

**Reserves and Resources
Evaluation of the
Cladhan Oil Field
Quad 210 License Blocks
(UK North Sea)**

as at December 31, 2015

Executive Summary Report

Prepared for:

Sterling Resources Ltd.

Prepared by:

RPS Energy

April 12, 2016



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ECV2160

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April 12, 2016

Gentlemen,

RESERVES AND RESOURCES EVALUATION OF THE CLADHAN OIL FIELD LICENSE AREA

In response to your request and the Letter of Engagement dated October 16, 2015, RPS Energy (RPS) has completed an updated independent Resources estimate of the Cladhan Oil Discovery in the UK North Sea in which Sterling Resources (UK) plc., a wholly owned subsidiary of Sterling Resources Ltd. (“Sterling”) has an interest. We have estimated 1P, 2P and 3P Reserves, Contingent and Prospective Resources as at December 31, 2015, based upon data supplied by Sterling.

This report is an executive summary report, an abbreviated version of the full report, dated April 7, 2016, which contains full descriptions of the Cladhan asset as well as the assumptions and data relevant to each reserve case presented. The resource estimates shown in this report are consistent with those shown in the full report and are presented in accordance with Canadian National Instrument 51-101 and the reserve and resource definitions of the Canadian Oil and Gas Evaluation Handbook.

The work was undertaken by a team of professional petroleum engineers, geoscientists and economists and is based on data supplied by Sterling, and upon reviews of that data with technical staff at Sterling’s offices in Aberdeen. Our approach has been to review the data and interpretations supplied by Sterling and the operator (through Sterling) for reasonableness and then to independently estimate ranges of hydrocarbon initially in place and recoverable.

The data set provided included geological, geophysical and engineering data, together with reports and presentations pertaining to the contractual and fiscal terms applicable to the assets. In carrying out this review RPS has relied solely upon this information. Our estimates of resources are based on the data set available to, and provided by Sterling.

We have accepted, without independent verification, the accuracy and completeness of the data supplied. We have also taken the working interest that Sterling has in the Properties, as presented by Sterling, and we have not investigated nor do we make any warranty as to Sterling's interest in the Properties. However, RPS has a letter of representation from Sterling attesting to the completeness of these data.

The report was not based on any personal field examinations of the property in question which is an undeveloped offshore discovery. In any case such an examination would not have been deemed necessary in view of the extent and accuracy of the information available on the property.

Sterling Equity Interest

As at December 31 2015 Sterling's share of development costs is largely carried under the terms of two sale and purchase agreements ("SPA"s) with the operator, TAQA. The first SPA (signed in April 2012) provided for a fixed, non-repayable carry as part consideration for a sale of an interest in the field. The second SPA (signed in April 2013) provided a carry for the remaining development costs on an 11.8% equity interest in the field which is repayable out of net field cash flow after applying a 17% annual uplift to the carry balance. Upon pay-out of this second carry Sterling's equity interest will increase from the current 2.0% to 13.8%. However, under the current RPS forecast of oil and gas prices and future production forecast for the field, this second carry does not pay out for any of the 1P, 2P and 3P reserve cases. As a result the Corporation is only exposed to funding remaining development costs in excess of the original budget in relation to its current 2.0% interest, expected to be approximately \$1.15 million which will be incurred during 2016. Further, for the purposes of this report, all Sterling interests are now shown at 2%, rather than the 13.8% in previous reports.

Reserves and Resources

Oil-Originally-In-Place ("OIIP") volumes for the field and those attributable to Sterling's 2.0% interest in Cladhan, as of December 31, 2015 are given in Table (i). This assessment is based on the data available at the time of writing.

| Reservoir / Sequence | Field STOIP Volumes (MMstb) | | | Sterling 2.0% W.I. STOIP Volumes (MMstb) ⁽¹⁾ | | | GPoS (%) |
|--|---------------------------------|----------------------------------|----------------------------------|---|----------------------------------|----------------------------------|--------------|
| | Low Estimate (P ₉₀) | Best Estimate (P ₅₀) | High Estimate (P ₁₀) | Low Estimate (P ₉₀) | Best Estimate (P ₅₀) | High Estimate (P ₁₀) | |
| Reserves | | | | | | | |
| Sequence 1 Northern Channel | 42.7 | 73.3 | 113 | 0.85 | 1.47 | 2.26 | |
| Contingent Resources | | | | | | | |
| B Channel | 0.8 | 6.6 | 11 | 0.016 | 0.132 | 0.22 | |
| Prospective Resources | | | | | | | |
| Sequence 2 Upper Terrace | 4.6 | 11 | 27 | 0.092 | 0.22 | 0.54 | 9 |
| Sequence 1 Fan ⁽²⁾ | 3.4 | 6.3 | 10 | 0.068 | 0.13 | 0.20 | 7 |
| Sequence 2 Fan ⁽³⁾ | 2.4 | 5.0 | 10 | 0.048 | 0.10 | 0.20 | 5 |
| Prospective Total (at least one successful)⁽⁴⁾ | 3 | 8 | 20 | 0.066 | 0.15 | 0.41 | 19 |
| Prospective Total (all successful)⁽⁵⁾ | 15 | 24 | 41 | 0.302 | 0.48 | 0.82 | <1 |

1. Under the terms of the second carry agreement, Sterling post second carry (see section 1.3) WI will revert to 13.8% in blocks 210/29a & 210/30a, however the carry does not pay out in this analysis, therefore the interest is shown to remain at 2%

2. On block volume; 36.2% of the prospect, by area.

3. On block volume; 16.8% of the prospect, by area

4. Statistical aggregation assuming at least one Sequence is successful. An arithmetic summation of individual P90, P50 and P10 quantities will not produce a total P90, P50 and P10. This total takes into account all possible successful outcomes and the mean value of this distribution represents the true expectation of success

5. The statistical aggregation of all Sequences **assuming all Sequences are successful**. The probability of this occurring is the product of the GPoS values of each Sequence and is therefore **extremely small**.

Table (i): Cladhan Oil Initially In Place (MMstb), Unrisked, On Block

Technically recoverable volumes associated with the Reserves, Contingent and Prospective Resources classifications attributable to the Sterling Interest in Cladhan, as of December 31, 2015 are given in Table ii. All volumes shown are in terms of marketable sales volumes

| Reservoir / Sequence | Full Field | | | Sterling 2.0% W.I. | | | GPoS (%) |
|--|---------------------------------|----------------------------------|----------------------------------|--|----------------------------------|----------------------------------|----------|
| | Technical Recoverable (MMstb) | | | Technical Recoverable (MMstb) ⁽¹⁾ | | | |
| Reserves | 1P (P ₉₀) | 2P (P ₅₀) | 3P (P ₁₀) | 1P (P ₉₀) | 2P (P ₅₀) | 3P (P ₁₀) | |
| Sequence 1 Northern Channel | 6.60 | 14.9 | 22.9 | 0.13 | 0.298 | 0.458 | |
| Contingent Resources | 1C (P ₉₀) | 2C (P ₅₀) | 3C (P ₁₀) | 1C (P ₉₀) | 2C (P ₅₀) | 3C (P ₁₀) | |
| B Channel | 0.10 | 1.25 | 2.1 | 0.002 | 0.025 | 0.042 | |
| Prospective Resources | Low Estimate (P ₉₀) | Best Estimate (P ₅₀) | High Estimate (P ₁₀) | Low Estimate (P ₉₀) | Best Estimate (P ₅₀) | High Estimate (P ₁₀) | |
| Sequence 2 Upper Terrace | 1.0 | 2.7 | 6.9 | 0.020 | 0.054 | 0.138 | 9 |
| Sequence 1 Fan ⁽²⁾ | 0.7 | 1.5 | 2.9 | 0.014 | 0.030 | 0.058 | 7 |
| Sequence 2 Fan ⁽³⁾ | 0.5 | 1.2 | 2.8 | 0.010 | 0.024 | 0.056 | 5 |
| Prospective Total (at least one successful) ⁽⁴⁾ | 0.69 | 1.86 | 5.13 | 0.014 | 0.037 | 0.103 | 19 |
| Prospective Total (all successful) ⁽⁵⁾ | 3.44 | 5.91 | 10.50 | 0.069 | 0.118 | 0.210 | <1 |

