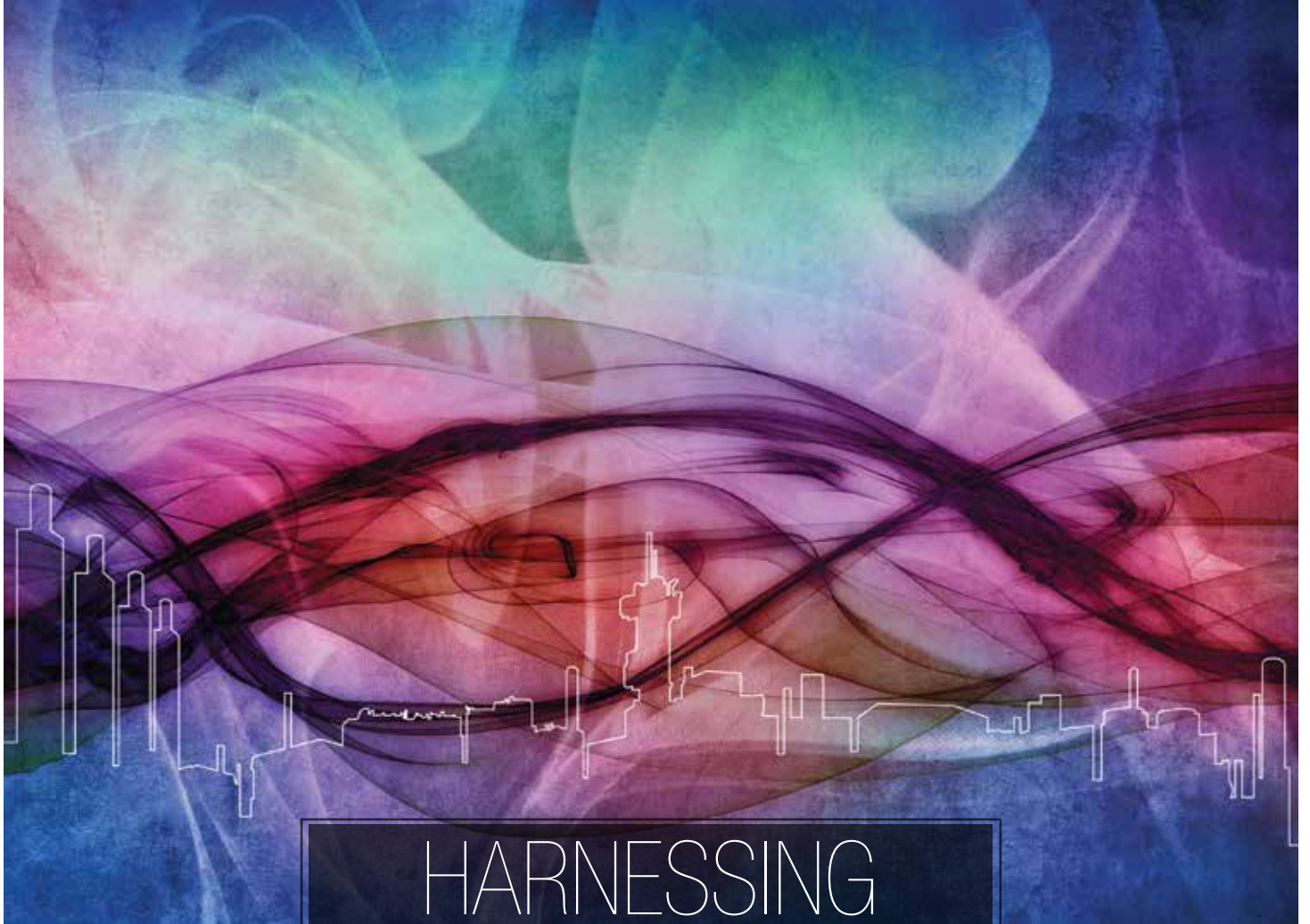




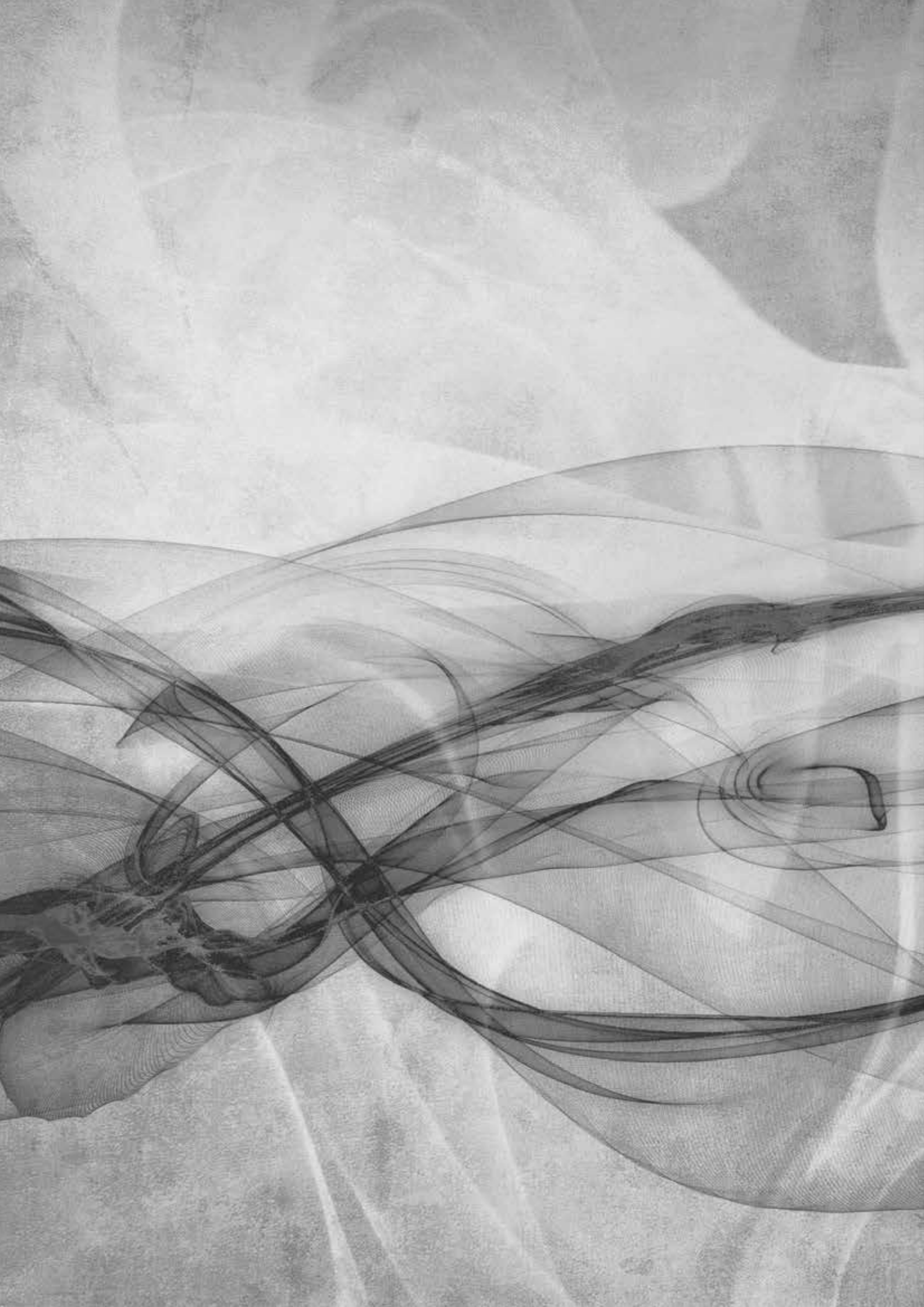
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OMAN OIL COMPANY EXPLORATION & PRODUCTION L.L.C.



HARNESSING THE ENERGY OF THE NATION

2014

OOCEP ANNUAL REPORT



HIS MAJESTY SULTAN QABOOS BIN SAID

HARNESSING THE ENERGY OF THE NATION

Oil exploration had started in Oman as far back as the 1920s under the Anglo-Persian Oil Company, the forerunner of British Petroleum, but results were discouraging. Sporadic attempts at exploration took place in later years, but difficult conditions hindered success. The discovery of oil at Yibal, in April 1962, marked the end of a long and frustrating wait. Until then, the history of geological exploration in Oman had been slender. By 1964, sufficient oil had been discovered in the Yibal and neighboring Fahud area to make development and production a viable proposition. Commercial oil production in Oman began in 1967.





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OOCEP OVERVIEW

Oman Oil Company Exploration & Production LLC (OOCEP) was established as an Omani upstream oil & gas company. As a subsidiary of Oman Oil Company SAOC (OOC), OOCEP is driven by upstream investments in line with OOC's strategy of pursuing local and international energy related investments. OOCEP's activities are focused towards upstream and midstream investments in Oman and abroad. Given these segments potential for growth, OOCEP continues to search for opportunities where its solutions can unlock value. Primarily an Omani organization, OOCEP makes investments to capitalize on Oman's experience in the oil & gas industry. Moreover, the company strives to achieve strong operational results, financial returns, pursue opportunities that will contribute to meeting the future energy needs of the Sultanate, and provide a platform for professional development of it's Omani workforce.

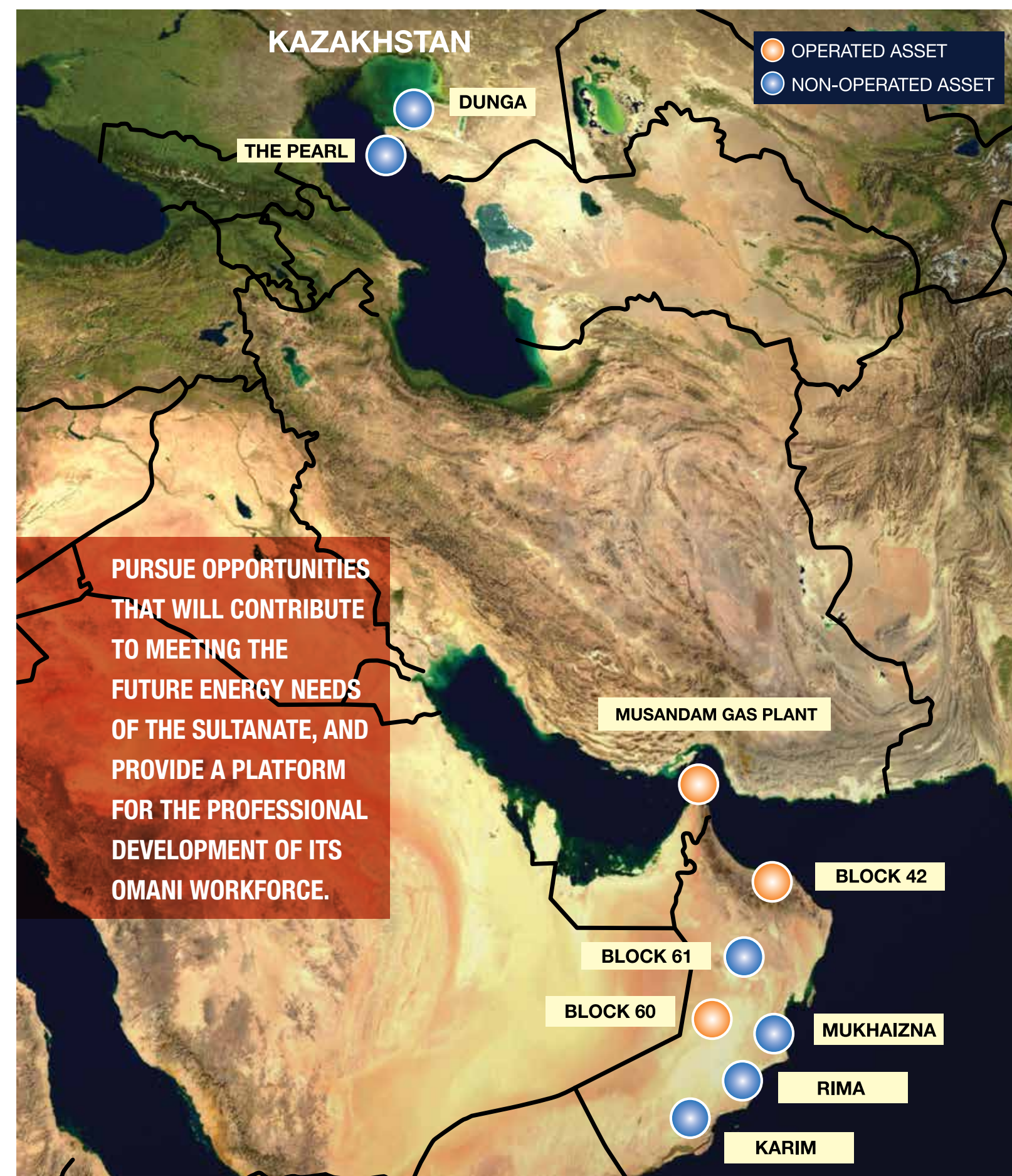
MISSION

Build a reputation by exploring, developing and producing hydrocarbons efficiently, safely, always exceeding environmental guidelines.

VISION

To be the most dynamic operator, be commercially viable and grow internationally.

OUR PORTFOLIO







REVIEW






2014 YEAR IN REVIEW

At OOCPEP, 2014 has been a remarkable year marking the achievement of several milestones and developments continuing the success of the previous years, which were instrumental in fostering the growth of the company.

