

Resource Development Council



November 21, 2002

RDC – Requested Agenda

- ❖ Who is Armstrong?
- ❖ What attracted Armstrong Oil & Gas to Alaska?
- ❖ Upcoming prospects in Alaska?
- ❖ Challenges of doing business in Alaska.

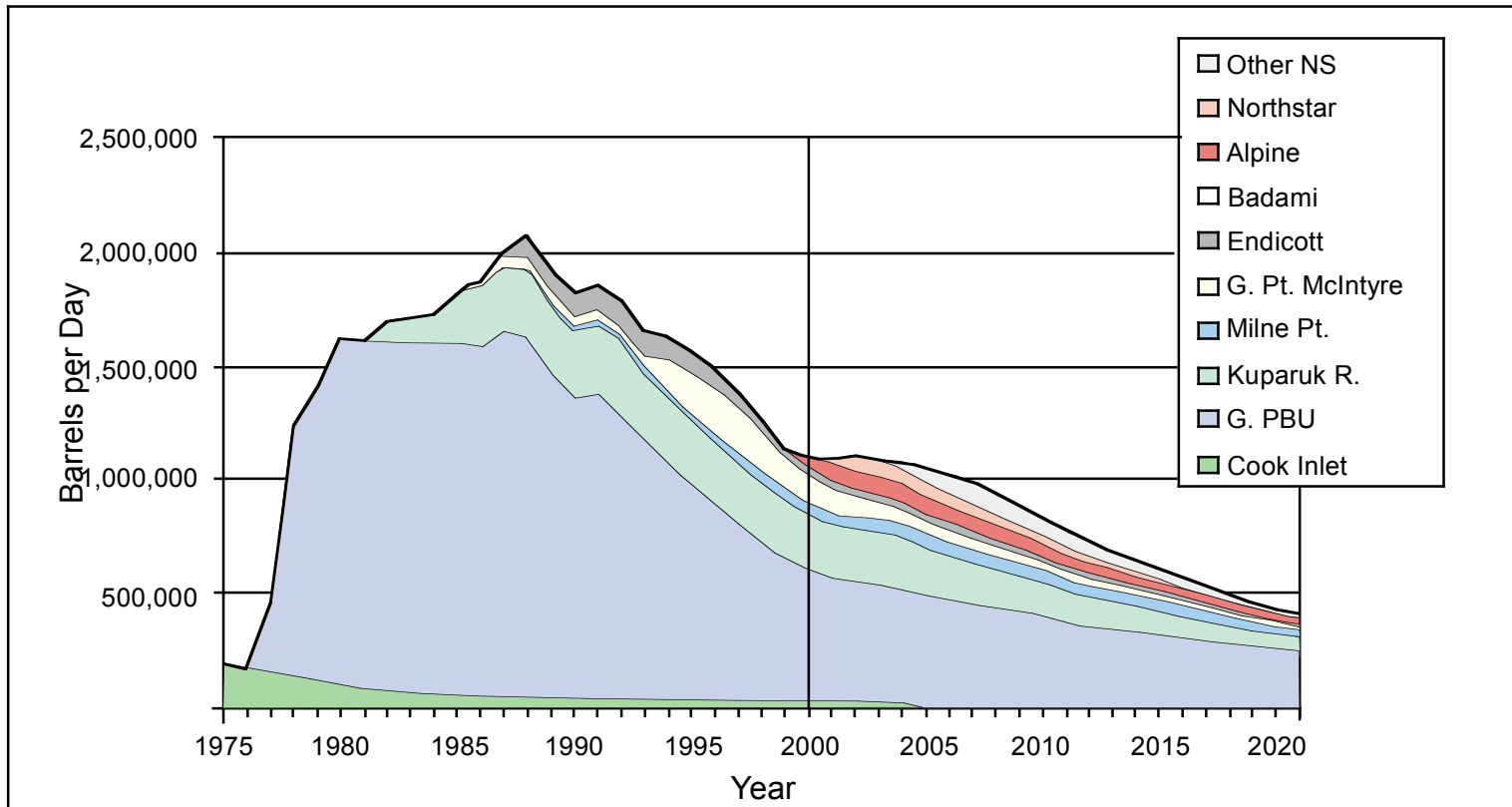
Armstrong Oil & Gas, Inc.

