

The Case for Investing in Alaska

Alaska Native Village Corporation Association

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Cautionary Statement & Safe Harbor

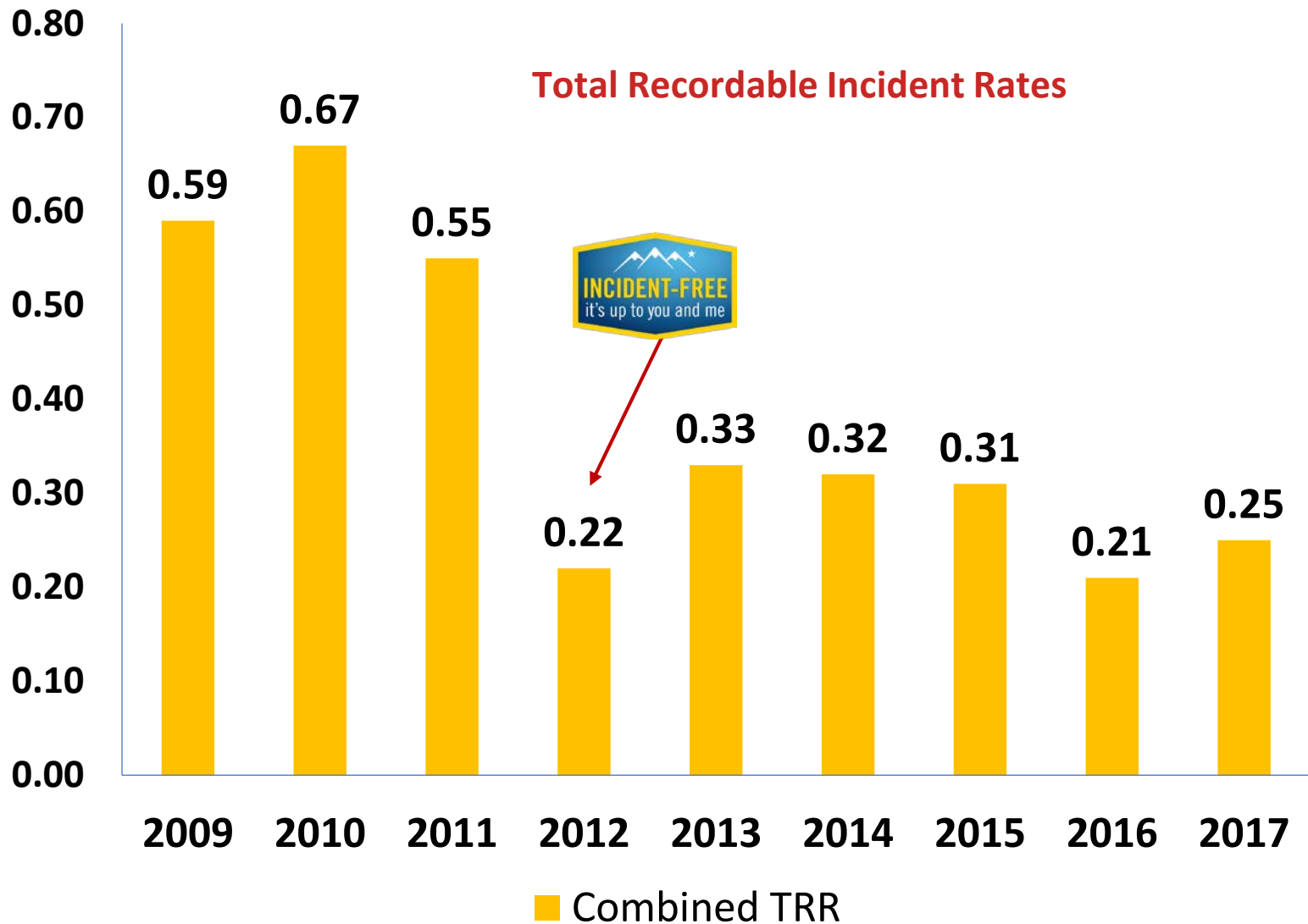


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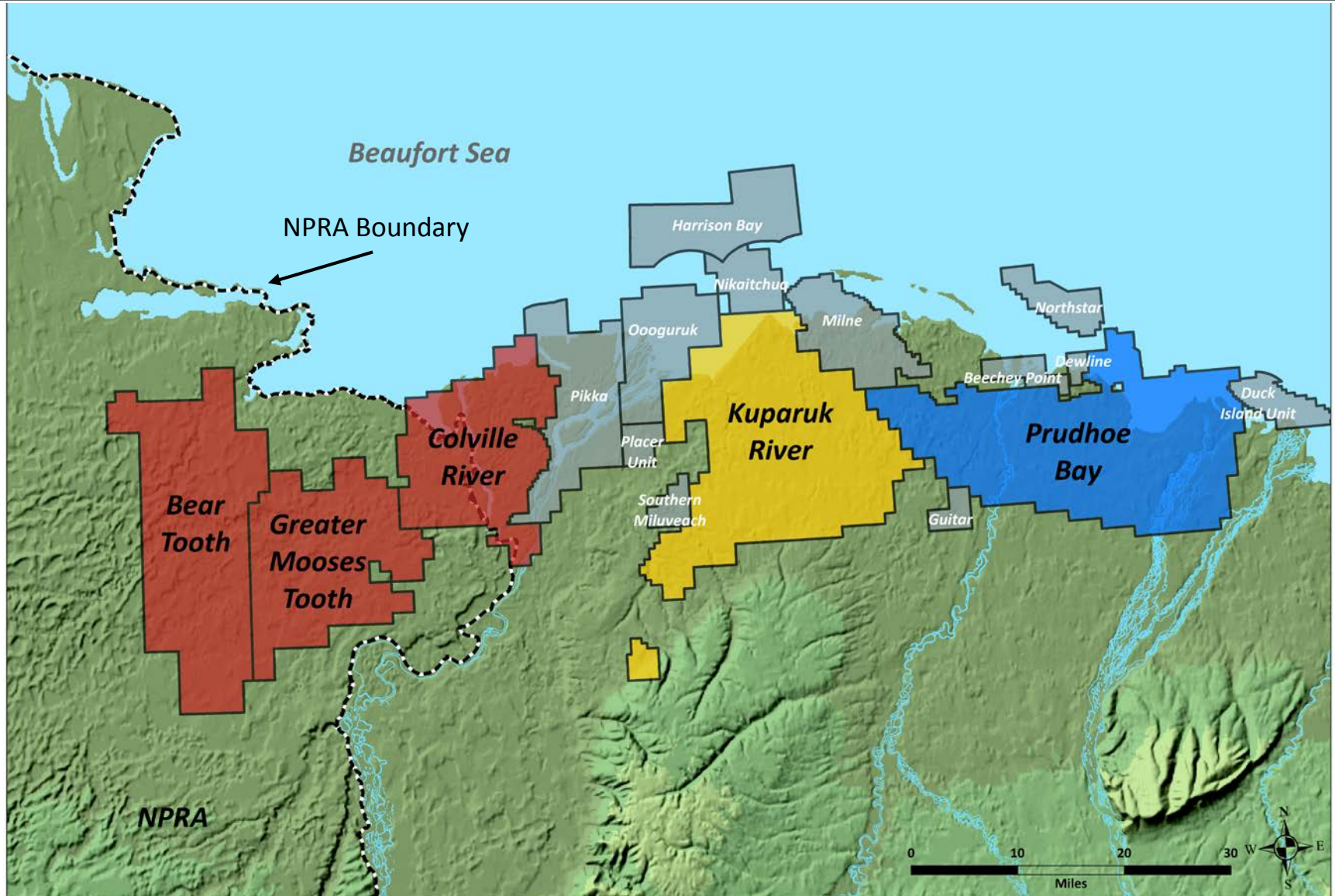
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But First – Safety: Making the Next Step-Change



Advancing Our Culture: Focus On Learning

North Slope State and Federal Units



ConocoPhillips Operated Assets

■ Western North Slope ("WNS") - 100% WI
 ■ Kuparuk River - 52-55% WI

Non-Operated Assets

■ Prudhoe Bay - 36% WI
 ■ Non-COP Units

Pipeline of Projects on the Western North Slope

GMT1

- ~ 25,000-30,000 BOPD*
- First oil planned late 2018
- ~700 construction jobs
- ~\$1 billion gross

