.25	1,827	0.67	8.25
10	2024	366	1,725	0.63	8.88	1,725	0.63	8.88	1,725	0.63	8.88	1,725	0.63	8.88
11	2025	365	1,479	0.54	9.42	1,479	0.54	9.42	1,479	0.54	9.42	1,479	0.54	9.42
12	2026	365	1,423	0.52	9.94	1,423	0.52	9.94	1,423	0.52	9.94	1,423	0.52	9.94
13	2027	365	1,215	0.44	10.39	0	0.00	9.94	0	0.00	9.94	0	0.00	9.94
14	2028	366	1,117	0.41	10.79	0	0.00	9.94	0	0.00	9.94	0	0.00	9.94
15	2029	365	1,047	0.38	11.18	0	0.00	9.94	0	0.00	9.94	0	0.00	9.94
16	2030	365	985	0.36	11.54	0	0.00	9.94	0	0.00	9.94	0	0.00	9.94
17	2031	365	928	0.34	11.88	0	0.00	9.94	0	0.00	9.94	0	0.00	9.94
18	2032	366	877	0.32	12.20	0	0.00	9.94	0	0.00	9.94	0	0.00	9.94
19	2033	365	824	0.30	12.50	0	0.00	9.94	0	0.00	9.94	0	0.00	9.94
20	2034	365	777	0.28	12.78	0	0.00	9.94	0	0.00	9.94	0	0.00	9.94
21	2035	365	733	0.27	13.05	0	0.00	9.94	0	0.00	9.94	0	0.00	9.94
22	2036	366	0	0.00	13.05	0	0.00	9.94	0	0.00	9.94	0	0.00	9.94
Sub Total				13.05			9.94			9.94			9.94	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				13.05			9.94			9.94			9.94	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Guillemot A
Phase	OIL
Reserves Category	1P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	4,003	1.46	1.46	4,003	1.46	1.46	4,003	1.46	1.46	4,003	1.46	1.46
2	2016	366	3,361	1.23	2.69	3,361	1.23	2.69	3,361	1.23	2.69	3,361	1.23	2.69
3	2017	365	3,203	1.17	3.86	3,203	1.17	3.86	3,203	1.17	3.86	3,203	1.17	3.86
4	2018	365	5,819	2.12	5.98	5,819	2.12	5.98	5,819	2.12	5.98	5,819	2.12	5.98
5	2019	365	5,548	2.02	8.01	5,548	2.02	8.01	5,548	2.02	8.01	5,548	2.02	8.01
6	2020	366	4,603	1.68	9.69	4,603	1.68	9.69	4,603	1.68	9.69	4,603	1.68	9.69
7	2021	365	4,415	1.61	11.31	4,415	1.61	11.31	4,415	1.61	11.31	4,415	1.61	11.31
8	2022	365	3,221	1.18	12.48	3,221	1.18	12.48	3,221	1.18	12.48	3,221	1.18	12.48
9	2023	365	3,583	1.31	13.79	3,583	1.31	13.79	3,583	1.31	13.79	3,583	1.31	13.79
10	2024	366	3,291	1.20	14.99	3,291	1.20	14.99	3,291	1.20	14.99	3,291	1.20	14.99
11	2025	365	2,754	1.01	16.00	2,754	1.01	16.00	2,754	1.01	16.00	2,754	1.01	16.00
12	2026	365	2,588	0.94	16.94	2,588	0.94	16.94	2,588	0.94	16.94	2,588	0.94	16.94
13	2027	365	2,158	0.79	17.73	2,158	0.79	17.73	2,158	0.79	17.73	2,158	0.79	17.73
14	2028	366	1,609	0.59	18.32	0	0.00	17.73	0	0.00	17.73	0	0.00	17.73
15	2029	365	1,470	0.54	18.86	0	0.00	17.73	0	0.00	17.73	0	0.00	17.73
16	2030	365	1,306	0.48	19.33	0	0.00	17.73	0	0.00	17.73	0	0.00	17.73
17	2031	365	1,217	0.44	19.78	0	0.00	17.73	0	0.00	17.73	0	0.00	17.73
18	2032	366	1,137	0.42	20.19	0	0.00	17.73	0	0.00	17.73	0	0.00	17.73
19	2033	365	1,059	0.39	20.58	0	0.00	17.73	0	0.00	17.73	0	0.00	17.73
20	2034	365	989	0.36	20.94	0	0.00	17.73	0	0.00	17.73	0	0.00	17.73
21	2035	365	924	0.34	21.28	0	0.00	17.73	0	0.00	17.73	0	0.00	17.73
22	2036	366	0	0.00	21.28	0	0.00	17.73	0	0.00	17.73	0	0.00	17.73
Sub Total				21.28			17.73			17.73			17.73	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				21.28			17.73			17.73			17.73	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Guillemot A
Phase	OIL
Reserves Category	2P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	4,166	1.52	1.52	4,166	1.52	1.52	4,166	1.52	1.52	4,166	1.52	1.52
2	2016	366	3,978	1.46	2.98	3,978	1.46	2.98	3,978	1.46	2.98	3,978	1.46	2.98
3	2017	365	4,247	1.55	4.53	4,247	1.55	4.53	4,247	1.55	4.53	4,247	1.55	4.53
4	2018	365	8,007	2.92	7.45	8,007	2.92	7.45	8,007	2.92	7.45	8,007	2.92	7.45
5	2019	365	7,527	2.75	10.20	7,527	2.75	10.20	7,527	2.75	10.20	7,527	2.75	10.20
6	2020	366	6,264	2.29	12.49	6,264	2.29	12.49	6,264	2.29	12.49	6,264	2.29	12.49
7	2021	365	5,926	2.16	14.65	5,926	2.16	14.65	5,926	2.16	14.65	5,926	2.16	14.65
8	2022	365	4,434	1.62	16.27	4,434	1.62	16.27	4,434	1.62	16.27	4,434	1.62	16.27
9	2023	365	4,788	1.75	18.02	4,788	1.75	18.02	4,788	1.75	18.02	4,788	1.75	18.02
10	2024	366	4,395	1.61	19.63	4,395	1.61	19.63	4,395	1.61	19.63	4,395	1.61	19.63
11	2025	365	3,711	1.35	20.98	3,711	1.35	20.98	3,711	1.35	20.98	3,711	1.35	20.98
12	2026	365	3,258	1.19	22.17	3,258	1.19	22.17	3,258	1.19	22.17	3,258	1.19	22.17
13	2027	365	2,380	0.87	23.04	2,380	0.87	23.04	2,380	0.87	23.04	2,380	0.87	23.04
14	2028	366	2,090	0.76	23.80	2,090	0.76	23.80	2,090	0.76	23.80	2,090	0.76	23.80
15	2029	365	1,938	0.71	24.51	1,938	0.71	24.51	1,938	0.71	24.51	1,938	0.71	24.51
16	2030	365	1,825	0.67	25.18	1,825	0.67	25.18	1,825	0.67	25.18	1,825	0.67	25.18
17	2031	365	1,721	0.63	25.81	1,721	0.63	25.81	1,721	0.63	25.81	1,721	0.63	25.81
18	2032	366	1,631	0.60	26.40	1,631	0.60	26.40	1,631	0.60	26.40	1,631	0.60	26.40
19	2033	365	1,540	0.56	26.96	1,540	0.56	26.96	1,540	0.56	26.96	1,540	0.56	26.96
20	2034	365	1,460	0.53	27.50	1,460	0.53	27.50	1,460	0.53	27.50	1,460	0.53	27.50
21	2035	365	1,387	0.51	28.00	0	0.00	27.50	0	0.00	27.50	0	0.00	27.50
22	2036	366	0	0.00	28.00	0	0.00	27.50	0	0.00	27.50	0	0.00	27.50
Sub Total				28.00			27.50			27.50			27.50	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				28.00			27.50			27.50			27.50	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Guillemot A
Phase	OIL
Reserves Category	3P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	4,333	1.58	1.58	4,333	1.58	1.58	4,333	1.58	1.58	4,333	1.58	1.58
2	2016	366	4,659	1.71	3.29	4,659	1.71	3.29	4,659	1.71	3.29	4,659	1.71	3.29
3	2017	365	5,601	2.04	5.33	5,601	2.04	5.33	5,601	2.04	5.33	5,601	2.04	5.33
4	2018	365	10,978	4.01	9.34	10,978	4.01	9.34	10,978	4.01	9.34	10,978	4.01	9.34
5	2019	365	10,073	3.68	13.01	10,073	3.68	13.01	10,073	3.68	13.01	10,073	3.68	13.01
6	2020	366	8,372	3.06	16.08	8,372	3.06	16.08	8,372	3.06	16.08	8,372	3.06	16.08
7	2021	365	7,808	2.85	18.93	7,808	2.85	18.93	7,808	2.85	18.93	7,808	2.85	18.93
8	2022	365	5,931	2.16	21.09	5,931	2.16	21.09	5,931	2.16	21.09	5,931	2.16	21.09
9	2023	365	6,243	2.28	23.37	6,243	2.28	23.37	6,243	2.28	23.37	6,243	2.28	23.37
10	2024	366	5,704	2.09	25.46	5,704	2.09	25.46	5,704	2.09	25.46	5,704	2.09	25.46
11	2025	365	4,519	1.65	27.11	4,519	1.65	27.11	4,519	1.65	27.11	4,519	1.65	27.11
12	2026	365	3,592	1.31	28.42	3,592	1.31	28.42	3,592	1.31	28.42	3,592	1.31	28.42
13	2027	365	2,966	1.08	29.50	2,966	1.08	29.50	2,966	1.08	29.50	2,966	1.08	29.50
14	2028	366	2,756	1.01	30.51	2,756	1.01	30.51	2,756	1.01	30.51	2,756	1.01	30.51
15	2029	365	2,599	0.95	31.46	2,599	0.95	31.46	2,599	0.95	31.46	2,599	0.95	31.46
16	2030	365	2,468	0.90	32.36	2,468	0.90	32.36	2,468	0.90	32.36	2,468	0.90	32.36
17	2031	365	2,349	0.86	33.22	2,349	0.86	33.22	2,349	0.86	33.22	2,349	0.86	33.22
18	2032	366	2,247	0.82	34.04	2,247	0.82	34.04	2,247	0.82	34.04	2,247	0.82	34.04
19	2033	365	2,142	0.78	34.82	2,142	0.78	34.82	2,142	0.78	34.82	2,142	0.78	34.82
20	2034	365	2,053	0.75	35.57	2,053	0.75	35.57	2,053	0.75	35.57	2,053	0.75	35.57
21	2035	365	1,971	0.72	36.29	1,971	0.72	36.29	1,971	0.72	36.29	1,971	0.72	36.29
22	2036	366	0	0.00	36.29	0	0.00	36.29	0	0.00	36.29	0	0.00	36.29
Sub Total				36.29			36.29			36.29			36.29	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				36.29			36.29			36.29			36.29	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Cook
Phase	OIL
Reserves Category	PDP

COMPANY INTERESTS	Initial %
Hibiscus/Ping	38.65%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's Wt share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	3,567	1.30	1.30	3,567	1.30	1.30	1,379	0.50	0.50	1,379	0.50	0.50
2	2016	366	2,751	1.01	2.31	2,751	1.01	2.31	1,063	0.39	0.89	1,063	0.39	0.89
3	2017	365	2,069	0.76	3.06	2,069	0.76	3.06	800	0.29	1.18	800	0.29	1.18
4	2018	365	2,546	0.93	3.99	2,546	0.93	3.99	984	0.36	1.54	984	0.36	1.54
5	2019	365	2,457	0.90	4.89	2,457	0.90	4.89	950	0.35	1.89	950	0.35	1.89
6	2020	366	2,103	0.77	5.66	2,103	0.77	5.66	813	0.30	2.19	813	0.30	2.19
7	2021	365	2,070	0.76	6.42	2,070	0.76	6.42	800	0.29	2.48	800	0.29	2.48
8	2022	365	1,545	0.56	6.98	1,545	0.56	6.98	597	0.22	2.70	597	0.22	2.70
9	2023	365	1,752	0.64	7.62	1,752	0.64	7.62	677	0.25	2.94	677	0.25	2.94
10	2024	366	1,642	0.60	8.22	1,642	0.60	8.22	635	0.23	3.18	635	0.23	3.18
11	2025	365	1,394	0.51	8.73	1,394	0.51	8.73	539	0.20	3.37	539	0.20	3.37
12	2026	365	1,327	0.48	9.21	1,327	0.48	9.21	513	0.19	3.56	513	0.19	3.56
13	2027	365	1,119	0.41	9.62	0	0.00	9.21	0	0.00	3.56	0	0.00	3.56
14	2028	366	1,016	0.37	9.99	0	0.00	9.21	0	0.00	3.56	0	0.00	3.56
15	2029	365	940	0.34	10.34	0	0.00	9.21	0	0.00	3.56	0	0.00	3.56
16	2030	365	873	0.32	10.65	0	0.00	9.21	0	0.00	3.56	0	0.00	3.56
17	2031	365	811	0.30	10.95	0	0.00	9.21	0	0.00	3.56	0	0.00	3.56
18	2032	366	755	0.28	11.23	0	0.00	9.21	0	0.00	3.56	0	0.00	3.56
19	2033	365	699	0.26	11.48	0	0.00	9.21	0	0.00	3.56	0	0.00	3.56
20	2034	365	650	0.24	11.72	0	0.00	9.21	0	0.00	3.56	0	0.00	3.56
21	2035	365	603	0.22	11.94	0	0.00	9.21	0	0.00	3.56	0	0.00	3.56
22	2036	366	0	0.00	11.94	0	0.00	9.21	0	0.00	3.56	0	0.00	3.56
Sub Total				11.94			9.21			3.56			3.56	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				11.94			9.21			3.56			3.56	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Cook
Phase	OIL
Reserves Category	1P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	38.65%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	3,567	1.30	1.30	3,567	1.30	1.30	1,379	0.50	0.50	1,379	0.50	0.50
2	2016	366	2,751	1.01	2.31	2,751	1.01	2.31	1,063	0.39	0.89	1,063	0.39	0.89
3	2017	365	2,069	0.76	3.06	2,069	0.76	3.06	800	0.29	1.18	800	0.29	1.18
4	2018	365	2,546	0.93	3.99	2,546	0.93	3.99	984	0.36	1.54	984	0.36	1.54
5	2019	365	2,457	0.90	4.89	2,457	0.90	4.89	950	0.35	1.89	950	0.35	1.89
6	2020	366	2,103	0.77	5.66	2,103	0.77	5.66	813	0.30	2.19	813	0.30	2.19
7	2021	365	2,070	0.76	6.42	2,070	0.76	6.42	800	0.29	2.48	800	0.29	2.48
8	2022	365	1,545	0.56	6.98	1,545	0.56	6.98	597	0.22	2.70	597	0.22	2.70
9	2023	365	1,752	0.64	7.62	1,752	0.64	7.62	677	0.25	2.94	677	0.25	2.94
10	2024	366	1,642	0.60	8.22	1,642	0.60	8.22	635	0.23	3.18	635	0.23	3.18
11	2025	365	1,394	0.51	8.73	1,394	0.51	8.73	539	0.20	3.37	539	0.20	3.37
12	2026	365	1,327	0.48	9.21	1,327	0.48	9.21	513	0.19	3.56	513	0.19	3.56
13	2027	365	1,119	0.41	9.62	1,119	0.41	9.62	432	0.16	3.72	432	0.16	3.72
14	2028	366	1,016	0.37	9.99	0	0.00	9.62	0	0.00	3.72	0	0.00	3.72
15	2029	365	940	0.34	10.34	0	0.00	9.62	0	0.00	3.72	0	0.00	3.72
16	2030	365	873	0.32	10.65	0	0.00	9.62	0	0.00	3.72	0	0.00	3.72
17	2031	365	811	0.30	10.95	0	0.00	9.62	0	0.00	3.72	0	0.00	3.72
18	2032	366	755	0.28	11.23	0	0.00	9.62	0	0.00	3.72	0	0.00	3.72
19	2033	365	699	0.26	11.48	0	0.00	9.62	0	0.00	3.72	0	0.00	3.72
20	2034	365	650	0.24	11.72	0	0.00	9.62	0	0.00	3.72	0	0.00	3.72
21	2035	365	603	0.22	11.94	0	0.00	9.62	0	0.00	3.72	0	0.00	3.72
22	2036	366	0	0.00	11.94	0	0.00	9.62	0	0.00	3.72	0	0.00	3.72
Sub Total				11.94			9.62			3.72			3.72	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				11.94			9.62			3.72			3.72	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Cook
Phase	OIL
Reserves Category	2P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	38.65%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum MM bbl
1	2015	365	3,904	1.43	1.43	3,904	1.43	1.43	1,509	0.55	0.55	1,509	0.55	0.55
2	2016	366	3.388	1.24	2.66	3,388	1 24	2.66	1,310	0.48	1.03	1,310	0.48	1.03
3	2017	365	2.664	0.97	3.64	2,664	0.97	3.64	1,030	0.38	1.41	1,030	0.38	1.41
4	2018	365	3,183	1.16	4.80	3,183	1.16	4.80	1,230	0.45	1.85	1,230	0 45	1.85
5	2019	365	3,100	1.13	5.93	3,100	1.13	5.93	1,198	0.44	2.29	1,198	0.44	2.29
6	2020	366	2,722	1.00	6.93	2,722	1.00	6.93	1,052	0.39	2.68	1,052	0.39	2.68
7	2021	365	2,706	0.99	7.91	2,706	0.99	7.91	1,046	0.38	3.06	1,046	0.38	3.06
8	2022	365	2,116	0.77	8.69	2,116	0.77	8.69	818	0.30	3.36	818	0.30	3.36
9	2023	365	2,381	0.87	9.56	2,381	0.87	9.56	920	0.34	3.69	920	0.34	3.69
10	2024	366	2,282	0.84	10.39	2,282	0.84	10.39	882	0.32	4.02	882	0.32	4.02
11	2025	365	2,006	0.73	11.12	2,006	0.73	11.12	775	0.28	4.30	775	0.28	4.30
12	2026	365	1,951	0.71	11.84	1,951	0.71	11.84	754	0.28	4.57	754	0.28	4 57
13	2027	365	1,710	0.62	12.46	1,710	0.62	12.46	661	0.24	4.82	661	0.24	4.82
14	2028	366	1,600	0.59	13.04	1,600	0.59	13.04	618	0.23	5.04	618	0.23	5.04
15	2029	365	1,520	0.55	13.60	1,520	0.55	13.60	588	0.21	5.26	588	0.21	5.26
16	2030	365	1,452	0.53	14.13	1,452	0.53	14.13	561	0.20	5.46	561	0.20	5.46
17	2031	365	1,389	0.51	14.64	1,389	0.51	14.64	537	0.20	5.66	537	0.20	5.66
18	2032	366	1,334	0.49	15.13	1,334	0.49	15.13	516	0.19	5.85	516	0.19	5.85
19	2033	365	1,276	0.47	15.59	1,276	0.47	15.59	493	0.18	6.03	493	0.18	6.03
20	2034	365	1,225	0.45	16.04	1,225	0.45	16.04	473	0.17	6.20	473	0.17	6.20
21	2035	365	1,177	0.43	16.47	0	0.00	16.04	0	0.00	6.20	0	0.00	6.20
22	2036	366	0	0.00	16.47	0	0.00	16.04	0	0.00	6.20	0	0.00	6.20
Sub Total				16.47			16.04			6.20			6.20	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				16.47			16.04			6.20			6.20	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Cook
Phase	OIL
Reserves Category	3P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	38.65%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum MM bbl	bbl/d	MM bbl	Cum MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	4,256	1.55	1.55	4,256	1.55	1.55	1,645	0.60	0.60	1,645	0.60	0.60
2	2016	366	4,094	1.50	3.05	4,094	1.50	3.05	1,583	0.58	1.18	1,583	0.58	1.18
3	2017	365	3,343	1.22	4.27	3,343	1.22	4.27	1,292	0.47	1.65	1,292	0.47	1.65
4	2018	365	3,925	1.43	5.70	3,925	1.43	5.70	1,517	0.55	2.21	1,517	0.55	2.21
5	2019	365	3,865	1.41	7.12	3,865	1.41	7.12	1,494	0.55	2.75	1,494	0.55	2.75
6	2020	366	3,475	1.27	8.39	3,475	1.27	8.39	1,343	0.49	3.24	1,343	0.49	3.24
7	2021	365	3,490	1.27	9.66	3,490	1.27	9.66	1,349	0.49	3.73	1,349	0.49	3.73
8	2022	365	2,835	1.03	10.70	2,835	1.03	10.70	1,096	0.40	4.13	1,096	0.40	4.13
9	2023	365	3,176	1.16	11.86	3,176	1.16	11.86	1,228	0.45	4.58	1,228	0.45	4.58
10	2024	366	3,095	1.13	12.99	3,095	1.13	12.99	1,196	0.44	5.02	1,196	0.44	5.02
11	2025	365	2,791	1.02	14.01	2,791	1.02	14.01	1,079	0.39	5.41	1,079	0.39	5.41
12	2026	365	2,754	1.01	15.01	2,754	1.01	15.01	1,065	0.39	5.80	1,065	0.39	5.80
13	2027	365	2,476	0.90	15.92	2,476	0.90	15.92	957	0.35	6.15	957	0.35	6.15
14	2028	366	2,359	0.86	16.78	2,359	0.86	16.78	912	0.33	6.49	912	0.33	6.49
15	2029	365	2,276	0.83	17.61	2,276	0.83	17.61	880	0.32	6.81	880	0.32	6.81
16	2030	365	2,207	0.81	18.42	2,207	0.81	18.42	853	0.31	7.12	853	0.31	7.12
17	2031	365	2,142	0.78	19.20	2,142	0.78	19.20	828	0.30	7.42	828	0.30	7.42
18	2032	366	2,086	0.76	19.96	2,086	0.76	19.96	806	0.30	7.72	806	0.30	7.72
19	2033	365	2,023	0.74	20.70	2,023	0.74	20.70	782	0.29	8.00	782	0.29	8.00
20	2034	365	1,968	0.72	21.42	1,968	0.72	21.42	761	0.28	8.28	761	0.28	8.28
21	2035	365	1,916	0.70	22.12	1,916	0.70	22.12	741	0.27	8.55	741	0.27	8.55
22	2036	366	0	0.00	22.12	0	0.00	22.12	0	0.00	8.55	0	0.00	8.55
Sub Total				22.12			22.12			8.55			8.55	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				22.12			22.12			8.55			8.55	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal
Phase	OIL
Reserves Category	PDP

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	1,096	0.40	0.40	1,096	0.40	0.40	1,096	0.40	0.40	1,096	0.40	0.40
2	2016	366	889	0.33	0.73	889	0.33	0.73	889	0.33	0.73	889	0.33	0.73
3	2017	365	642	0.23	0.96	642	0.23	0.96	642	0.23	0.96	642	0.23	0.96
4	2018	365	758	0.28	1.24	758	0.28	1.24	758	0.28	1.24	758	0.28	1.24
5	2019	365	697	0.25	1.49	697	0.25	1.49	697	0.25	1.49	697	0.25	1.49
6	2020	366	569	0.21	1.70	569	0.21	1.70	569	0.21	1.70	569	0.21	1.70
7	2021	365	534	0.19	1.89	534	0.19	1.89	534	0.19	1.89	534	0.19	1.89
8	2022	365	381	0.14	2.03	381	0.14	2.03	381	0.14	2.03	381	0.14	2.03
9	2023	365	413	0.15	2.18	413	0.15	2.18	413	0.15	2.18	413	0.15	2.18
10	2024	366	369	0.13	2.32	369	0.13	2.32	369	0.13	2.32	369	0.13	2.32
11	2025	365	298	0.11	2.43	298	0.11	2.43	298	0.11	2.43	298	0.11	2.43
12	2026	365	271	0.10	2.53	271	0.10	2.53	271	0.10	2.53	271	0.10	2.53
13	2027	365	218	0.08	2.61	0	0.00	2.53	0	0.00	2.53	0	0.00	2.53
14	2028	366	190	0.07	2.68	0	0.00	2.53	0	0.00	2.53	0	0.00	2.53
15	2029	365	168	0.06	2.74	0	0.00	2.53	0	0.00	2.53	0	0.00	2.53
16	2030	365	150	0.05	2.79	0	0.00	2.53	0	0.00	2.53	0	0.00	2.53
17	2031	365	133	0.05	2.84	0	0.00	2.53	0	0.00	2.53	0	0.00	2.53
18	2032	366	119	0.04	2.88	0	0.00	2.53	0	0.00	2.53	0	0.00	2.53
19	2033	365	106	0.04	2.92	0	0.00	2.53	0	0.00	2.53	0	0.00	2.53
20	2034	365	94	0.03	2.96	0	0.00	2.53	0	0.00	2.53	0	0.00	2.53
21	2035	365	84	0.03	2.99	0	0.00	2.53	0	0.00	2.53	0	0.00	2.53
22	2036	366	0	0.00	2.99	0	0.00	2.53	0	0.00	2.53	0	0.00	2.53
Sub Total				2.99			2.53			2.53			2.53	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				2.99			2.53			2.53			2.53	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal
Phase	OIL
Reserves Category	1P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	1,096	0.40	0.40	1,096	0.40	0.40	1,096	0.40	0.40	1,096	0.40	0.40
2	2016	366	889	0.33	0.73	889	0.33	0.73	889	0.33	0.73	889	0.33	0.73
3	2017	365	642	0.23	0.96	642	0.23	0.96	642	0.23	0.96	642	0.23	0.96
4	2018	365	758	0.28	1.24	758	0.28	1.24	758	0.28	1.24	758	0.28	1.24
5	2019	365	697	0.25	1.49	697	0.25	1.49	697	0.25	1.49	697	0.25	1.49
6	2020	366	569	0.21	1.70	569	0.21	1.70	569	0.21	1.70	569	0.21	1.70
7	2021	365	534	0.19	1.89	534	0.19	1.89	534	0.19	1.89	534	0.19	1.89
8	2022	365	381	0.14	2.03	381	0.14	2.03	381	0.14	2.03	381	0.14	2.03
9	2023	365	413	0.15	2.18	413	0.15	2.18	413	0.15	2.18	413	0.15	2.18
10	2024	366	369	0.13	2.32	369	0.13	2.32	369	0.13	2.32	369	0.13	2.32
11	2025	365	298	0.11	2.43	298	0.11	2.43	298	0.11	2.43	298	0.11	2.43
12	2026	365	271	0.10	2.53	271	0.10	2.53	271	0.10	2.53	271	0.10	2.53
13	2027	365	218	0.08	2.61	218	0.08	2.61	218	0.08	2.61	218	0.08	2.61
14	2028	366	190	0.07	2.68	0	0.00	2.61	0	0.00	2.61	0	0.00	2.61
15	2029	365	168	0.06	2.74	0	0.00	2.61	0	0.00	2.61	0	0.00	2.61
16	2030	365	150	0.05	2.79	0	0.00	2.61	0	0.00	2.61	0	0.00	2.61
17	2031	365	133	0.05	2.84	0	0.00	2.61	0	0.00	2.61	0	0.00	2.61
18	2032	366	119	0.04	2.88	0	0.00	2.61	0	0.00	2.61	0	0.00	2.61
19	2033	365	106	0.04	2.92	0	0.00	2.61	0	0.00	2.61	0	0.00	2.61
20	2034	365	94	0.03	2.96	0	0.00	2.61	0	0.00	2.61	0	0.00	2.61
21	2035	365	84	0.03	2.99	0	0.00	2.61	0	0.00	2.61	0	0.00	2.61
22	2036	366	0	0.00	2.99	0	0.00	2.61	0	0.00	2.61	0	0.00	2.61
Sub Total				2.99			2.61			2.61			2.61	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				2.99			2.61			2.61			2.61	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal
Phase	OIL
Reserves Category	2P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION |AFTER ECONOMIC CUT OFF|								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	1,100	0.40	0.40	1,100	0.40	0.40	1,100	0.40	0.40	1,100	0.40	0.40
2	2016	366	958	0.35	0.75	958	0.35	0.75	958	0.35	0.75	958	0.35	0.75
3	2017	365	700	0.26	1.01	700	0.26	1.01	700	0.26	1.01	700	0.26	1.01
4	2018	365	782	0.29	1.29	782	0.29	1.29	782	0.29	1.29	782	0.29	1.29
5	2019	365	709	0.26	1.55	709	0.26	1.55	709	0.26	1.55	709	0.26	1.55
6	2020	366	583	0.21	1.77	583	0.21	1.77	583	0.21	1.77	583	0.21	1.77
7	2021	365	546	0.20	1.96	546	0.20	1.96	546	0.20	1.96	546	0.20	1.96
8	2022	365	404	0.15	2.11	404	0.15	2.11	404	0.15	2.11	404	0.15	2.11
9	2023	365	433	0.16	2.27	433	0.16	2.27	433	0.16	2.27	433	0.16	2.27
10	2024	366	394	0.14	2.41	394	0.14	2.41	394	0.14	2.41	394	0.14	2.41
11	2025	365	330	0.12	2.53	330	0.12	2.53	330	0.12	2.53	330	0.12	2.53
12	2026	365	307	0.11	2.65	307	0.11	2.65	307	0.11	2.65	307	0.11	2.65
13	2027	365	258	0.09	2.74	258	0.09	2.74	258	0.09	2.74	258	0.09	2.74
14	2028	366	232	0.09	2.83	232	0.09	2.83	232	0.09	2.83	232	0.09	2.83
15	2029	365	213	0.08	2.90	213	0.08	2.90	213	0.08	2.90	213	0.08	2.90
16	2030	365	197	0.07	2.98	197	0.07	2.98	197	0.07	2.98	197	0.07	2.98
17	2031	365	183	0.07	3.04	183	0.07	3.04	183	0.07	3.04	183	0.07	3.04
18	2032	366	171	0.06	3.10	171	0.06	3.10	171	0.06	3.10	171	0.06	3.10
19	2033	365	159	0.06	3.16	159	0.06	3.16	159	0.06	3.16	159	0.06	3.16
20	2034	365	149	0.05	3.22	149	0.05	3.22	149	0.05	3.22	149	0.05	3.22
21	2035	365	140	0.05	3.27	0	0.00	3.22	0	0.00	3.22	0	0.00	3.22
22	2036	366	0	0.00	3.27	0	0.00	3.22	0	0.00	3.22	0	0.00	3.22
Sub Total				3.27			3.22			3.22			3.22	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				3.27			3.22			3.22			3.22	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal
Phase	OIL
Reserves Category	3P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum MM bbl
1	2015	365	1,101	0.40	0.40	1,101	0.40	0.40	1,101	0.40	0.40	1,101	0.40	0.40
2	2016	366	1,011	0.37	0.77	1,011	0.37	0.77	1,011	0.37	0.77	1,011	0.37	0.77
3	2017	365	741	0.27	1.04	741	0.27	1.04	741	0.27	1.04	741	0.27	1.04
4	2018	365	796	0.29	1.33	796	0.29	1.33	796	0.29	1.33	796	0.29	1.33
5	2019	365	721	0.26	1.60	721	0.26	1.60	721	0.26	1.60	721	0.26	1.60
6	2020	366	605	0.22	1.82	605	0.22	1.82	605	0.22	1.82	605	0.22	1.82
7	2021	365	573	0.21	2.03	573	0.21	2.03	573	0.21	2.03	573	0.21	2.03
8	2022	365	443	0.16	2.19	443	0.16	2.19	443	0.16	2.19	443	0.16	2.19
9	2023	365	476	0.17	2.36	476	0.17	2.36	476	0.17	2.36	476	0.17	2.36
10	2024	366	446	0.16	2.52	446	0.16	2.52	446	0.16	2.52	446	0.16	2.52
11	2025	365	388	0.14	2.67	388	0.14	2.67	388	0.14	2.67	388	0.14	2.67
12	2026	365	372	0.14	2.80	372	0.14	2.80	372	0.14	2.80	372	0.14	2.80
13	2027	365	325	0.12	2.92	325	0.12	2.92	325	0.12	2.92	325	0.12	2.92
14	2028	366	303	0.11	3.03	303	0.11	3.03	303	0.11	3.03	303	0.11	3.03
15	2029	365	286	0.10	3.14	286	0.10	3.14	286	0.10	3.14	286	0.10	3.14
16	2030	365	272	0.10	3.24	272	0.10	3.24	272	0.10	3.24	272	0.10	3.24
17	2031	365	259	0.09	3.33	259	0.09	3.33	259	0.09	3.33	259	0.09	3.33
18	2032	366	248	0.09	3.42	248	0.09	3.42	248	0.09	3.42	248	0.09	3.42
19	2033	365	237	0.09	3.51	237	0.09	3.51	237	0.09	3.51	237	0.09	3.51
20	2034	365	227	0.08	3.59	227	0.08	3.59	227	0.08	3.59	227	0.08	3.59
21	2035	365	219	0.08	3.67	219	0.08	3.67	219	0.08	3.67	219	0.08	3.67
22	2036	366	0	0.00	3.67	0	0.00	3.67	0	0.00	3.67	0	0.00	3.67
Sub Total				3.67			3.67			3.67			3.67	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				3.67			3.67			3.67			3.67	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal South
Phase	OIL
Reserves Category	PDP

