

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

London, 18 December 2017

Dear Ophir board members,

Petrus Advisers are a significant shareholder in Ophir Energy PLC ("Ophir" or the "Company"). We are writing to you as we are concerned by the company's loss of relevance and credibility. Consequently, we are witness to the utmost horrific and unacceptable share price and value performance delivered. While we have not lost faith in Ophir's management team we think considerations of the setup of Ophir and its promise to shareholders require a radical rethink. Drilling and continuing to not clearly target the pay-out of profits would risk destroying the company completely in the eyes of the capital markets.

We are very supportive of Nick Cooper's transformation of the business from a pure exploration play into a full-cycle oil & gas E&P company. While we were initially sceptical about Ophir embarking on the challenges Fortuna presents, we have been informed that risk mitigating measures are being put in place. Communications and expectations management have been least in class however. Different to our conviction, the market does not feel comfortable that an Ophir without Fortuna will pursue a viable business model with significant cash generation and strategic optionality. Any delay in Fortuna is used by our colleagues, your shareholders to sell stock and to exit their position in Ophir. These are not short sellers, but people who flee the company shareholder register in droves.

As such Ophir's share price has declined by some 90% in recent years. Since January 2016 Brent is up c. 120% while Ophir is down c. 25%. Most research analysts have a "Buy" with upside of 50% or more, yet the stock is sold and orphaned. Trading volumes are down. People are capitulating with every detail of the ever-prolonging Fortuna saga.

It is time to implement a cohesive and strategic plan to get out of your yearlong stay in the market's penalty box and rebuild value for shareholders. We urge the following steps:

- (1) Fortuna:** clear communication on progress. Post FID, full focus on completing the project and possible monetisation of all or part of Ophir's stakes in the field and the FLNG vessel. The value you can create with Fortuna is significant and tangible and needs to have priority over any value creation from future exploration.
- (2) Exploration:** clear commitment to no further drilling unless and until Fortuna is significantly de-risked. We expect this will not be before 2019. Should the overall market environment for E&A turn unexpectedly and strongly, you will have plenty of time to adjust and increase exploration activity.
- (3) Investor Guidance:** communication of a clear path towards Ophir becoming a cash and net earnings generating business paying dividends. Reverting to a pure E&A strategy would be highly value destructive.
- (4) Strategic Alternatives:** immediate evaluation and fresh review of all strategic options, including but not limited to a sale or a merger of the Company and certain joint-venture or farm-down options.

We are committed to being a long-term, supportive shareholder and aim to assist you in a constructive manner. We now expect the Company to acknowledge that all options need to be considered to stop the value loss.

Sincerely,



Klaus Umek, Managing Partner



Till Hufnagel, Partner

Petrus Advisers - 100 Pall Mall - London SW1Y 5NQ - [www.petrusadvisers.com](http://www.petrusadvisers.com) - [office@petrusadvisers.com](mailto:office@petrusadvisers.com)