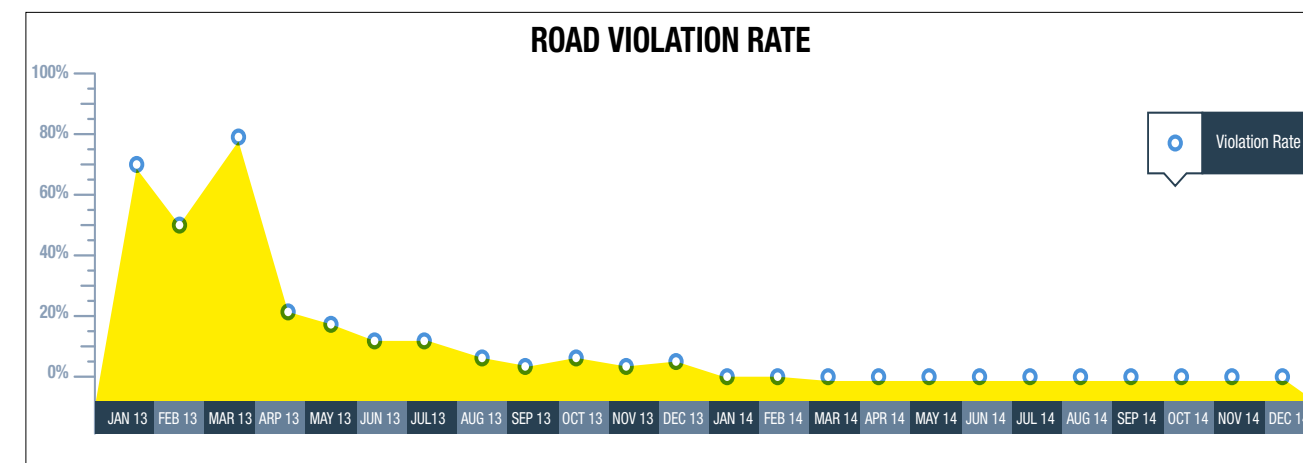
OPERATIONAL HIGHLIGHTS

| | |
|---|--|
|  | <ul style="list-style-type: none"> • 774 MMBOE (Million Barrels of Oil Equivalent) 2P reserves in 2014. • 33 KBOEPD (Thousand Barrels of Oil Equivalents Per Day) Average daily production in 2014. |
|  | <ul style="list-style-type: none"> • Completion of the Phase I development covering Barik tight gas formation. • In December 2014, OOCPEP began commercial production of gas and condensate, positioning itself as one of the few companies to produce commercial tight gas in Oman. |
|  | <ul style="list-style-type: none"> • Completion of offshore pipelines including connection from Block 8 wellhead platform to MGP and from MGP to UAE gas grid for gas export line. • The construction of the oil and gas processing plant is at the brink of completion with almost 98% already complete. |
|  | <ul style="list-style-type: none"> • Exploration studies were successfully conducted. • Preparations for the two exploration wells are underway with civil infrastructure works fully completed. |

HEALTH, SAFETY AND ENVIRONMENT (HSE) CORPORATE ACHIEVEMENTS

| | |
|---|---|
|  | 156 LTIS free days in year 2014 |
|  | 18,490,734 Man hours worked in year 2014 |
|  | 15,590,446 Kilometers (km) driven in year 2014 |
|  | Completion & rollout of Corporate HSE Safe Operating Procedure i.e. "Permit To Work" first issue supported by relevant forms/checklist |
| 70%-0% | Improved OOCPEP personnel driving behavior performance through In Vehicle Monitoring System (IVMS) and decreased the potential of accident rate from 70% TO ZERO |
|  | 0.32 per million man hours (m/mh) was the Lost Time Injury (LTI) frequency corporate performance rate recorded, well below the target of 0.9 |

SIGNIFICANT REDUCTION IN ROAD VIOLATION RATE



TARGET VS. ACTUAL – OOCPEP FREQUENCY RATE 2014

| | Actual | Targeted |
|---------------|-------------|------------|
| LTIFR | 0.32 | 0.9 |
| TRICFR | 2 | 0.9 |
| MVC | 0.96 | 0.9 |

LTIFR: Loss Time Injury Frequency Rate, MVC: Motor Vehicle Crash (including roll over), TRICFR: Total Recordable Frequency Rate, (TRIC): Total Recordable Injury Cases



BOARD OF **DIRECTORS**



ISAM AL ZADJALI



SERGIO PALMA



SOUMO BOSE



YOUSUF AL-OJAILI



JOHN MALCOLM

ISAM AL ZADJALI
Chairman to the OOCBP Board

Eng. Isam Al Zadjali joined Oman Oil Company as the Chief Executive Officer in September 2014. With over two decades of experience in the oil & gas sector, Isam is leading the Sultanate's energy investment arm towards further growth of its business portfolio to continue its substantial contribution to the country's ongoing economic diversification strategy.

Having previously served with Occidental as Senior Vice President for Business Development for the Middle East and North Africa region and President of Occidental Oman, Eng. Isam is currently responsible for over 40 dynamic companies and investments, as part of the OOC group, in upstream, downstream and emerging industries across 15 countries. Prior to his career at Occidental, he held various positions at the Ministry of Oil and Gas in Oman including the Director of Oil and Gas Operations and Director of Drilling. Eng. Isam was seconded to Petroleum Development Oman where he worked as a Well Site Drilling Engineer and Drilling Engineer.

Eng. Isam is the Chairman of the Board of Directors of Oman Oil Company Exploration & Production LLC ("OOCBP"), Duqm Refinery & Petrochemical Industries Company LLC ("DRPIC"), Takatuf Oman LLC. He is also a member of the Board of Directors of Oman Shipping Company SAOC.

Eng. Isam received a Bachelor of Science degree in Petroleum and Natural Gas Engineering from Pennsylvania State University, USA, in 1992.

SERGIO PALMA
Board Member, OOCBP

A senior oil industry executive with over 40 years of worldwide experience in the upstream oil industry. During his term at ENI, Sergio was responsible for their entire portfolio of oil & gas reserves and served as the Executive VP for ENI's West Africa, Middle East and China operations. Other senior roles within ENI include Chairman of both their Nigeria and Libyan operations.

Most recently he has worked as an advisor to the President and CEO of Pertamina in addition to being an advisor to Abraaj Capital, a leading Middle East private

equity house. In his career he also covered the role of Chief Executive Officer for Suntera Energy, where he led the development of the company's investments in West Africa and other core geographies.

SOUOMO BOSE
Chief Financial Officer, OOC
OOCBP Board Member

Soumo has had wide ranging international experience of over 27 years in senior finance, strategic and business roles, as Chief Financial Officer (CFO) and (CEO), in various leading multinationals, having worked and lived in UK, France, Netherlands, Egypt, India and China prior to Oman. Soumo joined OOC in 2011 as CFO.

He is directly responsible for managing all finance, treasury and accounting activities. He is also a member of the Executive Management Committee of OOC and serves on several Board and Audit Committees of group/investee companies. Soumo started his career in India as an Accounts Manager from 1986 to 1992, working for ICI India Ltd, a chemicals and fertiliser multinational. Following this, his career progressed to senior finance roles as Treasury Manager of Britannia Industries Ltd and Vice President of Finance and Group Treasurer with Coats Viyella India Ltd, between 1992 and 1998. Subsequently, Soumo joined SHV Gas in 1998, where he held a variety of senior management positions, including CFO and Global Strategy Head, in India, China, France and the UK. He then joined BG Plc as Chief Financial Officer of Egyptian LNG, from 2005 to 2007.

From 2007 to 2009, he served as CEO and Director of Gasol Plc, based in London. Soumo holds a Bachelor of Commerce degree in Accounting & Finance from the University of Calcutta, and a Chartered Accountant certificate from the Institute of Chartered Accountants of India.

YOUSUF AL - OJAILI
CEO, Oman Gas Company; Board Member, OOCBP
Note: as of February 9th 2015 appointed as the Head of Country and President BP Oman.

Yousuf is a graduate in Mechanical Engineering from University of Tulsa, USA, and also obtained MSc in Industrial Engineering from Sultan Qaboos University

(SQU). His industrial career spans over 27 years spent between Petroleum Development Oman, Brunei Shell Petroleum and, since 2005, CEO of Oman Gas Company responsible for transporting natural gas to the different industrial, oil production and power generation sectors across the Sultanate. Yousuf is also a Board member of Takamul Investment Company, member of the Joint Management Committees of both BP Oman Khazzan/Makarem and OOCBP's Abu Tubul Gas Development. Yousuf is a member of the Advisory Board in SQU's College of Engineering.

JOHN MALCOLM
Board Member, OOCBP

An independent energy consultant. Mr. Malcolm is a non-executive director of two public companies (NASDAQ and LSE) and three private companies. These companies have activities ranging from international oil & gas, through international engineering and construction to wave power in the renewable energy space. In addition, he is a member of the advisory board of a UK based international logistics company. Prior to his present position, John had a career spanning some 25 years with Shell International Exploration and Production.

An engineer by background, he has broad international experience from Project Management through Research and Development to being CEO of two major government-private joint ventures. From 2002 to 2010, he was the Managing Director of Petroleum Development Oman (PDO) during a time of significant change for the company. When he left PDO, the company had a total daily oil & gas production in excess of 1 million barrels of oil equivalent and had an annual budget in excess of \$5 billion. It was a high activity, land based Exploration and Production (E&P) company with some 6000 staff members and some 30,000 contractors. Prior to joining PDO, John was the General Manager/Managing Director of Al Furat Petroleum Company, a joint venture between the Syria Petroleum Company, Shell and Petro Canada. He was also latterly the General Manager of Syria Shell Petroleum. He began his career in the British chemicals industry before working in the Middle East refinery industry. After taking a 2-year break from the industry to engage in teaching, research and consultancy at the Heriot-Watt University in Edinburgh, he joined Shell in January 1986. John is a chartered engineer with a Ph.D. in Process Control Engineering.





CHAIRMAN'S MESSAGE



On behalf of the Board of Directors, it gives me great pleasure to present the Annual Report of Oman Oil Company Exploration & Production LLC (OOCEP) for the year 2014.

This report outlines the company's efforts during the year, which saw achievements across the whole spectrum of our business.

OOCEP, established as an upstream operator and wholly owned subsidiary of Oman Oil Company SAOC, stayed true to its objective of achieving strong operational results and pursuing opportunities to meet the future energy needs of the Sultanate, building on its solid foundation.

In 2014, OOCEP continued to build on the earlier year's foundation while achieving new milestones throughout the year. As anticipated in 2013, we began production of commercial gas and condensate in Block 60, in central Oman, and we are at advanced stages of completion of the construction of oil and processing plant in Musandam Gas Plant (MGP). In Block 42, exploration studies and civil infrastructure works for two exploration wells have also been completed; giving a head start in 2015.

Above all, and on behalf of the Board of Directors, I express my heartfelt thanks and deepest gratitude to His Majesty Sultan Qaboos bin Said for his wise leadership and guidance that has nurtured our country and for his vision. I would also like to thank OOCEP's Stakeholders, the Ministry of Oil and Gas and the Board of Directors of Oman Oil Company SAOC, for their steadfast support in the growth of our Company.

ISAM AL ZADJALI
Chairman

OOCEP LEADERSHIP



SALIM AL SIBANI
Chief Executive Officer



TALIB AL AJMI
Chief Operating Officer



SULEIMAN AL ZAKWANI
Chief Corporate Officer



PETER FRYER
Chief Financial Officer



AYAD AL BALUSHI
Chief Portfolio Officer

NOTE FROM



CEO

MAJOR MILESTONES

2014 saw key advancements in our two major operated assets, Block 60 (ABB) and Musandam Gas Plant (MGP).

The successful completion of Block 60 commissioning and the start of first gas production, positioned OOCEP, with other major players in the region, as one of the few companies to produce commercial tight gas in Oman.

As for Musandam Gas Plant (MGP), the project is 98% completed, all utility systems are at an advanced stage of pre-commissioning and are expected to be commissioned by the forth quarter of 2015. Pre commissioning of the process systems has commenced and is expected to be ready for commissioning by mid Q3 2015.

CORPORATE GOVERNANCE

Our key goals are the sustainable and safe development of Oman's hydrocarbon resources, with continued focus on good governance and compliance with the regulatory framework in Oman. With that in mind, the Company operates a robust internal governance system and strives to achieve the highest standards of corporate governance.

HEALTH SAFETY AND ENVIRONMENT

Environmental protection and prevention of pollution is embedded in OOCEP's core, to achieve sustainable

business operations and OOCEP has consistently managed all such risks by adopting state-of-the-art systems and techniques, processes and standards.

OOCEP has adopted best available techniques not entailing excessive costs (BATNEEC) that provides a net environment benefit in areas of resource consumption, energy efficiency, emissions reduction, waste minimization and pollution prevention.

In recognition of this, during 2014, OOCEP has been awarded special commendation in two categories

- 1) Green Innovation Award
- 2) Green Footprint Award during the coveted Oman Green Awards 2014 ceremony.

In addition, in 2014 the LTI frequency corporate performance rate recorded is 0.32 per million man hours (m/mh) which is below the corporate set target of 0.9.

SOCIAL INVESTMENT AND THE CREATION OF SUSTAINABLE EMPLOYEMENT

OOCEP has been instrumental in developing and introducing, with the Ministry of Oil and Gas (MOG) and industry practitioners, leading-edge thinking in ICV.

Furthermore, to continue our support for Small & Medium Enterprises in 2014, OOCEP awarded contracts worth more than USD 3 million to the local companies.