- ❖ Private oil and gas company founded 17 years ago by William D. Armstrong.
- ❖ Oil and gas exploration company headquartered in Denver, Colorado.
- ❖ Geologically and geophysically oriented technical group with combined 250+ years of oil and gas experience.
- ❖ Primary focus is on generating, assembling and drilling large, company impact, exploration opportunities, primarily in the domestic United States.
- ❖ Primary Areas of Activity: Overthrust Belt of Wyoming/Utah, San Joaquin Valley, California, Washakie Basin, Wyoming, Uintah Basin, Utah, North Slope of Alaska, Gulf of Mexico, Green River Basin, Wyoming.

Partial List of Drilling and/or Land Partners w/ Armstrong Oil & Gas over last 10 years

- Anadarko Pet. Corp.
- Pioneer Natural Resources
- El Paso Corp.
- Chevron Corp.
- BP PLC
- Shell Oil Co.
- ExxonMobil Corp.
- Texaco Inc.
- Burlington Resources
- Occidental Pet. Corp
- Phillips Petroleum Co.
- St. Mary Land
- BTA
- Paramount Resources
- Sonat
- Berkley Petroleum
- Basin Exploration
- Stone Energy Corp.
- EOG Resources, Inc.
- Questar Corp.
- Noble Affiliates Inc.
- Barrett Resources
- Helmerich and Payne
- Kerr-Mcgee Corp.
- Tom Brown Inc.
- PetroCorp Inc.
- Yates
- Anschutz
- Dozens of smaller companies

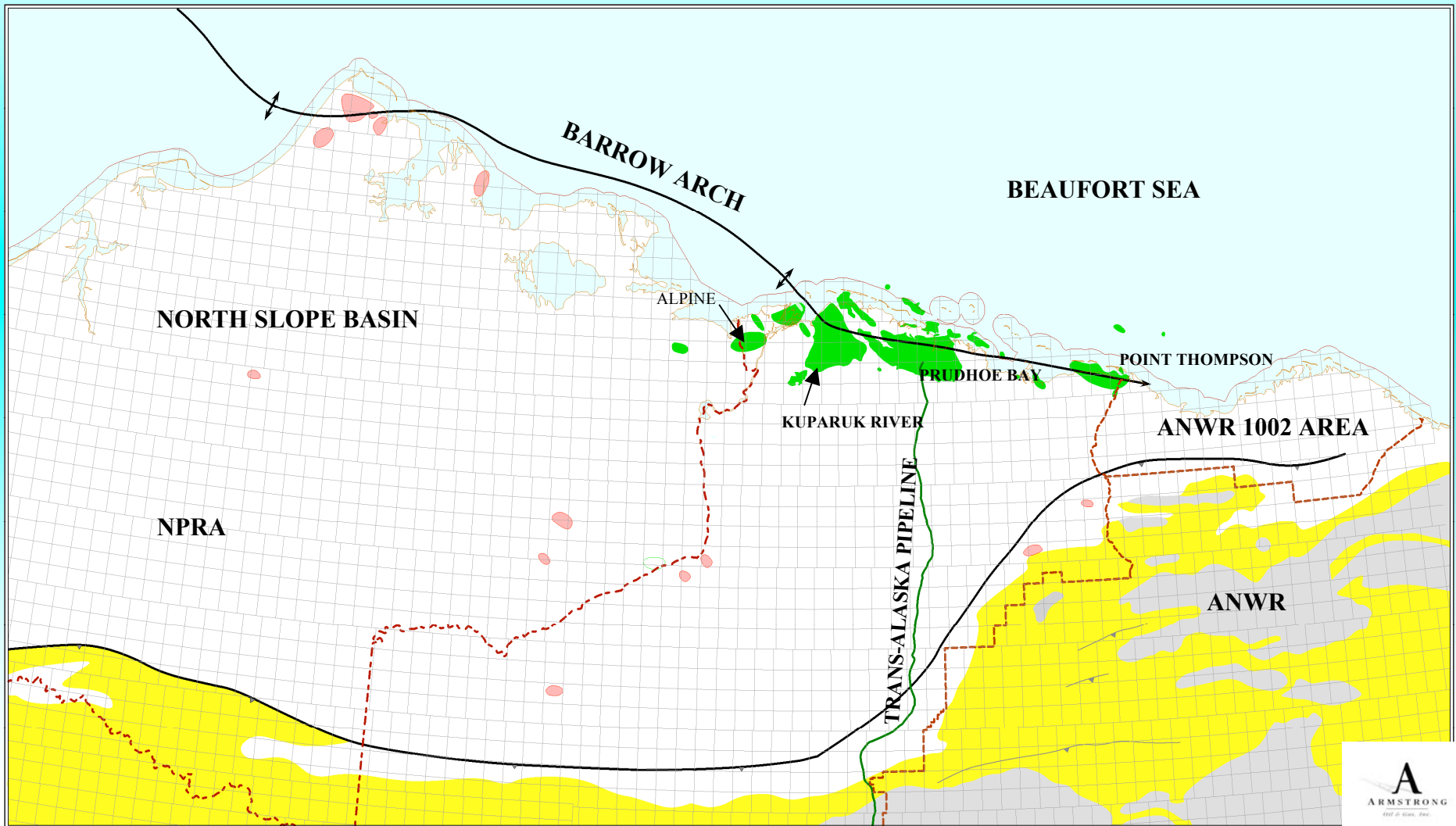
Historical and Projected Alaska Oil Production 1975 - 2021