1. Under the terms of the second carry agreement, Sterling post second carry (see section 1.3) WI will revert to 13.8% in blocks 210/29a & 210/30a, however the carry does not pay out in this analysis, therefore the interest is shown to remain at 2%

2 On block volume; 36.2% of the total prospect, by area.

3 On block volume; 16.8% of the total prospect, by area.

4 Statistical aggregation assuming at least one Sequence is successful. An arithmetic summation of individual P90, P50 and P10 quantities will not produce a total P90, P50 and P10. This total takes into account all possible successful outcomes and the mean value of this distribution represents the true expectation of success

5 The statistical aggregation of all Sequences **assuming all Sequences are successful**. The probability of this occurring is the product of the GPoS values of each Sequence and is therefore **extremely small**. The statistical aggregation of all Sequences **assuming all Sequences are successful**. The probability of this occurring is the product of the GPoS values of each Sequence and is therefore **extremely small**

Table (ii): Cladhan Technical Reserves and Resources (MMstb), Unrisked, On Block

Economic Evaluation

For the reserves cases, cash flow forecasts have been run to determine the commercially recoverable volumes to the economic limit. The net present value of the cash flow forecasts, both before tax and after tax, of the net reserve volumes have been estimated using RPS Energy's January 2016 forecast of oil and gas prices and cost escalation assumptions. The cash flow forecasts incorporate the terms of the first and second TAQA carries, and result in a working interest remaining at 2.0% as the provisions of the second repayable carry do not pay out in each reserve case. The results are summarized in Table (iii).

| Sterling Working Interest ⁽¹⁾ Reserves Volumes and Values | | | | | | | | | | | | | |
|--|--|----------------|--------------|------------------------------|------------|------------|------------|------------|-----------------------------|------------|------------|------------|------------|
| Reserve Category | Sterling Effective Working Interest ⁽¹⁾ | Gross BOE Mstb | Net BOE Mstb | Net Present Value Before Tax | | | | | Net Present Value After Tax | | | | |
| | | | | (Million US\$) | | | | | (Million US\$) | | | | |
| | | | | 0% | 5% | 10% | 15% | 20% | 0% | 5% | 10% | 15% | 20% |
| Proved Producing | 2.00% | 121 | 121 | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 |
| Proved Non Producing | | - | - | - | - | - | - | - | - | - | - | - | - |
| Proved Undeveloped | | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Proved | 2.00% | 121 | 121 | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 |
| Probable Additional | | 64 | 64 | 2.1 | 2.0 | 1.8 | 1.7 | 1.6 | 2.1 | 2.0 | 1.8 | 1.7 | 1.6 |
| Proved + Probable | 2.00% | 186 | 186 | 3.1 | 3.1 | 3.1 | 3.0 | 3.0 | 3.1 | 3.1 | 3.1 | 3.0 | 3.0 |
| Possible | | 77 | 77 | 2.4 | 2.2 | 2.0 | 1.8 | 1.7 | 2.4 | 2.2 | 2.0 | 1.8 | 1.7 |
| Proved + Probable + Possible | 2.00% | 262 | 262 | 5.5 | 5.3 | 5.0 | 4.8 | 4.6 | 5.5 | 5.3 | 5.0 | 4.8 | 4.6 |

(1) Sterling Nominal Working interest remains at 2% for all reserve cases due to not paying out under forecast oil prices as determined by TAQA carry repayment terms

Table (iii): Cladhan Field Net Present Value at December 31, 2015

Qualifications

RPS Energy is an independent consultancy specialising in petroleum reservoir evaluation and economic analysis. 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.

Basis of Opinion

The evaluation presented in this report reflects our informed judgement based on accepted standards of professional investigation, but is subject to generally recognised uncertainties associated with the interpretation of geological, geophysical and engineering data. The evaluation has been conducted within our understanding of petroleum legislation, taxation and other regulations that currently apply to these interests. However, RPS Energy is not in a position to attest to the property title, financial interest relationships or encumbrances related to the property.

It should be understood that any evaluation, particularly one involving exploration and future petroleum developments may be subject to significant variations over short periods of time as new information becomes available.

Yours faithfully,

RPS Energy Canada Ltd.

Original signed by Brian Weatherill

Brian D. Weatherill, P.Eng.

1.0 RESERVES AND RESOURCES VOLUMES

1.1 Reserves and Resources Classification and Volumes

Application of reservoir volumetrics inputs and recovery factors in a probabilistic calculation of resource volumes results in the range of ultimate recovery resources shown in Tables 1.1 and 1.2. All resource volumes are expressed in terms of recoverable marketable sales volumes.

| Reserves Category: Estimated Ultimate Technical Recovery (before application of economic limits) | | | | | | |
|--|--------------------------------|--------------------------------|--------------------------------|---|--------------------------------|--------------------------------|
| Reservoir | Full Field (MMstb) | | | Sterling 2.0% W.I.⁽¹⁾ (MMstb) | | |
| | 1P (P₉₀) | 2P (P₅₀) | 3P (P₁₀) | 1P (P₉₀) | 2P (P₅₀) | 3P (P₁₀) |
| Sequence 1 Northern Channel | 6.6 | 14.9 | 22.9 | 0.132 | 0.298 | 0.458 |
| TOTAL | 6.6 | 14.9 | 22.9 | 0.132 | 0.298 | 0.458 |
| 1. Under the terms of the second carry agreement, Sterling post second carry (see section 1.3) WI will revert to 13.8% in blocks 210/29a & 210/30a, however the carry does not pay out in this analysis, therefore the interest is shown to remain at 2% | | | | | | |
| Contingent Resources Category: Estimated Ultimate Technical Recovery | | | | | | |
| Reservoir | Full Field (MMstb) | | | Sterling 2.0% W.I. (MMstb)⁽¹⁾ | | |
| | 1C (P₉₀) | 2C (P₅₀) | 3C (P₁₀) | 1C (P₉₀) | 2C (P₅₀) | 3C (P₁₀) |
| B Channel | 0.1 | 1.25 | 2.1 | 0.002 | 0.025 | 0.042 |
| TOTAL | 0.1 | 1.25 | 2.1 | 0.002 | 0.025 | 0.042 |
| 1. Under the terms of the second carry agreement, Sterling post second carry (see section 1.3) WI will revert to 13.8% in blocks 210/29a & 210/30a, however the carry does not pay out in this analysis, therefore the interest is shown to remain at 2% | | | | | | |

