



# Investment in Action

Resource Development Council  
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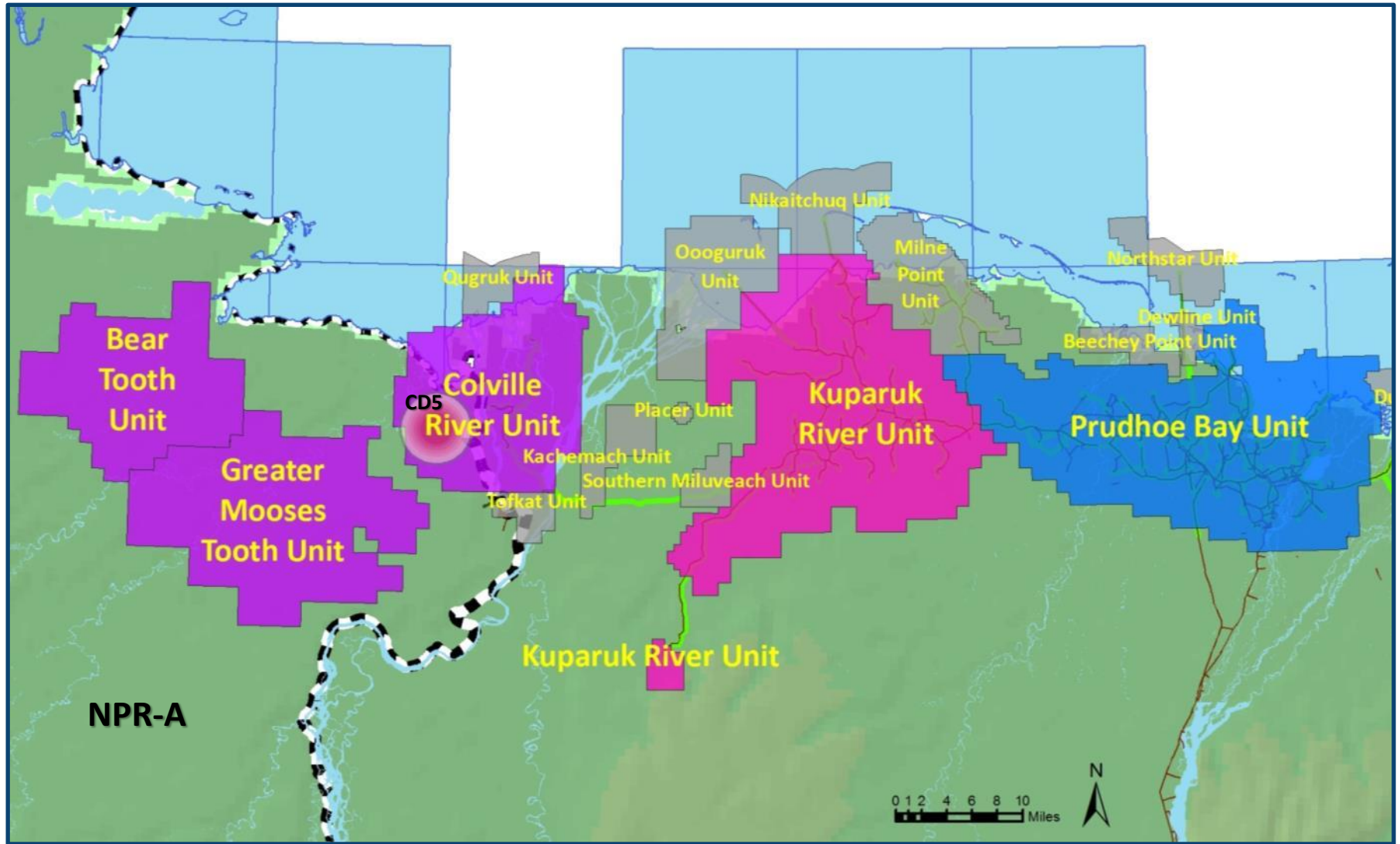
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# ConocoPhillips North Slope Assets



