



**TransGlobe Energy**  
CORPORATION

***Conference Call  
Q1 2011 Results***

*May 9, 2011*

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*All dollar values are expressed in U.S. dollars unless otherwise stated.*

# Q1 2011 Financial Highlights

- Record funds flow from operations of \$24.3 MM (\$0.33/share), 29% increase over Q1 2010
- Net income of \$2.9 MM (\$0.04/share), after an \$11.7 MM impairment of exploration and evaluation assets of the Nuqra Block. Prior to this non-cash charge, earnings would have been \$14.5 MM (\$0.20/share)
- Strong balance sheet with \$135 MM of working capital
  - Closed Cdn\$75.0 MM financing in February
  - Collected \$59.0 MM receivables subsequent to March 31, 2011, primarily in Egypt

# Q1 2011 Balance Sheet

\$MM	
Long-term debt	(60)
Working capital (cash \$86 MM)	135
Positive working capital (net of long-term debt)	75

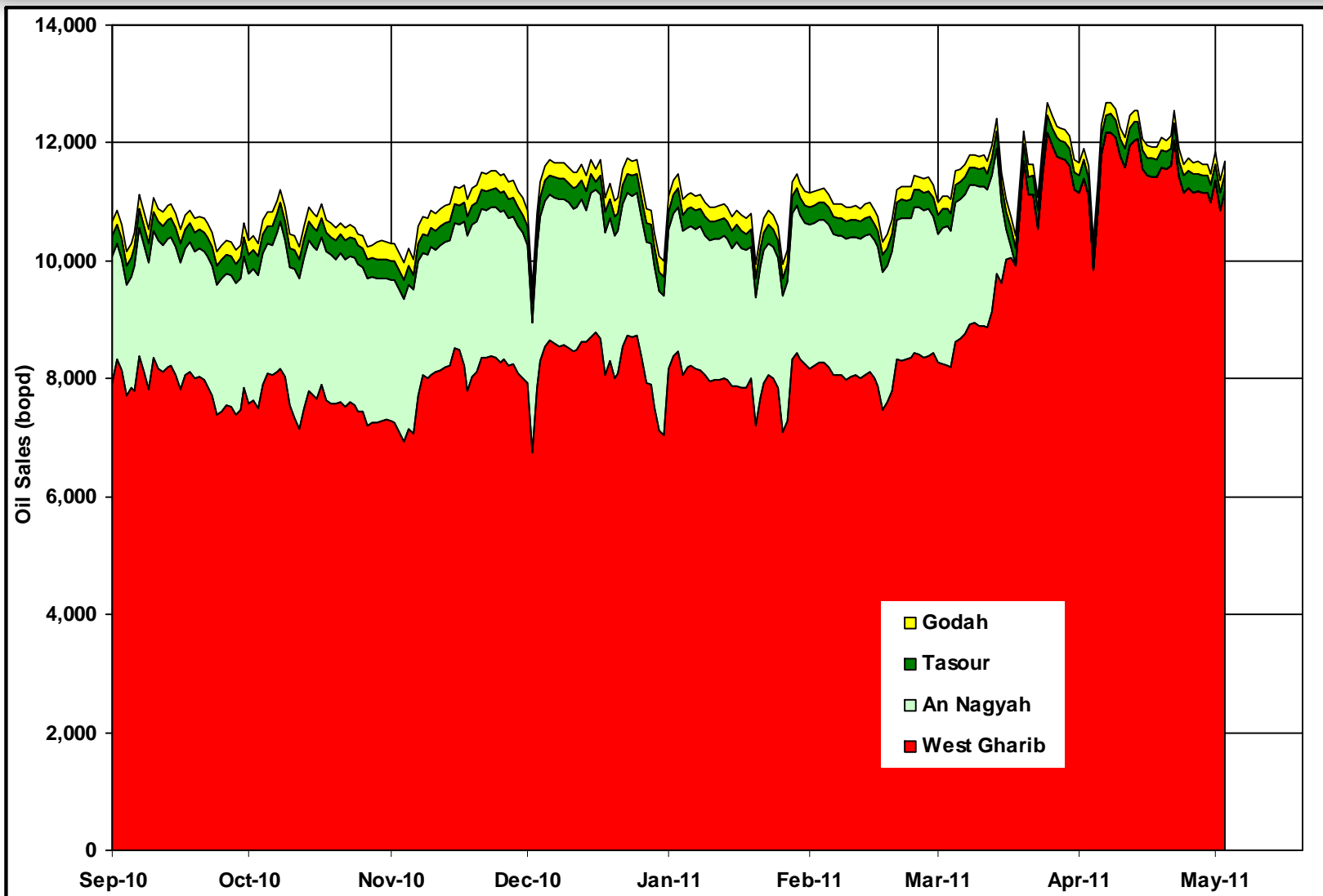
*Subsequent to March 31, TransGlobe collected \$59 MM of receivable balances at March 31 increasing cash position in excess of \$140 MM*

# Q1 2011 Operating Highlights

- Q1 2011 Production: 11,218 Bopd
  - ↑ 13% from 2010\*
  - Egypt: 8,738 Bopd; ↑ 20% from 2010\*
  - Yemen: 2,480 Bopd; ↓ 8% from 2010\*
- April 2011 Production: 11,970 Bopd
  - Egypt: 11,468 Bopd; ↑ 58% from 2010\*
  - Yemen: 502 Bopd; S-1 shut-in, ↓ 80%\*

\* Comparisons to 2010 annual average production.

