North Slope Renaissance
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North Slope State and Federal Units

Western North Slope (WNS)
- COP Operated
- 100% WI

Kuparuk River
- COP Operated
- 52-55% WI
- ~95% WI Post BP acquisition*

Prudhoe Bay
- 36% WI

*BP acquisition subject to regulatory and other approvals.
2013 Alaska Outlook: Facing Headwinds

- Uncompetitive tax structure
- Declining production profile
- High cost of supply
- Limited investment
- Focus on Lower 48 unconventionals
Current Outlook: Strong Future Spurred by Tax Changes & CoS Focus

ConocoPhillips’ Alaska Outlook¹
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

¹Assumes 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
Minimizing Footprint Through Technology

Alaska North Slope Reduced Footprint*

65 Acre Gravel Pad (1970)**
12 Acre Gravel Pad (2016)**
12 Acre Gravel Pad (Future Doyon Drilling ERD)**

Drilling Area Accessible from Pads

~3 sq. miles
~55 sq. miles
~154 sq. miles

First application of ERD rig
Fiord West

2016 drilling radius ~ 22,000 ft
Future Extended Reach Drilling (ERD) ~ 37,000 ft

*Assumes similar reservoir depth
**1970 drilling radius ~ 5,000 ft

Source: The Role of the Oil and Gas Industry in Alaska's Economy; The McDowell Group; May 2017.
Drilling Technology Advancements: Higher Recovery

Extending Our Reach
with Managed Pressure Drilling

Threaded the Needle
with Geo-Steering

Accessing More Reservoir
with Multi-Laterals

Drill & Case in One Run
with Steerable Drilling Liners

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 4th 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
**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**
2018 Exploration Program Indicates Substantial Opportunities

**Preliminary Discovered Resource Range Increased**

500 MMBOE – 1.1 BBOE

- 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

\(^1\text{Gross discovered resource in Alaska since 2016.}\)
Upcoming Exploration & Appraisal

Late 2018 - 2019 Plan

- **6-8 WELLS**
- **8-9 TESTS**
- **2 RIGS**

Late 2018 targets Cairn & Narwhal

2019 winter targets Greater Willow Area

_Final well/test count depends on results/timing_

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2020+ Program Focused on Remaining Potential

75% Portfolio Undrilled

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2020+ Program Focused on Remaining Potential

75% Portfolio Undrilled
• 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
Elections Matter

• Consider voting no on Ballot Measure 1
  o It does not promote a healthy business environment
  o 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