



LLOG PAST, PRESENT, AND FUTURE PLANO – MARCH 13, 2017

Rick Fowler
VP Deepwater Projects

1977 – It Starts



What's in a Name?

A) Tequila in Mexico – “El Log”

B) Leftover Louisiana Oil and Gas

C) Leaseline Oil and Gas

D) Louisiana Land Oil and Gas

(But we don't really want to call it that because it sounds too much like Louisiana Land and Exploration)

1998 – First Shelf Discovery (WC505)



2002 – First Deepwater Discovery (GB205)



2005 – The Great American Dream

- \$2B in Property Sales



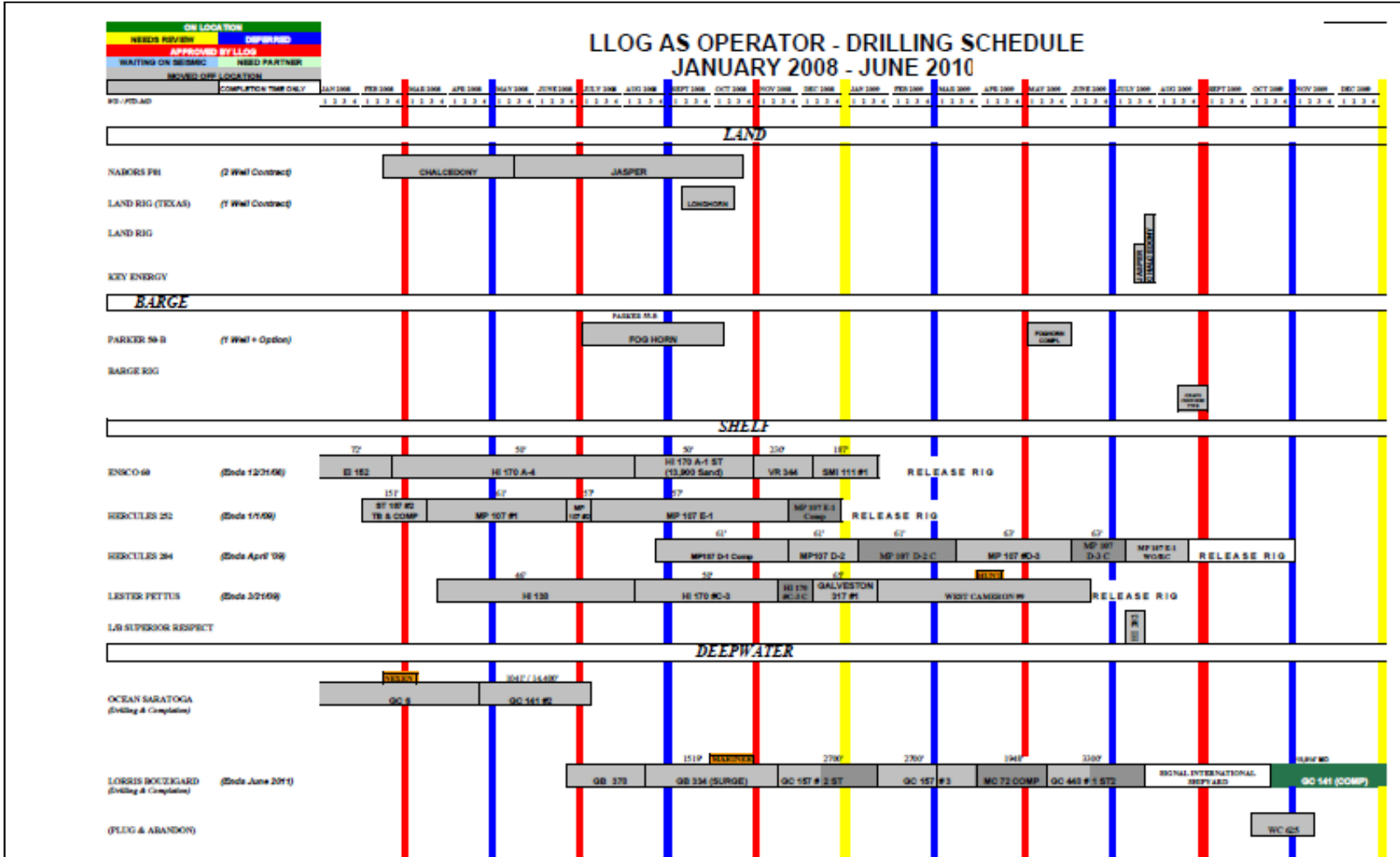
2006 – Commitment to Deepwater

- Large opportunity in lease sales 205 and 206 in 2007-2008
 - Large lease roll
 - New seismic
- LLOG significantly increases technical staff with expertise in deepwater
- LLOG exposes \$400MM and wins over \$200MM in leases (top 10 bidder)