Western North Slope ("WNS") – 78% WI

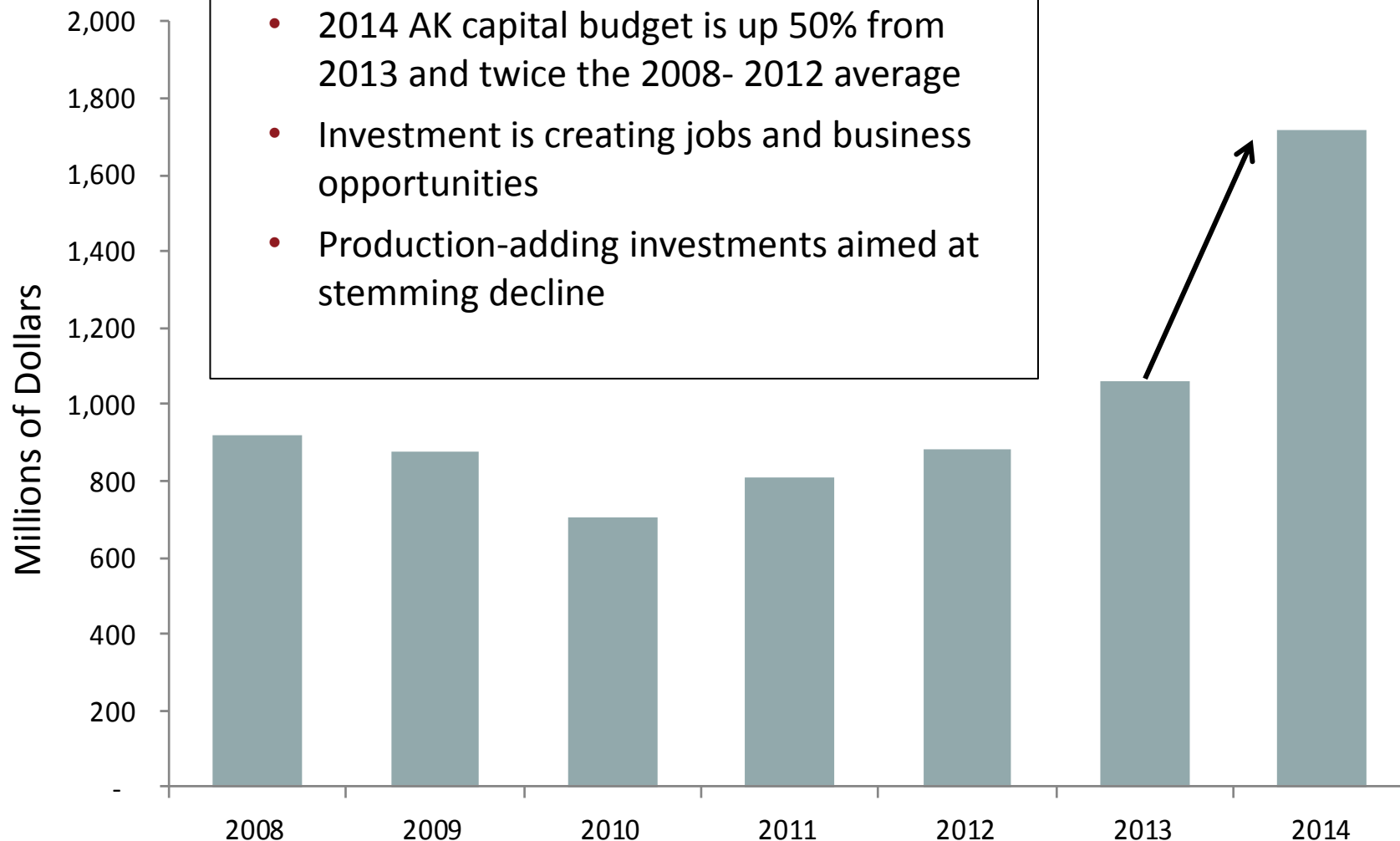
Kuparuk – 52-55% WI

Prudhoe – 36% WI

# ConocoPhillips Alaska Capital Budget

## Capital Spending Increasing

- 2014 AK capital budget is up 50% from 2013 and twice the 2008- 2012 average
- Investment is creating jobs and business opportunities
- Production-adding investments aimed at stemming decline



