Chairman’s Remarks

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Market Trends | Exploration Spend

- Exploration Spend
  - 60% Drop
  - Seismic Exploration Spend
  - Non-seismic Exploration Spend
  - Seismic Exploration Spend (RHS)

- Total Exploration Spend
  - Drop from $120 billion to $20 billion in 2016
**Market Trends | Exploration Spend**

![Graph showing exploration spend from 2010 to 2017.]

- **Seismic Exploration Spend**
- **Non-seismic Exploration Spend**
- **Seismic Exploration Spend (RHS)**

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**Exploration Spend**

60% Drop

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**Exploration Spend**

![Graph showing exploration spend from 2010 to 2020.]

- **Seismic Exploration Spend**
- **Non-seismic Exploration Spend**
- **Seismic Exploration Spend (RHS)**

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*Note: The graphs illustrate the trend in exploration spend over the specified years, with a notable 60% drop in spends between 2014 and 2017.*
Reserves Replacement Ratio (3-Yrs avg.) below 100%

**3-Year Oil and Gas Reserves Replacement Ratio** – recommended as a better metric due to long nature of exploration cycle

Source: RRR – Pareto Securities
Market Trends | Exploration Results

Exploration Results at an all time low (Billions BOE)

- Average Discovered 2012-2014: 28
- Fewer Wells Drilled: 12
- Lower Success & Smaller Discoveries: 3
- Average Discovered 2015-2017: 13
Market Trends | Stock Price Performance

Source: SLB Analysis
Market Trends | Oil Company Cash Flows

Rolling 12-month CFFO in USD, indexed from peak (3Q14)

Source: Company reports, HSBC
4$BUSD | Total Loss for Geophysical Companies [2014 – 2017]
Geophysics | In All Phases of the Hydrocarbon Cycle
IAGC Priorities | Elevate & Expand

Ensure your **Freedom** to Operate

Raise the **Visibility** of the Industry

Strengthen the **Health** of the Industry

Increase our **Breadth & Depth**
IAGC | Stakeholders

**Geophysical Members:**
- BGP
- CGG
- FairfieldNodal
- Geokinetics
- ION
- PGS
- Polarcus
- Shearwater
- Spectrum
- TGS
- WesternGeco

**Industry Partners:**
- Anadarko
- Apache
- BHPBilliton
- ConocoPhillips
- ExxonMobil
- Shell
- Statoil
- Woodside
- Tullow

**Industry Associations & Societies:**
- AOGA
- API
- APPEA
- Arctic Energy Center
- CAGC
- Healthy Seas
- IADC
- IMCA
- IOGP
- NOIA
- IPAA
- OCC
- PEPANZ
- PESA
- SEG

**Government Regulators:**
- BOEM (US)
- NMFS (US)
- NOPSEMA (Australia)
- ANP (Brazil)
- NPD (Norway)
- CNH (Mexico)
- JNCC (UK)
IAGC | Stakeholders

Industry Partners:
- Increase your engagement
- Become an Industry Partner
- Promote the best available science supporting permitting requirements & regulatory policies

Industry Associations & Societies:
- Work together & unite across all segments of the industry
- Leveraging our resources to work together in a smarter way benefitting the industry when needed most

Geophysical Members:
- Continue your support
- Bind together as the unified voice of the industry
- Uphold the IAGC’s effort
- & together forge new access to opportunities in frontier areas

Government Regulators:
- Prioritize geophysical data acquisition in energy policies
- Promote regulatory and fiscal certainty in your environmental & tax policies
- promulgate risk & science-based regulations
Meeting the challenges of our times means working together, partnering together, government and industry, to attract investment and enable the discovery of more reserves and delivery of more energy more accurately, efficiently, effectively and safely than ever before.

Thank You