



Oil Barrel Presentation

12 March 2013

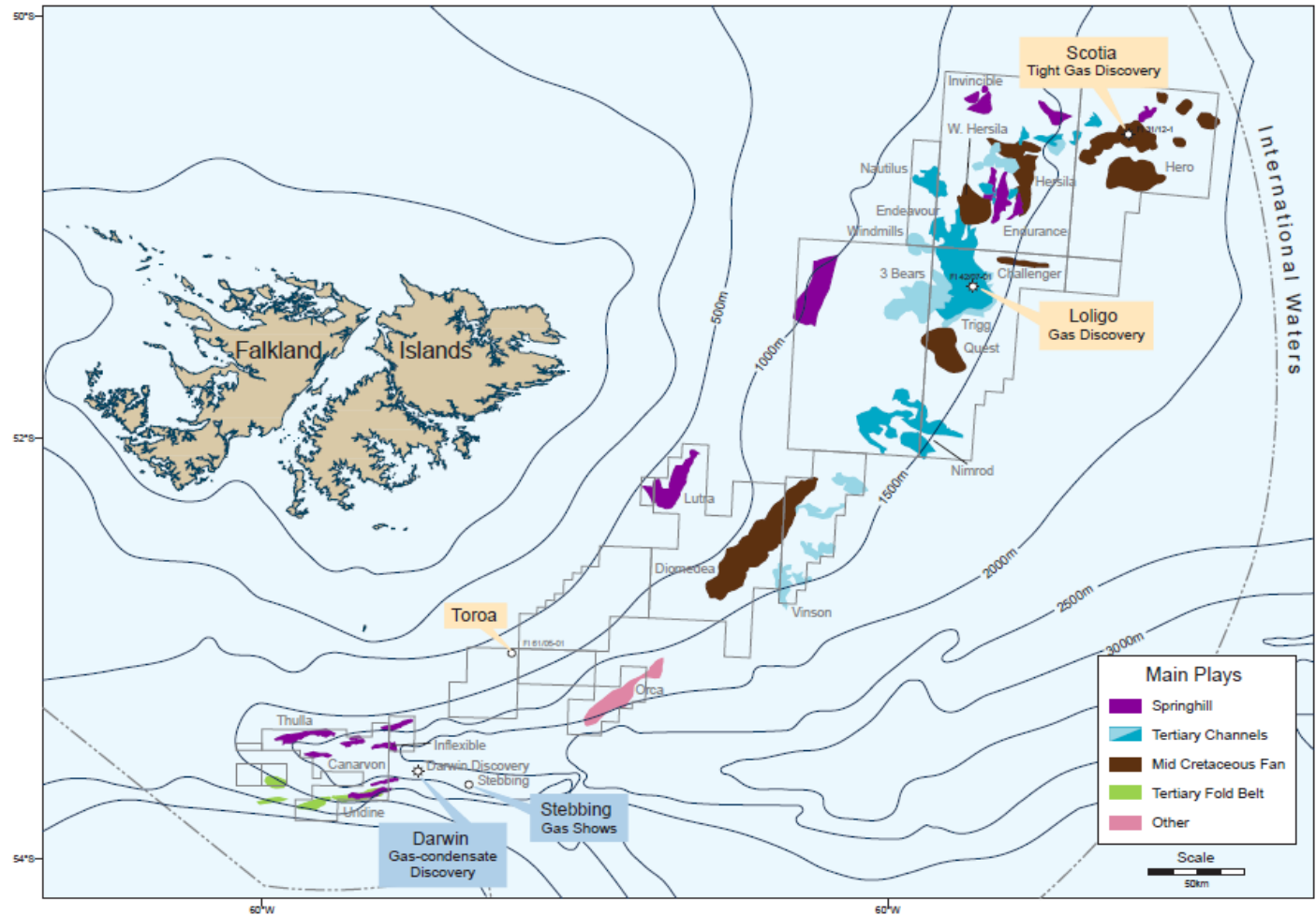
Agenda

- Focus for FOGL is:
 - Locating oil within the basin
 - Identifying high quality reservoir
 - Progressing gas commercialisation strategies for Loligo
- But first....a review of the 2012 drill campaign

