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Dr. Abdul Jaleel Al Khalifa: Good morning, ladies, gentlemen. It's a pleasure to be here. On behalf of Dragon Oil I'd like to welcome all of you to this presentation, and with me today is Emad Buhulaigah, who is General Manager of Petroleum Development in Dragon Oil, and Mr Tarun Ohri who is the Director of Finance. I will take the first part here of the presentation and then I'll turn it over to Tarun to present the financial results.

Let me just start talking about the operational results in Dragon Oil in 2009. We had achieved a milestone in 2009, which is 50,000 barrels of oil per day of production that we had peaked to in around the end of 2009. We crossed that number, which is a great technological milestone for the company. On average in 2009 we had made a 9% growth in production. We averaged about 44,765 barrels of oil per day as compared to 40,992 barrels of oil per day in 2008. Entitlement barrels, which as you know have to do with the cost of the capital per barrel with over-lifting, under-lifting as well as the split of the profit oil, our entitlement was 58% of gross production in 2009.

On the drilling side we completed eight development wells in 2009. We had two full-time rigs, mind you that two of these eight development wells were put on-stream towards the end of the year, so the full impact of the eight wells was not there for the full year. We had a new platform completed, Lam B and, by the way, this is the second platform that the company had done over the past years, a production platform. This is located in the Western part of the field. We currently have the Astra jack-up rig drilling in this platform and we plan to drill a total of eight development wells in Lam B.

We've added additional slots in a productive platform, Lam A and we drilled a few of these additional slots and I'm glad to report that the production on this platform has been very positive. We'll also continue to upgrade and refurbish Lam 63 platform, which has been affected by a storm a number of years ago, and now it is in a much better shape today. We continue to make progress in the two main projects, which is the 30" trunk line that will bring liquid and gas from offshore to the onshore and the expansion of the Central Processing Facility from 50,000 to 100,000 barrels of total liquid per day. We hope that we can complete this within the second half of this year, hopefully within August of 2010. I'm glad to report that the contractor is working on this. These projects were supposed to finish earlier than this but because of logistical matters and other contractual matters, things got delayed. But I think now we're hopefully much more certain that it will be completed by the second half of 2010.

The gross field production increased by 9% in 2009 to a total of 16.3 million barrels. Entitlement increased 6% to 9.5 million barrels and the sales volume had increased by 40% to 10.5 million barrels. We realised an average crude price in 2009 of US$62. As you know, we started low in the crude price at the beginning of the year; it picked up towards the end of the year. This is quite lower than US$91 in 2008.

Our exports in 2009 went 90% through the swap agreement in the Southern route, which had continued to net much higher value to us than the Western route, but we had 10% go on via Baku and our plan for 2010 is to maintain 15% through Baku, to maintain the strategic Western route while keeping the Southern route active because of the higher netback price we get from the Southern route.

On the drilling front, I'm glad to say that we made a lot of progress there. While in 2009 we had only two rigs, we completed eight wells. Today we have three rigs operational and the fourth rig being installed on Lam 28 for a total of four rigs that will be active within a month's time. This is a dramatic increase in the drilling activity in Dragon Oil. Now I have to say that Astra rig, it's a jack-up that we only contract for six months during the winter, so by May it will have to go, and hopefully we can manage to get it back for the winter next year.

Our Rig 40, which we currently own, is going to finish drilling in Lam 13 within three months or so and then we'll use it for workover in the same platform but ultimately it will be out of service towards the end of the year, therefore we're going to have two full-time rigs this year but we're going to hopefully acquire rigs as we go through. Now the rig that is going to be operational in Lam 28 is the Naftagas rig, which is the NIS rig, and we have a two years' contract with this rig. This year's contractual terms are very positive for us, very preferable to Dragon Oil, and the platform has recently been refurbished and made ready to handle this rig. This explains why this rig has to go and come back, you know.

We had secured an excellent contract with a consortium led by Yantai Raffles, which is a Chinese offshore company with a huge yard in China. They would hopefully build a Super M2 jack-up rig, which is going to be managed by the consortium as well as a company in the States and a company in UAE that is quite familiar with handling and managing jack-up rigs. Their contract period is five years with an option to extend it for two more years, and we're hopefully going to receive this jack-up in Q4 2011. This will represent a significant leap in our drilling activity. It's a new jack-up, Super M2, highly advanced. It will provide more efficiency in the drilling and this is secured for 5+2 years if we up two, which is going to allow us more flexibility and more and better means to drill faster and more advanced wells in the future.

We continue, by the way, to look at opportunities as such with other contractors with regard to jack-ups in the future. By the way, the terms of this contract are very preferable to Dragon Oil and I'm not going to say they're the best but they're among the best in the Caspian Sea.

With regard to infrastructure, what you see here on this side is the image of Lam B platform, which is in water now. This image was taken during installation. The rig right now, the Astra rig, is currently drilling there. Lam 63, as I told you before, it was hit by a storm a number of years ago. It is currently upgraded; it's in a good shape. We added additional slots in Lam A, and then the export facility terminal has been upgraded, now we can load two terminals at the same time. We've also added some storage capacity; three tanks are being commissioned now. On the trunkline and Phase 2 expansion of the Central Processing Facility, we hope we can complete them in the second half of this year.

