



**TransGlobe Energy**  
CORPORATION

***Conference Call  
Q2 2011 Results***

*August 8, 2011*

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



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# Q2 2011 Financial Highlights

- **Record funds flow from operations of \$29.3 MM (\$0.39/share), 77% increase over Q2 2010 and 21% increase over Q1 2011**
- **Net income of \$21.9 MM (\$0.29/share), 125% increase over Q2 2010 and 657% increase over Q1 2011**
- **Strong balance sheet with \$147 MM of working capital**

# Q2 2011 Balance Sheet

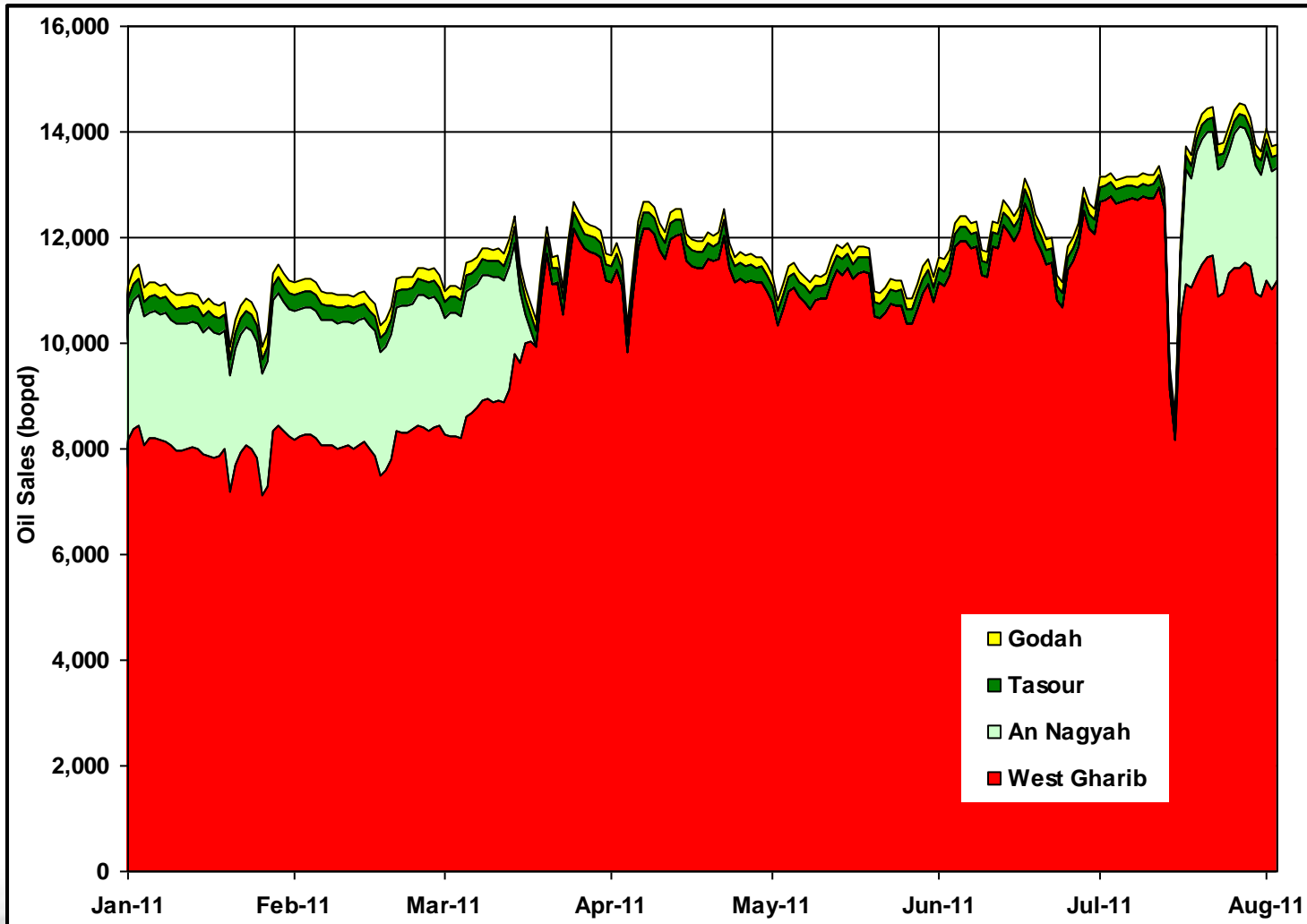
**\$MM**

Long-term debt	(60)
Working capital (cash \$123 MM)	147
Positive working capital (net of long-term debt)	87

# Q2 2011 Operating Highlights

- **Q2 2011 Production: 11,826 Bopd**
  - Egypt: 11,356 Bopd; ↑ 30% from Q1
  - Yemen: 470 Bopd; ↓ 81% from Q1
    - 2,300 Bopd Shut in at S-1 for Q2
- **July 2011 Production: 13,313 Bopd**
  - Egypt: 11,685 Bopd;
  - Yemen: 1,628 Bopd; S-1 back on July 16
- **Producing 14,080 Bopd since July 17**
  - S-1 back on production +2,200 Bopd
  - W Gharib curtailed ~ 700 Bopd

