

The Road to Reserves Compliance

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Fast Poll

PLEASE STAND IF YOU OR YOUR COMPANY HAVE UTILIZED
THE PRMS/COGEH/SEC GUIDANCE/STANDARDS FOR
EVALUATING AND/OR REPORTING RESERVES

IF YOU HAVE BEEN FOLLOWING THE STANDARD FOR MORE
THAN 3 YEARS, PLEASE SIT DOWN.

Introduction - History

THE ROAD TO RESERVES COMPLIANCE



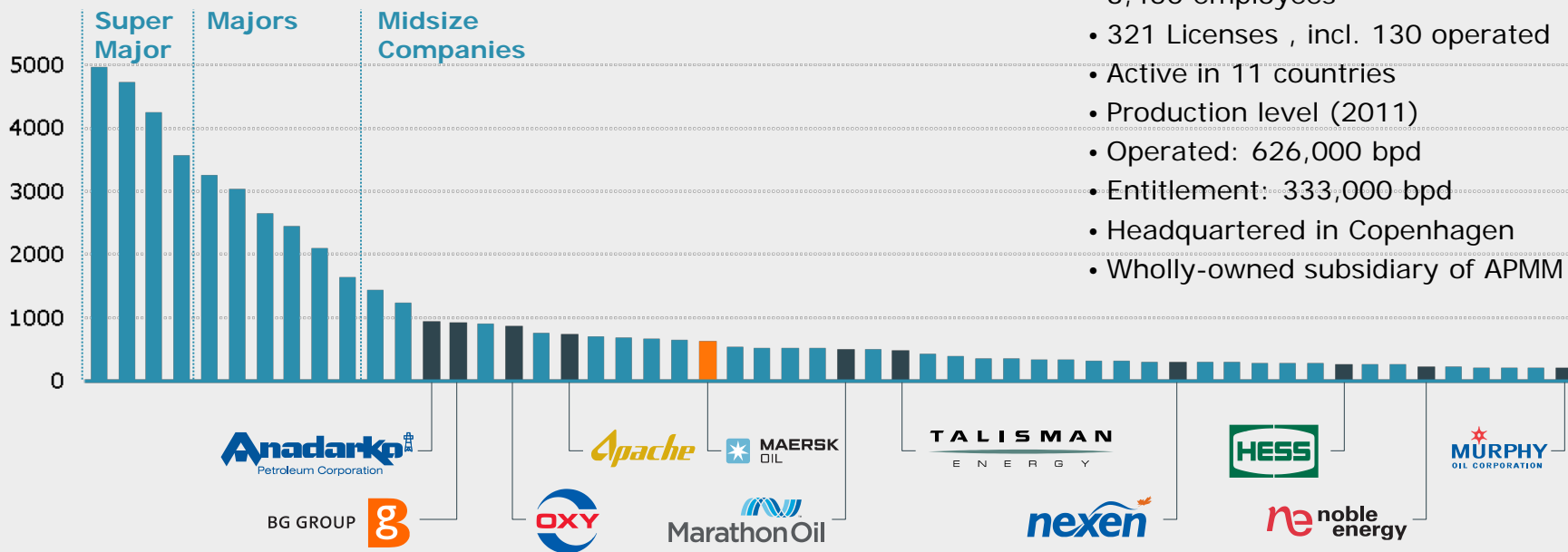
The Tyra Platform

Reserves and Resources Outcome

- Capital Markets Day, October 9, 2012
- The first time the APMM group disclosed the essential elements of 1P Reserves and 2C Contingent Resources, outlining the Corporate Strategy for growth

Maersk Oil – A Top 30 oil company

Gross Production by Operator, 2011 ('000 bpd)



Maersk Oil at a glance

- 3,450 employees
- 321 Licenses , incl. 130 operated
- Active in 11 countries
- Production level (2011)
- Operated: 626,000 bpd
- Entitlement: 333,000 bpd
- Headquartered in Copenhagen
- Wholly-owned subsidiary of APMM

Note: Data from Wood Mackenzie. National Oil Companies are not included.

Maersk Oil History of Reserves Reporting

Prior to 2010

A system to evaluate reserves existed but with no controls or consistency

Business units had freedom to follow individual styles

Formal audits were not performed

No Compliance with SPE-PRMS

The delivery was consistent with the objective

An internal assessment of volumes that met the requirements of the company

This was “enough” for many years

History in Resource Reporting

2009

2009 – The Question,
“Are our reserves SPE Compliant?”

