



Exploration Update Geoscience Day - 2015

Activity and Scheduled Land Tenure

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Director of Exploration

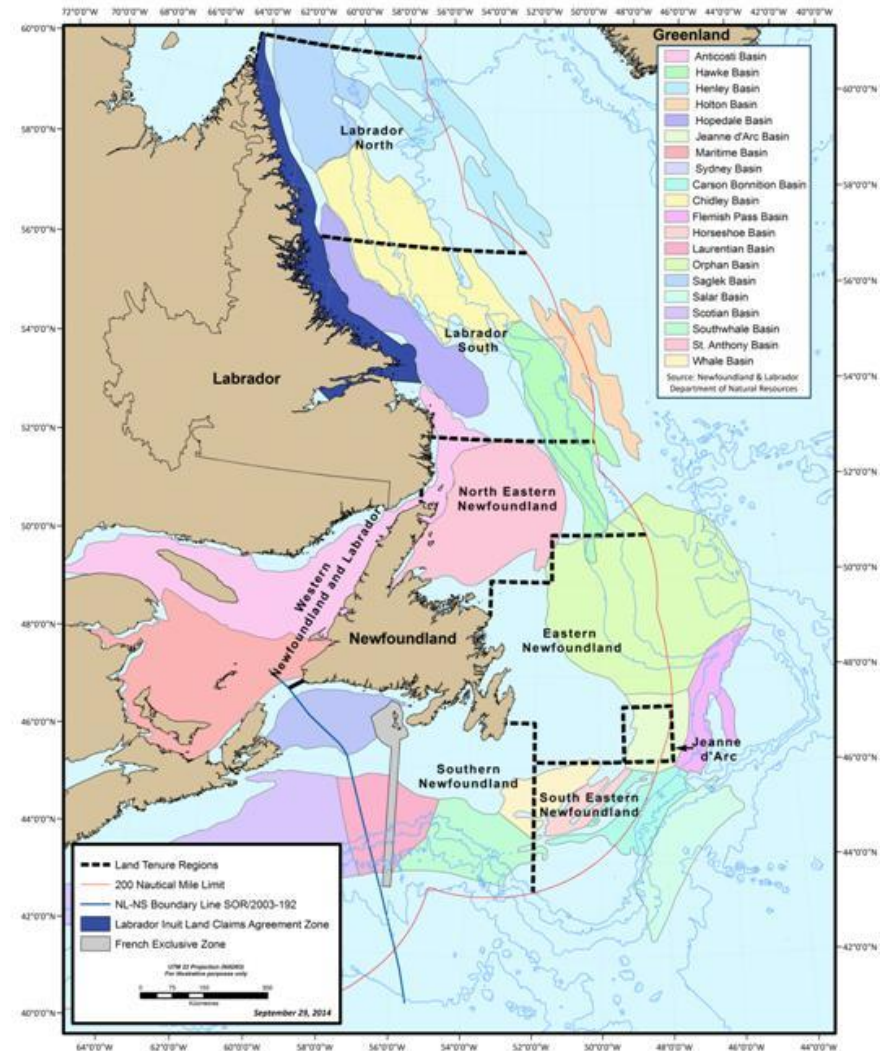
Introduction

- Established by Atlantic Accord in 1985
- We are the regulatory agency responsible for the oversight of all petroleum related activities for the Newfoundland and Labrador offshore area
- We report to Federal and Provincial Ministers of Natural Resources and the Provincial Minister of Service NL on matters relating to workplace health and safety
- Four pillars:
 - Worker Health and Safety
 - Environmental Protection
 - Resource Management
 - Industrial Benefits



Canada-Newfoundland and Labrador Offshore Area

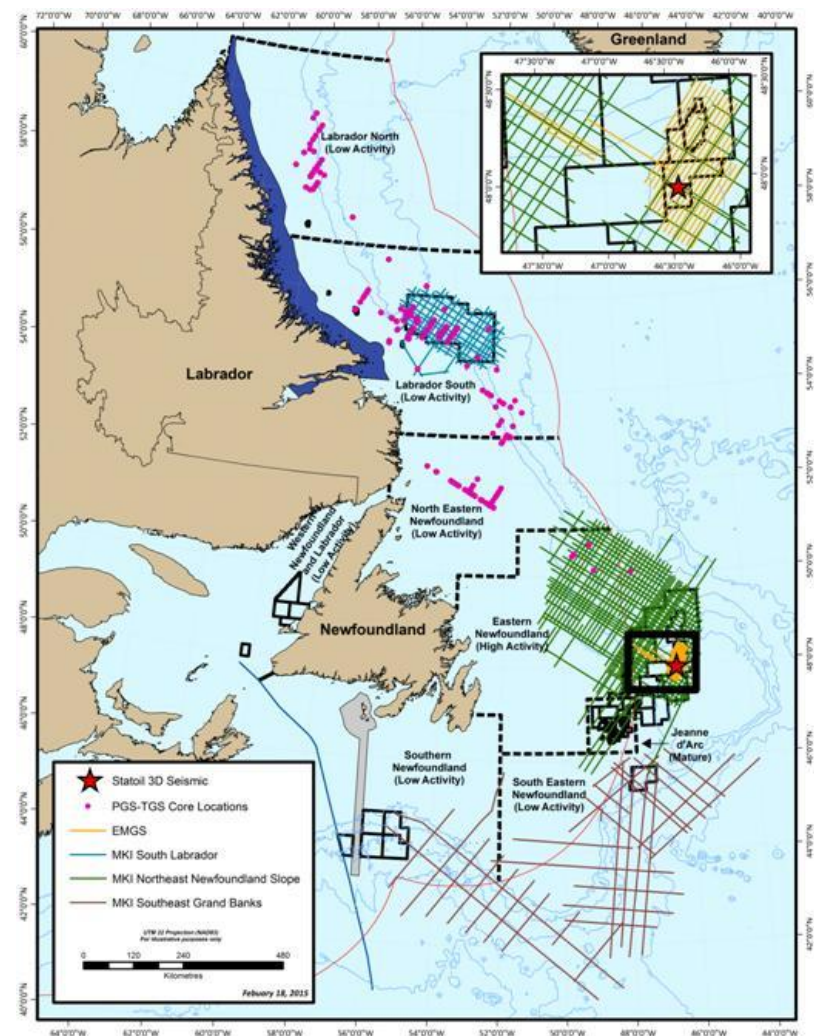
- C-NLOPB Offshore Area covers in excess of 1.8 MM km²
- Larger than
 - US Gulf of Mexico – 1.6 MM km²
 - Norwegian Continental Shelf – 1.5 MM km²
- Over 20 offshore sedimentary basins within 8 land tenure regions
- Proven petroleum systems in several basins