2008 – The Triple Whammy

- Hurricanes, Low Prices, Collapse of the Debt Market



2010 - Macondo

- LLOG Acquires Who Dat Facility (Opti-Ex) while Macondo is flowing
- LLOG continues deepwater rig operations throughout moratorium/permitiorium



2011 – Who Dat Begins Production

- From concept selection to installation in less than one year



2012 – Two Billion Dollar Deals

Blackstone

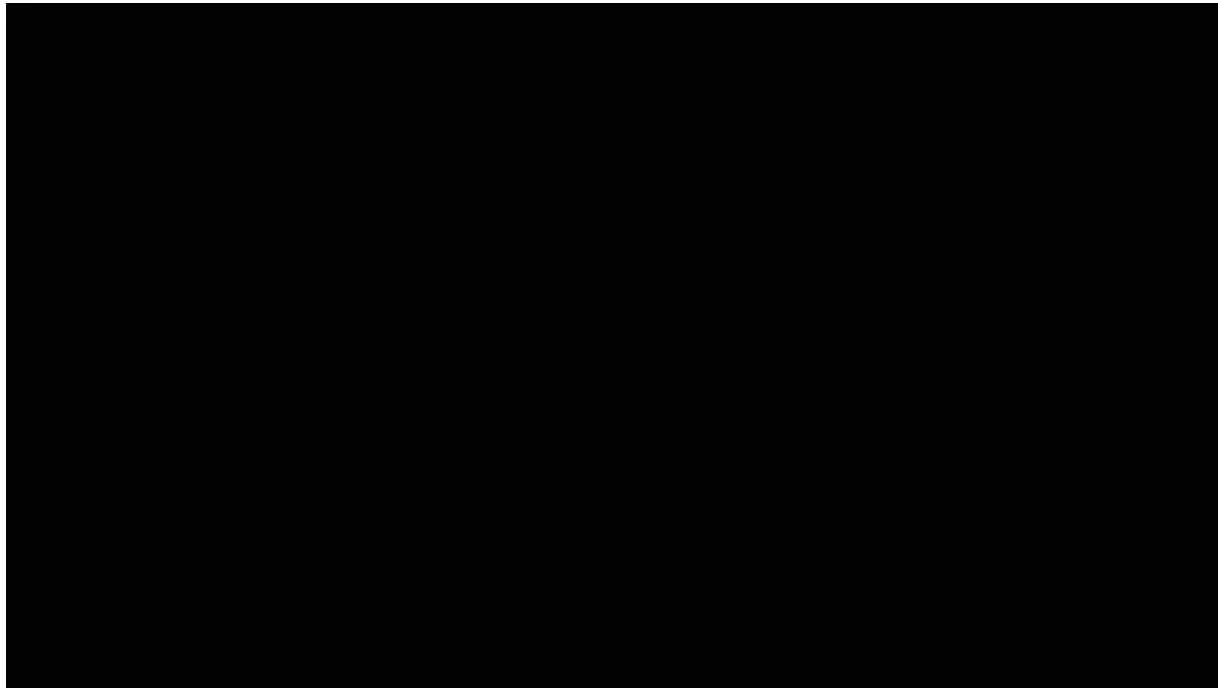
- LLOG/Blackstone form new joint venture called LLOG Bluewater
 - All of LLOG's non-producing leases added to the new company
 - Enabled LLOG to contract two rigs with three year terms
 - Initial commitment was \$1.2B



- Funded Delta House FPS and Oil and Gas Export Pipelines
 - Producers pay throughput based fees (ie. \$/boe)
 - No guaranteed throughput so producers can use field collateral for development