So all in all you see a lot of activity, a lot of tendering is going on for the two platforms that will come in the coming two to three years. We hope we can announce those to the market once we finalise those contracts.

On the gas monetisation, we know and we appreciate it's very strategic to our shareholders and to the market to monetise that gas because we have 3.1 tcf of contingent resources. For that to happen, we really have to complete the trunkline and the Central Processing Facility to allow gas separation onshore.

We also have to build a gas plant to process the gas, strip the condensate. We have taken the first step there; we have awarded the Front End Engineering Design (FEED) to Saipem in India and we are supposed to complete this FEED hopefully by mid of this year. Once we do that then we're going to tender the gas plant facility hopefully and will award it some time either this year or early next year. So we expect within 2012 to finish the gas plant or gas treatment plant and, therefore, be capable at that time to provide the dry gas to the Turkmen system.

Now before that time, once the trunkline and the Central Facility are completed and once a gas sales agreement is reached with the Turkmen authorities, the rich gas could be monetised with the Turkmen system. However, the discussion has continued with the Government authorities of Turkmenistan with regard to gas pricing. I have no firm deadline as to when we're going to finish this agreement.

Let me just shed some light on other aspects of the company. Our main asset in the company is people, you know, and I'm glad to say that we're the company in Turkmenistan who have two local country managers, highly educated, highly intellectual. They manage our relation with the Government in Ashgabat. We have 90% if not 91% of our workforce in Turkmenistan who are locals, and we're opening an Excellence Centre there in Hazar to be able to train the local Turkmens to open their career path, to excel in crafts, in technical matters as well as engineering and management fronts. Hopefully within some time we're going to see a breed of

Turkmen people taking over gradually the company in Turkmenistan, and this is our intent and we have great focus on this.

Our second leverage that we utilise all the time is technology, and I share with you here three images. First image is about high-angle extended-reach wells and this is very essential in offshore operation. As you know, we build a platform and we put 8-12 slots in the platform and the ability to reach further from that platform, it's essential for our operation. What you see on the right-hand side is an image of a 3D model of a reservoir after integrating the seismic imaging of the data as well as the geology in our one million-cell model. What you see at the bottom is a virtualisation room that we established in the company to be able to put a team together of geologists and engineers to be able – and the drilling as well – to be able to optimise the completion of the new wells and optimise the recovery of the crude oil in this field.

The message I'm trying to send here is that this company is trying to leverage technology and good-calibre people to achieve the results and meet the expectations of all the stakeholders.

Of most importance to us, to be honest, is the community we operate in, and what you see here at the top is a few images of the inauguration of the desalination plant that is being commissioned. This desalination plant's capacity is about 1,500 cubic metres a day. It's essential to provide the fresh water to the local community. This was done as a no-cost recovery by the company as a gesture to the community that we're there as a good neighbour; we're there as part of the community.

Now we're embarking on a new project for the community, which is building a polyclinic in Hazar. This polyclinic is about $3 million and it is worth building to make sure that our people in the company and their families receive proper health care and education. And what you see at the bottom is a playground, an IT lab and one of the schools in Hazar, making sure that, if Dragon Oil is operating in Hazar, it's better be branded and reflected as a good image of a good company that helps the community and not only there to extract the crude oil and run away. We're there to help the community; we're there to support the people; we're there as part of the country. Last year was the tenth anniversary of the remarkable success of Dragon Oil in Turkmenistan, and we're hoping that the coming decade is even more promising, is more positive for the company.

Now I'll turn it over to Mr. Tarun Ohri to talk about the financial matters. Tarun, please.

Tarun Ohri: Morning everybody and thank you, Jaleel. This time around we accelerated the reporting of our results in 2009 and go ahead with our business in the future. This slide shows you our average gross daily production, our sales revenue, net profit and cash balance. In short it says that we have been able to generate cash. We've been able to offer financial stability and a strong balance sheet. We'll discuss that as we go along.

Our average production on a working interest basis increased from 41,000 to 45,000 barrels of oil per day. That was a 9% increase. The entitlement barrels increased by 6% in terms of barrels, though the overall ratio was 58% as compared to 60% in the previous year. Now just to pre-empt a lot of questions on entitlement barrels and how it works and what is the relationship with sales, I think that's always been a question, which we address, to explain this position. Our entitlement barrels are, of course, dependent on the fiscal terms of the PSA, which include cost recovery, oil price realised as well as the ratio between the two. And our PSA, like other PSAs, there are entitlement barrels and it's not possible for the operator or the government to lift precisely the amount of barrels at the year-end, or by the year end. So there is always an underlift or overlift, which occurs at the period end and this has an impact on our sales and profitability, so I think it's important to understand how this thing works.

