ASSALA
ENERGY

ASSALA, A NEW ENERGY FOR GABON

INTRODUCTION

Gamba, Rabi-Kounga, Toucan, Koula... Some of the oil fields that we operate today through Assala Gabon evoke the golden age of Gabon's oil history. In the 1980s, Rabi-Kounga supplied more than half of the country's oil. However, today those fields produce one tenth of their peak levels. To manage this legacy, we need to respect their history, while renewing the operating methods that were put in place. This is an immense responsibility, not just to Assala employees, but also to Gabon.

As we mark our first year since the acquisition of these assets, we can already measure our first successes.

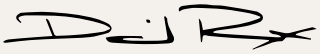
The decline in production had until now been seen as inevitable, but we have proven that we can arrest decline by streamlining our processes and applying pragmatic solutions on the ground. We owe such performance, above all, to our teams. Our 400 employees in Gabon combine Gabonese oil expertise and excellence with an approach based on responsiveness, initiative and flexibility.

PARTNERS FOR GABON'S OIL FUTURE

At the same time, we have strengthened our health, safety and environmental standards, in agreement with our majority shareholder The Carlyle Group, itself subject to the most stringent regulations. We are proud to be able to continue operating this site in accordance with the ISO 14001 environmental standard. We also take pride in helping to provide safe havens on our permits, especially around Gamba, to one of the last forest elephant populations in Africa.

The Assala adventure has just begun. Through an ambitious investment programme, we intend to extend the life cycle of these exceptional assets safely and responsibly. I am convinced that our arrival is an opportunity, not only to reveal the full potential of these oil fields, but also to provide renewed professional perspectives for the employees working across our assets.

We are convinced that Assala's unique combination of competencies - from our experienced management team in Gabon to our highly skilled field staff - is ideally positioned to maximise Gabon's oil resources. At Assala, we are proud to bring a new energy future to Gabon!



David Roux
CEO

OVERVIEW OF ASSALA

With a Headquarters based in London, Assala Energy is an oil exploration and production company. We invest primarily in mature assets in order to increase their production and prolong their life cycle, while strictly respecting our values of safety and integrity. The company is backed by global alternative asset manager The Carlyle Group.

Increasing production involves simultaneously improving the productivity of installations, ensuring maintenance quality and unlocking the intrinsic potential of our assets. We are committed to overseeing and optimising the management of the natural resources that are entrusted to us in order to create solid returns over the long term.

ASSALA ENERGY: FINANCIAL AND OPERATIONAL EXCELLENCE

More broadly, Assala Energy is committed to generating sustainable revenues for all of its stakeholders, including its shareholders, host governments, employees, suppliers and local communities. The payment of taxes, the sustainability of production, as well as the direct and indirect jobs that we provide, all enable us to contribute positively to national and local economies. Our cost rationalisation program ensures our ability to continue operations throughout oil price cycles.

Assala Energy draws its inspiration from the young forest elephants, called 'assala' by the local people. These elephants are characterised by their small size and are known for their vitality and tenacity. Their size is a successful natural adaptation to the dense rainforest environment and allows them to move discretely with ease and to thrive. We want to embody this energy and this extraordinary spirit of adaptation.

