PETROCELTIC INTERNATIONAL PLC

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Distribution of Petroceltic’s Upstream E&P Assets

- **Ireland** – Kinsale Head Gas Royalty
- **Italy** – Po Valley + Sicily Ch.
- **Italy** – BR 268RG, Civitaquana, + New Licences
- **Tunisia** – Ksar Hadada Permit
- **Algeria** – Isarene Permit
• International Asset Portfolio:
  - **Algeria** - Isarene Permit (75%), 10,800 sq. km, operated
  - **Italy** - 5 Po Valley licences, 4 operated
    - B.R. 268 RG & Civitaquana (40%)
    - 11 new licence applications in Italy, 9 exclusive
  - **Tunisia** - Ksar Hadada (57%), 7,000 sq. km, operated.
  - **Ireland** - Kinsale Gas Field Royalty

• Organic growth opportunities in a number of European & North African countries

• Focus on Mediterranean Basins – close to energy hungry European markets
ALGERIA - ISARENE LICENCE MAP

**Total’s TFT**  
8 TCF gas, 840 MMBBLS liquids recoverable  
Circa 80 km from HTT/ISAS

**Repsol’s Tifernine oil**  
15 km GTT-1

**Sonatrach’s Alrar**  
5 TCF gas, 235 MMBBLS recoverable

**Petroceltic’s Isarene**  
Ain Tisila Ridge Prospect  
2-6 TCF potential

**BP’s In Amenas Cluster of Fields**  
4.2 TCF gas & 264 MMBBLS liquids recoverable
TUNISIA - KSAR HADADA Licence

New seismic interpretation
Complete – additional
Prospects identified

Petroceltic 57%
Area 7,000 km2

Venerex Accacus success
In western Libya
Italy - Energy Market
Significant Hydrocarbon Dependence

Total Energy Consumption in Italy, by Type (2004)

- Natural gas: 35%
- Coal: 8%
- Nuclear: 0%
- Hydro: 5%
- Other Renewables: 2%
- Oil: 47%

Source: EIA International Energy Annual 2004
In 2006, Italy produced 151,000 bbls/d (liquids) & consumed 1.7 mmbbls/d

Top 5 European Oil Consumers, 2006:

- Germany: 2.6 million barrels per day
- France: 2.0 million barrels per day
- United Kingdom: 1.8 million barrels per day
- Italy: 1.7 million barrels per day
- Spain: 1.6 million barrels per day

Source: EIA Short Term Energy Outlook
ITALY - Oil Market

- **4\textsuperscript{th} largest oil market in Europe**
- Significant crude oil importer – but net exporter of refined petroleum products [2.3 mmbbl/day refining capacity – 2\textsuperscript{nd} largest in EU after Germany]
- Proven Crude Oil reserves 600 mmbbls – 3\textsuperscript{rd} largest in EU behind UK & Denmark
- Produced 110,000 bbls/day in 2006 – 75% from ENI
- Bulk of domestic oil production from 3 regions
  - Val d’Agri (Southern Appenines)
  - Villafortuna (Deep Po Valley)
  - Aquila (Offshore Southern Adriatic)
- Total’s Tempa Rossa due on stream in 2010 with peak production at 50,000 bbls/day
Italy - Gas Market
Driven by Growth in Combined Cycle Gas-Fired Turbines

In 2004, Italy produced 0.5 TCF & consumed 2.8 TCF

Source: EIA International Energy Outlook
ITALY - Gas Market

• 3rd largest gas market in Europe

• Few players dominate Italy’s import & wholesale sector; retail sector highly fragmented

• ENI & subsidiaries (Snam Rete Gas, Stogit, Italgas) control*
  ~70% imports
  ~84% domestic production
  ~96% transport & storage
  ~50% final market
  *Changing slowly under EU regulation

• Domestic production in decline – 82% of gas supplies imported (mainly from Russia & Algeria)

• Existing infrastructures unable to meet forecast growth in Italian gas demand

• Forecast near term buoyancy in gas prices - significantly higher than European average
By 2015, forecast is for 55% of Italian power generation from gas.
ITALY - Upstream Business Environment

