



December 2011

Presentation to the 3rd India Africa Hydrocarbons Conference

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1. Overview of the SUN Group and Suntera
2. Nigeria : OPL 905
3. Nigeria : OML 142 (formerly OPL 205)
4. Some lessons we've learnt

OVERVIEW OF THE SUN GROUP AND SUNTERA



Group Background & Investment Sectors

- The Sun Group is a leading principal investor and private equity fund manager with business interests in Russia, Kazakhstan, India, Nigeria, and other emerging and frontier markets.
- Backed by the Khemka family, an Indian business family that has been active for more than a century and first started working with Russia in 1958
- The Group operates from offices in London, Moscow and New Delhi and invests in a wide range of sectors, including oil & gas (Suntera / SUN Energy), Gold mining (SUN Mining), Solar power and other renewables, and Real Estate (SUN-Apollo India Real Estate Fund), and PE / VC (SUN Capital, Westbridge / Sequoia Capital India)

SUN Group: Key Decision Makers



SUN Group Principals



- Chairman, Indo-Russian Joint Business Council, FICCI.
- Order of Friendship of the Russian Federation, in 2008
- Board of Overseers of Columbia Business School
- Russian Prime Minister's "Foreign Investment Advisory Council"
- "Foreign Business Leaders' Council" at WEF in Davos.
- Mr. Nand Khemka received an MBA and an MA from Columbia University



- Latin American activities in the 1980s, Russia and Ukraine since 1990.
- Built SUN Brewing (later SUN InterBrew) from inception to \$4Bn
- One of the first private equity funds in Russia, SUN Capital Partners
- Board of The Wharton School and The Lauder Institute, U. Penn
- Educated at Eton, Brown University, and an MBA with distinction from The Wharton School



- Investment banking / investment experience with CS and Morgan Stanley
- Principal investments in a variety of early and mid-stage companies
- Led establishment of funds such as SUN Capital Partners, West Bridge Capital Partners (now Sequoia Capital India), and SUN-Apollo
- Board of Governors of the Indian School of Business ("ISB") in Hyderabad
- Elected a Young Global Leader at the World Economic Forum in Davos
- Educated at Eton, Cambridge, Stanford and Harvard Business School (Baker scholar)

1900s: MINING

Mining and mineral businesses
Exporting mineral commodities globally

1958: ENTERS RUSSIAN MARKET

Becomes principal intermediary for capital goods flow and infrastructure between Russia and India
Globally sourcing and selling capital goods, major infrastructure services to India working with extensive network of partners from all major economies around the world
Mining, Oil and Gas, Power, Steel, Transportation

2000s: PRIVATE EQUITY FRANCHISES

2000: Westbridge Capital partners established (now Sequoia Capital India): leading IT venture capital firm
2006: SUN-Apollo India real Estate Fund created

2000s: DIRECT INVESTMENTS

2005: Suntera created as JV with Russian gas company ITERA for non-FSU resources
2005: SUN Mining Created
2006: SUN Energy Resources created; Significant stake in ITERA acquired
2011: SUN acquires ITERA's entire stake in Suntera

1900s

1950s

1980s

1990s

2000s

1985: SUN GROUP ESTABLISHED



1990s: DIRECT INVESTMENTS

Acquired / invested in a total of 27 businesses in Russia
1992: SUN Brewing created after acquiring 5 breweries
1994: First GDR of Russian assets
1995: SUN Brewing listed in Luxembourg
1999: Partnered with Interbrew to create SUN Interbrew

1990s: PRIVATE EQUITY FRANCHISES

1996: SUN Capital Partners founded in Russia
1996: SUN F&C created in India with Foreign & Colonial

