

Mineral Resources Committee

Meeting to be held on 14 November 2013 at 0900
in the Department of Mineral Resources

AGENDA

Part 1

1. **Apologies for Absence**
2. **Declarations of Interest**
3. **Confirmation of the Minutes of the meeting held on 12 Sep 2013** Already issued
4. **Matters arising from the minutes of the meeting held on 12 Sep 2013.**
5. **Director's Report** Paper attached **DMR**
6. **Date of the next meeting**
7. **Exclusion of Press and Public**

The public are likely to be excluded from the meeting for these items of business by virtue of paragraph 9 (information about others' financial and business affairs) and paragraph 15 (draft papers for Executive Council) of Schedule 3 of the Committees (Public Access) Ordinance 2012.

The Chairman to move as follows:

“I move that the press and public be now excluded on the ground that the next items of business to be considered are likely to disclose exempt information under paragraph 9 (information about others' financial and business affairs) and paragraph 15 (draft papers for Executive Council) of the Committees (Public Access) Ordinance 2012”.

Part 2

- 8. Confirmation of the Minutes of the meeting held on 12 Sep 2013** Already issued
- Not for publication by virtue of paragraph 9 of Schedule 3 of the Committees (Public Access) Ordinance 2012*
- 9. Matters arising from the minutes of the meeting held on 12 Sep 2013**
- Not for publication by virtue of paragraph 9 of Schedule 3 of the Committees (Public Access) Ordinance 2012*
- 10. Update on oil company activities** Oral report **DMR**
- Not for publication by virtue of paragraph 9 of Schedule 3 of the Committees (Public Access) Ordinance 2012*
- 11. Exploration Licence Application A** Paper attached **DMR**
- Not for publication by virtue of paragraph 9 and paragraph 15 of Schedule 3 of the Committees (Public Access) Ordinance 2012*
- 12. Exploration Licence Application B** Paper attached **DMR**
- Not for publication by virtue of paragraph 9 and paragraph 15 of Schedule 3 of the Committees (Public Access) Ordinance 2012*
- 13. Exploration Licence Application C** Paper attached **DMR**
- Not for publication by virtue of paragraph 9 and paragraph 15 of Schedule 3 of the Committees (Public Access) Ordinance 2012*
- 14. Combination of Desire Petroleum plc and Falkland Oil & Gas Ltd** Paper attached **DMR**
- Not for publication by virtue of paragraph 9 and paragraph 15 of Schedule 3 of the Committees (Public Access) Ordinance 2012*

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| 15. Desire Petroleum: Production Licences | Paper attached | DMR |
| <i>Not for publication by virtue of paragraph 9 and paragraph 15 of Schedule 3 of the Committees (Public Access) Ordinance 2012</i> | | |
| 16. Regulations for use of oil-based fluids and disposal of associated cuttings | Paper attached | SPO |
| <i>Not for publication by virtue of paragraph 15 of Schedule 3 of the Committees (Public Access) Ordinance 2012</i> | | |

FOR PUBLIC DISTRIBUTION

To: Mineral Resources Committee
From: Director of Mineral Resources
Subject: Director's Report
Date: 14 November 2013

Combination of Desire Petroleum & Falkland Oil & Gas and related farm-out

Desire & FOGL announced in October 2013 that they intended to combine into a single company and subsequently farm-out a proportion of the existing Desire Petroleum licence area in the North Falkland Basin to Premier Oil and Rockhopper Exploration. The transactions remain subject to a number of active processes including certain shareholder approvals and certain FIG approvals.

Seismic surveys

The JV comprising Falkland Oil & Gas, Noble Energy and Edison International have contracted a further 3D seismic survey within the FOGL licence area. The survey is being conducted using the new seismic vessel '*Ramform Titan*' launched earlier this year. This vessel visited Stanley briefly at the end of October prior to commencing the survey and is expected to be in the Falkland Islands for several months.

Sea Lion development

Premier Oil continue planning the Sea Lion development and in August 2013 released an update on the current status of the development. Premier are currently investigating the viability of a tension-leg platform (TLP) as an alternative to the concept of using an FPSO vessel. A decision between these two concepts is anticipated in December 2013. Following this the project will enter a stage known in the oil industry as "FEED" (Front End Engineering Design) with the project reaching the point of final sanction at the end of 2014. Following final sanction, the operator estimates that it will take 3.5 to 4 years from that decision point to commencing first oil production.

Temporary Port

Noble Energy have sought permission to construct a temporary port facility in Stanley Harbour in support of further planned future exploration activity. Consents for this project are still under discussion with FIG and the project is subject to the normal range of statutory consents such as planning permission. It is anticipated that the application for planning consent will be submitted for consideration in December 2013.

Local content policy

Discussions have been held with local business interests via the FI Chamber of Commerce and input has been sought from the members of the Falkland Islands Production Licensees Association (FIPLA). Chamber of Commerce members formed a working group with FIG representatives and the group has met twice to consider the issues, most recently on 25 October 2013. The current target is to take the final version of the Local Content Code of Practice to Executive Council early in the New Year.

DMR

14 Nov 2013