



PetroSaudi International

An introduction

PetroSaudi

- A privately owned upstream oil and gas company
- Founded in 2000 by:
 - HRH Prince Turki bin Abdullah, son of King Abdullah of Saudi Arabia
 - Tarek Essam Ahmad Obaid
- Headquartered : Al-Khobar, Saudi Arabia
- Operating offices: Geneva, London

Key Personnel

- PetroSaudi
- International
- HRH Prince Turki bin Abdullah bin Abdulaziz Al Saud*
- Chairman*
 - PetroSaudi
 - International
 - Tarek Obaid*
 - Chief Executive Officer*
- Oil and Gas Division
 - Rick Haythornthwaite*
 - President*
 - Chief Operating Officer, PetroSaudi*
- Equity Investment Division
 - Patrick Mahony*
 - President*
 - Chief Investment Officer,*
 - PetroSaudi*

Tarek Obaid

Chief Executive Officer

- Other Current Positions
 - Advisor to the Royal Palace, Kingdom of Saudi Arabia
 - Board Member, Al Obayya Corporation Saudi Arabia
 - Board Member, International Company for Petroleum Waste Management Saudi Arabia
 - In addition, Mr. Obaid is a founder and investor in a variety of businesses including financial services, technology and real estate
 - Charitable involvements include The Sabrina Foundation in Geneva, Switzerland and The Mayo Clinic in Rochester, Minnesota
- Prior Executive Positions
 - Bankers Trust
 - Banque Piguet
- Education
 - Georgetown University, Edmund A. Walsh School of Foreign Service

Rick Haythornthwaite

President, Oil and Gas Division & Chief Operating Officer

- Other Current Positions
 - Non-Executive Chairman of Mastercard Inc and Network Rail
- Prior Executive Positions
 - Invensys plc : Chief Executive Officer
 - Blue Circle plc
 - Group Chief Executive
 - Chief Executive, Europe and Asia,
 - Premier Oil plc : Director, Corporate and Commercial
 - BP plc
 - President, BP Venezuela, Caracas,
 - Manager, Magnus Oilfield, UK
 - Various geoscience, strategic and managerial positions
- Prior Non-Executive Positions
 - Non-Executive Director, ICI plc, Lafarge SA and Cookson plc
 - Chair, UK Better Regulation Commission
 - Chair, UK Risk and Regulatory Advisory Council
- Education
 - MA in Geology, The Queen's College, Oxford
 - SM, Business, MIT

Patrick Mahony

President, Equity Investment Division & Chief Investment Officer

- Other Current Positions
 - Fund Manager, Ashmore Investment Management Limited
 - Director, Sweta Estates Pvt. Ltd.
 - Director, Alphaland Corporation Philippines
 - Director, International Company for Petroleum Waste Management Saudi Arabia
- Prior Executive Positions
 - Stephens Financial Group
 - The Blackstone Group
 - Goldman Sachs
- Education
 - BA Philosophy, University College, University of London

David Allen

Chief of Staff, Oil and Gas Division, PetroSaudi

- Other Current Positions
 - Non-Executive Director, Imperial Innovations plc
 - Executive Chairman, Truslers Hill Farms Ltd
- Prior Executive Positions
 - BP plc 1978-2008
 - Group Vice President, Planning, 1999-2000
 - Director, BP Exploration, 1997-1999
 - Director of Strategy & Planning, 1996-1997
 - General Manager Commercial, BP Exploration, 1995-1996
 - General Manager, BP S. North Sea Operations, 1994-1995
 - Planning Manager, BP Exploration, 1991-1994
 - General Manager (Gas), BP Exploration (Europe), 1990-1991
 - Various commercial roles, including managing BP's short term crude oil trading activity and 3 years in the US, 1978-1990
- Education
 - D. Phil. in Gas Lasers and Gas Phase Kinetics, Hertford College, Oxford
 - BA in Chemistry, Hertford College, Oxford

