



BADR EL-DIN

PETROLEUM COMPANY

Billion B.O.E in 33 Years
1983-2016



ANNUAL REPORT
2015 - 2016

BADR EL DIN PETROLEUM COMPANY **(BAPETCO)**



ANNUAL REPORT

2015/2016

CONTENTS	Page
• Company Board of Directors	4
• Bapetco Vision & Mission	5
• Bapetco Milestones	6
• Bapetco Companies	7
• To Our Shareholders	8
• Bapetco's Future Vision For Year 2015	9
• Report of Activities 2014/2015	10
1. Health, Safety and Environment	11
2. Exploration	15
3. Operations	17
4. Petroleum Engineering	33
5. Projects	41
6. Contracts	46
7. Administration	48
8. Finance	56
9. Material & Transportation	57
10. Internal Audit	58
11. Communication Information	60
12. Mass Media	72
13. Planning & Follow Up	73
• Annual Report of Badr El Din Petroleum Co. (Bapetco)	74
Production	75
Hydrocarbon Reserves	76
Finance Report	78

CONTENTS	Page
• Annual Report of Sitra Petroleum Company (Sipetco)	93
Production	94
Hydrocarbon Reserves	95
Finance Report	97
• Annual Report of Obaiyed Petroleum Company (Opetco)	102
Production	103
Hydrocarbon Reserves	104
Finance Report	105
• Annual Report of Tiba Petroleum Company (Tipetco)	110
Production	111
Hydrocarbon Reserves	112
Finance Report	114
• Annual Report of West Sitra Petroleum Company	124
Production	125
Hydrocarbon Reserves	126
Finance Report	127
• Annual Report of Alam El Shawish Petroleum Company (Aesw)	130
Production	131
Hydrocarbon Reserves	132
Finance Report	134
• Finance Report of Shell North Matruh	139
• Finance Report of Shell North East Obaiyed	140
• Finance Report of Shell North Alam El Shawish	141

COMPANY BOARD OF DIRECTORS

(BAPETCO, SIPETCO, OPETCO, TIPETCO, West Sitra & Alam El-Shawish)

<p>Eng. Emad Hamdy Chairman & Managing Director <i>(from 16/6/2013)</i></p>	<p>Mr. Aidan Murphy Chairman of Shell Companies in Egypt. <i>(from 1/12/2014)</i></p>
<p>Geol. Ali Mahmoud Khairy Assist. Chairman for Exploration <i>(from 26/05/2015 till 25/06/2016)</i></p>	<p>Mr. Anthony Charnley Gen. Manager & MD <i>(from 31/1/2013)</i></p>
<p>Geol. Alaa El-Batal Assist. Chairman for Exploration <i>(from 16/06/2016)</i></p>	<p>Mr. Wayne Pearce VP Tech & Prod Mena Country Chair AD <i>(from 5/11/2013)</i></p>
<p>Mr. Belal El-Nabarawy Assist Chairman for Finance <i>(from 23/10/2014 till 5 Aug. 2015)</i></p>	<p>Mr. Frank Lemmink Regional Upstream Business Fin. Mgr. <i>(from 19/12/2014 till 6/04/2016)</i></p>
<p>Mrs. Naela El-Horeshy Finance General Manager <i>(from 12/05/2016)</i></p>	<p>Mr. Daniel Slaby Regional Upstream Business Fin. Mgr. <i>(from 06/04/2016)</i></p>
<p>Eng. Essam Farid D. Operations General Manager <i>(from 01/06/2015)</i></p>	
TIPETCO Board Members (for Apache Co.)	
<p>Mr. Thomas Maher Apache President <i>(from 04/01/2013 till 7/5/2016)</i></p>	<p>Mr. Mike Maison Apache Operation General Manager <i>(from 04/01/2013 till 30/8/2015)</i></p>
<p>Mr. David Chi Apache President <i>(from 08/05/2016)</i></p>	<p>Mr. Steve Kemmit Apache Operation General Manager <i>(from 31/08/2015)</i></p>
Alam El-Shawish Board Member (for NPIC & GDF Co.)	
<p>Mr. Xiangyun Qu (NPIC) Country & General Manager <i>(from 29/04/2014)</i></p>	<p>Mr. Johannes Finborud Chairman GDF Suez <i>(from 25/5/2015)</i></p>

Vision

To be recognized by the industry as the leading joint venture operator in the Arab Republic of Egypt and as such, to be the shareholder partner of preference for upstream Exploration and Production of Oil & Gas.

Mission

To contribute in generating wealth for shareholders, employees and the community by finding, producing and transporting hydrocarbons in a safe, efficient and responsible

BAPETCO MILESTONES

31 May 1983	First Oil production from BED-1 field.
06 April 1984	Delivery of first shipment of associated Gas.
13 July 1989	First Oil production from BED-15 field.
30 July 1990	Introduction of first Gas to BED-3 plant.
27 Aug. 1990	First Oil production from BED-3 field.
18 Sept. 1990	First Oil production from Sitra field.
20 Sept. 1990	Achievement of first Gas sales from BED-3 field to Sumid.
29 Sept. 1990	Delivery of first Oil from Sitra field.
30 Sept. 1990	Acknowledgement letter from the Minister of Petroleum to BAPETCO staff on completion of BED-3 project.
15 Nov. 1990	Award of Production Cup 1989.
01 Dec. 1991	Production of first Oil from Gemsa offshore field.
28 Feb. 1992	Production of first Gas/condensate from BED-2 field.
22 Jan. 1998	BAPETCO accredited ISO 14001 for BED-3 area and renewed periodically.
05 Aug. 1999	Start up production of Gas/condensate into Obaiyed Gas plant as a start of commissioning.
22 Aug. 1999	Delivery of first Gas from Obaiyed field.
17 May 2000	Achievement of 12 million man-hours without LTIs for BAPETCO and contractors staff.
28 March 2002	Establishment & Production of first Oil from NEAG – TIPETCO.
31 Aug. 2002	Obaiyed handed over to BAPETCO.
10 March 2003	BAPETCO accredited to OHSAS 18001 certificate and recertified periodically.
June 2005	El Qasr Capacity production Khalda in Obaiyed facility with average that reached 250 MMscf in accordance with Petroleum sector Integrated Plan.
16 June 2007	Production of first Gas/Condensate from West Sitra.
01 Jan. 2008	Company's celebration for 25 years silver jubilee since establishment.
09 April 2008	First Oil Production from NEAG-1.
09 Nov. 2008	Obaiyed Station achieved maximum production 450 MMscf/d for the first time since establishment in 1999 after the pre-compression project.
05 May 2009	Issuing a special edition for the elapsed 25 years since establishing BAPETCO.
30 June 2009	Maximization Sitra production gradually this year from 200 bbl/d to 3000 bbl/d since 1990 due to 4 new development wells and opening them for production.
30 June 2010	El Assil-6 Production of 1 st GAS in AESW with average of 55 MMscf and 4000 Bbl/d Condensate.
05 Jan. 2011	Production more than 100 MMscf from Alam El-Shawish to BED-3 for the first time.
01 July 2011	Achieved highest percentage in all Shell Co. Middle East and Africa in Safety Critical Elements in Obaiyed Area.
28 Aug. 2011	NEAG 2-2 was put on production by 6250 bbl/d, the well is still currently producing with 5450 bbl/d thus achieving 1.8 MMbbl during this year which amounts to more than 10% from total company production.
30 June 2012	BAPETCO achieved 63 day as an average for the wells being put on production during this year.
24 Jan. 2014	Maximization of NEAG-1 production this year to than 11,652 BBl.
11 Feb 2014	BAPETCO Performed Methanol Frac first time worldwide in Karam-3 well.
15 May 2014	Issuing a special edition report for the elapsed 30 years since BAPETCO. Establishment.
23 May. 2014	Highest Production of Oil and Condensate since BAPETCO establishment 43,179 BBl. in addition to Maximization of Sitra production this year to than 11,585 BBl.
25 May 2014	Achieving 10 Million Man- hours without LTIs for BAPETCO staff and Contractors.
22 June 2014	Highest water injection record since BAPETCO establishing 39,573 bbl.
26 June 2014	The visit of Minister of Petroleum and Mineral Resources to Assil & Karam Fields Projects inspection.
16 Nov. 2014	Operating CRP Lead to AESW production maximization with average 140 MMscf/d
30 June 2015	Achieving 7.5 Million Man-Hours without LTIS for Bapetco Staff and Contractor
30 June 2016	Maximization of Sitra production to reach 11134 bbl/d since 1990 as a result of fast drilling and operations.

BAPETCO COMPANIES

Bapetco

Established: 1-1-1983, Concession area: 482 km²
Cumulative Production: 92.197 MMbbl
 Gas 2016.46 Bscf
Ultimate Recovery: 98.212 MMbbl
 Gas 2099.44 Bscf
Remaining reserve: 6.237 MMbbl
 Gas 82.98 Bscf
Shareholders: EGPC – Shell Egypt

Opetco

Established: 1996, Concession area: 423.2 km²
Cumulative Production: 66.158 MMbbl
 Gas 1273.12 Bscf
Ultimate Recovery: 91.451 MMbbl
 Gas 1887.93 Bscf
Remaining reserve: 25.294 MMbbl
 Gas 614.81 Bscf
Shareholders: EGPC – Shell Egypt

Sipetco

Established: 1986, Concession area : 322 km²
Cumulative Production: 17.466 MMbbl
 Gas 25.09 Bscf
Ultimate Recovery: 28.099 MMbbl
 Gas 35.46 Bscf
Remaining reserve: 10.633 MMbbl
 Gas 10.37 Bscf
Shareholders: EGPC – Shell Egypt

West Sitra

Established: 2007, Concession area: 38.7 km²
Cumulative Production: 0.554 MMbbl
 Gas 6.73 Bscf
Ultimate Recovery: 0.671 MMbbl
 Gas 6.73 Bscf
Remaining reserve: 0.118 MMbbl
Shareholders: EGPC – Shell Egypt

Tipetco

Established: 1997, Concession area: 277 km²
Cumulative Production: 49.73 MMbbl
 Gas 174.74 Bscf
Ultimate Recovery: 81.731 MMbbl
 Gas 188.58 Bscf
Remaining reserve: 32.001 MMbbl
 Gas 13.84 Bscf
Shareholders: EGPC – Shell Egypt- Apache

AESW

Established: 2010, Concession area: 214.6 km²
 Joint to BAPETCO: 12/4/2010
Cumulative Production: 13.37 MMbbl
 Gas 209.46 Bscf
Ultimate Recovery: 24.073 MMbbl
 Gas 589.81 Bscf
Remaining reserve: 10.703 MMbbl
 Gas 380.34 Bscf
Shareholders: EGPC – Shell Egypt- V. Gas & NPIC



To our shareholders

BAPETCO continued its success during the fiscal year 2015/2016 in order to achieve the Company objectives, in the field of Exploration and Development. This was achieved by the remarkable staff as well as the shareholders full coordination and cooperation, we are proud of our production performance which continues at a high daily rate above 135,000 boepd, an increase from circa. 95,000 boepd in 2013.

Safety continues to be challenging in our operating environment. BAPETCO is committed to and prioritises HSE and Asset Integrity in order to create a safe working environment and protect our assets. We have implemented the life-saving rules and work closely with staff and contractors to further HSE compliance. Initiatives in this area focus on road and worksite safety, developing safety leadership. We also focus on process safety improvement and “No Leaks”. Major programmes are in place to improve asset integrity and exploit learning from incidents

The daily oil and condensate production rate this year was 48,721 bbls/d, a 3% increase above the fiscal year plan. The increase is mainly due to the increase of Tiba & Sitra & Obaiyed production as a result of new development activities. In addition the rates of sales gas reached 470 MMscf/day which represents a 3% increase above the plan. Noteworthy was the increased production from NEAG1 by using a drag-reducing chemical to increase flow by +2000 bopd to 17,000 bopd.

The performance of water injection was affected by reduced injectivity in some wells and water supply issues. However a strong recovery in the water injection levels was achieved by restoring the water supply systems and, improved water injection equipment uptimes, The average fiscal year 2015/2016 for water injection has amounted to 46,742 bbl/d.

BAPETCO responded to the drop in the oil price by reducing the number of drilling rigs from 4 at mid-2015, to 2 rigs in the mid of 2016. Bapetco drilled 28 wells of which 7 exploration wells, 15 development and appraisal & 6 water injection wells during the fiscal year.

The ultimate reserves of oil and condensate amount to 324.238 Mbbls, while the remaining reserves are 84.986 Mbbls. In addition the reserves of natural gas amount to 4807.94 Bscf, while the remaining reserves became 1102.33 Bscf.

The total expenditure has reached in the fiscal year 320 MM\$ versus the revised budget of 464 MM\$.

Finally, we wish to express our sincere gratitude and deepest appreciation to our shareholders for their support and effective collaboration. This has helped to identify and solve critical issues and enable BAPETCO’s continued success and growth. Additionally, we would like to express our full appreciation to the BAPETCO staff for their outstanding effort and contribution which has enabled BAPETCO to exceed the planned targets. The company continued its strategy to develop human resources to focus on building relevant skills, improving the business using Continuous Improvement techniques and providing health and social care.

Mr. Anthony Charnley
General Manager and Managing Director

Eng. Emad Hamdy
Chairman and Managing Director

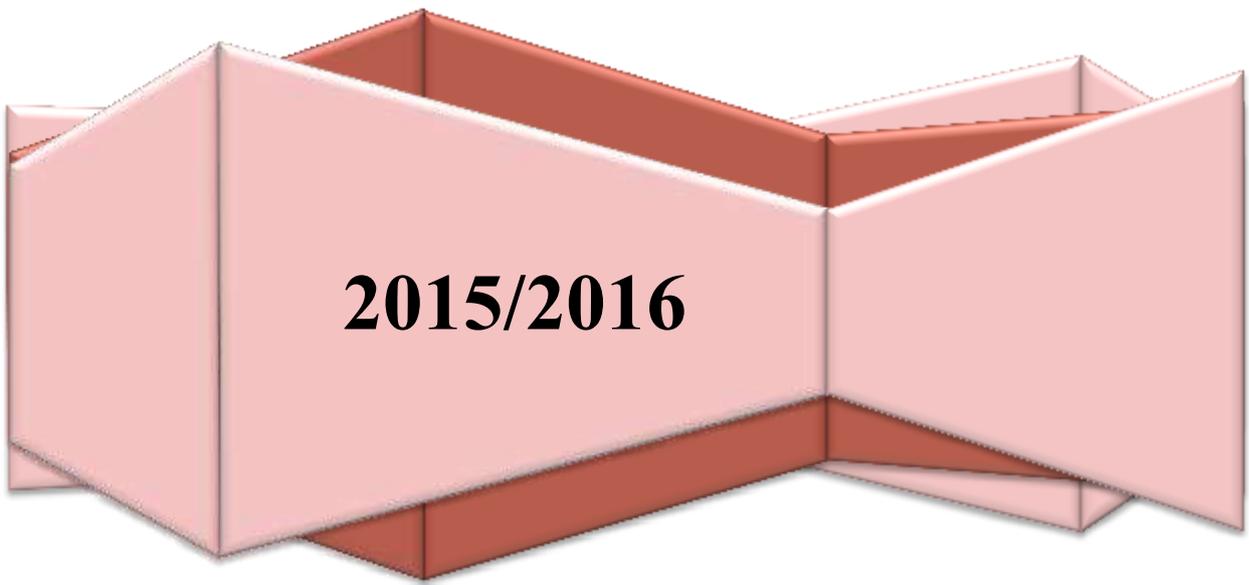
BAPETCO's Future Vision For Year 2016	رؤية شركة بدر الدين المستقبلية لعام 2016
We are an Oil & Gas Production Company	تخصصنا هو إنتاج الزيت والغاز
We target to safely produce 128,000 boep/d in 2016 and grow production in 2017-2018	نحن نهدف لإنتاج 128,000 برميل/يومى بأمان فى 2016 والعمل على زيادة القدرة الإنتاجية خلال الفترة 2017-2018.
Our Priorities are :	أولوياتنا هي كالتالي :
1- Safety. 2- Asset Integrity. 3- Production in 2016. 4- Grow Production Capacity for 2017-2018.	1- الصحة والسلامة. 2- سلامة الأصول. 3- تحقيق مستوى الإنتاج المستهدف فى 2016. 4- زيادة القدرة الإنتاجية فى 2017-2018.
In 2016/2017, we must deliver:	لا بد من تنفيذ الآتى فى 2016/2017
<ul style="list-style-type: none"> ▪ Asset Integrity Enhancements. ▪ Debottlenecking & Growth Projects. ▪ NFA/Opt Prod 2016/2017 – 118/115 Mboepd ▪ New Well 2016/2017 – 10/7 Mboepd. 	<ul style="list-style-type: none"> ▪ تحسين وكفاءة الأصول (معدل الإنتاج). ▪ مشروعات التوسعة وزيادة القدرة الإنتاجية). ▪ إنتاج من الآبار الحالية 115/118-17/16 ألف برميل زيت مكافئ يومياً. ▪ إنتاج من الآبار الجديدة 7/10-17/16 ألف برميل زيت مكافئ يومياً.
Our Target is Continuous Improvement (Quality, Speed) in:	هدفنا هو التحسين المستمر للجودة مع السرعة فى الأداء فى المجالات الآتية
<ul style="list-style-type: none"> ▪ Safety Leadership. ▪ Asset Integrity. ▪ Cost Optimization. ▪ Opportunity Maturation. ▪ Project Delivery. ▪ New Wells & Drilling. ▪ Optimized Production. ▪ Operate & Maintenance. ▪ Materials Procurement & Contracting CI & Data. ▪ Professional Team Work. ▪ Finance. 	<ul style="list-style-type: none"> ▪ برامج السلامة. ▪ سلامة الأصول. ▪ ترشيد الإنفاق. ▪ تطوير الفرص. ▪ تسليم المشاريع القائمة بكفاءة. ▪ حفر ووضع الآبار الجديدة على الإنتاج. ▪ تعظيم الإنتاج. ▪ العمليات والصيانة. ▪ العقود والمهمات. ▪ تكنولوجيا المعلومات. ▪ مهارات العمل الجماعى. ▪ الشنون المالية.
BAPETCO Values :	القيم التى تقوم عليها شركتنا :
<ul style="list-style-type: none"> - Honesty. - Integrity. - Respect for People. 	<ul style="list-style-type: none"> - الأمانة. - التكامل والتواصل. - الاحترام المتبادل.
BAPETCO Behaviors :	سلوكيات بدرالدين :
<ul style="list-style-type: none"> - Team Work. - Collaboration. - Pride in Delivery. 	<ul style="list-style-type: none"> - العمل الجماعى. - التعاون. - الشعور بالفخر مع تحقيق النتائج.


 Anthony Charnley 26/1/15
 General Manager and Managing Director


 م/ عماد حمدي
 رئيس مجلس الإدارة و العضو المنتدب

A. Rashwan

Activities Report



Health Safety and the Environment

Introduction

BAPETCO celebrated HSE day 28th of April 2016 in Cairo main office. The invitation targeted all employees from different Departments alternately to ensure that the awareness message is delivered effectively discussing a number of critical issues that requires our serious attention and care not only at work environment but also in our private personal life. Practical videos & posters were displayed for further clearance & guidance.

Starting with Safety sector, the Safety team focused on the importance of Life Saving Rules highlighting 4 related road safety ones: Seatbelt, Safe Journey Plan, No Mobile Phones/Speed Limits & No Drugs or Alcohols while Driving or Working.

Occupational Health team, discussed the proper ways of dealing with Fatigue, and finally, Environment Protection team discussed the climate change & its effect on humans, animals & plants

HSE Department Strategy:

Bapetco HSE has a five year strategy which is risk based and focuses on embedding the safety critical controls in its high risk activities. The high risk focus areas are: road transport safety, Work place safety, asset integrity & process safety, Environment and contractor safety.

In the ended fiscal year 2015/2016, Bapetco continued working together with the high risk contractors to build capability on the ground implement the safety critical controls and discipline to comply and verify compliance with these controls.

Bapetco focus on continuous improvement of work streams on Environment protection and functional improvements of the most important HSE processes supporting the embedding and sustaining of the safety critical controls. These work streams are NORM, Medical Emergency Response, Competence Development, Incident Reporting, Action follow-up, Consequence Management.

2016 HSE Plan Framework - Focus is Critical

To achieve Goal Zero we need to focus on 5 key areas of HSE performance in Road Safety, Work Place Safety, Asset Integrity & Process Safety, Contractor HSE Management, Environment and Health, and 2 critical elements in Safety Leadership Program and Functional Excellence.



HSE Highlights

Safety Leadership Visit Program

- This year, the program is focusing on Cairo Senior Management regular visit to Bapetco Fields Production Facilities in addition to rigs visits the Number of Field Leadership Visits have increased in more than 200% during May.

Contractor HSE Management:

- Managing Safety in Contract for all safety critical tenders and develops tender evaluation criteria for all high risk activities.
- New procedure issued for managing HSE in contracts.
- Monitoring of contractor's violation was developed and automated system for tracking of violations and penalties deduction is improving.
- Contractor's safety day event conducted.
- New Contracting Management Procedure awareness sessions for Drilling Department.
- Reviewing new contracts conducted by the company starting from preparing the technical contents of the tenders, including Safety concerns in contracts, effective participation in technical evaluations and starting to include FTW-Fitness to Work considerations.

Incident Follow-Up:

- Implemented the outcome from incident reporting and investigation lean project.
- Continue the development program on incident investigation using TOP SET methodology.
- Implemented Incident review panels on field level and corporate level.
- Developed Learning from Incident Process to cascade down the high value learning from incidents.

Hearts & Minds Program:-

- H & M workshops continued Titled "Safety Appraisal Tool ". 12 workshops were carried out. The workshop agenda this year program started by covering subjects on improvement supervision, first aid, carbon footprint & home safety & electrical energy and defensive driving.

Workplace safety:

Lifesaving Rules Program

1. New BAPETCO Life Saving Rules/Consequence management procedure has been published covering expectations, intervention, reporting, investigation and how to apply consequence matrix.
2. Awareness sessions started in all fields to familiarize employees with new procedures.
3. HSE induction has been updated to ensure that Life Saving Rules is essential part of induction training in all fields.
4. Life Saving Rules have been added to task risk assessment form to be discussed and identified to all jobs through daily permit to working meeting which attended by all responsible parties.
5. Life Saving Rules have been added to toolbox talk form to remind talk leader to highlight the rule which related to the activities during pre-job safety meeting at workplace.

New Permit to Work procedure:

1. PTW system have been reviewed and remedial actions taken to cover all deficiencies by updating procedure, appointing Permit coordinators from operation department and creating regular audit system.
2. PTW forms and certificates are in the process of final review before ordered for all fields.
3. Procedure Rollout plan developed and execution started in all fields.

Environment & Occupational Health:

Progress of Cafeterias inspection Committee:

- Meeting with committee members was carried out to follow the action raising them from the inspection. The meeting focus was on prohibiting using plastic cups for hot beverages and replacing them with paper cups to avoid harm for employees' health.
- Monthly inspection was carried out to all Bapetco building to follow up committee recommendations.
- Annual medical check for 38 cafeterias' staff carried out & 6 of them only were medically deferred for specific period of time and treated under medical Department supervision until back to work.

Health campaign

- Heat stress awareness dashboard was prepared and sent to all staff.
- Pest awareness flyers and pest control was issued.
- Industrial hygiene awareness session was carried out.
- "Be well during Ramadan" session carried out at Cairo main office by Consultant of Clinical Nutrition and Obesity Treatment. Video sent to all fields to follow recommendations during fasting time.

Ergonomics survey

- As outcome of Ergonomics survey 50 ergonomics chairs distributed to staff classified as High and medium risk exposure for working with computer this includes users having spine & joints chronic medical conditions.
- Follow up actions raised from ergonomic survey to ensure healthy and safety working environment.

Medical Emergency Response:

- Recommendation raised from MER review sent to internal audit department to be tracked via FIM

- MER manual signed, approved and posted on intranet
- Teen-A site specific manual prepared and reviewed.
- MER procedure included in the BED-3 Airfield Emergency Response Plan
- Bapetco Doctors and nurses start refresher practical training in recognized trauma center/emergency response unit.
- Start embedding FTW section to new contracts and extensions.
- Arrangement for renewal of expired designated First aider's certificates.
- Drilling Medical Emergency Response lean project completed. Scope of the project is to develop simple, standardized processes integrated with drilling contractors, to stabilize medical case at site with increased speed and high quality. Drilling MER procedure (draft) Prepared, arrangement for implementation.

Health risk assessment:

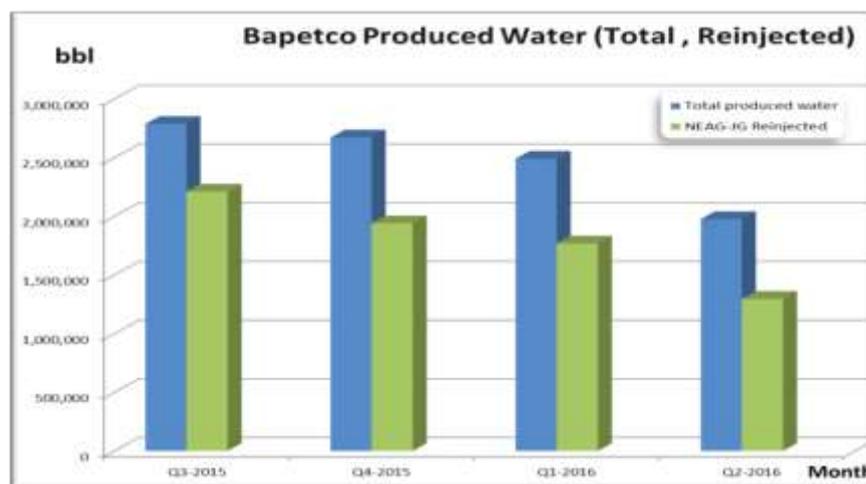
- Report of Health Risk Assessment (HRA) carried out at Bed-3 and AESW by Regional occupational Industrial Hygienist received and reviewed and comments sent to be included in final report of Bed-3 and AESW.

Waste Management Lean project:

- The implementation of domestic waste management system project by segregation & proper disposal completed by 100% and started its implementation.
- Internal audit completed at all BAPETCO fields to keep progress and fill gaps.

Produced water handling and soak away pond Management:

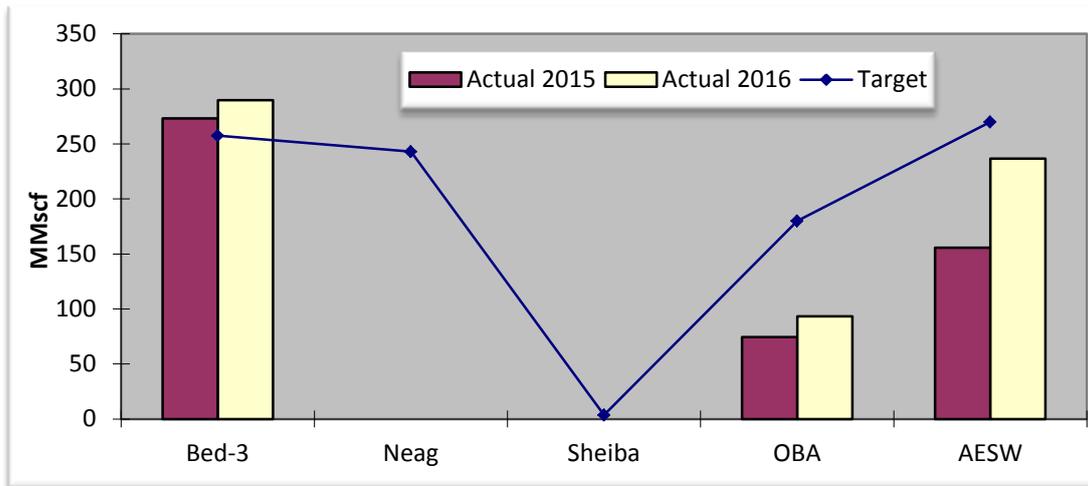
- In HSE plan 2016 construct new semi lined soak away at AESW & remediate the old evaporation pond after completion the disposal tank cleaning at OBA.
- Follow up meeting between HSE & project dept. to follow up produced water issue.
- Follow up with BAPETCO fields implementation of produced water handling & temporary soak away pond management procedure via monthly follow up report.
- For Neag JG Area, Neag JG-20 & Neag Jg-4 wells are used as disposal well and Production department recalculated all Injected water into the disposal well as show in graph.
- For Obaiyed Area, produced water is back to old API until project completion of new CPI in order to re-inject the produced water into Obaiyed disposal well and remediate the area of the evaporation pond.



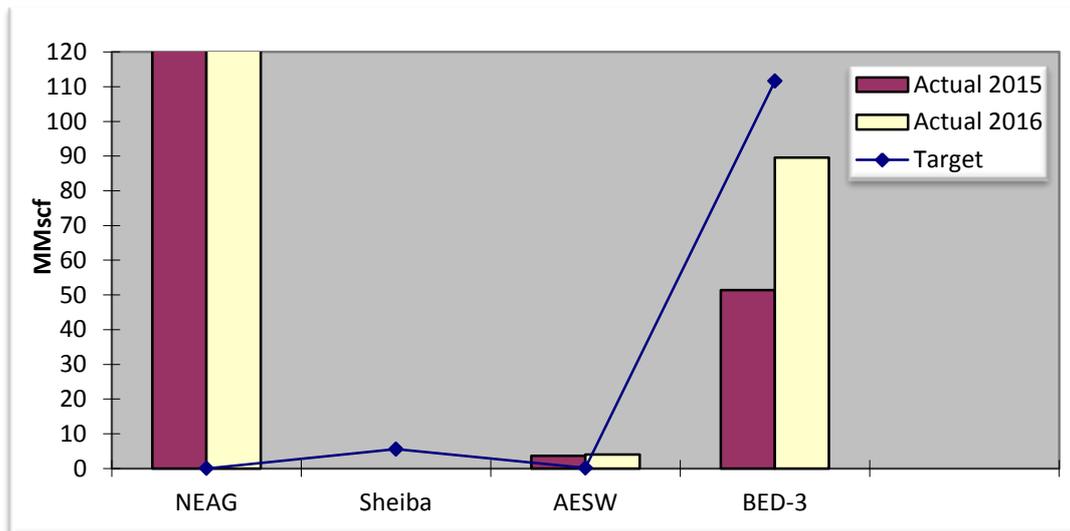
Environmental Impact Assessment "EIA"

- Follow up the drilling sequence for the coming 6 Month to plan for the EIA preparation.
- 21 EIA studies prepared & send to EGPC for approval
- Received approval for BED 18-D , OBA J14A Sitra 8 BM, Al karam G, Sitra 3 B, sitra 8 BP and OBA J14A from EGPC /EEAA

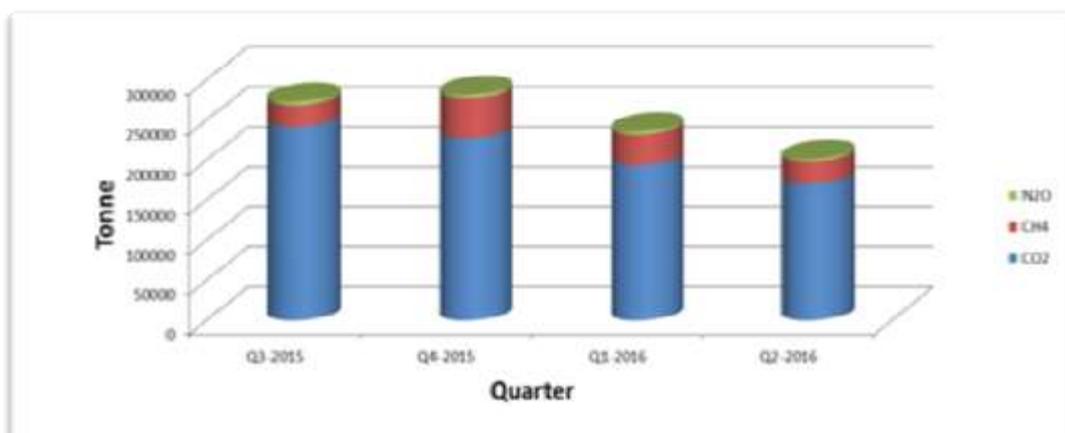
Bapetco Flare



Bapetco Vent:



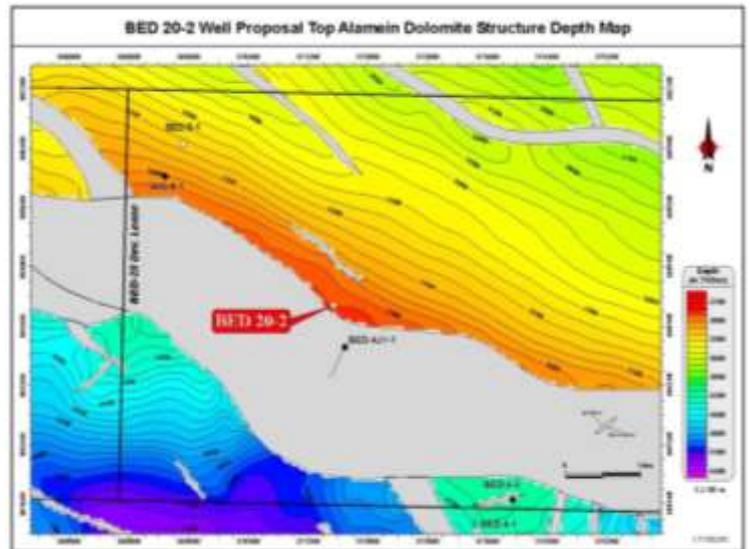
Global Warming (CO₂ equivalent of greenhouse gases)



Exploration

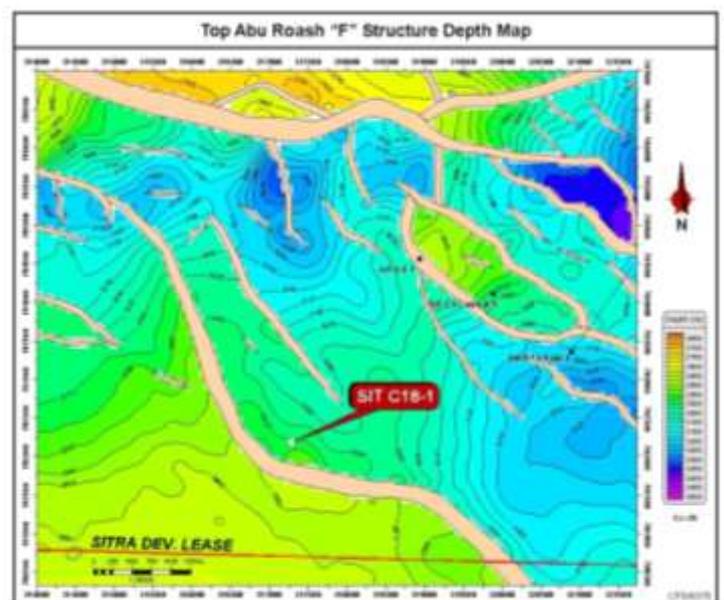
BADR EL DIN CONCESSION:

- The geophysical contribution for the new development wells BED 15-M, BED 16-H & I, BED 18-D & E, BED 3 C9-D & E and BED 3 C6-B was finalized. All of these wells have been drilled.
- BED 15 seismic studies (A/R “C”) to support the development campaign study was delivered to the PE.
- S2 review for the new Prospects (BED17-G, BED 17-H and BED 17-E) has been done and preparing for S3 review.
- Proposal for the exploration well BED 20-B was prepared and approved. The well was drilled successfully and found oil in Top AeB. The well is on production.
- S3 Review has been done for BED 3-C18, BED & BED 3-C21 prospects. BED 3 C18-1 was drilled successfully and found oil in U. A/R “G”. The well is on production.
- BED 2 SW-A Exploration well has been proposed and sent to EGPC for approval.
- Tight carbonate study in BED 2 field and BED 2-C6 was finalized.
- Construct seismic attribute maps for BED 3-C6-1 block.
- Seismic reprocessing is ongoing.



SITRA CONCESSION:

- Geological & Geophysical studies are on-going.
- Geophysical support for Bangalore study of Sitra-8 Field.
- Supported drilling SIT 3-2ST and re-mapping Kharita level for the discovery of SIT 3-2st & volume calculation.
- Finalized SIT C18-A Well proposal. The well was drilled and temporary abundant (T & A) as it is uncommercial.
- Preparing S3 review for SIT C19 new exploration prospect in the development lease.
- Starting the interpretation stage for SIT C3 and another new exploration prospect in the development lease.
- Done Sedimentological core description of SIT 8-13, SIT 8-15, SIT 8-17 & SIT 8-18 to review the depositional model of Abu Roash C, E, G & Bahariya sand reservoirs.
- Supported development wells SIT 8-38, 39, 40 & 41.
- Seismic reprocessing is ongoing.

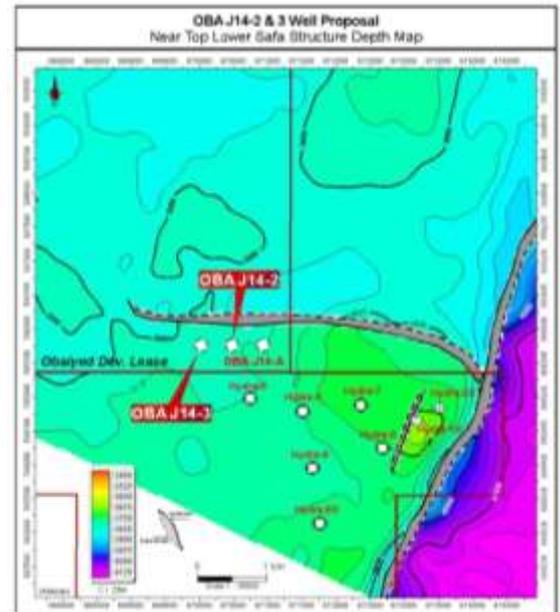


WEST SITRA CONCESSION:

- SENV Geosolutions interrogation of geophysical depth conversion methods for WS_C-86 area unable to eliminate depth conversion uncertainty.
- Updated maps of Bahariya pay sands in WS_C-86 area provided to PE.
- Studies to define models for various clastic reservoirs covering Jurassic are under planning.
- Starting the evaluation of New Exploration Prospect in the Northern part of WS-C86.

OBAIYED CONCESSION:

- Supported development well OBA D-41 ST (HZ). The horizontal well was drilled and Completed for lower Safa with teste result of 26.2 MMscf/d.
- Proposed and drilled exploration and appraisal wells OBA J14-1, 2 & 3. All three wells are put on production.
- AEB study for OBA was finished.
- Seismic reprocessing for OBA 2009 survey is ongoing.
- Finalized OBA J8-1, J9-1 and J13-1 well resumes. OBA J14-1 well resume on going.
- Finalized Thickness reservoir map for OBA J14 area.

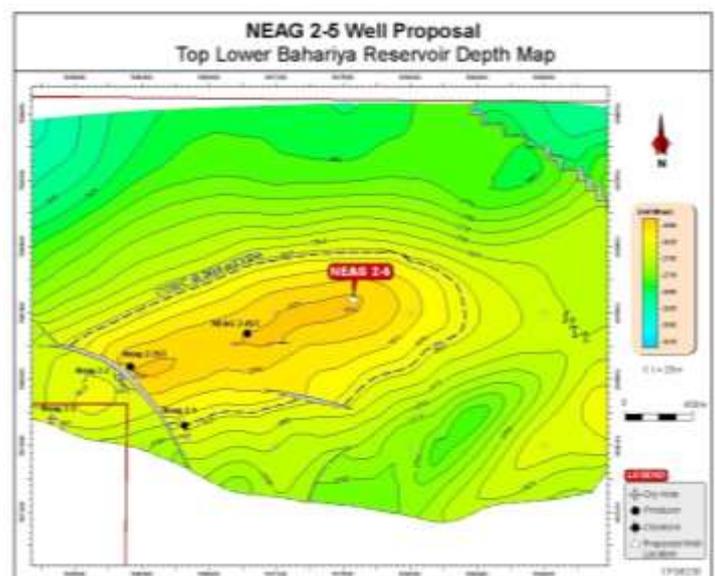


TIBA DEVELOPMENT LEASE

- NEAG 5-6 well was proposed as a water source well for the primary target Kharita with a exploration deepening to target Paleozoic structural closure. The Paleozoic was found water bearing and the well has been completed as a water source well from Kharita.

NORTH EAST ABU GHARADIG (NEAG EXTENSION CONCESSION):

- Geological & Geophysical studies are on-going.
- Supported NEAG 2-4 ST & NEAG 2-5 well proposal. NEAG 2-4ST tested 6000 bbl/d from Bahariya reservoir. NEAG 2-5 was also drilled successfully and is currently on production.
- Updated the maps and volumes based on the result of NEAG 2-4 & 5 wells.
- NEAG 4: Re-evaluating Abu Roash C & E for the purpose of proposing a new well to appraise the commerciality of the block.
- Supported water injector Al Fadl IC.



ALAM EL SHAWISH WEST DEV. LEASES:

- S3 review for Assil C83 North (Assil C106) has been done. Started well proposal writing & WFSS for the new exploratory well AL Assil C106. The well is now postponed due to budget constrain from the partners.
- Supported Karam 8 development well.
- Supporting Karam A/R "C" study. A re-refined Top A/R "C" map has been completed.

