Perseverance #1
a potentially transformational explorational well

December 2020
Perseverance #1 “FACTS”

F: Far away
A: Approved by The Government
C: Competent operations
T: Temporary (60 days)
S: Significant economic opportunity for The Bahamas
Located in the far-southern waters of The Bahamas

- Perseverance #1 is located in the far-southern waters of The Bahamas, in an international shipping thoroughfare which already hosts considerable daily shipping traffic, including numerous oil tankers.

- The well is closer to the Cuban mainland and islands than it is to any inhabited Bahamian islands being more than 90 miles from the nearest inhabited Bahamian island (Andros), and approximately 270 miles from Nassau.

- Perseverance #1 is not in a marine protected area, and is remote from regular Bahamian fishing and tourism industries.

Established oil and gas activity in The Bahamas

- Oil tankers passing through The Bahamas archipelago daily transporting bunker C fuel and diesel to generate power, or transporting oil to one of the world’s largest oil berthing facilities and storage tanks facilities in Freeport, Grand Bahama.
BPC completed an exhaustive process with Government to ensure all requisite Environmental Permits are in place

Environmental Impact Assessment (EIA)
- Completed and Accepted by Government (2012)
  - Multi-beam Sea Bottom Survey and Assessment
  - Transport and fate of Particles Modelling and Shallow Hazards Analysis
  - Emergency Response Plan

Environmental Authorisation (EA)
- New petroleum legislation and regulations 2016
- EA submitted to Government in 2018, again in 2019
- In addition to EIA includes upgraded Environmental Management Plan (EMP)
- EMP includes rig / equipment / location specific data Environmental Sensitivity Maps and Index
- Repeated Fate of Particles and Hazards Assessment
- Bahamas Environment, Science & Technology (BEST) Commission engaged
  Black & Veatch
- Field baseline surveys completed. No sensitive receptors
- Membership of Oil Spill Response Limited

Approved by The Government
Modernised and strengthened regulations now in place

• The Government of Bahamas Petroleum Act and Petroleum Operations related Regulations were passed into law in 2016 and considered to be in line with industry expectations for the 21st century

BPC adhered to all applicable Bahamian laws, and over and above this adhered to all applicable guidelines, international standards and best practices as demanded by the legislation

• Met standard of International Association of Drilling Contractors (IADC), International Finance Corporation (IFC), World Bank Group EH&S Guidelines – Offshore Oil and Gas Development, and International Association of Oil and Gas Producers (OGP)
• EA request has been extensively reviewed by independent, internationally recognised consultants engaged by the BEST Commission

BPC has plans in place to mitigate the most extreme events however unlikely
Partnered with globally renowned, leading service companies & include some of the most advanced safety equipment, processes and procedures in use anywhere in the world

- Stena IceMAX: 6th generation, ultra-deepwater, dual derrick, dynamically positioned drillship - one of the most modern and impressive drilling rigs and technically capable worldwide and does not use anchors
- Integrated Managed Pressure Drilling (“MPD”) system
- The vessel is dynamically-positioned using satellites, therefore there will be NO need to even set anchors to remain stationary.
- 5 higher risk offshore wells have already been drilled in the Bahamas between 1947 and 1986, using technologies which are far behind the Stena IceMAX

Close proximity to services and infrastructure

- c.200 miles to US (Florida/GoM)
- One of the world’s largest energy markets (USA), extensive infrastructure, refining capacity, contractors, services and suppliers
- Modest water depths 500m / 1500 feet

Drilling team in place, Covid-19 strategy and protocols enacted
• 5 wells similar to Perseverance #1 have already been drilled in The Bahamas between the 1940s – 1980s – safely, and without incident
  • All of these wells had live hydrocarbons shows

• In the past 10 years, BPC has spent > US$110 million to establish provenance of petroleum systems and prepare for safe and responsible drilling. This has included:
  • 9,000 kms 2D (1,100 kms modern), 3,000 km² BroadSeis 3D seismic surveys
  • Extensive scientific studies and analysis
  • Extensive environmental studies, surveys and preparation
  • 2 Competent Persons Reports (2012 based on 2D, 2017 based on 3D) – both have indicated a multi billion-barrel prospect
Drilling operations to take up to 60 days

No oil will be produced by Perseverance #1 – it is purely a 60 day fact finding exercise to identify whether there is oil there

On completion the well will be permanently sealed and never used again, after which the drilling vessel will leave the country
Significant economic opportunity for The Bahamas

- In a successful development scenario, the project would deliver tax revenues of over US$5 billion to the Bahamian Government.

- Income from a petroleum industry will reduce pressure on the Government to maximise borrowings and levy taxes on other industries such as tourism and fisheries.

- In success case it will create jobs for local Bahamians.

- Successful exploration will reduce the nation’s revenue demands on these primary industries.
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Appendix
Established oil and gas activity in The Bahamas
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As part of preparation for drilling, BPC has undertaken a number of sophisticated computer modelling exercises, with the assistance of various expert environmental scientists and specialists, to understand the potential impacts of any unplanned oil discharge event, no matter how small or how unlikely.

- The Particle transportation model incorporated extensive met-ocean data: currents, wind and oil properties.

The conclusions from these studies are clear: even in a worst-case uncontained discharge scenario, the ocean movements and bathymetry means that there would be **virtually no landfall impact on The Bahamas**.

These studies informed well planning, the Emergency Response Plan (EMP), the Oil Spill Contingency Plan, and the Tier III responder plan.