

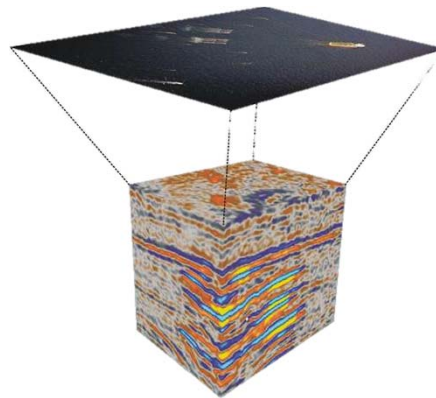


AGM Presentation

24 June 2013

Introduction

- 2012 review
- Implications of 2012 drilling programme
- Funding & Forward Plan



2012 Review

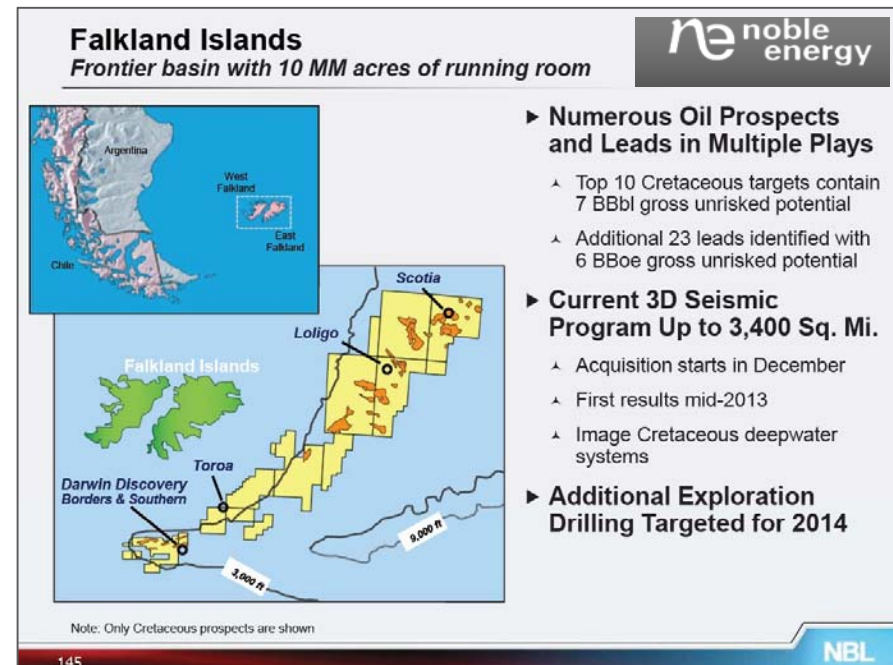
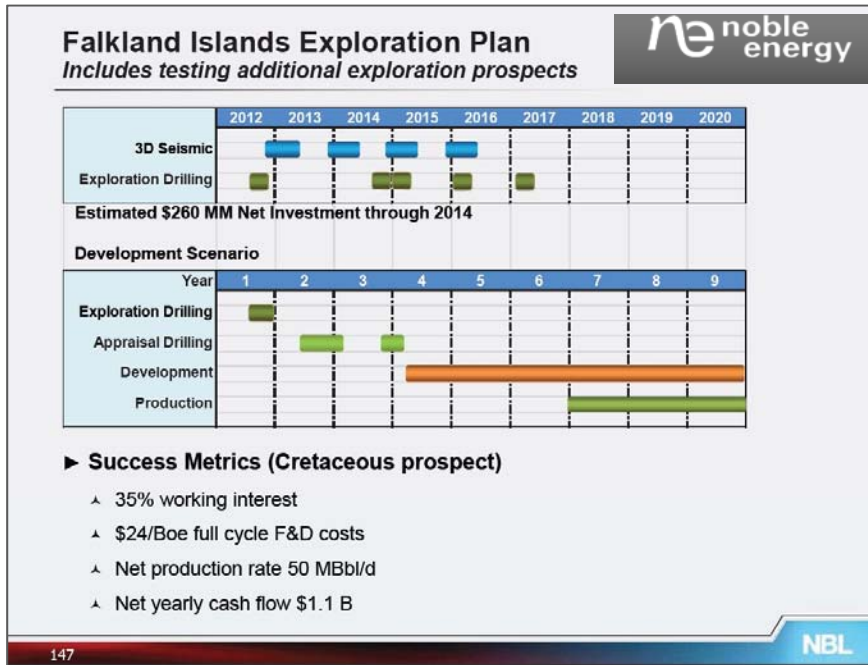
- Equity fund raising
- Farm-outs
- Drilling
 - Loligo
 - Scotia

Farm-outs to EDF-Edison & Noble Energy

- Edison farmed-in to 25% of the Northern Licences & 12.5% of the Southern licences
- Noble farmed-in to 35% of the Northern & Southern Licences
- Operatorship of northern licence area transferred to Noble in March 2013
- Two strong industry partners with excellent exploration track records
- FOGI maintains a material interest in the licences (average interest c. 56%)
- Independent third party verification of the technical case

Noble Energy

- Focussed on oil rather than gas
- Major investment in 3D seismic
- Committed to further drilling in 2014 - 2015
- Proven exploration track record
- Recognise >12 BBbl gross unrisked potential

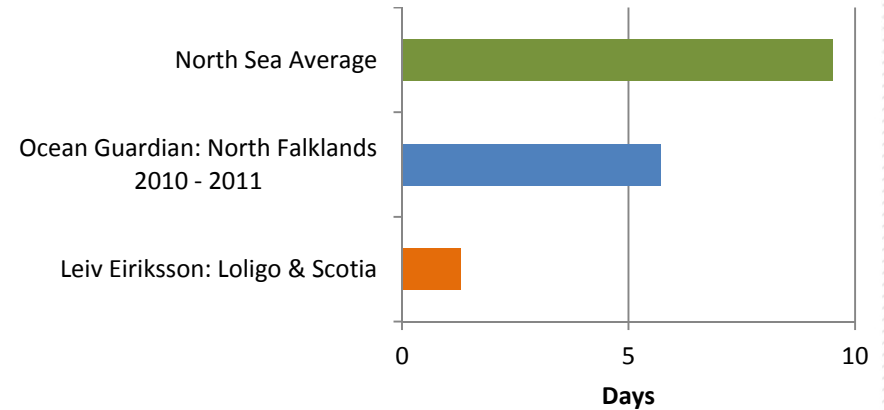


2012 drilling performance

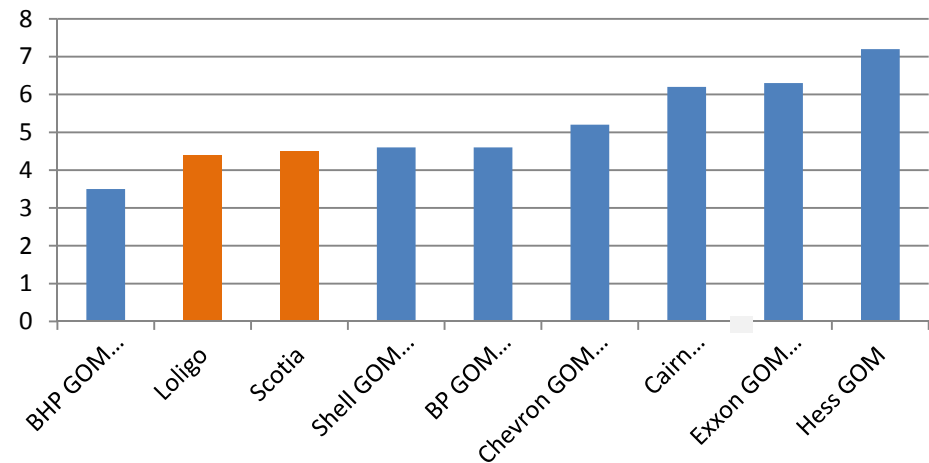
- Both wells drilled safely and without incident
- Both wells drilled within budget
- Demonstrated year-round drilling possible
- Weather downtime was negligible
- Good drilling performance compared to other deepwater operators