• Italy – a good place to do business
  - Favourable Fiscal terms – simple tax & royalty regime
  - Low Entry costs
  - Low political risk
  - Well developed infrastructure
  - High gas prices
  - Limited competition to date

• Dominance of incumbents – reflected in upstream asset distribution – EU regulation forcing retreat from dominance by ENI

• Secondary upstream asset market expanding – proliferation of recent applications
• No significant licence rental

• All work programmes discretionary

• Royalty Offshore 4% on liquids, 7% on gas, nothing below 1,000bopd or 8mmcf/d

• Royalty onshore 7% on liquids and gas, nothing below 400 bopd or 2.5 mmcf/d

• Income tax at 33% national plus 4% regional

• Very simple regime, gives high values for oil & gas
Italy - Production Concessions - Net Position

EXPLOITATION/PRODUCTION CONCESSIONS

ENI: 120
Edison: 47
Gas Plus: 37
Alumix: 1,806
Gas Natural: 2,832
Alto Modenese: 12,209
Lazzi Gas: 120
Mediterranean Oil: 120
SRN: 47
Consul Service: 47
Italmin: 47
Petrorep: 47
Total: 47
Esso: 47
Shell: 47
CH4 Lizzano: 47
Gas Natural: 47
SIM: 47
Socoplus: 47
Pentex: 47
Salsomaggiore: 47
Turchi: 47
Metanopuglia: 47
Italy - Awarded Permits - Net Acreage Position

Net Acreage - Sq Kms

No. of Permits

Italy, Awarded Permits - Net Acreage Position

Northern Petroceltic 15
Lumax Intergas 30
GROVE Edison 6
Vega Forest 3
Ascent Ialmin 12
PENTEX Total Gas Plus 10
Northsun Petrorep P신용
" bgco geid srn gas natural sarp esso shell petrorep petro PO VALLEY INTERGIE"
Italy - Permit Applications - Net Position

Italy, Permit Applications - Net Acreage Position

Net Acreage - Sq Kms

Italy – Permit Applications – Net Position
ITALY - Exploration Potential

- Significant remaining exploration & appraisal potential in Italy: >1800mmboe risked recoverable (undiscovered) potential*

- Creaming curves suggest potential for big oil discoveries – in new plays (e.g. Miglianico-Elsa Apulian margin play); gas plays approaching mature stage

- Elsa Discovery P50 Oil Resources – 182 million barrels** - at least 2 other large structures recognised in play

- Petroceltic’s strategy differentiated from peer group via high equity participation & focused exploration effort

- BG ‘Po Valley’ acquisition – gas prospect inventory matured via 3D seismic

*Source ENI  **Source: Petrel Robinson, Competent Person’s Report
YTF – up to 1800 mmboe Risked Recoverable

ITALY - DISCOVERED RESERVES vs. RISKED RECOVERABLE POTENTIAL

Approx. Values
Sources: ENI, IHS & ASSOMINERARIA

GAS
BScm

120 - 200

220

640

OIL
Mbbl

Yet to be discovered
To be produced
Produced

400 - 800

640

960

Risked Recoverable Potential
Discovered Reserves
Non-Standard Creaming Curve
Potential remains for ‘big’ oil discoveries?

Discovery Curve – Driven by complex geology & New Plays

Miglianico-Elsa
Apulian Margin Play
Po Valley – Late Miocene-Pliocene Mature Province?

Mature Province strategy required

- New Plays
- Stratigraphic Traps
- Hydraulic fracturing
- Drill deeper
Petroceltic’s Italian Asset Portfolio - end 2007
Central Adriatic (Oil) & Po Valley (Gas) Prospect Inventory

Central Adriatic (Oil) Portfolio

Po Valley (Gas) Portfolio
ITALY - South Central Adriatic Basin

- Prospective area adjacent to 4 existing oil & gas fields - with a number of proven hydrocarbon plays & 2 proven petroleum systems

**Mesozoic Petroleum System**
- Basin floor fan play (Miglianico, Elsa-1)
- Apulian Platform Karst play (Rospo Mare, Ombrina Mare)

