



# Strong Future Alaska

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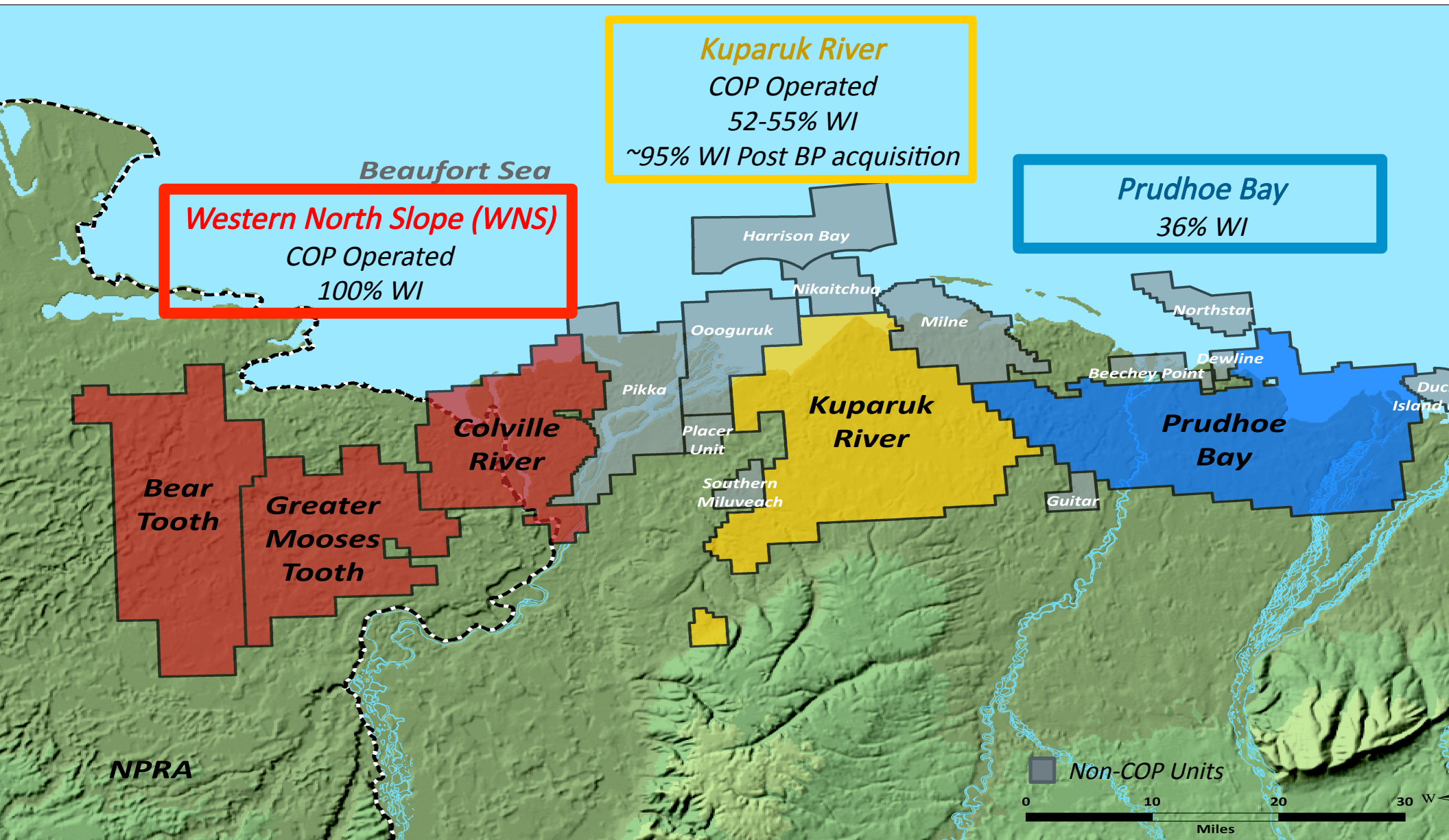
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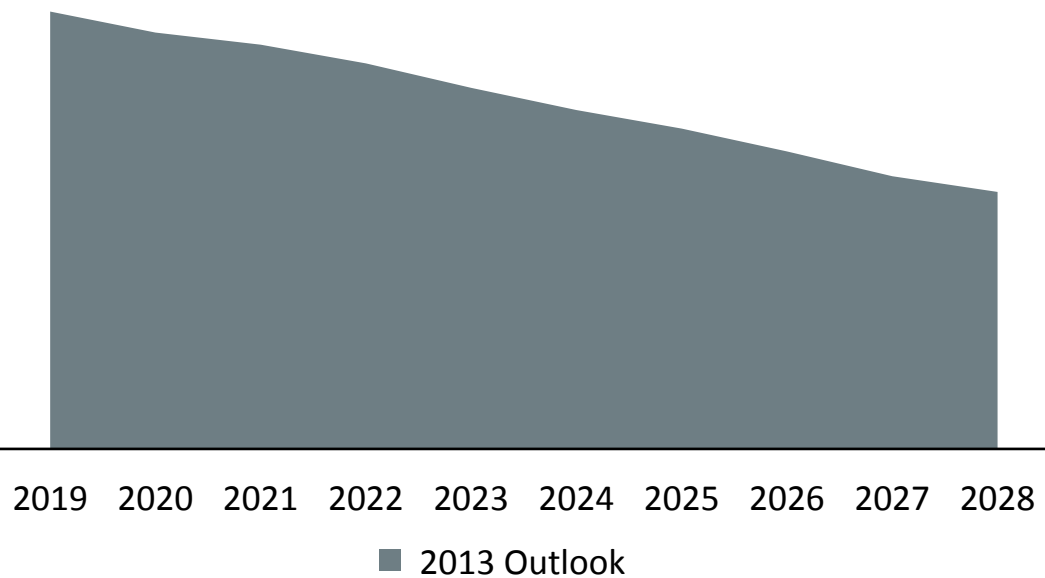
**Cautionary Note to U.S. Investors –** The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. We use the term "resource" in this presentation that the SEC's guidelines prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the oil and gas disclosures in our Form 10-K and other reports and filings with the SEC. Copies are available from the SEC and from the ConocoPhillips website.