Now on a macro level you'd always have some people in an underlift mode and some people in an overlift mode. It's only the operators who are in underlift mode who recognise profit on the barrels, which are underlifted. In other words, what we do is we apply a practice, which is prudent and consistent and it means that profit is recognised in our income statement on the basis of entitlement. So if there is an overlift, we record that as sales because we assume that's sold or it's recognised as market value. But overlift is not; we don't recognise profit on overlift. It's only recognised when it is actually in underlift mode. We recognise the profit because that's deemed to be either sold to another joint venture partner, that might occur, or to the Government. The profit is recognised on underlift, so which takes us back to this question that our income statement reflects profit on entitlement basis. So this evens out the effect of changes in lifting positions from one period to another and though it's not an accounting standard, this is a general practice. It's very popular and it's recommended to be adopted by all oil companies.

So coming to the revenue portion, we sold 10.5 million barrels at US$62 a barrel. Our revenue was US$623 million as compared to the previous year's revenue of US$706 million. Our cost of sales of US$282 million compared with US$193 million, and obviously our top-line performance has been affected mainly by crude oil prices.

Going to the next slide on the income statement, our revenue is lower by 12%. The barrels of oil sold are entitlement barrels of 9.5 million, we've sold more because of the lifting position and adjustment for movement in inventory like we discussed. Our average realised price fell by 32%. The cost of sales is broken down here into various components. Operating and production cost: this has increased from US$43 to US$93 million, primarily as a result of the effect of underlift and overlift. When you recognise and you de-recognise profit, there is an effect, which is actually in the statement, in our financial statement, in the section, which says operating and production costs. The breakup is there.

Our production costs have gone up only marginally but obviously with the effect of the underlift and overlift positions it shows a huge variation here. Depletion and depreciation is calculated on entitlement barrels, and that's gone up by 26%, because of two reasons. One is the increase in production because the method we apply is amortisation over the production of the particular year. So our production has gone up, as well as the rate of depletion has gone up because every year, or at least once a year, we review the future development costs of the field, and this can obviously change up and down depending on the economic situation and how much infrastructure would cost and drilling of a well. So this is done over the whole life of the field. This has gone up by 26%.

Administrative and other expenses, including other losses overall, have decreased but in the previous year there was a US$21 million hedging loss and as we have said in our statement, post 2008 we have not put any hedges in place for crude oil price, for our crude oil; and there are expenses in this, administrative expenses, which are related to ENOC approach, investigation and corporate restructuring. All of these are, together these three items are roughly around 1.5% of our revenue. So we managed to keep that at a low level.

Our operating profit is US$314 million as compared to US$474 million in 2008. Our finance income during the year was US$31 million; that's based on what we could earn when we balance our security versus our reward. So we always match risk and reward. On average we've earned about 3.5% on the average balances held during the year.

Our income tax expense is around 25%. The effective rate of income tax has decreased because of higher finance income as well as administrative expenses, lower administrative expenses. So our net profit, we come to the bottom line of US$259 million versus US$369 million and we've sort of done well in the current economic environment and we've continued to generate cash, which you'll see in the next slide.

This is our cash flow statement, and this typically shows you our cash equivalents, which are held for less than three months on deposit. Our overall cash balance, as you're aware, it says in the narratives below, our total term deposits, our total cash and term deposits are over US$1 billion, and term deposits of less than three months is US$203 million. We normally tend to have deposits on longer-term basis. And our abandonment and decommissioning fund, the amount set aside to meet our liabilities is US$126 million.

So we started the year with US$449 million. We generated US$500 million of cash from operations as a result of higher oil prices as well as working capital movement. US$31 million is what we earned on our average cash and cash balances, which is about US$900 million during the year. We spent US$320 million on capital expenditure, of which US$269 was a payment in cash. US$444 million was placed on long-term deposits, and that shows you the outflow, and the ultimate closing cash was US$267. These relate to balances held in current accounts or deposits less than three months.

The next slide takes us to our balance sheet. Like I said, it's a strong balance sheet. It shows you the assets are US$909 million. That is taking into account the increase in capital expenditure net of depreciation charge for the year. Our inventories and trade receivables are about US$100 million. Our inventory position is much lower; we're carrying a lower value of inventory as we go forward. This year we're carrying only about US$12 million of inventory versus about US$18 million last year, and that, of course, is dependent on the oil price among other factors. Our cash and term deposits we've talked about, so our total assets in 2009 are US$2.1 billion versus US$1.7 billion at the end of 2008.

Our non-current liabilities, we maintained a zero debt position. These non-current liabilities are on account of future payments on taxes. Our current liabilities are US$355 million, largely consisting of our abandonment and decommissioning fund, trade and other receivables – other payables – and we sort of hope that over the period of time this is going to be lower.

Talking of capital expenditure, during 2009 our total capital expenditure was US$320 million but this slide shows US$317 million because that was the amount that was spent in Turkmenistan for operations. There was a US$3 million expenditure for the desalination plant. The drilling projects included eight wells. These completed wells were drilled by two rigs. One was Rig 40, which drilled four wells on the Lam 13 platform, and the Iran Khazar rig, which drilled four wells, three wells on the Lam 28 and one on the Lam A platforms, so a total of eight wells completed last year and the cost for drilling of each well depends on whether we use a land rig or a jack-up rig. So it varies depending on the depth, location and the type of rig used. So typically the expenditure for a well could range between $14 million to about $25 million, depending on number of days it takes to drill a well, the target depth and so forth.

