

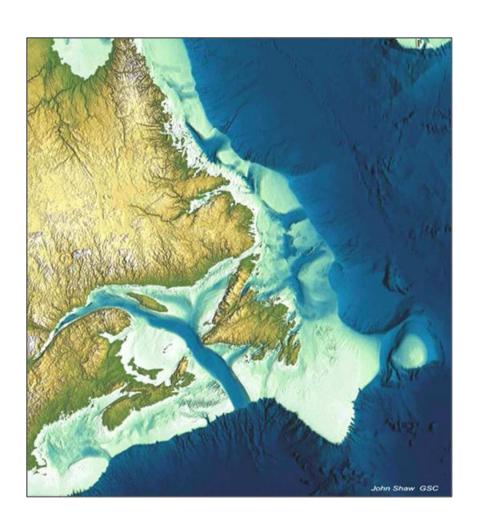
Exploration Update Geoscience Day - 2015

Activity and Scheduled Land Tenure

Craig Rowe M. Sc., P.Geo Director of Exploration

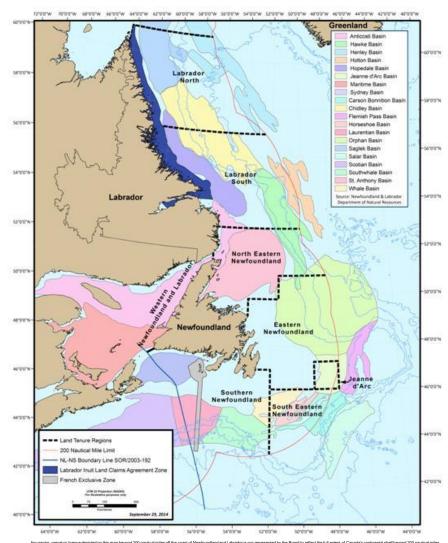
Introduction

- 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

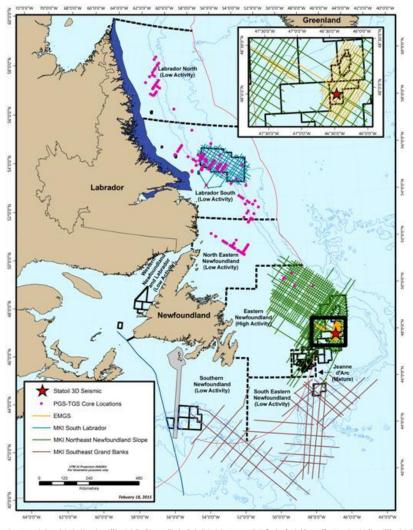


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2014 Geoscientific Programs

- 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

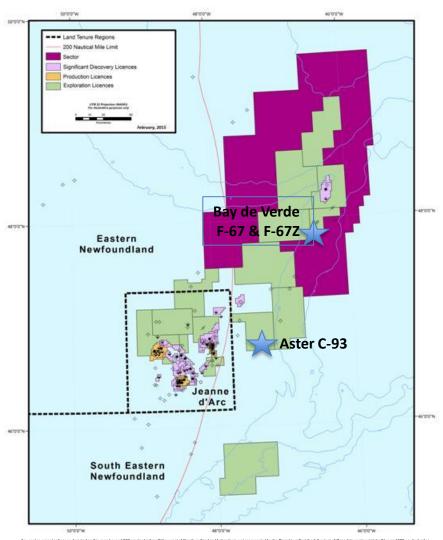


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2014 Exploration Drilling

- 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

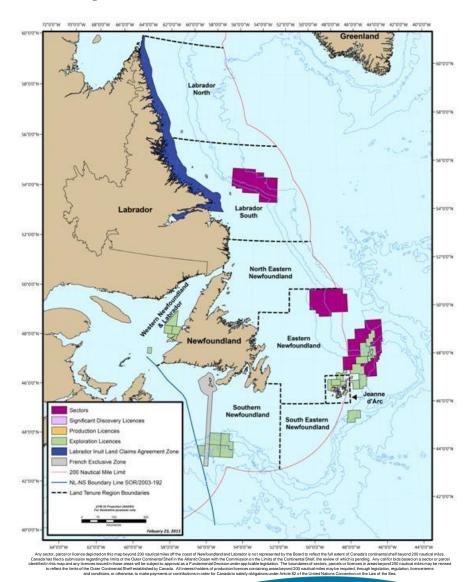


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2015 Exploration Projections