TIGHT GAS

TIGHT GAS

| THIS YEAR'S HIGHLIGHTS |
|---|
| <ul style="list-style-type: none">• Overall performance improved leading to several milestones• Strong HSE performance |



ABU TABUL

BLOCK 60

ABU TABUL (ABB)

The Abu Tabul tight gas field in Block 60 (known as ABB) was first discovered by Petroleum Development Oman in 1998, and was appraised by BG International, from April 2006 to June 2010. OOCEP acquired the Block in March 2011. Following that work began to develop the deep gas condensate Barik sandstone reservoir. This project is anticipated to deliver a plateau of 70 MMscf/d produced through the ABB Gas Processing Plant (GPP). The processed gas is currently delivered to the Government through a tie-in to the South Gas Line (SGL) and the condensate to the Main Oil Line (MOL) going to Qarn Alam booster station.

| PROJECT DETAILS | |
|-----------------------|--------------|
| Operator | OOCEP |
| Participant | OOCEP 100% |
| Location | Abu Tabul |
| Date Awarded | March-2011 |
| Field Type | Tight Gas |
| Expenditure in 2014 | MMUS\$ 323.9 |
| Wells Drilled in 2014 | 13 |
| Start of production | Q4 2014 |

BLOCK 60 ABU TABUL (ABB) 2014

The commissioning of the newly built GPP started in late 2014 and the processing and export of unconventional tight gas into the Government Gas System on 4th December 2014.

The state-of-the-art processing plant, with an estimated \$1 billion investment made this far in the project, is expected to reach a plateau production of 70 million standard cubic feet per day (MMscfd) by the end of 2015. Along with gas, the facility will also produce condensates averaging 6,000 barrels per day (bpd) around the same timeframe.

While the concentration is to deliver the Barik project on stream, other opportunities have also been matured utilizing the drilled wells into Barik. Miqrat, Haushi (Gharif & Alkhilata) and Khuff at ABB Field have been realized as potential projects that can be delivered along with Barik to enhance ABB project profitability.



HIGHLIGHTS

- Expected to reach a plateau production of **70** million standard cubic feet per day (MMscfd) and condensates averaging **6,000** barrels per day (bpd) by the end of 2015.
- Other opportunities alongside Barik project have been realized and can be potentially delivered with Barik, enhancing the profitability of the project.
- Performance improvement has led to more cost saving and **32%** faster drilling in 2014 when compared to previous years



VISIT OF HIS EXCELLENCY THE MINISTER OF OIL AND GAS TO THE FIELD

CHALLENGES FACED

Block 60 development has been challenging in different aspects. The Block is located in a remote area away from any existing infrastructure. The majority of the Block is covered with sand dunes and the Block is located away from the known subsurface salt basins. The reservoirs under development are at 4500m depth and they are treated as unconventional tight sandstones where hydraulic fracturing is required to enhance production flow.

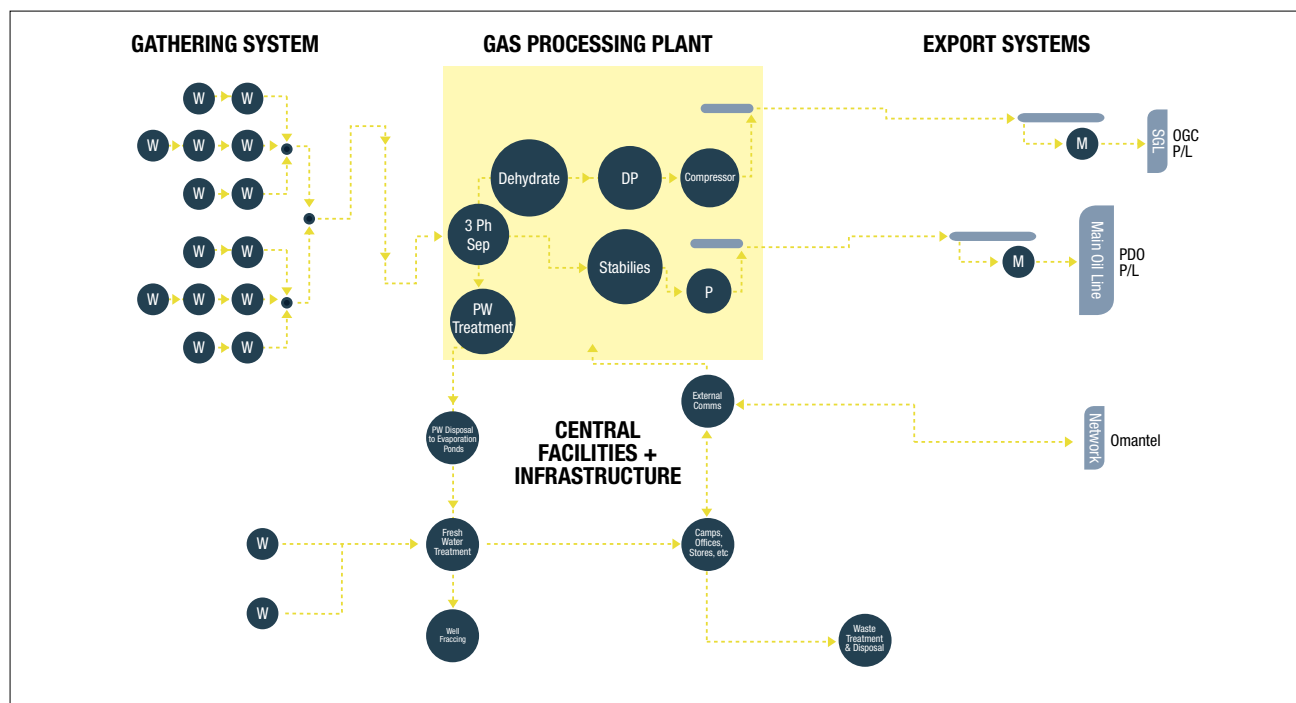
IMPROVEMENTS


Over the last two years, OOCEP has focused on efficient drilling and well services activities resulting in reduced operation times and lower costs. On average, wells in 2014 were drilled 32% faster than those drilled in the previous years. This obviously translates into significant cost savings, some of the key reasons for these improvements include:

- Focused and integrated team with continuous performance reviews.
- Significant reduction in Non Productive Time particularly those attributed to geological challenges as a result of developing a better understanding of the field.
- The selection of the most optimal applications such as drill bits and rotary steerable systems. In addition, optimizing the current practices has also contributed to the improved performances.

GAS PROCESSING PLANT

The GPP facility is designed and supplied by the EPC contractor Enerflex. The GPP is designed to treat 90 MMscfd gas, 6000 barrels per day (bbl/d) condensate and 2000 bbl/d produced water. The GPP project is suitable to process the gas, condensate and water produced from the wells at ABB gas field to the required specification and quantity as outlined in the basis of design.



| GAS PROCESSING PLANT | 2014 HIGHLIGHTS |
|---|--|
|  | <ul style="list-style-type: none"> • The commissioning of the GPP started on 23rd September 2014. • Subsequently, commercial production from the plant started on 4th December 2014. • Achieved 5.2 million project man hours by GPP contractor, 2.4 million man hours by export system and more than 4 million man hours by gathering system contractors. • Set a distinctive record by using a snubbing unit running dual packer selective completion in a live well. |

BLOCK 60 TIMELINE

| 2011 | 2012 | 2013 | 2014 |
|---|---|---|---|
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

BLOCK 60 DEVELOPMENT TIMELINE

| | |
|------------|--|
| March 2011 | B60 Exploration and Production Sharing Agreement (EPSA) signed |
| July 2011 | B60 Field Development Plan (FDP) approved |
| Oct 2011 | B60 Gas Sales Agreement (GSA) signed |
| June 2014 | FDP was upgraded reflecting appraisal results |
| Dec 2014 | Commercial production (3 years from GSA) |

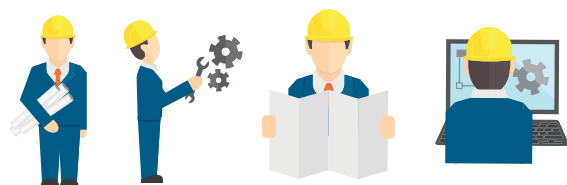
| PROJECT SCOPE | 2011 | 2012 | 2013 | 2014 |
|------------------------------|------|-----------|------------|------|
| Petroleum Studies | | Appraisal | FDP Update | |
| Well Delivery | | | | |
| Gas Processing Plant | | | | |
| Gathering & Export Pipelines | | | | |
| Utilities & Infrastructure | | | | |



HEALTH, SAFETY, ENVIRONMENT (HSE)

Exploration and production of hydrocarbon involves risk and close interaction with the surrounding environment. To safeguard the working and surrounding environment, OOCPE continues to focus on occupational health and safety operations.

MAN HOURS VS KILOMTERES DRIVEN 2014 (YTD)



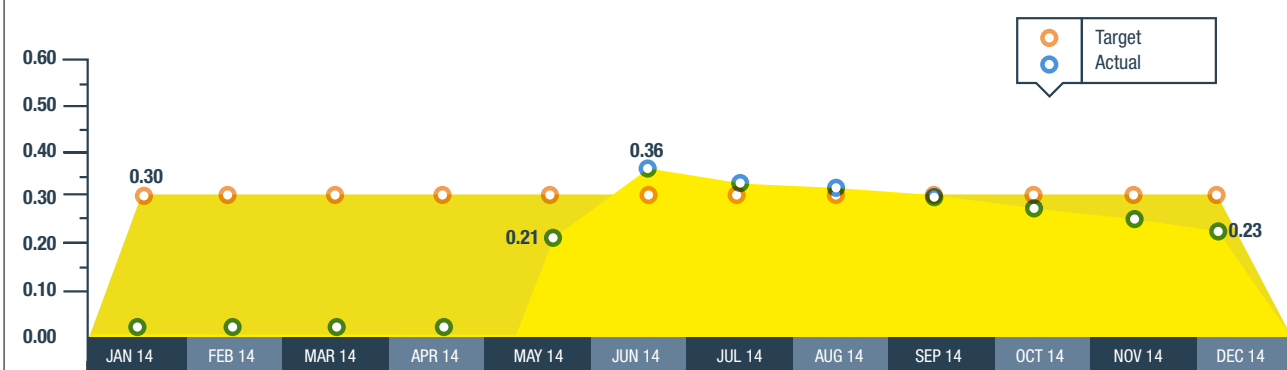
Total Man-Hours worked till End of December 2014
8,826,706



Total KM driven till the end of December 2014
9,867,140

BLOCK 60 HSC PERFORMANCE 2014 YTD

LOST TIME INJURY FREQUENCY RATE (LTIFR) 2014 YTD



VISIT BY HE THE MINSTER OF OIL AND GAS TO THE FIELD




THE COMPANY STRIVES TO ACHIEVE STRONG OPERATIONAL RESULTS AND CONTINUES TO SEARCH FOR OPPORTUNITIES WHERE ITS SOLUTIONS CAN UNLOCK VALUE.

BLOCK 61

The Khazzan natural gas field located in Al Dhahirah Governorate, Oman, was discovered in 1994 and is the biggest new upstream project in Oman. The field is situated about 350 kilometers (km) southwest of Muscat.

| PROJECT HIGHLIGHTS | |
|-----------------------|-----------------|
| Operator | BP Oman |
| Participant | BP60%, OOCPE40% |
| Location | South Oman |
| Date Awarded | February 2014 |
| Field Type | Tight Gas |
| Expenditure in 2014 | MMUS\$ 745.1 |
| Wells Drilled in 2014 | 5 |
| Start of production | Q4 2017 |

| 2014 HIGHLIGHTS | |
|---|--|
|  | <p>Once the Declaration of Commerciality (DoC) was signed in Feb 2014, OOCPE commenced active involvement with BP, the operator, on the works at the Khazzan field – Block 61. In addition, BP commenced the execution of the approved work plan.</p> <p>Major contracts were awarded for the surface facilities that included EPC contracts for the Central Processing Facilities, gathering and export systems. Construction contractors continued to mobilise to site, and subsequently civil construction activities for both infrastructure and process facilities commenced.</p> |
| <ul style="list-style-type: none">• Signed Joint Operating Agreement (JOA) in January 2014, as OOCPE commenced active involvement with Block 61 project.• Major contracts awarded, subsequently civil works for infrastructure and process facilities commenced.• Execution of rigs mobilization plan and drilling program. | <p>Rigs mobilization plan and drilling program are being executed to meet the first gas target by the end of 2017. Wells, stimulated and tested in 2014, proved to have better productivity than initially expected, such as KZN-13 that was drilled in the southern part of the field and delivered good volumes. These results were highly encouraging and could lead to potential optimization of the current plan.</p> <p>OOCPE continues to play a vital role in optimising the project's work plan on all fronts, with initiatives to optimise spend, plan and development.</p> |

ENHANCED OIL RECOVERY

THIS YEAR'S HIGHLIGHTS

- The project has drilled more than 2,400 wells through the end of 2014
- Total oil production during 2014 was 44.35 millions barrels

MUKHAIZNA

The Government of Oman signed a production-sharing agreement with a consortium of oil companies for the development of the Mukhaizna oil field, on 21st June 2005. The agreement is for 30 years from the handover date (1st September 2005). The project has drilled more than 2,400 wells through the end of 2014. Production has ramped up from 10 Thousand Barrels per Day (MBOPD) in 2005 to 120 Thousand Barrels of Oil per Day (MBOPD) by 2012 and remains higher than 120 MBOPD since then. Total oil production during 2014 was 44.35 million barrels.

| PROJECT HIGHLIGHTS | |
|--|--|
| Operator | Oxy 45% |
| Participant | OOCEP 20%, Shell 17%, Liwa Energy 15%, Total 2%, Partex 1% |
| Location | South East Oman |
| Date Awarded | June 2005 |
| Field Type | Heavy Oil |
| Expenditure in 2014 | MMUS\$ 351 |
| Average daily production (Working interest). | 24,300 barrels of equivalent per day (BOEPD) |
| Wells Drilled in 2014 | 281 |

2014 HIGHLIGHTS



- **66%** reduction in Loss Time Injury Frequency (LTIFR), compared to 2013, improving HSE performance in 2014.
- Achieved **9** average days drilling (days on location) for horizontal wells and **3.2** days for vertical wells with an average drilling NPT of **9.1%**.
- Successful execution of drillings all wells within expected time and cost.
- **84%** Omanisation achieved

The development of the field has continued in both Gharif and Kahmah formations based on the most recent Field Development Plan (FDP). The remaining surface facilities were progressed and more than 96% of water and steam capacities were constructed. By the end of 2014, the total number of wells drilled is more than 2400 wells. Oil production during 2014 averaged at 121.5 MBOPD. The cumulative oil produced by end of 2014 is over 255 Million Barrels of Oil (MMBO). Several performance enhancement projects were progressed during 2014 among which are casing vapor recovery system, insulated tubing, and infill drilling; these projects are expected to enable a more efficient steam management.