David Blewden

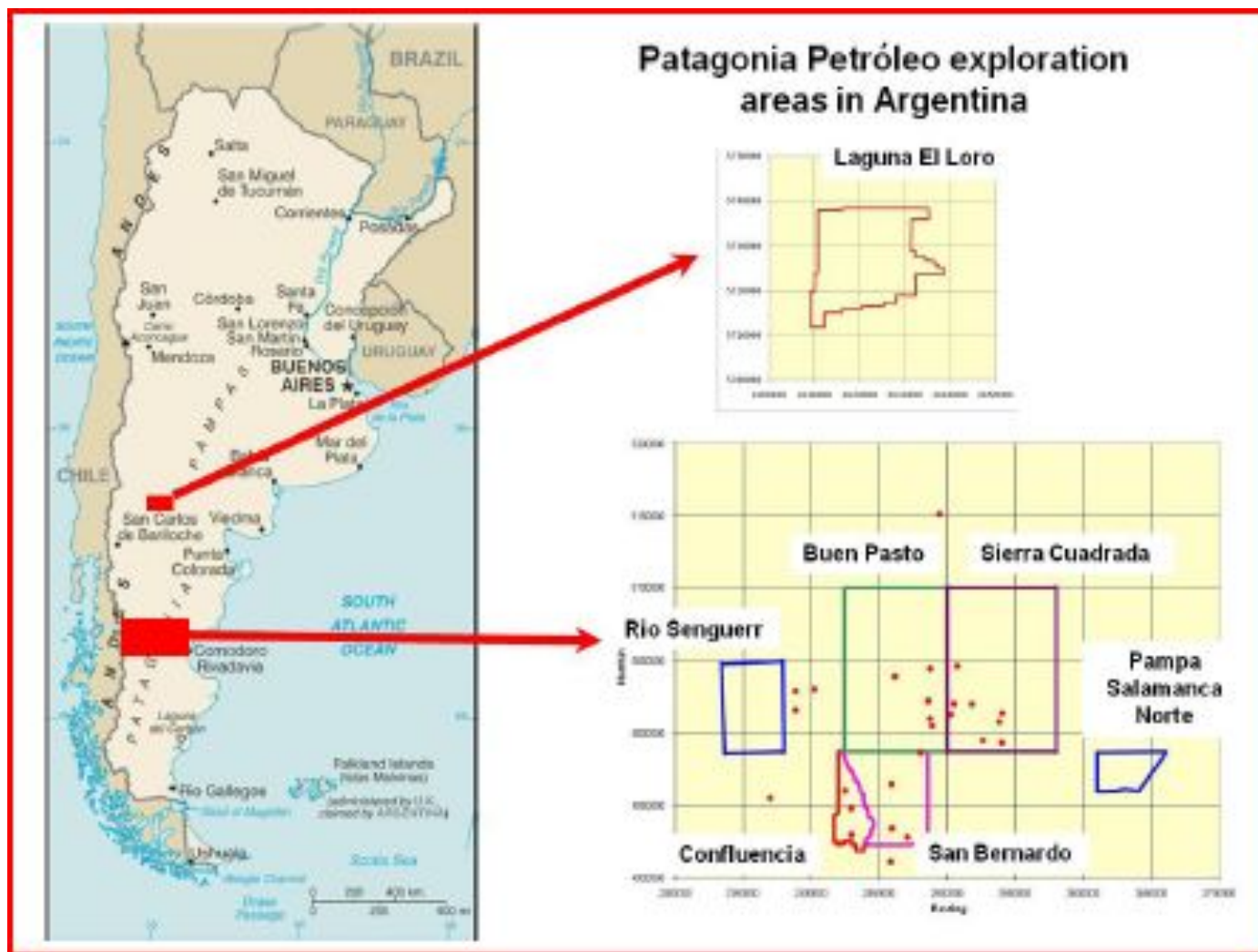
Chief Financial Officer, Oil and Gas Division, PetroSaudi

- Prior Executive Positions
 - African Arabian Petroleum Ltd 2006-2008
 - Chief Financial Officer
 - Yukos Oil Company 2002-2006
 - Head of Corporate Finance, 2002-2006
 - Chairman, Intelligent Energy Holdings plc, 2005-2006
 - Citigroup plc 1998-2002
 - Director, European Energy Team
 - UBS 1996-1998
 - Executive Director, European Oil & Gas Team
 - Chase Manhattan 1994-1996
 - Director, European M&A
 - Schroders 1988-1994
 - Manager, European Energy Team
 - Shell 1981-1988
 - Petroleum Engineer
- Education
 - BA in Natural Sciences, Trinity College, Cambridge

Strengths

- Saudi support
- Access to significant capital
- Focused on E&P in just a few selected areas
- Able and willing to create innovative partnerships with the public and private sectors
- Bridges the gap between IOC and NOC
- Proven ability to attract experienced industry professional management
- Private and responsive