Downtime due to weather



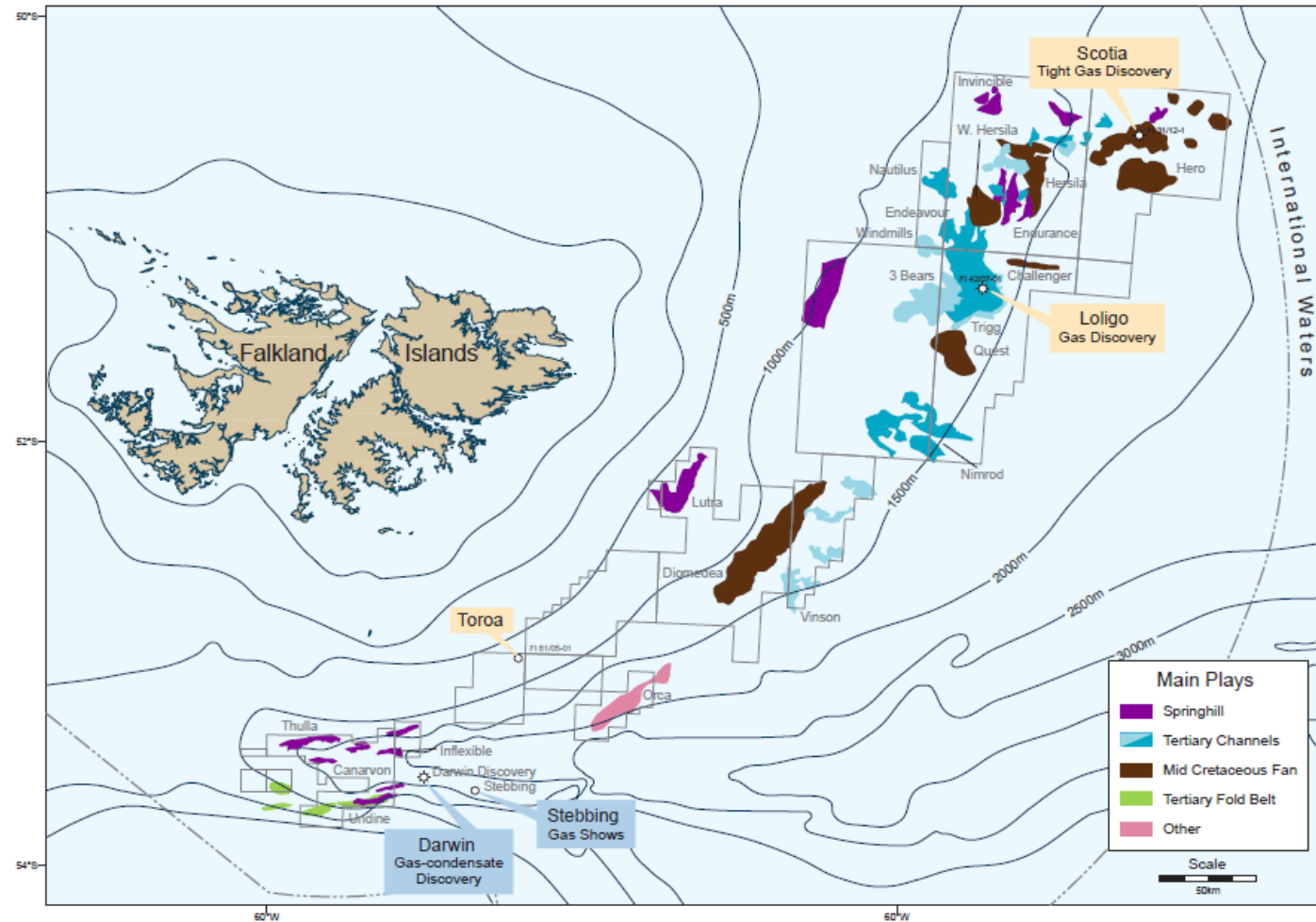
Drilling days per 1,000ft. below mudline



A proven hydrocarbon province

The 4 exploration wells drilled in 2012 has demonstrated a working petroleum system in the south & east Falkland basins

