

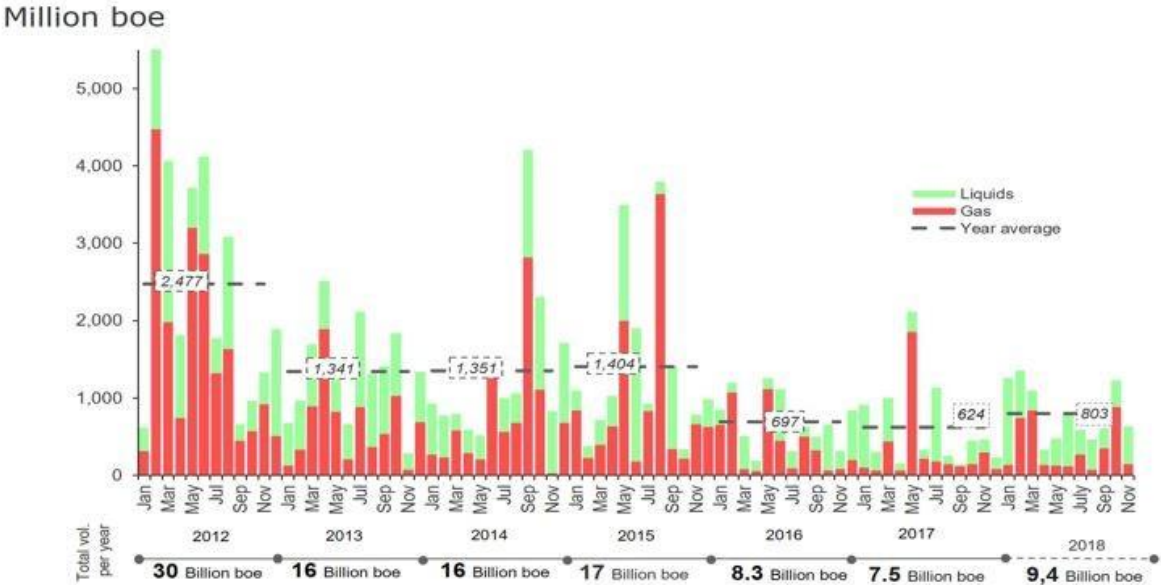
# THE OIL & GAS EXPLORATION WINNERS OF 2018.

December 17, 2018

2018 stands already as the best year for global oil and gas exploration since 2015. Guyana, Russia and the United States top the list with major discoveries.

Discovered resources have already surpassed 8.8 billion barrels of oil equivalent (boe) for 2018. Rystad Energy expects the number to grow to 9.4 billion boe by year-end.

## Global conventional discoveries



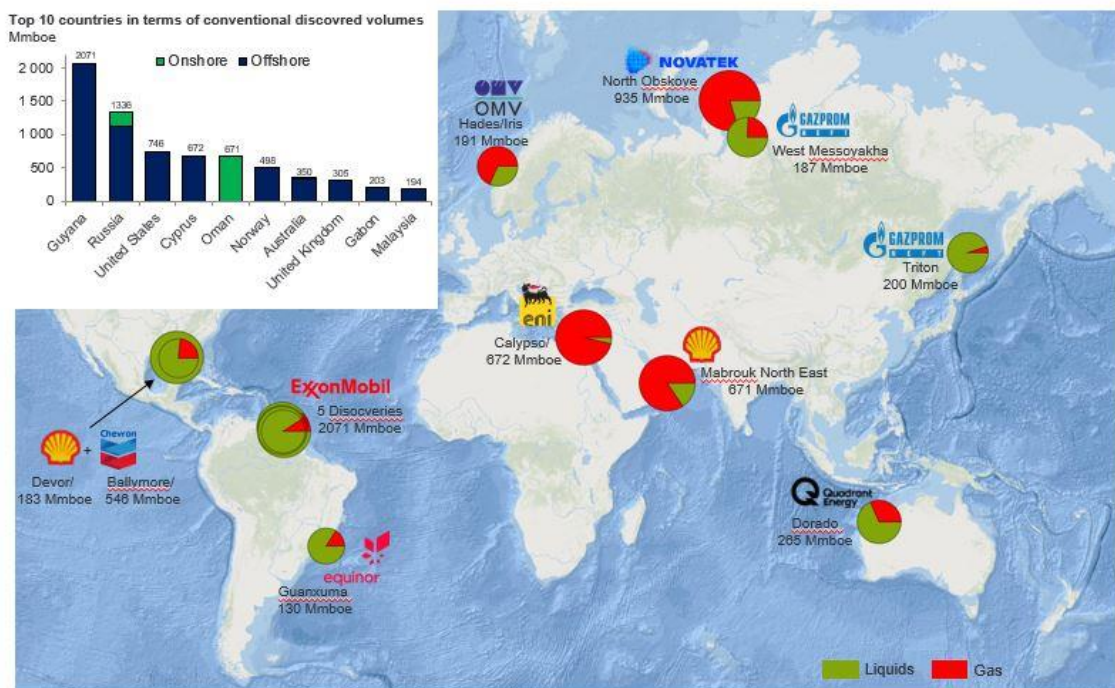
Source: Rystad Energy ECube December 2018

“We at Rystad expect this discovery trend to continue into 2019 with many promising high-impact wells targeting vast potential,” says Palzor Shenga, senior analyst on Rystad Energy’s Upstream team.