From Alaska Division of Oil and Gas

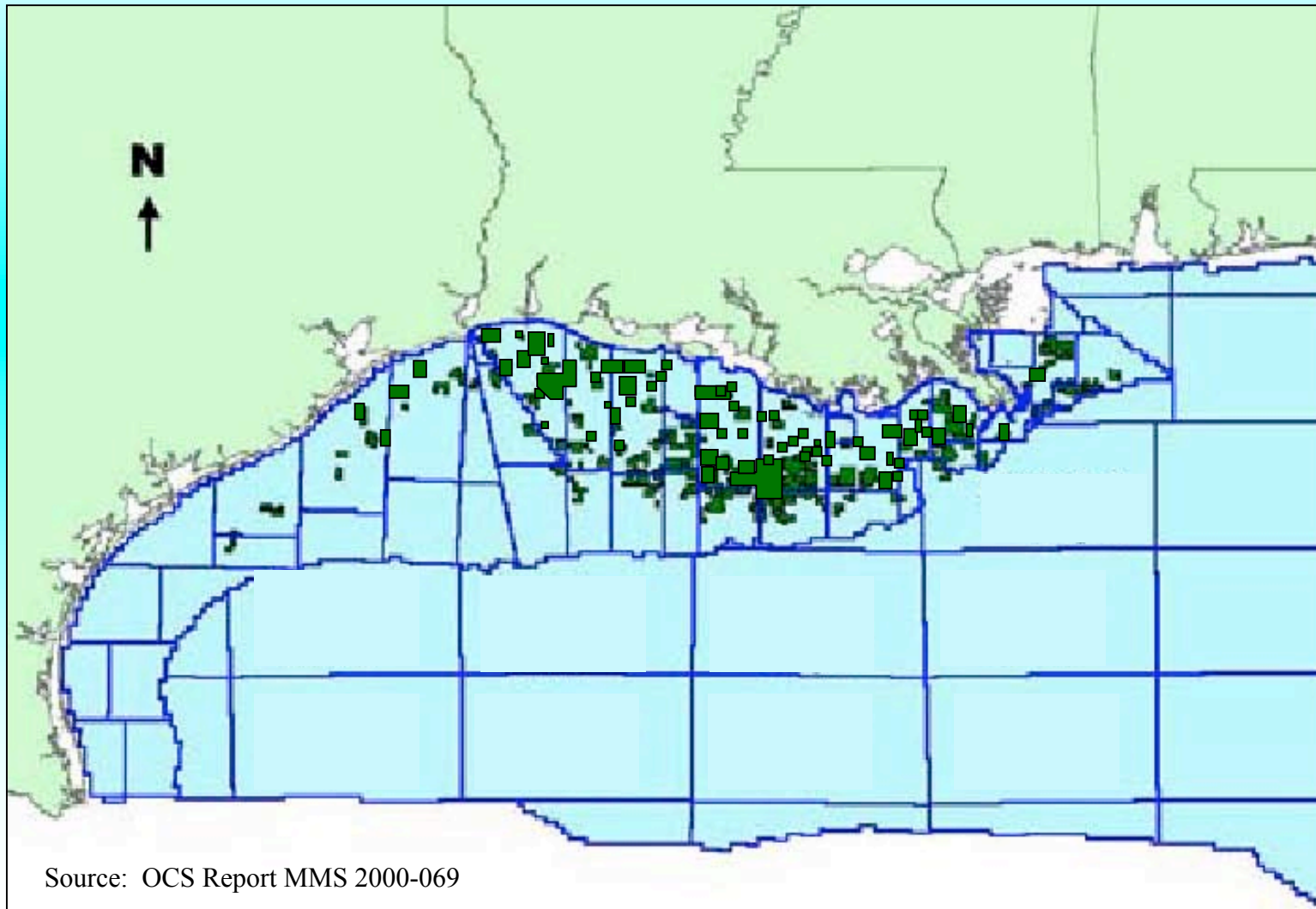
North Slope of Alaska in 2002

- World class petroleum system
- Activities dominated by major oil companies
- North Slope operations considered too complex and expensive for independents to participate
- Mindset: “All the big fields have been found”
- Infrastructure in place