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	230	0.08	0.08	230	0.08	0.08	230	0.08	0.08	230	0.08	0.08
3	2017	365	431	0.16	0.24	431	0.16	0.24	431	0.16	0.24	431	0.16	0.24
4	2018	365	490	0.18	0.42	490	0.18	0.42	490	0.18	0.42	490	0.18	0.42
5	2019	365	431	0.16	0.58	431	0.16	0.58	431	0.16	0.58	431	0.16	0.58
6	2020	366	336	0.12	0.70	336	0.12	0.70	336	0.12	0.70	336	0.12	0.70
7	2021	365	302	0.11	0.81	302	0.11	0.81	302	0.11	0.81	302	0.11	0.81
8	2022	365	207	0.08	0.89	207	0.08	0.89	207	0.08	0.89	207	0.08	0.89
9	2023	365	215	0.08	0.97	215	0.08	0.97	215	0.08	0.97	215	0.08	0.97
10	2024	366	183	0.07	1.03	183	0.07	1.03	183	0.07	1.03	183	0.07	1.03
11	2025	365	142	0.05	1.08	142	0.05	1.08	142	0.05	1.08	142	0.05	1.08
12	2026	365	123	0.05	1.13	123	0.05	1.13	123	0.05	1.13	123	0.05	1.13
13	2027	365	95	0.03	1.16	0	0.00	1.13	0	0.00	1.13	0	0.00	1.13
14	2028	366	80	0.03	1.19	0	0.00	1.13	0	0.00	1.13	0	0.00	1.13
15	2029	365	68	0.02	1.22	0	0.00	1.13	0	0.00	1.13	0	0.00	1.13
16	2030	365	58	0.02	1.24	0	0.00	1.13	0	0.00	1.13	0	0.00	1.13
17	2031	365	50	0.02	1.26	0	0.00	1.13	0	0.00	1.13	0	0.00	1.13
18	2032	366	43	0.02	1.27	0	0.00	1.13	0	0.00	1.13	0	0.00	1.13
19	2033	365	36	0.01	1.29	0	0.00	1.13	0	0.00	1.13	0	0.00	1.13
20	2034	365	31	0.01	1.30	0	0.00	1.13	0	0.00	1.13	0	0.00	1.13
21	2035	365	27	0.01	1.31	0	0.00	1.13	0	0.00	1.13	0	0.00	1.13
22	2036	366	0	0.00	1.31	0	0.00	1.13	0	0.00	1.13	0	0.00	1.13
Sub Total				1.31			1.13			1.13			1.13	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.31			1.13			1.13			1.13	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal South
Phase	OIL
Reserves Category	1P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	230	0.08	0.08	230	0.08	0.08	230	0.08	0.08	230	0.08	0.08
3	2017	365	452	0.16	0.25	452	0.16	0.25	452	0.16	0.25	452	0.16	0.25
4	2018	365	692	0.25	0.50	692	0.25	0.50	692	0.25	0.50	692	0.25	0.50
5	2019	365	632	0.23	0.73	632	0.23	0.73	632	0.23	0.73	632	0.23	0.73
6	2020	366	507	0.19	0.92	507	0.19	0.92	507	0.19	0.92	507	0.19	0.92
7	2021	365	471	0.17	1.09	471	0.17	1.09	471	0.17	1.09	471	0.17	1.09
8	2022	365	333	0.12	1.21	333	0.12	1.21	333	0.12	1.21	333	0.12	1.21
9	2023	365	358	0.13	1.34	358	0.13	1.34	358	0.13	1.34	358	0.13	1.34
10	2024	366	317	0.12	1.46	317	0.12	1.46	317	0.12	1.46	317	0.12	1.46
11	2025	365	255	0.09	1.55	255	0.09	1.55	255	0.09	1.55	255	0.09	1.55
12	2026	365	231	0.08	1.63	231	0.08	1.63	231	0.08	1.63	231	0.08	1.63
13	2027	365	186	0.07	1.70	186	0.07	1.70	186	0.07	1.70	186	0.07	1.70
14	2028	366	162	0.06	1.76	0	0.00	1.70	0	0.00	1.70	0	0.00	1.70
15	2029	365	144	0.05	1.81	0	0.00	1.70	0	0.00	1.70	0	0.00	1.70
16	2030	365	129	0.05	1.86	0	0.00	1.70	0	0.00	1.70	0	0.00	1.70
17	2031	365	115	0.04	1.90	0	0.00	1.70	0	0.00	1.70	0	0.00	1.70
18	2032	366	104	0.04	1.94	0	0.00	1.70	0	0.00	1.70	0	0.00	1.70
19	2033	365	93	0.03	1.98	0	0.00	1.70	0	0.00	1.70	0	0.00	1.70
20	2034	365	84	0.03	2.01	0	0.00	1.70	0	0.00	1.70	0	0.00	1.70
21	2035	365	75	0.03	2.03	0	0.00	1.70	0	0.00	1.70	0	0.00	1.70
22	2036	366	0	0.00	2.03	0	0.00	1.70	0	0.00	1.70	0	0.00	1.70
Sub Total				2.03			1.70			1.70			1.70	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				2.03			1.70			1.70			1.70	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal South
Phase	OIL
Reserves Category	2P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	279	0.10	0.10	279	0.10	0.10	279	0.10	0.10	279	0.10	0.10
3	2017	365	585	0.21	0.32	585	0.21	0.32	585	0.21	0.32	585	0.21	0.32
4	2018	365	993	0.36	0.68	993	0.36	0.68	993	0.36	0.68	993	0.36	0.68
5	2019	365	932	0.34	1.02	932	0.34	1.02	932	0.34	1.02	932	0.34	1.02
6	2020	366	786	0.29	1.31	786	0.29	1.31	786	0.29	1.31	786	0.29	1.31
7	2021	365	752	0.27	1.58	752	0.27	1.58	752	0.27	1.58	752	0.27	1.58
8	2022	365	569	0.21	1.79	569	0.21	1.79	569	0.21	1.79	569	0.21	1.79
9	2023	365	620	0.23	2.01	620	0.23	2.01	620	0.23	2.01	620	0.23	2.01
10	2024	366	575	0.21	2.22	575	0.21	2.22	575	0.21	2.22	575	0.21	2.22
11	2025	365	491	0.18	2.40	491	0.18	2.40	491	0.18	2.40	491	0.18	2.40
12	2026	365	465	0.17	2.57	465	0.17	2.57	465	0.17	2.57	465	0.17	2.57
13	2027	365	397	0.14	2.72	397	0.14	2.72	397	0.14	2.72	397	0.14	2.72
14	2028	366	363	0.13	2.85	363	0.13	2.85	363	0.13	2.85	363	0.13	2.85
15	2029	365	338	0.12	2.97	338	0.12	2.97	338	0.12	2.97	338	0.12	2.97
16	2030	365	317	0.12	3.09	317	0.12	3.09	317	0.12	3.09	317	0.12	3.09
17	2031	365	297	0.11	3.20	297	0.11	3.20	297	0.11	3.20	297	0.11	3.20
18	2032	366	281	0.10	3.30	281	0.10	3.30	281	0.10	3.30	281	0.10	3.30
19	2033	365	264	0.10	3.40	264	0.10	3.40	264	0.10	3.40	264	0.10	3.40
20	2034	365	250	0.09	3.49	250	0.09	3.49	250	0.09	3.49	250	0.09	3.49
21	2035	365	210	0.08	3.57	0	0.00	3.49	0	0.00	3.49	0	0.00	3.49
22	2036	366	0	0.00	3.57	0	0.00	3.49	0	0.00	3.49	0	0.00	3.49
Sub Total				3.57			3.49			3.49			3.49	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				3.57			3.49			3.49			3.49	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal South
Phase	OIL
Reserves Category	3P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	334	0.12	0.12	334	0.12	0.12	334	0.12	0.12	334	0.12	0.12
3	2017	365	748	0.27	0.40	748	0.27	0.40	748	0.27	0.40	748	0.27	0.40
4	2018	365	1,402	0.51	0.91	1,402	0.51	0.91	1,402	0.51	0.91	1,402	0.51	0.91
5	2019	365	1,338	0.49	1.40	1,338	0.49	1.40	1,338	0.49	1.40	1,338	0.49	1.40
6	2020	366	1,162	0.43	1.82	1,162	0.43	1.82	1,162	0.43	1.82	1,162	0.43	1.82
7	2021	365	1,128	0.41	2.23	1,128	0.41	2.23	1,128	0.41	2.23	1,128	0.41	2.23
8	2022	365	888	0.32	2.56	888	0.32	2.56	888	0.32	2.56	888	0.32	2.56
9	2023	365	964	0.35	2.91	964	0.35	2.91	964	0.35	2.91	964	0.35	2.91
10	2024	366	909	0.33	3.24	909	0.33	3.24	909	0.33	3.24	909	0.33	3.24
11	2025	365	794	0.29	3.53	794	0.29	3.53	794	0.29	3.53	794	0.29	3.53
12	2026	365	760	0.28	3.81	760	0.28	3.81	760	0.28	3.81	760	0.28	3.81
13	2027	365	664	0.24	4.05	664	0.24	4.05	664	0.24	4.05	664	0.24	4.05
14	2028	366	615	0.23	4.28	615	0.23	4.28	615	0.23	4.28	615	0.23	4.28
15	2029	365	578	0.21	4.49	578	0.21	4.49	578	0.21	4.49	578	0.21	4.49
16	2030	365	547	0.20	4.69	547	0.20	4.69	547	0.20	4.69	547	0.20	4.69
17	2031	365	518	0.19	4.87	518	0.19	4.87	518	0.19	4.87	518	0.19	4.87
18	2032	366	493	0.18	5.06	493	0.18	5.06	493	0.18	5.06	493	0.18	5.06
19	2033	365	467	0.17	5.23	467	0.17	5.23	467	0.17	5.23	467	0.17	5.23
20	2034	365	444	0.16	5.39	444	0.16	5.39	444	0.16	5.39	444	0.16	5.39
21	2035	365	370	0.14	5.52	370	0.14	5.52	370	0.14	5.52	370	0.14	5.52
22	2036	366	0	0.00	5.52	0	0.00	5.52	0	0.00	5.52	0	0.00	5.52
Sub Total				5.52			5.52			5.52			5.52	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				5.52			5.52			5.52			5.52	

APPENDIX 5: GAS RESERVES: TABLES OF PRODUCTION PROFILES BY FIELD

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Guillemot A
Phase	GAS
Reserves Category	PDP

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	1,284	0.47	0.47	1,284	0.47	0.47	1,284	0.47	0.47	1,284	0.47	0.47
2	2016	366	1,017	0.37	0.84	1,017	0.37	0.84	1,017	0.37	0.84	1,017	0.37	0.84
3	2017	365	735	0.27	1.11	735	0.27	1.11	735	0.27	1.11	735	0.27	1.11
4	2018	365	879	0.32	1.43	879	0.32	1.43	879	0.32	1.43	879	0.32	1.43
5	2019	365	832	0.30	1.73	832	0.30	1.73	832	0.30	1.73	832	0.30	1.73
6	2020	366	704	0.26	1.99	704	0.26	1.99	704	0.26	1.99	704	0.26	1.99
7	2021	365	692	0.25	2.24	692	0.25	2.24	692	0.25	2.24	692	0.25	2.24
8	2022	365	518	0.19	2.43	518	0.19	2.43	518	0.19	2.43	518	0.19	2.43
9	2023	365	590	0.22	2.65	590	0.22	2.65	590	0.22	2.65	590	0.22	2.65
10	2024	366	559	0.20	2.85	559	0.20	2.85	559	0.20	2.85	559	0.20	2.85
11	2025	365	480	0.18	3.03	480	0.18	3.03	480	0.18	3.03	480	0.18	3.03
12	2026	365	463	0.17	3.20	463	0.17	3.20	463	0.17	3.20	463	0.17	3.20
13	2027	365	395	0.14	3.34	0	0.00	3.20	0	0.00	3.20	0	0.00	3.20
14	2028	366	364	0.13	3.47	0	0.00	3.20	0	0.00	3.20	0	0.00	3.20
15	2029	365	342	0.12	3.60	0	0.00	3.20	0	0.00	3.20	0	0.00	3.20
16	2030	365	322	0.12	3.72	0	0.00	3.20	0	0.00	3.20	0	0.00	3.20
17	2031	365	304	0.11	3.83	0	0.00	3.20	0	0.00	3.20	0	0.00	3.20
18	2032	366	287	0.11	3.93	0	0.00	3.20	0	0.00	3.20	0	0.00	3.20
19	2033	365	270	0.10	4.03	0	0.00	3.20	0	0.00	3.20	0	0.00	3.20
20	2034	365	255	0.09	4.12	0	0.00	3.20	0	0.00	3.20	0	0.00	3.20
21	2035	365	241	0.09	4.21	0	0.00	3.20	0	0.00	3.20	0	0.00	3.20
22	2036	366	0	0.00	4.21	0	0.00	3.20	0	0.00	3.20	0	0.00	3.20
Sub Total				4.21			3.20			3.20			3.20	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				4.21			3.20			3.20			3.20	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Guillemot A
Phase	GAS
Reserves Category	1P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	1,284	0.47	0.47	1,284	0.47	0.47	1,284	0.47	0.47	1,284	0.47	0.47
2	2016	366	1,098	0.40	0.87	1,098	0.40	0.87	1,098	0.40	0.87	1,098	0.40	0.87
3	2017	365	1,152	0.42	1.29	1,152	0.42	1.29	1,152	0.42	1.29	1,152	0.42	1.29
4	2018	365	2,135	0.78	2.07	2,135	0.78	2.07	2,135	0.78	2.07	2,135	0.78	2.07
5	2019	365	2,025	0.74	2.81	2,025	0.74	2.81	2,025	0.74	2.81	2,025	0.74	2.81
6	2020	366	1,665	0.61	3.42	1,665	0.61	3.42	1,665	0.61	3.42	1,665	0.61	3.42
7	2021	365	1,583	0.58	4.00	1,583	0.58	4.00	1,583	0.58	4.00	1,583	0.58	4.00
8	2022	365	1,145	0.42	4.41	1,145	0.42	4.41	1,145	0.42	4.41	1,145	0.42	4.41
9	2023	365	1,264	0.46	4.88	1,264	0.46	4.88	1,264	0.46	4.88	1,264	0.46	4.88
10	2024	366	1,152	0.42	5.30	1,152	0.42	5.30	1,152	0.42	5.30	1,152	0.42	5.30
11	2025	365	958	0.35	5.65	958	0.35	5.65	958	0.35	5.65	958	0.35	5.65
12	2026	365	894	0.33	5.97	894	0.33	5.97	894	0.33	5.97	894	0.33	5.97
13	2027	365	741	0.27	6.24	741	0.27	6.24	741	0.27	6.24	741	0.27	6.24
14	2028	366	571	0.21	6.45	0	0.00	6.24	0	0.00	6.24	0	0.00	6.24
15	2029	365	515	0.19	6.64	0	0.00	6.24	0	0.00	6.24	0	0.00	6.24
16	2030	365	438	0.16	6.80	0	0.00	6.24	0	0.00	6.24	0	0.00	6.24
17	2031	365	409	0.15	6.95	0	0.00	6.24	0	0.00	6.24	0	0.00	6.24
18	2032	366	382	0.14	7.09	0	0.00	6.24	0	0.00	6.24	0	0.00	6.24
19	2033	365	355	0.13	7.22	0	0.00	6.24	0	0.00	6.24	0	0.00	6.24
20	2034	365	332	0.12	7.34	0	0.00	6.24	0	0.00	6.24	0	0.00	6.24
21	2035	365	310	0.11	7.45	0	0.00	6.24	0	0.00	6.24	0	0.00	6.24
22	2036	366	0	0.00	7.45	0	0.00	6.24	0	0.00	6.24	0	0.00	6.24
Sub Total				7.45			6.24			6.24			6.24	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				7.45			6.24			6.24			6.24	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Guillemot A
Phase	GAS
Reserves Category	2P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100 00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum Bscf
1	2015	365	1,336	0.49	0.49	1,336	0.49	0.49	1,336	0.49	0.49	1,336	0.49	0.49
2	2016	366	1,306	0.48	0.97	1,306	0.48	0.97	1,306	0.48	0.97	1,306	0.48	0.97
3	2017	365	1,559	0.57	1.53	1,559	0.57	1.53	1,559	0.57	1.53	1,559	0.57	1.53
4	2018	365	2,936	1.07	2.61	2,936	1.07	2.61	2,936	1.07	2.61	2,936	1.07	2.61
5	2019	365	2,736	1.00	3.61	2,736	1.00	3.61	2,736	1.00	3.61	2,736	1.00	3.61
6	2020	366	2,247	0.82	4.43	2,247	0.82	4.43	2,247	0.82	4.43	2,247	0.82	4.43
7	2021	365	2,100	0.77	5.19	2,100	0.77	5.19	2,100	0.77	5 19	2,100	0.77	5.19
8	2022	365	1,554	0.57	5.76	1,554	0.57	5.76	1,554	0.57	5.76	1,554	0.57	5.76
9	2023	365	1,662	0.61	6.37	1,662	0.61	6.37	1,662	0.61	6.37	1,662	0.61	6.37
10	2024	366	1,510	0.55	6.92	1,510	0.55	6.92	1,510	0.55	6.92	1,510	0.55	6.92
11	2025	365	1,264	0.46	7.38	1,264	0.46	7.38	1,264	0.46	7.38	1,264	0.46	7.38
12	2026	365	1,114	0.41	7.79	1,114	0.41	7.79	1,114	0.41	7 79	1,114	0.41	7.79
13	2027	365	831	0.30	8.09	831	0.30	8.09	831	0.30	8.09	831	0.30	8.09
14	2028	366	698	0.26	8.35	698	0.26	8.35	698	0.26	8.35	698	0.26	8.35
15	2029	365	641	0.23	8.58	641	0.23	8.58	641	0.23	8.58	641	0.23	8.58
16	2030	365	602	0.22	8.80	602	0.22	8.80	602	0.22	8.80	602	0.22	8.80
17	2031	365	567	0.21	9.01	567	0.21	9.01	567	0.21	9.01	567	0.21	9.01
18	2032	366	537	0.20	9.20	537	0.20	9.20	537	0.20	9.20	537	0.20	9.20
19	2033	365	506	0.18	9.39	506	0.18	9.39	506	0.18	9.39	506	0.18	9.39
20	2034	365	479	0.17	9.56	479	0.17	9.56	479	0.17	9.56	479	0.17	9.56
21	2035	365	454	0.17	9.73	0	0.00	9.56	0	0.00	9.56	0	0.00	9.56
22	2036	366	0	0.00	9.73	0	0.00	9.56	0	0.00	9.56	0	0.00	9.56
Sub Total				9.73			9.56			9.56			9.56	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				9.73			9.56			9.56			9.56	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Guillemot A
Phase	GAS
Reserves Category	3P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION |AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	1,390	0.51	0.51	1,390	0.51	0.51	1,390	0.51	0.51	1,390	0.51	0.51
2	2016	366	1,538	0.56	1.07	1,538	0.56	1.07	1,538	0.56	1.07	1,538	0.56	1.07
3	2017	365	2,116	0.77	1.84	2,116	0.77	1.84	2,116	0.77	1.84	2,116	0.77	1.84
4	2018	365	4,089	1.49	3.34	4,089	1.49	3.34	4,089	1.49	3.34	4,089	1.49	3.34
5	2019	365	3,697	1.35	4.68	3,697	1.35	4.68	3,697	1.35	4.68	3,697	1.35	4.68
6	2020	366	3,019	1.10	5.79	3,019	1.10	5.79	3,019	1.10	5.79	3,019	1.10	5.79
7	2021	365	2,770	1.01	6.80	2,770	1.01	6.80	2,770	1.01	6.80	2,770	1.01	6.80
8	2022	365	2,075	0.76	7.56	2,075	0.76	7.56	2,075	0.76	7.56	2,075	0.76	7.56
9	2023	365	2,157	0.79	8.34	2,157	0.79	8.34	2,157	0.79	8.34	2,157	0.79	8.34
10	2024	366	1,946	0.71	9.06	1,946	0.71	9.06	1,946	0.71	9.06	1,946	0.71	9.06
11	2025	365	1,544	0.56	9.62	1,544	0.56	9.62	1,544	0.56	9.62	1,544	0.56	9.62
12	2026	365	1,246	0.45	10.08	1,246	0.45	10.08	1,246	0.45	10.08	1,246	0.45	10.08
13	2027	365	973	0.36	10.43	973	0.36	10.43	973	0.36	10.43	973	0.36	10.43
14	2028	366	902	0.33	10.76	902	0.33	10.76	902	0.33	10.76	902	0.33	10.76
15	2029	365	849	0.31	11.07	849	0.31	11.07	849	0.31	11.07	849	0.31	11.07
16	2030	365	804	0.29	11.37	804	0.29	11.37	804	0.29	11.37	804	0.29	11.37
17	2031	365	764	0.28	11.64	764	0.28	11.64	764	0.28	11.64	764	0.28	11.64
18	2032	366	729	0.27	11.91	729	0.27	11.91	729	0.27	11.91	729	0.27	11.91
19	2033	365	694	0.25	12.16	694	0.25	12.16	694	0.25	12.16	694	0.25	12.16
20	2034	365	664	0.24	12.41	664	0.24	12.41	664	0.24	12.41	664	0.24	12.41
21	2035	365	637	0.23	12.64	637	0.23	12.64	637	0.23	12.64	637	0.23	12.64
22	2036	366	0	0.00	12.64	0	0.00	12.64	0	0.00	12.64	0	0.00	12.64
Sub Total				12.64			12.64			12.64			12.64	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				12.64			12.64			12.64			12.64	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Cook
Phase	GAS
Reserves Category	PDP

COMPANY INTERESTS	Initial %
Hibiscus/Ping	38.65%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	7,848	2.86	2.86	7,848	2.86	2.86	3,033	1.11	1.11	3,033	1.11	1.11
2	2016	366	6,052	2.21	5.08	6,052	2.21	5.08	2,339	0.86	1.96	2,339	0.86	1.96
3	2017	365	4,550	1.66	6.74	4,550	1.66	6.74	1,759	0.64	2.61	1,759	0.64	2.61
4	2018	365	5,600	2.04	8.78	5,600	2.04	8.78	2,165	0.79	3.40	2,165	0.79	3.40
5	2019	365	5,405	1.97	10.76	5,405	1.97	10.76	2,089	0.76	4.16	2,089	0.76	4.16
6	2020	366	4,625	1.69	12.45	4,625	1.69	12.45	1,788	0.65	4.81	1,788	0.65	4.81
7	2021	365	4,553	1.66	14.11	4,553	1.66	14.11	1,760	0.64	5.45	1,760	0.64	5.45
8	2022	365	3,400	1.24	15.35	3,400	1.24	15.35	1,314	0.48	5.93	1,314	0.48	5.93
9	2023	365	3,854	1.41	16.76	3,854	1.41	16.76	1,490	0.54	6.48	1,490	0.54	6.48
10	2024	366	3,612	1.32	18.08	3,612	1.32	18.08	1,396	0.51	6.99	1,396	0.51	6.99
11	2025	365	3,066	1.12	19.20	3,066	1.12	19.20	1,185	0.43	7.42	1,185	0.43	7.42
12	2026	365	2,918	1.07	20.27	2,918	1.07	20.27	1,128	0.41	7.83	1,128	0.41	7.83
13	2027	365	2,461	0.90	21.16	0	0.00	20.27	0	0.00	7.83	0	0.00	7.83
14	2028	366	2,236	0.82	21.98	0	0.00	20.27	0	0.00	7.83	0	0.00	7.83
15	2029	365	2,068	0.75	22.74	0	0.00	20.27	0	0.00	7.83	0	0.00	7.83
16	2030	365	1,921	0.70	23.44	0	0.00	20.27	0	0.00	7.83	0	0.00	7.83
17	2031	365	1,784	0.65	24.09	0	0.00	20.27	0	0.00	7.83	0	0.00	7.83
18	2032	366	1,661	0.61	24.70	0	0.00	20.27	0	0.00	7.83	0	0.00	7.83
19	2033	365	1,539	0.56	25.26	0	0.00	20.27	0	0.00	7.83	0	0.00	7.83
20	2034	365	1,429	0.52	25.78	0	0.00	20.27	0	0.00	7.83	0	0.00	7.83
21	2035	365	1,327	0.48	26.26	0	0.00	20.27	0	0.00	7.83	0	0.00	7.83
22	2036	366	0	0.00	26.26	0	0.00	20.27	0	0.00	7.83	0	0.00	7.83
Sub Total				26.26			20.27			7.83			7.83	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				26.26			20.27			7.83			7.83	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Cook
Phase	GAS
Reserves Category	1P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	38.65%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	7,848	2.86	2.86	7,848	2.86	2.86	3,033	1.11	1.11	3,033	1.11	1.11
2	2016	366	6,052	2.21	5.08	6,052	2.21	5.08	2,339	0.86	1.96	2,339	0.86	1.96
3	2017	365	4,550	1.66	6.74	4,550	1.66	6.74	1,759	0.64	2.61	1,759	0.64	2.61
4	2018	365	5,600	2.04	8.78	5,600	2.04	8.78	2,165	0.79	3.40	2,165	0.79	3.40
5	2019	365	5,405	1.97	10.76	5,405	1.97	10.76	2,089	0.76	4.16	2,089	0.76	4.16
6	2020	366	4,625	1.69	12.45	4,625	1.69	12.45	1,788	0.65	4.81	1,788	0.65	4.81
7	2021	365	4,553	1.66	14.11	4,553	1.66	14.11	1,760	0.64	5.45	1,760	0.64	5.45
8	2022	365	3,400	1.24	15.35	3,400	1.24	15.35	1,314	0.48	5.93	1,314	0.48	5.93
9	2023	365	3,854	1.41	16.76	3,854	1.41	16.76	1,490	0.54	6.48	1,490	0.54	6.48
10	2024	366	3,612	1.32	18.08	3,612	1.32	18.08	1,396	0.51	6.99	1,396	0.51	6.99
11	2025	365	3,066	1.12	19.20	3,066	1.12	19.20	1,185	0.43	7.42	1,185	0.43	7.42
12	2026	365	2,918	1.07	20.27	2,918	1.07	20.27	1,128	0.41	7.83	1,128	0.41	7.83
13	2027	365	2,461	0.90	21.16	2,461	0.90	21.16	951	0.35	8.18	951	0.35	8.18
14	2028	366	2,236	0.82	21.98	0	0.00	21.16	0	0.00	8.18	0	0.00	8.18
15	2029	365	2,068	0.75	22.74	0	0.00	21.16	0	0.00	8.18	0	0.00	8.18
16	2030	365	1,921	0.70	23.44	0	0.00	21.16	0	0.00	8.18	0	0.00	8.18
17	2031	365	1,784	0.65	24.09	0	0.00	21.16	0	0.00	8.18	0	0.00	8.18
18	2032	366	1,661	0.61	24.70	0	0.00	21.16	0	0.00	8.18	0	0.00	8.18
19	2033	365	1,539	0.56	25.26	0	0.00	21.16	0	0.00	8.18	0	0.00	8.18
20	2034	365	1,429	0.52	25.78	0	0.00	21.16	0	0.00	8.18	0	0.00	8.18
21	2035	365	1,327	0.48	26.26	0	0.00	21.16	0	0.00	8.18	0	0.00	8.18
22	2036	366	0	0.00	26.26	0	0.00	21.16	0	0.00	8.18	0	0.00	8.18
Sub Total				26.26			21.16			8.18			8.18	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				26.26			21.16			8.18			8.18	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Cook
Phase	GAS
Reserves Category	2P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	38.65%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	8,588	3.13	3.13	8,588	3.13	3.13	3,320	1.21	1.21	3,320	1.21	1.21
2	2016	366	7,453	2 73	5.86	7,453	2.73	5.86	2,881	1.05	2.27	2,881	1.05	2.27
3	2017	365	5,859	2.14	8.00	5,859	2.14	8.00	2,265	0.83	3.09	2,265	0.83	3.09
4	2018	365	7,001	2.56	10.56	7,001	2.56	10.56	2,706	0.99	4.08	2,706	0.99	4.08
5	2019	365	6,819	2.49	13.05	6,819	2.49	13.05	2,636	0.96	5.04	2,636	0.96	5.04
6	2020	366	5,988	2.19	15 24	5,988	2.19	15 24	2,315	0.85	5.89	2,315	0.85	5.89
7	2021	365	5,952	2.17	17.41	5,952	2.17	17.41	2,301	0.84	6.73	2,301	0.84	6.73
8	2022	365	4,656	1.70	19.11	4,656	1.70	19.11	1,800	0.66	7.39	1,800	0.66	7.39
9	2023	365	5,238	1.91	21.02	5,238	1.91	21.02	2,025	0.74	8.13	2,025	0.74	8.13
10	2024	366	5,020	1.84	22.86	5,020	1.84	22.86	1,940	0.71	8.84	1,940	0.71	8.84
11	2025	365	4,412	1.61	24.47	4,412	1.61	24.47	1,705	0.62	9.46	1,705	0.62	9.46
12	2026	365	4,292	1.57	26.04	4,292	1.57	26.04	1,659	0.61	10.06	1,659	0.61	10.06
13	2027	365	3,761	1.37	27.41	3,761	1.37	27.41	1,454	0.53	10.59	1,454	0.53	10.59
14	2028	366	3,519	1.29	28.70	3,519	1.29	28.70	1,360	0.50	11.09	1,360	0.50	11.09
15	2029	365	3,344	1.22	29.92	3,344	1.22	29.92	1,293	0.47	11.56	1,293	0.47	11.56
16	2030	365	3,195	1.17	31.08	3,195	1.17	31.08	1,235	0.45	12.01	1,235	0.45	12.01
17	2031	365	3,056	1.12	32.20	3,056	1.12	32.20	1,181	0.43	12.45	1,181	0.43	12.45
18	2032	366	2,935	1.07	33.27	2,935	1.07	33.27	1,134	0.42	12.86	1,134	0.42	12.86
19	2033	365	2,806	1.02	34.30	2,806	1.02	34.30	1,085	0.40	13.26	1,085	0.40	13.26
20	2034	365	2,694	0.98	35.28	2,694	0.98	35.28	1,041	0.38	13.64	1,041	0.38	13.64
21	2035	365	2,589	0.95	36.22	0	0.00	35.28	0	0.00	13.64	0	0.00	13.64
22	2036	366	0	0.00	36.22	0	0.00	35.28	0	0.00	13.64	0	0.00	13.64
Sub Total				36.22			35.28			13.64			13.64	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				36.22			35.28			13.64			13.64	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Cook
Phase	GAS
Reserves Category	3P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	38.65%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	9,363	3.42	3.42	9,363	3.42	3.42	3,619	1.32	1.32	3,619	1.32	1.32
2	2016	366	9,006	3.30	6.71	9,006	3.30	6.71	3,481	1.27	2.60	3,481	1.27	2.60
3	2017	365	7,354	2.68	9.40	7,354	2.68	9.40	2,842	1.04	3.63	2,842	1.04	3.63
4	2018	365	8,633	3.15	12.55	8,633	3.15	12.55	3,337	1.22	4.85	3,337	1.22	4.85
5	2019	365	8,502	3.10	15.65	8,502	3.10	15.65	3,286	1.20	6.05	3,286	1.20	6.05
6	2020	366	7,645	2.80	18.45	7,645	2.80	18.45	2,955	1.08	7.13	2,955	1.08	7.13
7	2021	365	7,676	2.80	21.25	7,676	2.80	21.25	2,967	1.08	8.21	2,967	1.08	8.21
8	2022	365	6,236	2.28	23.53	6,236	2.28	23.53	2,411	0.88	9.09	2,411	0.88	9.09
9	2023	365	6,987	2.55	26.08	6,987	2.55	26.08	2,701	0.99	10.08	2,701	0.99	10.08
10	2024	366	6,808	2.49	28.57	6,808	2.49	28.57	2,632	0.96	11.04	2,632	0.96	11.04
11	2025	365	6,139	2.24	30.81	6,139	2.24	30.81	2,373	0.87	11.91	2,373	0.87	11.91
12	2026	365	6,058	2.21	33.02	6,058	2.21	33.02	2,342	0.85	12.76	2,342	0.85	12.76
13	2027	365	5,447	1.99	35.01	5,447	1.99	35.01	2,106	0.77	13.53	2,106	0.77	13.53
14	2028	366	5,189	1.90	36.91	5,189	1.90	36.91	2,006	0.73	14.27	2,006	0.73	14.27
15	2029	365	5,007	1.83	38.74	5,007	1.83	38.74	1,936	0.71	14.97	1,936	0.71	14.97
16	2030	365	4,855	1.77	40.51	4,855	1.77	40.51	1,877	0.69	15.66	1,877	0.69	15.66
17	2031	365	4,712	1.72	42.23	4,712	1.72	42.23	1,821	0.66	16.32	1,821	0.66	16.32
18	2032	366	4,589	1.68	43.91	4,589	1.68	43.91	1,774	0.65	16.97	1,774	0.65	16.97
19	2033	365	4,449	1.62	45.53	4,449	1.62	45.53	1,720	0.63	17.60	1,720	0.63	17.60
20	2034	365	4,329	1.58	47.11	4,329	1.58	47.11	1,673	0.61	18.21	1,673	0.61	18.21
21	2035	365	4,215	1.54	48.65	4,215	1.54	48.65	1,629	0.59	18.81	1,629	0.59	18.81
22	2036	366	0	0.00	48.65	0	0.00	48.65	0	0.00	18.81	0	0.00	18.81
Sub Total				48.65			48.65			18.81			18.81	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				48.65			48.65			18.81			18.81	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal
Phase	GAS
Reserves Category	PDP

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	522	0.19	0.19	522	0.19	0.19	522	0.19	0.19	522	0.19	0.19
2	2016	366	423	0.15	0.35	423	0.15	0.35	423	0.15	0.35	423	0.15	0.35
3	2017	365	306	0.11	0.46	306	0.11	0.46	306	0.11	0.46	306	0.11	0.46
4	2018	365	361	0.13	0.59	361	0.13	0.59	361	0.13	0.59	361	0.13	0.59
5	2019	365	332	0.12	0.71	332	0.12	0.71	332	0.12	0.71	332	0.12	0.71
6	2020	366	271	0.10	0.81	271	0.10	0.81	271	0.10	0.81	271	0.10	0.81
7	2021	365	254	0.09	0.90	254	0.09	0.90	254	0.09	0.90	254	0.09	0.90
8	2022	365	181	0.07	0.97	181	0.07	0.97	181	0.07	0.97	181	0.07	0.97
9	2023	365	197	0.07	1.04	197	0.07	1.04	197	0.07	1.04	197	0.07	1.04
10	2024	366	175	0.06	1.10	175	0.06	1.10	175	0.06	1.10	175	0.06	1.10
11	2025	365	142	0.05	1.16	142	0.05	1.16	142	0.05	1.16	142	0.05	1.16
12	2026	365	129	0.05	1.20	129	0.05	1.20	129	0.05	1.20	129	0.05	1.20
13	2027	365	104	0.04	1.24	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
14	2028	366	90	0.03	1.27	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
15	2029	365	80	0.03	1.30	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
16	2030	365	71	0.03	1.33	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
17	2031	365	63	0.02	1.35	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
18	2032	366	57	0.02	1.37	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
19	2033	365	50	0.02	1.39	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
20	2034	365	45	0.02	1.41	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
21	2035	365	40	0.01	1.42	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
22	2036	366	0	0.00	1.42	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
Sub Total				1.42			1.20			1.20			1.20	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.42			1.20			1.20			1.20	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal
Phase	GAS
Reserves Category	1P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	522	0.19	0.19	522	0.19	0.19	522	0.19	0.19	522	0.19	0.19
2	2016	366	423	0.15	0.35	423	0.15	0.35	423	0.15	0.35	423	0.15	0.35
3	2017	365	306	0.11	0.46	306	0.11	0.46	306	0.11	0.46	306	0.11	0.46
4	2018	365	361	0.13	0.59	361	0.13	0.59	361	0.13	0.59	361	0.13	0.59
5	2019	365	332	0.12	0.71	332	0.12	0.71	332	0.12	0.71	332	0.12	0.71
6	2020	366	271	0.10	0.81	271	0.10	0.81	271	0.10	0.81	271	0.10	0.81
7	2021	365	254	0.09	0.90	254	0.09	0.90	254	0.09	0.90	254	0.09	0.90
8	2022	365	181	0.07	0.97	181	0.07	0.97	181	0.07	0.97	181	0.07	0.97
9	2023	365	197	0.07	1.04	197	0.07	1.04	197	0.07	1.04	197	0.07	1.04
10	2024	366	175	0.06	1.10	175	0.06	1.10	175	0.06	1.10	175	0.06	1.10
11	2025	365	142	0.05	1.16	142	0.05	1.16	142	0.05	1.16	142	0.05	1.16
12	2026	365	129	0.05	1.20	129	0.05	1.20	129	0.05	1.20	129	0.05	1.20
13	2027	365	104	0.04	1.24	104	0.04	1.24	104	0.04	1.24	104	0.04	1.24
14	2028	366	90	0.03	1.27	0	0.00	1.24	0	0.00	1.24	0	0.00	1.24
15	2029	365	80	0.03	1.30	0	0.00	1.24	0	0.00	1.24	0	0.00	1.24
16	2030	365	71	0.03	1.33	0	0.00	1.24	0	0.00	1.24	0	0.00	1.24
17	2031	365	63	0.02	1.35	0	0.00	1.24	0	0.00	1.24	0	0.00	1.24
18	2032	366	57	0.02	1.37	0	0.00	1.24	0	0.00	1.24	0	0.00	1.24
19	2033	365	50	0.02	1.39	0	0.00	1.24	0	0.00	1.24	0	0.00	1.24
20	2034	365	45	0.02	1.41	0	0.00	1.24	0	0.00	1.24	0	0.00	1.24
21	2035	365	40	0.01	1.42	0	0.00	1.24	0	0.00	1.24	0	0.00	1.24
22	2036	366	0	0.00	1.42	0	0.00	1.24	0	0.00	1.24	0	0.00	1.24
Sub Total				1.42			1.24			1.24			1.24	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.42			1.24			1.24			1.24	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal
Phase	GAS
Reserves Category	2P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	523	0.19	0.19	523	0.19	0.19	523	0.19	0.19	523	0.19	0.19
2	2016	366	456	0.17	0.36	456	0.17	0.36	456	0.17	0.36	456	0.17	0.36
3	2017	365	333	0.12	0.48	333	0.12	0.48	333	0.12	0.48	333	0.12	0.48
4	2018	365	372	0.14	0.62	372	0.14	0.62	372	0.14	0.62	372	0.14	0.62
5	2019	365	338	0.12	0.74	338	0.12	0.74	338	0.12	0.74	338	0.12	0.74
6	2020	366	278	0.10	0.84	278	0.10	0.84	278	0.10	0.84	278	0.10	0.84
7	2021	365	260	0.09	0.94	260	0.09	0.94	260	0.09	0.94	260	0.09	0.94
8	2022	365	193	0.07	1.01	193	0.07	1.01	193	0.07	1.01	193	0.07	1.01
9	2023	365	206	0.08	1.08	206	0.08	1.08	206	0.08	1.08	206	0.08	1.08
10	2024	366	187	0.07	1.15	187	0.07	1.15	187	0.07	1.15	187	0.07	1.15
11	2025	365	157	0.06	1.21	157	0.06	1.21	157	0.06	1.21	157	0.06	1.21
12	2026	365	146	0.05	1.26	146	0.05	1.26	146	0.05	1.26	146	0.05	1.26
13	2027	365	123	0.04	1.30	123	0.04	1.30	123	0.04	1.30	123	0.04	1.30
14	2028	366	111	0.04	1.34	111	0.04	1.34	111	0.04	1.34	111	0.04	1.34
15	2029	365	102	0.04	1.38	102	0.04	1.38	102	0.04	1.38	102	0.04	1.38
16	2030	365	94	0.03	1.42	94	0.03	1.42	94	0.03	1.42	94	0.03	1.42
17	2031	365	87	0.03	1.45	87	0.03	1.45	87	0.03	1.45	87	0.03	1.45
18	2032	366	81	0.03	1.48	81	0.03	1.48	81	0.03	1.48	81	0.03	1.48
19	2033	365	76	0.03	1.51	76	0.03	1.51	76	0.03	1.51	76	0.03	1.51
20	2034	365	71	0.03	1.53	71	0.03	1.53	71	0.03	1.53	71	0.03	1.53
21	2035	365	67	0.02	1.56	0	0.00	1.53	0	0.00	1.53	0	0.00	1.53
22	2036	366	0	0.00	1.56	0	0.00	1.53	0	0.00	1.53	0	0.00	1.53
Sub Total				1.56			1.53			1.53			1.53	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.56			1.53			1.53			1.53	

RPS Energy

SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal
Phase	GAS
Reserves Category	3P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	524	0.19	0.19	524	0.19	0.19	524	0.19	0.19	524	0.19	0.19
2	2016	366	481	0.18	0.37	481	0.18	0.37	481	0.18	0.37	481	0.18	0.37
3	2017	365	353	0.13	0.50	353	0.13	0.50	353	0.13	0.50	353	0.13	0.50
4	2018	365	379	0.14	0.63	379	0.14	0.63	379	0.14	0.63	379	0.14	0.63
5	2019	365	343	0.13	0.76	343	0.13	0.76	343	0.13	0.76	343	0.13	0.76
6	2020	366	288	0.11	0.86	288	0.11	0.86	288	0.11	0.86	288	0.11	0.86
7	2021	365	273	0.10	0.96	273	0.10	0.96	273	0.10	0.96	273	0.10	0.96
8	2022	365	211	0.08	1.04	211	0.08	1.04	211	0.08	1.04	211	0.08	1.04
9	2023	365	227	0.08	1.12	227	0.08	1.12	227	0.08	1.12	227	0.08	1.12
10	2024	366	212	0.08	1.20	212	0.08	1.20	212	0.08	1.20	212	0.08	1.20
11	2025	365	185	0.07	1.27	185	0.07	1.27	185	0.07	1.27	185	0.07	1.27
12	2026	365	177	0.06	1.33	177	0.06	1.33	177	0.06	1.33	177	0.06	1.33
13	2027	365	155	0.06	1.39	155	0.06	1.39	155	0.06	1.39	155	0.06	1.39
14	2028	366	144	0.05	1.44	144	0.05	1.44	144	0.05	1.44	144	0.05	1.44
15	2029	365	136	0.05	1.49	136	0.05	1.49	136	0.05	1.49	136	0.05	1.49
16	2030	365	130	0.05	1.54	130	0.05	1.54	130	0.05	1.54	130	0.05	1.54
17	2031	365	123	0.05	1.59	123	0.05	1.59	123	0.05	1.59	123	0.05	1.59
18	2032	366	118	0.04	1.63	118	0.04	1.63	118	0.04	1.63	118	0.04	1.63
19	2033	365	113	0.04	1.67	113	0.04	1.67	113	0.04	1.67	113	0.04	1.67
20	2034	365	108	0.04	1.71	108	0.04	1.71	108	0.04	1.71	108	0.04	1.71
21	2035	365	104	0.04	1.75	104	0.04	1.75	104	0.04	1.75	104	0.04	1.75
22	2036	366	0	0.00	1.75	0	0.00	1.75	0	0.00	1.75	0	0.00	1.75
Sub Total				1.75			1.75			1.75			1.75	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.75			1.75			1.75			1.75	