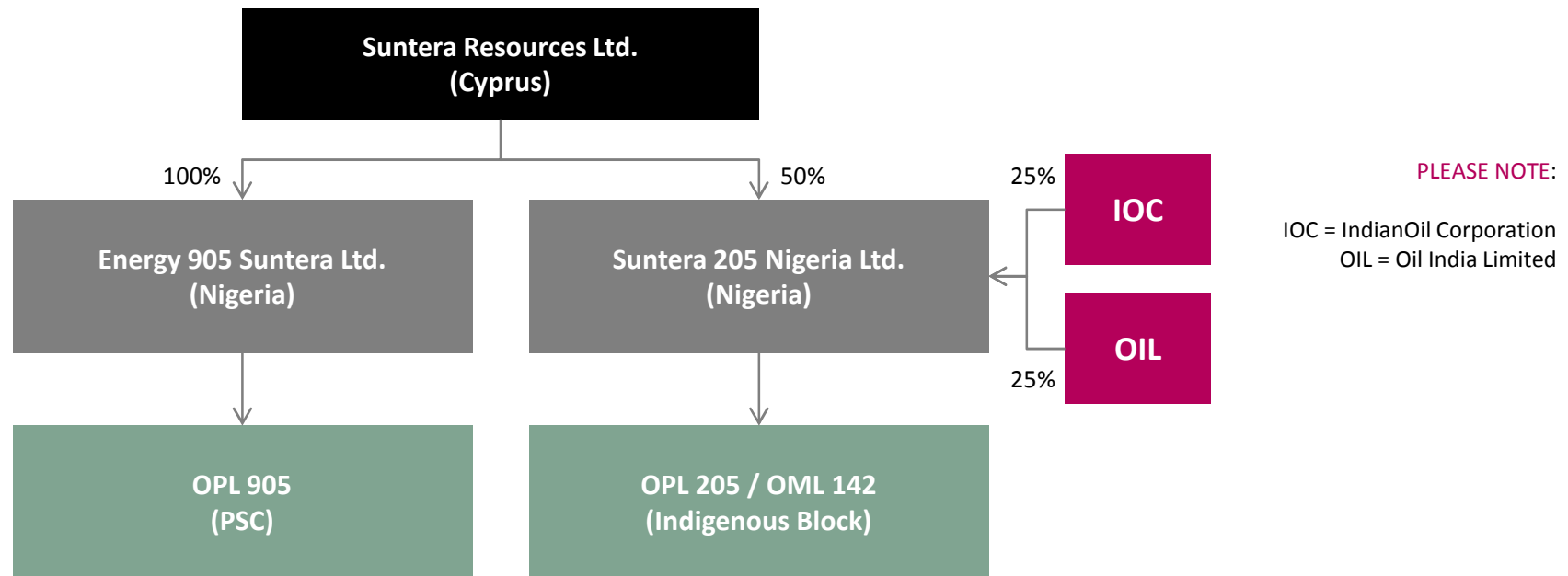
SUNTERA: Introduction



Background

- Suntera is an Independent E&P company owned and controlled by the SUN Group
- The Company had been initially formed as a Joint Venture with Itera from Russia. The SUN Group bought out Itera's entire share in the JV in March 2011
- Suntera's upstream portfolio presently consists of 1 exploration/development license and 1 exploration license in Nigeria
- Both licenses are held in partnership with local Nigerian companies. In addition, the Company also has two Indian state-owned oil companies as its partner in 1 of the licenses (as depicted below)

Holding Structure



Our Partners in Nigeria



OIL and IOC are Indian NOCs with a combined market-cap of about \$30 Billion. Together, they hold 50% equity in our Nigerian JV Suntera Nigeria 205 Ltd.

Non-operators in Nigerian asset, but contribute on finance, technical inputs, and governance

Keen to expand their equity oil entitlement in the region



Summit Oil International



Summit Oil and GTPL are our partners in our existing Nigerian blocks. They are the operators for OML 142 (OPL 205) and OPL 905 respectively.

Informal network of friends and well-wishers across Nigeria

Country Overview: Nigeria



- Located in Western Africa, bordering the Gulf of Guinea, between Benin and Cameroon
- Southern lowlands merge into central hills and plateaus; mountains in southeast reaching a maximum altitude of 2,419 m and plains in north
- Climate varies; equatorial in south, tropical in center, arid in north
- Population is 155.2 millions
- 14 international companies operate on the onshore and 27 on the offshore blocks
- 37.5 Bbbls proven oil reserves, producing 2.2 MMbbld
- 183.6 Tcf (5.2 Tcm) proven gas reserves exceeding 3.2 Bcfd (90 MMcmd) production
- Current power generation under 4000 MW