- 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

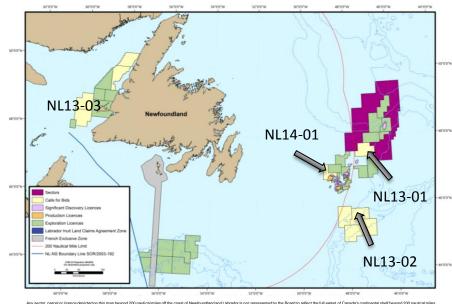




Call for Bids Results

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

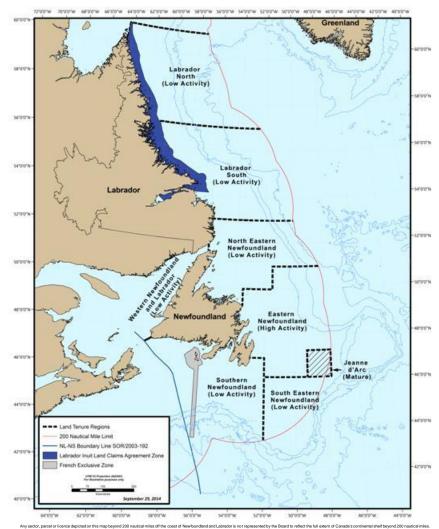
 Changed from an annual process to a multi-year system

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

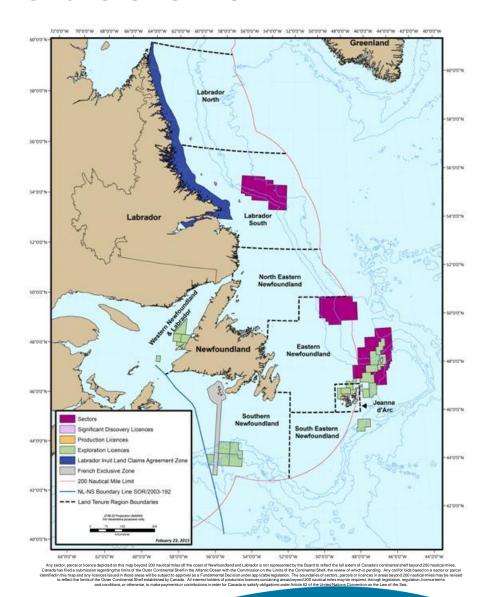


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Scheduled Land Tenure Overview

- 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

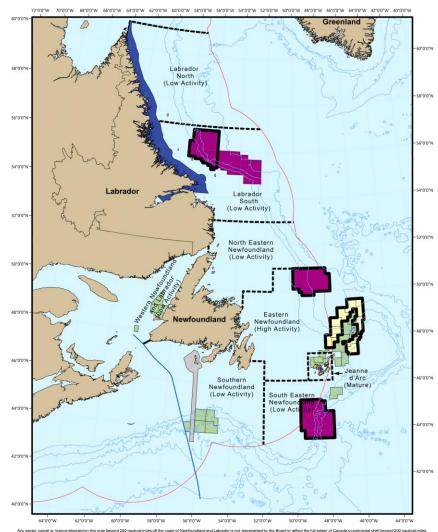




Scheduled Land Tenure Process

• 2015

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

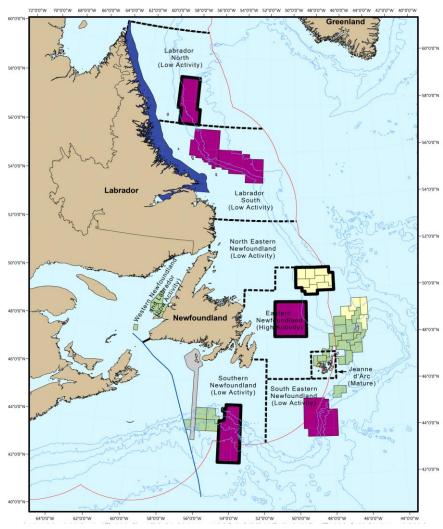


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Scheduled Land Tenure Process