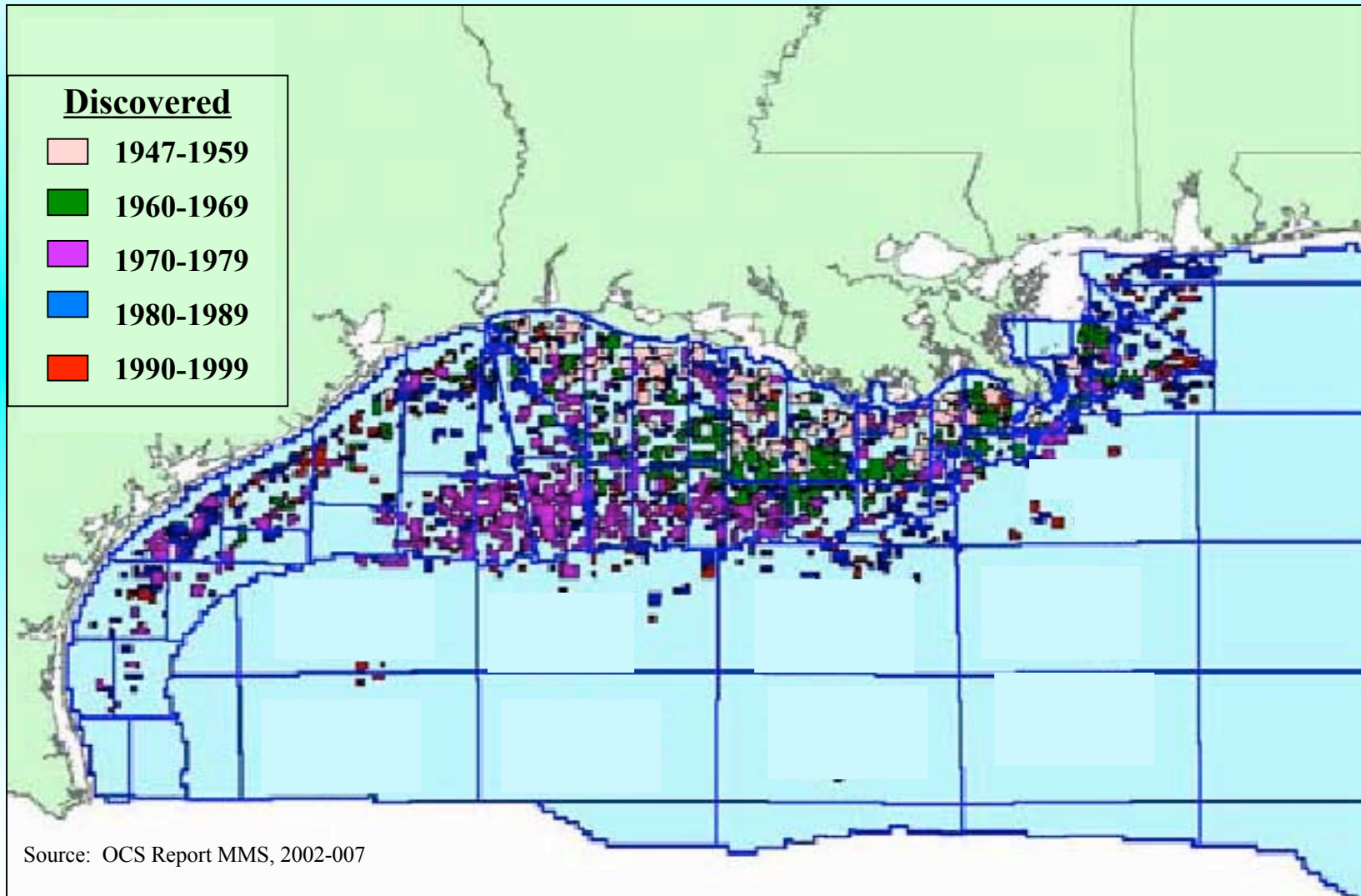
Offshore Gulf of Mexico in 1970

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- Activities dominated by major oil companies