RPS Energy SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal South
Phase	GAS
Reserves Category	PDP

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's Wi share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	108	0.04	0.04	108	0.04	0.04	108	0.04	0.04	108	0.04	0.04
3	2017	365	203	0.07	0.11	203	0.07	0.11	203	0.07	0.11	203	0.07	0.11
4	2018	365	231	0.08	0.20	231	0.08	0 20	231	0.08	0.20	231	0.08	0.20
5	2019	365	203	0.07	0.27	203	0.07	0.27	203	0.07	0.27	203	0.07	0.27
6	2020	366	158	0.06	0.33	158	0.06	0.33	158	0.06	0.33	158	0.06	0.33
7	2021	365	142	0.05	0.38	142	0.05	0.38	142	0.05	0.38	142	0.05	0.38
8	2022	365	97	0.04	0.42	97	0.04	0.42	97	0.04	0.42	97	0.04	0.42
9	2023	365	101	0.04	0.45	101	0.04	0.45	101	0.04	0.45	101	0.04	0.45
10	2024	366	86	0.03	0.49	86	0.03	0.49	86	0.03	0.49	86	0.03	0.49
11	2025	365	67	0.02	0.51	67	0.02	0.51	67	0.02	0.51	67	0.02	0.51
12	2026	365	58	0.02	0.53	58	0.02	0.53	58	0.02	0.53	58	0.02	0.53
13	2027	365	45	0.02	0.55	0	0.00	0.53	0	0.00	0.53	0	0.00	0.53
14	2028	366	37	0.01	0.56	0	0.00	0.53	0	0.00	0.53	0	0.00	0.53
15	2029	365	32	0.01	0.57	0	0.00	0.53	0	0.00	0.53	0	0.00	0.53
16	2030	365	27	0.01	0.58	0	0.00	0.53	0	0.00	0.53	0	0.00	0.53
17	2031	365	23	0.01	0.59	0	0.00	0.53	0	0.00	0.53	0	0.00	0.53
18	2032	366	20	0.01	0.60	0	0.00	0.53	0	0.00	0.53	0	0.00	0.53
19	2033	365	17	0.01	0.61	0	0.00	0.53	0	0.00	0.53	0	0.00	0.53
20	2034	365	15	0.01	0.61	0	0.00	0.53	0	0.00	0.53	0	0.00	0.53
21	2035	365	13	0.00	0.62	0	0.00	0.53	0	0.00	0.53	0	0.00	0.53
22	2036	366	0	0.00	0.62	0	0.00	0.53	0	0.00	0.53	0	0.00	0.53
Sub Total				0.62			0.53			0.53			0.53	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.62			0.53			0.53			0.53	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal South
Phase	GAS
Reserves Category	1P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	108	0.04	0.04	108	0.04	0.04	108	0.04	0.04	108	0.04	0.04
3	2017	365	238	0.09	0.13	238	0.09	0.13	238	0.09	0.13	238	0.09	0.13
4	2018	365	573	0.21	0.34	573	0.21	0.34	573	0.21	0.34	573	0.21	0.34
5	2019	365	544	0.20	0.53	544	0.20	0.53	544	0.20	0.53	544	0.20	0.53
6	2020	366	449	0.16	0.70	449	0.16	0.70	449	0.16	0.70	449	0.16	0.70
7	2021	365	429	0.16	0.86	429	0.16	0.86	429	0.16	0.86	429	0.16	0.86
8	2022	365	311	0.11	0.97	311	0.11	0.97	311	0.11	0.97	311	0.11	0.97
9	2023	365	344	0.13	1.09	344	0.13	1.09	344	0.13	1.09	344	0.13	1.09
10	2024	366	313	0.11	1.21	313	0.11	1.21	313	0.11	1.21	313	0.11	1.21
11	2025	365	259	0.09	1.30	259	0.09	1.30	259	0.09	1.30	259	0.09	1.30
12	2026	365	241	0.09	1.39	241	0.09	1.39	241	0.09	1.39	241	0.09	1.39
13	2027	365	199	0.07	1.46	199	0.07	1.46	199	0.07	1.46	199	0.07	1.46
14	2028	366	177	0.06	1.53	0	0.00	1.46	0	0.00	1.46	0	0.00	1.46
15	2029	365	161	0.06	1.59	0	0.00	1.46	0	0.00	1.46	0	0.00	1.46
16	2030	365	148	0.05	1.64	0	0.00	1.46	0	0.00	1.46	0	0.00	1.46
17	2031	365	135	0.05	1.69	0	0.00	1.46	0	0.00	1.46	0	0.00	1.46
18	2032	366	124	0.05	1.74	0	0.00	1.46	0	0.00	1.46	0	0.00	1.46
19	2033	365	113	0.04	1.78	0	0.00	1.46	0	0.00	1.46	0	0.00	1.46
20	2034	365	104	0.04	1.82	0	0.00	1.46	0	0.00	1.46	0	0.00	1.46
21	2035	365	95	0.03	1.85	0	0.00	1.46	0	0.00	1.46	0	0.00	1.46
22	2036	366	0	0.00	1.85	0	0.00	1.46	0	0.00	1.46	0	0.00	1.46
Sub Total				1.85			1.46			1.46			1.46	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.85			1.46			1.46			1.46	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal South
Phase	GAS
Reserves Category	2P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	131	0.05	0.05	131	0.05	0.05	131	0.05	0.05	131	0.05	0.05
3	2017	365	330	0.12	0.17	330	0.12	0.17	330	0.12	0.17	330	0.12	0.17
4	2018	365	933	0.34	0.51	933	0.34	0.51	933	0.34	0.51	933	0.34	0.51
5	2019	365	887	0.32	0.83	887	0.32	0.83	887	0.32	0.83	887	0.32	0.83
6	2020	366	752	0.28	1.11	752	0.28	1.11	752	0.28	1.11	752	0.28	1.11
7	2021	365	722	0.26	1.37	722	0.26	1.37	722	0.26	1.37	722	0.26	1.37
8	2022	365	547	0.20	1.57	547	0.20	1.57	547	0.20	1.57	547	0.20	1.57
9	2023	365	596	0.22	1.79	596	0.22	1.79	596	0.22	1.79	596	0.22	1.79
10	2024	366	552	0.20	1.99	552	0.20	1.99	552	0.20	1.99	552	0.20	1.99
11	2025	365	469	0.17	2.16	469	0.17	2.16	469	0.17	2.16	469	0.17	2.16
12	2026	365	441	0.16	2.32	441	0.16	2.32	441	0.16	2.32	441	0.16	2.32
13	2027	365	374	0.14	2.46	374	0.14	2.46	374	0.14	2.46	374	0.14	2.46
14	2028	366	340	0.12	2.58	340	0.12	2.58	340	0.12	2.58	340	0.12	2.58
15	2029	365	313	0.11	2.70	313	0.11	2.70	313	0.11	2.70	313	0.11	2.70
16	2030	365	291	0.11	2.80	291	0.11	2.80	291	0.11	2.80	291	0.11	2.80
17	2031	365	270	0.10	2.90	270	0.10	2.90	270	0.10	2.90	270	0.10	2.90
18	2032	366	251	0.09	3.00	251	0.09	3.00	251	0.09	3.00	251	0.09	3.00
19	2033	365	233	0.09	3.08	233	0.09	3.08	233	0.09	3.08	233	0.09	3.08
20	2034	365	218	0.08	3.16	218	0.08	3.16	218	0.08	3.16	218	0.08	3.16
21	2035	365	159	0.06	3.22	0	0.00	3.16	0	0.00	3.16	0	0.00	3.16
22	2036	366	0	0.00	3.22	0	0.00	3.16	0	0.00	3.16	0	0.00	3.16
Sub Total				3.22			3.16			3.16			3.16	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				3.22			3.16			3.16			3.16	

RPS Energy — SUMMARY OF RESERVES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal South
Phase	GAS
Reserves Category	3P

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESERVES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Reserves (100% Basis)			Gross Field Reserves (100% Basis)			Hibiscus/Ping's WI share of Gross Field Reserves			Hibiscus/Ping's Net Entitlement Reserves		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	157	0.06	0.06	157	0.06	0.06	157	0.06	0.06	157	0.06	0.06
3	2017	365	454	0.17	0.22	454	0.17	0.22	454	0.17	0.22	454	0.17	0.22
4	2018	365	1,440	0.53	0.75	1,440	0.53	0.75	1,440	0.53	0.75	1,440	0.53	0.75
5	2019	365	1,363	0.50	1.25	1,363	0.50	1.25	1,363	0.50	1.25	1,363	0.50	1.25
6	2020	366	1,169	0.43	1.67	1,169	0.43	1.67	1,169	0.43	1.67	1,169	0.43	1.67
7	2021	365	1,119	0.41	2.08	1,119	0.41	2.08	1,119	0.41	2.08	1,119	0.41	2.08
8	2022	365	868	0.32	2.40	868	0.32	2.40	868	0.32	2.40	868	0.32	2.40
9	2023	365	929	0.34	2.74	929	0.34	2.74	929	0.34	2.74	929	0.34	2.74
10	2024	366	861	0.32	3.05	861	0.32	3.05	861	0.32	3.05	861	0.32	3.05
11	2025	365	738	0.27	3.32	738	0.27	3.32	738	0.27	3.32	738	0.27	3.32
12	2026	365	694	0.25	3.58	694	0.25	3.58	694	0.25	3.58	694	0.25	3.58
13	2027	365	595	0.22	3.79	595	0.22	3.79	595	0.22	3.79	595	0.22	3.79
14	2028	366	541	0.20	3.99	541	0.20	3.99	541	0.20	3.99	541	0.20	3.99
15	2029	365	500	0.18	4.17	500	0.18	4.17	500	0.18	4.17	500	0.18	4.17
16	2030	365	464	0.17	4.34	464	0.17	4.34	464	0.17	4.34	464	0.17	4.34
17	2031	365	431	0.16	4.50	431	0.16	4.50	431	0.16	4.50	431	0.16	4.50
18	2032	366	402	0.15	4.65	402	0.15	4.65	402	0.15	4.65	402	0.15	4.65
19	2033	365	373	0.14	4.78	373	0.14	4.78	373	0.14	4.78	373	0.14	4.78
20	2034	365	348	0.13	4.91	348	0.13	4.91	348	0.13	4.91	348	0.13	4.91
21	2035	365	234	0.09	5.00	234	0.09	5.00	234	0.09	5.00	234	0.09	5.00
22	2036	366	0	0.00	5.00	0	0.00	5.00	0	0.00	5.00	0	0.00	5.00
Sub Total				5.00			5.00			5.00			5.00	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				5.00			5.00			5.00			5.00	

APPENDIX 6: OIL CONTINGENT RESOURCES: TABLES OF PRODUCTION PROFILES BY FIELD

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Kite
Phase	OIL
Reserves Category	1C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	626	0.23	0.23	626	0.23	0.23	626	0.23	0.23	626	0.23	0.23
7	2021	365	268	0.10	0.33	268	0.10	0.33	268	0.10	0.33	268	0.10	0.33
8	2022	365	115	0.04	0.37	115	0.04	0.37	115	0.04	0.37	115	0.04	0.37
9	2023	365	49	0.02	0.39	49	0.02	0.39	49	0.02	0.39	49	0.02	0.39
10	2024	366	21	0.01	0.39	21	0.01	0.39	21	0.01	0.39	21	0.01	0.39
11	2025	365	9	0.00	0.40	9	0.00	0.40	9	0.00	0.40	9	0.00	0.40
12	2026	365	4	0.00	0.40	4	0.00	0.40	4	0.00	0.40	4	0.00	0.40
13	2027	365	2	0.00	0.40	2	0.00	0.40	2	0.00	0.40	2	0.00	0.40
14	2028	366	1	0.00	0.40	1	0.00	0.40	1	0.00	0.40	1	0.00	0.40
15	2029	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
16	2030	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
17	2031	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
18	2032	366	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
19	2033	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
20	2034	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
21	2035	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
22	2036	366	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
Sub Total				0.40			0.40			0.40			0.40	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.40			0.40			0.40			0.40	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Kite
Phase	OIL
Reserves Category	2C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	2,190	0.80	0.80	2,190	0.80	0.80	2,190	0.80	0.80	2,190	0.80	0.80
7	2021	365	939	0.34	1.14	939	0.34	1.14	939	0.34	1.14	939	0.34	1.14
8	2022	365	403	0.15	1.29	403	0.15	1.29	403	0.15	1.29	403	0.15	1.29
9	2023	365	173	0.06	1.35	173	0.06	1.35	173	0.06	1.35	173	0.06	1.35
10	2024	366	74	0.03	1.38	74	0.03	1.38	74	0.03	1.38	74	0.03	1.38
11	2025	365	32	0.01	1.39	32	0.01	1.39	32	0.01	1.39	32	0.01	1.39
12	2026	365	14	0.00	1.40	14	0.00	1.40	14	0.00	1.40	14	0.00	1.40
13	2027	365	6	0.00	1.40	6	0.00	1.40	6	0.00	1.40	6	0.00	1.40
14	2028	366	3	0.00	1.40	3	0.00	1.40	3	0.00	1.40	3	0.00	1.40
15	2029	365	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40
16	2030	365	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40
17	2031	365	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40
18	2032	366	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40
19	2033	365	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40
20	2034	365	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40
21	2035	365	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40
22	2036	366	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40	0	0.00	1.40
Sub Total				1.40			1.40			1.40			1.40	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.40			1.40			1.40			1.40	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Kite
Phase	OIL
Reserves Category	3C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	4,693	1.72	1.72	4,693	1.72	1.72	4,693	1.72	1.72	4,693	1.72	1.72
7	2021	365	2,013	0.73	2.45	2,013	0.73	2.45	2,013	0.73	2.45	2,013	0.73	2.45
8	2022	365	863	0.32	2.77	863	0.32	2.77	863	0.32	2.77	863	0.32	2.77
9	2023	365	370	0.14	2.90	370	0.14	2.90	370	0.14	2.90	370	0.14	2.90
10	2024	366	159	0.06	2.96	159	0.06	2.96	159	0.06	2.96	159	0.06	2.96
11	2025	365	68	0.02	2.99	68	0.02	2.99	68	0.02	2.99	68	0.02	2.99
12	2026	365	29	0.01	3.00	29	0.01	3.00	29	0.01	3.00	29	0.01	3.00
13	2027	365	13	0.00	3.00	13	0.00	3.00	13	0.00	3.00	13	0.00	3.00
14	2028	366	5	0.00	3.00	5	0.00	3.00	5	0.00	3.00	5	0.00	3.00
15	2029	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
16	2030	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
17	2031	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
18	2032	366	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
19	2033	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
20	2034	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
21	2035	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
22	2036	366	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
Sub Total				3.00			3.00			3.00			3.00	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				3.00			3.00			3.00			3.00	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Cook SE Infill
Phase	OIL
Reserves Category	1C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	38.65%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	275	0.10	0.10	275	0.10	0.10	106	0.04	0.04	106	0.04	0.04
5	2019	365	172	0.06	0.16	172	0.06	0.16	67	0.02	0.06	67	0.02	0.06
6	2020	366	108	0.04	0.20	108	0.04	0.20	42	0.02	0.08	42	0.02	0.08
7	2021	365	67	0.02	0.23	67	0.02	0.23	26	0.01	0.09	26	0.01	0.09
8	2022	365	42	0.02	0.24	42	0.02	0.24	16	0.01	0.09	16	0.01	0.09
9	2023	365	27	0.01	0.25	27	0.01	0.25	10	0.00	0.10	10	0.00	0.10
10	2024	366	17	0.01	0.26	17	0.01	0.26	6	0.00	0.10	6	0.00	0.10
11	2025	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
12	2026	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
13	2027	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
14	2028	366	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
15	2029	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
16	2030	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
17	2031	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
18	2032	366	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
19	2033	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
20	2034	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
21	2035	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
22	2036	366	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
Sub Total				0.26			0.26			0.10			0.10	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.26			0.26			0.10			0.10	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Cook SE Infill
Phase	OIL
Reserves Category	2C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	38.65%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	1,374	0.50	0.50	1,374	0.50	0.50	531	0.19	0.19	531	0.19	0.19
5	2019	365	861	0.31	0.82	861	0.31	0.82	333	0.12	0.32	333	0.12	0.32
6	2020	366	540	0.20	1.01	540	0.20	1.01	209	0.08	0.39	209	0.08	0.39
7	2021	365	337	0.12	1.14	337	0.12	1.14	130	0.05	0.44	130	0.05	0.44
8	2022	365	212	0.08	1.21	212	0.08	1.21	82	0.03	0.47	82	0.03	0.47
9	2023	365	133	0.05	1.26	133	0.05	1.26	51	0.02	0.49	51	0.02	0.49
10	2024	366	83	0.03	1.29	83	0.03	1.29	32	0.01	0.50	32	0.01	0.50
11	2025	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
12	2026	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
13	2027	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
14	2028	366	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
15	2029	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
16	2030	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
17	2031	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
18	2032	366	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
19	2033	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
20	2034	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
21	2035	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
22	2036	366	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
Sub Total				1.29			1.29			0.50			0.50	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.29			1.29			0.50			0.50	

RPS Energy

SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Cook SE Infill
Phase	OIL
Reserves Category	3C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	38.65%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	7,970	2.91	2.91	7,970	2.91	2.91	3,081	1.12	1.12	3,081	1.12	1.12
5	2019	365	4,997	1.82	4.73	4,997	1.82	4.73	1,931	0.70	1.83	1,931	0.70	1.83
6	2020	366	3,133	1.15	5.88	3,133	1.15	5.88	1,211	0.44	2.27	1,211	0.44	2.27
7	2021	365	1,957	0.71	6.59	1,957	0.71	6.59	756	0.28	2.55	756	0.28	2.55
8	2022	365	1,231	0.45	7.04	1,231	0.45	7.04	476	0.17	2.72	476	0.17	2.72
9	2023	365	772	0.28	7.32	772	0.28	7.32	298	0.11	2.83	298	0.11	2.83
10	2024	366	484	0.18	7.50	484	0.18	7.50	187	0.07	2.90	187	0.07	2.90
11	2025	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
12	2026	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
13	2027	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
14	2028	366	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
15	2029	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
16	2030	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
17	2031	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
18	2032	366	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
19	2033	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
20	2034	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
21	2035	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
22	2036	366	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
Sub Total				7.50			7.50			2.90			2.90	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				7.50			7.50			2.90			2.90	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal South Infill
Phase	OIL
Reserves Category	1C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	1,369	0.50	0.50	1,369	0.50	0.50	1,369	0.50	0.50	1,369	0.50	0.50
7	2021	365	456	0.17	0.67	456	0.17	0.67	456	0.17	0.67	456	0.17	0.67
8	2022	365	152	0.06	0.72	152	0.06	0.72	152	0.06	0.72	152	0.06	0.72
9	2023	365	51	0.02	0.74	51	0.02	0.74	51	0.02	0.74	51	0.02	0.74
10	2024	366	17	0.01	0.75	17	0.01	0.75	17	0.01	0.75	17	0.01	0.75
11	2025	365	6	0.00	0.75	6	0.00	0.75	6	0.00	0.75	6	0.00	0.75
12	2026	365	2	0.00	0.75	2	0.00	0.75	2	0.00	0.75	2	0.00	0.75
13	2027	365	1	0.00	0.75	1	0.00	0.75	1	0.00	0.75	1	0.00	0.75
14	2028	366	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
15	2029	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
16	2030	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
17	2031	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
18	2032	366	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
19	2033	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
20	2034	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
21	2035	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
22	2036	366	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
Sub Total				0.75			0.75			0.75			0.75	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.75			0.75			0.75			0.75	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal South Infill
Phase	OIL
Reserves Category	2C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	2,738	1.00	1.00	2,738	1.00	1.00	2,738	1.00	1.00	2,738	1.00	1.00
7	2021	365	913	0.33	1.34	913	0.33	1.34	913	0.33	1.34	913	0.33	1.34
8	2022	365	304	0.11	1.45	304	0.11	1.45	304	0.11	1.45	304	0.11	1.45
9	2023	365	101	0.04	1.48	101	0.04	1.48	101	0.04	1.48	101	0.04	1.48
10	2024	366	34	0.01	1.50	34	0.01	1.50	34	0.01	1.50	34	0.01	1.50
11	2025	365	11	0.00	1.50	11	0.00	1.50	11	0.00	1.50	11	0.00	1.50
12	2026	365	4	0.00	1.50	4	0.00	1.50	4	0.00	1.50	4	0.00	1.50
13	2027	365	1	0.00	1.50	1	0.00	1.50	1	0.00	1.50	1	0.00	1.50
14	2028	366	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
15	2029	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
16	2030	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
17	2031	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
18	2032	366	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
19	2033	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
20	2034	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
21	2035	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
22	2036	366	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
Sub Total				1.50			1.50			1.50			1.50	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.50			1.50			1.50			1.50	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal South Infill
Phase	OIL
Reserves Category	3C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	5,476	2.00	2.00	5,476	2.00	2.00	5,476	2.00	2.00	5,476	2.00	2.00
7	2021	365	1,825	0.67	2.67	1,825	0.67	2.67	1,825	0.67	2.67	1,825	0.67	2.67
8	2022	365	609	0.22	2.89	609	0.22	2.89	609	0.22	2.89	609	0.22	2.89
9	2023	365	203	0.07	2.97	203	0.07	2.97	203	0.07	2.97	203	0.07	2.97
10	2024	366	68	0.02	2.99	68	0.02	2.99	68	0.02	2.99	68	0.02	2.99
11	2025	365	23	0.01	3.00	23	0.01	3.00	23	0.01	3.00	23	0.01	3.00
12	2026	365	8	0.00	3.00	8	0.00	3.00	8	0.00	3.00	8	0.00	3.00
13	2027	365	3	0.00	3.00	3	0.00	3.00	3	0.00	3.00	3	0.00	3.00
14	2028	366	1	0.00	3.00	1	0.00	3.00	1	0.00	3.00	1	0.00	3.00
15	2029	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
16	2030	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
17	2031	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
18	2032	366	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
19	2033	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
20	2034	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
21	2035	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
22	2036	366	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
Sub Total				3.00			3.00			3.00			3.00	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				3.00			3.00			3.00			3.00	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Guillemot A South Infill
Phase	OIL
Reserves Category	1C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	1,369	0.50	0.50	1,369	0.50	0.50	1,369	0.50	0.50	1,369	0.50	0.50
7	2021	365	1,061	0.39	0.89	1,061	0.39	0.89	1,061	0.39	0.89	1,061	0.39	0.89
8	2022	365	823	0.30	1.19	823	0.30	1.19	823	0.30	1.19	823	0.30	1.19
9	2023	365	638	0.23	1.42	638	0.23	1.42	638	0.23	1.42	638	0.23	1.42
10	2024	366	495	0.18	1.60	495	0.18	1.60	495	0.18	1.60	495	0.18	1.60
11	2025	365	384	0.14	1.74	384	0.14	1.74	384	0.14	1.74	384	0.14	1.74
12	2026	365	297	0.11	1.85	297	0.11	1.85	297	0.11	1.85	297	0.11	1.85
13	2027	365	231	0.08	1.94	231	0.08	1.94	231	0.08	1.94	231	0.08	1.94
14	2028	366	179	0.07	2.00	179	0.07	2.00	179	0.07	2.00	179	0.07	2.00
15	2029	365	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00
16	2030	365	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00
17	2031	365	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00
18	2032	366	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00
19	2033	365	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00
20	2034	365	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00
21	2035	365	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00
22	2036	366	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00	0	0.00	2.00
Sub Total				2.00			2.00			2.00			2.00	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				2.00			2.00			2.00			2.00	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Guillemot A South Infill
Phase	Oil
Reserves Category	2C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	2,738	1.00	1.00	2,738	1.00	1.00	2,738	1.00	1.00	2,738	1.00	1.00
7	2021	365	2,123	0.77	1.78	2,123	0.77	1.78	2,123	0.77	1.78	2,123	0.77	1.78
8	2022	365	1,646	0.60	2.38	1,646	0.60	2.38	1,646	0.60	2.38	1,646	0.60	2.38
9	2023	365	1,276	0.47	2.84	1,276	0.47	2.84	1,276	0.47	2.84	1,276	0.47	2.84
10	2024	366	989	0.36	3.21	989	0.36	3.21	989	0.36	3.21	989	0.36	3.21
11	2025	365	767	0.28	3.49	767	0.28	3.49	767	0.28	3.49	767	0.28	3.49
12	2026	365	595	0.22	3.70	595	0.22	3.70	595	0.22	3.70	595	0.22	3.70
13	2027	365	461	0.17	3.87	461	0.17	3.87	461	0.17	3.87	461	0.17	3.87
14	2028	366	358	0.13	4.00	358	0.13	4.00	358	0.13	4.00	358	0.13	4.00
15	2029	365	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00
16	2030	365	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00
17	2031	365	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00
18	2032	366	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00
19	2033	365	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00
20	2034	365	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00
21	2035	365	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00
22	2036	366	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00	0	0.00	4.00
Sub Total				4.00			4.00			4.00			4.00	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				4.00			4.00			4.00			4.00	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Guillemot A South Infill
Phase	OIL
Reserves Category	3C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100 00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0 00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0 00
6	2020	366	4,107	1.50	1.50	4,107	1.50	1.50	4,107	1.50	1.50	4,107	1.50	1.50
7	2021	365	3,184	1.16	2.67	3,184	1.16	2.67	3,184	1.16	2.67	3,184	1.16	2.67
8	2022	365	2,469	0.90	3.57	2,469	0.90	3.57	2,469	0.90	3.57	2,469	0.90	3.57
9	2023	365	1,914	0.70	4.27	1,914	0.70	4.27	1,914	0.70	4.27	1,914	0.70	4.27
10	2024	366	1,484	0.54	4.81	1,484	0.54	4.81	1,484	0.54	4.81	1,484	0.54	4.81
11	2025	365	1,151	0.42	5.23	1,151	0.42	5.23	1,151	0.42	5.23	1,151	0.42	5.23
12	2026	365	892	0.33	5.55	892	0.33	5.55	892	0.33	5.55	892	0.33	5.55
13	2027	365	692	0.25	5.81	692	0.25	5.81	692	0.25	5.81	692	0.25	5.81
14	2028	366	536	0.20	6.00	536	0.20	6.00	536	0.20	6.00	536	0.20	6.00
15	2029	365	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00
16	2030	365	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00
17	2031	365	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00
18	2032	366	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00
19	2033	365	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00
20	2034	365	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00
21	2035	365	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00
22	2036	366	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00	0	0.00	6.00
Sub Total				6.00			6.00			6.00			6.00	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				6.00			6.00			6.00			6.00	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	GUA North (Sk) Infill
Phase	OIL
Reserves Category	1C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's Wi share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	1,369	0.50	0.50	1,369	0.50	0.50	1,369	0.50	0.50	1,369	0.50	0.50
7	2021	365	456	0.17	0.67	456	0.17	0.67	456	0.17	0.67	456	0.17	0.67
8	2022	365	152	0.06	0.72	152	0.06	0.72	152	0.06	0.72	152	0.06	0.72
9	2023	365	51	0.02	0.74	51	0.02	0.74	51	0.02	0.74	51	0.02	0.74
10	2024	366	17	0.01	0.75	17	0.01	0.75	17	0.01	0.75	17	0.01	0.75
11	2025	365	6	0.00	0.75	6	0.00	0.75	6	0.00	0.75	6	0.00	0.75
12	2026	365	2	0.00	0.75	2	0.00	0.75	2	0.00	0.75	2	0.00	0.75
13	2027	365	1	0.00	0.75	1	0.00	0.75	1	0.00	0.75	1	0.00	0.75
14	2028	366	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
15	2029	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
16	2030	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
17	2031	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
18	2032	366	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
19	2033	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
20	2034	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
21	2035	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
22	2036	366	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
Sub Total				0.75			0.75			0.75			0.75	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.75			0.75			0.75			0.75	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	GUA North (Sk) Infill
Phase	OIL
Reserves Category	2C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	2,738	1.00	1.00	2,738	1.00	1.00	2,738	1.00	1.00	2,738	1.00	1.00
7	2021	365	913	0.33	1.34	913	0.33	1.34	913	0.33	1.34	913	0.33	1.34
8	2022	365	304	0.11	1.45	304	0.11	1.45	304	0.11	1.45	304	0.11	1.45
9	2023	365	101	0.04	1.48	101	0.04	1.48	101	0.04	1.48	101	0.04	1.48
10	2024	366	34	0.01	1.50	34	0.01	1.50	34	0.01	1.50	34	0.01	1.50
11	2025	365	11	0.00	1.50	11	0.00	1.50	11	0.00	1.50	11	0.00	1.50
12	2026	365	4	0.00	1.50	4	0.00	1.50	4	0.00	1.50	4	0.00	1.50
13	2027	365	1	0.00	1.50	1	0.00	1.50	1	0.00	1.50	1	0.00	1.50
14	2028	366	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
15	2029	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
16	2030	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
17	2031	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
18	2032	366	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
19	2033	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
20	2034	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
21	2035	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
22	2036	366	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
Sub Total				1.50			1.50			1.50			1.50	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.50			1.50			1.50			1.50	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	GUA North (Sk) Infill
Phase	OIL
Reserves Category	3C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum MM bbl	bbl/d	MM bbl	Cum MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	5,476	2.00	2.00	5,476	2.00	2.00	5,476	2.00	2.00	5,476	2.00	2.00
7	2021	365	1,825	0.67	2.67	1,825	0.67	2.67	1,825	0.67	2.67	1,825	0.67	2.67
8	2022	365	608	0.22	2.89	608	0.22	2.89	608	0.22	2.89	608	0.22	2.89
9	2023	365	203	0.07	2.97	203	0.07	2.97	203	0.07	2.97	203	0.07	2.97
10	2024	366	68	0.02	2.99	68	0.02	2.99	68	0.02	2.99	68	0.02	2.99
11	2025	365	23	0.01	3.00	23	0.01	3.00	23	0.01	3.00	23	0.01	3.00
12	2026	365	8	0.00	3.00	8	0.00	3.00	8	0.00	3.00	8	0.00	3.00
13	2027	365	3	0.00	3.00	3	0.00	3.00	3	0.00	3.00	3	0.00	3.00
14	2028	366	1	0.00	3.00	1	0.00	3.00	1	0.00	3.00	1	0.00	3.00
15	2029	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
16	2030	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
17	2031	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
18	2032	366	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
19	2033	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
20	2034	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
21	2035	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
22	2036	366	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
Sub Total				3.00			3.00			3.00			3.00	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				3.00			3.00			3.00			3.00	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	GUA Central (Sk) Infill
Phase	OIL
Reserves Category	1C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	1,369	0.50	0.50	1,369	0.50	0.50	1,369	0.50	0.50	1,369	0.50	0.50
7	2021	365	456	0.17	0.67	456	0.17	0.67	456	0.17	0.67	456	0.17	0.67
8	2022	365	152	0.06	0.72	152	0.06	0.72	152	0.06	0.72	152	0.06	0.72
9	2023	365	51	0.02	0.74	51	0.02	0.74	51	0.02	0.74	51	0.02	0.74
10	2024	366	17	0.01	0.75	17	0.01	0.75	17	0.01	0.75	17	0.01	0.75
11	2025	365	6	0.00	0.75	6	0.00	0.75	6	0.00	0.75	6	0.00	0.75
12	2026	365	2	0.00	0.75	2	0.00	0.75	2	0.00	0.75	2	0.00	0.75
13	2027	365	1	0.00	0.75	1	0.00	0.75	1	0.00	0.75	1	0.00	0.75
14	2028	366	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
15	2029	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
16	2030	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
17	2031	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
18	2032	366	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
19	2033	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
20	2034	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
21	2035	365	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
22	2036	366	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75	0	0.00	0.75
Sub Total				0.75			0.75			0.75			0.75	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.75			0.75			0.75			0.75	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	GUA Central (Sk) Infill
Phase	OIL
Reserves Category	2C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	2,738	1.00	1.00	2,738	1.00	1.00	2,738	1.00	1.00	2,738	1.00	1.00
7	2021	365	913	0.33	1.34	913	0.33	1.34	913	0.33	1.34	913	0.33	1.34
8	2022	365	304	0.11	1.45	304	0.11	1.45	304	0.11	1.45	304	0.11	1.45
9	2023	365	101	0.04	1.48	101	0.04	1.48	101	0.04	1.48	101	0.04	1.48
10	2024	366	34	0.01	1.50	34	0.01	1.50	34	0.01	1.50	34	0.01	1.50
11	2025	365	11	0.00	1.50	11	0.00	1.50	11	0.00	1.50	11	0.00	1.50
12	2026	365	4	0.00	1.50	4	0.00	1.50	4	0.00	1.50	4	0.00	1.50
13	2027	365	1	0.00	1.50	1	0.00	1.50	1	0.00	1.50	1	0.00	1.50
14	2028	366	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
15	2029	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
16	2030	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
17	2031	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
18	2032	366	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
19	2033	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
20	2034	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
21	2035	365	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
22	2036	366	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50	0	0.00	1.50
Sub Total				1.50			1.50			1.50			1.50	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.50			1.50			1.50			1.50	

RPS Energy

SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	GUA Central (Sk) Infill
Phase	OIL
Reserves Category	3C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl	bbl/d	MM bbl	Cum. MM bbl
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	5,476	2.00	2.00	5,476	2.00	2.00	5,476	2.00	2.00	5,476	2.00	2.00
7	2021	365	1,825	0.67	2.67	1,825	0.67	2.67	1,825	0.67	2.67	1,825	0.67	2.67
8	2022	365	608	0.22	2.89	608	0.22	2.89	608	0.22	2.89	608	0.22	2.89
9	2023	365	203	0.07	2.97	203	0.07	2.97	203	0.07	2.97	203	0.07	2.97
10	2024	366	68	0.02	2.99	68	0.02	2.99	68	0.02	2.99	68	0.02	2.99
11	2025	365	23	0.01	3.00	23	0.01	3.00	23	0.01	3.00	23	0.01	3.00
12	2026	365	8	0.00	3.00	8	0.00	3.00	8	0.00	3.00	8	0.00	3.00
13	2027	365	3	0.00	3.00	3	0.00	3.00	3	0.00	3.00	3	0.00	3.00
14	2028	366	1	0.00	3.00	1	0.00	3.00	1	0.00	3.00	1	0.00	3.00
15	2029	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
16	2030	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
17	2031	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
18	2032	366	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
19	2033	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
20	2034	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
21	2035	365	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
22	2036	366	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00	0	0.00	3.00
Sub Total				3.00			3.00			3.00			3.00	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				3.00			3.00			3.00			3.00	

