

**NEWFIELD**



www.newfield.com

**NFX**



# **Newfield Exploration: Offshore China and Malaysia**

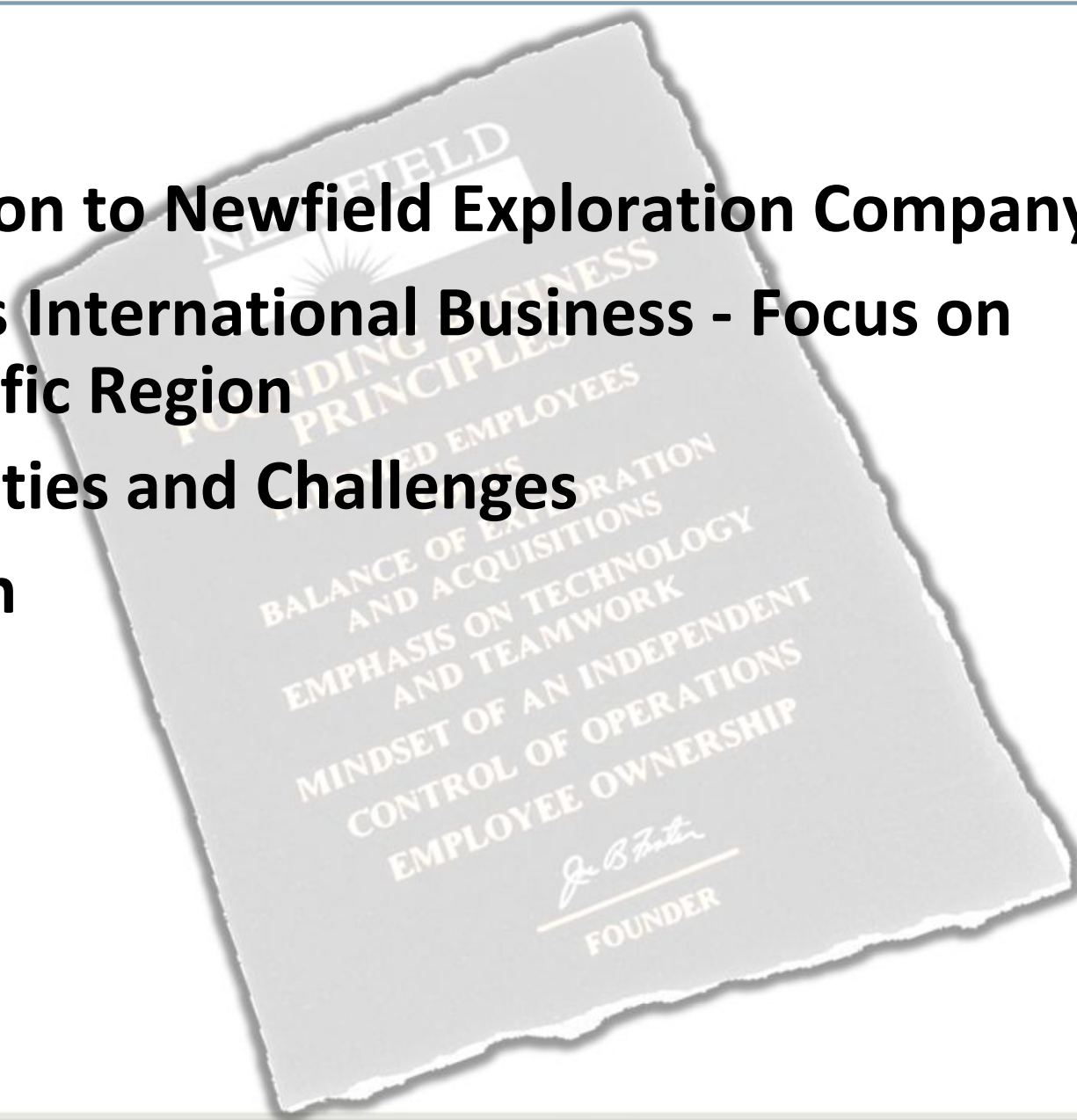
**Asia Oil Week**

**September 29, 2011**

# Today's Topics

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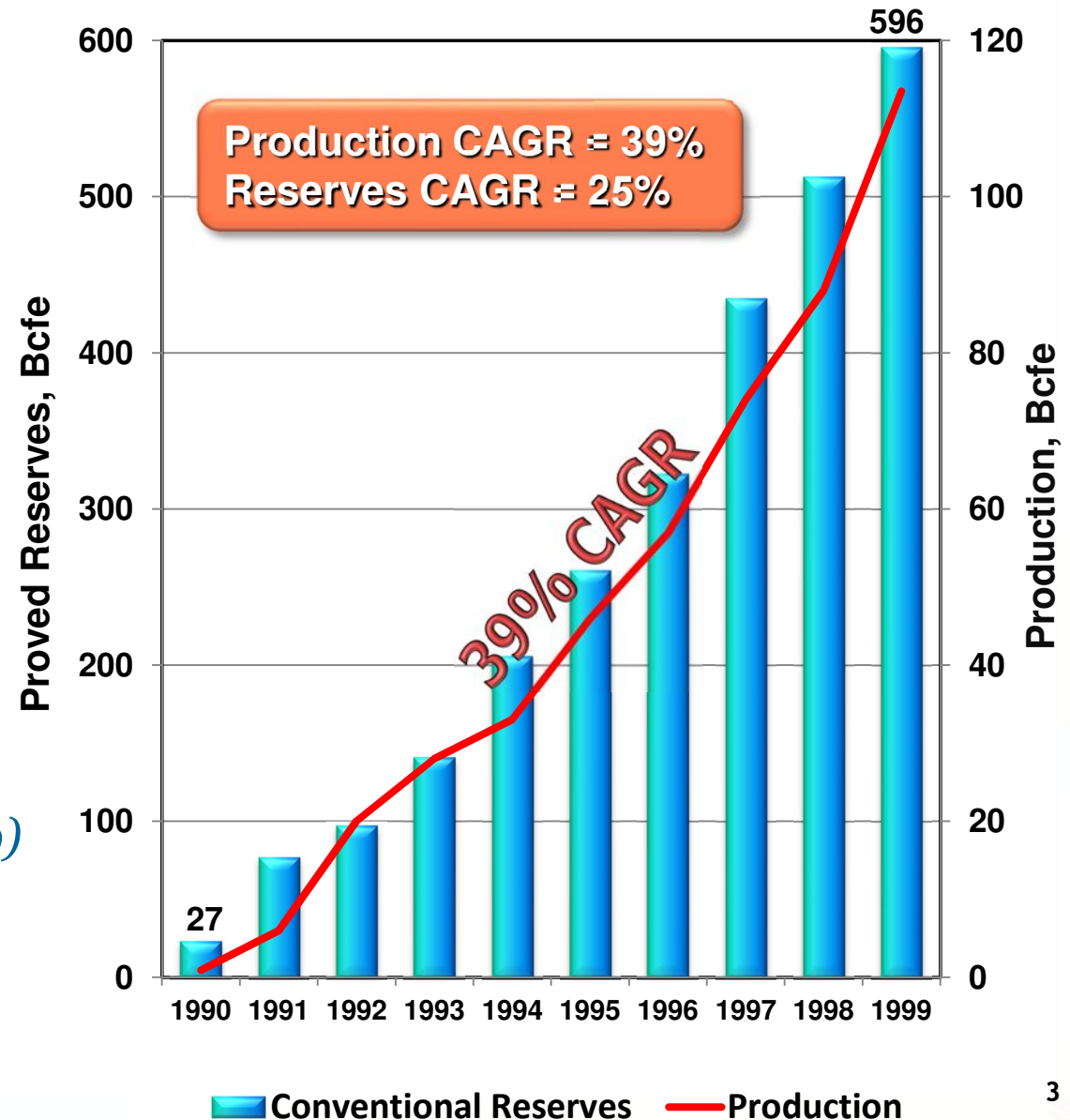
- 1) Introduction to Newfield Exploration Company
- 2) Newfield's International Business - Focus on Asia-Pacific Region
- 3) Opportunities and Challenges
- 4) Conclusion



# The NFX Story: 1989 - 1999

## *A Focus on the Shallow Water Gulf of Mexico*

- **Founded in 1989**