Operations

1- Production

Oil and Gas Production and Delivery (July, 2015- June, 2016)

BAPETCO, SIPETCO, OBETCO, TIPETCO, West Sitra, Alam El-Shawesh

	*Oil (bbl)	Condensate (bbl)	Gas (MMscf)
Production	13,412,502	4,419,617	181,409
Delivery/Sales	13,410,571	4,434,385	171,872
Average Daily Production	36646	12075	496
Average Daily Delivery/Sales	36641	12116	470

- The average daily gas sales were 470 MMscf/d above the target 454 MMscf/d by 3%.
- The average daily oil and Condensate Production rate was 48,721 Bbl/d, above target (47,525 Bbl/d) by 3%.

2-Drilling

2015-2016 Drilling Wells

RIG		42	42	42	42	51	51	51	51	51	51
AREA		OBAIYED	OBAIYED	TEEN	BED 16	SITRA	SITRA	BED 18	OBA	OBA	BED15
Well	Name	OBA D-AU (49)	OBA J14-1	NM TEEN-A (1)	BED 16-H (8)	Sitra 8-BC (37)	Sitra 3-B (2)	BED 18-D (4)	OBA J14-B (2)	OBA J14-C (3)	BED 15-M (12)
	EGPC Name	Jb 18-1003	Ij 17-01	JB 25-2	Hi 30-1023		Hh 29-1001	Hi 30-1022	Ij 17-07	(Ij 17-08)	Hi 30-1026
	Type	Vertical Appraisal Dev.	Exploration Vertical Well	Vertical Expl. Well	Deviated Dev. Producer Well	Deviated Dev. Oil producer	Vertical Appraisal / Dev. Oil producer	Water Injector	Vertical Appraisal Well	Appraisal deviated prod. well	Deviated Dev. gas producer
	Max inclination			7	12					32	25
	Oil/ Gas/W.I	Gas & Cond. well	Gas & Cond. well	Gas & Cond. Well	Oil / Gas	OIL	OIL	Oil	Gas well	Gas well	Gas Well
Surface Co-ordinates	Y, N m.	323239.97	305758.95	323206.25	802,439.00	787,298.78	789,030.44	797,350.00	305,760.00	305,761.00	800,875.00
	X, E m.	671779.93	670934.11	739487.5	321,059.00	323,120.06	307,987.48	317,100.00	670,484.00	670,034.00	317,046.00
TD	Planned	4217	4265	5155	4334	3313	3152	3462	4271	4692	4307
	Actual	4370	3490	5155	4317	3521	3251		4562	4380	4010
Planned Days		73.6	55	96.8	81	46	51	51	52	72	58
SPUD date		27-Jun-15	30-Aug-15	25-Oct-15	1-Feb-16	9-Jun-15	8-Jul-15	1-Sep-15	10-Oct-15	28-Dec-15	7-Mar-16
END OF DRILL		10-Aug-15	7-Oct-15	18-Dec-15	1-Mar-16	29-Jun-15	13-Aug-15	21-Sep-15	7-Dec-15	10-Feb-16	14-Apr-16
Release date		26-Aug-15	16-Oct-15	19-Jan-16	11-Mar-16	4-Jul-15	25-Aug-15	28-Sep-15	24-Dec-15	22-Feb-16	27-Apr-16



Actual Days	58.4	48	87	40	26	49	28	76	57	52	
Planned – Actual days	15.2	7	9.8	41	20	2	23	-24	15	6	
Well status	COMPLETED	COMPLETED	COMPLETED	COMPLETED	COMPLETED	COMPLETED	COMPLETED	COMPLETED	COMPLETED	COMPLETED	
TQ/BIC	-	TQ	TQ	TQ	TQ	TQ					
Casing, Shoe Depth, m	30"	14	14	14		13	13		14	13	13
	28"				14						
	20"										
	18 5/8"										
	13 3/8"	1145	859	1118	1170	1123	1000	1121	800	799.5	1137
	9 5/8"	2164	2943	3070	3336	2738	2446	2982	1300	2996	3021
	7" TOL	1957	2847	2970	3228		2333		2943	2896.5	2912
	7" Liner shoe	3867	3489	5154	4316	3520	3241	3461	4560	4378	3318
	4.5" TOL	4115	4115	4115	4115	4115	4115	4115		4115	4115
4.5" Shoe	4853	4853	4853	4853	4853	4853	4853		4853	4853	
Total Wells	1	2	3	4	5	6	7	8	9	10	

2015-2016 Drilling Wells

RIG		52	52	52	52	52	52	52
AREA		BED 3	BED3	Alam al-shawesh	BED 3	BED18	BED 16	AESW
Well	Name	Bed 3 C6-1	Bed 3 C9-D (4)	Karam-G (8)	BED3 C9-E (5)	Bed 18-F (5)	Bed 16-I (9)	BTE-2
	EGPC Name		Hi 29-1003	Hh 32-1004	Hi 29-1004	Hi 30-1025	Hj 30-1004	NAES-A
	Type	Deviated / Exploration oil producer well	Deviated Development oil producer well	Deviated Development Gas Well	Vertical / Development Water Injector well.	Deviated Development water injector	Vertical / Development / Appraisal	Vertical Exploration
	Max inclination			Development Well	3	21		
	Oil/Gas/W.I	oil	oil	GAS	W.I	w.i	Oil/ Gas	Gas
Surface Co-ordinates	Y, N m.	795618.94	794846.97	789062.03	795240.00	797375.00	803364.5	812712.5
	X, E m.	318322.61	311675.95	339973.01	311306.00	316820.00	321226.84	349137.5
TD	Planned	3997	3377	5244	3408	3995 original plan 3560 Geological ST on 24/3/2016	4326	5989
	Actual	4187	3592	5244	3421		4326	
Planned Days		40	51	106	38.6	41.2	53	147
SPUD date		11-Jun-15	28-Jul-15	1-Sep-15	19-Jan-16	4-Mar-16	21-Apr-16	2-Jun-16
END OF DRILL		7-Jul-15	15-Aug-15	30-Oct-15	5-Feb-16	6-Apr-16	19-May-16	
Release date		25-Jul-15	23-Aug-15	3-Jan-16	26-Feb-16	13-Apr-16	28-May-16	
Actual Days		45	27	125	38	41	38	
Planned - Actual days		-5	24	-19	0.6	0.2	15	
Well status		COMPLETED	COMPLETED	COMPLETED	COMPLETED	COMPLETED	COMPLETED	ongoing



TQ/BIC			TQ	TQ	TQ		BIC	
Casing, Shoe Depth, m	30"	14	14					
	28"			14	14	14	14	14
	20"							
	18 5/8"							
	13 3/8"	1148	1099	1292	153	1109	1174	1272
	9 5/8"	2733	2679	3814	1085	3039	3382	4026
	7" TOL	2630	2578	3540	981	2652	3290	
	7" Liner shoe	4186	3591	4715	3003	3569	4325	
	4.5" TOL	4115		3538	2887			
4.5" Shoe	4853		5244	3414				
Total Wells		11	12	13	14	15	16	17

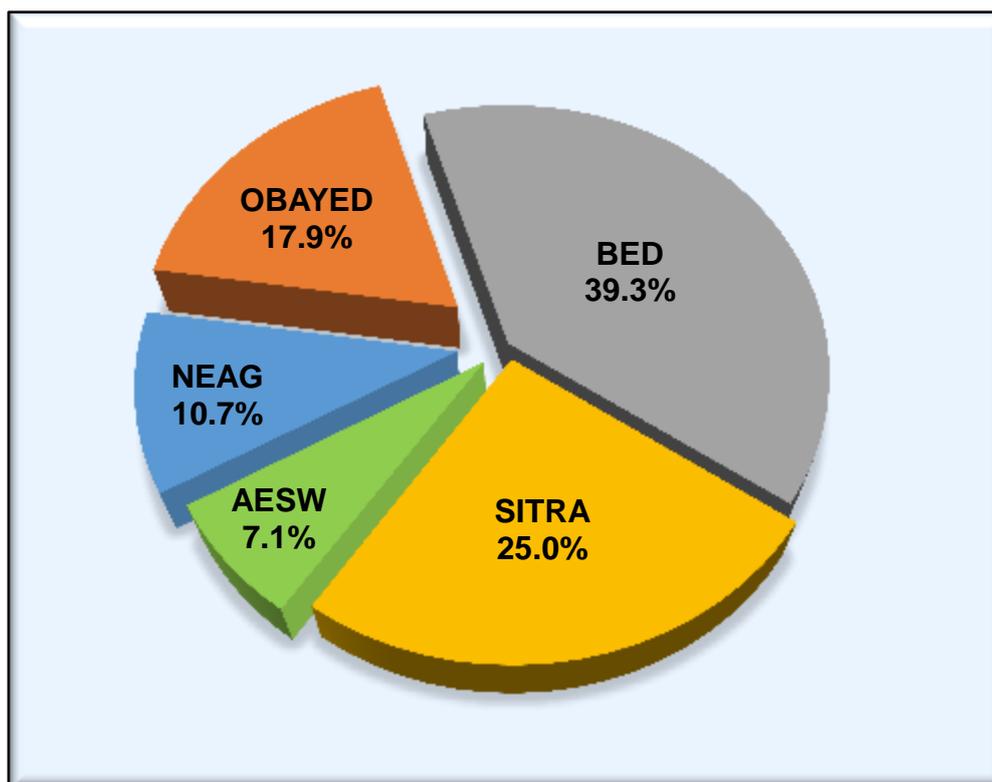
2015-2016 Drilling Wells

RIG		72	72	72	72	72	72	72	72	72	72	72
AREA		Sitra	Sitra	NEAG	NEAG	ALFADL	BED 20	BED 3	BED 3-C18 Concession	SITRA	Sitra	Sitra
Well	Name	Sitra 8-BM (38)	Sitra 8-BP (39)	NEAG 2-E (5)	NEAG 5-I (6)	ALFADL-IC (45)	BED 20-B (2)	BED3 C6-B (2)	BED 3-C18-1	SITRA C18-A (1)	SITRA 8-40	SITRA 8-41
	EGPC Name		Hh 30-1038)		la 32-1012	(Hi 45-1037	Hj 35-05	Hi 30-1024	Hi 30-22		Hh-30	
	Type	Deviated/Development Oil producer well	Deviated/Development Oil producer well	Vertical Appraisal Oil Well	Vertical Development Water Source well	Deviated Development Water Injector Well	Exploration Vertical Well	Deviated Injector Well / Optional Producer	Deviated / Exploration	Exploration Vertical Well	Deviated Development oil producer	Deviated Water Injector
	Max inclination						vertical	8.15	36			
	Oil/Gas/W.I	OIL	OIL	OIL	w.i	w.i	Oil	W.I	Oil	Dry	Oil	W.I
Surface Co-ordinates	Y, N m.	788098	788606.9	798,477.01	823,588.00	789747 .6	29°55'27.1740" Y: 804272 m N	29° 49' 53.0607" N Y: 795.259 N	316317E	782187.5	786813.73	
	X, E m.	323507	322739.16	507,660.00	338,087.00	468,360.50	28°28'44.5730" X: 371536 m E	27° 56'1.4900" E X: 318.575E	796480N	317287.5	323900.93	
TD	Planned	3510	3533	3002	2296	1444	3203	3510	3904	3522	3430	3528
	Actual		3570	3043			1453	3280	3550	3561	3488	3068
Planned Days		32	28.7	37	26	16	40.3	41.4	41.5	28.19	30	28.3
SPUD date		11-Jun-15	16-Jul-15	18-Aug-15	29-Sep-15	16-Nov-15	10-Dec-15	9-Feb-16	10-Mar-16	20-Apr-16	18-May-16	15-Jun-16
END OF DRILL		8-Jul-15	2-Aug-15	12-Sep-15	27-Oct-15	22-Nov-15	23-Jan-16	28-Feb-16	31-Mar-16	09-May-16	7-Jun-16	5-Jul-16
Release date		14-Jul-15	10-Aug-15	21-Sep-15	3-Nov-15	30-Nov-15	30-Jan-16	5-Mar-16	17-Apr-16	14-May-16	12-Jun-16	
Actual Days		34	26	33	33	33	61.29	26.46	39	25	26	
Planned - Actual days		-2	2.7	4	-7	-17	20.99	14.94	2.5	3.19	4	28.3
Well status		COMPLETED	COMPLETED	COMPLETED	COMPLETED	COMPLETED	COMPLETED	COMPLETED	completed	completed	completed	ONGOING



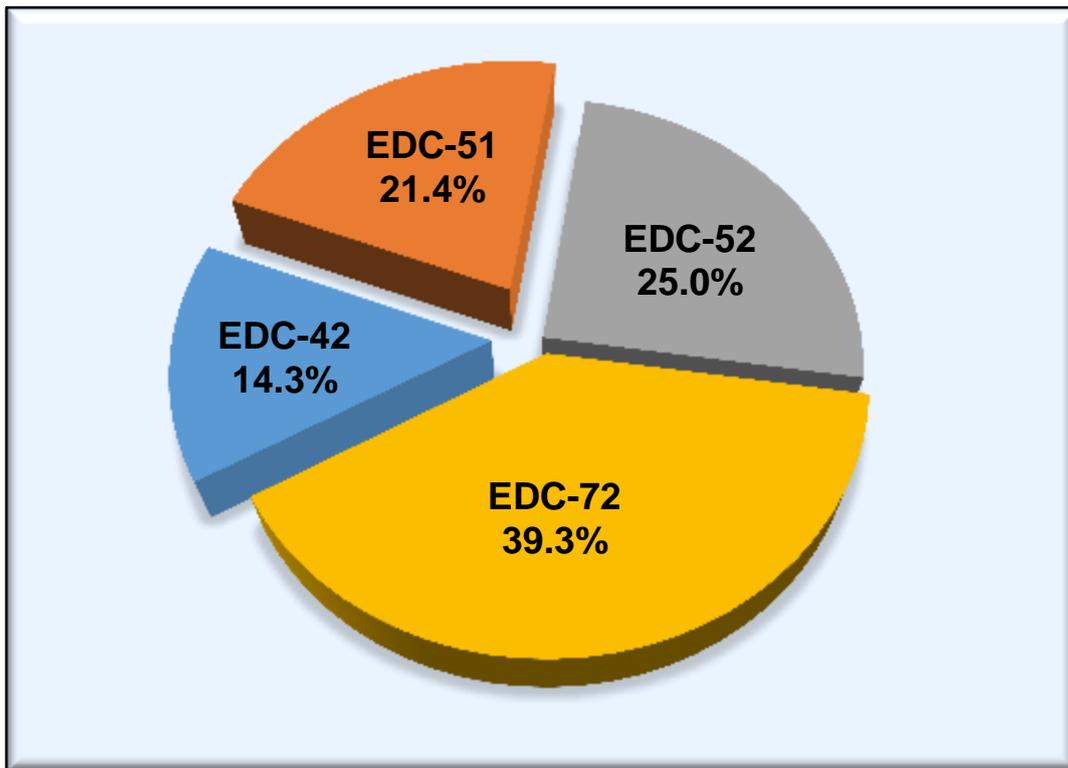
Casing, Shoe Depth, m	30"		14	13		14				14		
	28"	13			13		14	14	14		13	14
	20"											
	18 5/8"			476	727							
	13 3/8"	1111	1125	1503	1256	239	1246	1147	1083	1063	1136	1134
	9 5/8"	2835	2402	2316	2455	886	2677.5	2778	2813	2416	2808	2781
	7" TOL	2735	2310	2202		200	2605	2666	2712			2680
	7" Liner shoe	2736	3570	3037		1452	2965	3550	3560		3099	3494
	4.5" TOL						2897					
	4.5" Shoe						3279					
Total Wells	18	19	20	21	22	23	24	25	26	27	28	

2015-2016 Drilling Wells Per each Area



Area	DD	WO	Total	%
NEAG	3	0	3	10.71
OBAYED	5	0	5	17.86
BED	11	0	11	39.29
SITRA	7	0	7	25.00
AESW	2	0	2	7.14
Total Wells	28	0	28	100

2015-2016 Drilling Wells Per each Rig



Rig	DD	WO	Total	%
EDC-42	4	0	4	14.29
EDC-51	6	0	6	21.43
EDC-52	7	0	7	25.00
EDC-72	11	0	11	39.29
Total Wells	28	0	28	100

WO Rigs Annual Activities during the period 1/7/2015 to 30/6/2016

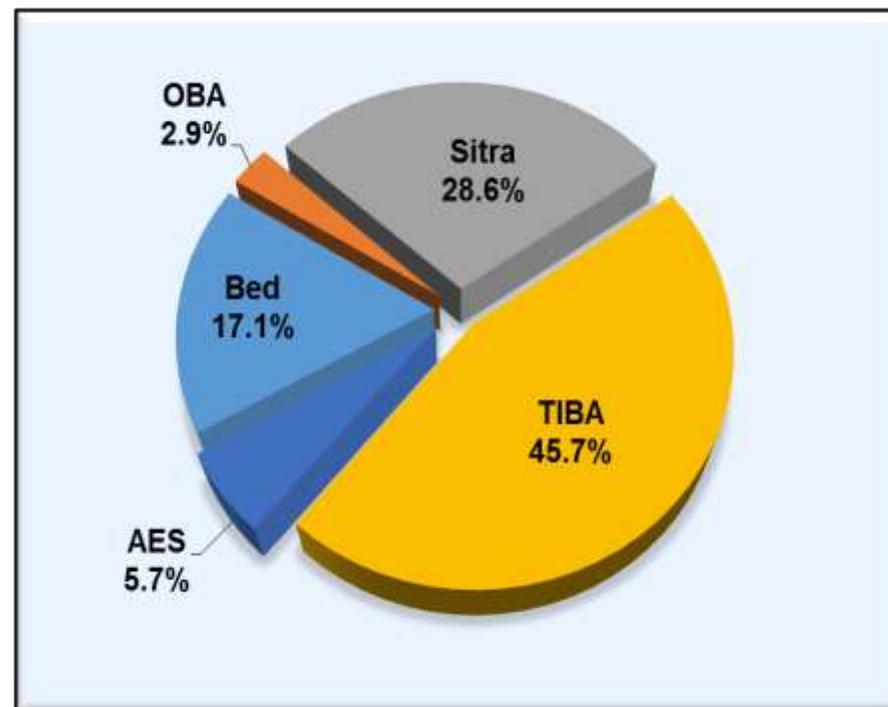
	Area		Well	Rig	Scope of Work	Spud Date	Release date	Number of days	Total Wells
1	BED	1	Bed 18-4	ST-24	Open Up (FRAC string)	9-Oct-15	25-Oct-15	17	6
2		2	Bed 3 C6-1		Change from self-flow to ESP	25-Oct-15	5-Nov-15	12	
3		3	Bed 15-7		WI Repair	5-Nov-15	2-Dec-15	28	
4		4	Bed 18-4	ECDC-9	Pull Frac stg and Run ESP	17-Feb-16	23-Feb-16	7	
5		5	Bed2C6-1		Pull ESP and Run SRP	26-Feb-16	29-Feb-16	4	
6		6	Bed 16-7		Fix Integrity	5-Mar-16	22-Mar-16	18	
7	OBA	1	OBA D-41 Hz	ECDC-9	TCP & Completion	1-Jul-15	11-Aug-15	42	1
8	Sitra	1	Sitra 8-19	ST-24	ESP replacement	22-Sep-15	28-Sep-15	7	10
9		2	Sitra 8-37	ECDC-9	Frac+ ESP Installation	18-Aug-15	31-Aug-15	14	
10		3	Sitra 8-38		Frac+ ESP Installation	2-Sep-15	12-Sep-15	11	
11		4	Sitra 8-39		ESP Installation	14-Sep-15	21-Sep-15	8	
12		5	Sitra 8-19	Dasco-1	Replace ESP	1-Aug-15	6-Aug-15	6	
13		6	Sitra 8-35		Run Frac String	8-Aug-15	11-Aug-15	4	
14		7	Sitra 8-29	ST-24	Replace ESP W/NF	3-Dec-15	14-Dec-15	12	
15		8	Sitra 8-34		ESP Repair	17-Dec-15	23-Dec-15	7	
16		9	Sitra 8-7	ECDC-9	Convert from NF to ESP oil well	22-Sep-15	9-Oct-15	18	



17		10	Sitra 8-3	ECDC-9	Convert from GV to ESP and Frac	28-Mar-16	2-May-16	36	
18	TIBA	1	Neag JG-19	ST-24	ESP install	2-Jul-15	10-Jul-15	9	16
19		2	Neag JG-16	Dasco-1	Isolation and ESP	14-Jul-15	19-Aug-15	37	
20		3	Neag JG-9		Well Integrity Repair	21-Aug-15	11-Sep-15	22	
21		4	Neag JG-10		ESP Repair	14-Sep-15	19-Sep-15	6	
22		5	Neag 2-2 st		Well Integrity Repair	21-Aug-15	2-Sep-15	13	
23		6	Fadl-11		ESP Repair	4-Sep-15	16-Sep-15	13	
24		7	Fadl-14	ESP Repair	18-Sep-15	22-Sep-15	5		
		8	Neag JG-19	ST-24	Replace ESP W/NF	2-Oct-15	9-Oct-15	8	
26		9	AL Fadl-15	ECDC-9	Isolation and ESP	14-Jul-15	19-Aug-15	37	
27		10	AL Fadl-34		Well Integrity Repair	21-Aug-15	11-Sep-15	22	
28		11	Neag 2-5		ESP Repair	14-Sep-15	19-Sep-15	6	
29		12	Neag JG-2	ECDC-9	Integrity Test / Repair, Completion change out to 13% CRA	26-Jan-16	12-Feb-16	18	
30		13	Fadl-35	DASCO-1	ESP Repair and Perforation	21-May-16	27-May-16	7	
31		14	Fadl-14 WSW		ESP Repair	31-May-16	2-Jun-16	3	
32		15	Al Qadr-1		ESP Repair and Perforation	6-Jun-16	10-Jun-16	5	
33		16	Fadl-33		ESP Repair and Perforation	13-Jun-16	18-Jun-16	6	
34	AES	1	Bahga-9	DASCO-	Frac + Run ESP	26-Jun-15	15-Jul-15	20	2
35		2	Assil C83-1	1	ESP Installtion on Y-Tool	18-Jul-15	29-Jul-15	12	

WO Rigs Annual Activities during the period 1/7/2015 to 30/6/2016

Workover Performance during 2015-2016		
Quarter	Rig	No WO Wells
Q1_ 2015-2016	ST-24	5
	ECDC-9	4
	Dasco-1	7
	Dasco-16	0
	Total	16
Q2_ 2015-2016	ST-24	6
	ECDC-9	4
	Dasco-1	0
	Dasco-16	0
	Total	10
Q3_ 2015-2016	ST-24	0
	ECDC-9	4
	Dasco-1	0
	Dasco-16	0
	Total	4
Q4_ 2015-2016	ST-24	0
	ECDC-9	1
	Dasco-1	4
	Dasco-16	
	Total	5
FY 2015-2016		35
Notes:		
Dasco-16 Released From Bapetco on 7/10/2014 (Under Call Out)		
Dasco-1 Released From Bapetco on 22/9/2015 and backed on 21/5/2016 (Under Call Out)		
ECDC -9 Released From Bapetco on 22/11/2016 , returned on 21/1/2016 , (Under Call Out)		
ST-24 Released From Bapetco on 23/12/2015 (Permenaint)		

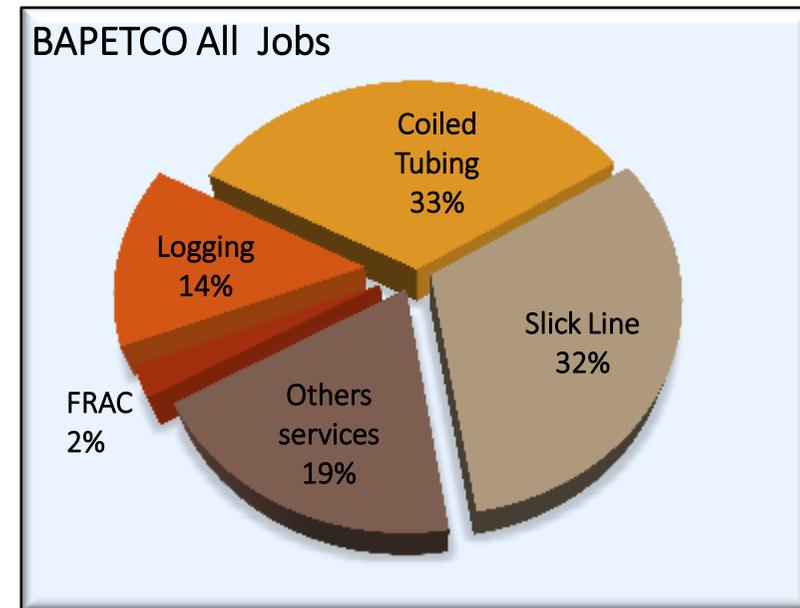
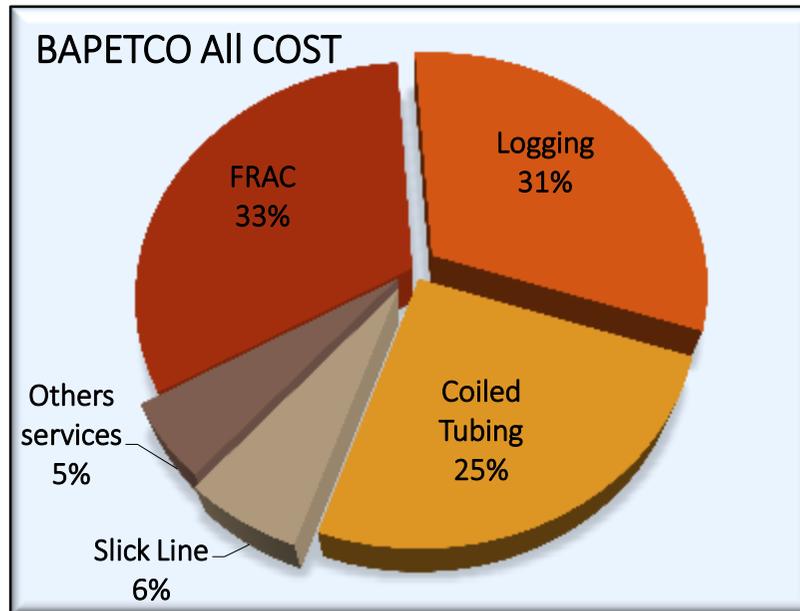


Area	Total Wells
BED	6
OBA	1
SITRA	10
TIBA	16
AES	2

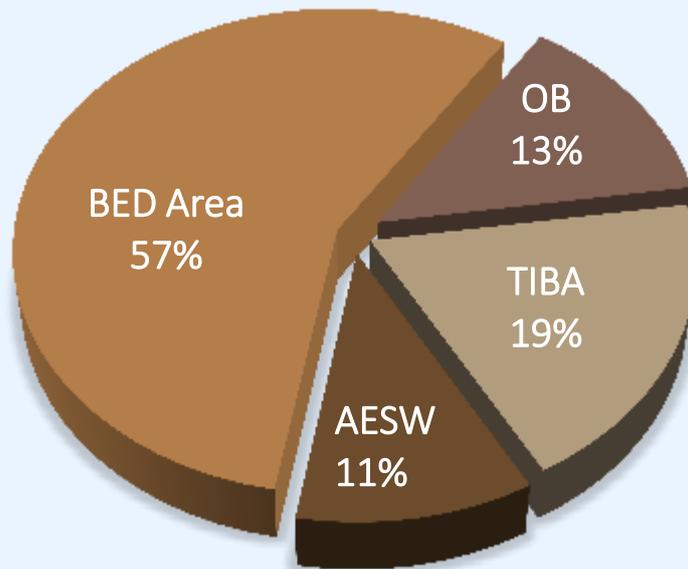


2015-2016 Rigless Operation Annual Performance

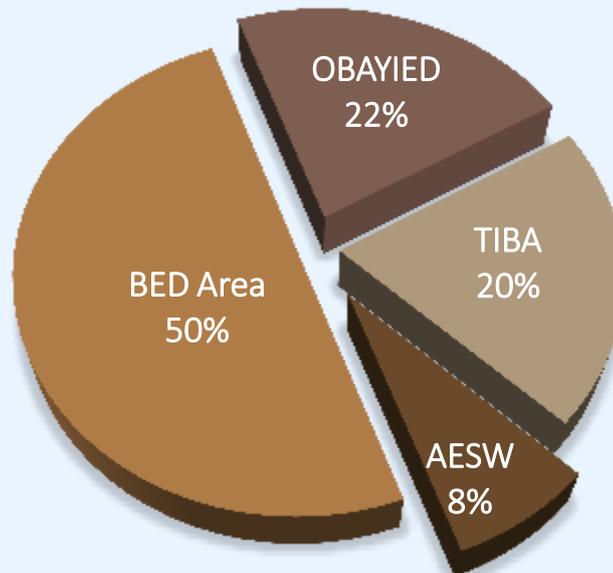
Description	BED Area		OBAYIED		TIBA		AESW		BAPETCO All	
	No Jobs	Cost 1000 \$	No Jobs	Cost 1000 \$	No Jobs	Cost 1000 \$	No Jobs	Cost 1000 \$	No Jobs	Cost 1000 \$
FRAC	11	2,685	0	0	0	0	1	545	12	3,230
Logging	27	1,291	8	215	31	1,276	3	324	69	3,106
Coiled Tubing	71	984	65	953	22	454	8	116	166	2,506
Slick Line	75	287	25	94	39	163	19	73	158	616
Others services	67	394	12	69	10	32	7	29	96	525
Total	251	\$5,641,099	110.00	\$1,330,809	102.00	\$1,925,100	38.00	\$1,087,242	501.00	\$9,984,251



BAPETCO Rigless COST Per Area



BAPETCO Rigless Jobs Per Area



3-Maintenance

Completed all periodical maintenance routine and Overhaul for all devices and equipment of the plants, according to the preventive maintenance program.

BED-3 Field:

- **Carried out complete Overhaul & maintenance for the following equipment:**
 - Overhaul for Amine charge pump P-2601A in CRP plant.
- **Carried out preventive maintenance for the following equipment:**
 - Demolishing old concrete foundation & finishing internal coating repair for storage tanks T-3510 C.
 - Inspection & Painting for storage tank T-3520 B.
 - LP Gas Turbine “K-1330A” replacement for 32000 Hrs.
 - Complete 16000 Hrs preventive maintenance for power Generation Gas turbine G5520 A & E.
 - Pigging 24” pipe line from Bed-3 to Al amerya completed.
- **Carried out Yearly Preventive Maintenance for the following equipment:**
 - L.V motor and heater of hot oil make up tank.
 - Recalibration and certification for 28 Shutdown valves at Assail Karam CRP.
 - HP GAS compressors (SK3020 A & B).
- **Carried out 2-Yearly Preventive Maintenance and test for the following equipment:**
 - Gas Compressor unit of TR-1 “SK1120”.
- **Carried out 3-Yearly Preventive Maintenance and overhaul for the following equipment:**
 - TR-1 Pipe line Gas compressor (K-1120).
 - TR-1 & TR-2 relive valves.
- **Carried out 4-yearly preventive maintenance for the following equipment:**
 - LP Gas Compressors (SK-3010A/B).
 - HP Gas Compressor (SK3020A).

Obaiyed Field:

- **Carried out complete Overhaul & maintenance for the following equipment:**
 - Medium voltage motor of Pre-compression compressor “KM-1512”.
 - Motor of recycle compressor “KM-2501A”.
 - Booster Pump of lean solution pump “P-2623B”.
 - 24000 Hrs preventive maintenance activities for turbines 8001 B/C.
 - Export gas compressor “K-2921”.
 - MV motor for lean solution pump “PM-2612A”.
 - P-2401A Condensate booster pump.
 - Low Voltage motor of Glycol heater system “EM-2711A”
 - Low Voltage motor of pre-compression lube oil cooler “EM-1525B”
 - Low voltage motor for Recycle Gas Compressor “KM-2501B”.
 - Medium Voltage motor for Export Gas Compressor KM-2921.
 - Region column C-2612.
- **Carried out Validation and test for the following devices:**
 - Pressure transmitters, Turbine flow meter, HC dew-point analyzer and relative density “Obaiyed-Qasr”.
 - Hydrocarbon dew-point analyzer “Tarek & Salam station”.
- **Carried out planned inspection for the following equipment:**
 - Air Compressors (5301A, B, C, D & E) “Yearly Inspection”.
 - Power Generation Turbine (A-8001C) “3000 HRs Inspection”.



- Condensate Export Pump (A-2402C) “1000 HRs Inspection”.
- AIR LUBE OIL coolers (E-2912 & 2932) “3 Yearly Inspection”.
- Internal Inspection for Absorber Column (C-2621).
- Hot Oil Circulation Pump (A-5801B) “1000 HRs Inspection”.
- Steam Condensate Reboiler (E-2613) “3 Yearly Inspection”.

• **Complete shutdown activities for the following equipment:**

- TR2 shutdown dated 11/12/2015 for Benfield by pass mode spool removal; Executed the following main activities:-
 - ✓ Overhauled the relief valves “20-RV-152A/B” for the 1st stage separator “V-2021”.
 - ✓ Overhauled the relief valves “26-RV-101/108” for the Benfield system.
 - ✓ Overhauled the relief valve “29-RV-142” for Discharge Relief HP Flare Header “V-2931”.

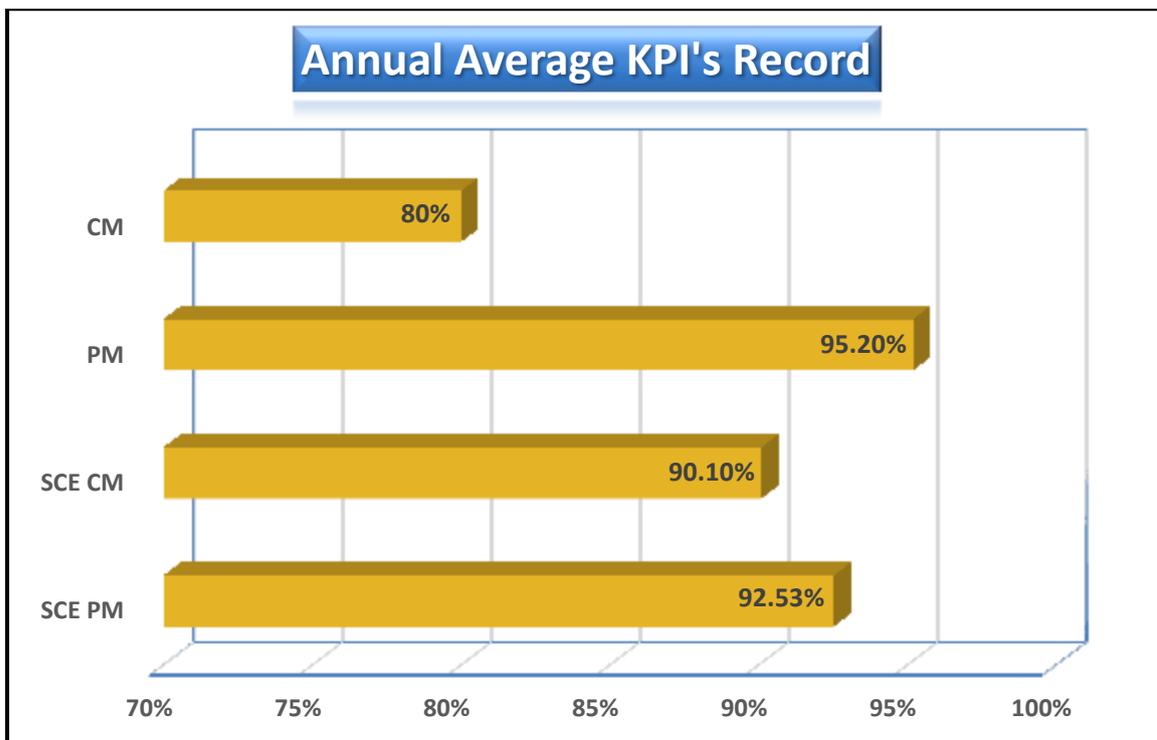
NEAG Field:

• **Carried out 2 Yearly Preventive Maintenance and test for the following equipment:**

- Potable water pumps A &B
- Oil storage tanks T201, T-202, T203, T-204 and T-205.

Key Performance Indicators:

PM	Preventive Maintenance
CM	Corrective Maintenance
SCE PM	Safety Critical Element Preventive Maintenance
SCE CM	Safety Critical Element Corrective Maintenance



Petroleum Engineering

A- Fields Development:

According to the general strategy of Petroleum Engineering to increase the oil production and maximize the recovery factor, the following activities were carried out:-

1. Wells Activities:

1.1) Production Optimization Activities:

Excellent production optimization gains for the year 2015-2016 were achieved. The estimated gain during the fiscal year was about 5027 barrel oil and condensate per day and 49.8 MMscf/d of gas which equals about 13920 boepd from various well and reservoir management activities such as stimulations with acidizing and fracturing, re-perforations, gas lift optimization etc... The table below describing these activities that assisted in achieving production forecasted targets and facing production rate decline with their initial and year average rate:

Optimization Activities Average Year Gains during 2015-2016

Well	Month Executed	Activity	Initial Gain Rate		Average Year Gain Rate	
			Oil or Cond	Gas	Oil or Cond	Gas
			BPD	MM scf/d	BPD	MM scf/d
Bed 15-4	Jul-15	Adding Perforation in A/R C	200.0	0.0	120.0	0.0
Assil-8	Jul-15	Kharita Isolation & Frac	800.0	0.8	160.0	0.2
NEAG JG-19	Jul-15	TCP & ESP installation	500.0	0.6	120.0	0.1
Bahga-9	Jul-15	Frac - ESP respire	500.0	0.0	383.0	0.0
Assil C83-1	Aug-15	Install ESP on Y-Tool	350.0	0.0	29.0	0.0
OBA -41 (D-36)	Aug-15	Add Perforation Across U Safa	110.0	3.0	18.0	0.5
OBA S/B (OB-29)	Aug-15	Add Perforation Across U Safa	40.0	1.0	30.0	0.6
NEAG JG-16	Aug-15	Retrieve ESP & complete the well as Natural comp	990.0	0.0	206.0	0.0
Sitra 8-7	Oct-15	ESP Installation	400.0	0.0	306.0	0.0
NEAG JG-9	Oct-15	Re-perforation	130.0	4.5	60.0	3.0
OB-42	Oct-15	Re & Add Perforation in U.Safa & L.Safa Formations	80.0	2.0	40.0	1.0
Sitra 8-29	Dec-15	Recomplete the well across ARE	2200.0	2.0	1680.0	1.5
NEAG JG-7	Dec-15	Add perforation across Lsafa A formation	220.0	8.0	180.0	6.0
BED2C6-2	Jan-16	Sever Injectivity in A/R E formation	150.0	0.0	127.6	0.0
Magd-7	Jan-16	Sever Injectivity	250.0	9.0	212.6	7.7
BED3-16	Mar-16	Adding Perforation in Kharita and L.Bahariya Formations	160.0	0.0	10.0	0.0
BED3-5	Apr-16	Adding Perforation in Kharita and L.Bahariya Formations	400.0	7.0	333.9	5.8
BED16-7	Apr-16	Workover to solve integrity problem, Frac and unloading	220.0	17.0	187.1	14.5
Karam-7	May-16	Adding perforation	105.0	7.0	89.3	6.0
BED2-2	May-16	Adding perforation	9.0	0.9	7.7	0.8
BED2-10	May-16	Adding perforation	15.0	1.4	12.8	1.2
Bahga-13	May-16	CT Back-wash	300.0	0.0	255.1	0.0
Sitra8-27	May-16	CT Back-wash	500.0	0.0	425.2	0.0
OBA-3	Jun-16	Salt clean-out	40.0	1.0	34.0	0.9
TOTAL			8669	65.2	5027	49.8
BOE/D			20312		13920	

1.2) Production Restoration Activities:

In addition to the production optimization activities gains, some activities were performed in order to restore production by fixing wells problems. The estimated gain during the fiscal year 2015-2016 from these activities was about 4819 barrel oil and condensate per day and 15.6 MMscf/d of gas which equals about 7605 boepd. The following table summarizes these activities with their initial and year average rate:

Restoration activities Average Year Gains during 2015-2016

Well	Month Executed	Activity	Initial Gain Rate		Average Year Gain Rate	
			Oil or Cond.	Gas	Oil or Cond.	Gas
			BPD	MM scf/d	BPD	MM scf/d
OBA 23 OB-16	Jul-15	Salt clean out	50.0	1.4	20.0	0.5
OBA 33 (D-28)	Jul-15	Salt clean out & Perforation	35.0	1.0	30.0	1.5
OBA D-37	Jul-15	Fix the well integrity issue	120.0	3.2	90.0	2.2
Al Qadr-12	Jul-15	ESP Back wash with Biocide & HCL	163.0	0.0	11.0	0.0
OBA 23, OB-3, OB-16, OB-33	Aug-15	Salt clean out	30.0	0.8	15.0	0.4
OBA -3, OB- JB 17-3	Aug-15	Salt clean out	30.0	0.8	15.0	0.4
NEAG 2-2	Sep-15	Well Integrity Repair - ESP Installation	4000.0	0.0	2670.0	0.0
NEAG JG-9	Sep-15	Well Integrity Repair	120.0	4.5	70.0	2.0
NEAG JG-10	Sep-15	ESP Repair	370.0	0.0	144.0	0.0
Sitra 8-19	Oct-15	ESP Repair	820.0	1.0	600.0	0.7
Al Fadi-35	Oct-15	ESP Back wash with HCL & Biocide	500.0	0.0	402.0	0.0
Al Fadi-33	Oct-15	ESP Back wash with HCL & Biocide	160.0	0.0	0.0	0.0
OBA -16, OB-23, D-28	Oct-15	Salt clean out	40.0	1.0	25.0	0.6
Al Fadi-15	Oct-15	ESP Repair	200.0	0.0	153.0	0.0
NEAG JG-7	Jan-16	Adding Perforation in L. Safa A formation	55.0	5.5	21.6	2.2
BED3-1	Jan-16	Cut tubing tail and Add Perforation in Kharita Formations	50.0	6.0	42.5	5.1
BED2C6-1	Mar-16	Workover to install Sucker Rod Pump	600.0	0.0	510.3	0.0
TOTAL			7343	25.2	4819	15.6
BOE/D			11843		7605	

2. Wells Activities:

2.1) New Wells:

In addition to the production optimization and restoration activities gains, the following development and exploration wells were successfully put on production. The estimated gain during the fiscal year 2015-2016 from new wells was about 8982 barrel oil and condensate per day and 47.16 MMscf/d of gas which equals about 17.40 boepd. The following table summarizes these wells with their initial and year average rate:

New Wells Successfully put on Production in 2015/2016

Well	1st Prod	Type	Initial Rate		Average Year Rate	
			Oil/Cond, BPD	Gas, MM Scf/d	Oil/Cond, BPD	Gas, MM Scf/d
B 2-C6-03	July	Development, Oil	343	0	299.96	0
S 8-31	July	Development, gas	110	4.46	46.977	1.94
S 8-34	July	Development, Oil	711	0	243.43	0.0263
B 3C6-01	August	Exploration, Oil	2828	0.1	1016.5	0.122
S 8-37	September	Development, Oil	635	0.22	586.75	0.067
S 8-38	September	Development, Oil	190.8	0	196.3	0
S 8-39	October	Development, Oil	2047	0.45	1477	.42
B3 C9-4	November	Development, Oil	307.2	0	222.7	0.079
S 3-02	December	development gas	2040	16.75	907	8.39
Neag C5-5	January	Development, Oil	4420	0	2218	0
Karam-8	February	Development, Gas	570	35.7	192	12.92
B18-4	March	Development, Oil	319.97	0	85	0
BED 20-2	March	Exploration, Oil	470	0	71	0.002
OB 58-(J14-2)	March	Exploration ,Gas	290	16.70	117	7.4
BED3 C18-01	April	Exploration, Oil	1160	2.205	151	0.2
OB 59 (J14-3)	April	Exploration ,Gas	475	10.05	22.34	3.6
Bed 3 C4-C	October	Development, gas	300	2	300	1
OBA J14-1	October	Exploration ,Gas	100	9	600	6
OB D 41-ST	August	Exploration ,Gas	450	7	230	5
TOTAL			17766	104.6	8.982	47.16
				36.44		17.40

3. Reservoir Studies and Surveillance:

3.1) Reservoir Studies:

The following reservoir studies are finished or currently ongoing in order to mature hydrocarbon and increase the recovery factors:

Sitra Field:

Sitra phase III field development plan handed over with the following results:

- ✓ Development strategy for A/R “C” and U. A/R “G” accounting for uncertainties (low/high).
- ✓ Appraisal/Development strategy for UBAH (B-8).
- ✓ Drilling strategy for 2017-2020 with understanding that all CAPEX to be spent by 2020.
- ✓ Development strategy for Non-Associated-Gas (NAG) reservoirs – L. BAH and L. A/R “G”.
- ✓ Seismic reprocessing and QI for the key reservoirs.