1. Proven mature source rocks
2. Reservoir sands present
3. Working seals
4. Viable traps

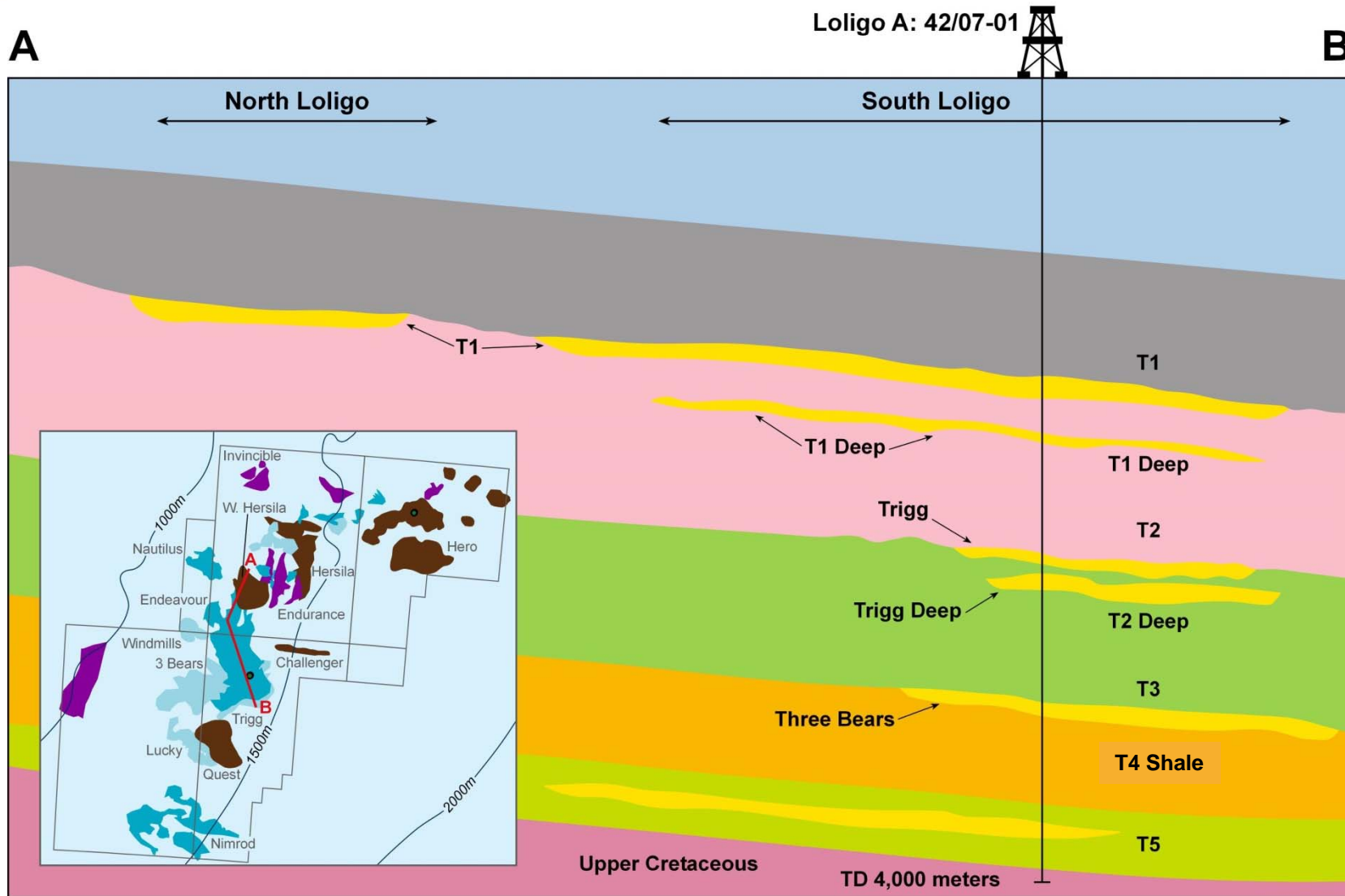


Loligo: encouraging results

- Proves a working hydrocarbon system in the northern part of the basin:
- 6 separate gas bearing zones (T1~T5)
- Reservoir quality is an issue at this well location:
 - Good porosities of 20-30%, but low permeability's
- Better quality reservoir may be developed elsewhere within the Loligo
- Loligo has a very large gas in place volume: **c.50 – 100 TCF (GIIP)***

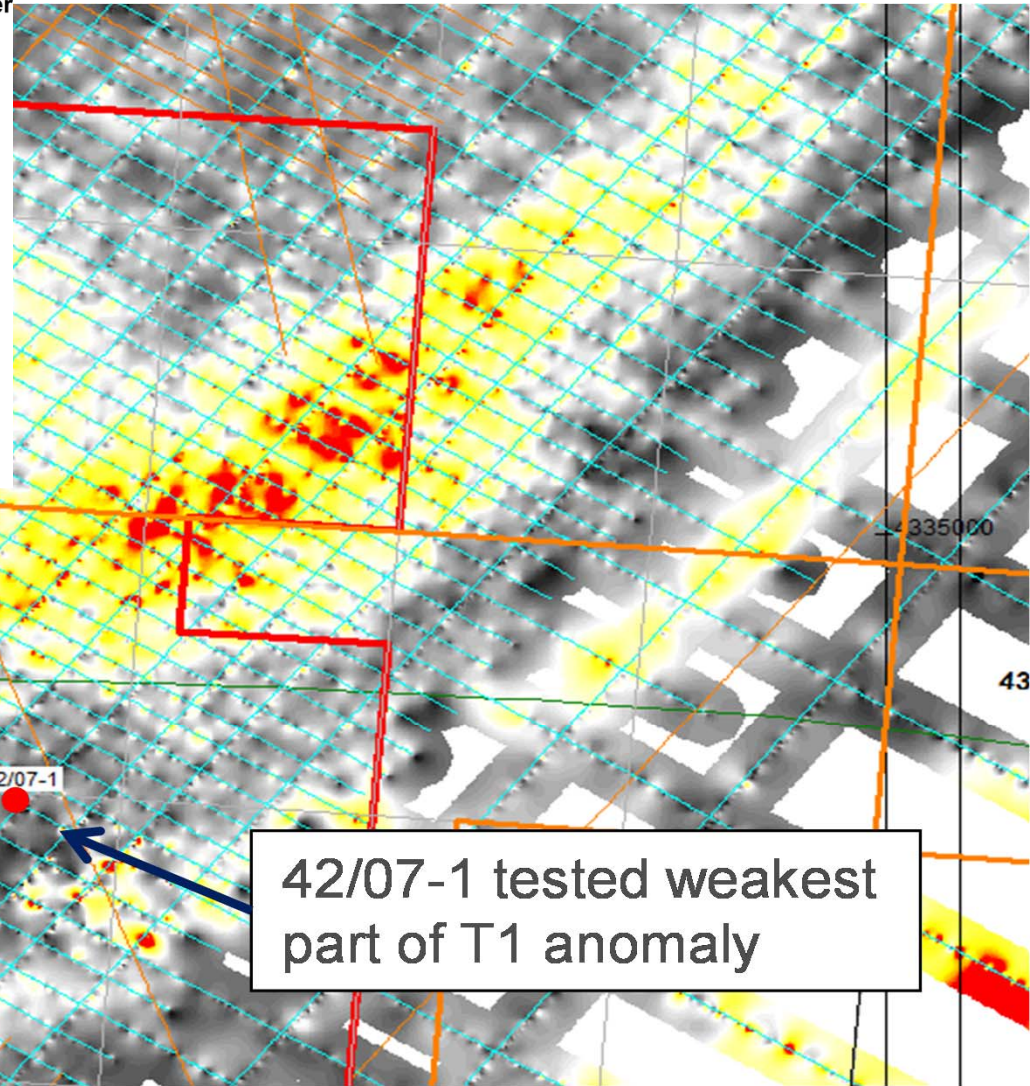
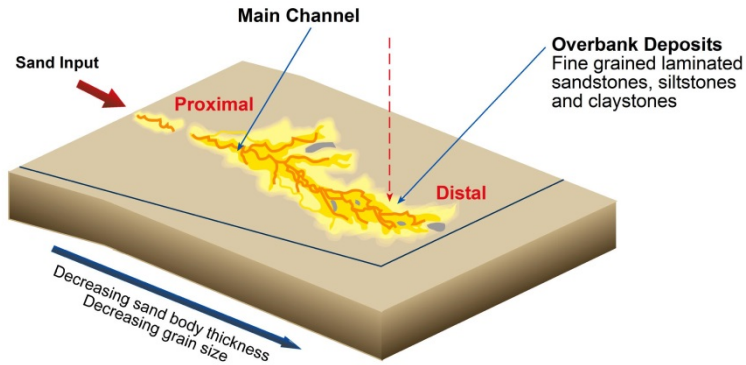
* Based on preliminary FOGL estimates of Loligo resource potential

Loligo: multiple gas bearing zones encountered



Loligo depositional model

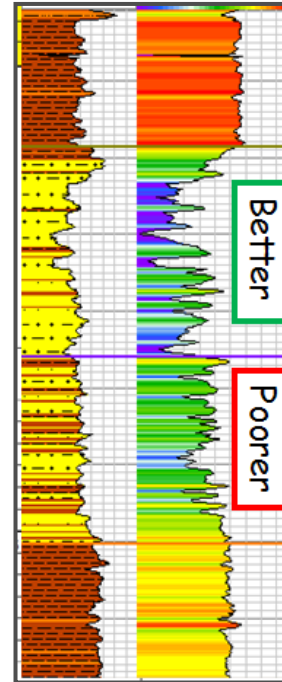
3D Seismic will be used to identify the main channels and locate areas of better quality reservoir within the Loigo complex



