

2009 Financial Overview



*Geoff Turbott, Chief Financial Officer
January 2009*

2009 Forecast Margin Netback (USD/boe)



	2009 Forecast	2008 Forecast
<i>oil price</i>	40.00	97.00
Production (mmboe) <i>before minority</i>	14.60	11.90
Revenue	39.00	81.75
Cost of operations	-16.95	-21.00
Tariffs	-2.20	-2.70
Production taxes	-1.80	-7.10
Stock movements	-0.85	0.60
Cash Margin Netback	17.20	51.55
Depletion	-11.70	-13.25
Exploration costs	0.00	-10.90
Impairment	0.00	-6.65
Margin Netback	5.50	20.75

2009 Forecast Revenue Netback [USD/boe]



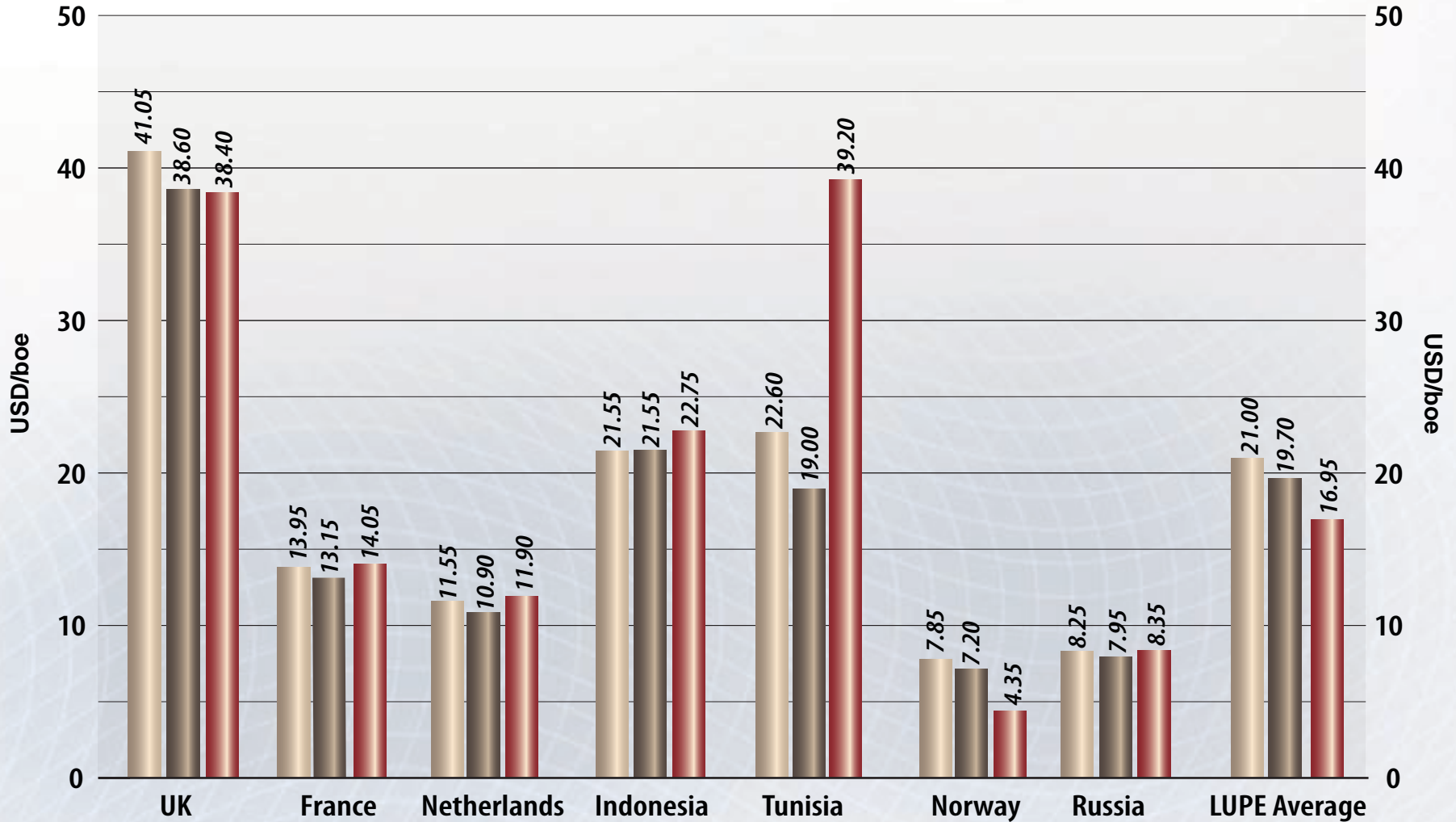
	Forecast 2009	Forecast 2008
Average Brent oil price	40.00	97.00
Sales differential Russia	-2.25	-6.45
Gas price differential	-0.35	-2.60
Other	0.65	-1.40
Sales price achieved	38.05	86.55
Adjustment sales to production boe	0.00	0.80
Government take	-0.40	-4.30
UK quality difference	-0.40	-0.85
Inventory movements	0.55	-2.00
Tariff receipts & other income	1.20	1.55
Effective sales price per boe produced	39.00	81.75