# North Slope State and Federal Units



# 13 Alaska Outlook: Facing Headwinds

## ConocoPhillips' Alaska Outlook 2013



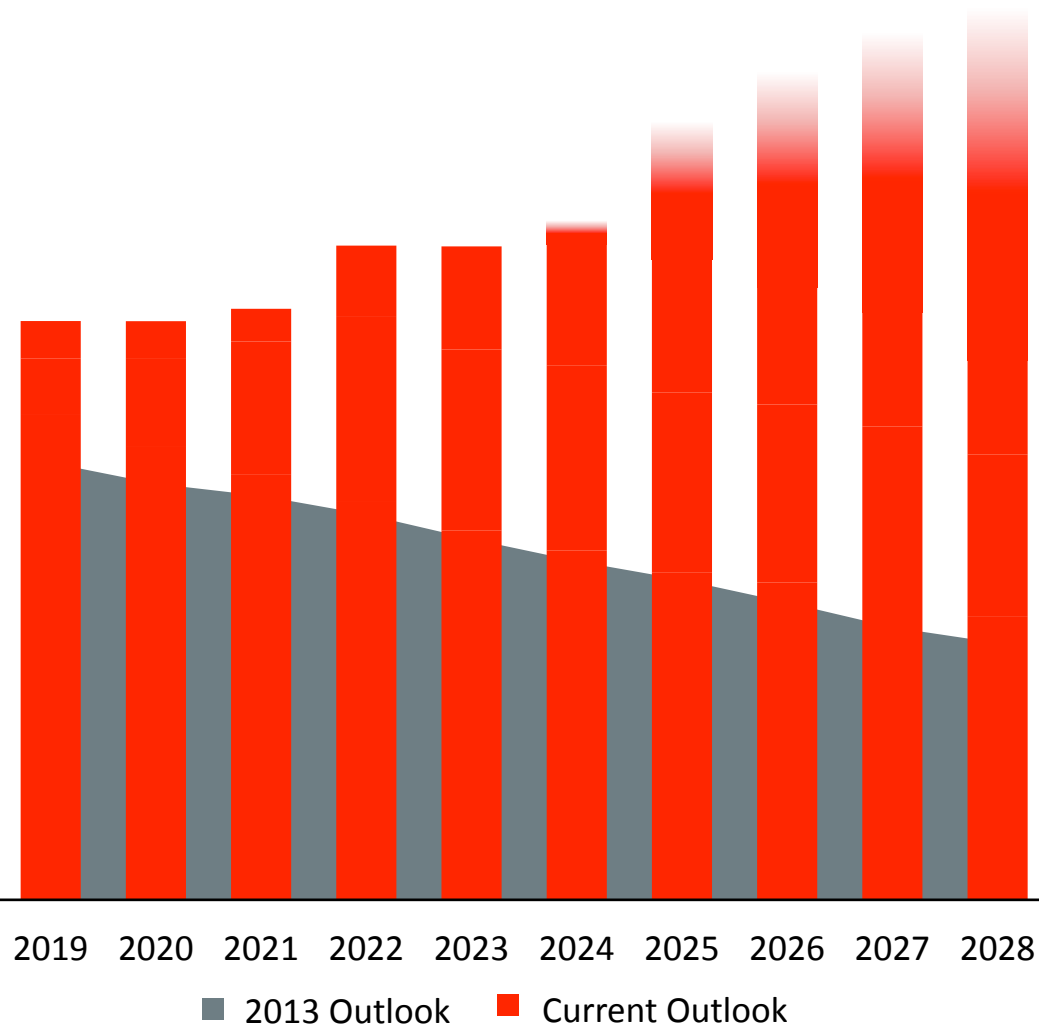
## 2013 Outlook for Asset

- Uncompetitive tax structure
- Declining production profile
- High cost of supply
- Limited investment
- Focus on Lower 48 unconventional

# Current Outlook: Strong Future Spurred by Tax Changes & CoS Focus

## ConocoPhillips' Alaska Outlook<sup>1</sup>

2013 vs. Current (including 2018 acquisitions)



## Drivers of Transformation

- Senate Bill 21 improved fiscal framework
- Technological advancements and innovation of new and bypassed resources
- Comprehensive effort to capture value from fields and infrastructure
- Renewed focus on exploration yields early success
- Company-wide focus on lowering cost of supply made Alaska competitive within the portfolio

