

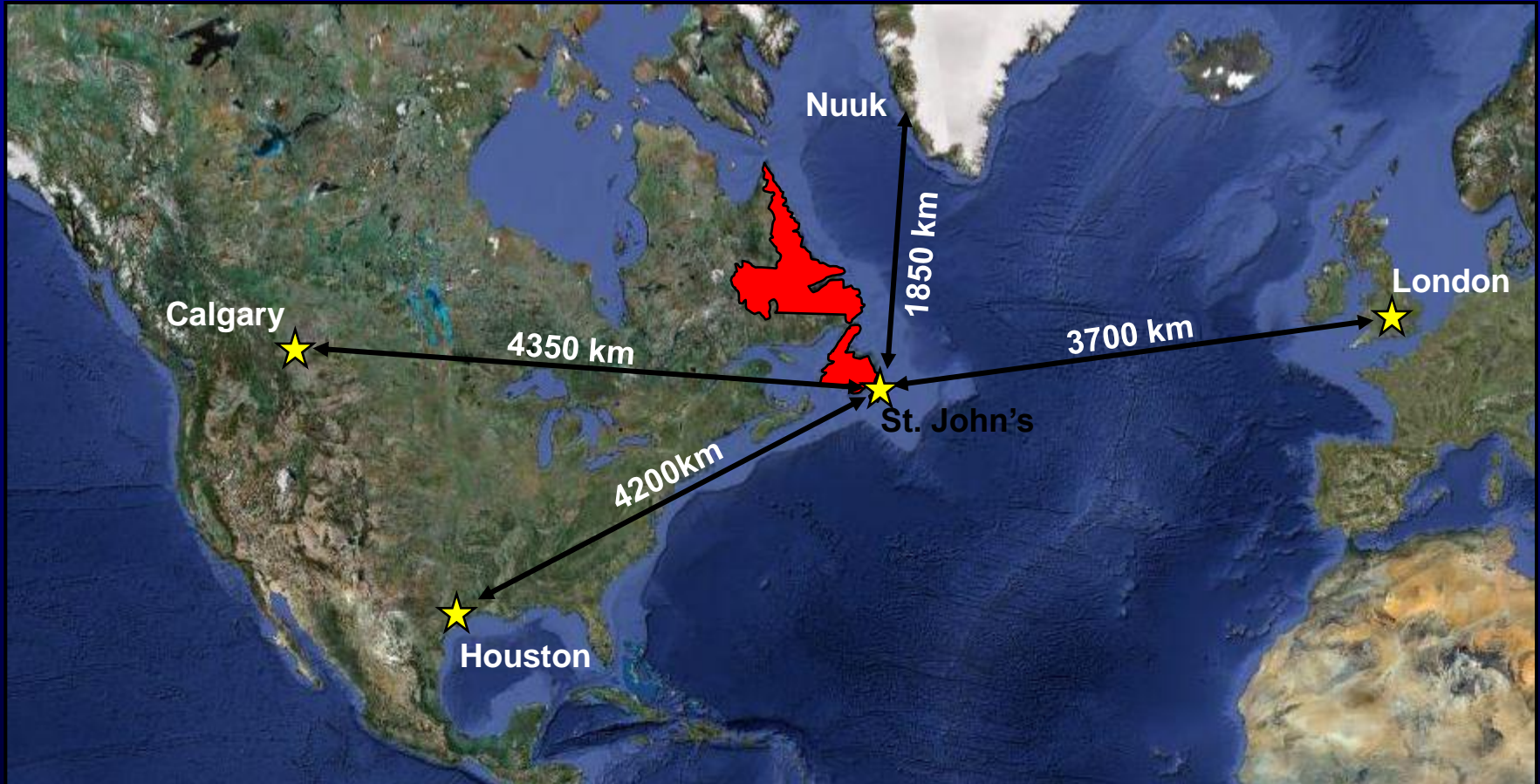


Newfoundland Labrador

CANADA

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Location



Location



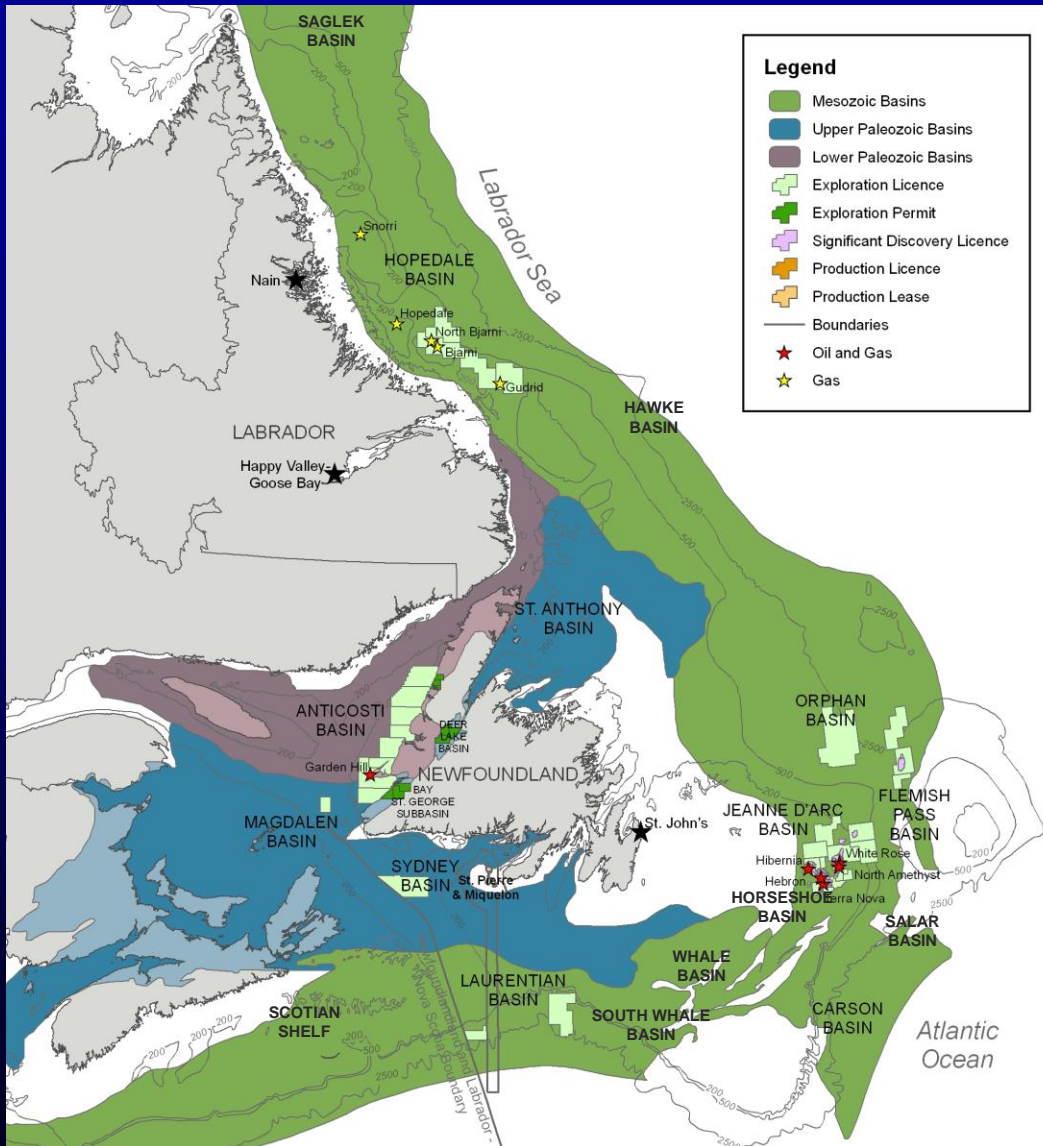
Overview



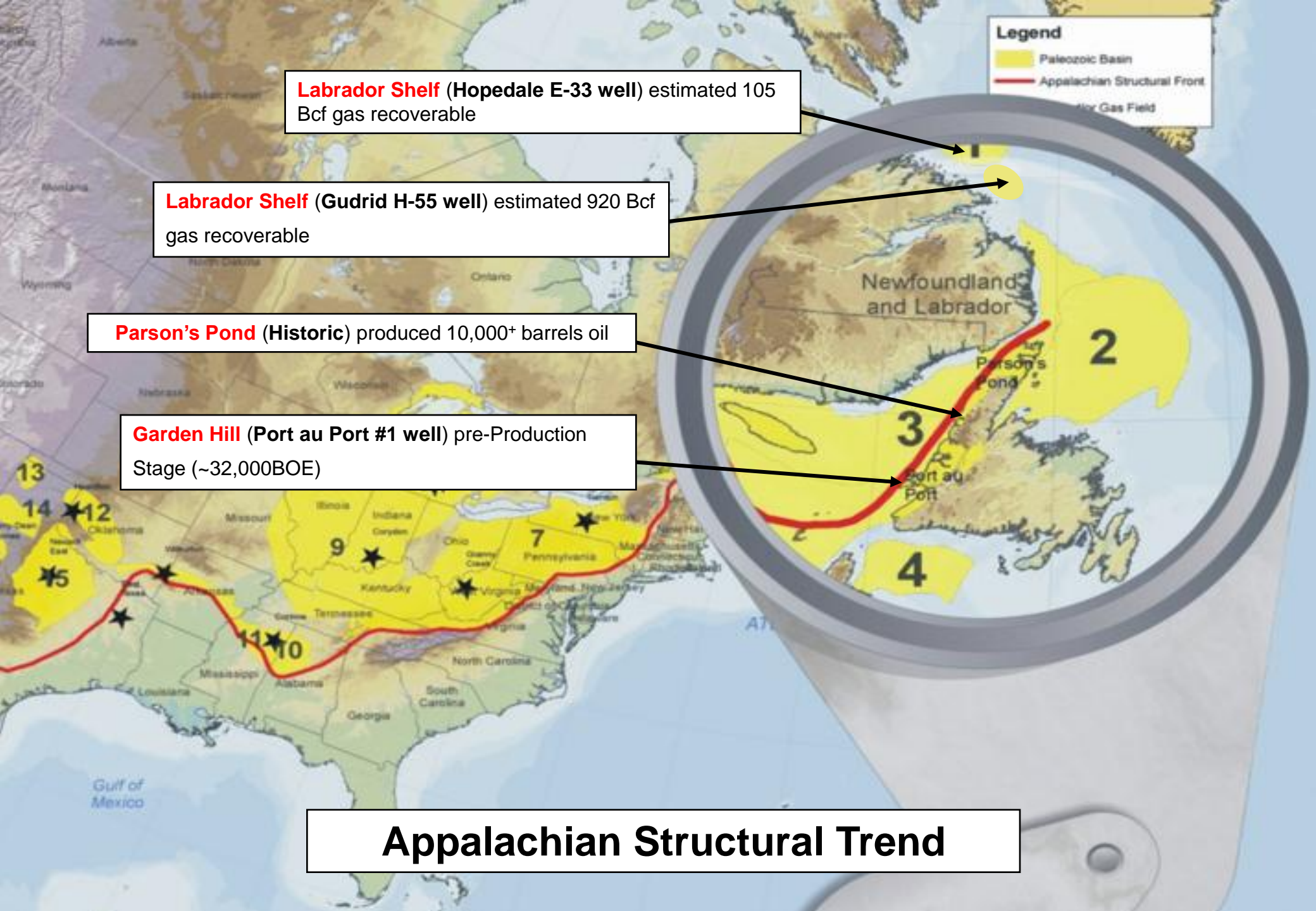
- Total Land Area in excess of 800,000km² (200 Million acres).
- Average Block size 100x the size of US Gulf of Mexico Blocks.
- Numerous sedimentary basins, very lightly explored.
- >3 Billion barrels oil, >11 Tcf gas & >500MM barrels NGLs discovered so far. Undiscovered estimated at 6 Bbbl oil and 60 Tcf. 1.2 Billion barrels produced to date.
- One producing basin so far, Jeanne d'Arc, averaging 275,000 bopd production. Significant Discovery now in Flemish Pass.