2009 Forecast Cost of Operations

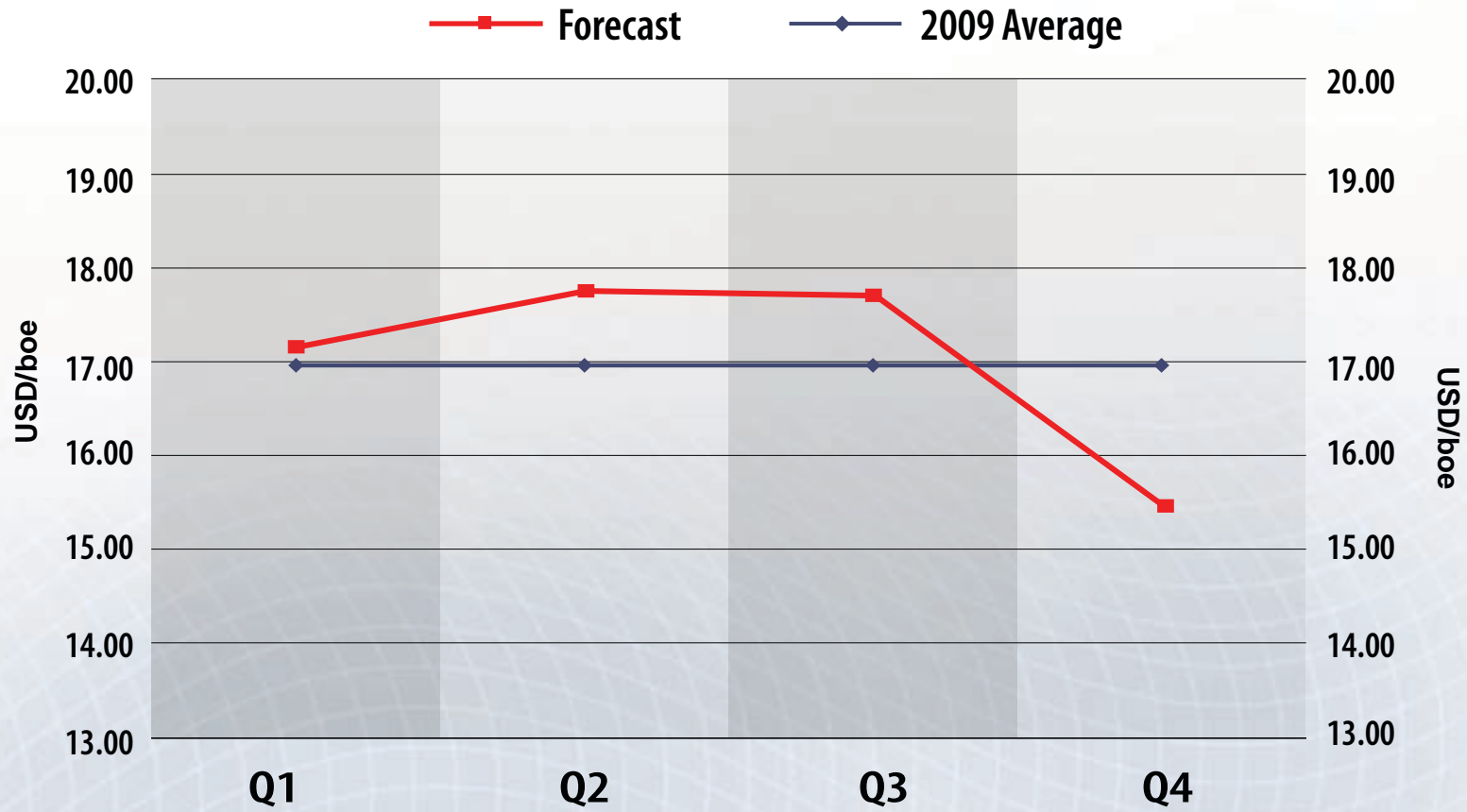


FX rates	2009	2008
USD : GBP	1.75	1.85
USD : EUR	1.40	1.47