APPENDIX 7: GAS CONTINGENT RESOURCES: TABLES OF PRODUCTION PROFILES BY FIELD

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Kite
Phase	GAS
Reserves Category	1C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	517	0.19	0.19	517	0.19	0.19	517	0.19	0.19	517	0.19	0.19
7	2021	365	222	0.08	0.27	222	0.08	0.27	222	0.08	0.27	222	0.08	0.27
8	2022	365	95	0.03	0.31	95	0.03	0.31	95	0.03	0.31	95	0.03	0.31
9	2023	365	41	0.01	0.32	41	0.01	0.32	41	0.01	0.32	41	0.01	0.32
10	2024	366	18	0.01	0.33	18	0.01	0.33	18	0.01	0.33	18	0.01	0.33
11	2025	365	8	0.00	0.33	8	0.00	0.33	8	0.00	0.33	8	0.00	0.33
12	2026	365	3	0.00	0.33	3	0.00	0.33	3	0.00	0.33	3	0.00	0.33
13	2027	365	1	0.00	0.33	1	0.00	0.33	1	0.00	0.33	1	0.00	0.33
14	2028	366	1	0.00	0.33	1	0.00	0.33	1	0.00	0.33	1	0.00	0.33
15	2029	365	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33
16	2030	365	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33
17	2031	365	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33
18	2032	366	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33
19	2033	365	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33
20	2034	365	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33
21	2035	365	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33
22	2036	366	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33	0	0.00	0.33
Sub Total				0.33			0.33			0.33			0.33	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.33			0.33			0.33			0.33	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Kite
Phase	GAS
Reserves Category	2C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	1,811	0.66	0.66	1,811	0.66	0.66	1,811	0.66	0.66	1,811	0.66	0.66
7	2021	365	777	0.28	0.95	777	0.28	0.95	777	0.28	0.95	777	0.28	0.95
8	2022	365	333	0.12	1.07	333	0.12	1.07	333	0.12	1.07	333	0.12	1.07
9	2023	365	143	0.05	1.12	143	0.05	1.12	143	0.05	1.12	143	0.05	1.12
10	2024	366	61	0.02	1.14	61	0.02	1.14	61	0.02	1.14	61	0.02	1.14
11	2025	365	26	0.01	1.15	26	0.01	1.15	26	0.01	1.15	26	0.01	1.15
12	2026	365	11	0.00	1.16	11	0.00	1.16	11	0.00	1.16	11	0.00	1.16
13	2027	365	5	0.00	1.16	5	0.00	1.16	5	0.00	1.16	5	0.00	1.16
14	2028	366	2	0.00	1.16	2	0.00	1.16	2	0.00	1.16	2	0.00	1.16
15	2029	365	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16
16	2030	365	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16
17	2031	365	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16
18	2032	366	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16
19	2033	365	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16
20	2034	365	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16
21	2035	365	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16
22	2036	366	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16	0	0.00	1.16
Sub Total				1.16			1.16			1.16			1.16	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.16			1.16			1.16			1.16	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Kite
Phase	GAS
Reserves Category	3C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100 00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0 00	0	0.00	0.00	0	0 00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0 00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0 00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	3,880	1.42	1.42	3,880	1.42	1 42	3,880	1.42	1.42	3,880	1.42	1.42
7	2021	365	1,664	0.61	2.03	1,664	0.61	2.03	1,664	0.61	2.03	1,664	0.61	2.03
8	2022	365	714	0.26	2.29	714	0.26	2.29	714	0.26	2.29	714	0.26	2.29
9	2023	365	306	0.11	2.40	306	0.11	2.40	306	0.11	2.40	306	0.11	2.40
10	2024	366	131	0.05	2.45	131	0.05	2.45	131	0.05	2.45	131	0.05	2.45
11	2025	365	56	0.02	2.47	56	0.02	2.47	56	0.02	2.47	56	0.02	2.47
12	2026	365	24	0.01	2.48	24	0.01	2.48	24	0.01	2.48	24	0.01	2.48
13	2027	365	10	0.00	2.48	10	0.00	2.48	10	0.00	2.48	10	0.00	2.48
14	2028	366	4	0.00	2.48	4	0.00	2.48	4	0.00	2.48	4	0.00	2.48
15	2029	365	0	0.00	2.48	0	0.00	2 48	0	0.00	2.48	0	0.00	2.48
16	2030	365	0	0.00	2.48	0	0.00	2.48	0	0.00	2.48	0	0.00	2.48
17	2031	365	0	0.00	2.48	0	0.00	2.48	0	0.00	2.48	0	0.00	2.48
18	2032	366	0	0.00	2.48	0	0.00	2.48	0	0.00	2.48	0	0.00	2.48
19	2033	365	0	0.00	2.48	0	0.00	2.48	0	0.00	2.48	0	0.00	2.48
20	2034	365	0	0.00	2.48	0	0.00	2.48	0	0.00	2.48	0	0.00	2.48
21	2035	365	0	0.00	2.48	0	0.00	2.48	0	0.00	2 48	0	0.00	2.48
22	2036	366	0	0.00	2.48	0	0.00	2.48	0	0.00	2.48	0	0.00	2.48
Sub Total				2.48			2.48			2.48			2.48	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				2.48			2.48			2.48			2.48	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Cook SE Infill
Phase	GAS
Reserves Category	1C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	38.65%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	275	0.10	0.10	275	0.10	0.10	106	0.04	0.04	106	0.04	0.04
5	2019	365	172	0.06	0.16	172	0.06	0.16	67	0.02	0.06	67	0.02	0.06
6	2020	366	108	0.04	0.20	108	0.04	0.20	42	0.02	0.08	42	0.02	0.08
7	2021	365	67	0.02	0.23	67	0.02	0.23	26	0.01	0.09	26	0.01	0.09
8	2022	365	42	0.02	0.24	42	0.02	0.24	16	0.01	0.09	16	0.01	0.09
9	2023	365	27	0.01	0.25	27	0.01	0.25	10	0.00	0.10	10	0.00	0.10
10	2024	366	17	0.01	0.26	17	0.01	0.26	6	0.00	0.10	6	0.00	0.10
11	2025	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
12	2026	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
13	2027	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
14	2028	366	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
15	2029	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
16	2030	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
17	2031	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
18	2032	366	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
19	2033	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
20	2034	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
21	2035	365	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
22	2036	366	0	0.00	0.26	0	0.00	0.26	0	0.00	0.10	0	0.00	0.10
Sub Total				0.26			0.26			0.10			0.10	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.26			0.26			0.10			0.10	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Cook SE Infill
Phase	GAS
Reserves Category	2C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	38.65%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	1,374	0.50	0.50	1,374	0.50	0.50	531	0.19	0.19	531	0.19	0.19
5	2019	365	861	0.31	0.82	861	0.31	0.82	333	0.12	0.32	333	0.12	0.32
6	2020	366	540	0.20	1.01	540	0.20	1.01	209	0.08	0.39	209	0.08	0.39
7	2021	365	337	0.12	1.14	337	0.12	1.14	130	0.05	0.44	130	0.05	0.44
8	2022	365	212	0.08	1.21	212	0.08	1.21	82	0.03	0.47	82	0.03	0.47
9	2023	365	133	0.05	1.26	133	0.05	1.26	51	0.02	0.49	51	0.02	0.49
10	2024	366	83	0.03	1.29	83	0.03	1.29	32	0.01	0.50	32	0.01	0.50
11	2025	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
12	2026	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
13	2027	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
14	2028	366	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
15	2029	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
16	2030	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
17	2031	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
18	2032	366	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
19	2033	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
20	2034	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
21	2035	365	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
22	2036	366	0	0.00	1.29	0	0.00	1.29	0	0.00	0.50	0	0.00	0.50
Sub Total				1.29			1.29			0.50			0.50	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.29			1.29			0.50			0.50	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Cook SE Infill
Phase	GAS
Reserves Category	3C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	38.65%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	7,970	2.91	2.91	7,970	2.91	2.91	3,081	1.12	1.12	3,081	1.12	1.12
5	2019	365	4,997	1.82	4.73	4,997	1.82	4.73	1,931	0.70	1.83	1,931	0.70	1.83
6	2020	366	3,133	1.15	5.88	3,133	1.15	5.88	1,211	0.44	2.27	1,211	0.44	2.27
7	2021	365	1,957	0.71	6.59	1,957	0.71	6.59	756	0.28	2.55	756	0.28	2.55
8	2022	365	1,231	0.45	7.04	1,231	0.45	7.04	476	0.17	2.72	476	0.17	2.72
9	2023	365	772	0.28	7.32	772	0.28	7.32	298	0.11	2.83	298	0.11	2.83
10	2024	366	484	0.18	7.50	484	0.18	7.50	187	0.07	2.90	187	0.07	2.90
11	2025	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
12	2026	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
13	2027	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
14	2028	366	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
15	2029	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
16	2030	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
17	2031	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
18	2032	366	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
19	2033	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
20	2034	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
21	2035	365	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
22	2036	366	0	0.00	7.50	0	0.00	7.50	0	0.00	2.90	0	0.00	2.90
Sub Total				7.50			7.50			2.90			2.90	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				7.50			7.50			2.90			2.90	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal South Infill
Phase	GAS
Reserves Category	1C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	644	0.24	0.24	644	0.24	0.24	644	0.24	0.24	644	0.24	0.24
7	2021	365	215	0.08	0.31	215	0.08	0.31	215	0.08	0.31	215	0.08	0.31
8	2022	365	72	0.03	0.34	72	0.03	0.34	72	0.03	0.34	72	0.03	0.34
9	2023	365	24	0.01	0.35	24	0.01	0.35	24	0.01	0.35	24	0.01	0.35
10	2024	366	8	0.00	0.35	8	0.00	0.35	8	0.00	0.35	8	0.00	0.35
11	2025	365	3	0.00	0.35	3	0.00	0.35	3	0.00	0.35	3	0.00	0.35
12	2026	365	1	0.00	0.35	1	0.00	0.35	1	0.00	0.35	1	0.00	0.35
13	2027	365	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35
14	2028	366	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35
15	2029	365	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35
16	2030	365	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35
17	2031	365	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35
18	2032	366	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35
19	2033	365	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35
20	2034	365	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35
21	2035	365	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35
22	2036	366	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35	0	0.00	0.35
Sub Total				0.35			0.35			0.35			0.35	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.35			0.35			0.35			0.35	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal South Infill
Phase	GAS
Reserves Category	2C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	1,288	0.47	0.47	1,288	0.47	0.47	1,288	0.47	0.47	1,288	0.47	0.47
7	2021	365	430	0.16	0.63	430	0.16	0.63	430	0.16	0.63	430	0.16	0.63
8	2022	365	143	0.05	0.68	143	0.05	0.68	143	0.05	0.68	143	0.05	0.68
9	2023	365	48	0.02	0.70	48	0.02	0.70	48	0.02	0.70	48	0.02	0.70
10	2024	366	16	0.01	0.70	16	0.01	0.70	16	0.01	0.70	16	0.01	0.70
11	2025	365	5	0.00	0.71	5	0.00	0.71	5	0.00	0.71	5	0.00	0.71
12	2026	365	2	0.00	0.71	2	0.00	0.71	2	0.00	0.71	2	0.00	0.71
13	2027	365	1	0.00	0.71	1	0.00	0.71	1	0.00	0.71	1	0.00	0.71
14	2028	366	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71
15	2029	365	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71
16	2030	365	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71
17	2031	365	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71
18	2032	366	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71
19	2033	365	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71
20	2034	365	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71
21	2035	365	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71
22	2036	366	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71	0	0.00	0.71
Sub Total				0.71			0.71			0.71			0.71	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.71			0.71			0.71			0.71	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Teal South Infill
Phase	GAS
Reserves Category	3C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	2,577	0.94	0.94	2,577	0.94	0.94	2,577	0.94	0.94	2,577	0.94	0.94
7	2021	365	859	0.31	1.26	859	0.31	1.26	859	0.31	1.26	859	0.31	1.26
8	2022	365	286	0.10	1.36	286	0.10	1.36	286	0.10	1.36	286	0.10	1.36
9	2023	365	95	0.03	1.40	95	0.03	1.40	95	0.03	1.40	95	0.03	1.40
10	2024	366	32	0.01	1.41	32	0.01	1.41	32	0.01	1.41	32	0.01	1.41
11	2025	365	11	0.00	1.41	11	0.00	1.41	11	0.00	1.41	11	0.00	1.41
12	2026	365	4	0.00	1.41	4	0.00	1.41	4	0.00	1.41	4	0.00	1.41
13	2027	365	1	0.00	1.41	1	0.00	1.41	1	0.00	1.41	1	0.00	1.41
14	2028	366	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41
15	2029	365	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41
16	2030	365	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41
17	2031	365	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41
18	2032	366	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41
19	2033	365	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41
20	2034	365	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41
21	2035	365	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41
22	2036	366	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41	0	0.00	1.41
Sub Total				1.41			1.41			1.41			1.41	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.41			1.41			1.41			1.41	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Guillemot A South Infill
Phase	GAS
Reserves Category	1C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	274	0.10	0.10	274	0.10	0.10	274	0.10	0.10	274	0.10	0.10
7	2021	365	212	0.08	0.18	212	0.08	0.18	212	0.08	0.18	212	0.08	0.18
8	2022	365	165	0.06	0.24	165	0.06	0.24	165	0.06	0.24	165	0.06	0.24
9	2023	365	128	0.05	0.28	128	0.05	0.28	128	0.05	0.28	128	0.05	0.28
10	2024	366	99	0.04	0.32	99	0.04	0.32	99	0.04	0.32	99	0.04	0.32
11	2025	365	77	0.03	0.35	77	0.03	0.35	77	0.03	0.35	77	0.03	0.35
12	2026	365	59	0.02	0.37	59	0.02	0.37	59	0.02	0.37	59	0.02	0.37
13	2027	365	46	0.02	0.39	46	0.02	0.39	46	0.02	0.39	46	0.02	0.39
14	2028	366	36	0.01	0.40	36	0.01	0.40	36	0.01	0.40	36	0.01	0.40
15	2029	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
16	2030	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
17	2031	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
18	2032	366	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
19	2033	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
20	2034	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
21	2035	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
22	2036	366	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
Sub Total				0.40			0.40			0.40			0.40	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.40			0.40			0.40			0.40	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Guillemot A South Infill
Phase	GAS
Reserves Category	2C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	548	0.20	0.20	548	0.20	0.20	548	0.20	0.20	548	0.20	0.20
7	2021	365	425	0.15	0.36	425	0.15	0.36	425	0.15	0.36	425	0.15	0.36
8	2022	365	329	0.12	0.48	329	0.12	0.48	329	0.12	0.48	329	0.12	0.48
9	2023	365	255	0.09	0.57	255	0.09	0.57	255	0.09	0.57	255	0.09	0.57
10	2024	366	198	0.07	0.64	198	0.07	0.64	198	0.07	0.64	198	0.07	0.64
11	2025	365	153	0.06	0.70	153	0.06	0.70	153	0.06	0.70	153	0.06	0.70
12	2026	365	119	0.04	0.74	119	0.04	0.74	119	0.04	0.74	119	0.04	0.74
13	2027	365	92	0.03	0.77	92	0.03	0.77	92	0.03	0.77	92	0.03	0.77
14	2028	366	72	0.03	0.80	72	0.03	0.80	72	0.03	0.80	72	0.03	0.80
15	2029	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
16	2030	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
17	2031	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
18	2032	366	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
19	2033	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
20	2034	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
21	2035	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
22	2036	366	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
Sub Total				0.80			0.80			0.80			0.80	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.80			0.80			0.80			0.80	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	Guillemot A South Infill
Phase	GAS
Reserves Category	3C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	821	0.30	0.30	821	0.30	0.30	821	0.30	0.30	821	0.30	0.30
7	2021	365	637	0.23	0.53	637	0.23	0.53	637	0.23	0.53	637	0.23	0.53
8	2022	365	494	0.18	0.71	494	0.18	0.71	494	0.18	0.71	494	0.18	0.71
9	2023	365	383	0.14	0.85	383	0.14	0.85	383	0.14	0.85	383	0.14	0.85
10	2024	366	297	0.11	0.96	297	0.11	0.96	297	0.11	0.96	297	0.11	0.96
11	2025	365	230	0.08	1.05	230	0.08	1.05	230	0.08	1.05	230	0.08	1.05
12	2026	365	178	0.07	1.11	178	0.07	1.11	178	0.07	1.11	178	0.07	1.11
13	2027	365	138	0.05	1.16	138	0.05	1.16	138	0.05	1.16	138	0.05	1.16
14	2028	366	107	0.04	1.20	107	0.04	1.20	107	0.04	1.20	107	0.04	1.20
15	2029	365	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
16	2030	365	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
17	2031	365	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
18	2032	366	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
19	2033	365	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
20	2034	365	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
21	2035	365	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
22	2036	366	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20	0	0.00	1.20
Sub Total				1.20			1.20			1.20			1.20	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.20			1.20			1.20			1.20	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	GUA North (Sk) Infill
Phase	GAS
Reserves Category	1C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	730	0.27	0.27	730	0.27	0.27	730	0.27	0.27	730	0.27	0.27
7	2021	365	243	0.09	0.36	243	0.09	0.36	243	0.09	0.36	243	0.09	0.36
8	2022	365	81	0.03	0.39	81	0.03	0.39	81	0.03	0.39	81	0.03	0.39
9	2023	365	27	0.01	0.40	27	0.01	0.40	27	0.01	0.40	27	0.01	0.40
10	2024	366	9	0.00	0.40	9	0.00	0.40	9	0.00	0.40	9	0.00	0.40
11	2025	365	3	0.00	0.40	3	0.00	0.40	3	0.00	0.40	3	0.00	0.40
12	2026	365	1	0.00	0.40	1	0.00	0.40	1	0.00	0.40	1	0.00	0.40
13	2027	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
14	2028	366	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
15	2029	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
16	2030	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
17	2031	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
18	2032	366	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
19	2033	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
20	2034	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
21	2035	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
22	2036	366	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
Sub Total				0.40			0.40			0.40			0.40	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.40			0.40			0.40			0.40	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	GUA North (Sk) Infill
Phase	GAS
Reserves Category	2C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100 00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0 00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0 00	0	0 00	0.00	0	0.00	0.00
6	2020	366	1,460	0.53	0.53	1,460	0.53	0.53	1,460	0.53	0 53	1,460	0.53	0.53
7	2021	365	487	0.18	0.71	487	0.18	0.71	487	0.18	0.71	487	0.18	0.71
8	2022	365	162	0.06	0.77	162	0.06	0.77	162	0.06	0.77	162	0.06	0.77
9	2023	365	54	0.02	0.79	54	0.02	0.79	54	0.02	0.79	54	0.02	0.79
10	2024	366	18	0.01	0.80	18	0 01	0.80	18	0.01	0.80	18	0.01	0.80
11	2025	365	6	0.00	0.80	6	0.00	0.80	6	0.00	0.80	6	0.00	0.80
12	2026	365	2	0.00	0.80	2	0.00	0.80	2	0.00	0.80	2	0.00	0.80
13	2027	365	1	0.00	0.80	1	0.00	0.80	1	0.00	0.80	1	0.00	0.80
14	2028	366	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
15	2029	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
16	2030	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
17	2031	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
18	2032	366	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
19	2033	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
20	2034	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
21	2035	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
22	2036	366	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
Sub Total				0.80			0.80			0.80			0.80	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.80			0.80			0.80			0.80	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	GUA North (Sk) Infill
Phase	GAS
Reserves Category	3C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
	Year	Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	2,920	1.07	1.07	2,920	1.07	1.07	2,920	1.07	1.07	2,920	1.07	1.07
7	2021	365	973	0.36	1.42	973	0.36	1.42	973	0.36	1.42	973	0.36	1.42
8	2022	365	325	0.12	1.54	325	0.12	1.54	325	0.12	1.54	325	0.12	1.54
9	2023	365	108	0.04	1.58	108	0.04	1.58	108	0.04	1.58	108	0.04	1.58
10	2024	366	36	0.01	1.60	36	0.01	1.60	36	0.01	1.60	36	0.01	1.60
11	2025	365	12	0.00	1.60	12	0.00	1.60	12	0.00	1.60	12	0.00	1.60
12	2026	365	4	0.00	1.60	4	0.00	1.60	4	0.00	1.60	4	0.00	1.60
13	2027	365	1	0.00	1.60	1	0.00	1.60	1	0.00	1.60	1	0.00	1.60
14	2028	366	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
15	2029	365	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
16	2030	365	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
17	2031	365	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
18	2032	366	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
19	2033	365	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
20	2034	365	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
21	2035	365	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
22	2036	366	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
Sub Total				1.60			1.60			1.60			1.60	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.60			1.60			1.60			1.60	

RPS Energy

SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	GUA Central (Sk) Infill
Phase	GAS
Reserves Category	1C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	730	0.27	0.27	730	0.27	0.27	730	0.27	0.27	730	0.27	0.27
7	2021	365	243	0.09	0.36	243	0.09	0.36	243	0.09	0.36	243	0.09	0.36
8	2022	365	81	0.03	0.39	81	0.03	0.39	81	0.03	0.39	81	0.03	0.39
9	2023	365	27	0.01	0.40	27	0.01	0.40	27	0.01	0.40	27	0.01	0.40
10	2024	366	9	0.00	0.40	9	0.00	0.40	9	0.00	0.40	9	0.00	0.40
11	2025	365	3	0.00	0.40	3	0.00	0.40	3	0.00	0.40	3	0.00	0.40
12	2026	365	1	0.00	0.40	1	0.00	0.40	1	0.00	0.40	1	0.00	0.40
13	2027	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
14	2028	366	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
15	2029	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
16	2030	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
17	2031	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
18	2032	366	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
19	2033	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
20	2034	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
21	2035	365	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
22	2036	366	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40	0	0.00	0.40
Sub Total				0.40			0.40			0.40			0.40	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.40			0.40			0.40			0.40	

RPS Energy

SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	GUA Central (Sk) Infill
Phase	GAS
Reserves Category	2C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	1,460	0.53	0.53	1,460	0.53	0.53	1,460	0.53	0.53	1,460	0.53	0.53
7	2021	365	487	0.18	0.71	487	0.18	0.71	487	0.18	0.71	487	0.18	0.71
8	2022	365	162	0.06	0.77	162	0.06	0.77	162	0.06	0.77	162	0.06	0.77
9	2023	365	54	0.02	0.79	54	0.02	0.79	54	0.02	0.79	54	0.02	0.79
10	2024	366	18	0.01	0.80	18	0.01	0.80	18	0.01	0.80	18	0.01	0.80
11	2025	365	6	0.00	0.80	6	0.00	0.80	6	0.00	0.80	6	0.00	0.80
12	2026	365	2	0.00	0.80	2	0.00	0.80	2	0.00	0.80	2	0.00	0.80
13	2027	365	1	0.00	0.80	1	0.00	0.80	1	0.00	0.80	1	0.00	0.80
14	2028	366	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
15	2029	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
16	2030	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
17	2031	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
18	2032	366	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
19	2033	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
20	2034	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
21	2035	365	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
22	2036	366	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80	0	0.00	0.80
Sub Total				0.80			0.80			0.80			0.80	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				0.80			0.80			0.80			0.80	

RPS Energy — SUMMARY OF CONTINGENT RESOURCES AND FORECAST FUTURE PRODUCTION

CASE PARAMETERS	
Client	Hibiscus/Ping
Country	UK
Field	GUA Central (Sk) Infill
Phase	GAS
Reserves Category	3C

COMPANY INTERESTS	Initial %
Hibiscus/Ping	100.00%

			TECHNICAL RESOURCES			FORECAST FUTURE FIELD PRODUCTION (AFTER ECONOMIC CUT OFF)								
Year		Production Days	Gross Field Resources (100% Basis)			Gross Field Resources (100% Basis)			Hibiscus/Ping's WI share of Gross Field Resources			Hibiscus/Ping's Net Entitlement Resources		
			Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf	Mscf/d	Bscf	Cum. Bscf
1	2015	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
2	2016	366	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
3	2017	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
4	2018	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
5	2019	365	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
6	2020	366	2,920	1.07	1.07	2,920	1.07	1.07	2,920	1.07	1.07	2,920	1.07	1.07
7	2021	365	973	0.36	1.42	973	0.36	1.42	973	0.36	1.42	973	0.36	1.42
8	2022	365	325	0.12	1.54	325	0.12	1.54	325	0.12	1.54	325	0.12	1.54
9	2023	365	108	0.04	1.58	108	0.04	1.58	108	0.04	1.58	108	0.04	1.58
10	2024	366	36	0.01	1.60	36	0.01	1.60	36	0.01	1.60	36	0.01	1.60
11	2025	365	12	0.00	1.60	12	0.00	1.60	12	0.00	1.60	12	0.00	1.60
12	2026	365	4	0.00	1.60	4	0.00	1.60	4	0.00	1.60	4	0.00	1.60
13	2027	365	1	0.00	1.60	1	0.00	1.60	1	0.00	1.60	1	0.00	1.60
14	2028	366	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
15	2029	365	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
16	2030	365	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
17	2031	365	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
18	2032	366	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
19	2033	365	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
20	2034	365	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
21	2035	365	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
22	2036	366	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60	0	0.00	1.60
Sub Total				1.60			1.60			1.60			1.60	
Remaining after 2036				0.00			0.00			0.00			0.00	
Total				1.60			1.60			1.60			1.60	

APPENDIX 8: NET CASHFLOWS OF RESERVES CASES

RPS Energy

CASH FLOW SUMMARY NET

CASE PARAMETERS	
Client	Hibiscus/PING
Country	UK
Field	Anasuria Cluster
Description	
Reserves Category	PDP

COMPANY INTERESTS	
Anasuria FPSO	100.00%
Guillemot A	100.00%
Cook	38.65%
Teal	100.00%
Teal South	100.00%
Kite	100.00%

			PRODUCTION				REVENUE				COSTS			PRE & POST TAX CASHFLOWS					
	Year	Production Days	Oil Mstb/d	Gas Mboe/d	Condensate Mbbl/d	Total BOE Mboe/d	Oil $MM	Gas $MM	Condensate $MM	Total $MM	Capex $MM	Opex $MM	Abandonment $MM	Pre-Tax CF $MM	CT & SC $MM	Post-Tax CF $MM	Decomm Security $MM	Post-Tax Post DSA CF $MM	DCF 10% $MM
1	2015	365	6.5	0.8	0.0	7.3	144.2	7.0	0.0	151.2	4.0	83.5	0.0	63.8	10.2	53.5	0.0	53.5	51.0
2	2016	366	5.4	0.7	0.0	6.0	139.6	6.6	0.0	146.1	39.5	85.1	0.0	21.5	11.2	10.3	0.0	10.3	8.9
3	2017	365	4.2	0.5	0.0	4.7	119.1	5.7	0.0	124.8	141.3	89.9	0.0	-106.4	3.1	-109.5	5.8	-115.3	-90.9
4	2018	365	5.0	0.6	0.0	5.6	151.5	7.1	0.0	158.6	24.3	87.5	0.0	46.8	0.0	46.8	21.8	25.0	17.9
5	2019	365	4.7	0.6	0.0	5.3	149.1	6.9	0.0	155.9	6.2	87.4	0.0	62.4	0.6	61.8	20.5	41.4	26.9
6	2020	366	3.9	0.5	0.0	4.4	130.9	5.9	0.0	136.8	7.6	91.6	0.0	37.6	11.1	26.5	17.2	9.3	5.5
7	2021	365	3.8	0.5	0.0	4.3	132.0	5.8	0.0	137.8	53.4	92.6	0.0	-8.3	5.4	-13.7	9.0	-22.7	-12.2
8	2022	365	2.8	0.4	0.0	3.2	101.1	4.4	0.0	105.4	8.6	93.1	0.0	3.8	0.0	3.8	6.6	-2.9	-1.4
9	2023	365	3.1	0.4	0.0	3.5	115.7	5.0	0.0	120.8	8.8	92.2	0.0	19.7	5.1	14.7	10.3	4.4	2.0
10	2024	366	2.9	0.4	0.0	3.3	110.0	4.8	0.0	114.8	9.0	92.1	0.0	13.7	7.1	6.6	6.9	-0.3	-0.1
11	2025	365	2.5	0.3	0.0	2.8	94.5	4.1	0.0	98.6	9.1	93.6	0.0	-4.2	2.3	-6.5	5.8	-12.3	-4.5
12	2026	365	2.3	0.3	0.0	2.6	91.4	4.0	0.0	95.3	9.3	95.4	0.0	-9.4	0.0	-9.4	5.5	-14.9	-5.0
13	2027	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	481.6	-481.6	-37.4	-444.2	-109.4	-334.8	-101.7
14	2028	366	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-18.7	18.7	0.0	18.7	5.2
15	2029	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
16	2030	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	2031	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	2032	366	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	2033	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	2034	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21	2035	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22	2036	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23	2037	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	2038	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	2039	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub Total			17.2	2.2	0.0	19.4	1478.9	67.3	0.0	1546.2	321.2	1084.0	481.6	-340.6	0.0	-340.6	0.0	-340.6	-98.4
Remaining after 2039			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total			17.2	2.2	0.0	19.4	1478.9	67.3	0.0	1546.2	321.2	1084.0	481.6	-340.6	0.0	-340.6	0.0	-340.6	-98.4

RPS Energy

CASH FLOW SUMMARY NET

CASE PARAMETERS	
Client	Hibiscus/PING
Country	UK
Field	Anasuria Cluster
Description	
Reserves Category	1P

COMPANY INTERESTS	
Anasuria FPSO	100.00%
Guillemot A	100.00%
Cook	38.55%
Teal	100.00%
Teal South	100.00%
Kite	100.00%

			PRODUCTION				REVENUE				COSTS			PRE & POST TAX CASHFLOWS					
	Year	Production Days	Oil Mstb/d	Gas Mboe/d	Condensate Mbbl/d	Total BOE Mboe/d	Oil $MM	Gas $MM	Condensate $MM	Total $MM	Capex $MM	Opex $MM	Abandon ment $MM	Pre-Tax CF $MM	CT & SC $MM	Post-Tax CF $MM	Decomm Security $MM	Post-Tax Post DSA CF $MM	DCF 10% $MM
1	2015	365	6.5	0.8	0.0	7.3	144.2	7.0	0.0	151.2	4.0	83.5	0.0	63.8	10.2	53.5	0.0	53.5	51.0
2	2016	366	5.5	0.7	0.0	6.2	144.3	6.8	0.0	151.1	39.5	85.7	0.0	25.9	12.7	13.2	0.0	13.2	11.4
3	2017	365	6.1	0.6	0.0	5.7	145.6	7.0	0.0	152.5	164.6	93.1	0.0	-105.1	3.8	-108.9	7.1	-116.0	-91.4
4	2018	365	8.3	0.9	0.0	9.2	251.1	11.7	0.0	262.8	249.4	96.6	0.0	-83.3	0.0	-83.3	19.6	-102.9	-73.7
5	2019	365	7.8	0.9	0.0	8.7	249.7	11.4	0.0	261.0	6.2	97.3	0.0	157.5	0.0	157.5	34.3	123.3	80.3
6	2020	366	6.5	0.7	0.0	7.2	217.3	9.6	0.0	227.0	7.6	102.0	0.0	117.3	17.3	100.0	28.5	71.5	42.3
7	2021	365	6.2	0.7	0.0	6.9	216.9	9.4	0.0	226.3	53.4	103.4	0.0	69.5	22.5	46.9	27.2	19.7	10.6
8	2022	365	4.5	0.5	0.0	5.0	164.1	7.0	0.0	171.1	8.6	100.7	0.0	61.8	25.6	36.2	19.8	16.4	8.0
9	2023	365	5.0	0.6	0.0	5.6	185.9	7.9	0.0	193.8	8.8	100.0	0.0	85.0	37.6	47.4	22.0	25.3	11.3
10	2024	366	4.6	0.5	0.0	5.1	174.2	7.4	0.0	181.7	9.0	99.8	0.0	72.9	38.5	34.4	20.3	14.2	5.7
11	2025	365	3.8	0.4	0.0	4.3	147.8	6.3	0.0	154.1	9.1	101.2	0.0	43.8	26.7	17.0	11.9	5.1	1.9
12	2026	365	3.6	0.4	0.0	4.0	141.2	6.0	0.0	147.3	9.3	102.9	0.0	35.0	19.0	16.1	11.2	4.8	1.6
13	2027	365	3.0	0.3	0.0	3.3	119.7	5.1	0.0	124.8	9.5	109.2	0.0	6.1	7.9	-1.8	7.1	-8.9	-2.7
14	2028	366	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	491.2	-491.2	-141.8	-349.5	-209.1	-140.3	-38.8
15	2029	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-71.4	71.4	0.0	71.4	17.9
16	2030	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	2031	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	2032	366	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	2033	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	2034	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21	2035	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22	2036	366	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23	2037	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	2038	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	2039	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Sub Total		25.8	3.0	0.0	28.7	2302.1	102.6	0.0	2404.7	579.0	1275.5	491.2	58.9	8.7	50.3	0.0	50.3	35.5
	Remaining after 2039		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total		25.8	3.0	0.0	28.7	2302.1	102.6	0.0	2404.7	579.0	1275.5	491.2	58.9	8.7	50.3	0.0	50.3	35.5

RPS Energy

CASH FLOW SUMMARY NET

CASE PARAMETERS	
Client	Hibiscus/PING
Country	UK
Field	Anasuria Cluster
Description	
Reserves Category	2P

COMPANY INTERESTS	
Anasuria FPSO	100.00%
Guillemot A	100.00%
Cook	38.65%
Teal	100.00%
Teal South	100.00%
Kite	100.00%

			PRODUCTION				REVENUE				COSTS			PRE & POST TAX CASHFLOWS					
	Year	Production Days	Oil Mstb/d	Gas Mboe/d	Condensate Mbbl/d	Total BOE Mboe/d	Oil $MM	Gas $MM	Condensate $MM	Total $MM	Capex $MM	Opex $MM	Abandonment $MM	Pre-Tax CF $MM	CT & SC $MM	Post-Tax CF $MM	Decomm Security $MM	Post-Tax Post DSA CF $MM	DCF 10% $MM
1	2015	365	6.8	0.9	0.0	7.7	150.8	7.4	0.0	158.2	4.0	82.9	0.0	71.3	12.7	58.6	0.0	58.6	55.9
2	2016	366	6.5	0.8	0.0	7.3	169.9	8.0	0.0	177.9	39.5	85.4	0.0	53.0	23.0	30.0	0.0	30.0	26.0
3	2017	365	6.6	0.8	0.0	7.3	187.4	9.1	0.0	196.5	164.6	93.6	0.0	-61.7	8.3	-70.1	9.2	-79.2	-62.4
4	2018	365	11.0	1.2	0.0	12.2	335.0	15.8	0.0	350.8	249.4	99.6	0.0	1.7	0.0	1.7	26.1	-24.4	-17.5
5	2019	365	10.4	1.1	0.0	11.5	330.7	15.2	0.0	345.9	6.2	100.6	0.0	239.2	36.9	202.2	45.4	156.8	102.1
6	2020	366	8.7	1.0	0.0	9.6	290.8	13.0	0.0	303.8	7.6	105.3	0.0	190.9	82.1	108.8	38.1	70.7	41.8
7	2021	365	8.3	0.9	0.0	9.2	288.4	12.7	0.0	301.0	53.4	106.7	0.0	140.9	78.8	62.1	36.2	25.9	13.9
8	2022	365	6.2	0.7	0.0	6.9	225.5	9.7	0.0	235.2	8.6	101.5	0.0	125.1	65.2	59.9	27.3	32.6	16.0
9	2023	365	6.8	0.8	0.0	7.5	249.8	10.8	0.0	260.6	8.8	100.6	0.0	151.2	71.2	80.0	29.6	50.3	22.4
10	2024	366	6.2	0.7	0.0	7.0	236.0	10.2	0.0	246.2	9.0	100.2	0.0	137.1	70.9	66.2	27.4	38.7	15.7
11	2025	365	5.3	0.6	0.0	5.9	204.0	8.9	0.0	212.8	9.1	101.3	0.0	102.4	57.0	45.4	23.2	22.2	8.1
12	2026	365	4.8	0.6	0.0	5.4	187.5	8.3	0.0	195.9	9.3	102.0	0.0	84.6	45.3	39.3	21.0	18.4	6.1
13	2027	365	3.7	0.5	0.0	4.2	147.8	6.9	0.0	154.7	9.5	106.3	0.0	38.9	27.1	11.8	8.8	3.1	0.9
14	2028	366	3.3	0.4	0.0	3.7	135.1	6.3	0.0	141.4	9.7	104.5	0.0	27.2	15.6	11.7	8.2	3.5	1.0
15	2029	365	3.1	0.4	0.0	3.5	128.0	5.9	0.0	134.0	9.9	106.2	0.0	17.9	10.5	7.4	7.3	0.1	0.0
16	2030	365	2.9	0.4	0.0	3.3	123.1	5.7	0.0	128.8	10.1	107.9	0.0	10.7	6.6	4.2	6.9	-2.7	-0.6
17	2031	365	2.7	0.4	0.0	3.1	118.5	5.5	0.0	124.0	10.3	109.8	0.0	3.9	3.1	0.8	6.5	-5.7	-1.2
18	2032	366	2.6	0.3	0.0	2.9	115.0	5.3	0.0	120.3	10.5	116.9	0.0	-7.1	0.7	-7.8	6.2	-13.9	-2.6
19	2033	365	2.5	0.3	0.0	2.8	110.6	5.1	0.0	115.7	10.7	115.7	0.0	-10.7	0.0	-10.7	5.8	-16.5	-2.8
20	2034	365	2.3	0.3	0.0	2.6	107.1	4.9	0.0	112.1	10.9	115.6	0.0	-14.5	0.0	-14.5	5.5	-20.0	-3.1
21	2035	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	564.3	-564.3	-188.1	-376.2	-338.7	-37.5	-5.3
22	2036	366	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-94.0	94.0	0.0	94.0	12.1
23	2037	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
24	2038	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	2039	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Sub Total		40.4	4.8	0.0	45.2	3840.8	174.8	0.0	4015.7	651.1	2062.6	564.3	737.7	332.8	405.0	0.0	405.0	226.5
	Remaining after 2039		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total		40.4	4.8	0.0	45.2	3840.8	174.8	0.0	4015.7	651.1	2062.6	564.3	737.7	332.8	405.0	0.0	405.0	226.5

RPS Energy

CASH FLOW SUMMARY NET

CASE PARAMETERS	
Client	Hibiscus/PING
Country	UK
Field	Anasuria Cluster
Description	
Reserves Category	3P

COMPANY INTERESTS	
Anasuria FPSO	100.00%
Guillemot A	100.00%
Cook	38.65%
Teal	100.00%
Teal South	100.00%
Kite	100.00%

			PRODUCTION				REVENUE				COSTS					PRE & POST TAX CASHFLOWS			
	Year	Production Days	Oil Mstb/d	Gas Mboe/d	Condensate Mbbl/d	Total BOE Mboe/d	Oil $MM	Gas $MM	Condensate $MM	Total $MM	Capex $MM	Opex $MM	Abandonment $MM	Pre-Tax CF $MM	CT & SC $MM	Post-Tax CF $MM	Decomm Security $MM	Post-Tax Post DSA CF $MM	DCF 10% $MM
1	2015	365	7.1	1.0	0.0	8.0	157.6	7.9	0.0	165.4	4.0	82.4	0.0	79.0	15.3	63.7	0.0	63.7	60.7
2	2016	366	7.6	1.0	0.0	8.6	197.5	9.4	0.0	207.0	39.5	85.2	0.0	82.3	34.0	48.2	0.0	48.2	41.8
3	2017	365	8.4	1.0	0.0	9.4	239.4	11.8	0.0	251.2	164.6	94.6	0.0	-8.0	13.2	-21.1	11.7	-32.9	-25.9
4	2018	365	14.7	1.6	0.0	16.3	446.9	21.4	0.0	468.3	249.4	103.5	0.0	115.4	21.5	93.9	64.4	29.5	21.2
5	2019	365	13.6	1.5	0.0	15.1	434.7	20.3	0.0	455.0	6.2	104.6	0.0	344.2	117.0	227.2	59.7	167.5	109.1
6	2020	366	11.5	1.3	0.0	12.8	384.4	17.5	0.0	401.9	7.6	109.3	0.0	285.0	148.1	136.8	50.4	86.4	51.1
7	2021	365	10.9	1.2	0.0	12.1	378.6	16.9	0.0	395.5	53.4	110.9	0.0	231.2	124.5	106.6	47.6	59.1	31.8
8	2022	365	8.4	1.0	0.0	9.3	302.7	13.3	0.0	316.0	8.6	102.4	0.0	205.0	106.8	98.1	36.6	61.5	30.1
9	2023	366	8.9	1.0	0.0	9.9	329.2	14.5	0.0	343.7	8.8	101.4	0.0	233.6	112.0	121.5	39.0	82.5	36.7
10	2024	366	8.3	1.0	0.0	9.2	311.9	13.8	0.0	325.7	9.0	100.7	0.0	216.0	110.9	105.1	36.3	68.8	27.8
11	2025	365	6.8	0.8	0.0	7.6	260.6	11.8	0.0	272.4	9.1	100.7	0.0	162.6	90.2	72.3	28.5	43.9	16.1
12	2026	363	5.8	0.8	0.0	6.6	226.9	10.8	0.0	237.7	9.3	100.0	0.0	128.4	69.9	58.5	0.0	58.5	13.5
13	2027	365	4.9	0.7	0.0	5.6	196.4	9.3	0.0	205.7	9.5	105.4	0.0	90.8	51.7	39.1	0.0	39.1	11.9
14	2028	366	4.6	0.6	0.0	5.2	187.6	8.9	0.0	196.4	9.7	104.0	0.0	82.7	42.7	40.0	0.0	40.0	11.0
15	2029	365	4.3	0.6	0.0	4.9	180.7	8.5	0.0	189.3	9.9	105.7	0.0	73.7	38.3	35.3	0.0	35.3	8.9
16	2030	365	4.1	0.6	0.0	4.7	175.7	8.3	0.0	184.0	10.1	107.4	0.0	66.5	34.4	32.0	0.0	32.0	7.3
17	2031	365	4.0	0.5	0.0	4.5	171.2	8.1	0.0	179.2	10.3	109.2	0.0	59.8	31.0	28.8	0.0	28.8	6.0
18	2032	366	3.8	0.5	0.0	4.3	168.0	7.9	0.0	175.9	10.5	116.2	0.0	49.2	26.3	22.8	0.0	22.8	4.3
19	2033	365	3.6	0.5	0.0	4.1	163.4	7.7	0.0	171.1	10.7	114.9	0.0	45.5	23.3	22.1	0.0	22.1	3.8
20	2034	365	3.5	0.5	0.0	4.0	160.1	7.5	0.0	167.6	10.9	114.7	0.0	41.9	21.6	20.4	0.0	20.4	3.2
21	2035	365	3.3	0.4	0.0	3.7	154.6	7.0	0.0	161.6	11.1	116.3	0.0	34.1	18.4	15.8	0.0	15.8	2.2
22	2036	366	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	575.5	-575.5	-186.2	-389.4	-374.1	-15.3	-2.0
23	2037	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-95.9	95.9	0.0	95.9	11.2
24	2038	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25	2039	365	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Sub Total		54.0	6.5	0.0	60.6	5228.0	242.5	0.0	5470.5	662.3	2189.7	575.5	2043.0	969.3	1073.7	0.0	1073.7	488.0
	Remaining after 2039		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total		54.0	6.6	0.0	60.6	5228.0	242.5	0.0	5470.5	662.3	2189.7	575.5	2043.0	969.3	1073.7	0.0	1073.7	488.0

RPS Energy

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The Board of Directors
Dagang NeXchange Berhad
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59200 Kuala Lumpur, MALAYSIA

30th September 2015

Dear Sirs

VALUATION REPORT

The Board of Dagang NeXchange Berhad ("DNEX" or "Company") ("Board") has requested RPS to undertake an independent valuation and conduct a Reserves and Resource evaluation to the 2007 SPE/AAPG/WPC/SPEE Petroleum Resource Management System ("PRMS") of the four producing fields, being the oil and gas-producing Guillemot A, Cook, Teal, and Teal South fields tied back to the Anasuria Floating Production Storage and Offloading unit ("Anasuria FPSO"). Shell U.K. Limited ("Shell UK"), Shell EP Offshore Ventures Limited ("Shell EP") (Shell UK and Shell EP are collectively "Shell") & Esso Exploration and Production UK Limited ("Esso") own an aggregated 100% interest in the Guillemot A, Teal, Kite Discovery and Teal South fields and the Anasuria FPSO, and an aggregated 38.65% interest in the Cook field, these assets being known as the Anasuria Cluster. The Anasuria Cluster, operated by Shell, is located in a water depth of 94 metres approximately 175 km east of Aberdeen in the UK Central North Sea as shown in Figure 1 below.