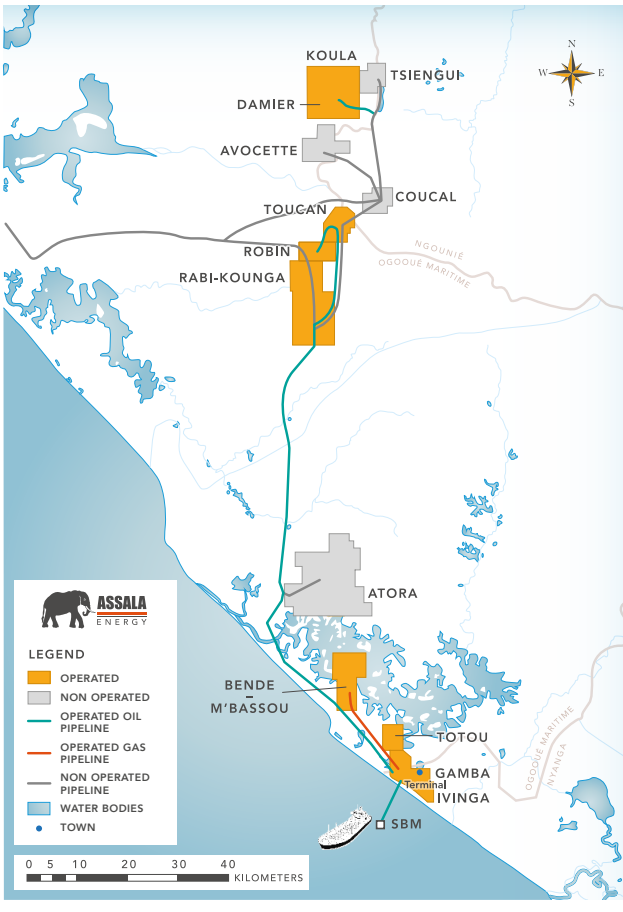
ASSALA GABON: AN EXCEPTIONAL ASSET

A subsidiary of Assala Energy, Assala Gabon operates five licences (Rabi-Kounga, Toucan/Robin, Koula/Damier, Gamba/Ivinga and Bende M'Bassou/Totou) and holds interests in four non-operated licences (Atora, Avocette, Coucal and Tsiengui). In September 2018, Assala acquired Total Gabon's remaining stake in the Rabi-Kounga block reinforcing our confidence in this asset.

As Gabon's second largest producer, Assala Gabon operates extensive production infrastructure, including an onshore pipeline network and an oil export terminal at Gamba. Assala Gabon continues to seek opportunities in Gabon. The company strategy to build up its portfolio in the country confirms its commitment and belief in the potential of its assets.

Assala Gabon employs over 400 Gabonese staff and strives to maximise the local benefits of its activities through Local Content. Assala uses rigorous and transparent procedures and its Code of Conduct to select its suppliers through tender offers.

Located in an area filled with exceptional natural wealth, Assala Gabon has built partnerships with several NGOs to develop ambitious projects that protect the environment while benefiting local communities.



ASSALA OPERATIONS

REPLACEMENT OF RESERVES

Following its takeover of the oil fields at the end of 2017, Assala set as its first objective to halt the natural production decline in these mature fields – historically averaging between 15 and 20% per year.

Assala's priority is always to maintain safe working conditions and therefore our primary focus has been on asset integrity, which includes an efficient tank-reconditioning programme.

In order to increase production, we launched a well intervention campaign in early 2018 and commenced preparations for Assala's first operated drilling campaign. The progress made to date on these projects has allowed us to exceed 100% reserves replacement within a year of acquiring these assets.

WORK ON OUR WELLS

Since May 2018, Assala has been implementing a work-over campaign that has greatly increased production, more than offsetting the wells' natural decline. The work-over activities are expected to continue throughout 2019 and into 2020.

In late October 2018, Assala began drilling new wells and this campaign will last several years, supported by up to two rigs.

PROCESS RATIONALISATION

Assala has started a general review of contracts and services, launching calls for tenders, based on a transparent and rigorous procedure and a robust Code of Conduct. Assala has also chosen to split contracts by activity in order to provide more opportunities for domestic companies to participate, while optimising costs.

LOCAL CONTENT

In its first year of operation, Assala Gabon has signed contracts valued at approximately USD 200 million with Gabonese providers, and over USD 4 million with community-based businesses located adjacent to our operational sites. In all, 145 Gabonese companies now have direct commercial relations with Assala Gabon.

