

## 2017: consolidation confirmed

AOG recorded a good performance in 2017, confirming the impact of consolidation measures taken in 2016.

Oryx Energies and AOG Real Estate achieved excellent results, while steps to reinforce Oryx Petroleum's financial position enabled the company to increase production.



## Oryx Energies: driven by trading results



Oryx Energies, our integrated trading and downstream platform, achieved another strong performance in 2017, thanks to its trading arm.

During the year, we confirmed its development strategy, focused on Key Accounts, retail and specialities (LPG and lubricants), as well as the organisation required to implement the strategy.

The trading arm again achieved excellent results, even as the market rebalanced during the second half of the year (increase in oil prices as a result of OPEC's more restrictive production policy and a rise in US dollar interest rates).

The downstream division (storage and distribution) increased its presence in sub-Saharan Africa through the acquisition of a majority stake in Atlas Energy Ltd, Gambia. The acquisition enabled Oryx Energies to enter a new market for its fuels, lubricants and LPG, thanks to the 28 service stations and the portfolio of business clients managed by Atlas.

Oryx Energies thus continued to implement its development strategy. A focus was also put on upgrading its existing retail network and expanding it through acquisitions. It added a total of 72 new service stations during the year, bringing the

total to 181 stations in 11 countries. The strategy aims to improve the availability of fuels, LPG and lubricants to consumers across the region.

Oryx Energies' lubricants performed well during the year, with the support of its blending plants in Tanzania and Togo, which serve respectively East and West Africa. The company reaped the benefits of successfully developing its strategy of producing for third parties and directly supplying industry (B2B) from its Togolese plant, an approach that is well established at its Tanzanian facility.

After four years of significant investments in LPG assets (storage, filling and cylinders) in urban and rural areas of sub-Saharan Africa, Oryx Energies focused in 2017 on increasing its market share and reinforcing its leadership position, in particular in Benin, Burkina Faso, Côte d'Ivoire and Tanzania.

At the same time, Oryx Energies continued to apply its policy of excellence in the management of its storage terminals, investing in upgrades and ensuring the quality of its management systems as part of its HSSEQ commitments (Health, Safety, Security, Environment and Quality).

## Oryx Petroleum: difficult environment, determination intact



In 2017, Oryx Petroleum increased production and sales in the Kurdistan Region of Iraq, and benefited from rising oil prices and consistent revenue payments through to September. Some challenges emerged late in the year with rising tensions between the Kurdistan region and the federal government of Iraq.

In the Hawler license area, production and sales continued from the Demir Dagh oil field, while output grew from the Zey Gawra oil field. The drilling of further wells at Zey Gawra, planned for late 2017, was delayed to 2018. Oryx Petroleum increased activity in West Africa, completing the seismic survey covering a portion of the AGC Central license area, offshore Senegal and Guinea Bissau, and largely concluding

the detailed processing and interpretation of the data. The identification and mapping of prospect sites is expected to be completed in Q1 2018.

During the year, Oryx Petroleum relinquished its 80% interest in the AGC Shallow license area and began efforts to divest its interests in the Haute Mer A and Haute Mer B license areas in Congo (Brazzaville).

Thanks to the steps taken to restructure obligations and a capital injection from the major shareholders in June 2017, Oryx Petroleum had much improved its financial position by the end of the year.

## AOG Real Estate: increased diversification



AOG Real Estate achieved excellent results in 2017, thanks to the sale of the building in Quai Ouest, Boulogne-Billancourt, which we purchased in 2014 and refurbished with our Parisian real estate partner, Emerige, and to the return from an indirect investment in a US real estate fund.

We thus pursued the dynamic management of our real estate portfolio, including further diversification with our first investments in Germany and Italy.

In the meantime, our other development projects advanced according to plan at Cannon Street (90,000 sq ft of offices and retail space) and Watling Street/Bow Street (26,000 sq ft of offices and retail space) in London; at Maillol (162,000 sq

ft of leisure and residential) and Ile Séguin (complex with hotel, cinema, cafés/restaurants and arts centre) in Paris, and at Calle Garibay 3 (8,000 sq m residential) and Calle Yagüe 37 (residential and retail) in Madrid. Our income-generating assets in Geneva and Malta continued to perform well.

With its focus on commercial properties in prime locations in Europe and North America, our real estate division once again yielded a strong performance. Since its creation in 2010, it has contributed over \$430 million to AOG's bottom line.

## 2018: perspectives



AOG will celebrate its 30th anniversary in 2018, marking how far it has come since it started at the end of 1987.

We expect to continue our development in the energy and real estate sectors during the year:

- Oryx Energies will concentrate on implementing its downstream development strategy;
- Despite the uncertainty in Iraq, Oryx Petroleum expects to drill further wells and expand oil production and sales from the Hawler license area. It will refine site mapping and prepare for planned exploration drilling in 2019 in the AGC Central license area;

- AOG Real Estate is expected to complete some of its redevelopment projects and to reinvest the capital in new direct or indirect opportunities.

I take this opportunity to extend my thanks to employees across the Group, as well as our clients, partners and service providers for their highly valued contribution to our success.

Jean Claude Gandur  
Chairman, AOG