MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis of financial condition and results of operations contains forward-looking statements that involve risks and uncertainties. The following should be read in conjunction with the unaudited condensed consolidated financial statements of Oryx Petroleum Holdings PLC (formerly known as Oryx Petroleum Company PLC) for the three months ended March 31, 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Subsequent to March 31, 2013, Oryx Petroleum Corporation Limited ("the Corporation") will serve as the parent company of Oryx Petroleum Holdings PLC. The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including but not limited to those listed under "Risk Factors" and included elsewhere in the Amended and Restated Preliminary based PREP prospectus of Oryx Petroleum Corporation Limited dated April 15, 2013.

OPHP

Three months ended March 31, 2013 compared to three months ended March 31, 2012

Executive Summary

The following table summarizes OPHP's results for the three months ended March 31, 2013 as compared to the same period ended in 2012:

	Three months ended March 31, 2013	**Three months ended March 31, 2012**	**Change**
	($ thousand)	($ thousand)	(%)
General and administrative expense	6,270	2,326	170
Exploration expense	1,672	1,189	41
Depreciation and amortization expense	159	63	152
Other [(1)]	38,808	(26)	1,494
Loss before income tax	**46,909**	**3,552**	**1,221**
Income tax expense / (benefit)	67	(205)	(133)
Net Loss	**46,976**	**3,347**	**1,304**
Cash surplus / (Net debt) [(2)]	**245,495**	**(155,093)**	**(258)**
Capital expenditure[(3)]	**54,430**	**11,728**	**364**

Notes:
(1) Includes finance (income) / expense, foreign exchange (gains) / losses and other operating expenses
(2) Net debt is a non-GAAP measure defined as long term debt and short-term borrowings less cash and cash equivalent.
We use net debt as a key indicator of our leverage and to monitor the strength of our balance sheet.
(3) Refer to "Capital Expenditure" below.

Net loss increased by $43.6 million to $47.0 million for the three month period ended March 31, 2013 compared to the same period ended March 31, 2012 mainly due to the change in the fair value of the Hawler block's contingent consideration and contingent liabilities ($39.3 million). Following acquisitions of interests in various exploration licenses in 2011, acquisition terms included additional consideration, contingent upon the outcome of future drilling activities and, in some cases, the quantities of commercial reserves discovery. Refer to Other Operating Expense under Financial Results section.

At the end of March 31, 2013, net debt of $155.1 million moved to a cash surplus of $245.5 million, which is the cash balance at the end of March 2013 (March 31, 2012: $29.0 million). The cash balance increase is mainly due to additional equity funding of $234.8 million received from The Addax and Oryx Group Limited ("**AOG**") at the beginning of 2013. Borrowings from AOG of $166 million existing at the end of March 2012 were all converted to equity during 2012.

Capital expenditure during the period included drilling and testing the Demir Dagh-2 well and drilling preparation for two additional wells on the Hawler license area in the Kurdistan region of Iraq ($28.9 million), drilling the Dila-1 well on the OML-141 license area in Nigeria ($21.5 million), seismic data acquisition on the AGC Shallow license area ($0.5 million) and in the Wasit license area ($1.9 million), exploration work on the Sindi Amedi license area ($0.9 million) and farming in to Congo Haute Mer A ($0.5 million) as well as other intangible assets expenditures. The capital expenditure for the three month period ending March 31, 2012, included capitalised administration costs on the Hawler license area ($2.5 million), the testing of the Mateen-1 well on the Sindi Amedi license area ($6.9 million), capitalised administration costs of the Wasit license area ($0.4 million), the OML-141 license area ($1.6 million) and the AGC Shallow license area ($0.3 million) as well as other intangible assets expenditures.

