Argentina Offshore Exploration Program
Our Goal

Develop exploration activity in our offshore

Increase the understanding of its potential

Capitalize interest in Argentina Basin
9 Offshore Basins

- **Austral** – 70 Wells – currently producing
- **Other Offshore**: 73 Wells (exploration)
  - Salado – 4 Wells
  - Colorado – 18 Wells
  - Rawson – 1 Well
  - Valdés
  - Argentina
  - Golfo de San Jorge – 30 Wells
  - San Julián – 1 Well
  - West Malvinas – 19 Wells
    - 5 Wells had HC shows
Offshore Exploration Program

Two Main Areas of Interest

- Argentina Basin
- Salado Basin
- Colorado Basin
- Austral Basin
- Malvinas Basin
Offshore Exploration Program

2016
Program Concept

2017
Interest Survey, Terms Development, Round 1 Opening, Austral & West Malvinas

2018
Round 1 Awards, Round 2 Opening, Northern Continental Shelf Slope

2019
Round 2 Awards, Round 3 Opening, Southern Continental Shelf Slope

2020
Round 3 Awards
Current Status

Preliminary Interest in Argentina Offshore Bid Rounds
• Interest confirmed through multiple meetings with oil companies

Survey Permits granted to conduct 2-D Seismic
• Approximately 40,000 Km to be acquired around the continental shelf slope in Argentina, Salado and Colorado Basins
• Northern area to be completed by Q4 2017, Southern area by Q2 2018

Oil company consultation
• Survey of 60+ oil companies with interest in offshore
• In depth interview with 20+ companies
• Results will be used to guide round design

Data Room and Bid round terms development
• Technical support for bid round data room to be contracted shortly
• Bid round terms to be developed over the coming months
Legal Framework Overview

- Offshore subsurface resources are owned by Federal Government*
- Federal Government grants Exploration Permits
- On a commercial find, rightsholder has the right to a Production Concession granted on tax + royalty regime
- Bid Round terms will define terms of the Exploration Permit (phase duration, relinquishment conditions, etc.) and terms of the potential Production Concession
- Offshore environmental regulations set by Federal Government

* Federal Government Offshore jurisdiction starts 12 miles from the coastline
Federal Government calls for tender for Exploration Permit

- Specifications prepared by enforcement authority

Award using investment/exploration activity criteria

- Offers are analysed and clarifications may be required
- Commitment to develop the proposed investment is mandatory
- When permit holder discovers commercial resources enforcement authority must be notified within 30 days
- Production Concession is then requested to start developing the area
Argentina
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