GMT2

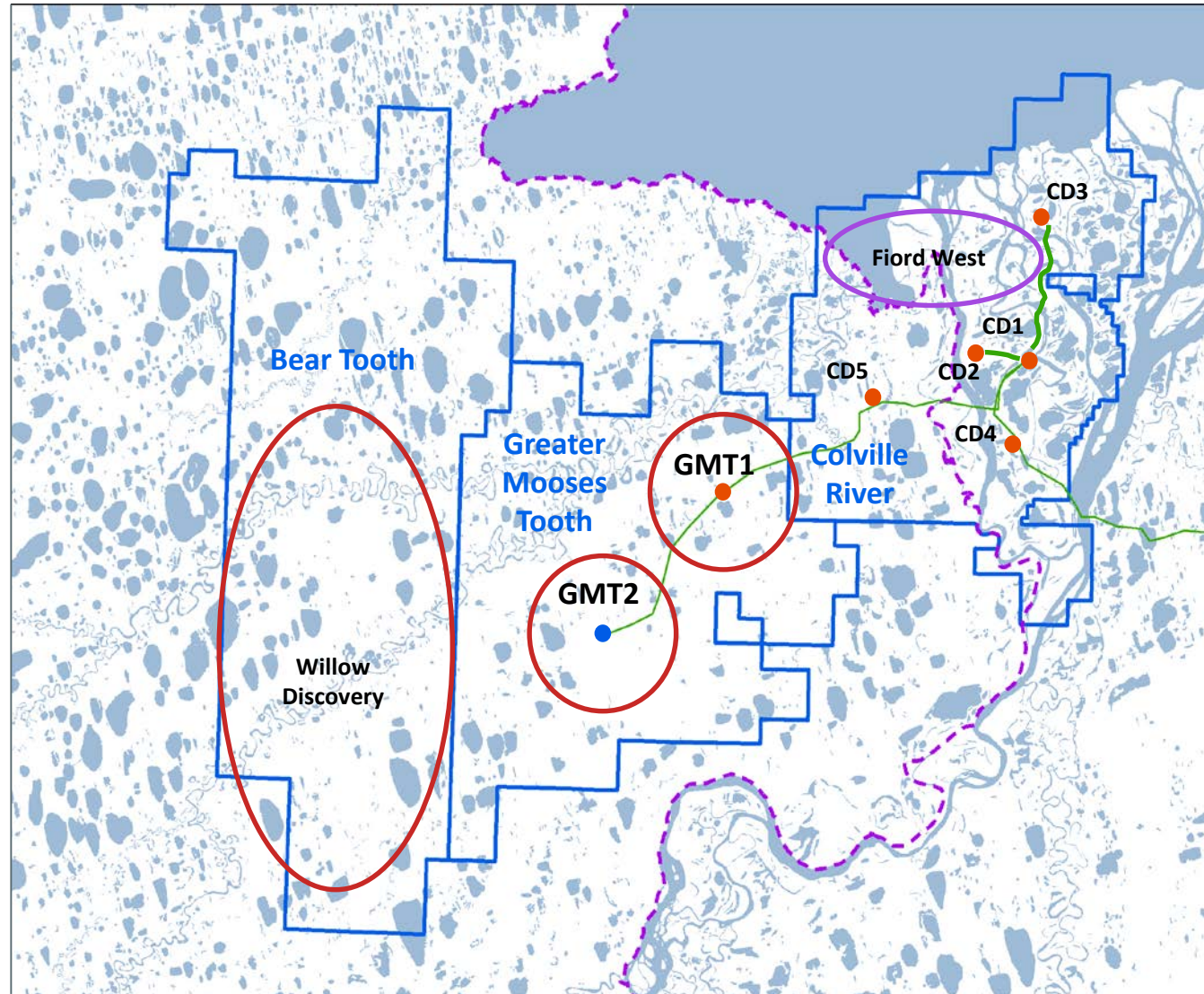
- ~25,000-30,000 BOPD*
- First oil planned late 2021
- ~700 construction jobs
- ~\$1.5 billion gross