  - *Initial Capitalization*
    - ◆ US \$9.0 million
  - *23 Founding Employees*
- **Initial Public Offering in 1993**
- **Expansion into New Growth Areas**
  - *Onshore Gulf Coast (1996)*
  - *International: China (1997)*  
*Australia (1999)*



# Our Second Decade – 2000 to 2010

## *A Diversified Portfolio Created*

### ■ Expansion to New Basins

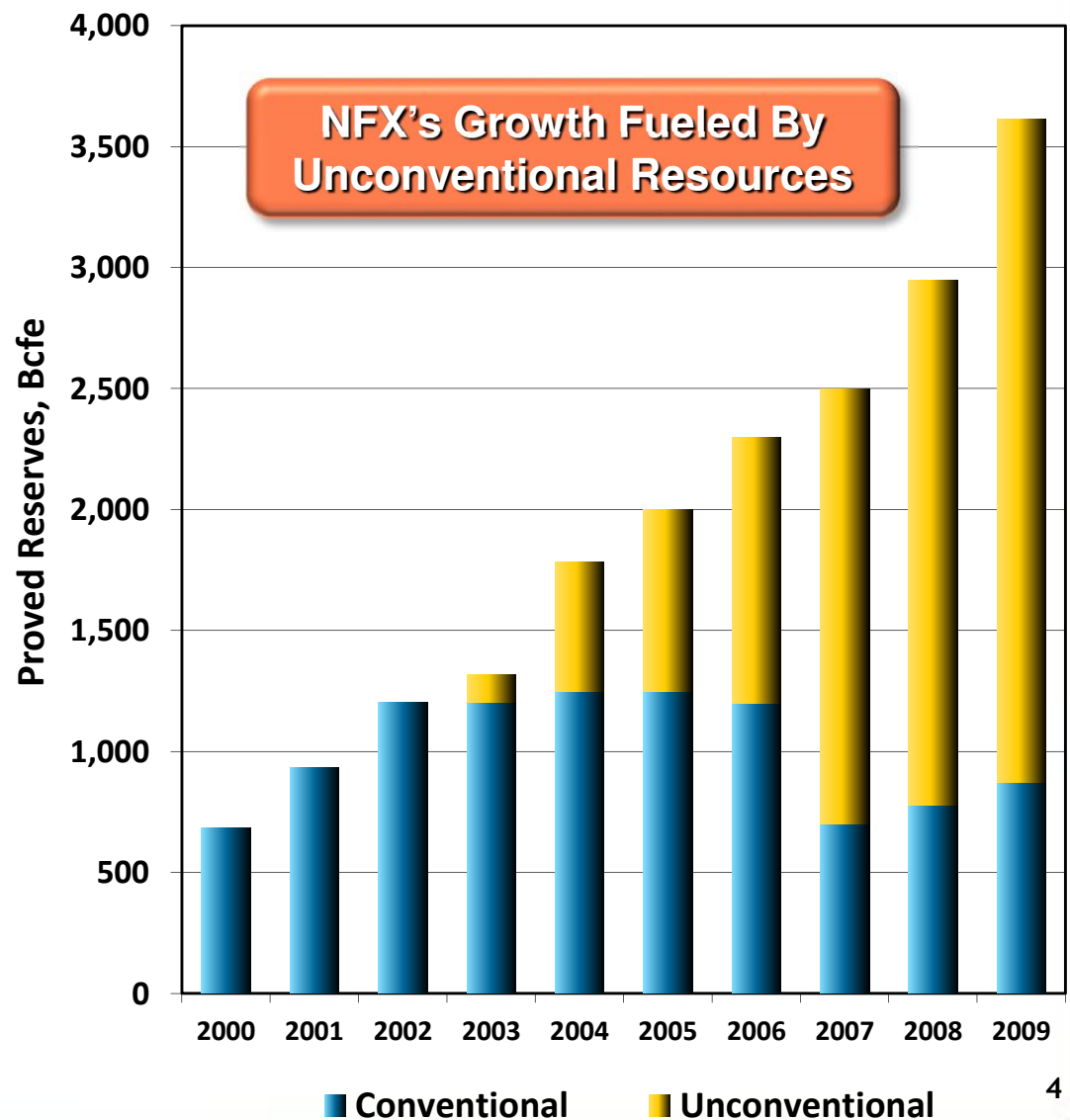
- *South Texas (2000)*
- *Mid-Continent (2001)*
- *UK North Sea (2002)*
- *Rockies (2004)*
- *Malaysia (2004)*

