

## Press Release

10 December 2014

### KUFPEC Enters into 3 New Production Sharing Contracts for Exploration in China

Kuwait Foreign Petroleum Exploration Company k.s.c. (“KUFPEC”) announced today that its subsidiary KUFPEC (China) Inc. (“KUFPEC China”) has signed three Production Sharing Contracts (PSCs) covering three new exploration blocks located in the South China Sea adjacent to the Yacheng pipeline. In the event of a commercial discovery in any of the new exploration blocks, KUFPEC China will have a 30% working interest in the development of such a discovery. The remaining working interest will be held by the operator, a subsidiary of China National Offshore Oil Corporation (“CNOOC”).

These new exploration activities in the People’s Republic of China are further steps taken by KUFPEC as part of its strategy to expand its oil and gas exploration and production operations worldwide.

KUFPEC Chief Executive Officer Shaikh Nawaf S. Al-Sabah stated: “Our new exploration licenses allow us continue to work with CNOOC to take full advantage of our excellent working relationship in the Yacheng Field in the South China Sea, where KUFPEC China holds a 30% working interest.”

Production from the Yacheng offshore gas field has been supplying natural gas for power generation to Hong Kong via a 780 km pipeline since 1996. Additional natural gas, condensate and LPG are sold to customers on Hainan Island.

KUFPEC is an international oil company engaged in the exploration, development and production of crude oil and natural gas outside the state of Kuwait. KUFPEC is currently active in 15 countries with 63 projects in Asia, Africa, Middle East, Europe, North America and Australia. KUFPEC is working towards achieving its strategic plans aiming to increase its production to 200,000 BOEPD with reserves of 650 MMBOE by year 2020 and maintaining it until year 2030.

-End-