

To Global Witness

Dear Sirs,

Reference to your letter dated 18th September 2014, addressed to STAR PETROLEUM with the title "Opportunity to Comment".

We highly appreciate the role of Global Witness and other non-governmental organizations that investigates and campaigns to prevent natural resources-related conflicts and corruption and associated environmental and human rights abuses. We fully share those values.

First of all, STAR PETROLEUM is a fully European Jurisdiction Company and it executes its business in compliance with Luxembourg laws and European Business Ethics.

Kindly find our comments on the statements of your letter:

1. STAR PETROLEUM currently has valid legal title of a working interest in Blocks E and B, of the Republic of South Sudan.

Block E: STAR PETROLEUM signed a perfectly valid EPSA on the 6th August of 2010 in Khartoum for Block E. This EPSA was agreed fulfilling entirely with the legislation of Sudan and approved at the time by the National Petroleum Commission. Currently STAR PETROLEUM is in negotiations with the Ministry of Petroleum and Mining of the Republic of South Sudan, to adapt the above mentioned EPSA, into the new Republic of South Sudan's Legislation (Petroleum Act 2012), implying the signature of a new EPSA for Blocks E.

Block B: Following that, parties involved are expected to sign a new EPSA for Block B3.

The amounts you are mentioned in your letter, regarding the investments done by STAR PETROLEUM, are not accurate. Please see attached Annex 1 and 2, with the details of the expenses for both Blocks E&B for the period 2010-2012. During 2013 and 2014 we continue incurring in expenses derived from STAR PETROLEUM's local presence in Juba and its operations in Europe.

2. It is true that we had a partnership with Petrobras. Having said that, due to United Nations sanctions against the Islamic Republic of Iran, Petrobras abandoned the mentioned Iranian Caspian Sea Blocks, and, also, STAR PETROLEUM complied with the UN sanctions and invoked "force Majeure" clause. Due to that, till now, there are no activities on those blocks.

Regarding Ethiopia, STAR PETROLEUM never had any oil block or activities in that country.

3. STAR PETROLEUM's Oil & Gas Management Team is highly qualified and has large experience and track-record in the sector. They lead and participated in all technical, legal and commercial negotiations and meetings with highly qualified teams of Government of Sudan, and the Independent Government of the Republic of South Sudan.

The Technical Team of Star Petroleum is particularly strong on the upstream business, in which the great experience accumulated by former senior Repsol's International and African Oil & Gas executives (including Star Petroleum's COO, a top executive with 35 years in Repsol, of which 18 years as No. 2 Executive of the Company- Repsol's Vice Chairman- and Head of E&P).

This Team is strengthened with the new blood of young engineers and professionals of other areas of expertise (professionals with expertise in Natural Resources, Consulting, Finance, Equity and Debt Capital Markets).

All the CVs and personal data of the Management Team has been fully provided to the Government of the Republic of South Sudan.

Star Petroleum's Technical Team, throughout their professional carriers, has the following aggregated experience in the international up-stream sector:

- Experience in a variety of up-stream environments (including complex on-shore and off-shore blocks and marginal blocks)
- Responsible for more than 1,200 exploration blocks
- Managed Annual Up-Stream exploration budgets of more than \$9,000m
- Discovered more than 6bn Boe
- Generating production of more than 1,04m boepd
- Operated in more than 30 different countries (in all continents), among others: Congo Brazzaville; Kazakhstan; Australia; Kurdistan; Colombia; Brazil; Uganda; Tanzania; Argentina; Algeria; Libya; Bolivia; Peru; Venezuela; Trinidad & Tobago; United States; Russia; Canada; and Nicaragua;

4. STAR PETROLEUM commissioned, to an international consultant, a full study on the environmental impact regarding exploration activities in Block E, and will be executing its activity according to best international practices and the South Sudanese 2012 Petroleum Act in force. STAR PETROLEUM will take full care not to cause any risk to the environment and local communities in the concessions' areas. The Government of the Republic of South Sudan has a copy of said report.
5. Financially STAR PETROLEUM is a solid Company since its incorporation in 2006, having a paid-up share capital of 229,736,784 Euros and is not having any debts with banks or any financial liabilities to third parties. All company's costs and expenses are self-financed through the bid up capital and shareholders' loans. Star Petroleum is ready to finance its further investments in the Republic of South Sudan (Capex and Opex) as it has been proved to the Ministry of Petroleum and Mining of the Republic of South Sudan.