On infrastructure development, Jaleel's already touched upon that, various projects to add to the existing infrastructure were undertaken, some of them will spill over in 2010 in terms of completion. Going forward there're similar infrastructure projects. We continue to require platforms from which we will be drilling, so at least we've put in place another couple of platforms.

On the outlook on 2010, I'd ask Jaleel to go through this.

Dr. Abdul Jaleel Al Khalifa: Thank you, Tarun. Let me just cover a few items for the coming three years. As you know, 2009 was not extremely active on the expenditure side. We think 2010 is much more realistic and the spending will be much higher than in 2009. We have contracts in place; we are making progress on major projects like the trunkline and the facilities. On the rig side we have four rigs operational now. Two of them will be full-time during the year, which are the NIS rig as well as the Iran Khazar rig. We plan to complete 11 wells as compared to eight wells in 2009. As a matter of fact, within weeks we are going to announce the results of three wells that will come hopefully during Q1, which will hopefully influence the production for the entire year, and, therefore, we anticipate that our production growth in 2010 will be 15% as compared to 9%. We plan to drill an appraisal well in the West Cheleken area and this is, if approved by our friends in Turkmenistan, it will delineate this area for potential reserve additions and a future location of a new platform. This area is not currently part of our booked reserves and we see some potential addition of reserves in this area. Over the three years we plan to drill 40 development wells, of which five will be appraisal wells, and as we told you, the five appraisal wells are very essential to make sure that we replace our reserves and we understand and delineate the field and make sure where to drill and how to position the platforms in the future.

And regarding the infrastructure, we were tendering two additional platforms that will hopefully be completed within the coming two or three years, and these are very essential for future drilling and maintaining the potential in the future. Based on what we see in the projects and the infrastructure needs, we anticipate between US$600-700 million of infrastructure expenditure over the coming three years. In 2010, we anticipate US$250 million only on the infrastructure. This is other than drilling, which you might know depends on how many rigs are available, but we seem to meet our expectations on the drilling expenditures. On the infrastructure, we sometimes slip because of contractual performance. We tend to think that 2010 is much better than the past.

On top of this, over the coming three years, there will be the new gas plant at a cost of about US$150 million to US$170 million, this is the gas processing plant that will be awarded hopefully later this year to be put in place by 2012.

On the production, as I said, because we're drilling 11 wells in 2010, 15% growth is not a far-reached objective. However, over the coming three years we'd like to maintain a reasonable forecast of 10-15%. Now, as you could imagine, later this year or early next year we will come back and reassess this production growth number. We're hoping that we can come back with a more positive outlook in the future but for now we'd like to maintain this production outlook.

Now on the new ventures and portfolio diversification, I'd like to say that we have a very strong team working full-time on this. We are boosting this team as well. We are looking at opportunities and new assets that are being offered on a continual basis. Nothing is firm yet to share with you but I'd like to leave you with the message that the Board and Management and the company are very well-focused and are very positive on making sure that we balance our portfolio and then in the future – I can't tell you whether it'll be months or a year or so but I can tell you for sure that we are taking things very seriously and we're looking at many assets. The dilemma there is that you want to have synergy, you want to add value, you want to make sure you don't undertake major risks and jump into new frontiers, which are not going to add value to your current profitable assets. And this is something that we continue to debate and discuss on almost weekly basis with our new venture team. We really want to add something to our assets but it has to be worthwhile assets. We don't want to jump in water. We want to jump on good ground and we want to add to our solid performance in the past. There are positive signs that hopefully we can make it happen and hopefully when we have some good news, we'll share it with you quite quickly.

I'm going to stop here and I'm going to invite questions from the floor and over the phone as well. Yes please.

Taleh Musayev, Merrill Lynch: Four questions from me. First question is about your reserve upside. You mentioned about your intentions to target the Western side of the field. Can you give any specific numbers in terms of reserve upside? Are we talking about 10-20% increase or are we talking about 50-100%?

Dr. Abdul Jaleel Al Khalifa: Okay, this is the west of Cheleken, just to give you a virtual or mental image of that, we operate on the Lam field, which is to the extreme west, which is the most profitable, most prolific area of the field. Then there is Zhdanov area to the north and then there is an East Cheleken extension to the east. What we're looking to appraise here is not the Lam, not the Zhdanov, it's the Eastern part of the field. There is an extension of the East Cheleken, which is an onshore field. It has been operating for a number of years. There is an extension that falls in our block. This extension has not been appraised in the past. We're looking to drill a well there this year and we're hoping to add significant volume but you know, this is an exploration appraisal well. You can't actually be firm on how much you want to add but I would say if it happens to be successful, it will be in millions of barrels, but how many millions of barrels, I would leave that until we drill the well.

Taleh Musayev, Merrill Lynch: Thanks. The second question about the production guidance, you gave 15% production growth guidance. Your current production is close to 50,000 barrels per day. 15% growth implies 51,500 barrels per day average production for 2010. Don't you think that it is a conservative number?