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2014 Geoscientific Programs

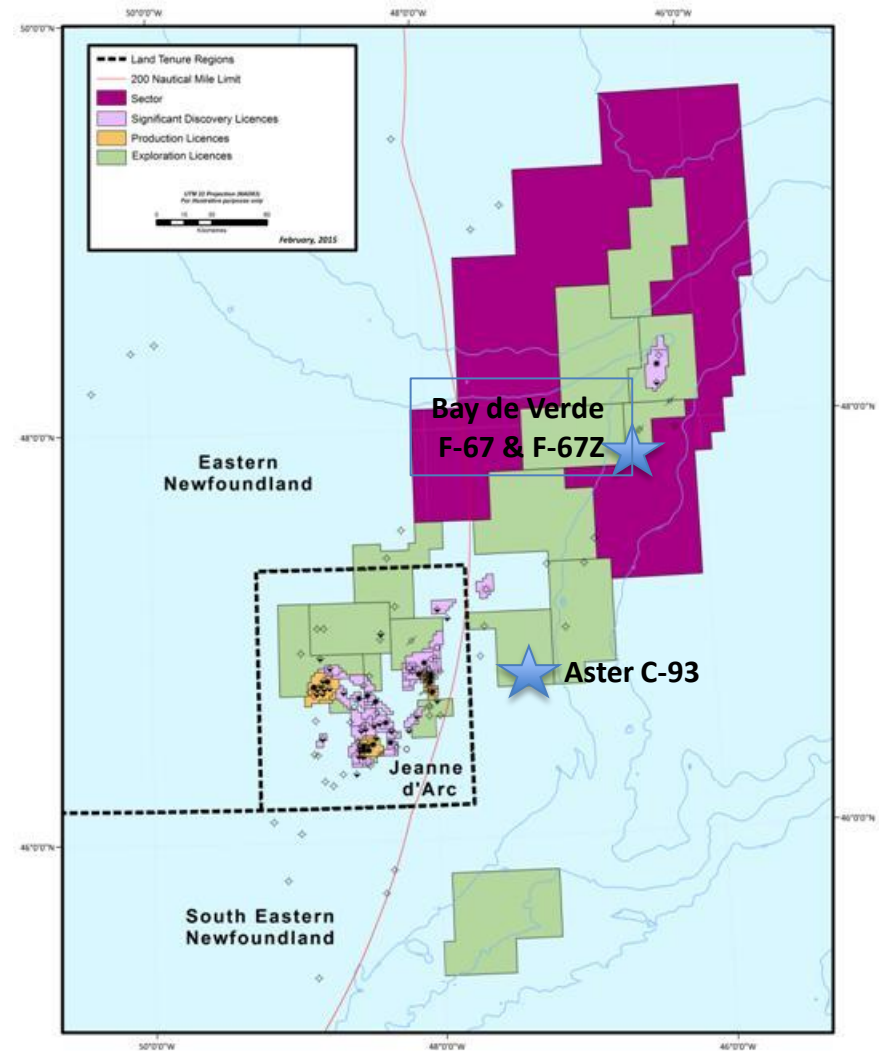
- Most 2D seismic acquisition in 30 years
- 8 geophysical programs
 - PGS/TGS 2D Seismic / Gravity – LS
 - PGS/TGS 2D Seismic / Gravity – EN
 - PGS/TGS 2D Seismic / Gravity – SN,SEN
 - Statoil 3D Seismic – EN
 - EMGS CSEM – EN
 - Exxon Mobil Seabed Survey – JDA
 - HMDC Seabed Survey – JDA
 - Husky Wellsite Survey – JDA
- 1 geological program with fieldwork
 - TGS Seafloor and Seep Sampling – LN,LS
- 28 geological programs without fieldwork



