IRAQ PETROLEUM 2013
Kurdistan Region’s Notable Oil and Gas Discoveries
Awakening a Kurdish Oil Giant
June 19, 2013
Northern Iraq 2005: Discovered Fields and Infrastructure

Sarqala-1 Well: Discovered 2011
Conditions for Kurdistan’s Success:

1. Leadership

2. Determination

3. World Class Hydrocarbon system Elements
   - Seals, Reservoirs, Generation
   - Stacked Reservoirs / Multi-Zone potential
   - Big Fields >> get bigger

4. Alignment/Cooperation
   - IOC’s / KRG / Local
Kurdistan’s Notable Discoveries: Kurdamir & Sarqala

Large Scale, High Quality Resources

- 974 million BOE of contingent resources already discovered
- 4.7 billion BOE of prospective resources yet to be discovered
- 2013 exit production potential of 20,000 bopd+
- Phased Development keeps capital spend manageable
- Commercial Declaration expected in 2014 for Kurdamir and Garmian

* Conceptual Infrastructure Vision >> Subject to KRG approval
Kurdamir – Giant Light Oil Discovery

- Giant Oil Field with 943 MM BOE of Contingent resources and upside prospectivity of additional 1.6MM BOE
- Kurdamir-3 Appraisal well drilling – results expected in Q3’13
- Potential of up to 7,000 bbl/d from vertical well
- Future horizontal well expected to substantially increase flow rate

Kurdamir-3

- Spud date: February 22, 2013
- Target: Oligocene
- Production Potential: 4,000 – 7,000 bbl/d
- Estimated Net Cost: $25 - 30 million

Kurdamir Resources

- Contingent
- Prospective
- Gross Resources (million BOE):
  - Oligocene: 943
  - Eocene: 1,263
  - Cretaceous: 138
  - Total: 2,167

- Oligocene: 1,263
- Eocene: 138
- Cretaceous: 206
- Total: 1,607
Baram-1 Well
- Exploration well planned targeting the Oligocene reservoir; with potential to prove extension of Kurdamir structure onto Garmian Block
- Potential for Baram to be a separate compartment of the Kurdamir Discovery and/or connected to Qulijan
- Pursuing 500 MM barrels of contingent resources
Potential for Baram to be a downdip extension of the Kurdamir Oligocene oil leg or a deep separate compartment

Potential for Qulijan to be connected to Baram

Pursuing 500 MM barrels of contingent resources
Kurdamir/North Garmian Conceptual Development

- Potential Anchor Field for Southern Kurdistan Pipeline Infrastructure
- Primary Reservoir is the Oligocene
- Potential production capacity:
  - Kurdamir: 300kbd
  - North Garmian: 100kbd
Hasira-1: Sarqala Field Appraisal and Deeper Exploration

- **Spud date**: Q2 2013
- **Target Reservoirs**
  - Jeribe
  - Oligocene
  - Proposed TD: Jeribe 4,200 m
- **Production Potential**: 5,000 – 15,000 bbl/d
- **Estimated Net Cost**: $25 - 28 million

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**Oligocene Exploration Target** end 2013
Also Jeribe Appraisal Target
Potential to complete the well in either Jeribe or Oligocene reservoirs
Primary Reservoir: Jeribe/Dhiban

Potential upside of additional adjacent prospects

Potential for cooperative infrastructure development

South Garmian potential capacity: 125,000 bopd
Kurdamir & Garmian Blocks: > 500,000 bopd potential

Gross Prospective Production Potential in Development

- North Garmian
- Kurdamir
- South Garmian

Phased Development

Full Field Development
Towards the Future...Awakening the Kurdish Oil Giant

Kurdistan: Tremendous Progress and Tremendous Potential

- WesternZagros was a pioneer in the Region
- Notable light oil discoveries achieved; more to come
- Infrastructure development progressing
- No turning back
Caution to the Reader

This presentation contains forward-looking statements with respect to WesternZagros, including but not limited to operational information, future exploration and testing plans and estimated costs and timing associated therewith, working capital, production, and resources. Forward-looking information typically contains statements with words such as “anticipate”, “estimate”, “potential”, “could”, or similar words suggesting future outcomes. WesternZagros cautions readers not to place undue reliance on forward-looking information as its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by WesternZagros. Readers are also cautioned that disclosed test rates and potential production rates may not be indicative of long-term performance or of ultimate recovery. In addition, the forward looking information is made as of the date hereof, and WesternZagros assumes no obligation to update or revise such to reflect new events or circumstances, except as required by law.

Forward looking information is based on management’s current expectations and assumptions regarding, among other things, plans for and results of drilling activity and testing programs, future capital and other expenditures (including the amount, nature and sources of funding thereof), future economic conditions, future currency and exchange rates, future oil prices (including domestic prices), continued political stability, continued participation of the Company’s co-venturers, successful resolution of disputes, ability to successfully market its production, continued ability to obtain qualified staff and equipment in a timely and cost efficient manner. In addition, budgets are based upon WesternZagros’ current exploration and appraisal plans and anticipated costs both of which are subject to change based on, among other things, the actual results of drilling and testing activity, unexpected delays, availability of financing and changes in market conditions. Although the Company believes the expectations and assumptions reflected in such forward-looking information are reasonable, they may prove to be incorrect.