KARIM SMALL FIELDS

Karim Small Fields (KSF) is a cluster of 18 fields located in PDO-Block 6 concession area. OOCEP holds 25% stake in the service contract and MEDCO, which is operating the field, 75%. The service contract runs from 2006 until 2016. The objective of the KSF service contract is to enhance oil production from several marginal oil fields that are mostly sandstone reservoirs (Haima and Haushi). Efforts are aimed at increasing oil production by infill drilling, improved well and reservoir management (WRM) and connecting undeveloped small new fields. More than 240 new infill wells were drilled since 2007.

| PROJECT HIGHLIGHTS | |
|--|---|
| Operator: | Medco Energy 75% |
| Participant: | OOCEP 25% |
| Location: | South Oman |
| Date awarded: | March 2006 |
| Field type: | Heavy oil |
| OOCEP expenditure in 2014: | MMUS\$ 30 |
| Average daily production (working interest): | 4,240 barrels of equivalent per day (BOEPD) |
| Wells drilled in 2014: | 32 |

2014 HIGHLIGHTS



- **8 million** man hours free of Lost-Time-Injury (LTI).
- **32** new development wells delivered as planned.
- Implemented trials and studies for EOR pilots.
- Achieved **6%** higher than planned yearly oil production rate.

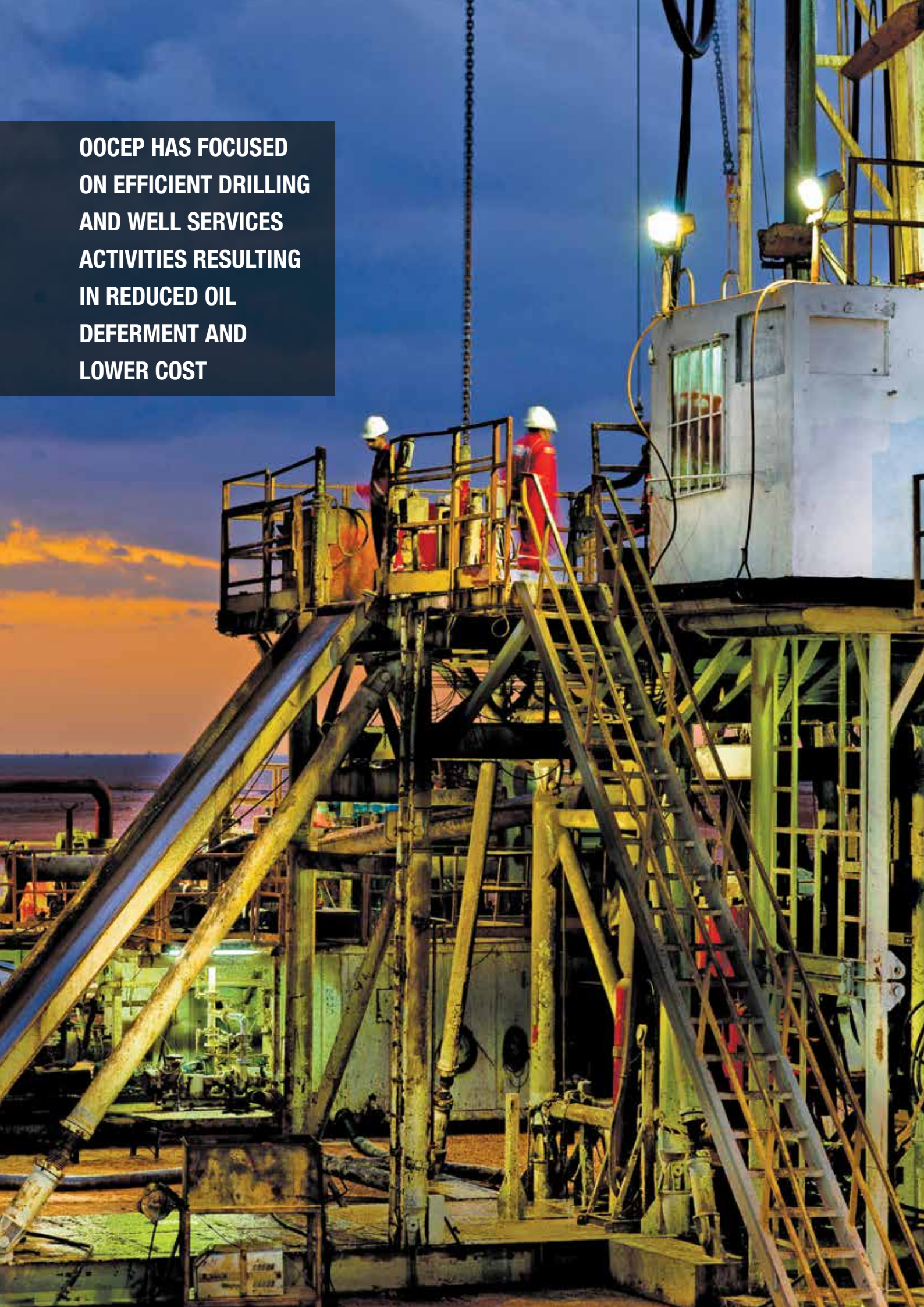
In 2014, the operator completed the execution of the full field water flood project in Simsim field and several optimization and pump upsizing activities were carried out. By 2014 year-end (YE), oil gain from Simsim water flood (WF) was 17% higher than the plan.

In terms of Enhanced Oil Recovery (EOR); two huff and puff pilots were implemented in Basma field consisting of Surfactant and Cyclic Steam Stimulation (CSS). The reconciliation factor (production allocation factor by PDO) was still a challenge being in the low side (0.79).

Overall, year-end average oil production rate of Karim Small Fields (KSF) cluster was 6% higher than the plan. In addition, all the planned 32 new wells were delivered and year-end actual expenditure was 6% less than planned.

THIS YEAR'S HIGHLIGHTS

- Increasing oil production by infill drilling, improved well and reservoir management




OOCEP HAS FOCUSED ON EFFICIENT DRILLING AND WELL SERVICES ACTIVITIES RESULTING IN REDUCED OIL DEFERMENT AND LOWER COST

RIMA SMALL SATELLITE FIELDS

The Rima Small Satellite Fields (RSSF) is a cluster of 18 fields located in PDO-Block 6 concession area. OOCEP holds 25% stake in the service contract and Petrogas E&P Rima, which is operating the field, 75%. The service contract runs from 2008 until 2023 with an extension option. The objective of the RSSF service contract is to enhance oil production from several marginal oil fields that are mostly sandstone reservoirs (Haima and Haushi). Efforts are aimed at increasing oil production by infill drilling, improved well and reservoir management (WRM) and connecting undeveloped small new fields. More than 130 new infill wells were drilled since 2008.

| PROJECT HIGHLIGHTS | RIMA SMALL FIELD CLUSTER |
|--|---|
| Operator: | Petrogas E&P 75% |
| Participant: | OOCEP 25% |
| Location: | South Oman |
| Date awarded: | February 2014 |
| Field type: | Heavy Oil |
| OOCEP expenditure in 2014: | MMUS\$ 19 |
| Average daily production (working interest): | 2,669 barrels of equivalent per day (BOEPD) |
| Wells drilled in 2014 | 21 |

| 2014 HIGHLIGHTS | |
|---|---|
|  | <p>In 2014, the operator continued infill drilling, data gathering and incorporated new seismic information to understand reservoirs structure, complexity and communication. It has also continued producing field development plans, incorporating opportunities for infill drilling, steam soak and water injection.</p> |
| <ul style="list-style-type: none">• 85% reduction in Lost-Time-Injury-Frequency (LTIF) compared to 2013.• Continued FDP updates and incorporated new seismic information to understand reservoirs structure and complexity.• Discovered oil by drilling two near-field wells.• Progress in implementing water flood pilots.• Successful implementation of Cyclic Steam Stimulation trials. | <p>Throughout 2014, several Improved Oil Recovery / Enhanced Oil Recovery (IOR/EOR) trials were implemented in (RSSF) such as Water Flooding (WF) trial in Aseel field and Cyclic Steam Stimulation (CSS) in Jalmoud, Jalmoud North and Nuham fields. All these trials were successful and resulted in incremental oil gain.</p> <p>Overall, YE average oil production rate of RSSF cluster was 18% lower than the plan, mainly due to lower than expected new oil performance and lower new wells delivery due to second rig delay. In addition, as a result of the second rig delay, 21 new wells were delivered versus 40 planned wells and YE actual expenditure was~40% less than planned.</p> |



THE DUNGA DAILY OIL PRODUCTION IS EXPECTED TO GRADUALLY INCREASE.

DUNGA

The Dunga Oil Field is an onshore field located 50 km to the north of the city of Aktau in western Kazakhstan. Production from the field is governed by a 30-year Production Sharing Agreement (PSA) which was signed in May 1994. The field is being jointly developed by Oman Oil Company Ltd. (OOCL, an OOC subsidiary), Portuguese investment fund Partex and the operator Maersk Oil. The presence of hydrocarbons in the field was identified in 1966. Operations under the Production Sharing Agreement (PSA) first commenced in 1998. The first phase of the FDP was completed in 2009, comprising the drilling of eight vertical wells and six horizontal wells. The Phase II of the FDP is ongoing, with construction activities underway to accommodate anticipated growth in oil production.

| Project Highlights | |
|---|---|
| Operator | Maersk Oil |
| Participant | Maersk Oil 60%, OOCL 20%, Partex 20% |
| Location | Kazakhstan |
| Date Awarded | 1994 |
| Field Type | Onshore Oil |
| Expenditure in 2014 | MMUS\$ 87.8 |
| OOCEP yearly average daily production (working interest): | 1,576 barrels of equivalent per day (BOEPD) |
| Wells drilled in 2014 | 79 |

2014 HIGHLIGHTS



- **23%** more drilled wells than planned exhibiting outstanding drilling performance.
- **45%** increase in oil production at Dunga field resulting from the completion of first Phase II production line (K-line).
- Commenced first Phase II producing wells at Dunga.

The Phase II contemplates the drilling of 198 vertical wells. The Dunga daily oil production is expected to gradually increase following the implementation of Phase II project. 152 wells of the Phase II project have been drilled since the start of the drilling campaign in 2012.

The Operator continued the Phase II of the FDP drilling campaign and achieved reduction of the drilling time and cost per well. In addition to the drilling activities, the Operator continued construction of Phase II project facilities.

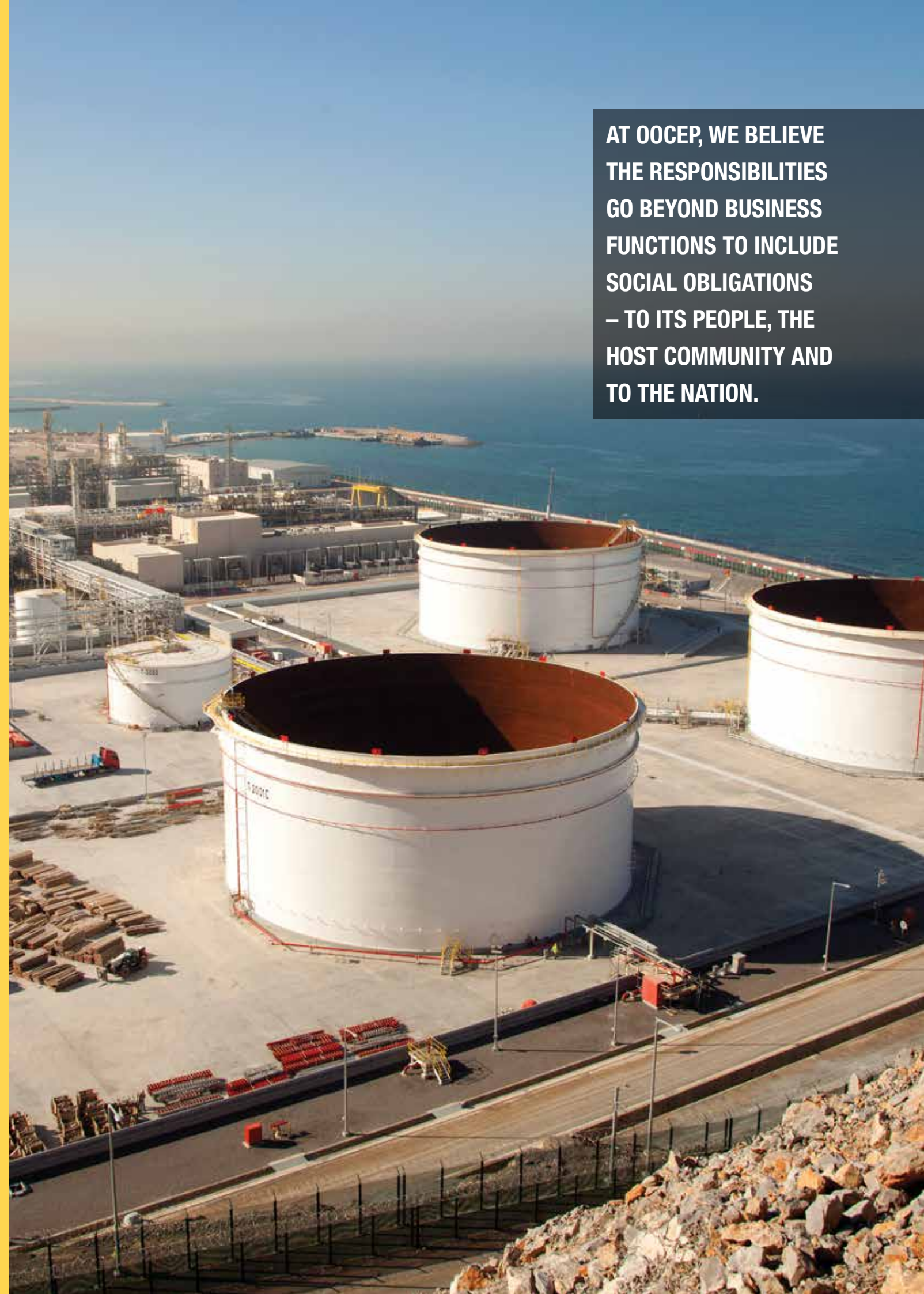
MIDSTREAM

MIDSTREAM ASSETS

THIS YEAR'S HIGHLIGHTS

- Significant developments made; construction nearing completion in MGP
- Improved HSE performance

AT OCEP, WE BELIEVE
THE RESPONSIBILITIES
GO BEYOND BUSINESS
FUNCTIONS TO INCLUDE
SOCIAL OBLIGATIONS
– TO ITS PEOPLE, THE
HOST COMMUNITY AND
TO THE NATION.



