



Afentra 

# AFRICAN ENERGY TRANSITION

Delivering Value in the Energy Transition  
*Frontier Africa Energies Summit, London*  
17 May 2023

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# The Afentra Team

Deep experience and expertise across Africa



**Paul McDade**

Paul's 35 years within the international Oil & Gas business has provided him with a rich and diverse set of relevant experiences. From his early international experience in challenging operational, social, security and safety environments, to his 19 years as COO and then CEO of Tullow Oil, he has essential first-hand experience of what is required to build a successful African-focused, responsible oil & gas company.

His strong focus on delivering stakeholder value, shared prosperity, environmental performance and strong governance, coupled with his understanding of the role that Oil & Gas has to play in both the global and African energy transitions, makes him the ideal leader to deliver Afentra's ambitious growth strategy, a company that will have stakeholder objectives and ESG embedded at its core.



**Ian Cloke**

Ian has over 25 years experience of working across the international Oil & Gas space with a proven track record of delivering operational, technical and commercial results. His business focus and background of deploying innovative technologies across global upstream projects, has delivered significant value for all stakeholders. As EVP at Tullow Oil, he led multi-cultural and diverse teams delivering operations safely and at pace across Africa and South America, from the remote onshore to the ultra deepwater, effectively managing risk and social-environmental sensitivities whilst embedding strong financial discipline.

He has first-hand experience in making a difference in countries having discovered and successfully delivered commercial oil & gas in Uganda, Kenya and Guyana. Having lived and travelled throughout Africa, he has enjoyed the full spectrum of life and business on the continent, making him an ideal founding partner and COO of Afentra.



**Anastasia Deulina**

Anastasia's multicultural upbringing and over 20 years of working in the energy sector within global, tier-1 investment banks, private equity and corporates has given her extensive experience in strategy development, deal origination, structuring and execution, M&A and business transformation.

Her primary focus is always on driving sustainable business growth that has a visible positive impact on the bottom-line.

This, along with her significant prior board experience, both as a NED and committee member, and her strong global business development and financial network means that Anastasia provides expert leadership as Afentra's CFO.

## Non-Executive board members

### Jeffrey McDonald (Chairman)

Jeffrey MacDonald was a former managing director with private equity firm, First Reserve, with responsibility for investment origination, structuring, execution, monitoring and exit strategy, with particular emphasis on the oil & gas sector.

Before joining First Reserve, he was a founder and CEO of Caledonia Oil & Gas Ltd., a U.K.-based exploration and production (E&P) firm, and a founding member and managing director of Highland Energy Ltd. Most recently he held the position of Interim CEO and, prior to that, Non-Executive Director, of Kris Energy

### Gavin Wilson (NED)

Gavin Wilson has held the position of Investment Director at Meridian Capital Limited, a Hong Kong based international investment firm, for over a decade, managing an Oil & Gas portfolio focused on world-class assets in emerging markets.

Mr Wilson founded and managed, for over seven years, two successful investment funds - RAB Energy and RAB Octane. Previously he was Managing Partner of Canaccord Capital London's Oil & Gas division, responsible for Sales and Corporate Brokering/Finance

# Afentra's founding principles

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The Global Energy Transition will take time.

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**Hydrocarbons are part of the transition** and will continue to remain important in the overall energy mix.

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It is vitally important that we **responsibly manage what has already been found**.

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The **socio-economic impact of the energy transition** needs to be considered alongside the **climate impact**.

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Afentra was formed to deliver this balance and **create significant value** for shareholders.

