

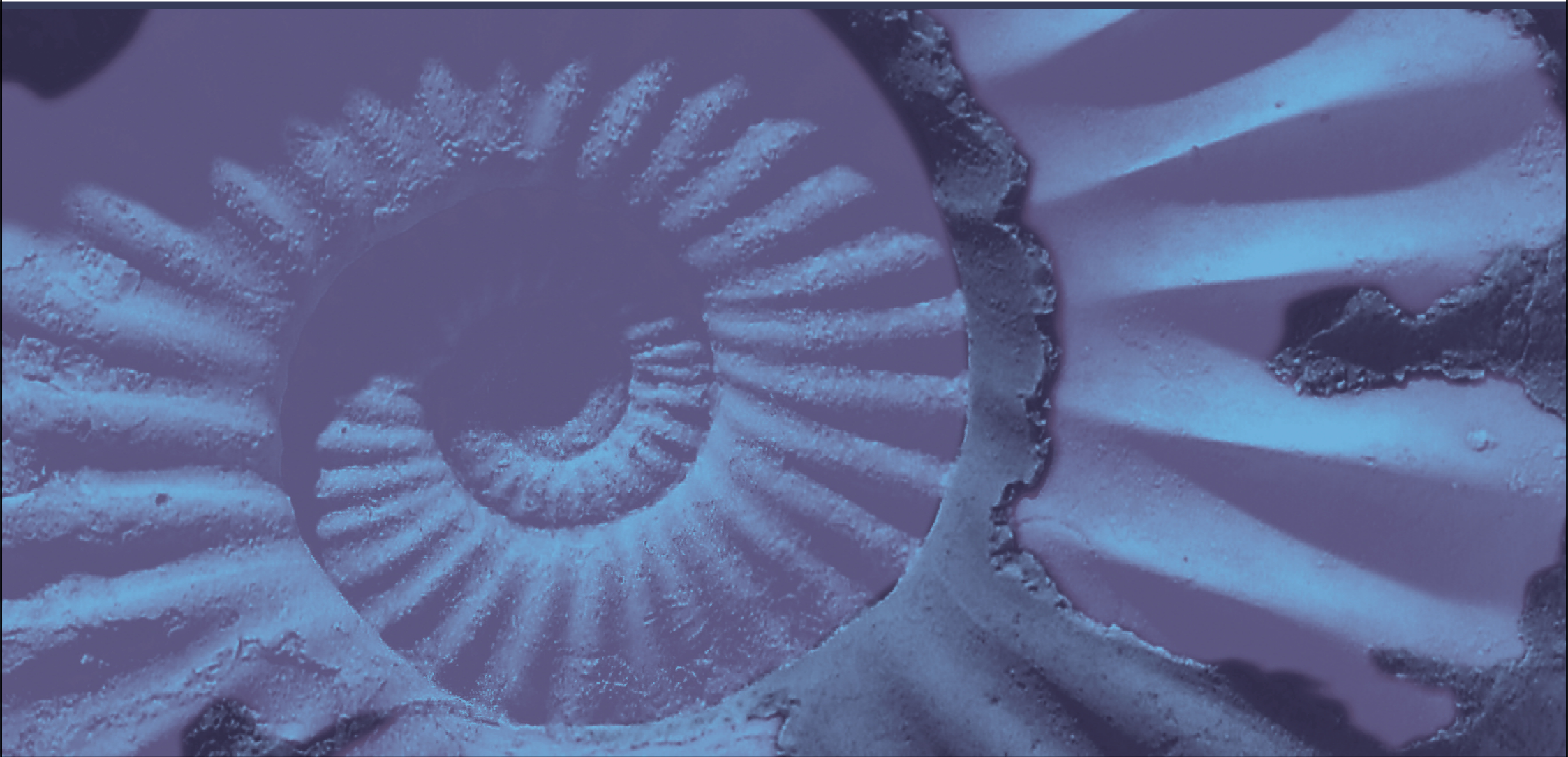


S.C. MIDIA RESOURCES S.R.L.