## STRENGTHENED OUTLOOK

supported by recent strategic transactions

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 ERD)\*\*

Drilling Area  
Accessible  
from Pads

~3 sq. miles

~55 sq. miles

~154 sq. miles

\*Assumes similar reservoir depth

\*\*1970 drilling radius ~ 5,000 ft

2016 drilling radius ~ 22,000ft

Future Extended Reach Drilling (ERD) ~ 37,000 ft

# Timeline 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

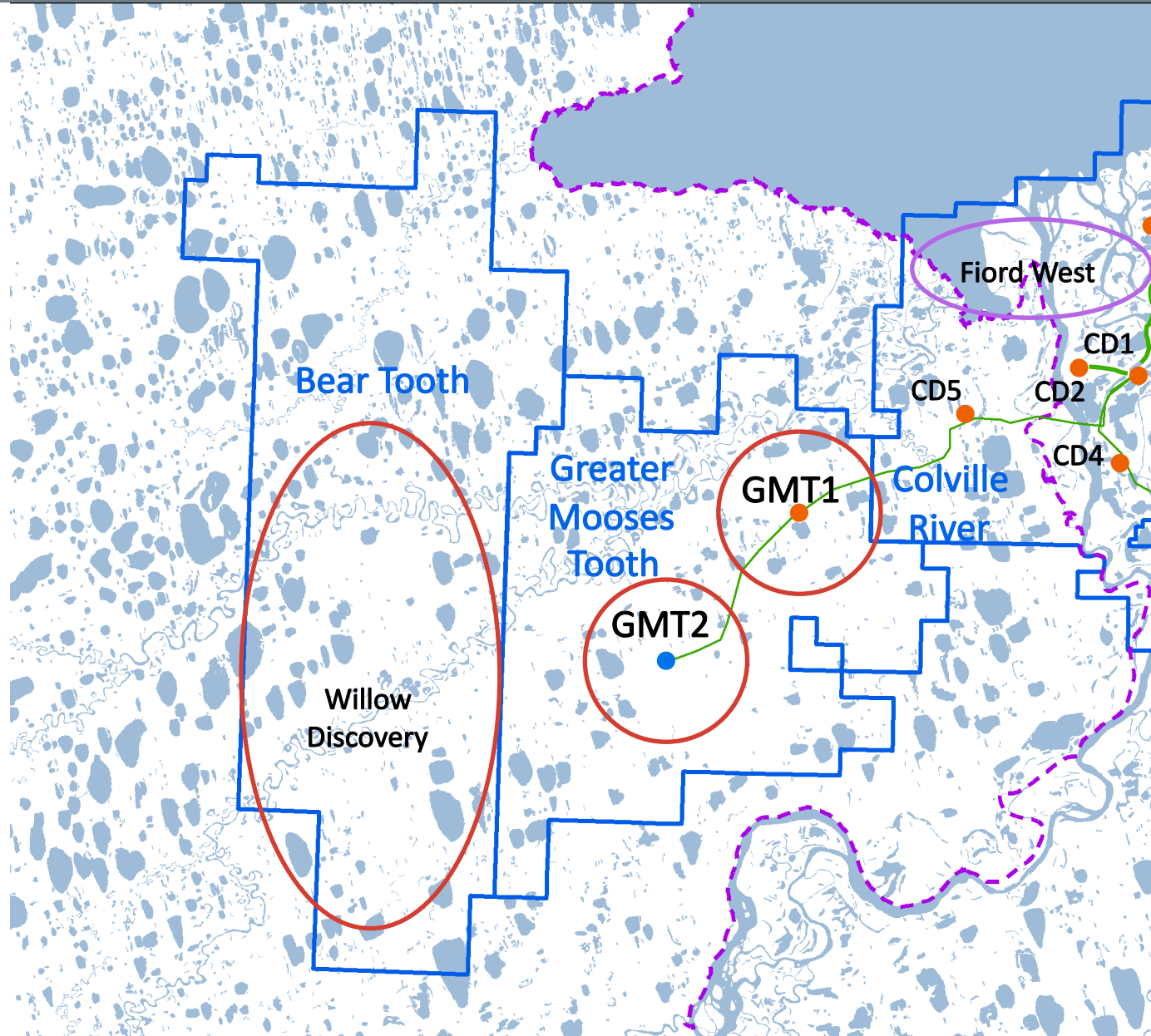
- ~38,000 BOPD\*
- First oil planned late 2021
- ~700 construction jobs
- ~\$1.5 billion gross