### ■ Resource Plays Emerge in North America Post-2000

### ■ NFX and Industry “Transformed”

### ■ Portfolio Rationalization

- *Australia (2003)*
- *Shallow Water GoM (2007)*
- *UK North Sea (2007)*



# Newfield Today

- **Enterprise Value: \$9.0 billion**

- *1500 Employees Worldwide*

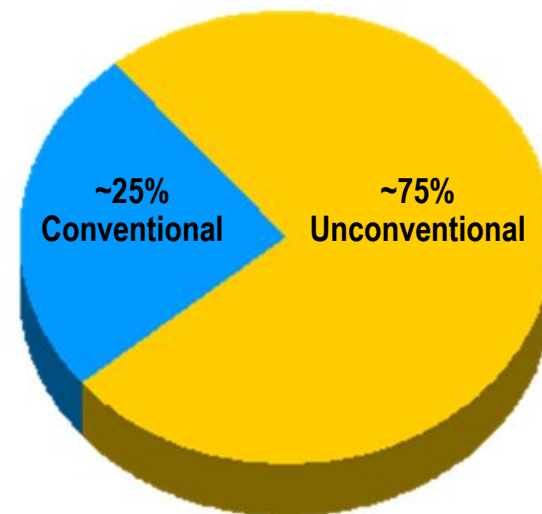
- **Conventional Assets**

- *Malaysia*
- *China*
- *Deepwater Gulf of Mexico*

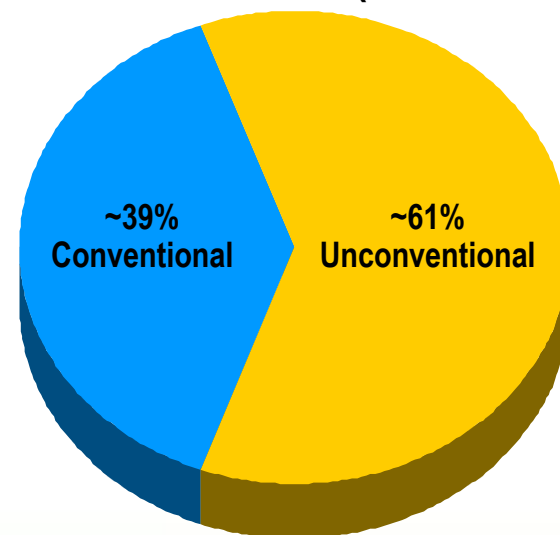
- **Unconventional Resource Plays**

- *Oil Resource Plays*
  - ◆ **Rockies**
  - ◆ **South Texas**
- *Gas Resource Plays*
  - ◆ **Mid-Continent**
  - ◆ **Appalachia**

Year End 2010 Proved Reserves (620 mmboe)



2011e Production (52 mmboe)