MUSANDAM

MUSANDAM GAS PLANT (MGP)

The Musandam Gas Plant (MGP), an oil and sour gas processing plant, is being constructed approximately 1 km north of the border with Ras Al Khaimah, UAE, in Tibat of the Musandam Province, Sultanate of Oman. When complete, MGP will process well fluids from the existing Bukha fields offshore platforms. These well fluids will be transported from the platform to MGP through a newly installed subsea pipeline where they will be processed to produce sales quality gas, oil, Liquefied Petroleum Gas (LPG) and sulphur.

| PROJECT DETAILS | |
|---------------------|--------------------|
| Operator | OOCEP |
| Participant | OOCEP 100% |
| Location | Musandam |
| Date Awarded | 14th December 2010 |
| Field Type | Gas/Oil |
| Expenditure in 2014 | MMUS\$ 117.70 |
| Start of Operation | Q4 2015 |

2014 HIGHLIGHTS



- Advanced stages of construction of MGP is almost **98%** complete.
- Completion of administration and substation (includes the control room of the plant) which is now occupied.
- Installation of SPM (Single Point Mooring) and crude export pipeline completed.
- Plant Substation energized using temporary power generators.
- Street lighting and plant lighting energised.
- Hydro-test and flushing of all piping systems completed.
- Construction and box-up of all storage tanks has been completed.

The focus of the project is on pre-commissioning and commissioning activities. All major packages required have been delivered to the site and have been installed. Gas Turbine Generators (GTGs) and Local Equipment Room (LER) have been installed and all ancillaries completed.

Pre-commissioning of GTG's is now in progress leading to commissioning once adequate loads are available in the MGP plant. Other utility systems are at an advanced stage of pre-commissioning and are expected to be commissioned by Q2 of 2015. Pre commissioning of the process systems has commenced and is expected to be ready for commissioning by mid Q3 2015. Offshore pipeline laying and pre-commissioning have been completed for both Musandam Offshore Production Pipeline (MOPP) and Musandam Interconnecting Gas Pipeline (MIGP), both pipelines are ready for commissioning.

ENVIRONMENTAL
PROTECTION AND
PREVENTION OF
POLLUTION IS
EMBEDDED IN
OOCEP'S CORE.

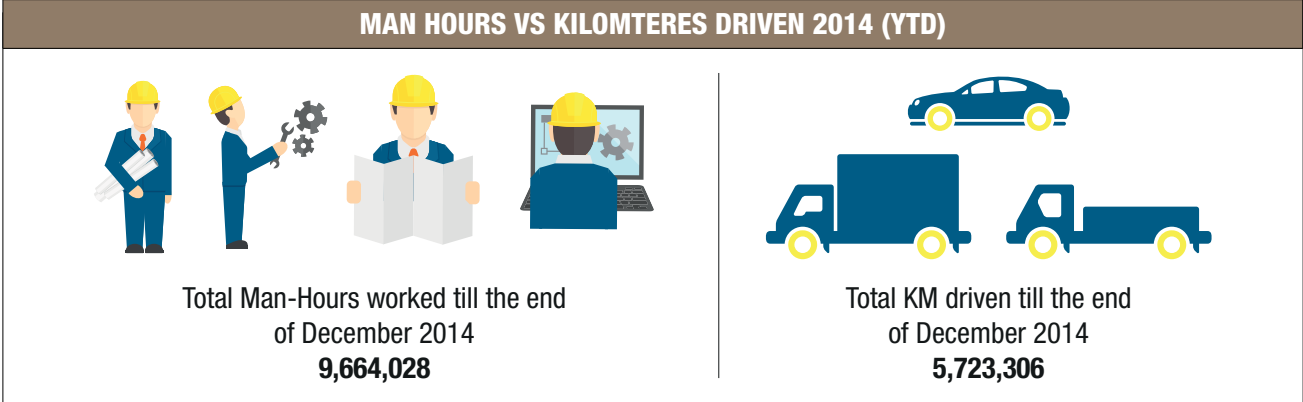


MUSANDAM GAS PLANT – TIMELINE

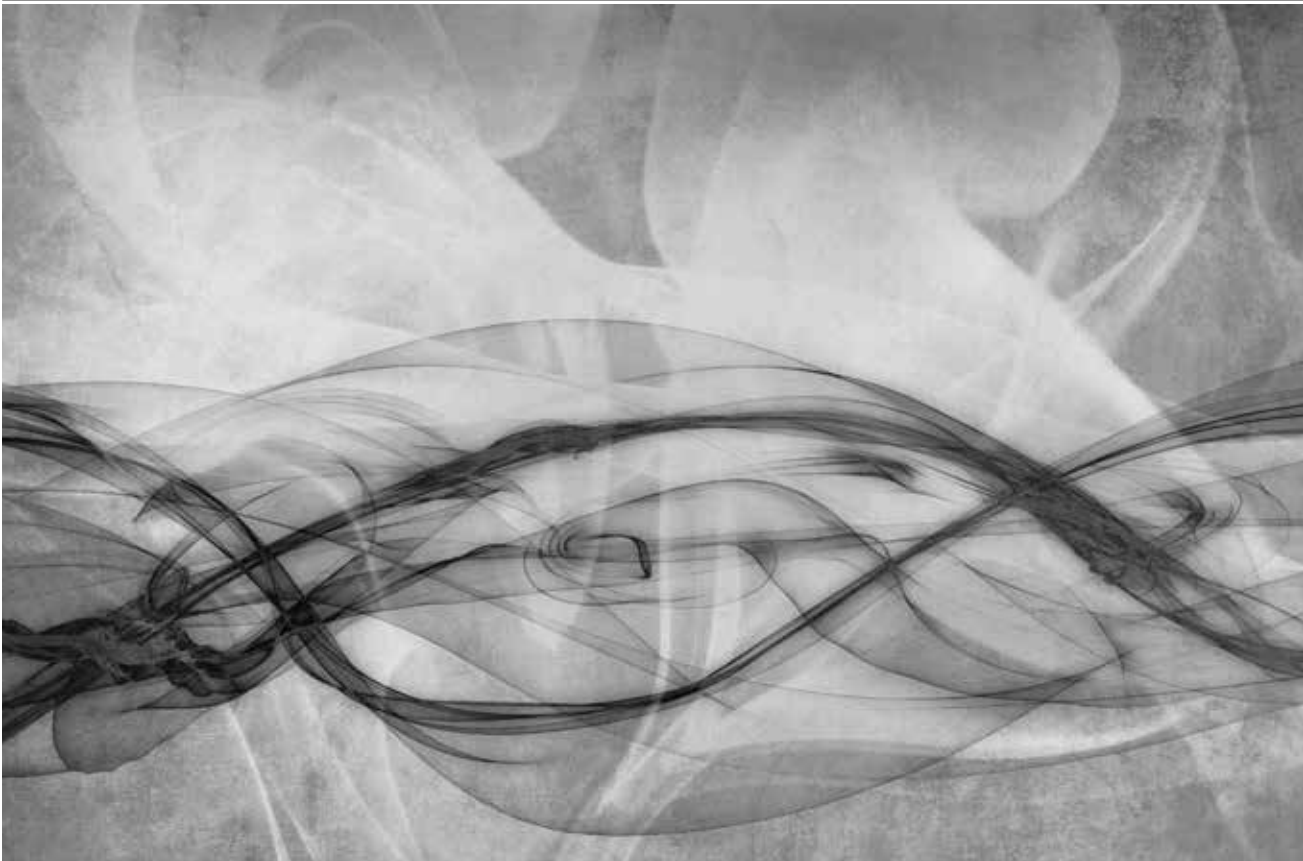
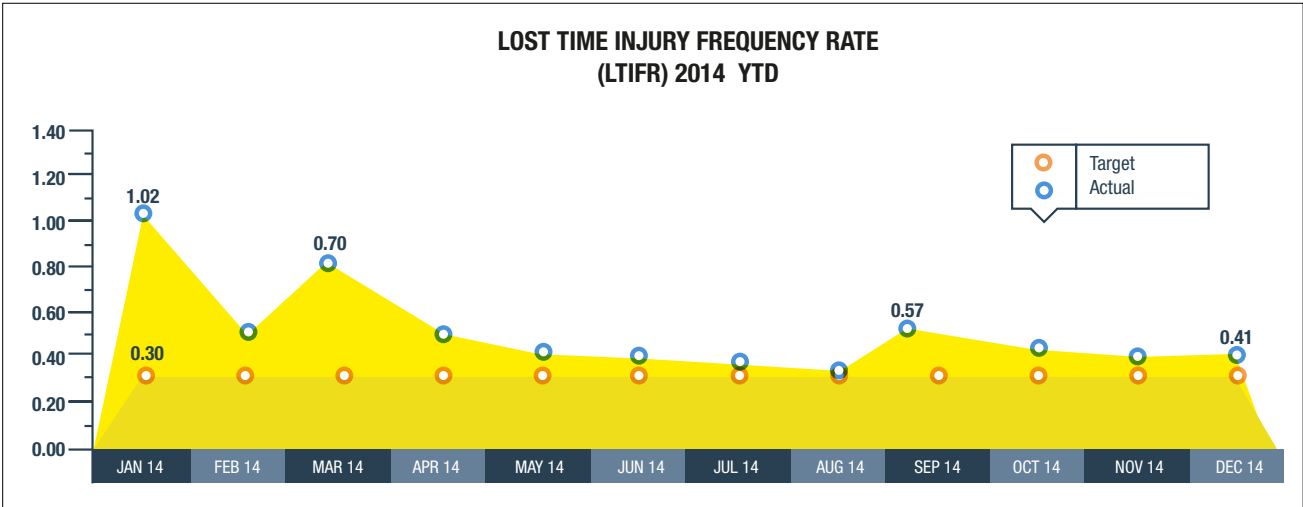


| | 2014 | | | | 2015 | | | |
|--------------------------------------|------|----|----|----|------|----|----|----|
| Type of Work | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Utilities and Infrastructure | | | | | | | | |
| Oil and Gas Processing Plant | | | | | | | | |
| Offshore Pipelines & Export Terminal | | | | | | | | |
| Commercial Operation | | | | | | | | |

HEALTH, SAFETY AND ENVIRONMENT



MGP HSC PERFORMANCE 2014 YTD



OFFSHORE

OFFSHORE

THIS YEAR'S HIGHLIGHTS

- Total of 7 wells were drilled at the Pearls area
- Secured second extension of the Exploration Period for 2014-2015

OFFSHORE PEARLS

CASPIAN OFFSHORE PEARLS

The Pearls is an offshore project located in the northern part of the Kazakhstan section of the Caspian Sea. The contract area covers 895 m², with an average water depth of 8-10 m, which is the maximum depth for the northern section of the Caspian Sea. The Pearls project stipulates the geological exploration and development of four subsalt structures - Khazar, Auezov, Naryn and Tulpar. The Production Sharing Agreement (PSA) was signed in December 2005 with a 35-year duration. Under the PSA, the contractor party is comprised of Shell EP Offshore Ventures Limited ("SEPOV"), KazMunayTeniz ("KMT") and Oman Pearls Company Ltd. (OPCL).

In 2007, the first exploration well was drilled yielding a hydrocarbon discovery in the Khazar field and two additional appraisal wells to test hydrocarbon reserves. Another three exploration wells have been drilled in other structures in the area, one of which tested hydrocarbons in the Auezov prospect. Total of 7 wells were drilled at the Pearls area.

| Project Highlights | |
|-----------------------|-------------------------------|
| Operator | CMOC |
| Participant | SEPOVI 55%, OPCL 20%, KMT 25% |
| Location | Kazakhstan |
| Date Awarded | December 2005 |
| Field Type | Offshore Oil |
| Wells drilled in 2014 | 7 |

2014 HIGHLIGHTS



- 3.6 million man-hours performed without LTI.
- Improved subsurface definition and increased place reserves for Khazar field.
- Secured second extension of the Exploration Period for 2014-2015.

In 2014, the Operator performed works to complete the appraisal of Auezov prospect. The studies were done with support of the PSA partners leading to Khazar field development concept selection. As a result the screening study for co-development with Kalamkas Sea Project has commenced to optimize the development cost for the Pearls project.