Fiord West

- ~20,000 BOPD*
- First oil planned Aug 2020

Willow Discovery

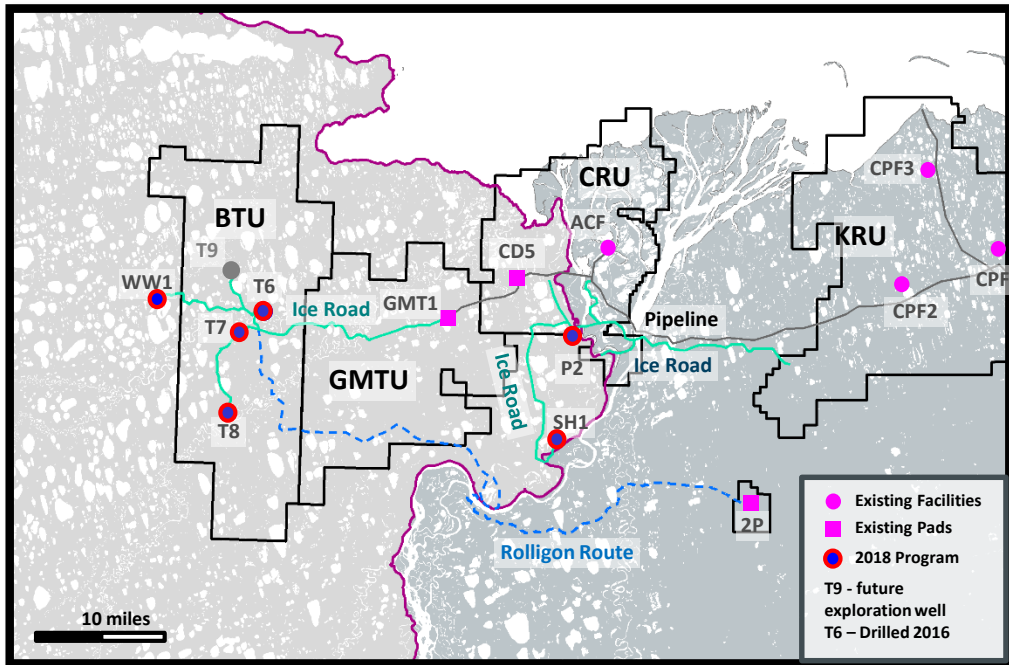
- ~100,000 BOPD*
- Multi-billion dollar investment
- Potential for hundreds of direct jobs, thousands of construction jobs



