

Argentina Offshore Exploration Program



Ministerio de Energía y Minería
Presidencia de la Nación

Develop exploration activity in our offshore

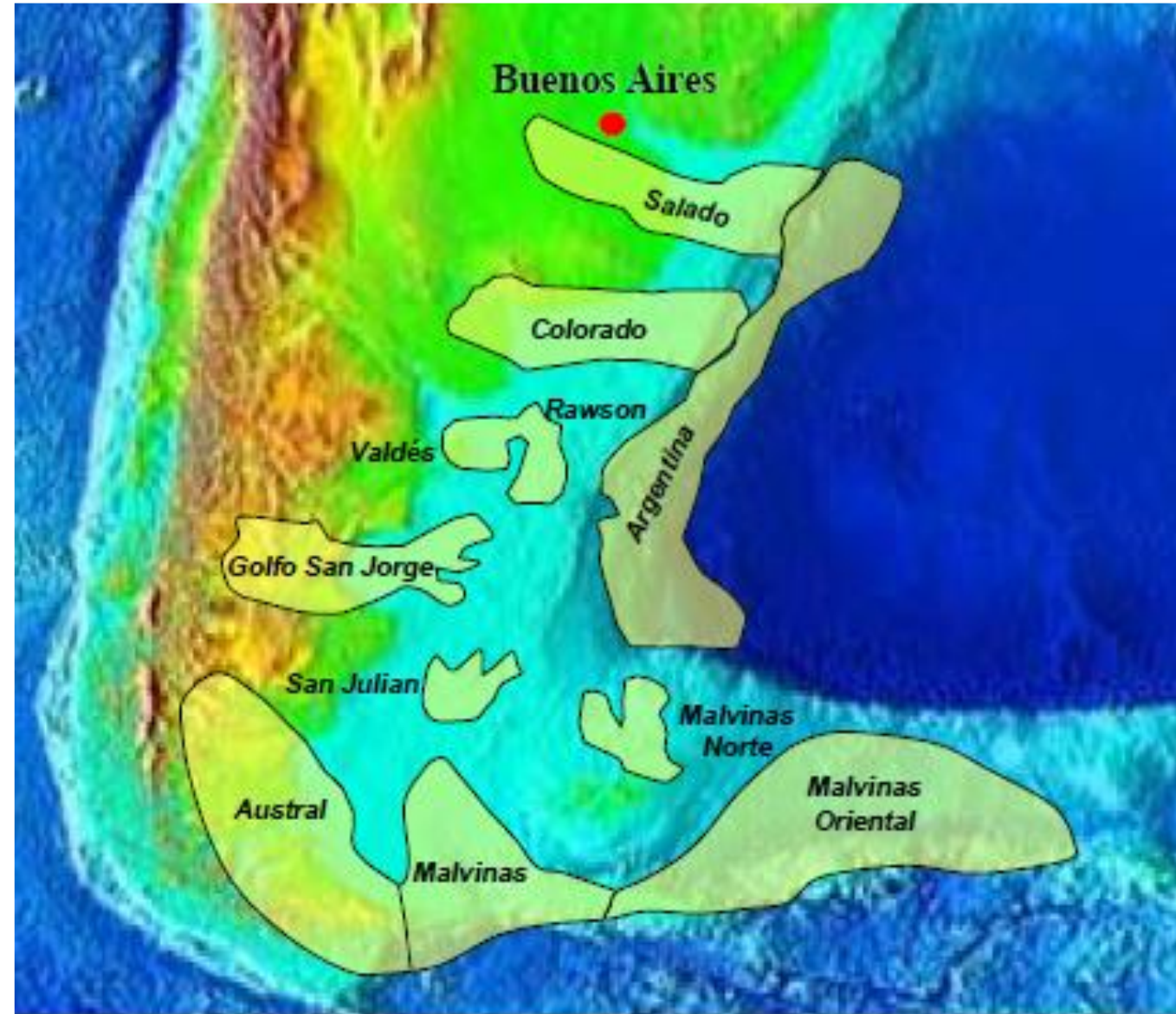
Increase the understanding its potential