# Oil Price and Development Plans

- Drop in oil prices tends to drive reduced expenditures across the oil industry
- ConocoPhillips has a high quality portfolio and capital flexibility
- Our 2015 global capital budget expected to be less than 2014
- Our Alaska projects announced since SB 21 passed are still on track

**Brent Crude Oil Price  
Performance in the last 10 years**



Data Source: U.S. Energy Information Administration

# CD5 Development Progress

- CD5: On Schedule – On Budget ~\$1 billion
- Successfully Completed
  - 6-mile gravel access road and pad
  - Three smaller bridges
- Ongoing Activity:
  - Nigliq Channel Bridge Completion—Launch Underway
- Planned Activities 2015
  - Pipeline and power line installation
  - Drilling
  - Installation of production facilities
- Employment
  - ~600 North Slope jobs required during two winter construction seasons
  - Major fabrication activities in Anchorage and Fairbanks
- First Oil estimated late 2015
  - Estimated Peak Production 16,000 BOPD (gross) in 2016



Bridge Construction



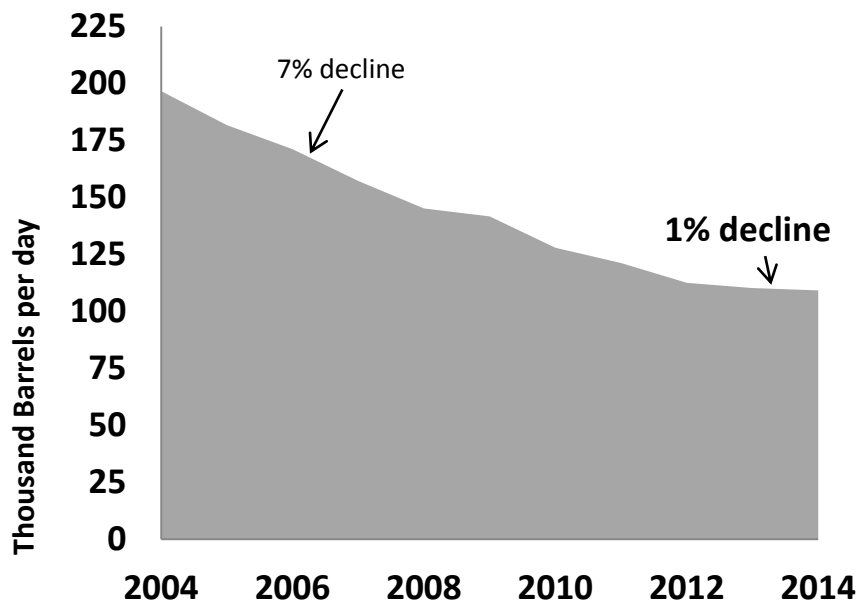
# Rigs Added to Kuparuk

- Nabors 7ES
  - Began drilling summer 2013
  - Approximately 100 direct and hundreds more indirect jobs
- Nabors 9ES
  - Began drilling in 2014
  - Approximately 100 direct and hundreds more indirect jobs
- Additional Drilling Has Added ~8,000 BOPD (gross) as of September, 2014
- In July: Announced Contract with Doyon Drilling for New-Build Rig (Doyon 142)
  - Slated to begin drilling wells in early 2016
  - First new-build rotary rig added to Kuparuk's rig fleet since 2000