# International Strategy (1997)

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## ■ Purpose

- *Exposure to impact projects*

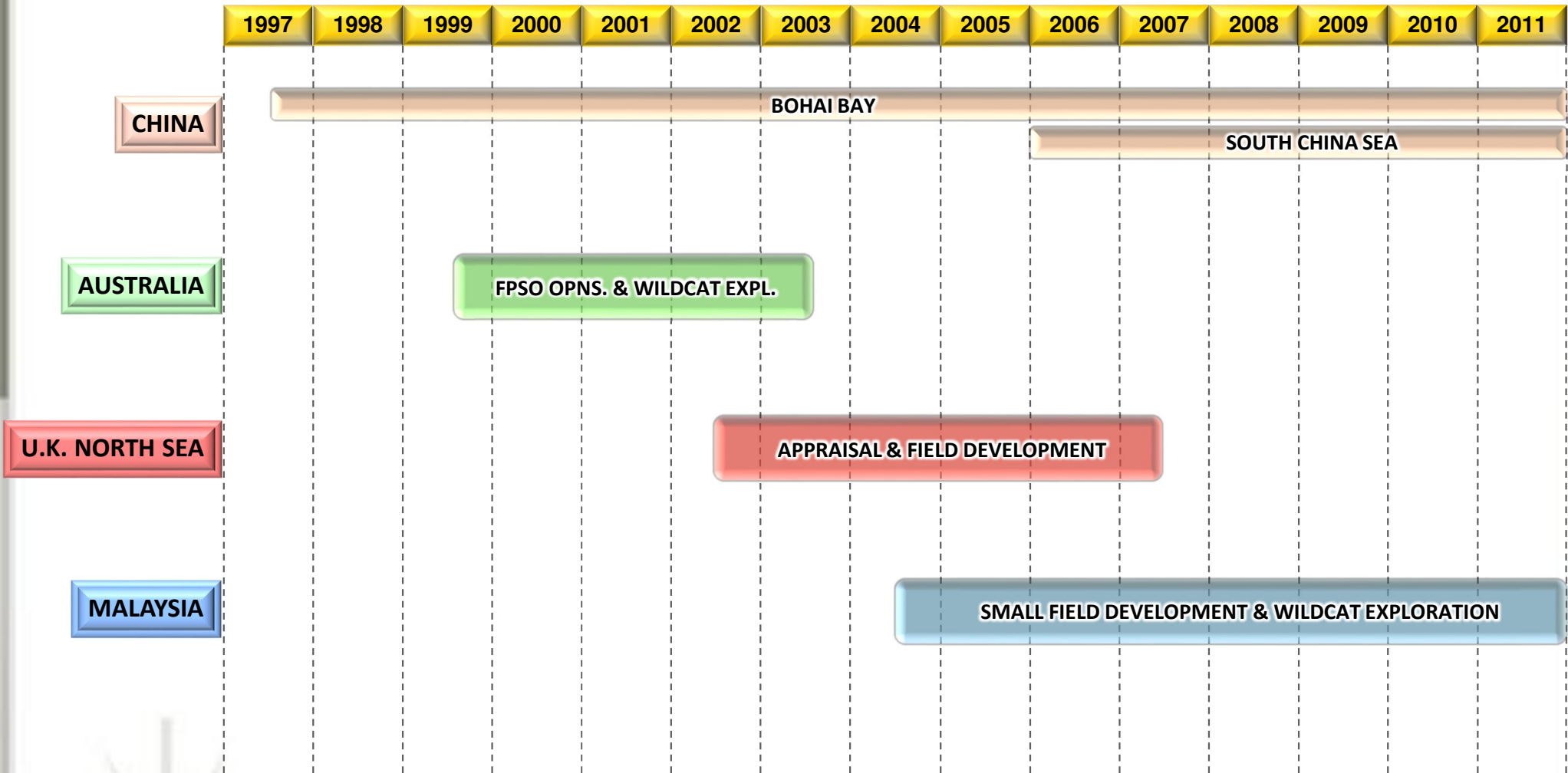
## ■ Strategy

- *Take what we do well and export it to other basins*

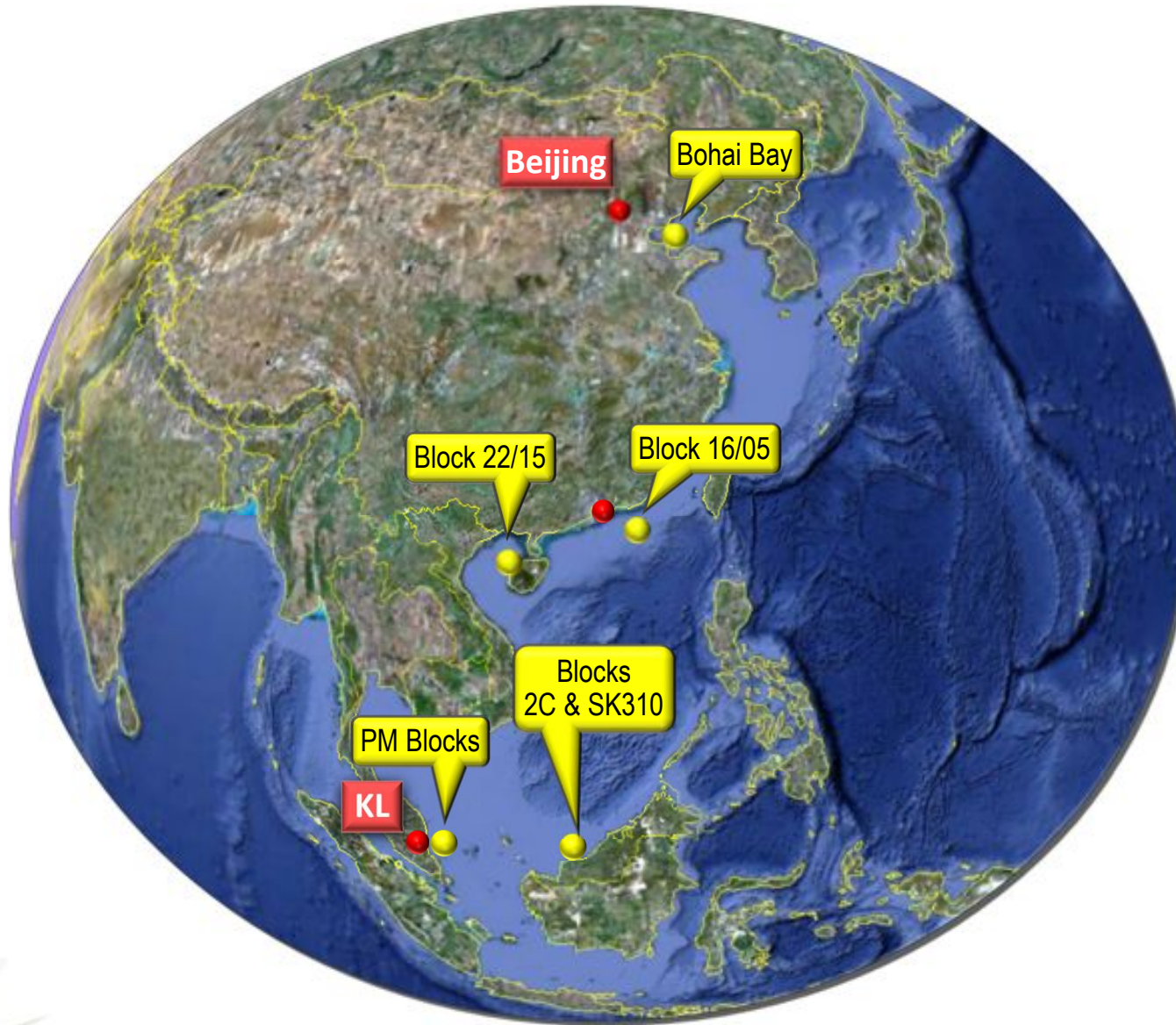