Dr. Abdul Jaleel Al Khalifa: Thank you for this because this is a very important question. When we say we crossed 50,000 barrels per day milestone does not mean that we crossed and we maintain it. When you add wells to the system, you take another three months to add new wells to the system. So what happens, you add new wells today, you cross 50,000 barrels per day today. Over the three months you might decline below 50,000 barrels per day then you add three new wells; you go to 52,000 barrels per day, then you decline – you see what I mean? So if you look at 50,000 barrels per day and then you assume we maintain 50,000 barrels per day you are right, we're conservative. But the reality is that 50,000 barrels per day, we crossed it but we are taking some time to add the new wells because it takes three months to add new wells. So in three months the rate comes below 50,000 barrels per day, then we add a new well then we go above 50,000 barrels per day. So on average what we're saying, over the year between the decline and the increase, we're going to average 51,000+ barrels per day, which is a 15% growth.

Taleh Musayev, Merrill Lynch: What would be the optimum – I mean the best case now in terms of production growth? I do know that your decline rate, especially in the first year, in the first 18 months is pretty steep. I know that some wells, their decline rate is 50% but I mean, given these assumptions it could be, production growth I think can be closer to 20%. Is it realistic or?

Dr. Abdul Jaleel Al Khalifa: I wish I can say that. No, I leave that for the future. I leave it for next time this year, Insha'Allah. I mean this time next year to come back to you. But honestly, you have to think of one thing as well. In reservoirs you drill 11 wells. You're not sure what the 11 wells will do for you. Maybe a few of them will make 3,000-4,000 barrels of oil per day. Maybe a few of them will make 1,000-2,000 barrels of oil per day but between the decline and between the expected rate, you have to be careful in what you expect there, yes.

Ali Amir: I would like to know what are you doing regarding the share price decline. I believe the company is totally undervalued. What action are you taking?

Dr. Abdul Jaleel Al Khalifa: We care about the fundamentals in the company. This company has had solid performance in 2009 and we're hoping 2010 will be better. We maintain growth in production, we build facilities and foundation for future growth and we leave the market to decide what share price they pay for us. I mean, we wish the share price were always higher with time but we are part of this market and this market has been up and down over the year. So we're happy where we are today, sir. Let's go back to a question here in the floor please.

David Farrell, Evolution Securities: Yes sure, good morning, it's David Farrell from Evolution Securities, a couple of questions just in terms of new ventures please, could you give an indication as to what kind of size of acquisition you'd like to make? And also on the 15% production guidance for 2010, is that using your current profile of rigs or is that contingent upon securing more rigs in the second half of the year and if so, could you explain the tightness that you've been seeing in the area, which you alluded to previously in 2009 in terms of the oil service sector? Thanks.

Dr. Abdul Jaleel Al Khalifa: In terms of production growth, I would say 15% is based on the current rigs we have. In terms of service support, I think we're happy, we have adequate support. We continue to work in this market. Definitely there are companies that come and go in the service sector but we think we can still manage our operation and our service side of the business.

In terms of the new ventures, the size of a new venture or an acquisition, we're looking at assets that vary in size, millions and hundreds of millions of barrels or less; assets that have current production; assets that will be put in production in the future; assets that have exploration blocks as part of a portfolio. So I don't think we are at a stage where we can say we're zooming in on one asset, which is this size, but I just want to tell you that we're looking at a wider portfolio and we're not locking ourselves into a very specific margin. So whichever is made available, attractive and reasonably priced, we'll go for it. We'll take one here and then we'll go back.

Peter Hutton, NCB Stockbrokers: Hello, Peter Hutton from NCB, just two questions if I may. The 10-15% production upside 2010-2012, is that liquids only or does that include the volumes of gas?

Dr. Abdul Jaleel Al Khalifa: No, that is only liquid.

Peter Hutton, NCB Stockbrokers: Reserves that you've booked today, the entitlement ratio is around 45% between the net entitlement and the working interest, so it was 45%. Last year at US$62 the ratio was 58%. What is the difference between the US$70 in your plan and against the US$62 last year – how do I reconcile the 58% entitlement ratio experienced last year with the 45%, which seems a little bit conservative I may say, going forward?

Tarun Ohri: Yes. Obviously the – I didn't get – which 45% are you talking about?

Peter Hutton, NCB Stockbrokers: If I take the ratio of, in the figures you quote this morning on the working interest of 682 million barrels I think and the net entitlement of 282 million barrels I think it was, so…

Tarun Ohri: The reserves, yes. Obviously, the reserves entitlement depends on a lot of factors, mainly the oil price. We use US$70 as an oil price to determine our share and in determining our share we also take into account the fiscal terms of the PSA, the way it operates over the long term, what the ratio is between the cost and the revenue. So it is a function of what the capital expenditure for field development is as I discussed, and works the same way for our depletion rate calculation. So field costs over the period of years, they tend to go up because either you need more platforms or the platforms infrastructure becomes more expensive. So it's really a function of the oil price and the fiscal terms.

Peter Hutton, NCB Stockbrokers: And is that 45% net entitlement ratio also a good standard to use for the contingent gas where you give a working interest but not an ultimate net entitlement?

