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SONA PETROLEUM BERHAD

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3RD ANNUAL GENERAL MEETING

16 JUNE 2014

Proposed Acquisition of a 40% Effective Interest in the Greater Bualuang Assets Thailand

Note: Data in these slides have been obtained from published data in SMDR website and the announcement of the HoA on 5th June 2014.

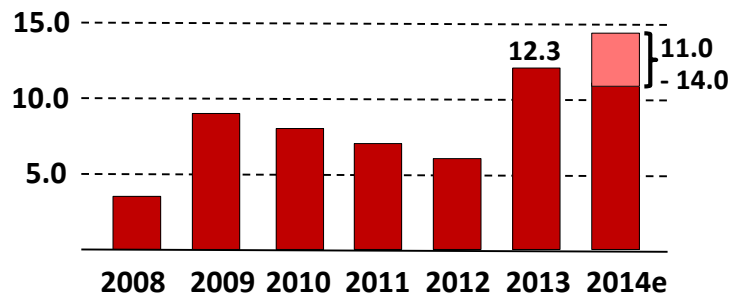
Sona Petroleum Bhd (“Sona”) signed Heads of Agreement with Salamander Energy PLC (“SMDR”) on 5 June 2014 for acquiring interests in SMDR’s assets in Gulf of Thailand...



- **Proposed acquisition of a 40% effective interest in 2 shallow water assets located in the Gulf of Thailand**
 - **Production Block B8/38 (Bualuang): oil field in production since 2008, FY13 gross production 12.3kbbbl/d**
 - **Exploration Block G4/50: exploration acreage surrounding block B8/38**
- **Purchase consideration: US\$280 million**
 - **Production Block B8/38: US\$250 million**
 - **Exploration Block G4/50: US\$30 million**
- **Transaction structure**
 - **Acquisition of 66.67% of the economic rights and 49% of the voting rights in Salamander Energy (Bualuang) Limited (“SEBG”)**
 - **SEBG owns 60% working interests in block B8/38 and block G4/50***

Block B8/38 is a producing field with estimated 2P+2C of 57.8 to 65 MMBO and 2014 production of 11 to 14 kbb/d...

Block B8/38 Gross Production (kbb/d)



B8/38 Reserves & Resources as of 31 Dec 2014 (MMBO)

	Gross (100%)	
	RPS*	SMDR
Proved & Probable Reserves (2P)	30.1	32.7
Contingent Resources (2C)	27.7	32.3
Total 2P + 2C	57.8	65.0

- Located in the Gulf of Thailand in water depths of ~60m
- Concession granted in 1996 till 2025 but extendable by 10 years subject to availability of commercial reserves
- Production started August 2008 from single wellhead platform (Alpha) and a FPSO
- Second wellhead platform (Bravo) installed Q4 2012 to increase production
- Currently evaluating best option to install third platform (Charlie) to convert significant portion of undeveloped resources
- Approval of Charlie project targeted by end 2014 for installation completed by 2016

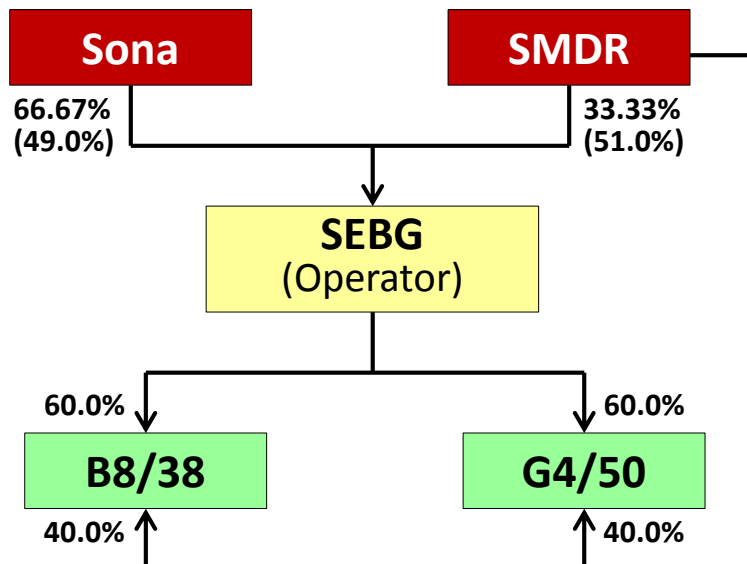
* - RPS Energy is SMDR's independent engineer certifying SMDR's reserves. SMDR and RPS provide separate reserves and resources estimates.

Block G4/50 is an exploration block with estimated mean resources of 190 MMBO...