NIGERIA : OPL 905

**A scalable gas play:
Discoveries in place + Potential for mega exploration**

OPL 905: Ihandiagu Discovery



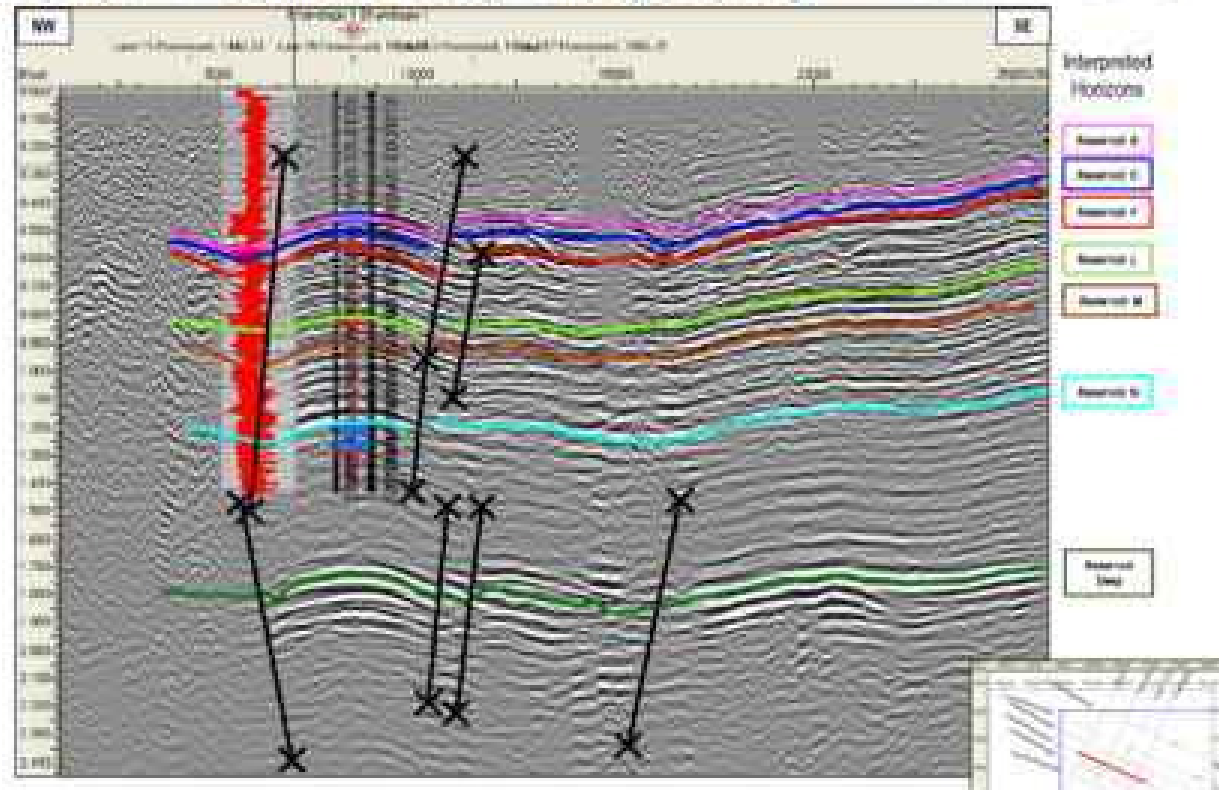
- Ihandiagu was discovered in 1967 by Elf.
- 12 levels with gas and/or condensate were identified by Elf in a depth range of 2400-7240 ft. with a net pay of 87m
- 2500-2810 ft. sand interval shows high permeability (10-100md)
- 5900 to 8200 ft. contains significant tight gas reservoirs.
- 6 drill stem tests at various levels recovered gas.
- One production test flowed 4.6 MMcfd gas at `Sand B`
- Currently estimated gas resources at Ihandiagu discovery are some 1.2 Tcf (OGIIP)
- Gas composition and pressures indicate the presence of multiple gas accumulations and the potential of an oil rim (corroborated by oil shows)

Sand	Top Depth (MD in ft)	Bot Depth (MD in ft)	Net Pay (ft)	Temp (°F)	Pressure (psia)	Original Gas In Place (Bcf)	Recoverable Reserves (Bcf)
A	2464	2490	12	145	1417	2.34	1.64
B	2525	2575	34	147	1418	29.15	20.4
C	2596	2754	70	155	1418	593.62	415.53
D	2771	2808	48	157	1420	109.91	76.94
E	2967	3063	21	159	1422	48.17	33.72
F	3089	3200	12	162	1422	32.17	22.52
L	4280	4400	16	195	1860	44.8	31.36
N	4720	4828	8	229	2324	26.67	18.67
O	6432	6547	12	231	2345	34.23	23.96
P	6568	6628	22	235	2402	114.94	80.45
Q	6764	6842	17	240	2473	62.94	44.06
R	6995	7108	16	242	2542	72.65	50.85
TOTAL	7114	7240	288			1171.57	820.1

From 905 Evaluation Report by GTPL (2006)