# Recent Daily Production



May Recent  
11,700 Bopd

# Revised 2011 Production Guidance

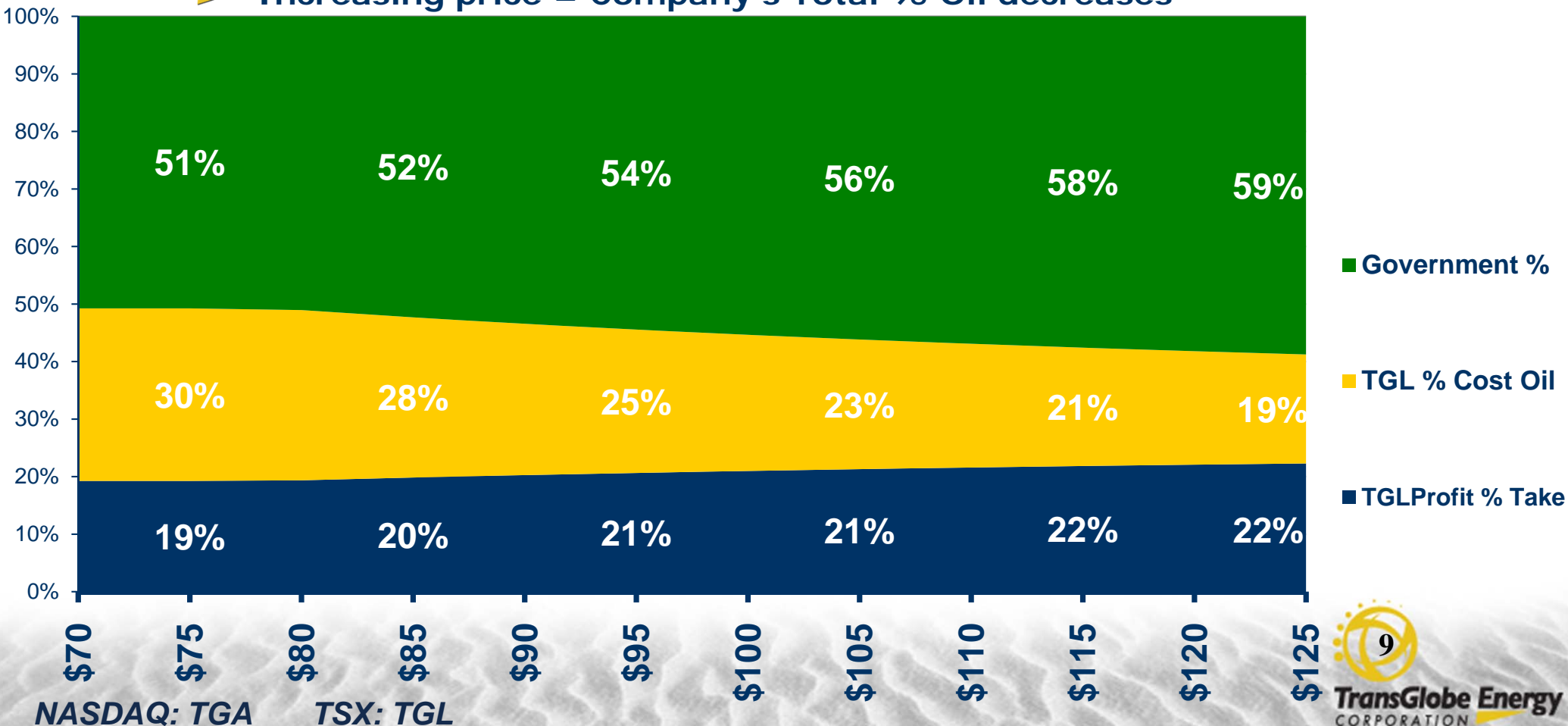
- Revised Production Guidance for 2011
  - 13,000 – 13,500 Bopd, ↑ 33% over 2010
  - 13,250 Bopd mid-point (same as orig. 2011 Guidance)
  - 11,620 Bopd Egypt, ↑ 60% over 2010
    - ↑1,300 Bopd from orig. 2011 Guidance
  - 1,630 Bopd Yemen, ↓ 40% from 2010
    - ↓1,300 Bopd from orig. 2011 Guidance
    - S-1 shut-in up to 6 months (Sept/11)
  - East Ghazalat and West Bakr not included