- Surrounds Block B8/38 covering area of 5,824 km²
- Concession granted in 2007, currently in 3rd exploration period ending Dec 2016
- SMDR acquired 100% interest in 2011 from MOECO who retains up to 50% back-in right
- Salamander drilled wells in 2013 with some hydrocarbon resources which were not commercial
- Further drilling to be carried out pending EIA approvals for the most attractive locations. Up to 4 exploration wells to be drilled in 2014

Key Prospects	Mean Resources (MMBO)	Chance of Success
Hua Him	25.0	1 in 3
Yala (A, B, C, D)	25.0 x 4	1 in 4
Chang Mai	40.0	1 in 3
Sukhotai	25.0	1 in 3
TOTAL	190	

Sona will acquire 66.7% interest in Salamander Energy (Bualuang) Limited (“SEBG”), a subsidiary of SMDR, for 40% effective working interest in B8/38 and G4/50...



- Acquisition of 66.67% of the economic rights and 49.0% of the voting rights in SEBG, currently a 100% owned subsidiary of SMDR
- SEBG owns 60% of block B8/38 and 60% of block G4/50
- SEBG is the Operator of the blocks
- SEBG shareholder agreement will enable Sona to benefit from:
 - Joint control over strategic and financial decisions
 - Management control on the operation of the blocks via the provision of management services

Effective WI (%)	B8/38	G4/50
SMDR	60%	60%
Sona	40%	40%

WI – Working Interest

Sona will pay SMDR upfront US\$250 million for Block B8/38 and US\$30 million for Block G4/50...

PURCHASE CONSIDERATION

- US\$250 million for 40% effective interest in block B8/38
- US\$30 million for 40% effective interest in block G4/50
 - SMDR will drill the first two exploration wells at an estimated total cost of US\$15 million
 - Sona will be carried for these two wells
- US\$15 million contingent cash payment in event of commercial discovery

FUNDING

- Sona internal funds and external bank borrowings – BNP Paribas as MLA, Bookrunner and Underwriter

DEAL METRICS

	Purchase Price (US\$m)	Unit	Sona Net Volumes		Implied Multiples \$/bbl or \$/kbbld	
			RPS	SMDR	RPS	SMDR
B8/38	250.0					
- 2P		mmbo	12.0	13.1	20.8	19.1
- 2P + 50% 2C		mmbo	17.6	19.5	14.2	12.8
- 2P + 2C		mmbo	23.1	26.0	10.8	9.6
- Production 2013		kbbld	4.9		50.8	
- Production 2014e		kbbld	4.4 – 5.6		44.6 – 56.8	
G5/50	30.0			SMDR		SMDR
- Mean Resources*		mmbo		76.0		0.4

* - 40% interest (MOECO retains a right to back in for up to 50%)

The proposed acquisition is to be Sona's QA and will transform Sona into one of the leading listed E&P players in South East Asia

➤ **Sona's Qualifying Acquisition (QA)**

- Both parties will work to meet Securities Commission Malaysia requirements for QAs
- Joint control over strategic and financial decisions; Management control on operations

➤ **Balanced Portfolio of Production, Development and Exploration Shallow Water Assets**

- B8/38 – low-risk producing field, 6 years production history, significant upside via Charlie platform which will convert significant undeveloped resources
- G4/50 – sizeable exploration potential with short term drilling plan
- SMDR excellent operatorship track record; B8/38 reserves trebled since first oil 2008

➤ **Material Reserves & Production**

- Net production to Sona: 2013 = 4.9 kbb/d, 2014e = 4.4 to 5.6 kbb/d
- Net reserves/resources to Sona: 2P = 13.1 mmbo, 2C = 12.9 mmbo of which significant portion will be converted to 2P at project sanction of Charlie platform

➤ **Strong P&L Contribution and Cash Flow Generation**

- Proportionate consolidation of the 40% effective interest generating revenues, operating income and net income for Sona's P&L
- Target IRR above 15%

The transaction is targeted for completion in 4th Quarter 2014.....

By end July 2014	<ul style="list-style-type: none"> ➤ Signing of SPA and key transaction documents
August 2014	<ul style="list-style-type: none"> ➤ Submission of proposal and draft circular to Securities Commission Malaysia
4th Quarter 2014	<ul style="list-style-type: none"> ➤ Targeted approval of Securities Commission Malaysia ➤ Issuance of circular to Sona shareholders
4th Quarter 2014	<ul style="list-style-type: none"> ➤ SMDR shareholders' meeting ➤ Sona shareholders' meeting ➤ Completion of Qualifying Acquisition

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