## Is the Black Sea the new “North Sea”?

Mediafax Talks About Energy

28<sup>th</sup> May 2009





## *Forward Looking Statement*

The information in this presentation contains certain forward-looking statements including expectations of future production and capital expenditures. Information concerning reserves may also be deemed to be forward-looking statements as such estimates involve the implied assessment that the resources described can be profitably produced in the future. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated by the Company. These risks include, but are not limited to: the background risks of the oil and gas industry (e.g., operational risks in exploration, development and production; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), risks in conducting foreign operations (e.g., political instability), and price and exchange fluctuations.

Nothing contained herein is intended to constitute an offer to sell or a solicitation of an offer to purchase securities. Any such offer or solicitation may only be made by prospectus or otherwise pursuant to an exemption from prospectus and registration requirements applicable to the Company.



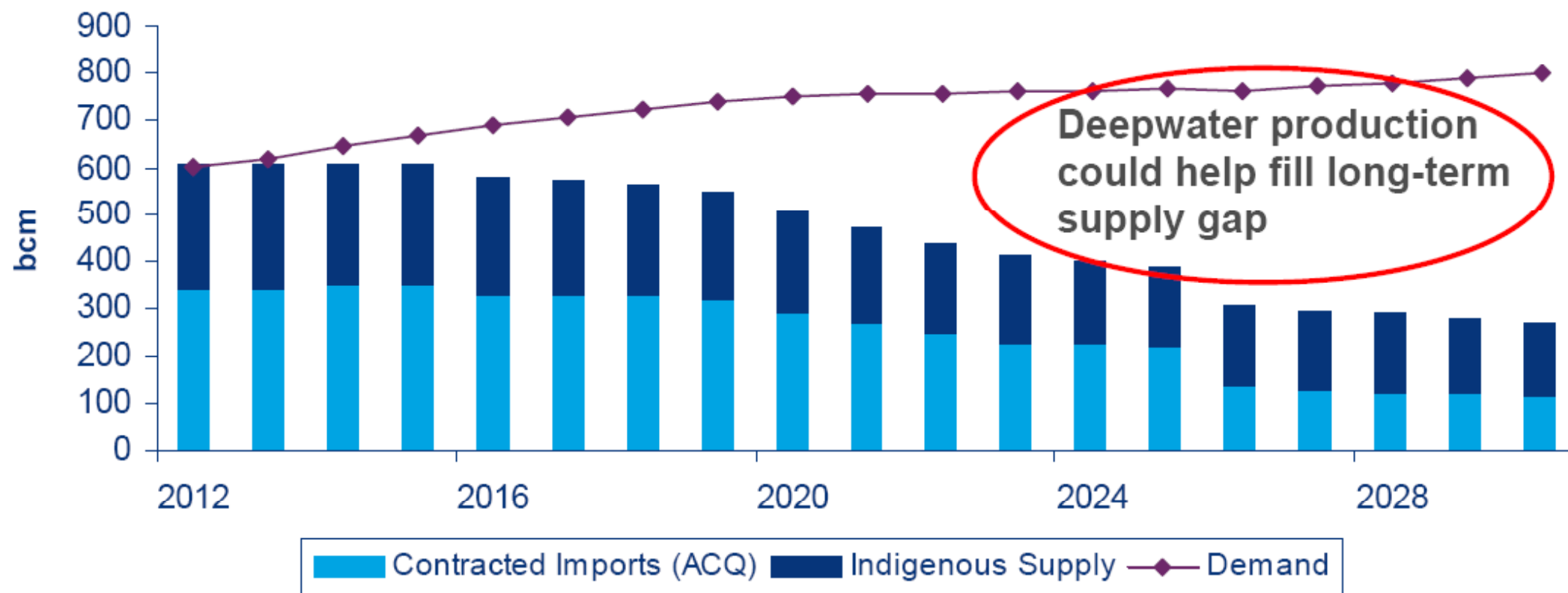
# Is the Black Sea the New “North Sea”