- Offshore operations considered too complex and expensive for independents to participate
- Mindset: “All the big fields had been found”
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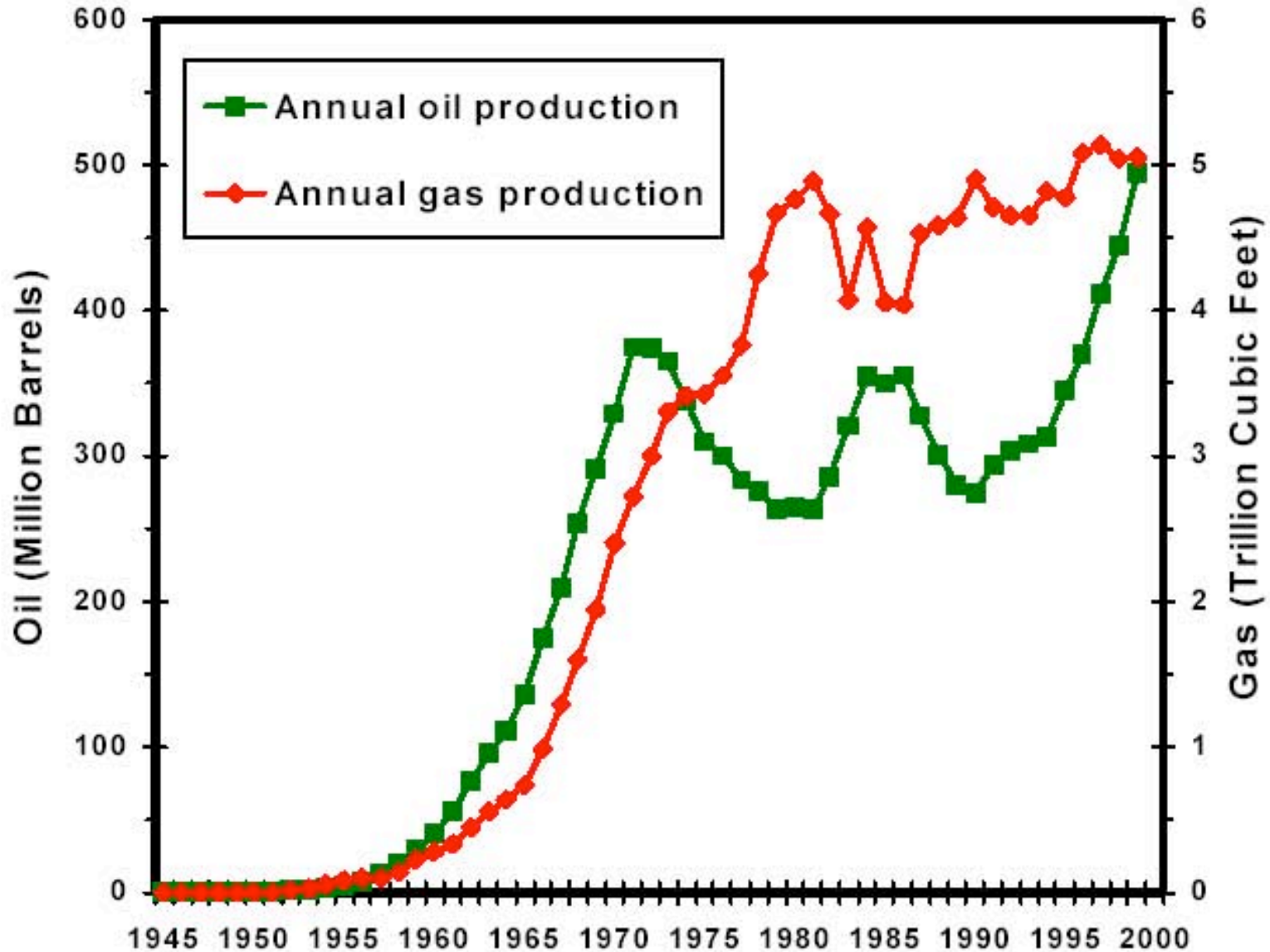


