

30 October 2013

## Genel Energy plc

### Interim Management Statement

Genel Energy plc (“Genel” or the “Company”) issues the following Interim Management Statement for the period from 01 July 2013 to 29 October 2013. The Company will announce its full year 2013 Trading Statement and Operational Update on 15 January 2014. Full year 2013 results will be announced on 4 March 2014.

#### PRODUCTION UPDATE

- Net working interest production for the third quarter of 2013 averaged c.53,000bopd, a 10% increase on 3Q 2012.
  - Gross Taq Taq (Genel 44% working interest, joint operator) production for the third quarter averaged c.85,000bopd. Trucked exports via Turkey averaged c.29,000bopd in the period, with the balance being local sales and deliveries to the Bazian refinery.
  - Gross Tawke (Genel 25% working interest) production for the third quarter averaged c.61,000bopd.
- The Company’s 2013 production guidance range is unchanged at 45-55,000bopd.

#### REVENUES

- Sales realisations are as follows:
  - Taq Taq export sales have been reconciled up to end July and realised c.US\$75-80/bbl.
  - Taq Taq domestic market sales in the third quarter (including Bazian refinery) realised c.US\$73/bbl.
  - Tawke domestic market sales in the third quarter realised c.US\$58/bbl.
- The Company’s 2013 revenue guidance is unchanged at US\$300-400m.

#### KURDISTAN REGION OF IRAQ (“KRI”) EXPORT INFRASTRUCTURE

- The final phase of the KRI independent oil pipeline infrastructure from Dohuk to Fishkhabur is now complete and tied-in to the Iraq-Turkey Pipeline.
- Pipeline commissioning is ongoing with line-fill of the Taq Taq to Khurmala section complete.
- Mechanical completion and full commissioning of KRI independent oil pipeline infrastructure still expected by end-2013.
- Full oil export via KRI independent export infrastructure still expected in 1Q14.

#### EXPLORATION UPDATE

- Testing of the CS-11 well on the Chia Surkh licence (Genel 60% working interest, operator) is now complete with encouraging results. CS-11 was drilled 85m down-dip and 3km to the northwest of CS-10 and intersected a 170m gross hydrocarbon column in Miocene and Oligocene aged reservoirs.
  - The Miocene Jeribe formation previously tested in CS-10 has flowed at a cumulative rate of 3,550bpd of 50 degree API oil and 21mmscf of gas from two zones.
  - The deeper Miocene Dibhan dolomite not penetrated in CS-10 flowed 2,060bpd of 50 degree API oil and 16mmscf of gas.

- The Oligocene Euphrates Formation not penetrated in CS-10 flowed 1,600bpd of 47 degree API oil and 9mmscfd of gas.
- The Taq Taq Deep well (Genel 44% working interest, joint operator) commenced drilling in March 2013 with a planned target depth of 5,400m in order to assess the prospectivity of Jurassic and Triassic intervals below the main producing horizons in the field. Mechanical difficulties necessitated side-tracking of the original well bore. The side-track is now drilling ahead at c.3,300m with results expected in 1Q 2014.
- A high impact offshore Africa exploration campaign is set to commence before year-end. The first well in the programme will target the Cap Juby structure on the Juby Maritime block (Genel 37.5% working interest) offshore Morocco. The primary target is a Middle Jurassic aged carbonate prospect more than 1,000m below the Upper Jurassic aged Cap Juby heavy oil discovery. The well is currently due to commence drilling late in the fourth quarter of 2013.
- Offshore Malta, preparations are well advanced ahead of drilling the Tertiary aged Hagar Qim prospect on the Area 4 licence (Genel 75% working interest). The Noble Paul Romano rig, contracted by Genel for a 2 year period, will drill the well in c.450m of water with a target depth of 2,500m with an anticipated spud date of 1Q 2014.
- In August 2013, the Company announced the acquisition of a 40% non-operated working interest in the Adigala Block, located in the northeast of Ethiopia.
- Seismic operations in Somaliland have been temporarily suspended due to a deterioration in the security environment. Discussions continue with the Somaliland Government in order to facilitate a resumption of activity.

#### **PRODUCTION AND DEVELOPMENT ASSETS**

- A Declaration of Commerciality for the Miran field was approved by the Ministry of Natural Resources of the Kurdistan Regional Government (“KRG”) in September. An Early Production Facility based on oil production from the Miran-1 well was commissioned in August 2013 and has been producing at rates up to 3,000bopd.
- In September, the Dohuk licence (Genel 40% working interest) partners signed a Gas Sales and Purchase Agreement with the KRG to supply gas from the Summail field to a local power station. Initial deliveries will be around 100 million cubic feet per day with first gas targeted from the Summail-1 well in early 2014.
- In October, the Tawke-23 horizontal well was brought onstream at a record rate of 32,500bopd. Drilling operations are ongoing at two additional horizontal wells (Tawke-21 and Tawke-22) with both slated for completion by year-end 2013.
- Finalisation of the Turkey-KRI 10bcma Gas Sales Agreement is expected in 1Q 2014.

#### **FINANCE**

- 2013 capital expenditure is forecast to be towards the top end of the US\$500-550m guidance range.
  - 2013 KRI capex is estimated at c.US\$450m, with the balance of spend on the African exploration portfolio.
- Cash balances at end-September 2013 were US\$805m.

Tony Hayward, chief executive of Genel Energy, said:

“Genel continues to make solid progress, with production and revenues growing in line with our prior guidance. We are encouraged by the positive outcome on the testing of the CS-11 well, and the Tawke-23 horizontal well delivered an outstanding result. Importantly, the KRI political landscape continues to evolve at pace - the KRI independent oil export pipeline is now complete and being commissioned, and we expect exports by pipeline in the first quarter of 2014. We completed our first domestic gas sales contract in the third quarter and anticipate the finalisation of the gas sales agreement between Turkey and the KRG in the first quarter of 2014. Our high impact African Drilling campaign is on track to commence around year-end with the Cap Juby well offshore Morocco.”

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Notes to editors:

Genel Energy is an independent oil and gas exploration and production company listed on the main market of the London Stock Exchange (LSE: GENL). The company, with headquarters in London and additional offices in Ankara and Erbil, is the largest independent oil producer and the largest holder of reserves in the Kurdistan Region of Iraq and, through value-accretive acquisitions, is building a high impact exploration portfolio within the Middle East and Africa. For further information, please refer to [www.genelenergy.com](http://www.genelenergy.com).

**Disclaimer**

*This announcement contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil & gas exploration and production business. Whilst the Company believes the expectations reflected herein to be reasonable in light of the information available to them at this time, the actual outcome may be materially different owing to factors beyond the Company’s control or within the Company’s control where, for example, the Company decides on a change of plan or strategy. Accordingly no reliance may be placed on the figures contained in such forward looking statements.*