Capitalize interest in Argentina Basin

Argentina Offshore Basins

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

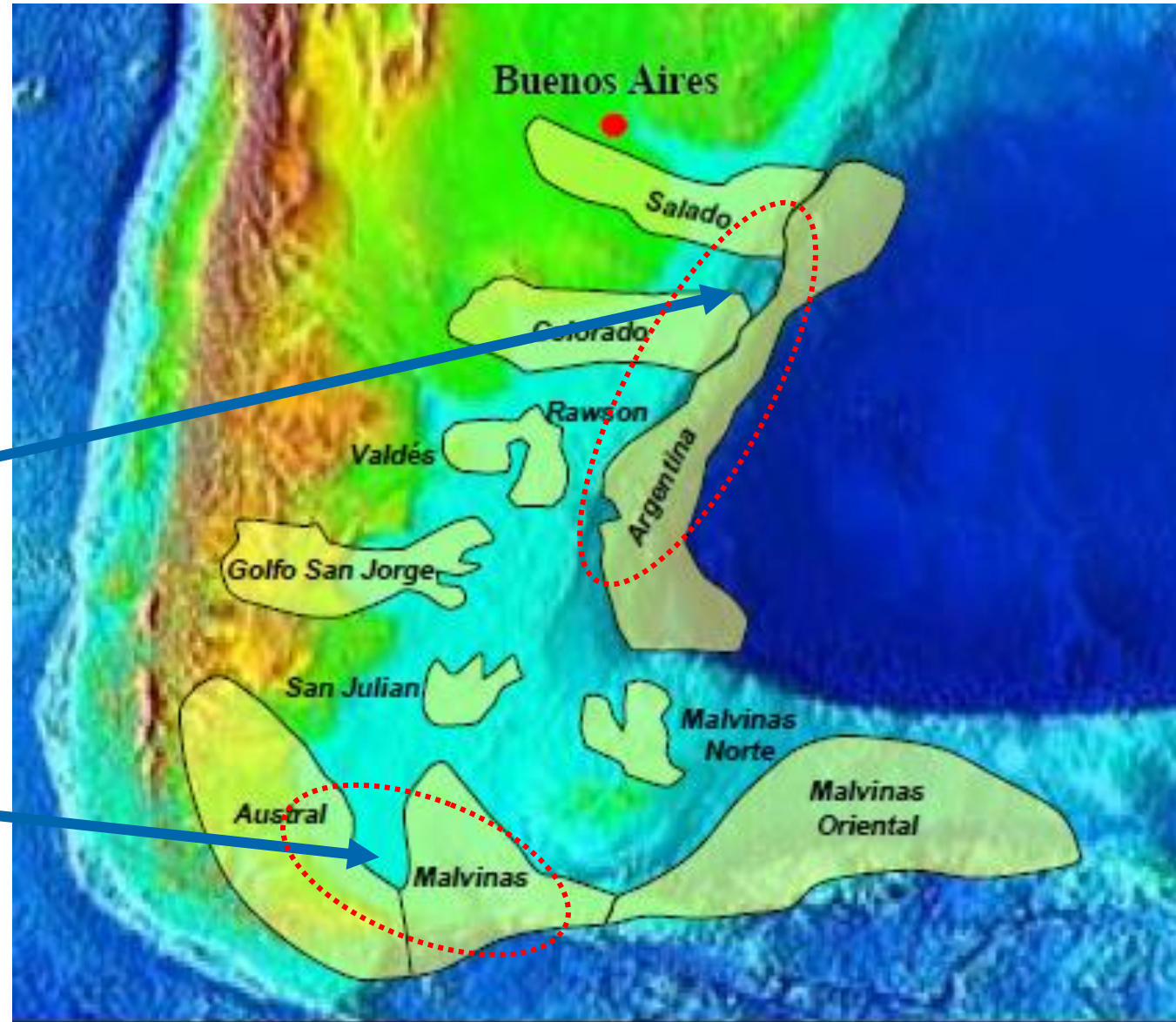


Offshore Exploration Program

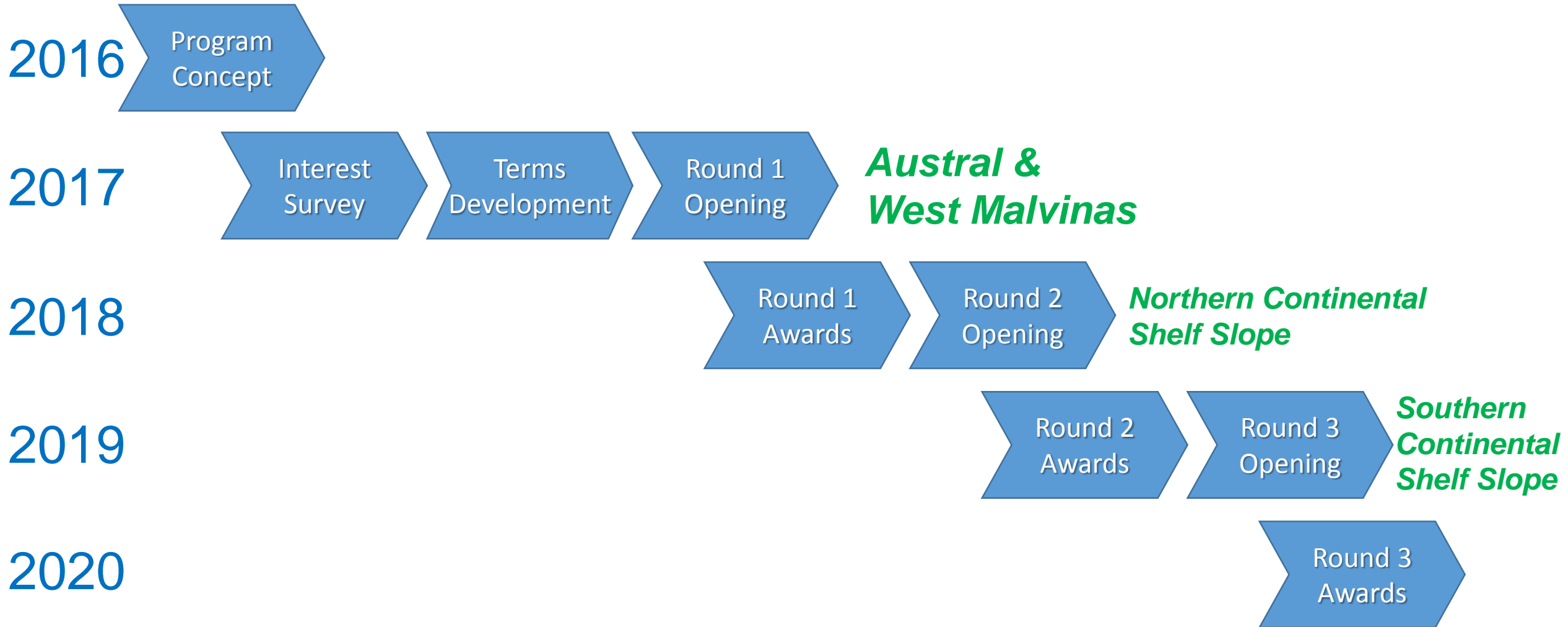
**Two Main
Areas of Interest**

**Argentina Basin
Salado Basin
Colorado Basin**

**Austral Basin
Malvinas Basin**



Offshore Exploration Program



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

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