Tarun Ohri: The gas follows the same PSA rules and regulation but it depends on gas infrastructure and gas cost. If a lot of it is associated with gas and the infrastructure cost is already borne or shared with the oil infrastructure then you would have a little different percentage. But on an overall basis you would say that 50%, it would range between 45-55% in our share, depending on the oil price assumption and the cost of capital.

Job Langbroek, Davy Stockbrokers: Good morning gentlemen and congratulations on a very solid performance in a year that obviously had some distractions. I have three quick questions. Could you guide on your view in the current year whether there will be a discount on your oil sales to Brent? Last year you essentially ended up with no discount – if you've any thoughts about that in the current year. The second question is: could you just clarify what Rig 40 will do? I know it's going on to do workovers but will it finish up after the first workover or will it stay on a continual workover programme? And the last quick question. Could we just have your latest thoughts on decline rates and whether your production experience is changing? How do you think about the decline rate for the field performance?

Dr. Abdul Jaleel Al Khalifa: Thank you. On the discount to Brent, we tend to think that as long as we maintain good value for our crude in the South, which is, it was very strong Oman/Dubai compared to Brent last year, and the Asia market is very positive and very attractive, we will maintain very good price and hopefully we're going to see similar performance to 2009 with regard to the discount to Brent. Well, if we opted to sell more crude through the Western route we're going to see a discount to Brent for sure. So hopefully with this 85/15 percent split, we're going to see a preferable performance in the future as we did in 2009.

With regard to Rig 40, for now we think we're going to do a couple of workovers in Lam 13 after we finish with the current well and, therefore, you know, this is a land rig, for you to mobilise it from one platform to another, it takes two to three months, a lot of work and to mount it to the other platform for only one or two workovers is not going to be an easy task. So for now I would say maybe drilling the future well as well as doing two workovers in Lam 13 or three workovers, and then we have to decide what to do with the rig.

With regard to decline rates, we have not seen anything different from the history in the field. When we have the new areas in the West, we have minimal decline.

When we produce from areas in the East, which is mostly depleted, then the decline is still there. So in the future as we drill more wells in the West, we tend to believe that the decline will be lesser than in the past.

Gerry Hennigan, Goodbody Stockbrokers: Good morning, just a couple of questions, Jaleel, first on the rig market in the Caspian Sea. Is it fair to say that it's probably eased somewhat given that you're getting better rates and should we expect more contracts along the line of the Yantai contract whereby you'll have more certainty and a long-term view of rigs? Also in terms of your efforts to diversify, the issues in terms of diversification, do they come down more to value or just strategic fit, as you said yourselves? And finally on the area in East Cheleken because obviously I'm not there in the presentation room at the moment, am I right in assuming that that appraisal well will be on land as opposed to offshore?

Dr. Abdul Jaleel Al Khalifa: I will start bottom-up. They're easier to handle I'd say. With regard to the appraisal well, it's still offshore but you know, our block extends from about a few kilometres from inshore until about 20+ kilometres offshore. So this Cheleken well will be again offshore but not too far from the onshore.

With regard to the rig rates, I think the deal we have with Yantai is quite excellent, is very, very good and if we had to go in another deal like this, it has to be at the same terms and conditions and we feel that we can secure a similar contract in the future.

With regard to new ventures, I think value is definitely a very prime factor in deciding whether we'll go for anything or not, but most important to be honest is the size and the fiscal terms of the potential opportunity because as you could tell, there are things available in the market but some of them, the terms are very rigid and very stringent on the operator's side and therefore they are not attractive for operators. So the value is definitely important but it doesn't mean that we cannot afford it; it means how much price you pay per barrel of reserve. That is really the value that I'm talking about. It's not the total value because even if the value is big, you can always bring in partners and share with them. So yes, the value, the dollars per barrel you pay, is definitely important for us.

Vugar Aliyev, Matrix Corporate Capital: Yes, Vugar Aliyev from Matrix Corporate Capital. I have two questions, first of all on East Cheleken and you were quoting earlier 2P reserves. Has that area been ever included in independent reserves estimate? Do you have reserves of lower category there possible or maybe prospective resources? And the second one on gas, I know that you've built a very good relationship with the Government of Turkmenistan and you have been very successful there, but from outside it does look that you are getting into a weak negotiating position by proceeding with the project and whilst the gas plant is there, you have spent most of your capital, are you still confident that you will be able to negotiate a favourable gas price for Dragon? Thank you.

Dr. Abdul Jaleel Al Khalifa: Okay, thank you. With regard to the assessment of reserves, the numbers that we report is the 2P. Now, there are definitely numbers that are beyond 2P. We don't have exactly the number, but as you know, if you operate in a field like this, you're bound to find more reserves if you drill deeper, if you drill delineation to the tangent of the field, but then what is your drive to do that, you know? If you have good 2P reserves that are available for development, you'd better target those and as you can see in the coming three years we have five appraisal wells. Part of the objective there is to define the 2P and potential 3P as well.