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2014 Exploration Drilling

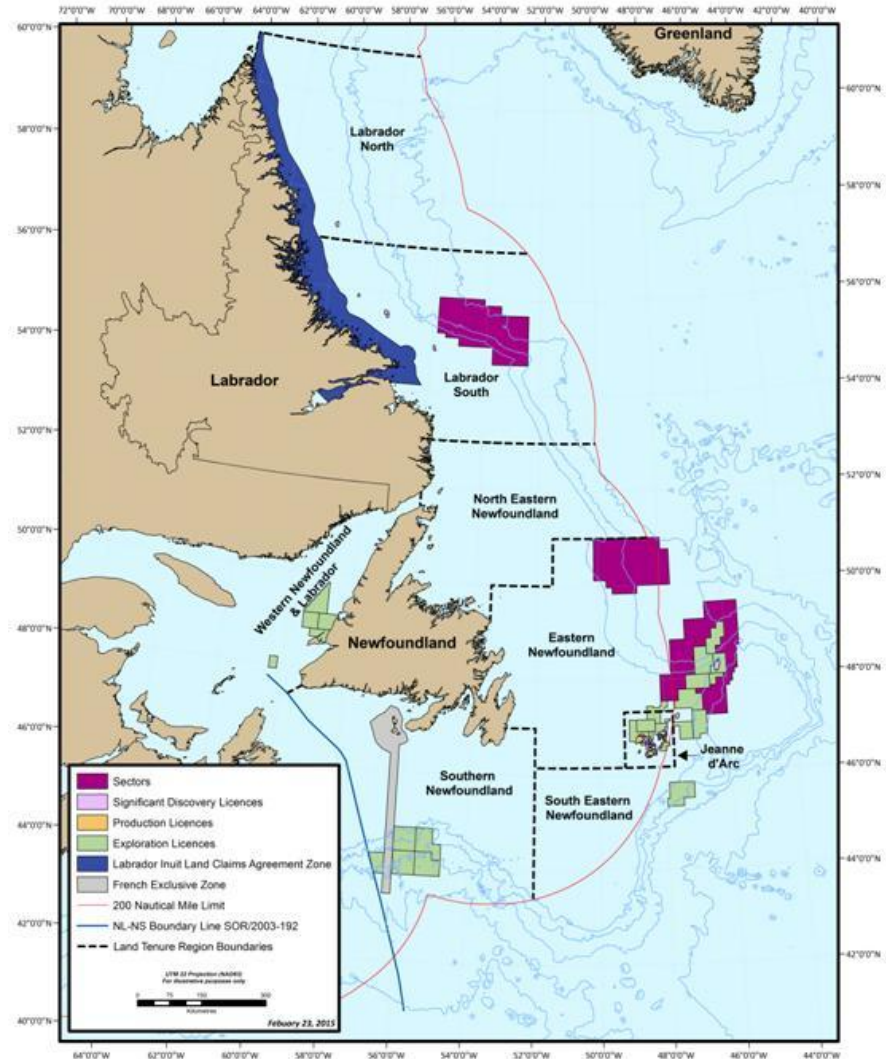
- Statoil – Bay de Verde F-67 (EL 1112)
 - Flemish Pass Basin
 - 1168.5m WD
 - 3600m TD
 - Abandoned
- Statoil – Bay de Verde F-67Z (EL 1112)
 - Flemish Pass Basin
 - 1168.5m WD
 - 3400m TD
 - Suspended
- Husky – Aster C-93 (EL 1110)
 - Jeanne d'Arc Basin
 - 555.4m WD
 - 3678m TD
 - Abandoned



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2015 Exploration Projections

- Geophysical Programs
 - Labrador South Region
 - 2D/3D Seismic - non-exclusive
 - Eastern Newfoundland Region
 - Multiple 2D/3D Seismic – non-exclusive
 - CSEM Survey – non-exclusive
 - Geohazard - exclusive
 - 3D seismic - exclusive
 - South Eastern Newfoundland
 - Multiple 2D Seismic – non-exclusive
 - South Eastern Newfoundland
 - Multiple 2D Seismic – non-exclusive
- Geotechnical Program
 - Eastern Newfoundland region
 - Geotechnical – Bay du Nord
- Drilling
 - Statoil – Flemish Pass Basin