# Recent Daily Production



Producing  
14,000 Bopd  
since July 17<sup>th</sup>

# 2011 Production Guidance

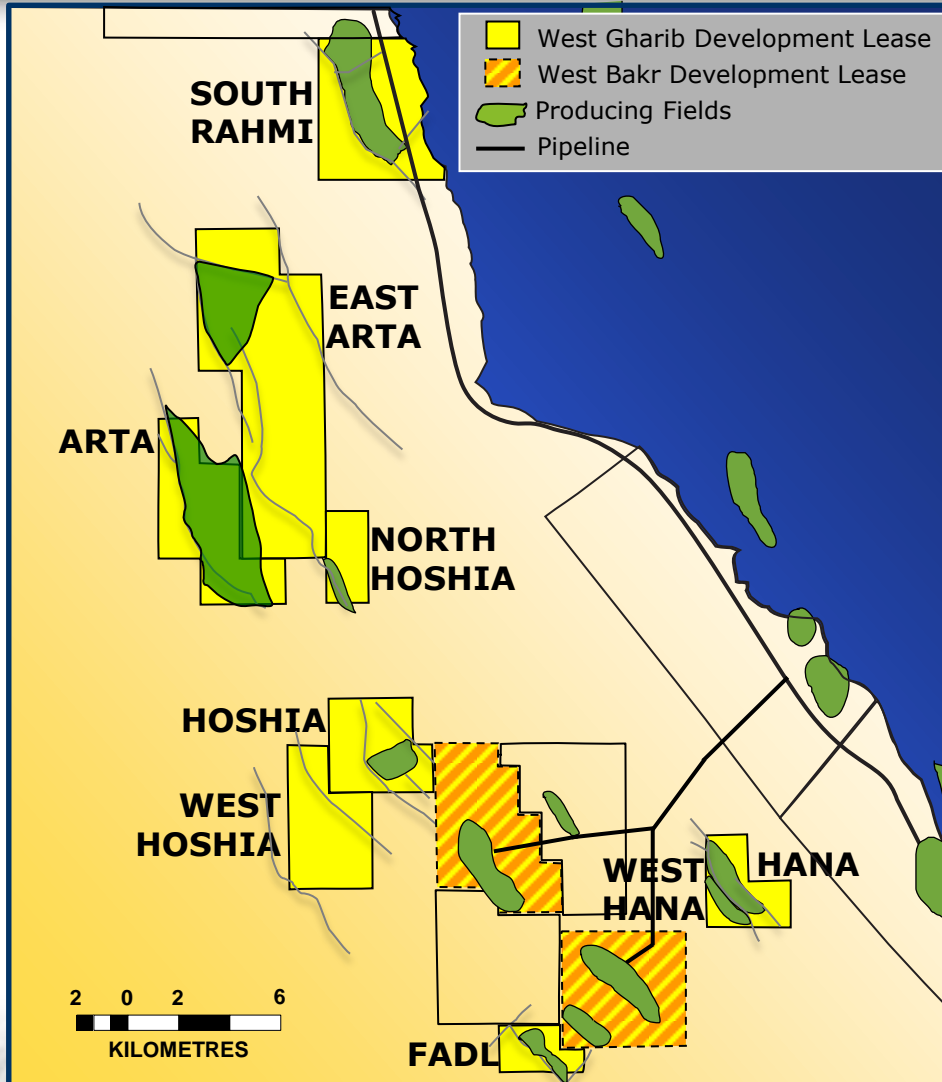
- **Production Guidance for 2011 Unchanged**
  - **13,000 – 13,500 Bopd**
    - Up 33% over 2010
  - **Egypt 11,000+ Bopd for 2011**
    - W Gharib curtailed at ~12,000 Bopd in Q4
    - E Ghazalat on at 900 Bopd in Dec
    - W Bakr ~ 4,000 Bopd not included
  - **Yemen 2,000 Bopd for 2011**
    - Block 32 and S-1 on stream for balance of the year

# Updated 2011 Funds Flow Guidance

- **Updated Funds Flow for 2011**
  - **Q-2 actuals + forecast**
  - **Production 13,000+ Bopd**
  - **Brent pricing for final 2Q's of 11**
  
- **Updated Funds flow (Brent Pricing)**
  - **\$105 MM at \$75/Bbl (\$1.39/share)**
  - **\$119 MM at \$95/Bbl (\$1.57/share)**
  - **\$134 MM at \$115/Bbl (\$1.77/share)**