**Cenozoic Petroleum System**
- Pliocene Biogenic Gas play (Santo Stefano Mare)

- Possible extension of Miglianico Oil Field into BR 268RG
- Prospective Open Acreage in shallow water
- Limited deployment of 3D seismic to date
Elsa 1 & Miglianico 1 Top Reservoir Map

- **Elsa-1 Oil Discovery**
- **Elsa-2 Possible Bottom Hole Location**
- **Miglianico-1 possible surface location for Miglianico East-1 1km step-out**
- **Miglianico, 34 API oil discovery 2001. First Oil 2008**
- **Transition Zone 2D Survey**

Coastline

Miglianico Onshore 3D Survey, 1997

Elsa-1 Oil Disovey

Elsa-2 Possible Bottom Hole Location
ITALY - BR 268RG
Elsa-1 Oil Column

Gamma Ray
Resistivity
Sonic
Total Gas %

Possible water bearing zone 4322- c. 4500m

Top Maiolica Reservoir 4496m BRT

Possible OWC/ODT 4570m

Sand Plug 4550-4808m

Well opened 3 times – rev. circ. then Spontaneous flow & immediate shut-in Mixed fluids incl. oil, mud filtrate + Fm. Water (from sand plug zone?) 1900L - 12°API contaminated; 3400L; 6500L - 15°API contaminated Estimated Gravity 18-20°API Shows Yl.-gld fluor. suggests 25-35°API

Core #4 Dolomite breccia Avg. Ø 19% Avg. K 173 md

7” liner Shoe @ 4322m

4550m
ITALY – BR 268RG

Elsa-1 Oil Column

Gamma Ray
Resistivity
Sonic
Total Gas %

7” liner Shoe @ 4322m

4550m Well opened 3 times – rev. circ. then Spontaneous flow & immediate shut-in

Mixed fluids incl. oil, mud filtrate + Fm. Water (from sand plug zone?)

1900L - 12oAPI contaminated; 3400L; 6500L - 15oAPI contaminated

Estimated Gravity 18-20oAPI

Shows Yl.-gld. fluor. suggests 25-35oAPI

Top Reservoir
Water bearing Dolomite

TightDolomite

Oil bearing Dolomite
Ø ~20%

Sw 35-40%

Clean Dol.

322m
ITALY – BR 268RG

Elsa-1 Oil Column

Gamma Ray
Resistivity
Sonic
Total Gas %

7” liner Shoe @ 4322m
4550m Well opened 3 times –
Spontaneous flow & immediate shut-in
Mixed fluids incl. oil, mud filtrate + Fm. Water (from sand plug zone?)
1900L - 12oAPI contaminated; 3400L; 6500L - 15oAPI contaminated
Estimated Gravity 18-20oAPI
Shows Yl.-gld. fluor. suggests 25-35oAPI

Top Reservoir Water bearing Dolomite
Tight Dolomite
Oil bearing Dolomite

Ø~ 20 %
Sw 35-40%

Elsa-1 Clean Dol.

Sw Fm. 30-35%

So 60-70%
ITALY – BR 268RG

Elsa-1 Oil Column

Gamma Ray
Resistivity
Sonic
Total Gas %

7” liner Shoe @ 4322m

4550m

Well opened 3 times – rev. circ. then Spontaneous flow & immediate shut-in

Mixed fluids incl. oil, mud filtrate + Fm. Water (from sand plug zone?)

1900L - 12°API contaminated; 3400L; 6500L - 15°API contaminated

Estimated Gravity 18-20°API

Shows Yl.-gld. fluor. suggests 25-35°API

Top Reservoir

Water bearing Dolomite

Tight Dolomite Oil bearing

Ø~ 20%

Sw 35-40%

Elsa-1 Clean Dol.

Elsa-1 Sw Fm. 30-35%

Flushed 55-100%

So 60-70%

ODT Drop in Ø
Miglianico Extension?

