

Partnerships With Tullow Oil And Heritage Oil Has Independent Oil And Gas Exploration Company Centric Energy Corporation Well Positioned For Growth As Their Properties In Mali And Kenya Are Explored



Energy
Oil & Gas Exploration
(CTE-TSX-V)



Alec Robinson
President & CEO, Director

BIO:

Alec Robinson has 40 years' experience in the international upstream oil and gas business, primarily with Amoco Corporation. He graduated from Imperial College, London, in 1974 with a Master's degree in Petroleum Geology, and joined Amoco in the United Kingdom. Subsequently he lived and worked in many locations around the world, holding positions including Amoco Corporation's Exploration Manager in Norway and Argentina, and Amoco company President

in the Sultanate of Oman and in Colombia. He joined Centric Energy as President and CEO in 2006 and is focusing on exploration and production opportunities in sub-Saharan Africa.

Company Profile:

Centric Energy Corporation is an independent oil and gas exploration company with headquarters in London and Vancouver. The company focuses on hydrocarbon exploration and production opportunities in sub-Saharan Africa. Centric holds 22 mm gross acres, 8.5 mm net, and has current licenses in Kenya and Mali. Centric looks for new-entry opportunities in areas where there is evidence of hydrocarbons, in countries that have favorable commercial terms and accept direct applications for exploration acreage. It gains leverage and reduces its financial exposure by working with strategic partners. The deeply experienced management team, led by President & CEO Alec Robinson, has extensive international experience of working with host governments and partners to achieve mutually beneficial project results.

Interview conducted by:
Lynn Fosse, Senior Editor

CEOCFO: Mr. Robinson, you have a long history in the industry, what attracted you to Centric Energy?

Mr. Robinson: I joined Amoco in the United Kingdom. Subsequently I lived and worked in many locations around the world, holding positions including Amoco Corporation's Exploration Manager in Norway and Argentina, and Amoco company President in the Sultanate of Oman and in Colombia. I left Amoco after the company merged with BP, and joined Centric Energy in 2006.

What attracted me was the challenge of building and growing an independent oil and gas exploration company. It dealt with aspects of the business that I had not previously worked in, namely the stock market and the financial side, which with a big company you never get to touch. It has been a real learning curve for me and has been a fascinating journey.

CEOCFO: What is the focus for Centric Energy?

Mr. Robinson: Centric Energy Corp. focuses on oil and gas exploration in sub-Saharan Africa. We started in West Africa with Mali where we secured acreage and farmed out to Heritage Oil. Presently, we have picked up acreage in Kenya, Block 10BA, where we are now finalizing a partnership with Tullow Oil. As a small company we cannot be too geographically diverse and therefore we are focusing our attention on east Africa for the moment. We are looking at new-entry exploration opportunities. Occasionally we consider producing assets and marginal fields but our main focus is on high-impact exploration opportunities.

CEOCFO: Would you tell us about the projects that you have at the moment?

Mr. Robinson: Our east African project in Kenya is very exciting because of the new farm-in deal that we have just finalizing with Tullow Oil. Our acreage there, Block 10BA, is a rift valley play covering 4 mm acres (16,105 sq km) in the east African Tertiary rift system, including most of Lake Turkana. The east African rift splits into two around Lake Victoria. On the west side, you have Uganda where our partners Tullow Oil and Heritage Oil have discovered large quantities of hydrocarbons. On the east side the rift basin includes Lake Turkana, which has seen

little exploration activity. We signed the contract for Block 10BA in January 2010, and have been studying the historical seismic data in detail on our seismic workstation. Initial work shows a thick sedimentary section that is quite under-explored, especially in the northern part of the lake. We are also encouraged by evidence of oil seeps in fieldwork done by Robertson Research, a UK company in 1984.

CEOFCO: What is it like working in Kenya?

Mr. Robinson: Kenya is the powerhouse of East Africa. It is a dynamic country and the people are excellent to work with. Our challenge is the remote location of Lake Turkana and the immediate need to shoot seismic on the lake will be logistically expensive. We have an office in Nairobi now and we have very competent Manager there who is plugged into the Ministry and has good experience in the oil industry.

CEOFCO: Would you tell us about your new agreement with Tullow Oil?

Mr. Robinson: This will be Tullow Oil's first entry into Kenya, and they bring their experience in a similar geological setting in Uganda, which has been very successful for them. The agreement that we have reached is for Tullow to take over operatorship and have a 50% interest. We are comfortable with that because they will help us overcome the logistical difficulties of working in the Lake Turkana area. It really requires a company the size of Tullow Oil to take charge of that. Tullow has an excellent reputation and they know the geology in Uganda where they have been particularly successful. They also have a good environmental track record and excellent in-house technological standards, which will work to our favor. In terms of the financial aspect of the deal, as explained in our news release on August 4, 2010, they will have a 50% interest, and in return, will pay 80% of costs up to a cap of \$30 million. In addition,

they will pay their 50% share of the cost of acquiring the acreage. In short, it is, a fair arrangement and I believe it is a mutually beneficial deal for both companies.

CEOFCO: What is the financial picture like at Centric Energy today?

Mr. Robinson: Today it is changing rapidly. Our market cap today is \$23 million, our share price is at .31 cents, and cash in the bank is about C\$1 million. Our costs are low. However, we will be financing later this autumn. I have met with financial institutions in London discussing our next financing and they feel confident

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that we will be able to raise finance when we are ready to start that process. So financially, we are feeling very comfortable.

CEOFCO: Is the investment community interested in your geographic area?

Mr. Robinson: East Africa is very hot at the moment. If you go back just a few years in Kenya, you will see a dramatic increase in the amount of acreage under license. In addition other companies have applications pending in Kenya for more acreage. The Uganda success has accelerated the interest of oil companies in east Africa and, following close behind, the east African financial community.

CEOFCO: What is happening on the ground today, and what do you anticipate happening in the next year or so?

Mr. Robinson: In Kenya we have just completed the first 3 months and have been focusing on gathering and studying all the historical data. Some of it is proving difficult to find. We have not yet begun on-the-ground work. Within the partnership we expect to begin fieldwork this year and later on carry out airborne remote sensing surveys on the property. We believe that seismic will probably not be until the second half of next year. There are some logistical issues as I mentioned because of the remoteness of the area and the need to work on Lake Turkana. Before the work starts there is a lot of preparatory work to do locally such as environmental impact assessments and community relations programs. In Mali Blocks 7 & 11, where we are carried by Heritage, we are expecting to start seismic this year.

CEOFCO: Make the case for potential investors; there are many companies to choose from in your industry, why consider Centric Energy?

Mr. Robinson: What Centric Energy has is the ability to capture acreage and make deals that add real value for shareholders. We have demonstrated this in Mali with our farm-out to Heritage Oil and now also in Kenya with Tul-

low. We have an experienced management team behind us. There are many junior companies working around Africa which have little oil industry experience. Our team has solid experience in the oil business and knows Africa. Our last two deals have been tremendous. That speaks for itself.

CEOFCO: Final thoughts, what should people reading about Centric Energy remember most?

Mr. Robinson: Centric Energy is small and dynamic company that can move fast and can make excellent deals in Africa, as our track record shows.