**< 10% currently held
under licence**

Prospective Sedimentary Basins



Numerous sedimentary basins with significant hydrocarbon potential, from Mesozoic to Palaeozoic age



Labrador Shelf (Hopedale E-33 well) estimated 105 Bcf gas recoverable

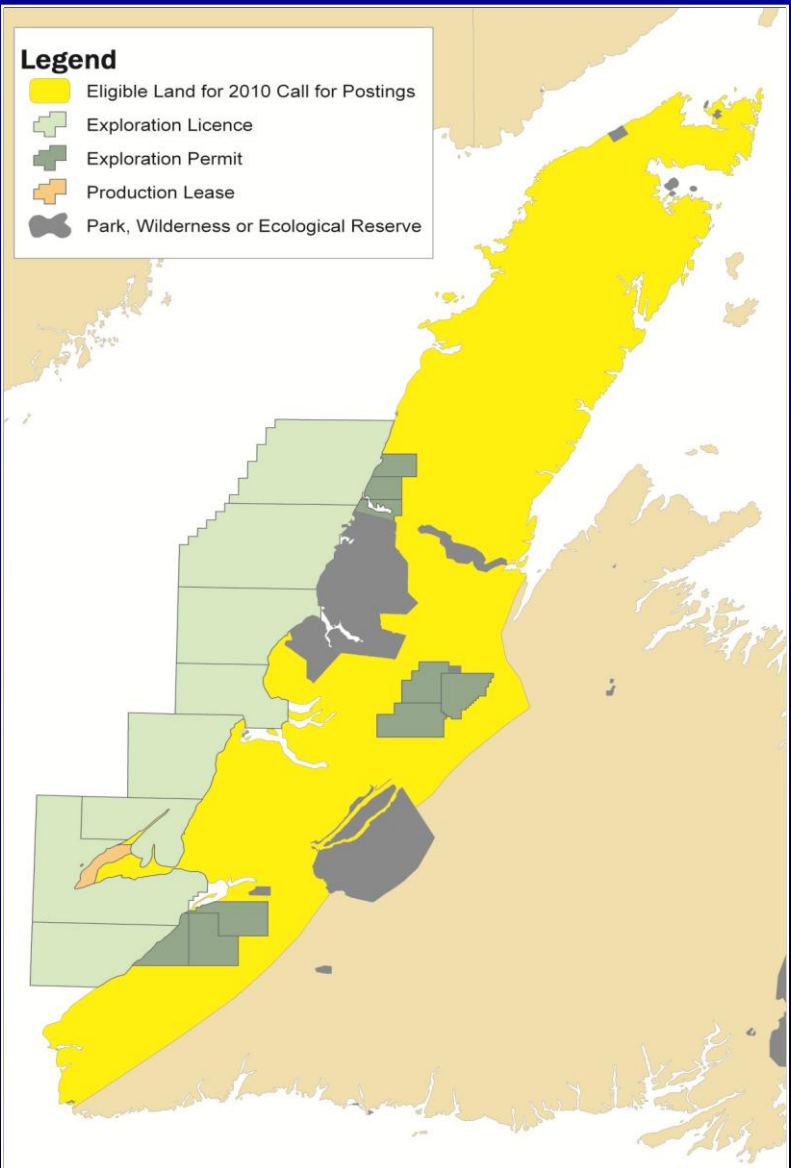
Labrador Shelf (Gudrid H-55 well) estimated 920 Bcf gas recoverable