\* Excluding W. Bakr acquisition

# Egypt: West Gharib

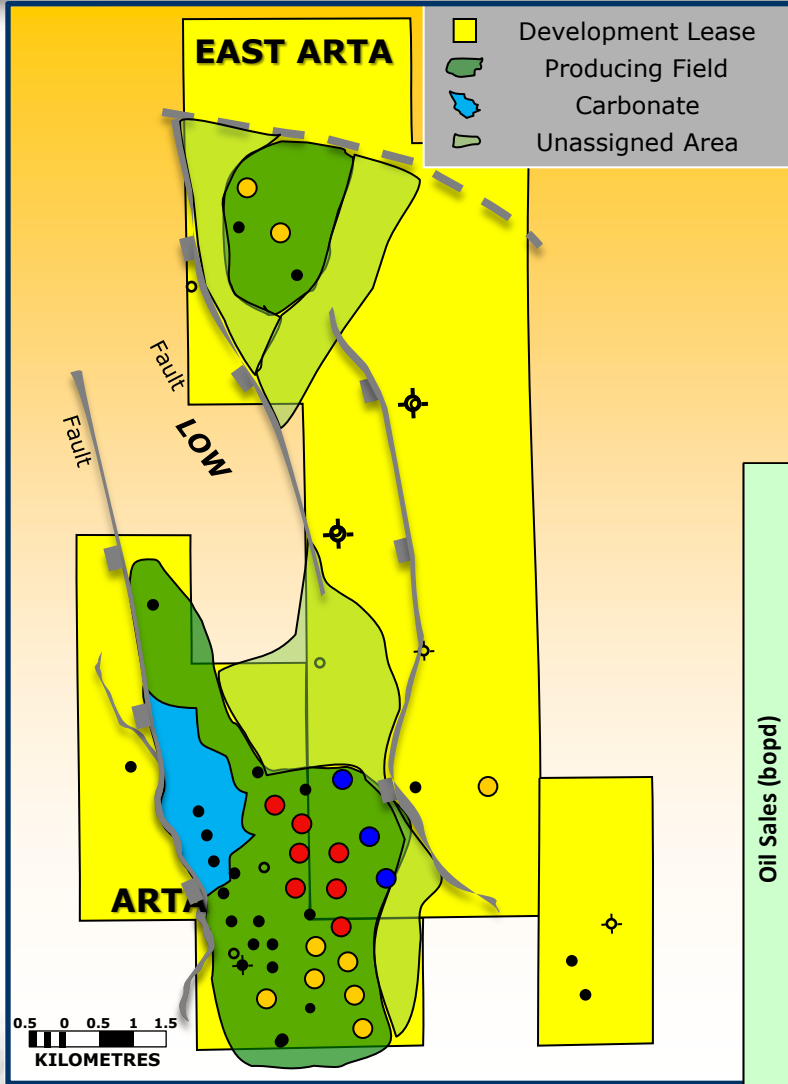


- **8 Development leases**
- **100% Working Interest**
- **7 producing fields**
- **16-31° API oil**
- **3 rigs drilling**
- **Development & exploration potential**
- **41 wells planned for 2011 (35 D / 6 E)**
- **West Gharib + West Bakr is now the largest project in the Company**

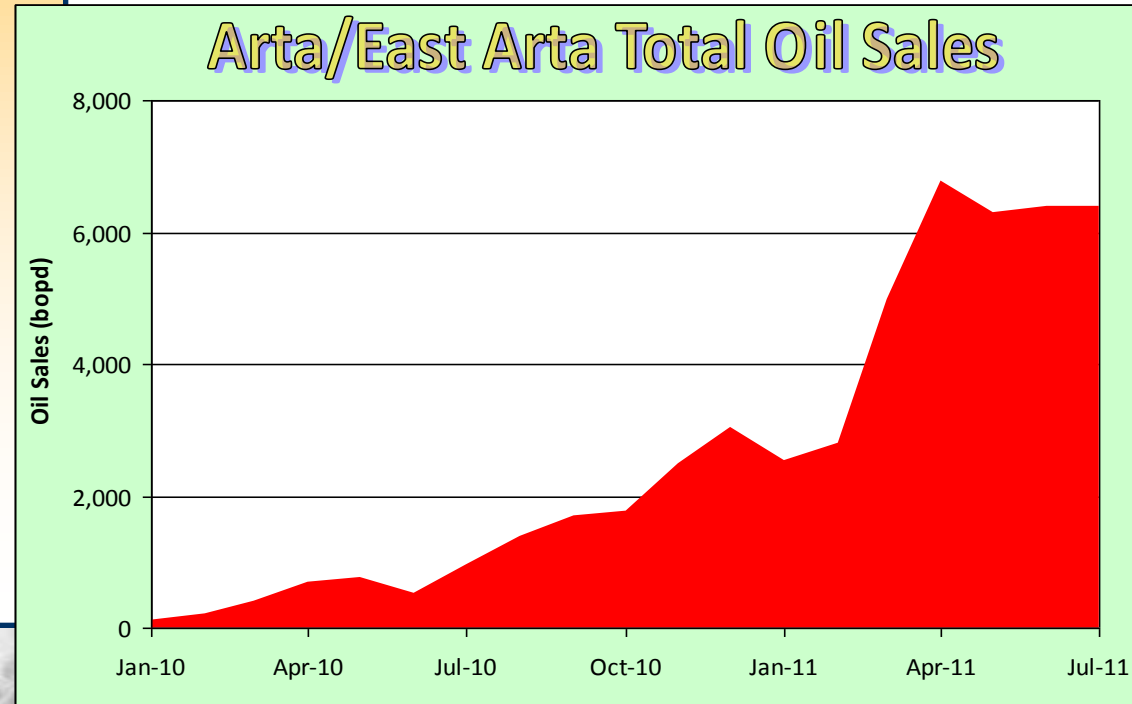
# Egypt: West Gharib

- **Q2 2011: drilled 9 wells (6 oil & 3 service wells)**
  - 2 U Nukhul & 2 L Nukhul (U & L) oil
  - 3 L Nukhul service (2 injectors & 1 water source)
  - 1 Hana West & 1 Hoshia oil
- **2011 YTD: drilled 22 wells(19 oil & 3 service wells)**
  - 9 U Nukhul oil
  - 7 L Nukhul (U & L) oil
  - 2 Hoshia oil
  - 1 Hana West oil
- **Up to 41 wells planned for 2011, primarily in Nukhul formation**