Current Operations - Argentina



Argentina – key data

- 7 blocks (75.5% equity share)
 - Option over 23 other blocks
- 26, 195 square kilometres of acreage
- Chubut and Rio Negro provinces
- Led recent exploration work programme:
 - Regional geotechnical analysis
 - Geochemical soil sampling
 - 2D seismic survey
 - Exploration drilling and evaluation
 - Preparation for a 3D seismic survey

Ambition

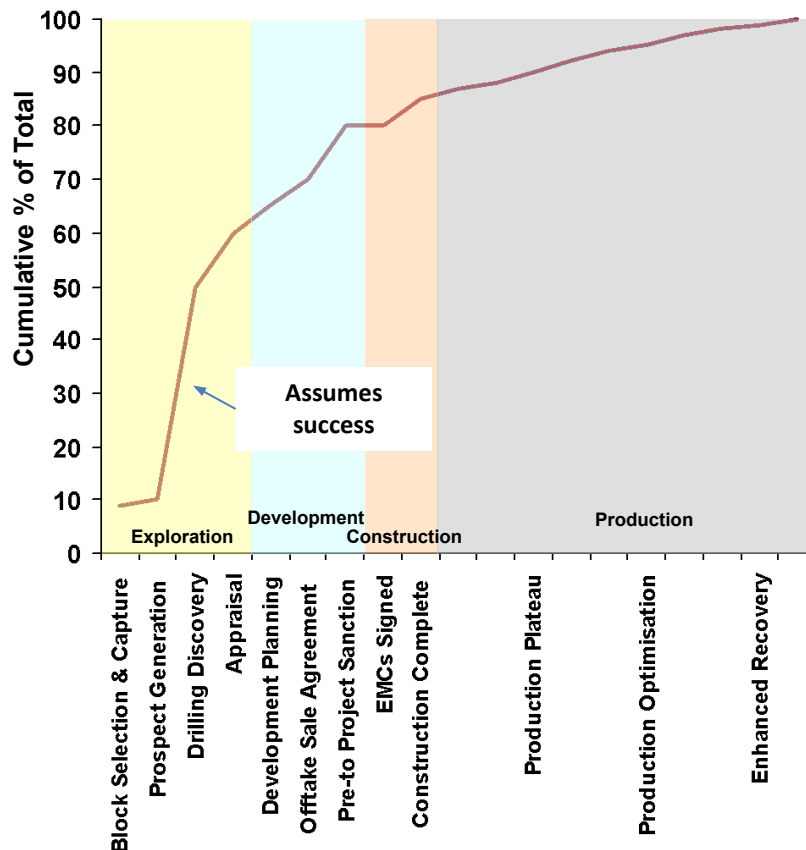
PSI will build a world scale international upstream oil and gas company by 2015 through:-

1. Focusing on a few selected geographic areas where PSI's ownership, relationships, skills and capital can make a difference
2. Working on material opportunities
3. Leveraging PSI's competitive advantages:
 - Strong mutual understanding with oil producer governments
 - Access to significant capital
 - No legacy of bureaucracy or dogma
4. Accelerating the successful exploitation of underdeveloped hydrocarbon resources

Our focus: Discovery to 1st Oil

Typical E&P Project Lifecycle Value

Projects typically deliver 80% of value in exploration-development phases



Assumes success



Exit pre-first oil will likely attract a discount to full value depending on strength of asset market at the time and residual technical uncertainties

- Relatively steep part of the value-added/\$ curve, provided risk can be well managed
 - On an expected value basis, value-add potential is high
- High quality geoscientific team maximises reserves established per dollar spent
 - This is the key to value creation
- Market for relevant entry-exit points exists
 - Farm the appraisal part of the curve to create value, recognising we may have to develop to first oil to realise that value
 - Synthetic exit solutions and cash flow optimisation also via financial engineering
- Often deemed non-core in portfolios during times of stress and therefore available at reasonable prices
 - Buying “growth” options in the current market represents relative value