Your Support Matters – GMT2 Comment Ends May 7, 2018

*Estimated peak gross production.

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

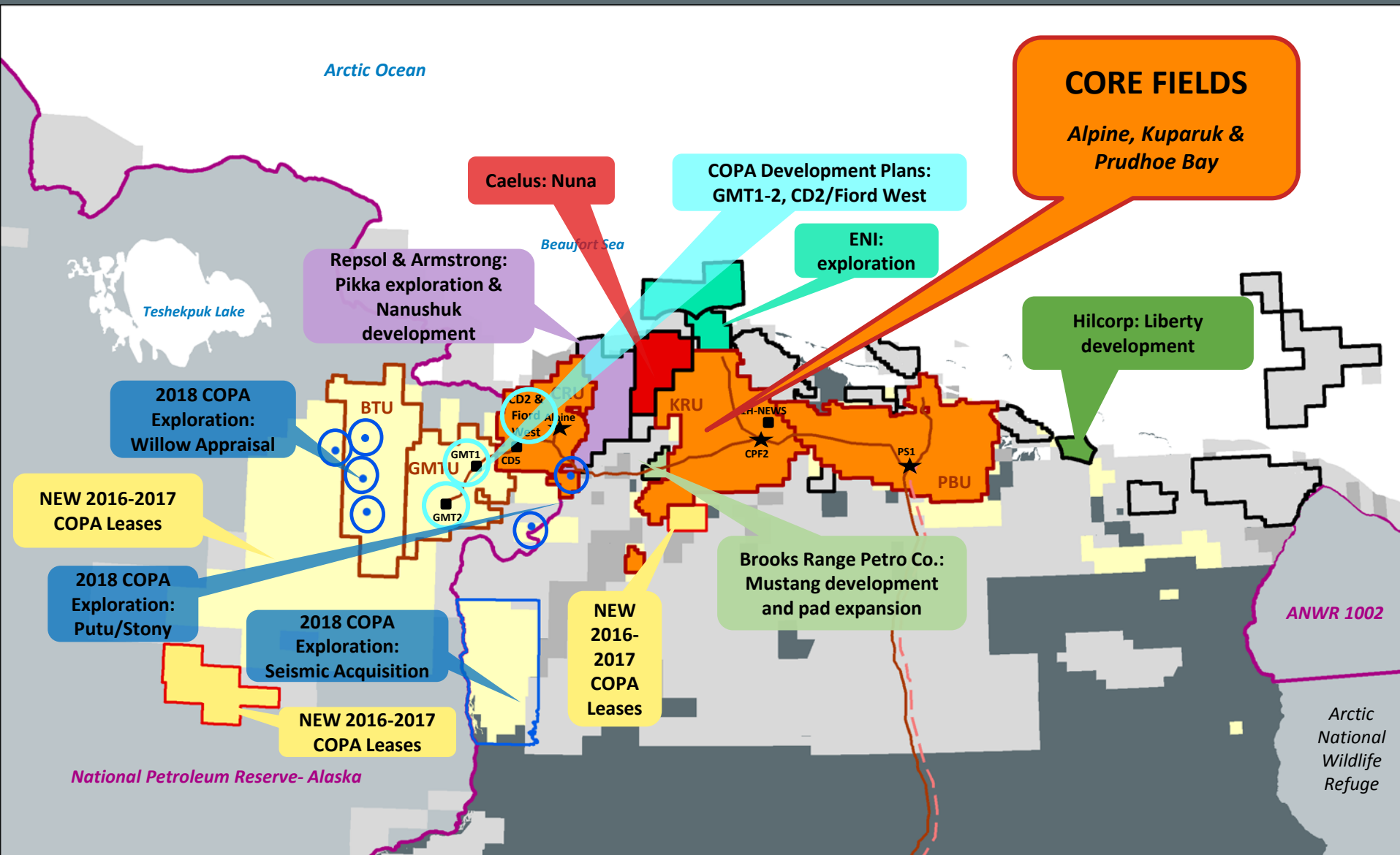
Putu (P2) exploration (ASRC/State subsurface and Kuukpik surface)

