

THE CARIBBEAN: A SILVER LINING IN UNCERTAIN TIMES

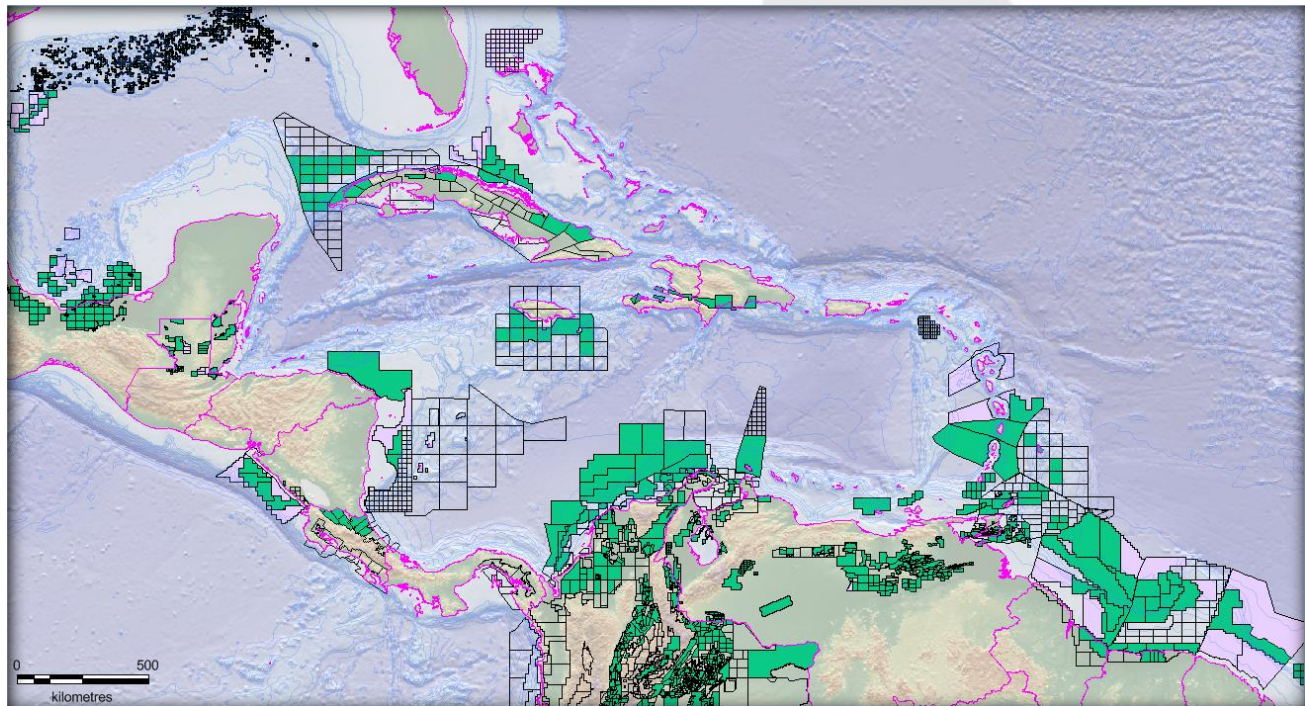
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on behalf of The Americas Team (Faye Glover, Darren Jones, Don Campbell)

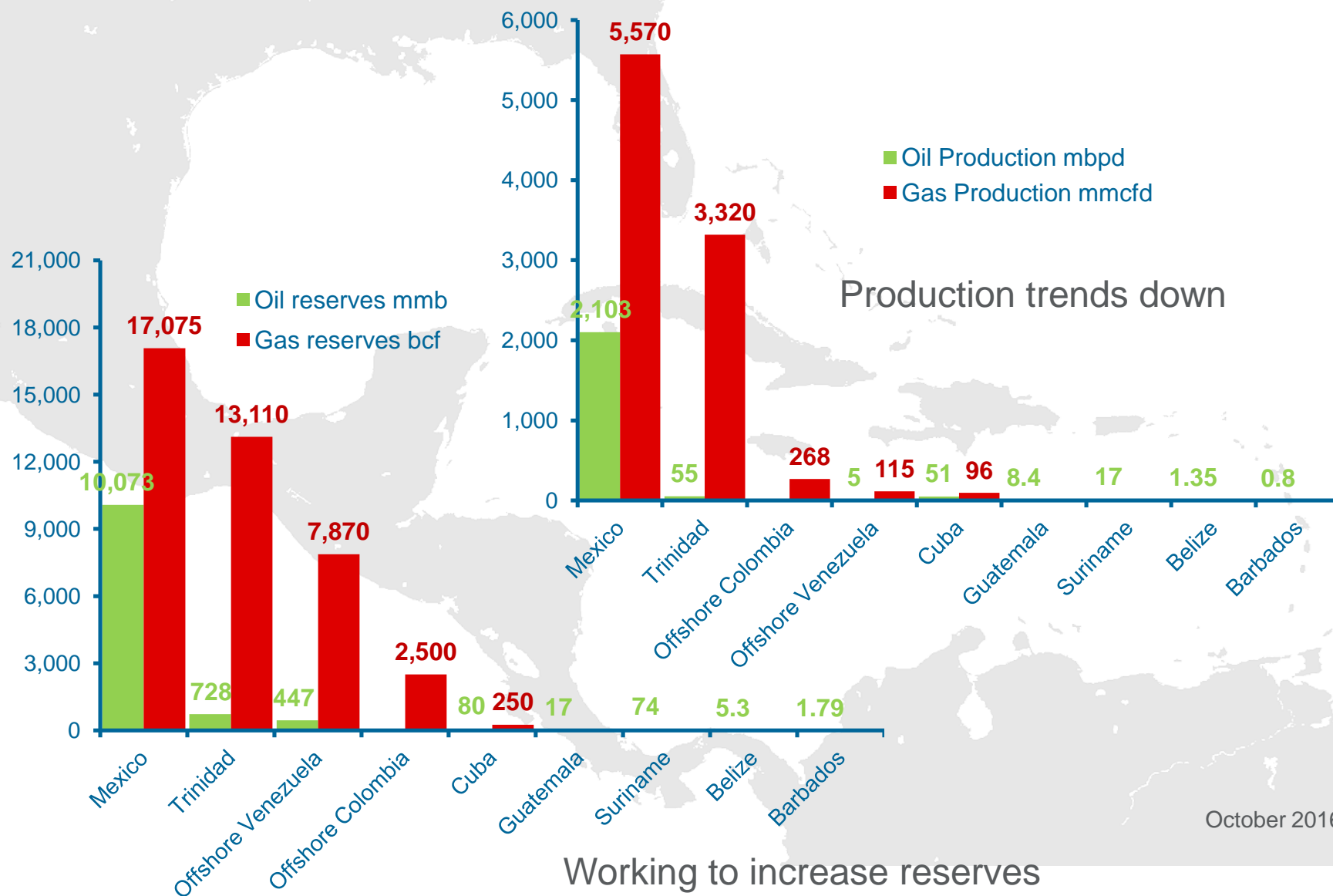
March 2017

AGENDA

- Overview: Production Profile
- Nat Gas May Provide New Start To The Region
- Finding The Right Note: Opportunities abound
- New Treaties: Gulf of Mexico
- Cuba Aims For Revival
- Trailblazing: Guyana, French Guiana & Suriname
- Venezuela: Bolivarian Dream Meets Harsh Realities
- T&T: Drumming Up New Exploration
- Colombia Turns To Offshore For Growth
- Looking For A Place At The Table
- Conclusions