Table 1.1: Cladhan Reserves and Contingent Resources

| Prospective Resources Category: Estimated Ultimate Recovery | | | | | | | |
|---|---------------------------------|----------------------------------|-------------------------|---|----------------------------------|-------------------------|--------------|
| Sequence / Reservoir | Field Resources Volumes (MMstb) | | | Sterling 2% W.I. Resources Volumes (MMstb) ⁽¹⁾ | | | GPoS (%) |
| | Low (P ₉₀) | Best Estimate (P ₅₀) | High (P ₁₀) | Low (P ₉₀) | Best Estimate (P ₅₀) | High (P ₁₀) | |
| Sequence 2 Upper Terrace | 1.0 | 2.7 | 6.9 | 0.02 | 0.05 | 0.14 | 9 |
| Sequence 1 Fan ⁽²⁾ | 0.7 | 1.5 | 2.9 | 0.01 | 0.03 | 0.06 | 7 |
| Sequence 2 Fan ⁽³⁾ | 0.5 | 1.2 | 2.8 | 0.01 | 0.02 | 0.06 | 5 |
| Prospective Total (at least one successful)⁽⁴⁾ | 0.7 | 1.9 | 5.2 | 0.01 | 0.04 | 0.10 | 19 |
| Prospective Total (all successful)⁽⁵⁾ | 3.5 | 5.9 | 11 | 0.07 | 0.12 | 0.22 | <1 |
| <ol style="list-style-type: none"> Under the terms of the second carry agreement, Sterling post second carry (see section 1.3) WI will revert to 13.8% in blocks 210/29a & 210/30a, however the carry does not pay out in this analysis, therefore the interest is shown to remain at 2%. On block volume; 36.2% of the total prospect, by area On block volume; 16.8% of the total prospect by area Statistical aggregation assuming at least 1 Sequence is successful. An arithmetic summation of individual P90, P50 and P10 quantities will not produce a total P90, P50 and P10. This total takes into account all possible successful outcomes and the mean value of this distribution represents the true expectation of success The statistical aggregation of all Sequences assuming all Sequences are successful. The probability of this occurring is the product of the GPoS values of each Sequence and is therefore extremely small. | | | | | | | |

Table 1.2: Cladhan Prospective Resources (Unrisked), On Block

2.0 RESERVES

2.1 Reserves Classification

The resources in the main area of the Cladhan field are classed as Reserves, in the project maturity sub-class “Justified for Development” based upon:

- Commercial Risk: The project is commercially viable. A development plan has been submitted and approved, using established technology for offshore oil field developments.
- Commercial Status: The field development project plan has been concluded, submitted to DECC and approved. The project has been sanctioned and project construction, drilling activities have been completed and the field is on production as of December 2015. Transportation and services agreements are in place.

2.2 Production Forecasts

The field production forecasts have been generated analytically to achieve the estimated recoverable volumes for each reserve case for use in the economic valuation, and are summarized in the Table 2.1 below. These forecasts are “technical recovery” forecasts, ie: they do not account for economic limit cutoffs. The reserves derived from these forecasts differ, in that economic limits occur in 2019 for the 1P case, 2022 for the 2P case and in 2023 for the 3P case. The forecasts are also shown on a plot of production rate vs. time and logarithm rate vs. time in Figures 2.1 and 2.2 respectively. Sterling equity interest share of these production forecasts are shown on the cash flow summaries included in the appendix of this report.

| | PDP | | 2P | | 3P | |
|-----------------|----------------|------------------|----------------|------------------|----------------|------------------|
| | Oil Production | Water Production | Oil Production | Water Production | Oil Production | Water Production |
| | (Mstb) | (Mbbbl) | (Mstb) | (Mbbbl) | (Mstb) | (Mbbbl) |
| 2016 | 4,063 | 357 | 4,692 | 218 | 5,574 | 184 |
| 2017 | 1,487 | 350 | 1,893 | 214 | 2,569 | 208 |
| 2018 | 361 | 113 | 856 | 144 | 1,275 | 162 |
| 2019 | 168 | 58 | 585 | 125 | 939 | 160 |
| 2020 | 118 | 44 | 467 | 120 | 785 | 170 |
| 2021 | 79 | 31 | 398 | 119 | 687 | 182 |
| 2022 | 53 | 21 | 351 | 121 | 617 | 197 |
| 2023 | 49 | 20 | 317 | 123 | 565 | 213 |
| 2024 | 45 | 19 | 291 | 126 | 523 | 230 |
| 2025 | 42 | 18 | 270 | 130 | 489 | 249 |
| 2026 | 40 | 17 | 253 | 133 | 460 | 268 |
| 2027 | 38 | 17 | 239 | 138 | 436 | 289 |
| 2028 | 18 | 8 | 227 | 142 | 415 | 311 |
| 2029 | 0 | 0 | 216 | 147 | 397 | 334 |
| 2030 | 0 | 0 | 207 | 152 | 380 | 358 |
| 2031 | 0 | 0 | 198 | 157 | 366 | 383 |
| 2032 | 0 | 0 | 191 | 163 | 353 | 409 |
| 2033 | 0 | 0 | 184 | 168 | 341 | 437 |
| 2034 | 0 | 0 | 178 | 174 | 330 | 466 |
| 2035 | 0 | 0 | 173 | 180 | 320 | 497 |
| 2036+ | 0 | 0 | 2,738 | 0 | 5,103 | 18,896 |
| Total Reserves | 6,197 | | 9,241 | | 13,010 | |
| Total Technical | 6,561 | 1,075 | 14,925 | 2,993 | 22,924 | 24,602 |

Table 2.1: Production Forecasts (100% Field)

Note: The grey areas in the above table represent the portions of the production forecasts beyond the field predicted economic limit.