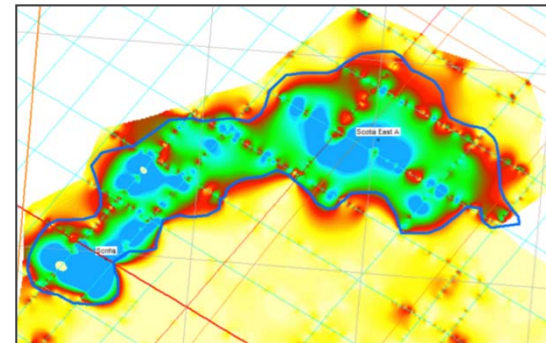
Scotia: tight gas discovery

- Scotia is a viable stratigraphic trap
- Large seismic amplitude covering an area of c.350 sq.km
- Reservoir quality an issue:
 - low – moderate porosity
 - Low permeability.
- Mean Gas in Place estimate: c.10 TCF
- Geothermal gradient higher than expected
- Source rock probably now generating gas below Scotia rather than oil

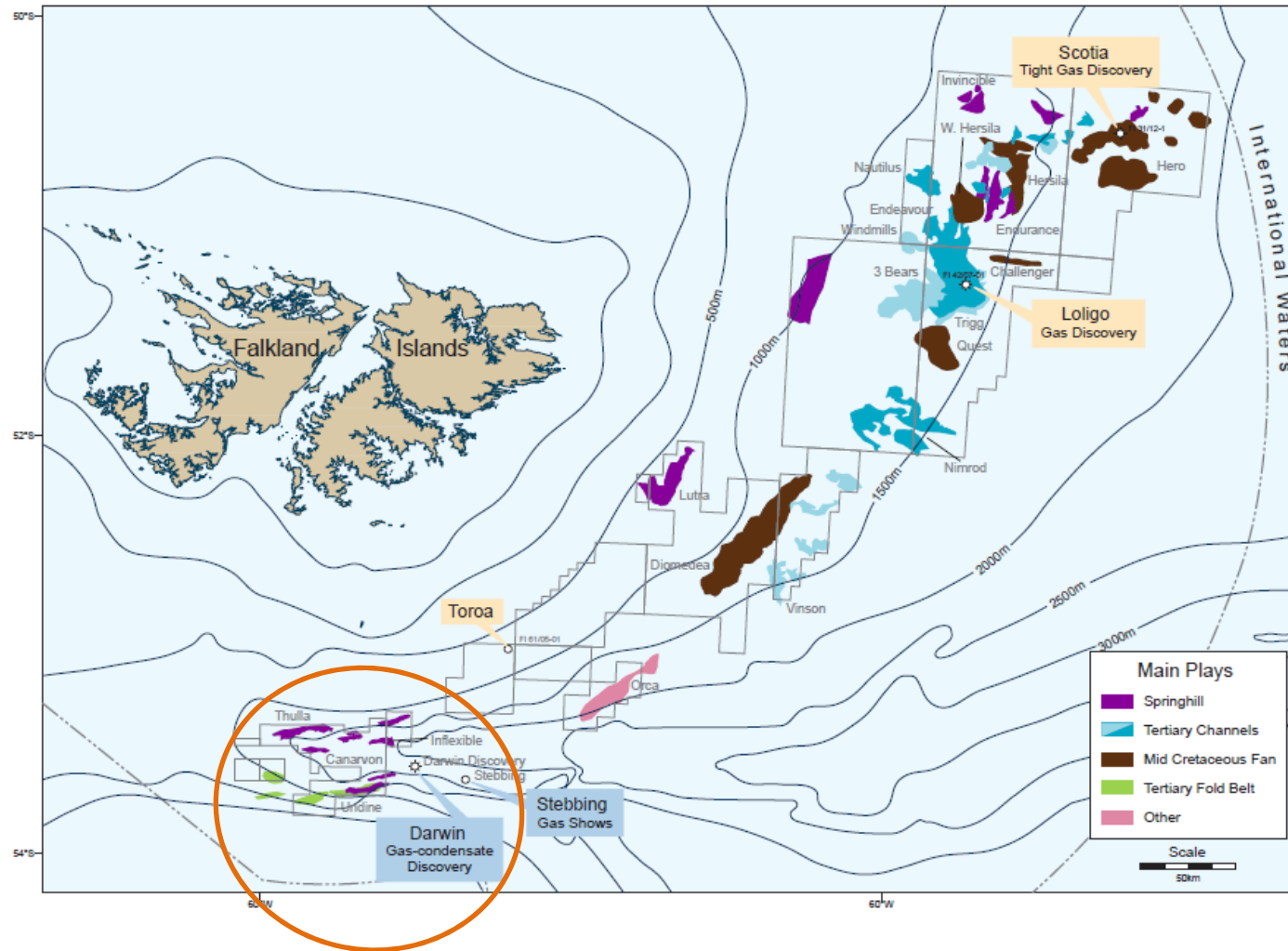
50 metres of gas bearing reservoir



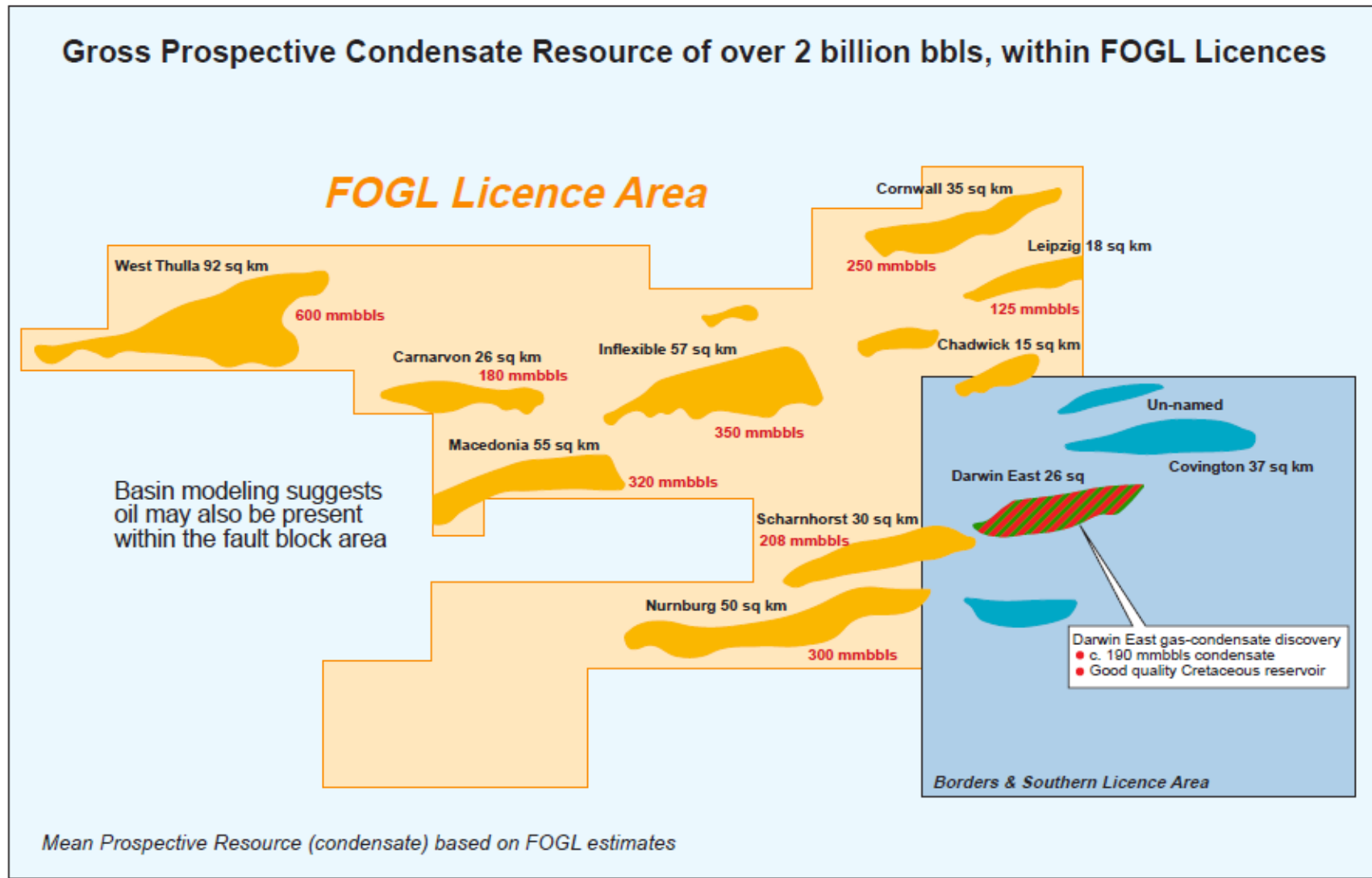
- Porosities up to 20%
- Average porosity: 14%
- Low permeability throughout reservoir
- Extensive calcite cement