# *Revised 2011* Funds Flow Guidance

- Revised Funds Flow for 2011
  - Q-1 actuals + forecast
  - Production 13,250 Bopd
  - Brent pricing for final 3Q's of 11
- Revised Funds flow (Brent Pricing)
  - \$99 MM at \$75/Bbl (\$1.34/share)
  - \$118 MM at \$85/Bbl (\$1.61/share)
  - \$139 MM at \$115/Bbl (\$1.88/share)

# West Gharib PSC, example

- Sensitivity to Oil Price (W. Gharib pricing) at 10,000 Bopd, \$60 MM/year constant investment
  - Increasing prices recover Cost Pools rapidly,
  - Increasing price = Profit Oil % increases
  - Increasing price = Company's Total % Oil decreases



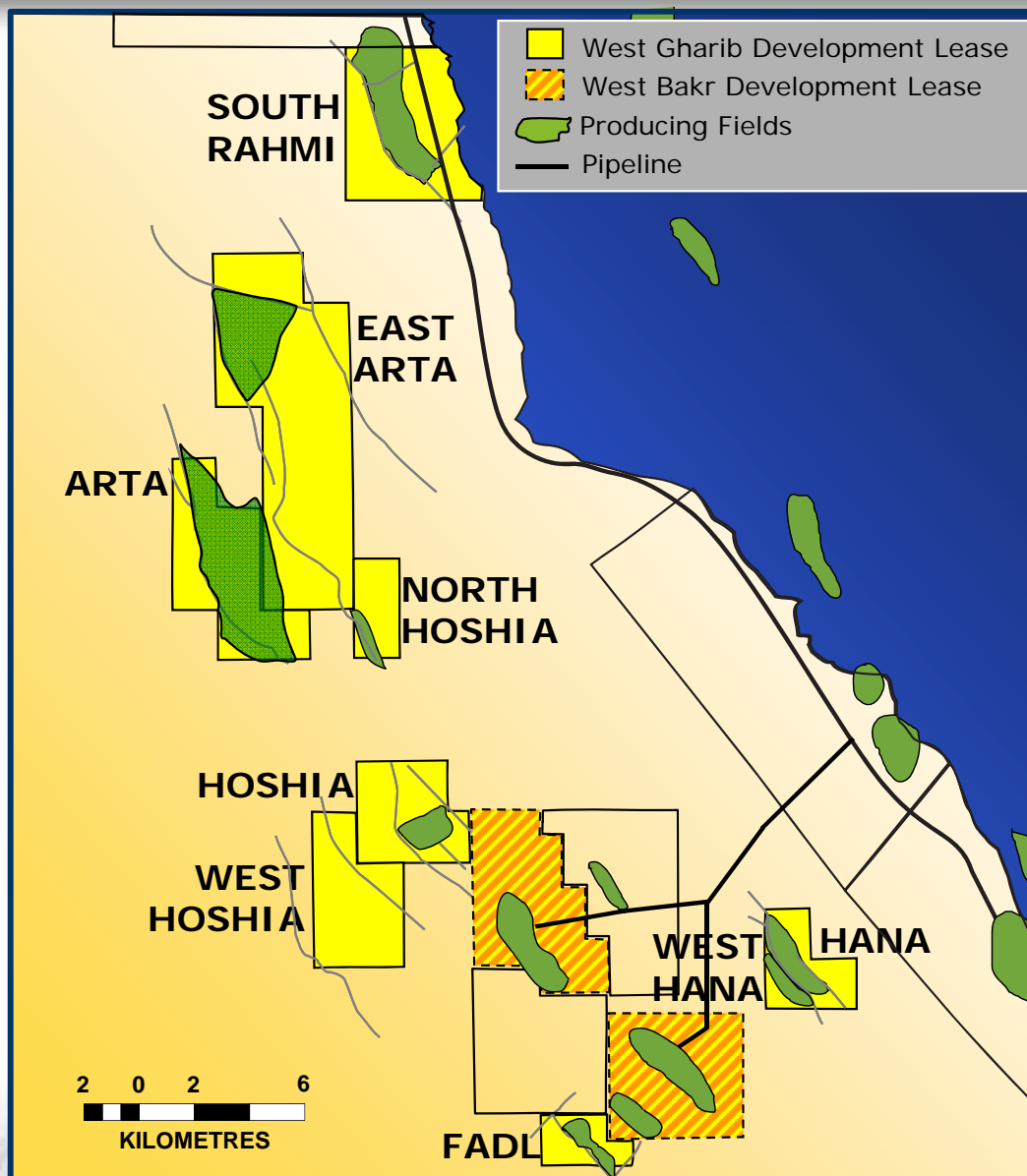
# Mid-East Focus - 2011 Plan

**Capital Budget: \$90.0 MM**

- Development / Exploration on Blocks S-1/75/72