# Upper and Lower Nukhul Development

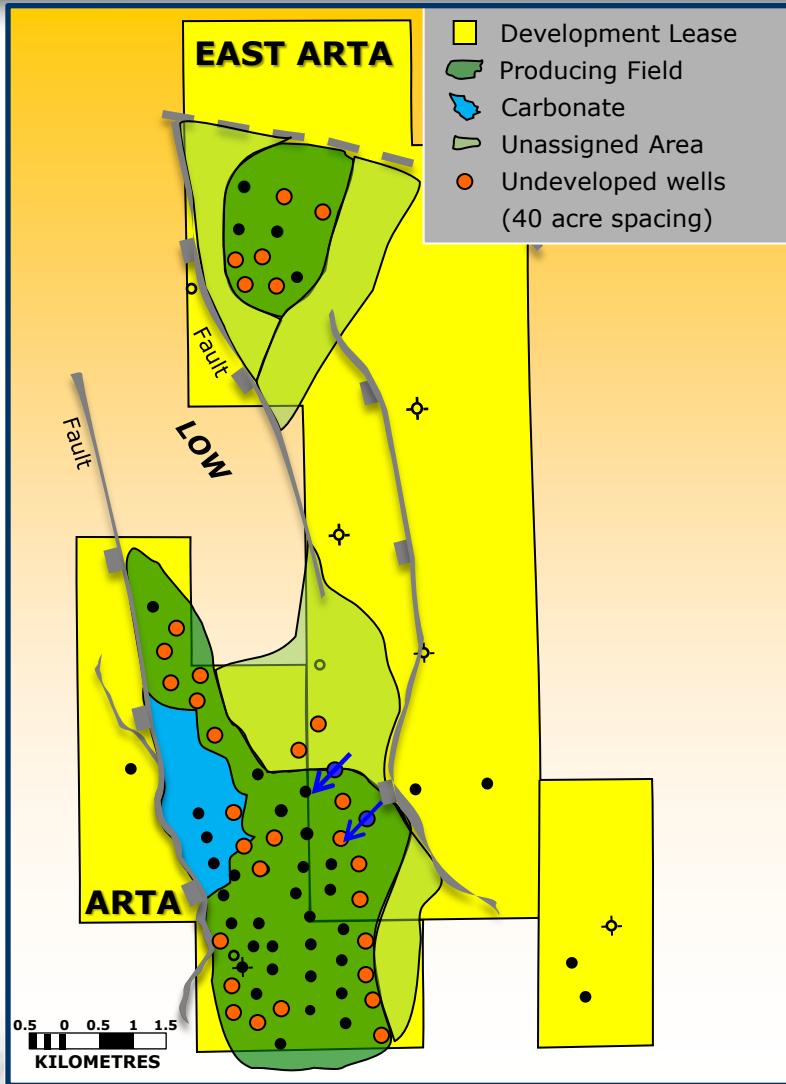


Producing Formation	Arta/East Arta 2011 New Drills			
	Q1	Q2	Q3	Total
Upper Nukhul	3	2	4	9
Lower Nukhul	5	2	-	7
Service	-	3	-	3
<b>Total Wells</b>	<b>8</b>	<b>7</b>	<b>4</b>	<b>19</b>



NASDAQ: TGA TSX: TGL

# West Gharib: Arta / East Arta



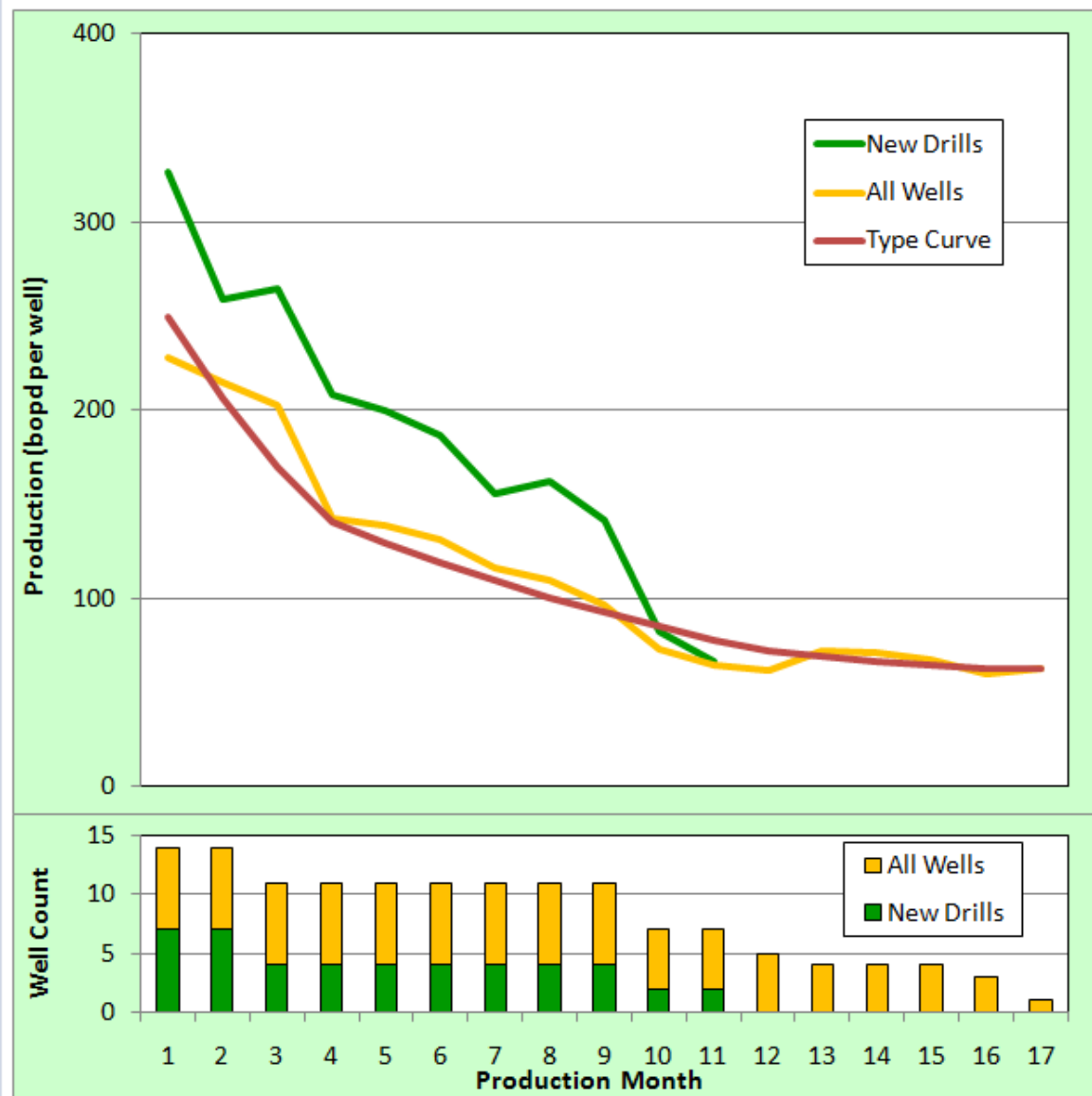
## ➤ Upper Nukhul:

- 35 undeveloped locations (40 acre spacing)
- 25 producing wells
- Total 60 Upper Nukhul

## ➤ Lower Nukhul:

- 5 undeveloped locations (40 acre spacing)
- 8 producing wells
- Total 13 Lower Nukhul

# Arta/East Arta Upper Nukhul Performance

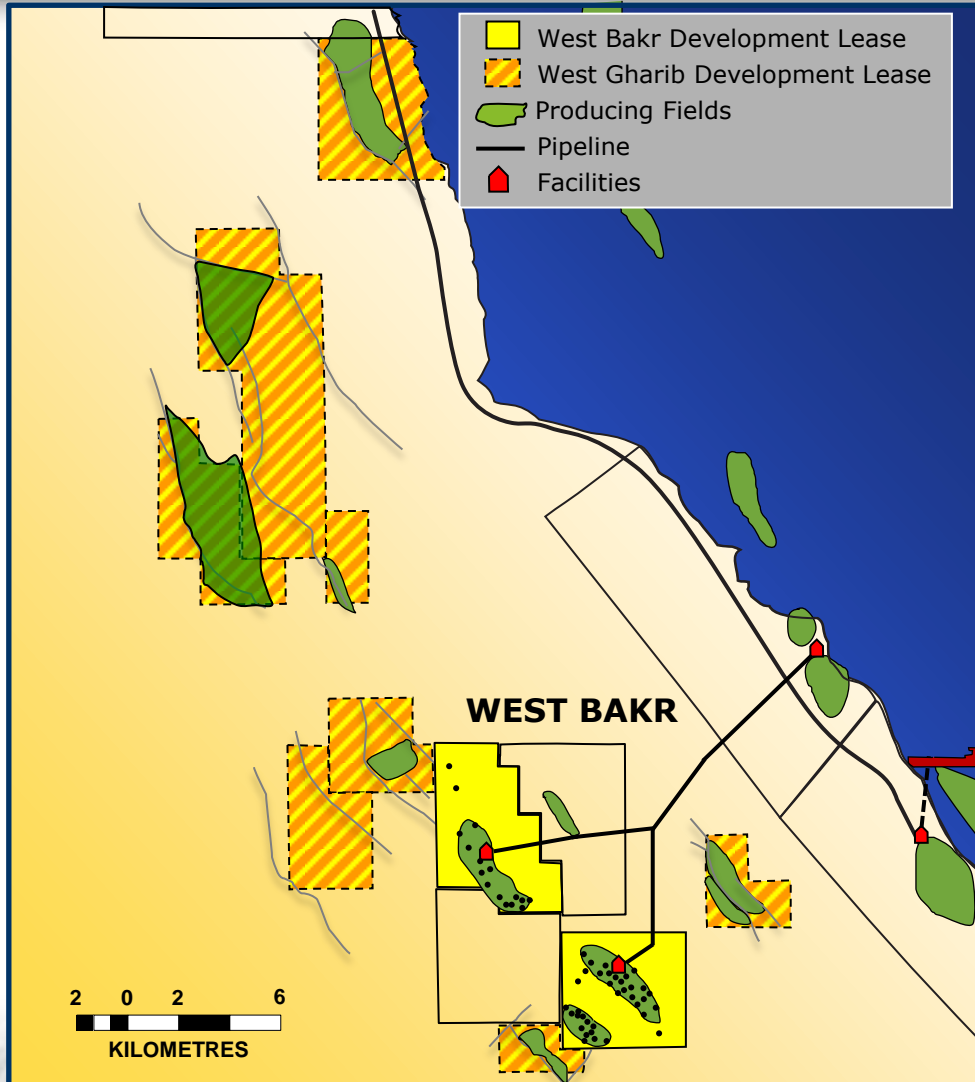


- The Type Curve well profile equates to reserves of ~120 mbbl
- Original and Early wells were in tighter reservoir
- New wells are in better quality reservoir and are exhibiting better performance

