

The Case for Investing in Alaska

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Cautionary Statement & Safe Harbor

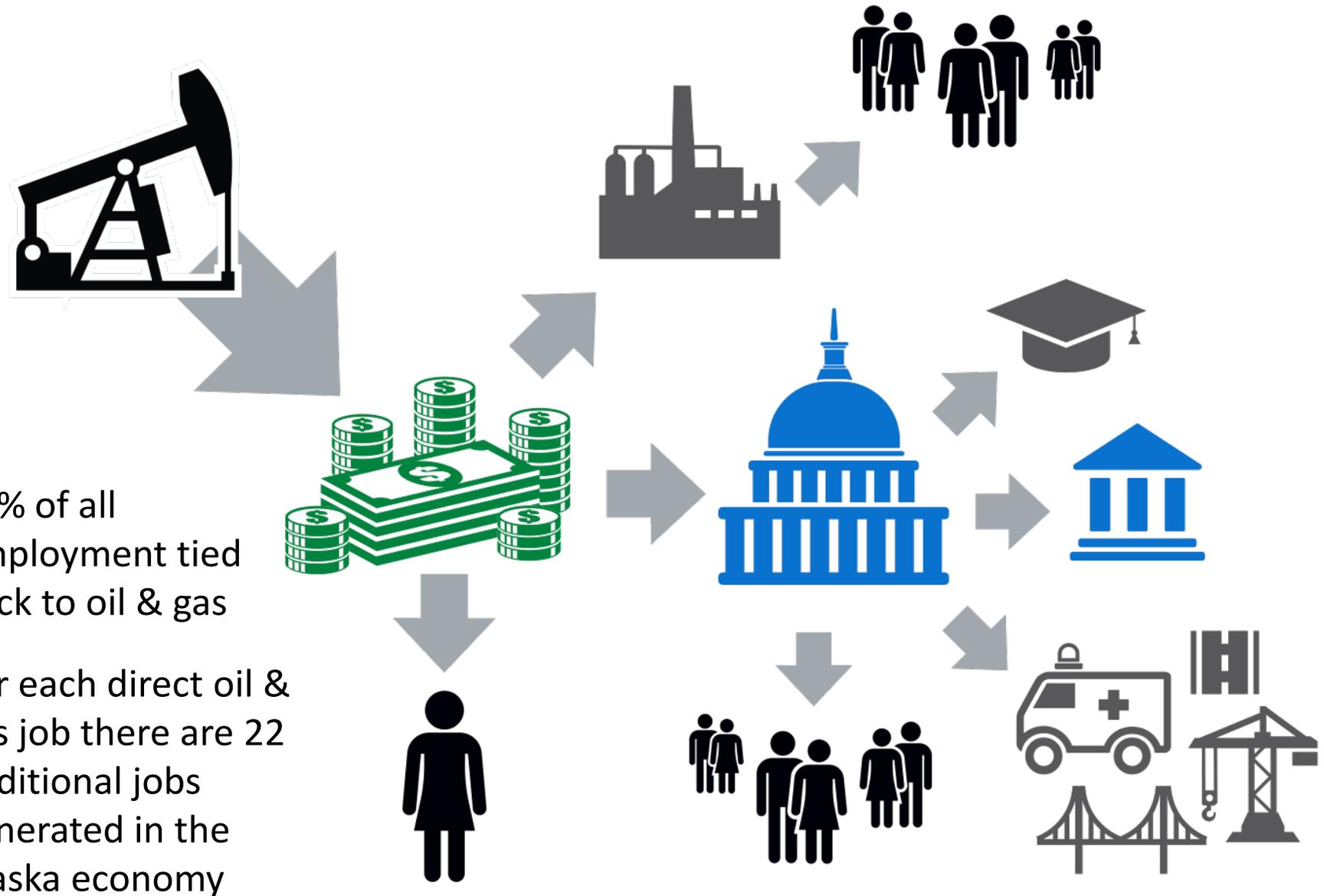


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Economic Impact of the Oil & Gas Industry in Alaska