With regard to gas negotiation, I would tend to think that there is interest on both sides to reach an agreement, even on their side. By the way, the gas plant won't be ready until about three years from now. What we have now is the rich gas, which has a lot of condensate. Look, on the baseline, it is what we're doing to the environment, we cannot afford to flare the gas. Gas has to be captured and has to be put in the system. Now building on our historical relationship with the Turkmen authority, they have always been, you know, reasonable. They've always been trying to encourage us to invest more and I think it's not only building a plant, it's drilling holes for the gas, it's capturing those gas wells, putting pipelines for them so the facilities needed are ready in three years. So all taken in consideration, I feel that we're in a good position but we have to wait and see the results of the negotiation. Shall we take one over the phone please?

Yuri Maslov, Nevsky Capital: Yes, hello. I've got two questions please. One is the following: you've given the capex guidance for infrastructure projects. Could you please also give the guidance for the drilling capex for next years?

Dr. Abdul Jaleel Al Khalifa: Okay, with regard to drilling we feel that 2010, because we have about four rigs operational in part of the year and two rigs full year, we feel that will be in the range of US$250 as well.

Yuri Maslov, Nevsky Capital: Okay, and then going forward is there any rough guidance for drilling capex again in 2011-12?

Dr. Abdul Jaleel Al Khalifa: You could see that 2011, end of 2011 will have this Yantai jack-up rig coming in. We'll continue to aim for six months' contracts with the Astra jack-up if it's available at a reasonable cost. We have the two rigs, the Iran Khazar and the NIS rig, operational for another year so I would tend to think that 2011 will be the same range as 2010.

Yuri Maslov, Nevsky Capital: Okay, that's very helpful. And then another question I had was the follow-up on this discussion you just had on the entitlement estimates going forward. Is there any sensitivity you can give us between the oil price and the entitlement ratio?

Tarun Ohri: I think in the financials, in the full set of results we'll give some sensitivities on the oil price as well as the capital expenditure going forward and how our reserve estimates would be impacted. So I don't have these numbers right away but you will see them in the full year's results.

Dr. Abdul Jaleel Al Khalifa: But it definitely has to play a factor there. As you know, our entitlement includes the cost of recovery as well, and the higher the crude price, the lower the volume you get from the crude. So the entitlements will be part of that as well. Do we have a question here?

Guy Marshall, Visor Capital: I'm Guy Marshall from Visor Capital. Two questions, first of all on the capex, the underspend on the capex in 2009, obviously you've mentioned you're more confident for 2010, but perhaps could you give a little bit more colour on exactly what the problems were? You mentioned logistical and contractual issues in 2010 and how those have changed in 2009, have they changed in 2010? And secondly, some of the investors we speak to are concerned that you might be in a situation that you don't have access to your cash in the Dubai banks so perhaps you could just comment on that as well. I think it would be helpful to have a statement from you on that.

Dr. Abdul Jaleel Al Khalifa: Sure, sure. On the access to cash, I can tell you we can access all our cash to the last dollar today, if we need to. So there is no issue with that and I want to calm our investors: that cash is very much put in prudent places and we have access to it all the time. Now we choose to go to bring in some value for our cash through term deposits but otherwise everything is available.

With regard to contracts, we're supposed to have spent more than what we did in 2009 had we completed the trunkline and the processing facility on time. We had problems with that contract and the contractor has come to us with – and we work with him now and we're going to hopefully together, jointly, we and the contractor aim to finish the project in August or the second half of 2010. This is a major expenditure item, you know. Between the trunkline and the processing facility you're talking about additional US$140-150 million. If this is going to be spent in 2010 then out of the US$250 million you're only left with US$100 million to spend on other projects, which we already awarded, and some of them will come as well. So there is, hopefully if the progress is made on this project with the contractor, we're there. Shall we take one off the phone please?

George Godber, Matterley: Hello, good morning. Just in your last two statements you've mentioned about corporate restructuring. Clearly prior to the bid there was a suggestion about a move to a full London market listing. Could you please expand on that? And secondly, sort of given the impressive cash generation over the last couple of years, are the Board considering any form of dividend payments in the future?

Dr. Abdul Jaleel Al Khalifa: Yes, okay. With regard to the corporate restructuring, you know we started this about 18 months and the drive at that time was to move to a new legislation and to allow primary listing in London while maintaining Ireland listing as secondary. Now I can tell you, when the approach happened last year, we had to put on hold the restructuring project for some time. It's back on the table now. The Board is looking at it. However, there are new changes in the landscape and where we're operating and where we're listed right now, it is worth looking at it more prudently to find out if it is really still viable and wise to move with restructuring or to maintain the status that we're in right now. We have not crossed that bridge yet; we're still looking at alternatives and it's quite possible that we maintain the current situation.

Now with regard to the second question, which is the dividends, I can assure you the Board is looking at it and again, it is there on the agenda and it's among the things that we have to look at on a constant basis. While we aim to grow our portfolio, while we aim to invest more in Turkmenistan, the dividends and the dividends policy are still there and it is on the same level of importance as other things.

George Godber, Matterley: Sorry, just to clarify that, can you give us a timetable on when we might know on the restructuring? I suppose do – given your current market cap, your 9 times earnings ratio, significant cash balance and reserves and what others in the FTSE 100 are commanding and what ratios they're commanding, there does seem to be a valuation anomaly. Can you update us on when we're likely to hear on the restructuring outcome?