LATIN GOM/CARIBBEAN & SOUTH AMERICAN MARGIN PRODUCTION & RESERVES REGIONAL PERSPECTIVE

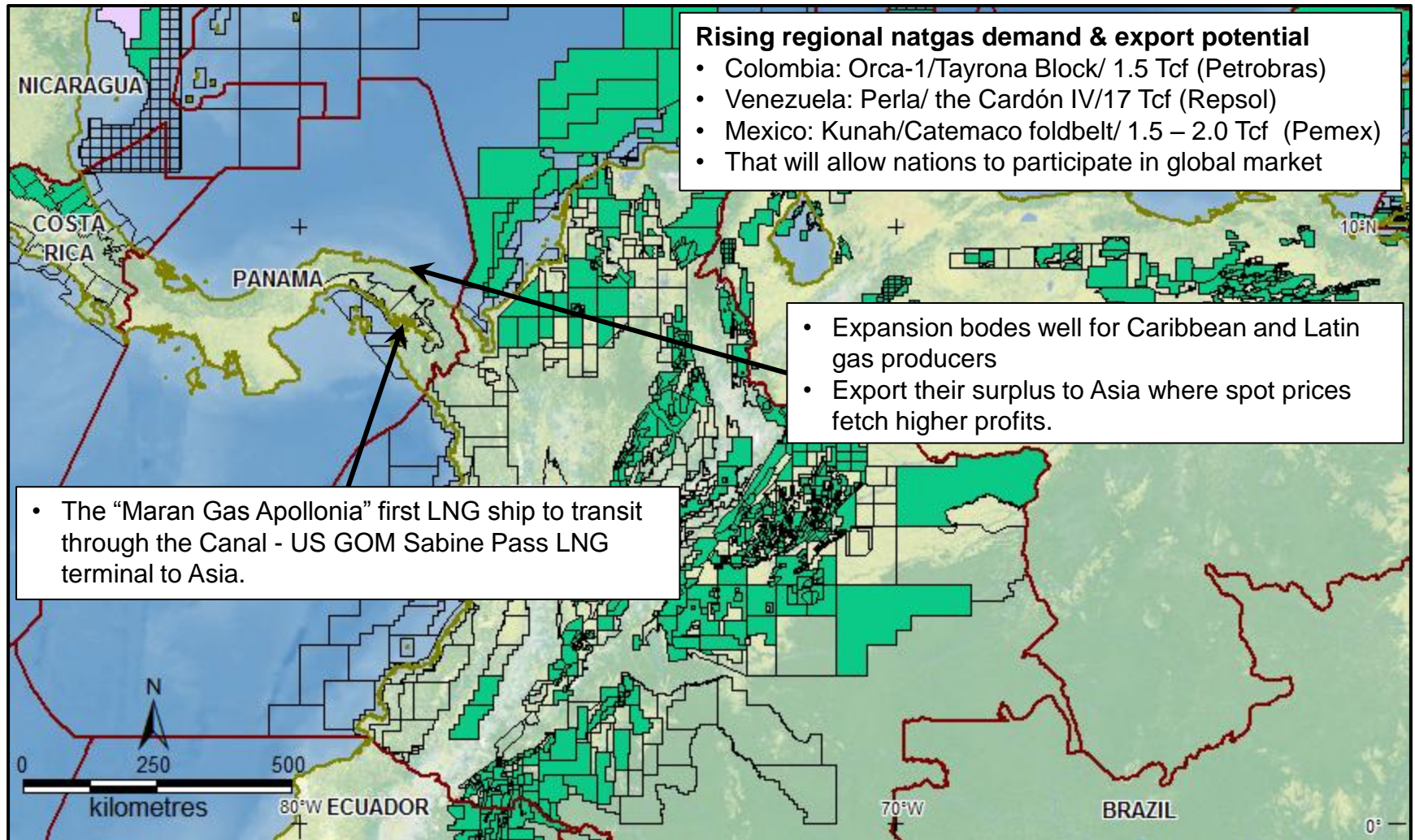


October 2016

NEW START FOR THE REGION?

- Population: 39 million-plus
- Area: 2.7 million sq km
- Production in several countries, including T&T, Barbados, Cuba, Suriname, and Guatemala
- Power plants switching to cleaner fuels