**Current global energy environment make these principles more relevant today than when Afentra was founded in 2021**

# Delivering against a focused strategy

## A Firm Foundation

- Highly experienced Board and Executive team
- Established a small effective team with deep knowledge of target geographies
- Developed a robust Governance and ESG framework to support future growth ambitions

## Clear Strategic Focus

- Identified key focus areas with a clear strategy to acquire production and development assets
- Utilising existing networks to establish the Afentra brand with both governments and industry partners
- Disciplined approach to opportunity screening with focus on identifying long-term value

## Initial Acquisitions & Opportunity Screening

- Angolan acquisitions demonstrate the success of the foundation work in year one
- Multiple opportunities remain under review with further ideas continually being identified
- Existing Odewayne asset remains under review to maximise value to shareholders

**Afentra established as a credible counterparty for African deals  
Initial acquisitions delivered; pursuing further opportunities**

# Angola: a key strategic target

## Why Angola?

- One of the largest oil producers in Africa
- Current Production of ~1.1 million bopd from deepwater, shallow-water & onshore dating back to 1956
- Economy dependent on responsible management of resources
- Investment historically dominated by IOCs, however assets starting to change hands, similar status to the UKCS 25 years ago

## Offshore & Onshore Oil and Gas

- ~300 fields discovered; less than half developed (IHS 2022)
- Fiscal terms improved to attract new investment & licences extended
- Actively seeking new oil & gas investors
- Large opportunities for growth & limited competition in independent space
- Significant remaining developed & discovered resources

MATERIAL OIL  
& GAS RESERVES &  
RESOURCES (boe)

**~15Bn**

West Africa Wood Mackenzie 2020

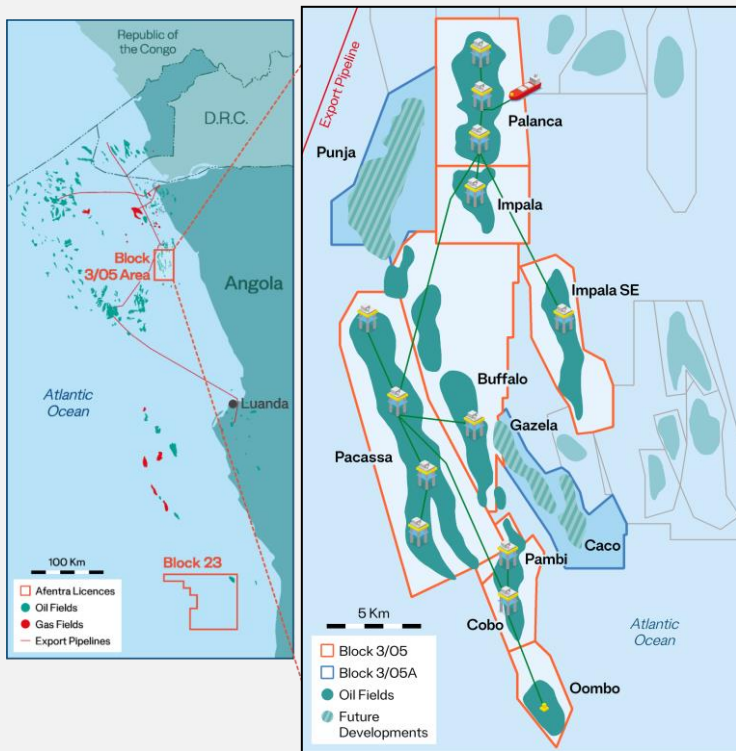
LIFE OF DISCOVERED  
/ DEVELOPED RESOURCES

**>45 years**



**Afentra has ambitions to build a material portfolio of assets in Angola, building upon the initial acquisition of Block 3/05**

# Angola Portfolio: Blocks 3/05, 3/05A and 23



## Block 3/05 (Congo basin) – 24%<sup>1</sup>

- Mature shallow water, long life, low decline producing asset with extensive infrastructure covering 8 fields
- Producing at ~19,000 bbl/d (April 2023)
- OIIP in excess of 3 bnbbbls with only 43% recovery to date
- Investing to enhance reliability & uptime: light well interventions and water injection

## Block 3/05A (Congo basin) – 4%<sup>2</sup>

- Development block surrounding 3/05 with 3 appraised discoveries offering near-term production growth
- OIIP in excess of 300 mmbbls and opportunity to add further ~10,000 bbl/d<sup>3</sup>
- Long-term testing at Gazela of additional 1,100 bbl/d – framing development options