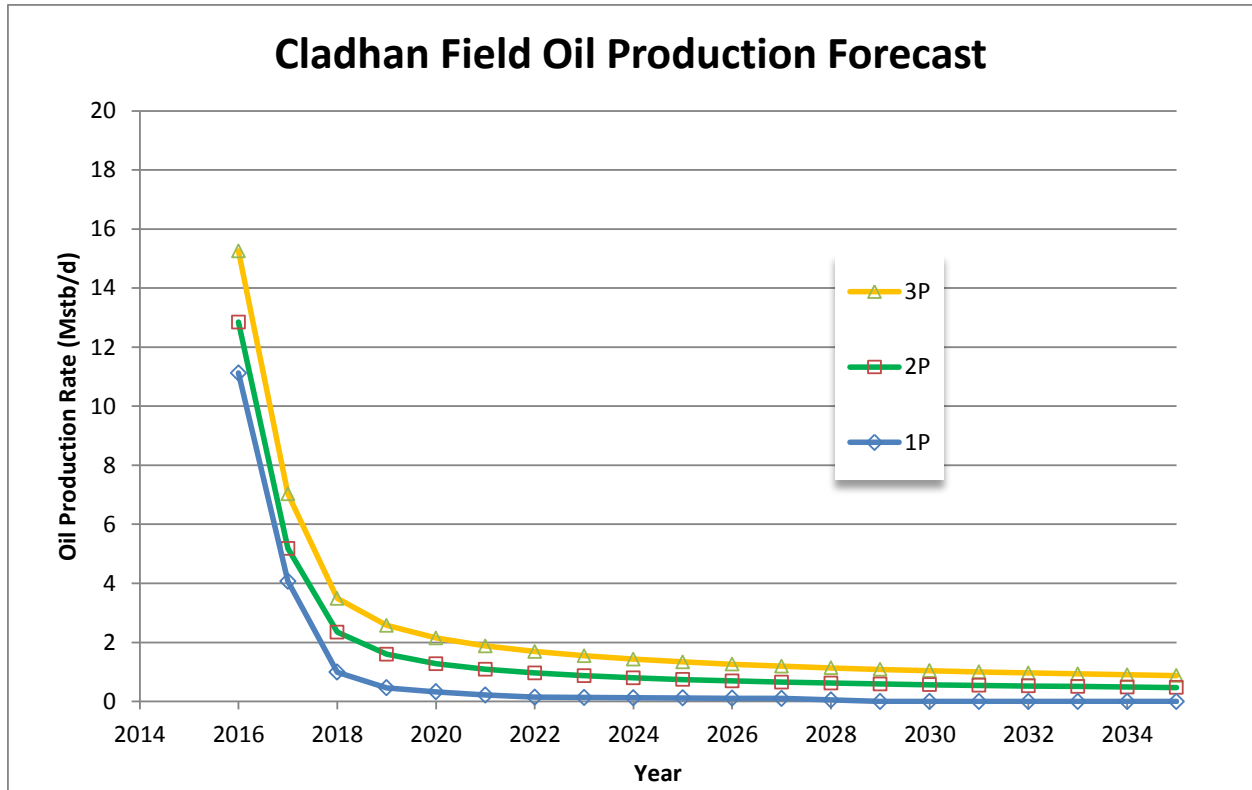


Figure 2.1: Cladhan Field – Production Forecasts

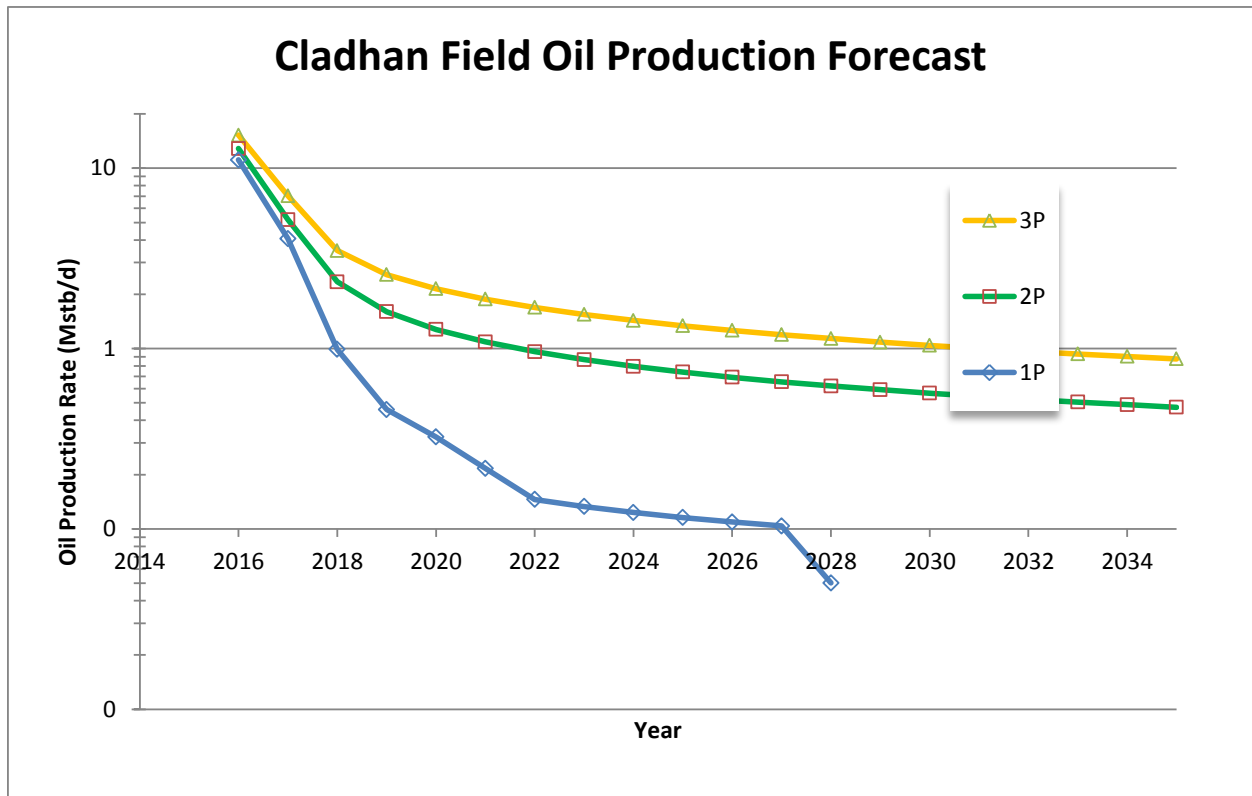


Figure 2.2: Cladhan Field – Production Forecasts

3.0 ECONOMIC EVALUATION

3.1 Price and Exchange Rate Assumptions

In accordance with NI 51-101 we have evaluated the Cladhan field using Forecast Prices. As all oil sales will be free on board (“FOB”) Sullom Voe, RPS has utilized its forecast of Brent crude oil prices at Sullom Voe as the basis for forecasting. This forecast is shown in Table 3.1.

Sterling has provided information on the marketability of Cladhan crude in the northern European market against Brent and Ural sourced crude oils. The information is based on a confidential third party report commissioned by Sterling, and indicates Cladhan crude should command a premium price over Brent. Based on this information RPS has assumed a price premium, according to the Cladhan vs. Brent differential schedule from the confidential report. This price differential averages about US\$1.00 per stb. As at year end 2015, there is no actual crude sales data upon which to calibrate the results of the report, therefore the report results are assumed to apply.

An annual inflation of 2% has been built into the valuation, this inflation rate has been applied to all prices and cost estimates to adjust from 2016 real currency terms to Money of the Day (MOD).

| Forecast Case | | | | | | | |
|--|-------------------------|--------------------|----------------------------|----------------|-------------------------|--------|---------|
| Forecast of Prices, Inflation and Exchange Rates | | | | | | | |
| RPS-Energy Price Forecast 2016.01.01, Money of the Day (MOD) | | | | | | | |
| Year | Oil Benchmarks | | | Inflation Rate | Currency Exchange Rates | | |
| | WTI at Cushing Oklahoma | Brent @ Sollom Voe | Cladhan Crude @ Sullom Voe | | | | |
| | US\$/bbl | US\$/bbl | US\$/bbl | %/annum | US\$/Cdn\$ | US\$/£ | Cdn\$/£ |
| 2016 | 43.00 | 44.00 | 45.13 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2017 | 49.00 | 50.00 | 50.88 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2018 | 57.00 | 58.00 | 58.88 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2019 | 65.00 | 65.00 | 65.92 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2020 | 73.00 | 73.00 | 73.97 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2021 | 78.00 | 78.00 | 79.02 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2022 | 83.00 | 83.00 | 84.07 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2023 | 88.00 | 88.00 | 89.07 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2024 | 93.00 | 93.00 | 94.08 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2025 | 95.61 | 95.61 | 96.69 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2026 | 97.52 | 97.52 | 98.61 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2027 | 99.47 | 99.47 | 100.57 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2028 | 101.46 | 101.46 | 102.56 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2029 | 103.49 | 103.49 | 104.58 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2030 | 105.56 | 105.56 | 106.65 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2031 | 107.67 | 107.67 | 108.77 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2032 | 109.82 | 109.82 | 110.92 | 2.0% | 0.76 | 1.50 | 1.97 |
| 2033 | 112.02 | 112.02 | 113.12 | 2.0% | 0.76 | 1.50 | 1.97 |

Table 3.1: RPS Oil Price Forecasts and Exchange Rates

3.2 Fiscal Terms

The UK fiscal terms applied for this evaluation are summarised below. The Petroleum Revenue Tax (PRT) does not apply to this field since the field development was approved after March of 1993.