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



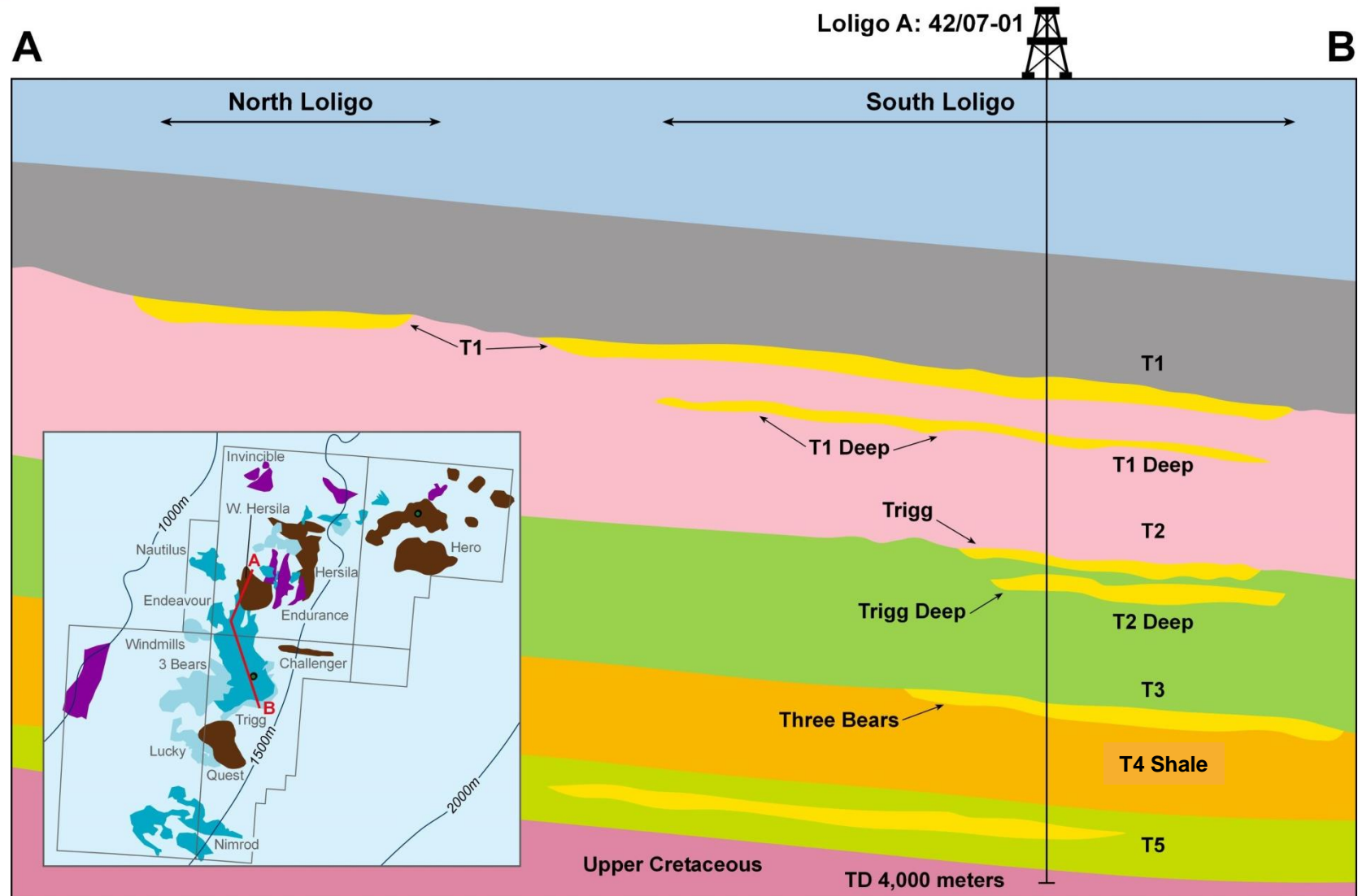
Loligo

Loligo: encouraging results

- Proves a working hydrocarbon system in the northern part of the basin:
 - Mature source rocks
 - Active hydrocarbon migration
 - Presence of reservoir
- Loligo is a viable stratigraphic trap
- 6 separate gas bearing zones (T1~T5)
- High saturation gas (not 'fizz gas')
- T5 reservoir was a pleasant surprise
 - 106m net pay, log porosities of 20-30%, but low permeability's
- Loligo has a very large gas in place volume: **c.50 – 100 TCF (GIIP)***
- Better quality reservoir may be developed elsewhere within the Loligo complex
- Probably a 'wet gas'

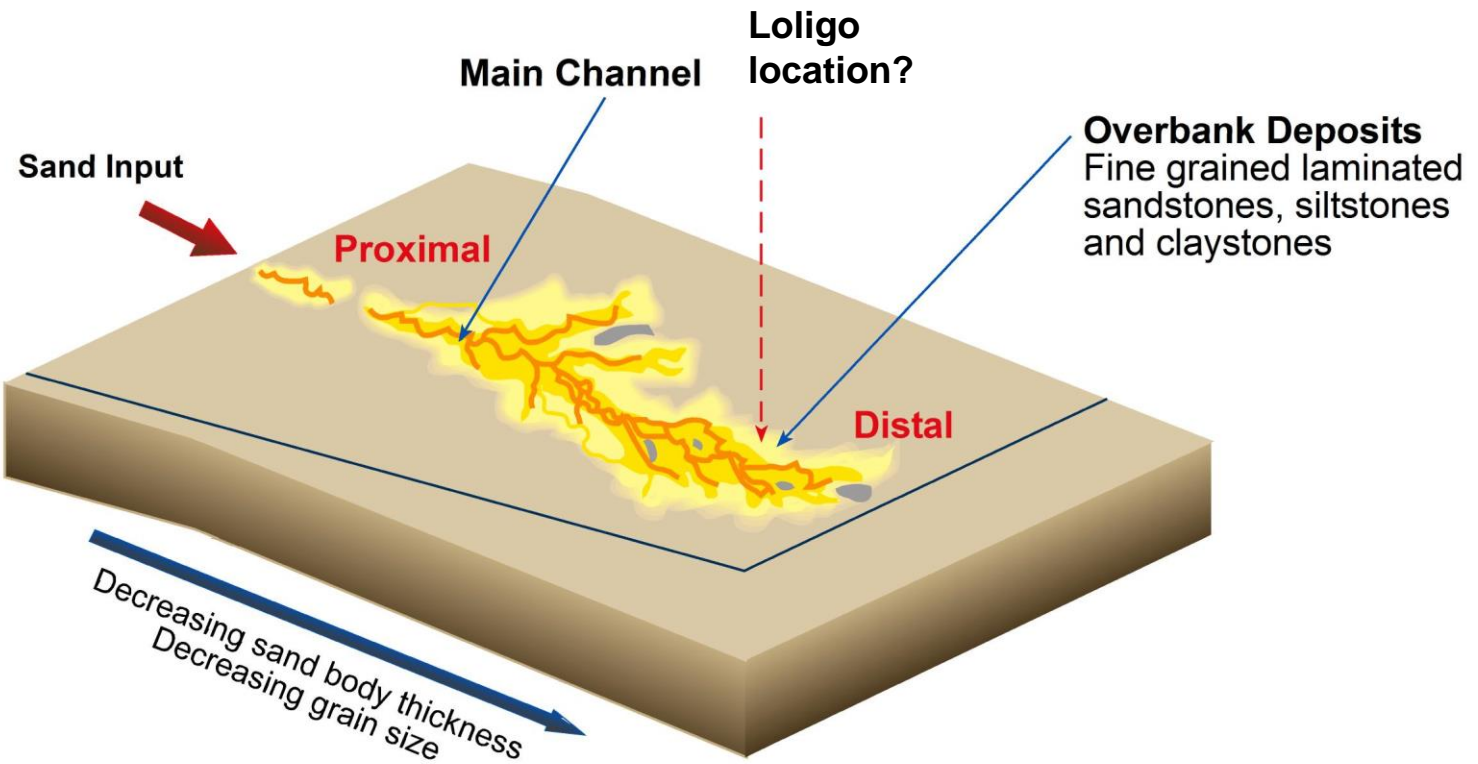
* Based on preliminary FOGL estimates of Loligo resource potential