Attached, as Annex 3 and 4, a Solvency Certification and an updated extract from Luxembourg Commercial Register

6. Mr. Merino is the beneficial owner of a small minority current participation interest (around 3%) in the Company and was a Director during a short period of time. He presented his voluntary dismissal and now he has no role in any Company activity. Mr. Arespacochaga is the beneficial owner of a very small minority current participation interest (around 0,50%). He presented his voluntary dismissal prior of the end of his statutory mandate on March 13, 2009 and he has no role in any Company activity.

According to Court's public information both gentlemen presumably committed their illegal conduct in period of time in which they did not have any responsibility in Star Petroleum as Directors.

Attached, as Annex 5 a certificate of the period of time in which they were Company's Director.

7. The Court accusation against Mr. Arespacochaga doesn't have any relation, directly or indirectly, with Star Petroleum or derived from his position as minority shareholder or former Director.
8. Same as paragraph 6 and 7.
9. The Court accusation against Mr. Merino doesn't have any relation, directly or indirectly, with Star Petroleum or derived from his position as minority shareholder or former Director.
10. STAR PETROLEUM'S Compliance Department is fully aware of the identity of all beneficial shareholders of STAR PETROLEUM in compliance with all European Union Directives and especially to 2005/60/CE and

2006/70/CE as well as the GAFI recommendations. STAR PETROLEUM is implementing international global standards against money laundering, corruption and terrorist financing, therefore, increasing transparency and enable STAR PETROLEUM to successfully take action against illicit use of financial or corporative instruments. As per the request of the government of the Republic of South Sudan, a list of ultimate beneficial shareholders was provided recently to them.

11. STAR PETROLEUM has never been, and will, never be a speculative investor. STAR PETROLEUM's vision is to be a solid Oil & Gas Company and our track record since 2006, especially in South Sudan, can proof that. Our intention is to be a long term investor and partner with the Government of South Sudan for the best interest of the people of South Sudan and STAR PETROLEUM Company. STAR PETROLEUM has no intention what so ever to speculate regarding their assets in the Republic of South Sudan.
12. Regarding what are you described as criminal charges against some former directors of the company, as described in paragraph 6, 7 and 8, those charges have nothing to do with STAR PETROLEUM nor its management, nor its activities anywhere, including South Sudan. Those charges are unrelated and will not represent any risk in our worldwide activities and especially in South Sudan.
13. STAR PETROLEUM, since its incorporation in 2006, and since the beginning of its activities in the Republic of Sudan, and after independence, in the new Republic of South Sudan, proved to be a serious and responsible investor, and has fulfilled fully its financial, technical and legal obligations required by laws and regulations. All proofs required by the Government of South Sudan have been already provided.

Additionally, it is fair and important to mention that Star Petroleum always believed in the future of the independent Republic of South Sudan. We have been present in the country (first in Khartoum, before the separation, and afterwards in Juba) since 2008, and we have invested during all these years, having local presence and professional team.

Finally, is fair to insist that STAR PETROLEUM is doing its business in compliance with local and European laws and all business ethical standards with fully transparency. Its accounts are fully audited by independent auditors in accordance with the Luxembourg Law. STAR PETROLEUM is not and will never be involved in any illegal acts.

As you are aware off, during that period of time there was big uncertainty around the stability of Sudan (actually it was experiencing a civil war) and about the viability of an independent country. In the above mentioned environment, there were few Oil & Gas companies that were ready to work and invest in Sudan. In contrary, STAR PETROLEUM was confident about the future and was ready to risk in a difficult environment. We participated in a competitive process and we were able to become successful.

Accordingly, STAR PETROLEUM will not accept any accusations based on rumors, jealousy and unfounded facts that may affect the reputation and activities of the company. The Ministry of Petroleum and Mining of the Republic of South Sudan is copied of our response to your above mentioned letter to prevent any damages that could affect also to the reputation and image of the Ministry of Petroleum and Mining.

We hope that STAR PETROLEUM's answers and clarifications will cover all points raised in your letter, and please feel free to contact us for any further information and clarification that you may need.

Sincerely yours,

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Head of Legal & Compliance



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