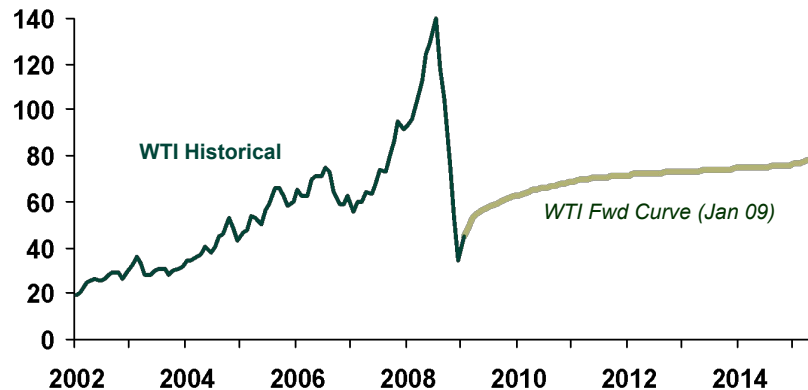
Timing

PSI is aiming to make substantive investments in 2009 because:-

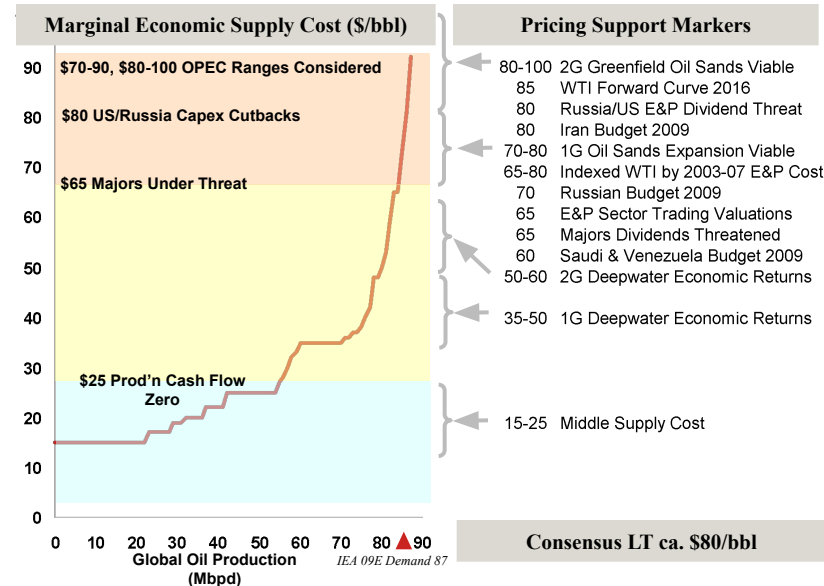
- Risk capital is needed in the industry
- We believe in the medium and long term profitability of the oil and gas sector
- We see a gap in the market for participation by entities which are neither NOC or IOC
- We see opportunities that can only be accessed by PSI's unique provenance
- The asset pricing window will not last forever

Oil prices

Crude Oil Price (\$/bbl)



Marginal Economic Oil Supply Cost (\$/bbl)



- Price growth post-2004 driven by demand
 - OECD growth + emerging market urbanisation
- Cost inflation has driven the marginal cost of supply (e.g. oil sands) to \$80+
 - Prices exceeding \$80-100 probably more about speculation than fundamentals
- Rapid reversal indicates effect of change of speculative sentiment and weakening demand
- Medium/long term view of \$80/bbl viable
 - Meets producer needs without destroying demand
 - Industry will struggle to ever produce more than 100Mbpd
 - Current rapid cutback in capex likely to tighten supply curve leading to "bounce back" when demand returns