PANAMA CANAL – OPEN DOOR TO PACIFIC RIM

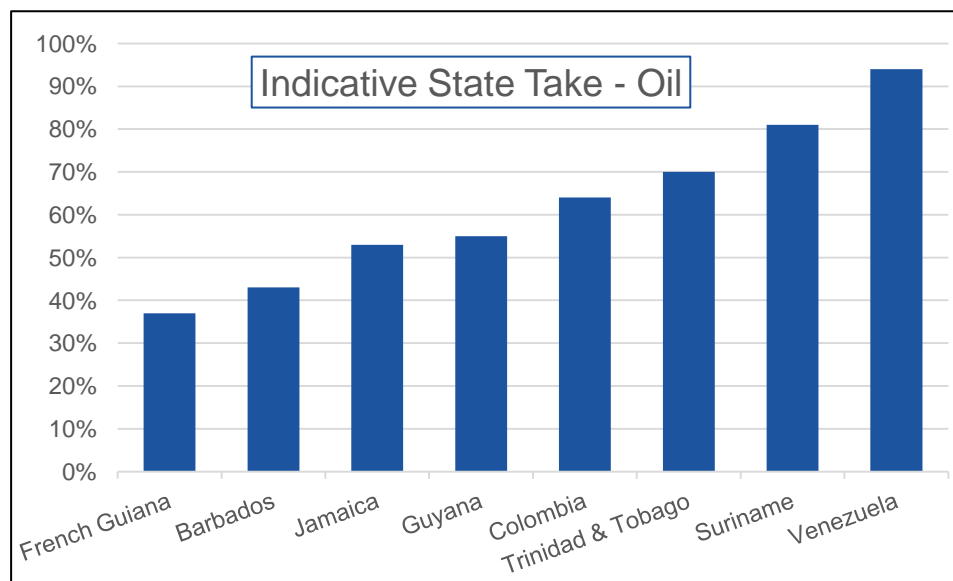


FINDING THE RIGHT NOTE: OPPORTUNITIES ABOUND

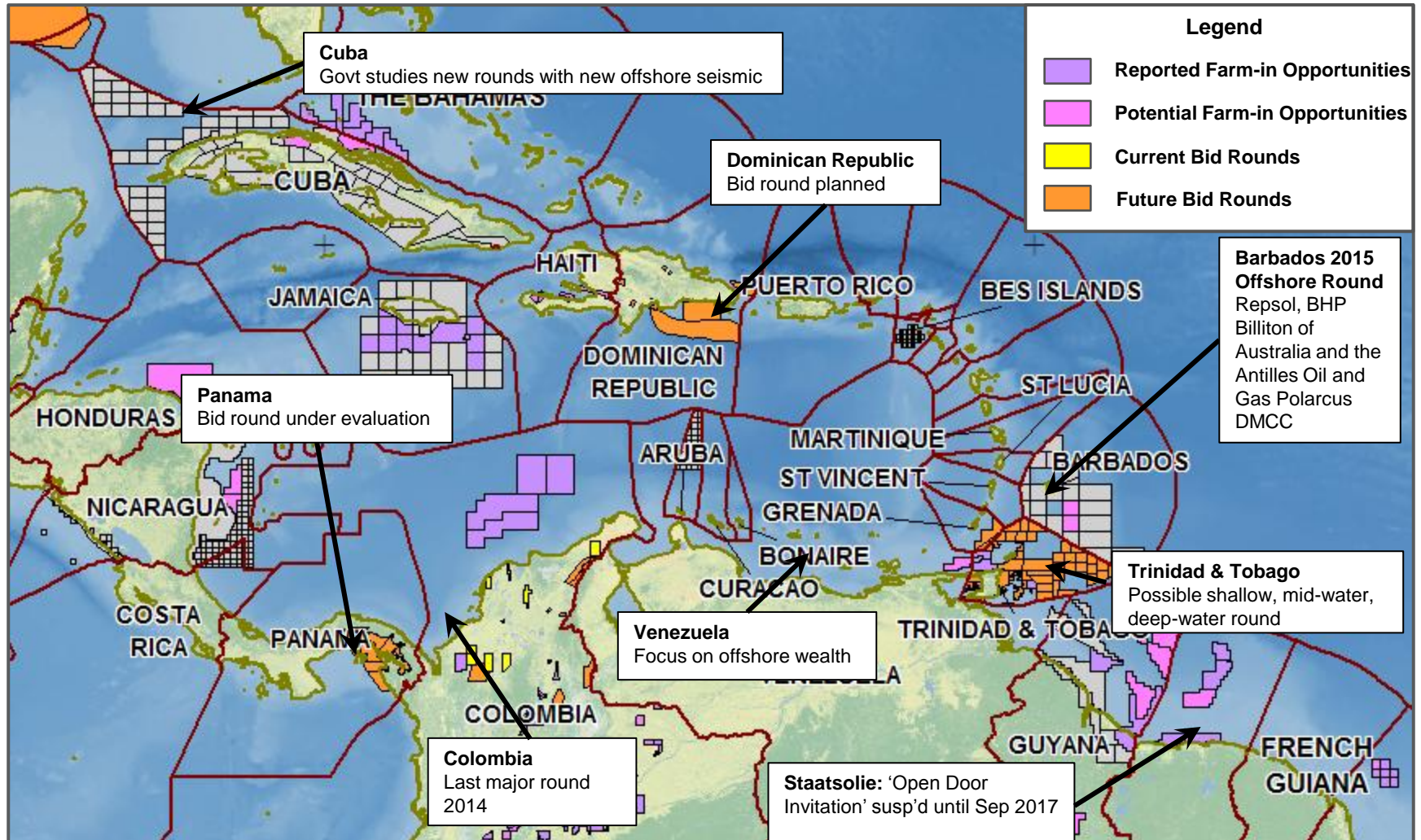


FISCAL SUMMARY

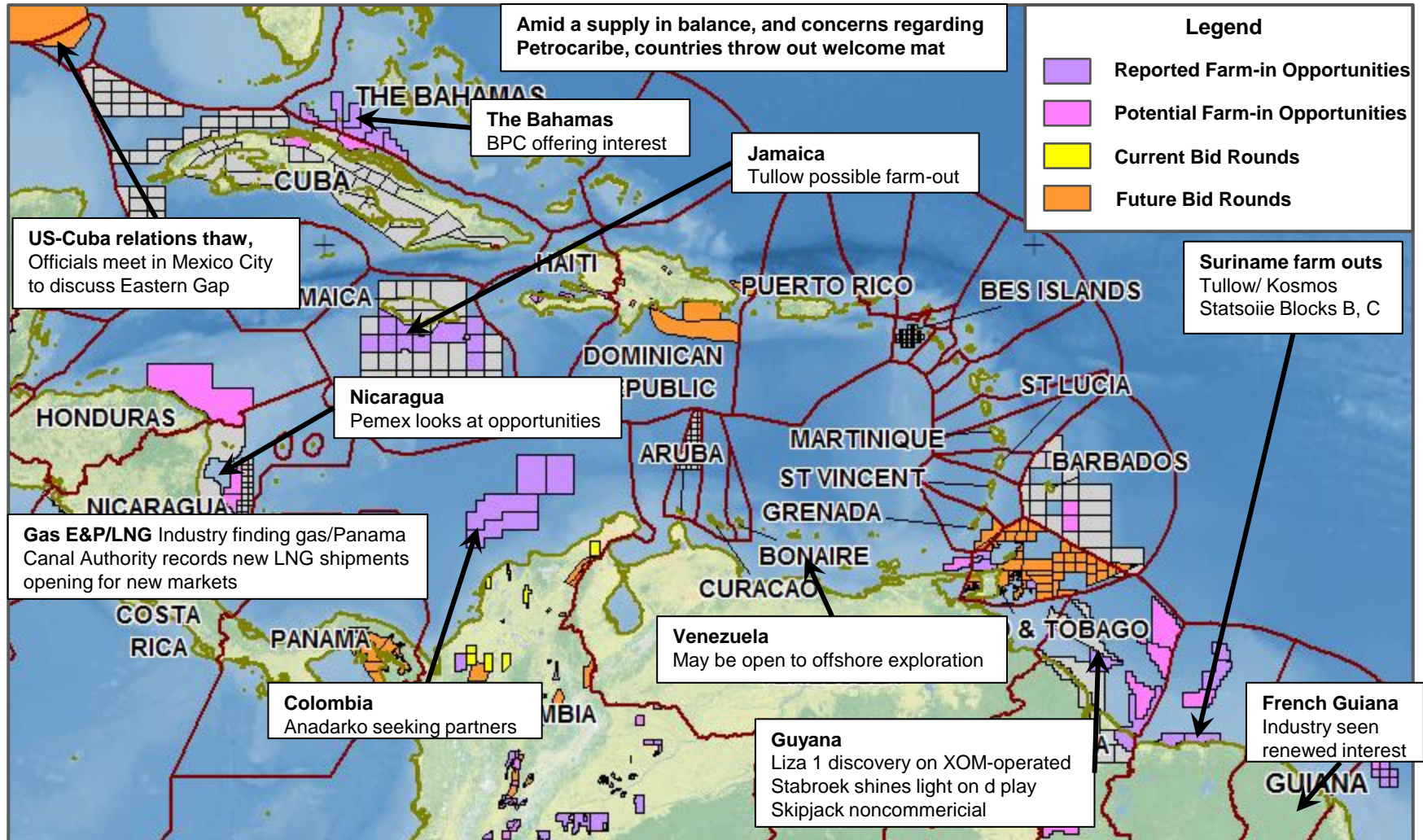
	Vintage	Type	Royalty (%)	Income tax (%)	State participation (%)	Comments
Bahamas	2016	-	-	-	-	No licences issued under Petroleum Act 2016
French Guiana	2016	RT	0%	33.33%	0%	France fiscal regime applies. Rental applies. Withholding tax payable
Barbados	2015	RT	3%	25%	10-20%	Fees & rental payable. Additional Profits Tax (APT) of 30% if oil above \$60
Jamaica	2013	PSC	0-12.5%	15 year holiday	0%	Profit share based on daily production and water depth
Trinidad & Tobago	2014	PSC	0%	0%	0%	Profit share based on price & production. Fees & rental payable. APT applies
Guyana	2016	PSC	0%	0%	0%	Profit share no more than 50%. Regime under review following Liza (2015) and Payara (2017) discoveries
Suriname	2014	PSC	6.25%	36%	20%	Profit share based on R-Factor
Venezuela	2006	RT	30%	50%	>50%	State takes at least 50% interest in JV
Colombia	2014	RT	6-20%	37%	0%	APT applies based on oil price. Awaiting 2016 bid rounds terms