NEAG1 FIELD:

Study for Middle Bahariya started in April 2016 to test:

- ✓ Gain from lower spacing between producers and injectors.
- ✓ Different injection pattern.

NEAG2 FIELD:

Study update for Lower Bahariya is ongoing after drilling new well NEAG2-4ST with the following results:

- ✓ One appraisal wells were identified and issued the proposal for the first well NEAG2-F
- ✓ Preparing the well proposal for the second well NEAG2-E;

NEAG JG FIELD:

L. SA JG2 block FDP in STCB, India done via shell team in Bangalore, currently execution of FDP outcome optimized based on felid performance.

- ✓ WF option recommended on the FDP with new injectors and producers.

NEAG 5:

Bah reservoir FDP in STCB, India done via shell team in Bangalore, currently execution of FDP outcome optimized based on felid performance.

- ✓ WF option recommended on the FDP with new injectors and producers.

OBAIYED FIELD:

- ✓ Obaiyed FDP_2016 issued this year with the some recommendation to drill up the main field in next 8 years with 52 wells and 2 dedicated rigs.

BED18 FIELD:

Phase 1:

Kicked off in Feb.15 and completed in Nov.15

- ✓ Understand and mitigate the key subsurface challenges for implementation of a successful water flood in BED18 A/R "G" and appraise Bah/Kh gas reservoirs
- ✓ Determine the optimum number of economic infill wells and associated incremental volumes.
- ✓ It's proposed to drill BED18-D water injector and three dependant wells BED18-E, F, G and convert BED18-3 well to a water injector

Phase 2:

Kicked off in Mar.16

- ✓ Update the static and dynamic models post drill BED18-4 (D),5 (F) and BED18 SCAL data.
- ✓ Evaluate the WF performance after start injection in BED18-5 and the conversion of BED18-3.
- ✓ Update with the new seismic reprocessing data expected Jan.17.

BED3C9 FIELD:

Phase 1

Kicked off in Feb.15 and completed in Aug.15:

- ✓ Determine the optimum number of economic infill wells by down spacing of producer/injector pairs.
- ✓ It is proposed to drill one producer BED3C9-D and one injector BED3C9-E.

BED16 FIELD:

Phase 1:

After action review in May – July 2015

- ✓ Re-evaluation post drilling BED16-6 & 16-7 during 2014.
- ✓ Develop A/R "G" oil reservoir with a water flood (Drill BED16-I water injector).
- ✓ Develop A/R "C" oil reservoir (Drill BED16-H oil producer).
- ✓ Develop gas opportunities in Kharita (drill BED16-L, M, P, N gas producers).

Phase 2:

- ✓ Update the static and dynamic models post drill BED16-8 (H) and BED16-9 (I) completed in Mar.16
- ✓ Evaluate drilling phase 1 dependant wells (BED16-L,M,P,N gas producers)

BED15 FIELD (Upper Bahariya oil reservoir & Lower Bahariya & Kharita gas reservoir):

Study is kicked off in Jun.15 and completed in Nov.15

- ✓ De-risk the identified development opportunities in Feb 2015 FDP by QC of the static models and preparing dynamic models.
- ✓ Understand and mitigate the key subsurface challenges for implementation of a successful water flood in BED15 U. Bah and appraise/develop Bah/Kh gas reservoirs.
- ✓ Determine the optimum number of economic infill wells and associated incremental volumes
- ✓ It is proposed drilling Four dependent wells back to back (BED 15-L, M, N, O).
- ✓ After action review post drilling BED15-12 (M) to evaluate the follow up wells planned in end of 2016.

BED15 FIELD (ARC Oil Reservoir):

Kicked off in Mar.16

- ✓ Understand and mitigate the key subsurface challenges for implementation of a successful water flood in BED15 A/R “C”.
- ✓ Determine the optimum number of economic infill wells and associated incremental volume.
- ✓ Identify appraisal opportunities.

BED3C6 Field

Phase 1 (appraisal plan)

Completed in Sep.15:

- ✓ Understand and mitigate the key subsurface challenges for implementation of a successful waterflood by drilling appraise water injector well BED3C6-B (2).

BED3C18 Field

Kicked off in Mar.16

- ✓ Understand and mitigate the key subsurface challenges for implementation of a successful waterflood by drilling appraise water injector wells BED3C18-B (2).

4. Water Flood Performance:

The performance of the water injection systems was affected by several factors, namely deterioration in wells’ injectivities, shut-in many injectors as a HSE to safeguard W/O and drilling activities, corrosion of surface piping system, source well ESP and power failures, and constrains in produced water handling capacities and delay the execution of drilling new wells and WO the existing due to the situation of oil price. However a strong recovery in the water injection levels was achieved by restoring the water supply systems equipment, improved water injection equipment uptimes, the successful implementation of water injection in BED-3-13& BED 2C6& BED 3C6 and AES. Ongoing activities such as surface network pipework upgrades, the restoration of Injectivity in existing injectors and the drilling of additional injectors will continue the build-up of injection capacity during the current year with a plan to increase the injection capacity up to 80,000 bwpd by end of 2016.

The average fiscal year 2015/2016 for water injection is ~ 46,738 bbl.

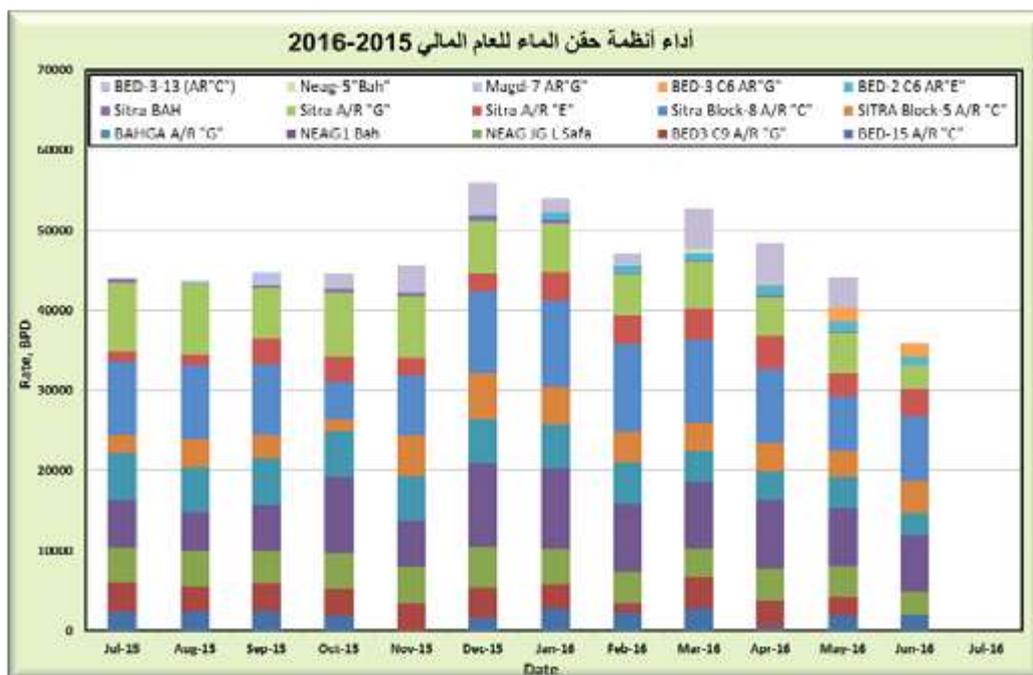


Fig (3-1) 2015/2016 WF performance per reservoir monthly average rate.

Reservoir	Start of injection	CUM water Injected @30-6-2016, MMbbl	Yearly Water Injected Volume, 2015/2016 MMbbl	Average Year water injection rate, bbl/d	Water injected Source
BED 15 A/R "C"	9/3/2003	22.088	0.707	1,927	Moghra
NEAG1 Bahraiya	7/1/2010	12.22	2.811	7,674	Kharita
NEAG JG L. Safa A	4/19/2012	4.772	1.514	4,131	Moghra
BAHGA A/R "G"	6/2/2012	3.413	1.778	4,855	Moghra
BED3C9 A/R"G"	9/25/2012	3.487	1.051	2,859	Moghra
SITRA 8 A/R"C"	7/31/2012	7.829	3.217	8,797	Moghra
SITRA 5 A/R "C"	12/10/2013	4.82	1.400	3,656	Moghra
SITRA A/R "G"	5/2/2013	3.9615	2.339	6,316	Moghra
SITRA A/R "E"	5/22/2013	2.0795	1.046	2,923	Moghra
SITRA Bahariya	4/30/2015	0.183	0.123	335	Moghra
BED-3-13 A/R "C"	13/10/2015	0.785	0.785	2139	Moghra
MAGD A/R "G"	23/8/2015	0.087	0.087	239	Moghra
Neag-5 "Bah"	26/2/2016	0.024	0.024	67	Kharita
BED-2-C6 A/R "E"	16/8/2015	0.198	0.198	543	Moghra
BED-3-C6 A/R "E"	26/4/2016	0.101	0.101	277	Moghra
Total		66.048	17.181	46,738	

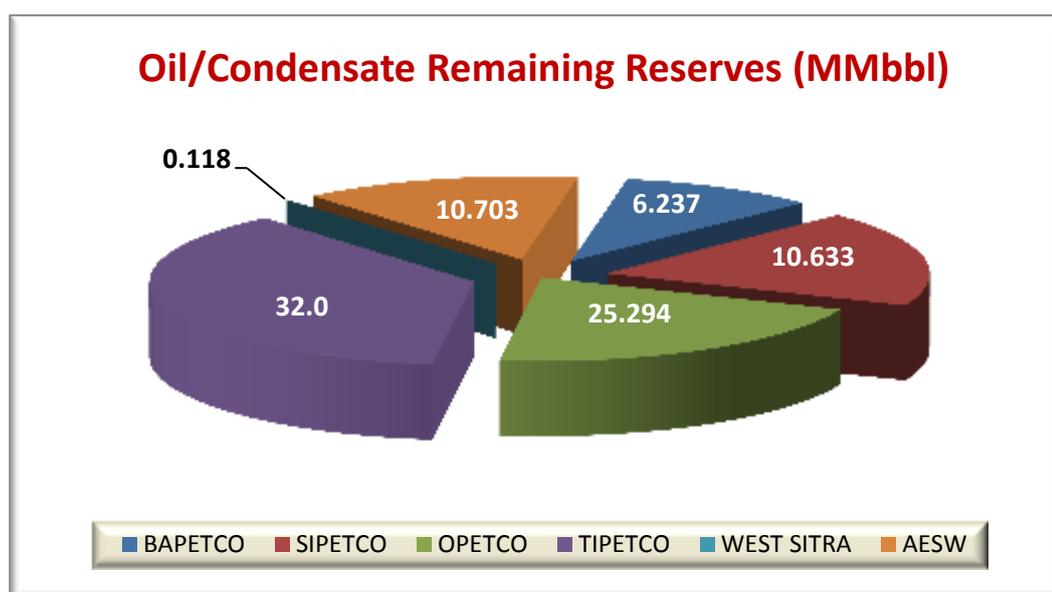
Table (3-1) Water Injection Volumes for fiscal year 2015/2016.

B-Hydrocarbon Reserves

The following tables and figures show the expectation reserves for BAPETCO, SIPETCO, OPETCO, TIPETCO, WEST SITRA and AESW.

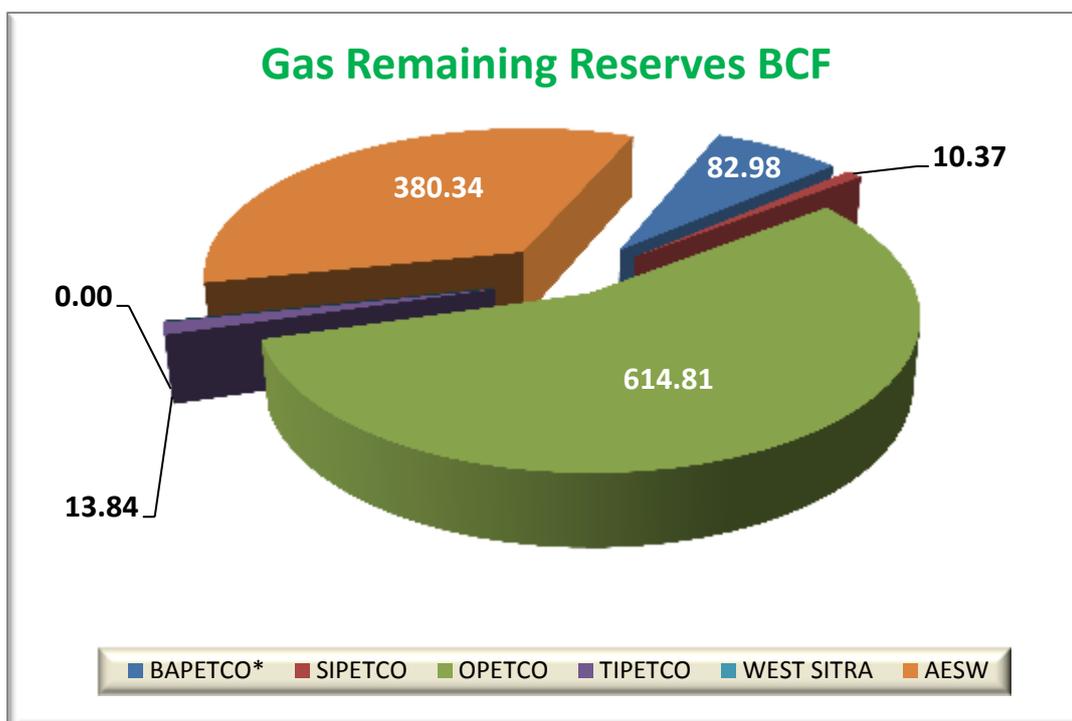
Oil and Condensate Reserves (MMbbl)

Company	Initially in Place	Ultimate Recovery	Year Production (15/16)	Cumulative Production (30/6/16)	Remaining Reserves (30/6/16)
BAPETCO*	326.731	98.212	1.883	92.197	6.237
SIPETCO	158.435	28.099	4.075	17.466	10.633
OPETCO	255.290	91.451	2.812	66.158	25.294
TIPETCO	255.490	81.731	6.854	49.730	32.001
WEST SITRA	3.500	0.671	0.042	0.554	0.118
AESW	286.727	24.073	2.167	13.370	10.703
TOTAL	1286.173	324.238	17.832	239.474	84.986



Gas Reserves (Bscf)

Company	Initially in Place	Ultimate Recovery	Year Production (15/16)	Cumulative Production (30/6/16)	Remaining Reserves (30/6/16)
Bapetco	3081.18	2099.44	35.26	2016.46	82.98
Sipetco	197.08	35.46	6.32	25.09	10.37
Opetco	3527.00	1887.93	68.65	1273.12	614.81
Tipetco	357.37	188.58	7.77	174.74	13.84
West Sitra	10.30	6.73	0.00	6.73	0.00
AeSW	1874.70	589.80	53.86	209.46	380.34
Total	9047.62	4807.94	171.87	3705.60	1102.33



Reserve changes during the fiscal year 2015/2016 are:

❖ Bapetco:

- The oil reserves have been increased by 2.382 MMbbl.
- The gas reserves have been increased by 37.739 Bscf.
- No change in condensate.

❖ Sipetco:

- The oil reserves have been increased by 2.26 MMbbl.
- The gas reserves have been increased by 3.43 Bscf.
- The Condensate have been increased by 0.12 MMbbl.

❖ Opetco:

- The gas reserves have been increased by 314.779 Bscf.
- The Condensate have been increased by 14.326 MMbbl.

❖ Tipetco:

- The oil reserves have been increased by 13.83 MMbbl.
- The gas reserves have been decreased by 1.48 Bscf.

❖ West Sitra:

- The oil reserves have been increased by 0.16 MMbbl.

❖ Aesw:

- The oil reserves have been increased by 1.31 MMbbl.
- The gas reserves have been increased by 53.39 Bscf.
- The Condensate have been increased by 2.32 MMbbl.

Projects

❖ A. Introduction

During the fiscal year 2015 – 2016, the projects department exerted its effort to plan and deliver the required projects on time, in each area the achievements of the projects are specified as below

Milestones

- **For Neag-1 upgrade project:**
 - Tank Farm Piping completed for 5 tanks.
 - Heater H-202 has been successfully started.
 - Fire Fighting network GRE installation scope is 100% completed.
- **For Neag-1 central Power generation :**
 - The four generators started successfully.
- **For the new CPI at Obaiyed:**
 - Mechanical works completed.
 - Performance tested.
- **A & K buildings completed.**
- **BED3 airstrip officially re-opened.**
- **During the fiscal year 2015-2016, 31 wells hook-ups and flowlines have been constructed and installed.**

B. BED Area

1. Hook-Ups & Flowlines

Fourteen new wells H/U & F/L completed;

- 1) BED-2 C6 -3
- 2) BED-2 C6 WS-1
- 3) BED-2 C6 2 WI
- 4) BED-3 C6/A
- 5) BED-3 C9-4
- 6) BED-3 C4-3
- 7) BED-3-13 WS
- 8) BED-3-13 WI
- 9) BED 18-4
- 10) BED-3 C9-5
- 11) BED 20-2
- 12) BED-3-C6- WS1
- 13) BED-3-C6-2
- 14) BED-3 C18-1

2. BED-3 MP associated gas spill over to LP pre-compression

Scope:

- To reduce flaring of associated gas at BED-3.
- To install crossover pipe from MP associated gas to the LP gas train (i.e. Train 3 pre-compression).

Status:

- Crossover pipe from MP associated gas to the LP gas train (FCP479) - commissioned and ready for operation.

3. BED-3 DCS/Control Upgrade

Scope:

- The current control systems at BED-3 have been in operation for over 20 years, are based on old technologies. These systems require upgrading to ensure reliable plant operation over the next 25 years of the field life. The project will conduct a FEED of the system replacement options. The detailed design will then be developed on the basis of the FEED.

Status:

- Vendor comments returned on Letter Of Intent.
- Contract issued to projects for review and comments returned to contracts department.
- FEED planned to be completed in November 16.

4. BED-3 Gas Metering**Scope:**

- Provision of a new metering system to be installed at the Bed-3 Gas Plant. One fiscal gas export meter, three production train outlet meters and fuel gas and lift gas metering shall be provided.

Status:

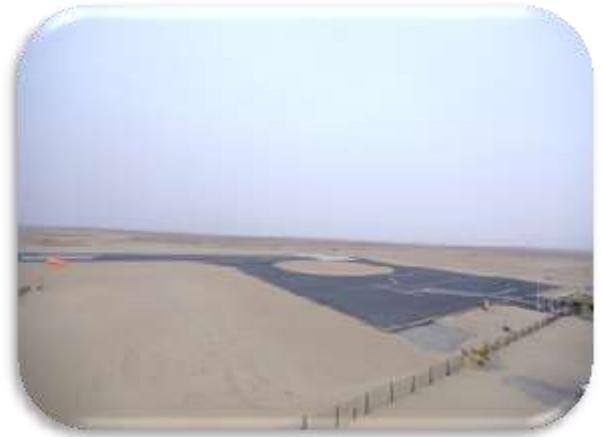
- Completed the Civil Foundation construction for the Analyzer house building.
- Installed Metering Cabinet in Control Room.
- Shutdown Valve received at site.
- Completion of the Electrical Cable trench works.

5. BED-3 Airstrip**Scope**

- Asphalt work for length 2000 m and width 45 m
- navigation and pavement marking with total area = 8000 M²

Status:

- Friction test conducted Mid-March'16 and the results accepted by the aviation authorities.
- PAS performed a test flight on 27th March.
- On 28th March, 1st flight had landed and took off successfully, The Airport officially re-opened.

**❖ C. Sitra Area****1. Hook-Ups & Flowlines****Six new wells H/U & F/L completed;**

1. Sitra 8-31
2. Sitra 8-34
3. Sitra 8-37
4. Sitra 8-38
5. Sitra 8-39
6. Sitra 8-35

2. Sitra Centralized power**Scope:**

- Install 6.6kV Electrical feed.
- Install approximately 24 km of 22kV electrical power cable.

Status:

- HV cable laying BED-3 to Sitra complete.
- Cable routing in- and outside BED-3 has been established.
- MRQ for power transformers has been issued.
- Excavation of Sitra cluster 5 is 100 % completed.

❖ D. Obayied Area**1. Hook-Ups & Flowlines****Three new well H/U & F/L completed;**

- 1- OBA JB 18-1
- 2- OBA J 14-A
- 3- OBA J 14-C (OB 59)



2. Technical Integrity Project (phases I, II & III)

- All the technical integrity projects have been completed and hand over to operations department, except the new RO and Demineralization water plant project which all the construction activities have been completed with 95% progress. Now we are issuing a new agreement with the manufacturer to evaluate the construction and supervise the pre-commissioning, commissioning/start-up in addition to the O&M technical support for one year.

Benfield Remediation Integrity Project (PH II)

Project current Status:

- Mechanical Activities completed.
- Spares required for the 16" valves have arrived in OBAIYED, Awaiting next shutdown for dismantling and repairing the valves.

3. DCS upgrade at OGP

- The project is targeting to replace the obsoleted control system RS3 &ΔV.

Current status

- Replacement of the Delta V system completed during the shutdown

4. New southern header

Scope of work

- Design and Install new headers in the southern area from OB plant to accommodate the expected gas production in a new development area. The headers comprises two parallel 8" sections with length 6.5 km Each and three parallel 8" sections with length 7 km each. In addition four manifolds.

Project Current Status

- The First & Second Phases completed.

5. Obaiyed Reverse Osmosis Plant

Phase-1 Scope

- To perform engineering, procurement, and construction for a new water treatment plant. The plant to produce two products; 25 m³/hr potable water.

Status:

- This phase has been completed with punch list.

Phase-2 Scope

- To perform the necessary modification activities to clear the punch list, obtain close out report, supply the commissioning spares, perform/supervise the commissioning, start-up & performance test and training.

Status:

- The plant start-up was December 2, 2015 followed by performance test for 4-days. The plant is currently producing water on specs under operation supervision.
- Clearing punch list ongoing

6. Obaiyed CPI Separator

Scope:

- The new CPI will replace the existing API in OBAIYED, The project includes as well installation of 4 new pumps (2 water and 2 oil)

Status:

- Mechanical activities completed.
- Performance tested.
- Clearing punch list ongoing



❖ **E. NEAG JG:**

1. NEAG JG to LP:

Scope:

- Operation of NEAG JG in LP MODE by: Initial phase (alternative) as follows:
- Gas tie in to Train 2 Pre-compression.
- Oil tie in to existing LP separator.

Project Status:

- Started up NEAG-JG to LP via Slugcatcher – commissioned and handed over.
- Progress follow on works to finalise including: Procure new RV's with new set points.

❖ **F. Neag -1**

1. Hook-Ups & Flowlines

Four new well H/U & F/L completed;

- 1- Fadl-31
- 2- Neag 5-6
- 3- Neag 2-5
- 4- Fadl-45

2. NEAG1 FFD project (the base scope) include:

- 11 slot Manifold extension at Neag-1 & 4 slot manifold at Al Fadl.
- 1 production Sept.
- New gas boots.
- 2 additional storage tanks to increase the storage capacity up to 21,000 bbls.
- Oil export pumps (2 running & 1 stand by).
- New instrument air package.
- New control and shutdown system.
- New fuel station (diesel & Gasoline.).
- Commissioning and start-up of this phase is completed in February 2014.

due to several exploration successes in the area, mainly in the C5 and C6 blocks, the production forecast increased which led to the short term changes in the FFD Project

The short term upgrade will include

- 2 new water both heaters and provision for third heater.
- Addition of 2nd production and test separators.
- Additional 4th pump package to existing Export pumps skid (3 Running & 1 Stand by).
- Closed and open drain systems.
- Flare package.
- Fuel gas package.
- Fuel gas pipeline from Dahshour pipeline to Neag-1.
- Fuel gas and diesel distribution network.
- Fire fighting system.

Completed Activities:

- A Production Separator
- Gas boots with bigger sizes
- Fuel Gas Skid
- 4th Export Pump
- Relocation of the 2nd Prod. Sep. & Test Sep.



Current Status:

- Tank Farm Piping complete for 5 tanks.
- Heaters H201 / H202: mechanically completed.
- Heater H-202 has been successfully started.
- Fire Fighting network GRE installation scope is 100% completed.

For central Power generation:

- Four gas generator of 1.8 MVA in addition to the fifth gas generator purchased and delivered to site, for additional loads for produced water re-injection.
- Two generators G-201 & G202 running since 25th October.
- G 203 started on 10th May 2016.
- G204 started on 22nd June 2016.

❖ G. Alam El-Shawish

1. Hook-Ups & Flowlines

Four new wells H/U & F/L completed:

1. Assil – 8
2. Magd-7 WI
3. Magd C86-Ws-2
4. Karam-8

2. Assil & Karam Development Gas Project

Project Description

- Assil and Karam are the major Non-Associated Gas (NAG) fields in the block, with some potential production from the Magd and Najm fields. Oil deposits exist in all locations.
- The Assil and Karam gas fields are being developed in a three stage development, the first two stages have been completed in December 2012, the third stage requiring a CO₂ removal plant to pre-treat the gas prior to further processing the gas and condensate at the existing BED 3 facilities.
- The Karam wells have a higher production and also contain CO₂ (8-10 mol %), but to levels that prohibit the possibility of blending at the BED 3 facility. Therefore to process this gas through BED3, a CO₂ removal plant is required. The CO₂ removal plant using Amine Unit shall be located in close proximity to BED 3 area.

Project Status:

- Finalization of VRU MC completed and PC Minor activities ongoing.
- Close-out of EPF and EPC commercial issues is ongoing.
- Charge Pump A repair completed and delivered to site.
- New Laboratory, Warehouse extension & New office buildings: completed and handed over.

Contracts

The following are the most important achievement during the fiscal year 2015/2016 accomplished by Contracts Department:

- Following up evaluation of requests for registration of new Contractor with Contract Holders and update the approved list of Contractors accordingly.
- 18 months strategy plan for major contracts in line with Company Business plan prepared and approved by Contract Board and Executive Committee in order to secure Bapetco Operations.
- Contracts & Materials (CP) improvement initiatives were launched in Bapetco analyzing the C & P process and identifying areas for improvement and agreeing improved projects to be delivered.
- Contracts Department developed an excel program “Contract Tender Tracking Tool” to calculate the duration of each stage of the Tender in order to help identifying the delay & improve the performance of the Tender process.
- Contracts Department commenced application of the competency development program for Contracts staff based on the pre-defined competence development ladder. Staff assessment is already made followed by updating IDPs.
- Updating the Tender terms and conditions of “Well Services” to match with international standards to get the best benefit to Bapetco.
- Shell General Drilling Service Agreement “GDSA” terms and conditions is approved and shall be applied for any New Rig Tenders
- Cost Optimization committee was formed to negotiate high value Contracts to obtain discount for existing Contracts and extended ones in-addition to issuing new tenders due to the fall in Oil & Gas prices where savings were approximately 57.5 million dollars .

Savings were as follows:

Negotiations	USD 18,270,526
Tenders	USD 39,316,163
Total	USD 57,586,689

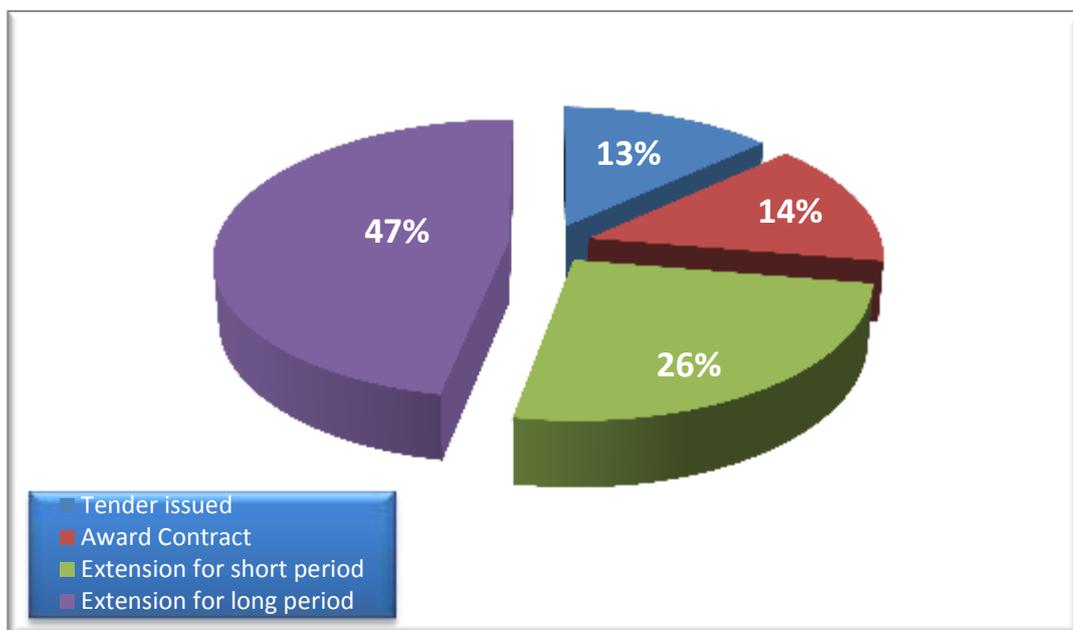
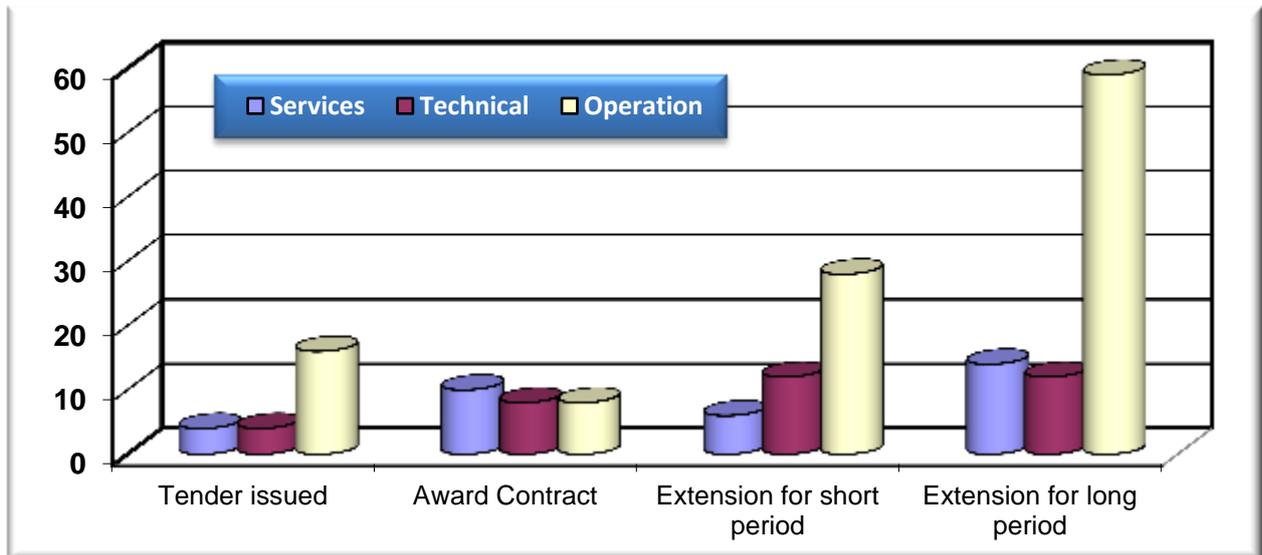
- Some Contracts were extended based on negotiation with Contractors and market survey with sister companies which proved that Bapetco obtained competitive prices and conditions.
- Ensuring the limited use of “Farm-Out” Contracts from Sister Companies according to EGPC instructions.
- Bapetco has joined Enterprise Framework Agreement (EFA) concluded between Shell Global and original manufacturers / sole providers of services to benefit from the EFA prices with the same terms and conditions which will be applied on the overhaul, maintenance and spare parts.

Ensuring full compliance with both shareholders instructions & approved contracting procedures by maintaining the integrity of the contracting / tendering process by:

- Expanding Bapetco approved bidders list in all activities in order to benefit from new contractors experience by introducing new technologies and methods of work in different fields.
- Maximizing the invited bidder list in all tenders in order to maintain the competitive tendering principles.
- Benchmarking rates utilized by sister companies for similar services to ensure proper estimation of the required services in view of the market price and make the right decision for Contracts extension.
- Performing day to day activities, issue of tenders, Contract extensions and variations in the most effective way and in timely manner.

Numbers of tenders were prepared, issued; award new Contracts and extension of current contracts during 2015/2016 as follows:

- The number of Tenders issued are 24 (4 for Services Sector, 4 for Technical Sector, 16 for Operations Sector).
- The number of Contracts awarded are 26 (10 for Services Sector, 8 for Technical Sector, 8 for Operations Sector).
- The number of Contracts renewed for long period are 85 (14 for Services Sector, 12 for Technical Sector, 59 for Operations Sector).
- Extensions for short period until finalizing ongoing tender are 46 (6 for Services Sector, 12 for Technical Sector, 28 for Operations Sector).



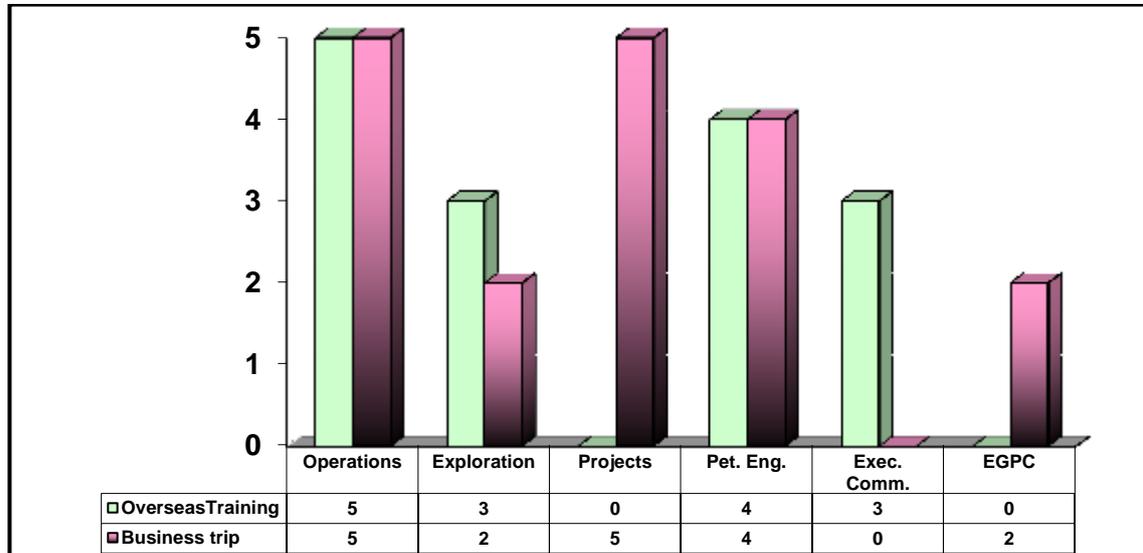


Administration

Training & Career Development Sector

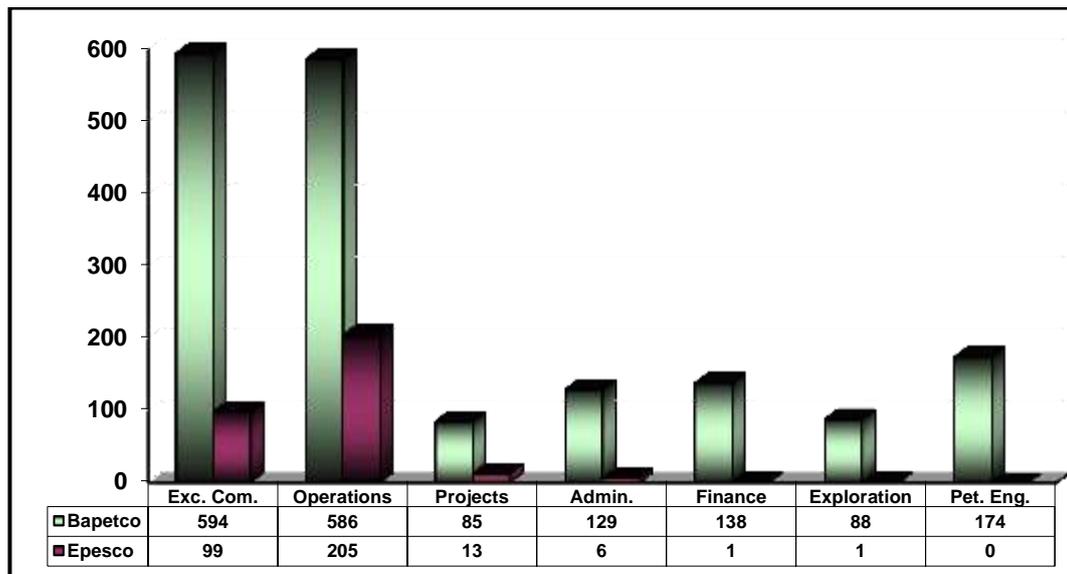
Overseas Training & Business Trips

- Bapetco has nominated **33** employees to attend overseas training courses & Business trips to be trained on the latest technology especially for technical staff.



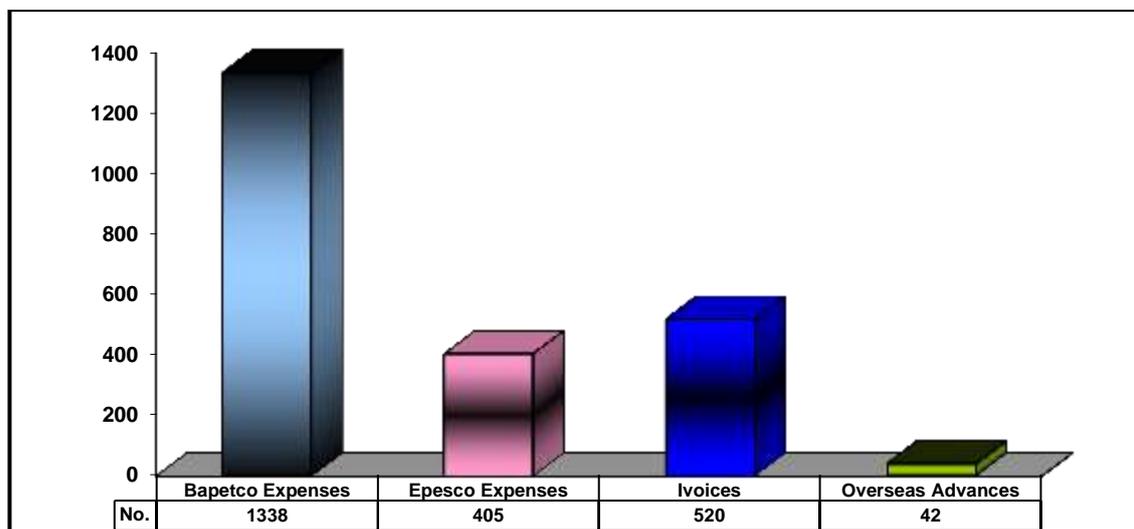
Local Training & Career Development

- 1794** Bapetco candidates attended **358** local training courses according to their IDP plan & **325** Epesco candidates attended **77** local training courses according to their IDP plan.



