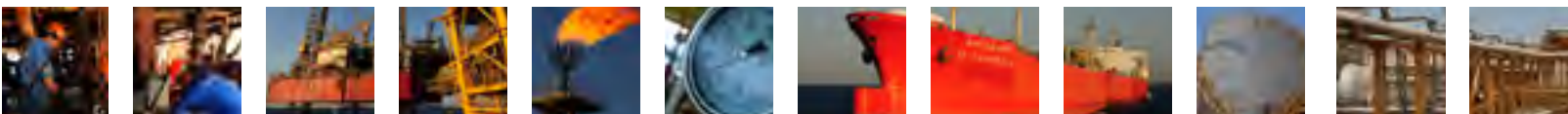




October 2016



A Leading Energy Group

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Successful Activities in Mexico since 2011

E&P Division: focused on the development of mature fields that have an upside potential, PICO International Petroleum through its head office in Egypt as well as its full-fledged subsidiaries, manages operations in Egypt, Romania, USA and Mexico. With its international network, as well as its recognized specialization in redeveloping mature fields and its strong portfolio of assets, the E&P division intends to increase its 31,000 boepd as of 31st June 2014 to approximately 65,000 boepd by 2016.



Services Division: Backed up by a specialist technology research & development subsidiary in Houston, Texas, PPS is expanding beyond the Middle East into the Gulf of Mexico while capitalizing on its proven know-how in servicing mature oil and gas fields, providing clients with innovative ideas and fit-for-purpose solutions



Mexico Operations: Today the Group has the following;

- Working team with over than 200 employed staff (mostly Mexican nationals)
- Established offices in Cuidad del Carmen and Tampico.

PICO Mexico (PMXO):

- Provides fit for purpose solutions that enabled PEMEX to perform well interventions with 35% less time and 30% less cost
- Delivered a state of the art 280ft highly equipped Liftboat, for the first time in Mexico
- To-date, helped PEMEX raise production at Cantarell by almost 30,000 barrels at a payback period of less than 30 days

Compania Petrolera d'Altamira (CPA):

- E&P division is committed to invest heavily in the sector
- A highly skilled and experienced team with specific competence in managing Mature Oil & Gas Fields
- Within the first year CPA increased production beyond the Baseline while maintaining the lowest cost of drilling
- The service & production activities undertaken represent only the initial seed capital planned for the Group's investments in Mexico.

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PICO Mexico Activities- Gas and Water Control

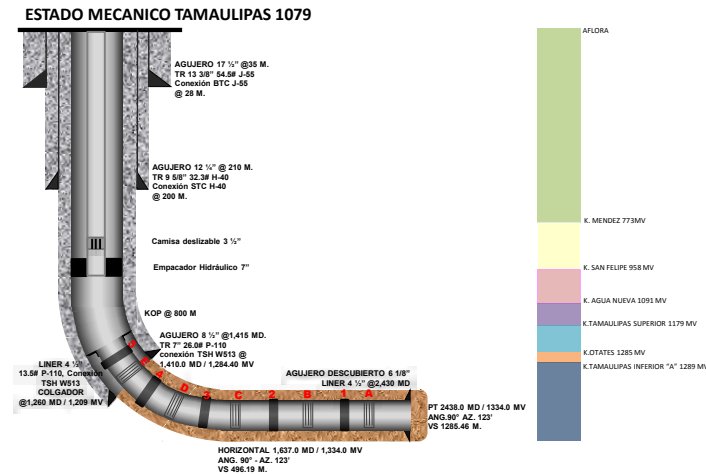
- PICO Mexico has over 100 Mexican employees over all the disciplines of the company and have significant career growth and development through the world class operations conducted over Cantarell, in addition to comprehensive local and international training programs.
- Since the start of activities in Mexico in Y-2010 to the mid of the current year, an amount of total investment of more than \$200 mm has been incurred in the operations over Cantarell field.
- PICO has conducted the highest world technology of water and gas control in Cantarell using polymers injection as appose to the conventional mechanical isolation.
- Through 8 applications of gas control, and 7 applications of water control intervention, and other activities over 15 platform of Cantarell a total of 27,500 bopd has been added to the field with cumulative estimate of 4.5 mmstb.