REGIONAL OPPORTUNITIES – BID ROUNDS



REGIONAL OPPORTUNITIES – FARM-IN OPPORTUNITIES



NEW TREATIES IN GULF OF MEXICO

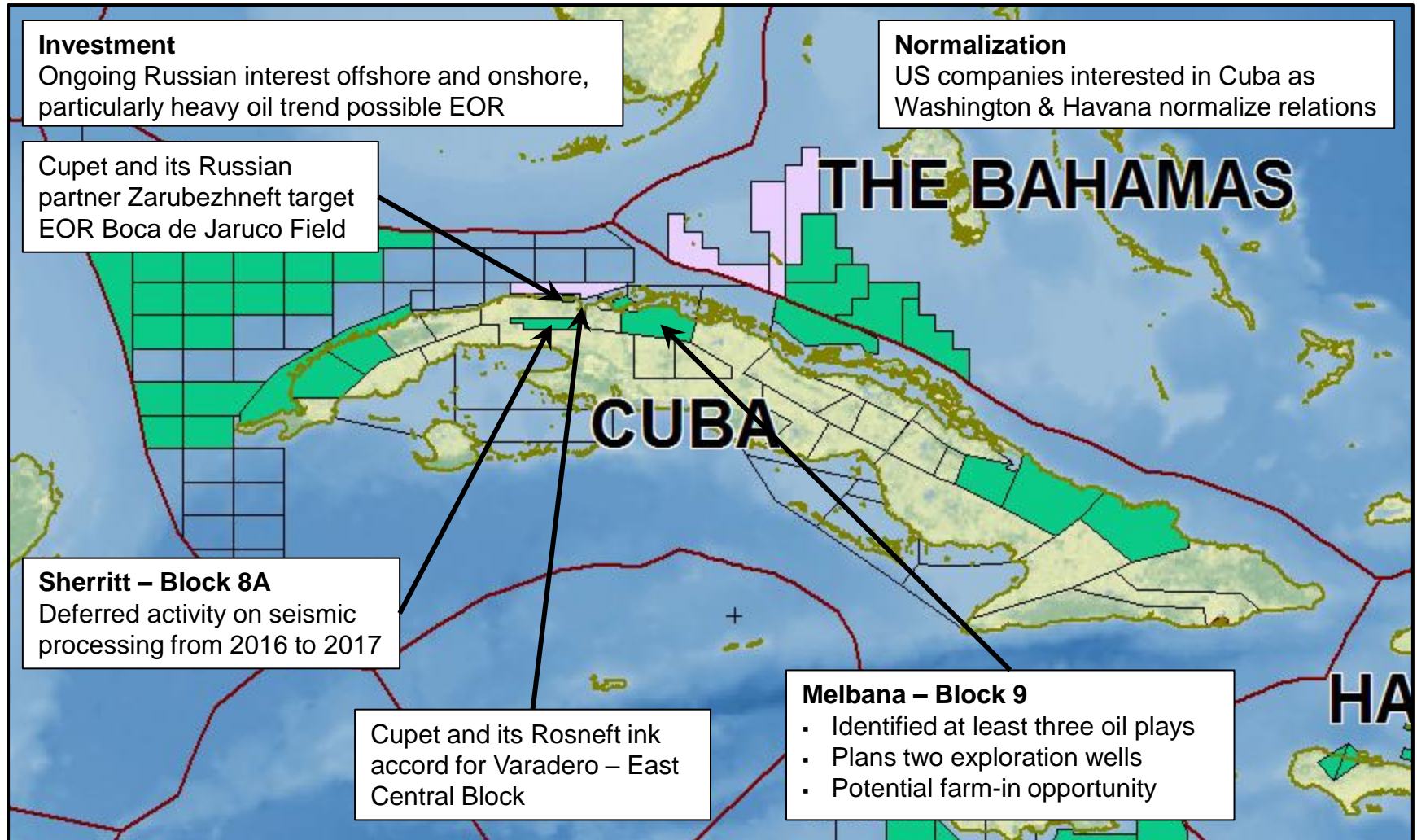
Western Gap

- In 2012, US and Mexico sign agreement across the international maritime boundary.
- BOEM: area may hold up to 172 MMbo and 304 Bcfg
- Nearly 1.5 million acres accessible for E&P activities

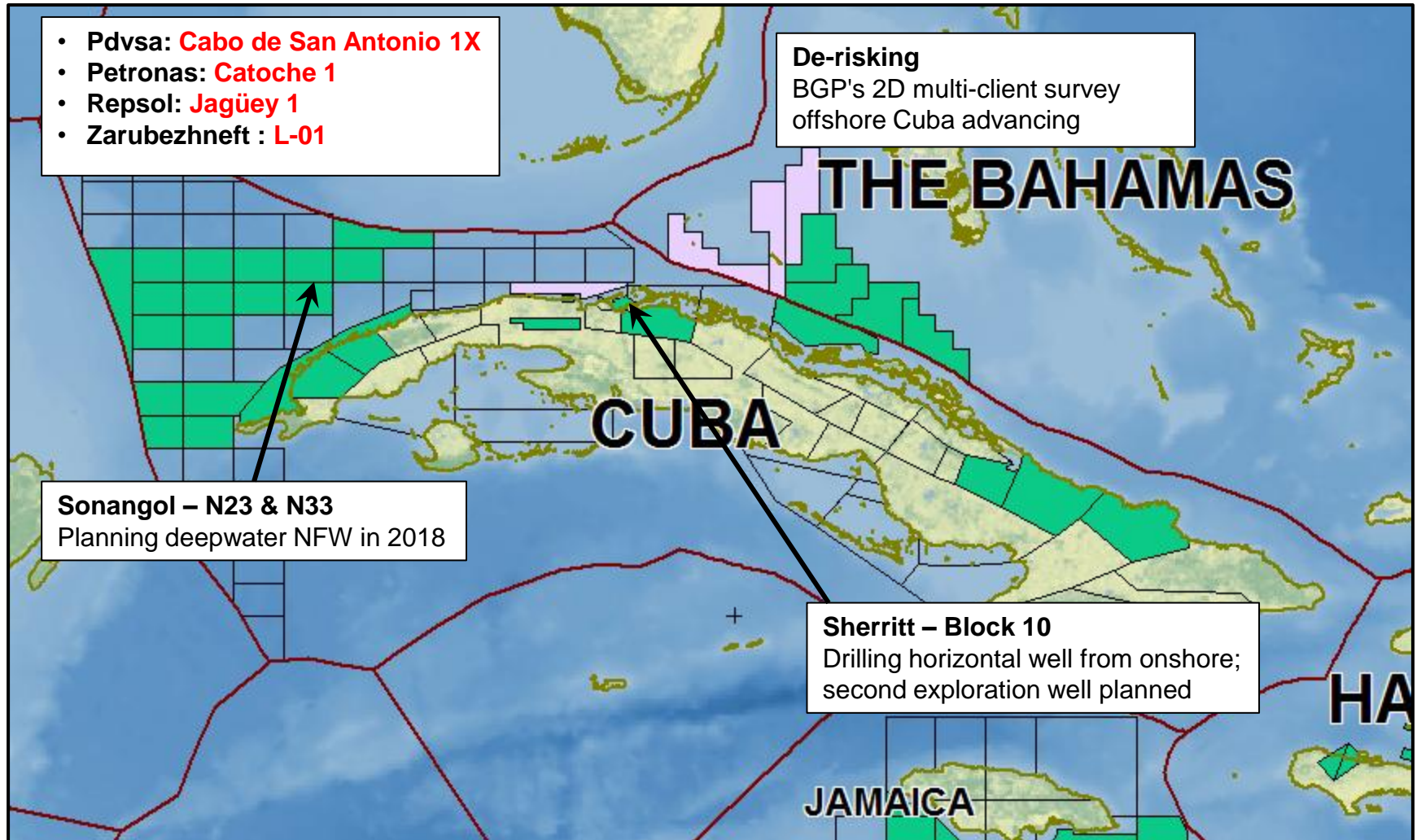
Eastern Gap

- In 1977, the US, Mexico and Cuba came to an agreement over a deep-water area of the GOM beyond the 200-mile limit of the exclusive economic zones of the three nations
- Former Obama admin re-establishes diplomatic ties
- US & Cuba sign oil spill contingency