- 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

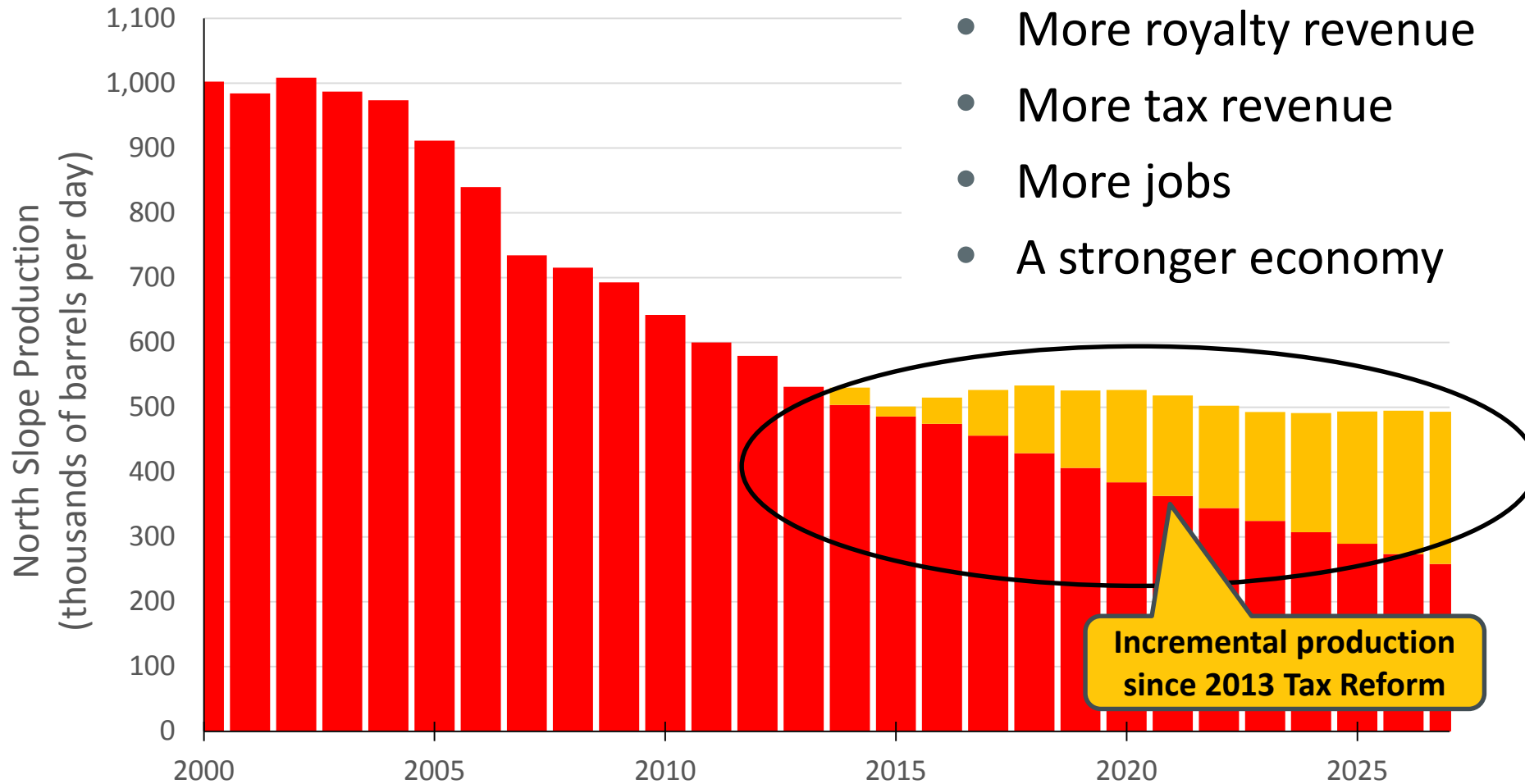
Largest Exploration Program Since 2002

Robust North Slope Investment Outlook



Hundreds of Thousands of New BOPD and More than ~\$13 Billion in Capital

Reversing the Decline

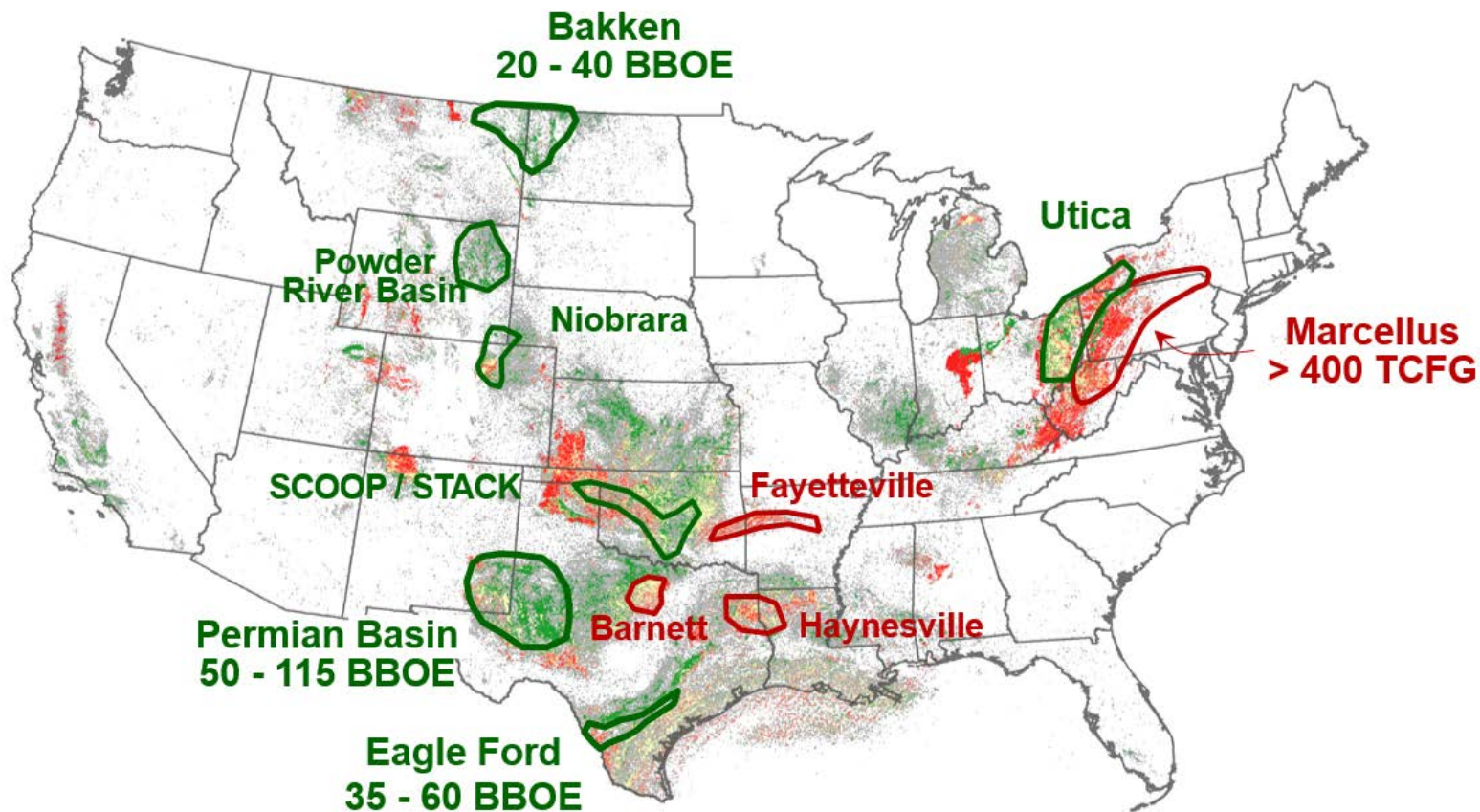


- More oil production
- More royalty revenue
- More tax revenue
- More jobs
- A stronger economy

North Slope Production is Up...Tax Reform is Working!

Unconventional North American Fields are Alaska's Competition

- Enormous resource potential
- Tens of thousands of drilling opportunities
- Lower cost of supply
- Closer to market
- Easier to permit
- **Stable fiscal policies**



Investment – How Do We Break it Out

2017 capital spend: over \$800 million net

- Maintenance capital ~ \$200MM: primarily legacy fields
- Discretionary capital ~\$600MM: exploration and development projects

Operating expense: ~\$1 billion net

- Salaries, facilities, keeping the lights on
- Opex highly dependent on capital

What does our budget do?

- Spend with ~840 Alaska companies
- GMT1 and exploration capex accounted for 1,100 jobs this winter

We're in the game – costs have come down



Investing in Alaska's Future

- Oil and gas investment leads to more revenue and jobs for the state – and there is significant opportunity
- Oil and gas investment is part of the long term budget solution
- Leaving the core tax structure has enabled us to invest in Alaska like we're doing this winter
- **Key to ensuring continued investment is a stable, competitive fiscal framework**