Corporate Update

Oryx Petroleum is an international oil exploration company focused in Africa and the Middle East. Oryx Petroleum was founded in 2010 by AOG and key members of the former senior management team of Addax Petroleum, a company founded in 1994 by AOG and acquired in 2009 by Sinopec. Oryx Petroleum has interests in seven license areas prospective for oil and is the operator or technical partner in four of the seven license areas. Three license areas are located in the Kurdistan Region and the Wasit governorate (province) of Iraq and four license areas are located in West Africa in Nigeria, the AGC administrative area offshore Senegal and Guinea Bissau, and Congo (Brazzaville). Oryx Petroleum believes that its management's proven track record of acquiring and developing assets, its strong local relationships and established reputation, together with its substantial in-house technical expertise and well-funded balance sheet, position the Corporation to maximize value from its existing license areas, further expand its asset base, access future funding and achieve its objective of becoming a full cycle oil exploration, development and production company.

Oryx Petroleum's objective is to become a full cycle oil exploration, development and production company. The Corporation seeks to achieve its objective through maximizing the value of its existing license area portfolio, while prudently expanding its asset base. Key elements of Oryx Petroleum's strategy include:

- Establishing material operations in countries with known hydrocarbon basins where management has extensive experience and strong existing relationships that can help assess, identify, manage, and where possible, mitigate risks.
- Retaining control over the pace and scale of investment and development of license areas by seeking operatorship or technical leadership and/or substantial equity positions.
- Maintaining best in class operating procedures and protocols to help ensure safe operating practices and to develop local communities.
- Growing organically through farm-in and add-on investments in countries in which Oryx Petroleum is established and pursuing transformational acquisitions in its focus regions.
- Exercising a prudent and conservative approach to financial management.

As of March 31, 2013, Oryx Petroleum had gross (working interest) proved plus probable oil reserves of 164 MMbbl, best estimate gross (working interest) contingent oil resources of 200 MMbbl and best estimate unrisked gross (working interest) prospective oil resources of 1,391 MMbbl (risked: 299 MMbbl). As of March 31, 2012 and December 31, 2012 the estimated reserves were nil.

New Venture Opportunities

Oryx Petroleum is currently considering a number of new venture opportunities in its areas of focus, including additional exploration license areas in certain provinces of Iraq and in West Africa. Oryx Petroleum believes that it is well positioned to capitalize on opportunities in its focus areas that it expects will arise as: (i) governments tender new license areas; (ii) major international oil companies rationalize their portfolios of onshore and offshore oil fields; and (iii) indigenous oil companies seek financially and technically strong partners to jointly develop their properties.

As part of its overall strategy in Congo (Brazzaville), Oryx Petroleum is presently pursuing the acquisition of a 25% participating and working interest in Pointe Indienne, an onshore development license area operated by an indigenous company (Africa Oil and Gas Corporation), with Oryx Petroleum as the proposed technical partner. The license area contains the producing Pointe Indienne field to which neither modern drilling techniques nor secondary or tertiary recovery methods have been applied. The Pointe Indienne license area, the first oil discovery in Congo (Brazzaville), was discovered in 1957 by a predecessor to Total. In the license area's history, nineteen appraisal and development wells have been drilled over the producing reservoir and one well has been drilled to appraise a deeper target. Production from the license area is light oil, initially peaking at 2,500 bbl/d and then declining in the 1970s and has since remained steady at 100 bbl/d to 300 bbl/d from three active producing wells.

Exploration and Evaluation Assets

As part of its exploration activities in the Middle East and West Africa, Oryx Petroleum acquired exploration and evaluation assets.

	At March 31, 2013	**At March 31, 2012**	**At December 31, 2012**
	($ thousand)	($ thousand)	($ thousand)
Net book value			
Exploration and Evaluation Assets	**160,898**	**382,742**	**478,302**

During the first quarter of 2013, a portion of the Hawler license area exploration and evaluation costs in Kurdistan was transferred from Exploration and Evaluation (E&E) to Property, Plant and Equipment (PP&E) following the latest reserve report from Netherland, Sewell & Associates, Inc. (NSAI) indicating the successful discovery of commercial reserves within the exploration block. As a result, $371.6 million of costs associated with the block were transferred from intangible E&E assets to Oil and Gas assets classified as PP&E as of March 31, 2013.