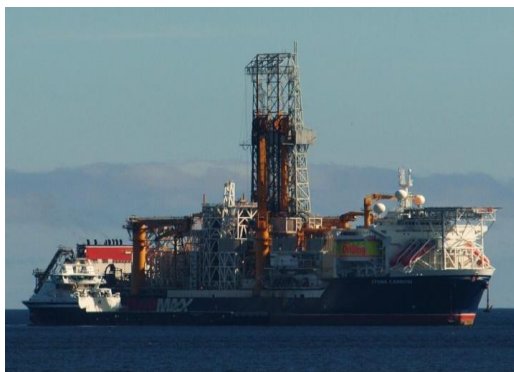
CUBA ONSHORE – E&P



CUBA OFFSHORE – E&P OVERVIEW



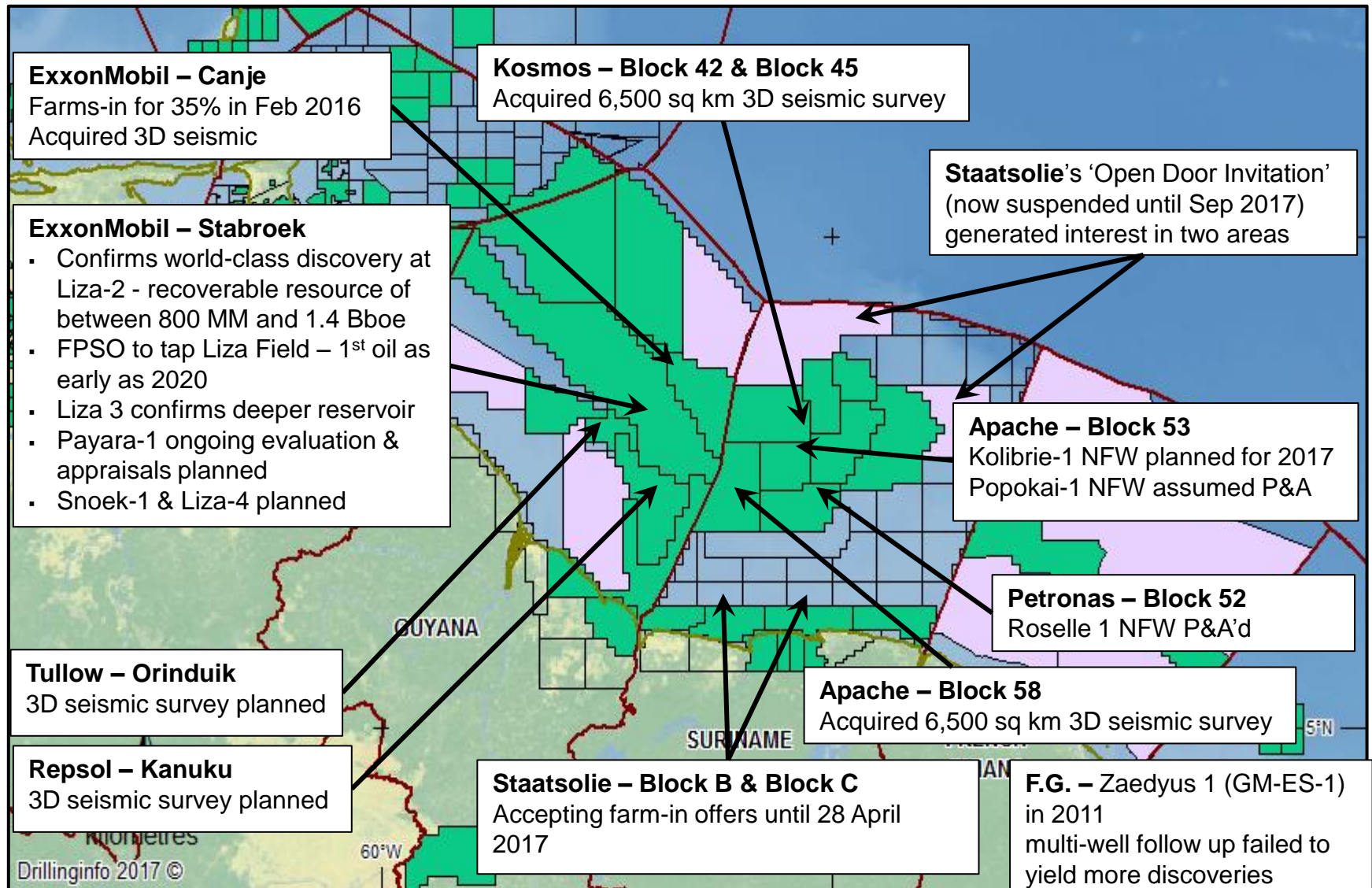
TRAILBLAZING ON THE FRONTIER: GUYANA, FRENCH GUIANA & SURINAME



E&P sector in the
South American
margin is moving
forward...



GUYANAS E&P OVERVIEW



VENEZUELA –BOLIVARIAN DREAM MEETS HARSH REALITIES



Est. Gas Reserves

197 Tcf

Est. Oil

298.4 Bbbls

2017 prod. to decline on
OPEC cut of 95,000 bo/d

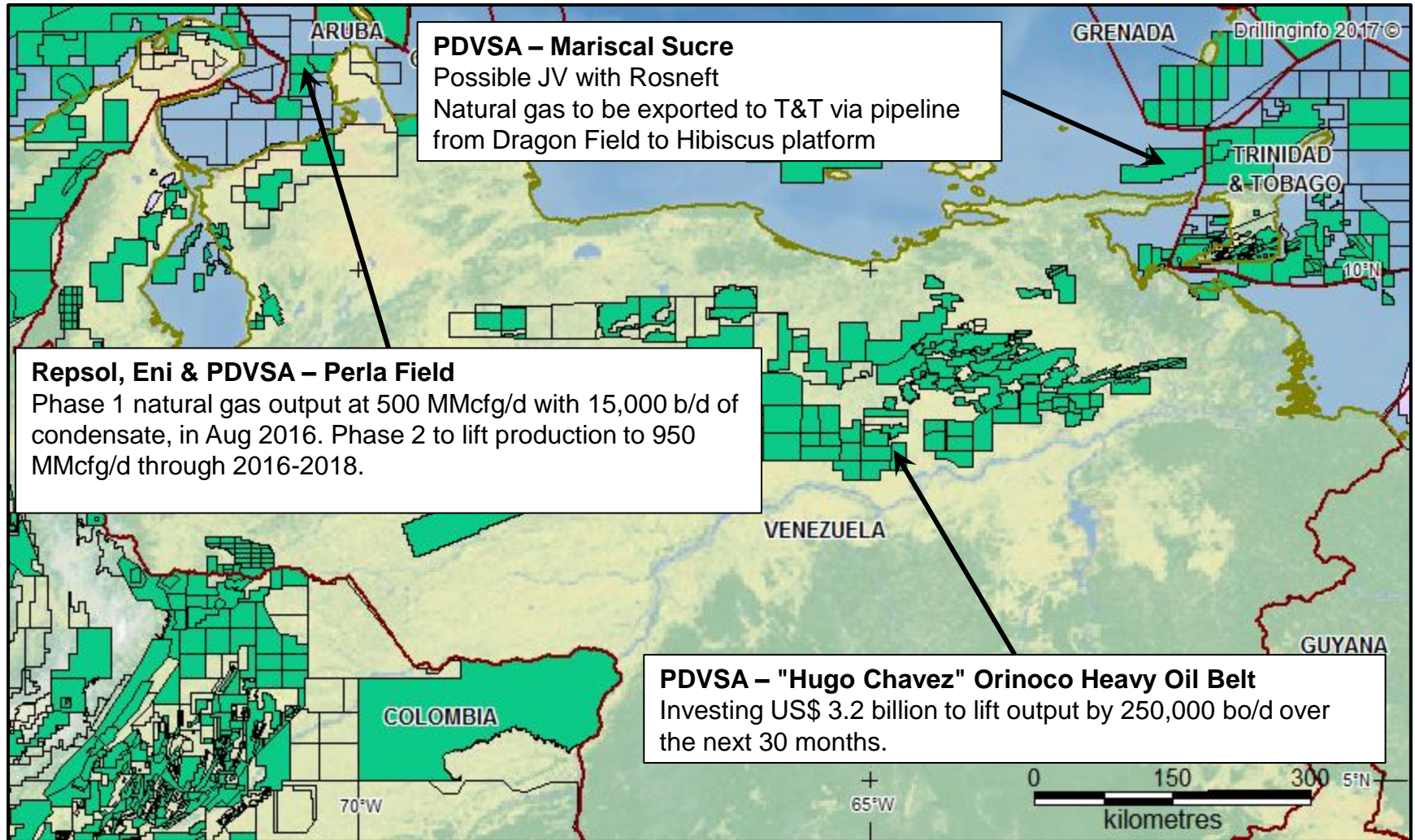
Daily output

2.1 Mmbo/d

Pero

Lacks gas export
infrastructure
Project completion delays
Domestic versus LNG
exports
Troubled economy
Hyperinflation
Capital controls
Payment arrears