# Why is the emergence of the Black Sea as an Oil and Gas Province Important?

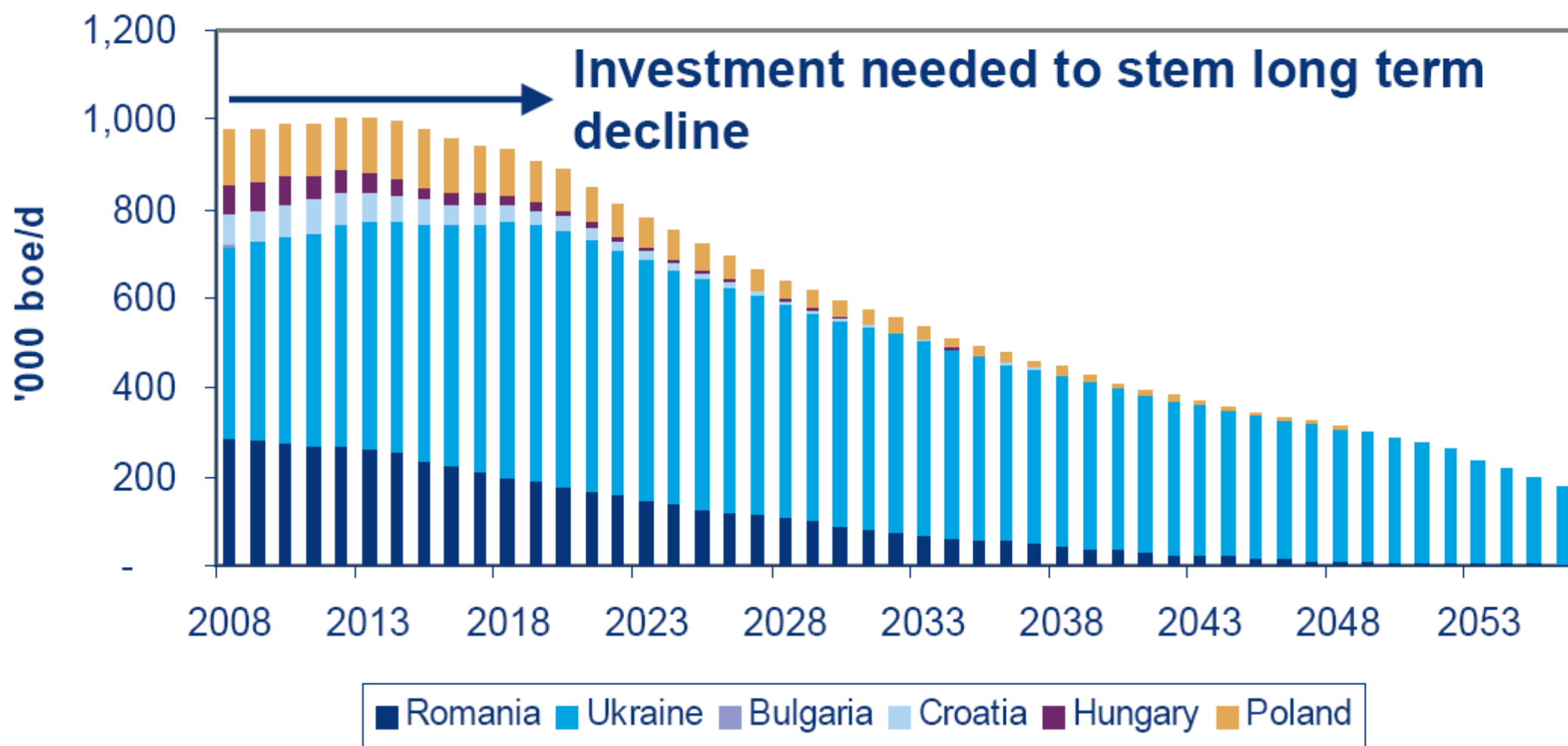
## Long Term European Gas Supply vs Demand



Source: Wood Mackenzie Global Gas Model

# Why is the emergence of the Black Sea as an Oil and Gas Province Important?

## Annual Production by Country





## **Licensing Regime**

- National Jurisdictions
- Geneva Convention of 1958 solved this for the UK North Sea

## **Fiscal Regime**

- Stable and Fair for both State and Investor
- The historic evidence is that the higher the state take the less investment is made in exploration and production

## **Pricing of Commodities**

- Oil and Gas is already subject to a world market price control which can swing wildly!
- For Oil: \$147 to \$30 / bbl and for Gas: \$530 to \$150 /mcm
- Local irregularities and price controls only succeed in restricting investment in exploration and production!