## ■ Guidelines

- *Known hydrocarbon province*
- *Offshore operations*
  - ◆ **Temperate climate**
  - ◆ **Shallow water**
- *Clastic reservoirs*
- *3-D seismic*

# Newfield's International Timeline

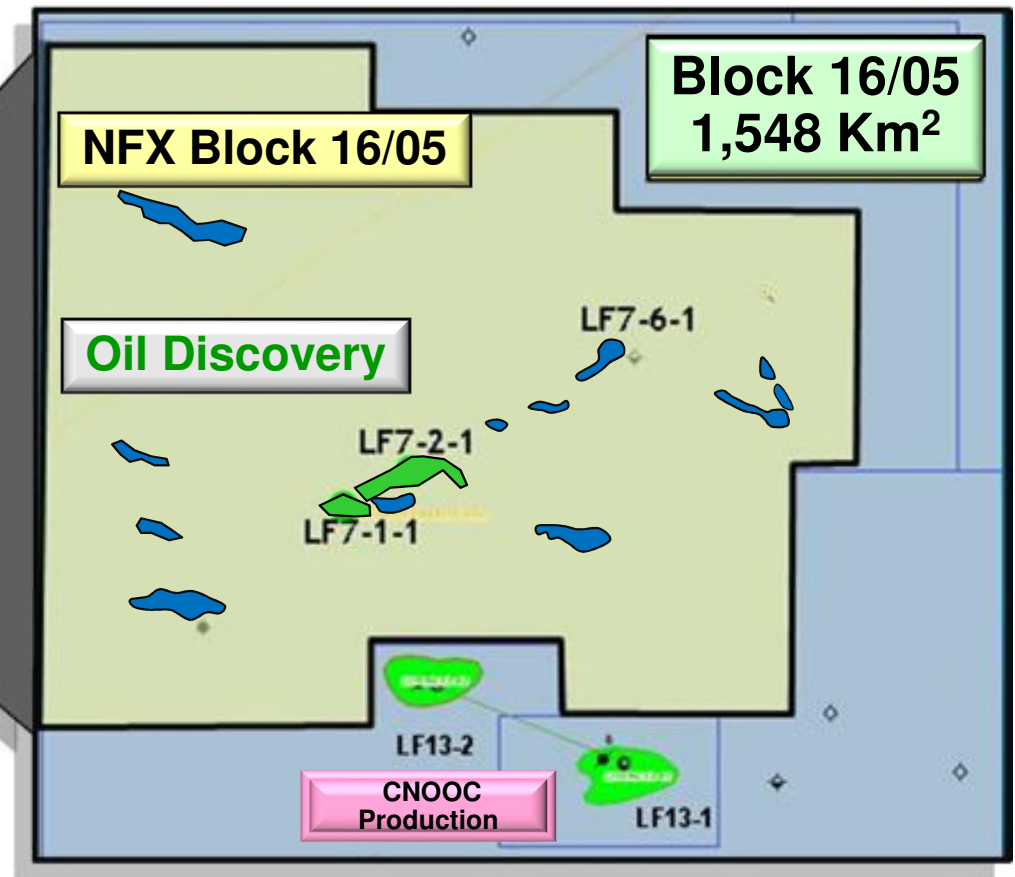
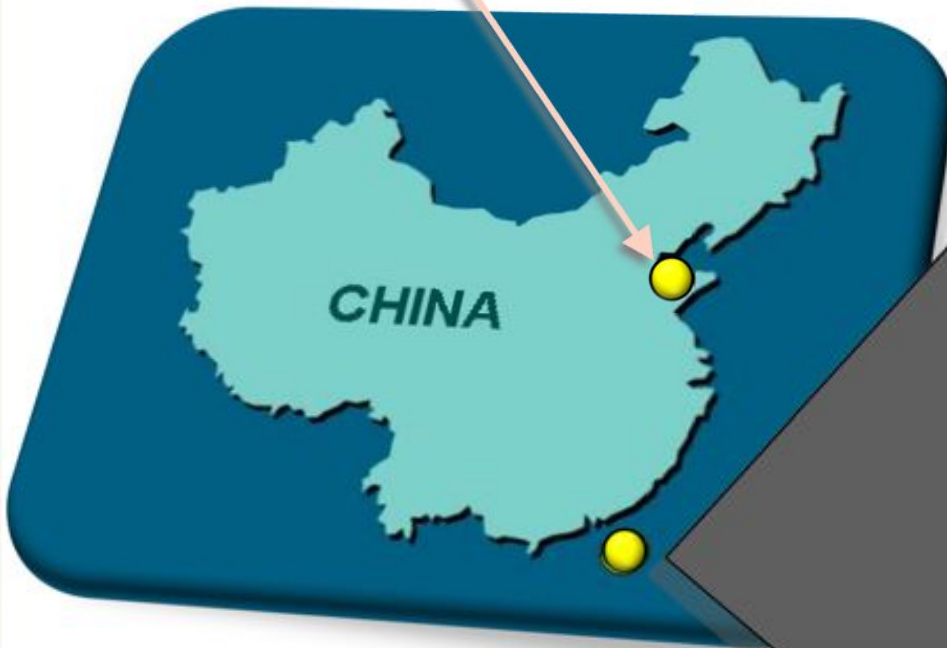