Elsa Prospect

Top Messinian

Top Aptian

Top Liassic

Top Elsa Reservoir
ITALY - BR 268RG - Proven Early Cretaceous Play
Miglianico-1 & Elsa-1 Discoveries
ITALY - Apulian Margin Play
Large Structure
<table>
<thead>
<tr>
<th>Miglianico East Prospect</th>
<th>STOOIP (MMstb)</th>
<th>Recoverable (MMstb)</th>
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<tr>
<td><strong>P90</strong></td>
<td>216</td>
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<td><strong>P50</strong></td>
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<td><strong>P10</strong></td>
<td>2,244</td>
<td>567</td>
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<td><strong>Mean</strong></td>
<td>1,045</td>
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*Source: Petrel Robinson, Competent Person’s Report*
Miglianico Field. ENI operated
40 MMbbls, 34o API oil, 1st oil mid 2008, onshore
NPV10 US $412 million, $10.30/bbl

Ombrina Mare Field. Mediterranean Oil & Gas operated.
21 MMbbls, 18o API oil, 1st oil 2010, offshore
NPV10 US$163 million, $7.76/bbl


With $7/bbl metric
Values Elsa at $1.2bn
Po Valley Portfolio

Petroceltic’s Newly Acquired Po Valley Asset Base
Permits and Permit Application

- **Case Sparse**
  - **Carisio** 95% Interest
  - **Trino** 50% Interest
  - **Vercelli** 50% Interest

- **Villafortuna-Trecate Fields**
  - 265 MMbbls + 250 BCF

- **Gaggiano Field**
  - 100 MMbbls

- **Casalnoceto**
  - 75% Interest

- **Torrente Nure**
  - 55% Interest

**Legend**
- Orange: Petroceltic Newly Acquired Permits
- Light Orange: Petroceltic Newly Acquired Permit Application – 100% interest
- Red: Gas Fields
- Green: Oil Fields
Po Valley Portfolio

- Acquired from BG in 2007
- 5 licences and 2 applications
- 2 3D seismic-defined fully mapped gas prospects on Carisio (currently 95% interest)
- Database contains a number of other recent 3D surveys, and a large database of 2D Seismic and well logs
- Accelerates Italian drilling by 2 years
Western Po Valley Basin - Rosso & Arborio Prospects

Rosso - Channel fill pinch-out on southerly plunging anticlinal nose

Arborio - Faulted Antlicine on back-thrust

Rosso 96 bcf

Arborio 75 bcf

3D Seismic survey

Backdrop colour grid is depth Base Pliocene (Pieri & Groppi 1981)
Top Rosso Main (Tortonian) TWT and Amplitude

Antiformal nose – migration focus for gas

Depleted Desana Field
4 way dip closure
Rosso Main - transverse sections
Desana Reservoir - Rosso Prospect
Underfilling or Channel Thief Zone?

RMS amplitude (-5+25ms) on Desana 2 sand equivalent surface

Desana 2 clips margin (crevasse splay?) of high-amplitude Rosso-like channel

Desana Field spills into Carisio Permit via incised channel system (Rosso)
Western Po Valley Basin
Arborio Miocene Prospect – Dip line

Top Gesso
Aquitanian
Top reservoir
Basal thrust
d346C.R-.EA Application (Licata)
ITALY - Resource Potential

- Central Adriatic Portfolio >500 mmbls unrisked reserve potential distributed in Apulian Margin Jurassic/Cretaceous prospects

- 1 TCFe unrisked potential in Po Valley + Sicily Channel Prospect Inventory

- Forward work program will focus on proving commercial potential of this asset base

*Source: Petrel Robinson, Competent Person’s Report*
ITALY - Forward program 2008/2009

- 3D seismic in 2008 on BR 268RG
- Follow-up with Elsa-2 Appraisal well early 2009
- Elsa P50 Oil Reserve potential: 182 million barrels*
- Evaluate Civitaquana Licence – possible early drilling of Pliocene gas
- Detailed technical evaluation of new offshore licences
- Two Po valley prospects ready to drill, 3D interpreted.
- Cariso permit gross P50 gas potential 170 BCF
- Po Valley may be farmed out to share risk

*Source: Petrel Robinson, Competent Person’s Report
### Italian Portfolio Activity Schedule - in context

<table>
<thead>
<tr>
<th>Country</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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Note: "Possible" indicates a task that may or may not be carried out.
End