

## **Kerogen Announces \$125 million Investment in NewAge (African Global Energy) Limited**

January 17, 2012 – Kerogen Energy Fund, L.P (“Kerogen”) has completed its second investment, with a commitment to subscribe US\$125 million in three tranches to NewAge (African Global Energy) Limited (“NewAge” or the “Company”). Following the investment, Kerogen will become the largest shareholder in NewAge and have a 50% co-investment right in partnership with the Company on its future business development projects in Sub-Saharan Africa and Iraq, including Kurdistan.

NewAge is a private, independent oil and gas exploration and development company, with a regional focus in Sub-Saharan Africa and Kurdistan. The Company was founded in 2007 by Steve Lowden, the former President of Marathon International and Head of Corporate Development. NewAge’s strategy is to build a high quality oil and gas portfolio by being an early entrant in emerging regions with potential for significant discoveries.

To date, the Company has successfully built a portfolio of 13 blocks in four countries with a net acreage of 88,000km<sup>2</sup>. It has independently certified<sup>1</sup> 2P reserves of 37.5mmbbls<sup>2</sup>, 17.1mmbbls of 2C (contingent resources) and 702.2mmbbls of (unrisked mean) prospective resources. The portfolio includes attractive assets with significant potential upside, in the Marine XII block in Congo-Brazzaville (net economic interest 18.75%, ENI as operator) and the Khalakan block in Kurdistan (40%, New Age operator) and acreage in Ethiopia and South Africa.

Proceeds from Kerogen’s investment will be used to fund an agreed work program and capital budget to March 31, 2013, including high impact appraisal wells in the Marine XII block to assess a potentially significant oil discovery. First gas and oil is expected from Marine XII in 2014. The work program also includes a drilling and appraisal program at the Khalakan block (with gross risked mean prospective resources of 178mmbbls and 0.7 tcf gas<sup>3,4</sup>). The \$125 million commitment will be staged in three payments over the course of 2012, of which the first \$50 million tranche has already been subscribed.

Kerogen will appoint two directors to the NewAge Board of Directors and will also have two representatives on a newly-formed Technical Operating Committee. In addition, through a Co-investment and Partnership Agreement, Kerogen will have 50% co-investment rights on its attractive pipeline of new business ventures undertaken by NewAge in sub-Saharan Africa and Iraq, including Kurdistan.

Kerogen Capital's Executive Chairman, Mr. Ivor Orchard, commented:

"NewAge represents a highly attractive platform for Kerogen to execute its sub-Saharan Africa strategy, given its operational and business development track record as well as its established regional relationships and business development pipeline. In addition, NewAge also provides an attractive entry point into Kurdistan, one of the most prolific hydrocarbon provinces in the world. We look forward to working with the NewAge team as a committed partner and to assisting the Company in developing its attractive portfolio of assets."

New Age's Chief Executive Officer, Mr. Steve Lowden, commented:

"We are very pleased to welcome Kerogen as a shareholder as we embark upon the next exciting chapter of the development of NewAge, which includes the appraisal and development of three discovered oil and gas fields and the drilling of five key exploration wells in 2012. Kerogen will also work closely with NewAge on a number of acquisitions and new license awards planned for the near future."

### **About Kerogen Capital**

Kerogen Capital (Asia) Limited ("Kerogen Capital") is an independent private equity fund adviser based in Hong Kong. It advises the Kerogen Energy Fund, L.P., which specializes in providing growth and development capital to small and medium-sized companies in the energy and energy-related sectors. Kerogen Capital is led by Ivor Orchard, former Head of the Energy & Natural Resources Group in Asia Pacific for JP Morgan, and Jason Cheng, also formerly of JP Morgan.

The Kerogen Energy Fund, L.P. leverages the proven technical, strategic and financial expertise of its executive team to assist companies in developing and expanding their assets, and maintains active strategic, financial and operating involvement in its portfolio companies.

On September 19, 2011, Kerogen Capital announced the Fund's first investment, committing approximately A\$125 million to a major recapitalization plan for AJ Lucas Group Limited ("AJ Lucas"). AJ Lucas is a leading drilling and unconventional drilling company focused on coal and coal seam gas in Australia. It holds a 42% interest in Cuadrilla Resources Holdings Limited ("Cuadrilla"), a first mover in the European shale gas market with an extensive portfolio of prospective acreage.

For more information visit [www.kerogencap.com](http://www.kerogencap.com) or email: [jason.cheng@kerogencap.com](mailto:jason.cheng@kerogencap.com)

### **Endnotes:**

1. McDaniel & Associates, 2011
2. mmboe is million barrels of oil equivalent
3. McDaniel & Associates, 2011
4. tcf is trillion cubic feet