## Block 23 (Kwanza basin) – 40%

- Exploration block with a working petroleum system, containing a pre-salt oil discovery
- 95% of basin is under-explored with potential to de-risk using advanced geophysics

<sup>1</sup> Upon completion of the Sonangol transaction, Afentra's working interest in Block 3/05 increases from 4% to 24%

<sup>2</sup> Subject to final approval of the distribution of the China Sonangol International ('CSI') interest to the remaining joint venture partners, Afentra's working interest in Block 3/05A would increase from 4% to 5.33%

<sup>3</sup> The anticipated future production is a management estimate



# Environmental & Social Impact



Issue Area	Issue	Identification Source	Materiality	Current Performance	Target
Climate Change	1. The Environmental and Social Impact Assessment (ESIA) is incomplete. The ESIA does not include a climate change assessment, which is a requirement of the ESIA Regulations. The ESIA also does not include a climate change assessment for the proposed project, which is a requirement of the ESIA Regulations.	ESIA	High	Not addressed	Addressed by 2025
	2. The ESIA does not include a climate change assessment for the proposed project, which is a requirement of the ESIA Regulations.	ESIA	High	Not addressed	Addressed by 2025
Water	1. The ESIA does not include a water management plan, which is a requirement of the ESIA Regulations.	ESIA	High	Not addressed	Addressed by 2025
	2. The ESIA does not include a water management plan for the proposed project, which is a requirement of the ESIA Regulations.	ESIA	High	Not addressed	Addressed by 2025
Biodiversity	1. The ESIA does not include a biodiversity assessment, which is a requirement of the ESIA Regulations.	ESIA	High	Not addressed	Addressed by 2025
	2. The ESIA does not include a biodiversity assessment for the proposed project, which is a requirement of the ESIA Regulations.	ESIA	High	Not addressed	Addressed by 2025

Issue Area	Issue	Identification Source	Materiality	Current Performance	Target
Human Resources	1. The ESIA does not include a human resources assessment, which is a requirement of the ESIA Regulations.	ESIA	High	Not addressed	Addressed by 2025
	2. The ESIA does not include a human resources assessment for the proposed project, which is a requirement of the ESIA Regulations.	ESIA	High	Not addressed	Addressed by 2025
Community	1. The ESIA does not include a community assessment, which is a requirement of the ESIA Regulations.	ESIA	High	Not addressed	Addressed by 2025
	2. The ESIA does not include a community assessment for the proposed project, which is a requirement of the ESIA Regulations.	ESIA	High	Not addressed	Addressed by 2025
Pollution	1. The ESIA does not include a pollution assessment, which is a requirement of the ESIA Regulations.	ESIA	High	Not addressed	Addressed by 2025
	2. The ESIA does not include a pollution assessment for the proposed project, which is a requirement of the ESIA Regulations.	ESIA	High	Not addressed	Addressed by 2025

## Independent ESG Report commissioned by Afentra

- Identify & assess material environmental, community, social and health and safety risks
- Identifies emissions reduction opportunities
- Provides baseline for future ESG plans

## Areas of GHG Improvement Identified

- Emissions profile of asset has increased since 2016
- Operator focused on reducing facility GHG emissions and meeting World Bank zero routine flaring by 2030
- Maximising use of existing infrastructure to increase resource recovery