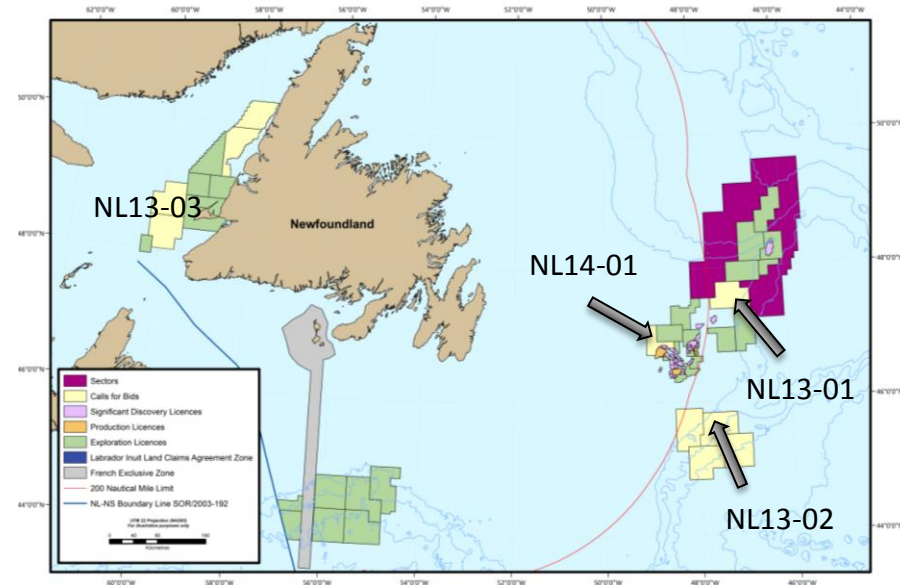


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Call for Bids Results

- Closed November/December 2014

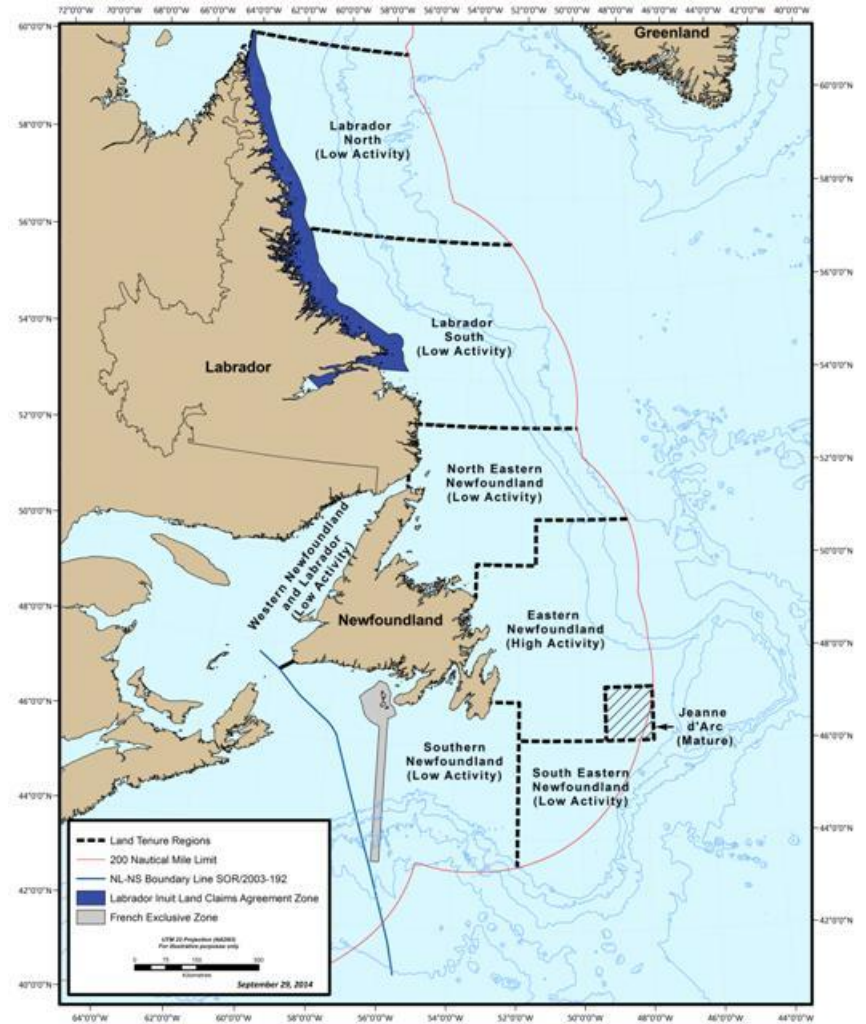
Parcel	Area	Bid Amount	Operator
NL13-01-01	Flemish Pass	\$559 Million	ExxonMobil Canada
NL13-02-01	Carson Basin	n/a	n/a
NL13-02-02	Carson Basin	\$21 Million	ExxonMobil Canada
NL13-02-03	Carson Basin	n/a	n/a
NL13-02-04	Carson Basin	n/a	n/a
NL13-03-01	West Coast	n/a	n/a
NL13-03-02	West Coast	n/a	n/a
NL13-03-03	West Coast	n/a	n/a
NL13-03-04	West Coast	n/a	n/a
NL14-01	Jeanne d'Arc	\$16.7 Million	ExxonMobil Canada



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Changes to the Land Tenure System