NOK : USD	6.00	5.59

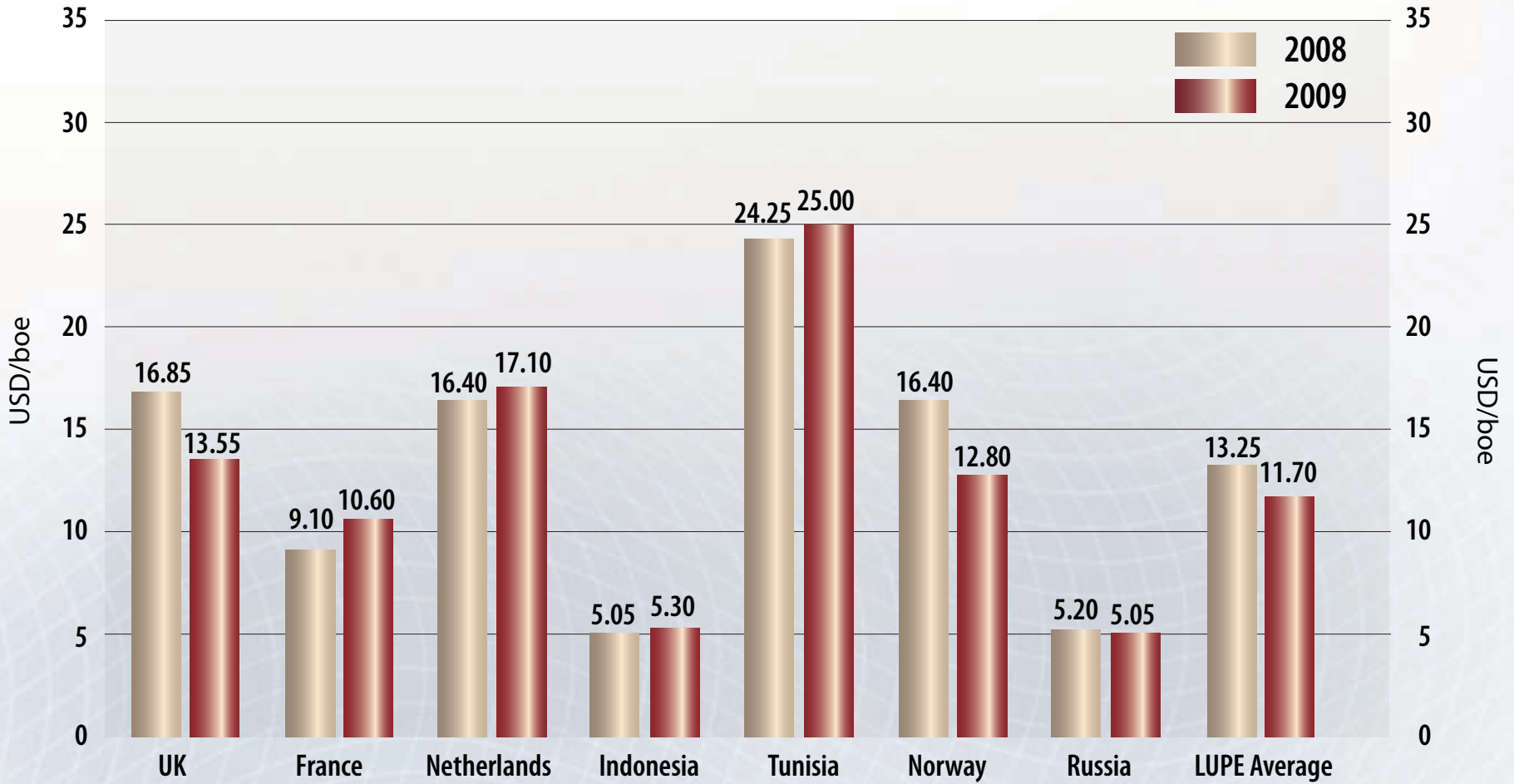
- 2008 Forecast
- 2008 Forecast FX adjusted
- 2009 Forecast