The fault block play



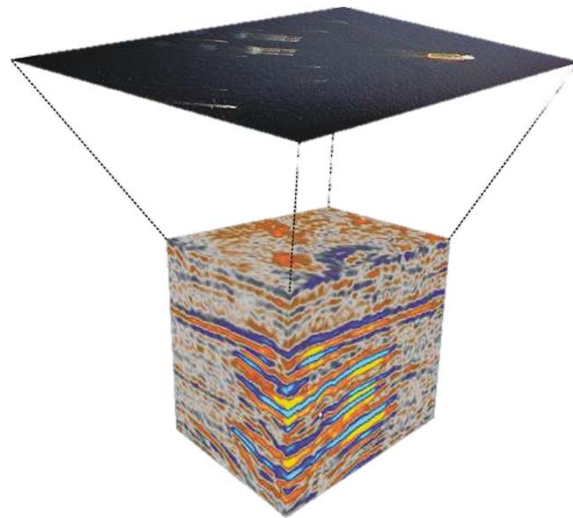
Darwin condensate discovery & the Fault Block Play



Implications of 2012 drilling programme

Key Questions

- Can the gas & associated liquids be commercialised?
- Where is the good quality reservoir?
- Is there any oil in the basin?



Commercialising gas & associated liquids

The feasibility of various LNG options are currently being investigated

- Natural gas is projected to be the fastest growing fuel globally
- LNG supply is projected to grow at 4.5% p.a. to 2030

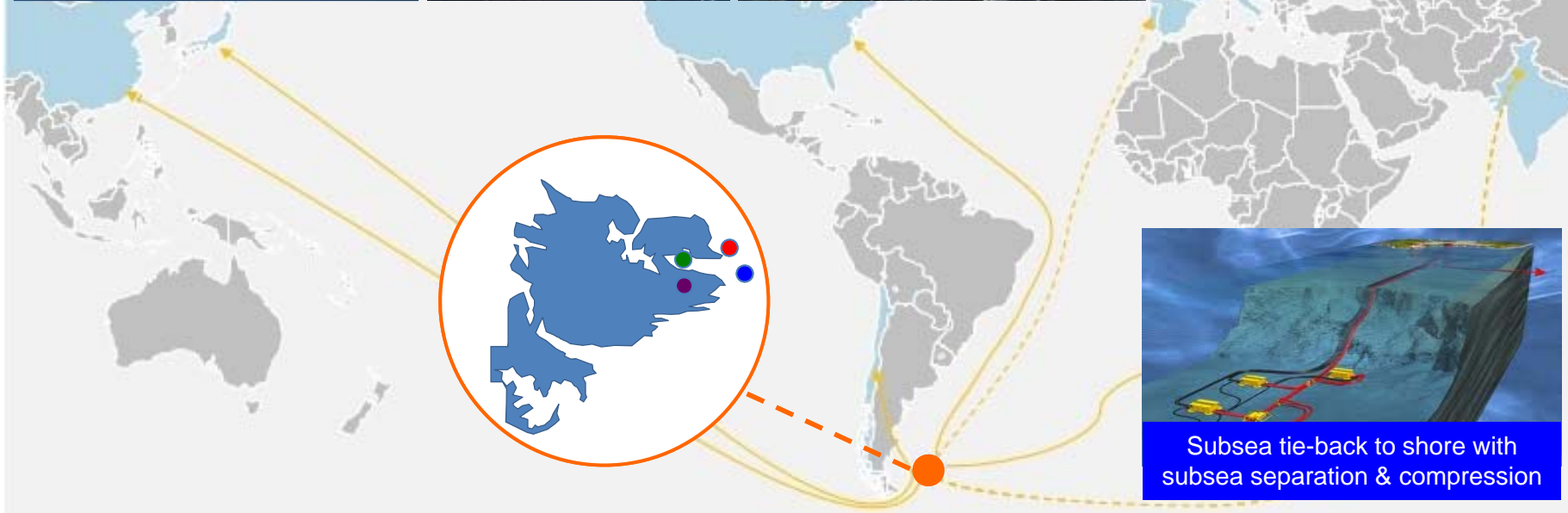
Land based 2 train LNG plant



FPSO development



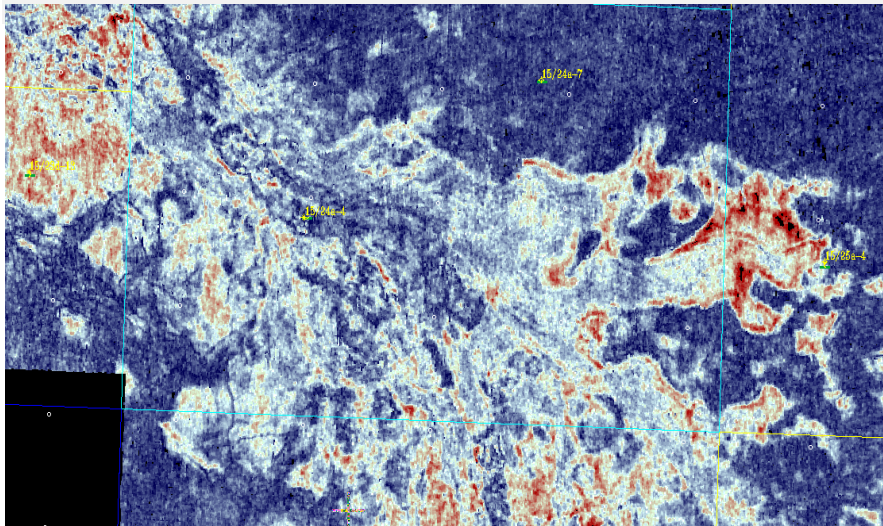
Floating LNG vessel moored in deepwater harbour



A new reservoir model

- Very good quality Cretaceous reservoir in 2 wells: Toroa & Darwin
- New depositional model - source of sand (provenance)
- Seismic amplitude response – 3D seismic
- Mapping sand fairways and where best reservoir quality is likely to be found: 3D seismic will be invaluable