Financial Results

Exploration Expense

The following table summarizes the component parts of exploration expense for the three months ended March 31, 2013 as compared to the same period in 2012:

	Three months ended March 31, 2013	Three months ended March 31, 2012
	($ thousand)	($ thousand)
Pre-license costs	1,672	1,189
Total Exploration Expense	**1,672**	**1,189**

During the three months period ended March 31, 2013, exploration expense increased by $0.5 million to $1.7 million compared to the same three month period last year due to the an increase in pre-licence activity due to increased new venture personnel in Geneva.

Depreciation and Amortization Expense

The following table summarizes the component parts of depreciation and amortization expense for the three months ended March 31, 2013 as compared to the same period in 2012:

	Three months ended March 31, 2013	Three months ended March 31, 2012
	($ thousand)	($ thousand)
Intangible assets – Amortization expense	105	54
Property, Plant and Equipment assets – Depreciation expense	54	9
Total Depreciation and Amortization Expense	**159**	**63**

Other Operating Expense

The following table summarizes the components of other operating expense for the three months ended March 31, 2013 as compared to the same period in 2012:

	Three months ended March 31, 2013	Three months ended March 31, 2012
	($ thousand)	($ thousand)
Other operating expense	(39,260)	-
Financial income – net	452	26
Total Other Operating Expense	**(38,808)**	**26**

During the three months period ended March 31, 2013, other operating expense increased to $38.8 million due to the re-evaluation of contingent consideration arising from the acquisition of OP Hawler Kurdistan Ltd in 2011. The acquisition terms included additional consideration, contingent upon the outcome of future drilling activities. In accordance with the terms of the agreement for the acquisition of the interest in the Hawler license area, the Group is contractually obliged to make the payments upon a declaration of commercial discovery as outlined in the Hawler PSC. If no commercial quantities of hydrocarbons are discovered, no payments will be due.

The aggregate fair value of this contingent consideration, based on the estimated probability of success, was initially evaluated by the directors at $46.3 million in total and $27.7 million of this amount was recognized in the Group's statement of financial position in December 31, 2012. This relates to the license acquired in the acquisition of the 65% of the Hawler Block, acquired as part of the business combination with Norbest Limited (subsequently renamed OP Hawler Kurdistan Limited).

In addition, the net assets and liabilities acquired with OP Hawler Kurdistan Limited included a contingent payment to the Kurdistan Regional Government in relation to the first commercial discovery. The total potential payable is $50 million of which the fair value was initially evaluated by the directors at $32.4 million and recognized in the fair values of identifiable assets and liabilities acquired.

Following the successful discovery of reserves in the three months period ended March 31, 2013, the fair values detailed above have been re-evaluated and are now estimated at $112.3 million, resulting in changes in fair value recorded for contingent consideration and contingent liabilities amounting to $52.3 million, of which $39.3 million in relation to contingent consideration was recognized in the statement of comprehensive income and $13.0 million in relation to other contingent payments capitalized and then transferred from exploration and evaluation assets to property, plant and equipment - oil and gas assets in March 2013.

<u>Corporate Expenses</u>

General and administrative expense

The following table summarizes the component parts of general and administrative expense for the three months ended March 31, 2013 as compared to the same period in 2012:

	Three months ended March 31, 2013	**Three months ended March 31, 2012**
	($ thousand)	($ thousand)
General and administrative costs	4,164	941
Stock-based compensation[(1)]	2,106	1,385
Total General and Administrative Expense	**6,270**	**2,326**

Notes:
(1) Includes cash and non-cash expenses related to the OPHP Long Term Incentive Plan ("**OPHP LTIP**").

General and administrative expense increased by $3.9 million to $6.2 million for the three months ended March 31, 2013 (March 2012: $2.3 million). General and administrative costs increased by $3.2 million to $4.2 million for the three months ended March 31, 2013 (March 2012: decrease of $2.3 million). The increase was primarily due to additional staff numbers (average headcount for the period in 2013 of 57 compared to 25 in 2012) and costs of preparation for the IPO of $1.2 million (March 2012: nil).

