

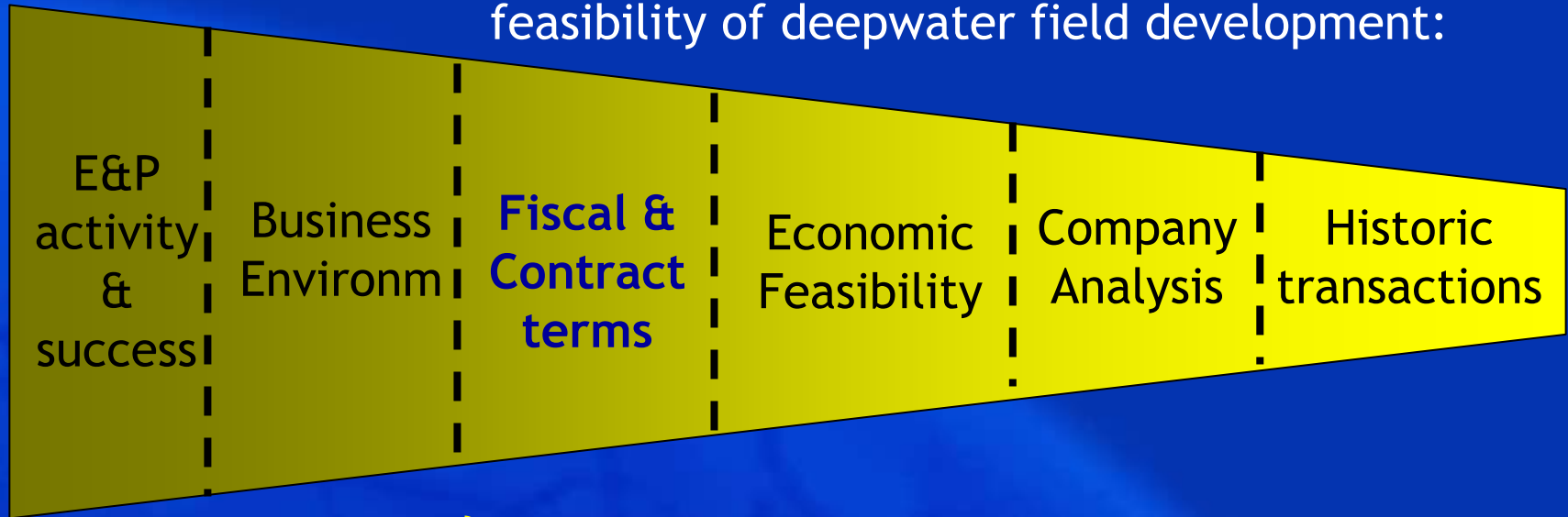


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Comparing worldwide deepwater fiscal regimes using PEPS

Business Process

Define impact of fiscal regime on economic feasibility of deepwater field development:



Angola
Cote d'Ivoire
Egypt
Eq. Guinea
India
Indonesia
Mauretania
Nigeria
Norway

Angola
Australia
Brazil
Egypt
Congo
Gabon
Mauretania
Norway
UK

Angola
Egypt
Mauretania
Norway

Analysis of countries with highest offshore E&P activity and best business environment resulted in a shortlist of four countries.

Which one has the best fiscal regime for deepwater development?

For E&P activity and Business environment see other examples

Ranking Fiscal Systems

Use PEPS Fiscal ranking to obtain Rate of Return (IRR) for a typical deepwater field development

Fields Grouped by Gross Project IRR

Regime (Country - Area)	Marginal Fields Group		Economic Fields Group		Upside Fields Group	
	Rank	Value	Rank	Value	Rank	Value
Albania	106	14.14%	100	29.44%	103	54.95%
Algeria : 1st-3rd Rounds PSA	207	2.26%	206	13.97%	191	32.72%
Algeria : Existing producer	210	1.60%	208	10.59%	207	20.91%
Algeria : Late 1990s R-Factor PSA	192	6.10%	173	21.89%	167	43.64%
Angola : 1997 Deep Water > 200m	137	11.72%	154	24.56%	192	30.88%
Angola : 1997 On & Off-shore < 200m	162	9.51%	165	22.55%	196	29.73%
Angola : Existing producer	156	10.07%	170	22.14%	179	37.42%