Loligo: multiple gas bearing zones encountered

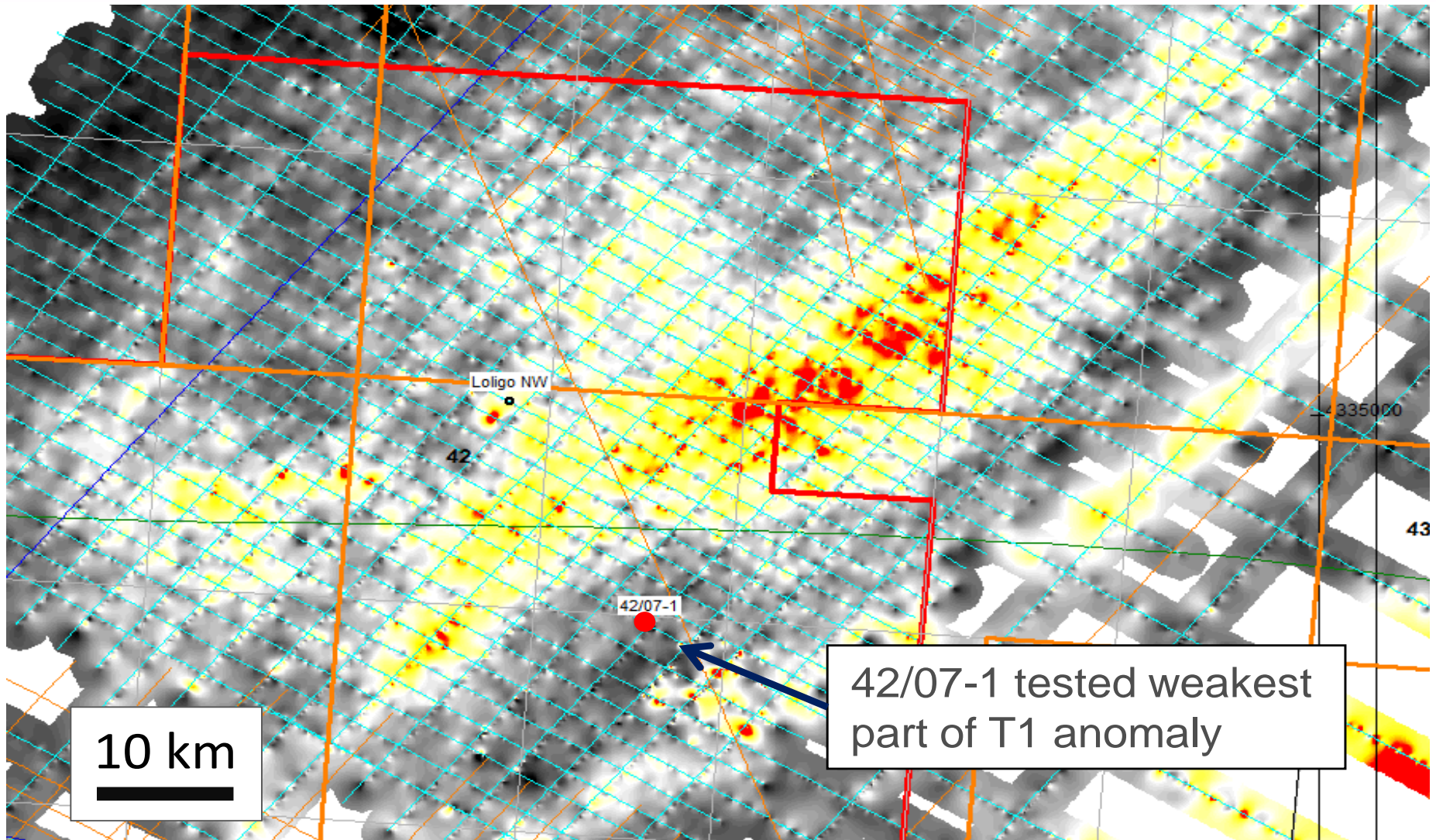


Loligo depositional model

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



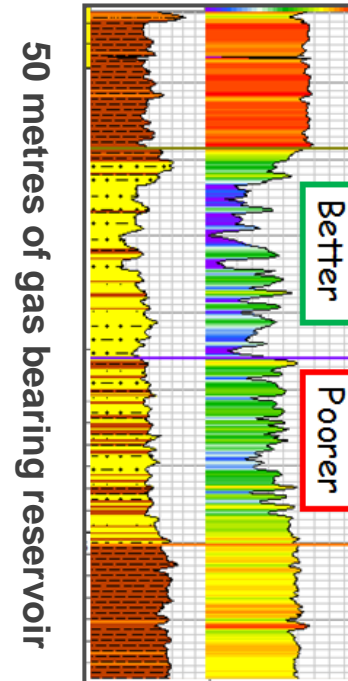
Loligo depositional model - continued



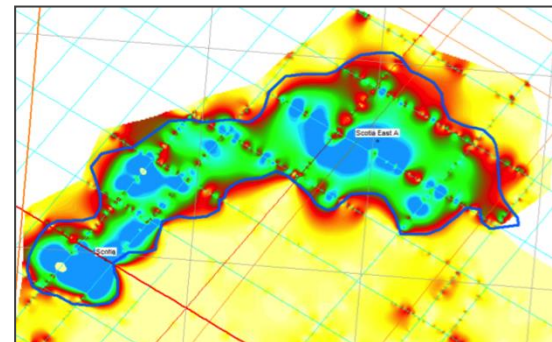
Scotia

Scotia: tight gas discovery

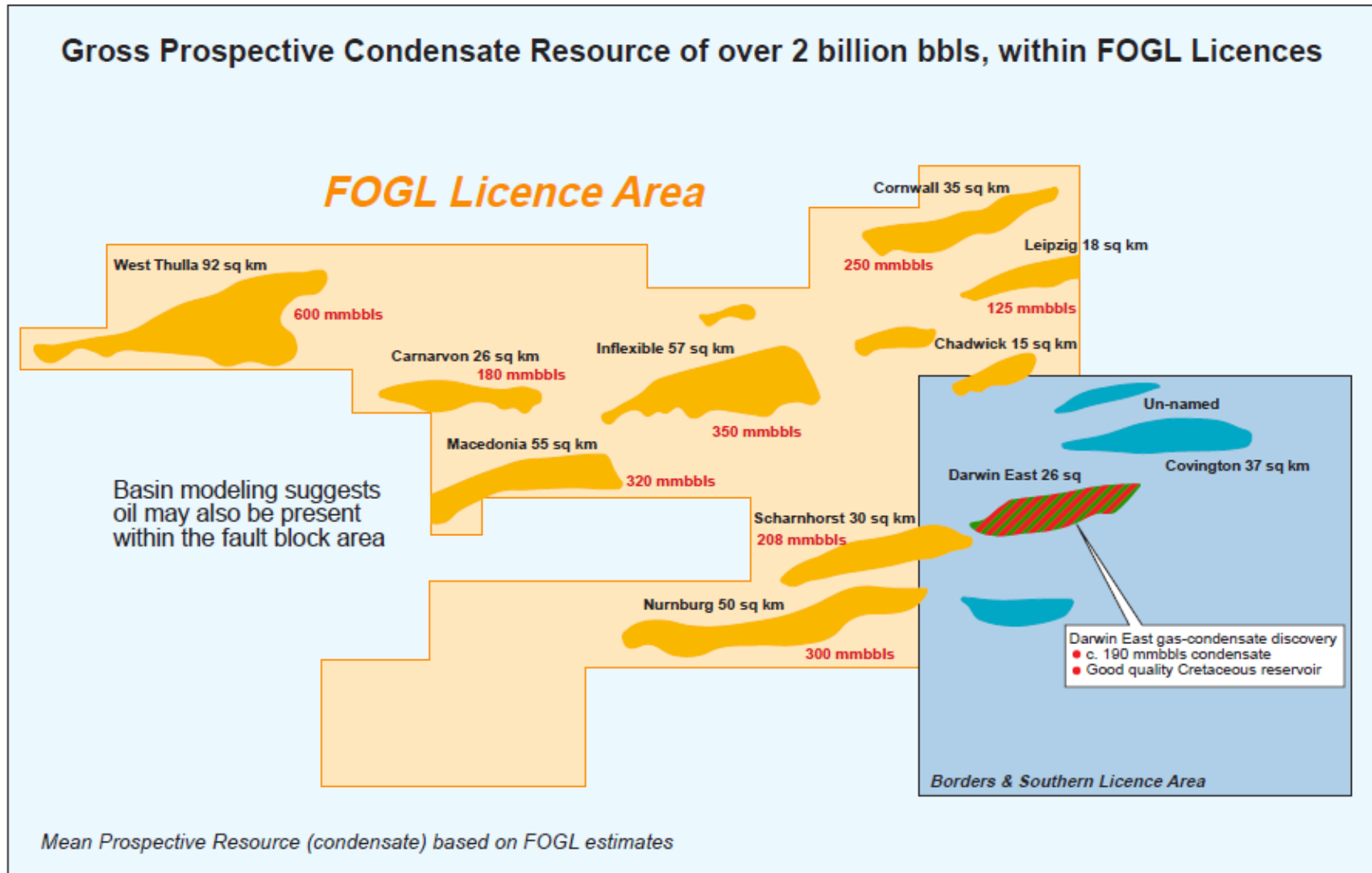
- Proves a working hydrocarbon system in the mid Cretaceous Fan Play
 - Active hydrocarbon migration
 - Reservoir present, but tight at this location
 - Good integral top, bottom & lateral seals
- Scotia is a viable stratigraphic trap
- Large seismic amplitude covering an area of c.350 sq.km
- Mean Gas in Place estimate: c.10 TCF
- Geothermal gradient higher than expected
- Source rock probably now generating gas below Scotia rather than oil