- 32% of all employment tied back to oil & gas
- For each direct oil & gas job there are 22 additional jobs generated in the Alaska economy

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

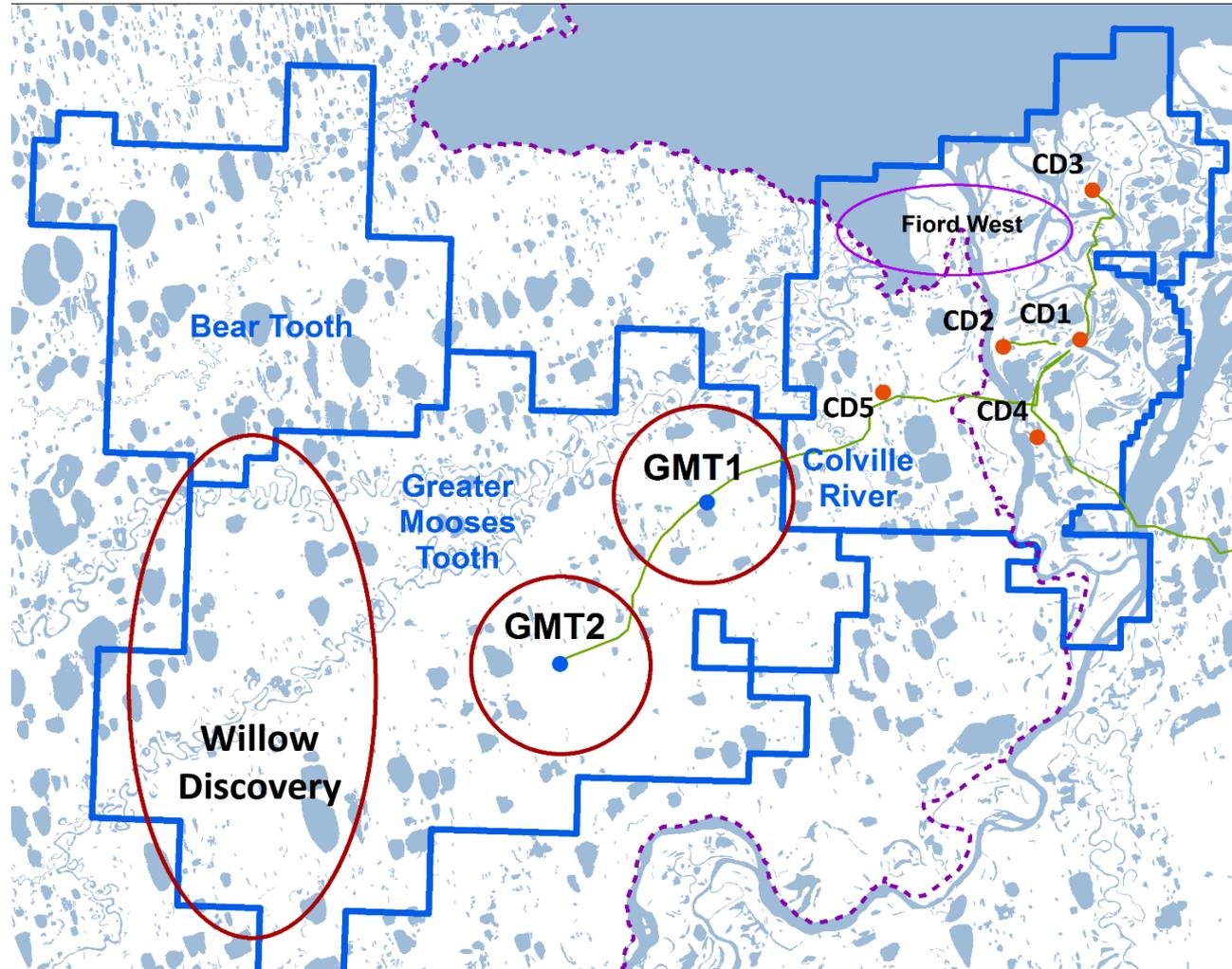
- ~25,000-30,000 BOPD*
- First oil planned late 2021
- ~700 construction jobs
- ~\$1.5 billion gross