- 8% of budget
- Up to 3 wells

- Up to 49 wells
- 90% of total budget
- Development / Exploration / EOR

# Egypt: West Gharib

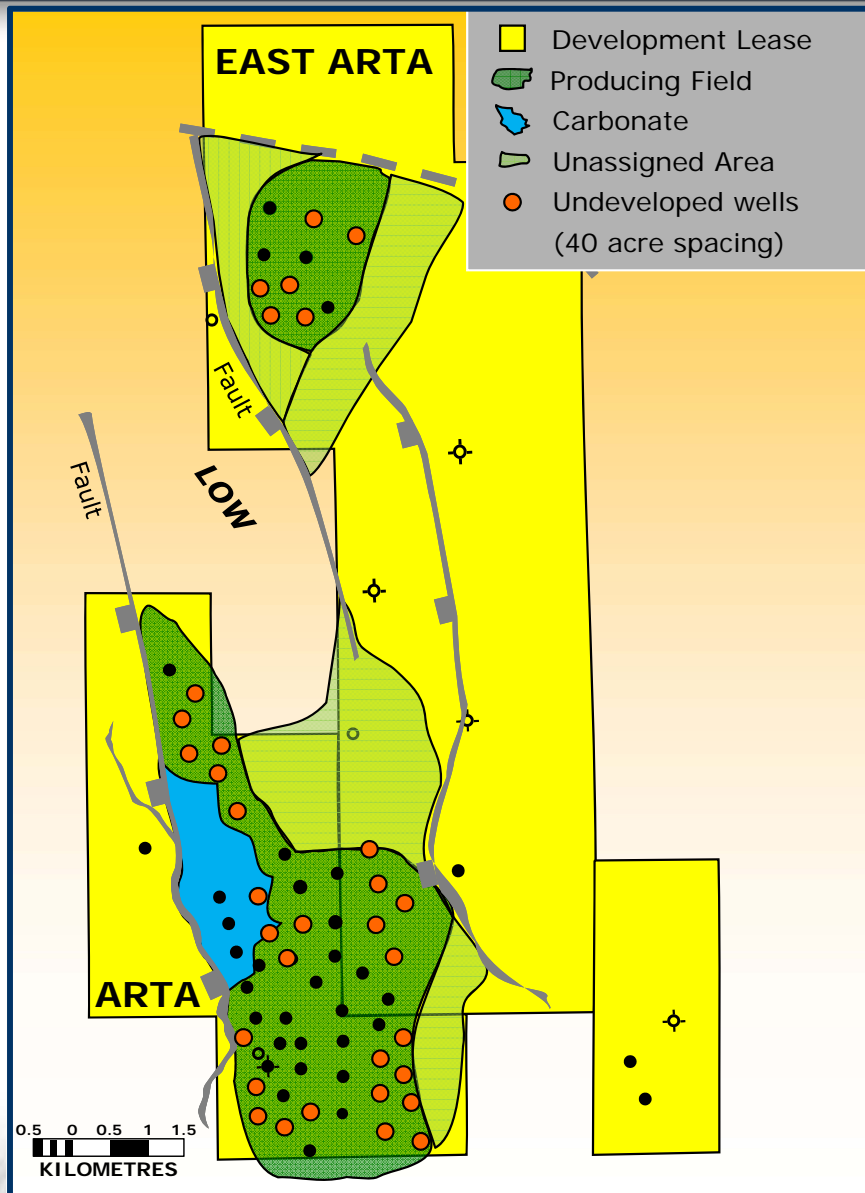


- 8 Development leases
- 100% Working Interest
- 7 producing fields
- 16-31° API oil
- 3 rigs drilling
- Development & exploration potential
- 41 wells planned for 2011 (35 D / 6 E)
- West Gharib + West Bakr is now the largest project in the Company

# Egypt: West Gharib

- Q1 2011: drilled 8 oil wells in Arta / East Arta
  - 3 Upper Nukhul wells
  - 5 Lower Nukhul (Upper & Lower) wells
- 2011 year-to-date: drilled 12 oil wells in Arta / East Arta
  - 6 Upper Nukhul wells
  - 6 Lower Nukhul (Upper & Lower) wells
- Up to 41 wells planned for 2011, primarily in Nukhul formation