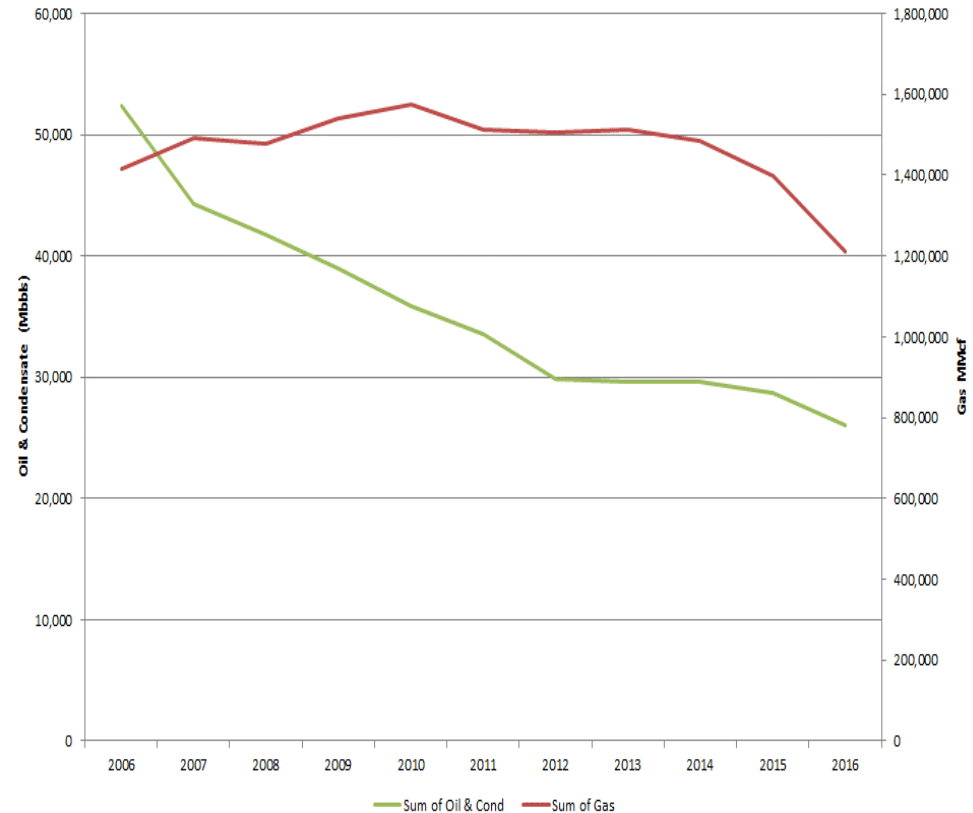
VENEZUELA – E&P



T&T – DRUMMING UP NEW EXPLORATION DOLLARS

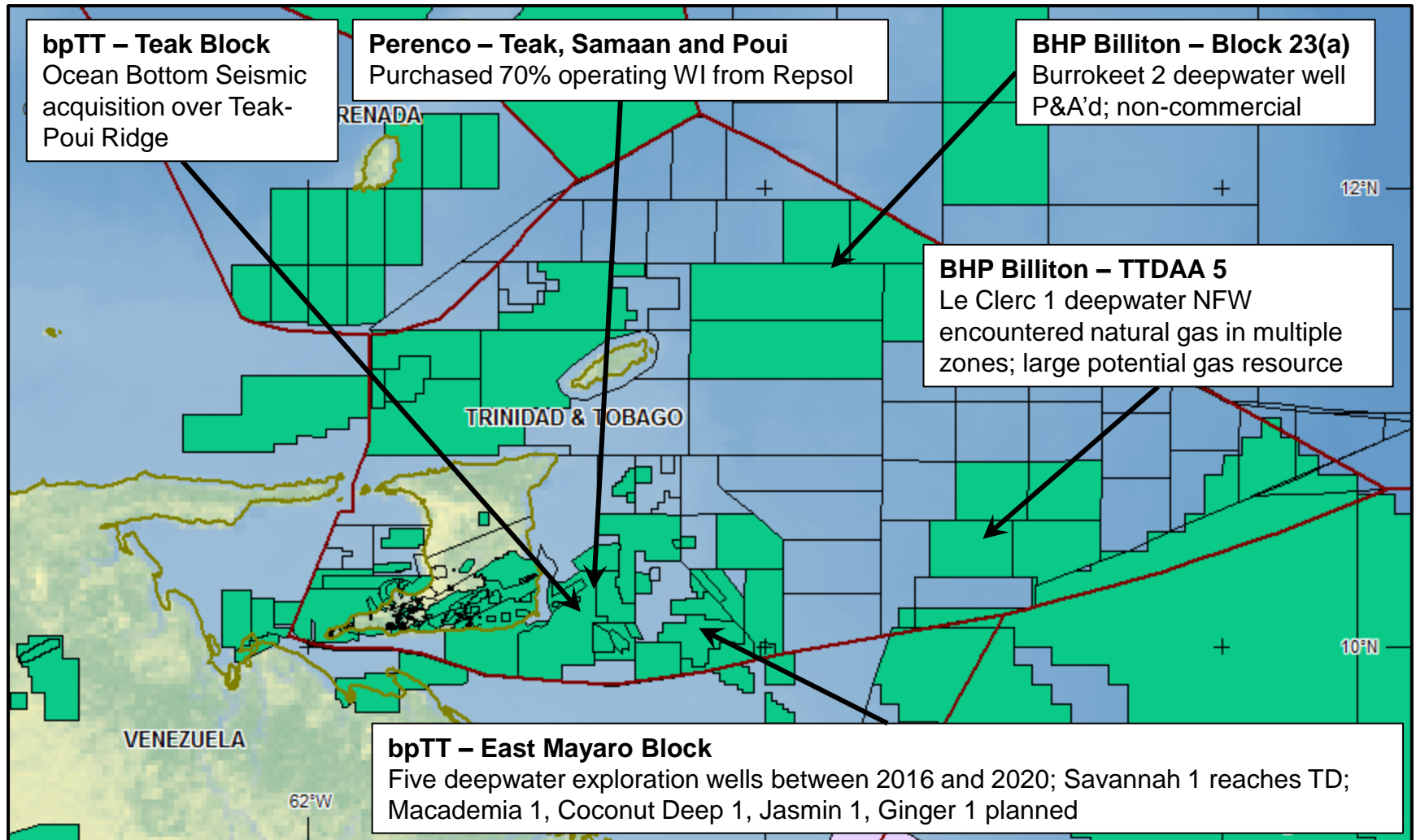


T&T Oil & Gas Production 2006-16



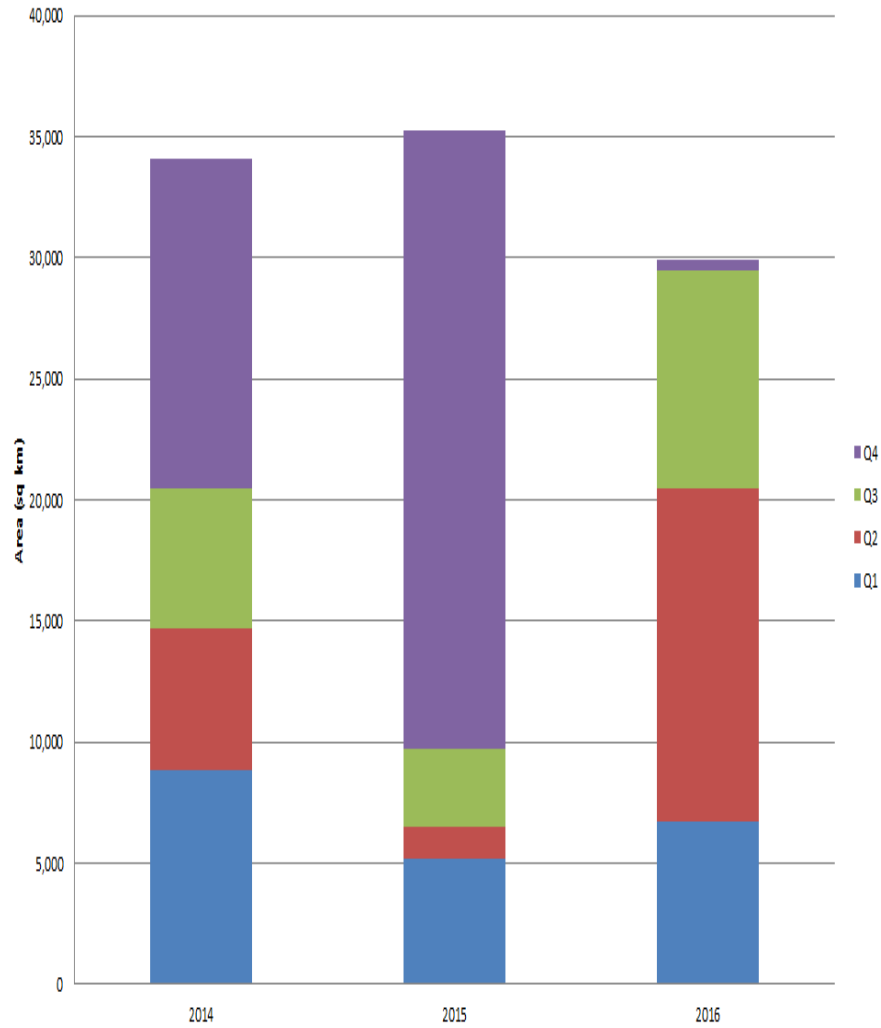
- Gov't sending signals that it may ease the SPT by raising kick in price (18% at US\$ 50.00 now) at a lower rate/higher price threshold.
- Possible tiered system more in line with oil price.