## Highlighted areas for focus

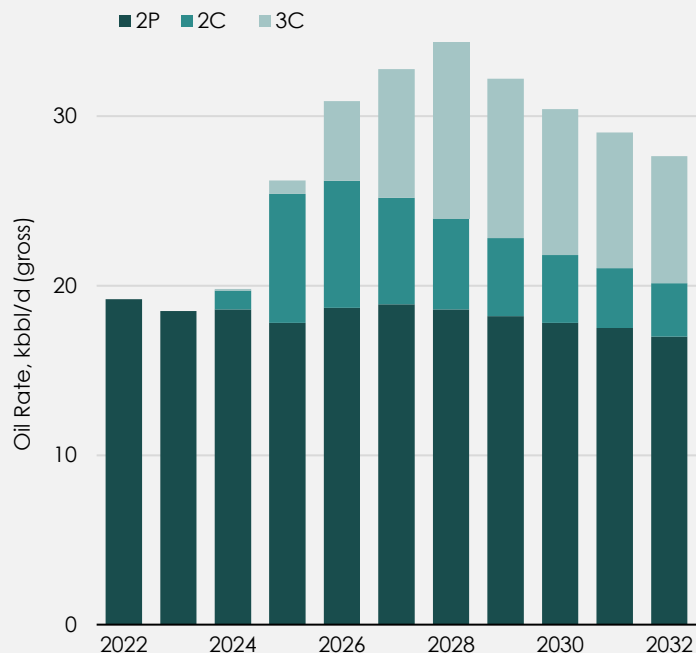
- Timeliness of environmental licence management
- Ensuring timely infrastructure inspections
- Regular auditing to identify areas for improvement

Afentra intends to share findings with Sonangol & partners to work together to improve the asset, reduce its emissions profile and extend its life



# Capital is available for the right opportunities

## Block 3/05 Production Profile<sup>1</sup>



**Debt financing appetite from banks, traders, bond market**

**\$110m RBL<sup>2</sup>**

RBL and (\$30m) Working Capital facilities agreed with Trafigura and Mauritius Commercial Bank

**Short payback on 2P production**

**<3 years**

at ~\$75/bbl on 2P production alone

**Low-cost entry**

**<\$4/2P bbl**

gross 2P reserves of 115 mmbbls at 1/4/22 (per 2022 CPR) and \$102m combined upfront consideration

**Institutional equity appetite for accretive deals and high-calibre team with African track record**

**Equity appetite**

Institutional equity (private/public), HNWLs, family offices across UK, Europe, US

**Stable, mature production with gettable upside**

**>3 billion barrels OIIP, 43% RF<sup>3</sup>**

long life, low decline asset; extensive infrastructure, 8 fields

**Attractive asset breakeven economics**

**~\$35/bbl**

<sup>1</sup> Production profile is based on ERCE CPR gross 2P, 2C & 3C estimates as at 01/04/2022

<sup>2</sup> RBL facility has a limit of \$110 million of which up to \$75 million is available for the Sonangol and INA transactions

<sup>3</sup> 1.35 bnbbls production to YE 22

# Next steps for Afentra

Afentra is leveraging extensive regional experience and network to deliver significant value

## African Pipeline of Opportunities

- Foothold established in Angola with initial acquisitions in Blocks 3/05 & 3/05A; long life production asset with low decline rate, material upside and future short-cycle developments
- Provides foundation for future growth and consolidation in Angola
- Similar scale & larger operated and non-operated opportunities onshore and offshore West Africa being evaluated
- Opportunity for new credible & responsible operators like Afentra to:
  - benefit from the more pragmatic narrative for a just and responsible transition; and
  - manage the oil & gas transition for the benefit of all stakeholders

MATERIAL OIL & GAS  
RESOURCES (boe)

**~100Bn**

LIFE OF DISCOVERED /  
DEVELOPED RESOURCES

**>20 years**

Wood Mackenzie 2020



**An ability to create significant value from an industry transition that has just commenced**



Sustainable change

**Uniquely positioned to capitalise on  
the African Energy Transition**

**1.**

Significant hydrocarbon resource base in Africa with material M&A pipeline

**2.**

Gap in market for credible operators to facilitate safe and responsible transition

**3.**

Proven team with significant experience of working in Africa

**4.**

Committed to responsible stewardship and positive stakeholder outcomes

**5.**

African Energy Transition provides compelling investment opportunity