# Newfield's International Areas of Activity



# China Exploration & Development Area

**Bohai Bay**  
Gross Production 20,000 BOPD  
APC Operated: NFX 12% W.I



## Pearl Discoveries

- Development underway
- >6,000 BOPD test
- Multiple Prospects Remaining
- Additional Drilling in 2011/2012

# Peninsula Malaysia

## Shallow Water Developments



# Malaysia Activity

## Field Developments (Partner – Petronas Carigali)

- ▶ Installed 7 platforms and 1 FPSO
- ▶ Drilled over 40 appraisal and develop. wells
  - ▶ Additional development (~20 wells) planned in 2012
- ▶ Producing >50,000 bopd
  - ▶ YE 2011 production >65,000bopd

## Exploration Drilling

- ▶ With Petronas Carigali and Mitsubishi Corp.
- ▶ Drilled 12 exploration wells
- ▶ Developed 3 discoveries in Peninsula Malaysia
- ▶ Discovered gas in 3 prospects in Sarawak
  - ▶ Additional drilling planned in 2012

Abu Platform +  
Drilling Rig

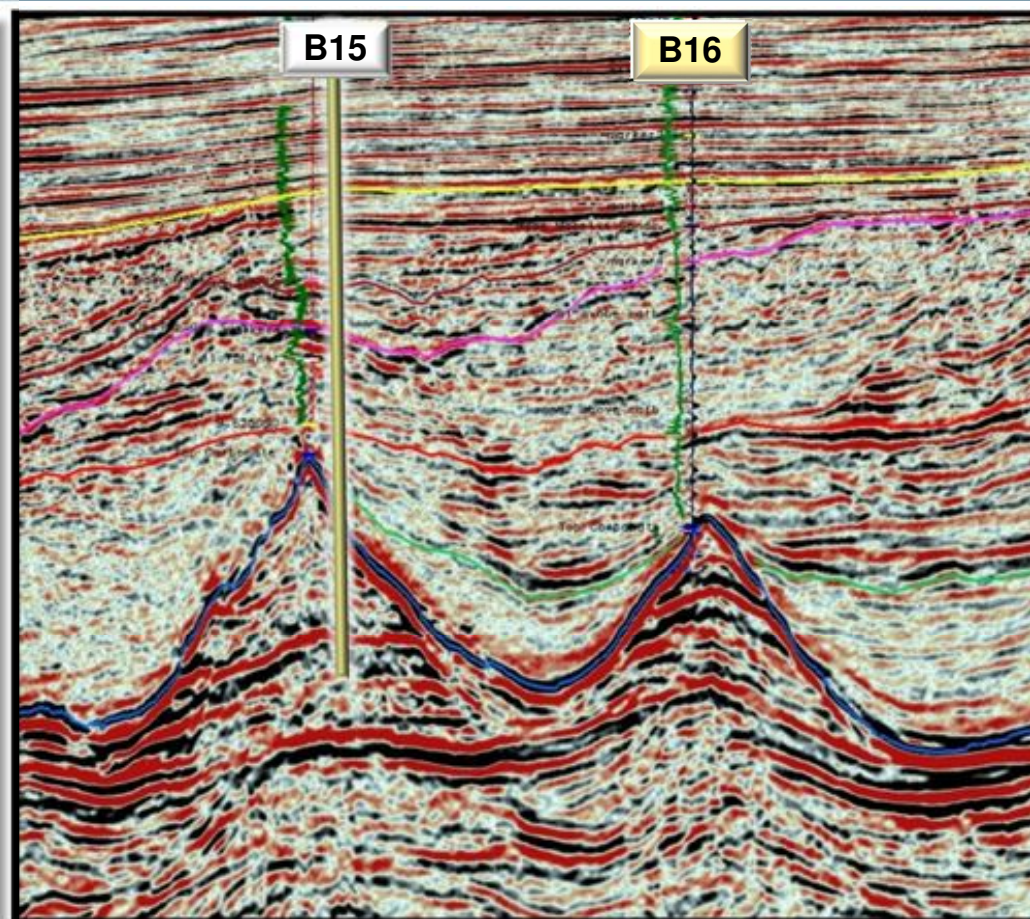
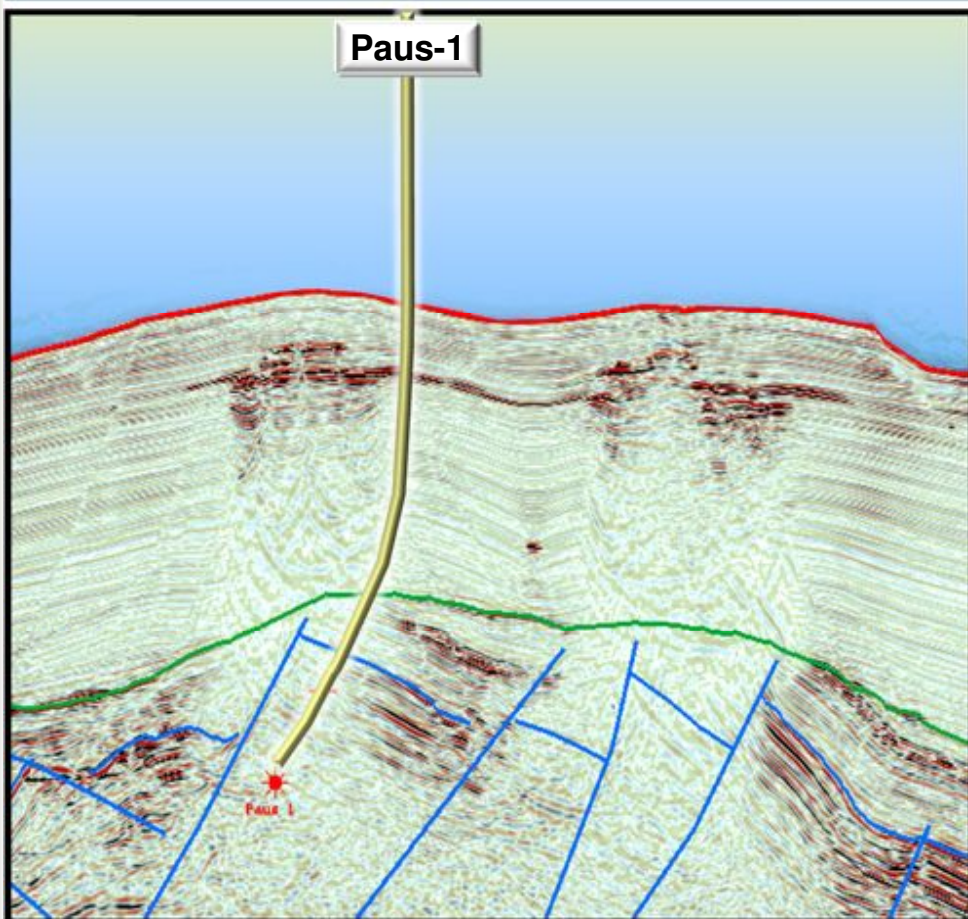