Hibiscus Petroleum Berhad ("Hibiscus Petroleum") had, on 6 August 2015, announced that Anasuria Hibiscus UK Limited ("Anasuria Hibiscus"), a wholly-owned subsidiary of the Company, together with Ping Petroleum UK Limited ("Ping UK"), entered into conditional sale and purchase agreements with Shell and Esso who are the "Anasuria Vendors", for each of them to acquire 50% interest in the Anasuria Cluster for a total cash consideration of USD105.0 million ("Consideration") (equivalent to RM446 million) ("Proposed Acquisition").

Pursuant to the Proposed Acquisition, Ping Petroleum Limited ("Ping") had approached DNeX Petroleum Sdn Bhd ("DNeX Petroleum") and put forward a proposal for the latter to consider investing in Ping and hence, in Oil & Gas businesses and assets, which included the Proposed Acquisition. DNeX Petroleum, following its deliberation of such proposal, had expressed its desire to invest in Ping.

On 4 June 2015, Ping and DNeX Petroleum had executed the Letter of Intent, which sets out the principal terms and conditions upon which DNeX Petroleum agreed to invest in Ping and hence, subscribe for the Subscription Shares, being 30% of the enlarged issued share capital of Ping. Pursuant to the Letter of Intent, DNeX Petroleum had, on 5 June 2015, paid to Ping the Commitment Fee of a sum of USD1.0 million (equivalent to RM3.728 million) in cash, which is part payment of the Consideration on the term of a definitive agreement to be entered between Ping and DNeX Petroleum to govern the subscription by DNeX Petroleum of the Subscription Shares.

Subsequently, Ping and DNeX Petroleum had entered into the Share Subscription Agreement on 7 September 2015. Under the Share Subscription Agreement, Ping shall allot and issue the Subscription Shares to DNeX Petroleum and DNeX Petroleum shall subscribe for those Subscription Shares, which represent 30% of the enlarged issued share capital of Ping ("Proposed Subscription").

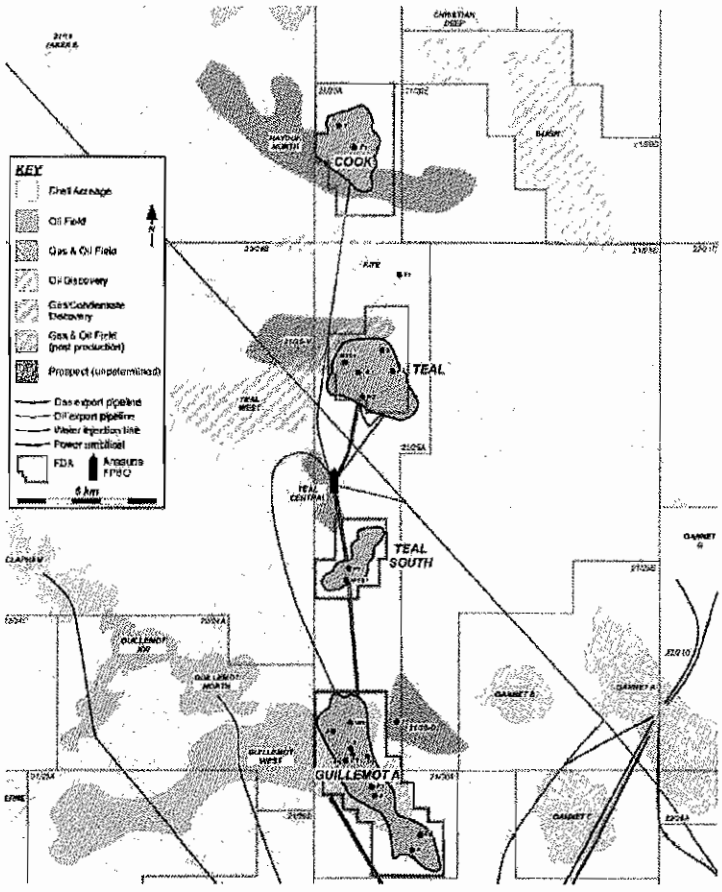
Client and Instruction

In accordance with RPS Energy Consultants Limited's ("RPS") letter of engagement dated 28 September, 2015 with DNEX, RPS has been instructed to prepare a Reserves and Resources Evaluation ("RRE") report and carry out an independent asset valuation for its interest in the Anasuria Cluster, pursuant to the Proposed Acquisition and Proposed Subscription.

The RRE report and this Valuation Report have been prepared solely for the use of DNEX, its other advisors and Bursa Malaysia Securities Berhad. An additional Valuation Certificate (a shorter-form version of this Valuation Report), dated 30th September 2015, has been prepared by RPS.

RPS did not undertake a site visit to the FPSO. Petrofac (a FTSE 250 company, providing integrated services across the oil and gas asset life cycle in 29 countries worldwide) was retained by Hibiscus Petroleum to complete a site visit to perform survey work and due diligence on the FPSO (Floating, Production, Storage and Offloading) facilities including providing their view of the ongoing capital projects and operating costs and had supplied RPS with their report. Significant remedial work is required at the FPSO and RPS has included future capex for this. Field uptime has been relatively low over the last three years and RPS has assumed this remedial work will improve uptime.

Figure 1: Anasuria Cluster Location



Source: Operator
Note: Guillemot West field is not included in the Proposed Acquisition

Figure 1: Anasuria Cluster Location

The primary reservoir is the Upper Jurassic Fulmar Fm, significant in place volumes also exist in the Triassic Skagerrak Fm, but there is modest evidence of sustained economic recovery from this reservoir. Minor volumes are also present in the Palaeocene Forties Fm and Upper Jurassic Heather Fm sandstones. RPS has estimated Developed Reserves by decline curve analysis (DCA). The development has been mainly based on water injection supplemented by depletion in some of the reservoirs.

RPS has reviewed the in place volumes and attended a dataroom in Aberdeen to review a number of the geological models. The Operator in-place volume estimates are considered reasonably well defined. Given in-place volume estimates as provided by Shell and the Developed Reserves from

DCA a number of the field's exhibit modest final recovery factors. In particular the largest field, Guillemot A, has a forecast developed Recovery Factor of only circa 20%. A number of potential infill opportunities across the four fields are summarized in the Vendors material but they are not mature technically and are not supported by reservoir simulation. The modest developed recovery may suggest scope for further infill drilling activity but the expected ultimate recover factors are modest because of:-

- Heterogeneity of the primary fulmar reservoir leading to relatively inefficient water-flooding performance.
- The low Gas Oil Ratio (GOR) oil resulting in low primary deletion (~12% down to the bubblepoint).
- The low well count, generally one producer injector pair per fault block makes achieving high areal sweep challenging.

RPS has considered the gas lift additions to the Guillemot A wells and two infill Guillemot A wells as undeveloped Reserves. In the absence of simulation models this has been done by analogue to the recent P5 infill well and suggests an estimated ultimate recovery of 1.2 to 2.5 MMstb/well. In addition the recompletion of Guillemot A well P2 into a dedicated Forties producer has also been included as Reserves.

Other opportunities are considered by RPS as Contingent Resources:-

- The Kite discovery on the basis of the very limited appraisal data (no flow tests or PVT data).
- A potential infill well located to the SW of the Cook field on the basis of uncertainty whether reservoir is present and no evidence of Joint Venture commitment.
- Infill wells in the Triassic Skagerrak.

No Prospective Resources were evaluated and the Exploration potential of the licences is considered to be modest.

Reserves and Resources for the Evaluation are summarized in Sections 4 to 7 of this report, in the Anasuria Cluster Reserves & Resources Evaluation Report and Table 1 to 3 below. The evaluation reflects our informed judgement based on the SPE PRMS 2007 Standards, but is subject to generally recognised uncertainties associated with the interpretation of geological, geophysical and engineering data. The reported hydrocarbon resource volumes are estimates based on professional engineering judgment and are subject to future revisions, upward or downward, as a result of future operations or as additional information become available.

We reserve the right to revise any estimates provided herein if any relevant data existing prior to preparation of this report were not made available, if any data between the effective date of the evaluation and the date of this report were to vary significantly from that forecast, or if any data provided were found to be erroneous.

SUMMARY OF OIL RESERVES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	Full Field Gross Reserves[1]			Shell/Esso Working Interest Reserves					
				Gross[2]			Net[3]		
	1P MMstb	2P MMstb	3P MMstb	1P MMstb	2P MMstb	3P MMstb	1P MMstb	2P MMstb	3P MMstb
Guillemot A	17.7	27.5	36.3	17.7	27.5	36.3	17.7	27.5	36.3
Cook	9.6	16.0	22.1	3.7	6.2	8.5	3.7	6.2	8.5
Teal	2.6	3.2	3.7	2.6	3.2	3.7	2.6	3.2	3.7
Teal South	1.7	3.5	5.5	1.7	3.5	5.5	1.7	3.5	5.5
TOTAL[4]	**31.7**	**50.2**	**67.6**	**25.8**	**40.4**	**54.0**	**25.8**	**40.4**	**54.0**

Notes:

*[1] Gross field Reserves (100% basis) **after** economic limit test*

*[2] Companies working interest share of gross field Reserves **after** economic limit test*

[3] Companies net attributable share of Reserves, after royalties. As no Royalties are paid the Net and Gross Working interest are the same.

[4] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Reserves are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1P Reserves may be a very conservative assessment and the total 3P Reserves a very optimistic assessment.

Any discrepancies in the tables included in this Valuation Report between the amounts listed, actual figures and the total thereof in this Valuation Report are due to rounding adjustments.

Table 1: Summary of Oil Reserves

SUMMARY OF GAS RESERVES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	Full Field Gross Reserves[1]			Shell/Esso Working Interest Reserves					
				Gross[2]			Net[3]		
	1P Bscf	2P Bscf	3P BScf	1P Bscf	2P Bscf	3P Bscf	1P Bscf	2P Bscf	3P Bscf
Guillemot A	6.2	9.6	12.6	6.2	9.6	12.6	6.2	9.6	12.6
Cook	21.2	35.3	48.7	8.2	13.6	18.8	8.2	13.6	18.8
Teal	1.2	1.5	1.7	1.2	1.5	1.7	1.2	1.5	1.7
Teal South	1.5	3.2	5.0	1.5	3.2	5.0	1.5	3.2	5.0
TOTAL[4]	**30.1**	**49.5**	**68.0**	**17.1**	**27.9**	**38.2**	**17.1**	**27.9**	**38.2**

Notes:

*[1] Gross field Reserves (100% basis) **after** economic limit test*

*[2] Companies working interest share of gross field Reserves **after** economic limit test*

[3] Companies net attributable share of Reserves, after royalties As no Royalties are paid the Net and Gross Working interest are the same.

[4] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Reserves are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1P Reserves may be a very conservative assessment and the total 3P Reserves a very optimistic assessment.

Any discrepancies in the tables included in this Valuation Report between the amounts listed, actual figures and the total thereof in this Valuation Report are due to rounding adjustments.

Table 2: Summary of Gas Reserves

SUMMARY OF CONTINGENT OIL RESOURCES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	Full Field Gross Resources[1]			Shell/Esso Working Interest Resources					
				Gross[2]			Net[3]		
	1C	2C	3C	1C	2C	3C	1C	2C	3C
	MMstb	MMstb	MMstb	MMstb	MMstb	MMstb	MMstb	MMstb	MMstb
Kite	0.4	1.4	3	0.4	1.4	3	0.4	1.4	3
Cook	0.3	1.29	7.5	0.1	0.5	2.9	0.1	0.5	2.9
Teal South	0.8	1.5	3	0.8	1.5	3	0.8	1.5	3
Guillemot A	3.6	7	12	3.6	7	12	3.6	7	12
TOTAL[4]	**4.9**	**11.2**	**25.5**	**4.8**	**10.4**	**20.9**	**4.8**	**10.4**	**20.9**

Notes:

*[1] Gross field Resources (100% basis) **after** economic limit test*

*[2] Companies working interest share of gross field Resources **after** economic limit test*
[3] Companies net attributable share of Resources, after royalties As no Royalties are paid the Net and Gross Working interest are the same
[4] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Resources are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1C Resources may be a very conservative assessment and the total 3C Resources a very optimistic assessment.
Any discrepancies in the tables included in this Valuation Report between the amounts listed, acfual figures and the total thereof in this Valuation Report are due to rounding adjustments.

Table 3: Summary of Contingent Oil Resources

SUMMARY OF CONTINGENT GAS RESOURCES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	Full Field Gross Reserves[1]			Shell/Esso Working Interest Reserves					
				Gross[2]			Net[3]		
	1C	2C	3C	1C	2C	3C	1C	2C	3C
	Bscf	Bscf	BScf	Bscf	Bscf	Bscf	Bscf	Bscf	Bscf
Kite	0.3	1.2	2.5	0.3	1.2	2.5	0.3	1.2	2.5
Cook	0.3	1.3	7.5	0.1	0.5	2.9	0.1	0.5	2.9
Teal South	0.4	0.7	1.4	0.4	0.7	1.4	0.4	0.7	1.4
Guillemot A	1.2	2.4	4.4	1.2	2.4	4.4	1.2	2.4	4.4
TOTAL[4]	**2.1**	**5.6**	**15.8**	**2**	**4.8**	**11.2**	**2**	**4.8**	**11.2**

Notes:

*[1] Gross field Resources (100% basis) **after** economic limit test*

*[2] Companies working interest share of gross field Resources **after** economic limit test*
[3] Companies net attributable share of Resources, after royalties As no Royalties are paid the Net and Gross Working interest are the same
[4] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Resources are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1C Resources may be a very conservative assessment and the total 3C Resources a very optimistic assessment.
Any discrepancies in the tables included in this Valuation Report between the amounts listed, actual figures and the total thereof in this Valuation Report are due to rounding adjustments.

Table 4: Summary of Contingent Gas Resources

SUMMARY OF NET PRESENT VALUES of RESERVES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	NPV @ 10% (US$MM)				NPV @ 10% (RM$MM) [2]	
	Shell/Esso Working Interest		15 % Working Interest to DNEX		15 % Working Interest to DNEX	
	1P	2P	1P	2P	1P	2P
DEVELOPED[1]	-98.4	51.0	-14.8	7.7	-62.8	32.5
DEVELOPED + UNDEVELOPED[1]	35.5	226.5	5.3	34.0	22.6	144.5

Notes:

[1] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Reserves are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1P Reserves and the value derived may be a very conservative assessment and the total 3P Reserves and value derived a very optimistic assessment.

[2] Unless otherwise stated, the exchange rate of US$1.00:RM 4.2520, being Bank Negara Malaysia's middle rate as at 5.00 p.m. on 26 August 2015, is used throughout this Valuation Report for purposes of translation of US$ into RM

Table 5: Summary of Net Present Values for Anasuria Cluster

Purpose of the Valuation

The Board has appointed RPS to conduct an independent asset valuation of the Anasuria Cluster to satisfy Paragraph 10.04(6) of the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad which stipulates that a valuation is to be conducted where the Exchange may at its discretion and whenever it deems appropriate, at the cost of the listed issuer -

> (b) require a listed issuer to conduct a valuation on the asset proposed to be acquired or disposed in respect of any transaction other than the transaction referred to in subparagraph (1) and (2) above

Valuation Guidelines

The valuation has been prepared in accordance with RPS' understanding of the Asset Valuation Guidelines issued by the Securities Commission Malaysia.

Yours faithfully

On behalf of RPS Energy Consultants Limited

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Anasuria Cluster - Competent Person's Report for Petroleum Reserves and Resources

Prepared for
Dagang NeXchange Berhad

September 2015

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DISCLAIMER

The opinions and interpretations presented in this report represent our best technical interpretation of the data made available to us. However, due to the uncertainty inherent in the estimation of all sub-surface parameters, we cannot and do not guarantee the accuracy or correctness of any interpretation and we shall not, except in the case of gross or wilful negligence on our part, be liable or responsible for any loss, cost damages or expenses incurred or sustained by anyone resulting from any interpretation made by any of our officers, agents or employees.

Except for the provision of professional services on a fee basis, RPS Energy does not have a commercial arrangement with any other person or company involved in the interests that are the subject of this report.

DOCUMENT REVISION RECORD

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1. INTRODUCTION

1.1 UK North Sea History

The four fields being investigated lie in the central North Sea. The first British discovery of hydrocarbons in the North Sea, occurred in the West Sole field, by BP. However, it was not until 1975 that a small entrepreneurial American company, Hamilton Brothers working in the Argyle field, brought the first British oil ashore, followed very soon after by BP in the giant Forties field.

By the early 1980s Britain had become a net exporter of oil, and by the mid-1990s of gas. Two of the key centres of the industry have been the Great Yarmouth/Lowestoft area, Aberdeen, which is now regarded as the oil capital of Europe. Among other centres to have been central to the success of the industry have been the northern isles of Orkney and Shetland.

During the 1990s, like the rest of the world, the North Sea was vulnerable to the fluctuation of world oil prices. Nevertheless production grew and peaked around 2000/1. Now, the North Sea is regarded as a mature province on decline. However, thanks to ever more sophisticated technology, important amounts of oil and gas could be drawn for anything up to 50 years. New discoveries are still being made and the industry is now well established west of Shetland in the Atlantic

1.2 Geological Setting

The primary reservoir in all four fields is the Fulmar Sandstone Member (the "Fulmar"), which sits within the Upper Jurassic Heather Formation (the "Heather"). The second largest accumulation of hydrocarbons occurs within the Triassic aged Skagerrak Formation (the "Skagerrak"). Within the Heather there are additional sandstone packages; these Heather sands are stratigraphically younger and sit above the Fulmar. Within the much younger Paleogene, there are an additional two reservoirs: the Forties Sandstone Member (the "Forties"), which sits within the Sele Formation (the "Sele"), and the Tay Sandstone Member (the "Tay"), which is part of the Horda Formation (the "Horda")

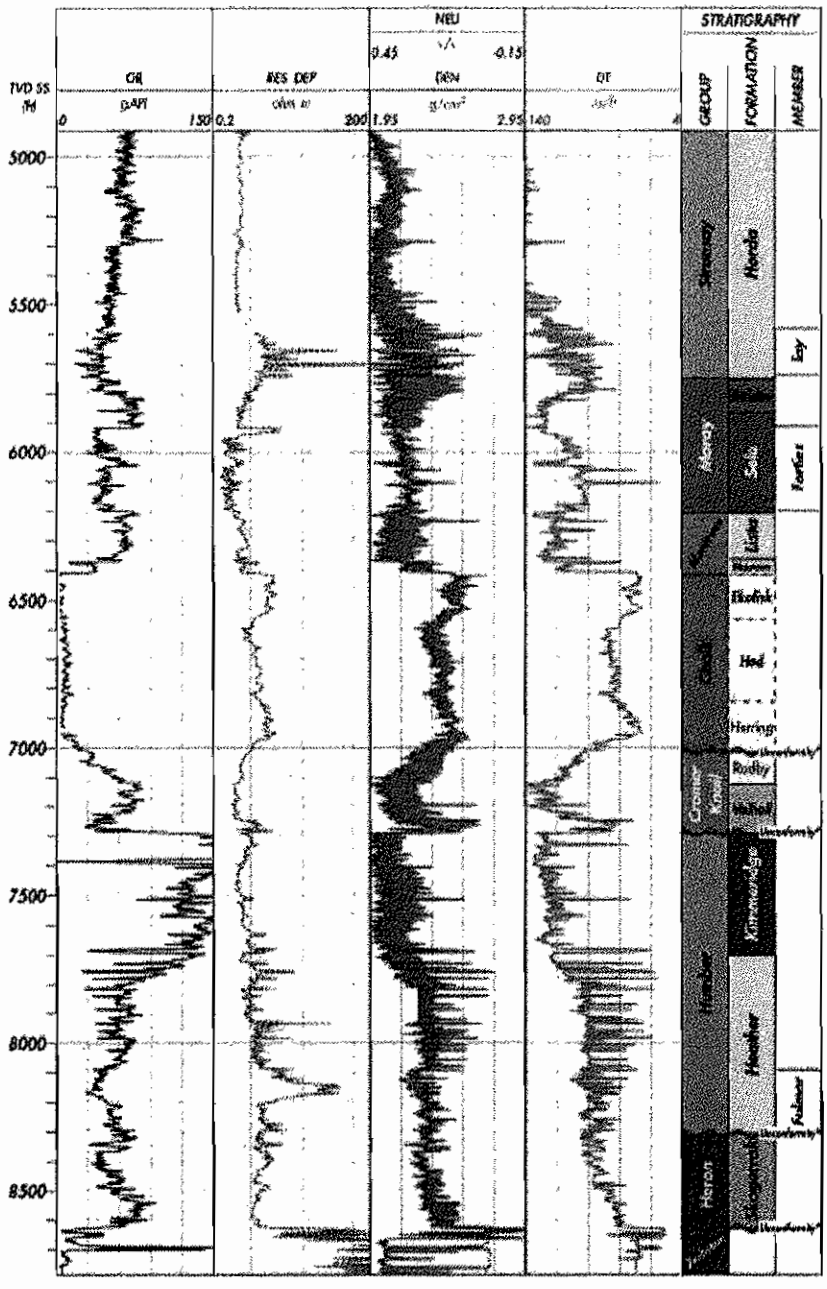

Figure 1.1: Anasuria Cluster Stratigraphic Overview

In terms of the distribution of these reservoir intervals across the Anasuria Cluster, the Fulmar and Skagerrak are present in all four Anasuria Cluster Fields, with the Fulmar being the main reservoir. The Skagerrak, however, is only present above the hydrocarbon / water contact in the Guillemot A and Teal South Fields. Younger aged Heather sands are present aerially in only the Guillemot A and Cook Fields. The Forties is located only in the Guillemot A Field.

2. SUMMARY OF ASSETS

The Interests to be valued by RPS were 4 producing fields, Guillemot A, Cook, Teal, Teal South and the Kite discovery in addition to the Anasuria FPSO. Each asset is described in more detail in from sections 4 to 9 along with the associated production profiles.

SUMMARY OF ASSETS
as of January 01, 2015

Asset	Percentage Ownership (%)	Acreage (Acres)	
		Gross [1]	Net [2]
Guillemot A	100%	2350.0	2350.0
Cook	38.65%	1951.1	754.1
Teal	100%	921.5	921.5
Teal South	100%	925.8	925.8
Kite	100%	370.0[1]	370.0
Anasuria FPSO	100%	N/A	N/A

Notes:

1 This is an estimate based upon maps supplied by Shell and used within RPS volumetric calculations

2 Net is Gross at Percentage Ownership

Table 2.1: Summary of Assets Investigated by RPS

3. METHODOLOGY

RPS reviewed the Guillemot A static model for the Forties, Fulmar and Skagerrak reservoirs plus the Cook and Teal South Fulmar static models for reasonableness over two days in a Shell data room. Based on this review RPS supported the published STOIIP values for the reservoirs. No reservoir simulation models were available for review and to generate developed forecasts, RPS generated a production database with production up to March 2015 for the producing fields. The production data was converted into monthly potential using the fraction of the month on production and hence was a 'producing days' forecast. The 1P forecasts were calculated using an exponential decline, 3P using a harmonic decline and 2P calculated arithmetical as the mean of the 1P and 3P.

Petrofac provided RPS with an uptime forecast based on a 2017 offshore shut-down scenario, see Table 3.1.

Uptime	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Low	63	66	52	72	74	68	74	58	74	74	68	71	64	63
Base	68	76	62	82	84	78	84	68	84	84	78	81	74	73
High	73	86	72	92	94	88	94	78	94	94	88	91	84	83

Table 3.1: % Uptime Assumptions used for Production Forecasts

RPS applied the actual uptime for each well as recorded by Shell from January to May 2015 and then applied the uptime factors, as supplied by Petrofac, for the rest of the forecast.

4. GUILLEMOT A FIELD

The Guillemot A oil and gas field is located in Blocks 21/25 and 21/30 (Figure 4.1).The field was discovered in 1979 and was subsequently developed with four production wells and two water injection wells (one water injector was later converted into a producer) tied-back to the Anasuria FPSO, with first production in 1996. A fifth production well ("GUA-P5") was drilled in early 2014 and came on-stream in May 2014. As at 31 December 2014, the Guillemot A Field has produced an estimated 41.5 MMstb of oil and 20.2 Bscf of gas since it commenced production in 1996. Oil production rate as at 31 December 2014 was 5100 bopd with a watercut of 56%

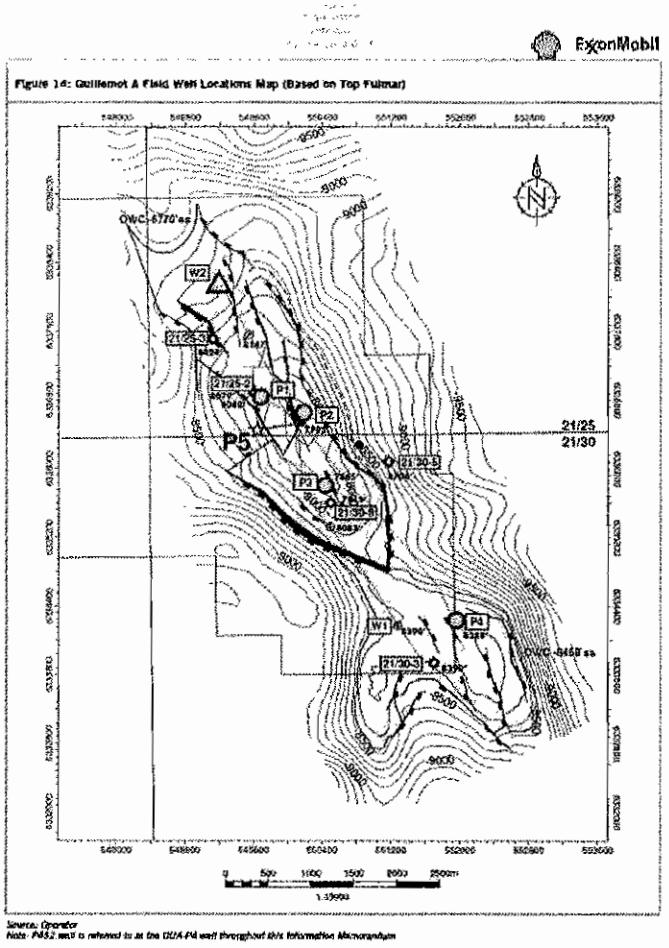

Figure 4.1: Guillemot A Field

4.1 Reserves

4.1.1 Geological Models

The Guillemot A field compromises of three main reservoir intervals (Fulmar, Forties and Skagerrak), split into three areal sections (North, Central and South).

Fulmar

- Structural model has good agreement with the seismic interpreted surface with the exception of the small crestal graben area where the model horizon is

shallower than the mapped surface. It is our view that this difference is not significant.

- Average reservoir properties in the model show reasonable agreement with the average values from the well logs
- There are two OWCs areas, North and South,
  - North - 8770ft TVDSS based on RFT pressures
  - South – 8458ft TVDSS based on logs in 31/30-3
- There is probably no major risk of no reservoir on the eastern flank, where there is potential to recomplete the P2 and/or to drill a new infill well further south on this side.
- The in place volumes, 160 MMstb, were confirmed and reproduced in the model.

Zone	Thickness (ft)	Porosity (%)	Permeability (md)	Datum Depth (ft TVDSS)	Pressure at Datum (Psi)
Fulmar (North and Central)	190-210	24	10-200	7900	4900
Fulmar (South)	190-263	24	10-200	7900	3500-4000

Table 4.1: Fulmar Geological Data

Forties

- There was no documentation for the Forties Petrel model in the supplied database due to the work having been recently completed by Shell. Average reservoir property distribution is consistent with the averages in the wells.
- It was not possible to check how well the Sw from the height function compared to the log derived Sw. The average Sw of 38% however seems reasonable. A range of OWC's was defined, shallow 5948 ft TVDSS, mid 5953ft TVDSS, deep 5963ft TVDSS, which reflect the contact uncertainty.
- The mid case Vendors STOIIP of 17.7 MMstb was confirmed in the model.

Zone	Thickness (ft)	Porosity (%)	Permeability (md)	Datum Depth (ft TVDSS)	Pressure at Datum (Psi)
Forties	250-300	25-35	30-3000	5889	2100-2500

Table 4.2: Forties Geological Data

Skagerrak

- In general the Skagerrak has poor reservoir rock quality. Interbedded distributary channel sands are of better quality. In the P1 well these are well developed as stack channel deposits but are significantly less in 21/25-2 well (Figure 4.2). This supports the view from Shell that they are "ephemeral". The facies model had a high proportion of better quality channel sand. This represent an uncertainty since the distribution and connectivity of these better quality sands is unknown.

There is limited production data to give confidence that flow rates from these sands is sustainable

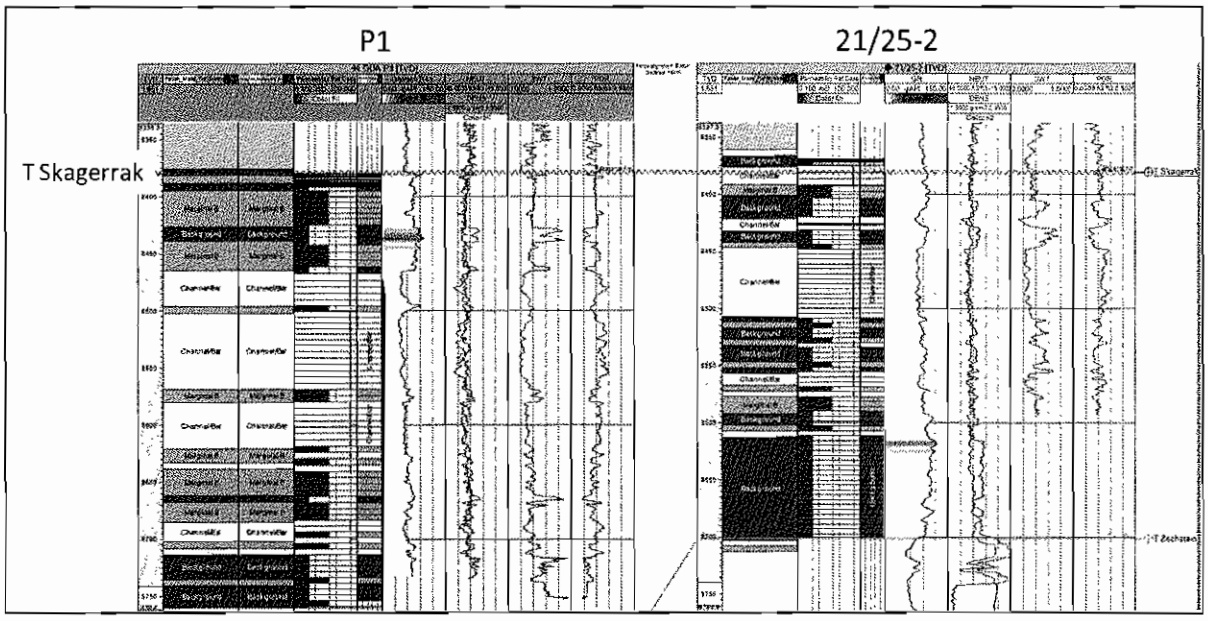

Figure 4.2: Correlation between Wells P1 and 21/25-2 illustrating the Channel Facies Development

- OWC was defined at 8728ft TVDSS from pressure data
- The in place volumes could be reproduced. It is noted that range of STOIIP is very tight at Low: 81.1 MMstb, Mid: 95.7 MMstb, High: 106.2 MMstb. There should more uncertainty captured on the distribution of the channel sands.

Zone	Thickness (ft)	Porosity (%)	Permeability (md)	Datum Depth (ft TVDSS)	Pressure at Datum (Psi)
Skagerrak	60-150	19	1-200	7900	N/A

Table 4.3: Skagerrak Geological Data

4.1.2 Developed Reserves

To generate Developed producing forecasts, RPS generated an production database with historical production provided up to March 2015. From the production data supplied, a producing day forecast was calculated by applying decline curve analysis (DCA) to production from months with good uptime. RPS estimated a range of profiles for the three producers P1, P3 and P5.