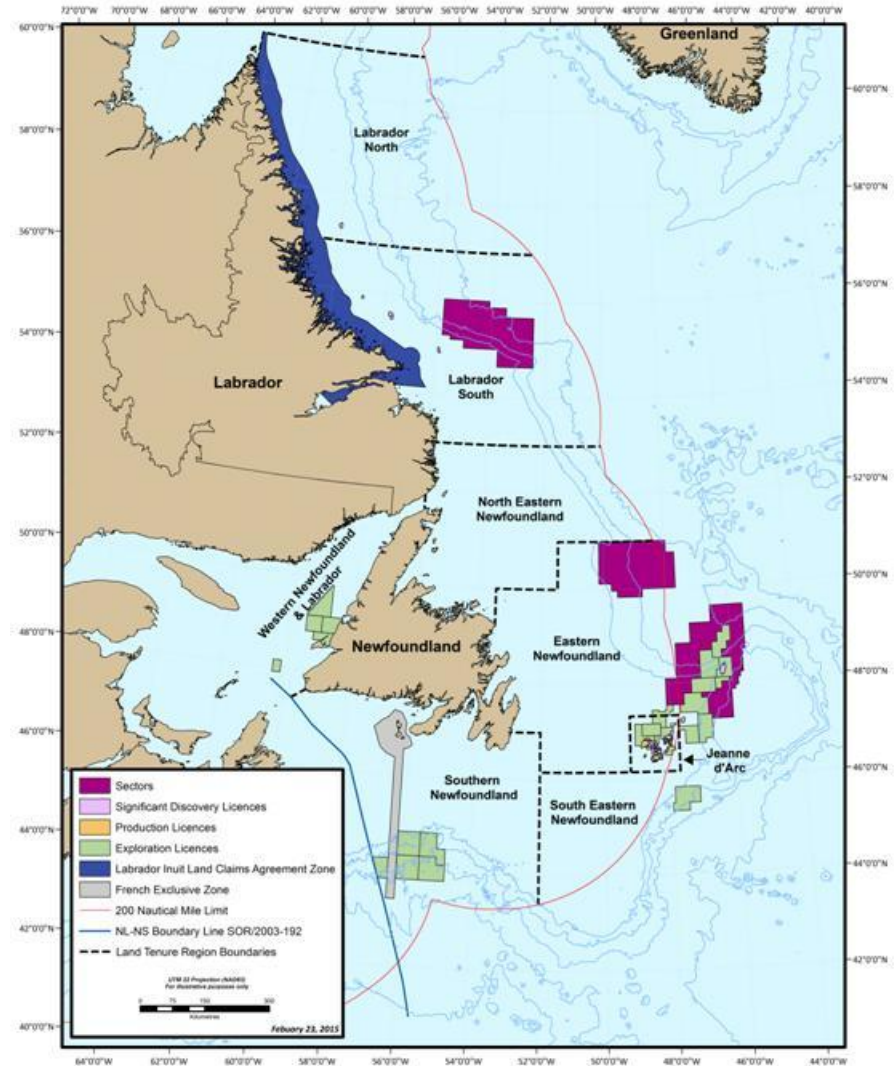
- Changed from an annual process to a multi-year system
- Designed to increase:
 - non-exclusive seismic data acquisition
 - assessment timeframes related to bid rounds
 - Competition
 - Number of exploring operators
- Design considerations
 - Data coverage/vintage
 - Geoscience knowledge of a basin/area
 - Sedimentary basin boundaries
 - Water depth
 - Historic/current exploration activity
 - Production activity
 - Geographic size
 - Strategic Environmental Assessments



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Scheduled Land Tenure Overview

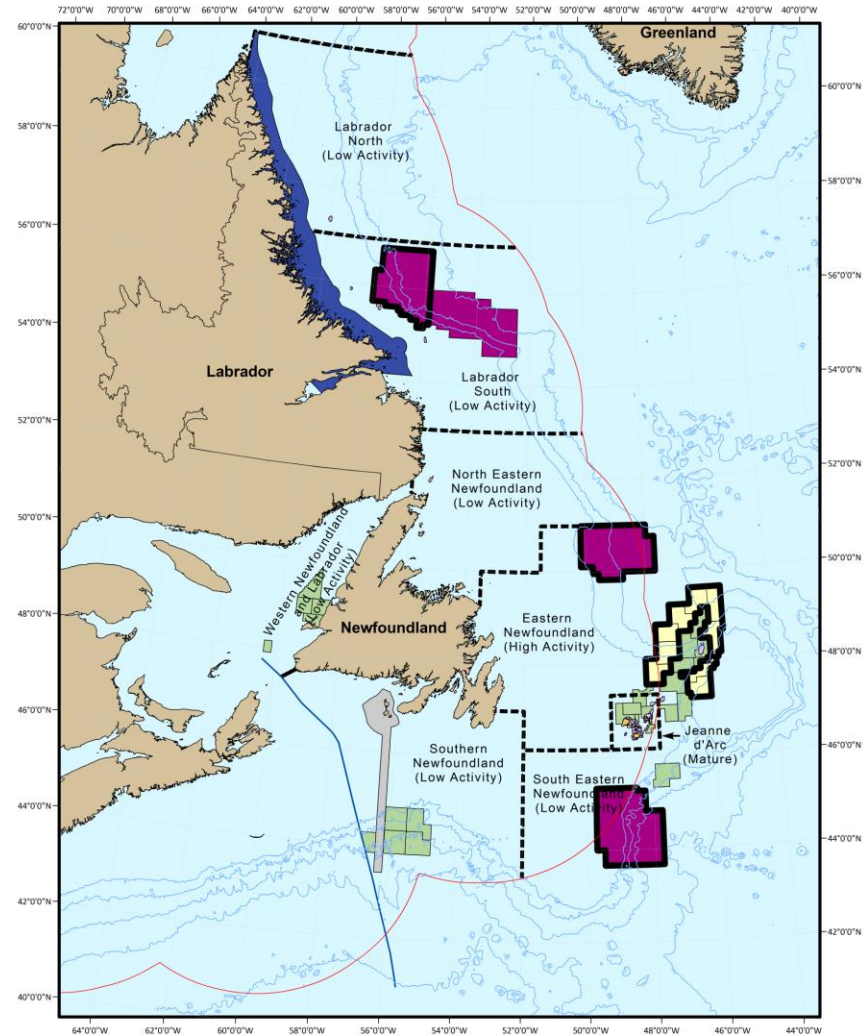
- Key Benefits:
 - Longer Assessment Periods
 - Multiple Nomination Opportunities
- 8 Offshore Regions
- 3 Activity categories
 - Low
 - High
 - Mature
- 3 Licensing Timing Cycles
 - 4 year – Low
 - 2 year – High
 - 1 year – Mature