East Piatu CPP Installation:  
Sept. 2011



**CYCLE TIME: First production <3 years from PSC Signing/Discovery Well**

# Sarawak Exploration Activity

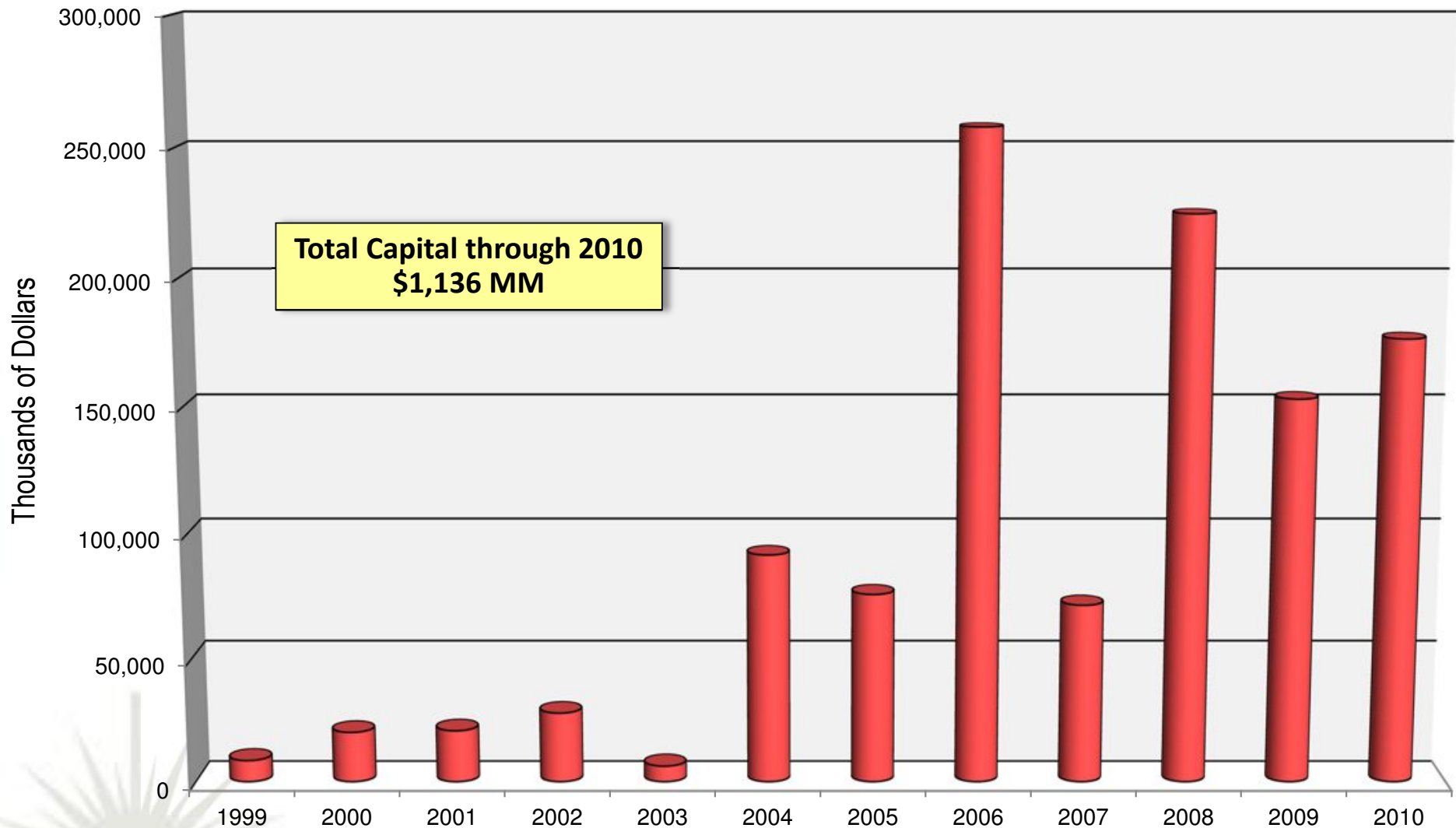


Discovery: 2009  
Water Depth: 1,320m (4,592 ft.)  
Reservoir Depth: 2,582m (8,469 ft.)  
Column Height: 94m (308 ft.)

