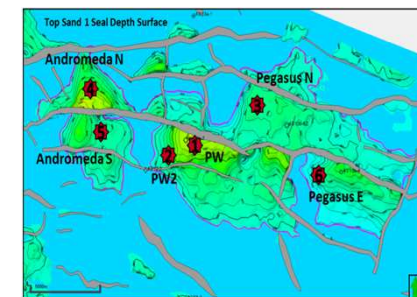
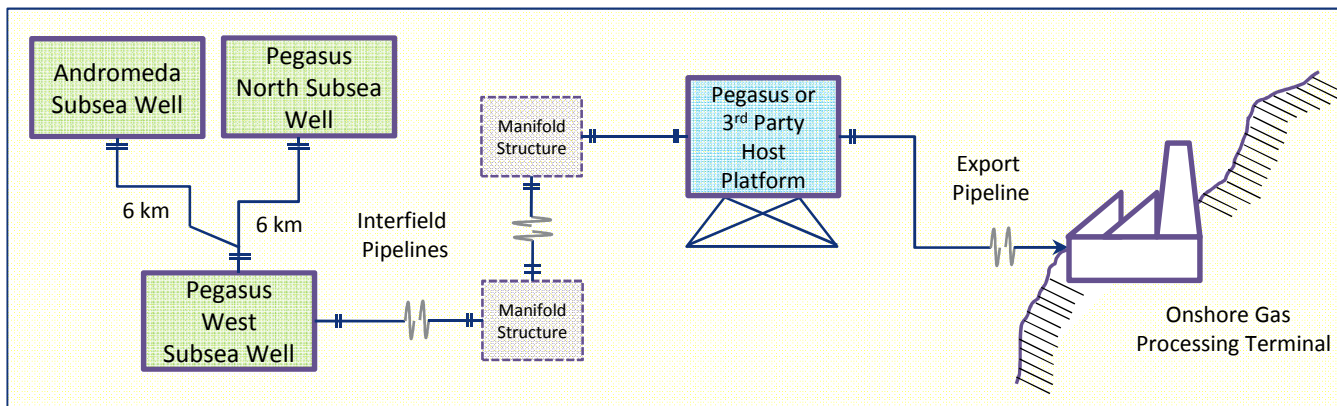
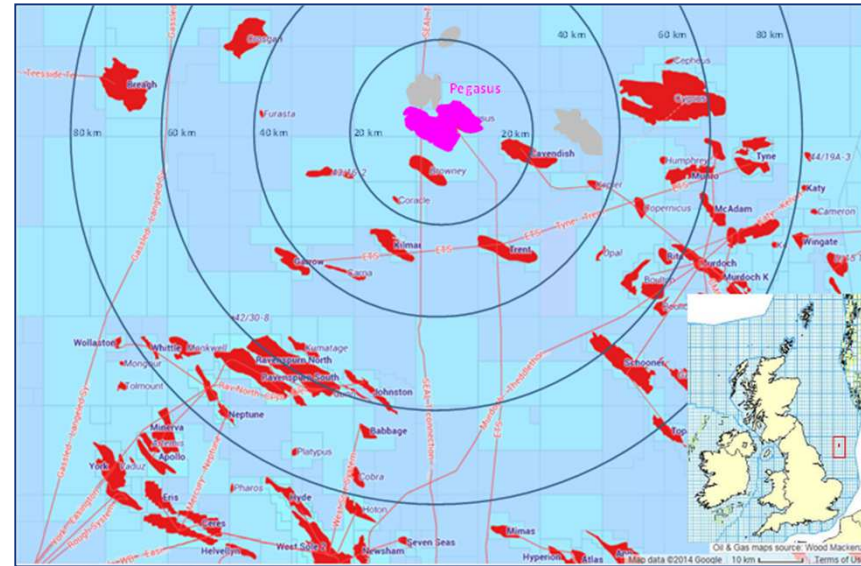


Impact of ETF on New Field Development – Operators Perspective: Pegasus Development

centrica

- 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



The Greater Pegasus Area

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

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- 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



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

centrica

- 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