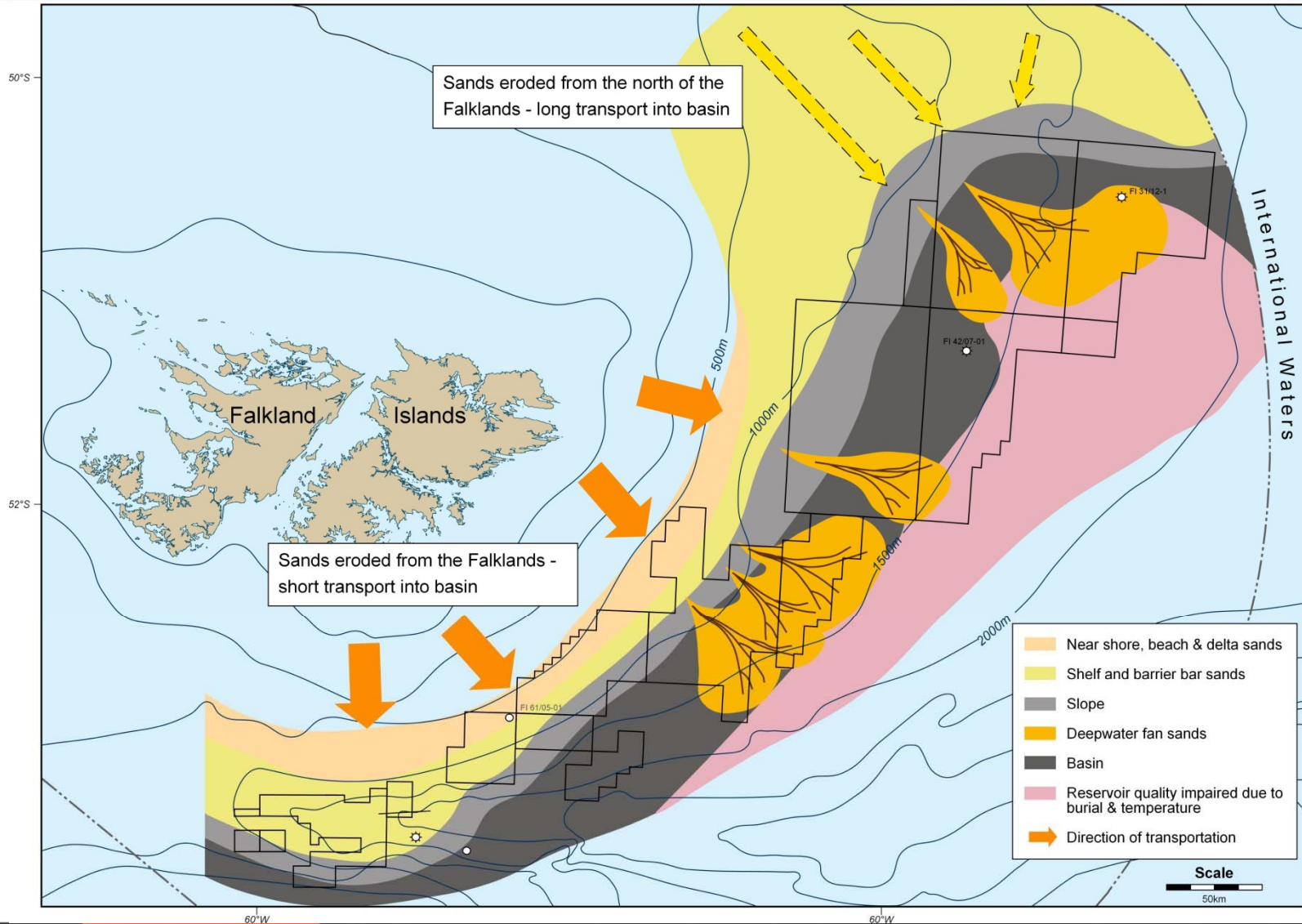
North Sea: Tertiary sand fairway mapped on 3D seismic



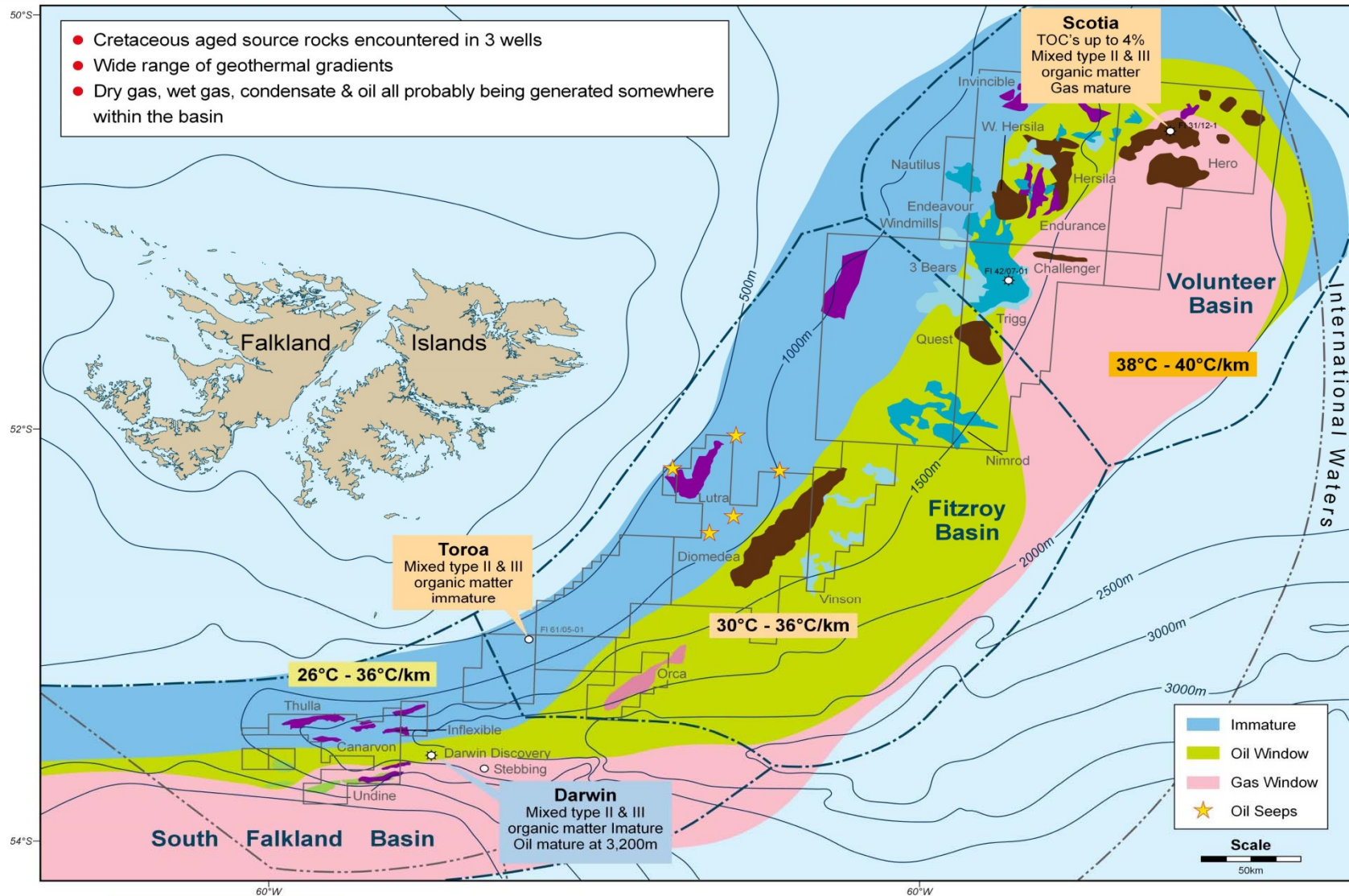
Well developed clean quartz sands on East Falkland