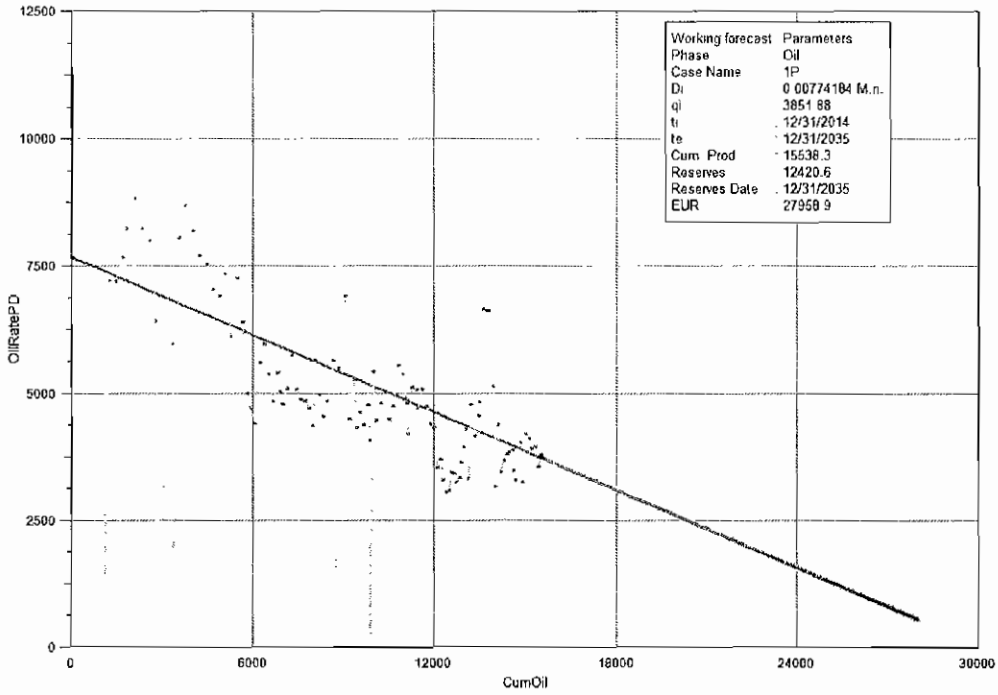

Figure 4.3: Guillemot P3 1P DCA

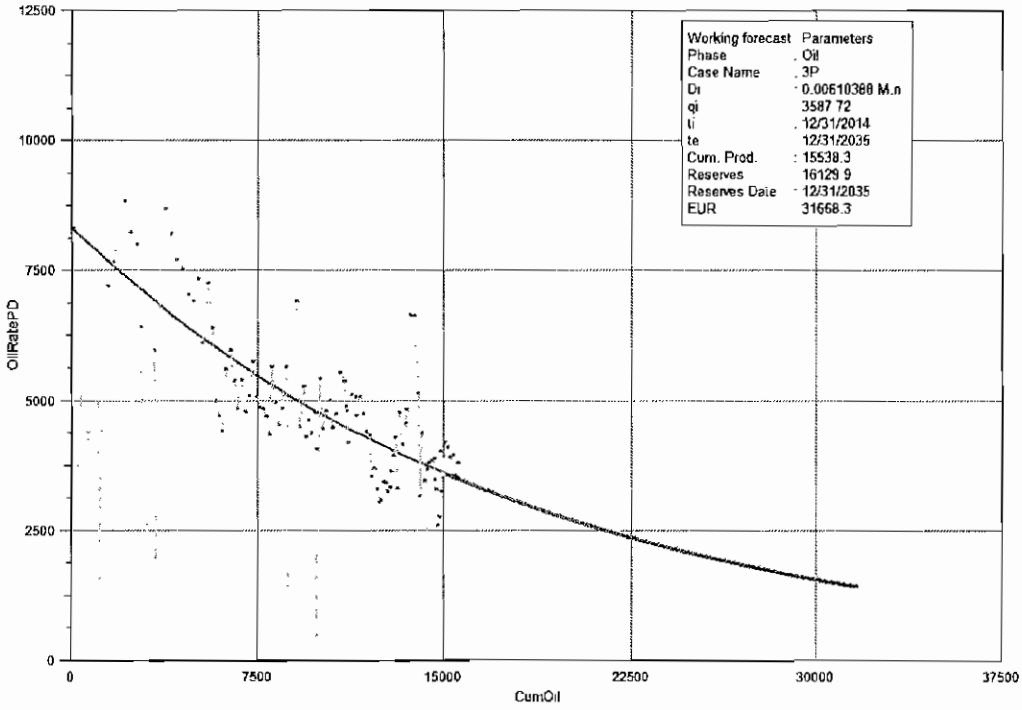

Figure 4.4: Guillemot P3 3P DCA

4.1.3 Guillemot A Gas Lift and Forties Recompletion Reserves

The performance of the P3 well has led to development plans being put in place to implement gas lift for the remaining Fulmar wells. P5 already has the required facilities but P1 and P4 require interventions to hook up gas lift. In addition the P2 well is planned to be recompleted over the Forties reservoir which could bring in additional potential.

4.1.3.1 Gas Lift

Without access to full field simulation models assessing the potential benefit of gas lift on ultimate recovery is difficult to quantify. To assess the impact of gas lift RPS studied the water-oil-ratio trend of P1. The incremental increase due to gas lift was estimated by extending the current Water Oil Ratio (WOR) trend to a 98% watercut, see Figure 4.5.

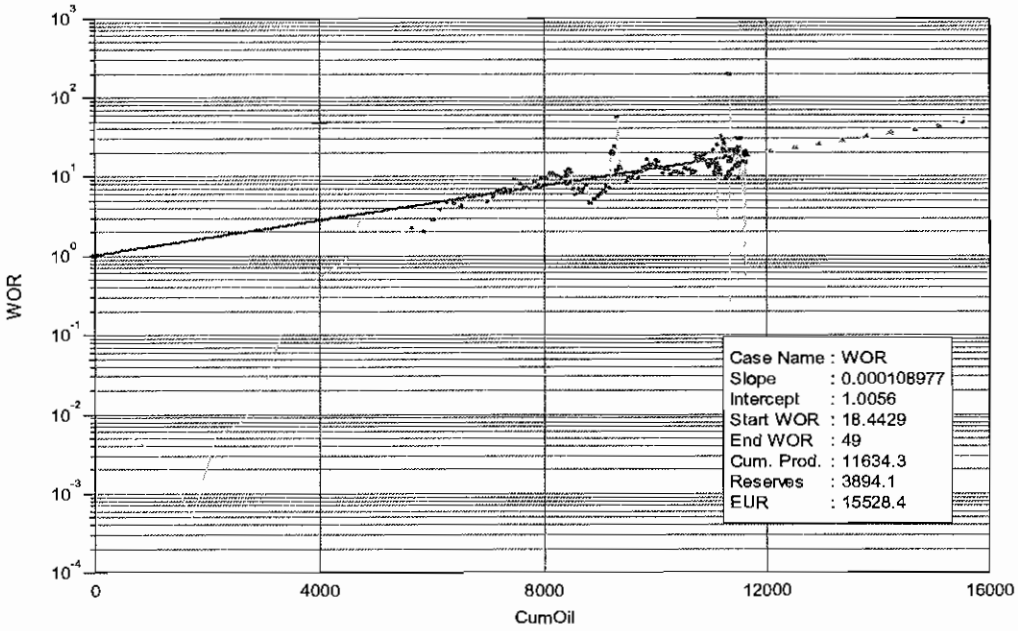

Figure 4.5: Guillemot A Well P1 WOR Trend

The increase was then converted into a performance enhancement percentage over the 2P Reserves. This percentage was then applied to the 1P and 3P profiles to provide their gas lift incremental profiles. Monthly uptime was then applied to produce a technical profile.

After studying the MBal model provided by the client (and taking into consideration about the lack of recent production figures), P4 was attributed the same gas lift profile as P1.

Well P5 has limited production and no discernible Water-Oil-Ratio trend and the increments calculated for P1 were thus assigned to P5.

4.1.3.2 Well P2 Forties Recompletion

RPS agrees with the P50 estimated STOIIP for the Forties reservoir of 17.7 MMstb and that an additional 2 MMstb of oil could be additionally produced from the Forties

reservoir with a recovery factor of 11%. This recovery factor when applied to RPS 1P and 3P STOIIPs of 14.0 and 25.0 MMstb respectively indicates a range of ultimate recoveries from 1.5 MMstb to 2.8 MMstb.

Reserves (MMstb)	To Come On-Stream	1P	2P	3P
GUA –P1 Gas Lift	May 2017	1.4	1.9	2.4
GUA –P4 Gas Lift	May 2017	1.4	1.9	2.4
GUA –P5 Gas Lift	May 2016	1.4	1.9	2.5
GUA–P2 Recompletion	July 2017	1.5	2.0	2.8
Total		**5.6**	**7.6**	**10.2**

Table 4.4: Gas Lift & Forties Recompletion Reserves for Guillemot A

4.1.3.3 Infill Drilling (Reserves)

RPS considers the proposed drilling of two infill wells, one in Guillemot Central and one in Guillemot North, (with first oil in January 2018,) can be considered as Reserves. In the absence of simulation models to quantify their potential however, the volumes of these wells have been limited, by analogue, to the recent P5 infill well and assigned Reserves of 1.2 to 2.5 MMstb/well.

4.1.4 Production Schedule

The total reserves profiles are given below in Table 4.5. These are based on the addition of the separate forecasts once uptime had been applied. It is assumed that any projects that have been described above come onstream at the stated times.

Year	Yearly Oil Production (Mstb)		
	1P	2P	3P
2015	1462	1522	1583
2016	1227	1453	1702
2017	1170	1551	2046
2018	2126	2925	4010
2019	2026	2749	3679
2020	1681	2288	3058
2021	1613	2164	2852
2022	1176	1619	2166
2023	1309	1749	2280
2024	1202	1605	2083
2025	1006	1355	1651
2026	945	1190	1312
2027	788	869	1083
2028	588	763	1007
2029	537	708	949
2030	477	666	901
2031	444	629	858
2032	415	596	821
2033	387	562	782
2034	361	533	750
2035	338	507	720
pre Economic Limit Test (ELT) Reserves to end 2035 (MMstb)	**21.3**	**28.0**	**36.3**

Table 4.5: Guillemot 100 % Working Interest (WI) Forecast Profile

4.2 Contingent Resources

Three opportunities proposed have been classified as Contingent Resources by RPS.

- One infill well in the Guillemot South Block
- Two wells to penetrate the Skagerrak interval (one in the Central and one in the Northern block)
- The Southern infill well is a very immature prospect and the Skagerrak formation in Guillemot is of unknown potential and has uncertain communication with the Fulmar formations above it.

Year	Yearly Oil Production (Mstb)		
	1P	2P	3P
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020	1500	3000	5500
2021	721	1442	2496
2022	412	823	1346
2023	270	540	847
2024	193	386	591
2025	144	288	437
2026	110	220	331
2027	85	169	254
2028	65	131	197
2029	0	0	0
Cumulative to end 2035 (MMstb)	**3.5**	**7.0**	**12.0**

Table 4.6: Guillemot A Field Contingent Resources Forecast Profile (100% WI)

5. COOK FIELD

The Cook oil and gas field is located in Block 21/20a and is the northernmost field of the Anasuria Cluster. The field was discovered in 1983 and has been developed as a single-well subsea tie-back to the Anasuria FPSO, with production commencing in 2000. As at 31 December 2014, the Cook Field has produced an estimated 43.7 MMstb of oil and 48.6 Bscf of gas since it commenced production in 2000. Oil production rate as at 31 December 2014 was 4000 bopd with a watercut of 1%

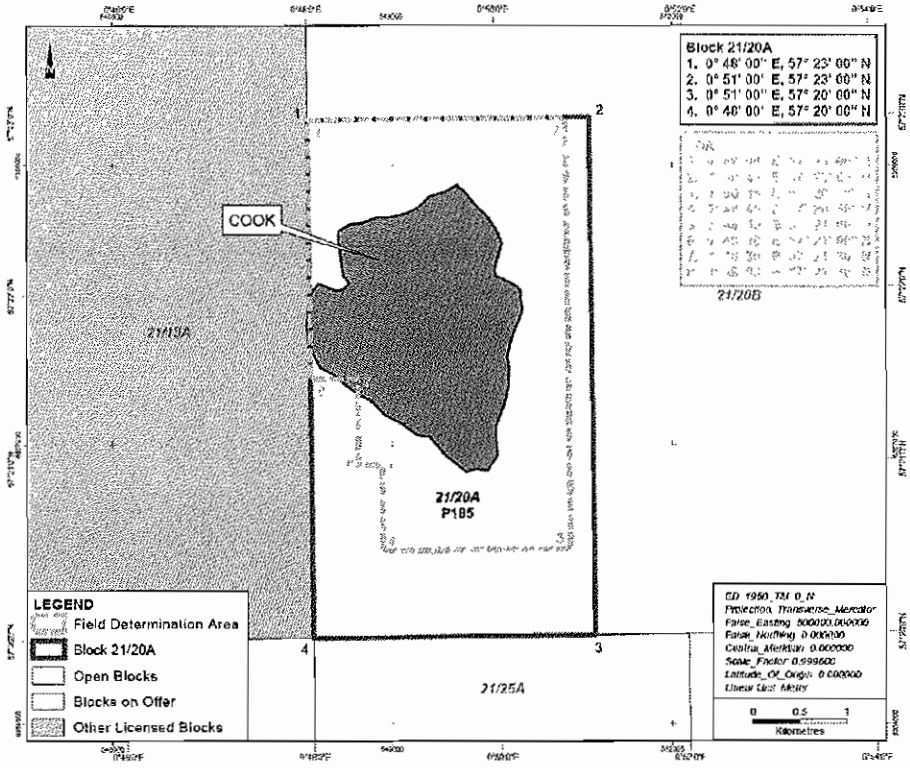

Figure 5.1: Cook Field

5.1 Reserves

5.1.1 Geological Models

The producing reservoir units of the Cook Field are the Fulmar and Heather sandstone members. The Jurassic Fulmar is the main producing interval which displays high permeabilities and porosities, whilst the Heather sandstone is a minor producing interval.

- The modelled horizon is in places shallower than the input depth surface, Figure 5.2. This may result in a slight overestimation of GRV.
- The OWC was defined in the 21/20A-2 well.
- In general the average NTG and porosity in the model were in good agreement with log derived averages, where differences existed the model was more conservative.

- The Sw property from the height function was in reasonable agreement with log calculated curves.

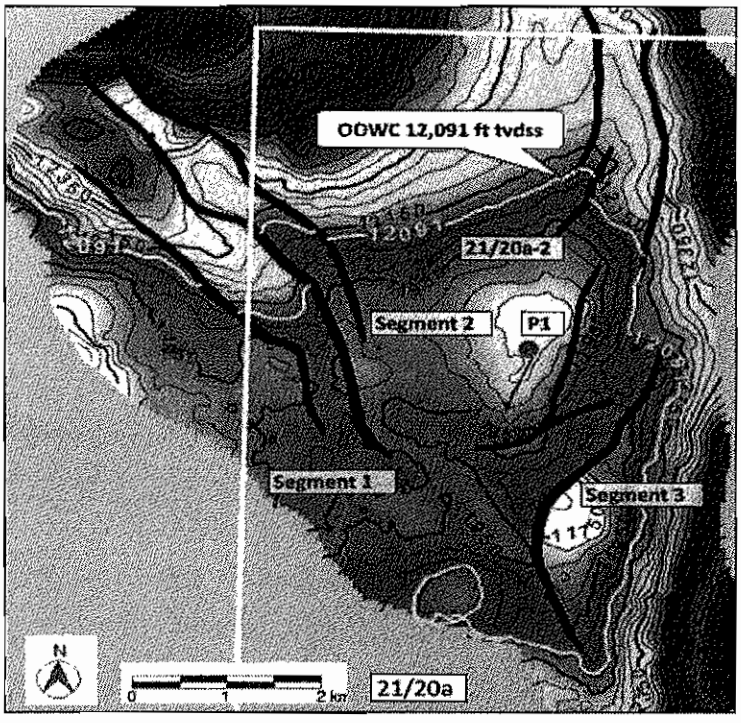

Figure 5.2: Cook Field, Top Fulmar Depth Structure Map

- The model STOIIP of 86.6 MMstb was reproduced and is consistent with that reported.

Field	Thickness (ft)	Porosity (%)	Permeability (md)	Datum Depth (ft TVDSS)	Pressure at Datum (Psi)
Cook	~ 210	13-29	1-2,000	11887	200-2500

Table 5.1: Cook Geological Numbers

5.1.2 Developed Reserves

A simple material balance model was created using early gauge data and a single pressure survey acquired in 2005. This model indicated a best fit STOIIP of 135 MMstb and a very small aquifer (Re/Ro = 1.2 and 10 mD). This material balance evaluation demonstrates good agreement with the volumetric evaluations and a small limited aquifer, consistent with the Shell 2009 simulation study and suggests the risk of rapid water breakthrough is very low.

Decline curve analysis was applied in a similar manner to the Guillemot A field as shown in Figure 5.3 and Figure 5.4. This produced a production forecast onto which uptime percentages provided by Petrofac were then applied to provide calendar day forecasts.

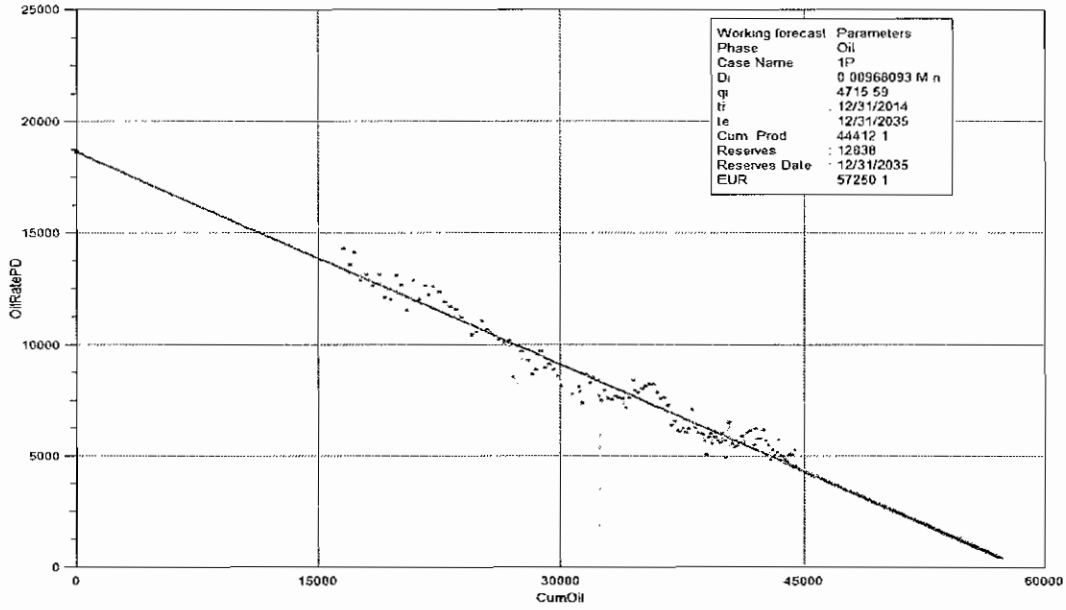

Figure 5.3: Cook P1 1P DCA

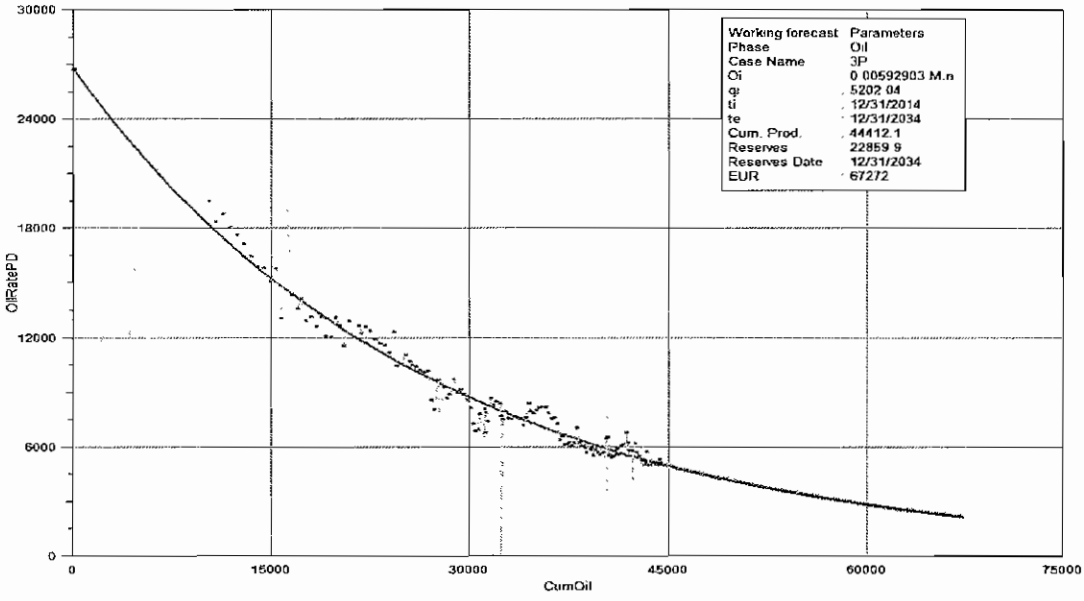

Figure 5.4: Cook P1 3P DCA

5.1.3 Production Schedule

The total 1P to 3P production schedules are given below in Table 5.2. These are based on the addition of the separate forecasts once uptime had been applied. It is assumed that any projects that have been described above come onstream at the stated times.

Year	Yearly Oil Production (Mstb)		
	1P	2P	3P
2015	1303	1426	1555
2016	1005	1237	1495
2017	756	973	1221
2018	930	1163	1433
2019	897	1132	1412
2020	768	994	1269
2021	756	988	1275
2022	564	773	1036
2023	640	870	1160
2024	600	833	1130
2025	509	733	1019
2026	485	713	1006
2027	409	624	904
2028	371	584	862
2029	343	555	831
2030	319	530	806
2031	296	507	782
2032	276	487	762
2033	255	466	739
2034	237	447	719
2035	220	430	700
Cumulative to end 2035 (MMstb)	**11.9**	**16.5**	**22.1**

Table 5.2: Cook Field (100 % WI) Forecast Profile

5.2 Contingent Resources

Several infill wells have been proposed for the Cook field to supplement production from the prolific P1 well. The South East infill which would target the South East flank is being driven by 4D seismic that suggests that this area has not been depleted. This scenario is possible, but an alternative is that the South East block doesn't contain the Fulmar reservoirs at all.

Year	Yearly Oil Production (Mstb)		
	1P	2P	3P
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	100	502	2911
2019	63	315	1825
2020	39	197	1144
2021	25	123	715
2022	16	78	450
2023	10	49	282
2024	6	30	177
2025	0	0	0
Cumulative to end 2035 (MMstb)	**0.3**	**1.3**	**7.5**

Table 5.3 Cook Field Contingent Resources Forecast Profile (100% WI)

6. TEAL FIELD

The Teal oil and gas field is located in Block 21/25 with first production in 1997. The Teal Field is produced via one producer and two water injectors which provide reservoir pressure support. Teal was shut-in late 2012, due to a riser leak. However production was restarted in December 2014 following the replacement of the production riser. As at 31 December 2014, the Teal Field has produced an estimated 56.6 MMstb of oil and 47.5 Bscf of gas since it commenced production in 1997. Oil production rate as at 31 December 2014 was 1600 bopd with a watercut of 91%

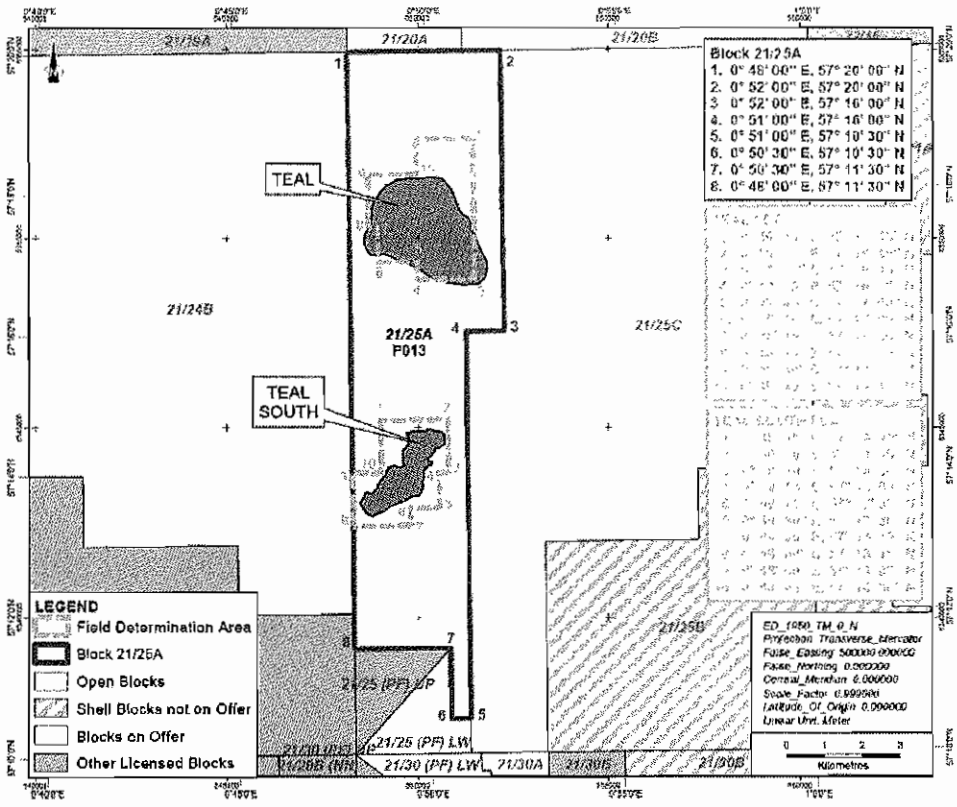

Figure 6.1: Teal and Teal South Fields

6.1 Reserves

6.1.1 Geological Model

- The main producing interval of the Teal field is the Upper Jurassic Fulmar, where there are excellent quality sands
- A brief review was conducted, in the data room, of Shell's seismic interpretation which was found to be reasonable and considered "fit for purpose"
- The surface and modelled horizon had very good agreement.
- The model STOIIP of 93.0 MMstb was reproduced and is consistent with that reported.

6.1.2 Developed Reserves

Decline curve analysis was applied in a similar manner to the Guillemot A field as shown in Figure 6.2 and Figure 6.3. This created a production forecast onto which

uptime percentages were then applied to calculate the technical profiles. DCA was only applied to Teal P2 as P1 has not been active since the end of 2005.

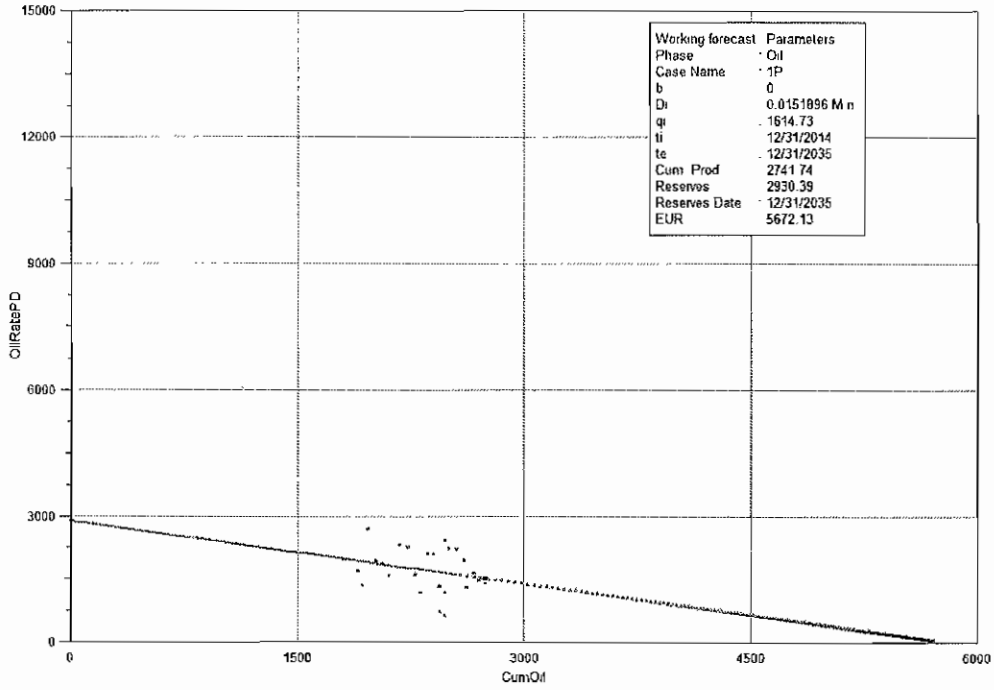

Figure 6.2: Teal P2 1P DCA

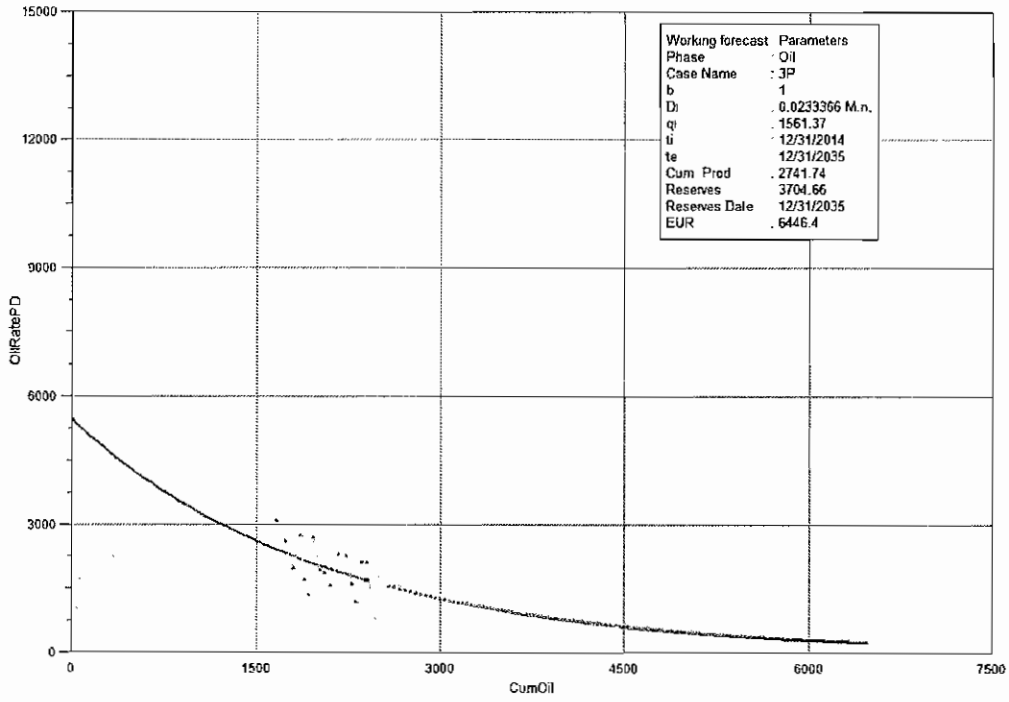

Figure 6.3: Teal P2 3P DCA

6.1.3 Reserves and Production Profile

The total developed and undeveloped 1P to 3P profiles are given below in Table 6.1.

	Yearly Oil Production (Mstb)		
Year	**1P**	**2P**	**3P**
2015	400	402	402
2016	325	350	369
2017	234	256	271
2018	277	286	291
2019	255	259	263
2020	208	213	221
2021	195	199	209
2022	139	148	162
2023	151	158	174
2024	135	144	163
2025	109	120	142
2026	99	112	136
2027	80	94	119
2028	69	85	111
2029	61	78	105
2030	55	72	99
2031	49	67	95
2032	43	62	91
2033	39	58	87
2034	34	54	83
2035	31	51	80
Cumulative to end 2035 (MMstb)	**3.0**	**3.3**	**3.7**

Table 6.1: Teal Field Forecast Profile (100% WI)

7. TEAL SOUTH FIELD

The Teal South oil and gas field is located in Block 21/25 with production commencing in 1996. The field is a two-well development consisting of a producer and a water injector. The Teal South Field has been shut-in since 2012 following the detection of H_2S however a project is ongoing to bring the field back onstream in 2016. As at 31 December 2014, the Teal South Field has produced an estimated 7.2 MMstb of oil and 4.5 Bscf of gas since it commenced production in 1996. Currently the Teal South Field has been shut in since 2012.

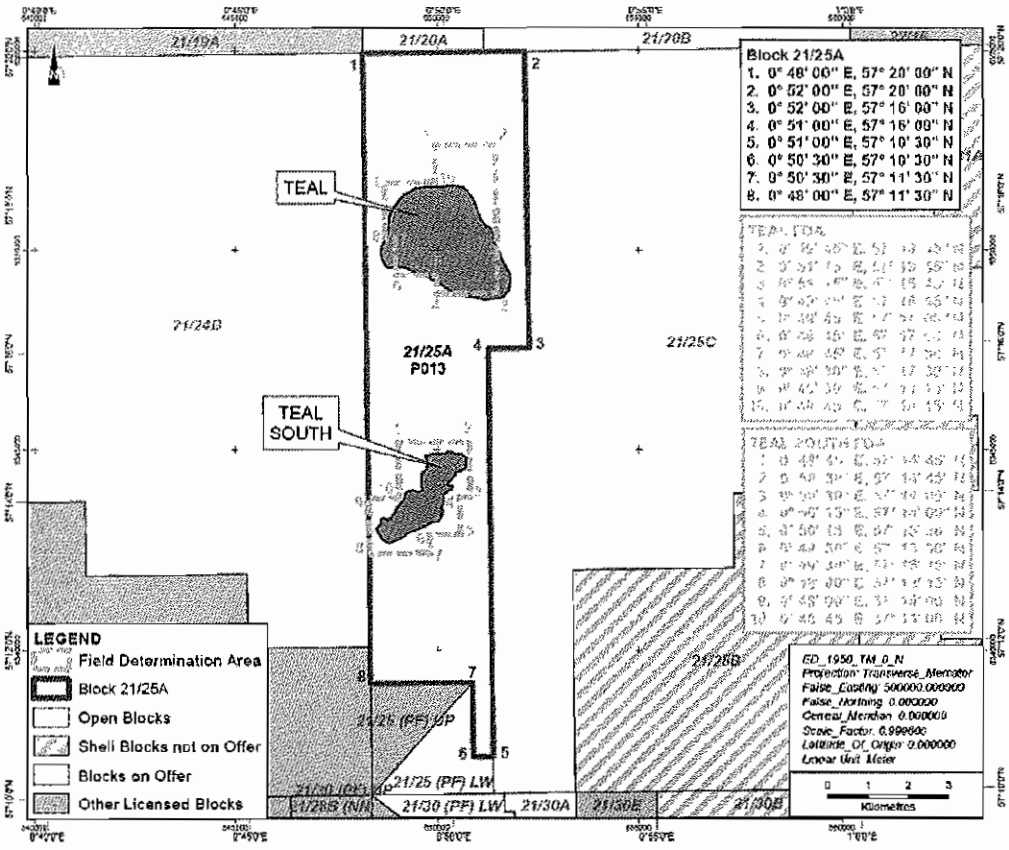

Figure 7.1: Teal and Teal South Fields

7.1 Reserves

7.1.1 Geological Model

The producing reservoir units of the Teal South Field are the Jurassic Fulmar and the Triassic Skagerrak. The operator has divided the Fulmar into three zones with the high permeability Middle Fulmar being the main producing interval.

- A brief review was conducted, in the data room, of Shell's seismic interpretation which was found to be reasonable and considered "fit for purpose"
- The reservoir and its lateral extent is well imaged on the seismic data.
- According to Shell's mapping, which seems to be reasonably robust, there is the possibility of unswept oil both in the attic above the producer and in an eastern structural nose where thicker Fulmar has been mapped.

- There may also be unswept oil to the west of the water injector (Figure 7.2).
- The model STOIIP of 39.8MMstb was reproduced and is consistent with that reported.

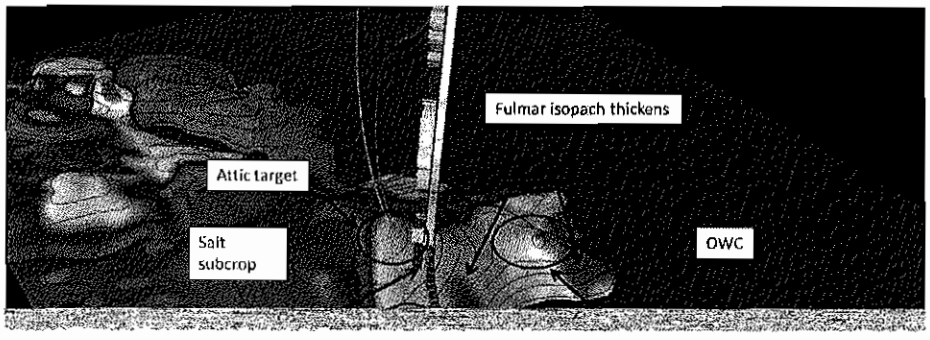

Figure 7.2: Teal South Field

7.1.2 Developed Reserves

The Teal South P1 well is shut-in while H_2S scavenging measures are being put in place; it is expected to restart during 2016. Decline curve analysis was applied to Teal South P1 with a starting date of August 2016, when the expected development is planned to be finished. DCA was applied in a similar manner as to that of Guillemot A in that production profiles were forecasted and then uptime percentages were applied.

