

# North Slope Renaissance

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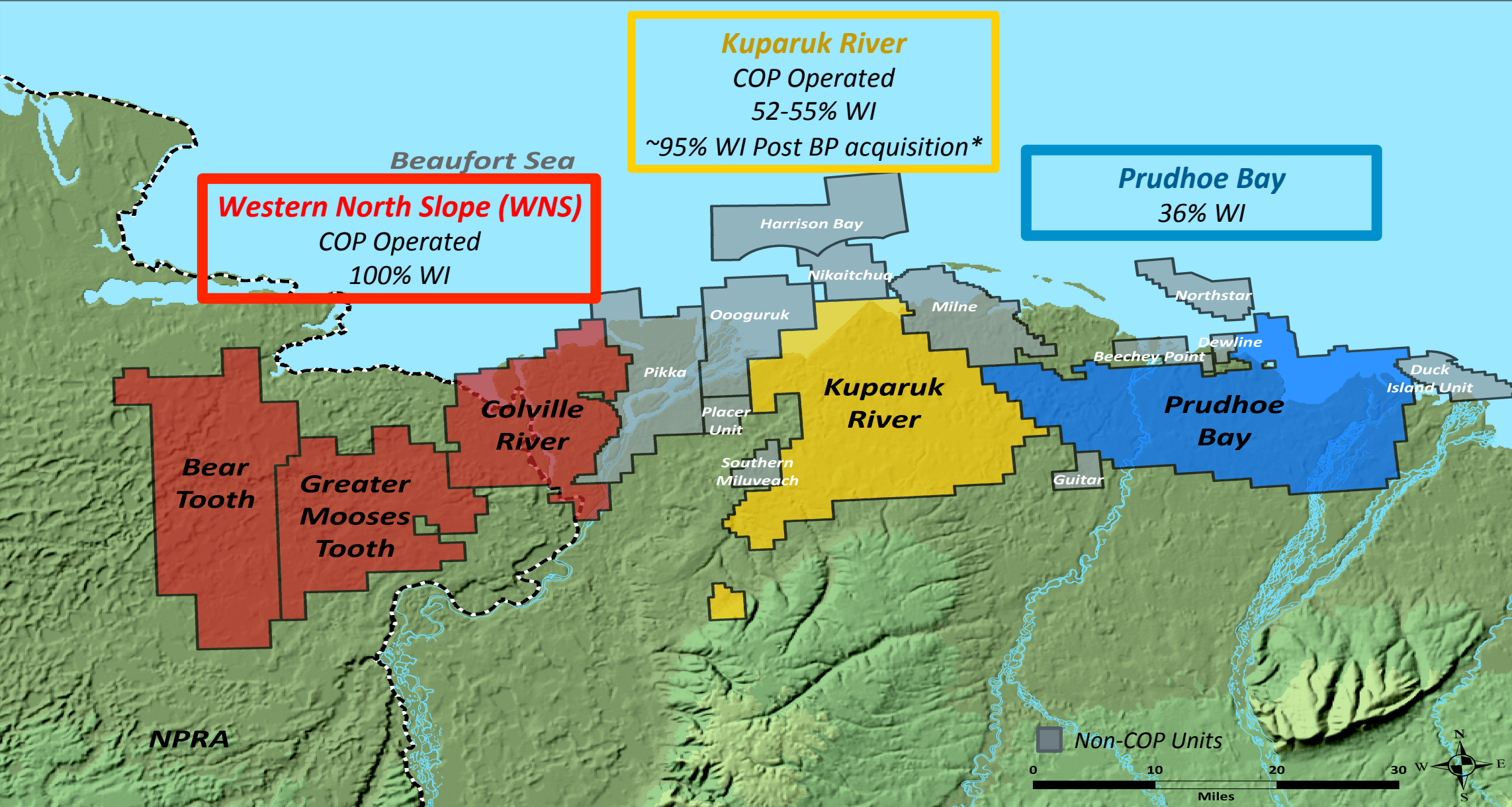
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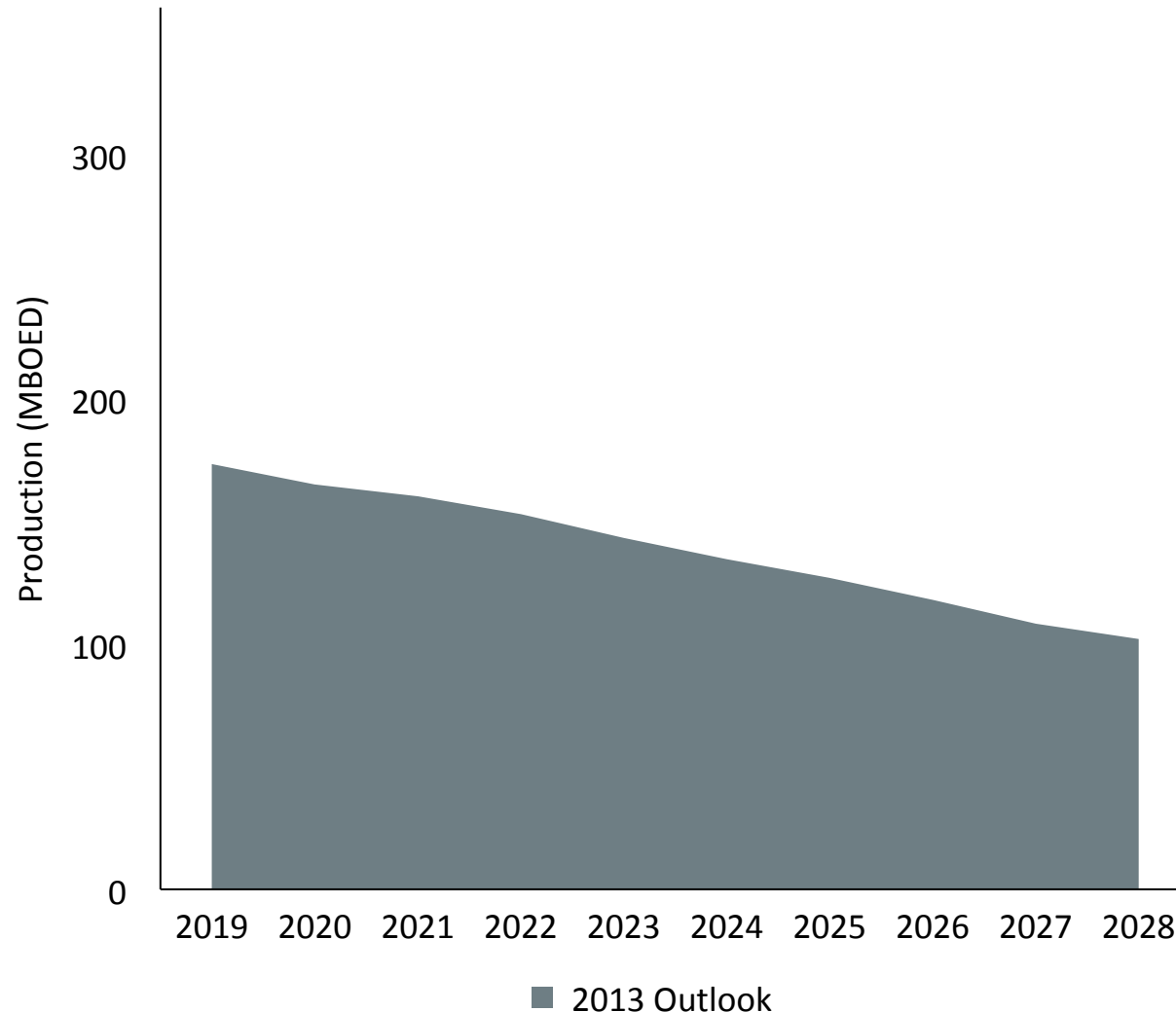
# North Slope State and Federal Units