Angola Deepwater IRR: 25%

Analysis: Specific Fiscal Regime

Analyse details of fiscal regime for each selected country with worked examples

Legal, Fiscal & Contractual Terms

**MAURITANIA
DETAILED ANALYSIS**

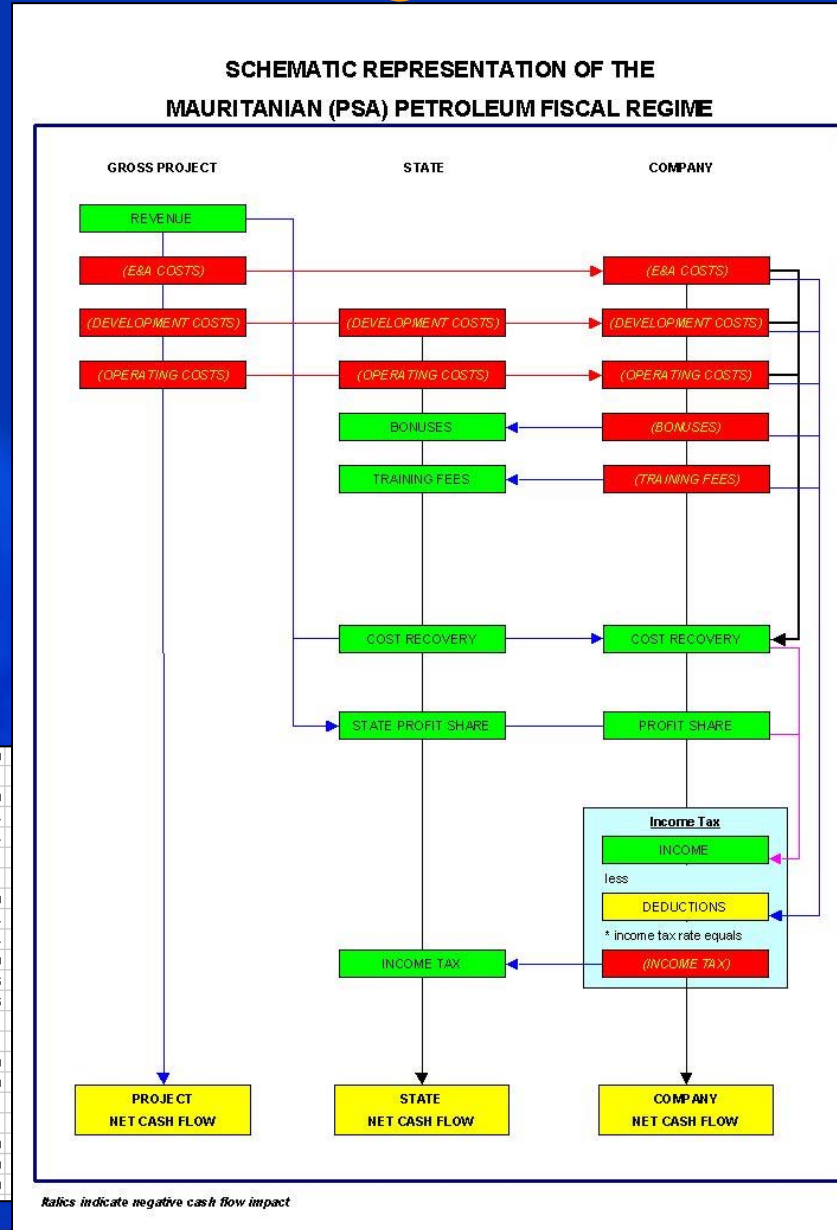
Contents Information Laws & Contracts

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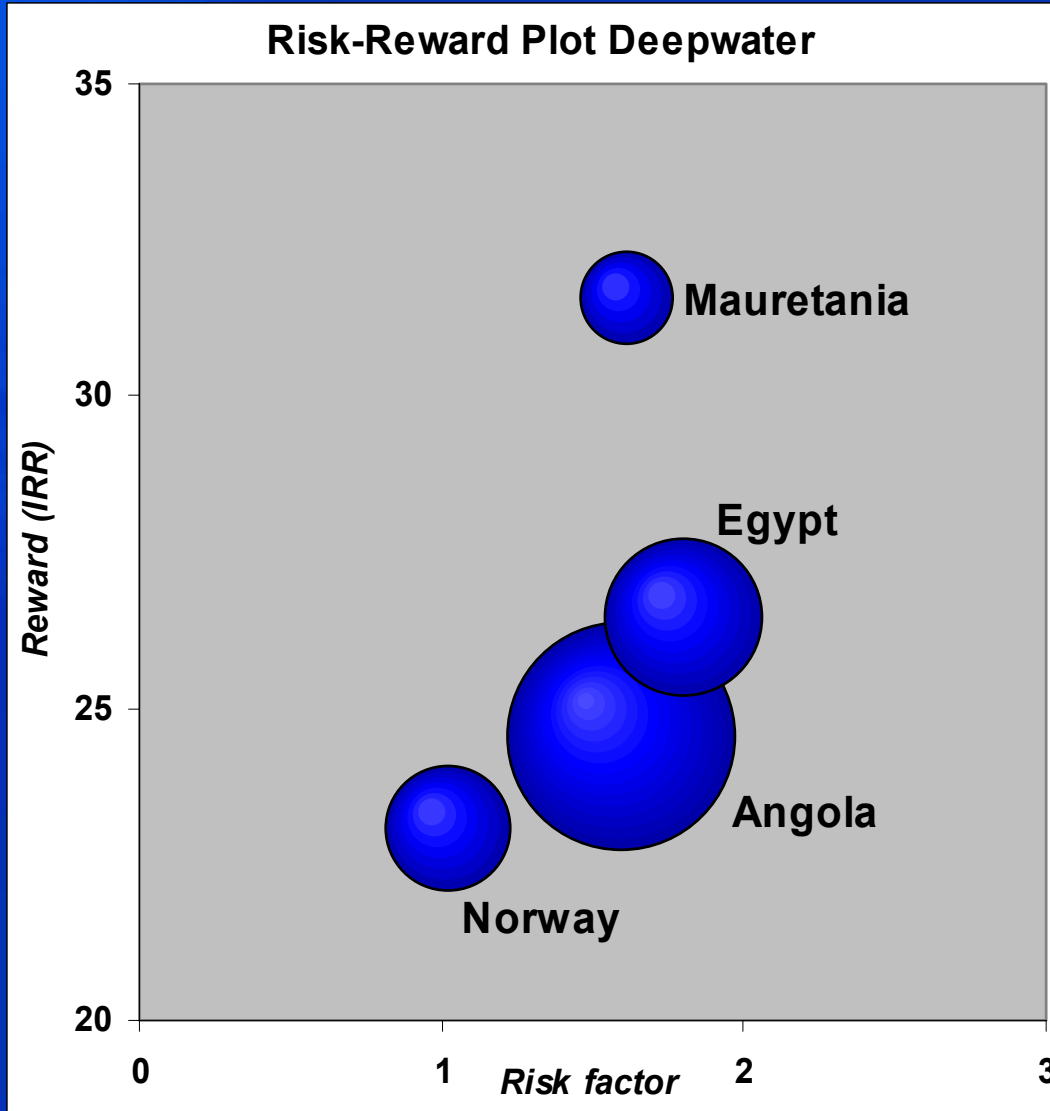
KEY CONTACTS BACKGROUND DATA

	Units	Total	2003	2004	2005	2006	2007	2008	2009
FIELD GROSS INCOME									
Oil Production	MMBBL	50.00	0.00	0.00	0.00	3.00	7.30	7.30	6.80
Oil Price	\$/BBL		0.00	0.00	0.00	20.26	20.87	21.49	22.14
Oil Revenue	\$MM	1,151.01	0.00	0.00	0.00	60.78	152.33	156.90	150.54
EQUIVALENT INCOME AND OPERATING EXPENSES									
Equivalent Production	MMBBL	50.00	0.00	0.00	0.00	3.00	7.30	7.30	6.80
Equivalent Price	\$/BBL		0.00	0.00	0.00	20.26	20.87	21.49	22.14
Equivalent Revenue	\$MM	1,151.01	0.00	0.00	0.00	60.78	152.33	156.90	150.54