# West Gharib: Artta / East Artta



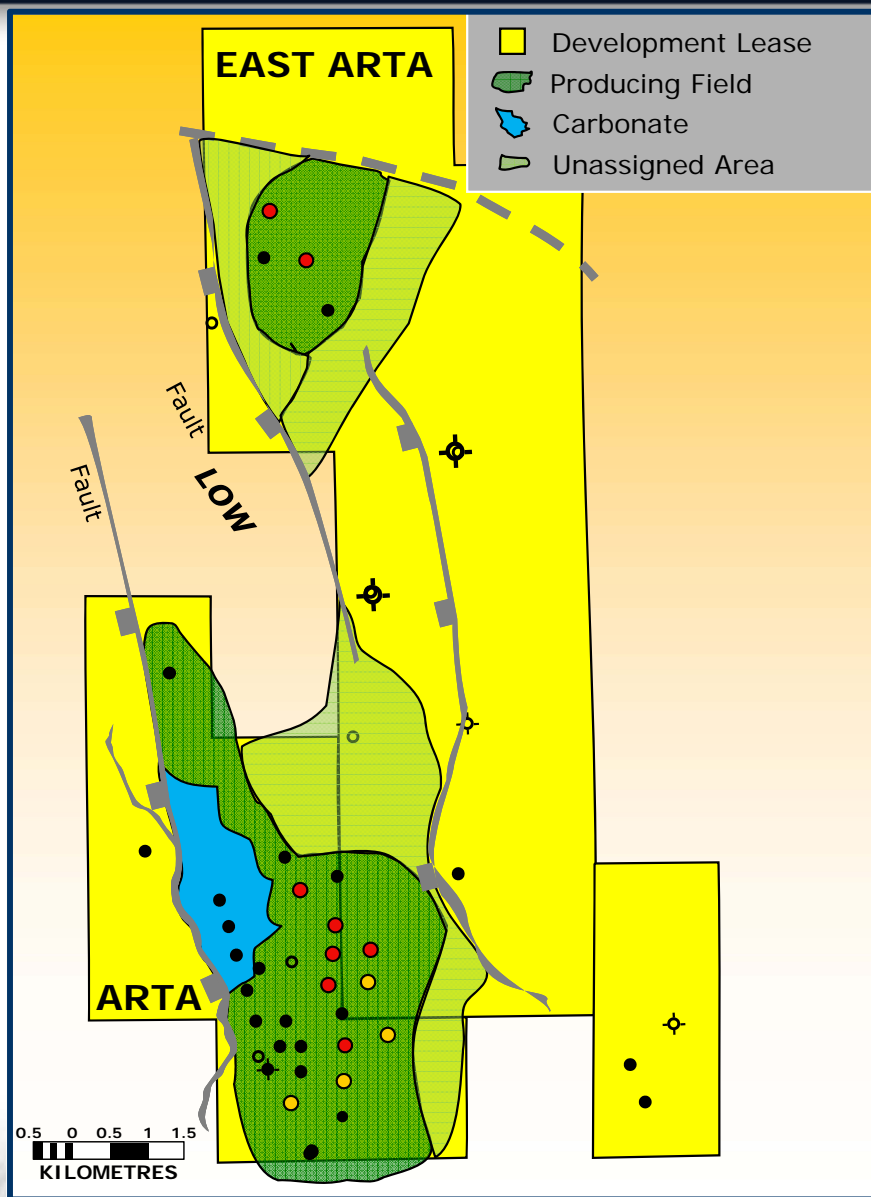
## Upper Nukhul:

- 43 undeveloped locations (40 acre spacing)
- 18 producing wells
- Total 61 Upper Nukhul

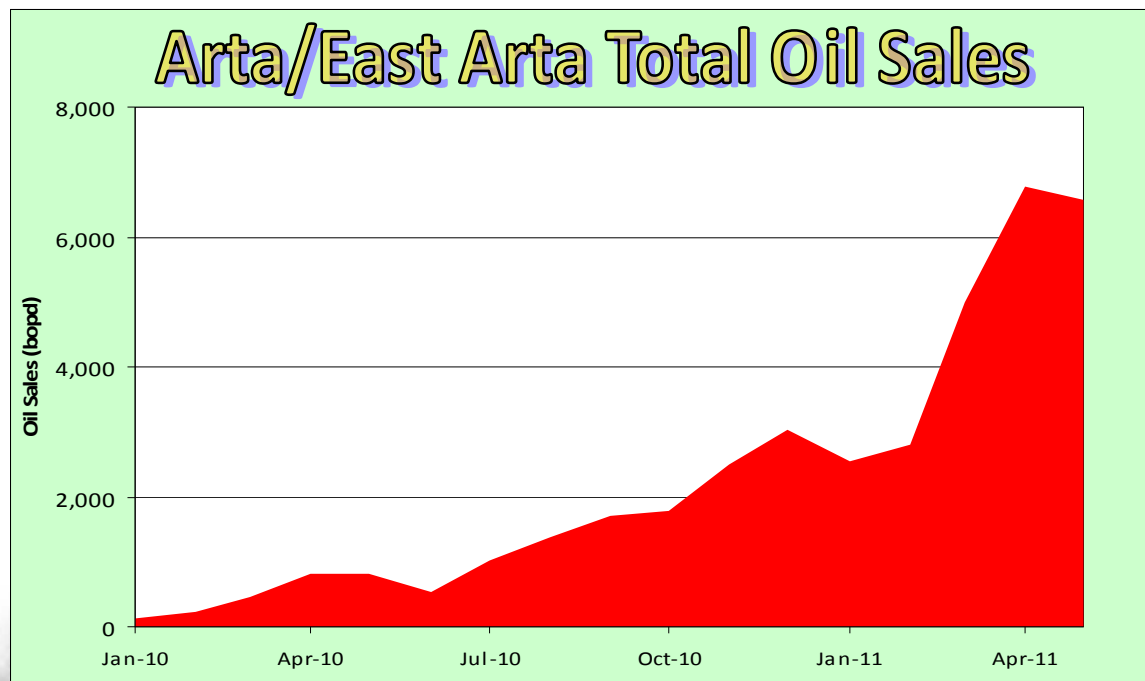
## Lower Nukhul:

- 6 undeveloped locations (40 acre spacing)
- 7 producing wells
- Total 13 Lower Nukhul

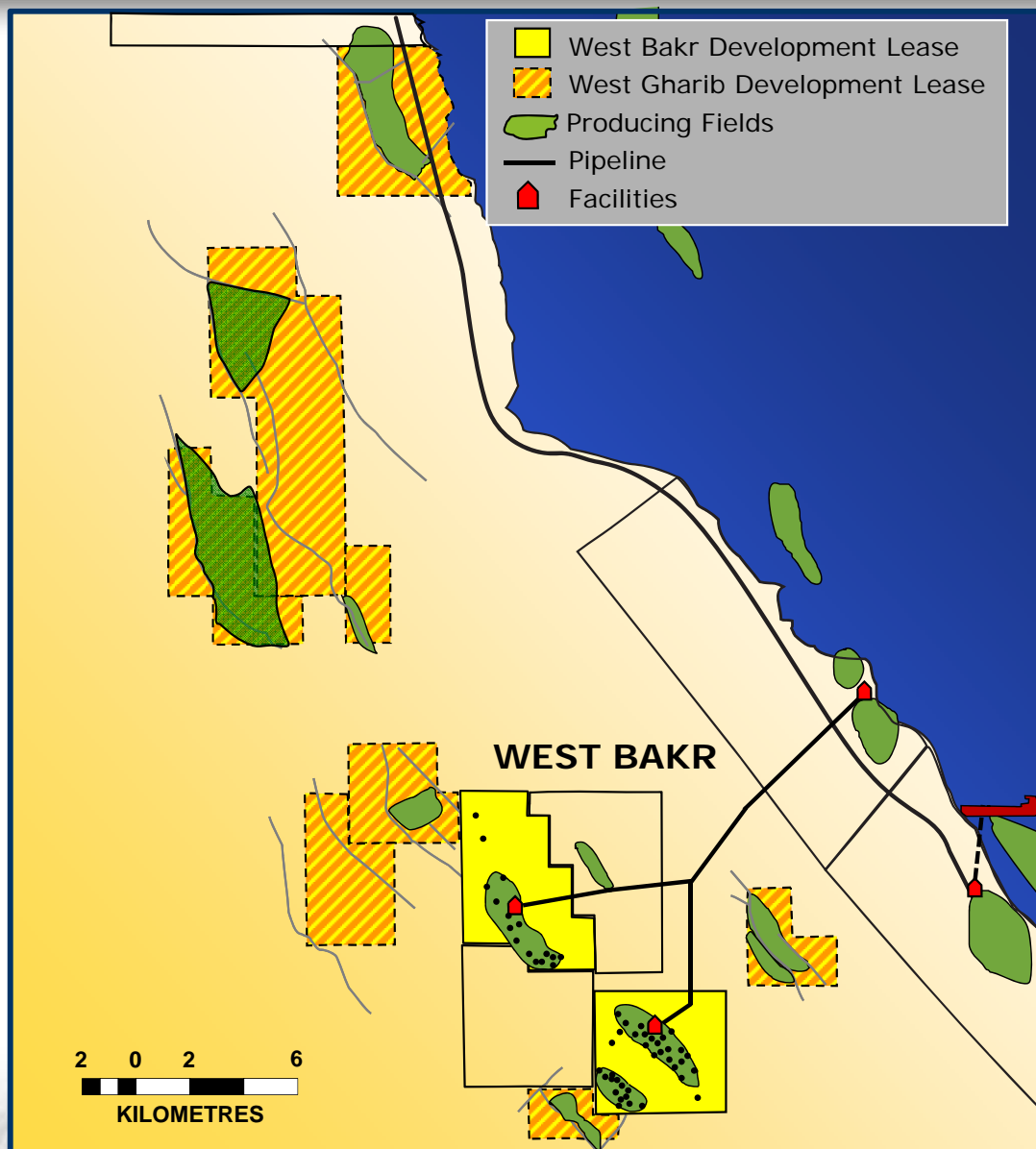
# Upper and Lower Nukhul Development



- Q1 New Drills ● 8 wells
- 5 Upper/Lower Nukhul
- 3 Upper Nukhul
- Q2 New Drills ● 4 wells
- 1 Upper/Lower Nukhul
- 3 Upper Nukhul