TRINIDAD & TOBAGO – HIGHLIGHT ON THE DEEPWATER

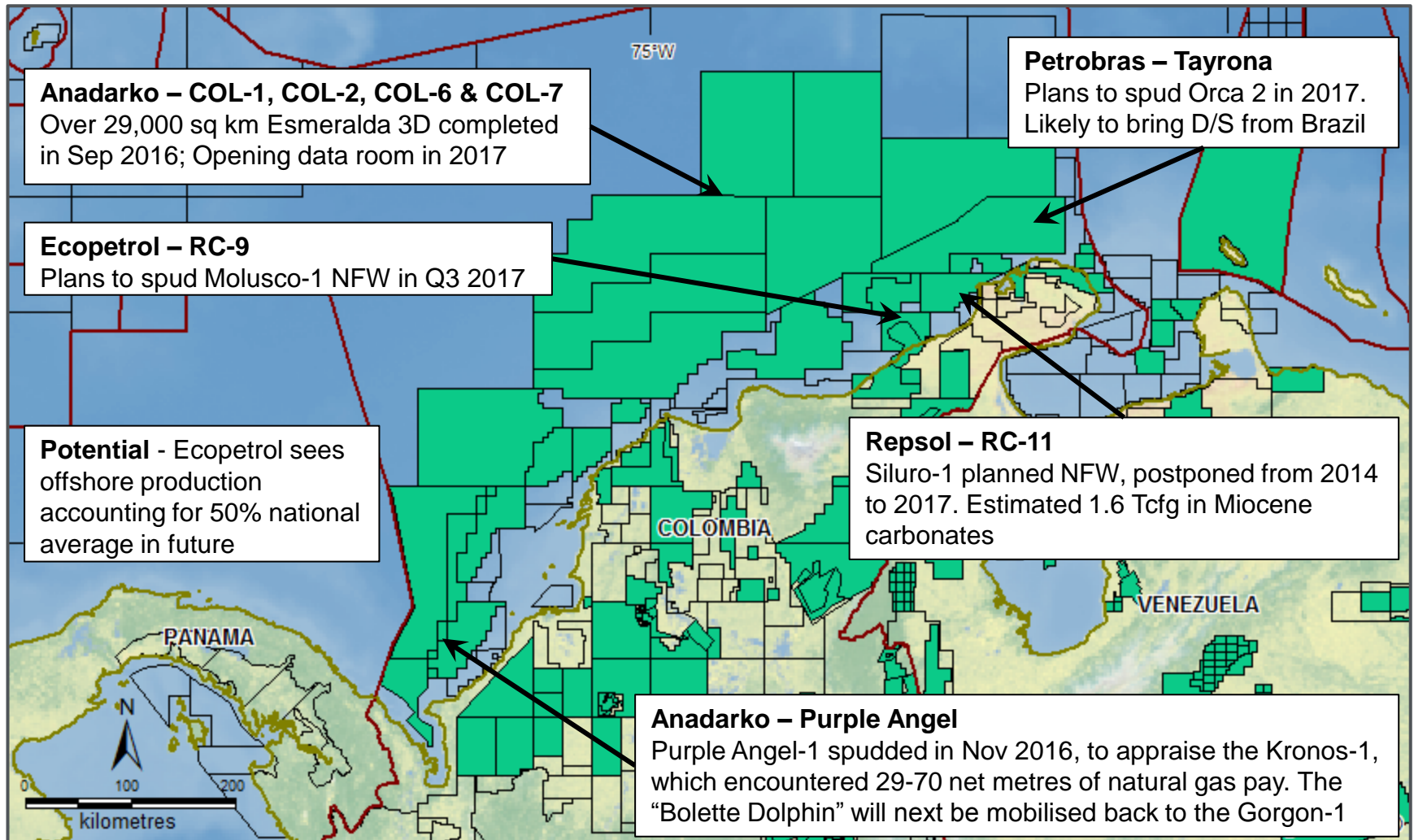


INVESTMENT FRIENDLY COLOMBIA LOOKS OFFSHORE

Colombia Relinquishment Acreage by Quarter, by Year



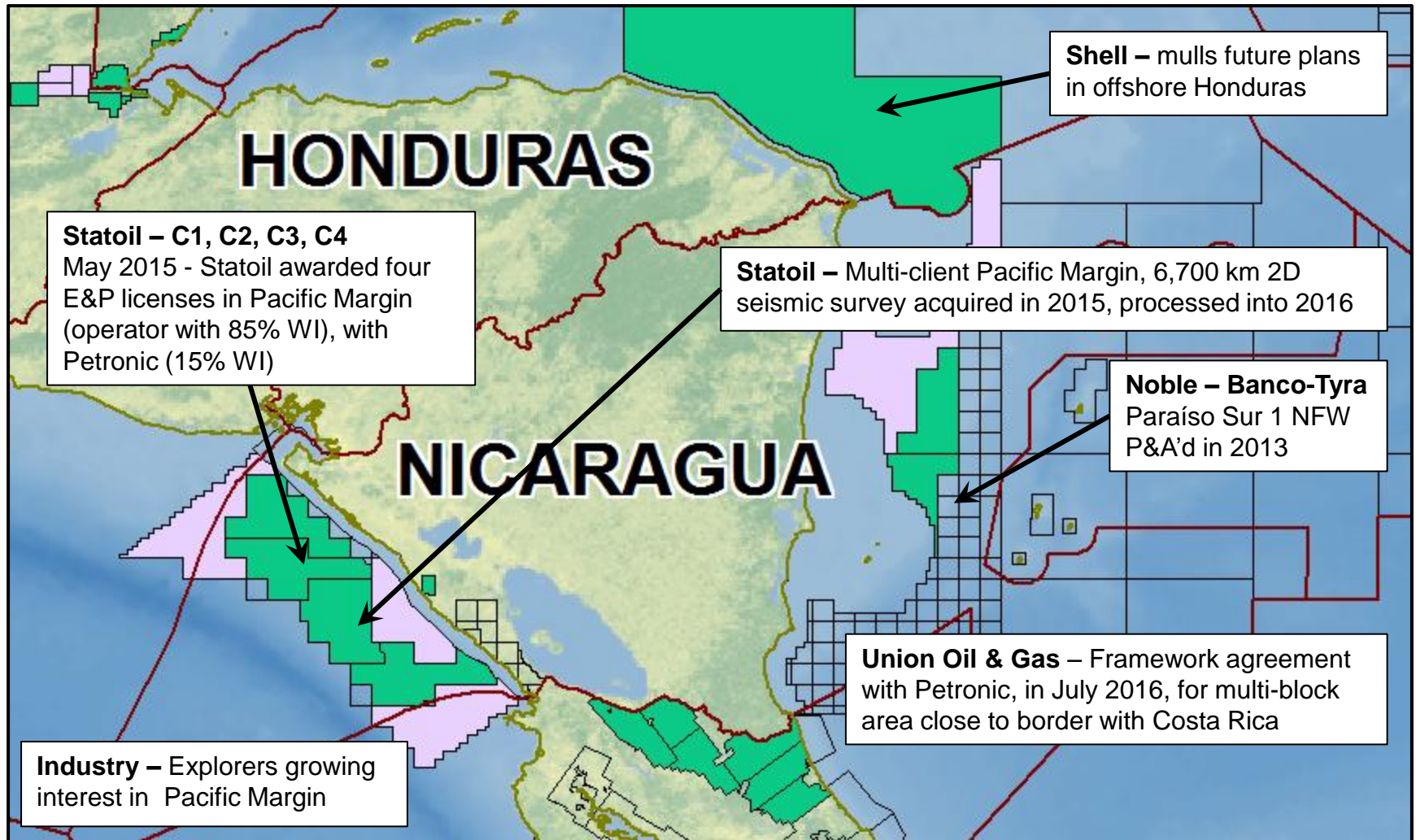
COLOMBIA OFFSHORE – HALF OF THE PIE



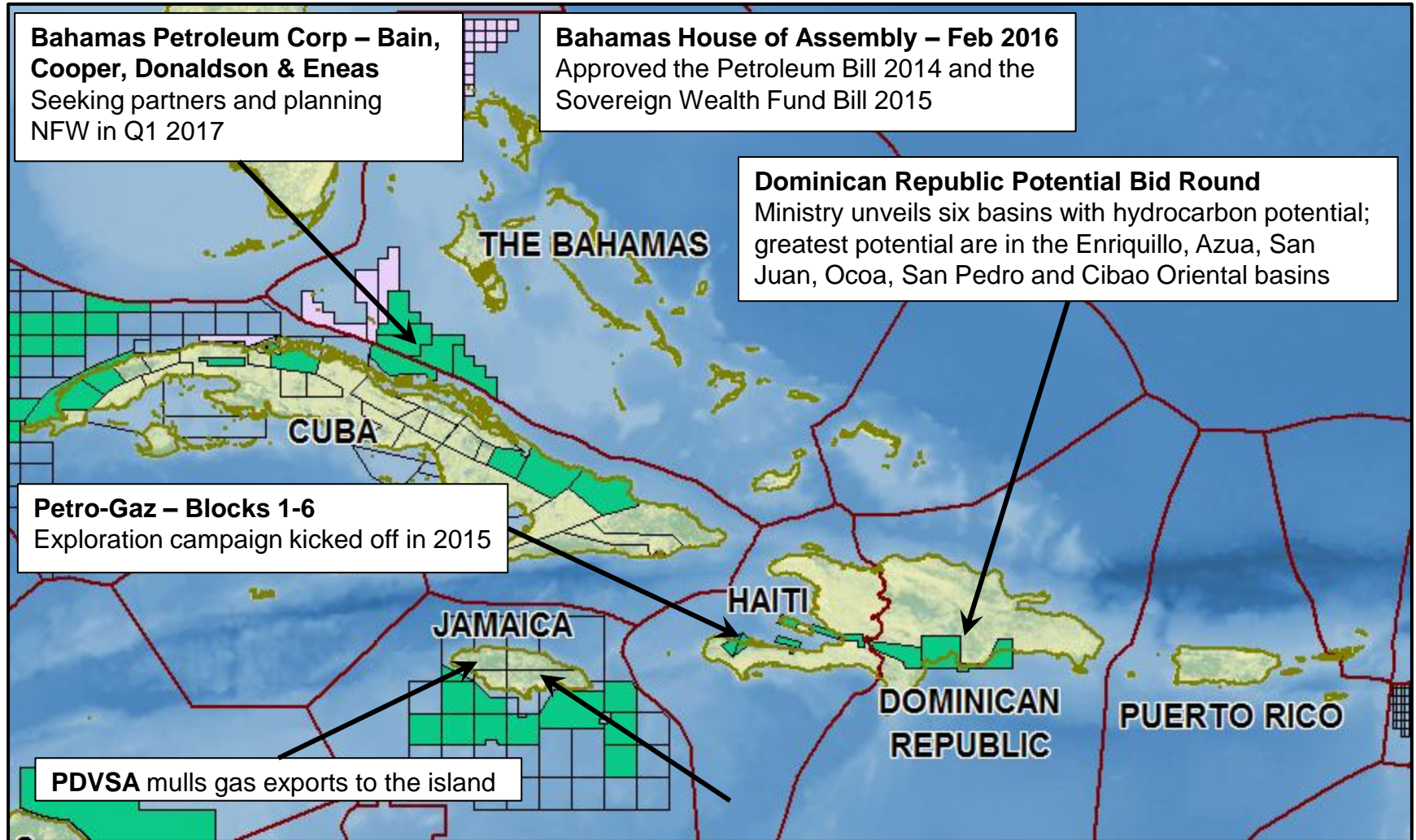
LOOKING FOR A PLACE AT THE TABLE



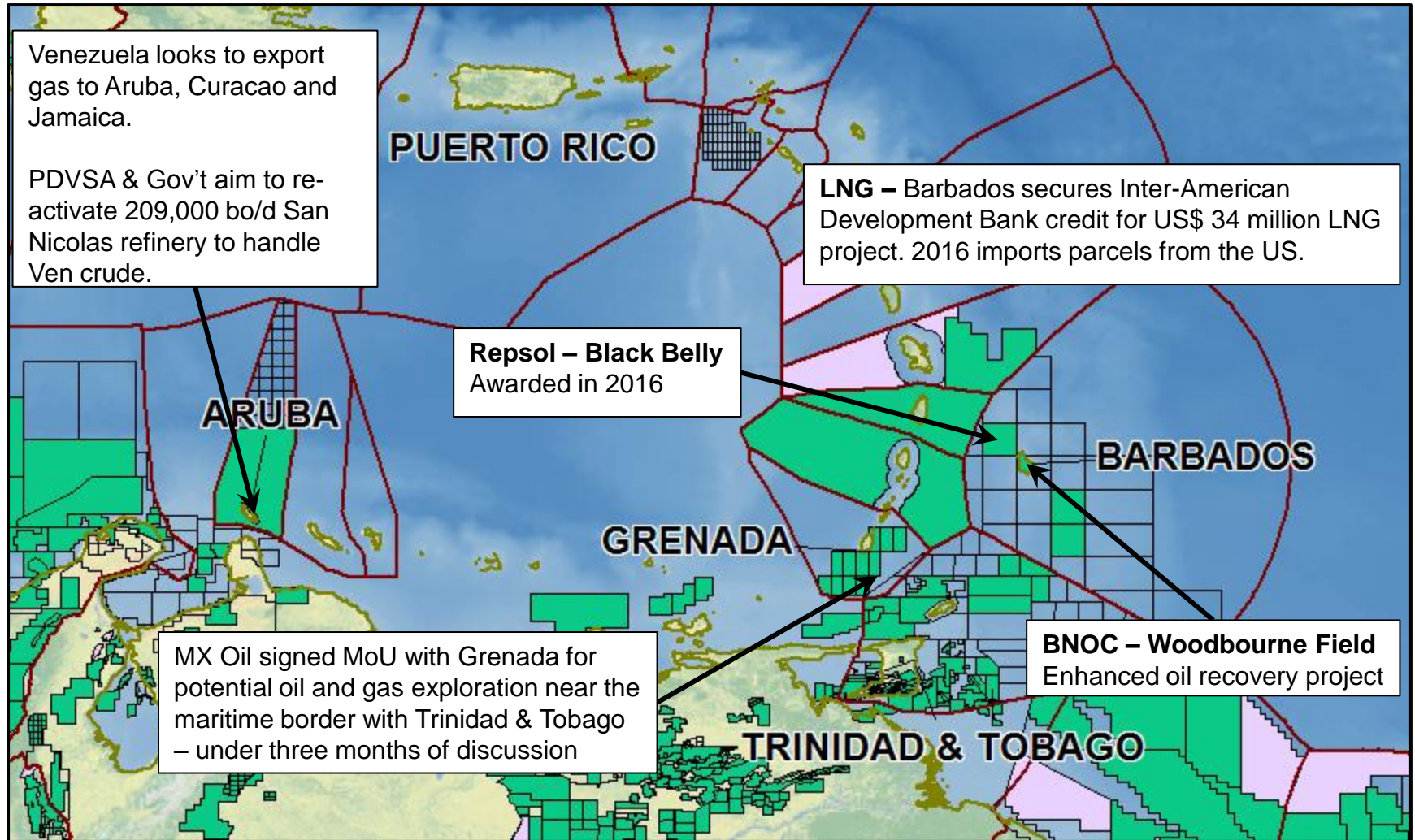
NICARAGUA & HONDURAS – E&P



BAHAMAS, JAMAICA, HAITI & DOMINICAN REPUBLIC



ARUBA, GRENADA & BARBADOS – E&P



CONCLUSIONS

What needs to be done...

- The Greater Caribbean Basin and South American Margin host a vast array of opportunities from farm-ins to new bid rounds
- Natural gas will help many nations mothball older, oil burning power plants and boost energy security
- The expanded Panama Canal will allow some producers to net earn hard currency earnings from exports abroad
- The US still has a chance to help drive regional cooperation by working with Mexico and Cuba
- Venezuela's ambitious Bolivarian vision for energy equality and integration may be faltering under financial pressures, but the country must work towards improving its economic health so as it can to continue playing a role in the region.