ASSALA'S PERFORMANCE 2018

OPERATIONS PROGRAMME

13
work-overs

2
wells

LIFTINGS

Number of Liftings:
29

Quantity of Liftings:
+19 MILLION BARRELS

EMPLOYMENT

+400
direct jobs

+600
indirect jobs

CAPEX (2019)

USD 200 MILLION:
drilling and work-over budget

USD 150 MILLION:
development and work on production infrastructure

LOCAL CONTENT VALUES

USD 200 MILLION:
contracts signed with Gabonese companies

USD 4 MILLION:
contracts signed with community-based businesses

ASSALA ASSETS AT A GLANCE

Operates five licences
(Rabi-Kounga, Toucan/Robin, Koula/Damier, Gamba/Ivinga and Bende M'Bassou/Totou)

Interest in four non-operated licences
(Atora, Avocette, Coucal and Tsiengui).

Tank storage capacity:
1.4 MILLION BARRELS

Pipeline network:
+1,600 KM

Well Count:
+300

ASSALA'S VALUES

ASSALA ENERGY'S VALUES ARE CORE TO THE WAY THE COMPANY DOES BUSINESS.
WE PLEDGE TO:

OPERATE RESPONSIBLY AND SAFELY.

EMPOWER OUR TEAMS
to reach their potential.

BUILD WIN-WIN PARTNERSHIPS
with governments and local communities.

INCREASE FIELD LIFE CYCLES AND PRODUCTION
through asset integrity and strategic investment.

ENGAGE IN ROBUST FINANCIAL MANAGEMENT.

COMMIT TO THE APPLICATION OF INTERNATIONAL BEST PRACTICE ENVIRONMENTAL STANDARDS.

ACT WITH INTEGRITY
by complying with our Code of Conduct and applicable international compliance regulations.

ASSALA ENERGY: A PARTNER TO RELY ON

PUTTING PEOPLE FIRST

Assala's approach to doing business is first to consider the people with whom we are working. For our staff, we continually invest in improving their ability to work to their strengths and as a result, deliver the company's objectives more effectively and efficiently.

A sustainable workforce in-country is critical. Assala works actively with Gabon's National Employment Office helping them to access local communities living near our operations so unemployed residents can register with the agency and receive training on CV creation and interviewing skills.

Local residents are the first to be considered for positions within the company and, through the Local Content element of all Assala third party contracts, our suppliers are required to do the same. Furthermore, Assala offers internships to over 30 Gabonese each year to provide them with professional experience, improving their attraction to future employers.

Through our agreements with Gabon's universities, Assala offers graduate placements to technical students, helping us to attract young talent.

Assala is privileged to operate in an environment rich in biodiversity. We are committed to supporting *Gabon Vert*, a national development strategy which focuses on conservation, while taking into account the needs of local communities.

ROOM FOR EVERYONE: HUMAN-WILDLIFE CO-HABITATION

Our collaboration with the Smithsonian Institute includes supporting their work with national institutions including the National Parks Agency, the Ministry of Water and Forests as well as other local and international conservation NGOs. Current projects include a sustainable soil enrichment system which aims to increase yields for local farmers on land surrounding established settlements, thereby decreasing deforestation and the resulting crop damage from wildlife; elephant monitoring, environmental education, anti-poaching and forest monitoring as part of an international study on climate change.

Gabon, and especially the Gamba region, is home to one of the highest densities of nesting areas in Africa for leatherback turtles. Ibonga, a leading Gabonese marine turtle protection association, undertakes education, anti-poaching, beach cleaning and local development activities with Assala's financial support and logistical assistance.

This is a truly win-win partnership, since Ibonga maintains a strong link with local residents, upon whom it calls when needed to clean the beach. This provides Assala access to a pool of trained and motivated volunteers should the need ever arise.

Smithsonian

IBONGA

CONTACT

ASSALA ENERGY

London Office

Assala Energy UK Limited
The Metro Building, 1 Butterwick,
London W6 8DL

Tel: +44 203 314 8560

ASSALA GABON SA

Libreville Office

Assala Gabon SA
Immeuble LBS, Centre Ville,
Libreville, Gabon

Tel: +241 01721130

www.assalaenergy.com

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