Parson's Pond (Historic) produced 10,000+ barrels oil

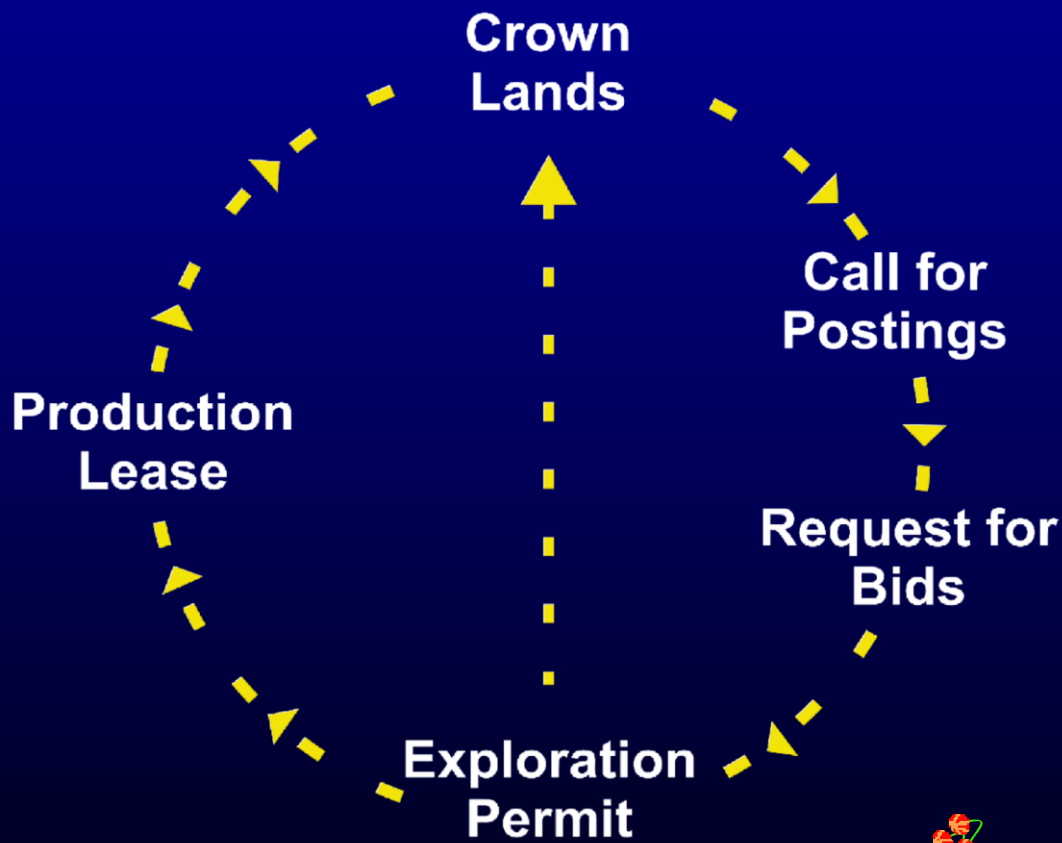
Garden Hill (Port au Port #1 well) pre-Production Stage (~32,000BOE)