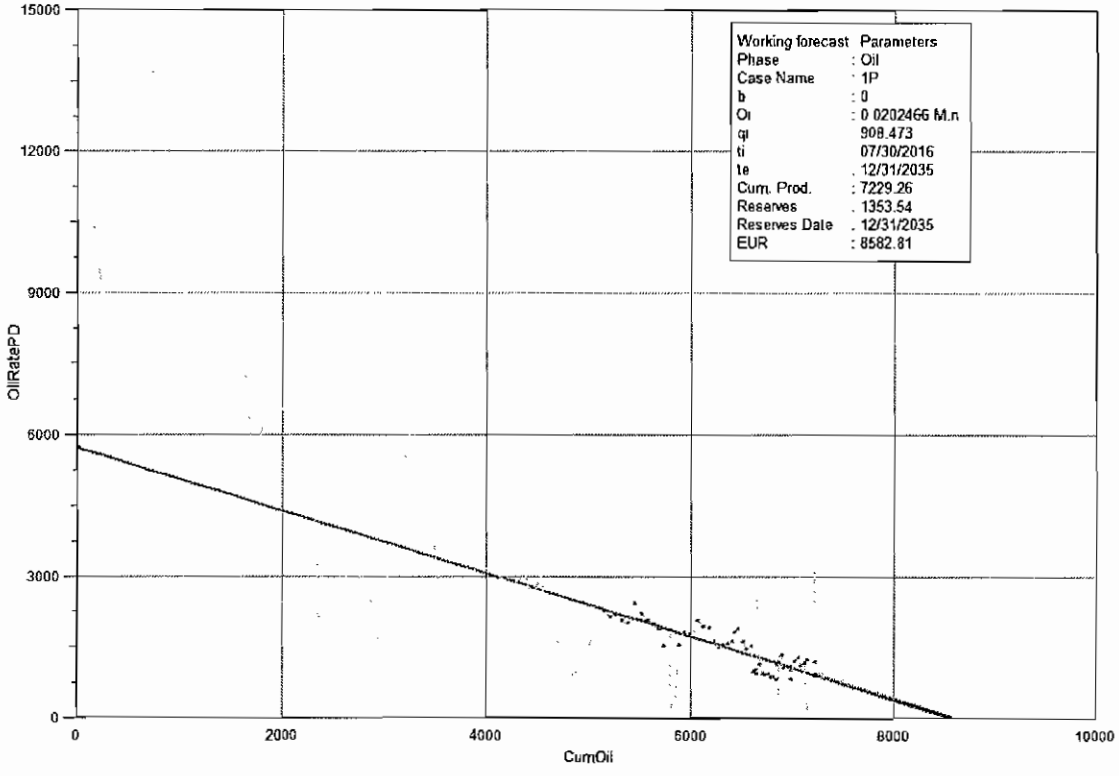

Figure 7.3: Teal South P1 1P DCA

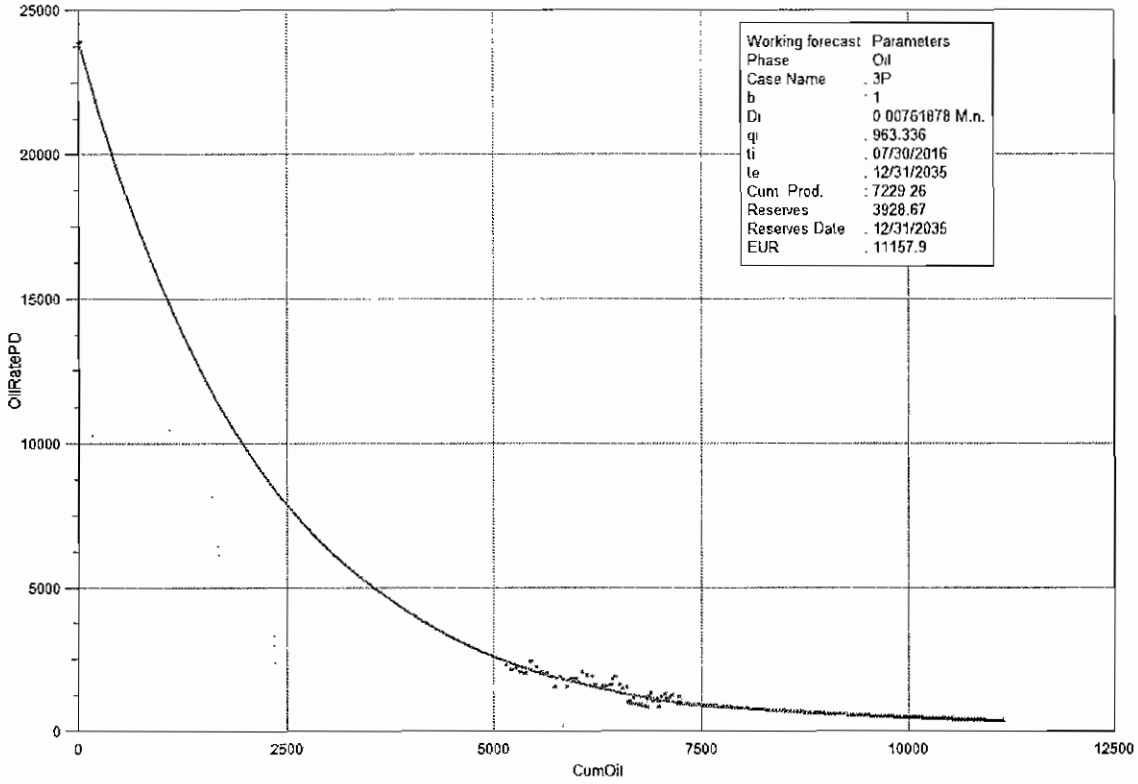

Figure 7.4: Teal South P1 3P DCA

7.1.3 Teal South Gas Lift Reserves

Without access to full field simulation models assessing the potential benefit of gas lift on ultimate recovery is difficult to quantify.

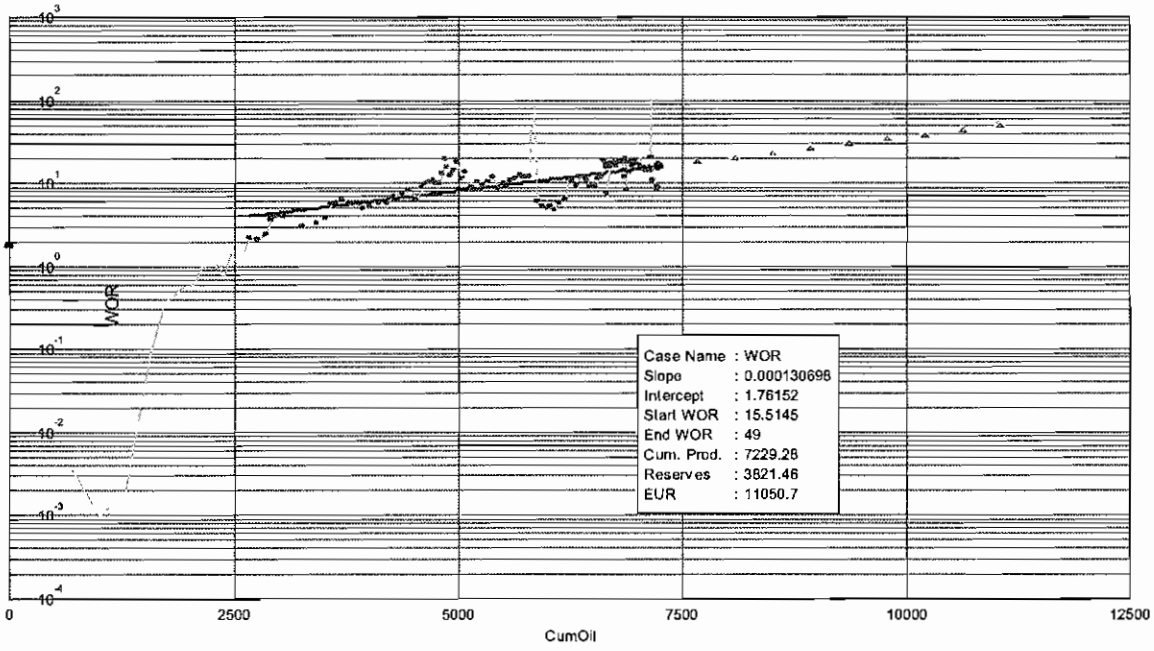

Figure 7.5: Water-Oil-Ratio trend for Teal South P1

To determine the impact of gas lift on the future performance and ultimate recovery of the Teal South P1 well a similar method to Guillemot A was applied. The water-oil-ratio trend was examined to determine the achievable recovery, up to a watercut of 98% (Figure 7.5).

The remaining Reserves being 3.8 MMstb of which the 2P DCA gives us 2.4 MMstb, so we assume 1.4 MMstb can be realised using gas lift or a 56% increment over a non-gas lifted well. This percentage increase when applied to the 1P and 3P Reserves translated into 0.8 MMstb and 2.0 MMstb respectively for 1P and 3P gas lift Reserves. Preparation for Gas Lift is expected to be completed and ready for production by October 2017.

7.1.4 Production Schedule

The total developed and undeveloped 1P to 3P profiles are given below in Table 7.1. These are based on the addition of the separate forecasts once uptime had been applied. It is assumed that any projects that have been described above come onstream at the stated times.

	Yearly Oil Production (Mstb)		
Year	**1P**	**2P**	**3P**
2015	0	0	0
2016	84	102	122
2017	165	214	273
2018	253	363	512
2019	231	340	489
2020	185	287	424
2021	172	275	412
2022	121	208	324
2023	131	226	352
2024	116	210	332
2025	93	179	290
2026	84	170	278
2027	68	145	242
2028	59	133	225
2029	53	123	211
2030	47	116	200
2031	42	109	189
2032	38	103	180
2033	34	96	171
2034	31	91	162
2035	28	86	155
Cumulative to end 2035 (MMstb)	**2.0**	**3.6**	**5.5**

Table 7.1: Teal South Field Forecast Profile (100% WI)

7.2 Contingent Resources

The proposed infill well for Teal South in the North East of the field is considered a valid target by RPS.

The volume of the target is estimated as 20% of the field total of 40 MMstb, thus is 8 MMstb. If we assume a 19% recovery factor, in line with the current production of P1 it could be expected to generate some 1.5 MMstb (2C), with a range from 0.8 MMstb (1C) to 3.0 MMstb (3C). The profiles are given below in Table **7**.2.

Year	Yearly Oil Production (Mstb)		
	1P	2P	3P
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020	500	1000	2000
2021	167	333	667
2022	56	111	222
2023	19	37	74
2024	6	12	25
2025	2	4	8
2026	1	1	3
2027	0	0	1
2028	0	0	0
2029	0	0	0
2030	0	0	0
Cumulative to end 2035 (MMstb)	**0.8**	**1.5**	**3.0**

Table 7.2: Teal South Field Contingent Resources Forecast Profile (100% WI)

8. OTHER MATERAL ASSETS - ANASURIA FPSO

The Anasuria FPSO is permanently moored approximately 175 km east of Aberdeen in a water depth of 89 m. The vessel is located above Teal so the other fields are tied back to the FPSO.

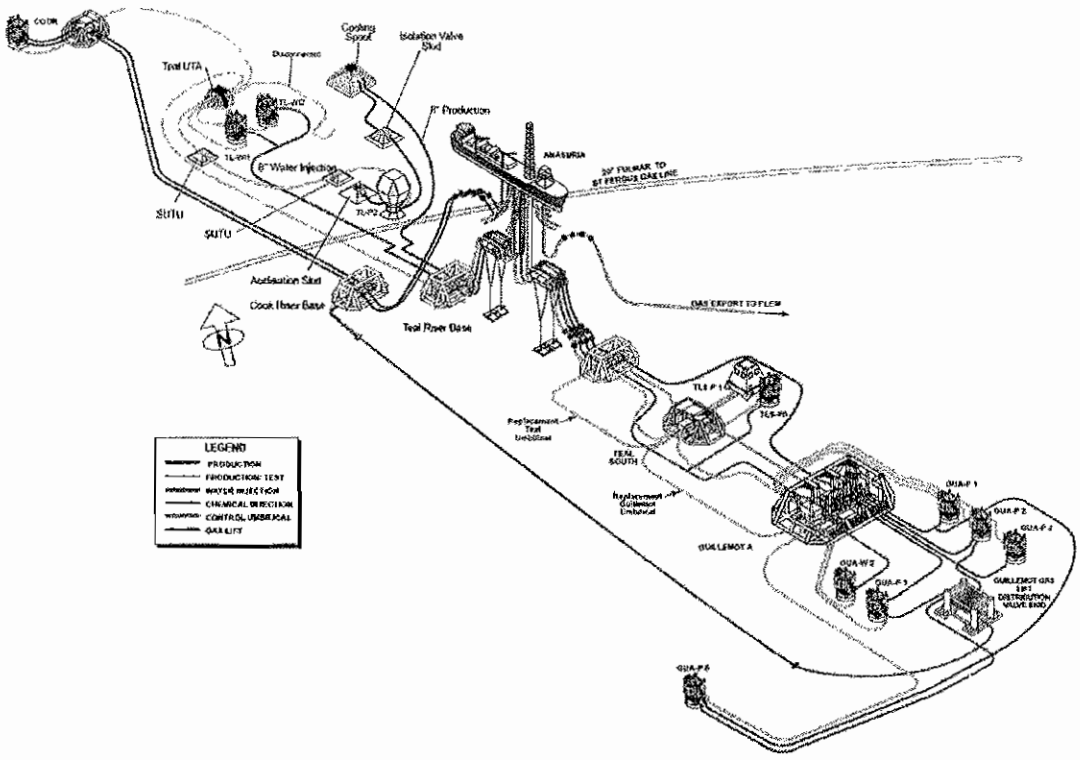

Figure 8.1: Anasuria FPSO Cluster Subsea Configuration

The Anasuria FPSO is a purpose built FPSO which was built in 1995 in Nagasaki, Japan, with topsides installation completed in Newcastle prior to installation and commissioning in 1996 as part of the development of the Guillemot A, Teal, and Teal South Fields. The Cook Field was subsequently developed as a subsea satellite tie-back to the Anasuria FPSO in 2000. No other third party fields are currently tied-back to the Anasuria FPSO.

The Anasuria FPSO represents the core of the Anasuria Cluster, providing the infrastructure for development of the Anasuria Cluster Fields and has the capacity and longevity to accommodate future infill opportunities, tie-backs of new fields including the Kite Discovery and any future discoveries in the surrounding area.

The primary functions of the Anasuria FPSO are:

- To produce dead crude for export via offtake tankers;
- To treat, and export, associated gas into the Fulmar Gas Line;
- To provide gas lift for the Guillemot A and Cook Fields;
- To treat produced water prior to disposal overboard; and
- To treat and inject seawater for water injection.

In addition, the Anasuria FPSO controls all the wells in the Anasuria Cluster and provides mooring, connection, loading and disconnection services for tankers offloading Anasuria Cluster crude.

The processing facilities on the Anasuria FPSO are designed for 11,000 m^3/d (c.69,260 bbls/d) gross well fluids, which is separated into oil, gas and produced water. These capacities are sufficient for the future production forecasts. There are two first stage separators (one dedicated to the Cook Field) for the purpose of reservoir management and thereafter the process is single stream with common second and third stage separators.

There has been no significant reportable crude oil spill during Anasuria FPSO operations. The Oil-in-Produced-Water ("OIPW") system is reliable with a good clean up quality down to approximately 10ppm. Fuel gas consumption has remained below internal targets and Shell manages the asset with a very low flare consent, with engagements with the Department of Energy and Climate Change (DECC) for updates through the year if required. Emissions of CO_2 from the Anasuria FPSO are subject to the conditions of the European Union Emissions Trading Scheme.

9. KITE DISCOVERY

The Kite discovery is located between the Cook and Teal fields and is mostly in Block 21/25A and 21/20A. Three wells penetrate the interpreted structural closure, 21/25-8, -9 and -12 (Figure 9.1). The Kite discovery was made in 1993 by the 21/25-12 well.

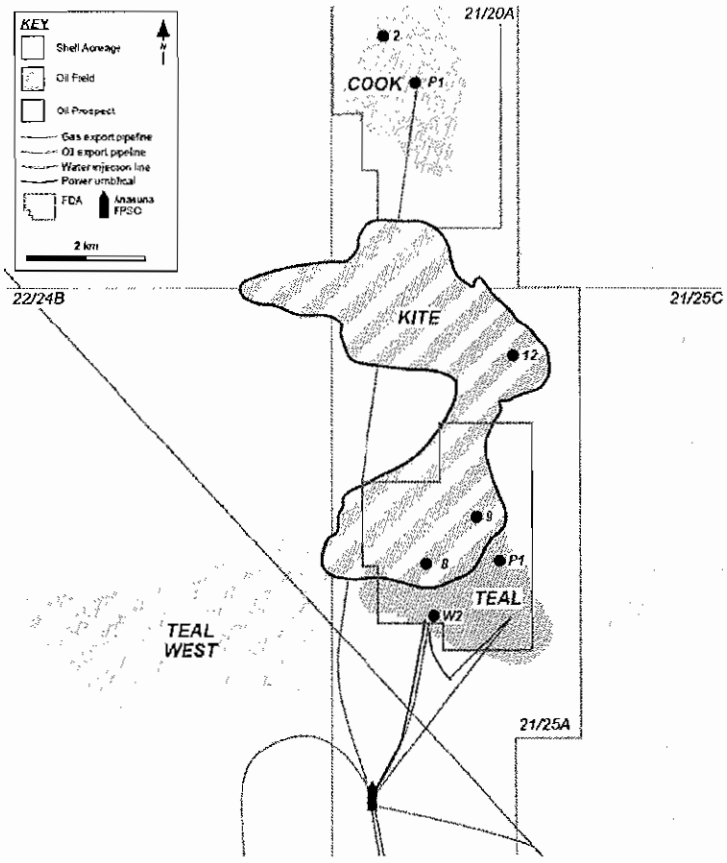

Figure 9.1: Kite Discovery Location Map

9.1 Contingent Resources

9.1.1 Geological Description

The main Kite reservoirs are the Palaeocene Ekofisk and Maastrichtian Tor formations of the Chalk Group which were penetrated in all three wells. Overlying the Chalk are the Maureen and Lista shales which act as a seal. The source rock for the hydrocarbons is the Upper Jurassic Kimmeridge Shale Formation from which migration into the reservoir occurred via faults (Figure 9.2).

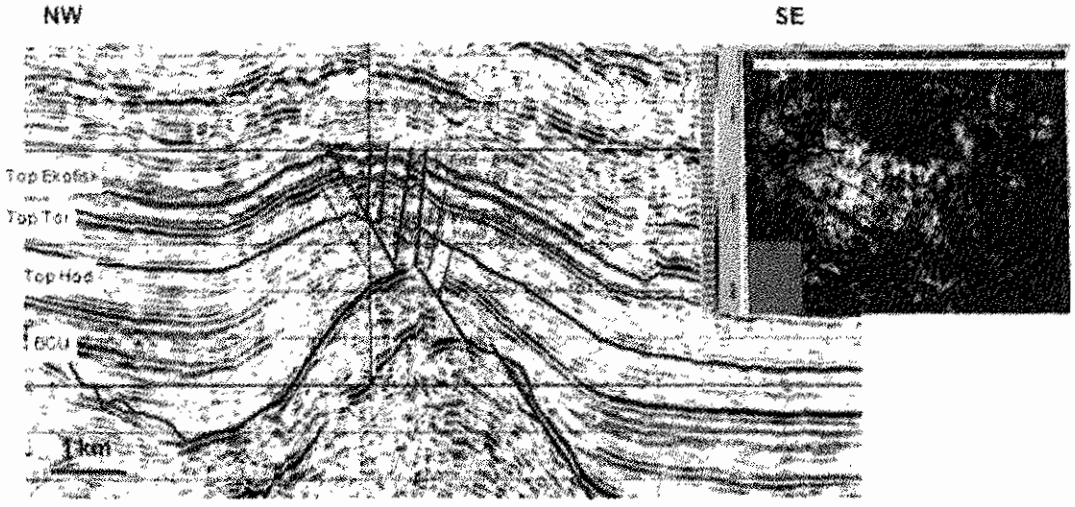

Figure 9.2: Kite Seismic Line

Oil shows were recorded at both Ekofisk and Tor reservoir levels in all 3 wells. No cores were taken, no well tests carried out, no image logs recorded and no hydrocarbon samples recovered. Standard well log suites were taken. Pressure data were recorded but were bad quality in 21/25-12, recorded in the water leg with limited drawdowns in 21/25-9 and showed low mobilities where recorded in the water leg in 21/25-8.

The presence of possible oil columns in each well is interpreted largely from the oil shows and gas chromatograph readings whilst drilling from which it is interpreted by Shell that the most likely hydrocarbon phase is liquid but this is not proven.

Average properties interpreted for the 3 wells are shown in Table 9.1.

Well	Zones	Top	Bottom	Reference Unit	Gross	Net	Net to Gross	Average phi	Average Sw
21_25-8	T Ekofisk Fm	8179	8465	Ft	286.0	84.5	0.30	0.193	0.72
21_25-9	T Ekofisk Fm	8424	8693	Ft	269.0	68.0	0.25	0.208	0.75
21_25-12	T Ekofisk Fm	8493.31	8729.42	Ft	236.1	54.0	0.23	0.191	0.71

Well	Zones	Top	Bottom	Reference Unit	Gross	Net	Net to Gross	Average phi	Average Sw
21_25-8	T Tor Fm	8465	9098	Ft	633.0	225.0	0.36	0.182	0.97
21_25-9	T Tor Fm	8693	9295.32	Ft	602.3	218.0	0.36	0.192	0.99
21_25-12	T Tor Fm	8729.42	9334.8	Ft	605.4	174.5	0.29	0.199	0.71

Table 9.1: Kite Average Reservoir Parameters

In the view of RPS, the presence of significant hydrocarbon saturations in the Tor Formation in 21/25-8 is questionable and in the Ekofisk is in doubt due to the hole size issue. The varying depths of the interpreted pay zones have been interpreted as indicating a tilted base to oil accumulations at both Ekofisk and Tor intervals, those tilts being at 1.5° at an azimuth of 40°. This is referred to by Shell as a digenetic

structural trap but clearly relies on a significant element of stratigraphic trapping with both base and lateral changes in rock properties.

The basis, therefore of the proposed, single, tilted accumulations over the area indicated by the Vendor is dubious at best.

9.1.2 Hydrocarbon Initially in Place

9.1.2.1 Volumetrics – RPS

In the view of RPS, each of the separate models combined by Shell should be evaluated separately to generate a P90-50-10 range of volumes with an associated geological probability of success (GPoS).

Model 1 is equivalent to Shell's Low Case model with resources at the Tor interval. Shell does not calculate any resource volumes at the Ekofisk interval. Although no well test was carried out on the Tor in 21/25-12, the well log interpretation is considered sufficient to allocate these volumes to Contingent Resources (Table 9.2).

Model 2 is equivalent to Shell's "Structural Uncertainty" case which is based on seismic amplitude extent and a tilted contact at the Tor interval. With risks on reservoir quality including fracture distribution and hence productivity and the risk that the seismic amplitudes do not relate to hydrocarbon presence, this model and resultant volume range is considered as Prospective Resources with an associated chance of success.

			STOIIP MMstb	Recoverable MMstb	GPoS %	Resource Class
			Tor			
Probabilistic	Model 1	P90	8.6	0.4	100	Contingent
		P50	13.8	1.4		
		P10	20.3	3.0		
	Model 2	P90	10.1	0.5	25	Prospective
		P50	22.8	2.3		
		P10	46.6	7.0		
	Model 3	P90	11.0	0.6	20	Prospective
		P50	40.4	4.0		
		P10	98.2	14.7		

Table 9.2: Kite Discovery Volumetrics (RPS Energy)

Model 3 incorporates an unproven lobe interpreted from seismic amplitude data. It is considered to be a separate prospect that may or may not be in communication with the 21/25-12 well and would require a separate exploration to prove Prospective Resource volumes.

Without access to the surfaces used by Shell in their volume estimates, RPS has calculated volume ranges and GPoS's for the Tor Formation for each of the three models. The GRV inputs are based on area, depth and thickness inputs for each model. Areas were measured from the Top Tor maps. The potential volumes in the Ekofisk Formation are very small as shown by Shell.

Volume ranges for comparable models are not dissimilar to those generated by Shell. The main difference is that RPS apply a chance factor (GPoS) to models 2 and 3.

9.2 Contingent Resources and Production profile

The Contingent Resources for the Kite development have been entirely based on the volumetric discussion detailed above, thus the 1C, 2C and 3C range of 0.4 MMstb, 1.4 MMstb and 3.0 MMstb.

Year	Yearly Oil Production (Mstb)		
	1P	2P	3P
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	0	0	0
2019	0	0	0
2020	229	800	1714
2021	98	343	735
2022	42	147	315
2023	18	63	135
2024	8	27	58
2025	3	12	25
2026	1	5	11
2027	1	2	5
2028	0	1	2
2029	0	0	0
2030	0	0	0
Cumulative to end 2035 (MMstb)	**0.4**	**1.4**	**3.0**

Table 9.3 Kite Discovery Contingent Resources (Model One) Forecast Profile (100% WI)

10. CAPEX AND OPEX

10.1 Facilities and Costs

RPS reviewed costs associated with the production of hydrocarbons from Anasuria FPSO which serves as production and storage facilities for the Guillemot A, Teal, Teal South and Cook Fields.

Petrofac were contracted to perform survey work and Due Diligence on the FPSO (Floating, Production, Storage and Offloading) facilities including providing their view of the ongoing capital projects and operating costs. Petrofac have an in depth knowledge of operating North Sea Fields. RPS was provided with cost data from Shell (the existing operator), Petrofac and Hibiscus Petroleum and RPS has reviewed this in the preparation of the future cost estimates.

10.2 Capital Expenditure

In addition to the ongoing operational costs there are a number of capital projects or backlog that were due to be undertaken in 2015. These projects have now been deferred and consequently the work packages for 2016 and 2017 are now considerable and require the attendance of a Diving Support Vessel (DSV), Heavy Lift (HL) Vessel and 'Walk To Work' (WTW) Vessel to provide additional accommodation capacity. After a number meetings and discussions with Petrofac RPS has estimated the costs detailed in Table 10.1 for 'capex' related items.

Work Package	2015 £MM's	2016 £MM's	2017 £MM's
Replace TEG Contacter	-	-	2.50
Gas Export Control Valve	-	1.50	1.50
FPSO Hull Strengthening (Offshore)	-	-	1.00
H2S Scouring Project	-	7.50	7.50
Mooring Inspection & Replacement	-	4.83	-
Well Jumper Replacement	-	0.50	1.50
Hull Fatigue Survey	-	0.50	-
Riser Replacement	-	5.00	16.00
Replace Mooring Jewellery	-	0.33	0.33
Routine Capex Maintenance	2.30	2.30	2.30
2017 DSV Campaign	-	-	5.00
WTW Vessel	-	-	38.40
HL Vessel	-	-	7.60

Table 10.1: CAPEX Costs

In addition to the above costs, there is a general consensus that the Anasuria FPSO mooring system will require replacement in 2021 and the sum of £22.50MM should be allocated for the change out.

These work packages are subject to a 15% contingency which RPS has added for unforeseen additional costs.

10.3 Drilling Costs

For future drilling costs, RPS has used the latest Petrofac well cost estimates in our evaluation. Three sources of drilling costs were examined including Performance Drilling, the Vendor's and Petrofac. The final drilling costs were included as follows (Table 10.2):

	2017 £MM's	2018 £MM's
Infill Drilling at GUA North	5.88	39.31
Infill Drilling at GUA Central	5.88	39.31
Rig Use - Gas lift GUA P5 & P1	0.80	15.13
Rig Use - Gas lift GUA P4	0.80	15.13
Rig Use - Gas lift at TLS-P1	0.80	15.13
Rig Use - Recompletions at Forties	0.68	12.94
Miscellaneous	0.08	4.44

Table 10.2: Drilling Costs

10.4 Operating Costs

As stated above Petrofac were instructed by Hibiscus Petroleum to review the operators costs associated with the maintenance and operation of the FPSO. Both Petrofac and RPS used the Vendors data as a starting point which has an average annual opex of £45MM. This excludes Operators Overheads which is estimated by the operator to be £5MM/annum for the vessel opex and any field specific costs (such as subsea scope). Several other minor opex items are included separately in the Vendors material life extension studies, riser storage, EU Trading and H_2S chemicals amounting to £3 to £4MM/annum. RPS has reduced the operators general and administrative expenses (G&A) by 50% in recognition that a new more focussed Operator would be able to make significant savings in this arena.

RPS has also addressed the subsea opex associated with the Guillemot A, Cook, and Teal fields. Again using Shell data as a starting point, RPS examined the Shell G&A content historically and were able to make similar reductions to the sub-sea opex for G&A / timewriting. The Guillemot A opex has now been reduced to an average of £7MM/annum and Teal to £2MM/annum.

The existing operator provides its own Insurance facility. RPS has included an annual premium of £1.78MM based on quotes provided.

A 5% contingency has been applied to the opex for any unidentified transitional cost for the period 2015 to 2017. Total opex costs for the vessel and sub-sea are averaging about £68MM/annum over the next ten year period. Adjusting for new future cost scope (H_2S chemical and the increased cost of Carbon Trading) this is circa 15 % lower than the Shell Historical opex cost for 2012 to 2014. RPS considers that this can be achieved on the grounds of a more focussed lower overhead operator, some softening in market conditions in light of the recent oil price decline

and the movement of some Field opex for subsea scope into CAPEX in this evaluation.

11. ECONOMICS

11.1 Valuation Assumptions

11.1.1 General

THE EFFECTIVE DATE OF THIS REPORT IS 1ST JANUARY 2015 AND THIS HAS BEEN USED AS THE DISCOUNT DATE FOR THE VALUATION.

ALL VALUES ARE POST-TAX AND HAVE BEEN EXPRESSED OVER A RANGE OF DISCOUNT RATES, USING MID-YEAR DISCOUNTING.

AN ANNUAL INFLATION RATE OF 2% HAS BEEN ASSUMED FROM 2016 ONWARDS AND IS APPLIED TO BOTH COSTS AND REVENUES.

A CONSTANT EXCHANGE RATE OF 1.5 US$ TO UK£ WAS ASSUMED.

11.1.2 Oil Prices

THE VALUATION HAS BEEN BASED ON THE RPS LONG TERM FORECAST FOR BRENT AS SHOWN IN Table 11.1.

A Low Price Case ($50/stb in real 2015 dollars) and High Price Case ($100/stb in real 2015 dollars) are also shown in the Table in Money of the Day (MoD) and have been used for price sensitivity purposes. Recent oil prices over the last 5 years has demonstrated considerable variability and highlights the uncertainty in forcasting medium to long term oil prices.

	Low Price Case (US$/stb, MoD)	Base Price Case (US$/stb, MoD)	High Price Case (US$/stb, MoD)
2015	50.00	60.00	100.00
2016	51.00	70.00	102.00
2017	52.02	77.00	104.04
2018	53.06	82.00	106.12
2019	54.12	86.00	108.24
2020	55.20	90.00	110.41
2021	56.31	94.00	112.62
2022	57.43	97.64	114.87
2023	58.58	99.59	117.17
2024	59.75	101.58	119.51
2025	60.95	103.61	121.90
2026 onwards	+ 2% p.a.	+ 2% p.a.	+ 2% p.a.

Table 11.1: RPS Brent Price Forecasts (Q2 2015)

Based on the historical realised crude price from 2011 to 2014, a premium to Brent of 1.63% was applied for the Anasuria Blend (39° API, 0.3% sulphur), which is crude oil

offtake from the Anasuria FPSO and contains comingled oil from the Guillemot A, Cook, Teal and Teal South fields.

Assuming no supply shocks, RPS anticipates global oil price will remain at the bottom of market expectations, in the region of $40-$50/bbl, until the back end of 2016 when global demand growth is expected to result in an improved balance between supply and demand. In the medium to long term, RPS expects global oil price (Brent) to rise towards $85/bbl (base case; our low case is $70/bbl and high case is $100/bbl) as long term price reflects the marginal cost of exploration and production based on current demand forecasts. We expect the WTI - Brent differential to remain at $5-$10/bbl over the next ten years unless the US decides to repeal the legislation limiting the export of domestic crude oil.

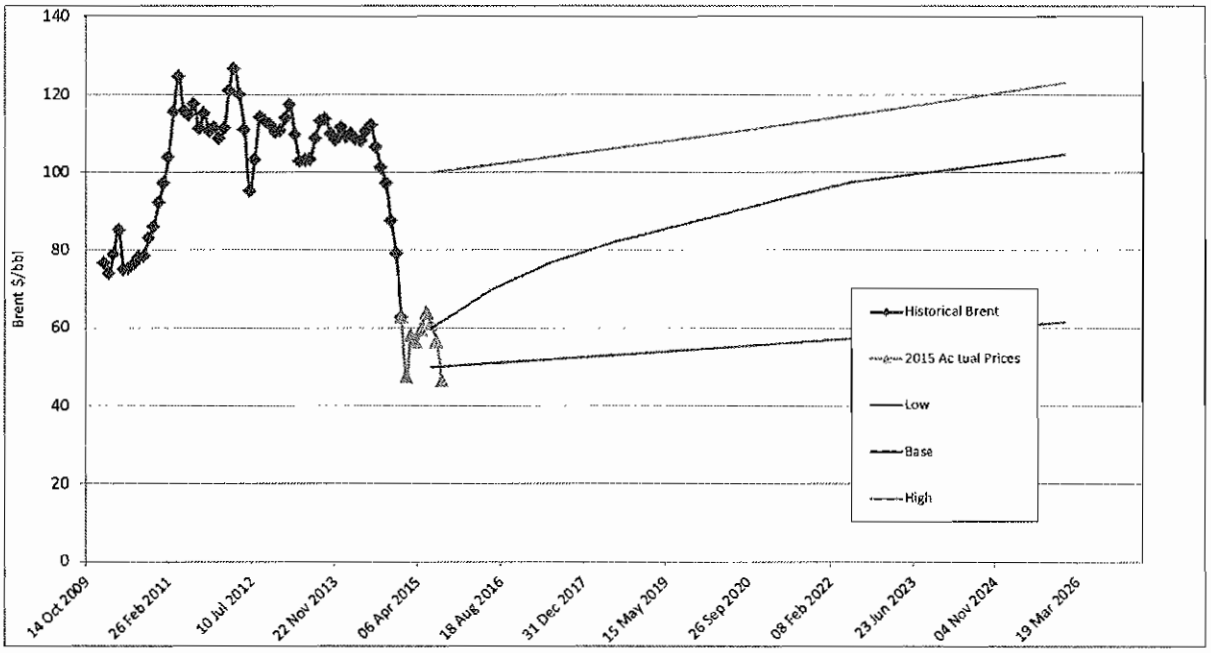

Figure 11.1: Historical & RPS Forecast Oil Price

11.1.3 Gas Prices

SALES GAS HAS BEEN VALUED ON THE RPS LONG TERM PRICE FORECAST FOR UK National Balancing Point (NBP) GAS AS SHOWN IN Table 11.2.

A Low Price Case (UK£4.50/MMBTU in real 2015 terms) and High Price Case (UK£7.50/MMBTU in real 2015 terms) are also shown in the Table in Money of the Day and have been used for valuation sensitivity to UK gas prices.

	Low Price Case (UK£/MMBTU, MoD)	Base Price Case (UK£/MMBTU, MoD)	High Price Case (UK£/MMBTU, MoD)
2015	4.50	4.67	7.50
2016	4.59	5.30	7.65
2017	4.68	5.93	7.80
2018	4.78	6.16	7.96
2019	4.87	6.28	8.12
2020	4.97	6.40	8.28
2021	5.07	6.53	8.45
2022	5.17	6.66	8.62
2023	5.27	6.80	8.79
2024	5.38	6.93	8.96
2025	5.49	7.07	9.14
2026 onwards	+ 2% p.a.	+ 2% p.a.	+ 2% p.a.

Table 11.2: RPS UK NBP Gas Price Forecasts (Q2 2015)

Gas from the Guillemot A, Teal and Teal South fields is transported, processed and redelivered via the SEGAL System. The Shell-Esso Gas and Liquids (SEGAL) system terminal at St Fergus is located 65km north of Aberdeen and has a capacity of 32 million sm3/d of wet gas. Shell and Esso require the purchaser of the Anasuria cluster to sell the gas from these fields to Shell and Esso at the point where the gas enters the SEGAL System for the price of 85% UK NBP and in accordance with the terms of a gas sale and purchase agreement to be agreed.

Cook gas is also exported via the SEGAL system and redelivered to the Cook field owners at the redelivery point at St. Fergus Terminal. Under the terms of the Cook GSA, Cook field gas is sold at a price that is 40% of the UK NBP gas price.

11.2 Valuation Methodology

RPS production and cost forecasts for the Guillemot A, Cook, Teal and Teal South fields were generated for each field at the 1P, 2P and 3P Reserves in conjunction with Anasuria FPSO cost estimates. The annual forecasts of production and costs were used in the RPS UK economic cashflow model and aggregated for the 1P, 2P and 3P Reserves cases.

Shell and Esso together wholly own the Guillemot A, Teal, and Teal South Fields, the Anasuria FPSO and the associated (non-Cook Field) production infrastructure in the Anasuria Cluster. No specific commercial agreements exist between Shell and Esso regarding ownership and operatorship of the assets, other than the 1965 Operating Agreement. Under the terms of the Cook Field processing agreement there is an opex sharing arrangement with the Cook field regarding Anasuria FPSO opex, based on Cook oil field production relative to the oil production from the Anasuria Cluster as a whole. The agreement is the Cook Field Transportation, Processing and

Operational Services Agreement dated 20 April 2000, as amended. The Cook Field owners pay to the Anasuria owners a tariff that is a share of the operating costs of the Anasuria FPSO on a dry oil basis. Capital costs on the Anasuria FPSO are incurred by the owners of the Anasuria FPSO.

The RPS Reserves cases are truncated at the economic limit, a point in time that defines the economic life of the project. The economic limit is determined when the Anasuria cluster cumulative gross operating cashflow turns irreversibly negative. The operating cashflow for this purpose is defined on a gross basis as production revenue less cash opex.

