

TRANSACTION HIGHLIGHTS

- US \$65mm minimum work commitment
- Near term exploration on Block H, ~1,000km² 3D seismic and 2-3 exploration wells
- Success scenarios trigger ~\$100 – 200mm spending in next two years
- Feasibility studies for development of export options from Block H
- Up to \$5mm in community development program spending starting in 2017
- With exploration success investment could be very significant
- Targeting a resource base of > 200mm bbl of oil
- Targeted base would deliver more than US \$3bn to the government of Chad
- Requesting 2 year extension to allow sufficient time to execute on expanded work commitments



THE PSC PRODUCTION SHARING

CONTRACT

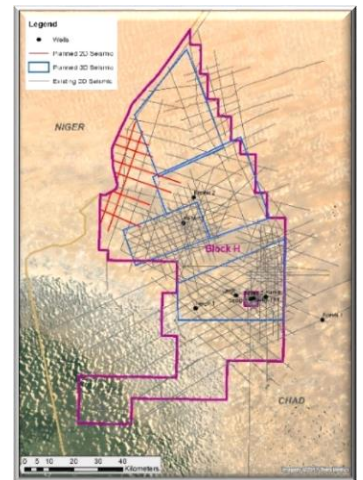
- PSC Granted May 2nd, 2012
- 1st Amendment Granted May 3rd, 2012
- PSC and 1st Amendment approved by National Assembly on June 1st, 2012
- PSC enacted into Law No. 9 on June 5, 2012 and signed by H.E President
- 4 Blocks: DOC, DOD, Block H & Largeau III
- 14.25% royalty payable to Chad
- Minimum 40% profit oil to payable to Chad
- 2 Phases – Phase 1 for 5 years/minimum US\$75mm spending and Phase 2 for 3 years/minimum US\$5mm spending

ABOUT DELONEX

- Vision is to "unlock the hydrocarbon potential of Sub Saharan Africa and create value for host governments."
- Led by a management team with proven track record in discovering, developing and operating world class onshore basins and building and operating pipeline infrastructure
- At Cairn India established and developed a recoverable resource base in India of 1.2bn bbl of oil with peak production of ~200,000 bbl/d
- Managed successful financing and execution of large scale capital projects of more than US\$4bn dollars
- Built and operated the world's longest continuously heated and insulated pipeline (700km)

UNITED BY THE NUMBERS

- Paid US\$92mm PSC Signing Bonus
- Phase 1 spending > US\$270mm which is 360% above the required minimum
- Revenue to government of Chad greater than US\$107mm
- Provided more than 1.5mm hours of work for Chadian workers
- United in full compliance with all obligations under the terms of the PSC



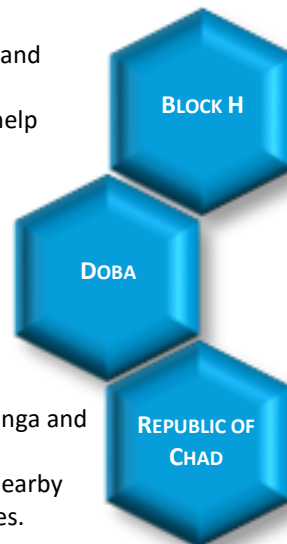
TRANSACTION DETAILS AND BENEFITS

BLOCK H

- Planning ~1,000km² of modern 3D seismic and exploration wells
- Firm seismic and drilling commitments to help advance the block to production
- First work since the mid 70's
- Commitment to work with government, SHT and other industry participants to develop export options for the block
- Establish a presence on the block with local activity and community engagement

DOBA – DOC & DOD

- Evaluate early oil production from the Belanga and Belanga North oil wells
- Potential acquisition of 3D seismic over a nearby lead to define potential additional resources.



REPUBLIC OF CHAD

- Firm work commitments that will translate into real activity and cash flow
- Demonstrates the stability of the industry in Chad
- Brings US international investment to Chad
- Creates value for the Republic of Chad and future local employment

NEXT STEPS

- Transaction details submitted to Ministry for review and approval
- Approval from CNCNCP
- Final approval of transaction for submission to President and Parliament for approval
- Gazetting of approvals of transaction

COMMUNITY ENGAGEMENT

- Extensive Community Engagement Program
- Providing meaningful assistance towards addressing social needs for relevant communities in operating area.
- Potential design and installation of an Enterprise Centre for N'Djamena