Offshore discoveries represent around 82% of total volumes. 2018 has also seen a significant uptick in the reserve replacement ratio to around 15% from 11% in 2017.

“Global exploration activity and discoveries have halted their year-after-year decline and look set to rise in the next year. This as an exciting recovery which runs contrary to a decline in global exploration spending from 2014 to 2017,” Shenga adds.

## Top global conventional discoveries 2018



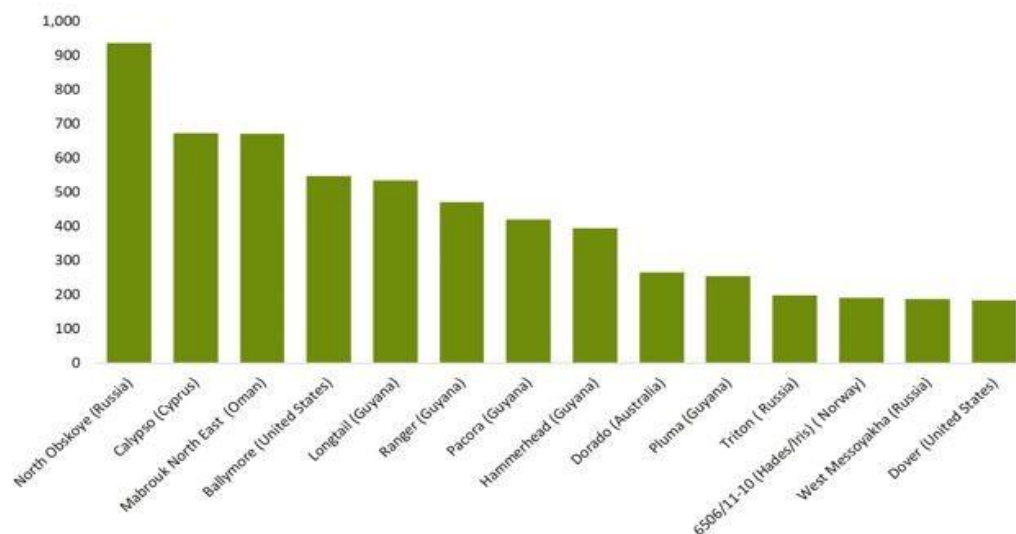
Source: Rystad Energy ECube December 2018

Guyana, Russia and the United States top the discovery countries ranking.

- Offshore Guyana, ExxonMobil registered its tenth discovery in the prolific Stabroek block, boosting its recoverable resources from the block to about 5 billion barrels of oil equivalent.
- Offshore Russia, Novatek drilled its first exploratory well in the North Obskoye block in the shallow waters of Ob Bay. This is the largest discovery to date this year and is estimated to hold recoverable resources of around 960 million barrels of oil equivalent.
- In the US Gulf of Mexico, Chevron and Shell registered oil discoveries in the Ballymore and Dover prospects. Rystad Energy estimates combined recoverable resources of around 728 million boe from these two discoveries.
- Other relevant discoveries included Eni’s Calypso gas discovery offshore Cyprus, Petroleum Development Oman’s Mabrouk North East gas/condensate discovery in Oman and Quadrant Energy’s Dorado oil discovery in Australia. The Calypso discovery confirmed the extension of a play in the Cyprus Exclusive Economic Zone that resembles the giant Zohr field to the south in Egyptian waters, and Dorado was one of the largest discoveries ever in Australia’s North West Shelf. Rystad Energy estimates that these fields hold cumulative recoverable resources of around 1.6 billion boe.

## Top 15 largest conventional oil & gas discoveries in 2018

Million boe



Source: Rystad Energy UCube December 2018

Exploration spending decreased by nearly 61% from 2014 to 2018. Exploration investments halted their fall in 2018 and are expected to rise in 2019.

“This not only proves that E&P companies are once again willing to invest in exploration, but also highlights their idea of ‘smart investments’ to de-risk expenditures as much as possible,” Shenga adds.

The decrease in overall exploration costs combined with an improved success ratio have led to tremendous improvement in the discovery cost per boe.

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### About Rystad Energy

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