Training Budget & Cost Control

Training Budget & cost control has finalized **1743** expenses for the local training allowances (Bapetco & Epesco) & **520** invoices for (Local & Overseas Training) & **42** Advances for Training Abroad & Business Trip.



Personnel & Labour Relations Sector

Fiscal year 2015/2016 witnessed the following:

- (17) Personnel Committee Meetings have been held. All concerned functions have been notified with the approved recommendations of the minutes for information and action.
- (2) Top Management & (17) Level 1/2 employees have been transferred to Bapetco from Sister Pet. Co.'s.
- (1) Top Management & (6) Level 1/2 employees have been transferred to other Sister Pet. Co.'s.
- (6) New Engineers have been hired.
- (2) Employees are back to work in Fields /Operations Function according to Personnel Committee Approval.
- (4) Top Management & (15) level 1/2 Employees have been seconded from sister companies to Bapetco.
- (5) Bapetco Top Management & (7) level/1 Employees have been seconded to Sister Pet. Co.'s.
- End of secondment to Bapetco for (3) Top Management & (4) level/1 Employees.
- End of secondment of (4) Top Management & (5) level 1/2 from Bapetco to other Sister Pet. Co.'s.
- End of service & Pension procedures have been done for (43) employees.
- (12) Checks with (1%) of employees' basic and variable salaries have been handed over to the Labour Office for the benefit of the Labourers Emergency Fund.
- (1) Cheque with (5%) of the basic salaries of employees has been sent to EGPC End of Service Bonus Committee representing the annual subscription for the fiscal year 2016/2017.
- (3) Checks have been handed over to the Labour Office for the benefit of the Social & Health Services Fund.
- Regular necessary renewal for Military Certificates have been done for (23) employees.
- Financial Declarations files for (123) Employees have been delivered to the Illegal Profit Authority.
- (450) Letters have been issued to Bapetco's Contractors to submit their Financial Declarations.
- (310) National ID for Bapetco's employees have been reviewed & Stamped by EGPC.
- Paying annual subscription for Year 2016 for the syndicates of Engineers, Physicians, Commercials and Social Professions.
- (29) Housing, Personal & Social loans have been granted to employees.
- Central archiving, scanning and uploading on the (Share Point) for newly hired employees' files have been done. In addition to, regular updating for any changes in the personal data of all employees.



Salary Administration

- All necessary steps required for applying EGPC rules for secondment of employees to Top Management level positions on all eligible employees & secondment requests were sent to EGPC.
- EGPC approved the Promotion of (68), Secondment of (74) & Transfer of (5) employees to new Top Management level positions.
- The 2011 special raise was revised & added to Basic Salaries of all employees effective 01/04/2016 as stipulated by EGPC.
- Two Personnel Committee meetings (Jan/ July) were held for (level 1, 2 & 3) employee secondment/promotion. Also, the reports stating all employees salary raises have been prepared and approved. All different employment level promotions, secondments & financial amendments have been approved and sent to Finance Function.
- Transfer & settlement of employees according to organizational changes within each of Operations, Projects, Petroleum Engineering, Medical Affairs, Materials & Transp., & Information Tech. & Telecomm Departments have been applied, revised & submitted to Personnel Committee.

Organization & Procedures Sector

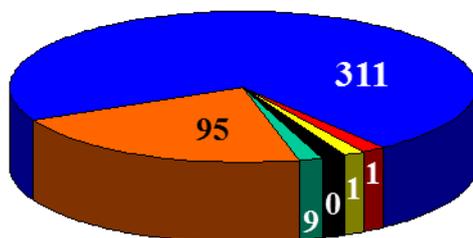
Organization Department

- In view of the continuous expansions in Company activities and exploration in its concession areas, to increase production rates and Gas / Oil Reservoirs, as a pioneer in this field, H.E.Minister Of Petroleum has approved charts of Top Management Levels to include the establishment of (2) Position for Assistant Chairman/Expert, (12) Positions for General Managers / within & (44) Positions of Assistant General Managers / within related Functions.

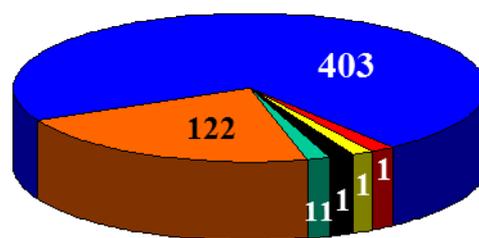
The attached graph illustrates an obvious increase in the number of the approved slots against actual Top Management Positions to provide better opportunities for outstanding employees.

BAPETCO Top Management Level Approved Positions Against Actual Positions (Nationals & Expatriates) as at 30 June 2016

Top Management Actual Positions



Top Management Approved Positions



- | | |
|-------------------------------------|-----------------------------|
| Chairman & Managing Director | Assistant Chairman / Expert |
| General Manager & Managing Director | General Manager |
| Vice Chairman & Board Member | Assistant General Manager |

- BC approval of Organizational amendments (cascaded levels) on Operations (Bed-3, Obay, Neag, Alam ElShawish, Alex, Drilling & Well Services Oper. Admin. Services, Services & Oper. Contracts Follow-up) / Production Engineering/Information Technology & Communications / Financial Affairs / Petroleum Engineering / Materials.



Job Analysis & Dec. Department

- Revision & Update of Top Mgt. Qualifications List.
- Establishing & Printing (66) Top Mgt. J.D.Cs to be sent to EGPC.
- Revision & Update of Top Mgt. Vacancies list.
- Sending J.D.Cs of all the Company's Different Departments to concerned Functions.
- Updating & Establishing J.D.Cs of Data Base & Applications Division. (IT) (40).
- Updating & Establishing J.D.Cs of Spec. Appl. & Dev. Serv. Division. (IT) (16).
- Updating & Establishing J.D.Cs. of F/Up & Quality system Control Division (IT) (17).
- Updating & Establishing J.D.Cs. of Operations Services & Contracts F/Up Division (34).
- Updating & Establishing J.D.Cs of Integrated Systems Division (IT) (25).
- Updating & Establishing J.D.Cs. of Network Operations & Development sector (IT) (20).

Procedures Department

Procedure Letters:

- Establishment & approval of (2) Procedure Letters & Flow Charts within **Safety Division**.
- Establishment of (2) Procedure Letters & Flow Charts within **Safety Division** (approval is on-going).
- Update, Translate & approval of (5) Procedure Letters & Flow Charts within **Public & Governmental Relations Division**.
- Update, Translate & approval of (2) Procedure Letters & Flow Charts within **Training Sector**.
- Update & Translation of (4) Procedure Letters & Flow Charts within **Administration Function**.
- Update & Translation of (1) Procedure Letter & Flow Chart within **Public & Governmental Relations Division** (approval is on-going).
- Uploading approved Procedure letters and Flow Charts on Intranet.

Retirement Benefits Guideline:

- Update & Approval of "**Retirement Benefits Guideline**" for Top Management & Cascaded Level Employees.

Governmental & Internal Relations Sector

Governmental Relations Sector

- "7" **Work Permits** have been issued for the 1st time, "54" **Work Permits** have been renewed and **STIFA** has been issued for "11" Expatriates.
- (17) European, (7) USA, (8) UK, (10) India, (3) Turkey, (2) UAE visas were obtained, (34) Egypt Air tickets and (7) ADV Visas have been issued.

Internal Relations Sector

Social Activities Department

- Arranged 4 Omra Trips for Bapetco staff.
- Arranged 2 Omra Trip for Ebesco Staff.
- Arranged Holly Koraan Competition for employees & their families.
- Housing Porto El Sokhna challets till Feb. 2016.
- Housing weekend in Cancun Hotels till Dec. 2015.
- Honoring Employees spending (5/10/15/20/25/30/35 years) in Petroleum Sector.
- Honoring Employees children over 90% in general certificates.
- Company contribution in (Haj/ Omra/ nursery/death).
- Arranged school loans for Bapetco & Epesco employees.
- Expenses for employees meals after official working hours.



Trips Department

- Arranged Summer Trips (Porto Marina/ Azur).
- Arranged Mid Year Trips (Sharm El Sheikh/ Hurgada/ Luxor & Aswan).
- Arranged in the love of Egypt Trips (Sharm El Sheikh).

Summer Resorts Department

- Housing Summer Resorts for Bapetco & Ebesco staff (Alexandria/ Marsa Matrouh/ North Coast/ Ras El Bar).

Sports Activities Department

- Supervising training for employees in different sports team.
- In Petroleum League the football team won the first place and the volley ball team and futsal team won the second place.
- Providing the club subscriptions for employees.

Public Relations Department

- One Day Historical Trips.
- Tickets (Nile Pharoah/ Amer Group/).
- Expenses for Iftar & Sohour Ramadan for employees shifts in the company.
- Organizing farewell parties for retired & transferred employees.
- Organizing coffee breaks for training courses.

Budget Control Department

- Preparing budget for Public Relations Sector.
- Revising all clubs/ nurseries/ expenses.
- Revising all trips settlements.

Manpower Planning Sector

Manpower Budget (Approved / Revised) For F/Y 2015-2016 Against Actual Strength at 30.06.2016

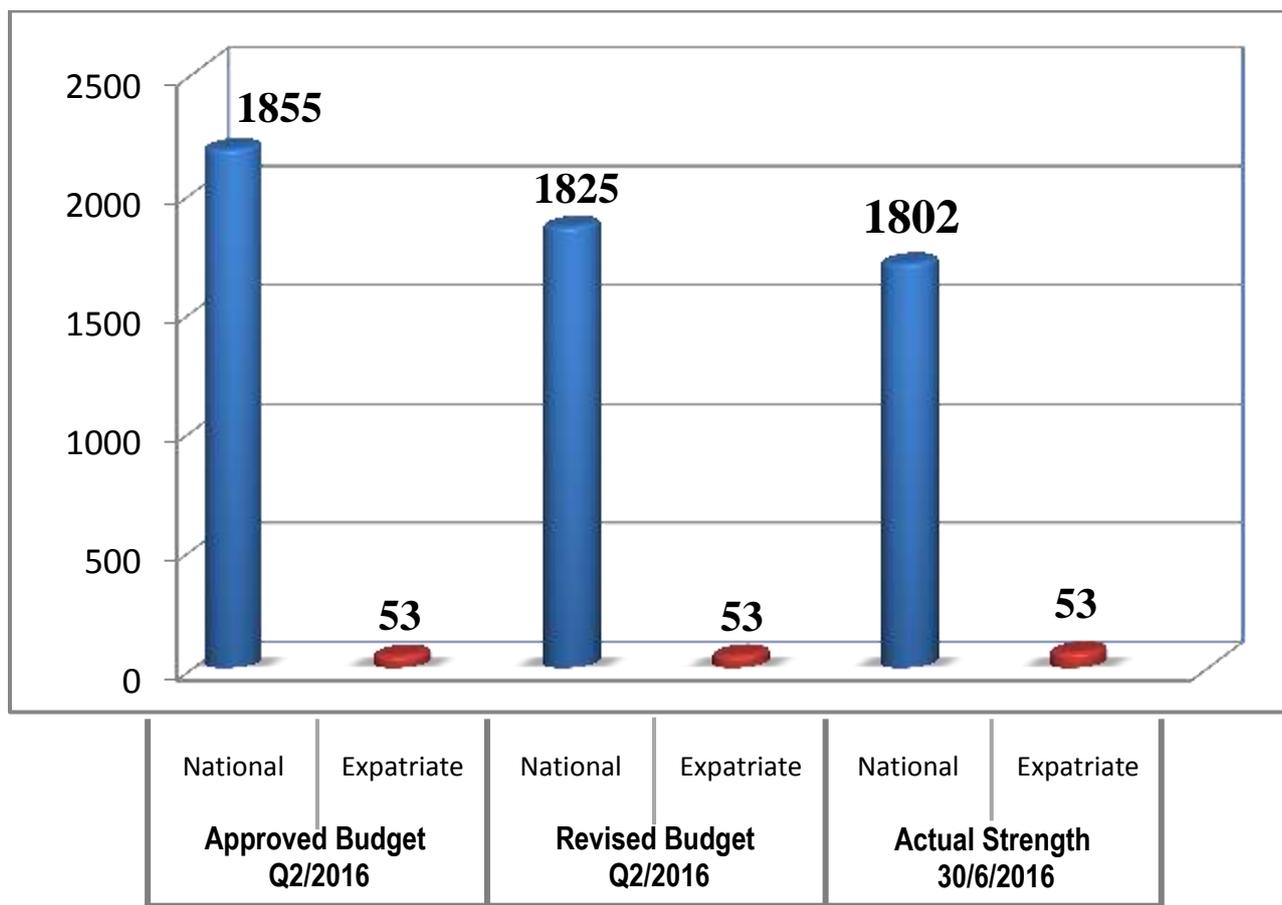
Functions	Approved Budget Q2 / 2016		Revised Budget Q2 / 2016		Actual Strength June 2016	
	E.	N.	E.	N.	E.	N.
BC Supervision	1	264	1	264	2	260
Executive Committee	3	334	3	328	6	324
Operations	26	743	26	692	24	688
Petroleum Engineering	8	79	8	78	7	73
Exploration	4	52	4	51	4	51
Projects	10	119	10	155	7	154
Finance	1	98	1	95	2	94
Administration	--	166	--	162	1	158
Total	53	1855	53	1825	53	1802

Expatriates : The Actual Strength reached (53) at 30 June 2016, (of which (41) are Bapetco Charge while (12) are charged to Shell).

Nationals : The Approved & Revised Budget (Quarter 2/2016) reads (1855) & (1825) while the Actual Strength at 30th, June 2016 reached (1802), this lead to a difference of (23) Slots (of which (4) of them are recruitments requests on going).

- Figures above includes a No of (17) Supernumerary Staff (Approved, Revised & Actual Strength).
- Board members are (4) {“Chairman & Management Director”, “Deputy Operation General Manager (On Loan from sister Co.)”, “Assist.Chairman for Exploration“, and “Assist. Chairman for Finance”}.

Manpower Budget (Approved / Revised) For F/Y 2015/2016 Against Actual Strength at 30.06.2015



Petroleum Pension

TASK	Legal Retirement	Death during Service	Resignation	Legal retirement cash instalment	Whole disability	Dismissal
Cases	17	4	20	1	1	2
TASK	Petroleum Pension Committees		Memos to Finance		Correspondences to sister Companies	
Cases	6		57		13	
Task	Correspondences to the EGPC		Correspondences to the retired employees		Other Benefits	Meetings
Cases	3		14		3	1
Task	Creating and Preparing new BHRMS system for petroleum pension sector					
Cases	1					

Legal Retirement:

- Calculated 17 legal Retirement cases from 1/7/2014 to 30/6/2015 Based on foregoing we addressed the EGPC give the approval to pay the periodic installment for retired employees coordinating with Finance department.

Death during Service:

- Calculated 4 cases the EGPC approved the dues value based on foregoing we coordinated with Finance department to distribute due value to the beneficiaries.



Resignation:

- Calculated 20 resignation cases and they were sent to the EGPC coordinating with Finance Department.

Legal Retirement (Cash installment):

- Calculated a legal retirement case based on foregoing we addressed the EGPC give the approval to pay the periodic installment for retired employee coordinating with Finance department.

Whole disability:

- Calculated a whole disability case and it was sent to the EGPC coordinating with finance department.

Dismissal:

- Calculated 2 dismissal cases and they were sent to the EGPC coordinating with finance department

Petroleum Pension Committees:

On 4th of August 2015 Committee No. (4/2015):

- A committee was held discussed banks offers to approve and renewal the deposits.

On 3rd of September 2015 Committee No. (5/2015):

- A committee was held discussed the budget of both Petroleum Pension and Welfare systems for the previous financial year till 30/6/2015 including (Income and withdrawn - Receipts and Payments).

On 28th of October 2015 Committee No. (6/2015):

- A committee was held as referring to the previous committee [5/2015] 38 Banks have been addressed to choose the best bank interest and the last date for receiving envelopes was 28/9/2015.
on 29/9/2015 - the envelopes were opened in the presence of the Committee members and they selected the top three higher interest banks (Al Baraka Bank 9.5% Arab African International Bank 9.40% - Egyptian Gulf Bank 9.35%).

On 1st of March 2016 Committee No. (1/2016):

- A committee was held discussed banks offers to approve and renewal the deposits.

On 11th of April 2016 Committee No.(2/2016) :

- A committee was held discussed the existing petroleum pension's deposit in Audi Bank on 9/4/2016.

On 23rd of May 2016 Committee No.(3/2016):

- One committee was held discussing the petroleum pension deposit in CIB Bank on 18/5/2016.

Memos to Finance :

- 57 memos were sent to the finance including (Quotas of the retired employees – actual salary for retired employees – transferring quotas for transferred employees - withdrawing dues of the heirs – receiving the transferred quotasetc.).

Correspondences to sister companies:

- 13 correspondences to sister companies (Gemsa – Petro Gulf – Petrojet – Baybetco –Cairo Gas – Petrosafe) to receive the transferred employees quotas to our company.

Correspondences to EGPC:

• Correspondence:

has been sent to the EGPC which includes stopping the periodic installment exchange of Payroll No 109.

• Correspondences:

was sent to receive a check of the petroleum pension's quotas subscriptions (EGPC quotas - employee's quotas - investment quotas) .

Correspondences to retired employees:

- Sent 14 letters to retired employees notifying them with the new increasing of the periodic installment.

Other Benefits:

- Accreditation the installment forms of public relations activities for 3 retired employees discounted from regular petroleum pension's instalment.



Meetings:

- A meeting was held with the Administration General Manager and the data base team on Monday 2nd of November to discuss our initial ideation of the new financial amendments in BHRMs system.

Creating and Preparing new BHRMS system for petroleum pension sector:

- Testing the new BHRMS system after implementing it.

SOCIAL INSURANCE SECTOR

- Calculation & Payment of monthly subscriptions due to the company for National Authority for Social & Health Insurance.
- A Statement with the names of employees on leave without pay who will pay/not with the pay Social Insurance Subscription during their leaves has been issued to Medical Affairs and Internal Relations.
- Procedures for adding previous insurance periods for (35) employees have been done.
- Payment of insurance subscription for periods of leave without pay for (31) employees who returned back to work.
- Finalizing recruitment procedures of (26) newly hired.
- Finalizing procedures of leave without pay for (29) employees.
- Procedures for buy extended insurance periods for (8) employees have been done.
- Final Settlement for (17) employees (retirement) have been done.
- Ending the special procedures for issuing a number 74 insurance certificate data for BAPETCO employees.
- Insurance Form (2) has been done including notification with the increase of the Basic & Variable salaries of the employees that occurred on 01/07/2016.
- Procedure of end of service for (1) employees has been done MAMDOUH ALI BAYOUMI AHMED (723) Full permanent deficit.
- Final Settlement for (4) employees death (retirement) have been done.

Translation Sector

Believing in the importance of its role as a connection link between Company's Departments, the Translation Sector still carries out its duty to connect Departments, giving its assistance in the process of the production cycle in order to operate smoothly.

- The Translation Dept. finalized various topics for a number of Depts., for example but not limited to: translating many contracts for the Contracts Dept. and Operations Dept., the HSE Newsletter for the Drilling Dept., as well as carrying out some verification, translating Tatweer Booklet and magazine articles for the Mass Media Sector.
- The Subscription Dept. continued its pioneer role in fulfilling the Company's needs from Specialized Societies and Scientific Magazines, to update the engineers with the latest information and technology in the Petroleum Industry.
- The Library Dept. is keen on elevating Bapetco Staff's knowledge in all fields and therefore, new books and dictionaries were added to the Library.

Finance

Financial Summary

Below table provides a financial summary of all Bapetco expenditures in the financial year 2015/2016. All the cost includes expenditures for the EGPC/Shell joint ventures (Badr, Sitra, Obaiyed, and Bed-19), the EGPC/Shell - Apache joint venture (Tiba) and Neag Extension., The EGPC/Shell joint venture West Sitra, The EGPC / Shell - Gas de France joint venture ASWE and NIPC as well as the drilling costs for shell Egypt's Exploration Concessions. During the Fiscal year the working plan was reviewed giving a revised budget US\$ 463.859 million against the Original budget of US\$ 415.456 million -The overall expenditure reached US\$ 320.102 million.

Land Rig days

were about 100 % revised budget (366 days) for the EDC 52 and Rig EDC-72. While Rig 42 255 days and ECD 51 302 days.

The daily Oil and Condensate

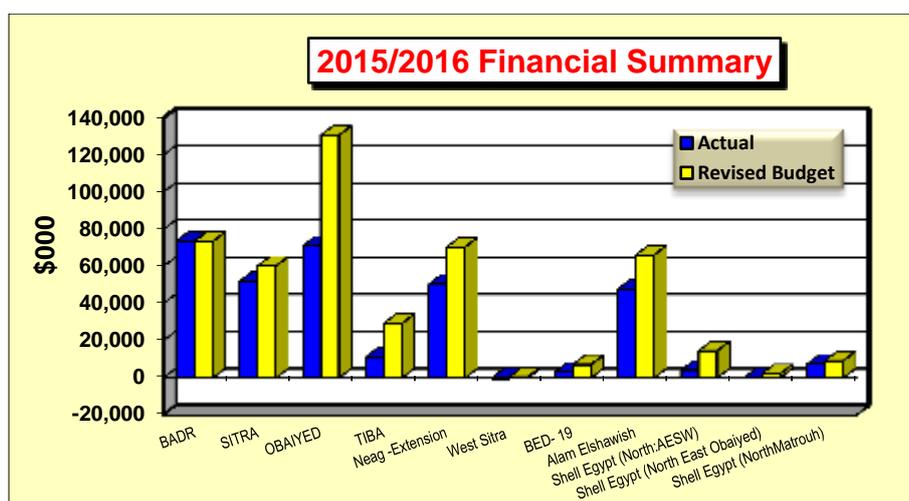
Average production was above the budget by 3% (Actual 49 bbl/d against revised budget 47 bbl/d). The unit cost Actual US\$ 3.69 /bbl against revised budget US\$ 3.99/bbl.

The daily Gas sales

Average production was above the revised budget by 3 % (Actual is 470MMscf /d against revised budget 454 MMscf). The actual unit cost was Actual US\$ 0.23/Mscf Equal the revised budget US\$ 0.23 /Mscf.

The following table indicates the activities of each Company:

<u>\$000</u>	Fiscal Year 2015/2016		Variance		F/Y
	Actual	Revised Budget	\$	%	2014/2015
					Actual
BADR	73,776	73,461	315	0.4	66,532
SITRA	51,988	60,234	-8,246	-14	58,405
OBAIYED	70,993	130,614	-59,621	-46	92,277
TIBA	11,196	29,275	-18,079	-62	48,105
Neag -Extension	50,389	70,432	-20,043	-28	90,163
West Sitra	-443	584	-1,027	-176	1,794
BED- 19	3,121	7,139	-4,018	-56	4,692
Alam Elshawish	47,785	66,184	-18,399	-28	104,046
Shell Egypt (North: AESW)	3,968	14,590	-10,622	-73	
Shell Egypt (North East Obaiyed)	5	2,171	-2,166	-100	
Shell Egypt (North Matrouh)	7,323	9,175	-1,852	-20	
Total	320,102	463,859	-143,757	-31	466,014



Material and Transportation

MATERIALS Purchase Activities

1- Orders :-

- The Total value of purchased materials and equipment (stock+ direct charge) during the fiscal Year 2015/2016 are 39.16 MM US\$.

The following table shows the total value and numbers of PO.'S of the local versus Foreign purchased during the year 2015/2016 compared to the previous year.

	2014-2015		2015-2016	
	No. of PO.	Total Value \$MM	No. of PO.	Total Value \$MM
Local Purchasing	2122	7.60	2021	7.98
Foreign Purchasing	1549	39.65	1742	31.18

2- Cost Saving :-

- Achieve 2,506,154.53 \$ cost saving as follow:**
 - Achieve 1,580,000.00 \$ resulting to apply sales Agreements.
 - Achieve 209,775.89 \$ Cost reduction due to transferred items between warehouses.
 - Achieve 716,378.64 \$ Cost of materials sold to sister companies.

3- Custom Clearance:

- Total No.'s of Customs declaration which was issued to BAPETCO through current financial year 746.
- Total No.'s of Customs declaration which was issued to Contractors through current financial year 991.

4- Logistic

- Transfer 24,166,500.00 liters Diesel to all Fields.
- Transfer 811,000.00 liters Super Diesel to all Fields.
- Transfer 316,500.00 liters Gasoline 90 to all Fields.

5- Price Agreements

- 11 price agreements have approved.
- 5 price agreements are under processing.

6- Stock

- The Annual inventory for stock items & Movable items at all stores were completed using the SAP pin code system sharing with EGPC & SHELL.
- Total BAPETCO closing stock value MM\$ 163.51 during the financial year 2015/2016. The decrease of value 10.55 MM\$ comparing with the estimated of last year stock was due to transfer items between warehouses and sold items to sister companies.

Stock

(Unit million US\$)

Description	Bapetco		Opetco	
	2014/2015	2015/2016	2014/2015	2015/2016
Opening Stock at 1/7	151.66	121.33	48.58	52.73
Closing Stock at 30/6	121.33	101.64	52.73	61.87

Internal Audit

The following are the main achievement during the fiscal year 2015/2016 accomplished by Audit Department

Audit Plan:

BAPETCO internal audit department carried out the audit plan which was drafted in line with the risk matrix designed to provide the company with reasonable assurance of effective controls in place to achieve its objectives.

The following audit programs were performed as per the integrated audit assurance plan.

Internal Audit Programs

- 1) Budget Controls
- 2) Movable & Assets
- 3) Organization
- 4) Finance Key Controls
- 5) Waste Management
- 6) IT Security
- 7) Lifting Equipment
- 8) Pre-Tendering Process
- 9) Contract Management Post-Award

External Audit Programs

- (1) Well Integrity
- (2) HSSE & SP Control Framework Review
- (3) Obaiyed /Qasr / AESW metering
- (4) allocation General Control Review
- (5) Shell Aircraft International (SAI) of P

Incident Control Reviews

In addition to the execution of the above audit plan, Audit team carried out the following incident control reviews:

- 1- Follow up within IT department
- 2- El Amereya administrative process

Business Principles & Code of Conduct

Internal Audit Department proceeded in its campaign to demonstrate business principles & code of conduct booklet by sending explanatory flyers through e-mails to ensure awareness of each Code of conduct and avoid business principles violations

Additionally, Code of Conduct was added to internal audit milestone & is included in the scope of all audit programs.

Board Audit Committee

Board Audit Committee (BAC) decided to hold its meetings on quarterly basis instead of bi-annually in order to provide the board with a clear vision of:

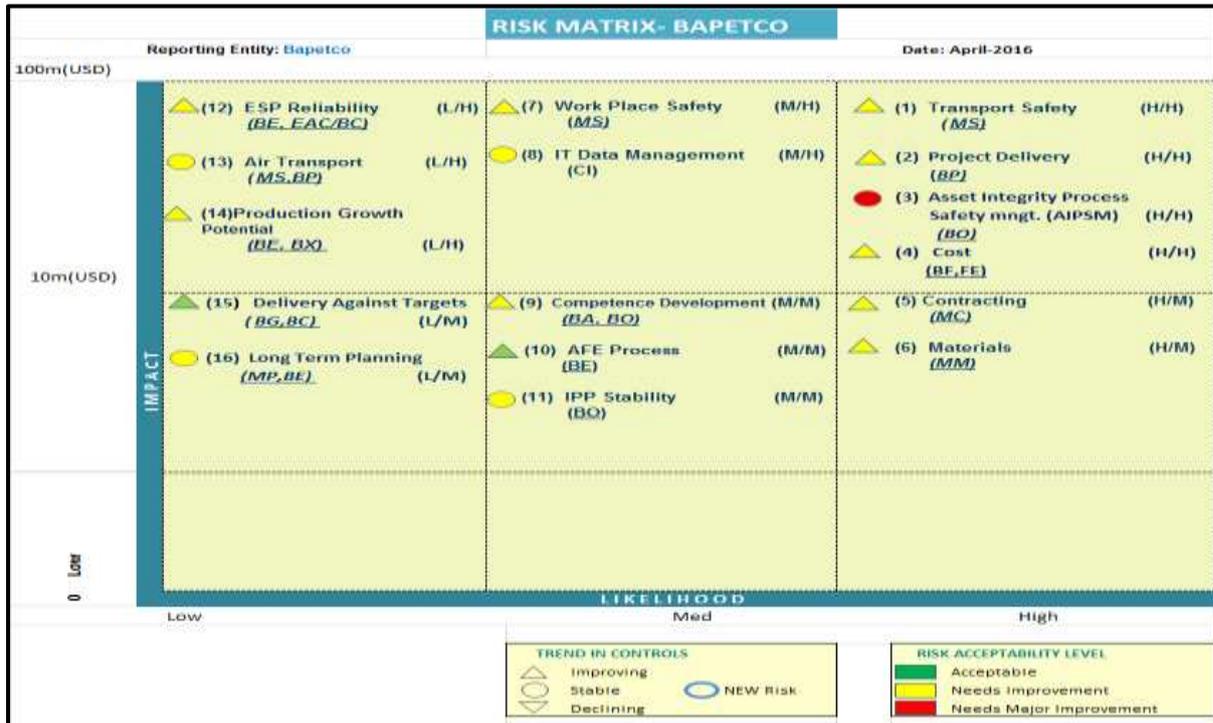
- The efficiency and effectiveness of the internal control system “Risk matrix & register updates”.
- Integrated Internal & external audits Plan.
- Follow up status.
- The obligation of Bapetco to monitor compliance with Code of conduct.
- The objectivity and credibility of financial statements.

Bapetco Risk Matrix/Register

Bapetco aspiration is to make risks management an integral part of the business activities of the overall key risks facing the organization with risks identified and monitored at all levels.

Accordingly, Bapetco risk matrix as well as risk register are updated on quarterly basis with all risk owners and discussed in Management meeting to ensure control over all Bapetco’s activities and to monitor the actions taken to improve & mitigate the risks.

The below graph demonstrate 16 risks located in the matrix according to their impact on Bapetco business “H, M, L”.



Recommendations Follow up (Fountain):

Internal Audit went on in the application of the Fountain tracking system which provided a firm follow up process that enabled internal audit department to achieve its score card at the end of each calendar year.

CI Annual Report

- Conducted some Security Awareness sessions about: Information Risk Management for departments that were not covered.
- Upgraded the E-learning system creator (Moodle) software from 1.9.1 to 2.9.10.
- Attended an ESR workshop (Electrical safety rules) with an HSE expatriate as a brainstorm to have a technical background enough to design an E-learning course with the same title.
- Finalized the Electrical Safety Rules E-learning for HSE Department.(Introduction, videos, cable disconnection, personal isolation, competency matrix)
- Conducted an Awareness session about ESR Refresher for safety department.
- Conducted Excel 2010 training courses for Both Finance and IT department.
- Conducted a session about problems cause and effect and how they affect communication.
- Helped in organizing 7 habits for highly effective people workshop.
- Reconstructing Petroleum Engineering data management application as their request with new hierarchy and support users to move their data from old site to the new site.
- Completing the creation of an internal work flow for Petroleum Engineering on data management application for the following fields:
 - SITRA
 - NEAG
 - OBAYED
 - AESW
 - BED
- Creating a custom alert workflow to send an email to intranet team once any well proposal is uploaded.
- Dividing HR database to 2 databases due to size growth.
- Creating SharePoint web application for production Continuous Improvement Projects and designing its hierarchy and setting users permission.
- Creating excel service on Bapetco reports to view "PROCESS CAPABILITY WORKSHEET -- BAPETCO NEW WELLS"
- Solving Farm errors.
- Solving problems and support SharePoint end users.
- Working on extensive company devices inventory now.
- Inventory quantities of the devices that need to be maintain.
- Full Inventory quantities of the devices that will be junked and make junk form for each device.
- Prepare user guide for BHRMS project :-

1- Leaves.	2- Recruitment.	3- Social Company.
4- Salary.	5- Career Development.	6- Local Training.
7- Abroad Training.	8- Medical (Personal & Family).	
9- Report Manager.	10- Housing Loan.	11- Hotel Reservation.
12 - Insurance.	13- Labor Relation.	14- Public Relation.
- Creating new application for calculating ‘Company Taxes’.
- Implementation issuing new version from BAPETCO Timesheet to improve Timesheet performance and design.
- Testing new application for BAPETCO Petroleum Sector Pension (Administration dep.).
- New implementation in Labor Relation System to calculate 5% saving fund.
- Prepared & analyze new application for BAPETCO Finance Life Insurance (Finance dep.).
- Testing new application for BAPETCO MM Tender Tracking Tool (Material dep.)
- Implementing the testing environment for SAP business object Platform.
- Solving the problems occurred due to disconnecting the universe to the whole reports in Business object 6.5.1.



- Rebuilding BAP-S-ECDB server for Energy components web application.
- Reconfiguring the setting of initiate date in EC Automatically.
- Troubleshooting the first and the second line of support For EC 24/7 in the fields and headquarters,
- Regular support of technical applications such as Fleet Management System, Business Objects, Primavera , SQL/Server, and all databases relating to “ Development Team, SharePoint Team and Intranet Team”.
- Moving the virtual machine of the Finger stamp server from Energy components physical server to another physical server to avoid the overlapping of SQL and ORACLE databases connections.

Servers Support Team

- Reformatting ESVA SAN Storage to solve the low performance issue.
- Buy a new storage EMC with capacity 30 TB.
- Transferred server’s storage from ESVA (INFORTREND) storage to EMC storage for better performance.
- Purchased three modules of Manage Engine software.
- Replaced more than one damage hard desk from ESVA (INFORTREND).
- Reformatting BAPETCO SAN storage after replace 16 HHD’s.
- Studied VMware license renewal and upgrade HP Blade server’s memory.
- Finished BCP phase one test.
- Created group policy to remove administrator’s users from pc.
- Replaced the obsolete servers in OBAIYED and BED3 site.
- Replace Junk hard desk from ESVA SAN storage quantities
- Using VMware in the remote sites instead of physical servers for cost optimization.
- Enabled Microsoft Lync for all sap users (430 user).
- Started the Study for replace the ESVA SAN Storage.
- Connected the new backup server to the san Switch and configure SAN Switch zoning.
- Configured the Lync Server to enable Lync federation between BAPETCO and Shell.

Infrastructure Team

- Implementing BAPETCO surveillance project CCTV Cameras in (HQ, Sheraton building. Garage Building and El-Hegaz building
- Testing VSAT 2M dedicated between Bed-3 and Bapetco H.O
- Followed up international link between Bapetco and Shell
- Made monthly reports by using (PRTG& Solar Winds)
- Backup switches and routers configuration via Hyper terminal
- Replaced Failure router and switch In EPC site
- Upgrading the Cisco router in Obaiyed Field
- Installed and configure new switch in Cairo Office
- Replaced failure router and switch in Neag1 1 Field
- Troubleshoot, diagnose and resolve network connectivity issues as they relate to LAN, WAN, WLAN and remote access.
- Documented network infrastructure activities plan.
- Ensured high availability, integrity and reliability for network infrastructure.
- Connected 9 floor in HQ with Network.
- Connected 5 floor in Sheraton building with network.

Backup Team

- Followed up Daily backup and restore jobs
- Followed up Daily backup and restore jobs in both bed3 & Obaiyed.
- Upgrading backup software “Veritas Net Backup” from 7.1 to 7.33
- Sent copy of monthly data backup to Obaiyed .



Antivirus Team

- Followed up the Usual Antivirus Task from Deploying, Updating and monitoring.
- Ran the Monthly scheduled Reports from the SCOM.
- Implementing the ESET ERA Server Upgrade 6.3 on Cairo Site.
- Implementing the ESET ERA Server Upgrade 6.3 on Bed3 Site.
- Implementing the ESET ERA Server Upgrade 6.3 on Obaiyed Site.
- Implementing the ESET ERA Server Upgrade 6.3 on Ameryia Site.
- Usual Antivirus Team Tasks from Following up the Detecting of virus and cleaning it.

Internet Team

- Solved internet requests from users and improve performance by block un-business websites.
- Increased speed “bandwidth“ for internet from 12 MB to 20 MB to fulfil business needs.
- Increased backup lease line speed from 1MB to 2MB.
- Changed internet Modems with 2 EFM Modem 8 ports.
- Added1 Full ADSL line 1MB services for Telephone No. 0222699744.

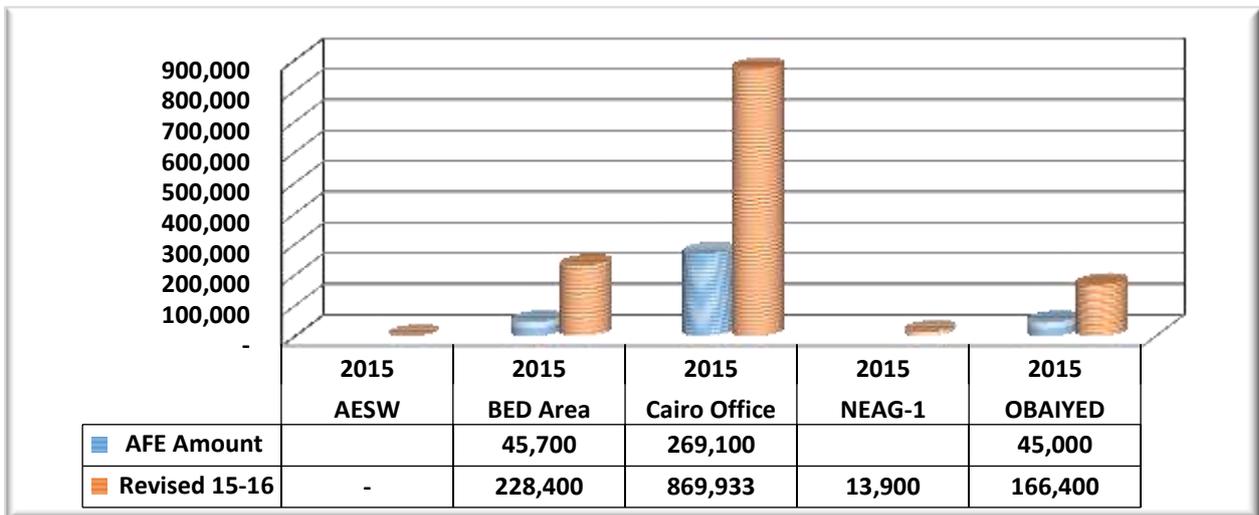
The following are the most important achievement during the fiscal year 2015/2016 accomplished by Follow up & Quality System Control Gen. Dept.

