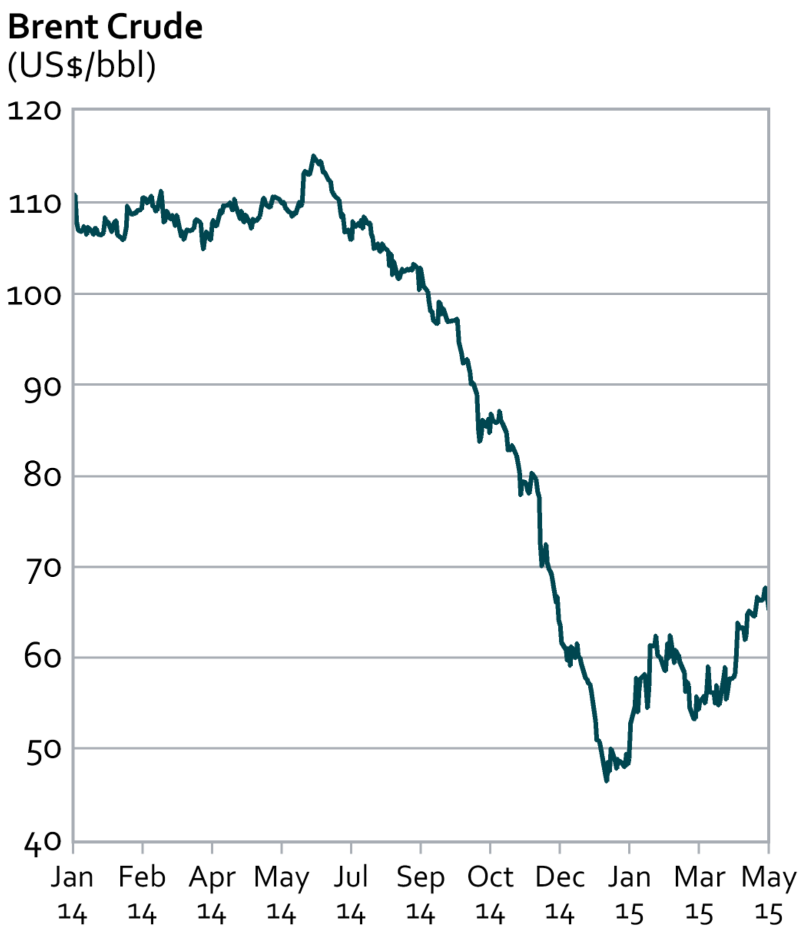
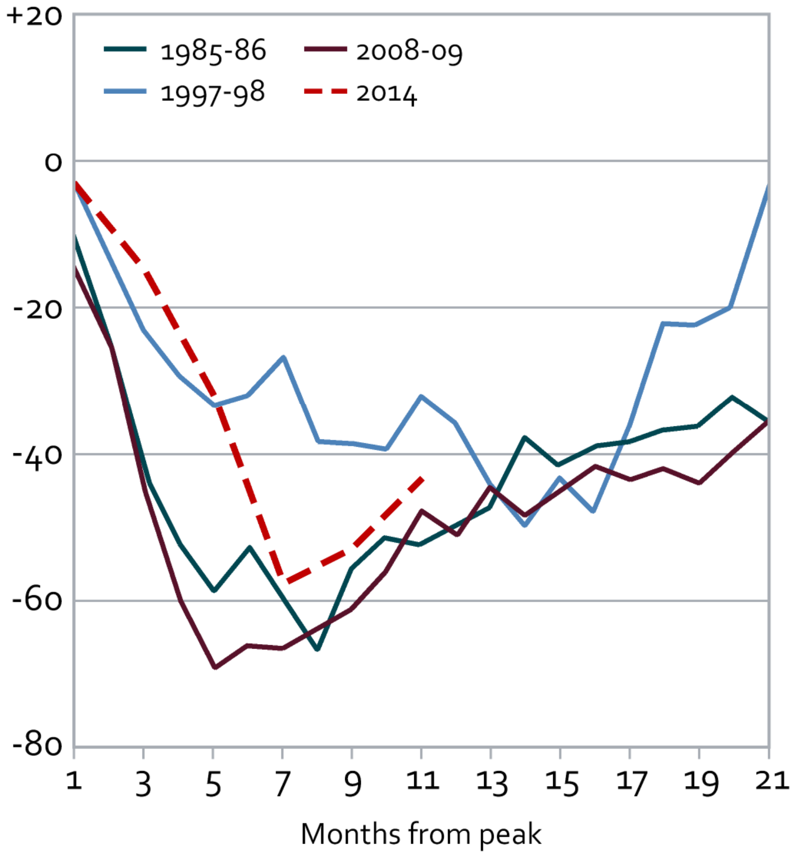
Oil price volatility



- An Oil price drop was foreseen but not to the extent realised
- Oil price drop has had its immediate effect on discretionary expenditure on G&A & investment in Exploration
- Despite this, a number of wells have been drilled this year along the Atlantic Margin and particularly in DW
- Is this an opportunity or threat to exploring the Atlantic Margins?
- What we do know is that price will recover but how we will respond?