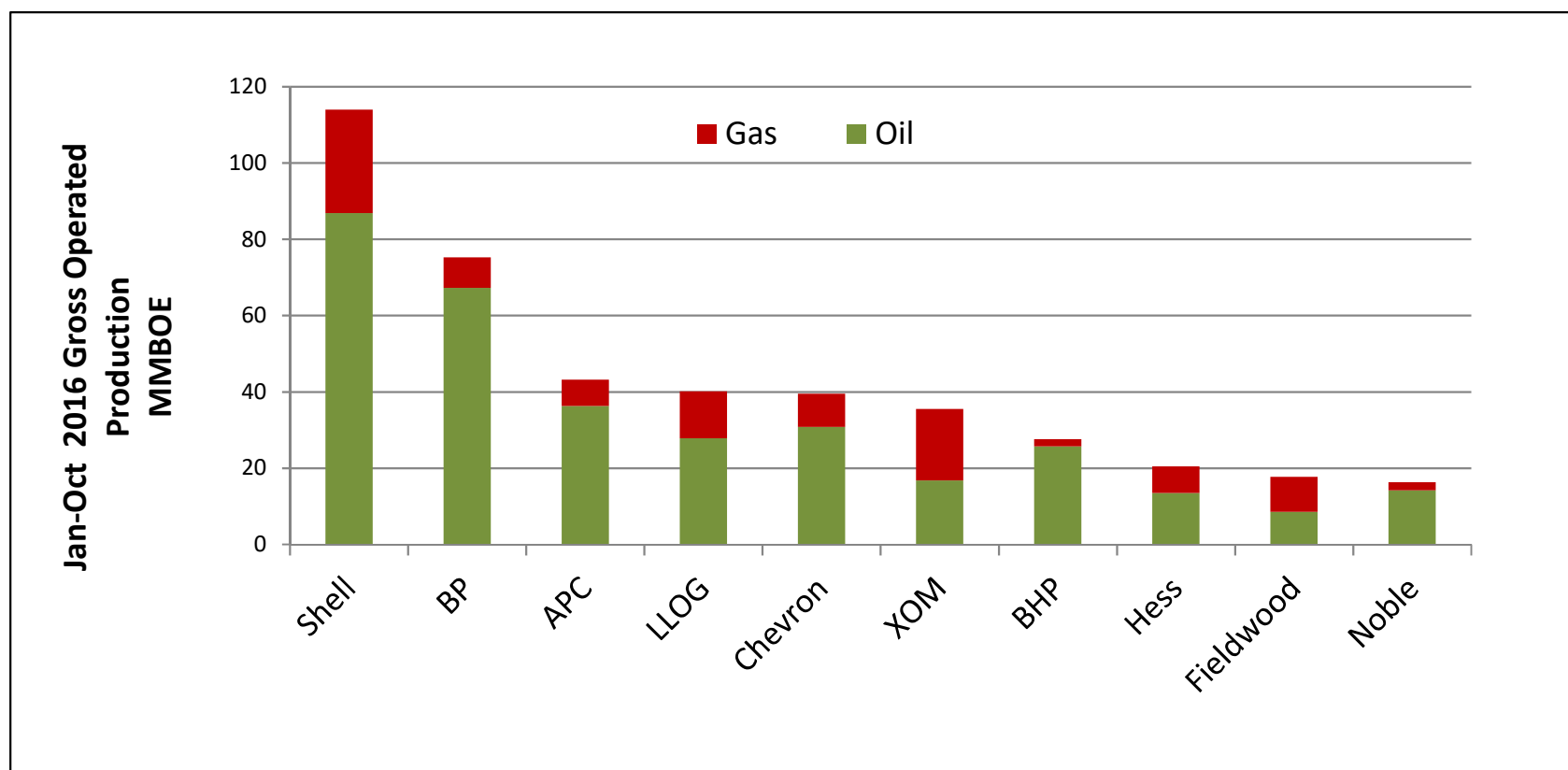
2015 – Delta House On Production

- Three years from discovery (six days ahead of original schedule)
- Sanctioned with only three wells, 11 wells now on production



2016 – Oil below \$27/BBL, LLOG Achieves Milestones

- Second Blackstone Transaction (Formed Beacon Oil Exploration, LLC)
- Who Dat and Delta House cum over 50 MMBOE/Delta House over Nameplate
- LLOG is fourth largest operator in GOM / Largest US Private Oil Producer
- Of 13 industry GOM Exploration Discoveries in 2016, LLOG has 8



LLOG Today

- LLOG continues to run two deepwater rigs
- 21 deepwater developments to date
- LLOG is currently pursuing 10 deepwater developments
- LLOG has never had a layoff in its 40 year history



LLOG Exploration Strategy

The background of the slide is a photograph of an offshore oil rig at sea. The rig is a large, yellow and black structure with a helipad on top, situated in the middle of a dark blue ocean. The sky is a deep blue, and the overall scene is dimly lit, suggesting a nighttime or low-light environment. The rig is the central focus of the image, with its complex structure and various platforms visible.