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



Darwin condensate discovery & the Fault Block Play



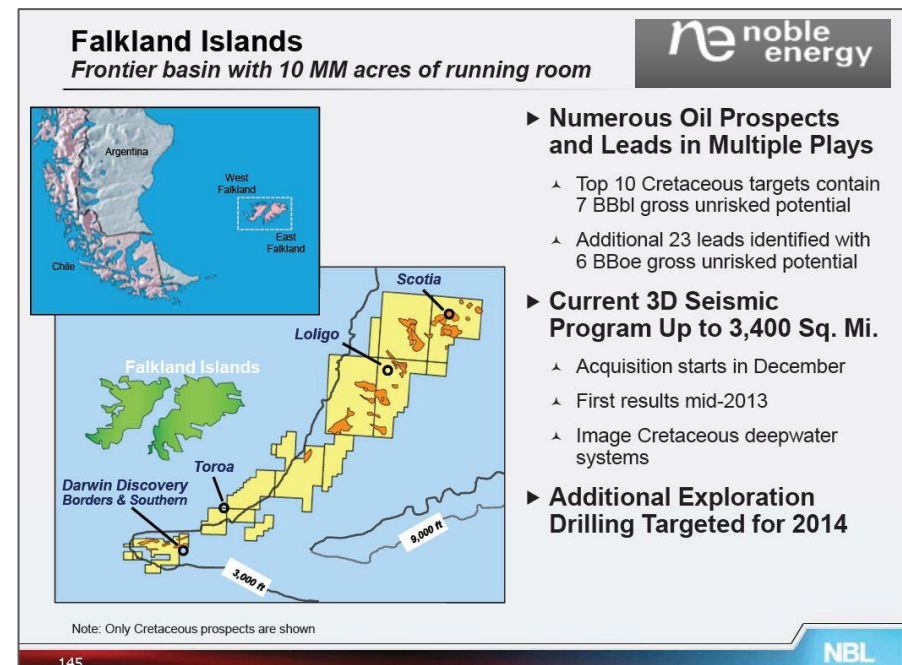
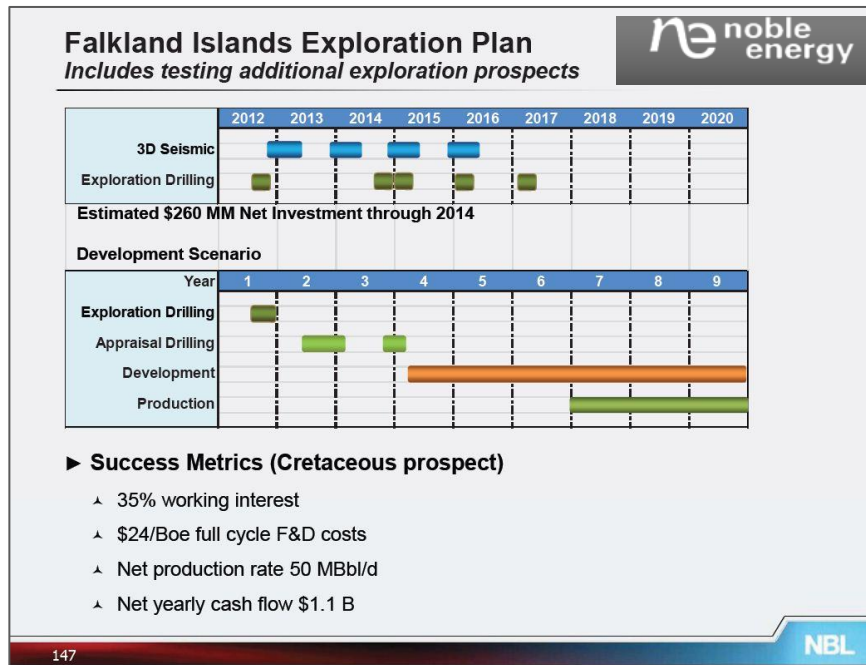
Farm-outs to EDF-Edison & Noble Energy

- 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
- FOGL retain a 75% interest & operatorship of the Tertiary Loligo and Nimrod complexes
- 2 strong industry partners with excellent exploration track records
- FOGL maintains a material interest in the licences (average interest c. 56%)
- Independent third party verification of the technical case
- FOGL fully funded for 3D seismic programme and at least 3 exploration wells