Step 1: Secure an anchor asset

- Simple geology, complex politics
- Get the formula right

Buy well

- *Distressed/discounted assets*
- *Upside potential*

Deploy the best G+G , HR and procurement skills

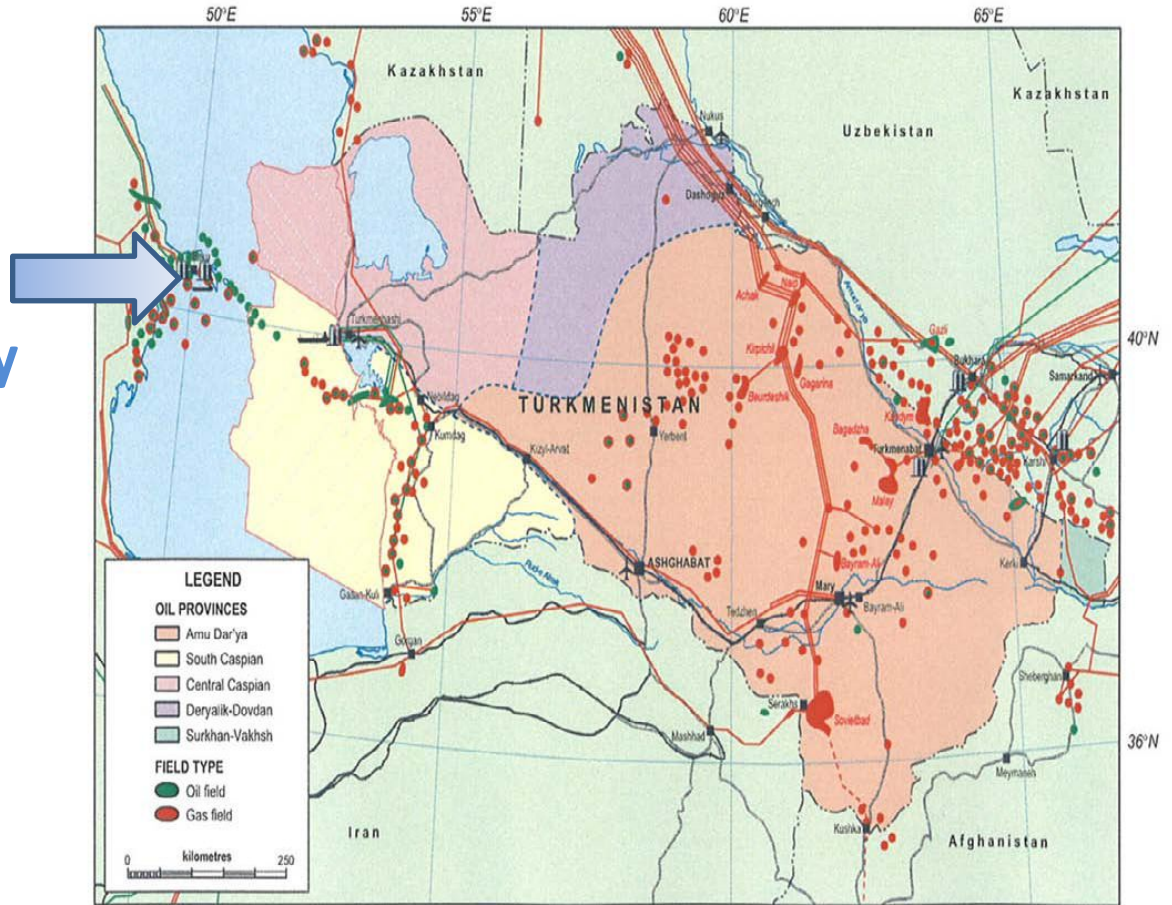
- *Prevent value leakage*
- *Exploit weak oil price to drive costs down and secure best talent*
- *Realise reserves upside and step out potential*