- Seismic
 - Latest seismic technology (shooting and processing)
 - Seismic covering large areas
 - Find similar seismic response to nearby discoveries
- People
 - Top industry expert in key disciplines
- Target Size
 - 20MMB acceptable near existing infrastructure
- Bid Aggressively
- Results
 - Consistent 70% exploration success rate
 - Double industry average success rate

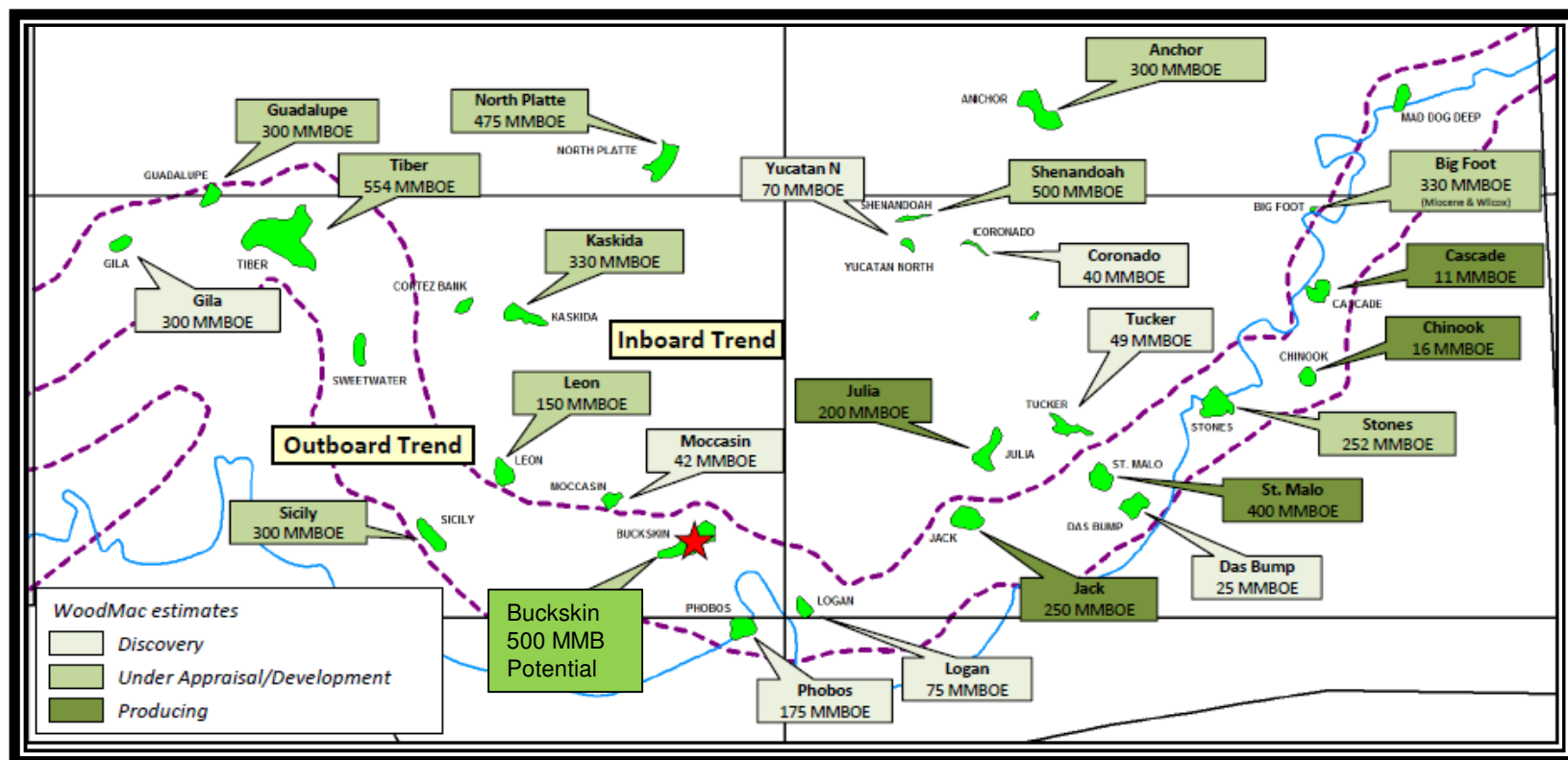
LLOG Business Strategy



- Operational Area
- Standardization
- Cycle Time
- Costs
- Flexibility
- Fun

LLOG Future

- LLOG to be awarded OTC Distinguished Achievement Award in May
- LLOG operator of Buckskin Project
 - First foray into the Wilcox Play
 - Will likely create additional opportunities
- Blackstone monetization



Delta House Results

	<u>DH</u>	<u>Industry</u>	<u>Ratio</u>
• TRIR	0.05	0.49	10
• DARTIR	0.05	0.33	7
• INC Ratio	0.01	0.24	24
• Time to IP (years)	3	8	
• Cost (\$B)	0.65	1-2	
• Breakeven (\$/bbl)	\$27	~\$45	



Rick Fowler
985-801-4323
rickf@llog.com