HARNESSING THE ENERGY OF THE NATION



EXPLORATION

EXPLORATION

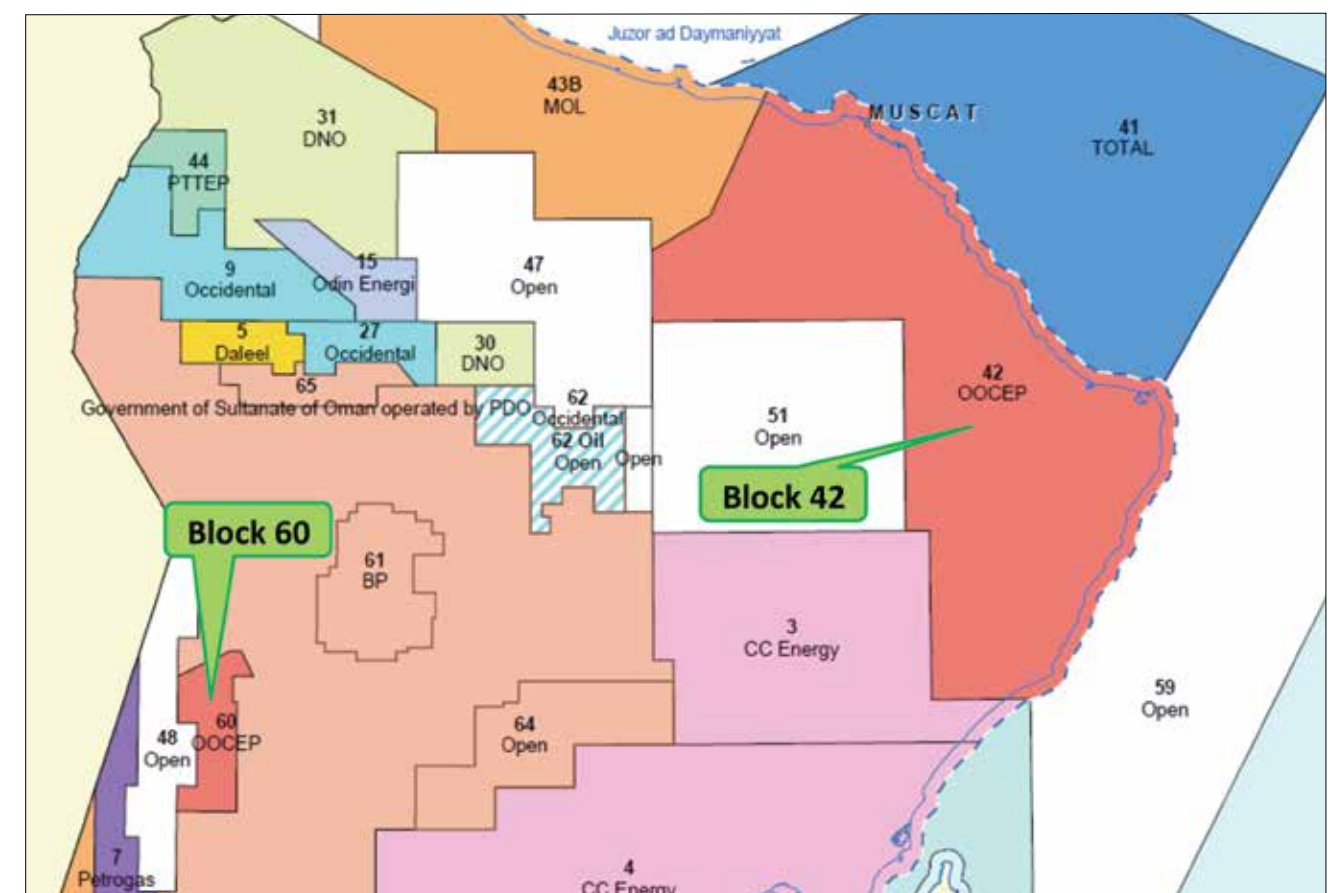
THIS YEAR'S HIGHLIGHTS

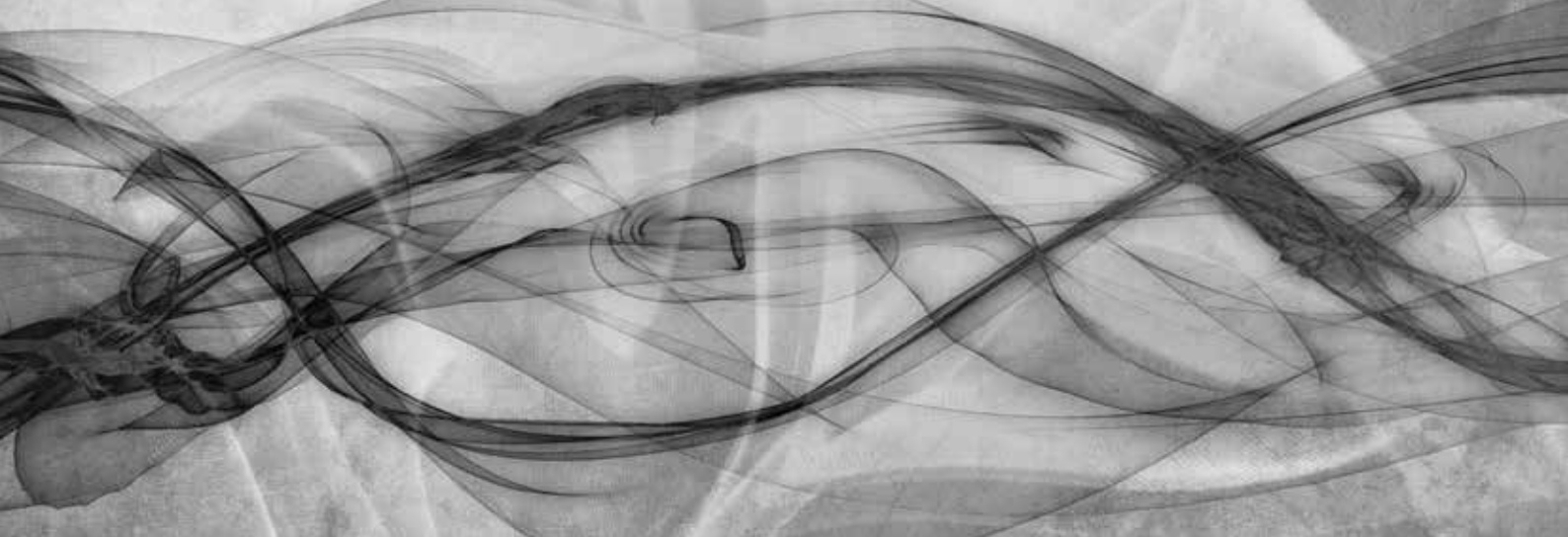
- Block 60 – Exploration Success
- Completion of Seismic and Exploration studies in Block 42

EXPLORATION

The technical strength of OOCEP's exploration team has been a driver of the company's growth and development. The exploration inventory and portfolio is primarily comprised of exploration opportunities in two OOCEP operated blocks i.e. Block 60 & 42. Block 60 1585 sq.km located on the western side of prolific Ghaba salt basin whereas Block 42 is 25,590 sq.km and is located along Huqf arch axis towards the east of Ghaba basin. These two blocks sample significantly different stratigraphic successions and evolution history and potentially different petroleum systems. Block 42 exploration is still at margins of frontier exploration domain where geological risks are relatively higher but could open altogether a new material hydrocarbon province in Oman if exploratory wells come to be successful.

A comprehensive integrated interpretation of 2D/3D seismic and other geoscientific data has been carried out to develop prospect & lead inventory and ranking in both the blocks.

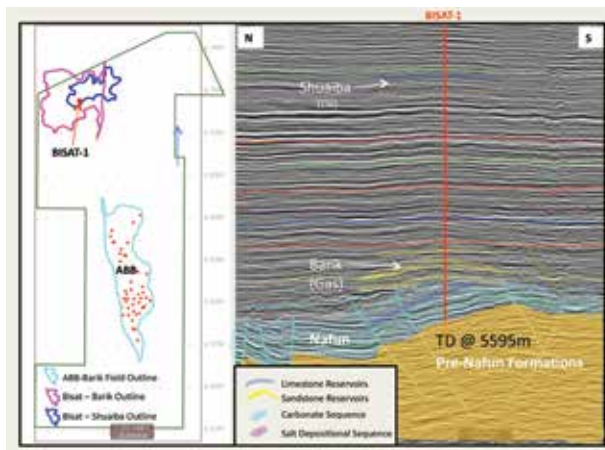




EXPLORATION

BLOCK 60 EXPLORATION

2014 HIGHLIGHTS



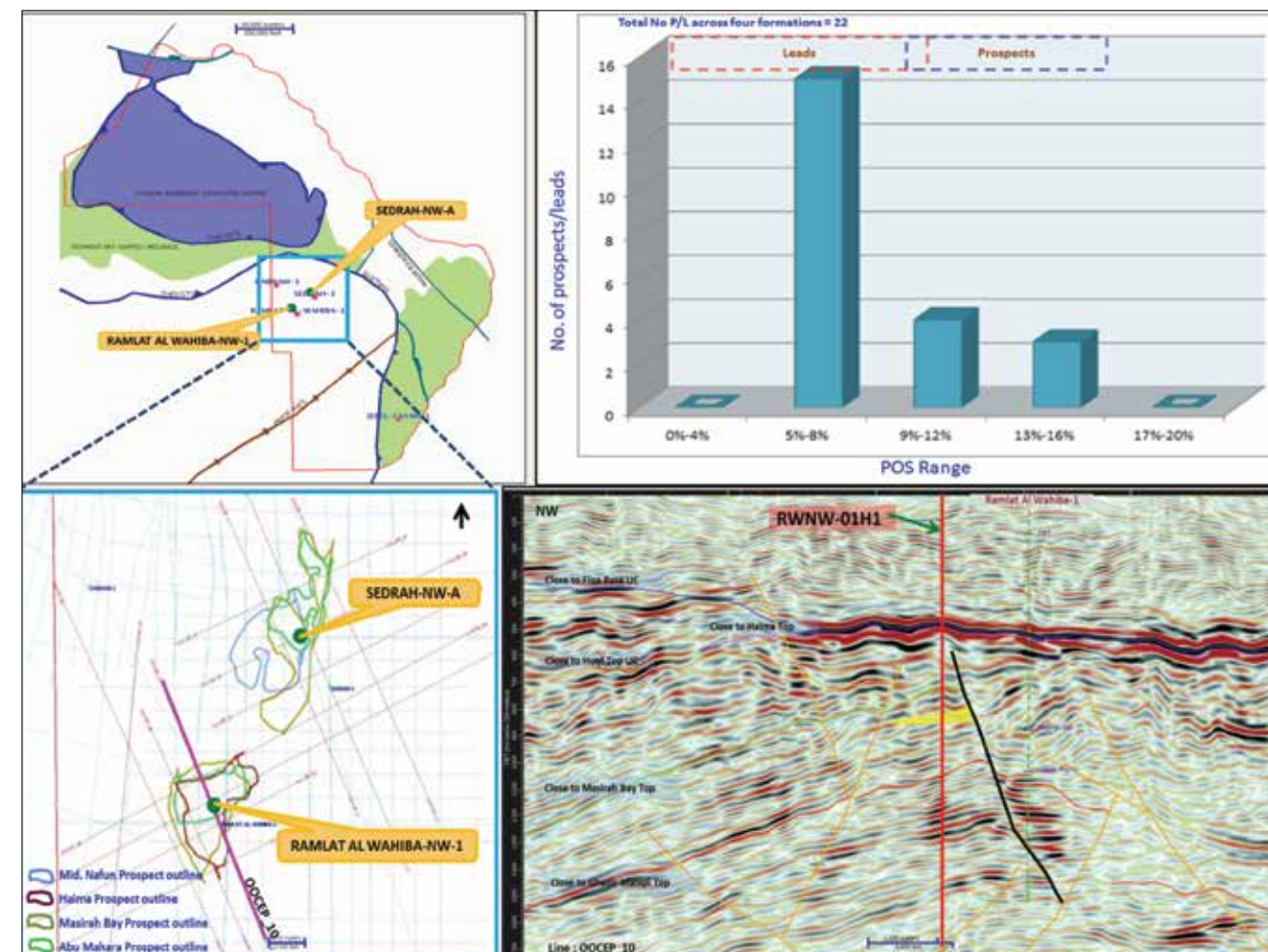
- Successful outcome from OOCEP's first exploratory well Bisat-1 spudded in first week of September 2014. The well encountered presence of hydrocarbons in several stratigraphic intervals including Shuaiba, Lower Haima/Barik & Ghudun formations.
- Exploration drilling program is likely to further expand from earlier envisaged program of minimum of **4-5** wells by incorporating follow-up exploratory wells to Bisat success.

In 2014, exploration efforts in Block 60 matured to exploratory drilling of first ever exploratory well by OOCEP over the Bisat prospect and staged successful outcome in its very first exploratory initiative.

In line with the exploration prospect & lead inventory prioritization, Bisat prospect was proposed for the first exploratory drilling. This particular prospect is located in north western part of the Block 60 dominated by sabkha-sand dunes surface topography.