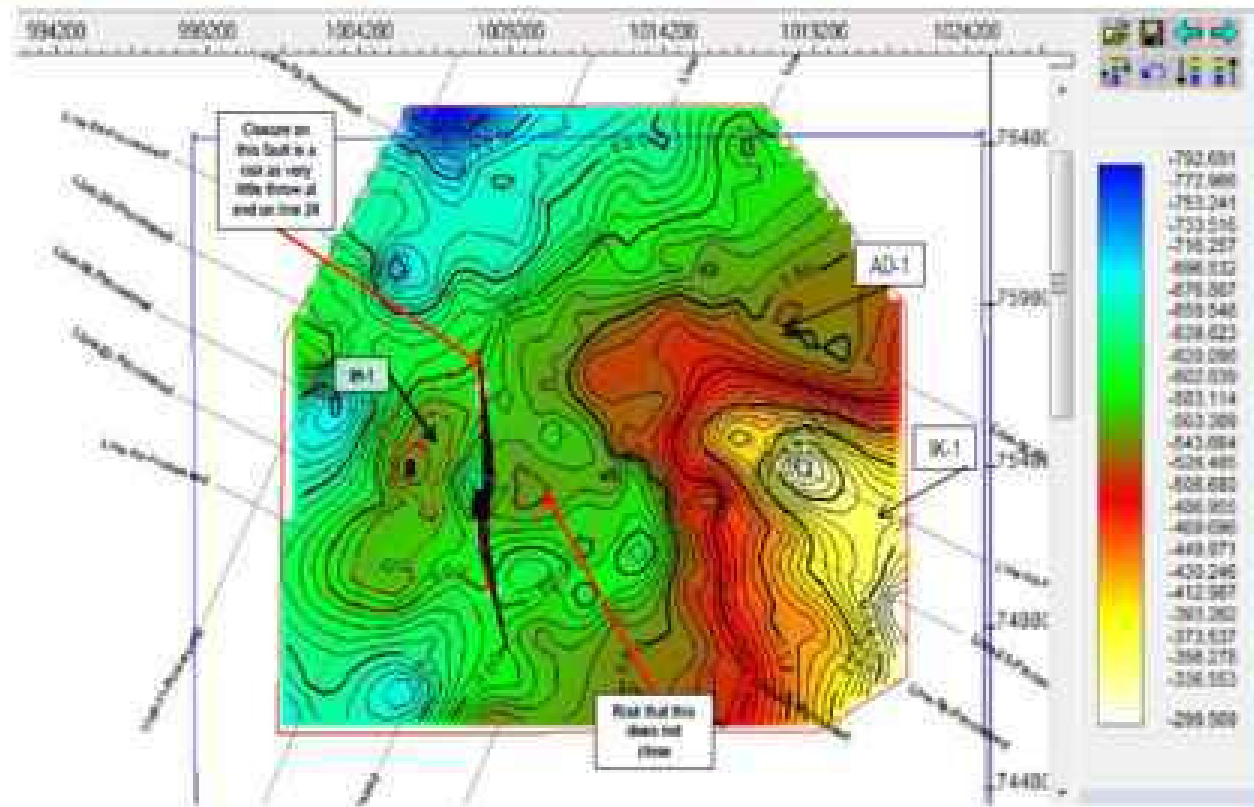
Line #6 – Possible Deep Prospectivity

- Recent 2D seismic reveals large, untested structure at a deeper level (old well penetrated to ~2200m; structure at around 3000-3500m)
- **Deeper structure is in the Cretaceous – older than the Niger Delta system but same as a number of other producing systems in Africa and Brazil**



B Reservoir – Depth Structure Map

- 2D seismic interpretation has been carried out by GCA and 6 horizons referring to pay zones are mapped in Ihandiagu gas field
- Ihandiagu structure is a NNE-SSW four way dip closure
- Old IH-1 well was drilled on the flank of the structure



OPL 905: Amansiodo Discovery



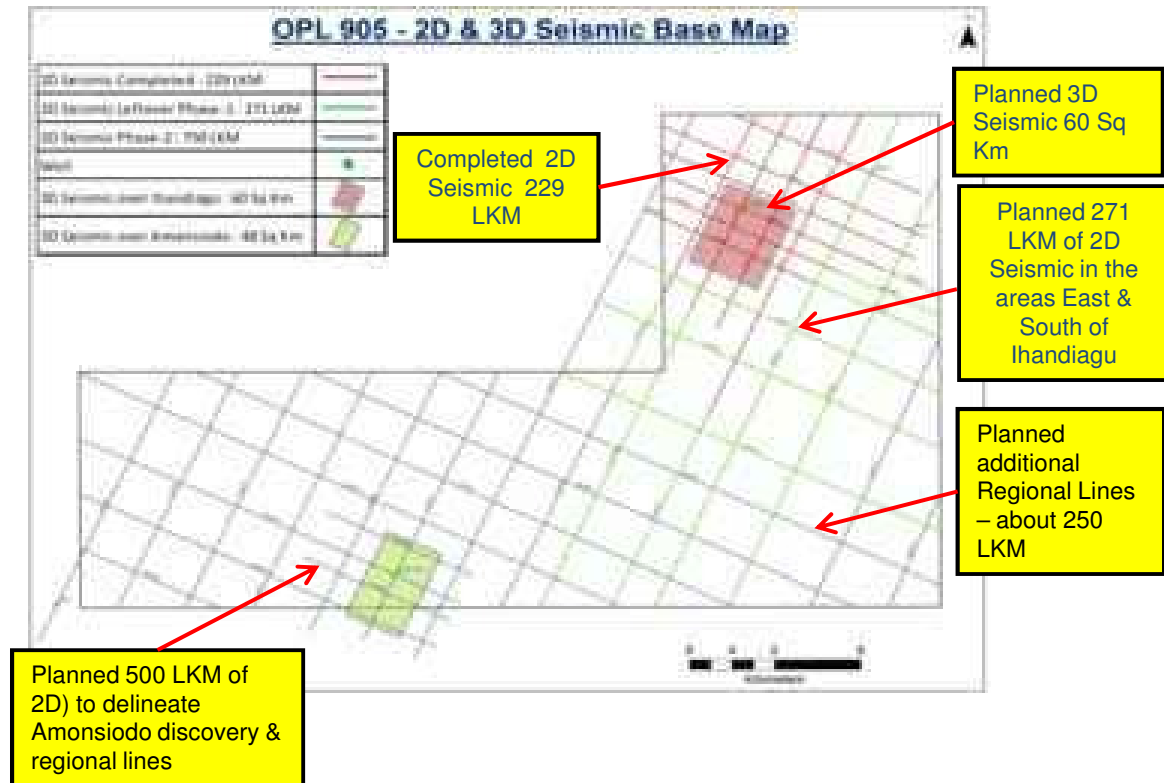
- Amansiodo-1 was drilled in 1953 by Shell
- Well discovered 967 ft. of net gas sands
- 11 sand intervals were defined from well logs
- 13 drill stem, 3 swab and 1 production test were carried out
- Production test flowed 3 MMcfd gas at 5378-5456 ft. interval
- Resource estimates for Amansiodo discovery are highly uncertain due to insufficient data (no seismic)