| <i>Fiscal Regime Type</i> | <i>Royalty / Tax</i> |
|-----------------------------|---|
| Governing Legislation | Petroleum Act 1988 and Corporation Tax Act 2010 |
| State Participation | None |
| Signature Bonus | None |
| Royalty | Abolished from January 1 st 2003 |
| Petroleum Revenue Tax | Not applied to fields given development approval after March 1993 |
| Income Tax | Corporation Tax ("CT") = 30% Supplementary Charge Corporation Tax ("SCT") = 10% Total CT+SCT = 40% Small field allowance of up to £30 million per annum for the whole field, up to a maximum field total of £150 million, is available as an offset against SCT. This allowance is dependent on field size; fully available for fields of up to 6.25 million tonnes of reserves, with the available allowance reduced for larger fields. |
| Depreciation | Plant and Machinery are 100% expensed All intangible costs are 100% expensed Ring Fence Expenditure Supplement ("RFES"): RFES increases the value of cumulative tax losses due to qualifying expenditures for up to six accounting periods (which are not necessarily consecutive), plus four more years vis a vis losses occurring after December 5, 2013. The RFES compounding rate was set at 6% per annum for accounting periods through year 2012 and 10% per annum after 2012 |
| Investment Allowance | Uplift of 62.5% of qualified capital expenditures for SCT calculations |
| Abandonment and Reclamation | Abandonment and reclamation (decommissioning) relief equal to 30% of costs against RFCT liability, up to total amount of cumulative ring fenced CT paid and 20% of costs against SCT liability, up to total amount of cumulative ring fenced SCT paid. |

Table 3.1: UK Fiscal Terms

3.3 Cost Assumptions

3.3.1 Capital Costs

The working interest owners have invested capital for the drilling of development wells, installation of subsea production facilities, offshore pipeline tie-back to the Tern A platform and upgrade/modifications to the production handling and compression facilities on that platform. Future capital costs, from January 1, 2016 are limited to the remaining residual costs associated with the existing development. The cost estimates for these remaining items are based on accounting data and post year-end invoices issued by TAQA and have been reviewed and used by RPS for the reserves cases presented herein. All of these remaining field development capital costs are related to completion and commissioning of production facilities. RPS has applied a contingency factor of 5% onto the TAQA derived estimates to account for unknown additions.

The total field Capital Costs for the reserve cases are summarized in Table 3.2 below.

| Cladhan Field Development | | | | | | |
|--|----------------|-----------------|-------------------|-----------------|----------------|--------------|
| Full Field Future Capital Cost Estimates | | | | | | |
| 2016 £ Real | | | | | | |
| | <u>Seismic</u> | <u>Drilling</u> | <u>Facilities</u> | <u>Pipeline</u> | <u>G&A</u> | <u>Total</u> |
| 1P | 0.0 | 0.0 | 27.3 | 0.0 | 0.0 | 27.3 |
| 2P | 0.0 | 0.0 | 27.3 | 0.0 | 0.0 | 27.3 |
| 3P | 0.0 | 0.0 | 27.3 | 0.0 | 0.0 | 27.3 |

Table 3.2: Capital Cost Estimates

The capital cost estimates shown above are the field total forecast expenditures from January 2016 forward. Sterling, as part of its April 2012 share purchase agreement with TAQA entered into an arrangement whereby TAQA will carry the first US\$53.6 Sterling share of development capital.

On April 4, 2013 Sterling sold 12.6% equity interest in Cladhan to TAQA and entered into a second carry arrangement with TAQA whereby TAQA will carry Sterling's development costs (plus 17% of carried costs per annum) with respect to 11.8% equity interest, under a repayable carry arrangement. Under this arrangement, Sterling will transfer the 11.8% interest temporarily to TAQA (leaving Sterling with a 2% equity interest) and this interest will be transferred back to Sterling upon payout of the carried amounts plus the 17% uplift on the carried amounts. For the purposes of these economics, then, the Sterling share of go-forward development capital expenditures with respect to the 11.8% interest is deemed to be zero.

With the second carry agreement, the original US\$53.6 million was split into two: US\$12.17 million relating to the 2% retained equity and US\$42.02 million relating to the 11.8% equity interest transferred to TAQA for the duration of the carry. RPS has incorporated this carry into the cash flow calculations, resulting in Sterling's share of the capital expenditures being reduced to zero during the development phase of the project.

3.3.2 Operating Costs

RPS has developed schedules of fixed and variable operating costs for each of the three reserve cases informed by information supplied by Sterling and TAQA (through Sterling) together with RPS knowledge of typical operating costs for North Sea offshore production systems.

- Fixed operating costs include costs for offshore facilities operations, license fees and pipeline services costs. Full field fixed costs (in 2016 real £) are estimated at:
 - Facilities operations and maintenance: : £0.91 million per year
 - Licence fees: £0.285 million per year
 - Subsea well operating costs: £1.635 million per year
 - G&A: £0.085 million per year
 - CO2 emissions fees: : £0.69 million per year
- Variable operating costs (in 2016 real £) are also included at:
 - Tern system tariff for processing and handling of crude oil:
 - £5.75 / stb, to the end of 2021
 - £29.50 / stb, beginning in 2022, escalating to £46.50 / stb in 2024
 - Brent system transportation tariffs: £1.03 / stb
 - Sullom Voe oil storage tariff: £6.68 / stb in 2016 decreasing to £5.19 / stb in 2022, remaining flat thereafter

3.3.3 Abandonment Costs

Abandonment costs for the field are estimated at £27.6 million, including a 20% contingency, to decommission the pipelines and umbilicals, and plugging and abandoning the three wells. Abandonment and reclamation costs are applied in the year following the last year of positive cash flow in the economic runs.

3.4 Taxation

RPS are informed by Sterling that as at year end 2015 Company is carrying sunk costs and ring fenced expenditure supplement (“RFES”) claims totalling £40.2 million attributable to the Cladhan licence area, which can be used to offset future CT and SCT. RPS has calculated the After Tax cash flow on this basis. This tax loss carry forward gives rise to a sufficiently large brought forward tax loss such that the project is not expected to incur any future tax liabilities under any of these RPS reserve scenarios.

3.5 Results


The results of our evaluation are tabulated in summary form in the following Table 3.3. Full cash-flow summaries are shown in Appendix A.

| Sterling Working Interest ⁽¹⁾ Reserves Volumes and Values | | | | | | | | | | | | | |
|--|--|----------------|--------------|------------------------------|------------|------------|------------|------------|-----------------------------|------------|------------|------------|------------|
| Reserve Category | Sterling Effective Working Interest ⁽¹⁾ | Gross BOE Mstb | Net BOE Mstb | Net Present Value Before Tax | | | | | Net Present Value After Tax | | | | |
| | | | | (Million US\$) | | | | | (Million US\$) | | | | |
| | | | | 0% | 5% | 10% | 15% | 20% | 0% | 5% | 10% | 15% | 20% |
| Proved Producing | 2.00% | 121 | 121 | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 |
| Proved Non Producing | | - | - | - | - | - | - | - | - | - | - | - | - |
| Proved Undeveloped | | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Proved | 2.00% | 121 | 121 | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 |
| Probable Additional | | 64 | 64 | 2.1 | 2.0 | 1.8 | 1.7 | 1.6 | 2.1 | 2.0 | 1.8 | 1.7 | 1.6 |
| Proved + Probable | 2.00% | 186 | 186 | 3.1 | 3.1 | 3.1 | 3.0 | 3.0 | 3.1 | 3.1 | 3.1 | 3.0 | 3.0 |
| Possible | | 77 | 77 | 2.4 | 2.2 | 2.0 | 1.8 | 1.7 | 2.4 | 2.2 | 2.0 | 1.8 | 1.7 |
| Proved + Probable + Possible | 2.00% | 262 | 262 | 5.5 | 5.3 | 5.0 | 4.8 | 4.6 | 5.5 | 5.3 | 5.0 | 4.8 | 4.6 |

(1) Sterling Nominal Working interest remains at 2% for all reserve cases due to not paying out under forecast oil prices as determined by TAQA carry repayment terms

Table 3.3: Reserves Volumes and Values (Sterling's 2.0% W.I.)