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 unrisks potential



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

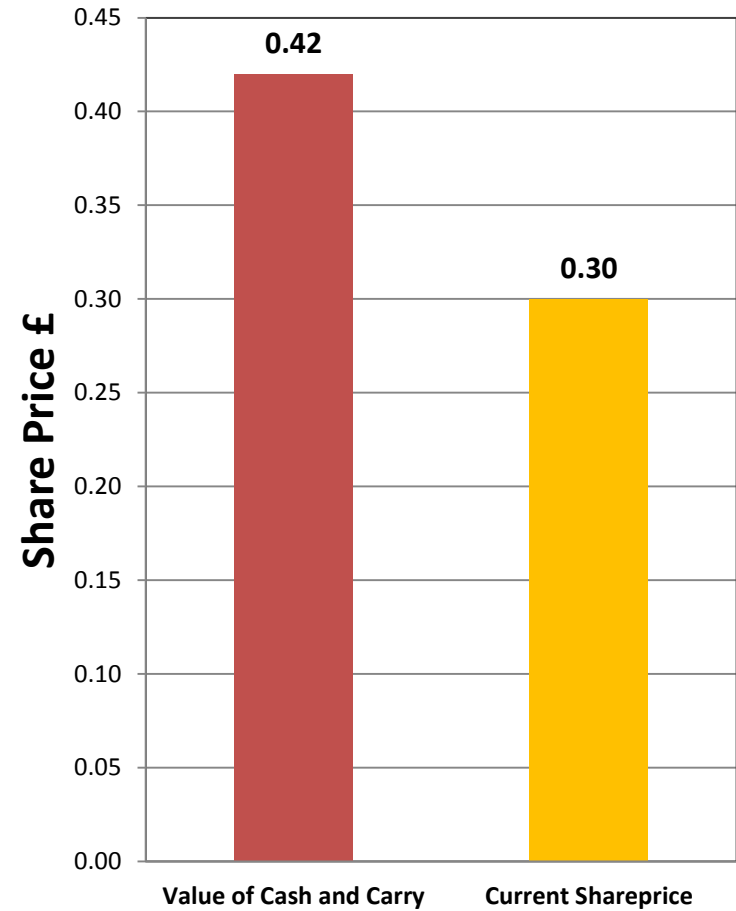
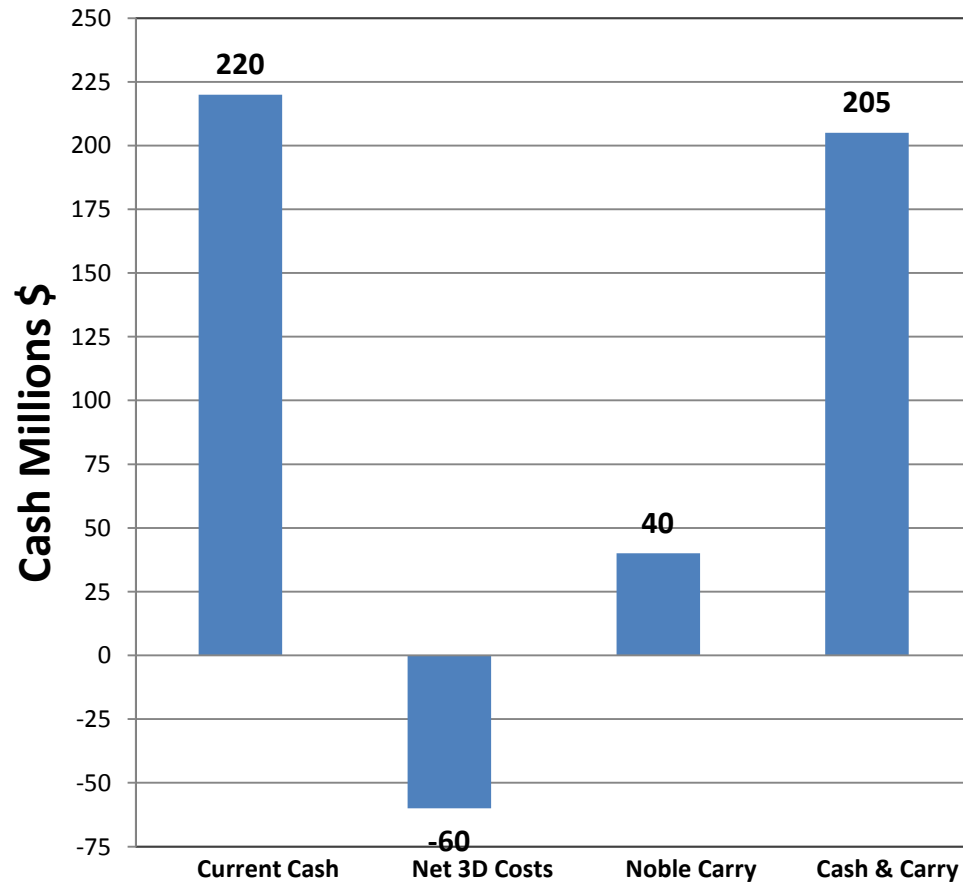
- Proven that the South & East Falklands has a working hydrocarbon system
- Estimated Loligo gas-in-place: 50 – 100 TCF*
- Current cash position will provide investors with exposure to 3 further high impact exploration wells to be drilled 2014/15