Discovery: 2010  
Water Depth: 78m (256 ft.)  
Reservoir Depth: 3,010m MD (9,873 ft.)  
Gas Column Height: 258m (845 ft.)  
Temperature/Pressure: BHT ~260°F / Pi 9,590 psi  
CO<sub>2</sub> H<sub>2</sub>S Content: 4%/18ppm  
Production Test: Max. gas rate 41 MMscf/d

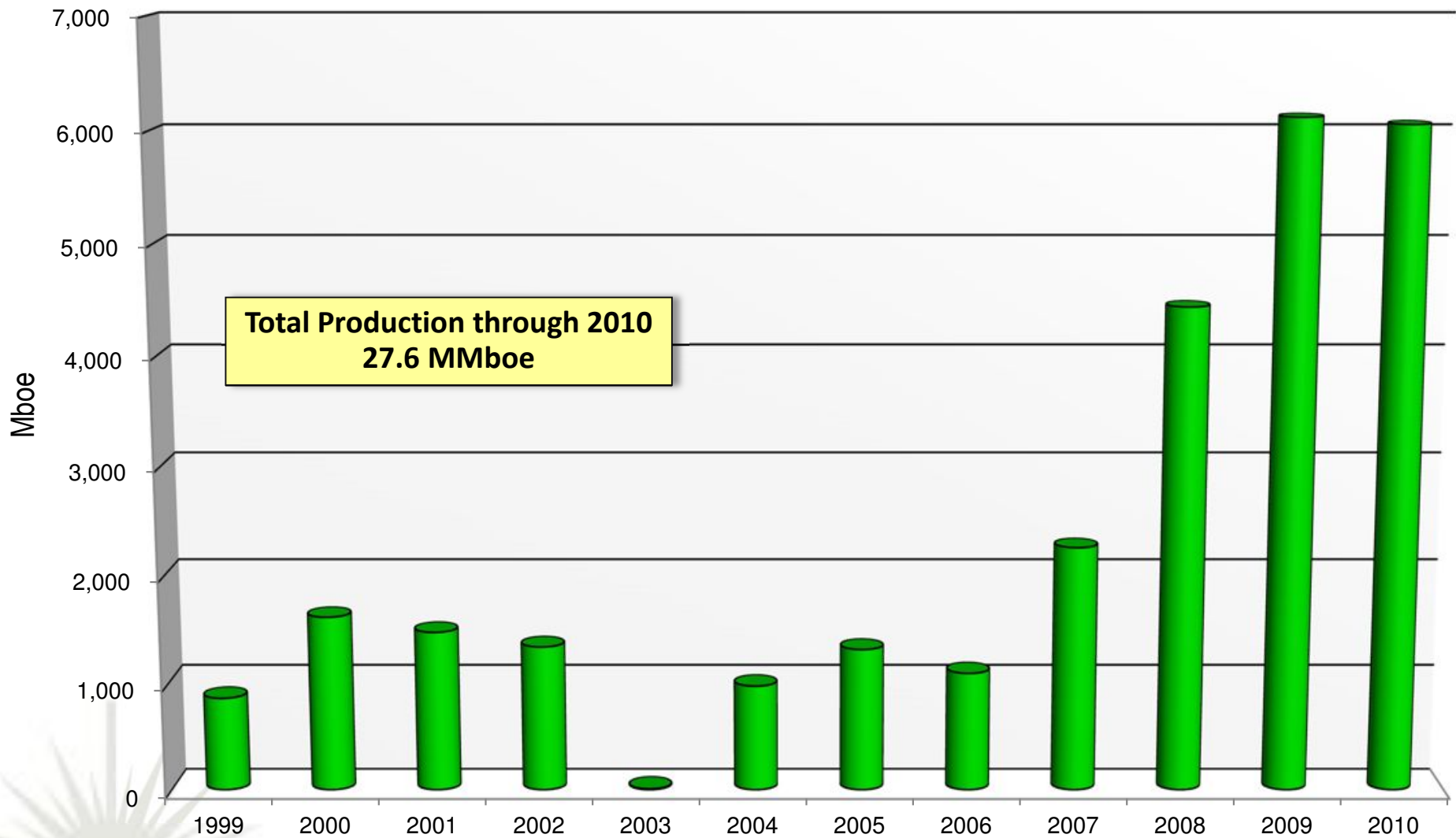
# Newfield's International Capital Investments

## Capital



# Newfield's International Production

## Production



# Newfield International

## *Opportunities and Challenges*

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### ■ **Opportunities**

- *Attractive portfolio drives near-term production growth*
- *Proven track record in exploration and development*
  - ◆ Top quality personnel with extensive Asia-Pacific expertise
  - ◆ Established relationships with National Oil Companies and regional service providers
- *Well capitalized through International “balance sheet”*

### ■ **Challenges**

- *Sustainable long-term growth*
- *Access to new acreage*
- *Increasing competition for people and opportunities*



# Newfield International

## *Forward Plan*

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- **Continue activity on Asia-Pacific Portfolio**
  - *Ongoing oil field developments in Malaysia and China*
  - *Appraisal and future monetization of gas assets in Sarawak*
    - ◆ **LNG price linked to oil price**
  - *Active exploration programs (4 – 5 wells) planned for 2012*
  
- **Pursue New Growth Opportunities**
  - *Maintain focus in Malaysia and China*
  - *Evaluate new country entry in region in 2011/2012*