Sand	Top Depth (MD in ft)	Bottom Depth (MD in Ft)	Net Pay (ft)	Temp (°F)	Pressure (psia)	OGIP (Bcf)	Recoverable Reserves (Bcf)
A	3200	3320	60	124	1032	72.39	50.67
B	3600	3735	0	135	1208	0	0
C	3930	4050	96	143	1346	147.72	103.4
D	4100	4280	126	149	1432	204.27	142.99
E	5377	5392	13.5	181	1946	27.78	19.45
F	5404	5624	198	184	2002	626.06	438.24
G	5632	5822	165.3	190	2093	570.65	399.46
H	5834	5984	138	195	2171	488.63	342.04
I	5990	6105	103.5	198	2231	374.04	261.83
J	6108	6160	41.6	201	2268	151.78	106.25
K	6170	6200	25.5	202	2290	93.72	65.61
TOTAL			967.4			2,757.05	1,929.93

OPL 905: Exploration Effort



- 229 line km 2D seismic acquired in 2009; Final processing carried out by IDSL-Western Geco
- Petrophysical analysis of Ihandiagu-1 discovery well was re-evaluated again by Suntera to compute water saturation, porosity and net pay
- Various oil and gas leads are seen in the block
- Next steps:
 - 3D seismic 100 sq km to delineate AM and IH discoveries
 - Additional approx 750 LKM 2D to establish further prospects
 - 2 “exploration” wells in each phase – actually, these will be close to IH and AM structures
 - Work with Nigerian government to carve out a production licence around IH area to start gas sales

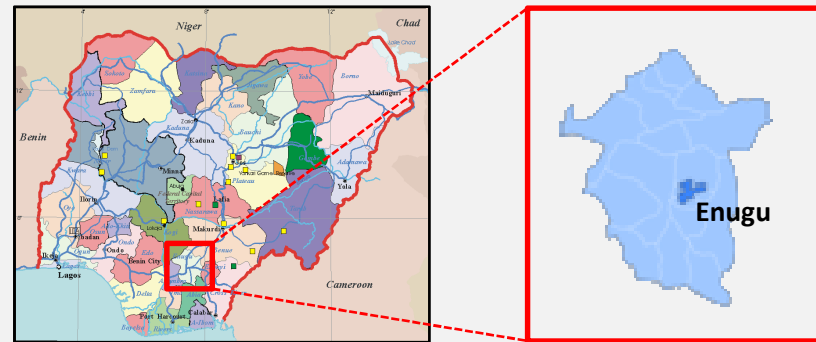


OPL 905: Potential for Gas Monetisation



- Suntera's business strategy is to play a catalytic role in developing the Nigerian gas market in the area such that power generation or industrial projects can be developed within relatively short distances from OPL 905
- The block could form a base for a large gas-based commercialization play in the Enugu industrial area, and provides an excellent opportunity to rapidly develop and capture gas/gas-to-power/gas-to-fertilizer opportunities. Recently IPP projects have attracted considerable attention from the Nigerian investor community
- Possibility exists of piping the gas approx. 25 km to the nearest major industrial center (this is the shortest pipeline likely to be built). If a domestic power generator or industrial customer can be found at closer distances, capex savings could be realised
- Another possible opportunity for commercialisation is under the planned Nigerian gas 'Master Plan,' which foresees:
 - a) An eastern LNG Plant (near Calabar) fed by the gas from the eastern Niger delta and the Anambra Basin
 - b) A trans-Saharan gas pipeline from Nigeria, across Niger and Algeria, and into Spain and possibly other parts of southern Europe, which would pass through or close to 905

ENUGU STATE



Enugu State derives its name from the capital city, Enugu meaning "top of the hill." The city owes its geopolitical significance to the discovery of coal in 1909 by a team of British geologists. The discovery of coal brought about rapid settlement and industrial growth, along with the construction of a railway line to link the Enugu coal fields with Port Harcourt.

The State has recently announced major urban infrastructure development projects, including a road redevelopment and modernization programme, housing development initiatives, water supply improvement schemes, and a host of other industrial development schemes.