The stock-based compensation expense for the three months ended March 31, 2013 increased to $2.1 million (March 2012: $1.4 million) - an increase of $0.7 million compared to the same period ended March 31, 2012 due to additional personnel in 2013.

Income Tax Expense

The following table summarizes the component parts of income tax expense for the three months ended March 31, 2013 as compared to the same period in 2012:

	Three months ended March 31, 2013	**Three months ended March 31, 2012**
	($ thousand)	($ thousand)
Current income tax expense	196	(77)
Deferred tax	(129)	(128)
Total Income Tax Expense/(Benefit)	**67**	**(205)**

<u>Consolidated Results by Quarter</u>

The following table sets forth a summary of OPHP's results for the quarterly periods indicated ($ thousand):

	2011			**2012**				**2013**
	Jun 30	**Sept 30**	**Dec 31**	**Mar 31**	**Jun 30**	**Sept 30**	**Dec 31**	**Mar 31**
Net (Income) Loss from Continuing Operations before Income Taxes is Comprised of:								
Oil and Gas	169	277	1,443	1,189	32,652	95	1,690	1,672
Corporate and Other	3,582	5,410	1,120	2,363	3,003	7,115	10,698	45,237
Net loss before income tax	**3,751**	**5,687**	**2,563**	**3,552**	**35,655**	**7,210**	**12,388**	**46,909**
Income Tax Expense / (Benefit)	180	48	(50)	(205)	65	7	(81)	67
Net loss	**3,931**	**5,375**	**2,513**	**3,347**	**35,720**	**7,217**	**12,307**	**46,976**
Net loss attributable to owners of the company (excluding non-controlling interests)	3,931	5,735	2,513	3,285	35,685	7,046	12,307	46,815
Net loss per basic and diluted share ($)	**393.10**	**55.01**	**24.10**	**19.76**	**214.39**	**14.14**	**24.65**	**63.05**
Capital expenditure ($000)	**-**	**321,698**	**49,883**	**11,728**	**13,689**	**30,507**	**81,475**	**54,430**

The net loss of $47.0 million for the first quarter 2013 includes the change in fair value of contingent consideration for Hawler of $39.3 million due to the drilling of the successful well at Demir Dagh-2.

The increase in the fourth quarter 2012 net loss of $12.3 million compared to the third quarter 2012 net loss of $7.1 million was due to bonus payments in December of $1.2 million, IPO preparation costs of $1.7 million and additional LTIP costs for new employees and costs for directors of $1.8 million.

Net loss from continuing oil and gas operations comprises pre-license costs and, in June 2012, the impairment of the Mateen well in the Sindi Amedi license area of $31.1 million. The impairment charge was subsequently reviewed and adjusted in September 2012 based on new information, resulting in a write-back of $2.1 million. The increase in pre-license costs from the fourth quarter 2011 onwards is due to the allocation of personnel costs to new ventures. Prior to the fourth quarter, personnel costs were allocated to general and administrative expenses, hence the decrease in corporate and other costs from that date. The corporate and other costs include an average charge for employee share awards of $1.4 million per quarter; except in the third quarter 2011, the third quarter 2012 and the fourth quarter 2012 for which the charges were $4.0 million, $5.3 million and $3.6 million, respectively. Excluding the share awards, the increase in net loss over the periods reflects the increases in permanent headcount and contractors from the second quarter 2011 to the fourth quarter 2012.

Third quarter 2011 capital expenditure relates to the acquisition of 65% of the Hawler block.

Fourth quarter 2011 capital expenditure includes the acquisition of 50% of the share capital of KPA Western Desert Energy Limited, which indirectly holds a 75% participating interest in contracts to explore and develop hydrocarbons in the Wasit province. Additionally, capital expenditure for the Mateen well in Sindi Amidi was $6.9 million in the first quarter of 2012.