Q1
2011

YE2010 reserves
- **supported by consultants**

- April 2011 Delivered Reserves Certificate of Compliance

Q2
2010

3rd Party Process audit:
“NO,” but...

- Good people and genuine unbiased effort
- Un-compliant methods and reporting
- Decision in June 2010 to initiate compliant standards

Q1
2012

YE2011 reserves
- **rely less on consultants**

- Combine all resources into one report
- Received certification of compliance
- Easier than YE2010, still need to improve

The Road to Change

Maersk Oil must compete in the international arena of the industry

We have to be SPE-PRMS Compliant

The company must be more transparent to the market.

Dedicated Staff, Governance, Network

PRE
2010

Non-Compliant Guidelines

Controls and structure with minimal oversight, non-compliant evaluations

YE
2011

+ Two full time consultants

Consultant supported but less
First version of guidelines
Compliant 1P, 2P, 3P volumes and
Contingent and Prospective Resources
Significant integration with other
functions

YE
2010

Reserves Manager and one assistant

Largely consultant supported
Training by consultants
Implementation of compliant software and fiscal models
Compliant 1P, 2P, 3P volumes
Report of Contingent and Prospective resources in last Qtr.

YE
2012

RM + Team of 7

Training in-house
Guidelines for a Corporate Process
Defined collaborative processes for Finance and Economists

First Three Cycles Result

YE2010, YE2011, YE2012

THE PROCESS TOWARDS COMPLIANCE WAS STARTED AND MAERSK SUCCESSFULLY MET SPE AUDIT STANDARDS FOR THREE YEARS FOR 1P, 2P, AND 3P VOLUMES

PLUS

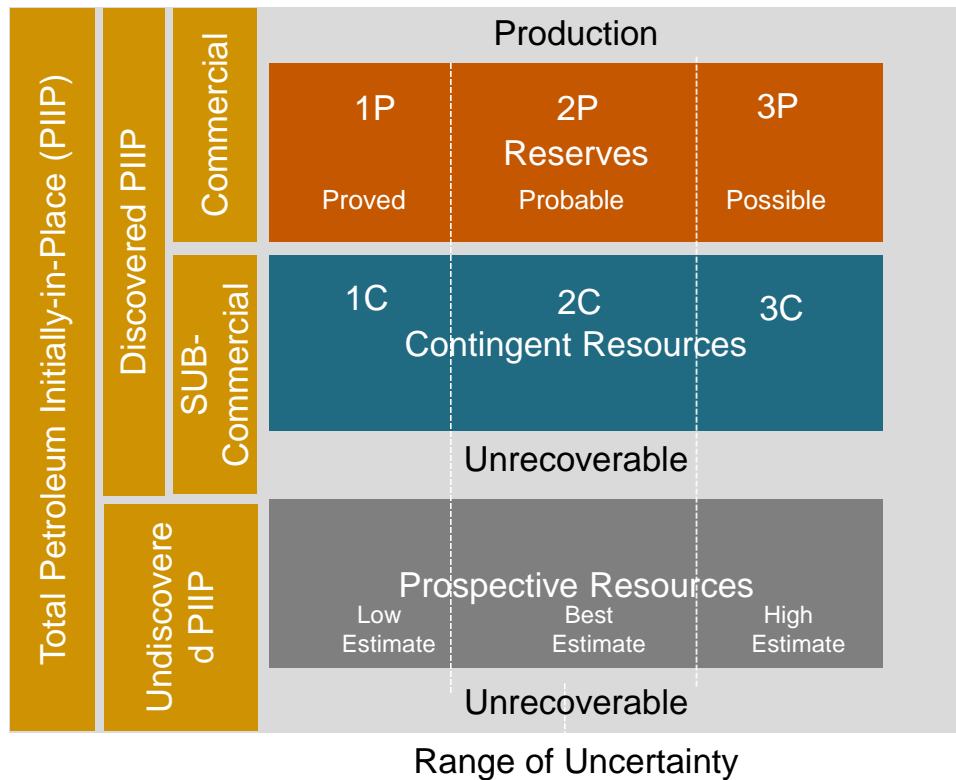
CONTINGENT RESOURCES

PLUS

PROSPECTIVE RESOURCES

The Portfolio Structure

SPE-PRMS / MOCRMS MATRIX



Reserves



Value "in the bank"