\*BP acquisition subject to regulatory and other approvals.

# 2013 Alaska Outlook: Facing Headwinds

## ConocoPhillips' Alaska Outlook 2013

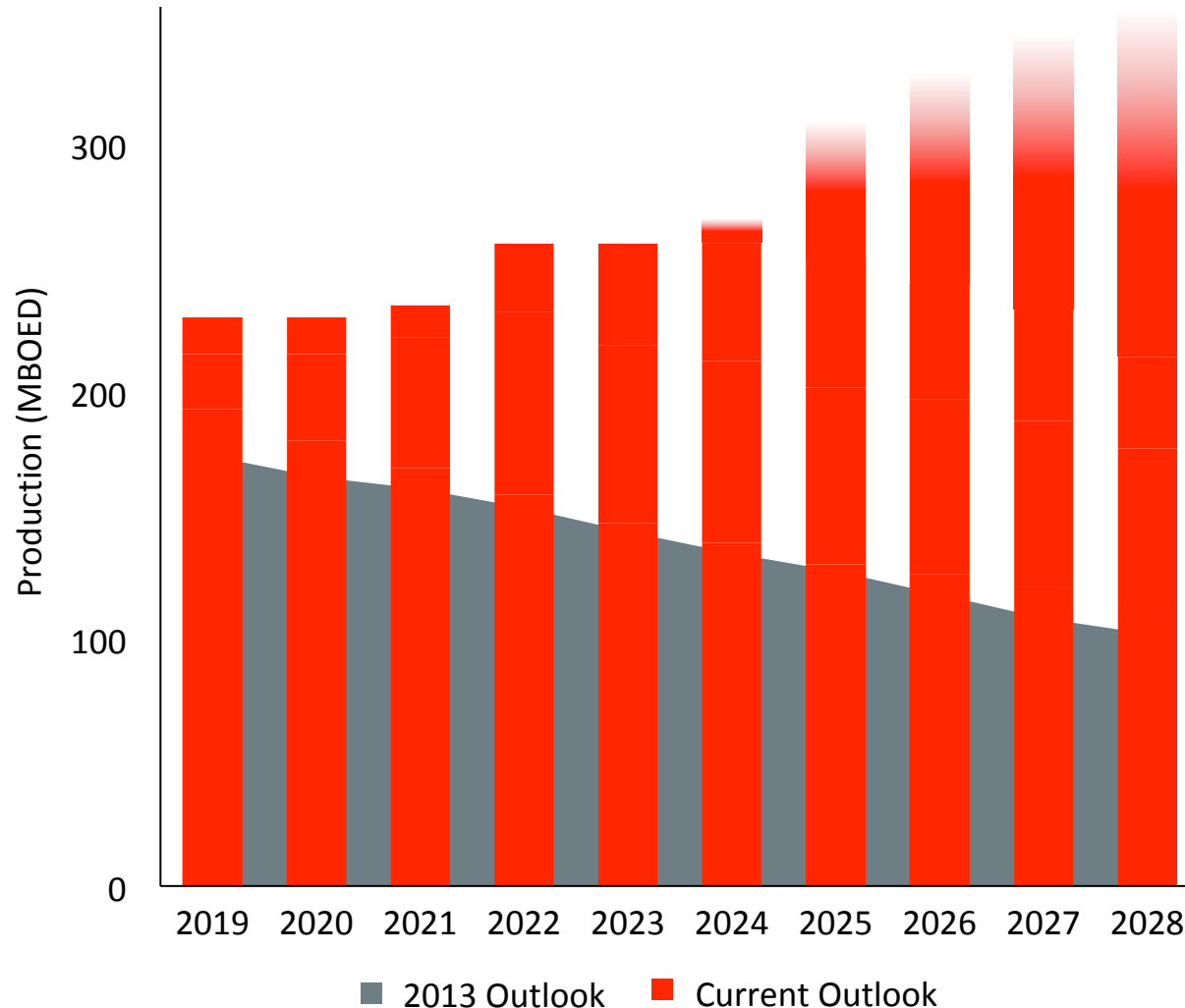


## 2013 Outlook for Asset

- Uncompetitive tax structure
- Declining production profile
- High cost of supply
- Limited investment
- Focus on Lower 48 unconventional

# Current Outlook: Strong Future Spurred by Tax Changes & CoS Focus

## ConocoPhillips' Alaska Outlook<sup>1</sup> 2013 vs. Current (including 2018 acquisitions)



### Drivers of Transformation

- Senate Bill 21 improved fiscal framework