Capital Expenditure

The following table summarizes the components of OPHP's capital expenditure per region for the periods indicated:

	Three months ended March 31, 2013	**Three months ended March 31, 2012**	**Year ended December 31, 2012**	**Year ended December 31, 2011**
	($ thousand)	($ thousand)	($ thousand)	($ thousand)
Middle East				
Exploration drilling	13,887	6,226	37,346	19,336
Seismic acquisition	1,521	-	2,900	17
Studies and capitalized G&A	3,257	3,491	11,355	4,230
License acquisition costs	13,030	-	40,000	340,765
Property, plant & equipment	-	-	-	71
Sub-Total Middle East	**31,695**	**9,717**	**91,601**	**364,419**
West Africa				
Exploration drilling	9,905	-	4,233	-
Seismic acquisition	274	-	18,273	-
Studies and capitalized G&A	12,325	1,901	16,844	774
License acquisition costs	-	-	5,175	6,000
Property, plant & equipment	-	-	98	-
Sub-Total West Africa	**22,504**	**1,901**	**44,623**	**6,774**
Corporate				
Computer Software	16	10	642	348
Property, plant & equipment	215	100	533	40
Sub-Total Corporate	**231**	**110**	**1,175**	**388**
Total Capital Expenditure	**54,430**	**11,728**	**137,399**	**371,581**

In the Middle East, for the three months ended March 31, 2013, exploration drilling relates to the Demir Dagh well in the Hawler license area for $13.8 million (December 2012: the Demir Dagh well in the Hawler license area for $29.0 million and the Mateen well in Sindi Amedi license area for $8.4 million –December 2011: the Mateen well in the Sindi Amedi license area for $19.3 million). Seismic acquisition expenditure, which primarily relates to the Wasit province, increased to $1.5 million during the three month period ended March 31, 2013 (December 2012: $2.9 million – December 2011: $17 thousand). Studies and capitalized general and administrative expenditure, which relates to work on captured projects, increased to $3.3 million for the three month period ended March 31, 2013 (December 2012: $11.4 million – December 2011: $4.2 million). The acquisition costs for the three month period ended March 31, 2013 relate to the increase in fair value for $13.0 million relating to the license acquired in the acquisition of the 65% of the Hawler Block, acquired as part of the business combination with Norbest Limited in 2011 (December 2012: Hawler extension for $40.0 million – December 2011 : Hawler license area for $271.0 million, the Sindi Amedi license area for $37.2 million and the Wasit license area for $32.6 million).

In West Africa, exploration drilling for the three months ended March 31, 2013 of $9.9 million relates to the OML-141 license area (December 2012: the Congo Haute Mer A license area for $4.2 million – December 2011: nil). Seismic acquisition expenditure relates to the AGC Shallow license area for $0.3 million for the three month period ended March 31, 2013 (December 2012: AGC Shallow license area for $17.8 million, Congo Haute Mer A license area for $0.5 million – December 2011: nil). Studies and capitalized general and administrative expenditure of $12.3 million for the three months ended March 31, 2013 (December 2012: $16.8 million – December 2011: $0.8 million) includes work on the OML-141 license area for $11.6 million (December 2012: $10.7 million – December 2011: $0.6 million). In addition, studies and capitalized general and administrative expenditure relate to the Congo Haute Mer A license area for $0.5 million (December 2012: $4.7 million – December 2011: nil) and on the AGC Shallow license area for $0.2 million (December 2012: $1.4 million – December 2011: $0.2 million). For the year ended December 31, 2012, license acquisition costs of $5.2 million relate to the Congo Haute Mer A license for $4.7 million and additional OML-141 license acquisition costs of $0.5 million. The acquisition costs for the year to December 31, 2011 relate to the OML-141 license area for $5.0 million and the AGC Shallow license area for $1.0 million. Capital expenditures on the OML-141 license area include $14.9 million (December 2012: $6.2 million – December 2011: nil) incurred by OPHP on behalf of other companies, which is part of the cost to OPHP to farm-in to the OML-141 license area.