More importantly, the State Government is trying to mobilise private sector investment for the establishment of independent power plants in Enugu. In June 2011, a MoU was signed with the Essar Group for the construction of a 600MW Coal Power Plant, clearly demonstrating the need and demand for power in the region.

NIGERIA : OML 142

High-value exploration
Exceptionally good fiscal terms
Close proximity to existing infrastructure

OML 142: Nearby discoveries in OML 98 and OML 4

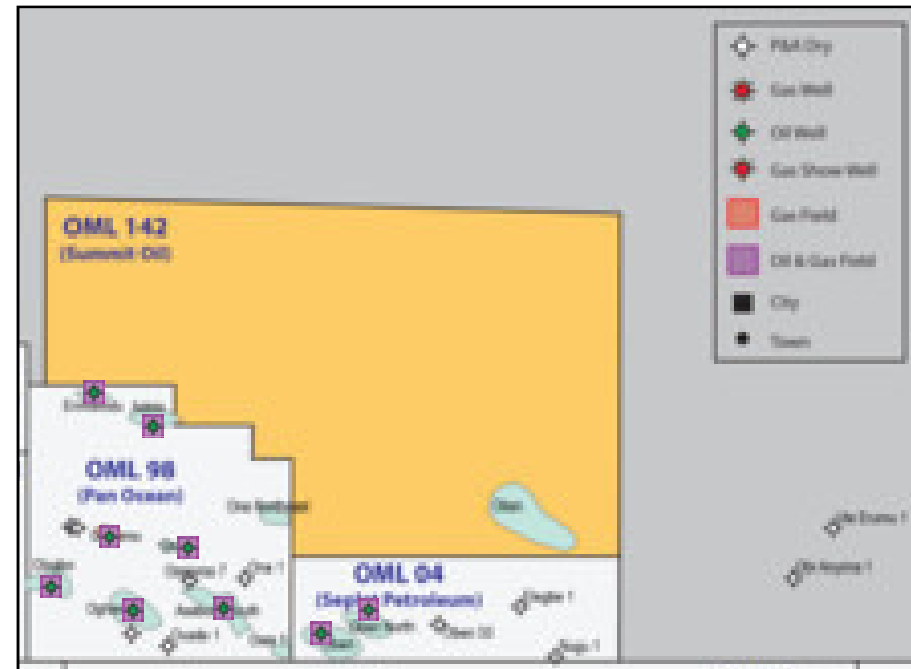


OML 98

- There have been 9 oil, gas and condensate field discoveries in OML 98 since 1972
- Recoverable reserves are estimated at c. 96 MMbbl of oil, 536 Bcf of gas and 61 MMbbl of condensate. Total remaining recoverable HC reserves are c. 107 Mmboe. Approx. 139 MMboe has been produced still date
- Current status of the 9 oil, gas and condensate fields: 1 field is producing, 5 fields are temporarily shut-in, 1 field is developing and 2 fields are waiting for development after discoveries

OML 4

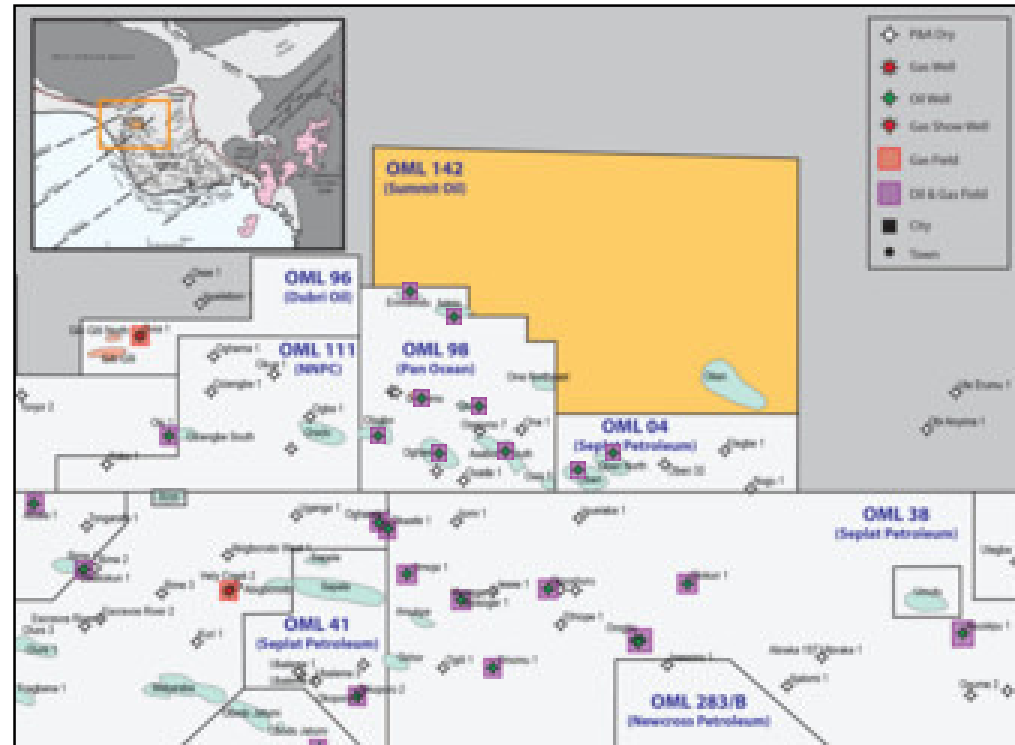
- There have been 3 oil, gas and condensate field discoveries in OML 4 since 1972
- Recoverable reserves are estimated at c. 294 MMbbl of oil, 1.7 Tcf of gas and 30 MMbbl of condensate. Total remaining recoverable HC (oil + gas + condensate) reserve is 295 Mmboe. Approx. 312.5 MMboe has been produced till date
- Current status of the 3 oil, gas and condensate fields: 1 field is producing, 1 field is abandoned (there is no improved recoverable HC), 1 field is waiting for development after discovery



