Mega Project Experience and Execution

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Recent ConocoPhillips Mega Project Experience

Qatargas 3

Australia Pacific LNG

Bayu Undan

Ekofisk

Surmont 2

Bohai Bay
Project Background
• New LNG mega-train with a capacity of 7.8 MTA
• Three unmanned platforms, 33 wells and two subsea pipelines

Success Factors
• Strong relationship with host government
• Effective JV marketing by leveraging collective IOC know-how
• Delivered and operated by the JV development team to capture best practices and synergies

Equity: Qatar Petroleum 68.5%, ConocoPhillips 30%, Mitsui & Co. Ltd 1.5%
**Project Background**
- Over 1,000 wells drilled and commissioned
- LNG facility with two gas production trains (9 MTA capacity)

**Success Factors**
- Strong JV partnership with diverse operational knowledge, including marketing
- Designed to minimize environmental impact (water, footprint, wildlife)
- Proactive engagement and early alignment with state and federal authorities

Equity: Origin Energy 37.5%, ConocoPhillips 37.5%, Sinopec 25%
Mega Project Critical Success Factors

• Address issues between owners and governments **early**

• Right **people**

• Mature **engineering**

• Clearly defined **procurement** plans

• Integration of **construction** players (prime and subcontractor)

• Balanced **contract** and execution strategy

• Realistic **P50** cost and schedule
Alaska LNG Project

Project Status

- Pre-FEED technical work progressing
- Commercial and fiscal negotiations underway
- Current market creates economic headwinds

Potential North Slope Gas Treatment Plant

LNG Plant Conceptual Layout

Summer Field Season: Gathering Environmental and Geological Data
Alaska LNG Project Challenges (Pre-FID)

- Commercial agreements between all CoVs, including State of Alaska
- Certainty around fiscal terms
- FERC/State permitting issues
- Global LNG project competition
AKLNG Project Challenges (Post-FID)

Complex project

• Gas Treatment Plant summer sea lifts and North Slope construction

• Pipeline – 800-mile, large-diameter pipeline across sensitive and difficult terrain

• Cook Inlet crossing

• Jetty construction/location

• New wells and facilities at Point Thomson and Prudhoe by-product handling/disposition

Integrated execution:

Logistics, infrastructure, fabrication and labor
Summary

• Project management fundamentals are key to success

• Strong relationships with key stakeholders can never be overlooked – engage early and often

• Leverage CoV/partner strengths to achieve desired outcome

• Commercial and fiscal agreement between all parties early in the project is critical