How will the industry respond to the up turn?

Cumulative Brent Oil price decline from peak
(%)



Source: BP Analysis

- Recovery will occur- but it may take two years

- Fundamentals
  - Over supply
    - Saudi's attitude
    - Onshore US
  - Demand

- Consensus is that the price will not reach $100 in the foreseeable future (but should reach $85)

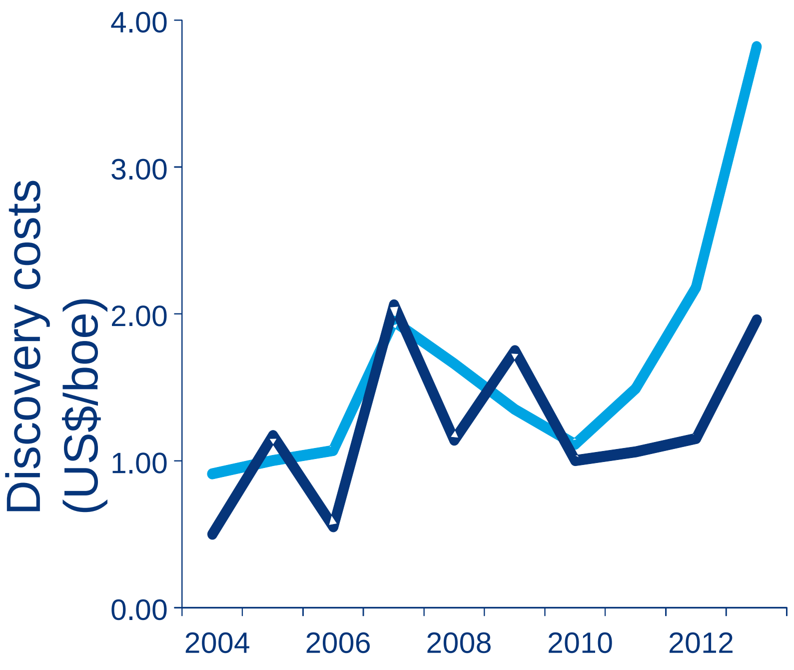
- The opportunity exists NOW to cut costs, improve value and finding rates (back to fundamentals)

Big volumes not enough to discovery costs

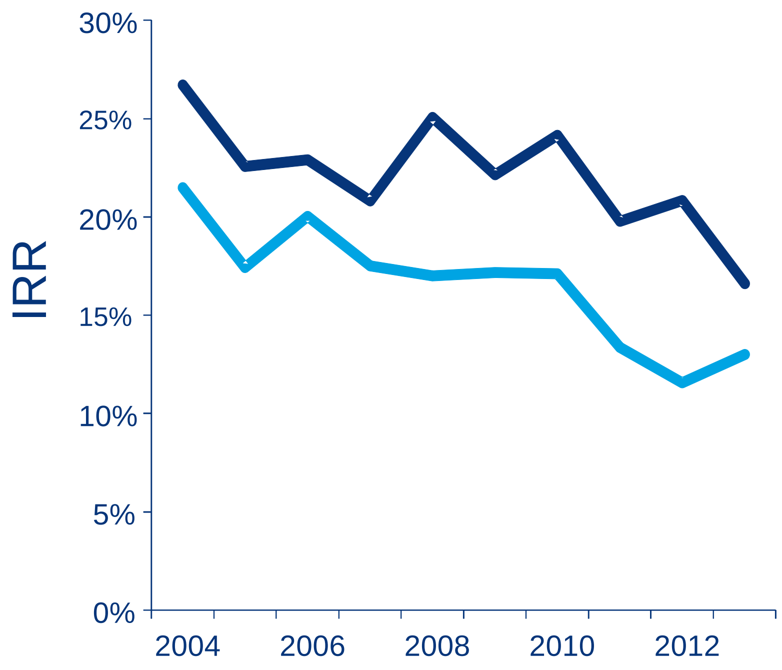
Increasing proportion of deep water oil/gas and frontier gas limits returns.