11.3 Fiscal Assumptions

UK petroleum activities are taxed within a concessionary tax system. Company profits from upstream oil and gas operations in the UK are subject to Corporation Tax (CT) at a rate of 30%, and Supplementary Charge (SC) at a rate of 20% from 1 January 2015. Both taxes are ring-fenced to upstream activities. Capital and operating expenditures are allowed against tax as incurred once the company is in a tax paying position. Abandonment and decommissioning costs are allowed at 100% against CT and SC subject to there being sufficient taxable revenues in prior years: tax losses caused by abandonment costs can be carried back to April 2002.

An Investment allowance is available from 1 April 2015 against SC. The allowance removes an amount equal to 62.5% of investment expenditure incurred by a company in relation to a field from its ring fence profits which are subject to the supplementary charge.

The existing Brown Field Allowance for the GUA-P5 well qualified for a Brown Field Allowance (BFA) of £25.8 million in 2014. The remaining allowance assumed at 1 January 2015 is £20.6 million. On Hibiscus Petroleum's/Ping's advice from CW Energy this allowance can be transferred to a new licensee.

Hibiscus Petroleum/Ping has advised that they intend to purchase US$30MM of Plant and Machinery Allowances. These have been included in the calculations of CT and SC.

11.4 Decommissioning Security Agreement

Hibiscus Petroleum has advised of their intended mechanism for a future Decommissioning Security Agreement, which has been included in the cashflow valuations. The DSA will be paid into an escrow account according to the following arrangement: 70% of net profit is available for the escrow account with a floor of US$6.50/bbl of oil and an upper limit proposed to Shell at $12/bbl of oil. No interest has been applied on the escrow account in the valuation. We have assumed this is also applicable to the Ping's and DNEX's interest.

11.5 Valuation of Reserves

After applying economic limits and applying the Shell/Esso Working Interest %, Reserves for the fields in the Anasuria Cluster are summarised in Table 11.3 and Table 11.4 below.

SUMMARY OF OIL RESERVES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	Full Field Gross Reserves[1]			Shell/Esso Working Interest Reserves					
				Gross[2]			Net[3]		
	1P MMstb	2P MMstb	3P MMstb	1P MMstb	2P MMstb	3P MMstb	1P MMstb	2P MMstb	3P MMstb
Guillemot A	17.7	27.5	36.3	17.7	27.5	36.3	17.7	27.5	36.3
Cook	9.6	16.0	22.1	3.7	6.2	8.5	3.7	6.2	8.5
Teal	2.6	3.2	3.7	2.6	3.2	3.7	2.6	3.2	3.7
Teal South	1.7	3.5	5.5	1.7	3.5	5.5	1.7	3.5	5.5
TOTAL[4]	**31.7**	**50.2**	**67.6**	**25.8**	**40.4**	**54.0**	**25.8**	**40.4**	**54.0**

Notes:

*[1] Gross field Reserves (100% basis) **after** economic limit test*

*[2] Companies working interest share of gross field Reserves **after** economic limit test*

[3] Companies net attributable share of Reserves, after royalties

[4] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Reserves are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1P Reserves may be a very conservative assessment and the total 3P Reserves a very optimistic assessment.

Any discrepancies in the tables included in this Valuation Report between the amounts listed, actual figures and the total thereof in this Valuation Report are due to rounding adjustments.

Table 11.3: Summary of Oil Reserves

SUMMARY OF GAS RESERVES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	Full Field Gross Reserves[1]			Shell/Esso Working Interest Reserves					
				Gross[2]			Net[3]		
	1P Bscf	2P Bscf	3P BScf	1P Bscf	2P Bscf	3P Bscf	1P Bscf	2P Bscf	3P Bscf
Guillemot A	6.2	9.6	12.6	6.2	9.6	12.6	6.2	9.6	12.6
Cook	21.2	35.3	48.7	8.2	13.6	18.8	8.2	13.6	18.8
Teal	1.2	1.5	1.7	1.2	1.5	1.7	1.2	1.5	1.7
Teal South	1.5	3.2	5.0	1.5	3.2	5.0	1.5	3.2	5.0
TOTAL[4]	**30.1**	**49.5**	**68.0**	**17.1**	**27.9**	**38.2**	**17.1**	**27.9**	**38.2**

Notes:

*[1] Gross field Reserves (100% basis) **after** economic limit test*

*[2] Companies working interest share of gross field Reserves **after** economic limit test*

[3] Companies net attributable share of Reserves, after royalties

[4] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Reserves are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1P Reserves may be a very conservative assessment and the total 3P Reserves a very optimistic assessment.

Any discrepancies in the tables included in this Valuation Report between the amounts listed, actual figures and the total thereof in this Valuation Report are due to rounding adjustments.

Table 11.4: Summary of Gas Reserves

The valuation of the 1P, 2P and 3P Reserves at 1 January 2015 are presented in Table 11.5. Sensitivities of valuations to changes in discount rate and low price and high price scenarios are shown in Table 11.6 and Table 11.7.

SUMMARY OF NET PRESENT VALUES of RESERVES
as of January 01, 2015
BASE CASE PRICES AND COSTS

	NPV @ 10% (US$MM)				NPV @ 10% (RM$MM) [2]	
	Shell/Esso Working Interest		15 % Working Interest DNEX		15 % Working Interest DNEX	
	1P	2P	1P	2P	1P	2P
DEVELOPED[1]	-98.4	51.0	-14.8	7.7	-62.8	32.5
DEVELOPED + UNDEVELOPED[1]	35.5	226.5	5.3	34.0	22.6	144.5

Notes:

[1] PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Reserves are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1P Reserves and the value derived may be a very conservative assessment and the total 3P Reserves and value derived a very optimistic assessment.

[2] Unless otherwise stated, the exchange rate of US$1.00:RM4.2520, being Bank Negara Malaysia's middle rate as at 5.00 p.m. on 26 August 2015, is used throughout this Valuation Report for purposes of translation of US$ into RM

Table 11.5: Valuation of Reserves

SUMMARY OF NET PRESENT VALUES of RESERVES
as of January 01, 2015
DISCOUNT RATE SENSITIVITIES

	Anasuria Cluster 2P NPVs				
	Shell/Esso Working Interest				
	NPV0	NPV8	NPV10	NPV12	NPV15
TOTAL (US$MM)	405	250.8	226.5	205.7	179.7
TOTAL (RM MM)	1722.1	1066.4	963.1	874.6	764.1

Table 11.6: Sensitivity to Discount Rate of Valuation of Anasuria Cluster 2P

SUMMARY OF NET PRESENT VALUES of RESERVES
as of January 01, 2015
PRICE SENSITIVITIES

	NPV @ 10% (US$MM)			
	Shell/Esso Working Interest			
	DEVELOPED		DEVELOPED + UNDEVELOPED	
Price Scenario	**1P**	**2P**	**1P**	**2P**
Low Price	-339.5	-239.4	-343.2	-117.6
Base Price	-98.4	51.6	35.5	226.5
High Price	117.1	251.4	256.4	490.1

Notes:

[1] *PRMS recommends that for reporting purposes, assessment results should not incorporate statistical aggregation beyond the field, property or project level. The total Reserves are therefore the product of arithmetic addition and as such are not statistically correct. As a result the total 1P Reserves and the value derived may be a very conservative assessment and the total 3P Reserves and value derived a very optimistic assessment.*

Table 11.7: Sensitivity to Prices of Valuation of Anasuria Cluster Reserves

11.6 Alternative Market Valuation

The valuation of the Shell/Esso working interests in the Anasuria Cluster described above in section 11.1 to 11.5 was undertaken by the Discounted Cash Flow Method in conjunction with a normal Reserves and Resource evaluation to SPE-PRMS guidelines. The RPS estimate of 2P Reserves as of 1 January 2015 is 40.4 MMstb of oil and 27.9 Bscf of gas, which converts to 45.2MMboe, assuming 5,800 scf/boe. The valuation of the net 2P Reserves at the RPS Base Brent price and applying a 10% discount rate is US$ 226.5 Million. The value per barrel is therefore US$ 5.0/boe.

For the alternative valuation method, by comparison to similar market transactions, we have reviewed the publically available transactions in the UK North Sea in the years 2010 to 2015, and considered those deals relating to mature oil fields for comparison with the Anasuria cluster. We discarded those transactions that were:-

- primarily for gas assets,
- contained heavy oil,
- primarily exploration or assets yet to be developed,
- assets which had insufficient reserves data or data obscured within larger corporate deals,
- those that contained large elements of infrastructure such as pipelines and onshore terminals.

This has reduced the list of deals to seven, which are broadly comparable to the Anasuria cluster. A summary of these deals is shown in Table 11.8.

	Effective Date	Asset name	Buyer	Seller	Deal ($MM)	2P Reserve (MMboe)	Deal price ($/boe)
1	1 July 2010	Triton Area , Scott & Telford, Inner Moray Firth exploration	Dana	Suncor	372	33.5	11.10
2	1 Jan 2011	Cook	Ithaca Energy	Hess	57	5.75	9.91
3	1 Jan 2012	Cook, MacCulloch	Ithaca Energy	Noble Energy	38.5	3.4	11.32
4	1 Jan 2012	Flotta Hub, Greater Fulmar Hub, Montrose/Arbroath hub, others	SINOPEC	Talisman	1,500	173.7	8.64
5	1 Jan 2013	Greater Kittiwake assets	Enquest	Centrica	39.9	4.7	8.49
6	1 Jan 2014	Scott, Rochelle, Telford, & exploration blocks	MOL	Premier Oil	130	14.3	9.09
7	1 Jan 2014	Cook, Pierce and Wytch Farm	Ithaca Energy	Sumitomo	163	12	13.58
Simple Average							**10.17**

Table 11.8: Summary of North Sea Valuations Previously Conducted by RPS

11.7 Adjustments to Market Value

The market transactions tabulated above will have been made under different price environments and different tax rates to the current market and UK tax regime, so adjustments to the reported values are considered necessary.

In Figure 11.2, we have plotted the acquisition price in $/boe and compared these with a plot of the Argus Brent oil spot price at the effective date of the deal. There is no apparent trend between spot oil price and the valuation $/boe price but we have assumed that in most cases, transaction values will track medium to long term oil market expectations rather than day to day price movements. For this reason we have rebased the reported transaction values to account for current lower market conditions.

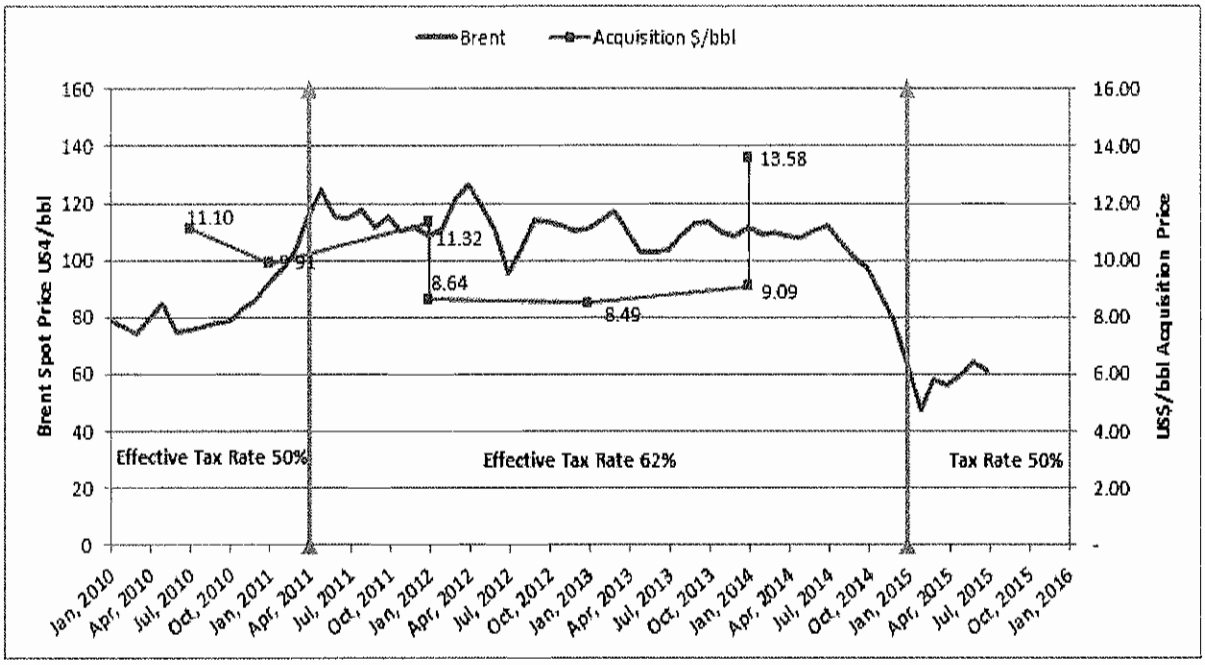

Figure 11.2: Market Valuation & Oil Price

The effective UK corporate income tax rate has changed over the period 2010 to 2015 due to changes in the rate of the Supplementary Charge. The rates of Supplementary Charge in this period have been as follows: 1 January 2006 to 31 March 2011 20%, from 1 April 2011 to 31 December 2014 32%, and from 1 January 2015 20%. The UK Ring Fence Corporation Tax rate has been constant at 30%, giving an effective tax rate of either 50% or 62%. The figure above does have some movement down in values during the period of higher tax rates.

In conclusion we have adjusted the reported transaction values for the oil price and tax rate prevailing at the effective date of the transactions. The values have been re-based to the effective date of the proposed transaction of 1 January 2015 by applying a Brent oil price of US$55.4/bbl (daily spot Brent price) and an effective tax rate of 50%. This gives the rebased acquisition prices as shown in Figure 11.3.

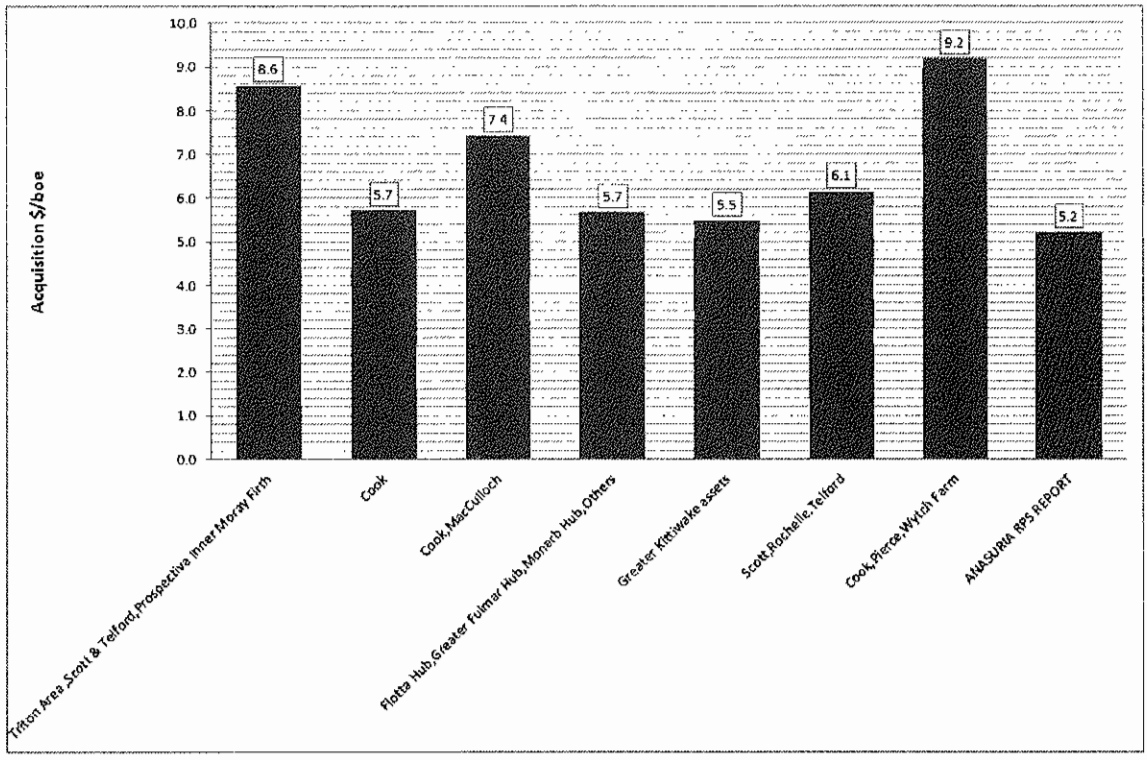

Figure 11.3: Rebased Acquisition Prices

Also included in Figure 11.3 is the RPS valuation of the 2P Reserves (Developed plus Undeveloped) of the Anasuria cluster in $/boe. This is 5.2 $/boe and compares to a simple average of the market transactions of $6.9/boe. The value per boe for the RPS valuation does not include any premium to the underlying DCF valuation. The difference in the average market transaction unit value and the RPS reported unit value could be accounted for by the addition of a premium to the RPS DCF assets values. All bar one of the reported transactions were undertaken in a period when the oil price was higher than $100/bbl, and so a premium relative to the prevailing market conditions at the time is the likely explanation for this difference.

The comparison values from the transaction public data all precede the approximate halving in oil prices from mid-2014 to today. We believe the market sentiment in this period of higher sustained oil prices generated a premium to the underlying asset values. For example, the purchase of the Cook, Pierce, and Wytch Farm fields by Ithaca Energy in 2014 of $13.6/boe was valued at the time by RPS Energy at $12.1 per 2P boe. The acquisition price of $13.6/boe suggests a 12% premium to the DCF assets values of 12%.

In the current Brent oil price environment of approximately $50/bbl and Brent futures prices in 2016 in the low $50s/bbl and in 2017 at approximately $60/bbl, we would expect a bearish sentiment to continue. Accordingly, RPS considers the DCF valuations of 1P Reserves at $35.5 million and 2P Reserves of $226.5 million a more accurate reflection of value than the comparison transaction values. Typically the market will pay 90 to 100 % of the Proved Value and 30 – 60 % of the Possible.

A summary of the undiscounted and weighted NPV10 DCF evaluation and the rebased market evaluations is provided below, the consideration at 2.3 $/boe is lower

that than the rebased acquisition prices and we consider this reflects the market sentiment given the current low oil price.

		Value of Reserves NPV(10) US$ Million	Weighting	Consideration US$ Million	Consideration US$/boe
DCF	1P	35.5	100%	35.5	
	2P	226.5			
	Probable Reserves (by difference)	191	36%	69.5	
	Weighted Value			105.0	2.3
Rebased Acquisition Prices					5.7 – 9.2

Table 11.9: Comparison of Valuations

11.8 UK Outlook

RPS considers that the UK Sector of the North Sea is a relatively high cost producing province as a result of the high cost of personnel, goods and services compared with other jurisdictions. Recent reductions in oil price has created a significant cost challenge for the oil and gas industry in the North Sea. Late life assets such as the Anasuria Cluster are being sold by larger oil companies to smaller companies that do not have the high overhead cost structures. There has also recently been reductions in salaries and service costs in order to create a sustainable business environment for assets which otherwise would have to be decommissioned.

Recognising the industry challenges the UK government introduced in the 2015 budget additional investment allowances and significantly reduced the taxes to be paid on oil and gas revenues. The effective Corporation rate tax to be paid by the Anasuria cluster fell from 62% to 50% during this year. The UK government has flagged the introduction of other brown field and new investment allowances to stimulate growth in the UK oil and gas sector if the current low oil prices prevail.

APPENDIX 1: GLOSSARY OF TERMS AND ABBREVIATIONS

API	American Petroleum Institute
asl	above sea level
B	Billion
bbl(s)	Barrels
bbls/d	barrels per day
Bcm	billion cubic metres
B_g	gas formation volume factor
B_{gi}	gas formation volume factor (initial)
B_o	oil formation volume factor
B_{oi}	oil formation volume factor (initial)
B_w	water volume factor
bopd	barrels of oil per day
BTU	British Thermal Unit
Bscf	billions of standard cubic feet
bwpd	barrels of water per day
CO_2	Carbon dioxide
condensate	liquid hydrocarbons which are sometimes produced with natural gas and liquids derived from natural gas
cP	centipoise
C_{ROCK}	rock compressibility
C_w	water compressibility
DBA	decibels
E_a	areal sweep efficiency
EMV	Expected Monetary Value
EPSA	Exploration and Production Sharing Agreement
ESD	emergency shut down
E_{vert}	vertical sweep efficiency
FBHP	flowing bottom hole pressure
FTHP	flowing tubing head pressure
ft	feet
ftSS	depth in feet below sea level
GDT	Gas Down To
GIP	Gas in Place

GIIP	Gas Initially in Place
GOR	gas/oil ratio
GRV	gross rock volume
GWC	gas water contact
H_2S	Hydrogen sulphide
HIC	hydrogen induced cracking
IRR	internal rate of return
KB	Kelly Bushing
k_a	absolute permeability
k_h	horizontal permeability
km	kilometres
km^2	square kilometres
kPa	kilopascals
k_r	relative permeability
k_{rg}	relative permeability of gas
k_{rgcl}	relative permeability of gas @ connate liquid saturation
k_{rog}	relative permeability of oil-gas
k_{roso}	relative permeability at residual oil saturation
k_{roswi}	relative permeability to oil @ connate water saturation
k_v	vertical permeability
LNG	Liquefied Natural Gases
LPG	Liquefied Petroleum Gases
M	thousand
MM	million
M$	thousand US dollars
MM$	million US dollars
MD	measured depth
mD	permeability in millidarcies
m^3	cubic metres
m^3/d	cubic metres per day
MMscf/d	millions of standard cubic feet per day
m/s	metres per second
msec	milliseconds
mV	millivolts
Mt	thousands of tonnes

MMt	millions of tonnes
MPa	mega pascals
NTG	net to gross ratio
NGL	Natural Gas Liquids
NPV	Net Present Value
OWC	oil water contact
P_b	bubble point pressure
P_c	capillary pressure
petroleum	deposits of oil and/or gas
phi	porosity fraction
p_i	initial reservoir pressure
PI	productivity index
ppm	parts per million
psi	pounds per square inch
psia	pounds per square inch absolute
psig	pounds per square inch gauge
p_{wf}	flowing bottom hole pressure
PVT	pressure volume temperature
rb	barrel(s) of oil at reservoir conditions
rcf	reservoir cubic feet
RFT	repeat formation tester
RKB	relative to kelly bushing
rm^3	reservoir cubic metres
SCADA	supervisory control and data acquisition
SCAL	Special Core Analysis
scf	standard cubic feet measured at 14.7 pounds per square inch and 60° F
scf/d	standard cubic feet per day
scf/stb	standard cubic feet per stock tank barrel
SGS	Sequential Gaussion Simulation
SIS	Sequential Indicator Simulation
sm^3	standard cubic metres
S_o	oil saturation
S_{or}	residual oil saturation
S_{orw}	residual oil saturation (waterflood)
S_{wc}	connate water saturation

S_{oi}	irreducible oil saturation
SSCC	sulphur stress corrosion cracking
stb	stock tank barrels measured at 14.7 pounds per square inch and 60° F
stb/d	stock tank barrels per day
STOIIP	stock tank oil initially in place
S_w	water saturation
$	United States Dollars
t	tonnes
THP	tubing head pressure
Tscf	trillion standard cubic feet
TVDSS	true vertical depth (sub-sea)
TVT	true vertical thickness
TWT	two-way time
US$	United States Dollar
V_{sh}	shale volume
W/m/K	watts/metre/° K
WC	water cut
WUT	Water Up To
ϕ	porosity
μ	viscosity
μ_{gb}	viscosity of gas
μ_{ob}	viscosity of oil
μ_w	viscosity of water
1P	Proved Reserves
2P	Proved plus Probable Reserves
3P	Proved plus Probable plus Possible Reserves
1C	Contingent Resources Low Estimate
2C	Contingent Resources Best Estimate
3C	Contingent Resources High Estimate

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board who collectively and individually accept full responsibility for the completeness and accuracy of the information given herein and confirm that after making all reasonable enquiries to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular or other facts, the omission of which would make any statement in this Circular false or misleading.

This Circular has been prepared based on information furnished to AmInvestment Bank by the Board and management of DNeX. Reasonable care has been taken to ensure that the information contained in this Circular is accurate and that there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

Information relating to Ping Group has been obtained from information/documents provided by the Board and/or management of Ping and publicly available documents (where available). The responsibility of the Board shall be to ensure that such information is accurately reproduced in this Circular.

2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, Ping Group is not engaged in any litigation, claims or arbitration, either as plaintiff or defendant, which has a material and adverse effect on the financial position or business of Ping Group and to the best of the Board of Ping's knowledge and belief, the Board of Ping is not aware of any proceedings, pending or threatened against Ping Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of Ping Group.

3. MATERIAL CONTRACTS

Save for the SSA, Ping Group has not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the past two (2) years preceding the date of this Circular.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

4.1 DNeX Group

4.1.1 Material commitments

As at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by DNeX Group, which may have a material impact on the financial results/position of DNeX Group.

4.1.2 Contingent liabilities

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by DNeX Group, which upon becoming due or enforceable may have a material impact on the business, results of operations and financial results/position of DNeX Group.

4.2 Ping Group

4.2.1 Material commitments

As at the LPD, the Board of Ping is not aware of any material commitments incurred or known to be incurred by Ping Group, which may have a material impact on the financial results/positions of Ping Group.

4.2.2 Contingent liabilities

As at the LPD, the Board of Ping is not aware of any contingent liabilities incurred or known to be incurred by Ping Group, which upon becoming due or enforceable may have a material impact on the business, results of operations and financial results/positions of Ping Group.

5. CONSENT

AmInvestment Bank, the Principal Adviser for the Proposed Subscription, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Deol & Gill, the due diligence solicitors to DNeX for the Proposed Subscription, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

Conyers Dill & Pearman being the Bermuda legal counsel to the Company and provider of legal opinion on ownership of title to the securities in Bermuda, enforceability of all agreements, representations and undertakings given by foreign counterparties under relevant laws of Bermuda and other relevant matters of Bermuda and expert's report on Bermuda exempted companies – the policies governing foreign investments, taxation, exchange control and repatriation of capital and profits to DNeX for the Proposed Subscription, as set out in Appendix IV and Appendix V of this Circular respectively, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, legal opinion and report and all references thereto in the form and context in which they so appear in this Circular.

Squire Patton Boggs (UK) LLP being the provider of the legal opinion on non-UK investment in an English law company and on the repatriation of profits from an English law company to DNeX for the Proposed Subscription, as set out in Appendix VI of this Circular, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and legal opinion and all references thereto in the form and context in which they so appear in this Circular.

MHA MacIntyre Hudson being the provider of the expert's report on the taxation of companies in the upstream oil and gas sector in the UK and repatriation of profits to DNeX for the Proposed Subscription, as set out in Appendix VII of this Circular, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and report and all references thereto in the form and context in which they so appear in this Circular.

FHMH Corporate Advisory Sdn Bhd, being the independent adviser who provides the Expert's Fairness Report to DNeX for the Proposed Subscription, as set out in Appendix VIII of this Circular, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, Expert's Fairness Report and all references thereto in the form and context in which they so appear in this Circular.

RPS Energy Consultants Limited being the technical adviser and independent registered valuer firm who provides expert's report in relation to the reserves and resources evaluation of the Anasuria Cluster and Valuation Report to DNeX for the Proposed Subscription, as set out in Appendix IX and Appendix X of this Circular respectively, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and reports and all references thereto in the form and context in which they so appear in this Circular.

6. DECLARATION OF CONFLICT OF INTERESTS

As at the LPD, AmInvestment Bank has given its confirmation that there is no existing or potential conflict of interest in its capacity as the Principal Adviser to DNeX for the Proposed Subscription.

As at the LPD, AmInvestment Bank does not have any equity interest and has not extended any credit facilities to DNeX Group. Nevertheless, as at the LPD, AmBank, a wholly-owned subsidiary of AMMB Holdings Berhad and a related company to AmInvestment Bank, has granted total credit facilities of RM73.98 million to the Group.

Notwithstanding the above, AmInvestment Bank is of opinion that its role as the Principal Adviser to DNeX for the Proposed Subscription, does not give rise to a conflict of interest situation in view that:-

(i) AmInvestment Bank is a licenced investment bank, which provides a wide range of investment banking services, inter-alia, including loan syndications, corporate finance and advisory, debt capital markets and treasury products. Hence, its appointment as the Principal Adviser to DNeX for the Proposed Subscription, is in its ordinary course of business;

(ii) AmBank is a licenced commercial bank, which provides loans, advances and financing, deposit services, credit cards, remittance services, foreign exchange and Islamic banking services. Therefore, the credit facilities extended to the Group represent transactions entered into in its ordinary course of business;

(iii) the lines of business of AmInvestment Bank and AmBank are distinct and their operations are independent of one another; and

(iv) the conducts of AmInvestment Bank and AmBank are regulated strictly by the Financial Services Act, 2013 and by their own internal controls and checks.

As at the LPD, Deol & Gill has given its confirmation that there is no existing or potential conflict of interest in its capacity as due diligence solicitors to DNeX for the Proposed Subscription.

As at the LPD, Conyers Dill & Pearman has given its confirmation that there is no existing or potential conflict of interest in its capacity as the Bermuda legal counsel to the Company and provider of the legal opinion on ownership of title to the securities in Bermuda, enforceability of all agreements, representations and undertakings given by foreign counterparties under relevant laws of Bermuda and other relevant matters of Bermuda and expert's report on Bermuda exempted companies – the policies governing foreign investments, taxation, exchange control and repatriation of capital and profits to DNeX for the Proposed Subscription, as set out in Appendix IV and Appendix V of this Circular, respectively.

As at the LPD, Squire Patton Boggs (UK) LLP has given its confirmation that there is no existing or potential conflict of interest in its capacity as provider of legal opinion on non-UK investment in an English law company and on the repatriation of profits from an English law company to DNeX for the Proposed Subscription, as set out in Appendix VI of this Circular.

As at the LPD, MHA MacIntyre Hudson has given its confirmation that there is no existing or potential conflict of interest in its capacity as provider of the expert's report on the taxation of companies in the upstream oil and gas sector in the UK and repatriation of profits to DNeX for the Proposed Subscription, as set out in Appendix VII of this Circular.

As at the LPD, FHMH Corporate Advisory Sdn Bhd has given its confirmation that there is no existing or potential conflict of interest in its capacity as the independent adviser who provides the Expert's Fairness Report to DNeX for the Proposed Subscription, as set out in Appendix VIII of this Circular.

As at the LPD, RPS Energy Consultants Limited has given its confirmation that there is no existing or potential conflict of interest in its capacity as the technical adviser and independent registered valuer firm who provides expert's report in relation to the reserves and resources evaluation of the Anasuria Cluster and Valuation Report to DNeX for the Proposed Subscription, as set out in Appendix IX and Appendix X of this Circular respectively.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of DNeX at Tower 3, Avenue 5, The Horizon, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, during normal business hours from Monday to Friday (except public holidays) following the date of this Circular up to and including the date of the forthcoming EGM:-

(i) Memorandum and Articles of Associations of DNeX and Ping;

(ii) DNeX's audited consolidated financial statements for the FYE 31 December 2014 and FYE 31 December 2015;

(iii) Ping's audited financial statements for the FYE 30 June 2014 and Ping Group's audited financial statements for the FYE 30 June 2015 and unaudited consolidated interim financial statements for the six (6)-months FPE 31 December 2015;

(iv) SSA;

(v) Legal opinion on ownership of title to the securities in Bermuda, enforceability of all agreements, representations and undertakings given by foreign counterparties under relevant laws of Bermuda and other relevant matters of Bermuda as prepared by Conyers Dill & Pearman and set out in Appendix IV of this Circular;

(vi) Expert's report on Bermuda exempted companies – the policies governing foreign investments, taxation, exchange control and repatriation of capital and profits as prepared by Conyers Dill & Pearman and set out in Appendix V of this Circular;

(vii) Legal opinion on non-UK investment in an English law company and on the repatriation of profits from an English law company, as prepared by Squire Patton Boggs (UK) LLP and set out in Appendix VI of this Circular;

(viii) Expert's report on the taxation of companies in the upstream oil and gas sector in the UK and repatriation of profits as prepared by MHA MacIntyre Hudson and set out in Appendix VII of this Circular;

(ix) Expert's report on the fairness of the consideration for the Proposed Subscription as prepared by FHMH Corporate Advisory Sdn Bhd and set out in Appendix VIII of this Circular;

(x) Expert's report in relation to the reserves and resources evaluation of the Anasuria Cluster prepared by RPS Energy Consultants Limited and set out in Appendix IX of this Circular;

(xi) Valuation Report prepared by RPS Energy Consultants Limited and set out in Appendix X of this Circular; and

(xii) The letters of consent referred to in Section 5, Appendix XI of this Circular.

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DAGANG NeXCHANGE BERHAD
(Company No. 10039-P)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Dagang NeXchange Berhad ("**DNeX**" or the "**Company**") will be held at Ballroom 2, 1st Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 27 April 2016 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution, with or without modifications:-

ORDINARY RESOLUTION

PROPOSED SUBSCRIPTION BY DNeX PETROLEUM SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF DNeX, OF 30% OF THE ENLARGED ISSUED SHARE CAPITAL OF PING PETROLEUM LIMITED ("PROPOSED SUBSCRIPTION")

"**THAT** subject to the approvals and consents being obtained from all relevant authorities and/or parties (where applicable), approval be and is hereby given for DNeX Petroleum Sdn Bhd ("**DNeX Petroleum**") to subscribe for 30% of the enlarged issued share capital of Ping Petroleum Limited ("**Ping**") pursuant to the share subscription agreement in relation to Ping entered into between DNeX Petroleum and Ping on 7 September 2015, for a total consideration of USD10.0 million, to be fully settled in cash;

AND THAT the Board of Directors of DNeX ("**Board**"), be and is hereby authorised to do all things and acts and/or sign and execute all documents as the Board may deem fit, necessary, expedient and/or appropriate in order to implement, finalise and/or give effect to the Proposed Subscription with full powers to negotiate, agree and assent to any terms, conditions, modifications, variations and/or amendments as may be required by any relevant authorities or as the Board may deem fit, necessary, expedient and/or as the Board may consider appropriate in the best interest of the Company."

By Order of the Board

KEH CHING TYNG (MAICSA 7050134)
Company Secretary

Kuala Lumpur
30 March 2016

Notes:-

1. *For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 55(b) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 20 April 2016. Only a depositor whose name appears on the Record of Depositors as at 20 April 2016 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.*
2. *A member entitled to attend and vote at the meeting is entitled to appoint proxy/proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act,1965 shall not apply to the Company.*
3. *In the case of corporate member, the instrument appointing a proxy ("Form of Proxy") shall be either (a) under its Common Seal or (b) under the hand of duly authorised officer or attorney and in the case of (b), be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.*
4. *A member of the Company holding 1,000 shares or less in the Company shall be entitled to appoint one (1) proxy to attend and vote at the same meeting. A member holding more than 1,000 shares in the Company shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting and such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.*
5. *Where a member is an authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
6. *Where a member is an exempt authorised nominee (EAN) as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds. EAN is advised to list down the name of proxies and the particulars of their NRIC No. (both new and old) and attach it to the Form of Proxy.*
7. *Any alteration to the Form of Proxy must be initialised. The Form of Proxy duly completed must be deposited at the office of the Share Registrar, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than twenty-four (24) hours before the time appointed for holding the meeting or at any adjournment thereof.*

FORM OF PROXY

DNeX

DAGANG NeXCHANGE BERHAD
(Company No. 10039-P)
(Incorporated in Malaysia)

No. of Shares Held	
CDS Account No.	
Telephone No.	

*I/We_____
(Full name as per NRIC/Certificate of Incorporation in CAPITAL letters)

Company No./NRIC No. (new) _____ (old) _____

of _____
(Full Address)

_____
(Full Address)

being a member of **DAGANG NeXCHANGE BERHAD** hereby appoint_____

_____ NRIC No. (new) _____
(Full name as per NRIC in CAPITAL letters)

(old)_____ or failing *him/her _____
(Full name as per NRIC in CAPITAL letters)

NRIC No. (new) _____ (old) _____

or failing *him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Extraordinary General Meeting (EGM) of the Company to be held at Ballroom 2, 1st Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 27 April 2016 at 10.00 a.m. and at any adjournment thereof. *My/our proxy is to vote as indicated below:-

(Please indicate with an "X" in the appropriate boxes how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.)

RESOLUTION	FOR	AGAINST
Ordinary Resolution – Proposed Subscription		

Dated this ..... day of 2016

_____
Signature(s)/Common Seal of Member(s)

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		**100%**

Notes:-

1. *Applicable to shares held through a nominee account.*
2. *A member entitled to attend and vote at the meeting is entitled to appoint proxy/proxies to attend and vote in his/her stead.*
3. *A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.*
4. *In the case of corporate member, the instrument appointing a proxy ("Form of Proxy") shall be either (a) under its Common Seal or (b) under the hand of duly authorised officer or attorney and in the case of (b), be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.*
5. *A member of the Company holding 1,000 shares or less in the Company shall be entitled to appoint one (1) proxy to attend and vote at the same meeting. A member holding more than 1,000 shares in the Company shall be entitled to appoint a maximum of two (2) proxies to attend and vote at the same meeting and such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.*
6. *Where a member is an authorised nominee, as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
7. *Where a member is an exempt authorised nominee (EAN) as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds. EAN is advised to list down the name of proxies and the particulars of their NRIC No. (both new and old) and attach it to this Form of Proxy.*
8. *Any alteration to this Form of Proxy must be initialised. The Form of Proxy duly completed must be deposited at the office of the Share Registrar, Mega Corporate Services Sdn Bhd at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, not less than twenty-four (24) hours before the time fixed for holding the meeting.*
9. *For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 55(b) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 20 April 2016. Only a depositor whose name appears on the Record of Depositors as at 20 April 2016 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

Mega Corporate Services Sdn Bhd
Level 15-2, Bangunan Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur.

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