WesternZagros’s operations are subject to all the risks normally incident to the exploration, production, development and operation of crude oil and natural gas properties and the drilling of crude oil and natural gas wells, including encountering unexpected formations or pressures, premature declines of reservoirs, potential environmental damage, blow-outs, fires and spills, all of which could result in personal injuries, loss of life and damage to property of WesternZagros and others; environmental risks; inherent uncertainties in interpreting geological data; delays in collecting payment for production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the ability to attract and retain key personnel; and the risk of commodity price and foreign exchange rate fluctuations.

All of WesternZagros’s assets are located in Kurdistan. As such, WesternZagros is also subject to political, economic, and other uncertainties, including, but not limited to, the uncertainty of negotiating with foreign governments, expropriation of property without fair compensation, adverse determinations or rulings by governmental authorities, changes in energy policies or the personnel administering them, nationalization, currency fluctuations and devaluations, disputes between various levels of authorities, arbitrating and enforcing claims against entities that may claim sovereignty, authorities claiming jurisdiction, potential implementation of exchange controls, royalty and government take increases and other risks arising out of foreign governmental sovereignty over the areas in which WesternZagros’s operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities and insurrections. WesternZagros’s operations may be adversely affected by changes in government policies and legislation or social instability and other factors which are not within the control of WesternZagros including, among other things, adverse legislation in Iraq and/or the Kurdistan Region, a change in crude oil or natural gas pricing policy, renegotiation or nullification of existing concessions and contracts, taxation policies, economic sanctions, the imposition of specific drilling obligations and the development and abandonment of fields.

The ability of WesternZagros to successfully carry out its business plan is primarily dependent on the continued support of its shareholders, the discovery of economically recoverable reserves, its co-venturers’ continued participation in the exploration activities under the PSCs, and the ability of the Corporation to obtain financing to develop reserves. WesternZagros’s cash balance may not be sufficient to fund its ongoing activities at all times and carry the KRG’s carried interests under the PSCs. From time to time, WesternZagros may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. In addition, any change in the co-venturers’ participation could increase or reduce the Company’s capital requirements. Failure to obtain such financing on a timely basis could cause WesternZagros to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. It is possible that future global economic events and conditions may result in further volatility in the financial markets which, in turn, could negatively impact WesternZagros’s ability to access equity or debt markets in the future.

Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors should not place undue reliance on these forward-looking statements. For a full discussion of the risk factors including the risks and level of uncertainty associated with the Company’s ability to recover resources from the PSC lands, please refer to the Company’s Annual Information Form dated March 22, 2013 on SEDAR at www.sedar.com.
Caution to the Reader, (Cont’d.)

Presentation of Resource Information

Terms related to resource classifications referred to herein are based on the definitions and guidelines in the Canadian Oil and Gas Evaluation Handbook which are as follows.

"Contingent resources" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent resources have an associated chance of development (economic, regulatory, market and facility, corporate commitment or political risks). The contingent resource estimates referred to herein have not been risked for the chance of development. There is no certainty that the contingent resources will be developed and, if developed, there is no certainty as to the timing of such development or that it will be commercially viable to produce any portion of the contingent resources.

"Prospective resources" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery (geological chance of success) and a chance of development (economic, regulatory, market, facility, corporate commitment or political risks). The chance of commerciality is the product of these two risk components. The prospective resource estimates referred to herein have not been risked for either the chance of discovery or the chance of development. There is no certainty that any portion of the prospective resources will be discovered. If a discovery is made, there is no certainty that it will be developed or, if it is developed, there is no certainty as to the timing of such development or that it will be commercially viable to produce any portion of the prospective resources.

All resource estimates presented are gross volumes for the indicated reservoirs, without any adjustment for the Company's working interest or encumbrances. The effective dates of the resource estimates is February 8, 2013 and all estimates presented have been independently audited by Sproule International Limited as of such date.

The Company's Statement of Oil and Gas Information contained in its Annual Information Form dated, March 22, 2013 ("AIF") filed on SEDAR at www.sedar.com contains additional detail with respect to the resource assessments and includes the significant risks and uncertainties associated with the estimates and the recovery and development of the resources and, in respect of contingent resources, the specific contingencies which prevent the classification of the resources as reserves.

All resource estimates presented herein are mean estimates, being the average from the probabilistic assessment that was completed for the reservoir or combined mean estimates, being an arithmetic sum of the mean estimates for individual reservoirs. Readers should refer to the AIF for a detailed breakdown of the high (P10), low (P90) and best (P50) estimates for each of the individual reservoir assessments.