# Egypt: West Bakr

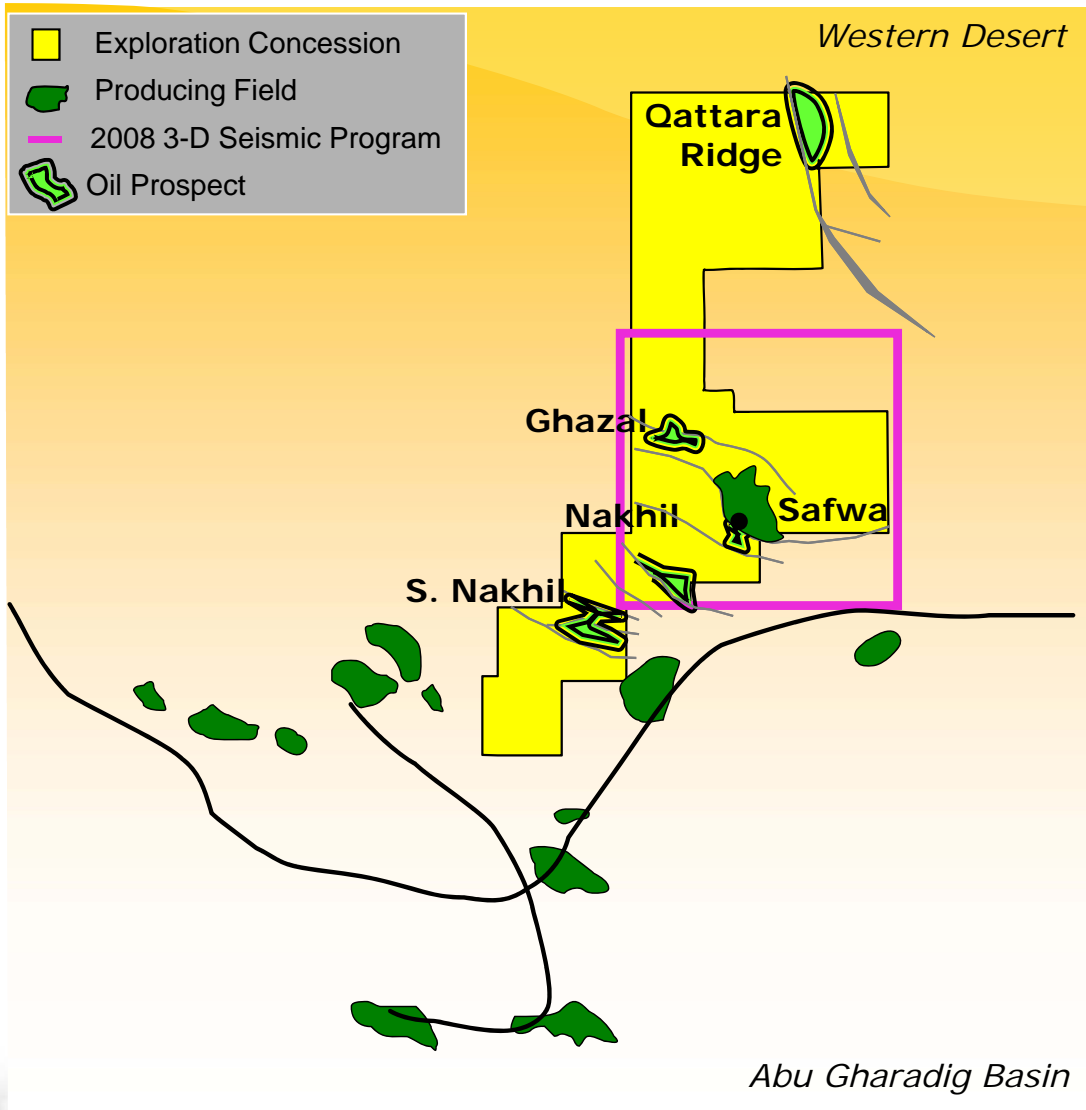


- 2 Development leases
- 100% Working Interest
- 45.2 km<sup>2</sup> (11,600 acres)
- 3 producing fields, approximately 300 MMBbl PIIP
- Only 16% recovered to-date
- Approximately 4,000 Bopd
- 17-20° API oil
- Numerous optimization / development projects identified
- Processing facilities and pipeline will allow continued expansion