## Fiord West

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

## Willow Discovery

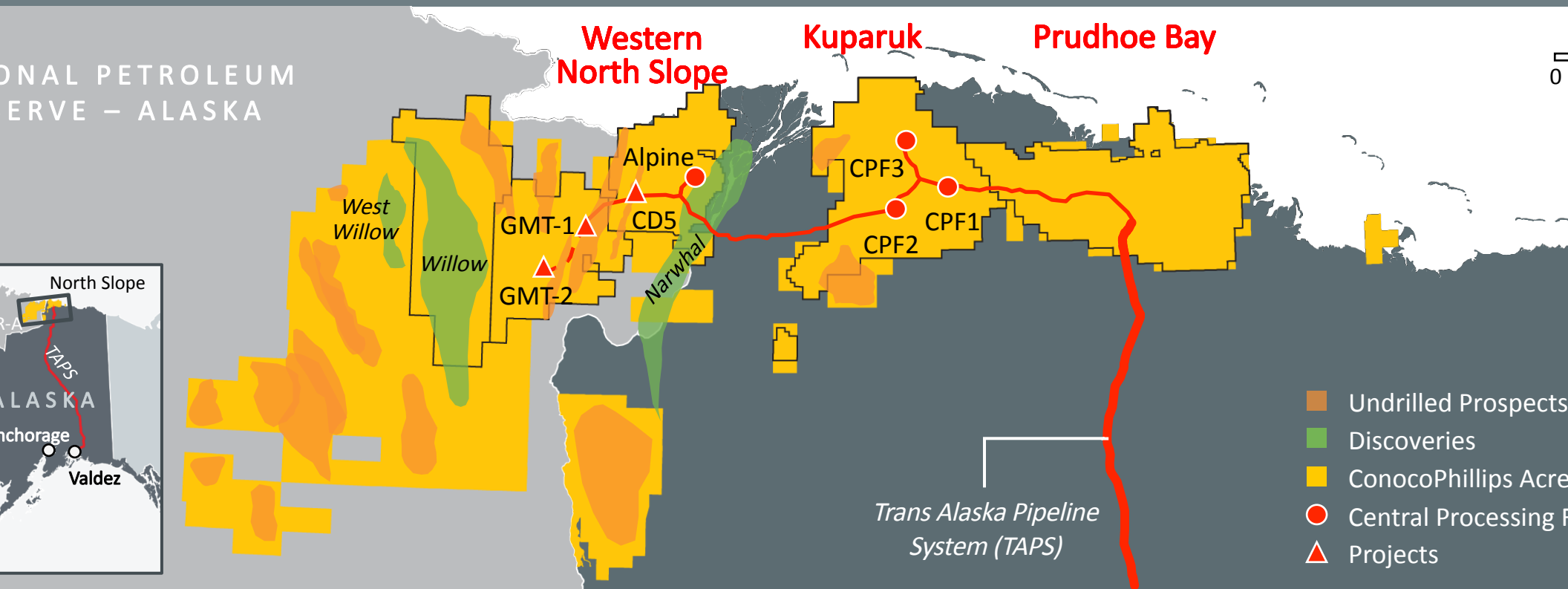
- Nominally 100,000 BOPD\*
- First oil 2024-2025
- Multi-billion dollar investment
- Potential for hundreds of direct jobs, thousands of construction jobs



\*Gross production. Updated for increased GMT2 estimate.

# R-A Discoveries Open New Westward Frontier

CONVENTIONAL PETROLEUM RESERVE – ALASKA



Industry chases deeper Jurassic targets  
 ConocoPhillips evaluates NPR-A Brookian potential

• ConocoPhillips increases working interest in Western North Slope to 100%

• 0.5 – 1.1 BBOE gross discovered  
 • 75% of the play remains to be explored

Pre-2015      2015      2016      2017      2018      2019+

Willow discovery with identified upside  
 required new 3D CSI seismic

• Acquired additional ~600M net acres for ~\$30/acre

• Executed largest E&A program since 2002  
 • Appraised Willow; explored for upside

# 2018 Exploration Program Confirms Stand-Alone Hub at Willow

## Greater Willow Area



## Preliminary Discovered Resource Range Increased

**400 – 750 MMBOE<sup>1</sup>**

current discovered resource

- 2018 Willow appraisal activities and analysis:
  - Confirmed oil-filled reservoir with 3 new appraisal wells and 3 flow tests
  - API viscosity range: 41° to 44°
  - Facility-limited vertical test rate ~1,000 BOPD
- Appraisal results combined with CSI data indicate more potential on-trend resource to north and south
- Additional oil discovery at West Willow creates possibility for tie-back to Willow hub
- 2019 Greater Willow Area appraisal season needed to optimize development plan

<sup>1</sup> Resource in Alaska since 2016.