Elections Matter: Ask Candidates What They Are Doing to Maintain a Stable, Competitive Investment Climate

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, regulation, litigation, permitting time and jeopardize existing projects with the potential to **stop future projects**
- Won't just affect our industry, but also **development of roads, mines, ports, and other infrastructure**
- Contributions to the initiative are coming from **Outside environmental** interests:
 - New Venture Fund, Wash. DC
 - Wild Salmon Center, Portland OR
 - Wealthy donors from NY, CA & FL
 - Trout Unlimited
- **Alaska already has a robust, science-driven permitting system in place** driven by numerous federal and state acts
- Supreme Court decision pending



Supplier Value Proposition

- Safety Performance
- Proven Quality/Delivery Track Record
- Technical
 - Innovative product/service offerings
 - Experienced personnel/workforce
 - Past Arctic experience (North Slope Preferred)
 - Scope or Work execution plan
- Commercial viability
 - Transparency to costs
 - Performance based commercial models
- Suppliers that create market competition
- Alaska resident hire

How Does a Supplier Get On The Radar?

- Being pre-qualified from previous work or bids
- Maintaining visibility in the industry you compete in
- Quality internet visibility
- Good references
- The Alaska Supply Chain team will facilitate meet and greet sessions to new suppliers that have viable product or service offerings that are applicable to our current scope of work

Questions?