Basin choice is key.

Resource discovery costs



Full-cycle exploration returns



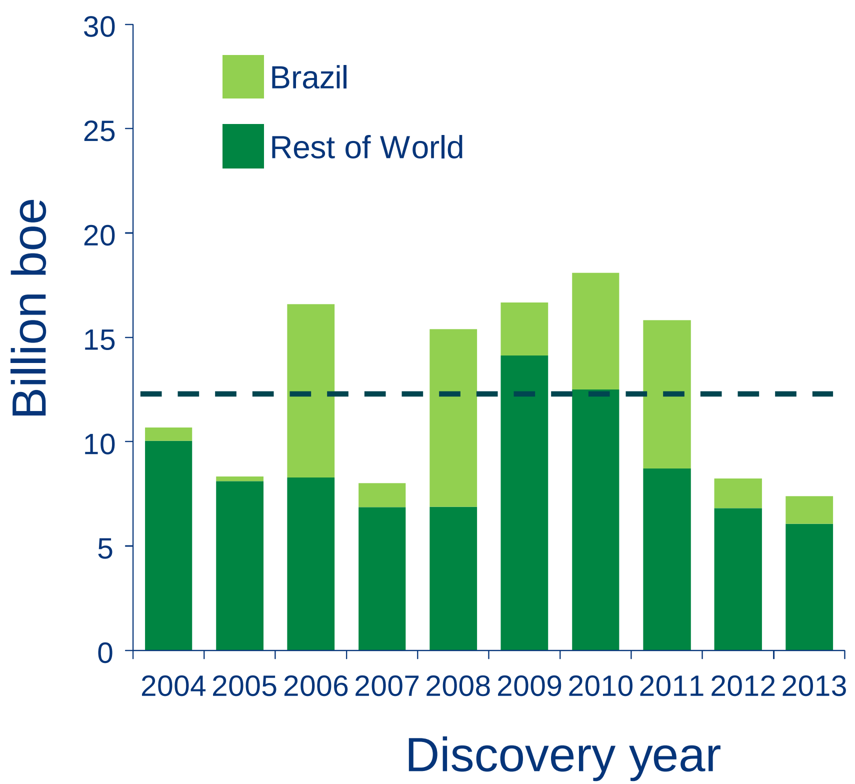
Global   Top 20 Basins

Source: Wood Mackenzie Exploration Service. Discovery costs exclude appraisal. Returns at US$105/bbl Brent price scenario. Top 20 basins based on value creation 2003-2012.

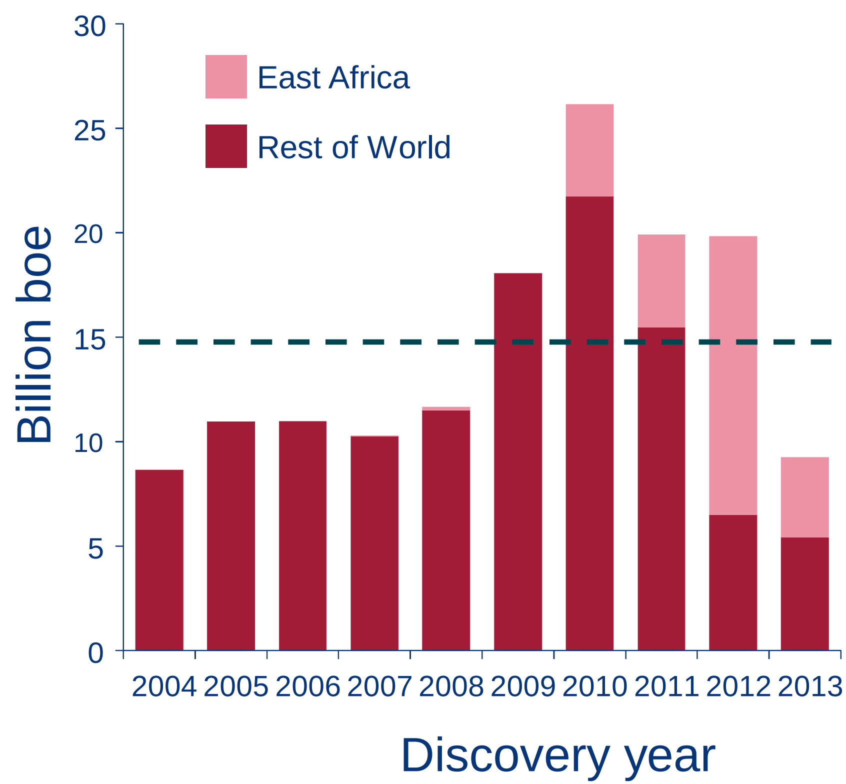
Conventional exploration continues to add big resource volumes, the trend to fewer discoveries (oil or gas) is evident