Sell and trade well

- *Capture phases of forward price optimism*
- *Release and reinvest cash*

Targeted Anchor Asset: Serdar

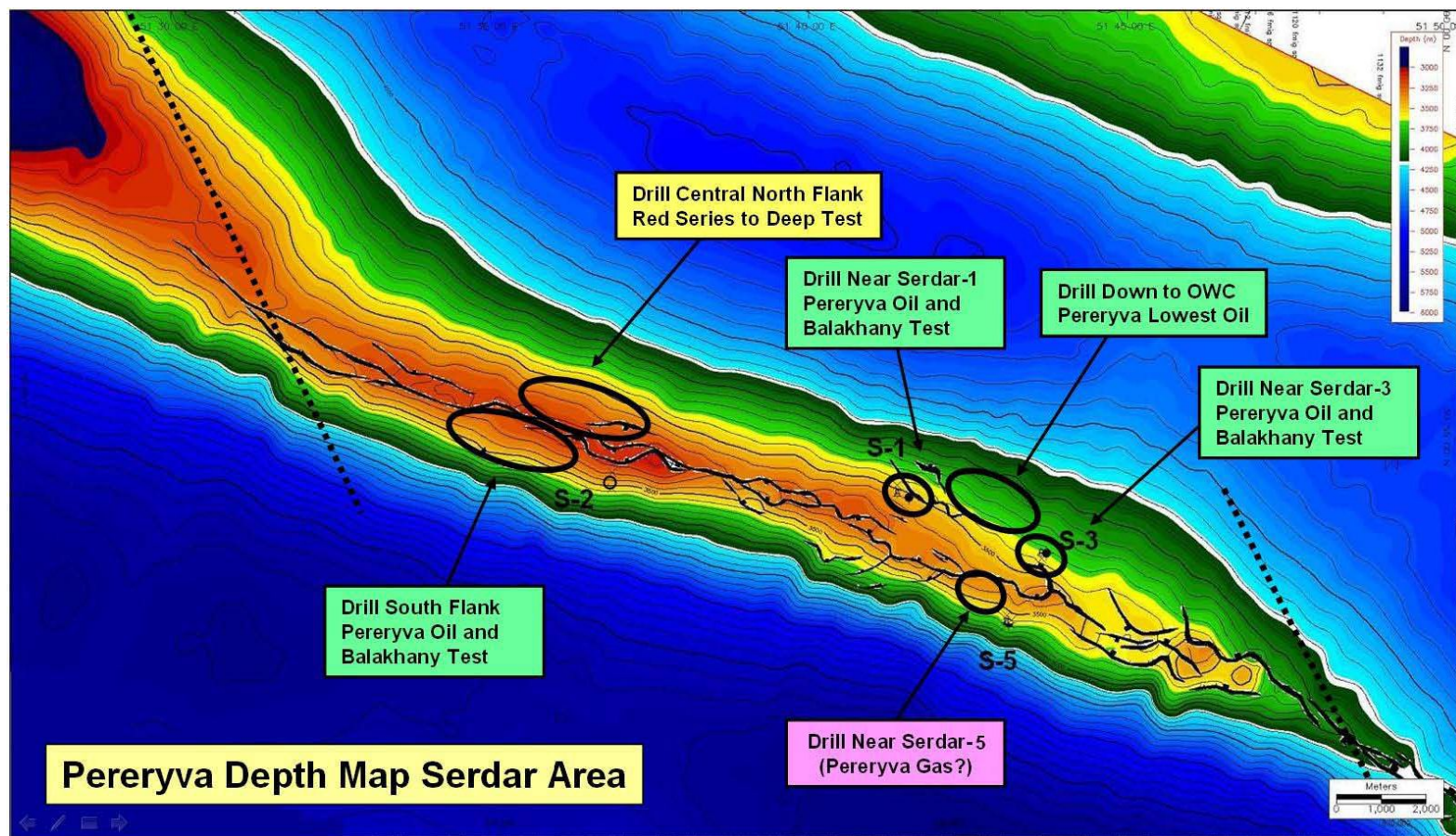
SERDAR
Oil
Discovery



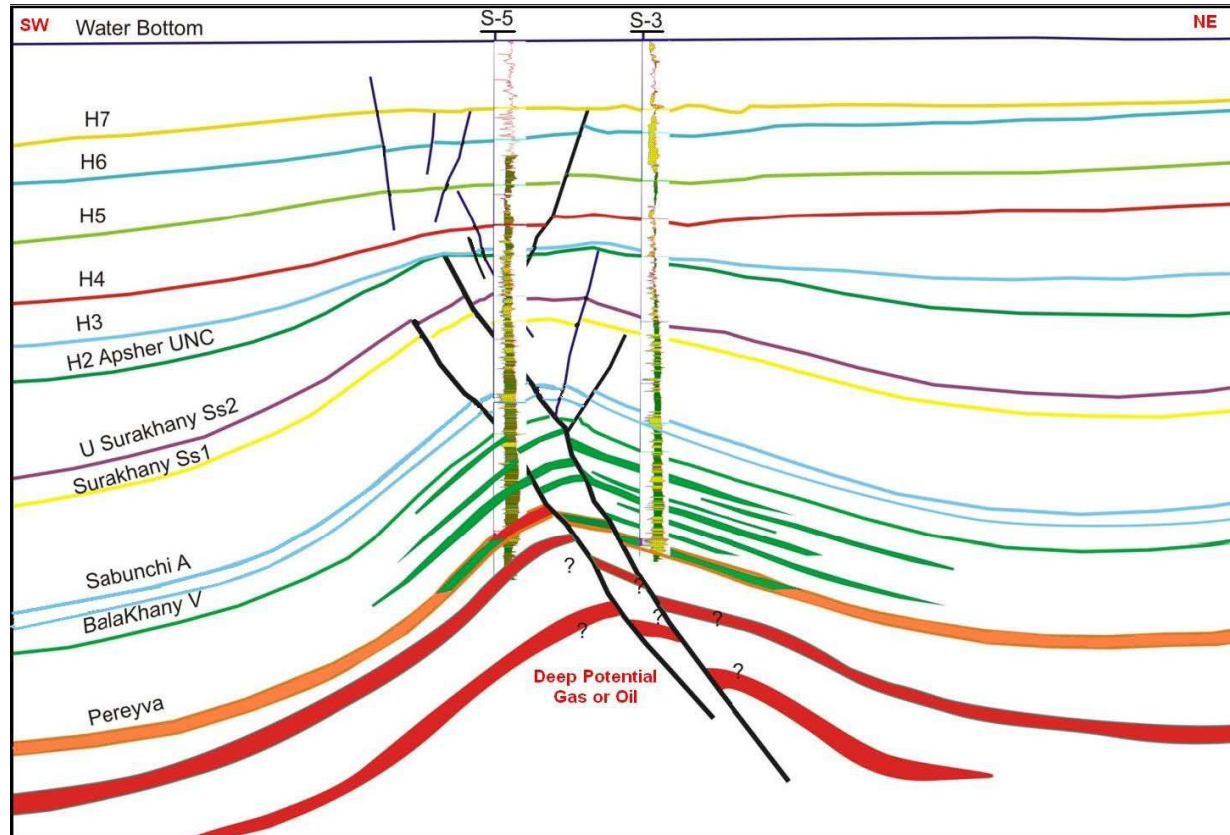
Serdar

- Reserves
 - P10-**P50**-P90 oil : 260-**427** -607 mmbo in 2 Pliocene horizons
 - Gas resources in same reservoirs: 1.5-2.0 Tcf P50
 - Possible further several Tcf of gas in deeper horizons
- First production expected 2015,
- Plateau 127kopd from 45 development wells programme
- Crude type: light, sweet, 36°API (\$3/bbl discount to WTI)
- Total field costs (as modelled):
 - Exploration expenditures ca. \$400m
 - Development expenditure ca. \$2.8b (\$6.7/bbl)
 - Opex ca. \$9/bbl
- 100% field NPV10 \$7.6bln at \$70/bbl flat real; IRR = 47%