Cost reduction challenge

1- Capex budget saving % against Revised Budget 2015/2016 Versus AFE'S approved and processed:

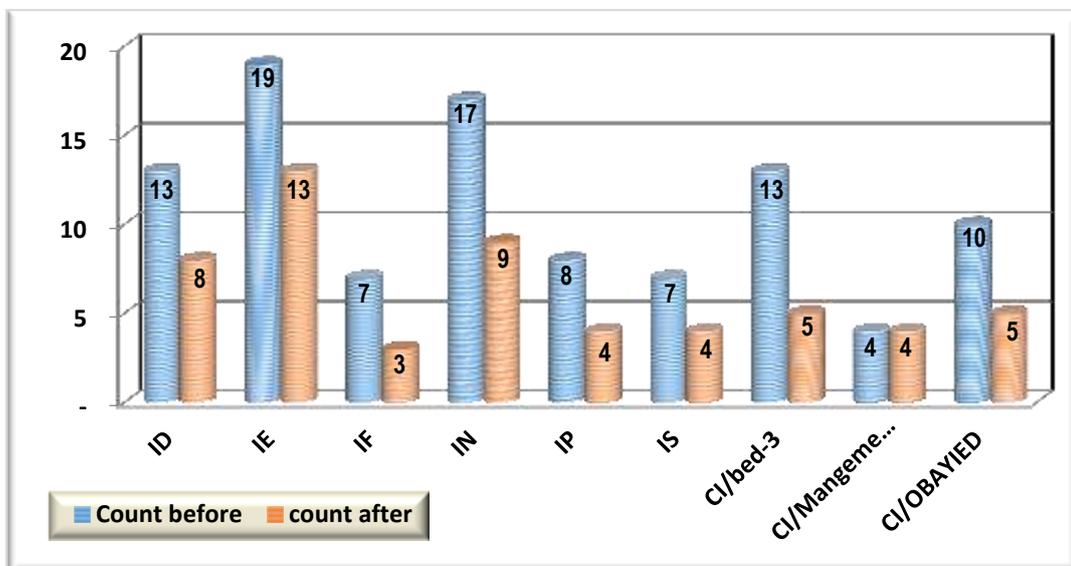
Total Saving in actual Proceeded AFE’s is 72% as shown in the following Table and Chart:

Concession	Des.	Status	AFE Amount	Revised 15-16	Minimum Required % Achieved	Saving
BED Area	LED			7,000		
	Network upgrade in Bed3 Field with warranty and support for 3 yrs.	Approved	45,000	188,000		
	Other Hardware devices			9,300		
	PC's			23,400		
	New Network Printing For ODF	Approved	700	700		
BED Area Total			45,700	228,400	20%	80%
Cairo Office	2 High configuration servers for exploration Dep.	Approved	50,000	50,000		
	EC Training & BD upgrade System Include H/W			280,000		
	Laptop			39,000		
	LED			17,500		
	Local Printers	Approved	2,500	5,000		
	Network printing			150,000		
	Other Hardware devices			11,800		
	PC's			8,533		
	Two Plotters for the Exploration	Approved	62,500	81,000		
	Upgrade OR Purchase firewall for extra 3 years starting from 1/10/2016	Approved	11,000	11,000		
	VMware License upgrade and support + RAM upgrade	Approved	50,000	50,000		
	Workstations	Approved	-	73,000		
	Bow-Tie Software	Approved	84,000	84,000		
	Purchasing LED Monitor 43" for Cairo Etc Room Upgrade	Approved	5,000	6,000		
Purchasing A3 color Printer for Cairo Etc Room Upgrade	Approved	700	700			
Purchasing A3 color Printer for Cairo Etc Room Upgrade	Approved	1,500	1,500			
LED Monitor 55" For SAP Dep	Approved	900	900			
Cairo Office Total			269,100	869,933	31%	69%
NEAG-1	LED			3,500		
	Other Hardware devices			5,000		
	PC's			5,400		
NEAG-1 Total				13,900	0%	100%
OBAIYED	LED			7,000		
	Network upgrade in Obaiyed Field with warranty and support for 3 yrs.	Approved	45,000	144,000		
	Other Hardware devices			10,000		
	PC's			5,400		
OBAIYED Total			45,000	166,400	27%	73%
Grand Total			359,800	1,278,633	28%	72%

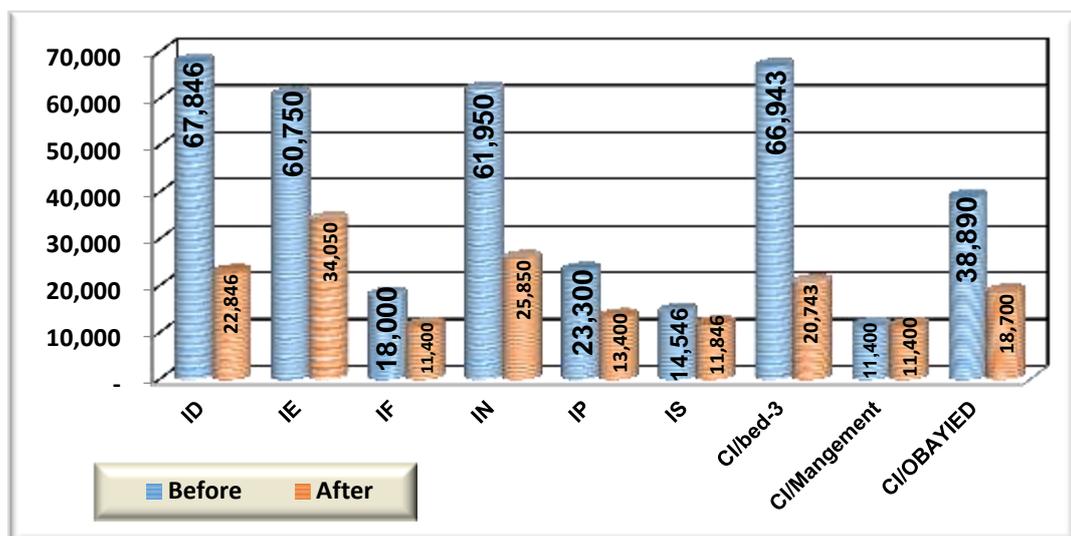


2- Local training Cost reduction challenge against approved staff IDP's forms for year 2016.

2-1 Number of Staff



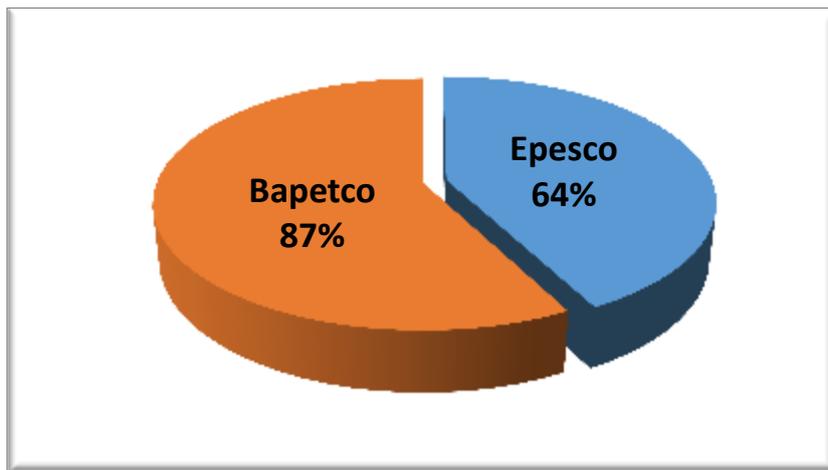
2-2 Cost Optimization Graph



Training & Career Development

2015 Training & Career Development Status for IT & T Staff

Total Nominees #		Total Trainees #		Achievement %	
Epsco	Bapetco	Epsco	Bapetco	Epsco	Bapetco
36	126	23	110	64%	87%



3- Establishing a new application to control IT & T staff Annual leaves in coordination with Data base developers.

How To Use Annual Leave Plane System

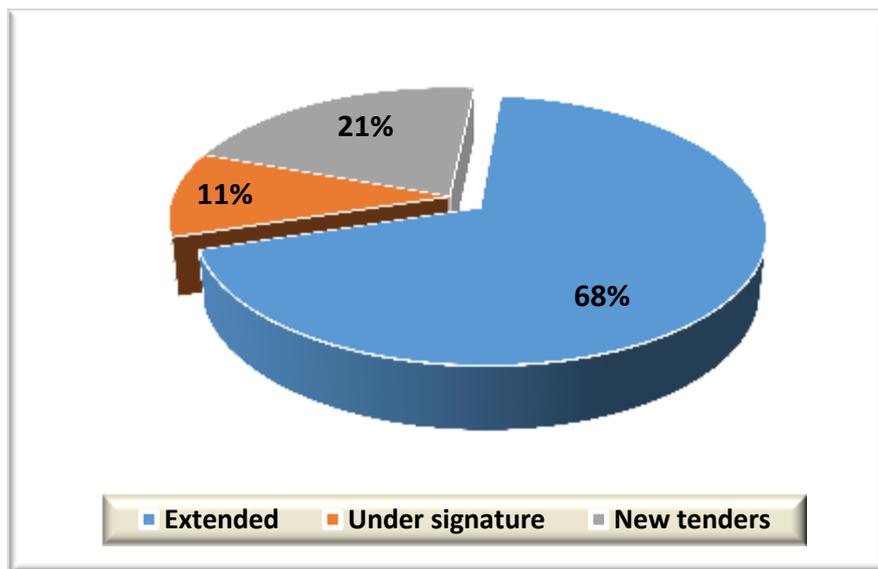
The screenshot shows the 'Annual Leave Transaction Form' interface. It includes a 'Welcome' message at the top right. On the left, there is a 'Personnel' button with an arrow pointing to a profile icon. On the right, there is a 'Logout' button with an arrow pointing to a 'المستخدم من البرنامج' (Log out of the program) button. The main form area contains several input fields: 'Name', 'Function', 'Sector', 'Start Date', 'Available Annual Balance', 'Title', 'Sub Function', and 'End Date'. Below the 'Start Date' and 'End Date' fields are blue buttons labeled 'تاريخ بداية الإجازة' (Start date of leave) and 'تاريخ نهاية الإجازة' (End date of leave) respectively. An 'Add Data' button is located at the bottom right of the form.

4- Contracts and tenders follow up

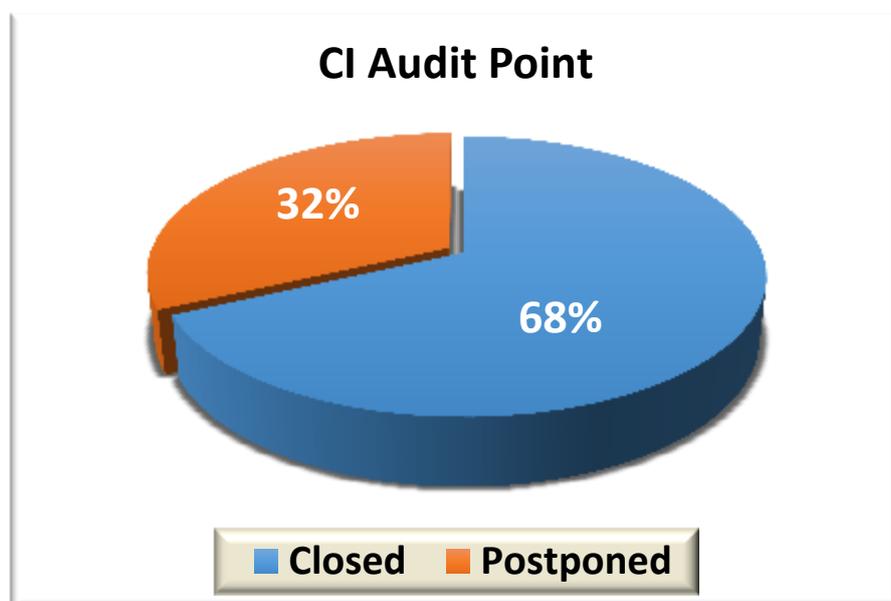
Number of current contracts and tenders through 2015/2016 are as follows:

IT & T Contracts & Tenders Status

Contract status	Number	Status %
Extended	13	68
Under signature	2	11
New tenders	4	21
Total	19	100



5- Audit Follow up Status Through 2015/2016



6- Quality System Application

Planning and implementing control and quality assurance systems for the applications of IT & T systems in line with company targets in all work areas to ensure the optimum use and promptly accomplish works with the required efficiency and quality, according to the latest global standards and techniques; in order to enhance performance efficiency. So the following Significant activities have been achieved through 2015/2016:-

- 1) Determined all IT & T applications with its usages.
- 2) Established an implementation team.
- 3) Conducted initial status survey.
- 4) Created document implementation plan.
- 5) Developed a quality management system documentation.
- 6) Control of documents have been completed.
- 7) Implementation of document management systems for both (Service Management and Quality Management) is completed successfully.

Cairo Telecom:-

- Installed new NEC microwave link at Rep-4 to Rep-3 and from Rep-3 to Rep-2, to replace the old Microwave system which was in service since 2001, increase the capacity/data rate and the reliability of the links. (Phase 1). Successfully transferred all the E1 connections from the Old and obsolete Microwave system (DXR) to the new system (NEC) at the last point Repeater-2 to increase the data rate and insure better quality of service.
- Changed and upgraded the garage PBX and Ameryia Station's PBX to add more lines and more facilities to the users to suit the nature of the both locations work.
- Connected new 2mb Link between Cairo and Neag-1 field through Tele-Com Egypt to act as a backup to Neag-1, by doing this also increased the capacity of the main data link to Neag-1.
- Installed new microwave link at Borj Arab Exchange and Rep-4 as a backup and alternative route to Ameryia station connection.
- Repaired the problem with VHF system at Bed-3 through Rep-4 and Rep-3.
- Upgraded the Right Fax digital faxing system with an extra channel and increased its Memory to be able to keep up with the growing demand of BAPETCO faxing needs.
- Successfully completed VSAT Test with Infrastructure team at Bed3 area to prove that the call off 2Mb satellite contract are sufficient to run Bead area data connection in case of emergency loss of connectivity with all other sources/routes of service.
- Performed P.M for the following sites: Sheraton, El-Hegaz, Garage, EPC and Amria) Also supervised maintenance for Telecom towers in fields.

Neag-1:

- Connected the Neag-1 and Cairo 2mb to act as backup to the main link through Telecom Egypt network.
- Connected a new Access point to Neag-1 warehouse to be able provide communication facilities for SAP and Data communication after IT cable damage.
- Connected 48VDC system at Rep-5 instead of the old system and enhance the output power of the system overall.
- Communication Rig Up/Down for Rig-Dasco-1 and Rig-EDC 72 at number of wells.
- Performed a three month discharge test for all batteries at Neag-1 area, three month PBX battery discharge test, monthly Microwave links fully check and three month vhf radios & repeaters full check.
- Performed all PM and CM work orders and close it according at its basic start date ,

BED Area:

- Installed new NEC microwave link at Rep-3 to Rep-2, to replace the old Microwave system which was in service since 2001 and increase the capacity/data rate and the reliability of the links.(phase 1)



- Completed new Building battery and equipment room at AESW Karam Tower and Install new power system.
- Replaced defected solar cell arrays at Rep-3 by new one and tested.
- Connected Karam-8 Well Head with the optic fiber network by splicing the fiber cable, configuring the multiplexer and installing it and now it's online, working and connected on the grid.
- Successfully implemented New SCADA system for BAPETCO pipelines 24 and 34 to remotely monitor the condition of them in cooperation with the production team and shneider electric company this will help the technicians to indicate the values which has problem to intervene in solving it in an adequate time.
- Installed 5 microwave links for sitra wells SCADA system for monitoring the wells condition.
- Successfully completed all the rig activities for at least 5 rigs, Perform routine P.M and C.M for all telecom equipment and telecom locations and performed CCR metrological system check and repair.
- Installed Remote manageable remote Battery and solar Charging system at Rep-1.
- Installed new UPS system for Alameen equipment room to prevent sudden loss of power when Alamain exchange main power source fails.

Obaiyed Area:

- Installed new PMP microwave system that will serve rigs and will facilitate and minimize the time needed for completion of rig activities. This system contains 3 sectors covering 360 degrees around Obaiyed tower with 18 KM distance of coverage.
- Installed new satellite service at obaiyed to serve remote rigs and provide telecom facilities at new concession.
- New Earthing facilities for all telecom Tower at Obaiyed area to save all telecom equipment connected on the tower and in the telecom room.
- Painting telecom towers with BARCOTEL and check cracks in tower supports and body for all Obaiyed field towers (OB tower, Repeater-16, Repeater-15, Repeater-14 and Meliaha outstation tower).
- Completed all PM orders and Notifications for all Telecom systems (OB tower, Repeater-16, Repeater-15, Repeater-14, Meliaha outstation tower and Tarek outstation) and performed all maintenance Routine tasks for VHF equipment in OB field.
- Made check for channel 9 in new area and perform R-29 check.
- Work with MIT to make Router Replacement in Obaiyed Field.
- Repaired system 24vdc in rectifier.
- Work and follow up with mobinil to solve el SHAMAS problem.
- Repaired DIGITAL TV system (Install and change all RF cable in TV digital system.
- Installed new mobile VHF radios in new Bapetco vehicles.

CI INTRANET ANNUAL ACHIEVEMENTS

2015/2016



TELECOM HELPDESK

تطبيق الدعم الفني للاتصالات

Q1



CONTINUOUS IMPROVEMENT

موقع التطوير المستمر

Q2



ORDERED GOODS INSURANCE SYSTEM

تطبيق التأمين على البضائع المشتراة

Q3



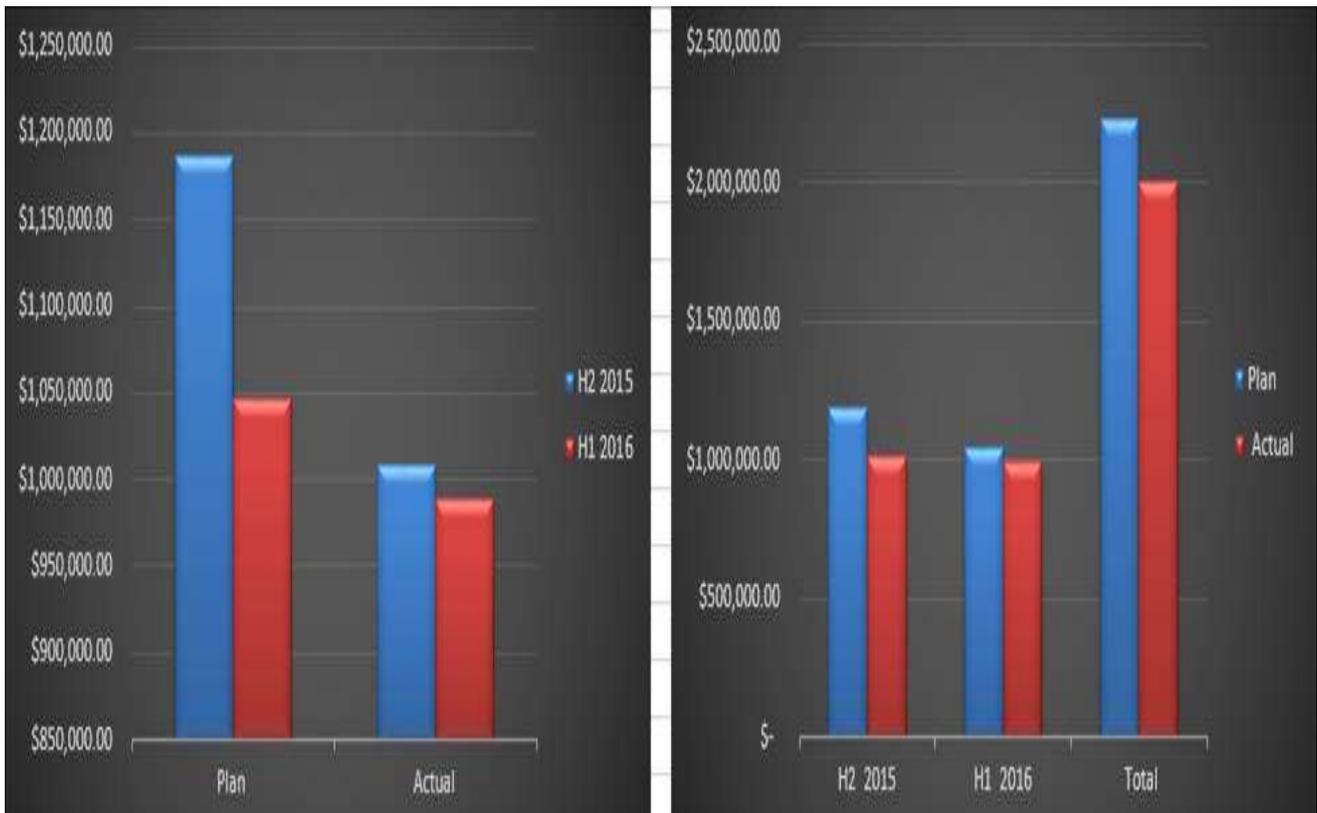
SAFETY LEADERS VISIT

تطبيق زيارات الامن والسلامة للمدراء

Q4



- Specialized Applications department is ensuring efficient utilization of Petro-Technical software in an optimized cost model and improves current hardware infrastructure to ensure better business continuity. During 2015-2016 Fiscal year, BAPETCO managed to reduce CBCM cost as per the below graph, and is working hard to improve this during the upcoming year.



PROCURE GOODS & SERVICES (PGS) UPSTREAM BLUEPRINT PROGRAM

Delivering Automation and Differentiated Technologies

PGS UPSTREAM BLUEPRINT PROGRAM OCR AND RTP WORKFLOW PROJECTS – PHASE 3 – UI Asia, UI Africa & Middle East TECHNICAL GO-LIVE

We are pleased to announce that the **Technical Go-Live** of Phase 3 of the OCR and RtP Workflow Projects will be on **16th July 2016 (Saturday)**. This will pave the way for the **Business Go-Live** slated on **1st August 2016 (Monday)**, following a successful completion of technical cutover activities.

Program Overview

The **PGS Upstream Blueprint Program** was initiated in 2015 and aims to deliver the Optical Character Recognition (OCR) Project and the Requisition to Pay (RtP) Workflow Project to all Upstream assets using SAP Blueprint and iPortal. These projects will be deployed globally with a phased approach from April 2016 to February 2017.

The **Optical Character Recognition (OCR) Project** aims to drive automation and 'touchless' registration of invoices in SAP Blueprint by introducing a differentiated technology (Brainware) which will contribute to significant reduction of manual effort in invoice registration. The **Requisition to Pay (RtP) Workflow Project** aims to increase automation in key RtP processes, by routing the right work to the right party with the support of auto-notification; as well as automating the completion of manual process steps that meet the pre-defined criteria.

Case for Change

The **case for change** for this program is anchored on the following premises.



Reducing Requisition-to-Pay (RtP) process inefficiencies



Aligning RtP process deviations and ways of working across Upstream



Reducing operational cost



Ensuring consistent process compliance and control

PROCURE GOODS & SERVICES (PGS) UPSTREAM BLUEPRINT PROGRAM

Delivering Automation and Differentiated Technologies

Phase 3 Impacted OUs and End Users

Phase 3 of the program will impact over 1900 users from **Australia, China, Egypt***, **Indonesia** (ID01 & ID06), **Iraq, Kazakhstan, Myanmar, Namibia, the Philippines, Brunei** (Shell Deepwater Borneo) and **BAPETCO**.

These would be users who are involved in processing Work/Network Orders (WO/NWO), Purchase Orders (PO), Service Entries (SE), Goods Receipts (GR) and Invoices, management of audit disbursements and tax disputes. The impacted roles are as follows:

- PR and SE Creators
- PO and SE Approvers
- PO Processors or CP Buyers
- Goods Receivers
- AP Invoice Processors
- Tax Advisors
- Finance Invoice and Down-Payment Approvers
- Finance Invoice Coders

Upcoming Project Milestones

- **15th July 2016** | Completion of Virtual Training for AP Change Agents
- **21st July 2016** | Completion of Info Cascade for Business Change Leads and Nominated Change Agents
- **1st August 2016** | Phase 3 Business Go-Live (**Egypt -SENV Business Go-Live date to be confirmed*)
- **5th August 2016** | Completion of Info Cascade for Business Users

Acknowledgements

Thank you for your participation and contribution throughout the course of the program. We would also like to acknowledge the support extended in building awareness and delivering local project management and business readiness activities which has been critical to the success of this program.

Contact Us

For more information, please Contact the [BAPETCO-EGYPT-PGS-OCR-PROJECT](#)

Mass Media

Mass Media Sector is a reflecting mirror showing a positive image for the Company through highlighting accomplishments and outstanding activities by using the most advanced methods of Mass Media either printed or electronic to cope up with information technology. Moreover, Mass Media Sector contributes in spreading and developing Staff awareness in all fields (religious, cultural, sports, etc...) in addition to instilling values of cooperation and effective participation among Staff through its activities which are as follows:

Mass Media Sector achievements during the fiscal year 2015/2016:-

- Furnishing the Chairman, General Managers and Assistant General Managers with the electronic Petroleum News Letters besides the significant Oil and Gas news from various Newspapers and Magazines daily. In addition to furnishing all Staff with the major political, economic, sports and opinion reviews from the Egyptian and Foreign newspapers on daily basis.
- Media coverage for all Company activities, celebrations, seminars and workshops inside/ outside Bapetco through preparing the media topics for publishing in addition to designing and printing their posters besides preparing and directing documentary films to record and publish them electronically on Mass Media web page for Staff reference at any time.
- Issuing the 34 edition of Badr El Din Magazine and distributing it over Staff members, Sister Companies, EGPC and The Ministry of Petroleum.
- Issuing Tatweer Booklet to inform Staff with Tatweer Program in addition to providing a brief summary about examples and patterns for Tatweer successful projects so as to stimulate and encourage Staff to join such successful projects to upgrade the Company's performance level.
- Issuing two editions of "Promotion" Circular to inform Staff with those who occupied leadership positions in the Company and extending congratulations.
- Issuing the Second Edition of Bapetco Electronic Circular on the Intranet to provide media coverage for all Company events and occasions precisely and quickly.
- Highlighting accomplishments of Company's various Departments and Staff through holding meetings to young calibers and distinguished leaders. Moreover, issuing them in pages like (Appreciation and Recognition – Introductory Card) and sending them electronically to all staff to be ideal examples so as to push the production wheel.
- Technical designing and printing posters for various Company's events and occasions besides the technical designing for congratulations and invitations to send them electronically to staff.
- Technical designing and printing certificates of appreciation for Company Staff.
- Publishing the daily Oil News within the Mass Media electronic page on the Company Intranet in addition to publishing all the electronic links for various Egyptian and Foreign newspapers and magazines and local and international news besides the cultural links such as Sakiat Al Sawy and the Egyptian Opera.
- Preparing and organizing various seminars (religious and sports) covering various Company's occasions within Head office and the Fields.
- Conducting competitions (religious, sports and Tatweer Project competition) and awarding prizes to winners.
- Preparing and directing documentary films for recording and documenting the Company History and its fields since the first Oil Production until reaching the current state of development and progress.
- Participating in preparing articles for publishing in various specialized Petroleum Magazines. Also, designing the technical layout for the most important published articles in newspapers and magazines about Badr El Din Company entitled "Bapetco in the Eyes of Press" to be published for all staff electronically.

Planning and Follow up

Planning:

Bapetco Planning and Follow up department exerts its maximum effort to achieve the company's objectives, manages the anticipated activities for the coming years and meet the targets as committed to our Shareholders. In addition to the effort exerted to help in the improvement of the Company performance during the fiscal year 2014/2015.

1- Planning activities:

- Issuing the Drilling sequence till the end of 2017 which is carried out and updated to meet the business needs on monthly basis.
- Tracking the well delivery status to meet the company priority of drilling and construction of the Rig activities and currently there are two super two heavy Rigs.
- Monthly Mimic Board Meeting, which reflects the company technical performance versus agreed Production Forecast and approved Budget.
- Finalized BAPETCO close out Scorecard 'Business Performance' report for 2015, which showed fulfilment of the Company's commitments towards the Shareholders, also the new challenging scorecard for 2016 has been issued and is being updated on monthly basis the monthly present status is being presented in the Mimic Meetings.
- Issued the latest Production Estimate for the calendar year 2016, which are updated as per the changes both negative and positive of Company activities on monthly basis.
- Preparing an Integrated Production Plan on weekly basis meeting related to the operations of putting the drilling wells on production which were drilled with coordination with Petroleum Engineering, Drilling, Projects and Production. In addition to contacting field managers via video conference during the meeting.
- Monitoring and Controlling all BAPETCO's Meeting by preparing an advanced Monthly and quarterly Meeting Schedule 'BAPETCO Corporate Calendar' for the whole Company and distribute it to the Function and General Managers ahead.

2- Follow-up activities:

- The continuous development for the department section on the company Intranet (concerning the layout and the content) in order to facilitate checking the department several activities and reports information.
- Competence development profile for the Planning staff has been finalized and will be implemented efficiently in order to increase the department competency.

3- Reports:

- Finalizing Bapetco 2015/2016 Business plan report which presents the strategic direction, is under preparation that includes key challenges, strategies, targets, activities plans and improvement initiatives for the business period.
- Issuing daily, monthly and quarterly: production, drilling and technical analysis reports.
- Issuing The Monthly Management Report which highlights the performance during the month, the planning analysis and compares the production of last month's during the year to the other activities in the department.
- Issuing the Quarter report which introduces the achievements during the last quarter of the fiscal year.
- Issued the last year Annual report 2014 -2015, in the form of CD including the report in addition to all videos and files related to our Bapetco filed activities.



BADR EL DIN PETROLEUM COMPANY

(BAPETCO)

Annual Report Financial Year 2015/2016

Board of Directors (BAPETCO, SIPETCO and OPETCO)

Eng. Emad Hamdy Chairman & Managing Director <i>(from 16/6/2013)</i>	Mr. Aidan Murphy Chairman of Shell Companies in Egypt. <i>(from 1/12/2014)</i>
Geol. Ali Mahmoud Khairy Assist. Chairman for Exploration <i>(from 26/05/2015 till 25/06/2016)</i>	Mr. Anthony Charnley Gen. Manager & MD <i>(from 31/1/2013)</i>
Geol. Alaa El-Batal Assist. Chairman for Exploration <i>(from 16/06/2016)</i>	Mr. Wayne Pearce VP Tech & Prod Mena Country Chair AD <i>(from 5/11/2013)</i>
Mr. Belal El-Nabarawy Assist Chairman for Finance <i>(from 23/10/2014 till 5 Aug. 2015)</i>	Mr. Frank Lemmink Regional Upstream Business Fin. Mgr. <i>(from 19/12/2014 till 6/04/2016)</i>
Mrs. Naela El-Horeshy Finance General Manager <i>(from 12/05/2016)</i>	Mr. Daniel Slaby Regional Upstream Business Fin. Mgr. <i>(from 06/04/2016)</i>
Eng. Essam Farid D. Operations General Manager <i>(from 01/06/2015)</i>	

Badr Petroleum Company was established 1st January 1983 following the declaration of commerciality of Badr El Din field in the Western Desert. A Development lease was granted according to the Concession Agreement (Law no. 99 of 1980) made between the government of Arab Republic of Egypt, EGPC and Shell Winning presently known as Shell Egypt. BAPETCO is also operating on behalf of EGPC and Shell Egypt in other areas in the Western Desert.

Production

BAPETCO

BED 3 (3, 15 & 18)

	*Oil (bbl)	Condensate (bbl)	Gas (MMscf)
Production	1,263,516	121,414	8,885
Delivery/Sales	1,263,516	123,337	8,181
Average Daily Production	3452	332	24
Average Daily Delivery/Sales	3452	337	22

BED (2, 16 & 17)

	*Oil (bbl)	Condensate (bbl)	Gas (MMscf)
Production	175,725	237,561	25,699
Delivery/Sales	175,725	237,561	24,676
Average Daily Production	480	649	70
Average Daily Delivery/Sales	480	649	67

BED (19, 20 Apollonia BED-9)

	*Oil (bbl)	Condensate (bbl)	Gas (MMscf)
Production	12,488	71,964	2,617
Delivery/Sales	12,488	71,964	2,405
Average Daily Production	34	197	7.2
Average Daily Delivery/Sales	34	197	6.6

- The average daily gas sales were 96 MMscf/d above target (87MMSCF/d) by 9 %.
- The average daily Oil & condensate production rate was 5143 Bbl/d, below target (7067 Bbl/d) by 37 %.

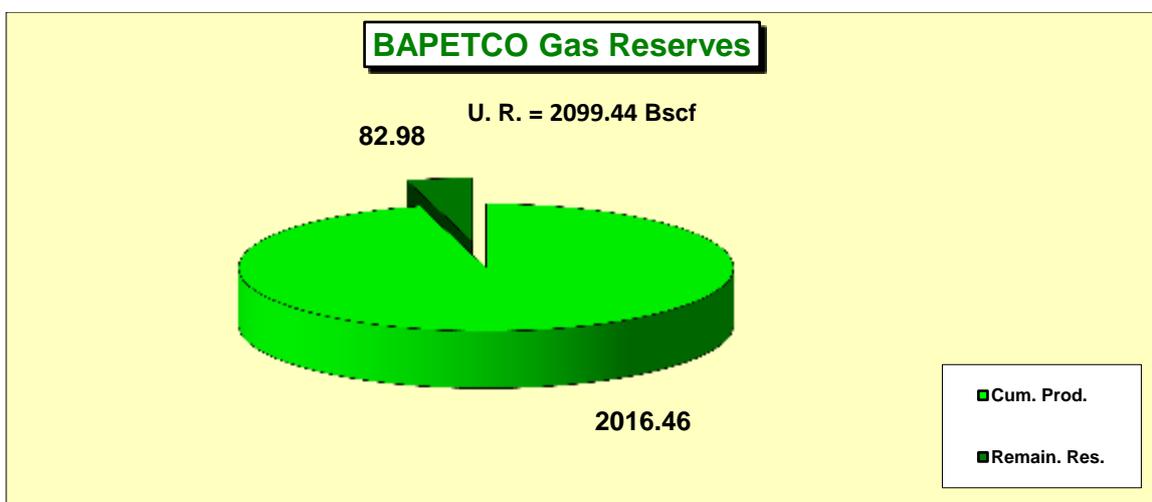
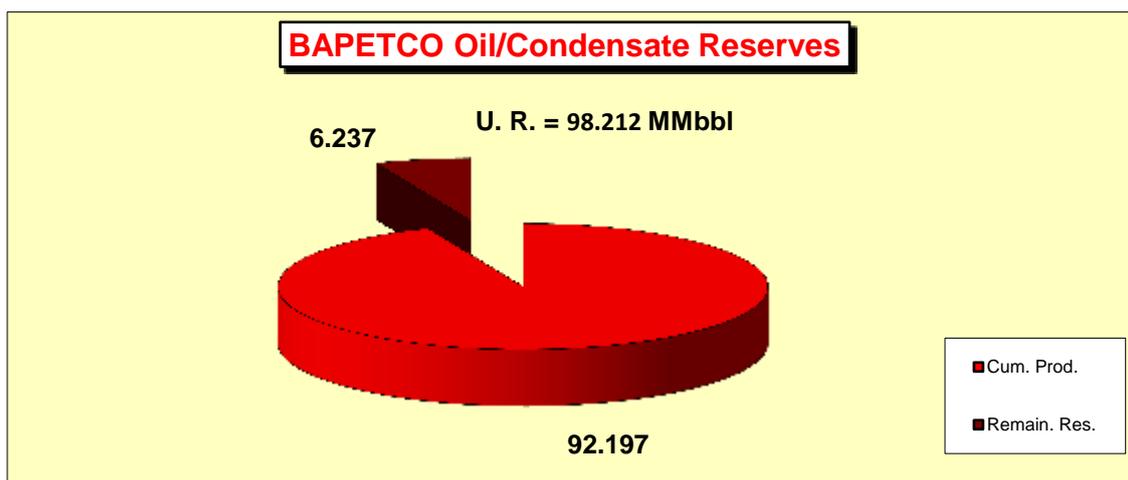
The main activities in the area:-

- On 19th Feb -2016 Bed-3 Tr-3 planned shutdown was carried out for 5 days.
- New well Bed B18-04 & B3C18-1 opened on 3rd of March 2016 with initial gross rate 400 bbls.
- New well Bed B3C18-1 opened on 28th April-2016 with initial oil 1550 BPD, gas 2.2 MMscf/d.

2. Hydrocarbon Reserves

BAPETCO

	Oil (MMbb1)	Cond. (MMbb1)	Gas (Bscf)
Hydrocarbons IIP	230.859	95.872	3081.180
Ultimate Recovery	52.462	45.750	2099.438
Remaining Reserves at 30th June, 2016	5.047	1.191	82.982
Change in Reserves 2015/2016	2.382	0.000	37.739



The Following Tables show the Hydrocarbon Reserves for each Field:

Oil Reserve (MMbbl)

Field	Initially In Place	Ultimate Recovery	Year Prod. (15/16)	Cumulative Production 30/06/16	Remaining Reserve 30/06/16
BED 2	3.40	0.38	0.16	0.29	0.09
BED 3	100.09	26.48	0.67	25.96	0.74
BED 20	27.17	1.19	0.01	0.91	0.28
BED 15	59.20	20.56	0.30	18.00	2.57
BED 16	23.00	1.13	0.01	1.01	0.13
BED 17	5.80	0.29	0.00	0.29	0.00
BED 18	12.20	2.43	0.29	1.19	1.25
Total	230.86	52.46	1.45	47.64	5.05

Condensate Reserve (MM bbl)

Field	Initially In Place	Ultimate Recovery	Year Prod. (15/16)	Cumulative Production 30/06/16	Remaining Reserve 30/06/16
BED 2	24.93	15.96	0.13	15.66	0.30
BED 3	52.22	24.81	0.12	24.48	0.33
BED 9	0.00	0.01	0.00	0.01	0.00
BED 15	10.03	1.26	0.00	1.11	0.15
BED 16	2.47	0.67	0.11	0.44	0.23
BED 17	2.93	0.37	0.00	0.37	0.00
BED 18	0.09	0.02	0.00	0.02	0.00
BED 19	3.20	2.64	0.07	2.45	0.18
Total	95.87	45.75	0.43	44.65	1.19

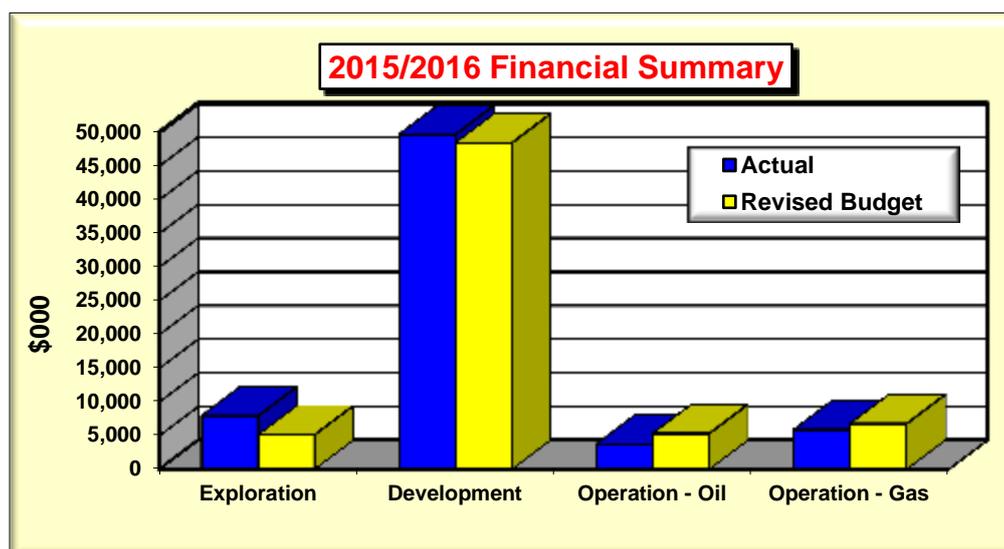
Associated & Non-Associated Gas Reserves (Bscf)

Field	Initially In Place	Ultimate Recovery	Year Prod. (15/16)	Cumulative Production 30/06/16	Remaining Reserve 30/06/16
BED 2	940.41	821.50	18.44	787.20	34.30
BED 3	1380.00	1083.77	7.82	1059.93	23.85
BED 20	12.89	3.77	0.00	3.51	0.26
BED 9 Non Ass.	85.87	8.64	0.47	6.72	1.92
BED 15	430.19	98.43	0.29	85.04	13.39
BED 16	115.79	23.40	6.23	18.84	4.56
BED 17	23.81	5.95	0.00	5.95	0.00
BED 18	12.22	2.42	0.06	2.24	0.18
BED 19	80.00	51.56	1.93	47.03	4.52
Total	3081.18	2099.44	35.26	2016.46	82.9 8

3. Financial Summary “Badr El-Din”

Actual expenditure in Badr El-din Concession for 2015/2016 was US\$ 70.911 million compared with revised budget US\$ 66.945 million.

<u>\$000</u>	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Exploration	7,847	5,084	2,763	54	5,639
Development	53,645	50,757	2,888	6	46,154
Operation-Oil	2,981	4,410	-1,429	-32	7,063
Operation-Gas	6,438	6,694	-256	-4	7,676
Total	70,911	66,945	3,966	6	66,532



The total actual Oil & Condensate production volume was 1614 (Mbbbl) while in the revised budget was 1907(Mbbbl)., The total actual Gas sales was 31547 (MMscf) while the revised budget was 25783 (MMscf)., The Oil and condensate unit production cost was US\$ 1.85/bbl while the revised budget was US\$2.31/bbl and The Gas unit cost was US\$0.20 /Mscf while the revised budget was US\$ 0.26/Mscf.

	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Oil Production (Mbbbl)	1614	1907	-293	-15	1706
Unit Cost (\$/bbl)	1.85	2.31	-0.47	-20	4.14
Gas sales (MMscf)	31547	25783	5764	22	32055
Unit Cost (\$/Mscf)	0.20	0.26	-0.06	-21	0.24

Exploration

Exploration actual expenditure was US\$ 7.847 million compared with the revised budget US\$ 5.084 million which represent the drilling, seismic and allocated overheads.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	6,729	3,645	3,084	85
Seismic	456	920	-464	-50
Allocated Overhead/Serv. Fees	662	519	143	28
Grand Total	7,847	5,084	2,763	54

Exploration Drilling

Exploration actual drilling expenditure was US\$ 6.729 million compared with the revised budget US\$ 3.645 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Bed 17 J1-A	-131	-135	4	-3
Bed-3 C18-A	3,084	0	3,084	
BED3 C6-A	3,780	3,780	0	0
Late charges	-4		-4	
Total Exploration Drilling	6,729	3,645	3,084	85

Development

Development actual expenditure was US\$ 53.645 million against the revised budget US\$ 50.757 million..

