PETRUSADVISERS

Ophir Energy Plc
Executive Management Team and Board
123 Victoria Street
SW1E London

London, 14 January 2019

Dear Ophir directors,

Following our letter to you dated 4 January 2019, on 5 January you announced receipt of a notice of expiry of the Fortuna license from the Equatorial Guinea Ministry of Mines and Hydrocarbons run by Gabriel M. Obiang Lima ("**Gabriel**"). You immediately announced the loss of the license combined with a c. $300 million write-off of the remaining value. While this notice is not positive news, we believe the door is still open for Ophir to create value in Equatorial Guinea ("**EG**"). We disapprove of how this has been handled and use this letter to again remind you of the priorities for value creation:

1) Fortuna / Equatorial Guinea

We urge you to immediately negotiate with Gabriel for the future role of Ophir in Fortuna and in EG overall. Given Ophir's investment of c. $700 million into the license and its significant efforts undertaken to find a project partner willing to do business in EG, it would be very unfair and commercially unreasonable not to be compensated; it would certainly set a challenging precedent for other international operators who are considering deploying capital in the country.

We reiterate our demand for you to add Dr. Adel Chaouch – whom we introduced to Ophir – to the Board, immediately involve him into the discussions around Fortuna and empower him to create value from day one of his mandate.

2) Potential offer by PT Medco Energi Global PTE Ltd ("Medco")

We agree with your decision to reject Medco's low-ball price indication of 11 January 2019. The substantial reduction from the initial offer per 22 October 2018 of 58.0p plus contingent value rights ("CVR") for Ophir's LNG assets[1] to 48.5p without any CVR massively under-values the company and demonstrates substantial lack of commitment to the transaction. As we have communicated to you, we believe Medco will not be willing to and/or capable of offering any fair price for Ophir's non-South East Asian operations. While currently difficult to quantify, the potential upside from both Fortuna and Tanzania is enormous. To simply give these projects away for zero would be completely unacceptable.

3) Focus Medco discussion on a sale of Ophir SEA

We believe the substantial progress Ophir has achieved in its South East Asian portfolio ("**Ophir SEA**") over the past six months has been a game changer for the company allowing it to become highly cash flow generative. We estimate Ophir SEA will generate free cash flow[2] of $93 million in 2019 and cumulative free cash flow of $322 million in 2019–2021[3]. Medco's offer of an equivalent of $446 million for the entire equity of the company appears extremely low in comparison[4]. Petrus Advisers believe that even before synergies, Ophir SEA could be worth $634 million or 69p per share[5]. Medco would have substantial synergies worth an estimated $25–50 million of cost reductions and revenue/other improvements worth $50–100 million. All in all, Medco should receive a value of an estimated $763 million (83p equivalent)[4] from acquiring Ophir SEA for cash. If at all, Ophir should engage with Medco on a sale of Ophir SEA for cash at a price point starting at 60p.

4) Return of capital to shareholders if no deal for Ophir SEA materializes

Given the history of the business, the company must not go back into growth mode! Assuming no deal with Medco for Ophir SEA materializes, we want Ophir to (i) continue to aggressively improve cash generation of the existing assets in SEA, (ii) return maximum capital to shareholders with an initial $100 million or more via a tax free capital reduction, while (iii) working towards monetizing the value in the legacy portfolio with further return of capital subject to progress in EG and Tanzania.

Sincerely,

Klaus Umek, Managing Partner

Till Hufnagel, Partner

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[1] We assume this refers to Fortuna and Tanzania.
[2] Net field cash flow attributable to Ophir post capex, taxes, financial interest and other expenses; before any debt amortization.
[3] Petrus Advisers estimates. Assumes Brent oil price of $60 / bbl and the sale of the Mexico license portfolio in Q1 2019 at $20 million.
[4] Based on an fx rate of 1.30 $/GBP.
[5] Before considering the debt facilities attached to the SEA operations. Petrus Advisers Mid Case.