Brazil has been globally important for oil - recent results dwarfed by East Africa gas

Conventional oil discoveries

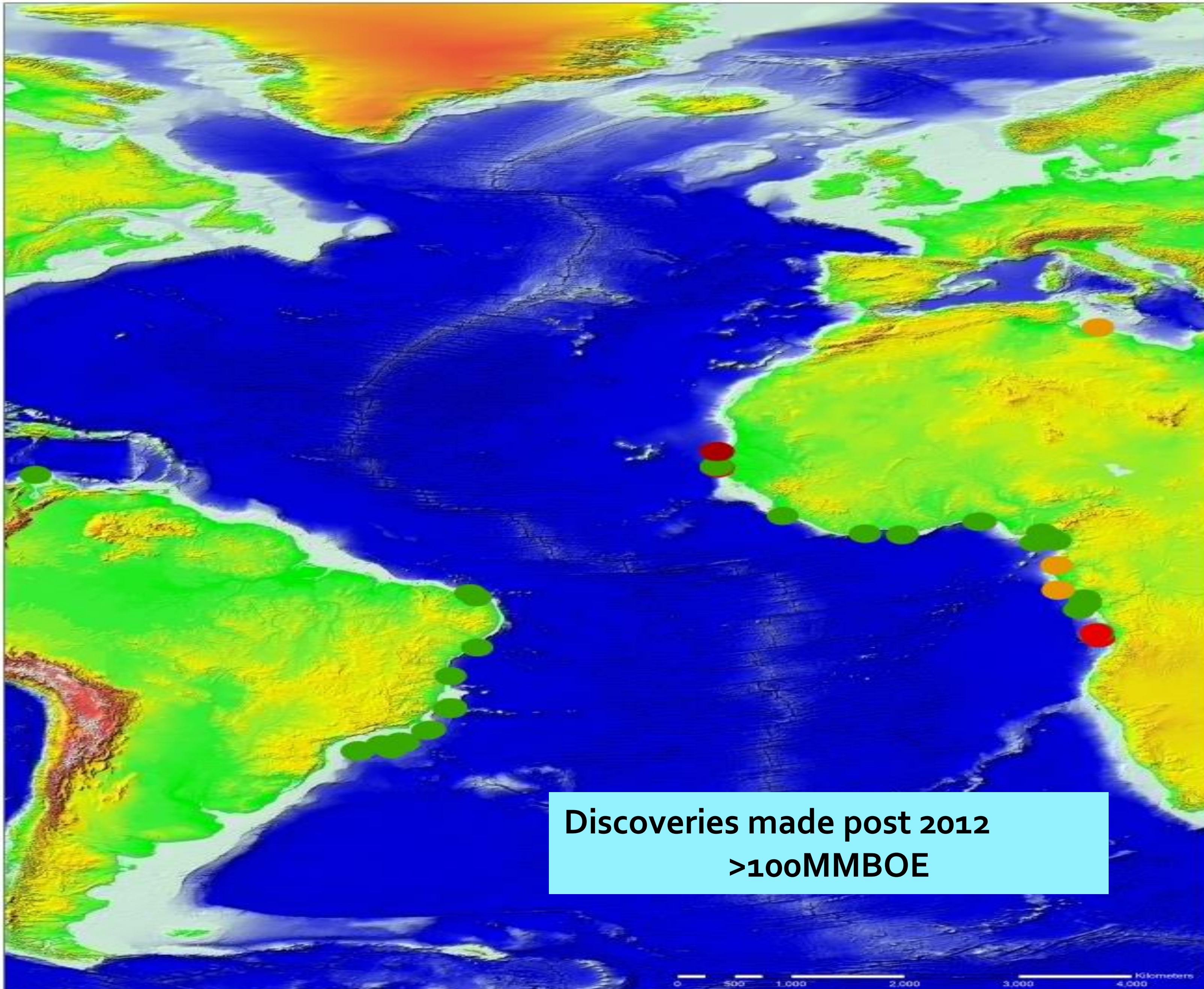


Conventional gas discoveries



Source: Wood Mackenzie Exploration Service

The recent successes in Cretaceous fairway Exploration off NW Africa has contributed (probable giant Oil and Gas discoveries in 2014 and 2015)


Discoveries made post 2012
>100MMBOE
0 500 1,000 2,000 3,000 4,000
Kilometers