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	32,563	28,354	4,209	15
Facilities / Equipments	14,975	16,908	-1,933	-11
Allocated Overhead	6,107	5,495	612	11
Grand Total	53,645	50,757	2,888	6

Development drilling

Development actual drilling expenditure were US\$ 32.563 million compared to the revised budget US\$ 28.354 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
<u>Drilling</u>				
Bed 4-E	-383	0	-383	
BED 15-M	3,076	4,322	-1,246	-29
BED 3 C9-B	-196	0	-196	
Bed 3C9-D	2,806	2,580	226	9
BED16-H (ARC/G)	3,639	3,573	66	2
BED-17-E	0	3,265	-3,265	-100
BED 16-7 - Recompletion	1,446	0	1,446	
Bed 2 C6-A	-648	-5	-643	12860
Bed2 C6-C	-408	365	-773	-212
BED 3C6-1 Recomplete	650	0	650	
BED 3-AA Kharita	-249	0	-249	
Bed 18-2 Recompletion - Drill Well	-204	-156	-48	31
BED 18-3 Recomp	-131	-139	8	-6
BED 18-F	3,271	0	3,271	
Late charges	-478	-72	-406	564
<u>WO</u>				
Work Over Pool		291	-291	-100
BED 18-3 WO	-95	180	-275	-153
BED 3-17 WorkOver	-166	(63)	-103	163
Bed 2 C6-1 W/O - Drill Well	342	0	342	
BED 18-2 WO	-18	(22)	4	-18
Late charges	-11		-11	
<u>Frac & WS</u>				
Frac Pool		583	-583	-100
BED 18-3 WS	237	237	0	0
Bed 3 c9-1	-58	0	-58	
Bed 16-7 - Frac - Perforate & Wells Test	954	0	954	
Late charges	-5	0	-5	
<u>Water Injector</u>				
BED 2 C6 WS-1 - Site Preparation	397	279	118	42
BED-2 Water	0	400	-400	-100
BED-3 -13 -WS-1	500	500	0	0
Bed 3C9-E	3,100	2,825	275	10
Bed 3 C6 - B	3,950	2,371	1,579	67
BED-3 Water	0	400	-400	-100
BED16-I (ARC/G)	4,585	3,575	1,010	28
BED16 - Water	0	400	-400	-100
BED 18 WS 1 "B18-D"	250	250	0	0
BED18-D (ARG)	4,316	2,406	1,910	79
BED16 WS-1 - Site Preparation	350	-	350	
Bed 3 C6-WS-1 - Site Preparation	486	-	486	
Bed 3 WW-7 - Drill & Complete	250	-	250	
BED-15 - 7 - Well Mgt	750	-	750	
Late charges	258	9	249	2767
Total Development Drilling	32,563	28,354	4,209	15

Facilities and Equipments

Facilities and Equipments actual expenditure were about US\$ 14.975 million compared to the revised budget amount of US\$ 16.908 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
<u>Badr Major Projects</u>				
Bed-3 Long Term Water Disposal	151	80	71	89
Power Centralisation Badr	1,077	56	1,021	1823
Badr - Provision of well test connection	0	281	-281	-100
BED 3 Control Room Transfer	1,369	945	424	45
BED Fire and Gas Philosophy Implement	0	147	-147	-100
Bed3 airstrip rehabilitation	4,383	46	4,337	9428
BED-3 HP compressor	308	521	-213	-41
Bed-3 Metering package	856	1,416	-560	-40
Bypass oil LP/MP separators during 2015	48	49	-1	-2
Gas Detection System at Ameriya	40	163	-123	-75
Liquid Debottlenecking in Bed-3	124	150	-26	-17
Re-HAZOP/Re-SIL	445	517	-72	-14
Total Badr Major Projects	8,801	4,371	4,430	101
<u>Badr Flow lines & Hookup</u>				
Bed 2 C6-C	67	67		
Bed 2-7	452	357	95	27
Bed 18 -D	210	409	-199	-49
Bed 18-G	95	-	95	
Bed 3-C4 W-3	100	400	-300	-75
Bed 3 C6-A oil	175	150	25	17
Bed-3 C9-D	82		82	
Bed 3-15 reroute	100		100	
Bed 15-M		800	-800	-100
Bed 16-H		124	-124	-100
Bed 17-E (Oil)		124	-124	-100
Bed 18 WS-1	98	335	-237	-71
Bed 16-H XX		248	-248	-100
Bed 16-8 (H) - Project Mgt	224		224	
Bed 17-E (Oil)		248	-248	-100
Bed 3-17 (WO)		28	-28	-100
Late charges	71	1	70	7000
<u>Water injection -Flow line</u>				
Bed2 C6-B	58	443	-385	-87
Bed 2 C6 WS 1	213	205	8	4
Bed 3C9 WI & WS (C9-2) (C9 WS-2)	72	68	4	6
Bed-3 C9 WS-2N	151	187-	338	-181
bed-3-13 WS	319	304	15	5
DCVG Coating for 24 Gas PL	40	40	0	0

Bed 3 C9-E (WI)	100	89	11	12
Bed 3 C6-B	50	89	-39	-44
Bed 3 C6 WS 1	188	386	-198	-51
Bed 3 water well M (7) - Prj Mgt.	20		20	
BED16-I (ARC/G)	0	105	-105	-100
Bed 16 WS-1	0	386	-386	-100
Upgrade wrapping gas export p/l		50	-50	-100
Total Badr Flow lines & Hookup	2,885	5,269	-2,384	-45
<u>Badr Existing Asset</u>				
Overhauling & Minor Projects	3,121	4,762	-1,641	-34
PE Studies	4	521	-517	-99
Total Badr Existing Asset	3,125	5,283	-2,158	-41
Movables	166	1,985	-1,819	-92
Surplus stock	-2		-2	
Total Facilities/Equipments	14,975	16,908	-1,933	-11
Allocated Overhead	6,107	5,495	612	11
Total Development Facilities/Equipments	21,082	22,403	-1,321	-6

Oil/Condensate Operating Expenses

Total actual Operating costs were US\$ 2.944 million compared to the revised budget US\$4.002 million. Total production volume was 1614Mbbbl , the revised budget 1907 Mbbbl. Unit operating costs was US\$1.85 /bbl compared with the revised budget US\$ 2.31/bbl.

Operating – oil/condensate	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
<u>\$000</u>					
Oil / Condensate Wells	922	1,625	-703	-43	2110
Oil / Condensate Processing /Facilities	40	29	11	38	191
Oil / Condensate Treating	58	61	-3	-5	30
Oil / Condensate Storage/Shipping	1,118	1,662	-544	-33	2,497
Oil / Condensate Share from BED-3 Facilities	23	12	11	92	30
Oil / Condensate utilities	255	471	-216	-46	373
Direct Costs	2,416	3,860	-1,444	-37	5,231
Work over	528	142	386	272	1,596
Total Operating Cost	2,944	4,002	-1,058	-26	6,827
Allocated Overheads	1,576	1,995	-419	-21	1,980
Alamin & Ras Qattara Costs	-1,539	-1,587	48	-3	-1,744
Total Costs	2,981	4,410	-1,429	-32	7,063
Grand Total	2,981	4,410	-1,429	-32	7,063
Production (Mbbbl)	1614	1907	-293	-15	1706
Unit Cost (US\$/bbl)	1.85	2.31	-0.47	-20	4.14

Gas Operating Expenses

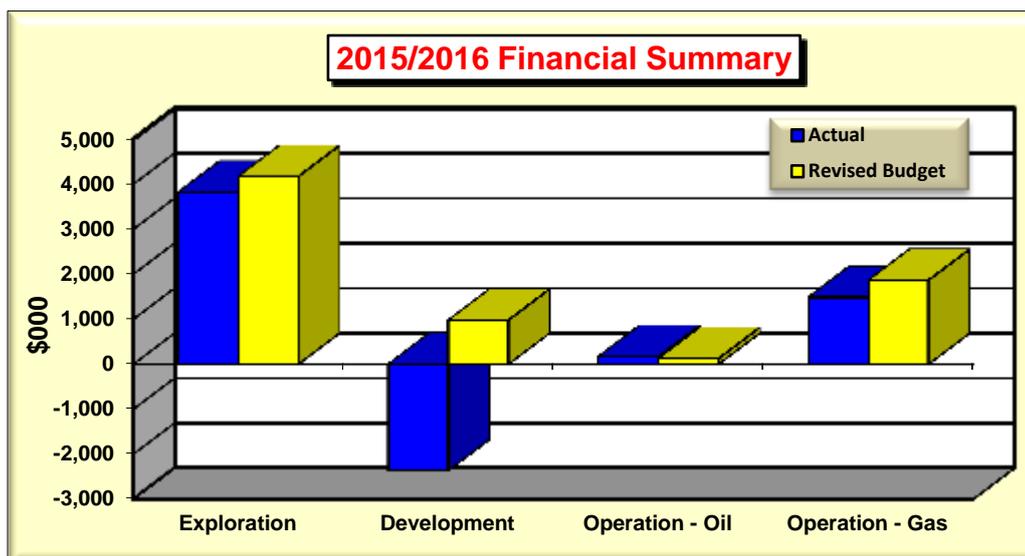
Total actual Operating costs were US\$ 3.990 million compared to the revised budget US\$ 2.992 million. Gas sales volumes reach 31547 MMscf compared with the budget volume of 25783 MMscf. Gas sales unit cost was US\$ 0.20 / Mscf compared with the budget US\$ 0.26/Mscf .

Operating– Gas	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
<u>\$000</u>					
Gas Wells	2,117	1,209	908	75	2,228
Gas Processing/Facilities	409	289	120	42	412
Gas Treating	66	113	-47	-42	64
Gas Shipping / Storage	64	55	9	16	127
Gas Shared Facilities	360	223	137	61	346
Gas Utilities	974	1,103	-129	-12	1,355
Direct Costs	3,990	2,992	998	33	4,532
Workover	0	0	0	0	0
Total Operating Cost	3,990	2,992	998	33	4,532
Allocated Overheads	5,508	4,487	1,021	23	6,398
Khalda & Agiba	-1,936	-785	-1,151	147	-2,193
Total Costs	7,562	6,694	868	13	8,737
Assets Usage	-1,124	0	-1,124		-1,061
Grand Total	6,438	6,694	-256	-4	7,676
Gas Sales (MMscf)	31547	25783	5764.4	22	32055
Unit Cost (US\$/Mscf)	0.20	0.26	-0.06	-21	0.24

Financial Summary BED-19

Actual expenditure in BED -19 for 2015/2016 was US\$ 3.121 million compared with the original budget with US\$ 1.270 million. The working plan was revised to reach US\$ 7.139 million.

<u>\$000</u>	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Summary					
Exploration	3,822	4,172	-350	-8	26
Development	-2,360	978	-3,338	-341	3,278
Operation-cond.	169	123	46	37	196
Operation-Gas	1,490	1,866	-376	-20	1,192
Total	3,121	7,139	-4,018	-56	4,692



The total condensate production volume was 84(Mbbl) while in the budget was 65 (Mbbl).

The total Gas sales was 2405(MMscf) while the budget was 2862(MMscf).

The condensate unit production cost was US\$2.00/bbl while the budget was US\$1.91/bbl .The Gas unit cost was US\$0.62/(Mscf) while the budget was US\$ 0.65/(Mscf).

	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Cond. Production (Mbbl)	84	65	20	31	99
Unit Cost (US\$/bbl)	2.00	1.91	0.09	5	1.98
Gas Sales (MMscf)	2405	2862	-457	-16	2979
Unit Cost (US\$/Mscf)	0.62	0.65	-0.03	-5	0.40

Exploration

Exploration actual expenditure was US\$ 3.822 million against the revised budget US\$ 4.172 million which represent the drilling cost seismic activity and allocated overheads.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	3,620	3,770	-150	-4
Seismic	40	267	-227	-85
Allocated Overhead/Serv. Fees	162	135	27	20
Grand Total	3,822	4,172	-350	-8

Exploration Drilling

Exploration actual drilling costs was US\$ 3.620 million against the revised budget US\$ 3.770 million.

	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling				
Bed-20 B	4,022	3,770	252	7
Bed 4 -J1	(402)		-402	
Total Exploration Drilling	3,620	3,770	-150	-4

Development

The development actual expenditure was US\$-2.360 million compared to the revised budget US\$ 0.978 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	-1,468	13	-1,481	-11392
Facilities / Equipment	-976	805	-1,781	-221
Allocated Overhead	76	160	-84	-53
Total Development	-2,368	978	-3,346	-342
Assets Usage	8	0	8	
Grand Total	-2,360	978	-3,338	-341

Development Drilling

Development actual drilling costs were US\$ -1.468 million compared to the revised budget US\$ 0.013 million.

	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling				
BED 19-D		1	-1	-100
BED 9-D	-21	-	-21	
BED 19-C	-620		-620	
Gas Clause - FRAC		12		-100
BED 9-3 FRAC	15		15	
BED 9-4 FRAC	-842		-842	
Total Development Drilling	-1,468	13	-1,481	-11392

Facilities and Equipment's

Facilities and Equipments actual expenditure were about US\$ -0.976 million compared to the revised which is US\$ 0.805 million.

The difference is due to the adjustments of major projects.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Major Project				
APOLLONIA Production Facilities (BED)		-	0	
BED 19 GAS EVACUATION PROJECT	-1,101	9	-1,110	-12333
Total Major Projects	-1,101	9	-1,110	-12333
Flow lines &hook-up				
Bed-20 B	130	796	-666	-84
Late charges	-5		-5	
Total Flow lines &hook-up	125	796	-671	-84
Total Facilities/Equipments	-976	805	-1,781	-221
Allocated Overhead	76	160	-84	-53
Assets Usage	7		7	
Total Development Facilities/Equipments	-893	965	-1,858	-193

Condensate Operating Expenses

Total Operating costs were US\$ 0.088 million compared to the revised budget US\$ 0.064 million.

Production volume was 84 Mbbbl compared to the budget 65 Mbbbl. The unit rate was US\$2.00 /bbl compared with the budget US\$ 1.91/bbl.

<u>\$000</u>	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Gas Well head	11		11		
Condensate Storage/Shipping	58	47	11	23	83
Condensate Share from utilities	15	15	0	0	16
Condensate Share of Bed-3 Facilities	4	2	2	100	0
Condensate processing & Facilities	0	0			5
Direct Costs	88	64	24	38	104
Total Operating Cost	88	64	24	38	104
Allocated Overheads	81	59	22	37	92
Grand Total	169	123	46	37	196
Production (Mbbbl)	84	65	20	31	99
Unit Cost (US\$/bbl)	2.00	1.91	0.09	5	1.98

Gas Operating Expenses

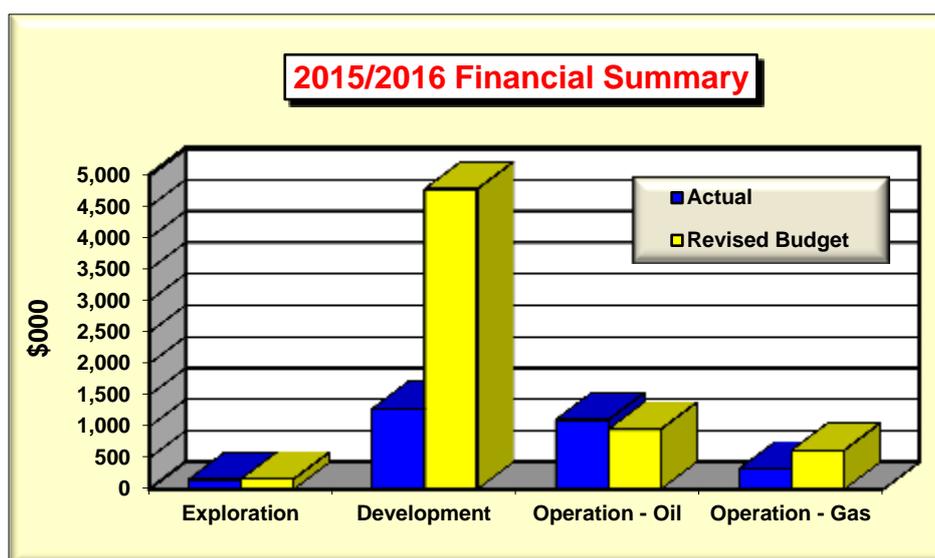
Total Operating costs were US\$ 1.140 million compared to the revised budget US\$ 1.425 million. Gas sales volumes were 2405 MMscf compared to the budget 2862 MMscf. The unit cost was US\$0.62 /Mscf against budget US\$ 0.65 /Mscf.

Operating – Gas \$000	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Gas Well head	32	28	4	14	13
Gas Processing & Facilities	0	4	-4	-100	139
Gas Treating	0	2	-2	-100	10
Gas Storage/Shipping	1,002	1,240	-238	-19	465
Gas Share from utilities	65	110	-45	-41	0
Gas Share of BED-3 Facilities	39	41	-2	-5	0
Direct Cost	1,138	1,425	-287	-20	627
Work over	2	0	2		8
Total Operating Cost	1,140	1,425	-285	-20	635
Allocated Overheads	350	441	-91	-21	557
Grand Total	1,490	1,866	-376	-20	1,192
Sales (MMscf)	2405	2862	-457	-16	2979
Unit Cost (US\$/MMscf)	0.62	0.65	-0.03	-5	0.40

BED-3 Agreement

Actual expenditure in Badr -3 agreement for 2015/2016 was US\$ 2.865 million .Working plan was revised during the year to reach US\$ 6.516 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Summary				
Exploration	156	163	-7	-4
Development	1,280	4,779	-3,499	-73
Operation-cond.	1,105	953	152	16
Operation-Gas	324	621	-297	-48
Total	2,865	6,516	-3,651	-56



The total actual Oil & Condensate production volume was 184 (Mbbl) compared with revised budget was 615 (Mbbl)., The total actual Gas sales was 1310 (MMscf) while the revised budget was 3367 (MMscf)., The Oil and condensate unit production cost was US\$ 6.01/bbl while the revised budget was US\$1.55 /bbl and The Gas unit cost was US\$0.25 /Mscf while the revised budget was US\$ 0.18/Mscf

	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Cond. Production (Mbbl)	184	615	-431	-70
Unit Cost (US\$/bbl)	6.01	1.55	4.46	288
Gas Sales (MMscf)	1310	3367	-2057	-61
Unit Cost (US\$/Mscf)	0.25	0.18	0.06	34

Exploration

Exploration actual expenditure was US\$ 0.156 million compared with the revised budget US\$0.163 million which represent the drilling, seismic and allocated overheads.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	56	0	56	
Seismic	54	134	-80	-60
Allocated Overhead/Serv. Fees	46	29	17	59
Grand Total	156	163	-7	-4

Exploration Drilling

Exploration actual drilling expenditure was US\$ 0.056 million .

	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling				
Bed-3 C18	52	0	52	
BED3 C6-A	9	0	9	
Late charges	-5	0	-5	
Total Exploration Drilling	56	0	56	

Development

Development actual expenditure was US\$ 1.280 million against the revised budget US\$ 4.779 million .

	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	-979	940	-1,919	-204
Facilities / Equipments	1,916	3,726	-1,810	-49
Allocated Overhead	343	113	230	204
Grand Total	1,280	4,779	-3,499	-73

Development Drilling

Development actual drilling expenditure were US\$ -0.979 million compared to the revised budget US\$ 0.940 million .

<u>000 \$</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
<u>Drilling</u>				
BED 15 - J	0	731	-731	-100
BED 15 - M	933	0	933	
Bed 3C9-D	276	-	276	
BED16-H (ARC/G)	-385		-385	
BED 18-F	368		368	
Bed 2 C6-A	2		2	
BED 16-7 - Recompletion	-348		-348	
Bed 2 C4-W	-314	-	-314	
Bed 18 manifold - Prj Mgt	321		321	
BED 17-3 (17-C) - Well Mgt	43		43	
Late charges	-9		-9	
<u>FRAC</u>				
Bed 16-7 - Frac	-454		-454	
Frac Pool		167	-167	-100
<u>Water Injector</u>				
BED16-I (ARC/G)	-1,180		-1,180	
BED 18 WS 1 "B18-D"	159		159	

BED 2 C6 WS-1	-69		-69	
Bed 3 C6 - B	-23		-23	
Bed 3C9-E	86	-	86	
BED16 - Water	0	-	0	
BED16 WS-1	-89		-89	
BED18-D (ARG)	-2		-2	
Bed 3 C6-WS-1	-24		-24	
BED-15 - 7	-46		-46	
Bed 3 WW-7	-15		-15	
BED3 C9 WS-1	14		14	
<u>Work Over & Re-Comp.</u>				
Bed 2 C6-1 W/O	-156		-156	
Work Over & Re-Comp.		42	-42	-100
Late charges	-67		-67	
Total Development Drilling	-979	940	-1,919	-204

Facilities and Equipment's

Facilities and Equipments actual expenditure were about US\$ 1.916 million compared to the revised budget amount of US\$ 3.726 million .

<u>000 \$</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
<u>Badr Major Projects</u>				
Piping reroute inside bed 3 plant	0	39	-39	-100
BED Fire and Gas Philosophy Implementat	0	86	-86	-100
Power Centralisation Badr	504	-	504	
Badr - Provision of well test connection	0	44	-44	-100
BED 3 Control Room Transfer	75	220	-145	-66
Bed3 airstrip rehabilitation	-333	-	-333	
BED-3 HP compressor	-1	203	-204	-100
Bed-3 Metering package	-64	397	-461	-116
Gas Detection System at Ameriya	5	13	-8	-62
Liquid Debottlenecking in Bed-3	-4	51	-55	-108
Re-HAZOP/Re-SIL	0	140	-140	-100
Total Badr Major Projects	182	1,193	-1,011	-85
<u>Badr Flow lines& Hookup</u>				
Bed 18-G	155		155	
Bed 18 -D	-1		-1	
Bed 3 C 18	75		75	
Bed 3-C4 W-3	-11		-11	
Bed 3-15 reroute	24		24	
<u>Water injection -Flow line</u>				
Bed 3 C6 WS 1	114	-	114	
Bed 3 C6-B	2		2	

Bed 3 C9-E (WI)	90		90	
Bed 3 water well M (7)	24		24	
Bed-3 C9 WS-2N	5		5	
Late charges	2		2	
Total Badr Flow lines & Hookup	479	0	479	
<u>Badr Existing Asset</u>				
Overhauling & Minor Projects	664	2,075	-1,411	-68
PE Studies	0	161	-161	-100
Total Badr Existing Asset	664	2,236	-1,572	-70
Movables	591	297	294	99
Surplus stock				
Total Facilities/Equipments	1,916	3,726	-1,810	-49
Allocated Overhead	343	113	230	204
Total Development Facilities/Equipments	2,259	3,839	-1,580	-41

Condensate Operating Expenses

Total actual Operating costs were US\$ 1.177 million compared to the revised budget US\$ 0.810 million. Total production volume was 184 Mbbl and revised budget 615 Mbbl. Unit operating cost was US\$ 6.01 /bbl compared with the revised budget US\$ 1.55/bbl.

Operating – oil/condensate	2015/2016		Variance	
	Actual	Revised Budget	\$	%
<u>\$000</u>				
Oil /CondensateWells	140	307	-167	-54
Oil /CondensateI Processing /Facilities	16	12	4	33
Oil /Condensate Treating	17	38	-21	-55
Oil /Condensate Storage/Shipping	1,253	356	897	252
Oil /Condensate Share from BED-3 Facilities	-123	-43	-80	186
Oil /Condensate utilities	30	98	-68	-69
Direct Costs	1,333	768	565	74
Work over	-156	42	-198	-471
Total Operating Cost	1,177	810	367	45
Allocated Overheads	194	457	-263	-58
Alamin & Ras Qattara Costs	-266	-314	48	-15
Total Costs	1,105	953	152	16
Assets Usage			0	0
Grand Total	1,105	953	152	16
Production (Mbbl)	184	615	-431	-70
Unit Cost (US\$/bbl)	6.01	1.55	4.46	288

Gas Operating Expenses

Total actual Operating costs were US\$0.463 million compared to the revised budget US\$ 0.294 million .

Gas sales volumes reach 1310 MMscf compared with the budget volume of 3367 MMscf. Gas sales unit cost was US\$ 0.25 / Mscf compared with the budget US\$ 0.18/Mscf .

Operating– Gas	2015/2016		Variance		
	\$000	Actual	Revised Budget	\$	%
Gas Wells		115	153	-38	-25
Gas Processing/Facilities		296	233	63	27
Gas Treating		11	52	-41	-79
Gas Shipping / Storage		265	32	233	728
Gas Shared Facilities		-271	-268	-3	1
Gas Utilities		47	92	-45	-49
Direct Costs		463	294	169	57
Workover		0	0	0	0
Total Operating Cost		463	294	169	57
Allocated Overheads		218	385	-167	-43
Khalda & Agiba		-357	-58	-299	516
Total Costs		324	621	-297	-48
Assets Usage		0	0	0	
Grand Total		324	621	-297	-48
Gas Sales (MMscf)		1,310	3,367	-2057.05	-61
Unit Cost (US\$/Mscf)		0.25	0.18	0.06	34



SITRA PETROLEUM COMPANY (SIPETCO)

Annual Report Financial Year 2015/2016

Board of Directors (BAPETCO, SIPETCO and OPETCO)

<p>Eng. Emad Hamdy Chairman & Managing Director <i>(from 16/6/2013)</i></p>	<p>Mr. Aidan Murphy Chairman of Shell Companies in Egypt. <i>(from 1/12/2014)</i></p>
<p>Geol. Ali Mahmoud Khairy Assist. Chairman for Exploration <i>(from 26/05/2015 till 25/06/2016)</i></p>	<p>Mr. Anthony Charnley Gen. Manager & MD <i>(from 31/1/ 2013)</i></p>
<p>Geol. Alaa El-Batal Assist. Chairman for Exploration <i>(from 16/06/2016)</i></p>	<p>Mr. Wayne Pearce VP Tech & Prod Mena Country Chair AD <i>(from 5/11/2013)</i></p>
<p>Mr. Belal El-Nabarawy Assist Chairman for Finance <i>(from 23/10/2014 till 5 Aug. 2015)</i></p>	<p>Mr. Frank Lemmink Regional Upstream Business Fin. Mgr. <i>(from 19/12/2014till 6/04/2016)</i></p>
<p>Mrs. Naela El-Horeshy Finance General Manager <i>(from 12/05/2016)</i></p>	<p>Mr. Daniel Slaby Regional Upstream Business Fin. Mgr. <i>(from 06/04/2016)</i></p>
<p>Eng. Essam Farid D. Operations General Manager <i>(from 01/06/2015)</i></p>	

Sitra Petroleum Company (SIPETCO) was established 23rd January, 1986 following the declaration of commerciality of Sitra Field in the Western Desert. A development lease was granted on 29th December, 1985 according to the Concession agreement (Law no. 62 of 1979) concluded between the government of Arab Republic of Egypt, EGPC and Shell Winning (warranty Shell Egypt).

Badr El Din Petroleum Company (BAPETCO) is the operator of the field on behalf of SIPETCO.

1. Production

SIPETCO

	*Oil (bbl)	Condensate (bbl)	Gas (MMscf)
Production	4,074,943	---	6643
Delivery/Sales	4,073,650	---	6321
Average Daily Production	11134	---	18
Average Daily Delivery/Sales	11130	---	17

- The average daily sales gas was 17 MMSCF/d, below target (20 MMSCF/d) by 14 %.
- The average daily oil production rate was 11134 Bbl/d, above target (10369 Bbl/d) by 7 %

The main actions in the area:-

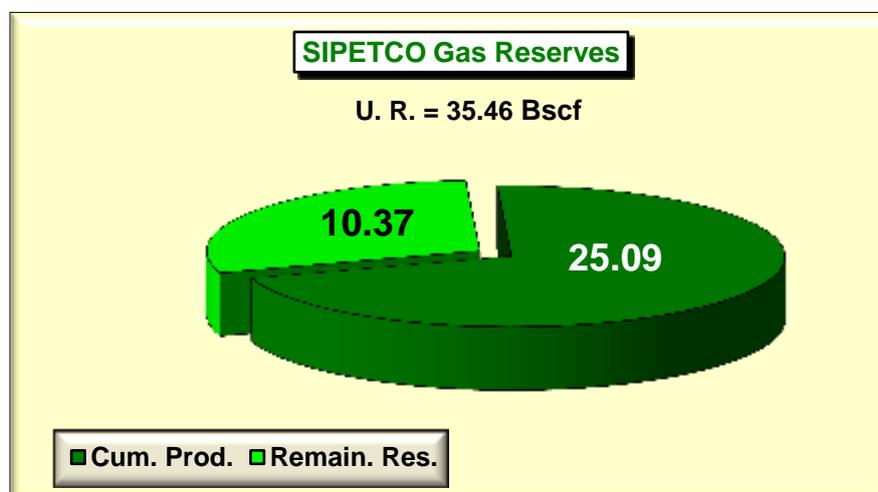
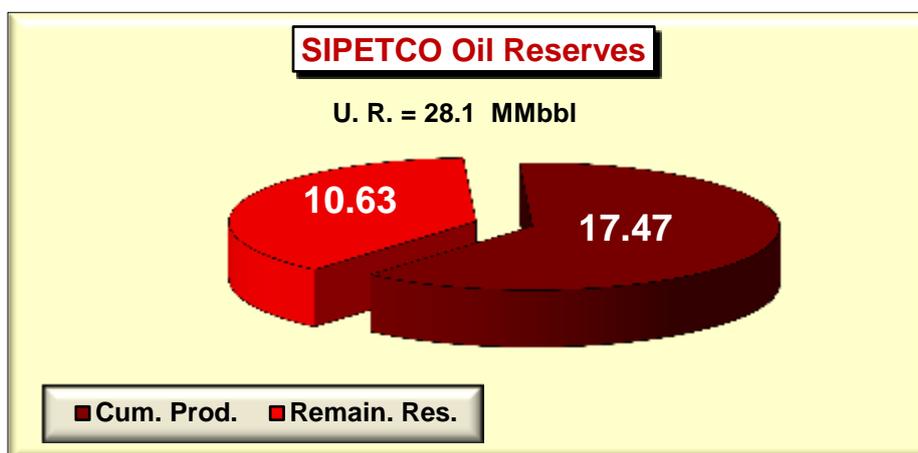
- July 2015,
 - On 6th, Commenced Sitra to Barq station production, (> 3,000 bopd).
 - On 23rd, new Oil well S8.34 opened with initial rate of 645 bopd.
 - On 15th, new gas well S 8-31 opened with initial rate 4 MMscf/d and 100 bpd.
- Sept., 2015,
 - On 16th, new oil well S8-37 opened with initial rate of 845 BPD.
 - On 22nd, new oil well S8-38 opened with initial rate 228 BPD.
- Oct., 2015,
 - On 04th, new Oil well S8.39 opened with initial rate of 2560 bopd.
- Dec., 2015,
 - On 22nd, new gas well S 3-2 opened with initial rate 17 MMscf/d and 2040 bpd.

2. HYDROCARBON RESERVES (SIPETCO)

This chapter contains SIPETCO’s estimates of hydrocarbon volumes initially in place, ultimate recovery and remaining reserves at 30th June, 2016.

Hydrocarbon Reserves SIPETCO

	Oil (MMbbl)	Condensate (bbl)	Gas (Bscf)
Hydrocarbons IIP	154.20	4.24	35.08
Ultimate Recovery	27.43	0.27	35.46
Remaining Reserves at 30th June, 2016	10.63	0.00	10.37
Change in Reserves 2015/2016	2.26	0.12	3.43



**The Following Tables show the Hydrocarbon Reserves for each Field in Sitra concession:
Oil Reserve (MMSTB)**

Field	Initially In Place	Ultimate Recovery	Year Prod. (15/16)	Cumulative Production 30/06/16	Remaining Reserve 30/06/16
SIT-3	0.00	0.00	0.00	0.00	0.00
SIT-5	14.50	2.78	0.31	2.47	0.31
SIT-8	128.70	24.39	3.75	14.28	10.11
SIT C4-1	11.00	0.67	0.01	0.45	0.21
Total	154.20	27.83	4.07	17.20	10.63

Cond Reserve (MMSTB)

Field	Initially In Place	Ultimate Recovery	Year Prod. (15/16)	Cumulative Production 30/06/16	Remaining Reserve 30/06/16
SIT-3	2.830	0.140	0.000	0.140	0.000
SIT-8	1.405	0.125	0.000	0.126	0.000
Total	4.235	0.265	0.000	0.266	0.000

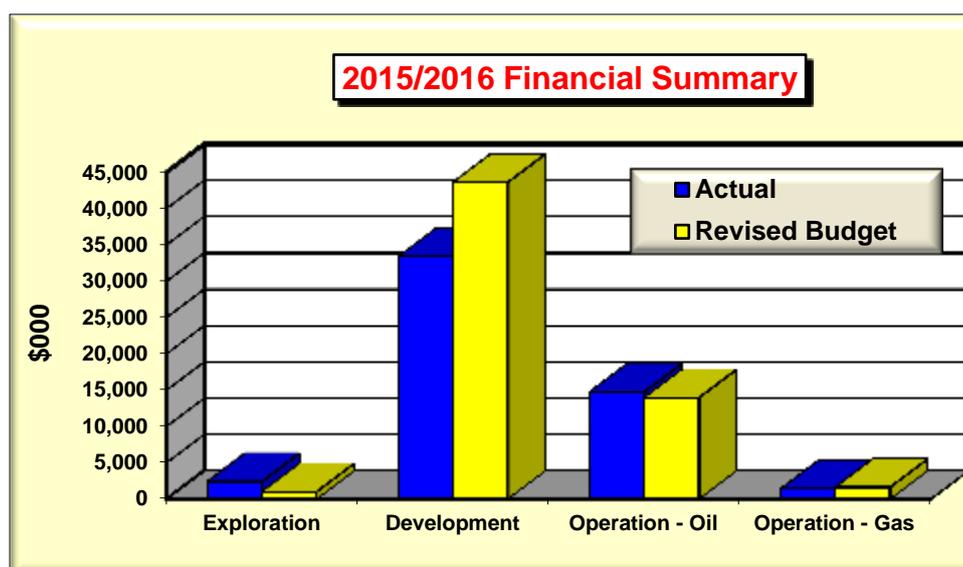
Gas Reserve (Bscf)

Field	Initially In Place	Ultimate Recovery	Year Prod. (15/16)	Cumulative Production 30/06/16	Remaining Reserve 30/06/16
SIT-3	43.20	10.16	4.95	6.32	3.84
SIT-5	16.40	5.59	0.44	5.16	0.43
SIT-8	132.00	19.41	0.93	13.32	6.10
SIT C4	5.48	0.30	0.00	0.29	0.01
Total	197.08	35.46	6.32	25.09	10.37

3-Financial Summary

Actual expenditure in Sitra Concession for 2015/2016 was US\$ 51.988 million compared with the Original budget of US\$ 84.409 million. The working plan was revised during the year to reach US\$ 60.234 million.

\$000	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Summary					
Exploration	2,425	1,025	1,400	137	208
Development	33,373	43,610	-10,237	-23	43,636
Operation-Oil	14,763	13,960	803	6	13,205
Operation-Gas	1,427	1,639	-212	-13	1,356
Total	51,988	60,234	-8,246	-14	58,405
Grand Total	51,988	60,234	-8,246	-14	58,405



The total actual Oil production volume was 4075 (Mbbbl) while in the budget was 3795 (Mbbbl).

The total actual Gas sales was 6321 (MMscf) while the budget was 7201 (MMscf).

The Oil unit production cost in the concession was US\$ 3.62 /bbl while the budget was US\$3.68 /bbl and the Gas unit cost was US\$0.23 /(Mscf) as the revised budget.

	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Oil Production (Mbbbl)	4075	3795	280	7	3157
Unit Cost (US\$/bbl)	3.62	3.68	-0.06	-2	4.18
Gas Sales (MMscf)	6321	7201	-880	-12	4874
Unit Cost (US\$/Mscf)	0.23	0.23	0.00	-1	0.28

Exploration

Exploration actual expenditure was US\$ 2.425 million compared with the revised budget US\$ 1.025 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	1,892	0	1,892	
Seismic	230	697	-467	-67
Allocated Overhead/Serv. Fees	303	328	-25	-8
Grand Total	2,425	1,025	1,400	137

Exploration Drilling

Exploration actual expenditure drilling was US\$ 1.892 million.

<u>000 \$</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling				
SIT C18-A	1,972		1972	
Sitra C4 East-Block B (C4 East-1)	-79		-79	
Late Charge	-1		-1	
Total Exploration Drilling	1,892	0	1892	

Development

Development actual expenditure was US\$ 33.373 million against the revised budget US\$ 43.610 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	18,533	19,476	-943	-5
Facilities / Equipment	10,796	20,122	-9,326	-46
Allocated Overhead	3,877	4,012	-135	-3
Total Development	33,206	43,610	-10,404	-24
Assets Usage	167	0	167	
Grand Total	33,373	43,610	-10,237	-23

Development Drilling

Development actual drilling costs were US\$18.533 million compared to the revised budget US\$ 19.476million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling & Frac				
SIT8-BA	334	377	-43	-11
Sitra - 3B	4,658	3,012	1,646	55
Sitra - Sitra 8-BM (38)	3,733	3,735	-2	0
Sitra - Sitra 8-BP	3,327	3,337	-10	0
SITRA 8-BC	2,594	2,510	84	3

SITRA 8-BE	580	541	39	7
SITRA 8-BI	1,000	1,145	-145	-13
Sitra 8-3	1,258	-	1,258	
Sitra 8-O	-2,569	-	-2,569	
SITRA 8-29	-193	-	-193	
SITRA 8-26	-124		-124	
SITRA 8-V	-250		-250	
SITRA 8-S	-230		-230	
SITRA J-10	-261		-261	
SITRA 8-9	-162		-162	
SITRA 8-L	-108		-108	
SITRA 8-7 Re-Completion	800		800	
SITRA 8-3 Re-Completion	-528		-528	
SITRA 8-9 Re-Completion	-205		-205	
Late charges	-341		-341	
<u>FRAC</u>				
SITRA 8-18 Frac	99		99	
SITRA 8-14 Frac	169	237	-68	-29
Sitra - FRAC POOL		750	-750	-100
Late charges	-31		-31	
<u>Water Injector</u>				
Sitra 8-BT	971	-		
Sitra - BH	-46	147	-193	-131
Sitra 2015		612	-612	-100
SIT 8-WS-6	300	-	300	
SITRA 8-BD	428	-	428	
SITRA 8-BG	2,241	-	2,241	
Sitra 8-AM (27) WI	-62	485	-547	-113
Well Sitra 8-BB	287	337	-50	-15
Late charges	-92		-92	
<u>Work Overs</u>				
Sitra - Work Over & Recompletion		2,251	-2,251	-100
Well Sitra 8-23 wo	65		65	
Well Sitra 8-13 wo	167		167	
Well Sitra 8-29 wo	170		170	
Sitra C4E-1 WO	17		17	
Sitra 8-18 WO	94		94	
SITRA 8-19 WO	315		315	
SITRA 8-34 WO	348		348	
SITRA 8-7	-129		-129	
Late charges	-91		-91	
Total Development Drilling	18,533	19,476	-943	-5

Facilities and Equipments

Facilities and Equipment's actual expenditure were about US\$ 10.796 million against the revised budget US\$ 20.122 million. The difference between is due to postpone some projects and some studies.

<u>000 \$</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
<u>Sitra Major Projects</u>				
Future power generation capacity	0	208	-208	-100
Overpressure Protection & Manifold ext.	-77	670	-747	-111
Sitra diesel generator Clusters	0	926	-926	-100
Sitra permanent PWRI	600	2,773	-2,173	-78
Sitra Phase II Development	138	674	-536	-80
Sitra Power Centralization	481	3,035	-2,554	-84
Total Sitra Major Projects	1,142	8,286	-7144	-86
<u>Sitra Flow lines & Hookup</u>				
Sitra 8-BC	271	-	271	
Sitra 8-BE	122	-	122	
Sitra 8-3 (Oil)	100	-	100	
Sitra 3-B	4,093	4,630	-537	-12
Sitra 8-10	120	97	23	24
Sitra 8-3 Hook-Up	112	124	-12	-10
Sitra 8-31	629	536	93	17
SITRA 8-BI	244	180	64	36
Sitra 8-BM	303	237	66	28
Sitra 8-BP	542	162	380	235
Late Charge	43			
<u>Water injection -Flow line</u>				
Sitra 8-35	146	-	146	
Sitra 8-BH	62	-	62	
Sitra 8-24 ST	28	-	28	
Sitra 8 WS (-5N, 2N, 1N, 3N, J)	135	103	32	31
Sitra 8 WS-6	-	421	-421	-100
Late charges	(5)		-5	
Total Sitra Flow lines & Hookup	6945	6,490	455	7
<u>Sitra Existing asset</u>				
Overhauling & Minor Projects	496	1,023	-527	-52
PE Studies	2,213	4,323	-2,110	-49
Total Sitra Minor projects	2709	5,346	-2637	-49
Movables	0	0	0	
Total Facilities/Equipment's	10,796	20,122	-9,326	-46
Allocated Overhead	3,877	4,012	-135	-3
Assets Usage	167		167	
Total Development Facilities/Equipment's	14,840	24,134	-9,294	-39

Oil Operating Expenses

Total actual Operating costs were US\$ 9.313 million compared to the revised budget US\$ 9.434 million. Total production volumes were 4075 Mbbl compared to the budget 3795 Mbbl. The unit rate was US\$ 3.62 /bbl compare with the revised budget US\$ 3.68 /bbl. .

Operating – Oil	2015/2016		Variance		2014/2015
	\$000	Actual	Revised Budget	\$	%
Oil Wells	3,549	3,095	454	15	3645
Oil Processing & Facilities	60	129	-69	-53	93
Oil Treating	29	142	-113	-80	5
Oil Shipping	3,589	3,059	530	17	2502
Share from Bed-3 facilities	364	272	92	34	312
Share from Utilities	1,435	1,137	298	26	721
Direct Costs	9,026	7,834	1192	15	7,278
Workover	287	1,600	-1313	-82	2396
Total Operating Cost	9,313	9,434	-121	-1	9,674
Allocated Overheads	5450	4,526	924	20	3,531
Total Cost	14,763	13,960	803	6	13,205
Production Mbbl	4075	3795	279.944	7	3157
Unit Cost (US\$/bbl)	3.62	3.68	-0.06	-2	4.18

Gas Operating Expenses

Total actual Operating costs were US\$ 0.358 million compared to the revised budget US\$ 0.429 million. Total Gas sales volumes were 6321 MMscf compared to the budget 7201 MMscf. The unit cost was US\$ 0.23/Mscf the same as the revised budget.