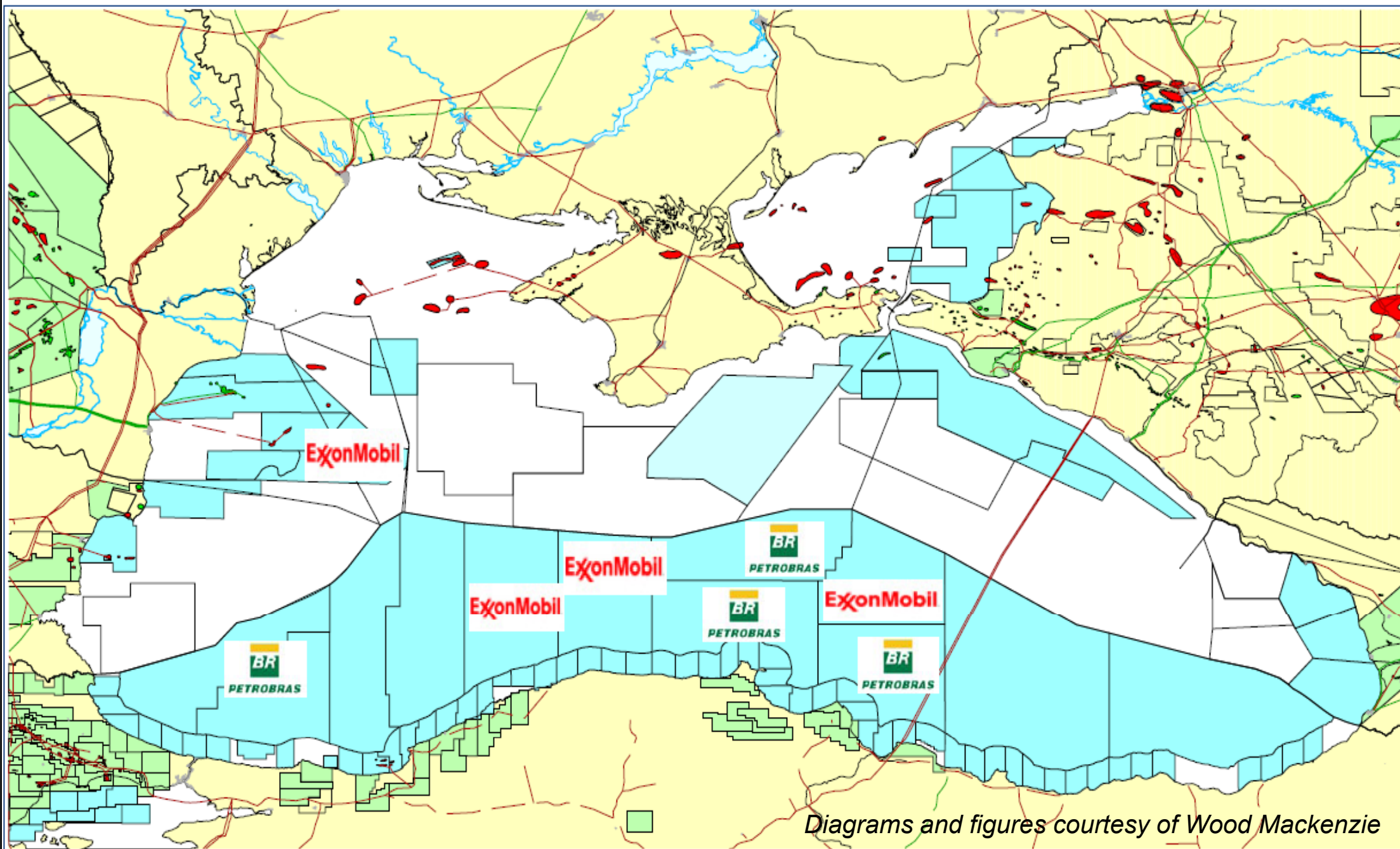
## **Expertise**

- Sterling Resources, Petrom, Melrose, Toreador, Chermoneftegas (Shelf waters less than 90m water depth)
- Exxon Mobil, Petrobras, BP (Deep Water)

## **Investment**

- For the Midia and Pelican offshore blocks in Romania, since 1992 around \$130mm has been invested with no commercial discoveries yet declared
- For the remaining offshore blocks under licence in Romania Petrom have invested around \$1 billion in the Lebada area alone