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Scheduled Land Tenure Process

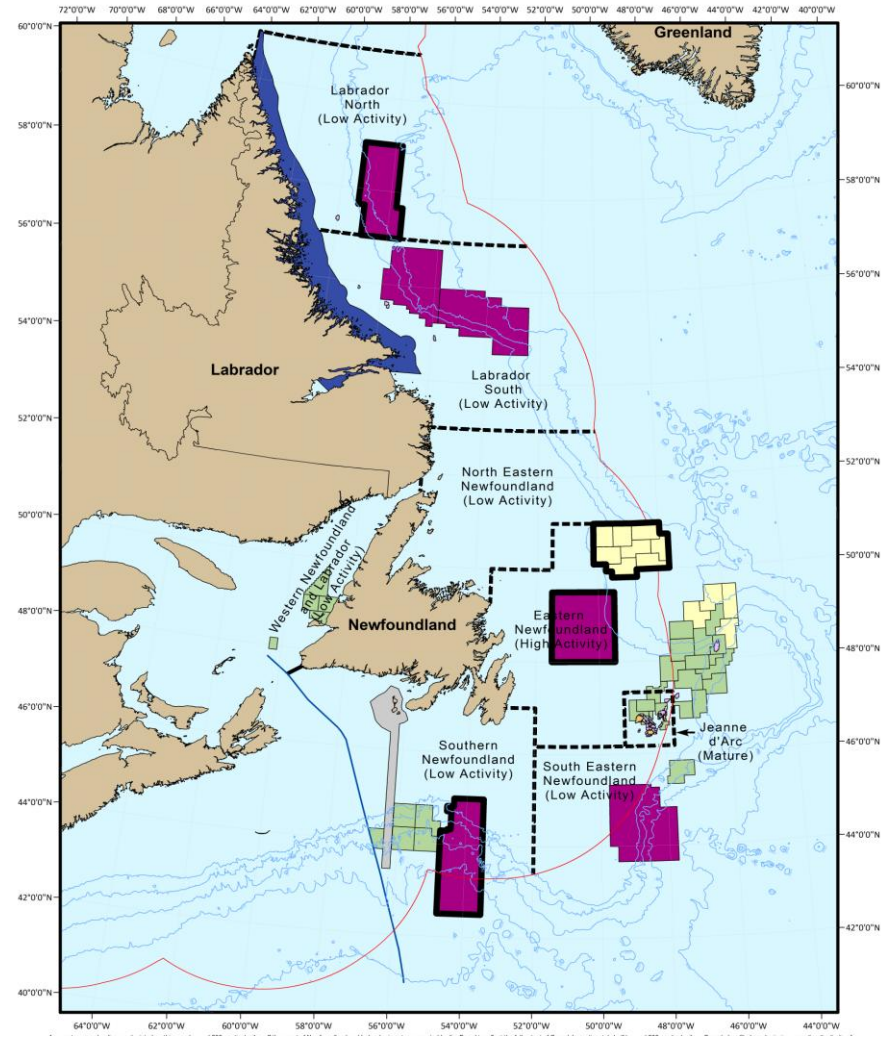
- **2015**
 - Two new low activity region sectors
 - New high activity region sector: Eastern NL
 - Call for Bids: first round offered over a sector



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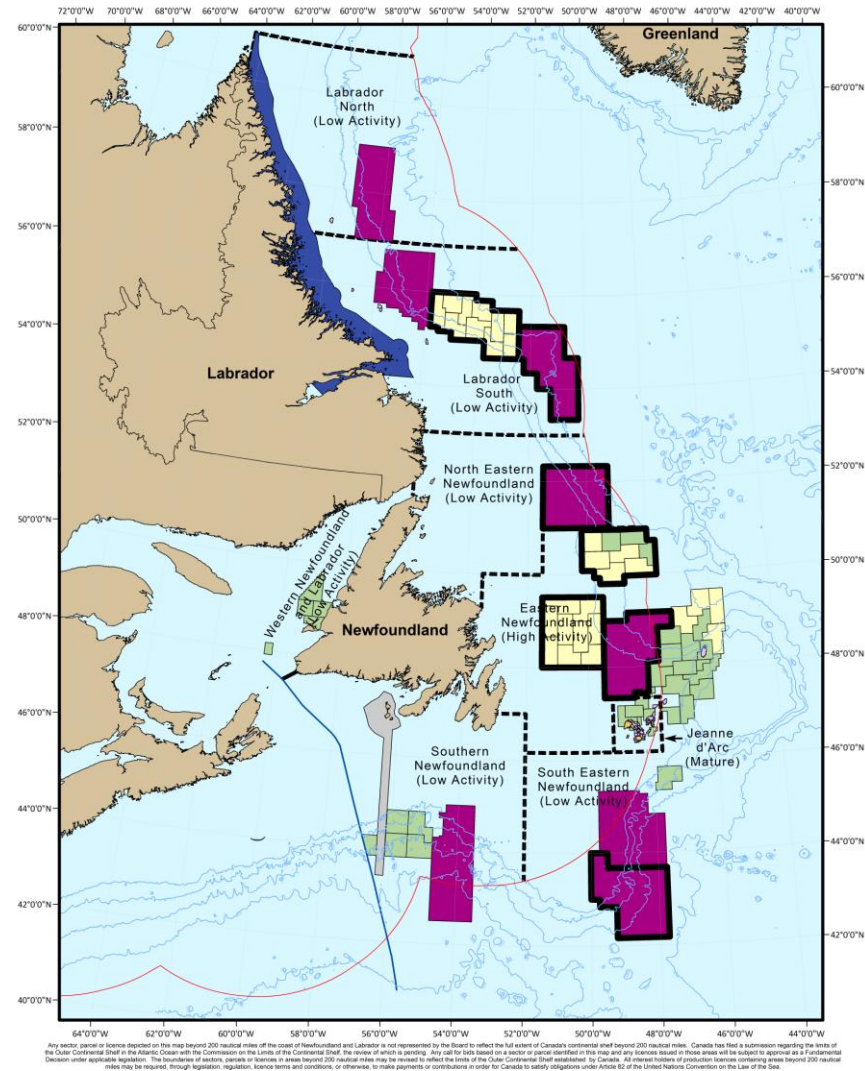
- 2015
- 2016
 - New high activity region sector: Eastern NL
 - Two new low activity region sectors: first offering
 - Call for Bids: second round in Eastern Newfoundland