Operating – Gas	2015/2016		Variance		2014/2015
	\$000	Actual	Revised Budget	\$	%
Gas Wells	39	17	22	129	1
Share from Bed-3 facilities	114	112	2	2	114
Share from Utilities	205	300	-95	-32	215
Direct Costs	358	429	-71	-17	330
Workover	0	0	0		0
Total Operating Cost	358	429	-71	-17	330
Allocated Overheads	1,069	1,210	-141	-12	1,027
Total Cost	1,427	1,639	-212	-13	1,357
Sales (MMscf)	6321	7201	-880	-12	4874
Unit Cost (US\$/Mscf)	0.23	0.23	0.00	-1	0.28



OBAYIED PETROLEUM COMPANY (OPETCO)

Annual Report Financial Year 2015/2016

Board of Directors (BAPETCO, SIPETCO and OPETCO)

<p>Eng. Emad Hamdy Chairman & Managing Director <i>(from 16/6/2013)</i></p>	<p>Mr. Aidan Murphy Chairman of Shell Companies in Egypt. <i>(from 1/12/2014)</i></p>
<p>Geol. Ali Mahmoud Khairy Assist. Chairman for Exploration <i>(from 26/05/2015 till 25/06/2016)</i></p>	<p>Mr. Anthony Charnley Gen. Manager & MD <i>(from 31/1/2013)</i></p>
<p>Geol. Alaa El-Batal Assist. Chairman for Exploration <i>(from 16/06/2016)</i></p>	<p>Mr. Wayne Pearce VP Tech & Prod Mena Country Chair AD <i>(from 5/11/2013)</i></p>
<p>Mr. Belal El-Nabarawy Assist Chairman for Finance <i>(from 23/10/2014 till 5 Aug. 2015)</i></p>	<p>Mr. Frank Lemmink Regional Upstream Business Fin. Mgr. <i>(from 19/12/2014 till 6/04/2016)</i></p>
<p>Mrs. Naela El-Horeshy Finance General Manager <i>(from 12/05/2016)</i></p>	<p>Mr. Daniel Slaby Regional Upstream Business Fin. Mgr. <i>(from 06/04/2016)</i></p>
<p>Eng. Essam Farid D. Operations General Manager <i>(from 01/06/2015)</i></p>	

OBAYIED Petroleum Company (OPETCO) was established 28th October 1996 following the signing of the Gas Sales Agreement between EGPC and Shell winning currently Shell Egypt NV, in September 1996.

1. Production

OPETCO

	*Oil (bbl)	Condensate (bbl)	Gas (MMscf)
Production	---	2,811,548	73,136
Delivery/Sales	---	2,827,911	68,653
Average Daily Production	---	7682	200
Average Daily Delivery/Sales	---	7727	188

- The average daily gas sales were 188 MMscf/d above target (185MMscf/d) by 1.3 %.
- The average daily condensate production rate was 7682 bbl/d, above target (7593 bbl/d) by 1 %.

The main actions in the area:-

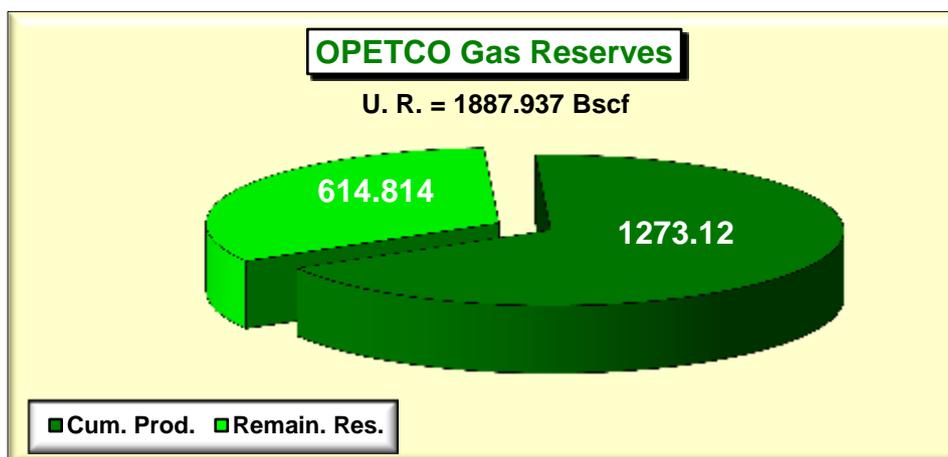
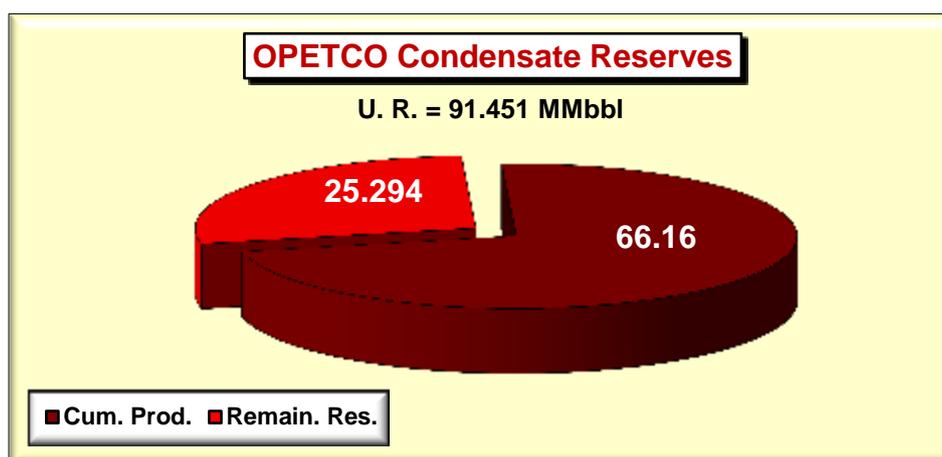
- On 17th Aug., 2015 Obaiyed production increased due to OB-46 (24.5 MMscf/d and 610 BPD).
- On 15th Sept. new well OB-56 (JB18-1) was opened with initial rate of 74 BPD condensate & 1.4 MMscf/d.
- On 31st Oct., 2015 Obaiyed production increased due to OB-57 (44 MMscf/d and 750 BPD).
- New well OB-58 opened on 19th March, 2016 with gas rate 25 MMscf/d and condensate 500 bbl.
- New well OB-59 opened on 30th April-2016 by average rate 12 MMscf/d & 300 BPD.
- On 28th April Obaiyed TR-1 planned S/D started to carry out PM activities, complete vessel inspection and export comp (B) preventative maintenance for 7 days, successfully completed.

2. Hydrocarbon Reserves (OPETCO)

This chapter contains Obaiyed estimates of hydrocarbon volumes initially in place, ultimate recovery and remaining reserves at 30th June, 2016.

Hydrocarbon Reserves OPETCO

	*Cond. MMbbl	Gas Bscf
Hydrocarbons IIP	255.290	3527.000
Ultimate Recovery	91.451	1887.937
Remaining Reserves at 30 th June, 2016	25.294	614.814
Change in Reserves 2015/2016	14.326	314.784

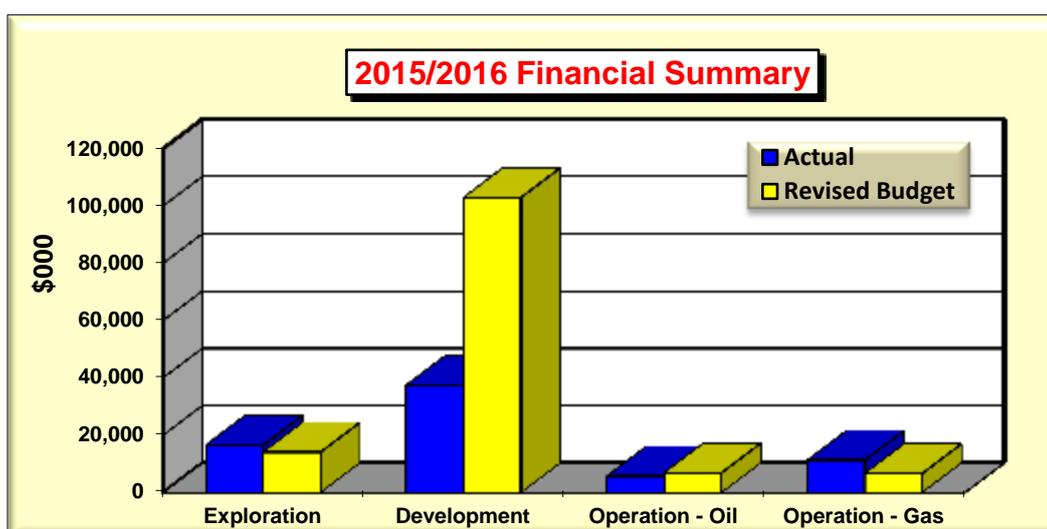


3. Financial Summary

Actual expenditure in Obaiyed Concession for 2015/2016 was US\$ 70.993 million compared with the Original budget of US\$ 69.192 million.

The working plan was revised during the year to reach the budget US\$ 130.614 million.

\$000	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Summary					
Exploration	16,512	14,074	2438	17	10,809
Development	37,486	103,004	-65518	-64	67,165
Operating-Condensate	5,708	6,895	-1187	-17	4,517
Operating-Gas	11,287	6,641	4646	70	9,786
Total Costs	70,993	130,614	-59621	-46	92,277
Grand Total	70,993	130,614	-59621	-46	92,277



The total actual condensate production volume was 2812 Mbbl while in the revised budget was 2779 Mbbl.

The total Gas sales was (MMscf) while the revised budget was 68653 (MMscf) while in the revised budget was 67628 (MMscf).

The condensate unit production cost in the concession was 2.03 US\$ bbl while the revised budget was US\$ 2.48 bbl and The Gas unit cost was 0.16 US\$ (Mscf) while the revised budget was US\$ 0.10 Mscf.

\$000	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Condensate Production (Mbbl)	2812	2779	32.55	1	2735
Unit Cost (US\$/bbl)	2.03	2.48	-0.5	-18	1.65
Gas Sales (MMscf)	68653	67628	1025.14	2	63829
Unit Cost (US\$/Mscf)	0.16	0.10	0.07	67	0.15

Exploration

The exploration actual expenditure for 2015/2016 were US\$ 16.512 million compared with the revised budget US\$ 14.074 million. The actual expenditure represents the drilling expenditure in addition to the tape and samples storage and the allocated overheads.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	15,469	13,014	2,455	19
Seismic	353	490	-137	-28
Allocated Overhead / Serv. Fees	690	570	120	21
Grand Total	16,512	14,074	2,438	17

Exploration Drilling

Exploration actual Drilling expenditure was US\$ 15.469 million compared with the revised budget US\$ 13.014 million.

<u>000 \$</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling				
OBA - J9 Expl.	79		79	
OBA J-13	-23		-23	
OBA_J14A	4,534	7,708	-3,174	-41
OBA_J14B	7,072	5,306	1,766	33
OB J1-A	-517		-517	
OBA - J8 Expl.	-310		-310	
OBA_J14C	4,634		4,634	
Total Exploration Drilling	15,469	13,014	2,455	19

Development

Total actual development expenditure were US\$ 37.486 million compared to the revised budget with US\$ 103.004 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	3,550	46,799	-43,249	-92
Facilities / Equipment	27,783	49,091	-21,308	-43
Allocated Overhead	5,714	7,114	-1,400	-20
Total	37,047	103,004	-65,957	-64
Assets Usage	439	0	439	
Total Obaiyed development	37,486	103,004	-65,518	-64
Grand Total	37,486	103,004	-65,518	-64

Development Drilling

Development actual drilling expenditure were US\$ 3.550 million against the revised budget US\$ 46.799 million the difference is due to the Postpone of some drilling wells according to the drilling sequence plan.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
<u>Drilling</u>				
Oba H-18	171	14,101	-13,930	-99
OBA D-BM	208	5,038	-4,830	-96
OBA D-BN	0	5,028	-5,028	-100
OBA D-BK	0	5,026	-5,026	-100
OBA D-BL	0	5,025	-5,025	-100
OBA D-BJ	0	4,569	-4,569	-100
OBA D-AU	4,521	4,565	-44	-1
OBA D-41 ST	3,441	1,463	1,978	135
OBA D-39 ST-2 (Re-Completion)	162	-	162	
OBA D-16	-2008		-2,008	
OBA D-AN	-393		-393	
OBA D-AR	-482		-482	
OBA D-AO [OBA D-37]	-639		-639	
OBA D-AP [OBA D-41]	-205		-205	
OBA D-AT	-161		-161	
OBA D-AY [OBA D-38]	-126		-126	
OBA D-AV (OBA D-40)	-395		-395	
OBA D-39	-159		-159	
OBA D-AW	-269		-269	
OBA D-AZ (47)	-268		-268	
OBA SC Re-Comp	-478		-478	
OBA D-27 (AC)	-98		-98	
OBA D-AK (OBA D-34) Drill Well	-44		-44	
OBA D-BA	-183		-183	
OBA D-AQ	-108		-108	
Late Charges	2		2	
<u>Work Over & Re-Comp.</u>		1,523	-1,523	-100
OBA J2-A (OB-37) Sharaief	750	-	750	
<u>FRAC</u>			0	
OBA SW (OB-51) FRAC	470	461	9	2
OBA D-19 FRAC - Drill & Complete	-96		-96	
OBA D-22 FRAC - Drill & Complete	-96		-96	
OBA D-AB FRAC- Perforate & Well Test	-58		-58	
OBAIYED SC - Perforate & Well Test	96		96	
Late Charges	-5		-5	
Total Development Drilling	3,550	46,799	-43,249	-92

Facilities and Equipment's

Total actual Facilities and Equipment's expenditure reached US\$ 27.783 million compared with the revised budget of US\$ 49.091 million.

The difference is due to postpone some flow lines, minor and overhauling projects.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Obaiyed Major Projects				
Remediation of Blowdown System Constrain	34	-	34	
New Southern Header	1,641	1,279	362	28
Technical Integrity	165	195	-30	-15
Obaiyed Integrity Remediation Project Ph	7,800	11,057	-3,257	-29
Obaiyed New CPI (API)	1,625	2,518	-893	-35
Obaiyed Temp solution T5203	799	1,115	-316	-28
New Water plant	869	872	-3	-0.34
Wells ROC upgrade	5	542	-537	-99
DCS RS3 Hardware Upgrade	103	475	-372	-78
Upgrade GLYCOL CONDENSERS	138	344	-206	-60
Obaiyed Fire and Gas Philosophy Implement	0	335	-335	-100
Replacement of Glycol Circulating Pumps	147	301	-154	-51
Total Obaiyed Major Projects	13,326	19,033	-5,707	-30
Flow lines & Hookup				
OBA D-AU	0	1,343	-1,343	-100
OBA D-BJ	0	607	-607	-100
OBA D-BK	0	1,063	-1,063	-100
OBA D-BL	0	568	-568	-100
OBA D-BM	765	1,069	-304	-28
OBA D-BN	378	1,063	-685	-64
OBA J-14 B	2,587	3,523	-936	-27
OBA J-14 A	2,636	2,077	559	27
OBA JB 18-1	1,626	1,722	-96	-6
OBA H-18	0	1,560	-1,560	-100
OBA D-39 ST	233	342	-109	-32
OBA SW	160	168	-8	-5
OBA D-BA	45	83	-38	-46
OBA J14-C	1,007	-	1,007	
OBA D-AX	297		297	
Late charges	115		115	
Water Injection F/L				
Paint Upg. 14" Piping for 3 export comp.	11		11	
Performing CIPS & DCVG for 34" GPL	13		13	
Total Flow lines & Hookup	9,873	15,188	-5,315	-35
Existing Asset				
Overhauling & Minor Projects	2,799	12,310	-9,511	-77
PE Studies	1,349	2,000	-651	-33
Total Existing Asset	4,148	14,310	-10,162	-71
Movables	351	560	-209	-37
Surplus stock	85		85	
Total Facilities/Equipment's	27,783	49,091	-21,308	-43
Allocated Overhead	5,714	7,114	-1,400	-20
Assets Usage	439		439	
Total Development Facilities/Equipment's	33,936	56,205	-22,269	-40

Condensate Operating Expenses

Total actual Operating costs were US\$ 5.623 million compared with the revised budget US\$ 7.190 million. Total Production volume was 2812 Mbbbl compared with the revised budget 2779 Mbbbl. Unit cost was US\$ 2.03 bbl against the revised budget US\$ 2.48 bbl.

Operating-Condensate	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
\$000					
Condensate Processing & Facilities	21	89	-68	-76	144
Condensate Treating	1	0	1		1
Condensate Storage/Shipping	4,874	6,257	-1,383	-22	4,386
Condensate Share of utilities	727	844	-117	-14	891
Direct Costs	5,623	7,190	-1,567	-22	5,422
Total Operating Cost	5,623	7,190	-1,567	-22	5,422
Allocated Overheads	3,875	3,888	-13	0	3,726
Total Cost	9,498	11,078	-1,580	-14	9,148
El Qasr share of condensate shipping	-3,790	-4,183	393	-9	-4,631
Grand Total	5,708	6,895	-1,187	-17	4,517
Production (Mbbbl)	2812	2779	33	1	2735
Unit Cost (US\$/bbl)	2.03	2.48	-0.45	-18	1.65

Gas Operating Expenses

Total actual operating costs reached US\$ 11.829 million compared to the revised budget US\$ 8.939 million. Gas sales volumes were 68653 MMscf compared with the revised budget 67628 MMscf. The unit gas sales cost was US\$ 0.16 MMscf compared to the revised budget of US\$ 0.10 Mscf.

Operating – Gas	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
\$000					
Gas Wells	3,339	2,036	1,303	64	3,098
Gas Processing & Facilities	526	363	163	45	1,127
Gas Treating	3,056	1,866	1,190	64	1,682
Gas Shipping	556	749	-193	-26	319
Gas Share from Utilities	3,403	3,847	-444	-12	3,453
Direct Costs	10,880	8,861	2,019	23	9,679
Workover	949	77	872	1,132	0
Total Operating Cost	11,829	8,938	2,891	32	9,679
Allocated Overhead	18,507	18,737	-230	-1	18,679
Total Cost	30,336	27,675	2,661	10	28,358
El Qasr share of gas shipping	-19,049	-21,034	1,985	-9	-18,572
Grand Total	11,287	6,641	4,646	70	9,786
Gas Sales (MMscf)	68653	67628	1025	2	63829
Unit Cost (US\$/Mscf)	0.16	0.10	0.07	67	0.15



TIBA PETROLEUM COMPANY

(TIPETCO)

Annual Report

Financial Year 2015/2016

BOARD OF DIRECTORS

(TIPETCO)

Eng. Emad Hamdy Chairman & Managing Director <i>(from 16/6/2013)</i>	Mr. Aidan Murphy Chairman of Shell Companies in Egypt. <i>(from 1/12/2014)</i>
Geol. Ali Mahmoud Khairy Assist. Chairman for Exploration <i>(from 26/05/2015 till 25/06/2016)</i>	Mr. Wayne Pearce VP Tech & Prod Mena Country Chair AD <i>(from 5/11/2013)</i>
Geol. Alaa El-Batal Assist. Chairman for Exploration <i>(from 16/06/2016)</i>	Mr. Thomas Maher Apache President <i>(from 04/01/2013 till 7/5/2016)</i>
Mr. Belal El-Nabarawy Assist Chairman for Finance <i>(from 23/10/2014 till 5 Aug. 2015)</i>	Mr. David Chi Apache President <i>(from 08/05/2016)</i>
Mrs. Naela El-Horeshy Finance General Manager <i>(from 12/05/2016)</i>	Mr. Mike Maison Apache Operation General Manager <i>(from 04/01/2013 till 30/8/2015)</i>
Eng. Essam Farid D. Operations General Manager <i>(from 01/06/2015)</i>	Mr. Steve Kemmit Apache Operation General Manager <i>(from 31/08/2015)</i>

TIBA Petroleum Company (TIPETCO) was established 6th July, 1997 after the issuance of the Ministerial Decree no. 742 of 1997 following the commercial announcement and transferring the Halif concession area to development lease on 3rd June, 1997.

1. Production

TIPETCO

	*Oil (bbl)	Condensate (bbl)	Gas (MMscf)
Production	6,852,812	1,193	8,225
Delivery/Sales	6,852,640	1,422	7,771
Average Daily Production	18,724	3	22
Average Daily Delivery/Sales	18,723	4	21

NEAG-JG, Shieba

	*Oil (bbl)	Condensate (bbl)	Gas (MMscf)
Production	985,789	-----	8,023
Delivery/Sales	985,771	-----	7,671
Average Daily Production	2693	-----	22
Average Daily Delivery/Sales	2693	-----	21

NEAG-1, 5

	*Oil (bbl)	Condensate (bbl)	Gas (MMscf)
Production	5,867,023	-----	-----
Delivery/Sales	5,866,869	-----	-----
Average Daily Production	16030	-----	-----
Average Daily Delivery/Sales	16030	-----	-----

Apollonia, Neag

	*Oil (bbl)	Condensate (bbl)	Gas (MMscf)
Production	-----	1,193	201
Delivery/Sales	-----	1,193	100
Average Daily Production	-----	3	0.6
Average Daily Delivery/Sales	-----	3	0.3

- The average daily gas sales were 21 MMscf/d below the target (22 MMscf/d) by 3%.
- The average daily oil & Condensate production rate was 18,724Bbl/d, above target (16445 Bbl/d) by 14%.

NEAG-1, 5, Apollonia:

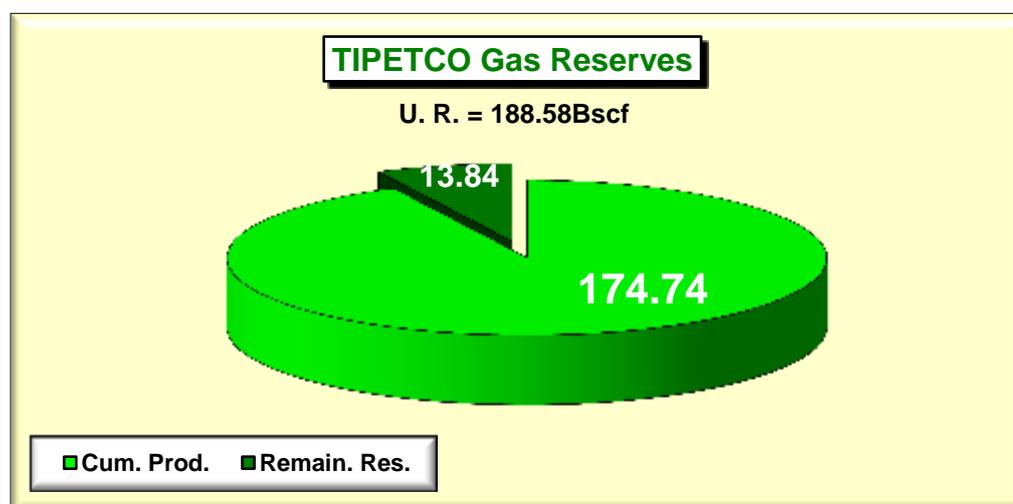
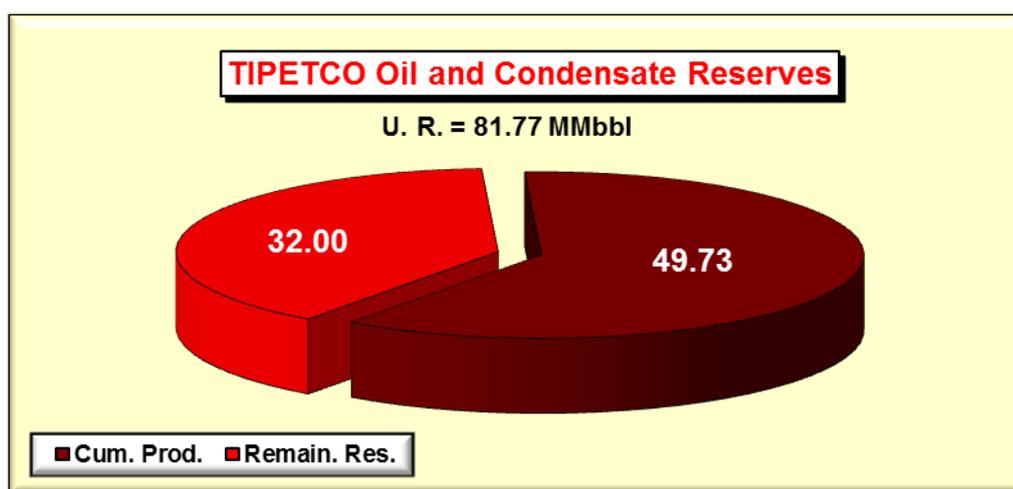
- **During Dec., 2015** Neag -1 Drag reducer success result- increased Production above 17,000 BPD.
- New well Neag 2-5 opened on 7th Jan., 2016 with initial Gross rate 4800 bopd.

2. Hydrocarbon Reserves

This chapter contains TIPETCO's estimates of hydrocarbon volumes initially in place, ultimate recovery and remaining reserves at 30th June, 2016.

Hydrocarbon Reserves TIPETCO

	Oil	Cond.	Gas
	(MMbb1)		(Bscf)
Hydrocarbons IIP	255.49	0	357.367
Ultimate Recovery	81.73	0	188.58
Remaining Reserves at 30th June, 2016	32.	0	13.835
Change in Reserves 2015/2016	13.83	0	-1.548



The Following Tables show the Hydrocarbon Reserves for each Field in NEAG concession:

Oil and Condensate Reserve (MM bb1)

Field	Initially In Place	Ultimate Recovery	Year Prod. (15/16)	Cumulative Production 30/06/16	Remaining Reserve 30/06/16
JG	111.180	24.57	0.978	22.588	1.977
Shiba	8.000	0.953	0.000	0.886	0.067
Al-Fadl	61.400	17.654	1.128	7.234	10.420
Al-Qadr	23.000	6.306	0.346	3.475	2.831
Neag-2	42.600	27.79	4.009	12.542	15.280
Neag-3	4.140	2.038	0.038	1.887	0.151
Neag-5	5.170	2.419	0.392	1.144	1.275
JDT	0.000	0.015	0.004	0.015	0.000
Total	255.490	81.73	6.894	49.770	32.001

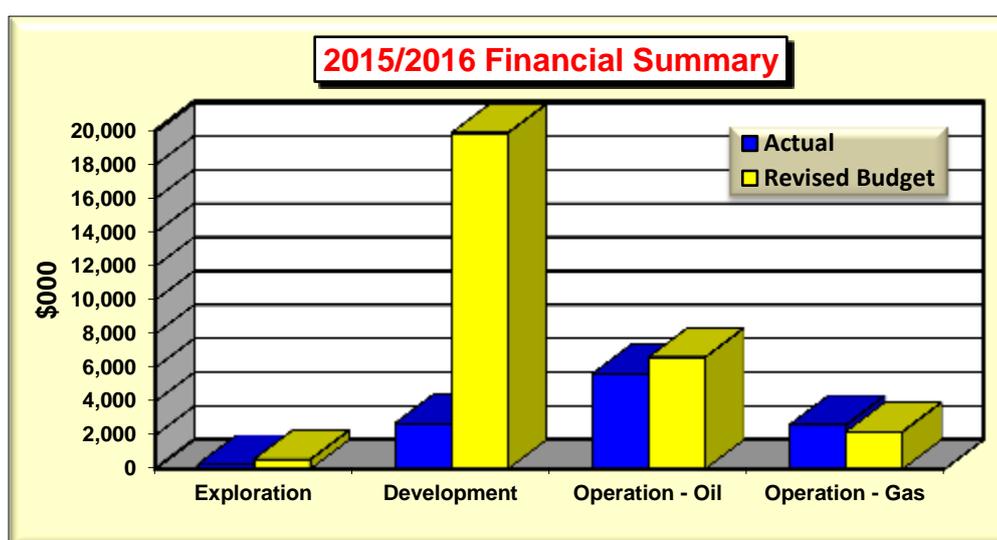
Gas Reserve (Bscf)

Field	Initially In Place	Ultimate Recovery	Year Prod. (15/16)	Cumulative Production 30/06/16	Remaining Reserve 30/06/16
JG	290.765	183.690	7.671	170.541	13.149
Shiba	3.200	0.297	0.000	0.297	0.000
Al-Fadl	2.456	0.215	0.000	0.215	0.000
Al-Qadr	1.660	0.192	0.000	0.192	0.000
Neag-2	6.296	0.952	0.000	0.952	0.000
Neag-3	0.660	0.275	0.000	0.275	0.000
Neag-5	0.670	0.007	0.000	0.007	0.000
JDT	51.660	2.95	0.045	2.27	0.686
Total	357.367	188.58	7.77	174.74	13.835

3. Finance Summary

Actual expenditure in Tiba Concession for 2015/2016 was US\$ 11.196 million compared with the Original budget of US\$ 50.296 million. The working plan was revised during the year to reach US\$ 29.275 million.

<u>\$000</u>	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Summary					
Exploration	259	568	-309	-54	71
Development	2,694	19,885	-17,191	-86	31,870
Operation Oil	5,626	6,613	-987	-15	10,961
Operation Gas	2,617	2,209	408	18	5,203
Total	11,196	29,275	-18,079	-62	48,105
Grand Total	11,196	29,275	-18,079	-62	48,105



The total oil production volume was 987 (Mbbbl) while in the revised budget was 884 (MMbbbl).

The total Gas sales was 7771 (MMscf) while the revised budget was 8050 (MMscf).

The Oil unit production cost in the concession was US\$ 5.70 bbl while the revised budget was US\$ 7.48 bbl. The Gas unit cost was US\$0.34 (Mscf) while the revised budget was US\$ 0.27 (Mscf).

	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Oil Production (Mbbbl)	987	884	103	12	1523
Unit Cost (US\$/bbl)	5.70	7.48	-1.78	-24	7.20
Gas Sales (MMscf)	7771	8050	-279	-3	12043
Unit Cost (US\$/Mscf)	0.34	0.27	0.06	23	0.43

Exploration

The exploration actual expenditure for 2015/2016 were US\$ 0.259 million compared with the revised budget US\$ 0.568 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	-106	0	-106	
Seismic	202	387	-185	-48
Allocated Overhead/Serv. Fees	163	181	-18	-10
Grand Total	259	568	-309	-54

Exploration Drilling

Development actual drilling expenditure were US\$ -0.106 million for adjustments.

<u>\$000</u>	2015/2016		Variation	
	Actual	Revised Budget	\$	%
Drilling				
NEAG JD-5 (C1-A)	-31	0	-31	
Neag JG-AB	-75	0	-75	
Total Drilling	-106	0	-106	

Development

The Development actual expenditure were US\$ 2.694 million compared to the Revised budget US\$ 19.885 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	-944	13,366	-14310	-107
Facilities / Equipment	2,333	5,274	-2941	-56
Allocated Overhead	1,244	1,245	-1	0
Total Development	2,633	19,885	-17252	-87
Assets Usage	61	0	61	
Grand Total	2,694	19,885	-17191	-86

Development Drilling

Development actual drilling expenditure were US\$ -0.944 million compared to the revised budget US\$ 13.366 million.

The difference is due to the adjustments and the Postpone of some drilling wells according to the drilling sequence plan.

	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling				
JDT 1- 01 APP-Gas	0	3,000	-3000	-100
JDT 1- 02 APP-Gas	0	3,000	-3000	-100
JDT 1-04 App.Gas	361	2,270	-1909	-84
JDT 1-05 App.Gas	1,226	1,019	207	20
NEAG JG-AK	-13		-13	
Neag JG-AI	-1,445		-1445	
NEAG JG-AE	-1,201		-1201	

NEAG JG-AM	-740		-740	
Re-Completion Pool		750	-750	-100
Neag JG-16 Recompletion	1,190	1,200	-10	-1
NEAG JG-19 Recompletion	58		58	
Neag JG-13 Inst. ESP	-165		-165	
Neag jg-12	-104		-104	
JG-7ST	-389		-389	
Neag JG-21 - ESP	-12		-12	
Neag JG-14 recompletion	-64		-64	
Late Charge	-240		-240	
<u>Frac</u>				
Frac Pool		150	-150	-100
Neag JG-7 Frac	29			
<u>Work Over</u>				
Neag JG - Work Over Pool		1,333	-1333	-100
Neag JG-9	211	308	-97	-31
Neag JG-10 W.O	406	110	296	269
Neag JG-02 - WO	594		594	
NEAG JG-13 WorkOver	-308		-308	
Neag JG-18 wo	-66		-66	
NEAG JG-7 Work Over	-85		-85	
NEAG JG-17 Work Over	-40		-40	
Neag JG-21 - WO	-36		-36	
Late charges	38		38	
<u>Water Injector</u>				
NEAG JG-AD Disposal Water	259	226	33	15
Neag JG LSA-1 (JG-AG)	-411		-411	
Late charges	3		3	
Total Development Drilling	-944	13,366	-14310	-107

Facilities and Equipments

Facilities and Equipment's actual expenditure were about US\$ 2.333 million compared to the revised budget amount of US\$ 5.274 million due to the postpone of some lowliness and studies.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
<u>Tiba Major Projects</u>				
BED3 airstrip rehabilitation for NEAG	43	3	40	1333
NJG Surface Facilities	14	884	-870	-98
Neag JD Apollonia pilot facilities	2,090	1,900	190	10
JG upgrade for infill wells & LSA WF	-500	0	-500	
Total Tiba Major Projects	1,647	2,787	-1140	-41
<u>Flowlines & Hookup</u>				
NEAG JG-AE	337		337	
Apollonia JD 1	0	1,000	-1000	-100
Apollonia JD 2	0	1,000	-1000	-100
Neag JG-19	146	65	81	125

Neag JG 14	17		17	
Neag JG-AF	35		35	
Late charges	21		21	
<u>Water injection-Flow line</u>				
Late charges	-1		-1	
Total Tiba Flowlines & Hookup	555	2,065	-1510	-73
<u>Existing Asset</u>				
Overhauling & Minor Projects	131	146	-15	-10
PE Studies	0	253	-253	-100
Total Tiba Existing Asset	131	399	-268	-67
Movables	0	23	-23	-100
Total Tiba Facilities/Equipment's	2,333	5,274	-2941	-56
Allocated Overhead	1,244	1,245	-1	0
Assets Usage	61		61	
Total Development Facilities/Equipment's	3,638	6,519	-2881	-44

Oil Operating Expenses

Total actual Operating costs reached about US\$ 4.597 million compared to the revised budget which was US\$ 5.645 million. The oil actual production reached 987 Mbbl when the revised budget was 884 Mbbl.

The actual unit cost reached US\$5.70 against the revised budget which was US\$ 7.48 Mbbl.

Operating – Oil	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
<u>\$000</u>					
Oil Wells	839	1,797	-958	-53	987
Oil Processing & Facilities	52	97	-45	-46	476
Oil Treating	6	27	-21	-78	0
Oil Storage/Shipping	942	1,183	-241	-20	1,572
Utilities	760	420	340	81	1,212
Share from Facilities	46	33	13	39	150
Direct Costs	2,645	3,557	-912	-26	4,397
Work over	1,952	2,088	-136		4,805
Total Operating Cost	4,597	5,645	-1,048	-19	9,202
Allocated Overheads	1,029	968	61	6	1,759
Grand Total	5,626	6,613	-987	-15	10,961
Production (Mbbl)	987	884	103	12	1523
Unit Cost (US\$/bbl)	5.70	7.48	-1.78	-24	7.20

Gas Operating Expenses

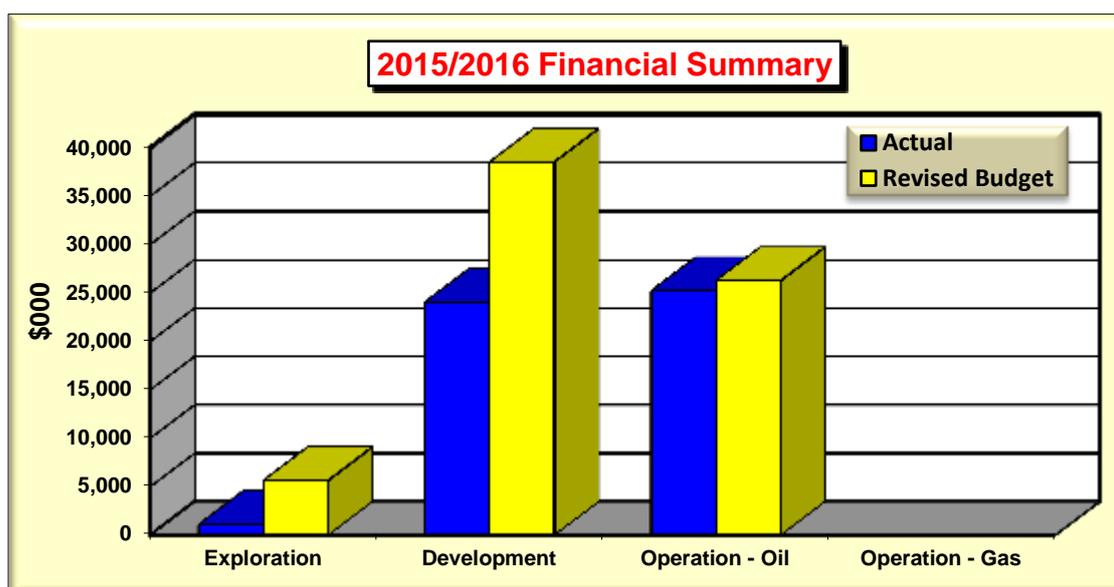
Total actual Operating costs were US\$ 1.188 million against US\$ 0.755 million in the revised budget. Gas sales volume was 7771 MMscf compared with the revised budget 8050 MMscf. The unit gas sales cost was US\$0.34 MMscf compared to the revised budget of US\$ 0.27 Mscf.

Operating – Gas	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
<u>\$000</u>					
Gas Processing & Facilities	0	0	0		589
Gas Shipping	22	59	-37	-63	0
Share from of facilities	133	114	19	17	269
Gas utilities	1,033	582	451	77	1,796
Direct Costs	1,188	755	433	57	2,654
Work over	0	0	0		0
Total Operating Cost	1,188	755	433	57	2,654
Allocated Overheads	1,429	1,454	-25	-2	2,549
Grand Total	2,617	2,209	408	18	5,203
Gas Sales (MMscf)	7771	8050	-279	-3	12,043
Unit Cost (US\$/Mscf)	0.34	0.27	0.06	23	0.43

NEAG - Extension

Actual expenditure in Neag-1 for 2015/2016 was US\$ 50.389 million against the original budget US\$ 40.394 million. During this year the working plan was revised to reach US\$ 70.432 million.

<u>\$000</u>	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Summary					
Exploration	1,092	5,634	-4,542	-81	58
Development	24,068	38,520	-14,452	-38	62,724
Operation-Oil	25,229	26,278	-1,049	-4	27,381
Total	50,389	70,432	-20,043	-28	90,163
Grand Total	50,389	70,432	-20,043	-28	90,163



The total oil production volume was 5867 (Mbbbl) while in the revised budget was 5135 (Mbbbl). The Oil and condensate unit production cost in the concession was US\$ 4.30 bbl while the revised budget was US\$ 5.12 bbl.

	2014/2015		Variance		2013/2014
	Actual	Revised Budget	\$	%	Actual
Oil Production (Mbbbl)	5867	5135	732	14	3741
Unit Cost (US\$/bbl)	4.30	5.12	-0.82	-16	7.32

Exploration

Exploration actual expenditure was US\$ 1.092 million against the revised budget with US\$ 5.634 million which represent the drilling, seismic activity and the allocated overheads.

<u>\$000</u>	2014/2015		Variance	
	Actual	Revised Budget	\$	%
Drilling	904	5,300	-4,396	-83
Seismic	103	98	5	5
Allocated Overhead/Serv. Fees	85	236	-151	-64
Grand Total	1,092	5,634	-4,542	-81

Exploration Drilling

Exploration actual drilling costs was US\$ 0.904 million Compared with the revised budget US\$ 5.300 million.

	2014/2015		Variance	
	Actual	Revised Budget	\$	%
Drilling				
Neag 2-F	78	3,583	-3,505	-98
Neag 5- I	1000	1,717	-717	-42
Neag C6-C	-160		-160	
Late Charge	-14		-14	
Total Exploration Drilling	904	5,300	-4,396	-83

Development

The Development actual expenditure were US\$ 24.068 million against the revised budget US\$ 38.520 million.

<u>\$000</u>	2014/2015		Variance	
	Actual	Revised Budget	\$	%
Drilling	7,163	13,054	-5,891	-45
Facilities / Equipment's	12,231	21,753	-9,522	-44
Allocated Overhead	4,470	3,713	757	20
Total Development	23,864	38,520	-14,656	-38
Assets Usage	204		204	
Grand total	24,068	38,520	-14,452	-38

Development Drilling

Development actual drilling costs were US\$ 7.163 million compared to the revised budget US\$ 13.054 million.

The difference is due to Postpone frac and water injection.

