Impact of ETF on New Field Development – Operators Perspective: Pegasus Development

- WI: Centrica 55%, Third Energy 45%
- Gas and condensate field in the SNS with Pegasus West proven discovery (2014)
- The Greater Pegasus Area has potential volumes that could exceed 200Bcf (33mmboe)
- Development concept: subsea wells tie-back to a host platform
Impact of ETF on New Field Development – Operators Perspective: Pegasus Development

- Pegasus Development is currently in Concept Select phase preparing for PG2 by end-Q1 2017
- Several options with different Host Facilities were considered in preparation of the Concept select:
  - AACE Class 3 cost estimate (-20% / +30%)
  - Level 2 schedule
  - Project scope includes
    1) Subsea
    2) Topside Facilities (new or/and brownfield)
    3) Transportation Pipelines and Gas Treatment Terminals
A series of optimisations for a simplified, fit for purpose solution, and potential cost reduction for the subsea scope was identified in the areas of:

**Engineering & Market Conditions** – provided a direction to a simpler and cheaper Installation Method Offshore due to optimised subsea concept

- Simplified co-mingling manifolds, pipeline design and umbilical design, optimised pipeline lay, dropped object protection and crossings

**Manufacturing, Procurement and Fabrication** – as a result of a more efficient engineering design, material selection, lower purchase and fabrication costs

- Due diligence innovation, simplification, application of the recent technologies and realistic cost benchmarking is beneficial in developments of marginal fields for a cost effective solution resulting in a more competitive project economics at Concept Select stage

- We remain optimistic with regard to achieved results at the given level and look forward towards future improvement opportunities

- We greet ETF dedicated support and welcome future industry’s joint initiatives