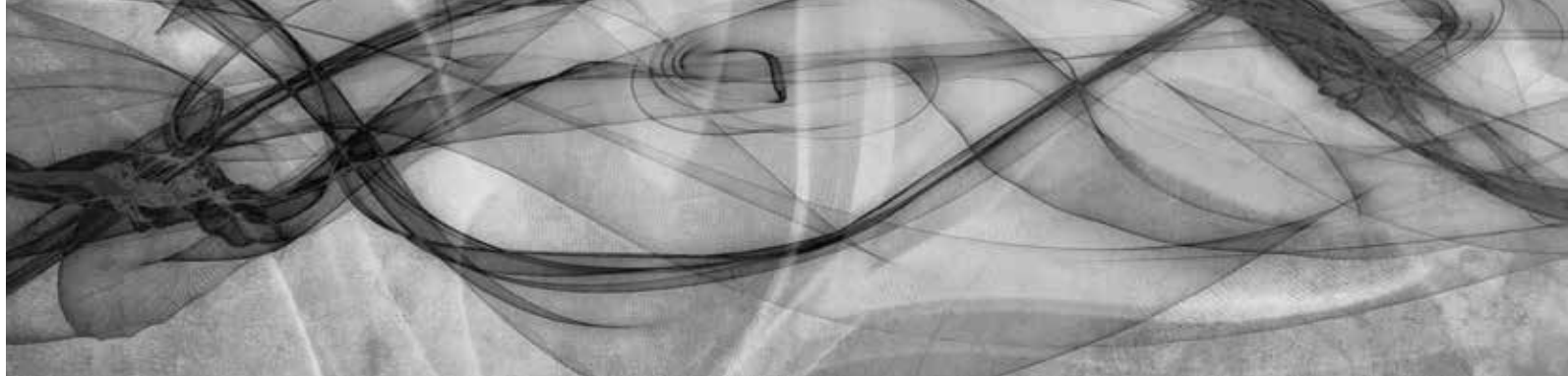
The well Bisat-1 was planned to be drilled at a depth of 5495+/- 300m to evaluate multiple reservoir objectives from Natih-Shuaiba, Haushi, Lower Haima & Nafun stratigraphic intervals. This is the first exploratory well in this part of the basin planned to reach such depth. The lack of well control on deeper stratigraphy (Lower Haima & below) in the area made drilling of this well all the more challenging. However, a comprehensive prognosis of objectives, lithology, depths & pressures with associated uncertainties was put in place for exploratory well planning to facilitate safe and effective drilling operations.

BLOCK 42 EXPLORATION



The exploration activities for Block 42 started with the follow up to the new 2D seismic acquisition and processing program undertaken by OOCEP, towards the end of 2013, for supplementing ongoing exploration efforts in the prioritized (Ramlat Al Wahiba/Sedrah) area. Integrated seismic interpretation work based on newly acquired and processed seismic data was initiated by merging it with old vintage seismic grids.

This resulted in new insights on structural geometry and facilitated new correlation from Ghaba basin for better understanding of the stratigraphic framework of the Block. The new insights into structural and stratigraphic framework brought in new seismic interpretation in conjunction with other geoscientific data becoming the foundation stone to develop play concepts in Priority Area-1 and are planned to be probed through exploratory drilling.



2014 HIGHLIGHTS

- A comprehensive seismic interpretation and mapping work was done in Priority Area-1 by incorporating new seismic as well as old seismic data. A number of potential exploration leads have been mapped at Haima, Mid-Lower Nafun, Masirah Bay and Abu Mahara reservoir levels.
- Integrated gravity, magnetic & seismic modelling work based on newly acquired gravity-magnetic data was completed. This modelling work facilitated better understanding of basement configuration, sedimentary cover characteristics and major fault/lineation falling inside the Block.
- Two prospects representing two reasonably independent play concepts have been identified; first Ramlat Al Wahiba-NW, north west of RLW-1 area and the second Sedrah-NW, north-west of SDH-1 area. These two areas are distinct with expected different stratigraphic sequences representing the two reasonably independent play concepts in different structural settings.
- Two explorations well drilling campaigns proposed to address prospectivity paradigms in Priority Area-I to optimize on rig mobilization and associated services.
- G&G prognosis of objectives, lithology, depth & pressures prepared for two exploratory drilling locations (RLWNW-A & SDHNW-A) to facilitate planning and designing wells towards effective and safe drilling and proper evaluation of exploration objectives.
- Prospectivity evaluation of Priority Area- 2 is continuing in light of new regional information.



BLOCK 42

Block 42 has been identified as a suitable starting point to implement OOCEP's goal to conduct exploration operations in Oman. The Block covers an area of approximately 25,600 square kilometers and comprises mainly the northeast coastal range of the Oman mountains and the basin immediately to their south (under Ramlat Sharqiya). The presence of hydrocarbons has already been proven by previous exploration wells reporting hydrocarbon shows in several reservoir intervals.

| 2014 HIGHLIGHTS | |
|---------------------|----------------------------------|
| Operator | OOCEP |
| Participant | OOCEP 100% |
| Location | Ramlat Al Sharqiya, Eastern Oman |
| Date Awarded | March 2012 |
| Field Type | Oil and Gas |
| Expenditure in 2014 | MMUS\$ 3.5 |

| 2014 HIGHLIGHTS | |
|---|---|
|  | Following the interpretation of the new seismic data, two key prospects were identified as drilling candidates in the main prospective Area-I. The first exploration commitment well is planned to be drilled in the second quarter Q2 2015 to test presence of hydrocarbon at the Ramlat Al Wahiba structure. OOCEP is planning to drill a second exploration well beyond Exploration and Production Sharing Agreement (EPSA) commitment targeting independent reservoirs at Sedrah NW structure. The second well is considered as a play opener and, upon success, will have major implication on block prospectivity. The two wells are planned to be drilled back to back to optimize civil construction and rig mobilization activities. |
| <ul style="list-style-type: none">• Acquired all required government approvals/permits for conducting of civil construction and drilling operation.• 40650 Man-Hours performed without recordable LTI.• 90% of site and access road construction completed in the first drilling location.• Completion of site civil survey for the proposed access roads and drilling locations.• Completed well pad and access road construction of two water supply wells.• Completion of HSE Management Plan project for civil construction and well drilling operation. | |

SERVICE SERVICES

THIS YEAR'S HIGHLIGHTS

- Record HSE performance in 2014
- Achieved 85% Omanisation

SERVICES (SECTION)

ABRAJ ENERGY SERVICES SAOC

2014 HIGHLIGHTS



- Abraj has also successfully commenced cementing services under its services provided.
- These services coupled with existing Well Services such as Workover, Well Intervention Services (Slickline / Non Corrosive Pumping / Well Head Maintenance) and its deep presence in Drilling Rigs makes Abraj a truly established Oilfield Service Provider in Oman.

Abraj Energy Services SAOC (Abraj) is a subsidiary of OOCPEP, which concentrates on midstream activities. Abraj is now an incorporated company offering a number of services in the midstream sector that includes drilling activities, well services and well engineering. Since its establishment, Abraj has specifically formed a management team of industry professionals who share the company's quest for achieving excellence in its operations in both HSE and well engineering performance as part of the company's core business. Within a few months of establishment, Abraj has managed to secure a contract with a major client for the provision of five rigs for a period of four years. The company also aims to play a key role in Oman's relentless endeavors to diversify and create jobs for Omani citizens. With the anticipated growth in work scope and future business diversification plans, Abraj expects to play a major role in the development of young Omanis to become recognized industry professionals.

HEALTH SAFETY AND ENVIRONMENT (HSE)

Abraj have achieved the best ever HSE performances with respect to Lost Time Injury Frequency (LTIF per million hours) and Total Recordable Cases Frequency (TRCF per million hours).

| | ACHIEVED 2011 | ACHIEVED 2012 | ACHIEVED 2013 | ACHIEVED 2014 | TARGET 2014 |
|-------------|---------------|---------------|---------------|---------------|-------------|
| LTIF | 1.42 | 1.49 | 1.33 | 1.22 | 1.0 |
| TRCF | 3.56 | 4.23 | 3.62 | 3.49 | 4.0 |
| RTAF | 0.35 | 0.23 | 0 | 0 | 0.25 |

DRILLING AND WORKOVER

Abraj started the year with 13 rigs and 3 hoists. By the end of the 2014, an additional 3 rigs were commissioned and started operations adding over 250 new employees in the company.

In 2015, an additional 4 rigs will be inducted to Abraj, with the continuingly challenging environment of dealing with low oil prices and skilled manpower shortages, making it the largest drilling service provider in Oman with 20 rigs.

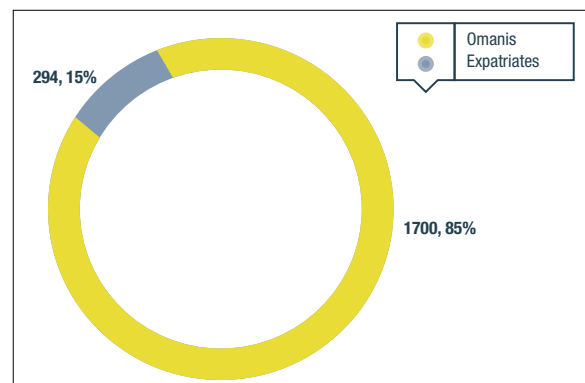
WELL SERVICES

Started with wide and diverse services consisting of 4 Slickline units, 3 Non-Corrosive Pumping Units, 2 Well Head Units (subcontracted), Drilling Fluid Service, 1 Frac Fleet and 2 Flow Back Units. By the end of 2014, the Integrated Frac System (IFS) went full-fledged by commissioning and adding the Coiled Tubing Unit and Well Testing Unit marking Abraj as the first Local Frac provider in the MENA.

Similarly, two more new services have been added in 2014, the Cementing Services and Casing Running Services. The Cementing Services started with one unit serving one rig with the plan to extend the scope of this unit to cover two rigs operations in 2015. The Casing Running Services has been offered to one of the main operators in Oman, now serving the entire fleet of the operator's rigs. Abraj will be busy growing and marketing Cementing and IFS in 2015 with very high intentions to be the owner of a sizable market share in high pressure pumping in Oman.

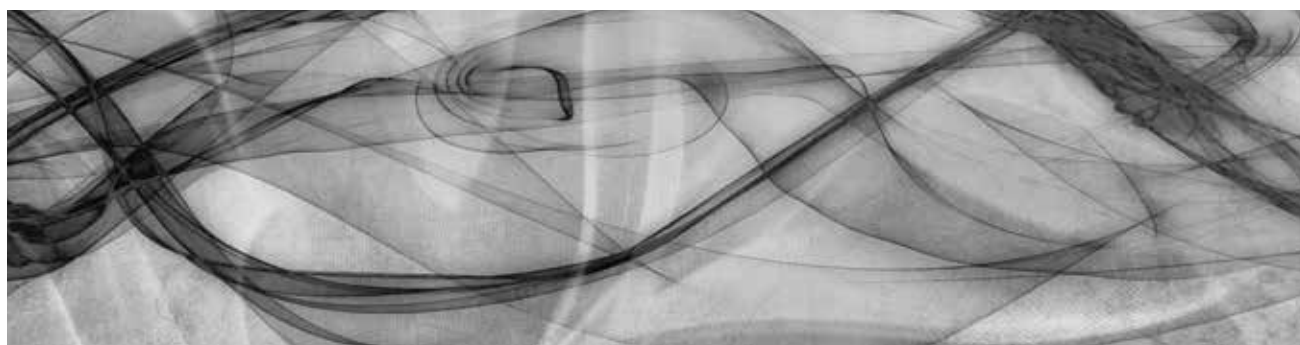
HUMAN RESOURCES

As of 31 December 2014, Abraj has a total of 1994 employees, and achieved 85% Omanization.



KEY 2014 ACHIEVEMENTS

- Best ever HSE performance for both LTIF and TRCF.
- OHSAS 18001:2007 and ISO 9001:2008 re-certification audit was conducted successfully in 2014.
- Embarking the Hazard Recognition Program (HRP) and inducting 230 employees on the program.
- Starting of new service line in Abraj, Casing Running Services.
- Commissioning and starting 3 new rigs with good HSE records.
- The down time due to competency has been dropped dramatically this year to almost zero.
- 20 units LTI free for 2014 out of 25 units.
- High improvement on the rig move performance, among them moving rig 206 over 160km in 4 days vs. Budgeted 21 days.
- SAP stabilization, utilization and support through effective offshore support contract.
- Automation of Information Technology (IT) incidents, services, changes, monitoring, managing and configuration.
- Building Abraj new data center and shifting in a very professional manner.
- Successful funding arrangement for three rigs with introduction of fourth new banker to Abraj.



CORPORATE



THIS YEAR'S HIGHLIGHTS

- Record Omanization rate
- Developed and executed annual training program among several other L&D initiatives
- Adopted best practices and new technologies in supply chain
 - Supported several SME's as part of ICV initiatives
- Information system team launched IT service catalogue
- Supported the community through several programs

HUMAN CAPITAL (HC)

The Human Capital (HC) team works with OOCEP management, teams, employees and other stakeholders to ensure the workforce is efficient and productive. The HC team contributes to OOCEP's success by investing in continuous learning, innovation and best practices. The HC team develops the organizational systems and tools to enrich the culture, navigate change and achieve business goals.

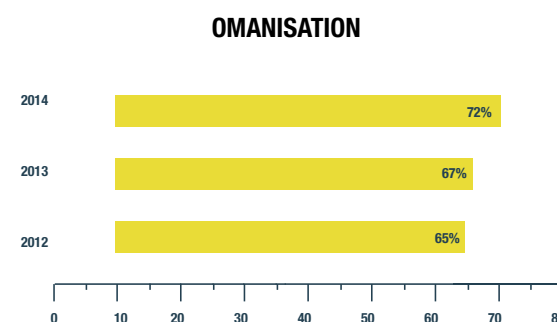
The goal of the HC Department is to help OOCEP achieve its strategic mission, while ensuring employees are engaged and motivated to help the company to succeed. The department's success will be measured by its ability to align and integrate processes with the strategic mission. HC believes in alliances with cross-functional teams, to benefit from the synergy of working with a diversity of experience, knowledge, and competencies.

In moving forward, the HC Department has targeted its operational initiatives to align to OOCEP's strategic plan and will use its resources and staff to become a more active business partner for the company.

2014 HIGHLIGHTS

The HC Department supports both the operating and non-operating assets of OOCEP. The total headcount of staff as of 31st December 2014 reached **250**, accomplishing an Omanisation level of **72%** versus **67%** in 2013.