# Factors for Success: The Expertise and Investment

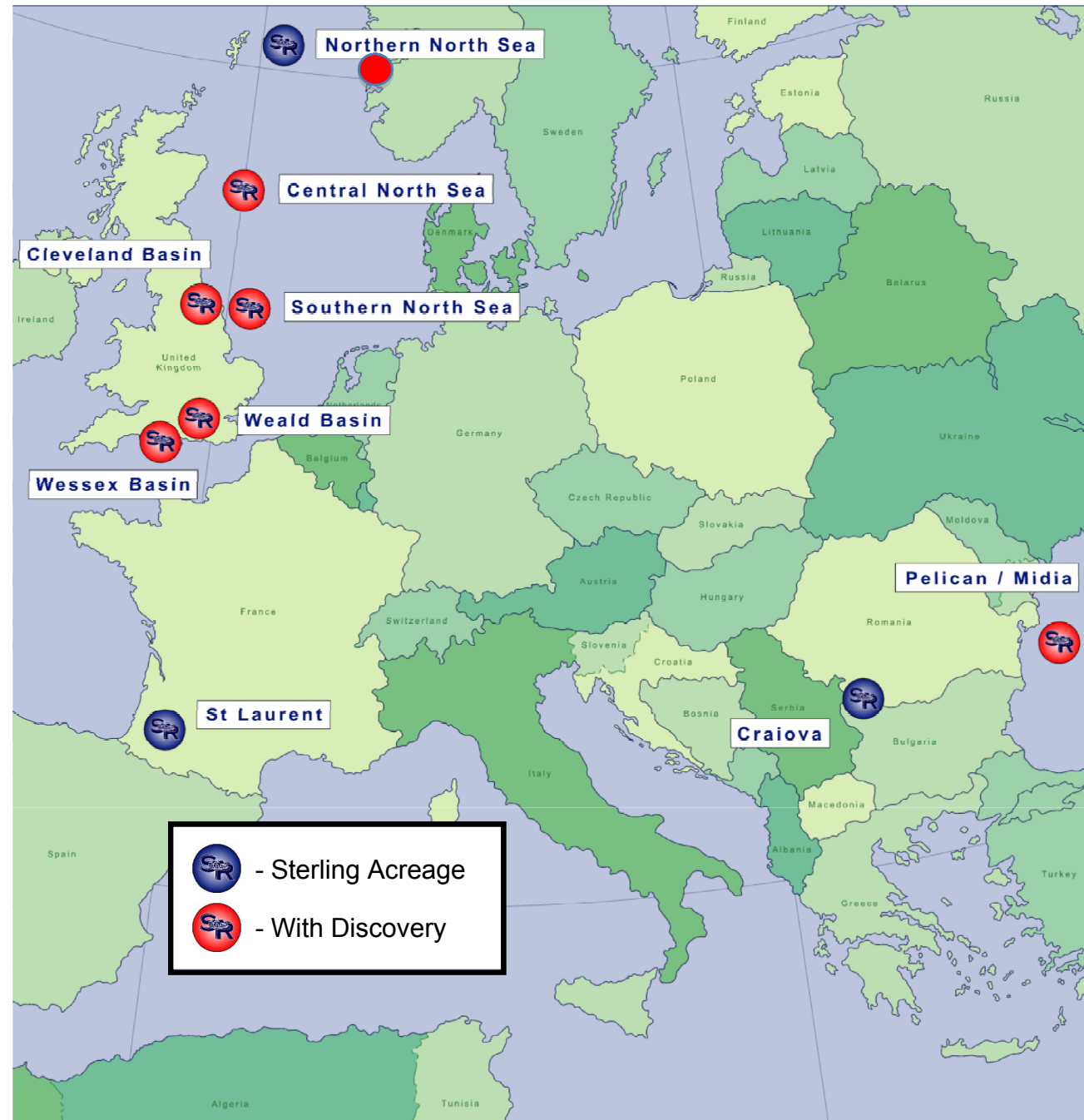


Diagrams and figures courtesy of Wood Mackenzie



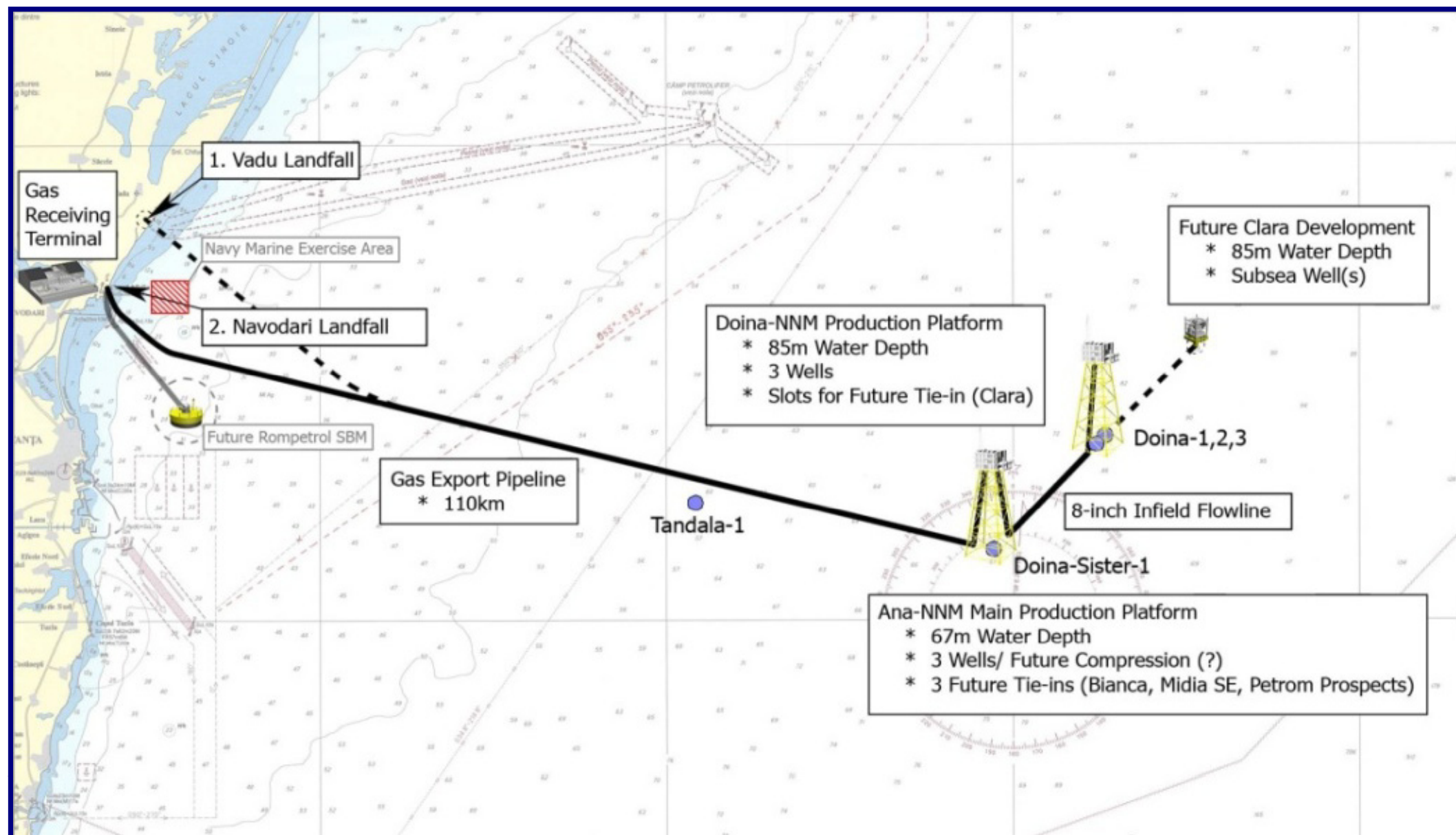
## The Expertise & Investment: Sterling Resources

- Investing in Romania since 1997
- Proven oil and gas finder in the North Sea and Romania
- Drilled over 7 exploration and appraisal wells in the past 18 months with no accidents or incidents.
- Breagh
  - 10<sup>th</sup> largest gas field in the UK Southern North Sea
- Cladhan
- Sheryl
- Doina
  - 3<sup>rd</sup> largest gas field in Romania when combined with Ana
- Ana





# Doina and Ana: Filling the Gap in the Near Term!





# Exploration Potential: Filling the gap in the Medium to Long Term