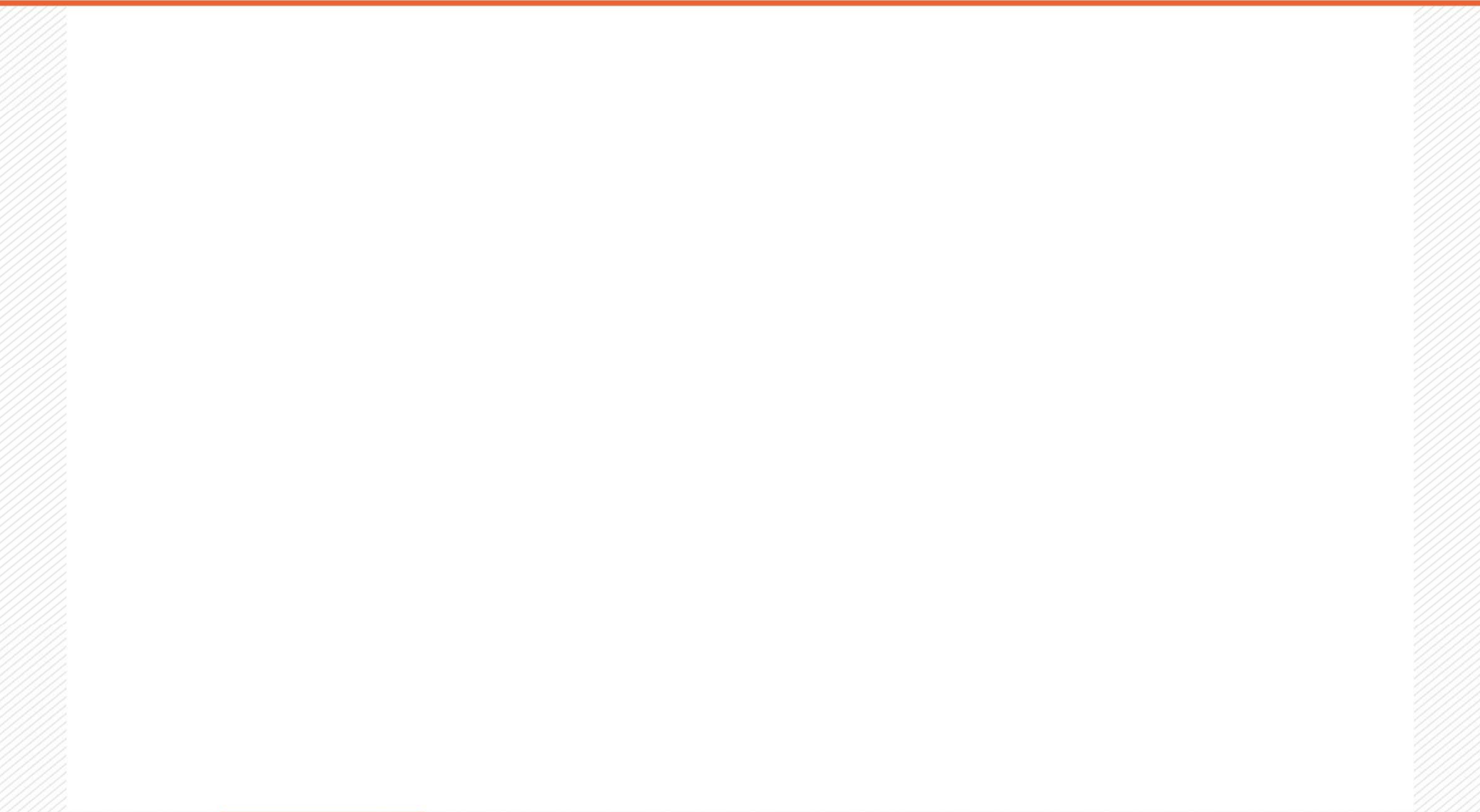
Cretaceous reservoir distribution



Cretaceous Source Rocks: The key to finding oil



Funding and forward programme

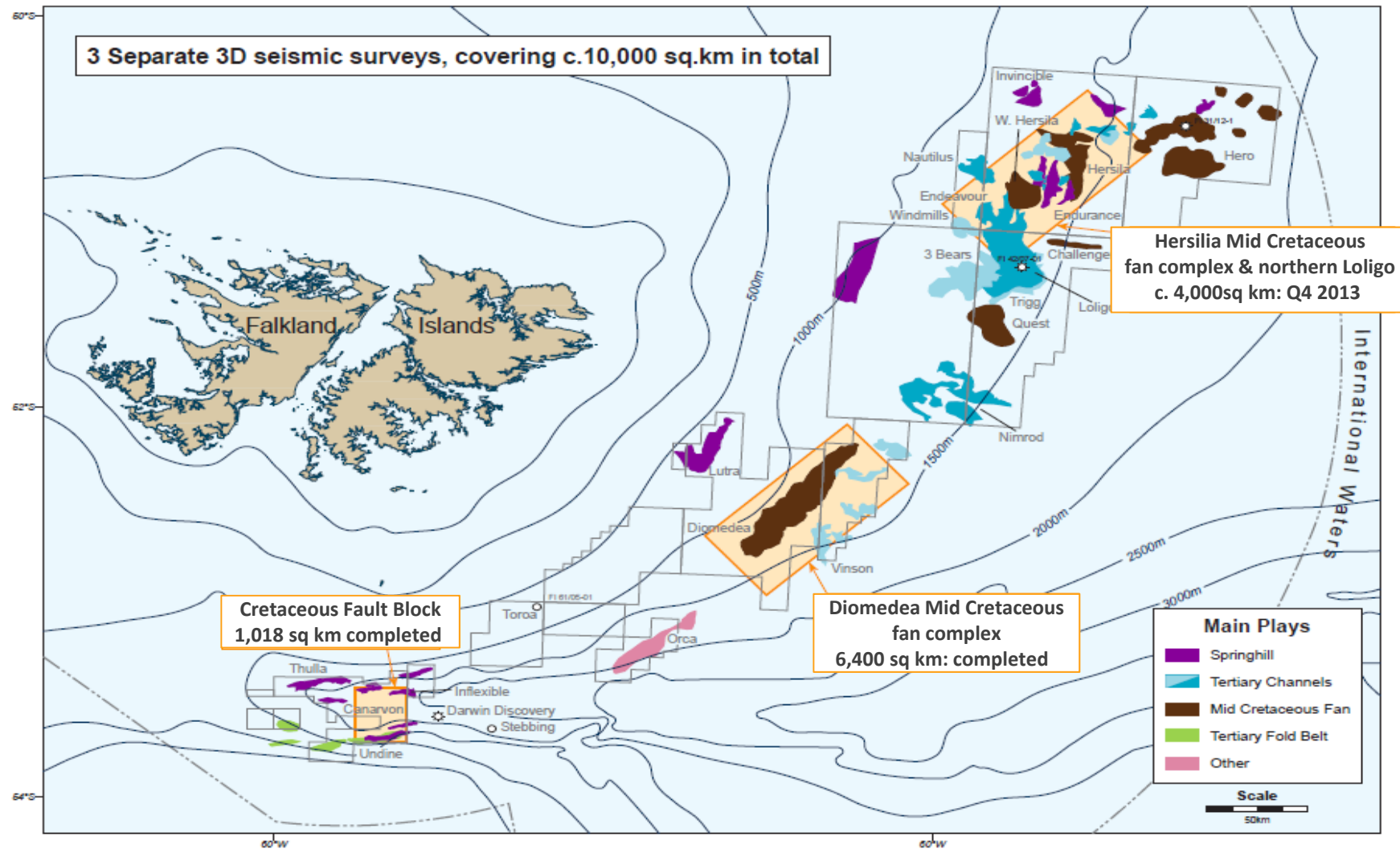


Funding our forward programme

Estimated expenditures until 2015

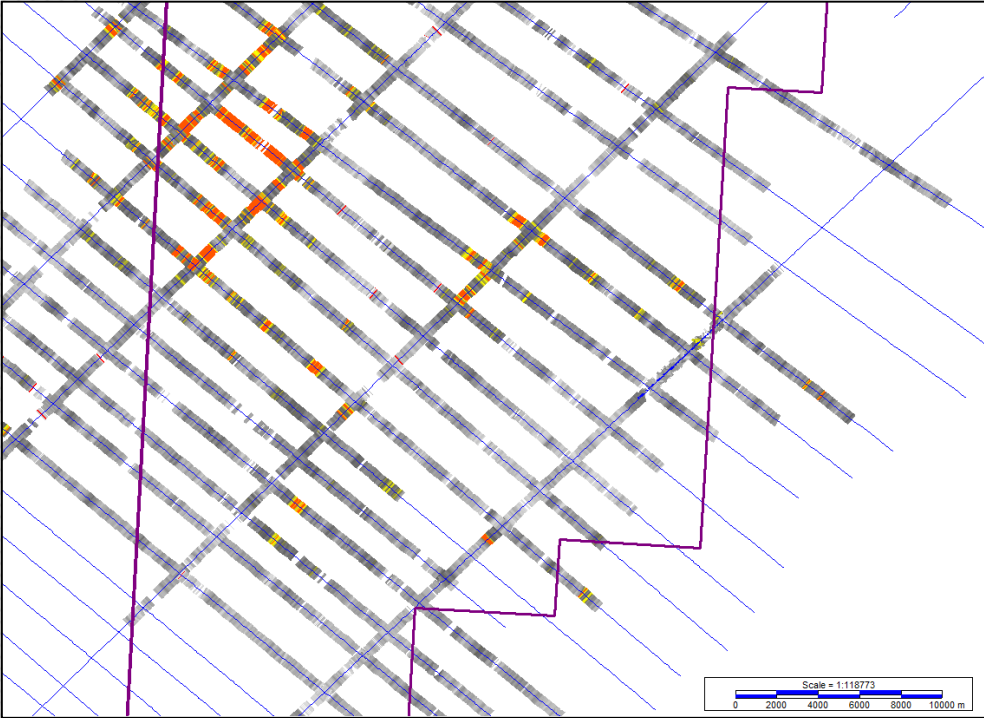
	Net Cost to FOGL \$ millions
2013/14 3D seismic	60
3 Well Programme Including Noble carry on first 2 wells	100
Operating & Corporate expenses	15
	175
Cash at Jan 2013	220
Cash Surplus	45

2013 3D seismic programme

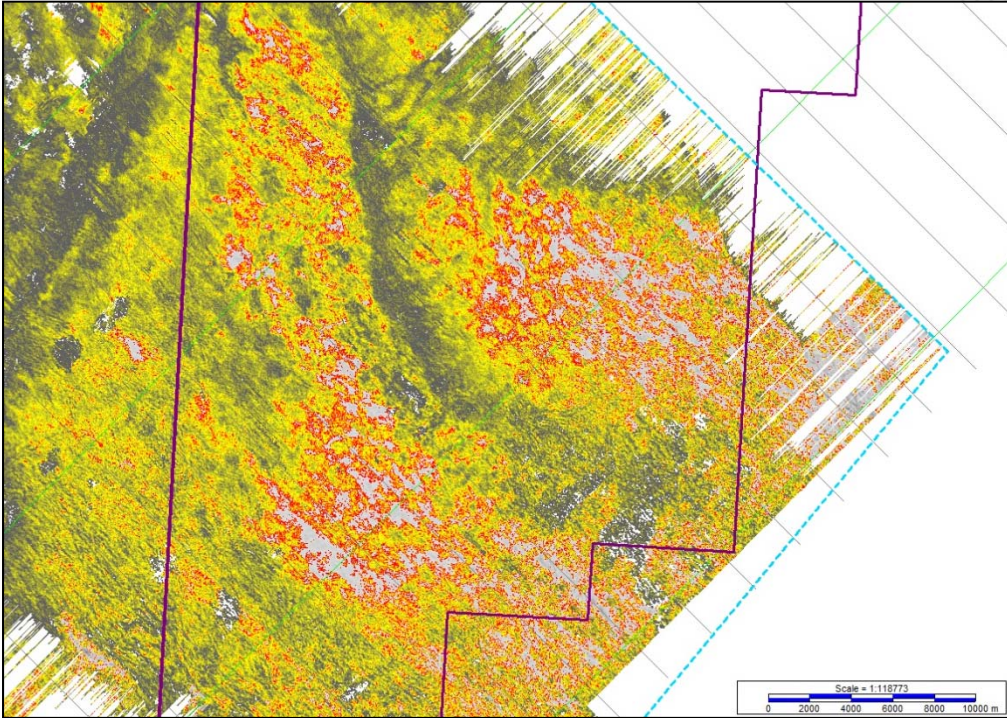


Hyper Fast-track data from Diomedea

Existing 2D seismic



New 3D seismic



Prudent approach to risk management

Total investor funding 2008 – 2012	\$228 million
Total funds received from farm-outs (BHP, Noble & Edison)	\$105 million
Net cost to FOGL of these 3 wells	\$103 million
Current cash	\$220 million

- Proven that the South & East Falklands has a working hydrocarbon system
- Estimated Loligo gas-in-place: 50 – 100 TCF*
- Current cash position will provide investors with exposure to 3 further high impact exploration wells to be drilled 2014/15

To date, investors have had exposure to 3 high impact wells with a total net resource potential of c.5 billion boe for an investment of just \$8 million

* Based on preliminary FOGL estimates of Loligo resource potential

Newsflow

- Diomedea & Fault Block 3D surveys completed.
- Fast track results in August 2013
- Northern Licence area 3D to commence in Q4 2013
- Market update on Southern area 3D by end 2013
- Market update on Northern area 3D by mid 2014
- Looking to source a suitable rig for a 3 well, plus options, drilling campaign starting in H2 2014

Conclusions

- Proven working hydrocarbon province
- Loligo gas discovery may have significant potential
- Darwin results de-risks fault block play in the Southern licence area
- Farm-outs have underpinned a prudent approach to risk management
- Noble Energy to lead exploration effort going forwards
- Exploration programme primarily focused on finding oil
- Extensive 3D seismic programme, followed by further drilling in H2 2014

High impact exploration with world class prospects in a huge licence area

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