Coiled Tubing Drilling

~23% of Kuparuk Production

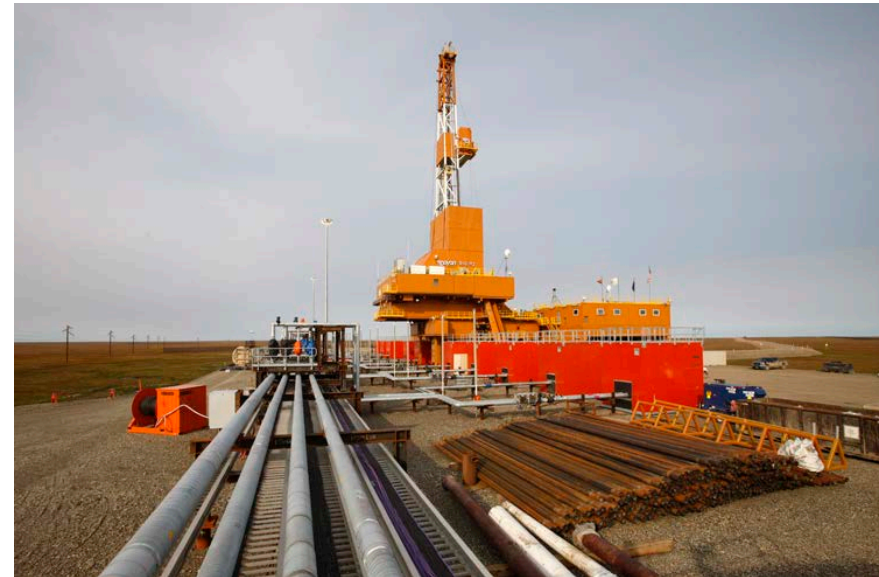
- ~19,000 BOPD
- 136 wells since 2009
- Cost competitive portfolio
- 2018 winter program ongoing in WNS



Rotary Drilling

Delivering Results

- Delivered most difficult wells ever drilled
- Drilled the two longest wells in Kuparuk
- Delivered first penta-lat well at West Sak
- Continued to improve project economics

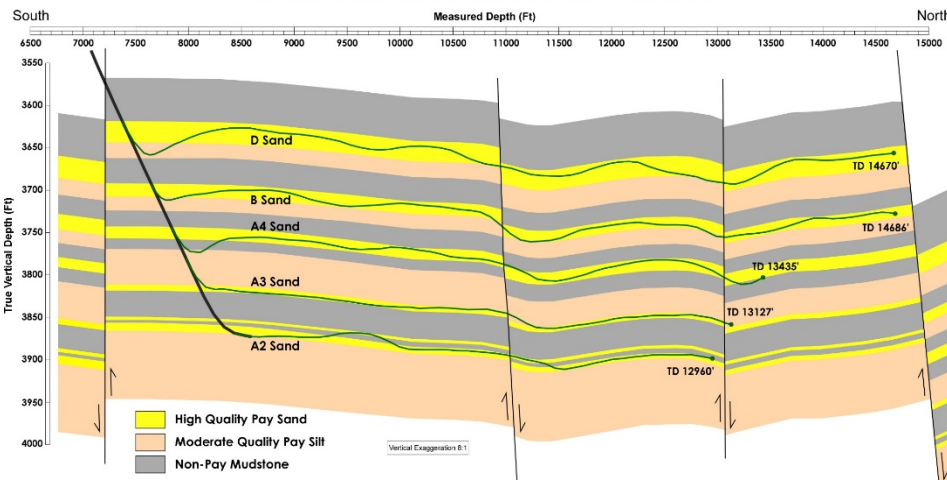


1H NEWS – Startup Two Months Early in November



1H-102 West Sak Penta-Lateral Producer

- Estimated peak gross production 8,000 BOPD (2018)
- 19-well development, 2 of 4 producers online
- Expanded existing 1H drilling pad
- About \$400 million to develop
- 150+ peak construction jobs
- **Highest producing West Sak well**



First rotary penta-lateral well in the state with access to all laterals

Update on CD5 – Fifth Alpine Drill Site

CD5 initial development

- Drill site to access the western extension of the Alpine reservoir in the NPR-A
- First oil on October 27, 2015
- 700 jobs during two winter construction seasons
- \$1.1 billion gross to develop

First extension of CD5 (CD5X)

- Completed in 2017 winter season
- Increase from 15 to 33 wells
- No footprint expansion
- Delivering 36,000 BOPD vs 16,000 original est.
- Reaching 18,000-28,000-ft with current rig
- \$190 million gross

Second extension planned (CD5X2)

- Addition of 10 more well slots
- No footprint expansion
- First oil planned June 2019
- \$240 million gross