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

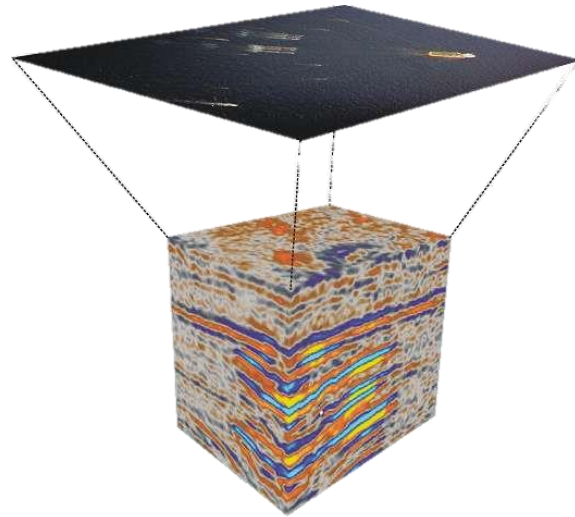
Undervalued

Currently trading at a 40% discount to our cash position



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

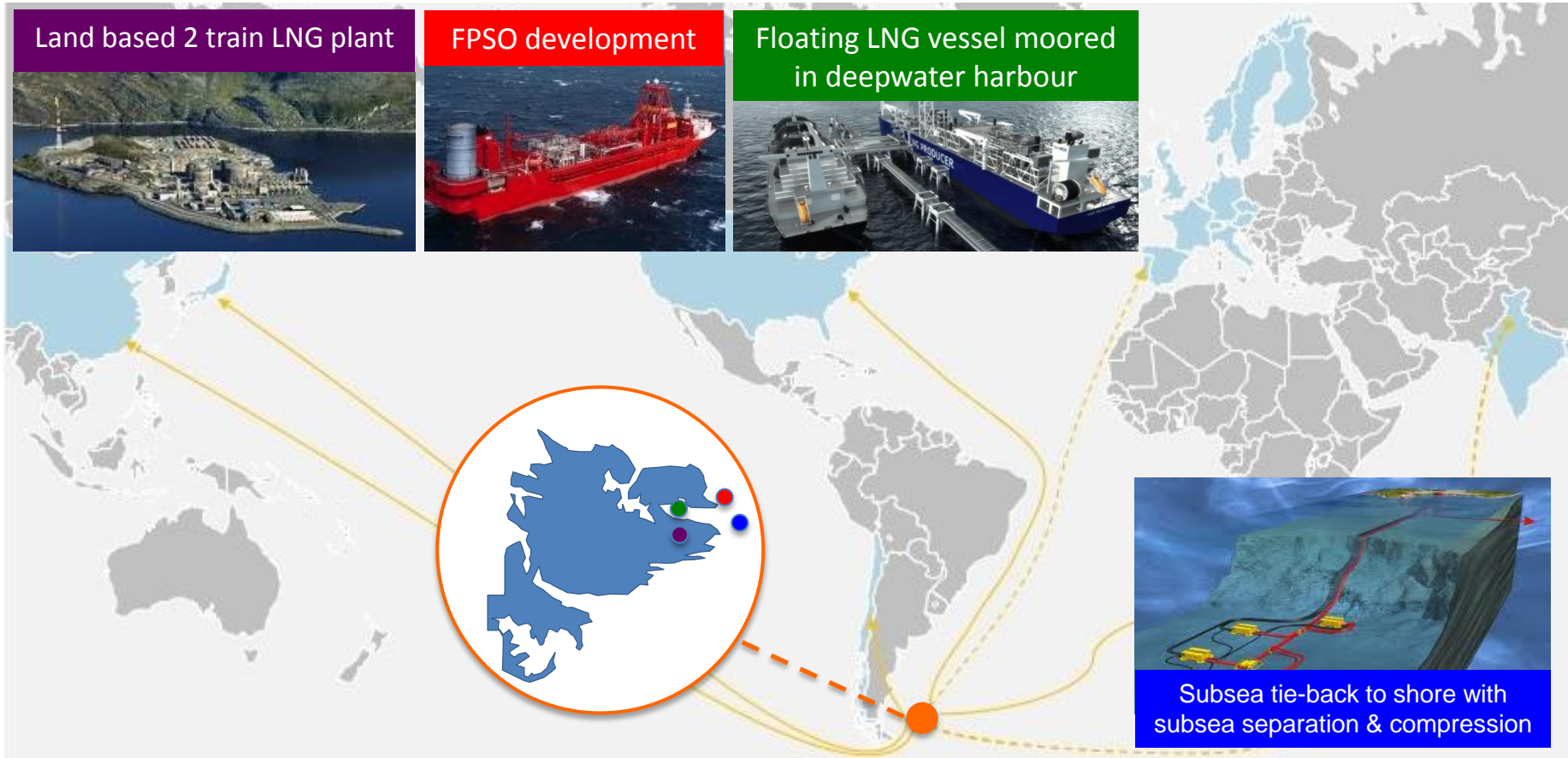
Land based 2 train LNG plant



FPSO development



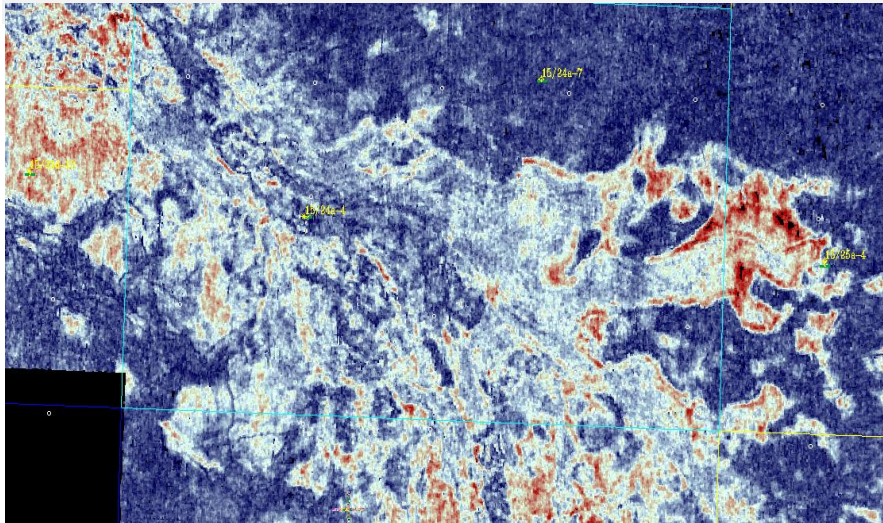
Floating LNG vessel moored in deepwater harbour



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

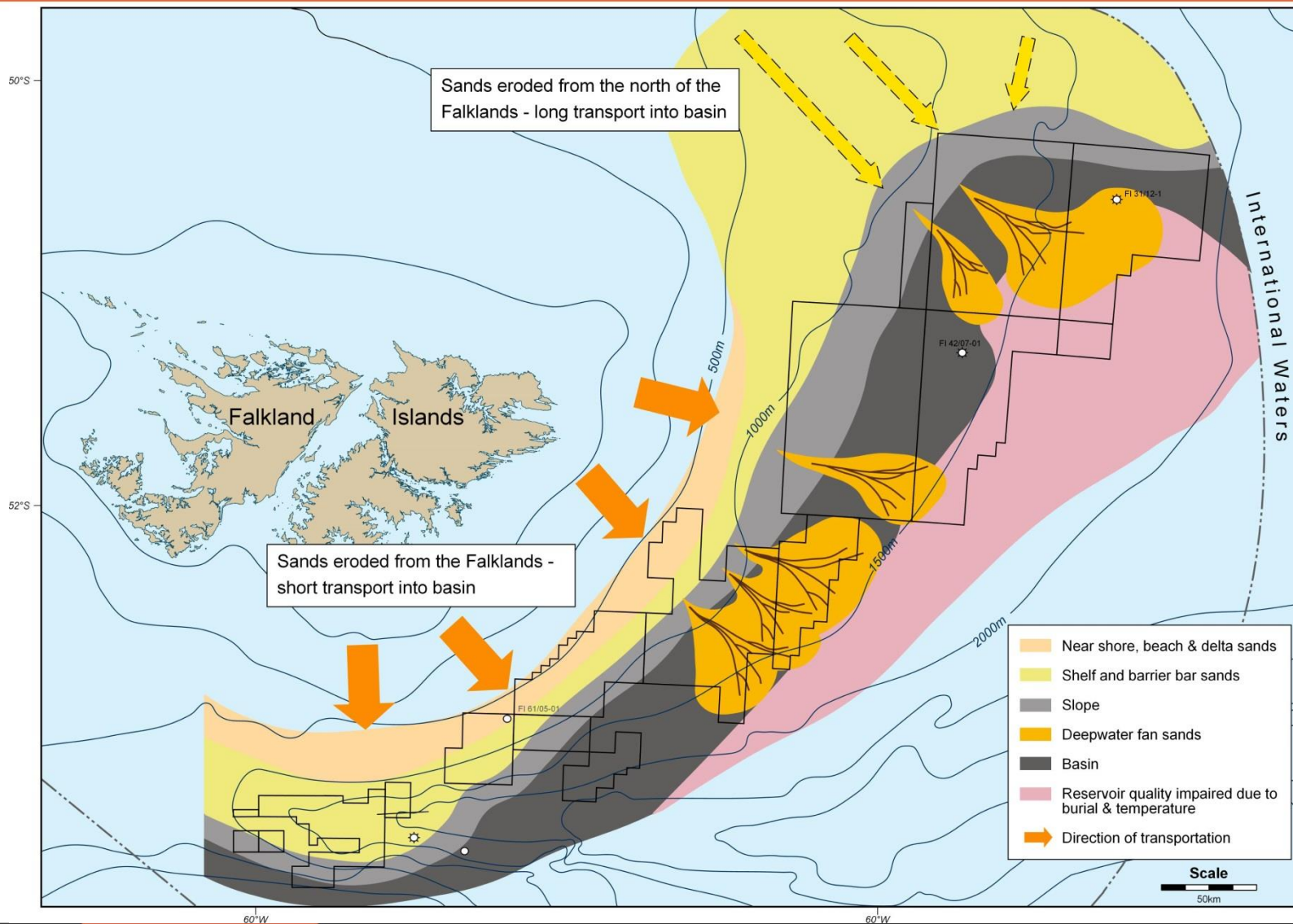
North Sea: Tertiary sand fairway mapped on 3D seismic