Liquidity and Capital Resources

Cash Flow

The following table summarizes the components of OPHP's consolidated change in cash flow for the periods indicated:

	Three months ended March 31, 2013	**Three months ended March 31, 2012**	**Year ended December 31, 2012**	**Year ended December 31, 2011**
	($ thousand)	($ thousand)	($ thousand)	($ thousand)
Funds flow generated from / (used in) Operations[1]	31,102	(124)	(16,287)	(8,491)
(Increase) / decrease in non-cash Working Capital	(37,827)	(1,480)	(7,469)	(2,118)
Net Cash flow used in operating activities	(6,725)	(1,604)	(23,756)	(10,609)
Net Cash flow used in investing activities	(55,605)	(10,618)	(92,900)	(286,804)
Net Cash flow from financing activities	235,100	15,895	164,100	104,296
Net Increase (Decrease) in Cash and cash equivalents	**172,770**	**3,673**	**47,444**	**(193,117)**

Notes:

(1) Fund flow generated from / (used in) operations is a non-GAAP measure and is reconciled to the nearest GAAP measure in the above table.

The net change in cash for the period ended March 31, 2013 of 172.8 million is primarily due to $235.1 million from financing activities and includes funding received from AOG for $234.8 million and other investors for $0.3 million. $6.7 million was used in operating activities and includes an increase in working capital of $37.8 million for the period, mainly due to the change in fair value on Hawler contingent consideration for $39.3 million, partly offset by finance income and foreign exchange gains. The net investing activities for the period ended March 31, 2013 of $55.6 million comprises mostly of $31.8 million on the Hawler license area, $0.4 million on the AGC Shallow license area, $14.6 million on the OML-141 license area, $0.8 million on the Sindi Amedi license area, $6.2 million on the Congo Haute Mer A license area and $1.5 million on the Wasit license area.

The net change in cash for the year ended December 31, 2012 of $47.4 million is primarily due to $164.1 million from financing activities and includes funding received from AOG for $163.6 million and from other investors for $0.5 million. $23.8 million was used in operating activities and includes an increase in working capital of $7.5 million for the year. The net investing activities for the year ended December 31, 2012 of $92.9 million comprises mostly of $29.5 million on the Hawler license area, $19.1 million on the AGC Shallow license area, $16.2 million on the OML-141 license area, $11.0 million for the drilling and testing of the Mateen well, $8.3 million on the Congo Haute Mer A license area and $7.6 million on the Wasit license area.

The $286.8 million used in investing activities for the year ended December 31, 2011 includes $207.2 million to acquire the Hawler license area, $6.5 million to acquire the Wasit license area and $ 57.1 million to acquire the Sindi Amedi license area and drill the Mateen well.

Net cash flow from financing activities of $104.3 million in 2011 was used primarily to fund the acquisition of the Hawler, Sindi Amedi and Wasit license areas and the drilling of the Mateen well, along with funding ongoing operations.

OPHP meets its day to day working capital requirements through equity funding provided mainly by AOG. AOG has given a commitment to support OPHP with up to $700 million in initial cash funding, fully invested in shares by the end of the first quarter 2013 (December 2012: $465.2 million already invested in shares – December 2011: $91.2 million invested in shares and $210.4 million invested in loans). In addition, employees of OPHP, directors of AOG and persons connected to AOG have invested $23.8 million in shares and convertible loans (December 2012: $23.2 million – December 2011: $22.7 million).

OPHP's business requires significant capital expenditures for the foreseeable future with respect to the exploration, appraisal, development and maintenance of its oil and gas assets. There can be a long lead time between discovery and production of oil and gas, particularly for gas. During this long lead time, OPHP will continue to incur significant costs at a level which may be difficult to predict, but will not have any earnings from oil or gas production. OPHP intends to fund these planned capital expenditures from its cash reserves in the short term and, in the longer term, from new equity financing, including expected net proceeds from IPO share issuance of approximately $238 million and, if successful in its exploration efforts, from operating cash flow and new debt. The ability of OPHP to arrange such financing in the future will depend in part upon prevailing market conditions, as well as the business performance of OPHP.