	2014/2015		Variance	
	Actual	Revised Budget	\$	%
Drilling				
Neag 2-E	3,859	2,429	1,430	59
NEAG 2-D (C5-D)	149		149	
Al Qadr 3 - Recompletion	-694		-694	
Al Fadl - IAA	-178		-178	
Al Fadl - IAE	-214		-214	
EL-FADL-38 Inst ESP	-234		-234	
NEAG C3-L (AL-FADL-25)WI	-253		-253	
Al-Fadl IK	-203		-203	

Al-Fadl IB	-495		-495	
Al-Fadl IL	-103		-103	
Re-Completion Pool		1,500	-1,500	-100
Late Charges	-339		-339	
FRAC&TEST				
Al Fadl -1	100		100	
NEAG 4-1 FRAC	-122		-122	
NEAG Ext. - FRAC Pool		1,500	-1,500	-100
Late Charges	-85		-85	
Work Over				
NEAG 5-3 Work Over	(36)		-36	
Neag 2-2 ST	581		581	
AL Fadl-15 Work Over	329		329	
AL Fadl-35 Work Over	521		521	
Al-Qadr - 1	144		144	
NEAG 5-1 Work Over ESP	(179)		-179	
Al Fadl -16 WO	(202)		-202	
Al Fadl - 26 WO	(104)		-104	
Al Fadl-14 WO	(155)		-155	
EL Qadr 7 WO	(432)		-432	
Al Fadl -3 WO	(564)		-564	
Al Fadl-1 W/O	(129)		-129	
Al Fadl-9 W/O	(143)		-143	
Al Fadl-11 W/O	(104)		-104	
Work Over Pool		2,602	-2,602	
Late Charges	(585)		-585	
Water Injector				
Al Fadl - WSD-1	153	337	-184	-55
Fadl-IC	1,772	1,721	51	3
Neag 5 WS-1	344	394	-50	-13
Neag 5-I	2,367	1,371	996	73
Al-Fadl-11 WO	825		825	
Al-Fadl-14 WO	600		600	
AL Fadl-34 Work Over	700		700	
Al-Fadl-14 ESP Repair	461		461	
NEAG5-F	(165)		-165	
Al Fadl - IAD	(159)		-159	
NEAG-1 Water Wells Pool		1,200	-1,200	-100
Late Charges	135		135	
Total Development Drilling	7,163	13,054	-5,891	-45

Facilities and Equipments

Facilities and Equipment's actual expenditure was about US\$ 12.231 million compared to the revised Budget amount of US\$ 21.753 million.

The difference is due to Postpone some projects.

<u>\$000</u>	2014/2015		Variance	
	Actual	Revised Budget	\$	%
<u>Major Projects</u>				
Neag 1 Integrated Camp Phase 2	1,013	794	219	28
Neag 1 Water Disposal Long Term	2,828	4,507	-1,679	-37
Neag-1 water disposable network	950	1,050	-100	-10
Neag 1 Export Pumps	-	542	-542	-100
NEAG 1 Full Field Develop.	2,679	3,358	-679	-20
NEAG 2 remote Manifold & Pipeline		5,175	-5,175	-100
NEAG-1 Feed Short Term Upgrade	1,834	3,202	-1,368	-43
Provision of Well Test Connections - Neag	-	118	-118	-100
Total Major Projects	9,304	18,746	-9,442	-50
<u>Flow lines & Hook up</u>				
Neag 2-E (Oil)	501	387	114	29
Fadl IAC	54	57	-3	-5
Fadl IAE	87		87	
Neag 5-5 (5-F)	56		56	
Neag 2-D	85		85	
Fadl IA (28)	58		58	
Fadl IL	34		34	
Late Charges	-176		-176	
Water injection -Flow line				
Neag 5-I	458	321	137	43
Fadl IC (WI)	64	273	-209	-77
Fadl WS-1	307		307	
Fadl IAD	56		56	
Corrosion Protection Devices for WI	117		117	
Late Charge	55		55	
Total Flow lines & Hook up	1756	1,038	718	69
<u>Existing Asset</u>				
Overhauling & Minor Projects	786	1,826	-1,040	-57
Total Existing Asset	786	1,826	-1,040	-57
Movables	385	143	242	169
Total Facilities/Equipments	12,231	21,753	-9,522	-44
Allocated Overhead	4,470	3,713	757	20
Assets Usage	204		204	
Total Development Facilities / Equipments	16,905	25,466	-8,561	-34

Oil Operating Expenses

Total Operating costs was US\$ 16.433 million compared to the revised budget US\$ 17.738 million. Production volume was 5867 Mbbbl compared to the revised budget volume production 5135 Mbbbl. The unit rate was US\$ 4.30 bbl against revised budget US\$ 5.12 /bbl.

Operating – Oil	2014/2015		Variance		2013/2014
	Actual	Revised Budget	\$	%	Actual
\$000					
Oil Wells	1,836	1,879	-43	-2	1485
Oil Processing & Facilities	1,225	666	559	84	877
Oil Treating	2,478	2,665	-187	-7	1010
Oil Storage/Shipping	6,375	6,648	-273	-4	6192
Oil Share from utilities	3,234	3,336	-102	-3	5993
Share of Bed-3 Facilities	24	17	7	41	26
Direct Costs	15,172	15,211	-39	0	15,583
Work over	1,261	2,527	-72		5170
Total Operating Cost	16,433	17,738	-1,305	-7	20,753
Allocated Overheads	8,796	8,540	256	3	6628
Grand Total	25,229	26,278	-1,049	-4	27,381
Production (Mbbbl)	5867	5135	732	14	3741
Unit Cost (US\$/bbl)	4.30	5.12	-0.82	-16	7.32

WEST SITRA PETROLEUM COMPANY

(West Sitra)

Annual Report

Financial Year 2015/2016

Board of Directors

(West Sitra)

<p>Eng. Emad Hamdy Chairman & Managing Director <i>(from 16/6/2013)</i></p>	<p>Mr. Aidan Murphy Chairman of Shell Companies in Egypt. <i>(from 1/12/2014)</i></p>
<p>Geol. Ali Mahmoud Khairy Assist. Chairman for Exploration <i>(from 26/05/2015 till 25/06/2016)</i></p>	<p>Mr. Anthony Charnley Gen. Manager & MD <i>(from 31/1/ 2013)</i></p>
<p>Geol. Alaa El-Batal Assist. Chairman for Exploration <i>(from 16/06/2016)</i></p>	<p>Mr. Wayne Pearce VP Tech & Prod Mena Country Chair AD <i>(from 5/11/2013)</i></p>
<p>Mr. Belal El-Nabarawy Assist Chairman for Finance <i>(from 23/10/2014 till 5 Aug. 2015)</i></p>	<p>Mr. Frank Lemmink Regional Upstream Business Fin. Mgr. <i>(from 19/12/2014till 6/04/2016)</i></p>
<p>Mrs. Naela El-Horeshy Finance General Manager <i>(from 12/05/2016)</i></p>	<p>Mr. Daniel Slaby Regional Upstream Business Fin. Mgr. <i>from 06/04/2016)</i></p>
<p>Eng. Essam Farid D. Operations General Manager <i>(from 01/06/2015)</i></p>	

West Sitra Company was established in the mid of June 2007. A Development lease was granted according to the Concession Agreement (Law no. 167 of 1958).

1. Production

West Sitra

	*Oil (bbl)	Condensate (bbl)	Gas (MMscf)
Production	42,298	0	0
Delivery/Sales	42,298	0	0
Average Daily Production	116	0	0
Average Daily Delivery/Sales	116	0	0

- The average daily condensate production rate was 116 Bbl/d above the target (104 Bbl/d) by 11 %.

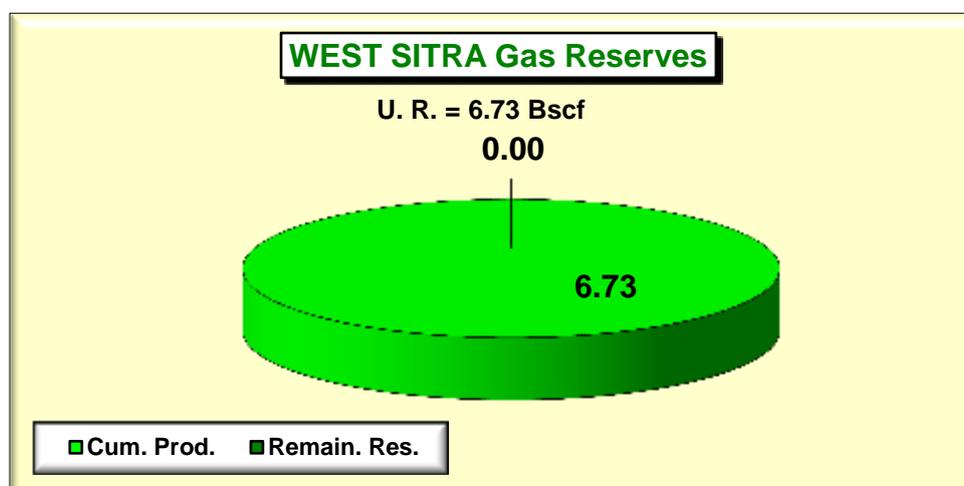
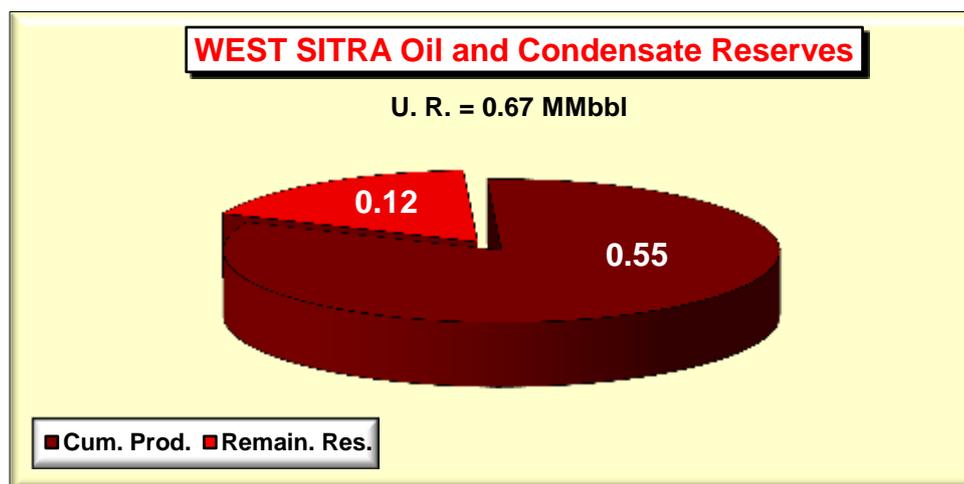
2. Hydrocarbon Reserves (West Sitra)

This chapter contains WEST SITRA's estimates of hydrocarbon volumes initially in place, ultimate recovery and remaining reserves at 30th June, 2016.

Hydrocarbon Reserves

WEST SITRA

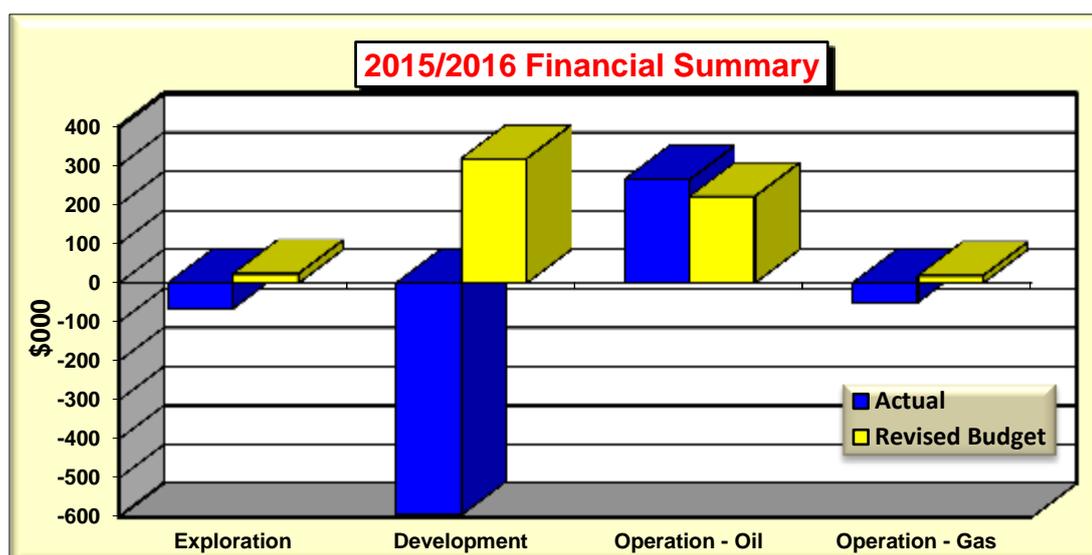
	*Oil (MMbb1)	Cond. (MMbb1)	Gas (Bscf)
Hydrocarbons IIP	2.200	1.300	10.300
Ultimate Recovery	0.350	0.321	6.730
Remaining Reserves at 30th June, 2016	0.118	0.000	0.000
Change in Reserves 2015/2016	0.160	0.000	0.000



3. Finance Summary

Actual expenditure in West Sitra Concession for 2015/2016 was US\$ -0.443 million compared with the Original budget of US\$ 0.426 million. The working plan was revised during the year to reach US\$ 0.584 million.

<u>\$000</u>	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Summary					
Exploration	-65	24	-89	-371	16
Development	-594	319	-913	-286	1,344
Operation Oil	265	222	43	19	344
Operation Gas	-49	19	-68	-358	90
Total	-443	584	-1,027	-176	1,794
Grand Total	-443	584	-1,027	-176	1,794



The total oil production volume was 42 (Mbbbl) while in the revised budget was 38 (Mbbbl).

The Oil unit production cost in the concession was US\$ 6.27 bbl while the revised budget was 5.84 US\$ bbl.

	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Cond. Production (Mbbbl)	42	38	4	11	140
Unit Cost (US\$/bbl)	6.27	5.84	0.43	7	2.45
Gas Sales (MMscf)					
Unit Cost (US\$/Mscf)					

Exploration

The exploration actual expenditure for 2015/2016 were US\$ -0.065 million against the revised budget US\$ 0.024 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	-108	-101	-7	7
Seismic	23	85	-62	-73
Allocated Overhead/Serv. Fees	20	40	-20	-50
Grand Total	-65	24	-89	-371

Exploration Drilling

The exploration actual expenditure was \$ -0.108 million compared with the revised budget US\$ -0.101 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
<u>Drilling</u>				
West Sitra C-86-A	-107	-101	-6	6
Lte charges	-1		-101	101
Total Wells	-108	-101	-7	7

Development

The development actual expenditure were US\$ -0.594 million compared with the revised budget US\$ 0.319 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	-734	125	-859	-687
Facilities / Equipment	2	0	2	
Allocated Overhead	135	194	-59	-30
Total Development	-597	319	-916	-287
Assets Usage	3	0	3	
Grand Total	-594	319	-913	-286

Development Drilling

Development actual drilling costs were US\$ -0.734 million compared to the revised budget US\$ 0.125million. The difference is due to some adjustments drilling wells.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
<u>Drilling</u>		16	-16	-100
West Sitra C86-1	-72	109	-181	-166
West Sitra C86-C	-556		-556	
West Sitra C86-B [3]	-277		-277	
WO				
West Sitra C86-1	171		171	
Total Development Drilling	-734	125	-859	-687

Facilities and Equipments

Facilities and Equipment's actual expenditure were about US\$ 0.140 million compared to the revised budget US\$ 0.194 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
<u>Major Projects</u>				
West Sitra Development	2		2	
Total W.S. Major Projects	2	0	2	
Total Facilities/Equipment	2	0	2	
Allocated Overhead	135	194	-59	-30
Assets Usage	3		3	
Total Development Facilities/Equipment	140	194	-54	-28

Oil Operating Expenses

Total Operating costs were US\$ 0.205 million compared to the revised budget US\$ 0.179 million. Production volume was 42 Mbbl compared to the revised budget 38 Mbbl. The unit rate was US\$ 6.27 bbl compared with the revised budget US\$ 5.84 bbl.

Operating – Oil	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
\$000					
Condensate Processing & Facilities		0	0		38
Condensate well head	0	4	-4	-100	0
Condensate Shipping	58	42	16	38	105
Share of Facilities	4	3	1	33	9
Share of Utilities	28	15			0
Direct Costs	90	64	26	41	152
Work over	115	115	0	0	31
Total Operation Cost	205	179	26	15	183
Allocated Overheads	60	43	17	40	161
Total Cost	265	222	43	19	344
Production Mbbl	42	38	4	11	140
Unit Cost (US\$/bbl)	6.27	5.84	0.43	7	2.45

Gas Operating Expenses

Total Operating costs were US\$ -0.049 million compared to the revised budget US\$ 0.019 million.

Operating – Gas	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
\$000					
Gas Wells	-49	19	-68	-358	90
Direct Cost	-49	19	-68	-358	90
Work over	0	0	0		0
Total Operating Cost	-49	19	-68	-358	90
Allocated Overheads		0	0		0
Total Cost	-49	19	-68	-358	90
Sales (MMscf)			0		0

ALAM EL-SHAWEISH PETROLEUM COMPANY

(Alam El Shawish)

Annual Report Financial Year 2015/2016

Board of Directors (Alam El Shawish)

Eng. Emad Hamdy Chairman & Managing Director <i>(from 16/6/2013)</i>	Mr. Aidan Murphy Chairman of Shell Companies in Egypt. <i>(from 1/12/2014)</i>
Geol. Ali Mahmoud Khairy Assist. Chairman for Exploration <i>(from 26/05/2015 till 25/06/2016)</i>	Mr. Wayne Pearce VP Tech & Prod Mena Country Chair AD <i>(from 5/11/2013)</i>
Geol. Alaa El-Batal Assist. Chairman for Exploration <i>(from 16/06/2016)</i>	Mr. Xiangyun Qu (NPIC) Country & General Manager <i>(from 29/04/2014)</i>
Mr. Belal El-Nabarawy Assist Chairman for Finance <i>(from 23/10/2014 till 5 Aug. 2015)</i>	Mr. Johannes Finborud Chairman GDF Suez <i>(from 25/5/2015)</i>
Mrs. Naela El-Horeshy Finance General Manager <i>(from 12/05/2016)</i>	
Eng. Essam Farid D. Operations General Manager <i>(from 01/06/2015)</i>	

On April 12th 2010 his excellence the minister of Petroleum issued the decree concerning the transfers of Operations of Alam El-Shawish Concession block from Petro Alam to Badr El Din Petroleum Company (Ministerial decree No. 1194/2010).

1. Production

Alam El-Shawish

	*Oil (bbl)	Condensate (bbl)	Gas (MMscf)
Production	990,720	1,175,937	56,204
Delivery/Sales	990,254	1,172,419	53,864
Average Daily Production	2707	3213	154
Average Daily Delivery/Sales	2706	3203	147

- The average daily gas sales were 147 MMscf/d higher than target (140 MMscf/d) by 5%.
- The average daily oil & condensate production rate was 5920 Bbl/d, very close to the target (5945 Bbl/d) .

The main actions in the area:-

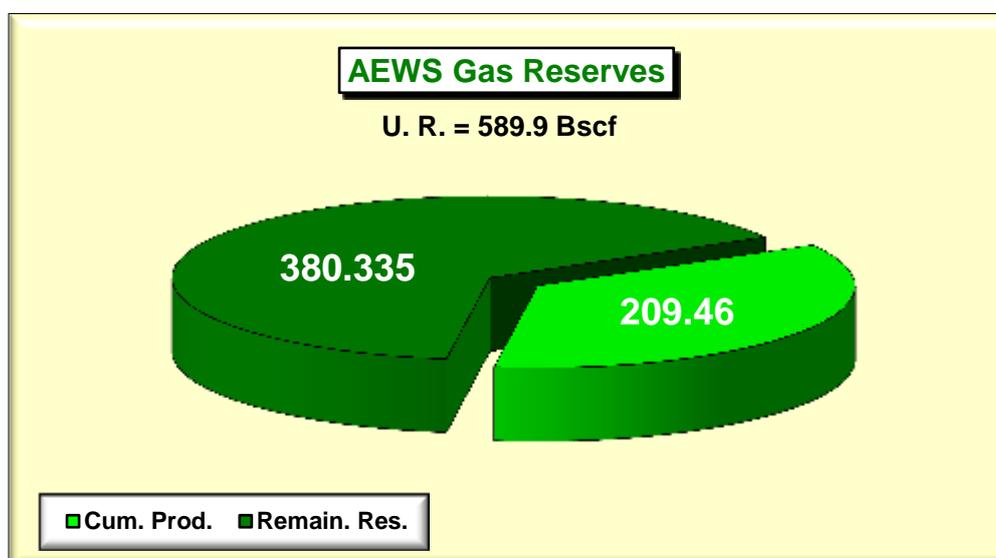
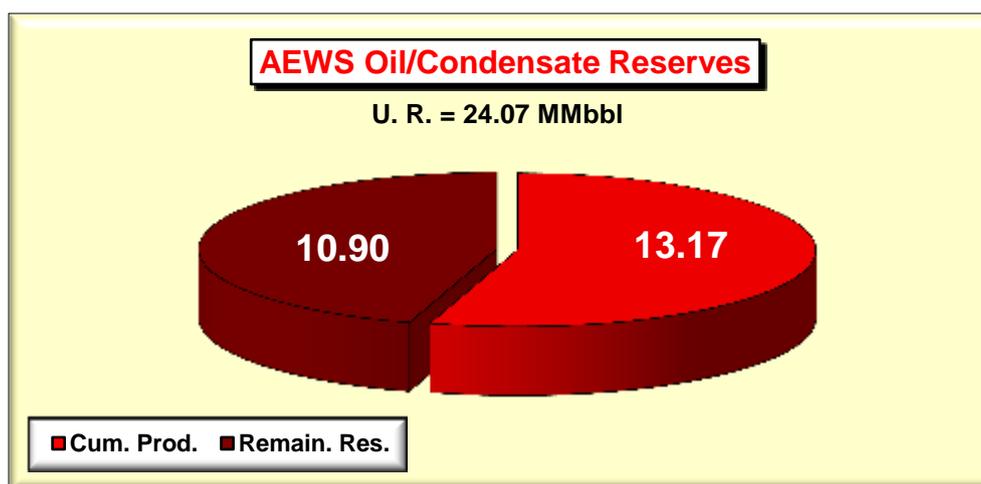
- Karam-8 opened to the production on 15th Feb., 2016.

2. Hydrocarbon Reserves

This chapter contains AESW estimates of hydrocarbon volumes initially in place, ultimate recovery and remaining reserves at 30th June, 2016.

AESW

	*Oil (MMbbl)	Cond. (MMbbl)	Gas (Bscf)
Hydrocarbons IIP	240.250	46.477	1874.698
Ultimate Recovery	13.134	10.939	589.8
Remaining Reserves at 30th June, 2016	5.735	4.968	380.335
Change in Reserves 2015/2016	1.308	2.319	53.39



The Following Tables show the Hydrocarbon Reserves for each Field:

Oil Reserves (MMstb)

Field	Initially In Place	Ultimate Recovery	Year Prod. (15/16)	Cumulative Production 30/06/16	Remaining Reserve 30/06/16
BAHGA	72.69	8.52	0.89	5.17	4.36
BARQ	18.70	0.87	0.00	0.47	0.41
MAGD	28.76	1.55	0.02	0.78	0.77
ASSIL	105.10	0.72	0.06	0.51	0.21
KARAM	15.00	0.47	0.01	0.48	0.00
Total	240.25	13.13	0.99	7.40	5.73

Condensate Reserves (MMstb)

Field	Initially In Place	Ultimate Recovery	Year Prod. (15/16)	Cumulative Production 30/06/16	Remaining Reserve 30/06/16
ASSIL	15.5	5.32	0.46	4.76	0.56
KARAM	30.98	5.62	0.71	1.21	4.41
Total	46.48	10.94	1.18	5.97	4.97

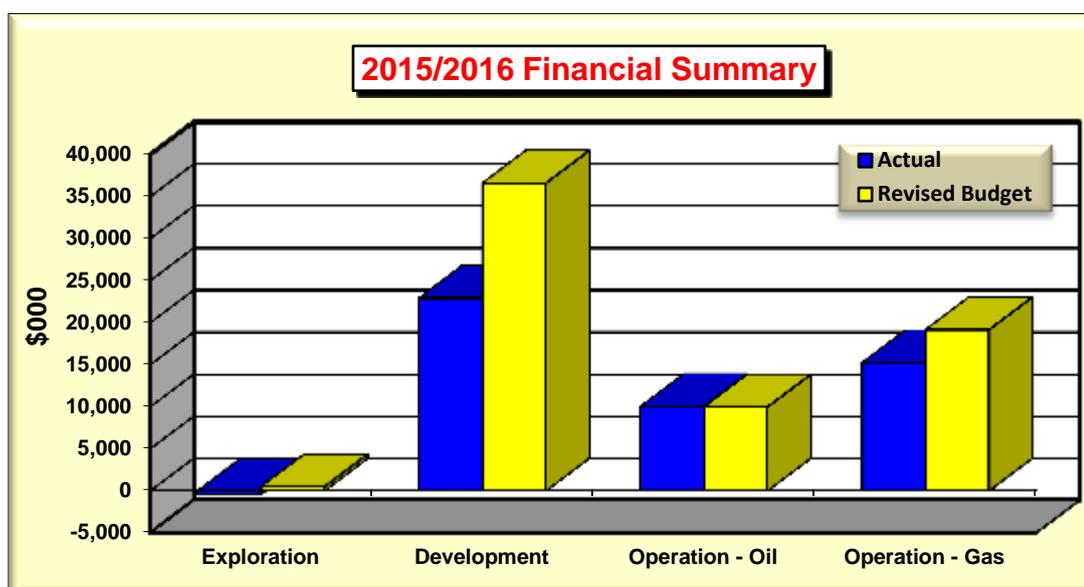
Associated & Non-Associated Gas Reserves (Bscf)

Field	Initially In Place	Ultimate Recovery	Year Prod. (14/15)	Cumulative Production 30/06/15	Remaining Reserve 30/06/15
BAHGA	29.970	0.86	0.00	0.84	0.020
BARQ	4.400	0.041	0.000	0.041	0.000
MAGD	6.070	0.069	0.000	0.069	0.000
ASSIL	437.280	155.543	7.569	131.070	24.473
KARAM	1396.978	433.29	46.295	77.442	355.843
Total	1874.698	589.8	53.86	209.46	380.335

3. Financial Summary

Actual expenditure in Alam El-Shawish concession for 2015/2016 was US\$ 47.785 million against the original budget US\$ 83.814 million. During this year the working plan was revised to reach US\$ 66.184 million.

<u>\$000</u>	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Summary					
Exploration	-422	477	-899	-188	1,872
Development	22,938	36,590	-13,652	-37	74,372
Operation-Oil	10,036	9,965	71	1	10,602
Operation-Gas	15,233	19,152	-3,919	-20	17,200
Total	47,785	66,184	-18,399	-28	104,046
Grand Total	47,785	66,184	-18,399	-28	104,046



The total oil & condensate production volume was 2167 (Mbbbl) while in the revised budget was 2176 (Mbbbl).

The total Gas sales was 53864 (MMscf) while the revised budget was 51358 (MMscf).

The Oil and condensate unit production cost in the concession was US\$ 4.63 bbl while the revised budget was US\$ 4.58 bbl and The Gas unit cost was US\$ 0.28 (Mscf) while the revised budget was US\$ 0.37 (Mscf).

	2015/2016		Variance		2014/2015
	Actual	Revised Budget	\$	%	Actual
Oil & Cond. Production (Mbbbl)	2167	2176	-9	0	1899
Unit Cost (US\$/bbl)	4.63	4.58	0.05	1	5.58
Gas Sales (MMscf)	53864	51358	2506	5	41140
Unit Cost (US\$/Mscf)	0.28	0.37	-0.09	-24	0.42

Exploration

Exploration actual expenditure was US\$ -0.422 million against the revised Budget US\$ 0.477 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	-769	0	-769	
Seismic	170	328	-158	-48
Allocated Overhead/Serv. Fees	177	149	28	19
Grand Total	-422	477	-899	-188

Exploration Drilling

Exploration actual drilling expenditure was US\$ -0.769 million.

	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling				
Assil C83-1	-568		-568	
AESW C2-1 (A)	-146		-146	
AESW-ARF (F1-A)	-20		-20	
AEWS C-87-1	-41		-41	
Late charges	6		6	
Total Exploration Drilling	-769	0	-769	

Development

The development actual expenditure was US\$ 22.938 million against the revised budget US\$ 36.590 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	7,296	18,626	-11,330	-61
Facilities / Equipments	11,592	13,834	-2,242	-16
Allocated Overhead	3,810	4,130	-320	-8
Total Development	22,698	36,590	-13,892	-38
Asset Usage	240	0	240	
Grand total	22,938	36,590	-13,652	-37

Development Drilling

Development actual drilling cost were US\$ 7.296 million compared with the revised budget US\$ 18.626 million due to some drilling wells adjustments.

	2015/2016		Variance	
	Actual	Revised Budget	\$	%
<u>Drilling</u>				
AL-Karam G	9,532	11,403	-1,871	-16
Al-Karam E	-758		-758	
Al-Karam F	-1,532		-1,532	
Karam - 4 Recompletion	-655		-655	
Bahga C101-A	-240		-240	
Bahga-10 Recompletion	-185		-185	
Bahga 9 Recompletion	-209		-209	
Bahga 11 ESP Inst.	-112		-112	
Assil-3	-169		-169	
ASSIL-8	131		131	
Re-Completion Pool		938	-938	-100
Late charges	-695		-695	
<u>Water wells</u>				
Bahga WS - 3	476	465	11	2
Magd C86 WS-2	550	550	0	0
AESW Water Wells pool		400	-400	-100
Late charges	-38		-38	
<u>Frac</u>				
Bahga -9 - FRAC	469	234	235	100
AESW - Frac Pool		1,500	-1,500	-100
Late charges	-232		-232	
<u>Workover</u>				
Assil-C-83-1 W.O	531	643	-112	-17
Bahga-7 WO	189	628	-439	-70
Bahga-9 WO	382	365	17	5
Alam El-Shawish Workover Pool		1,500	-1,500	-100
Late charges	-139		-139	
Total Development Drilling	7,296	18,626	-11,330	-61

Facilities and Equipments

Facilities and Equipment's actual expenditure were about US\$ 11.592 million compared to the revised budget amount of US\$ 13.834 million. This difference is due to the Postpone of some projects.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
<u>Major ASW Projects</u>				
AESW Oil station redevelopment	0	333	-333	-100
New gas plant at El Assil	8,621	9,219	-598	-6
AESW Oil Stations Safety Upgrades	158	125	33	26
AESW diesel generator cluster	0	791	-791	-100
Bed3 airstrip rehabilitation for AESW	205	18	187	1039

Total Major Projects	8,984	10,486	-1,502	-14
<u>Flow lines & Hook up</u>				
Assil C83-A	134	-	134	
Karam-G (Gas)	678	820	-142	-17
Magd -1 hook up	37	37	0	0
Magd 6 ESP hook up	15	4	11	275
Magd 7 suker rod hook up	20	3	17	567
BAHGA - BARQ Pipeline Project	43		43	
Late charges	96		96	
Total Flow lines & Hook up	1,023	864	159	18
<u>Water inj.Flow line</u>				
Bahga WS-2 & Bahga 6	-1	-	-1	
BAHGA WS-3	181	92	89	97
Bahga-N	17	17	0	0
Barq WS-A	39	39	0	0
Magd 7	53	43	10	23
Magd C86 WS-2	150	150	0	0
Total water inj. Flow line	439	341	98	29
<u>Existing Asset</u>				
Minor Projects & Overhauling	502	1,577	-1,075	-68
PE Studies	0	90	-90	-100
Total Existing Asset	502	1,667	-1,165	-70
Movables	645	476	169	36
Surplus stock	-1	0	-1	
Total Facilities/Equipments	11,592	13,834	-2,339	-16
Allocated Overhead	3,810	4,130	-320	-8
Assets Usage	240		240	
Total Development Facilities/Equipments	15,642	17,964	-2,322	-13

Oil & Cond. Operating Expenses

Total Operating cost was US\$ 5.223 million compared to the revised budget US\$ 6.694 million. Total Production volume was 2167 Mbbl compared to the revised budget volume Production 2176 Mbbl. The unit rate was 4.63 US\$ bbl and the revised budget was US\$ 4.58 bbl.

Operatings – Oil & Cond.	2015/2016		Variance		2014/2015
	\$000	Actual	Revised Budget	\$	%
Oil Wells	281	1,836	-1,555	-85	1,498
Oil Processing & Facilities	-2	4	-6	-150	222
Oil Treating	12	51	-39	-76	15
Oil Storage/Shipping	1,970	1,834	136	7	3,500
Oil Share from utilities	1,733	983	750	76	1,184
Share of Facilities B03	94	65	29	45	110

Direct Costs	4,088	4,773	-685	-14	6,529
Work over	1,135	1,921	-786	-41	1,057
Total Operating Cost	5,223	6,694	-1,471	-22	7,586
Allocated Overheads	4,813	3,271	1,542	47	3,016
Grand Total	10,036	9,965	71	1	10,602
Production (Mbbbl)	2167	2176	-9	0	1899
Unit Cost (US\$/bbl)	4.63	4.58	0.05	1	5.58

Gas Operating Expenses

Total Operating cost was US\$ 5.081 million compared to the revised budget US\$ 6.714 million. Total production volume was 53864 MMscf compared to the revised budget volume Production 51358 MMscf. The unit rate was US\$0.28 MMscf Compare with the revised budget US\$ 0.37 MMscf.

Operating – Gas	2015/2016		Variance		2014/2015	
	\$000	Actual	Revised Budget	\$	%	Actual
Gas Wells		363	442	-79	-18	111
Gas Processing		1,420	372	1048	282	1,885
Gas Treating		79	1,004	-925	-92	23
Gas Share from utilities		2,305	4,130	-1825	-44	4,444
Share of Bed-3 Facilities		914	766	148	19	971
Direct Cost		5,081	6,714	-1633	-24	7,434
Work over		0	0	0		0
Total Operating Cost		5,081	6,714	-1633	-24	7,434
Allocated O/H		10,152	12,438	-2286	-18	9,766
Grand Total		15,233	19,152	-3919	-20	17,200
Gas Sales (MMscf)		53864	51358	2506	5	41140
Unit Cost (US\$/MSCF)		0.28	0.37	-0.09	-24	0.42

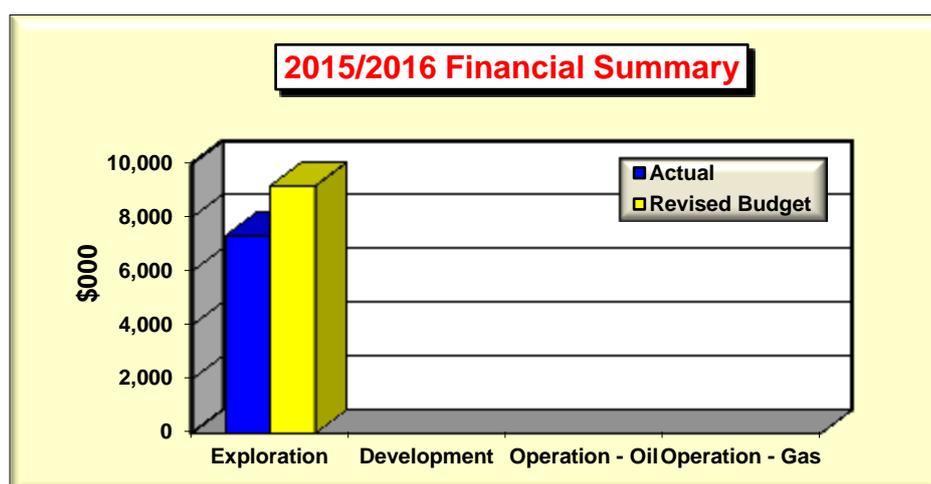
Shell

North Matrouh

Financial Summary

Actual expenditure in North Matrouh concession for 2015/2016 was US\$ 7.323 million against the original budget US\$ 7.990 million. During this year the working plan was revised to reach US\$ 9.175 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Summary				
Exploration	7,323	9,175	-1,852	-20
Total	7,323	9,175	-1,852	-20
Grand Total	7,323	9,175	-1,852	-20



Exploration

Exploration actual expenditure was US\$ 7.323 million against the revised Budget US\$ 9.175 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	7,110	8,956	-1,846	-21
Seismic	14	3	11	367
Allocated Overhead/Serv. Fees	197	216	-19	-9
AUS	2			
Grand Total	7,323	9,175	-1,852	-20

Exploration Drilling

The exploration actual drilling expenditure was US\$ 7.110 million against the revised budget US\$ 8.956 million.

	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling				
Teen - A	7,110	8,956	-1,846	-21
Total Exploration Drilling	7,110	8,956	-1,846	-21

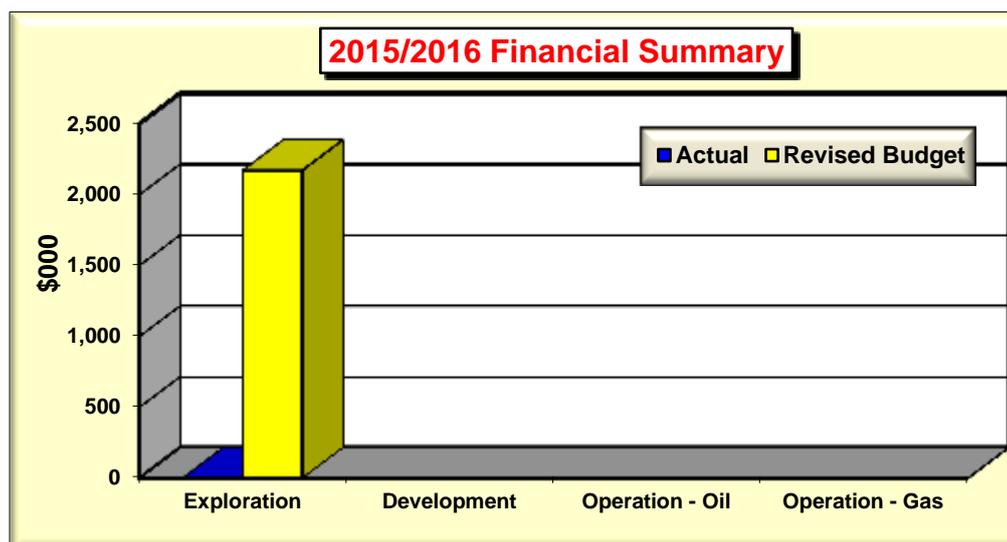
Shell

North East Obaiyed

Financial Summary

Actual expenditure in North East Obaiyed concession for 2015/2016 was US\$ 0.005 million against the original budget US\$19.034 million. During this year the working plan was revised to reach US\$ 2.171 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Summary				
Exploration	5	2,171	-2,166	-100
Grand Total	5	2,171	-2,166	-100



Exploration

Exploration actual expenditure was US\$ 0.005 million against the revised Budget US\$ 2.171 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	2	2,105	-2,103	-100
Seismic	0	1	-1	-100
Allocated Overhead/Serv. Fees	3	65	-62	-95
Grand Total	5	2,171	-2,166	-100

Exploration Drilling

The exploration actual drilling expenditure was US\$ 0.002 million against the revised budget US\$ 2.105 million.

	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling				
NEO FOL-A	2	2,105	-2,103	-100
Total Exploration Drilling	2	2,105	-2,103	-100

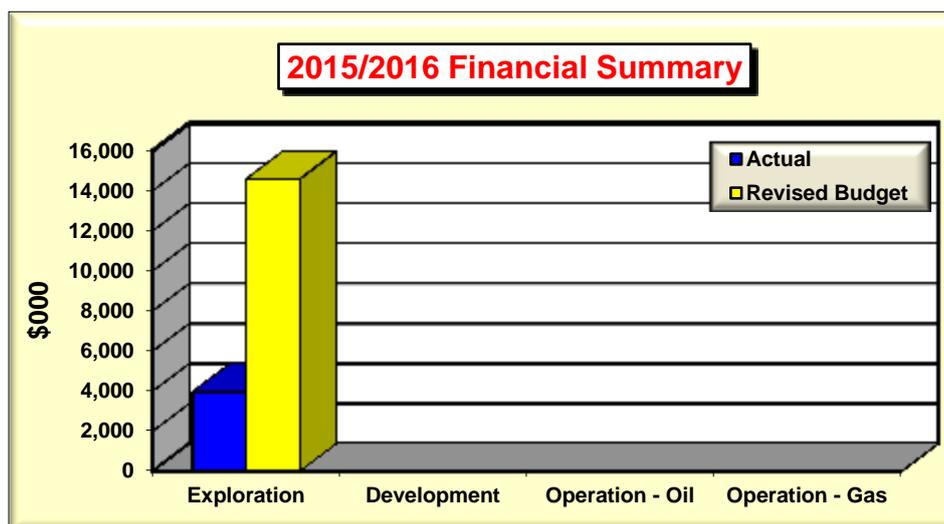
Shell

North AESW

Financial Summary

Actual expenditure in AESW concession for 2015/2016 was US\$ 3.968 million against the original budget US\$ 8.322 million. During this year the working plan was revised to reach US\$ 14.590 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Summary				
Exploration	3,968	14,590	-10,622	-73
Grand Total	3,968	14,590	-10,622	-73



Exploration

Exploration actual expenditure was US\$ 3.968 million against the revised Budget US\$ 14.590 million.

<u>\$000</u>	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling	3,897	14,175	-10,278	-73
Seismic	0	0	0	
Allocated Overhead/Serv. Fees	71	415	-344	-83
Grand Total	3,968	14,590	-10,622	-73

Exploration Drilling

The exploration actual drilling expenditure was US\$ 3.897 against the revised budget US\$ 14.175 million.

	2015/2016		Variance	
	Actual	Revised Budget	\$	%
Drilling				
NAES-A (BTE-B)	3,897	14,175	-10,278	-73
Total Exploration Drilling	3,897	14,175	-10,278	-73