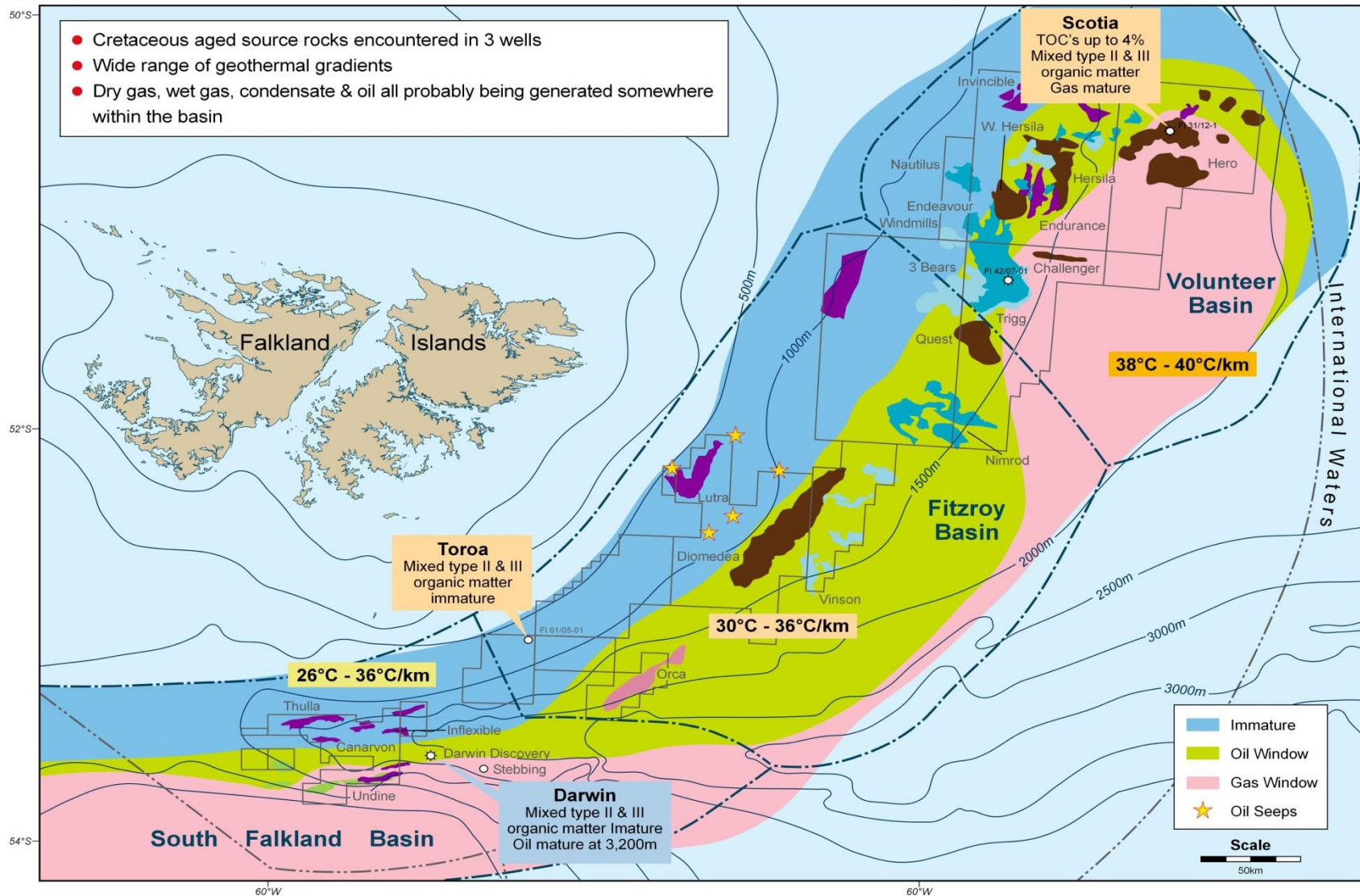
Well developed clean quartz sands on East Falkland