Appalachian Structural Trend

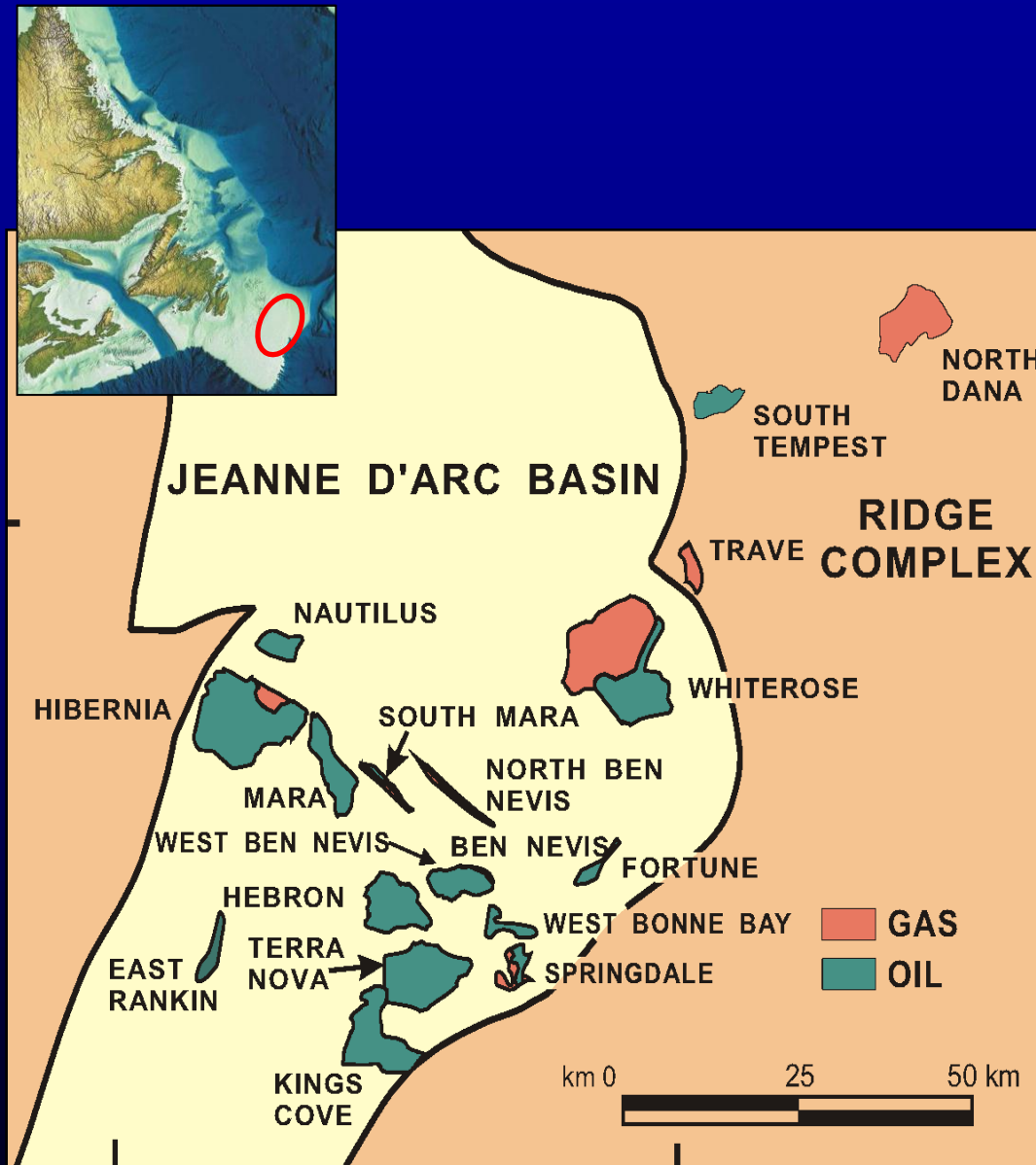
Onshore Bid Round 2011



Onshore Land Rights – Issuance Process



Significant Discoveries: Grand Banks

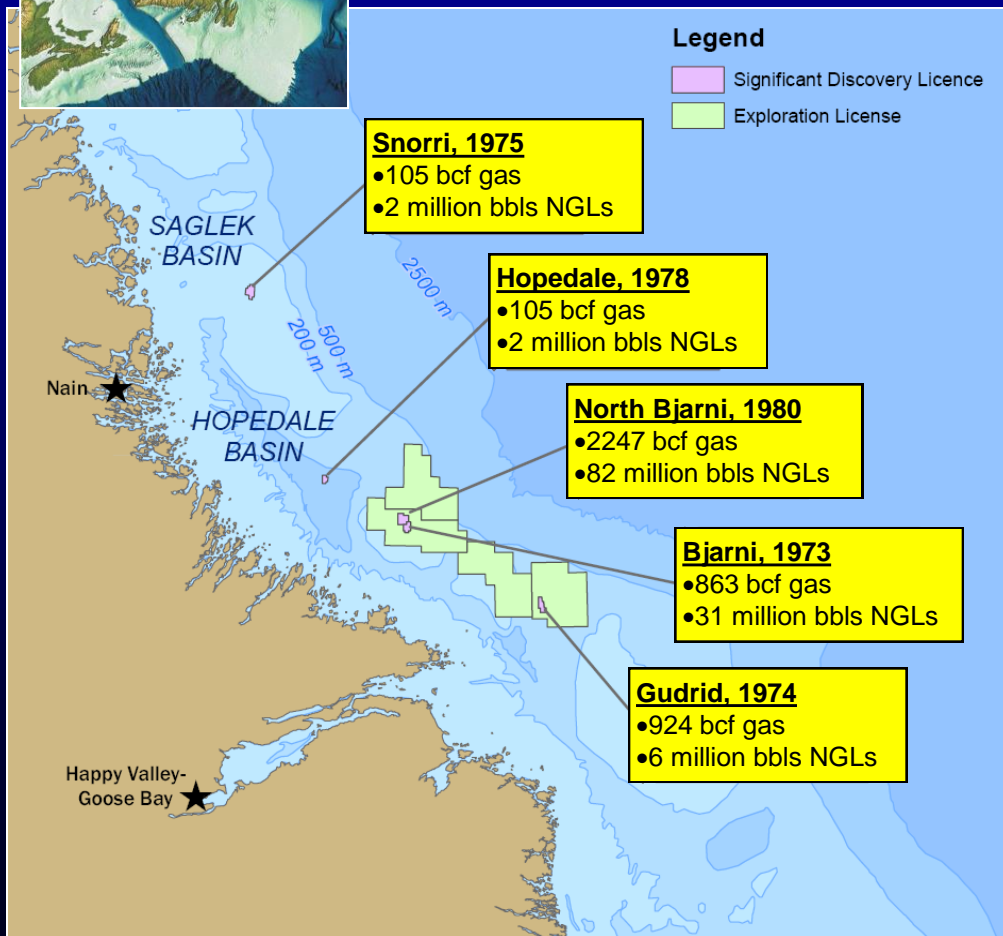


Four Major Oil Projects:

- **Hibernia:** 1395 mmbbls; 2 tcf
- **Terra Nova:** 419 mmbbls; 45 bcf
- **White Rose:** 373 mmbbls; 3.3 tcf
- **Hebron:** 581 mmbbls; 0.4 tcf (first oil expected 2017)
- **Total Discovered:** 3 Bbbls oil, 6.8TCF gas, 380 MMbbls NGLs