Contingent Resources



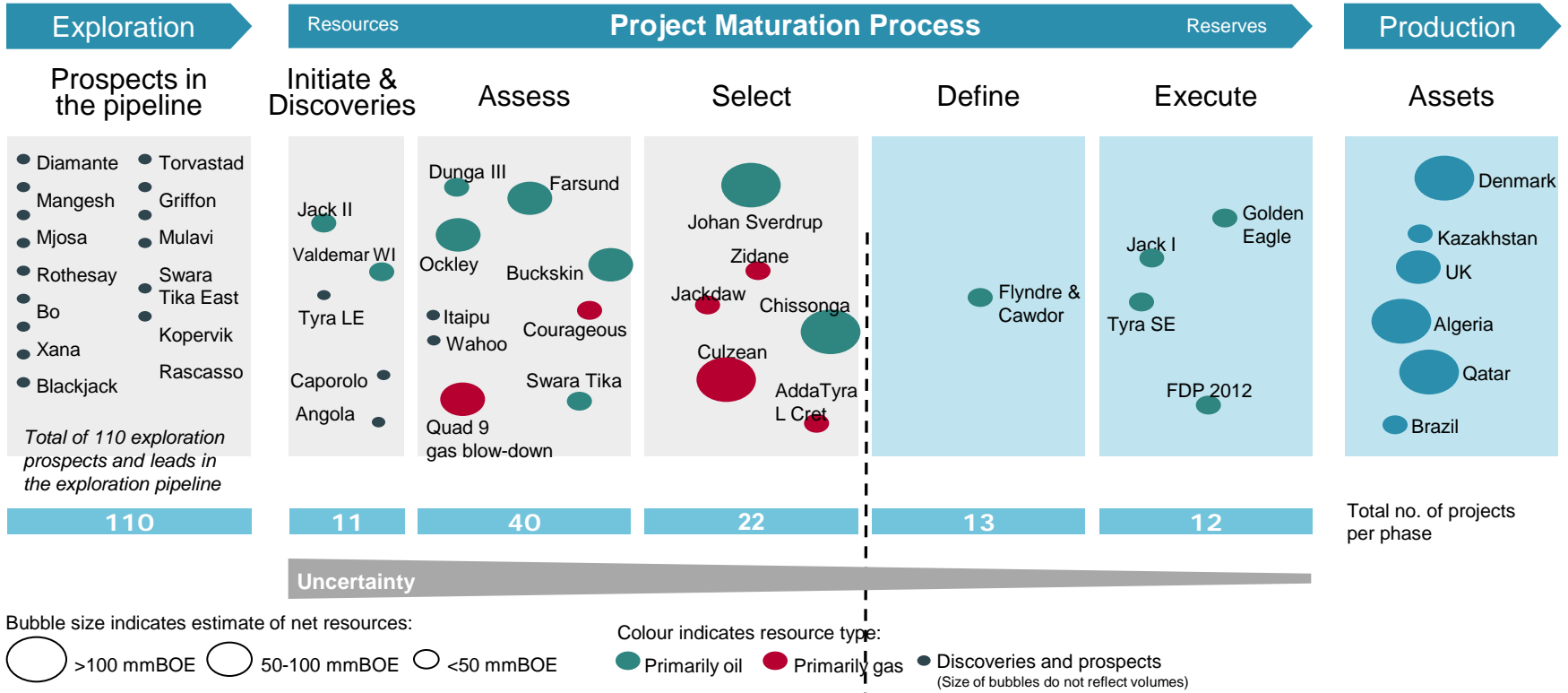
Value "future expected, if.."

Prospective Resources



Value "hope to discover"

Maersk Oil's portfolio



The Maersk Oil Corporate Resource Management System (MOCRMS)

Initial Issues:

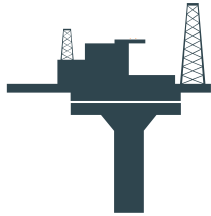
Using the vocabulary correctly in context.

Using compliant forecasting methods.

Creating compliant support for bookings.



Exploration



Major
Development
Projects



Asset
Management

THE MAERSK CORPORATE RESOURCE MANAGEMENT SYSTEM, A MIRROR IMAGE OF THE SPE-PRMS, IS NOW THE INTERNAL STANDARD, AND BENEFITS HAVE BEGUN TO BE REALIZED.