Operating Expense 1	\$MM	158.89	0.00	0.00	0.00	10.41	11.59	11.94	12.30
Operating Expense 2	\$MM	63.94	0.00	0.00	0.00	3.38	8.46	8.72	8.36
Total Gross Operating Expenses	\$MM	222.83	0.00	0.00	0.00	13.79	20.06	20.66	20.66
EXPLORATION CAPITAL									
Exploration Discovery	\$MM	15.45	15.45	0.00	0.00	0.00	0.00	0.00	0.00
Total Exploration	\$MM	15.45	15.45	0.00	0.00	0.00	0.00	0.00	0.00
DEVELOPMENT CAPITAL									
Development Producing Wells	\$MM	55.62	0.00	0.00	27.32	22.51	5.80	0.00	0.00
Facilities	\$MM	165.90	0.00	21.22	65.56	67.53	11.59	0.00	0.00
Total Development	\$MM	221.53	0.00	21.22	92.88	90.04	17.39	0.00	0.00



Comparing Fiscal Terms

Make Risk-Reward plot to select most favourable country



1. Take IRR from PEPS fiscal ranking.
2. Take Risk factor from Business Environment analysis (see other example in New Ventures & Exploration)

size of bubble gives relative discovery size (MMboe/NFW in last 5 years) from E&P offshore activity analysis (see other example)