Fiord West

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

Willow Discovery

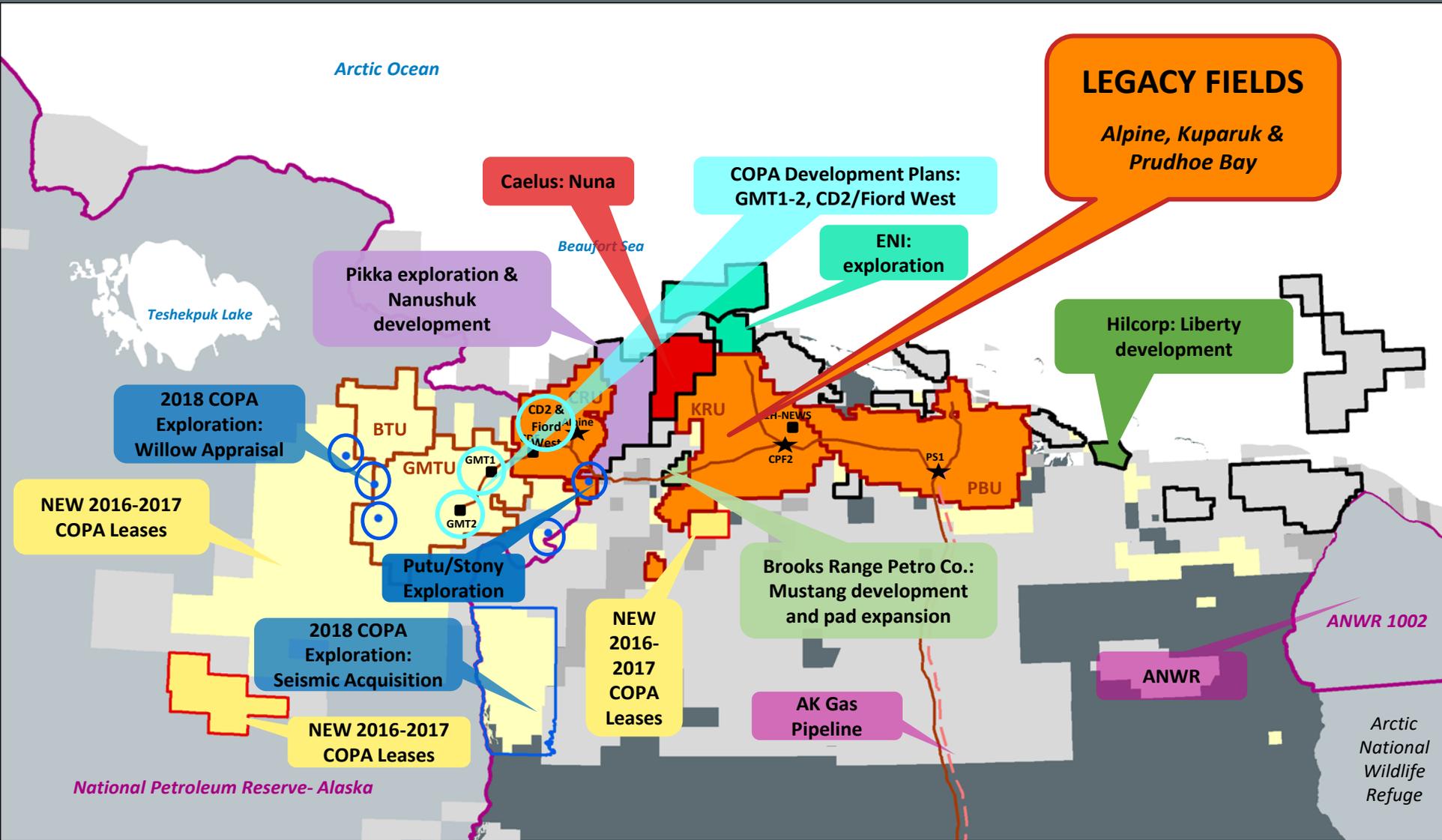
- ~100,000 BOPD*
- First oil possible as soon as 2023
- Multi-billion dollar investment
- Potential for hundreds of direct jobs, thousands of construction jobs