Cretaceous reservoir distribution

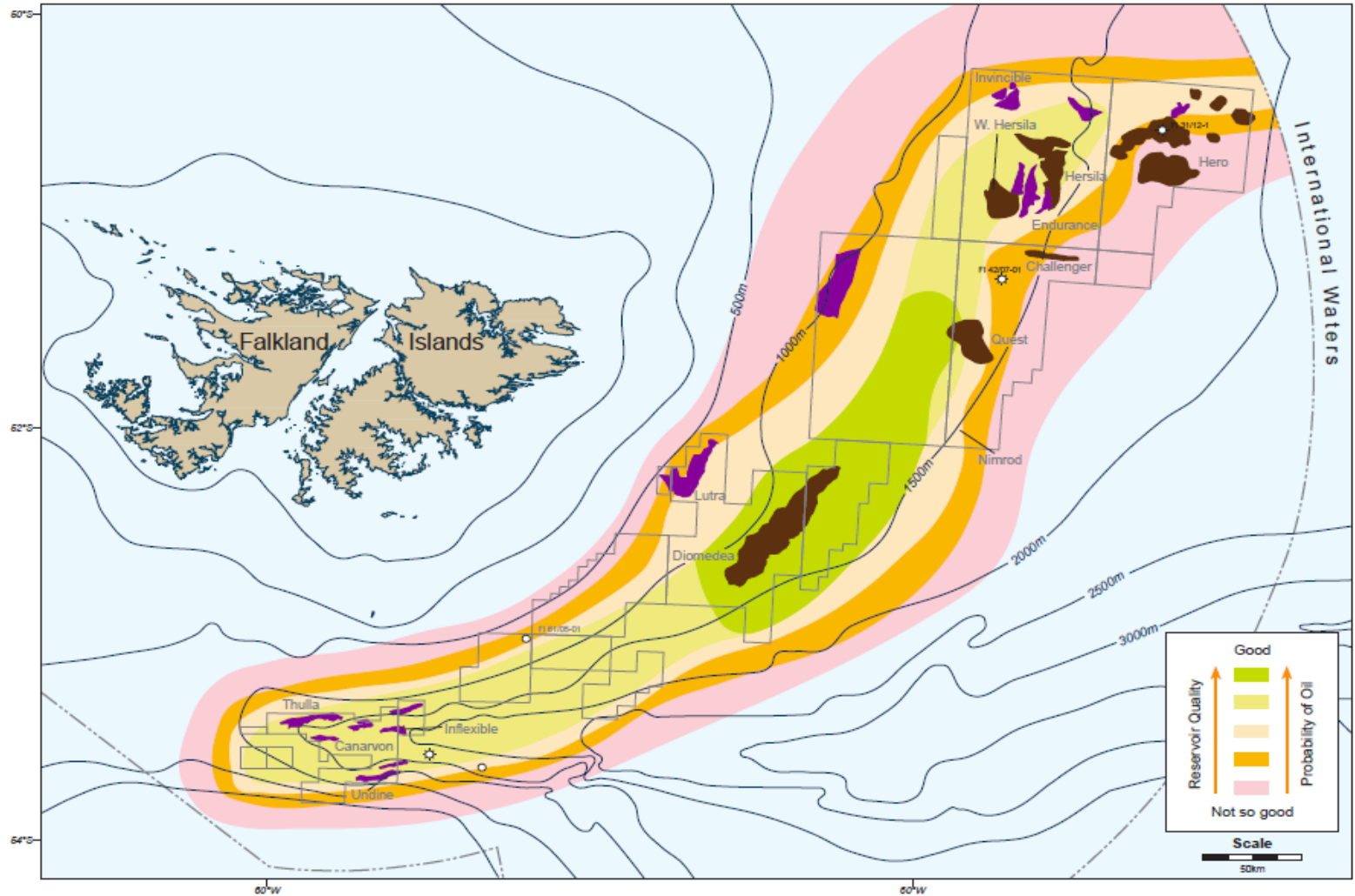


Cretaceous Source Rocks: The key to finding oil

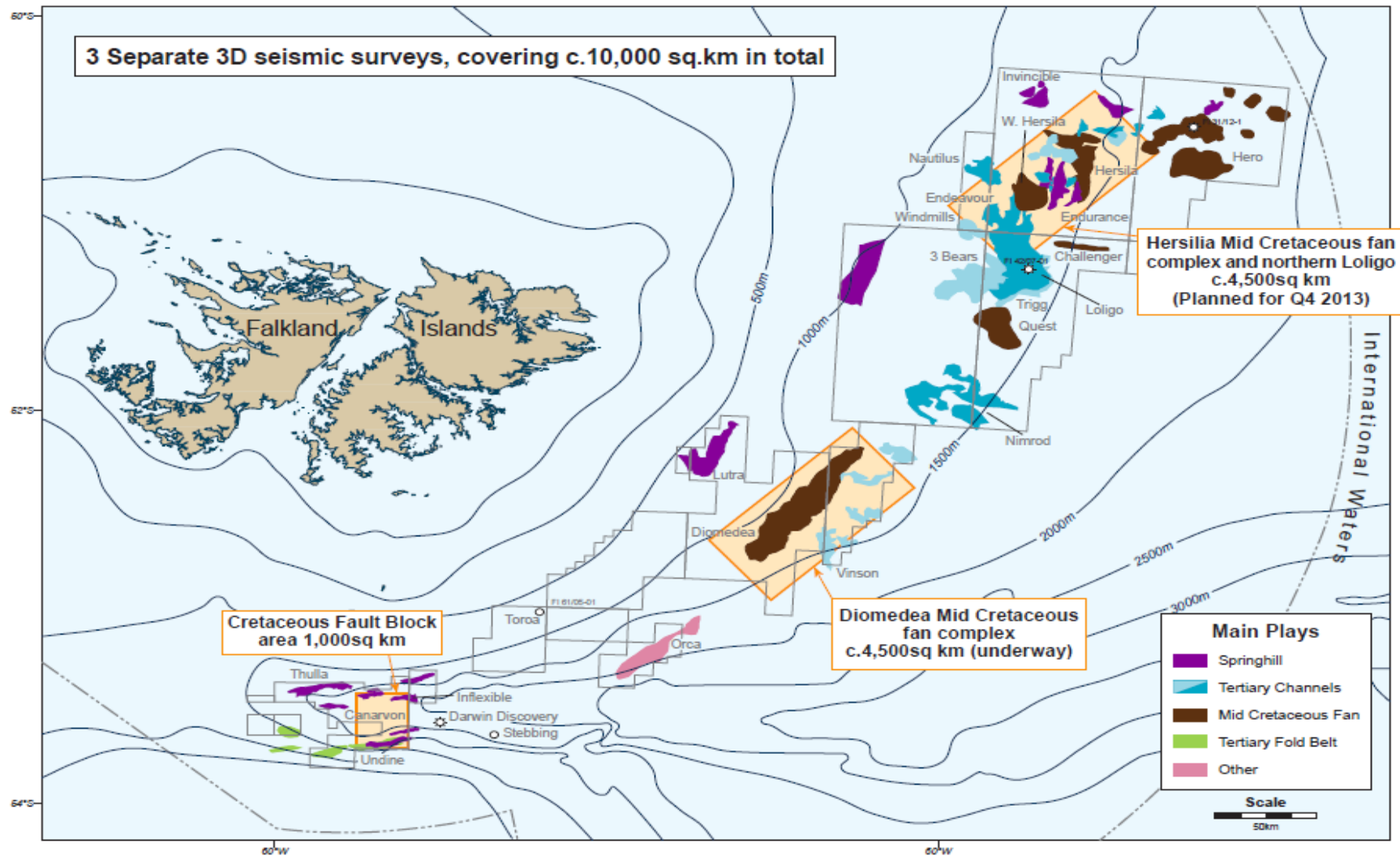


The 'Goldilocks' zone

Simplified
Cretaceous
Play Risk
Map



2013 3D seismic 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
Current Cash	220
Cash Surplus	45

Plans, news-flow & catalysts

- Diomedea 3D underway. Fast track results in Q3 2013
- Full Southern Licence 3D results by end 2013
- Northern Licence area 3D to commence in Q4 2013
- Full Northern Licence 3D results by end Q3 2014
- Looking to source a suitable rig for a 3~4 well drilling campaign starting in H2 2014

	2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Diomedea 3D survey												
Acquisition	■											
fast-track results			■									
Resource assessment				■								
Faultblock 3D survey												
Acquisition		■										
fast-track results			■									
Resource assessment				■								
Northern Area Hersilia-Loligo 3D survey												
Acquisition				■	■							
fast-track results						■						
Resource assessment							■					
2014/15 drilling programme												
Rig contracted			■									
Notional programme (subject to 3D results)												
well 1: Diomedea Fan Complex								■				
well 2: Hersilia Fan Complex									■			
well 3: Nurnberg (Fault block play)										■		
well 4: Loligo Complex appraisal											■	

Conclusion

- Proven working hydrocarbon province
- High impact exploration with world class prospects in a huge licence area
- 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



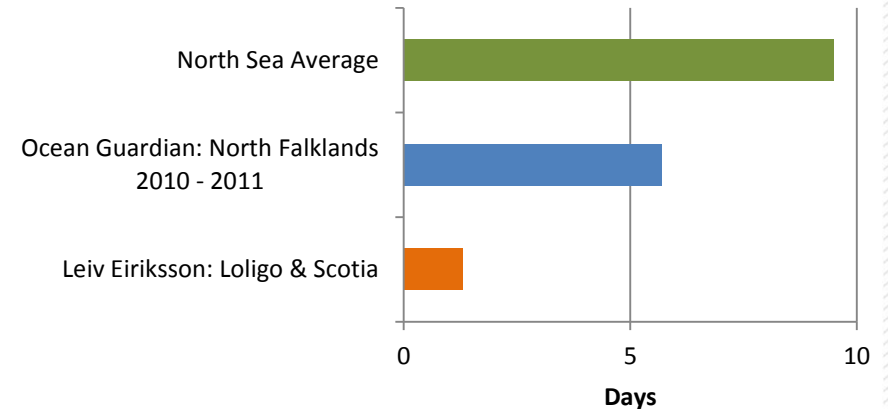
Appendices

2012 drilling performance

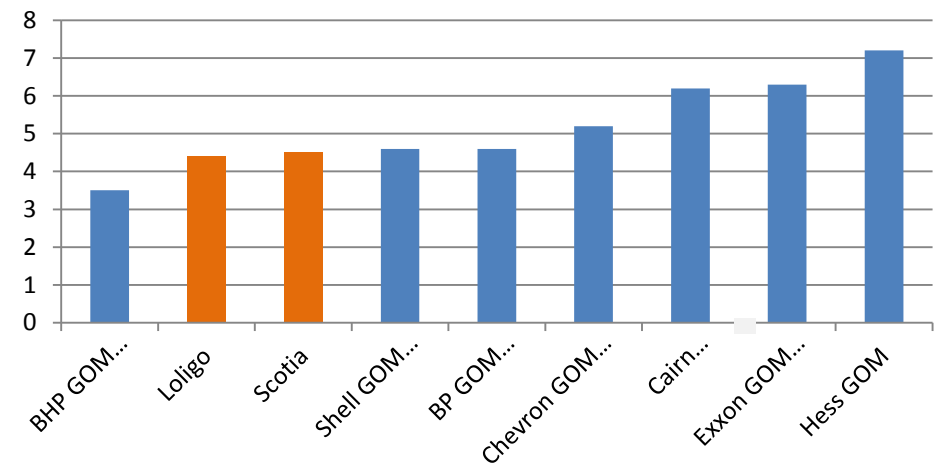
- Both wells drilled safely and without incident
- Both wells drilled within budget
- Demonstrated year-round drilling possible
- Weather downtime was negligible
- Good drilling performance compared to other deepwater operators



Downtime due to weather



Drilling days per 1,000ft. below mudline



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