PICO Mexico Activities- Horizontal Drilling

- In addition to the activities of PICO Mexico in Cantarell field, it is recently participating jointly with CPA in an integrated drilling and completion services program in Tamaulipas-Constituciones field, which is one of the major in the north onshore region of Mexico.
- Currently, PICO Mexico is drilling horizontal wells in the field with 5 hydraulic fracturing, which will be the first application in the field all over the entire life of production. The application is very challenging, however PICO has the technical capacity to achieve this.
- The success of the pilot application will have significant impact on the development of mature fields in Mexico.
- PICO has approached PEMEX/SENER to iterate its contractual right to acquire the operation in Tamaulipas-Constituciones which will maximize the return to the country.
- PICO Mexico plans on expanding its service provision to PEMEX in the production testing and the data surveillance program,

Pilot Horizontal Well



Altamira Field

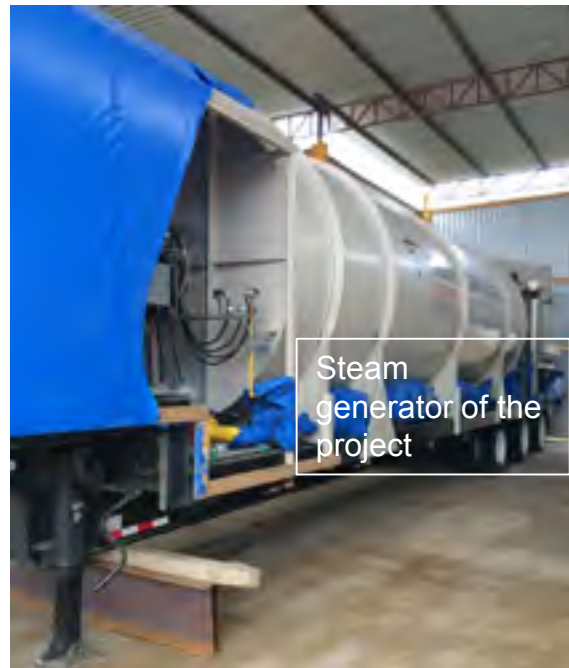
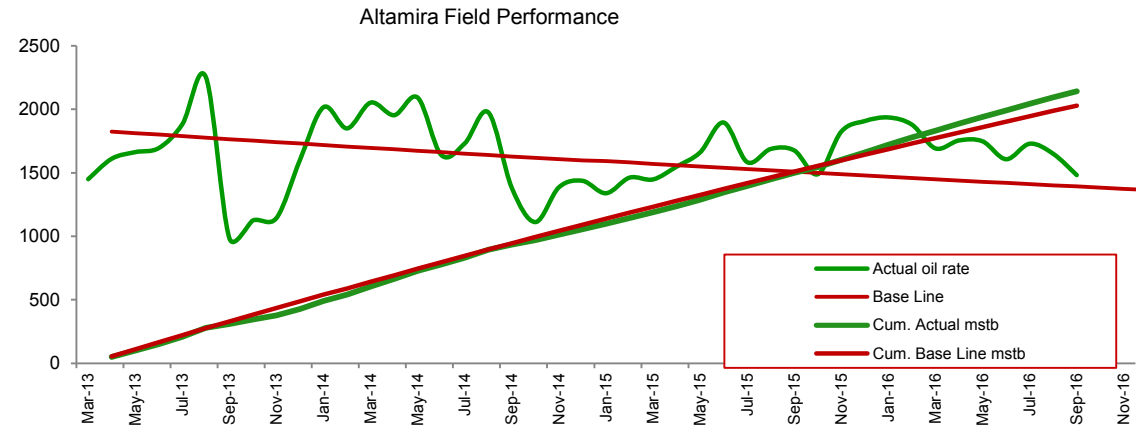


CPA and Petro Hausteca Operations

CPA started the operation-ship over Altamira field back in April 2013, and to the mid of Y-2016 has achieved the following activities:

- Drilling of 18 new development horizontal wells using under-balance technique,
- Acquisition of total of 220 km of 2D seismic,
- Comprehensive W/O activities over many campaigns in the field,
- Rehabilitation of all roads of transportation in the field,
- Increase of the production level of the field by 35%,
- Within the period of the operation more than 2.0 mmstb has been produced which is around 15% of the total cumulative of the field since the discovery.
- CPA has 50 Mexican permanent employees covering all the multi-disciplines of the company, with a comprehensive program of career development and world class HSE awareness and applications. This is reflected in the company performance which achieved 3.5 years of operations without accidents and without any loss time of operation and production.
- CPA is participating and leading development projects and applications in Altamira and the offset fields in the region in which the pilot application will be conducted early of Y-2017, one of the major project is the steam injection in Altamira for the first time ever through the field life. The project is being programmed jointly with PEMEX and SENER.

Altamira Field Performance



Integration with the Community

- Around \$ 0.5mm has been invested in a number of projects in the neighborhood in state of Tamaulipas surrounding CPA operations.
- 1% of the annual budget is dedicated to CSR projects.
- The projects include continuous development of the “Francisco Madero” school, including sessions of awareness for the students about the E&P business and environmental protections.
- Health center has been established in Estarus city of state of Tamaulipas and been medically supported by CPA.