Your Support Matters – GMT2 Comment Period Coming Soon



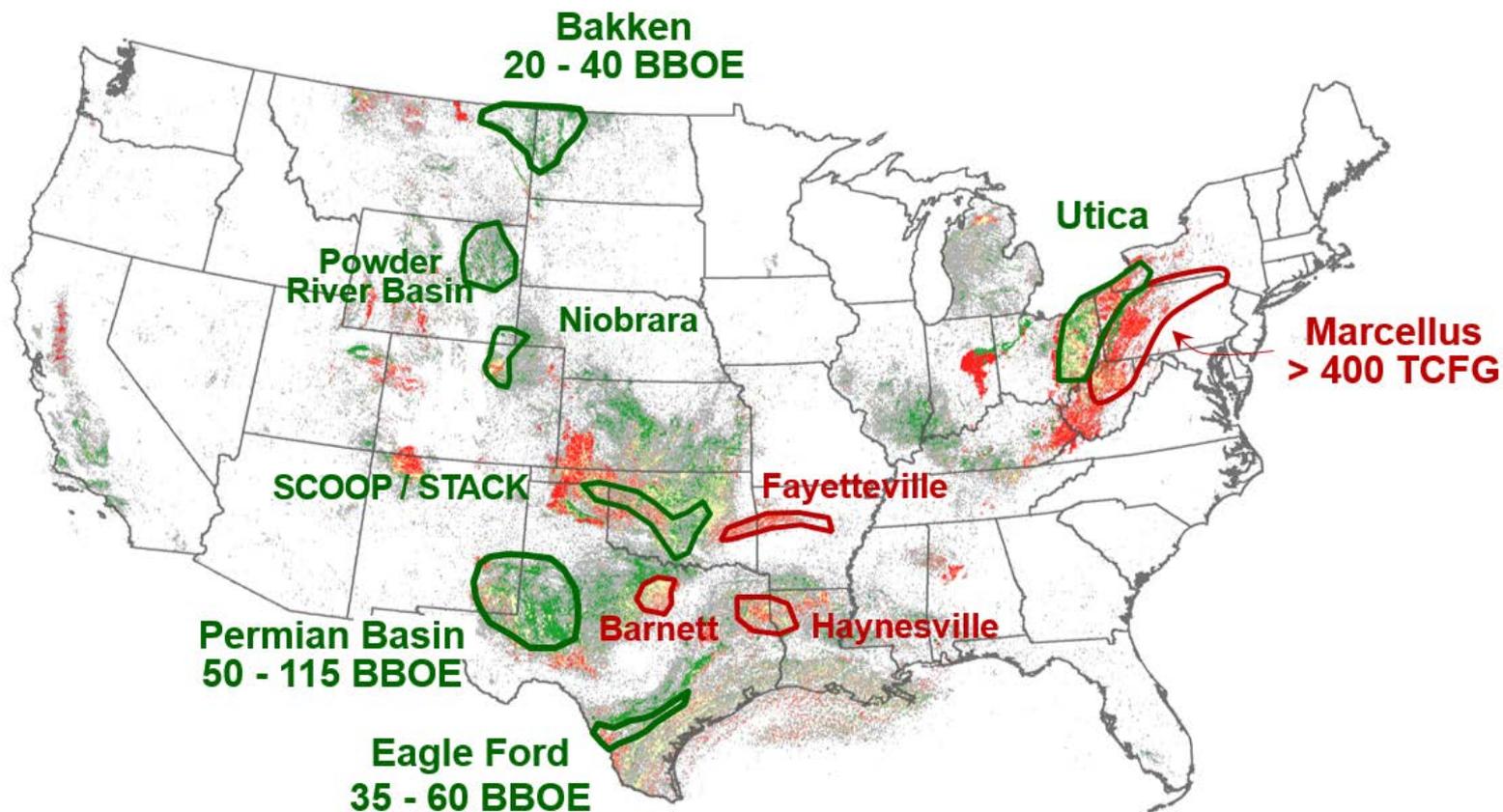
Robust North Slope Investment Outlook



Industry Projects Representing ~400,000+ BOPD and over \$13 Billion in capital

