

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

London, 8 June 2018

Dear Ophir board members,

Since our letter dated 18 December 2017, you have continued to focus Ophir on low-risk production by means of acquiring the Santos assets. However, your acquisition has been overshadowed by Nick Cooper's departure and Schlumberger's exit from Fortuna. Your shareholders have continued to sell with no positive catalyst on the horizon.

Our meeting on 23 May 2018 with Alan Booth reinforced his reputation as an experienced operator with an astute sense for value creation. We trust Alan can stabilize the ship after the Fortuna debacle and start re-building an equity story. We enjoyed learning about his pragmatic views on the key priorities for Ophir. They differ from the company's history in which leadership has been intellectually strong but lacked a sufficient sense for reality, under-delivered on overly ambitious targets, and subsequently lost all credibility on Fortuna and the company's overall direction.

The grave mistakes committed by the Ophir board in the past must not be repeated. Ophir's leadership needs to establish and communicate a **clear strategic vision** to capital markets and it needs to do so **now**:

**(1) Focus on Producing Assets in Asia**

Following the Santos assets purchase, Ophir's footprint makes it an East Asia focused production player. Upside will come from cost efficiencies and low-risk infield drilling as opposed to large-scale exploration.

**(2) Review of Strategic Options for African Operations and Large-Prospect Exploration Licenses**

We have told you before that Fortuna is too large a project for Ophir and it should be monetised as early as possible. Frontier exploration has not delivered value for a long time and should no longer be pursued. Therefore, we want you to publicly announce a strategic review of these activities focussing on short-term monetisation options not only for Fortuna, but also for Tanzania and your big impact exploration licence portfolio.

**(3) Consolidation Options in Asia / Producing Assets**

Given Ophir's history and solid (if not yet exciting) footprint in Asia / production, we want you to actively pursue consolidation options. A combination with Soco seems the logical next step, but other options exist.

**(4) Cost Efficient Corporate Setup**

We agree with Alan's statement that the 'new Ophir' does not need a significant office setup in the UK. Hence, we demand that you use the opportunity offered by the Santos purchase to set up a lean and efficient headquarters in Asia, potentially combined with a very small representative and board office in the UK.

**(5) Build and Incentivise a Strong Leadership Team for the New Strategy**

Hiring a new management team with experience in improving and growing producing assets in Asia will be crucial. In the meantime, much of the transformation of Ophir will have to be done by Alan. We are worried that he is not properly incentivised and ask you to consider ways to appropriately reward Alan should he deliver substantial shareholder value and eventually hand over the business to a strong successor, or monetise the assets and sell the company. Equally, we urge Alan to invest his own money in the stock. We would expect the rest of the board of directors to follow suit, thus signalling your continued commitment to the value creation potential in Ophir especially in light of your grave mistakes of the past and your decision to stay onboard.

We are a long-term, supportive shareholder and have aimed to assist you in a constructive manner. In the past two years we have seen few positive things from Ophir. As a board, you extended your tenure at the last AGM and we expect you to acknowledge your past mistakes, work hard to get Ophir on the right course, and act now.

Sincerely,



Klaus Umek, Managing Partner



Till Hufnagel, Partner