## Upper Nukhul Type Well

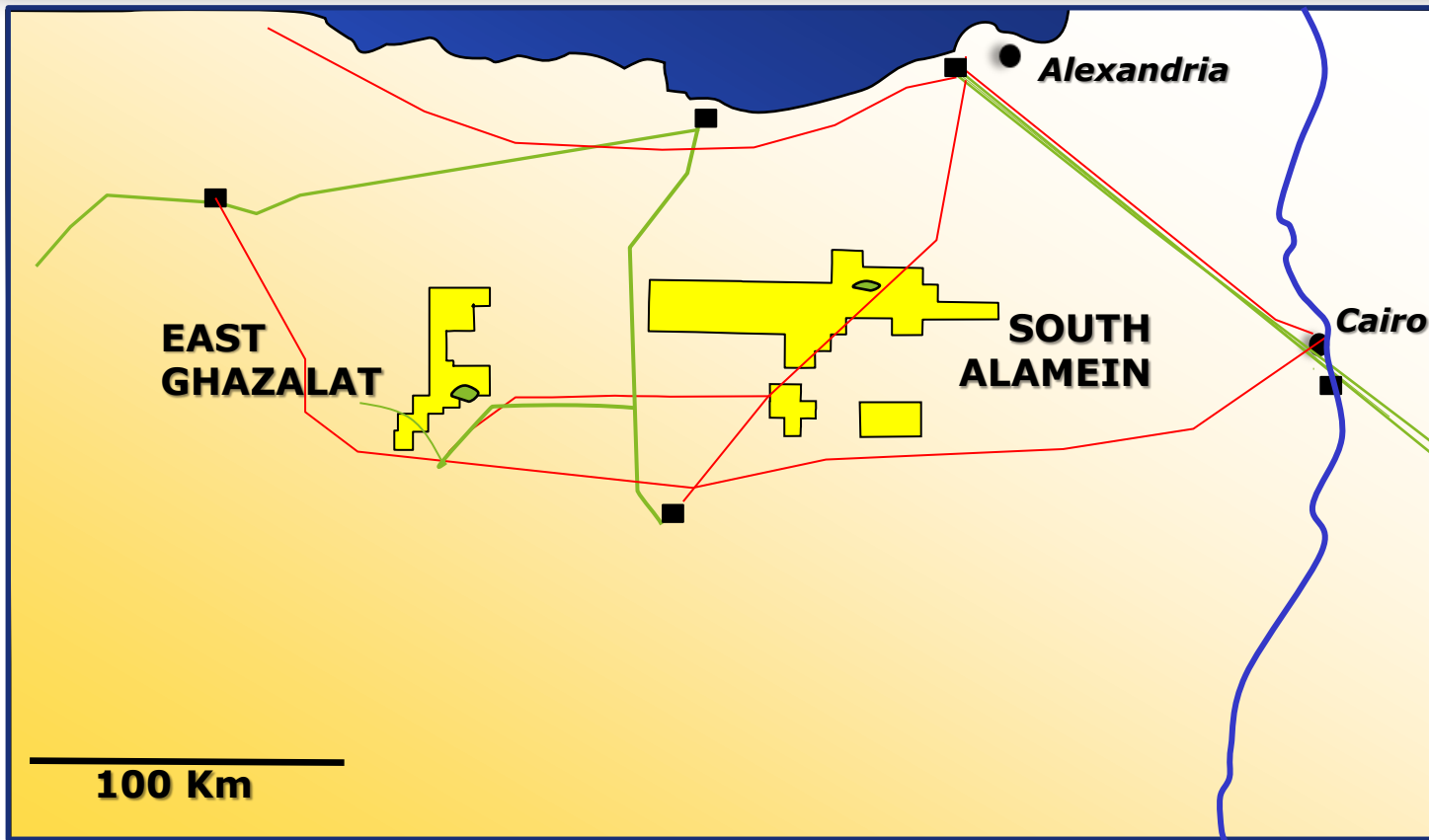
Decline Profile	Annual
<u>Period</u>	<u>Decline (%)</u>
First Year	70%
Second Year	35%
Thereafter	25%