APPENDIX A: CASH FLOW SUMMARIES

| SUMMARY OF OIL AND GAS FIELD RESERVES, PRODUCTION AND CASHFLOW | | | | | US\$ SUMMARY | | | | | | Cladhan PDP | | RPS Current \$ Price Forecast | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-------------|-----------|---------------|---------|---|-------------|-----------|---------------|---------|---------|---|----------|-------------------------------|----------|------------------|----------|----------|----------|----------|--|-------|------|------|------|------------|------|------|------|------|-------------------|------|------|------|------|--------------------|-------|-------|------|------|---|-------|-------------|--|--|--|---------------|-----|-----|-----|-----|-----|-------------|-----|-----|-----|-----|-----|---------------------|-----|----------------------|---------|---------|---------|---------------------------------|---------|---------|---------|---------|---------|---------------|---------|----------|----------|----------|----------|----------------------|----------|----------|----------|----------------------|--------|----------------------------|--------|--------|--------|--------------------------------|--------|--|--------|--------|--------|-----------------------------|--------|--------------|--------|-------------------------------|---------|---------|---------|----------------|--------|--------|--------|--------|--------|--------|--------|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------------|---------|----------|----------|----------|----------|----------|----------|----------|----------|---------------------------------|------|------|------|------|------|------|------|------|------|------|------|---------------------|------|------|------|------|------|------|------|----------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----------------------|------|-------|-------|-------|-------|-----------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------------|------|------|------|---|-------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|------|--------------------------|--|-------|-------|-------|---------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|------|---------|--|-------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|------|----------------------|--|-------|-------|-------|---------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|------|------------|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---------------------|--|-------|-------|-------|---------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|------|
| COMPANY: Sterling Resources (UK) Limited OPERATOR: TAQA Bratani Limited FIELD: Cladhan COMPANY SHARE: variable COMPANY SHARE (effective): 2.00% COMPANY SHARE (final): 2.00% | | | | | Reserves Level: PDP Price Forecast Case: RPS Current \$ Price Forecast Average Annual Cost Inflation: 2.00% Effective Date: 2015-12-31 | | | | | |  | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RESERVES | | | | | PRESENT VALUE - COMPANY SHARE (Million US\$) | | | | | | ABANDONMENT AND RECLAMATION COSTS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | Discount Rate: 0% 5% 10% 15% 20% | | | | | | Company Share, Net of Salvage Value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th></th> <th>Total Gross</th> <th>Field Net</th> <th colspan="2">Company Share</th> </tr> <tr> <th></th> <th></th> <th></th> <th>Gross</th> <th>Net</th> </tr> </thead> <tbody> <tr> <td>Crude Oil (MSTB)</td> <td>6,072</td> <td>6,072</td> <td>121</td> <td>121</td> </tr> <tr> <td>Sales Gas (MMCF)</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>NGL (MBBL)</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Condensate (MBBL)</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total BOE * (MSTB)</td> <td>6,072</td> <td>6,072</td> <td>121</td> <td>121</td> </tr> </tbody> </table> | | | | | | Total Gross | Field Net | Company Share | | | | | Gross | Net | Crude Oil (MSTB) | 6,072 | 6,072 | 121 | 121 | Sales Gas (MMCF) | 0 | 0 | 0 | 0 | NGL (MBBL) | 0 | 0 | 0 | 0 | Condensate (MBBL) | 0 | 0 | 0 | 0 | Total BOE * (MSTB) | 6,072 | 6,072 | 121 | 121 | <table border="1"> <tbody> <tr> <td>Gross Revenue</td> <td>5.7</td> <td>5.6</td> <td>5.5</td> <td>5.5</td> <td>5.4</td> </tr> <tr> <td>Net Revenue</td> <td>5.7</td> <td>5.6</td> <td>5.5</td> <td>5.5</td> <td>5.4</td> </tr> <tr> <td>Prior Cost Recovery</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> </tr> <tr> <td>Operating Costs + Abandonment</td> <td>3.6</td> <td>3.4</td> <td>3.2</td> <td>3.1</td> <td>3.0</td> </tr> <tr> <td>Capital Costs</td> <td>1.0</td> <td>1.0</td> <td>1.0</td> <td>1.0</td> <td>1.0</td> </tr> <tr> <td>Cash Flow Before Tax</td> <td>1.1</td> <td>1.2</td> <td>1.2</td> <td>1.3</td> <td>1.4</td> </tr> <tr> <td>Cash Flow After Tax (CFAT)</td> <td>1.1</td> <td>1.2</td> <td>1.2</td> <td>1.3</td> <td>1.4</td> </tr> </tbody> </table> | | | | | | Gross Revenue | 5.7 | 5.6 | 5.5 | 5.5 | 5.4 | Net Revenue | 5.7 | 5.6 | 5.5 | 5.5 | 5.4 | Prior Cost Recovery | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | Operating Costs + Abandonment | 3.6 | 3.4 | 3.2 | 3.1 | 3.0 | Capital Costs | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | Cash Flow Before Tax | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 | Cash Flow After Tax (CFAT) | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 | <table border="1"> <tbody> <tr> <td>Cost (Million US\$):</td> <td>0.895</td> </tr> <tr> <td>Year:</td> <td>2019</td> </tr> <tr> <td>NPV(10%) Million US\$)</td> <td>0.67</td> </tr> </tbody> </table> | | | | Cost (Million US\$): | 0.895 | Year: | 2019 | NPV(10%) Million US\$) | 0.67 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Total Gross | Field Net | Company Share | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Gross | Net | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Crude Oil (MSTB) | 6,072 | 6,072 | 121 | 121 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales Gas (MMCF) | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NGL (MBBL) | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Condensate (MBBL) | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total BOE * (MSTB) | 6,072 | 6,072 | 121 | 121 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gross Revenue | 5.7 | 5.6 | 5.5 | 5.5 | 5.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Revenue | 5.7 | 5.6 | 5.5 | 5.5 | 5.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prior Cost Recovery | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operating Costs + Abandonment | 3.6 | 3.4 | 3.2 | 3.1 | 3.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Costs | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash Flow Before Tax | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash Flow After Tax (CFAT) | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cost (Million US\$): | 0.895 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year: | 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NPV(10%) Million US\$) | 0.67 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Year</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> <th>2030</th> <th>2031</th> <th>2032</th> <th>2033</th> <th>2034</th> </tr> </thead> <tbody> <tr> <td>PRODUCT PRICES (US\$)</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>Crude Oil (US\$/BBL)</td> <td>\$45.13</td> <td>\$50.88</td> <td>\$58.88</td> <td>\$65.92</td> <td>\$73.97</td> <td>\$79.02</td> <td>\$84.07</td> <td>\$89.07</td> <td>\$94.08</td> <td>\$96.69</td> <td>\$98.61</td> <td>\$100.57</td> <td>\$102.56</td> <td>\$104.58</td> <td>\$106.65</td> <td>\$108.77</td> <td>\$110.92</td> <td>\$113.12</td> <td>\$142.48</td> </tr> <tr> <td>Sales Gas (US\$/MCF)</td> <td>\$5.75</td> <td>\$6.38</td> <td>\$6.80</td> <td>\$7.43</td> <td>\$8.08</td> <td>\$8.24</td> <td>\$8.41</td> <td>\$8.58</td> <td>\$8.75</td> <td>\$8.92</td> <td>\$9.10</td> <td>\$9.28</td> <td>\$9.47</td> <td>\$9.66</td> <td>\$9.85</td> <td>\$10.05</td> <td>\$10.25</td> <td>\$10.45</td> <td>\$13.23</td> </tr> <tr> <td>NGL (US\$/BBL)</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> <td>\$0.00</td> </tr> <tr> <td>Condensate (US\$/BBL)</td> <td>\$45.13</td> <td>\$50.88</td> <td>\$58.88</td> <td>\$65.92</td> <td>\$73.97</td> <td>\$79.02</td> <td>\$84.07</td> <td>\$89.07</td> <td>\$94.08</td> <td>\$96.69</td> <td>\$98.61</td> <td>\$100.57</td> <td>\$102.56</td> <td>\$104.58</td> <td>\$106.65</td> <td>\$108.77</td> <td>\$110.92</td> <td>\$113.12</td> <td>\$142.48</td> </tr> <tr> <td>COST INFLATION (%/annum)</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> <td>2.0%</td> </tr> <tr> <td>US\$/GBP</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> <td>1.50</td> </tr> <tr> <td>US\$/US\$</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> <td>0.76</td> </tr> </tbody> </table> | | | | | | | | | | | | | | | | | | | | Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | PRODUCT PRICES (US\$) | | | | | | | | | | | | | | | | | | | | Crude Oil (US\$/BBL) | \$45.13 | \$50.88 | \$58.88 | \$65.92 | \$73.97 | \$79.02 | \$84.07 | \$89.07 | \$94.08 | \$96.69 | \$98.61 | \$100.57 | \$102.56 | \$104.58 | \$106.65 | \$108.77 | \$110.92 | \$113.12 | \$142.48 | Sales Gas (US\$/MCF) | \$5.75 | \$6.38 | \$6.80 | \$7.43 | \$8.08 | \$8.24 | \$8.41 | \$8.58 | \$8.75 | \$8.92 | \$9.10 | \$9.28 | \$9.47 | \$9.66 | \$9.85 | \$10.05 | \$10.25 | \$10.45 | \$13.23 | NGL (US\$/BBL) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Condensate (US\$/BBL) | \$45.13 | \$50.88 | \$58.88 | \$65.92 | \$73.97 | \$79.02 | \$84.07 | \$89.07 | \$94.08 | \$96.69 | \$98.61 | \$100.57 | \$102.56 | \$104.58 | \$106.65 | \$108.77 | \$110.92 | \$113.12 | \$142.48 | COST INFLATION (%/annum) | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | US\$/GBP | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | US\$/US\$ | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PRODUCT PRICES (US\$) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Crude Oil (US\$/BBL) | \$45.13 | \$50.88 | \$58.88 | \$65.92 | \$73.97 | \$79.02 | \$84.07 | \$89.07 | \$94.08 | \$96.69 | \$98.61 | \$100.57 | \$102.56 | \$104.58 | \$106.65 | \$108.77 | \$110.92 | \$113.12 | \$142.48 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales Gas (US\$/MCF) | \$5.75 | \$6.38 | \$6.80 | \$7.43 | \$8.08 | \$8.24 | \$8.41 | \$8.58 | \$8.75 | \$8.92 | \$9.10 | \$9.28 | \$9.47 | \$9.66 | \$9.85 | \$10.05 | \$10.25 | \$10.45 | \$13.23 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NGL (US\$/BBL) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Condensate (US\$/BBL) | \$45.13 | \$50.88 | \$58.88 | \$65.92 | \$73.97 | \$79.02 | \$84.07 | \$89.07 | \$94.08 | \$96.69 | \$98.61 | \$100.57 | \$102.56 | \$104.58 | \$106.65 | \$108.77 | \$110.92 | \$113.12 | \$142.48 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| COST INFLATION (%/annum) | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| US\$/GBP | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| US\$/US\$ | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th colspan="2">COMPANY SHARE GROSS PRODUCTION</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> <th>2030</th> <th>2031</th> <th>2032</th> <th>2033</th> <th>2034</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td colspan="2">Year</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td colspan="2">Production Wellcount (#)</td> <td>1</td> <td>2</td> <td>2</td> <td>2</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td></td> </tr> <tr> <td colspan="2">Annual Gross Production</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>Crude Oil (MSTB)</td> <td></td> <td>101</td> <td>14</td> <td>4</td> <td>3</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>121</td> </tr> <tr> <td>Sales Gas (MMCF)</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>NGL (MBBL)</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Condensate (MBBL)</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> | | | | | | | | | | | | | | | | | | | | COMPANY SHARE GROSS PRODUCTION | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | Total | Year | | | | | | | | | | | | | | | | | | | | | | Production Wellcount (#) | | 1 | 2 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | Annual Gross Production | | | | | | | | | | | | | | | | | | | | | | Crude Oil (MSTB) | | 101 | 14 | 4 | 3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 121 | Sales Gas (MMCF) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | NGL (MBBL) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | Condensate (MBBL) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| COMPANY SHARE GROSS PRODUCTION | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Production Wellcount (#) | | 1 | 2 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual Gross Production | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Crude Oil (MSTB) | | 101 | 14 | 4 | 3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 121 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales Gas (MMCF) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NGL (MBBL) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Condensate (MBBL) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th colspan="2">COMPANY SHARE CASHFLOW (Million US\$/year)</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> <th>2030</th> <th>2031</th> <th>2032</th> <th>2033</th> <th>2034</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td colspan="2">Year</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>Gross Production Revenue</td> <td></td> <td>4.551</td> <td>0.717</td> <td>0.233</td> <td>0.167</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>5.67</td> </tr> <tr> <td>Effective Royalty</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Net Production Revenue</td> <td></td> <td>4.551</td> <td>0.717</td> <td>0.233</td> <td>0.167</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>5.67</td> </tr> <tr> <td>Other Income</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Prior Cost Recovery</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Operating Costs & G&A</td> <td></td> <td>1.942</td> <td>0.388</td> <td>0.184</td> <td>0.159</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>2.67</td> </tr> <tr> <td>Abandonment</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>0.895</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>0.89</td> </tr> <tr> <td>Op. Cash Inc. Before Tax</td> <td></td> <td>2.609</td> <td>0.330</td> <td>0.049</td> <td>(0.886)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>2.10</td> </tr> <tr> <td>Capital</td> <td></td> <td>1.041</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>1.04</td> </tr> <tr> <td>Cash Flow Before Tax</td> <td></td> <td>1.568</td> <td>0.330</td> <td>0.049</td> <td>(0.886)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>1.06</td> </tr> <tr> <td>Income Tax</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Cash Flow After Tax</td> <td></td> <td>1.568</td> <td>0.330</td> <td>0.049</td> <td>(0.886)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>1.06</td> </tr> </tbody> </table> | | | | | | | | | | | | | | | | | | | | COMPANY SHARE CASHFLOW (Million US\$/year) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | Total | Year | | | | | | | | | | | | | | | | | | | | | | Gross Production Revenue | | 4.551 | 0.717 | 0.233 | 0.167 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5.67 | Effective Royalty | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | Net Production Revenue | | 4.551 | 0.717 | 0.233 | 0.167 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5.67 | Other Income | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | Prior Cost Recovery | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | Operating Costs & G&A | | 1.942 | 0.388 | 0.184 | 0.159 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2.67 | Abandonment | | - | - | - | 0.895 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.89 | Op. Cash Inc. Before Tax | | 2.609 | 0.330 | 0.049 | (0.886) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2.10 | Capital | | 1.041 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1.04 | Cash Flow Before Tax | | 1.568 | 0.330 | 0.049 | (0.886) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1.06 | Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | Cash Flow After Tax | | 1.568 | 0.330 | 0.049 | (0.886) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1.06 |
| COMPANY SHARE CASHFLOW (Million US\$/year) | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gross Production Revenue | | 4.551 | 0.717 | 0.233 | 0.167 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5.67 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Effective Royalty | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Production Revenue | | 4.551 | 0.717 | 0.233 | 0.167 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5.67 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Income | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Prior Cost Recovery | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operating Costs & G&A | | 1.942 | 0.388 | 0.184 | 0.159 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2.67 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Abandonment | | - | - | - | 0.895 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.89 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Op. Cash Inc. Before Tax | | 2.609 | 0.330 | 0.049 | (0.886) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2.10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital | | 1.041 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1.04 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash Flow Before Tax | | 1.568 | 0.330 | 0.049 | (0.886) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1.06 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Income Tax | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash Flow After Tax | | 1.568 | 0.330 | 0.049 | (0.886) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1.06 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

