Macondo Prospect

Offset Evaluation
MC 252 / 253 / 208

October 13, 2010
Macondo Prospect

MC 252 #1
Lower Miocene
MM7
T/M55

86' Net TVT Pay

B/M55
6' Net TVT Pay
Avg Por: 19%
Avg Perm: 107 md
Avg. SW: 16%

MD
5' Wireline TCOM

18066' MD
18055 TVD
(-17980 SS)

Total Pay count
92' Net TVT
M55 Net Pay Map: EOWC -18550, clipped at channel cuts

Boundary 1
Orig. Post Drill Mean Net Pay Map (Used in MMRA)

Boundary 1 Volume: 3483 acres, 244,268 ac

MC 208 #1 Loc.
Macondo Disc. Wall
MC 253 #1 loc.
Boundary 2
Newest Version Post Drill Net Pay Map

Boundary 2 Volumetrics: 2718 acres, 201,215 ac-ft
Geophysical Analysis

- **EEI (Extended Elastic Impedance)** - specialize AVO type analysis - generates a volume for fluid and lithology prediction
- **ETE (Exploration Thickness Estimator) Analysis based on:**
  - Mid-Far Corridor Stacks (two methods)
  - EEI Volume (one method)
  - Full Stack TGS Data (one method)
- **Seismic Attributes & RGB (frequency) blending to help evaluate/image the depositional model, channel and/or edge detection** (Pending)

Results/Conclusions

- **Current data sets are of fairly low frequency (10-12 Hz)** - limits results of EEI & ETE
- **Reservoir Interval Velocity is higher than those seen in the area for this depth of burial and rock quality** - Final logs, Sidewall Core Analysis, & VSP would help confirm rock properties (Waiting on BP)

- **Seismic Reprocessing and/or WAZ 3D over the area**
  
  Improve imaging near the adjacent salt bodies
  - Improve frequency content and continuity
  - Potentially improve the EEI & ETE results
Percent Volume by Block (Ampl. Based Only)

23% of Total Area by Volume
LLOG - 100% W.I.

55% of Total Area by Volume
APC-25%, BP-65%, Mitsui-10% W.I.

21% of Total Area by Volume
LLOG - 32.5%, Red Willow - 34.8%, Stephens-22.5%, Ridgewood -10.1%, Houston Energy -10% carried WI

Total Amp. Area Volume:
2744 acres, 212,267 ac - R

CONFIDENTIAL

REDACTED

ANA-MDL2-000001254
ADR079-001254

TREX 008731.0011
3rd Party Tieback to VK 817

Flowline Route from MC252 to VK817 - Estimated length 31 miles
## Boundary Comparisons

<table>
<thead>
<tr>
<th>Boundary</th>
<th>252 Location Oil Recovery MMBO</th>
<th>263 Location Oil Recovery MMBO</th>
<th>Difference in Reserves MMBO</th>
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</thead>
<tbody>
<tr>
<td>Boundary 1 (mean case)</td>
<td></td>
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<tr>
<td>Aquifer</td>
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<td>67.5</td>
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<tr>
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<tr>
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<td>23.2</td>
<td>0.1</td>
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<tr>
<td>Depletion</td>
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<td>37.6</td>
<td>0.0</td>
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</tbody>
</table>
Economic Assumptions

Development
- P10: 3 wells
- P50: 2 wells
- P90: 2 wells

- Gross Reserves
  - Mean Reserves: 86 MMBOE

- Capital
  - 8/2011: Drill 1st well, $50 MM
  - 8/2012: Drill 2nd well, $50 MM
  - 3/2013: Complete 1st well, $50 MM
  - 4/2013: Complete 2nd well, $50 MM
  - 9/11-7/13 Facilities, $500 MM
  - Total: $850 MM

- OPEX
  - REDACTED

1st production: 8/2013