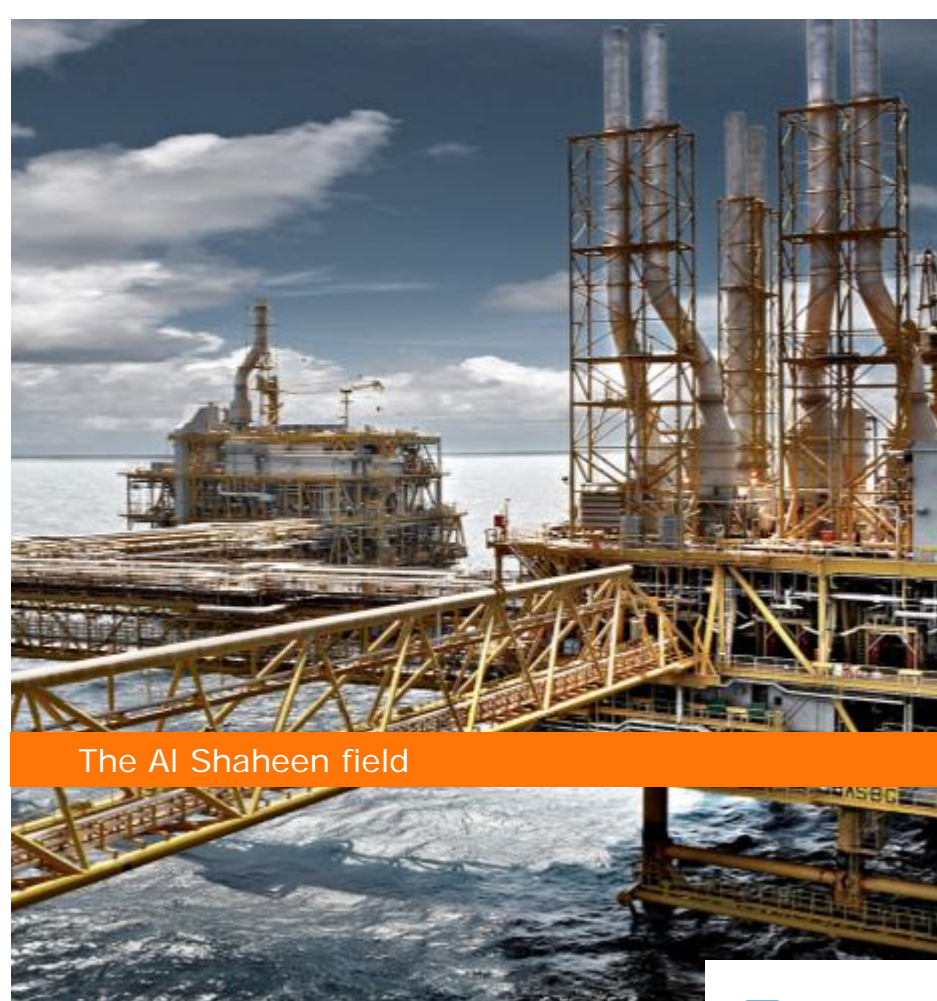
Comprehensive Guidelines defining
responsibilities for Evaluation Teams,
Economists, Finance, and Managers



Resource Evaluation Support Package (RESP)
The support documentation engine.

STRICTLY EVIDENCE BASED

COMING UP THE CURVE, BUSINESS DRIVERS HAVE BEEN IDENTIFIED THAT UTILIZE THE PORTFOLIO CONCEPT AND THE CERTIFICATION OF RESERVES.



The Al Shaheen field

The Business Expectation

Resource Migration

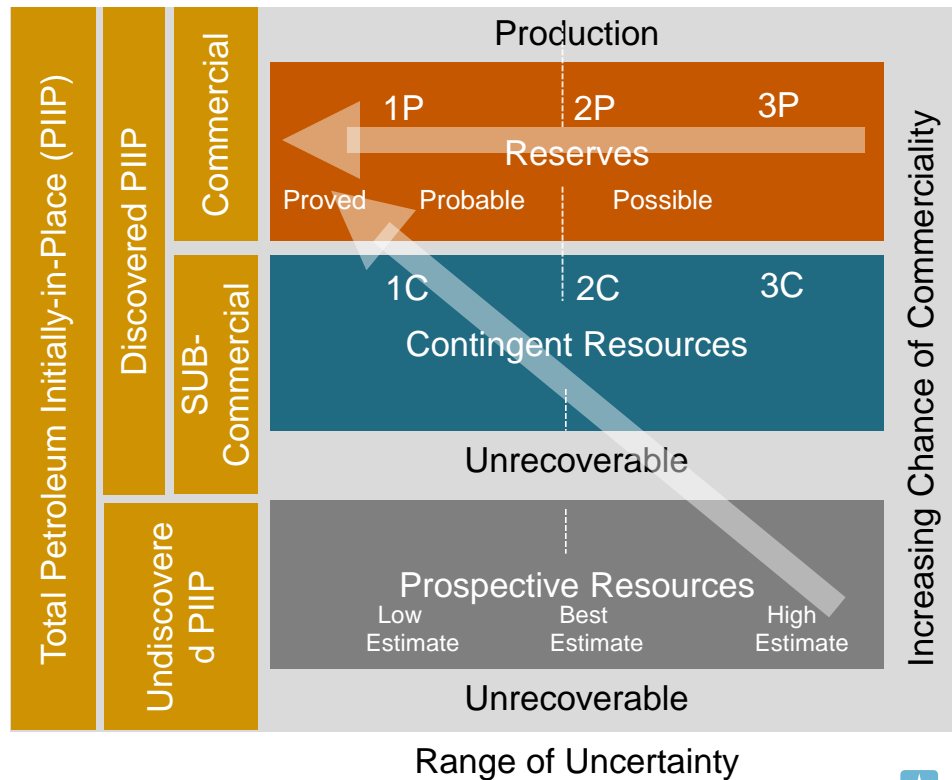
➔ Delivering “Value with Projects”