- Technological advancements and innovations target new and bypassed resources
- Comprehensive effort to capture value from legacy fields and infrastructure
- Renewed focus on exploration yields early success
- Company-wide focus on lowering cost of supply has made Alaska competitive within the portfolio

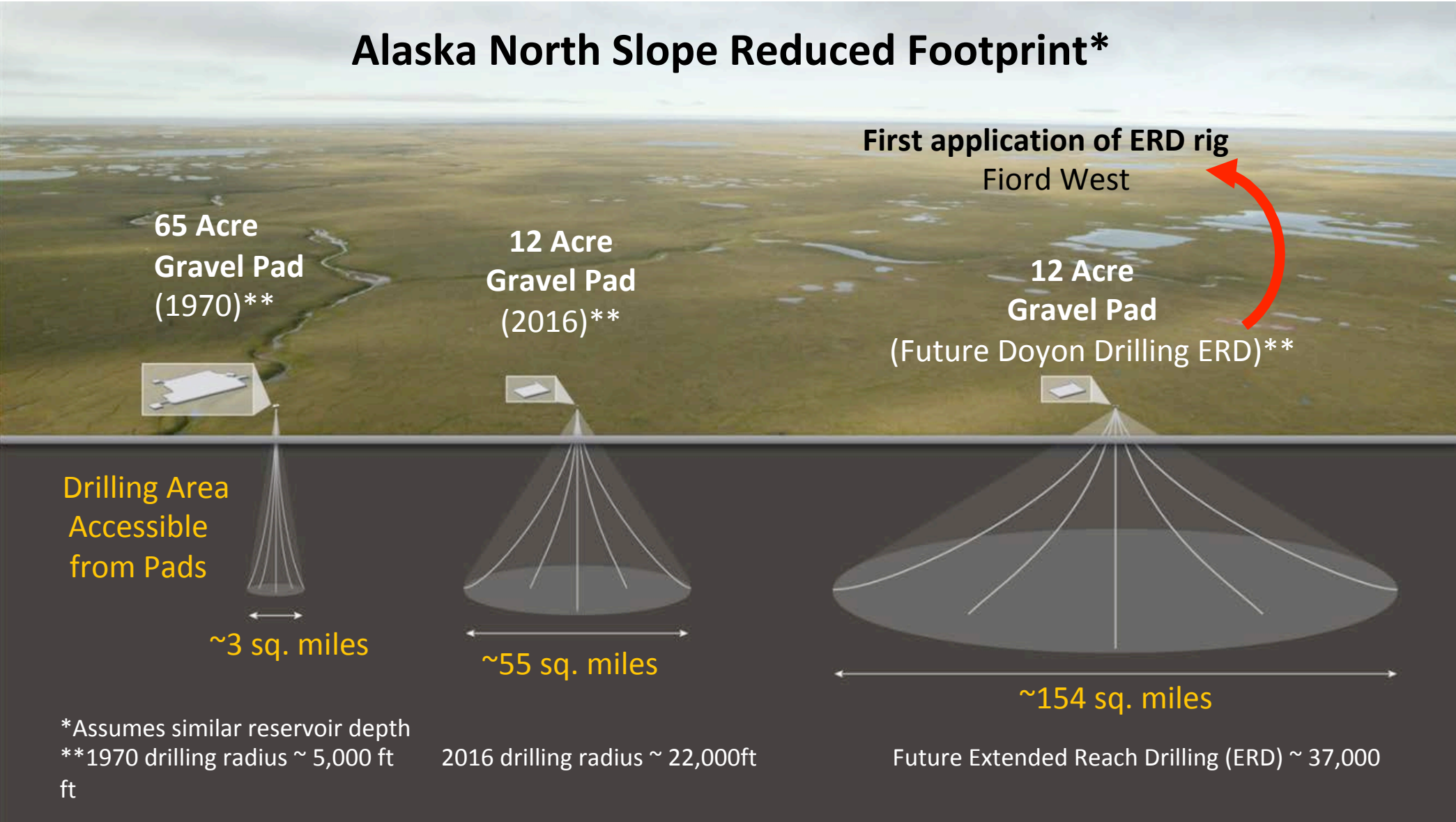
## STRENGTHENED OUTLOOK

supported by recent strategic transactions

<sup>1</sup>Assumes a stable and competitive fiscal framework, includes impact of 2018 acquisitions at working interests of: Western North Slope = 100% / Kuparuk = ~95%, and excludes Alaska North Slope gas sales.