SUMMARY OF OIL AND GAS FIELD RESERVES, PRODUCTION AND CASHFLOW

US\$ SUMMARY

Cladhan
3P

COMPANY: Sterling Resources (UK) Limited

OPERATOR: TAQA Bratani Limited

FIELD: Cladhan

COMPANY SHARE: variable

COMPANY SHARE (effective): 2.00%

COMPANY SHARE (final): 2.00%

Reserves Level: 3P

Price Forecast Case: RPS Current \$ Price Forecast

Average Annual Cost Inflation: 2.00%

Effective Date: 2015-12-31

RPS Current \$ Price Forecast

| | | Total | | Company Share | |
|-------------|--------|--------|--------|---------------|-----|
| | | Gross | Net | Gross | Net |
| Crude Oil | (MSTB) | 13,106 | 13,106 | 262 | 262 |
| Sales Gas | (MMCF) | 0 | 0 | 0 | 0 |
| NGL | (MBBL) | 0 | 0 | 0 | 0 |
| Condensate | (MBBL) | 0 | 0 | 0 | 0 |
| Total BOE * | (MSTB) | 13,106 | 13,106 | 262 | 262 |

| | Discount Rate: | | | | |
|-------------------------------|----------------|------|------|------|------|
| | 0% | 5% | 10% | 15% | 20% |
| Gross Revenue | 14.5 | 13.2 | 12.2 | 11.4 | 10.8 |
| Net Revenue | 14.5 | 13.2 | 12.2 | 11.4 | 10.8 |
| Prior Cost Recovery | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating Costs + Abandonment | 7.9 | 6.8 | 6.0 | 5.5 | 5.0 |
| Capital Costs | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| Cash Flow Before Tax | 5.5 | 5.3 | 5.0 | 4.8 | 4.6 |
| Cash Flow After Tax (CFAT) | 5.5 | 5.3 | 5.0 | 4.8 | 4.6 |

| ABANDONMENT AND RECLAMATION COSTS | |
|-------------------------------------|-------|
| Company Share, Net of Salvage Value | |
| Cost (Million US\$): | 0.969 |
| Year: | 2023 |
| NPV(10%) Million US\$) | 0.50 |

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | |
|---------------------------------|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|
| PRODUCT PRICES (US\$) | | | | | | | | | | | | | | | | | | | | |
| Crude Oil | (US\$/BBL) | \$45.13 | \$50.88 | \$58.88 | \$65.92 | \$73.97 | \$79.02 | \$84.07 | \$89.07 | \$94.08 | \$96.69 | \$98.61 | \$100.57 | \$102.56 | \$104.58 | \$106.65 | \$108.77 | \$110.92 | \$113.12 | \$142.48 |
| Sales Gas | (US\$/MCF) | \$5.75 | \$6.38 | \$6.80 | \$7.43 | \$8.08 | \$8.24 | \$8.41 | \$8.58 | \$8.75 | \$8.92 | \$9.10 | \$9.28 | \$9.47 | \$9.66 | \$9.85 | \$10.05 | \$10.25 | \$10.45 | \$13.23 |
| NGL | (US\$/BBL) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Condensate | (US\$/BBL) | \$45.13 | \$50.88 | \$58.88 | \$65.92 | \$73.97 | \$79.02 | \$84.07 | \$89.07 | \$94.08 | \$96.69 | \$98.61 | \$100.57 | \$102.56 | \$104.58 | \$106.65 | \$108.77 | \$110.92 | \$113.12 | \$142.48 |
| COST INFLATION (%/annum) | | | | | | | | | | | | | | | | | | | | |
| US\$/GBP | | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| US\$/US\$ | | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| US\$/US\$ | | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 | 0.76 |

| COMPANY SHARE GROSS PRODUCTION | | | | | | | | | | | | | | | | | | | | |
|---------------------------------------|--------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | Total |
| Production Wellcount (#) | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| Annual Gross Production | | | | | | | | | | | | | | | | | | | | |
| Crude Oil | (MSTB) | 140 | 33 | 21 | 17 | 15 | 13 | 12 | 11 | - | - | - | - | - | - | - | - | - | - | 262 |
| Sales Gas | (MMCF) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| NGL | (MBBL) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Condensate | (MBBL) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| COMPANY SHARE CASHFLOW (Million US\$/year) | | | | | | | | | | | | | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|---------|------|------|------|------|------|------|------|------|------|------|------|-------|
| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | Total |
| Gross Production Revenue | 6.316 | 1.664 | 1.238 | 1.149 | 1.104 | 1.043 | 1.003 | 0.976 | - | - | - | - | - | - | - | - | - | - | - | 14.49 |
| Effective Royalty | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Production Revenue | 6.316 | 1.664 | 1.238 | 1.149 | 1.104 | 1.043 | 1.003 | 0.976 | - | - | - | - | - | - | - | - | - | - | - | 14.49 |
| Other Income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Prior Cost Recovery | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Operating Costs & G&A | 2.678 | 0.754 | 0.486 | 0.410 | 0.411 | 0.385 | 0.850 | 0.923 | - | - | - | - | - | - | - | - | - | - | - | 6.90 |
| Abandonment | - | - | - | - | - | - | - | 0.969 | - | - | - | - | - | - | - | - | - | - | - | 0.97 |
| Op. Cash Inc. Before Tax | 3.639 | 0.910 | 0.752 | 0.739 | 0.692 | 0.658 | 0.153 | (0.915) | - | - | - | - | - | - | - | - | - | - | - | 6.63 |
| Capital | 1.103 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1.10 |
| Cash Flow Before Tax | 2.536 | 0.910 | 0.752 | 0.739 | 0.692 | 0.658 | 0.153 | (0.915) | - | - | - | - | - | - | - | - | - | - | - | 5.52 |
| Income Tax | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash Flow After Tax | 2.536 | 0.910 | 0.752 | 0.739 | 0.692 | 0.658 | 0.153 | (0.915) | - | - | - | - | - | - | - | - | - | - | - | 5.52 |