2009 Forecast Cost of Operations



2009 Forecast Depletion



2009 Forecast Production & Sales Taxes



Country	Cost USD/boe	%
Russia	9.45*	83%
France	3.00	16%
Tunisia	1.00	2%
Total	1.80	100%

* Mineral Resource Extraction Tax	4.80
Export Duty	<u>4.65</u>
	9.45

Assumed Russia sales split: 60% Domestic
40% Export

2009 Forecast Profit Netback



	USD/boe
Margin	5.50
G&A	-1.30
Financial Items, net	-2.95
Profit Before Tax	<hr/> 1.25
Tax	-2.35
Profit After Tax	<hr/> -1.10

2009 Forecast Operating Cash Flow Netback



(USD/boe)

	2009 Forecast
Revenue	39.00
Cost of operations	-16.95
Tariffs	-2.20
Production taxes	-1.80
Stock movements	-0.85
Cash Margin Netback	17.20
Cash taxes	9.15
Operating Cash Flow Netback	26.35

2009 Forecast Cash Flow Available for Investment



(USD/boe)

	2009 Forecast
Revenue	39.00
Cost of operations	-16.95
Tariffs	-2.20
Production taxes	-1.80
Stock movements	-0.85
Cash Margin Netback	17.20
Cash taxes	9.15
Operating Cash Flow Netback	26.35
General & Administrative	-1.30
Cash financial items	-2.00
Cash Flow available for Investment	23.05

2009 Forecast EBITDA Netback (USD/boe)



	2009 Forecast
Revenue	39.00
Cost of operations	-16.95
Tariffs	-2.20
Production Taxes	-1.80
Stock movements	-0.85
Cash Margin Netback	<hr/> 17.20
General & Administrative	-1.30
EBITDA	<hr/> 15.90 <hr/>