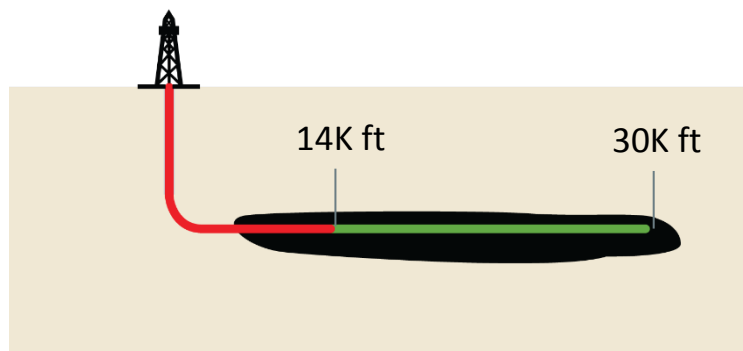
# Minimizing Footprint Through Technology

## Alaska North Slope Reduced Footprint\*

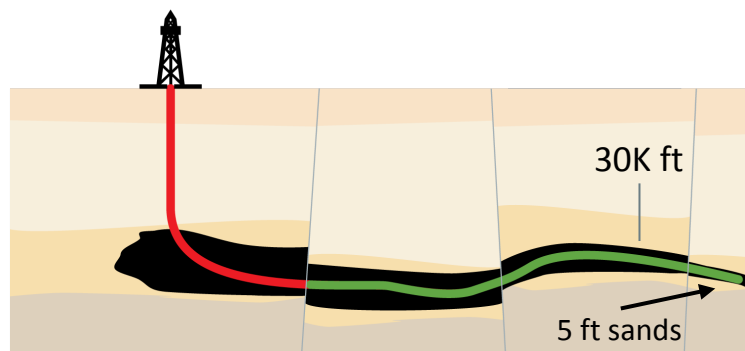


# Drilling Technology Advancements: Higher Recovery

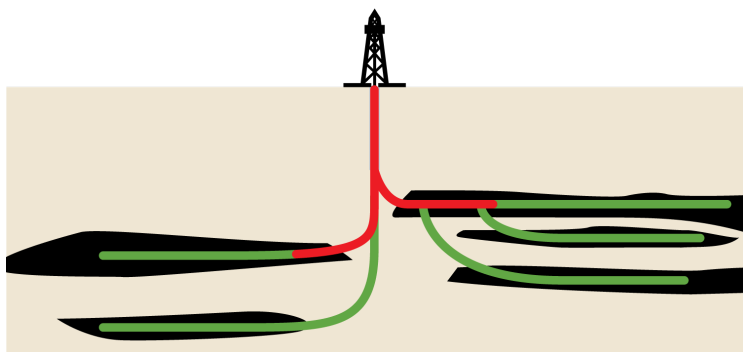
## Extending Our Reach with Managed Pressure Drilling



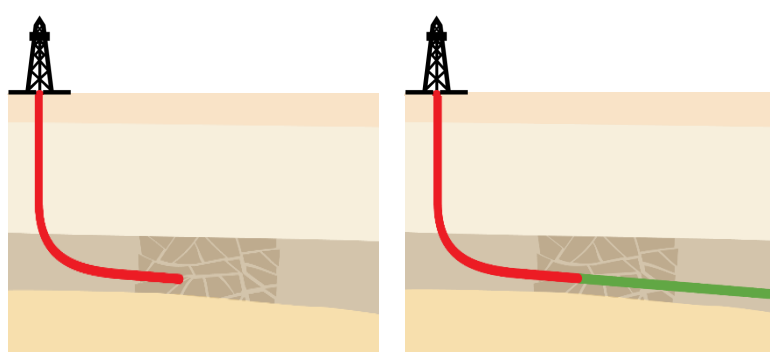
## Threading the Needle with Geo-Steering



## Accessing More Reservoir with Multi-Laterals



## Drill & Case in One Run with Steerable Drilling Liners



— Old Technology

— New Technology

## CD5: North American Record

- Longest horizontal lateral at 21,748 feet

## CD5: State of Alaska records

- Total combined lateral length at 34,211 feet
- Total combined footage for a well at 42,993 feet