MOCRMS

➔ The tool to know

Maersk Oil Board and APMM

➔ Key Focus of how we will be measured.



MOCRMS – Resource Maturation

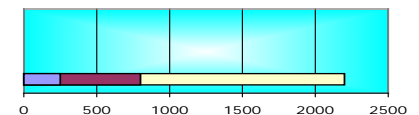
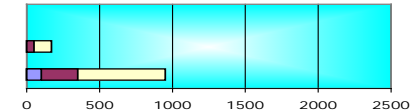
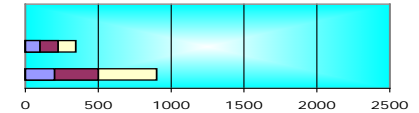
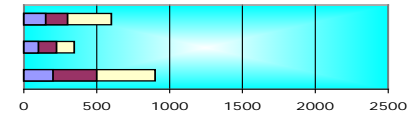
Resource Maturation

Reserves	1P	2P	3P
Contingent Resources	1C	2C	3C
Prospective Resources	Low	Best	High

A red arrow points from the 'High' cell in the Prospective Resources row to the '1P' cell in the Reserves row.

Cumulative Distributions

	1P	2P	3P
	1C	2C	3C
	Low	Best	High
2021? Reserves	150.0	300.0	600.0
2021? Contingent Resources	100.0	225.0	345.0
2021? Prospective Resources	200.0	500.0	900.0
Total Resource Potential			1845.0
2021? Reserves	0.0	0.0	0.0
2021? Contingent Resources	100.0	225.0	345.0
2021? Prospective Resources	200.0	500.0	900.0
Total Resource Potential			1245.0
2021? Reserves	0.0	0.0	0.0
2021? Contingent Resources	0.0	50.0	170.0
2021? Prospective Resources	100.0	350.0	950.0
Total Resource Potential			1120.0
2021? Reserves	0.0	0.0	0.0
2021? Contingent Resources	0.0	0.0	0.0
2021? Prospective Resources	250.0	800.0	2200.0
Total Resource Potential			2200.0





The Tyra Platform

Reserves and Resources

- The fundamental basis of the company
- The essential elements of the Business

How do we deliver?

The Message is simply this:

We always have to translate our business into reserves terms.

The PRMS/MOCRMS matrix translates the basis of our business decisions into the basis of reserves and explains the justification and expectation for creating value in time.

Reserves and Resources as of 31 December, 2012

Oil and Gas Resources			
31 December 2012			
Reserves	Proved 1P XXA (YYY)	Proved + Probable 2P XXB (YYB)	Proved + Probable + Possible 3P XXC (YYC)
Contingent Resources	1C X1CA (Y1CA)	2C X2CB (Y2CB)	3C X3CC (Y3CC)
Prospective Resources	XPrL (YPrL)	XPrB (YPrB)	XPrH (YPrH)
	Low Estimate	Best Estimate	High Estimate

Notes:

Uncertainty

- Contingent & Prospective Resources are less well defined than reserves, by definition
- Resources uncertainties can lead to change over time due to unitized Working Interest, appraisal results, changed economic parameter (i.e., oil price) etc.

R/P (Reserves / Production)	1P reserves	2P reserves
At 2012 avg. production (MMX bbls/day)	ABC	DEF
At 2011 avg. production (MMY bbls/day)	BCD	EFG

The Challenges

Roles and Responsibilities

Experience

Qualifications

Staff

The Road to Change

Questions?

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