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

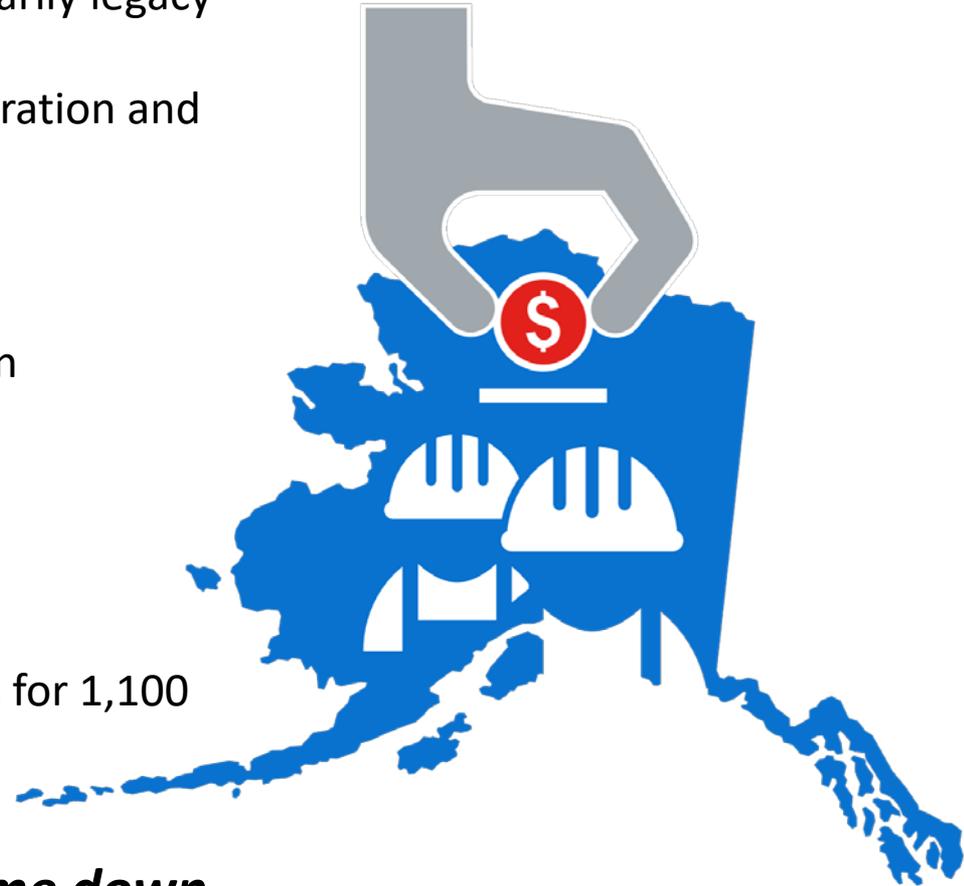
- Maintenance capital ~ \$200MM: primarily legacy fields
- Discretionary capital ~\$600MM: exploration and development projects