- 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

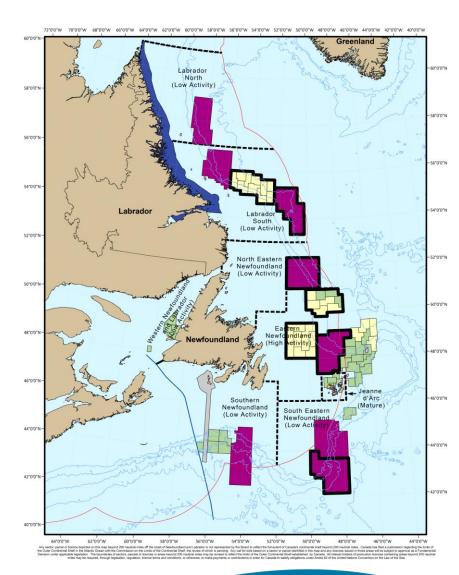


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Scheduled Land Tenure Process

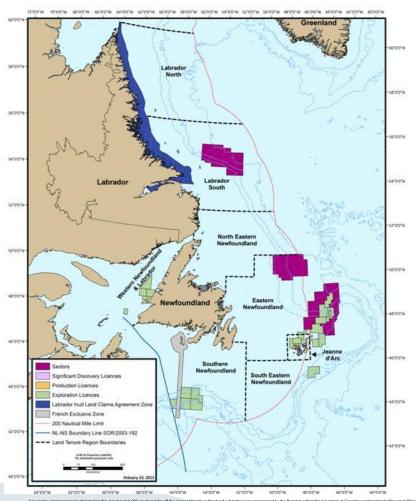
- 2015
- 2016
- 2017
 - Call for Bids: first round over a low activity sector - Labrador South
 - Three new low activity region sectors: alternating regions
 - New high activity region sector -Eastern Newfoundland
 - Call for Bids: third round in Eastern Newfoundland





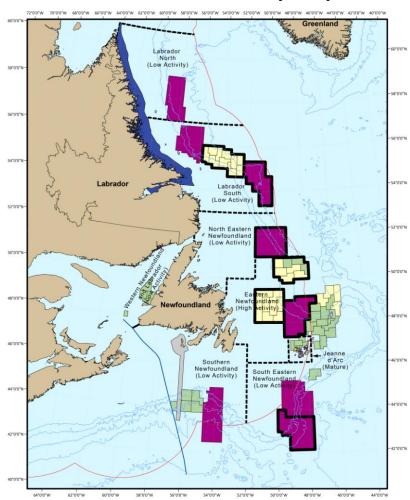
Scheduled Land Tenure Summary

2015 - 10% under licence/CFB/sector



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2017 - 20% under licence/CFB/sector



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Opportunities: 2015 Call for Nominations/Call for Bids

Sector Identification

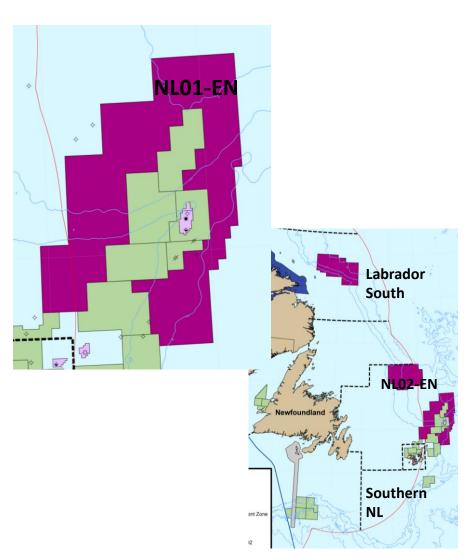
 New sector NL02-EN was announced February 24, 2015

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







DRILLING

THANK YOU

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