Dr. Abdul Jaleel Al Khalifa: I would say give us a few months to decide on this, not longer than that and the reason is because, as we speak there are things happening in different places that are either going to be positive for us to maintain our current status, or it could lead us for better management, for more alignment in operations that we move to other places. But I can assure you that the board is looking at this, in the interest of all shareholders and looking at Dragon Oil as is and what is best for Dragon Oil. This is definitely a concern that we have to maintain the best environment for Dragon Oil, again considering the history we started from, again considering where we will be in the future and taking care of the changes that happened last year and this year with regard to the systems and policies available here and there. I don't want to be very specific but there are things happening in the market place and the legislation area that are worth considering and I think the board has to take the time to consider this and weigh all the options and if we make sure that if we do embark on a restructuring, we do embark on it on a very positive and solid basis.

Taleh Musayev, Merrill Lynch: Two quick questions, out of US$1 billion cash pile, how much cash could you spend on M&A this year? And second questions, what is the total life of the field development course for your asset, you recently revised upwards, that explains partly the increase in depreciation.

Dr. Abdul Jaleel Al Khalifa: As far as how much cash we can spend on new acquisitions. You could tell that, of the billion, if you consider that you really want to maintain a very solid cash for maintaining the operations in Turkmenistan, as well as considering a reserve base for the future, I think it is wise to maintain 50% of that cash in your pocket for supporting the operation as well as other assets. But the other 50% and I would tend to think, and this is not a Board's decision but if I were to choose I would think that that is available, you know.

Tarun Ohri: On the field operating costs we have the details in our income statement and we roughly operate on the same level of cost structure as we had in the past, and it is between $4 to $5 a barrel of our in-country field development costs, which obviously exclude admin costs and marketing costs. When you're talking about our rate for depletion it is currently about $19.50 a barrel, and that is of course like we discussed, dependent on future capital expenditure programmes.

Stephane Foucaud, First Energy Capital: Stephane Foucaud from First Energy Capital, two questions please; on the back of the approach from ENOC, are there any residual lock-ins with ENOC with regards to shares in Dragon Oil? Given the coming new rigs and increased momentum towards operations, what's your vision with regards to flat production from the field?

Dr. Abdul Jaleel Al Khalifa: A difficult one I'd say, on the production, I'd say we are aiming for definitely higher production, we are aiming to allow these rigs to drill for oil and potentially for gas in the future if we have to produce gas at a reasonable rate and at an attractive price. So the production growth is there, I cannot be specific as to what would be the ceiling of the production and when to have that ceiling but I can tell you, over the coming three years, which is near-horizon, the growth is there. With regard to ENOC, I think after the approach was voted down, I'm not sure what their strategy is but I think they would definitely maintain to be a stable majority shareholder in the company. This is what they announced in the market and this is what I go with. Again, maybe they better speak for themselves as to what their plan is.

Dominic Lewenz, Visor Capital: Hi, good morning there. I had two quick questions, I guess one relating to looking at potential diversification. Could you clarify, is that mainly Turkmenistan you're looking at or also maybe the broader region? And also possibly you could talk about some of the appraisal work you're doing: is it just one well you're looking at on the East Cheleken and the rest the existing fields and is that likely to be additional liquids or gas mainly?

Dr. Abdul Jaleel Al Khalifa: The appraisal right now, this one is for liquids. The future five appraisal wells have not been decided yet where to put them, but definitely they would be scattered over Lam, Zhdanov as well as East Cheleken if there is potential in this well. What goes on normally is that when you drill the first appraisal well and you find the crude, you would need to drill a second appraisal well as well just to delineate that crude – where is it, how much etc.? And so these appraisal wells in the future will be decided in time over the coming few years as well as how to drill them.

With regard to diversification, we're currently looking at Central Asia as well as Middle East and Africa. These are the three locations we're looking at and it's quite a wide geographical area and there is a lot available there. It all depends on the price, the synergy and what value you can assign to those available assets. So this is the wide region we're looking at and I think we, as Dragon Oil, with our expertise, with our stakeholders, we can definitely work as an operator in this region on a very strong footing and very preferable terms for us and for the host country. So this is what I can say about diversification.

Dominic Lewenz, Visor Capital: Okay, that's useful, and just one final question: is there an approximate date on some of these appraisal wells at all? Do you have any idea?

Dr. Abdul Jaleel Al Khalifa: On the appraisal wells, if approved by the Turkmen Government, it will be drilled next, which is in about a month's time, so hopefully we can, hopefully if we drill it, we can announce the results of that appraisal well some time in four to five months.

Simon Hawkins, OMNI: It's Simon Hawkins from OMNI Investment Research. With such a large proportion of your valuation, market valuation made up of cash, if you were unable to spot the right kind of acquisitions, would you consider giving an element of that cash back to shareholders in terms of a special dividend or any other way?

Dr. Abdul Jaleel Al Khalifa: Well, that is the Board's decision, and I agree with you. If there is – if the opportunity did not come through on the acquisition side, definitely a dividend policy has to be implemented, but the timeframe is something to be decided by the Board.

If that is it, thank you very much. We appreciate you coming here and we wish you all the best. Thank you.