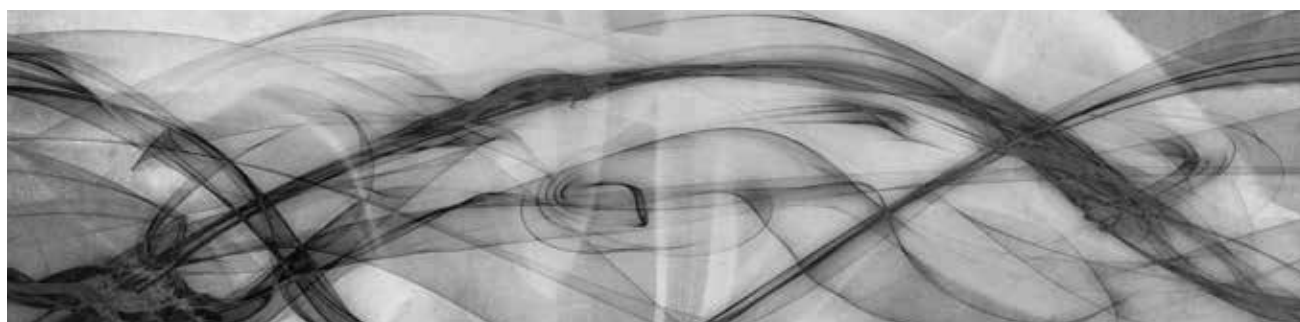
As in previous years, HC professionals endeavored to attract and retain employees who outperformed in their respective domains. The outcome of the employee engagement survey executed by HC Department aided the continuity of the Talent Retention Program, thereby improving the employer-employee relations. The HC Department maintains and reviews the compensation policies as needed to ensure fair and equitable compensation for all employees.



INITIATIVES IN 2014

During 2014, HC professionals initiated and completed assignments specifically suited to OOCEP's business model.

- Succession Planning and Omanisation.
- Talent Retention Program.
- Career Ladders (Technical & non-Technical).
- Performance Appraisals (Standard and 360°).
- Organizational Change Management Program and other management programs.



LEARNING & DEVELOPMENT

OOCEP invests heavily to help employees develop their personal and professional skills in line with their aspirations, and trains them in order to adapt to the latest technologies and techniques prevailing in the industry.

LEARNING & DEVELOPMENT INITIATIVES

HC professionals streamlined many key processes and encouraged the use of Oracle Enterprise Resource Planning (ERP) System by replacing various forms and automating manual processes thereby reducing time taken for approvals and eliminating paper work. The HC Department stands proudly on the leading edge of innovative HC practices to make a real difference in the success of OOCEP employees. The HC Department will continue to work in close partnership with other functional departments and operating units in achieving OOCEP's objectives.

LEARNING & DEVELOPMENT – 2014 HIGHLIGHTS

- The competency framework (Petroskills Competency Analysis Tool) evolved completely in 2014, and HC Department will continue assessing the technical and non-technical competencies of the employees to formulate Individual Development Plans (IDP) for bridging the gaps and entail employees for future advancement.
- HC Department successfully developed and executed the Annual Training Plan containing **8000** hours.
- Higher Education Scholarship/Assistance was granted to **16** employees to pursue higher education.
- Internship programs were offered to **24** fresh graduates in various disciplines.
- Leadership Development and Project Management programs were offered to **11** senior and middle level managers.
- Multi-disciplinary In-house programs on various topics (Taproot, Oil & Gas Fundamentals, Advanced Excel, International Financial Reporting Standards (IFRS), etc.) were organized for the benefit of employees.

SUPPLY CHAIN

Upstream oil and gas operators have traditionally relied heavily upon effective supply chain management to support their operations in challenging and difficult operating environments and OOCEP is no different!

With the advent of plant operations and planned corporate growth, the supply chain team has been immersed in a major business transformation project, endeavoring to match the challenges of a company striving to become one of the region's top quartile exploration and production companies, with a 'best practice' supply chain.

OOCEP's supply chain team has also embarked upon a customised training program based upon comprehensive knowledge and skills.

SUPPLY CHAIN – BEST PRACTICES


Combining service levels with stewardship
Sustainability
Process effectiveness and efficiency
Optimising 'In Country Value'
Ethics, transparency and probity

In particular, we are committed to conducting business in accordance to the highest standards of ethics, probity and transparency. We want the reputation of the supply chain team to be beyond reproach so that our suppliers, contractors, stakeholders and the business communities in which we operate can have complete confidence in its integrity. To meet the Company's growth, the integrated supply chain management team manages not only procurement and contracts but also logistics, materials management, transportation, warehousing and a myriad of other support services needed to sustain our diverse and remote operations.

To meet with best practice demands, OOCEP is also adopting the latest technologies and software applications in purchasing and supply to enhance efficiency, effectiveness and provide process integrity assurance.

In preparation for the transition from construction to operations, the supply chain team's next challenge and focus will move from procurement and contracts to setting up and operating the warehouses, materials control and transportation functions at each site to provide the plant, equipment, goods and services that are needed to sustain operations on a 24/7 basis.

IN-COUNTRY VALUE (ICV)

| IN-COUNTRY VALUE INITIATIVES – A NATIONAL PRIORITY | |
|--|---|
|  | <p>Within OOCEP, ICV is defined as the total spend retained in-country along with the associated tangible benefits that enhances Omani business development, contributes to human capability development and stimulates increased productivity in the Omani economy. In short, products made and services provided by Omanis in Oman.</p> |
| <ul style="list-style-type: none">• OOCEP supported the establishment of three Small and Medium-sized Enterprises (SMEs).• Conducted several awareness sessions to the local community on OOCEP tendering and evaluation process under the theme of 'How to conduct business with OOCEP'. | <p>OOCEP is committed to introducing ICV initiatives which will optimize ICV in areas such as Omanisation, Omani development and the creation of small local entrepreneurs. In addition, OOCEP strives to support local contractors and suppliers in a number of ways.</p> |

INFORMATION SYSTEMS (IS) DEPARTMENT

The Information Systems (IS) department is one of the integral parts of the organization, providing information technology services to all operating units of OOCEP. The department is structured to provide high level and secured communication and data processing services throughout the geographic boundaries of the Sultanate. Working as part of the support function of OOCEP, the Information Systems department continues to play its role in supporting Information Technology (IT) and telecommunications systems.

As OOCEP's business units further mature, the department is mandated to leverage its level of service through well-structured service level agreements that meet the criticality of the company's operations. This high level support demands for a round the clock availability of IT and Telecommunications systems for the business. It is the business that defines the means and method of service delivery in the department.

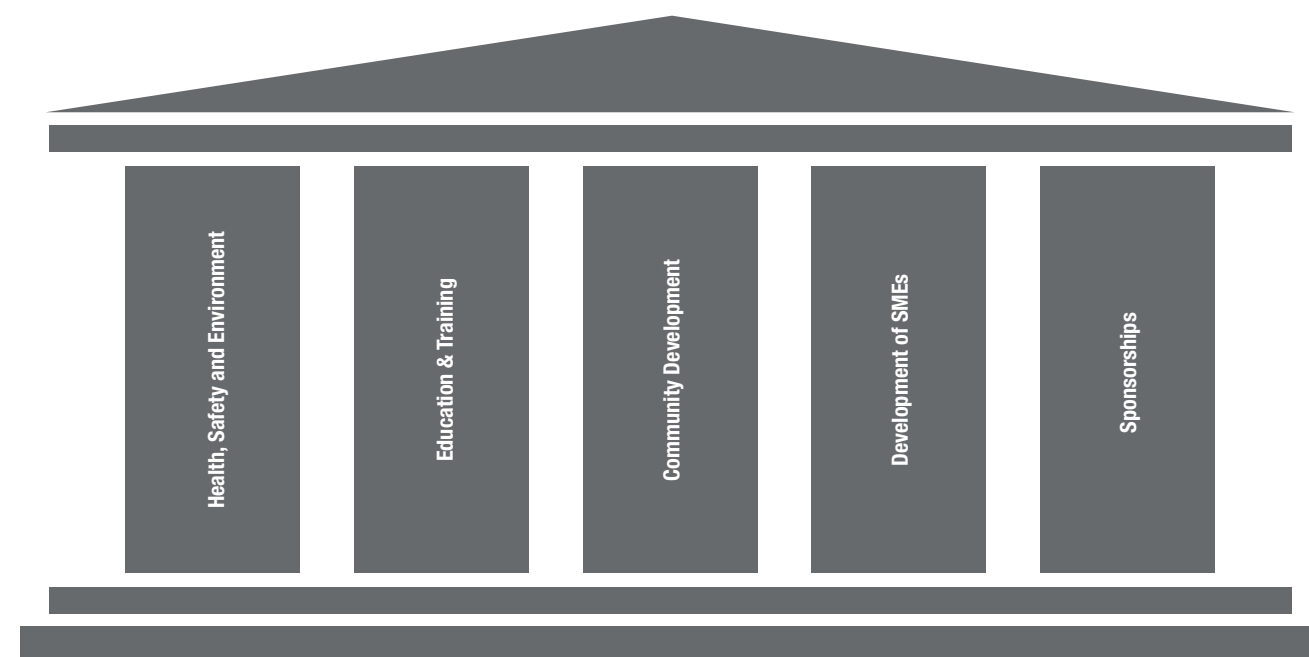
| INFORMATION SYSTEMS – 2014 ACHIEVEMENTS | |
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| <ul style="list-style-type: none">• Establishment of the IT Service Catalogue which describes all the services being offered by the department which was a big success for the IS team.• This catalogue not only organized the services offered by the department but also established a specific delivery time for it.• Implementation and startup of the asset management system that provides automated maintenance functionalities to the inventory and assets items at the gas plants of both ABB and MGP.• Establishment of a fully automated fiber network and communication channel for ABB facilities.• Implemented a new communication system using Tetra telecommunication at Block 60.• Provision of an automated, easy-to-access Electronic Document Management System (EDMS) for the Technical Department. This system serves as the interface for all technical documentation required on a daily basis. The easy retrieval of quality data will make the process of making technical decisions more efficient, which will reflect on business improvement.• Provision of centralized physical records library to facilitate access to physical data & documents in a very structured and organized manner.• Oracle mobility by creating a mobile application called 'Aada' that facilitates access to Oracle ERP on employees' mobile devices.• Setting up the companies Disaster Recover (DR) site with a dedicated microwave link from OOCEP Head Office to the DR Site• Provided wireless connectivity across OOCEP offices including ABB and MGP as well as the accommodations. | <p>2014 marked a very successful year for the IS department as the department teams successfully achieved the completion of the Oracle ERP project, which has aligned and integrated all business departments of OOCEP. This was done without any compromise to standards or regulation requirements. Adherence to IFRS as a benchmark of accounting principles governed the reconfiguration effort of the ERP.</p> <p>The development effort in 2014 witnessed increasing attention to information security at all levels of OOCEP's computing environments. The security strategy aimed at securing, governing, and protecting corporate information, the systems, and people working around them. Such balance between achieving the required level of governance and operating environment to customer satisfaction can be made possible when the environment is operated by a capable team working within a compliance framework of best practice.</p> <p>The change of IT into web-based systems and services that depend on the Internet services makes controlling and securing data a real challenge.</p> |



CORPORATE SOCIAL RESPONSIBILITY (CSR)

At OOCEP, we believe the responsibilities go beyond business functions to include social obligations – to its people, the host community and to the nation. The corporate social responsibility principles describe the way in which our social commitments are determined and define the beliefs, values and policies that govern the way OOCEP's business is conducted. OOCEP has taken steps to integrate institutional development with the progress made in meeting our social, communal and environmental obligations.

THE FIVE PILLARS OF PROGRESS



HEALTH, SAFETY AND ENVIRONMENT

- To support Block 42 community, OOCEP, in coordination with the Bidiya Local Traffic Committee, sponsored several traffic safety activities in Bidiya and across Oman.
- HSE Sessions for Educational Institutes:
 - ✓ Open session on safe driving practices with Sultan Qaboos University (SQU) students
 - ✓ Industrial safety awareness session for students at Ibri Vocational Training Centre.

EDUCATION AND TRAINING

- OOCEP supported several events at SQU with the objective of enhancing the students' communication & personal skills, the activities included:
 - ✓ Sponsorship for bachelor degrees in engineering
 - ✓ Cooperation with SQU
 - ✓ Summer program for Bidiya schools

COMMUNITY DEVELOPMENT

- Memorandum of Understanding (MOU) between Ministry of Social Development and OOCEP.
- Community Development Projects in Musandam targeting families under social security scheme.
- Infrastructure projects in Musandam.

DEVELOPMENT OF SMALL AND MEDIUM-SIZED ENTERPRISES

- Provided an opportunity for a job seeker in Bukha with a contract to transport MGP personnel after completion of his HSE clearance.
- Funded 5 livelihood projects (poultry farming) in Musandam Governorate.
- Sponsored establishment of a traditional furniture market for Omani Women's Association in Bukha, Musandam.
- Assisted a physically challenged individual with low employment prospects to set up a Blacksmith and Welding Workshop, with the support of the Ministry of Social Development. OOCEP also helped another individual to establish a general services provider company. Working closely with both, OOCEP provided them with intensive HSE courses that enabled them to provide services that are in line with OOCEP's HSE standards. This, in turn, created a need for additional staff and led to the recruitment of Omanis by both SMEs.

CULTURAL ACTIVITIES SPONSORSHIPS

- 2nd Cultural Week, jointly with Gulf Disabled Day & Ministry of Social Development (MOSD).
- Environment Day – Musandam.
- Teachers' Day celebrations.
- Ramadan fasting tent – Musandam.
- Junior's soccer team – Musandam.
- National Day celebration – Musandam.
- Unconventional Gas Conference and Exhibition (UGAS) Conference & Exhibition – Muscat.
- Ramadhan tent – Musandam.
- Nursing Day – Musandam.
- Mass wedding – Musandam.





OOCEP

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