OML 142: Asset Overview



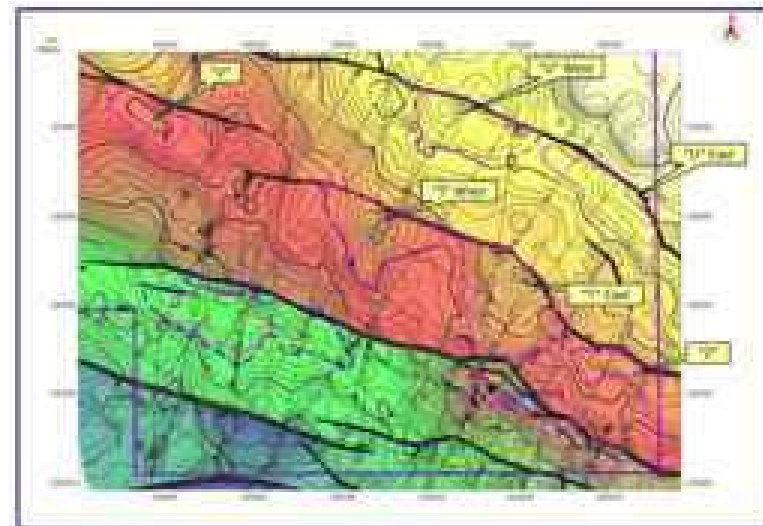
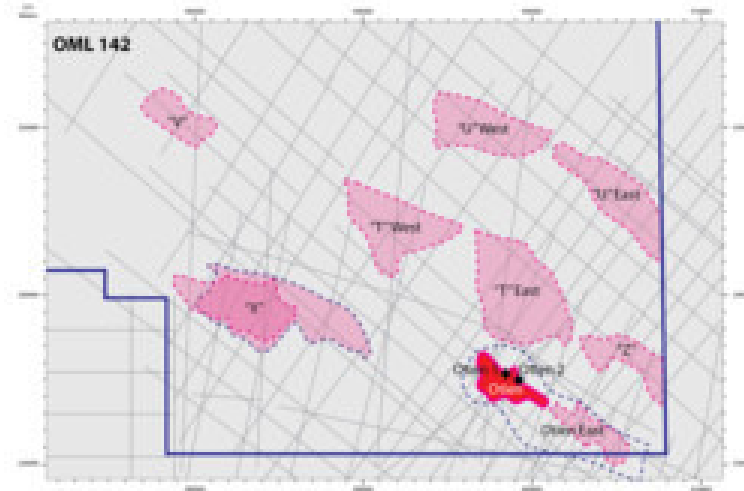
- Asset located in the Northern Depositional Belt of the Niger Delta Basin, covering an area of 1,295km², in a relatively secure area of the Niger delta
- Suntera Nigeria 205 Ltd is technical partner with 40% participation interest under a Sole Risk License granted as OPL 205 to operator Summit Oil International in 1989, and converted to OML in 2010 for 20 years (with Tax/Royalty arrangement)
- The main petroleum system is the Akata and Agbada sequence of Eocene to Miocene age
- OML 142 contains one gas & condensate discovery and 9 prospects with total P3 resource estimates in excess of 2 Tcf GIIP / 200 MMbbls CIIP (or over 850 MMbbls STOIP for an oil case)