# GMT1 First Oil October 5 – Two Months Ahead of Schedule

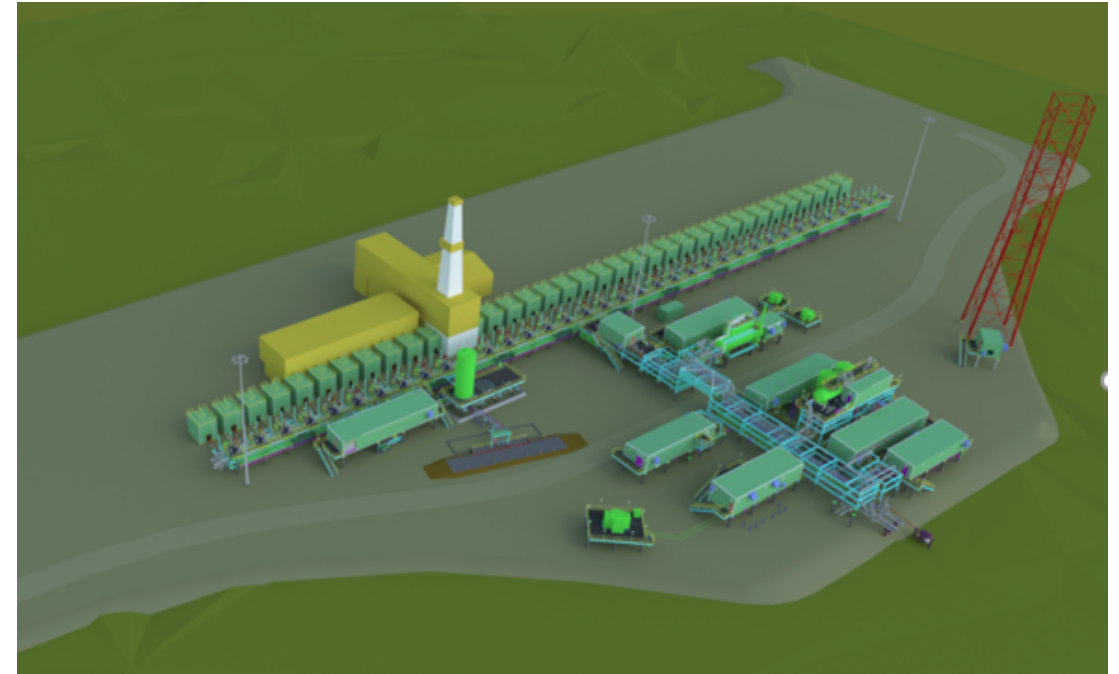
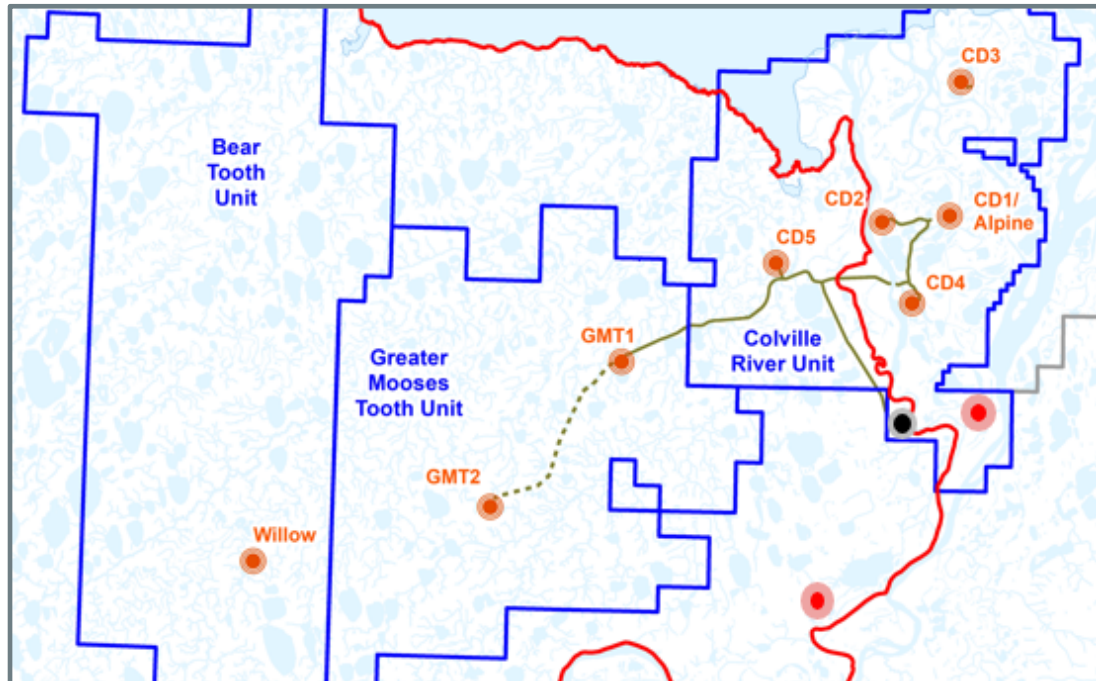
- Greater Mooses Tooth #1: first drill site on federal leases within the NPR-A
- Est. production 25,000 to 30,000 gross BOPD at peak in mid-2019
- Provided ~700 construction jobs in each of two winter seasons
- **About \$725 million in investment**
- Sets the stage for development of GMT2
- Required leveraging of new drilling technology to bring wells on line