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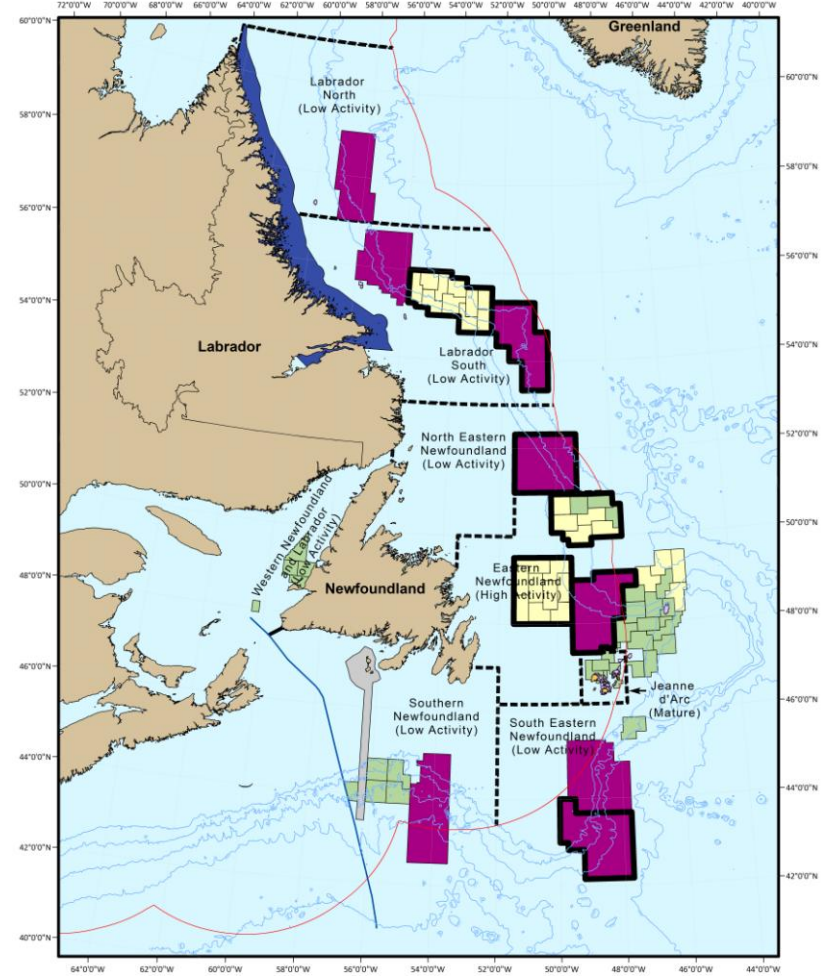
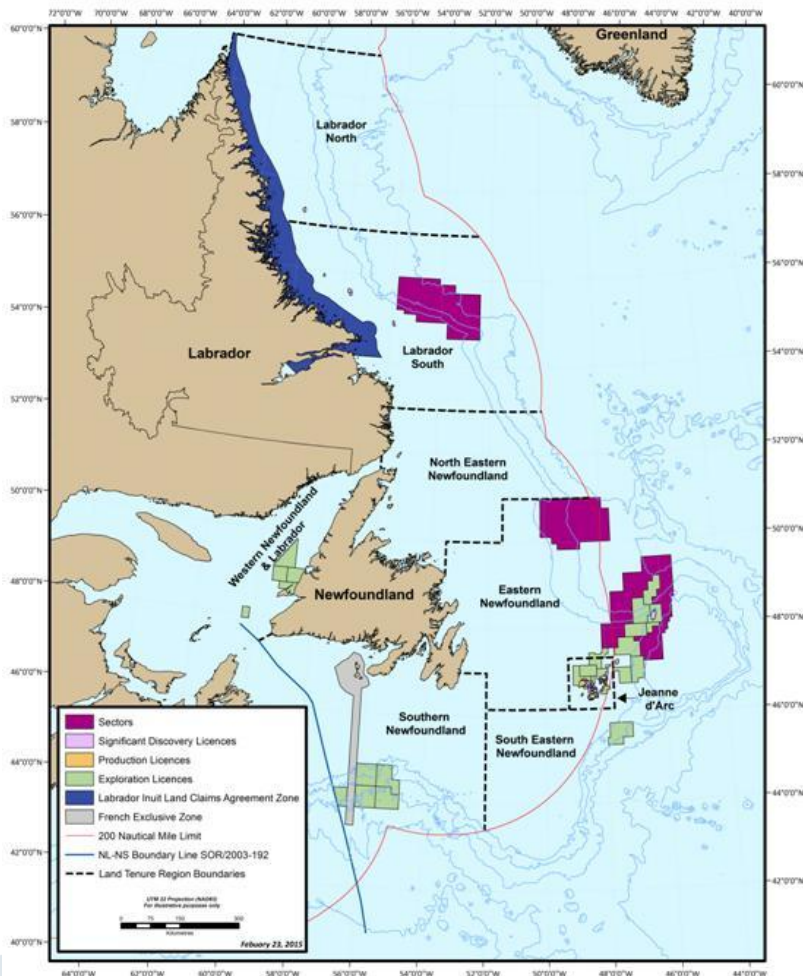
- 2015
- 2016
- **2017**
 - Call for Bids: first round over a low activity sector - Labrador South
 - Three new low activity region sectors: alternating regions
 - New high activity region sector - Eastern Newfoundland
 - Call for Bids: third round in Eastern Newfoundland