OML 142: Prospects



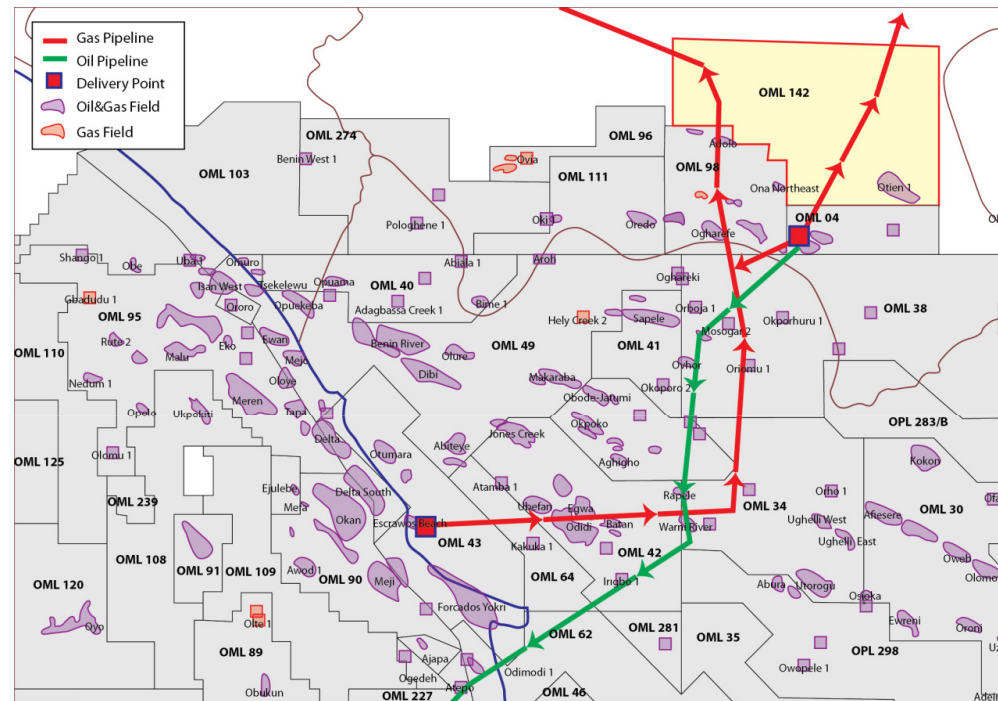
- Only one structure has been drilled so far (resulting in the Otien discovery) and some 8-10 undrilled structural prospects remain
- Prospects are aligned parallel to NW-SE structural trend along regional growth faults
- Mapped prospects located at the southwestern downthrown sides of NW-SE trending normal faults are fault controlled structures with a dip closure
- Prospects need further definition with close grid 2D/3D seismic before drilling
- Total mean prospective resources exceed 1 Tcf GIIP with potential ultimate production rates of some 700MMscfd and 60,000 bpd of condensate for a gas case
- Total mean prospective resources for an oil case are some 460 MMbbls STOIIP with an estimated recovery of 186 MMbbls
- Similar to surrounding fields, excellent reservoirs and good aquifer support can be expected for the reservoirs in the block



OML 142: Infrastructure



- OML142 is still at an early stage of exploration and appraisal
- Otien is situated close to existing oil and gas pipeline infrastructure to provide a variety of marketing options
- Oil export could be achieved by tie back to the existing pipelines from nearby Oben to Forcados
- Gas sales depend on agreeing a sales contract with a buyer, as well as connection to nearby pipeline infrastructure
- The nearest connection point for any oil or condensate to the pipeline system is at the Oben Field, 20km southwest of Otien (Oben is a large oil-gas-condensate field with an UR of some 600 MMboe)
- OML142 is favorably located near to 2 important pipeline systems and gas processing infrastructure
- Oben is connected to the Sapele-Oben-Ajaokuta Pipeline which transports gas to the 400 MW Geregu power station at Ajaokuta. There is a manifold on this pipeline approximately 4km west of Otien which is currently not utilized



OML 142: Concession (Not PSC); Tax & Royalty Arrangements



Royalty	10% (oil) 7% (gas)	Invest Tax Allowance (ITA)	50% <i>of depreciated tangible expenditure</i>
Cost Recovery Ceiling	Not applicable	Tax	50% <i>of Revenue net of Depreciation, Royalties and ITA</i>
Depreciation Rates	Operating & Exploration and intangible drilling Costs = 100% (<i>in 1st year</i>)	Contractor Share of Profit Oil	Not applicable
	Tangible Exploitation Costs = 20% per year (<i>straight line</i>)	Licence Rentals	\$10 / km ² / year (total \$12,950 for 1 year)

PLEASE NOTE:

OML142 is classified as part of the Inland Basin with corresponding excellent fiscal terms

The fiscal terms presented are unlikely to be negatively affected by the new Petroleum Industry Bill (PIB), which is currently a matter of lively debate in Parliament and which is expected to become law in 2011-12. The final version of the PIB is not yet firmed up and it is therefore not possible to evaluate the effect of the PIB on OML 142 (if any)

However, one of the main objectives of the PIB is to support indigenous operators and therefore it is almost certain that such licences will enjoy favourable fiscal terms

SOME LESSONS WE'VE LEARNT

Some lessons we've learnt along the way



- Culture is key – and very similar to India
- Things take time
- Importance of Due diligence / Certainty around reserves
- Local partnerships matter
- Governance / Oversight:
 - Procedure
 - “Speed money” – is it needed?
 - Audit and financial control
- (With apologies for a controversial statement):
Talent is an issue, especially at medium-skill jobs

THANK YOU!

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