

COMPANY ANNOUNCEMENT

Kuwait Energy plc ("KE" or "the Company") Announces Agreement with United Energy Group Limited ("UEG") for the Sale of its Entire Issued Share Capital

Kuwait City, Kuwait – 24 September 2018: Kuwait Energy plc ("KE") is pleased to announce that they have reached agreement with United Energy Group ("UEG") Limited on the terms of an all cash acquisition ("the Acquisition") of the entire issued share capital of KE by UEG.

Under the terms of the Acquisition, the consideration comprises approximately US\$491 million for the current issued share capital of KE on a fully diluted basis, which is anticipated to equate to approximately US\$1.50 per share. The consideration is subject to adjustment in certain circumstances and so the price per share paid at completion may be less or more than the anticipated price.

Acquisition Highlights:

- The agreement has received the unanimous approval of the Board of Directors of KE who have been fully supported by the Company's management team;
- UEG will bring considerable new investment and operational execution expertise to KE's assets in Iraq and Egypt;
- KE's corporate and technical headquarters will remain based in Kuwait, with operational subsidiaries in Cairo, Egypt and Basra, Iraq; and
- The equity consideration of approximately US\$491 million plus the assumption of the Company's outstanding debt.

The Board of KE, which has been advised by Tudor Pickering Holt & Co. ("TPH" a trading name of Perella Weinberg Partners UK LLP) as to the financial terms of the Acquisition, considers the terms of the Acquisition to be fair and reasonable. In providing its advice to the Board of KE, TPH has taken into account the commercial assessments of the Board of KE.

It is intended that the Acquisition will be implemented by way of a court sanctioned scheme of arrangement further details of which will be announced on the company's website. The Board of Directors intend to unanimously recommend that KE shareholders vote in favour of the scheme at the court meeting and the resolutions to be proposed at the shareholder general meeting. The Chairman and CEO who hold KE shares have irrevocably undertaken to vote in favour of the scheme at the court meeting and the resolutions to be proposed at the shareholder general meeting.

Dr. Mansour Aboukhamseen Chairman of KE commented:

"I am pleased to report the recommended transaction recognises the significant value of our Company's portfolio and will provide value and liquidity to all shareholders. This transaction will provide the necessary financial resources to accelerate the development of the asset base. UEG's future stewardship of KE's portfolio will generate substantial benefits for our stakeholders in Iraq and Egypt and in particular the local communities in which the Company operates".

UEG is a Hong Kong based leading independent Exploration and Production company listed on the main board of the Hong Kong Stock Exchange and has a market cap of HK\$39.95 billion as at the close of the Hong Kong stock market on 21 Sept 2018 (approx. US\$5.12 billion). UEG operates through locations in China, Hong Kong and Pakistan with an average daily net production of approximately 62 kboepd at half-year 2018 and audited year-end 2017 1P reserves of 96.4 mmboe.

It is UEG's intention to continue operating all of KE's subsidiary companies with KE's current management and employees.

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Notes to Editors:

Kuwait Energy is an independent oil and gas company actively engaged in the exploration, appraisal, development and production of hydrocarbons across the MENA region. Since Kuwait Energy's establishment in 2005, the Company has built up a diversified, majority operated asset portfolio. The Company's current portfolio consists of nine oil and gas assets across Egypt, Iraq, Yemen and Oman of which it operates six.

Kuwait Energy's registered office is located in Jersey, its head office is in Bahrain, its regional operational hub is in Kuwait and the company has area offices in Basra, Baghdad, Cairo and Sana'a.

For further information, please visit the Kuwait Energy website: www.kuwaitenergy.co