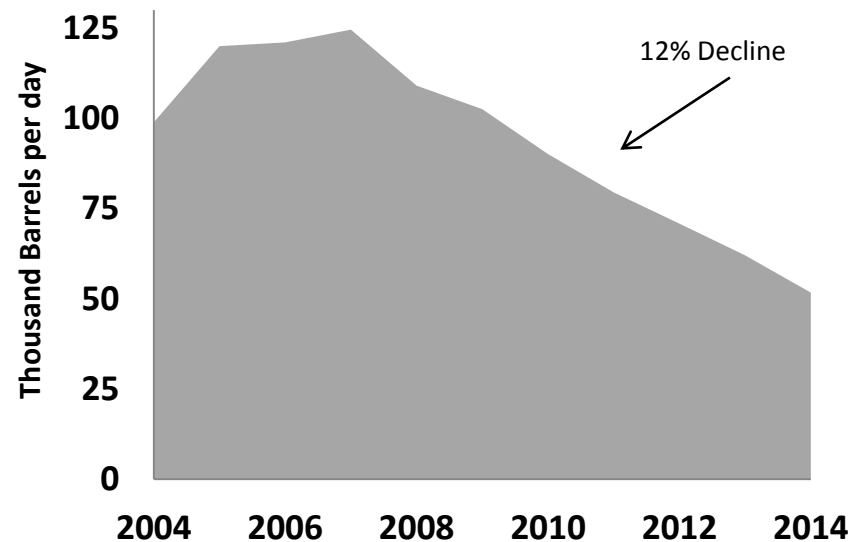


# Stemming the Decline – Requires Investment

## Greater Kuparuk Area – Gross Crude Production



## W. North Slope/Alpine – Gross Crude Production

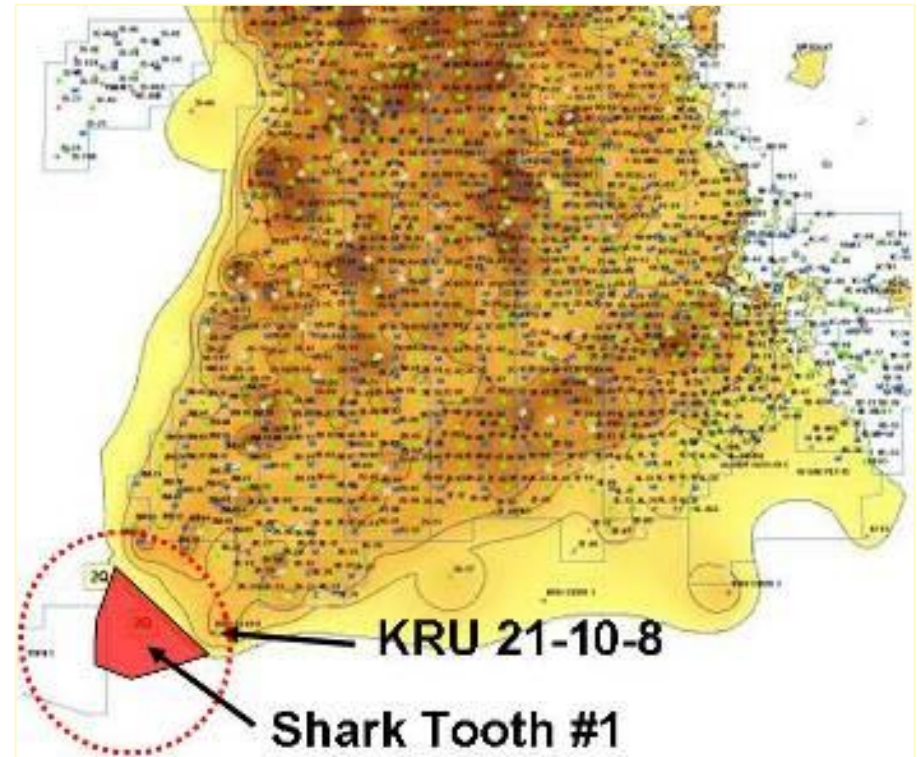


- Kuparuk production has flattened with addition of rigs
  - Also adding DS 2S/Shark Tooth and 1H NEWS—should have an impact 2016+
- New projects to offset WNS/Alpine decline
  - CD5 online late 2015
  - GMT1 targeted online late 2017 (dependent on timely, acceptable permits)