# Significant Future Exploration & Appraisal Planned

**2019 Program Focused on Existing Discoveries**  
*Resolve Remaining Uncertainties to Sanction*

## West Willow Appraisal

- Evaluate horizontal well performance
- Determine lateral reservoir connectivity
- Appraise West Willow

## Narwhal Appraisal

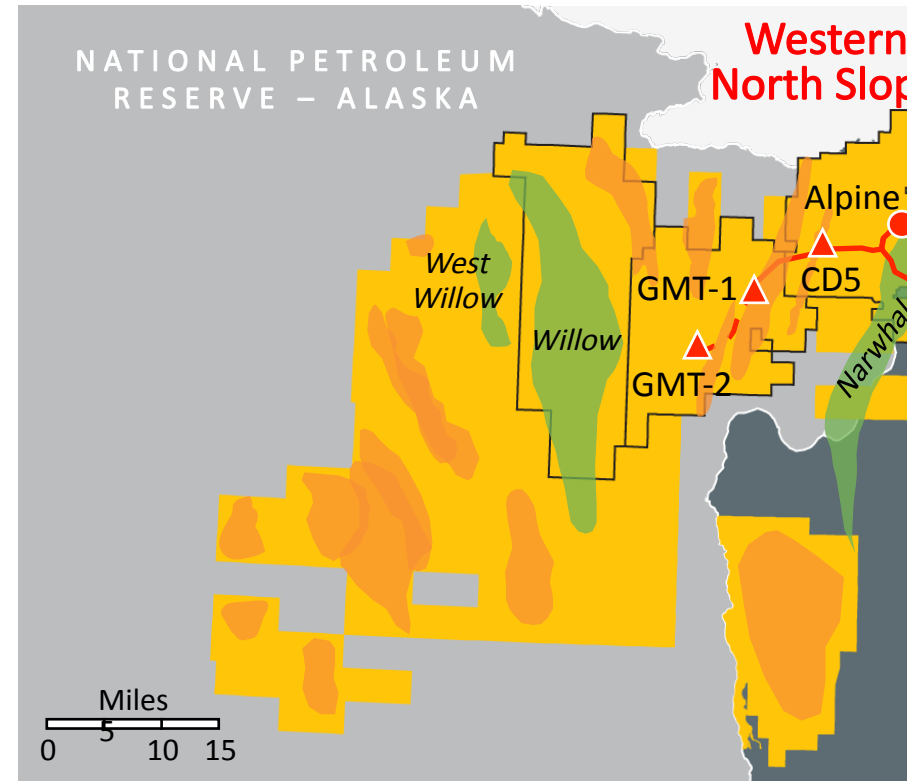
- Verify recoverable volumes
- Evaluate well performance