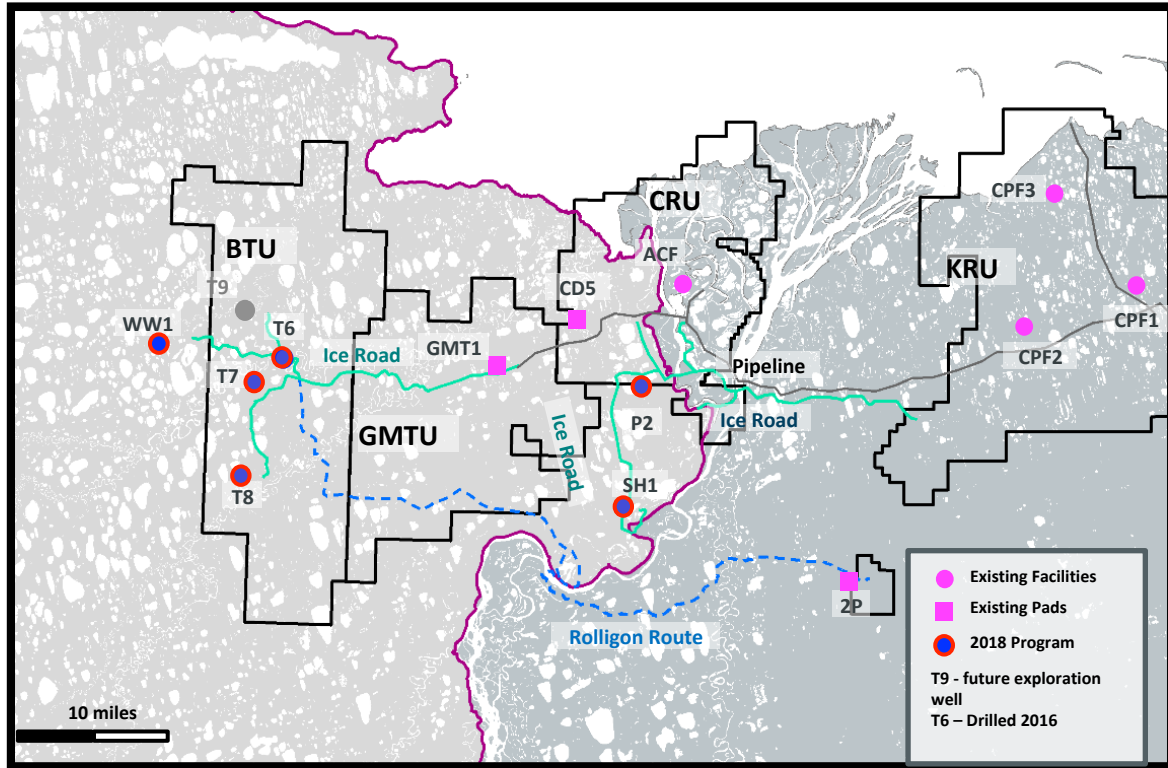
# Greater Mooses Tooth #2 Development – Project Has Been Approved

## Second development in the GMT Unit

- Total cost approximately >\$1 billion gross
- Sized for up to a 48-well development – starting with 33 wells
- First oil targeting 4<sup>th</sup> quarter 2021
- Peak estimated monthly production: ~35,000 to 40,000 BOPD
- Peak estimated North Slope employment during construction: ~700 positions
- BLM issued the Record of Decision Oct. 15



# 2018 Exploration – Three-Rig Program



## ConocoPhillips NPRA acreage

- 594,972 gross acres acquired in late 2016
- 79,998 gross acres acquired in late 2017
- 1,000,000+ gross acres in NPRA

## Willow appraisal and exploration

- 4 wells: T7, T8, T9 and West Willow 1 (WW1)
- 3 well tests (T6, T7, T8)
- 37+ miles of ice road and 5 ice pads
- Drilling rig - Doyon 141

## Stony Hill (SH1) exploration

- 1 vertical well
- 1 well test
- 17+ miles of ice road and 1 ice pad
- Drilling rig - Arctic Fox