Scheduled Land Tenure Summary

2015 - 10% under licence/CFB/sector

2017 - 20% under licence/CFB/sector

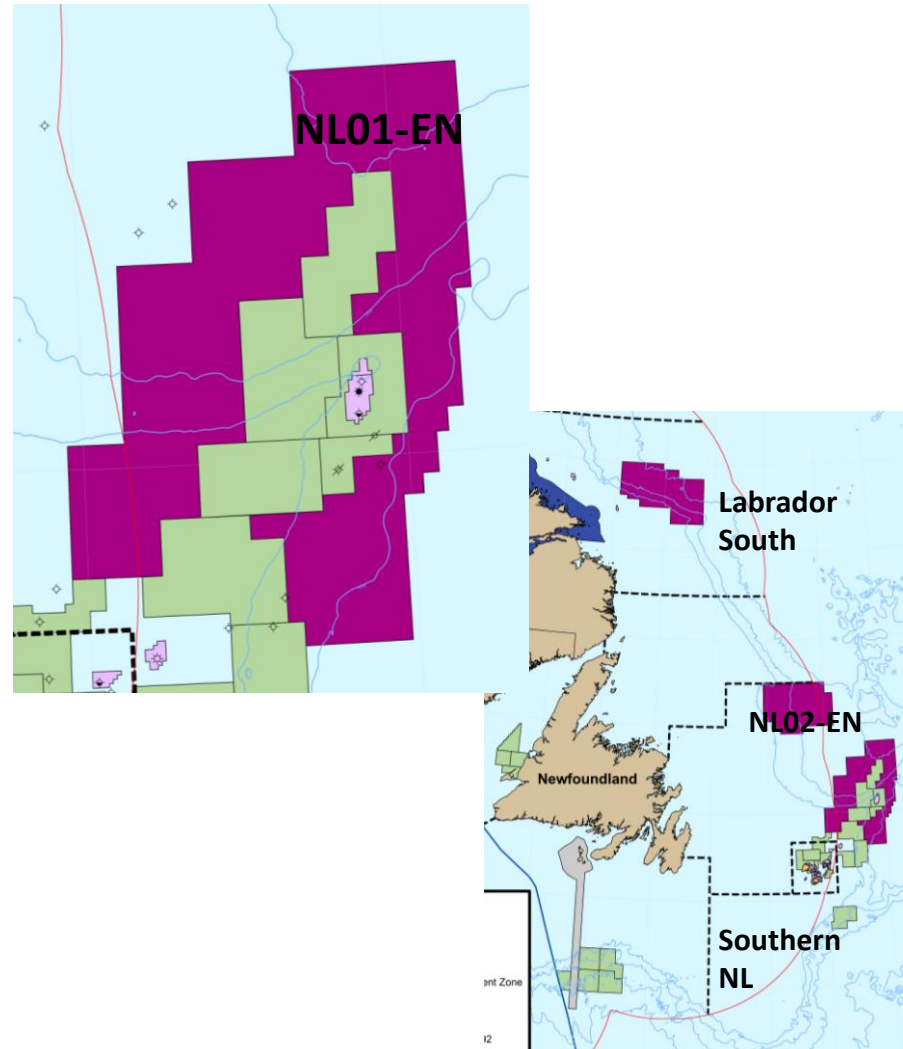


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Opportunities: 2015 Call for Nominations/Call for Bids

- **Sector Identification**
 - New sector NL02-EN was announced February 24, 2015
- **Nominations:**
 - 2 Open Nomination Rounds
 - Labrador South
 - South Eastern Newfoundland
- **Bids**
 - Public announcement planned for late March 2015
 - Sector NL01-EN will be covered by parcels
 - First Bid round under the scheduled land tenure system
 - Close of bidding will be mid-November 2015



2015 and Beyond

- Continued increase in geophysical data acquisition [Exclusive and non-exclusive (spec)]
- Extensive exploratory drilling
- Realistic results: expect successful and unsuccessful drilling and Calls for Bids
- Extensive new nomination opportunities
- Calls for Bids over highly prospective offshore lands



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