2009 Forecast Taxation



➔ **Current tax charge** (9.15) USD/boe

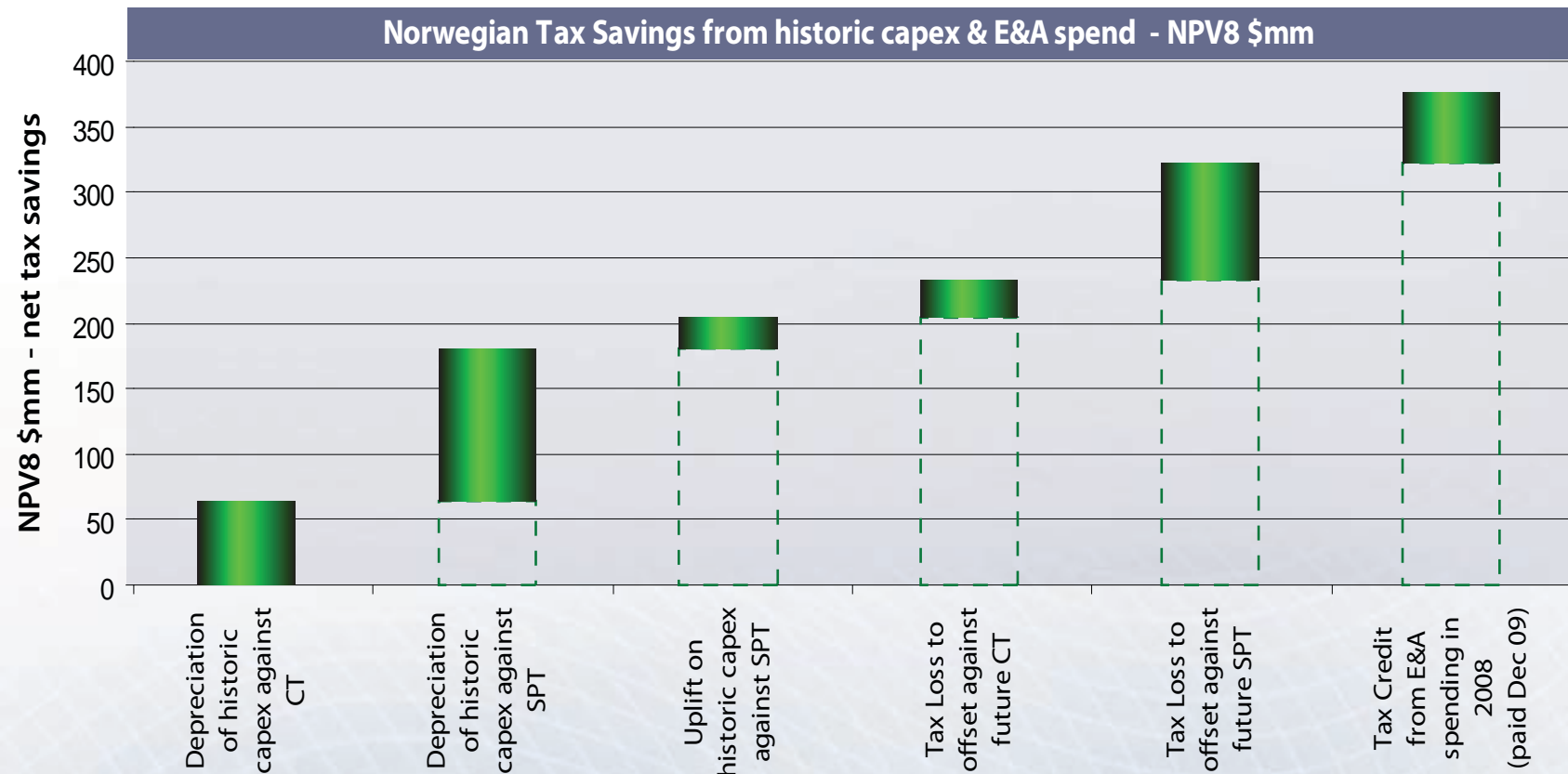
➔ **Deferred tax charge** 11.50 USD/boe

2.35 USD/boe

Note: Norway 2009 exploration tax refund

9.80 USD/boe

Norwegian Tax Considerations



- \$40/bbl Brent Flat - No E&A spend
 - No CT payable until December 2009
 - No SPT payable until February 2011
- \$40/bbl Brent Flat - \$250 million E&A spend in 2009
 - No CT payable until September 2010
 - No SPT payable until April 2012
 - \$127 million E&A 2009 tax refund due in December 2010
- Sheltered from CT payment in 2009 up to Brent oil price of \$39/bbl (assuming no E&A spend)
 Sheltered from SPT payment in 2009 up to Brent oil price of \$65/bbl (assuming no E&A spend)

2009 Forecast Cash Flow



MUSD

Cash Flow available for investment

23.05 USD/boe x 14.60 MMboe

335

2009 Development expenditure

-215

2009 Exploration expenditure

-345

2009 forecast cash flow @ 40 USD/boe

-225

Oil Price Sensitivity



+ 10 USD per barrel from 40 USD per barrel	USD/boe
Profit	3.40
Operating Cash Flow	7.15*
EBITDA	7.50

* Assuming no cash refund on Norway E&A expenditure

Liquidity



	MUSD
Secured Revolving Borrowing Base Facility	850
Unsecured Corporate Facility	150
Total Credit Facility	1,000
Borrowing Base Loan Drawn @ 31 December 2008	555
Approx. Cash Balances @ 31 December 2008	60
Net Debt Position @ 31 December 2008	495

- ➔ *Excludes 9.8 MUSD debt in Russian subsidiary where we have acquired the receivable*

Liquidity - Borrowing Base Determination



- ➔ Availability amount recalculated every six months
- ➔ Based upon banks oil price and economic parameters
- ➔ Utilising cashflows from certain 2P reserves
- ➔ Borrowing base amounted to approx. USD 1.1 billion at 1 January 2009
- ➔ Banks syndicate have unanimously approved the borrowing base
- ➔ Availability limited by facility size of USD 850 million
- ➔ USD 150 million unsecured facility maturing late 2010 is fully available

Hedging as at 30 January 2009



➤ Oil → No Hedges

➤ Interest Rate

Hedged amount	Interest Rate	Expires
MUSD 200	3.75%	1/2012

➤ Currency

Hedged amount	Average Rate	Expires
MGBP 78	USD 1.79 : GBP	12/2009
MNOK 192	NOK 5.70 : USD	12/2009
MEUR 22	USD 1.47 : EUR	12/2009
MCHF 12	CHF 1.07 : USD	12/2009

Share Capital 31 December 2008



- ➔ Shares Issued 318 million
- ➔ Shares bought back 4.5 million
- ➔ Outstanding employee incentive warrants 6.3 million*
- ➔ None of the employee incentive warrants are currently in the money

* 2006 3.0 million @ SEK 97.40/warrant
2007 3.3 million @ SEK 78.05/warrant