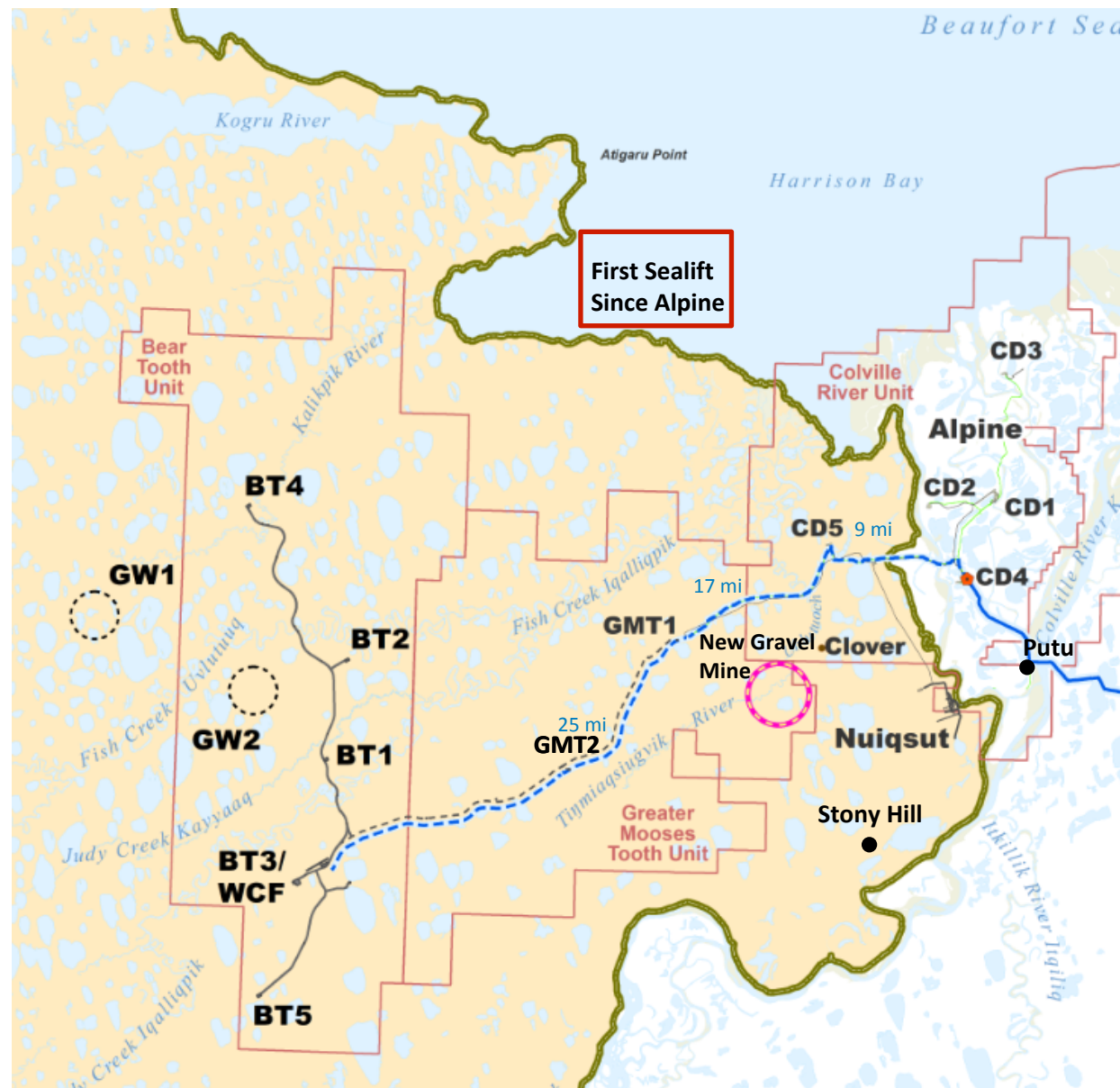
## Putu (P2) exploration (ASRC/State subsurface and Kuukpik surface)

- 1 well: 1 slant + 1 vertical
- 1 well test
- 1 mile of ice road and 1 ice pad
- Drilling rig - Kuukpik 5

## 250 sq. mi. seismic program

**Largest Exploration Program Since 2002**

# 2018 Exploration Program Indicates Substantial Opportunities



## Preliminary Discovered Resource Range Increased

**500 MMBOE – 1.1 BBOE<sup>1</sup>**

current discovered resource

- 2018 Willow program proved **400 – 750 MMBOE** current discovered resource
- Willow could produce nominally **100,000 BOPD**
- Stand-alone production facility: **\$2-3 billion of investment to first production; \$2-3 billion more for multi-year drilling program**
- First oil could be achieved by 2024-2025
- Will continue this winter to appraise the Greater Willow Area and optimize development plan
- Putu and Stony Hill: promising discoveries with **100 – 350 MMBOE** current discovered resource