Serdar



Serdar

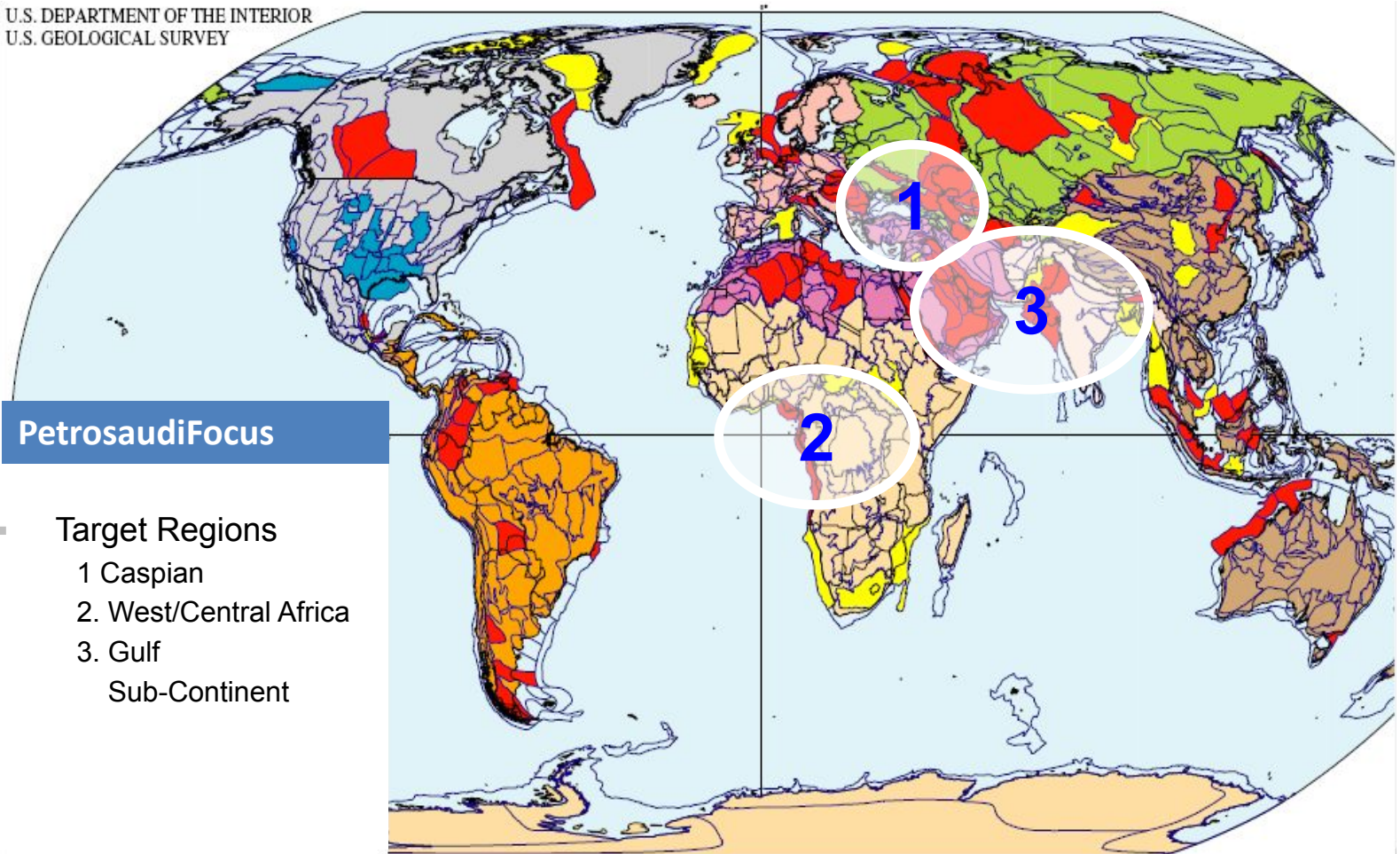


A GEOLOGICAL CROSS-SECTION

Step 2: Measured diversification

Global Hydrocarbon Distribution – Key Basins and Geographies

U.S. DEPARTMENT OF THE INTERIOR
U.S. GEOLOGICAL SURVEY



PetrosaudiFocus

- Target Regions
 - 1 Caspian
 - 2. West/Central Africa
 - 3. Gulf Sub-Continent

Screening and Ranking

Foreign Aid + Cultural & Personal Links

		Bottom 1/3	Middle 1/3	Top 1/3
Technical Attraction	High	Brazil Uganda	Kazakhstan Algeria Ghana	Azerbaijan Turkmenistan Iraq Pakistan Nigeria
	Medium	Congo Chad Gabon Philippines	Other Central Asia India Malaysia Tunisia Indonesia	Egypt Syria Sudan Oman Bangladesh Yemen
	Low	Ethiopia Tanzania Madagascar	Mauritania Guinea Kenya Somalia Afghanistan	Morocco Turkey Senegal

Focus Areas

- The Caspian
 - In April 2009 Prince Turki bin Abdullah bin Abdul Aziz Al Saud together with Tarek Essam Ahmad Obaid had a meeting with President Berdymuhamedov of Turkmenistan
 - The sides agreed that oil and gas sector was a key area for mutual cooperation. PetroSaudi gave some proposals for joint venture with Turkmenistan.
 - Active and confidential negotiations to acquire assets and acreage are ongoing
 - Further M&A under consideration
- West Africa
 - Active negotiations to acquire assets and acreage
- Central Africa
 - Active negotiations to acquire assets and acreage

Gulf/Indian Subcontinent

Example: Pakistan

- Exploit need for “State Aid” in Pakistan
- Seek under-exploited discoveries owned by Government or Quasi Government bodies
 - Offer accelerated appraisal and development at Government level
 - Obtain preferred access to secure anchor assets
- Consolidate interests of departing IOCs
 - Exploit IOCs’ desire to shed ‘blocked’ assets and focus scarce capital elsewhere
- Augment strategy by acquiring assets and capability from commercial companies currently under pressure
 - PPL, OGDC, ENI, Tullow, Premier ... other options

West & Central Africa

- Recommended as an area of focus to look for opportunities in 2009
- Nigeria
 - Addax/Afren/CNRL
 - 'Sunshine'/Oando/Sahara
- Ghana
 - Jubilee
- Uganda
 - Lake Albert area

Step 3: Build on anchor assets

- Establish local operating presence – build or buy
- Remain devolved and networked:
 - Partnering ability
 - Strong political and community relations
 - Local HSE and project management expertise
 - Draw on global network of oilfield suppliers
 - Central lean focus on commercial and G&G excellence
- Material presence in all arenas of operation
 - Highest quality assets
 - Substantive positions
- Recycle cash well through trading and dealing

Summary

- An 'NOC' with IOC experience and goals
- No legacy obligations
- Able to deliver pace, flexibility and capital
- A very unique competitive position
- Looking to act now in key selected areas