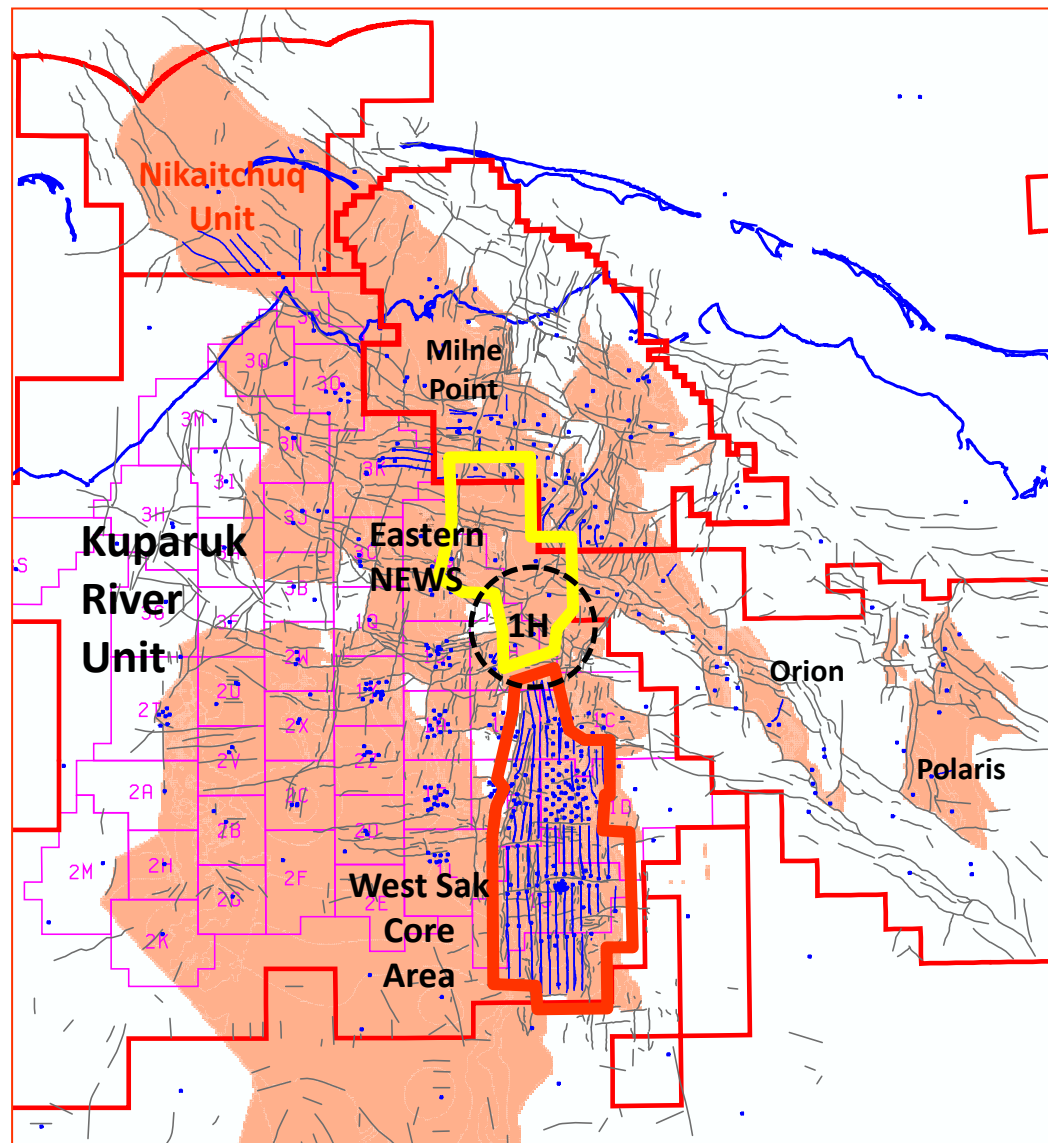
# Kuparuk Drillsite 2S (Shark Tooth) Approved for Construction

- New drill site development targeting thin sands on the periphery of the field
- Peak workforce during construction: estimate 250+ jobs in 2015
- Approximate cost to develop: ~\$500 million (gross)
- Estimated peak production: 8,000 BOPD (gross) in late 2015



# Kuparuk 1H NEWS Viscous Oil Project

- Additional surface facilities and ~19 new wells
- Approximately \$450 million (gross)
- Estimate first oil early 2017; estimated peak monthly rate ~8,000 BOPD (gross)
- Peak workforce during construction ~100
- Anticipate funding approval early 2015