# Egypt: West Bakr



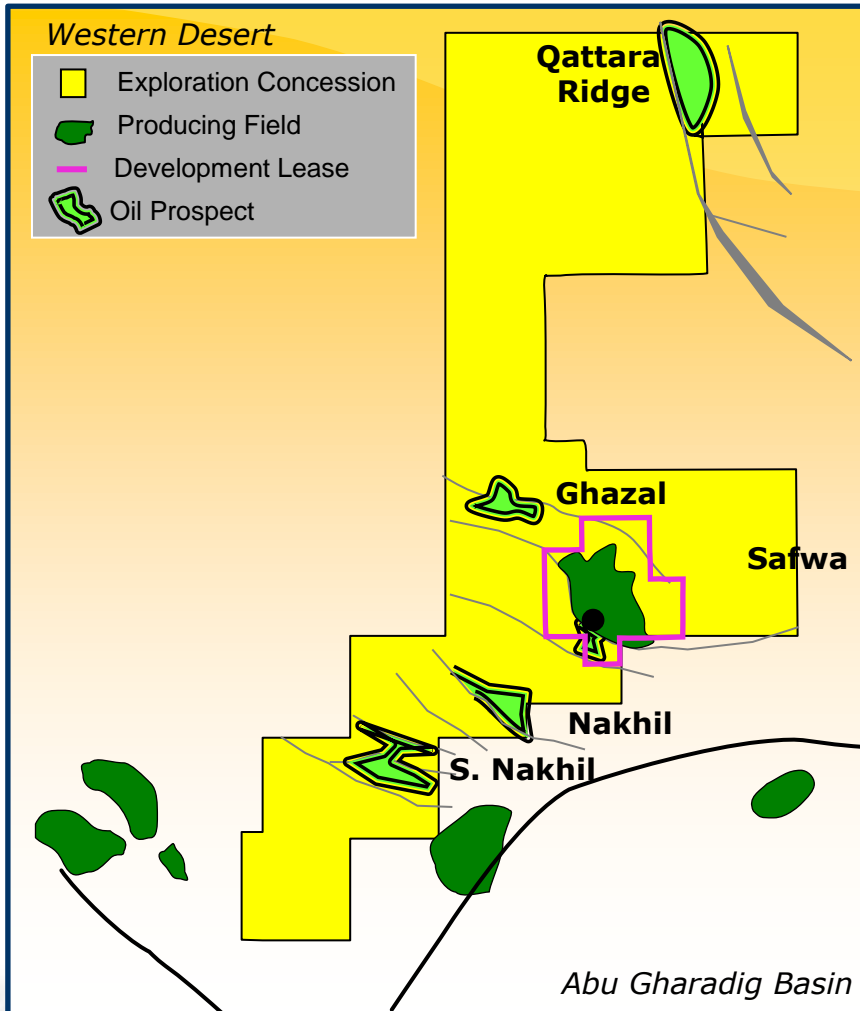
- **100% Working Interest**
- **45.2 km<sup>2</sup> (11,600 acres)**
- **3 producing fields, approximately 300 MMBbl PIIP, 50 MMBbl produced**
- **Approximately 4,000 Bopd**
- **17-20° API oil**
- **Processing facilities and pipeline will allow continued expansion**
- **Closing date TBD**
- **TransGlobe has completed due diligence and submitted the deed of assignment for Egyptian Government approval**

# Egypt - Western Desert



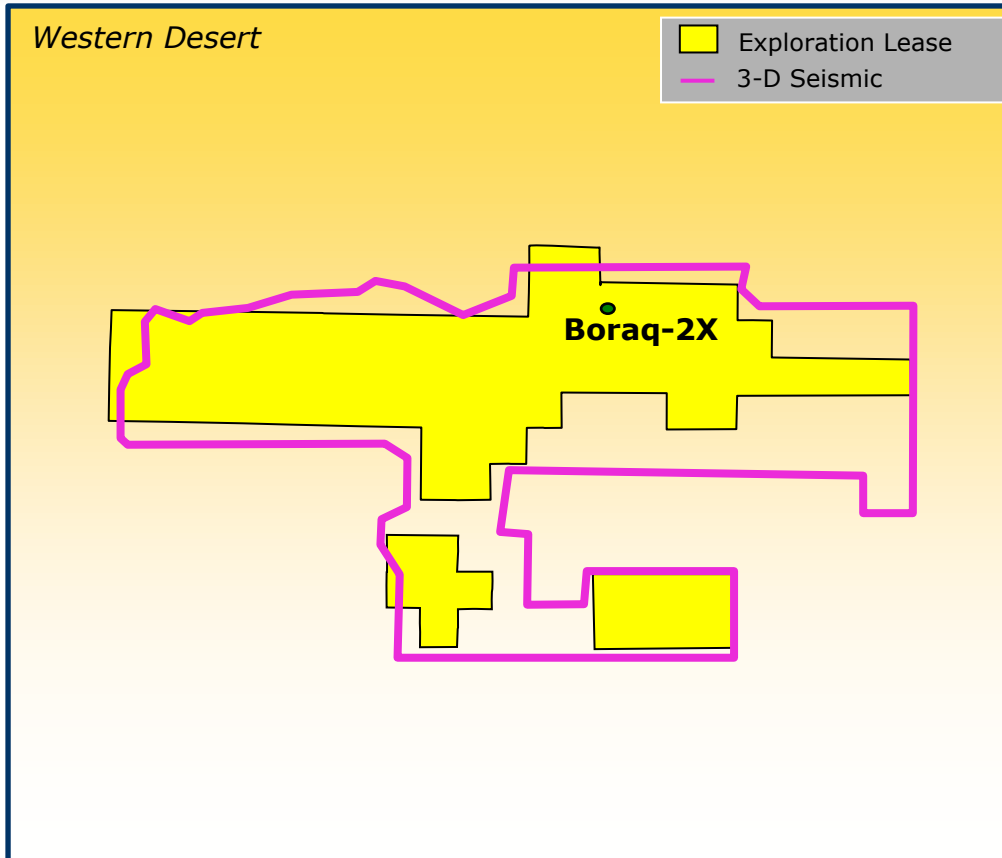
- Two new development projects in 2011 – Safwa & Boraq discoveries
- Production ramp-up in 2012
- Additional exploration late 2012

