

14 March 2016

Gina Krog Transaction Update

Sequa Petroleum N.V. (the “**Company**”) is pleased to announce an update to its planned acquisition of a 15% interest in Gina Krog. This acquisition was announced on 19 October 2015. Since then, the Gina Krog acquisition has received all necessary government approvals, and the Company’s 100% subsidiary Tellus Petroleum A.S. (“**Tellus**”) has been approved as a new Norwegian Continental Shelf’s (“**NCS**”) licence holder.

Gina Krog is one of the NCS largest current developments. The development, operated by Statoil, is currently within budget and on schedule for first production in Q2 2017. In light of the current industry environment, cost reductions and schedule improvements of the Gina Krog project are currently being pursued.

The 2P reserves are estimated at approximately 260 million barrels of oil equivalent (“**boe**”), of which 39 million boe are net to the Company¹. OPEX and CAPEX costs are both estimated at approximately USD 15 per boe. These estimates are calculated over the field life, from the effective date of 1 January 2015 (being the effective date of the Company’s acquisition), representing a low marginal cost¹.

The Gina Krog field has further resource potential beyond its 2P reserves. There is potential, through development optimisation, for prolongation of the first production plateau, as well as from several appraisal segments which were not included in the initial PDO. One of these segments, the East 3 segment, has already been successfully drilled in 2015. In addition, there is further resource potential from exploration. Historically, most large fields on the NCS have significantly outperformed their initial PDO submissions.

The transaction terms for the acquisition of Gina Krog, announced on 19 October 2015, are at an attractive discount to comparable transactions in Norway. These terms result in all-in costs until first production of approximately USD 9 per boe of 2P reserves. The seller will retain the tax balances related to the Gina Krog investments prior to the effective date.

The Company believes that Norway provides the world’s most secure and stable operating environment for oil and gas. Norway boasts a strong AAA rated sovereign government that actively encourages and incentivises the industry, and is isolated from geopolitical crises. The Norwegian petroleum tax environment provides unparalleled downside protection, by giving companies the potential to recover up to 94% of their development costs.

The Company is planning to finance the Gina Krog transaction with a combination of equity raised by the Company and of debt raised by both the Company and Tellus, which will be the subject of a future announcement. The Company expects to complete the Gina Krog transaction in April 2016.

Company Update

The Company’s strategy is to create value in a cyclical industry by means of asset acquisition, optimisation and monetisation, applying both technical and financial excellence. The strategic focus is on assets with proven resources, current and near term production, and value upsides, pursuing a balanced asset portfolio in select areas with low marginal cost, exploiting growth potential and synergies. The current global over-supply of oil and the resulting environment of temporarily depressed prices are fuelling liquidity distress and capex cuts across the industry, providing an unprecedented opportunity to acquire high quality assets at very attractive valuations.

¹ Rystad Energy; WoodMackenzie; Gina Krog Environmental Impact Assessment report; Statoil publications; Company estimates; independent evaluation by AGR Petroleum Services AS.

The acquisition of a 15% interest in Gina Krog is a major step in this strategy. The Company will be looking to add assets to its NCS portfolio by leveraging its position as an approved player on the NCS with the experienced and well-connected Tellus management team. This strategy will include considering further areas where the balance of political, fiscal and commercial stability and geological prospectivity allows for stable high returns and growth.

About the Company

The Company is an oil and gas company registered in the Netherlands, with its principal office in London and listed on Euronext Marché Libre. In 2014, the Company established an operating presence in Kazakhstan, acquiring 75% of the Aksai licence which has subsequently been drilled and is currently being evaluated. In 2015, the Company established a presence in Norway, acquiring Tellus Petroleum Invest AS as a 100% subsidiary. Tellus Petroleum AS, a wholly owned subsidiary of Tellus Petroleum Invest AS, has subsequently entered into a sale and purchase agreement with Total to purchase a 15% interest in the Gina Krog field and with OMV to acquire approximately 0.6% of the Ivar Aasen field.

An updated corporate presentation is available on the Company's website at <http://www.sequa-petroleum.com/corporate/>.

For more information please visit www.sequa-petroleum.com or contact:

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