# Greater Mooses Tooth 1 (GMT1) – Development Overview

## Project Summary

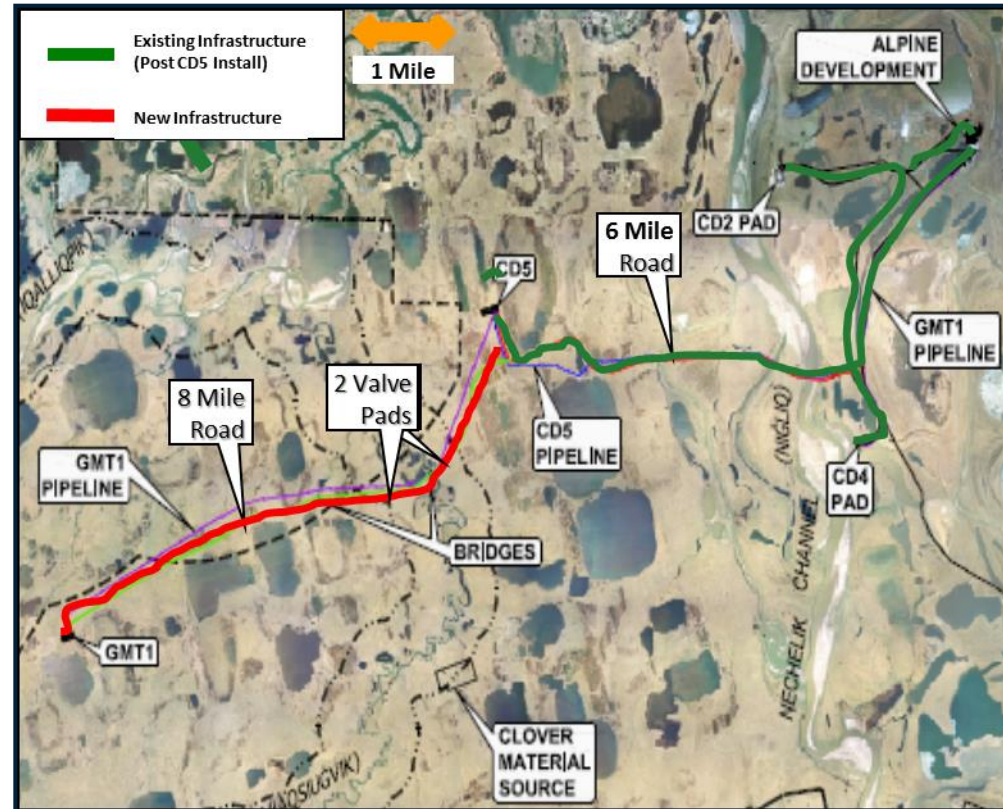
- Estimated cost ~ \$900 million gross
- First oil proposed late 2017 – peak monthly rate approximately 30,000 BOPD (gross)
- Estimate 500+ jobs during construction

## Proposed Facilities

- ~8-mile gravel road with 2 bridges
- Gravel well pad
- Pipeline, power and communication infrastructure

## Project Status

- Permitting on critical path
- BLM issued Final SEIS for roaded alternative October 29
- Currently pursuing wetlands permit from US Army Corps of Engineers
- Pending receipt of acceptable permits, investment decision expected in Feb 2015





# Cook Inlet Assets and Natural Gas Sales



## Kenai LNG Facility

- Began operating in 1969
- Over 45 years of reliable LNG deliveries to Asia
- Provides market outlet for surplus Cook inlet gas
- Seasonal trucking LNG to Fairbanks
- Encourages new exploration and production



**Tyonek (NCIU) Platform**



**Beluga River Unit**



# Setting the Stage for the Alaska LNG Project



# New-Build Coil Tubing Drilling Rig for Kuparuk

- Two days ago – signed a contract with Nabors Alaska for new-build rig; begin drilling in late 2016
- By late 2016, expect to have added four rigs since SB 21 passed
- New drilling will help offset North Slope decline and target challenged oil
- Should result in ~ 100 direct jobs and support hundreds of indirect jobs





# Coil Tubing Drilling Rig – Challenged Oil

Utilizing existing well bores

Multiple access points into  
reservoir

Reaching the hard-to-get oil

# Since Tax Reform Alaska is Moving in the Right Direction

- ConocoPhillips is doing its part
- Two additional rigs now on order
  - Eight rigs in the ConocoPhillips-operated rig fleet by late 2016 – was four rigs in 2007
- Plans on track for ~\$2 billion (gross) capital investment in new oil projects (GMT1, DS 2S and 1H NEWS)
- Progress on the Alaska LNG project





**Thank you**