Hopedale & Saglek Basins



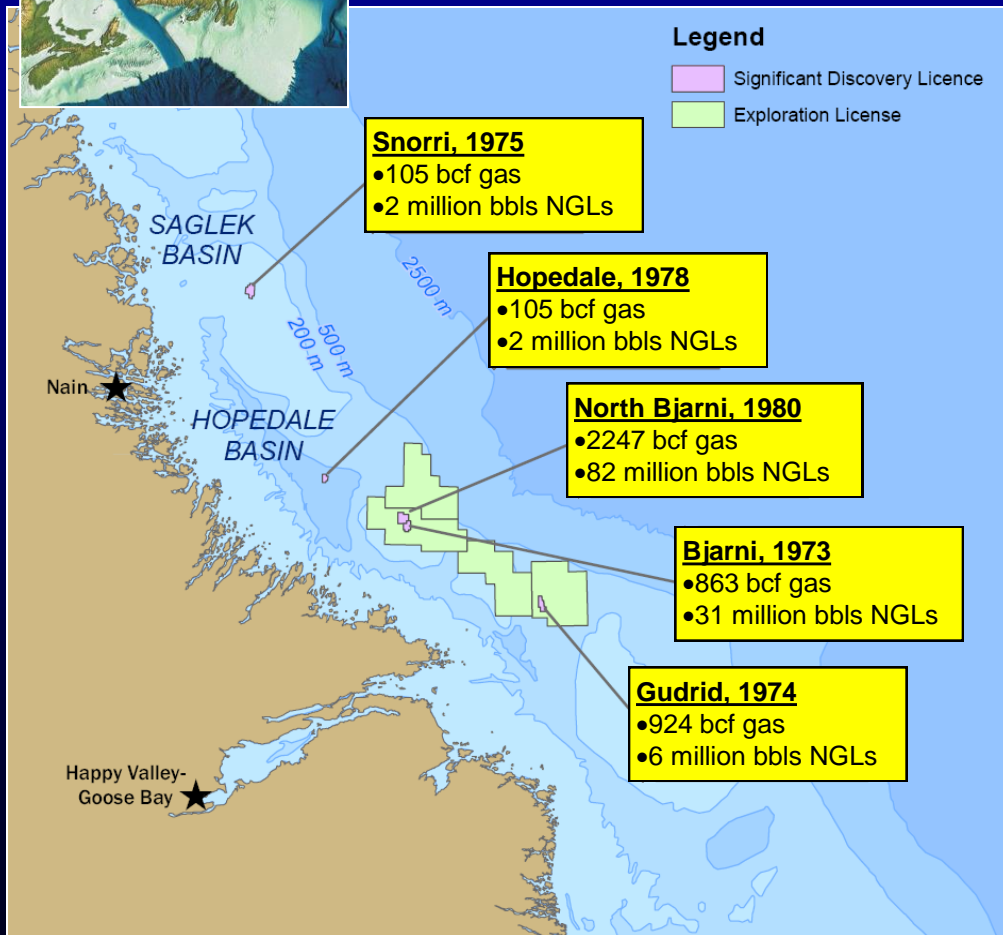
➤ Hopedale Basin and Saglek Basins approx 300,000km². Lightly explored in 70's and 80's with 2D seismic, 28 wells drilled.

➤ 5 large gas discoveries made while searching for oil 1973-1980. 4.2 Tcf gas & 123MMbbls NGLs.

➤ Additional large discovery made in North Saglek Basin (outside Labrador territory), Hekja (1979), 2.3Tcf.

➤ Undiscovered gas potential estimated at 22Tcf (Hopedale Basin, Drummond 1998, Bell & Campbell 1990, Enachescu 2006).