# Egypt: East Ghazalat



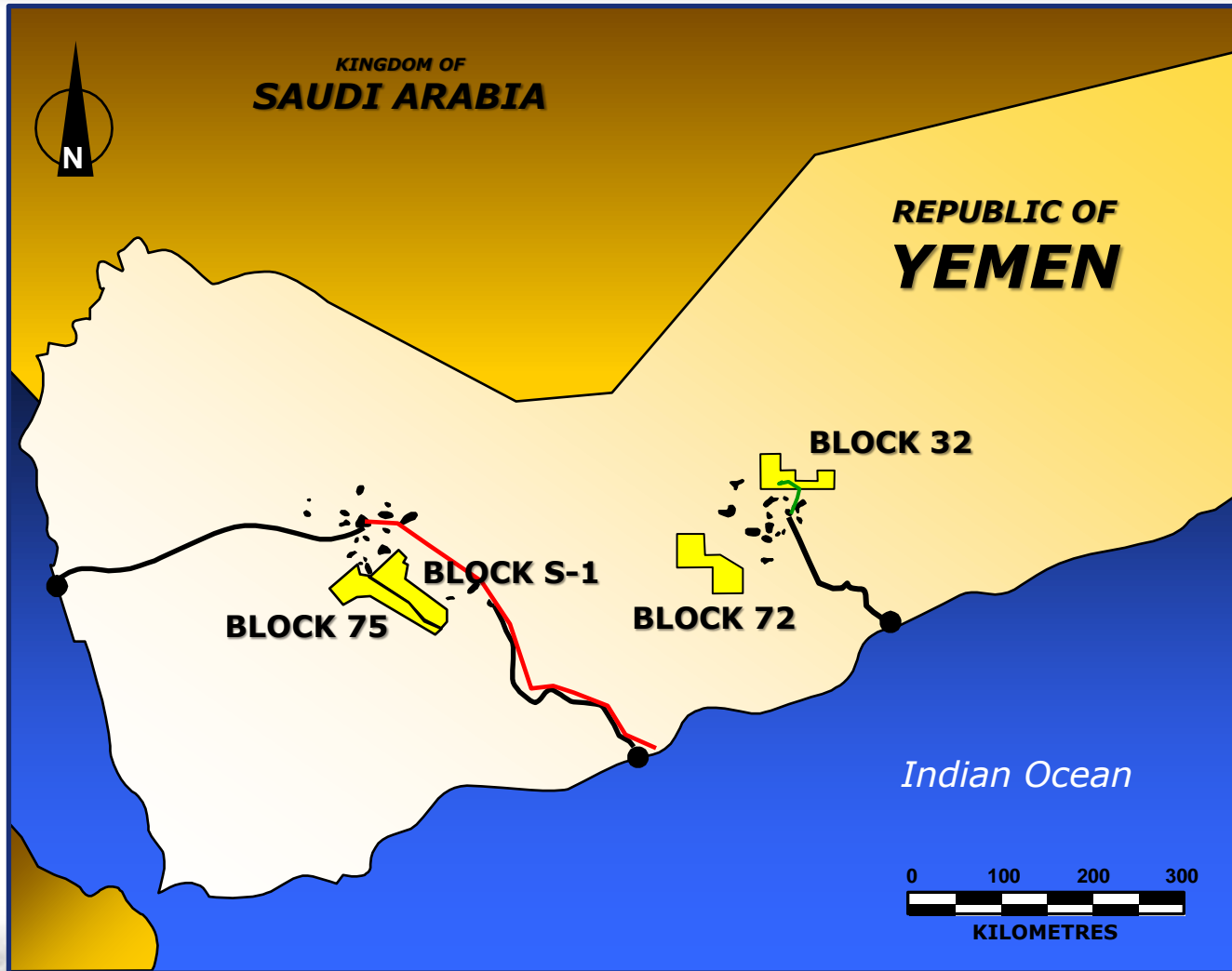
- Operated by Vegas Oil and Gas SA
- 50% Working Interest
- 645 km<sup>2</sup>, 159,300 acres
- Safwa Development Plan approved
- 18 undeveloped locations (160 acre spacing)
- PIIP 63.2 MMBbl (3P)
- First oil in December
- 38 API, will sell close to Brent price

# Egypt: South Alamein



- **Subject to closing conditions and Egyptian Government approval**
- **50% Working Interest as Operator**
- **2,258 km<sup>2</sup> (558,120 acres)**
- **Boraq-2X (oil discovery well) tested at 1,700 Bopd**
- **Tested 38-40° API oil from 2 Cretaceous zones**
- **Focus on appraising and developing Boraq-2X discovery**
  - **Drill at least 2 appraisal wells**
  - **Ready Boraq-2X for production**

# Republic of Yemen



## Four Blocks

13.8% - 25% W.I.

## Production Sharing Agreements

1.14 million acres

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

- 2,722 Bopd current
- \$36.19/Bbl Op costs in Q2 2011 (Block S-1 shut-in)
- \$9.99 Q-1 Op costs

## Two Exploration Blocks (72 & 75)

# Q & A

NASDAQ: TGA

TSX: TGL





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