# Upcoming Exploration & Appraisal

## Late 2018 - 2019 Plan

**6-8 WELLS**

Late 2018 targets Cairn & Narwhal

**8-9 TESTS**

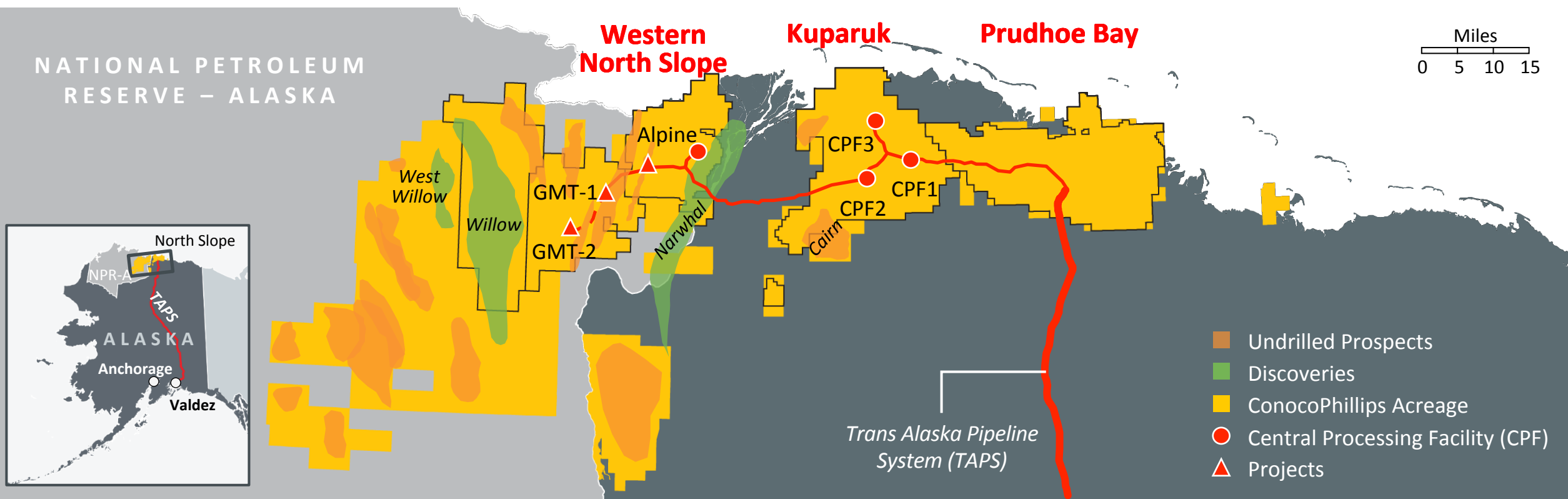
2019 winter targets Greater Willow Area

**2 RIGS**

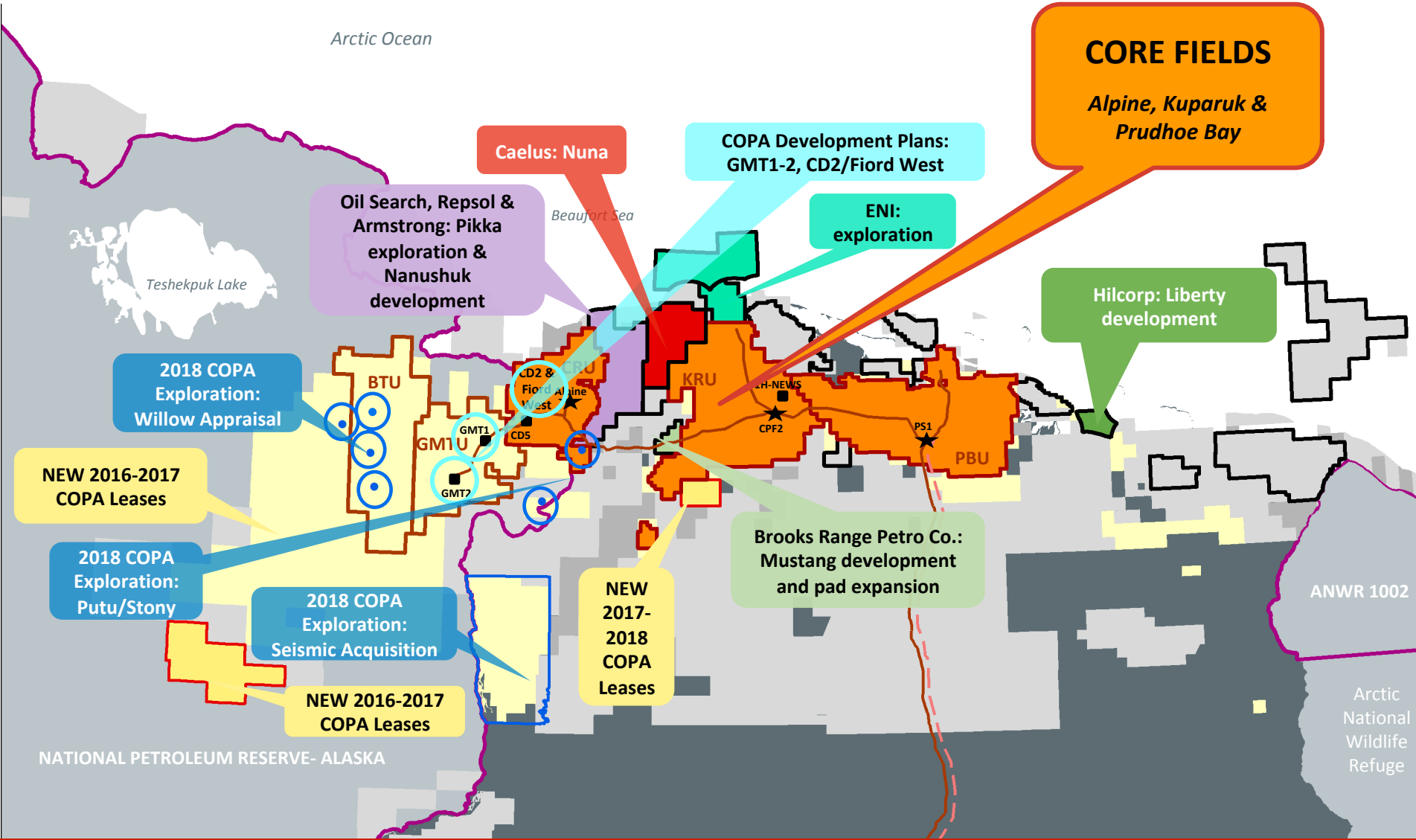
*Final well/test count depends on results/timing*

## 2020+ Program Focused on Remaining Potential

*75% Portfolio Undrilled*



# North Slope Renaissance



**Hundreds of Thousands of New Barrels/Day and more than ~\$13 Billion in Capital**

# Stand for Salmon Ballot Initiative - A Solution in Search of a Problem

- This ballot initiative is really about stopping resource development
- It will add cost, more regulation, litigation, and jeopardize existing projects, with the potential to kill future projects
- Won't just affect our industry, but also development of roads, mines, ports, and other private property
- Alaska already has world-class, science-based policies, acts, regulations and permit requirements that work together to protect fish habitat
- Contributions to the initiative are coming from Outside environmental interests:
  - John Childs/New Venture Fund, Wash. DC
  - Wild Salmon Center, Portland OR
  - Wealthy donors from NY, CA & FL
  - Trout Unlimited
- Link to State of Alaska FAQ:

<https://aws.state.ak.us/OnlinePublicNotices/Notices/Attachment.aspx?id=114005>





- Consider voting no on Ballot Measure 1
  - It does not promote a healthy business environment
  - It will affect business and private property owners
- Pro-business candidates will help maintain a stable, competitive investment climate

**Ask Candidates What They Will Do to Keep Our State Moving Forward**

Q & A