Hopedale Basin Petroleum Exploration

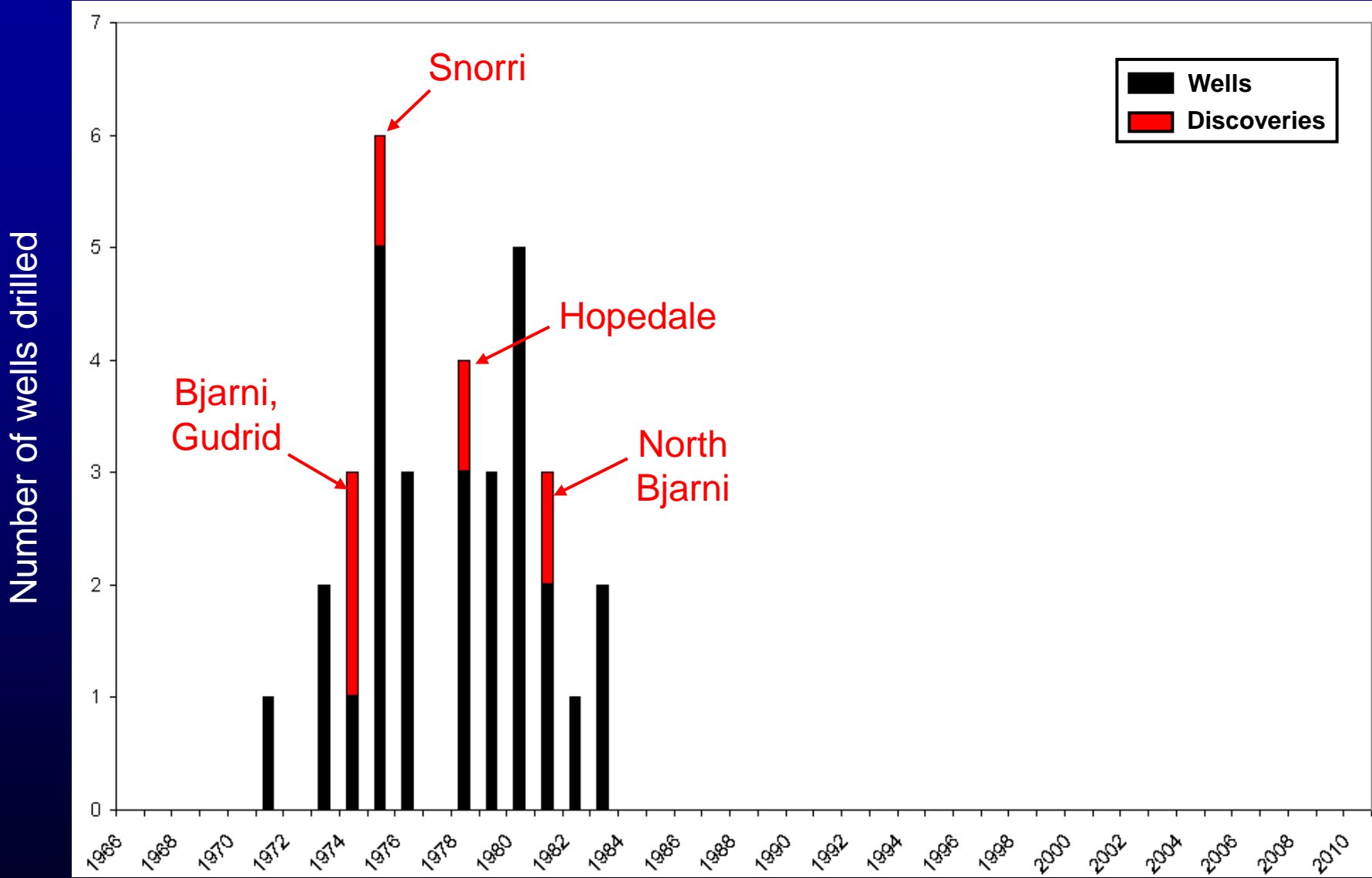


➤ 16 valid wells drilled in Hopedale Basin to date (last well 1983), leading to **5** significant discoveries.

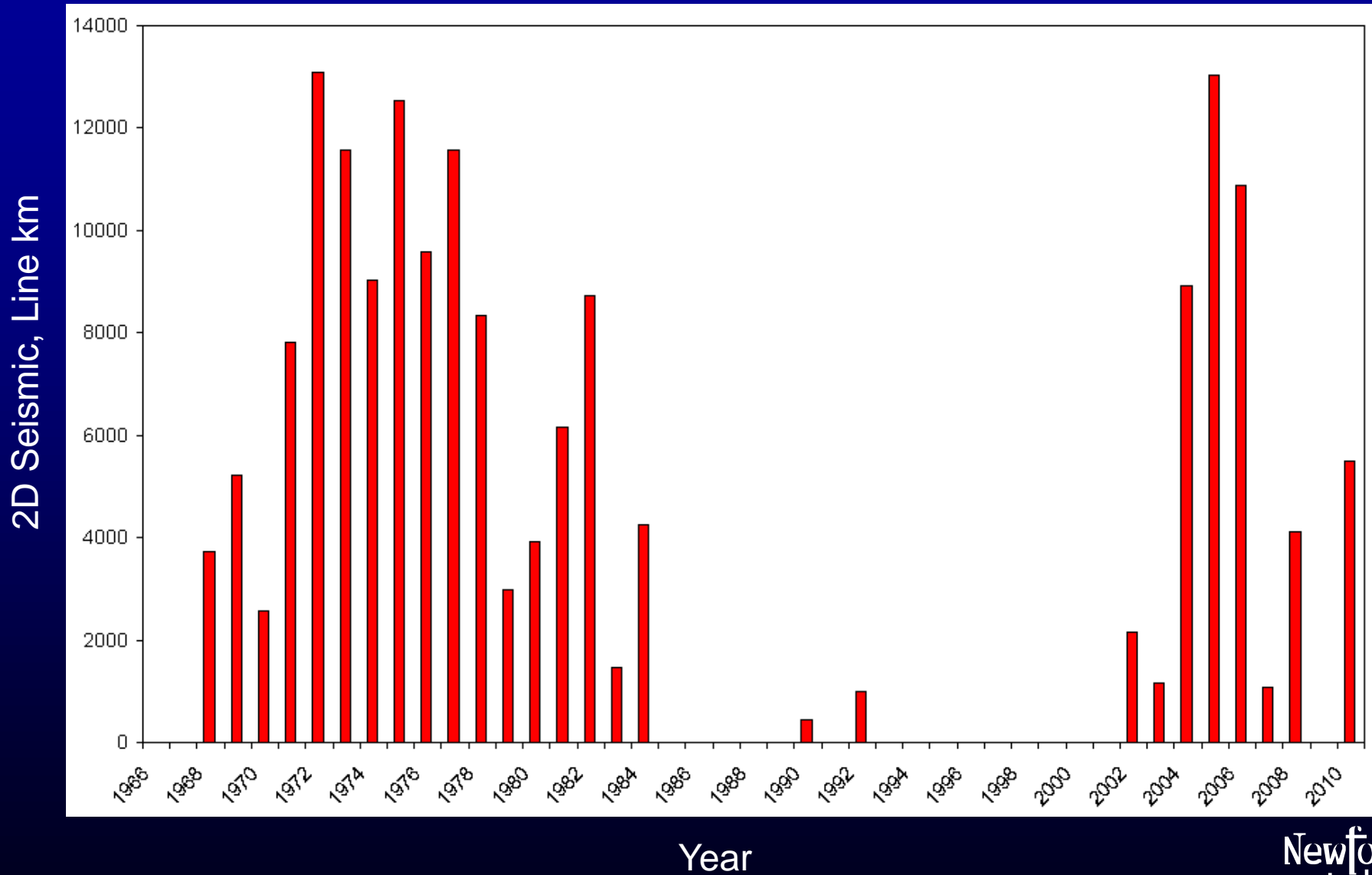
➤ Success rate **31%**, very high for frontier basin.