Changes in Working Capital

The following table summarizes the components of OPHP's consolidated change in working capital for the periods indicated ($ thousand):

	2011			2012				2013
	Jun 30	**Sept 30**	**Dec 31**	**Mar 31**	**Jun 30**	**Sept 30**	**Dec 31**	**Mar 31**
Trade and other receivables	5,324	(4,548)	265	(983)	995	2,291	5,801	(37)
Inventories	-	-	73	577	1,694	2,545	712	432
Trade and other payable	(603)	2,007	(1,352)	260	(1,594)	(3,356)	(1,473)	(38,222)
Total Change in Non-Cash Working Capital	4,721	(2,541)	(1,014)	(146)	1,095	1,480	5,040	(37,827)
Change in Cash and Cash equivalents	202,436	(230,892)	10,774	3,673	10,809	96,769	(63,807)	172,770
Total Change in Net Working Capital	207,157	(233,433)	9,760	3,527	11,904	98,249	(58,767)	134,943
Short term debt	(210,000)	84,081	(51,280)	46,096	(29,209)	188,976	(100)	7,781
Long term debt	-	-	(16,599)	-	2,704	13,895	-	-
Equity attributable to owners of OPHP	2,952	(82,396)	1,237	(60,092)	34,229	(322,520)	8,515	198,357
Non-controlling interests	-	-	(25,500)	62	35	81	-	161

Capital Resources:

OPHP has a substantial capital expenditure program, budgeted to be $325 million in 2013. This capital expenditure program is expected to fund eight exploration wells and at least one appraisal well. In addition, the budgeted program will fund a 2-D seismic acquisition program covering over 1,000 square kilometers and general corporate expenditures.

The capital expenditure program will be financed from the existing cash balance of $245.5 million as of March 31, 2013, an uncommitted facility agreement with BNP Paribas for $15 million (undrawn as of March 31, 2013) and expected net proceeds from IPO share issuance of approximately $238 million.

Non-IFRS Measures

OPHP defines "Cash surplus / (Net debt)" as long-term debt and short-term borrowings less cash and cash equivalents. OPHP uses net debt as a key indicator of its leverage and to monitor the strength of its balance sheet. Net debt is directly tied to OPHP's operating cash flow and capital investment. Net debt is not recognized under International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. Readers are cautioned that these measures should not be construed as an alternative to net income or cash flow from operating activities determined in accordance with IFRS or as an indication of OPHP's performance. OPHP's method of calculating this measure may differ from other companies and accordingly, it may not be comparable to measures used by other companies.

The following table summarizes the components of OPHP's consolidated change in "Cash surplus / (Net debt)" for the periods indicated:

	As at March 31, 2013	**As at March 31, 2012**	**As at December 31, 2012**	**As at December 31, 2011**
	($ thousand)	($ thousand)	($ thousand)	($ thousand)
Borrowings				
Current	-	(167,448)	(7,781)	(213,544)
Non- current	-	(16,599)	-	(16,599)
Total Borrowings	**-**	**(184,047)**	**(7,781)**	**(230,143)**
Less: Cash and cash equivalents	245,495	28,954	72,725	25,281
Cash surplus / (Net debt)	**245,495**	**(155,093)**	**64,944**	**(204,862)**

Equity Security Repurchases

There were no repurchases of OPHP's equity securities during the three month period ended March 31, 2013.

Off Balance Sheet Arrangements

In order to hedge foreign currency transactions in the ordinary course of business, OPHP entered into a forward exchange contract to purchase CHF 875,000 per month over a period of eleven months, commencing February 2012. A new forward exchange contract was signed in December 2012 to purchase CHF 1,500,000 per month for the 12 months of 2013.