# Egypt: West Bakr Transaction

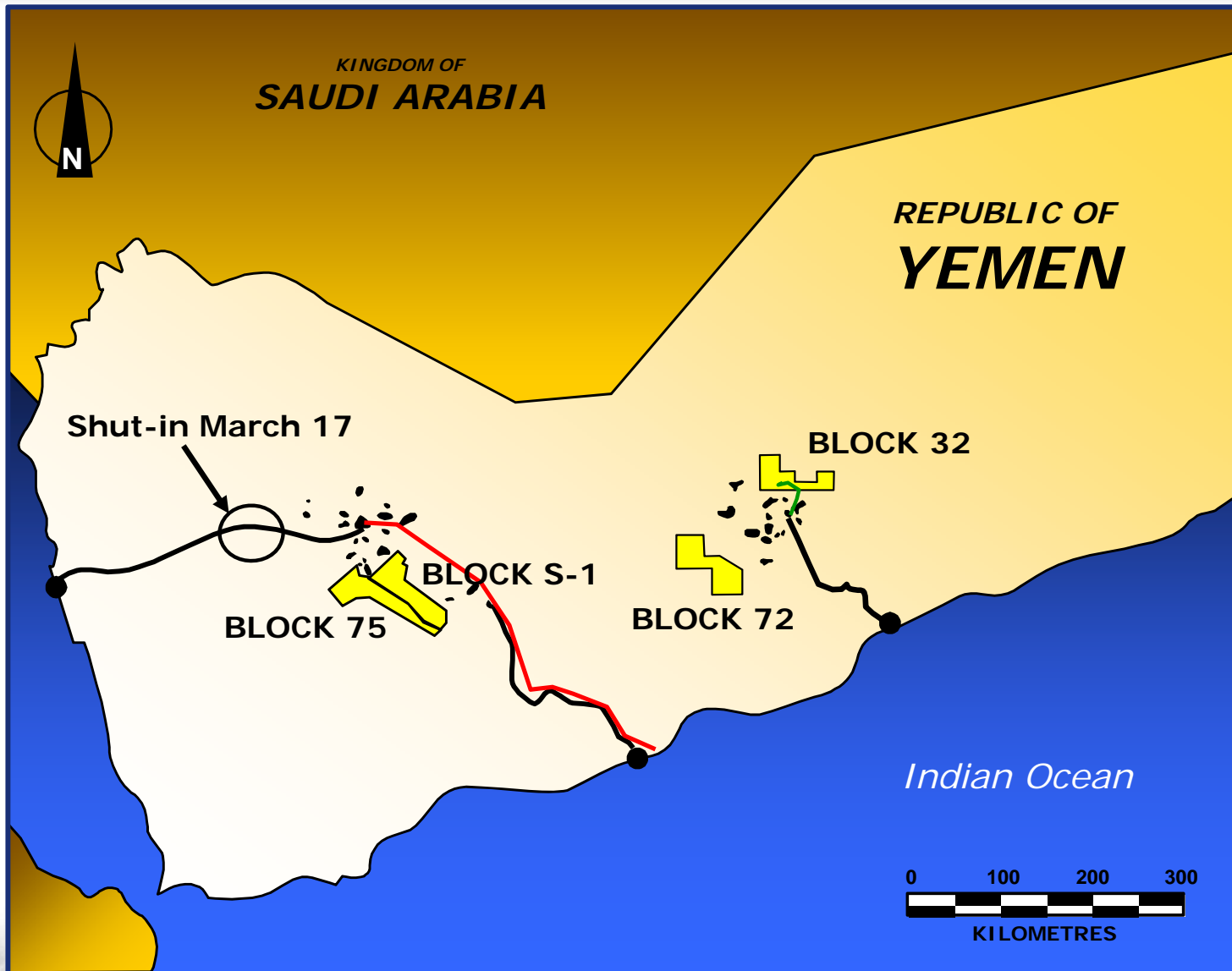
- **Announced Sale and Purchase Agreement on March 28, 2011**
- **Purchase price \$60 MM cash plus or minus closing adjustments**
- **Effective date July 1, 2010**
  - **Production approx. 4,000 Bopd gross**
  - **Reserves (July 1, 2010) – 7.4 MMBbl (1P); 8.8 MMBbl (2P)**
- **Fiscal terms**
  - **Cost recovery: 30%**
  - **Excess cost recovery: 100% Government**
  - **Cap Ex: 20%/year**
  - **Op Ex: 100%**
  - **Production Sharing: 15% TransGlobe / 85% Government**
  - **Oil price: Brent less 25%**
- **Closing date TBD**
  - **Subject to due diligence and Egyptian Government approval**
  - **Earliest ~ May/June 2011**
  - **Latest ~ ?**

# Egypt: East Ghazalat Block



- Operated by Vegas Oil and Gas SA
- 50% Working Interest
- 645 km<sup>2</sup>, 159,300 acres
- Western Desert
- Close to facilities
- Filed declaration of Commercial Discovery for Safwa
- Development Plan submitted
- First oil in Q-4

# Republic of Yemen



## Four Blocks

13.8% - 25% W.I.

## Production Sharing Agreements

1.14 million acres

## Two Producing Blocks (32 & S-1)

2,480 Bopd in Q1 2011

502 Bopd in April 2011

\$9.99/Bbl Op costs in Q1 2011

## Two Exploration Blocks (72 & 75)

# Contact Information



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