➤ Success rate (notwithstanding exploration exclusively for oil) would be significantly better if using modern seismic technology – vintage seismic, no application of seismic inversion, 3D seismic, AVO analysis, search for subtle strat-traps, play fairway analysis CSEM surveying. Historic “Drill the bumps” approach.

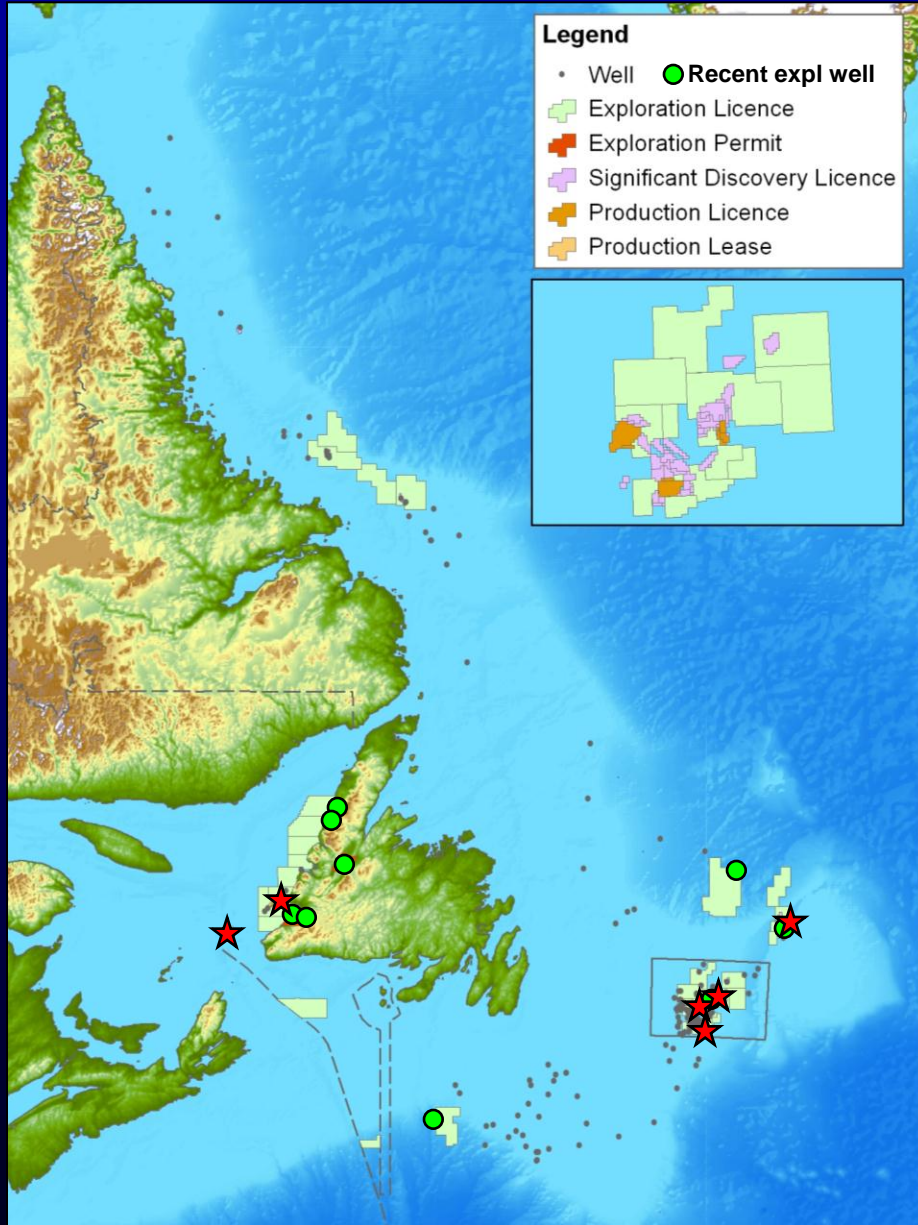
Labrador Exploration History – Wells & Discoveries



Labrador Exploration History – Seismic Acquisition



Exploration Activity 2011-2012: Wells



- Dragon Lance *et al* Shoal Point 3K-39, Port au Port Peninsula drilling ahead. Oil-in-shale play targeting Green Point Shale Fm.
- Suncor Ballicatters M-96z, Jeanne d'Arc Basin drilling ahead, nearing completion. Sidetrack of Ballicatters M-96.
- Corridor Resources submitted project description for EA for drilling of “Old Harry” Prospect following geohazard survey, Gulf of St. Lawrence.
- Statoil Exploration well targeting LKK & UJJ, Jeanne d'Arc Basin.
- Statoil Delineation well on Mizzen Significant Discovery, Flemish Pass Basin.
- Husky assumed planning re-entry on Glenwood prospect. Extended EL by year by making drilling deposit.

Summary & Conclusions

- >3 Billion bbls Oil and >11 Tcf Gas discovered to date.
- Daily production around 275,000 bopd (2010).
- 1.2 Billion bbls light crude Oil produced since first oil in 1997.
- Vast area, very lightly explored to date. Numerous prospective basins.
- Active exploration in offshore area, open to new entrants. New discovery in Flemish Pass Basin. First bid round since 2002 in onshore area and new offshore bid round to expected to be announced imminently.
- Favourable fiscal regime, geopolitically stable.
- Proximity to North American and European markets.