Contractual Obligations

The table below sets forth information relating to OPHP's contractual obligations and commitments as at March 31, 2013:

	Within One Year	**From 1 to 5 Years**	**More than 5 Years**	**Total**
	($ thousand)	($ thousand)	($ thousand)	($ thousand)
Operating leases[(1)]	24	-	-	24
Other long term obligations[(2)]	181,379	12,817	-	194,196
Total	**181,403**	**12,817**	**-**	**194,220**

Notes:
(1) Operating leases for building rent.
(2) Consists principally of obligations related to production sharing contract ("**PSC**") commitments and capital expenditure commitments.

OPHP has no lawsuits or claims pending.

Financial Instruments and Other Instruments

OPHP operates internationally and has foreign exchange risk arising from various currency exposures, notably the Swiss franc. In order to hedge against this exposure, OPHP entered into a forward exchange contract to sell U.S. dollars and buy Swiss francs. By entering into this contract, OPHP has the right and the obligation to sell U.S. dollars and buy Swiss francs at a predetermined time and at a predetermined U.S. dollar / Swiss franc exchange rate if either the spot exchange rate trades at or below the lower exercise price or at or above the upper exercise price. As such, the risk is that, depending on the exchange rate when the forward contract matures, OPHP may have an obligation to sell U.S. dollars and buy Swiss francs at an exchange rate that is less favorable than the prevailing spot exchange rate.

Transactions with Related Parties

For the period ended March 31, 2013, OPHP paid $0.5 million in charges to related parties (March 2012: $1.0 million - December 2012: $4.6 million – December 2011: $1.3 million – December 2010: $0.1 million). Those expenses mainly concerned management services paid to AOG Advisory Services SA for $0.3 million (March 2012: $0.3 million - December 2012: 1.4 million – December 2011: $0.4 million), management services paid to AOG Advisory Services Limited for $0.1 million (March 2012: $0.1 million - December 2012: $0.3 million – December 2011: $0.8 million – December 2010: $0.1 million), trademark license fees and parent company guarantee fees paid to AOG for $0.1 million (March 2012: 0.6 million - December 2012: $2.6 million – December 2011: nil).

In January 2013, AOG subscribed for shares to the value of $234.8 million, which brings total funding from AOG to $700 million.

Proposed Transactions

There are no planned transactions which would have a significant adverse effect on financial condition, financial performance and cash flows.

New Accounting Pronouncements

Changes to future accounting policies, standards and interpretations, as described in Note 2 of the consolidated financial statements for the three months ended March 31, 2013, have not materially changed since December 31, 2012, December 31, 2011 and December 31, 2010 with the exception of the revised IAS 19 - Employee Benefits. The revised consolidated financial statements include an additional charge of $0.4 million for the three months period ended March 31, 2013 (March 2012: $0.4 million). The effect on the opening balance of retained earnings as of January 1, 2011 would have resulted in a decrease of $0.1 million due to amendments to IAS 19 applied retrospectively.

Financial Controls and Risk Management

Disclosure Controls and Procedures

Disclosure Controls and Procedures ("**DC&P**") have been designed under the supervision of the Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**"), with the participation of other management, to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation, and include controls and procedures designed to ensure that information required to be disclosed is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

An evaluation of the design of the Company's DC&P was carried out during 2013 under the supervision of, and with the participation of management including its certifying officers. Based on that evaluation, the Company's certifying officers concluded that the design of the Company's DC&P was effective as at March 31, 2013.

Internal Control Over Financial Reporting

Internal Controls over Financial Reporting ("**ICFR**") have been designed under the supervision of the CEO and the CFO, with the participation of other management, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. ICFR can only provide reasonable assurance and may not prevent or detect misstatements. Projections of an evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

An evaluation of the design of the Company's ICFR was carried out during 2013 under the supervision of, and with the participation of management including its certifying officers. Based on that evaluation, the Company's certifying officers concluded that the design of the Company's ICFR was effective as at March 31, 2013.