Operating expense: ~\$1 billion net

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

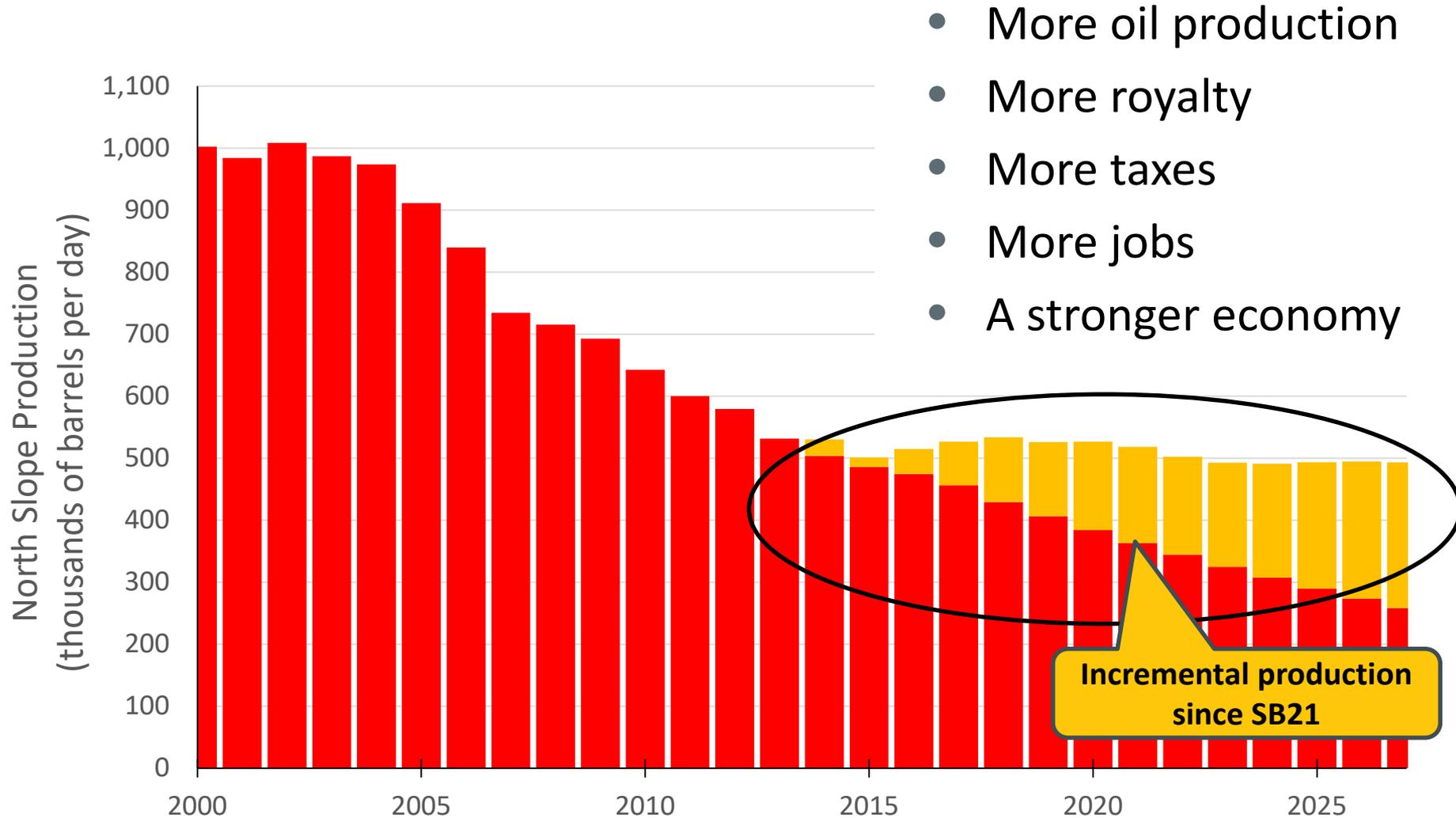
What does our budget do?

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



We're in the game – costs have come down

Reversing the Decline



North Slope Production is Up... SB21 is Working!

Investing in Alaska

- 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