**500 MMBOE – 1.1 BBOE<sup>1</sup>**

discovered resource

1. Resource in Alaska since 2016.

**2020+ Program Focused on Remaining Potential**  
*Test Full Prospect Inventory*

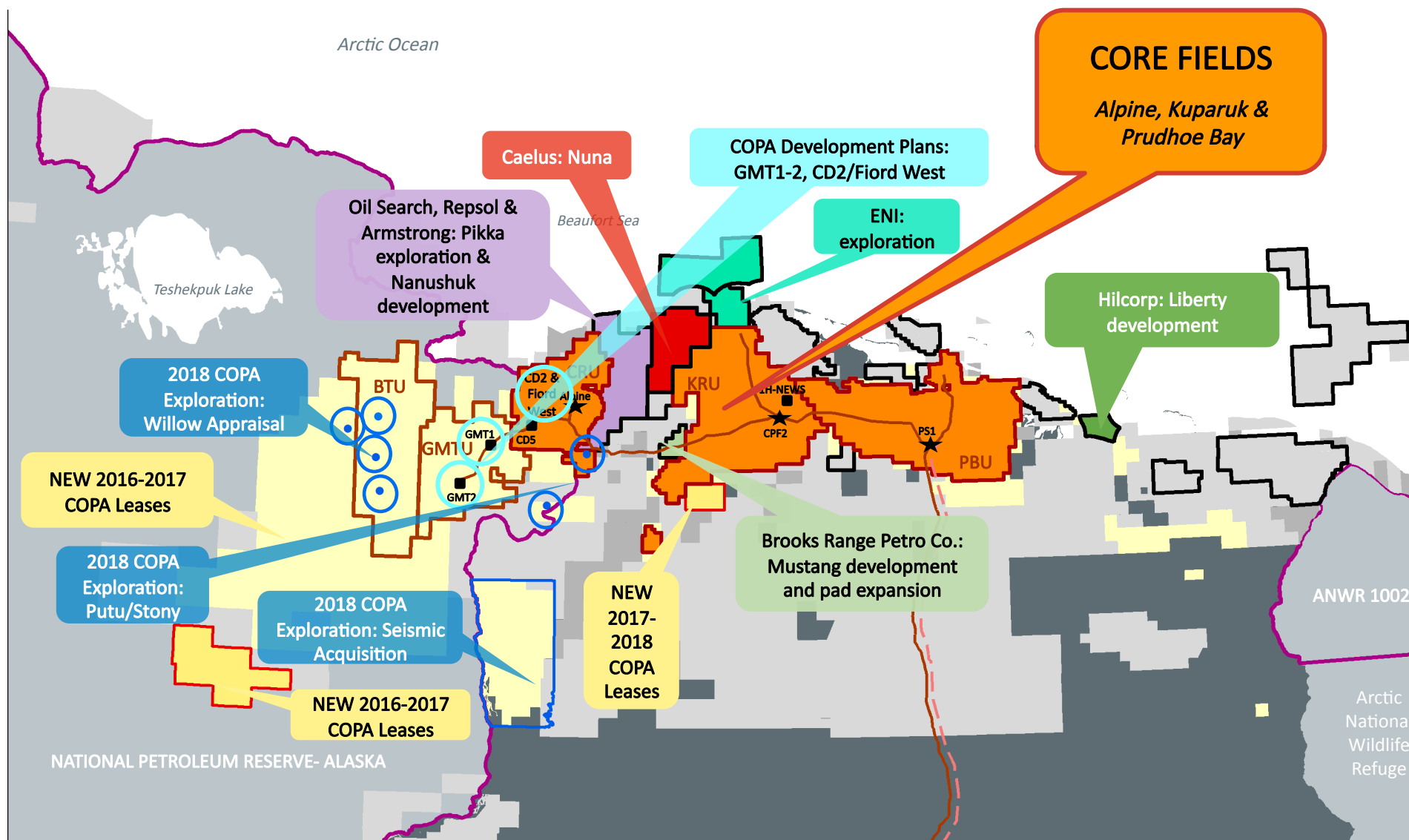


Legend:  
■ Undrilled Prospects   ■ ConocoPhillips Acreage   ● Central Processing Facility  
■ Discoveries   ▲ Projects

**75% PORTFOLIO UNDRILLED**

exploration upside

# North Slope Renaissance



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

# nd for Salmon Ballot Initiative - A Solution in Search of a Problem

Ballot initiative is really about stopping resource development

add cost, more regulation, litigation, and jeopardize existing projects, with potential to kill future projects

just affect our industry, but also development of roads, mines, ports, and infrastructure

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:

Childs/New Venture Fund, Wash. DC

Salmon Center, Portland OR

Healthy donors from NY, CA & FL

Unlimited

Supreme Court decision does not change the damaging effects of the initiative

State of Alaska FAQ:

<https://www.state.ak.us/OnlinePublicNotices/Notices/Attachment.aspx?id=114005>



# Question & Answer