Offshore Gulf of Mexico in 2000

- **Dozens of active companies (majors and independents)**
- **New technologies and new ideas dominate the region**
- **Gulf of Mexico production currently at an all-time high**



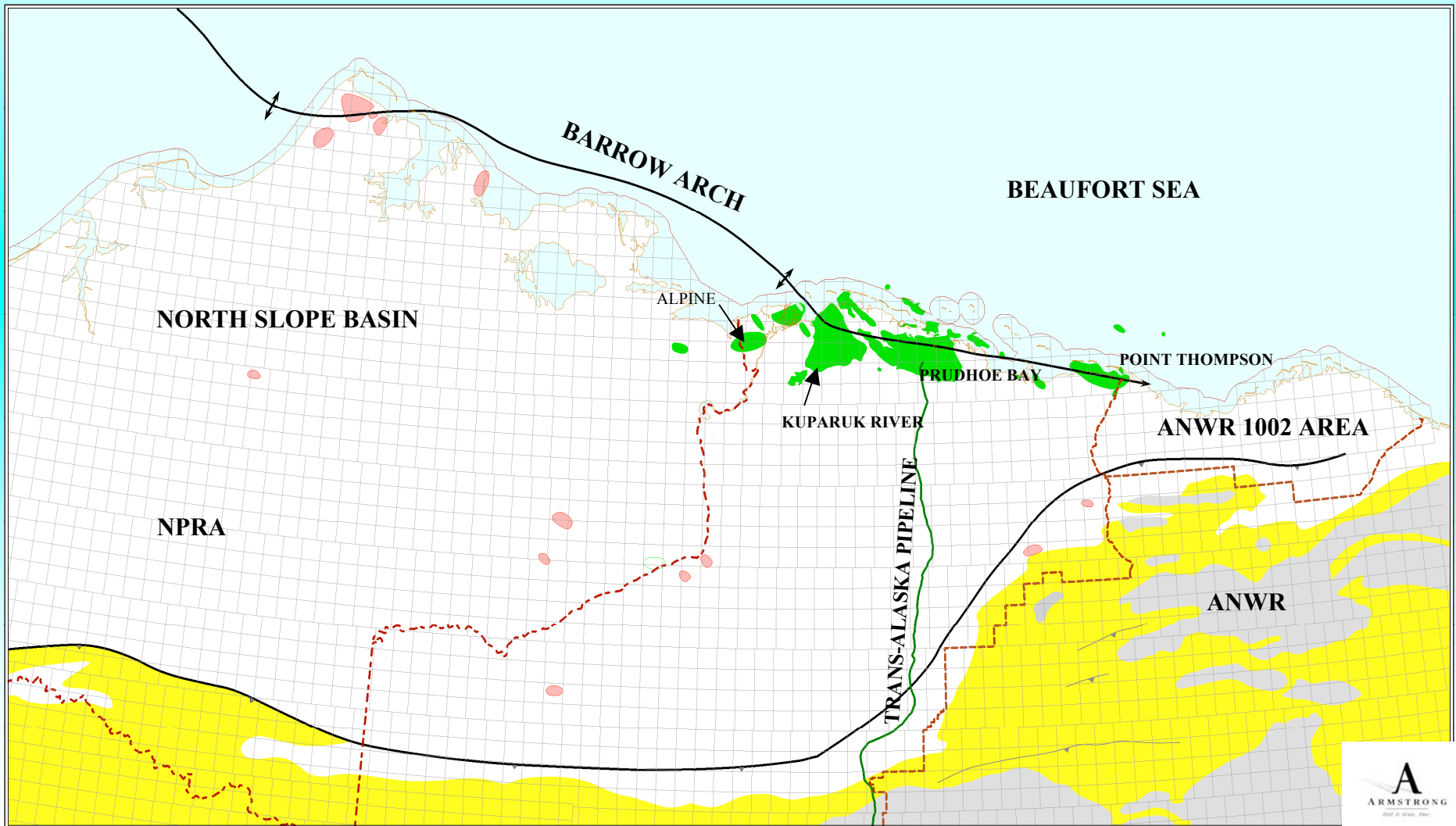
Gulf of Mexico, Annual Oil and Gas Production



Source: OCS Report MMS, 2002-007

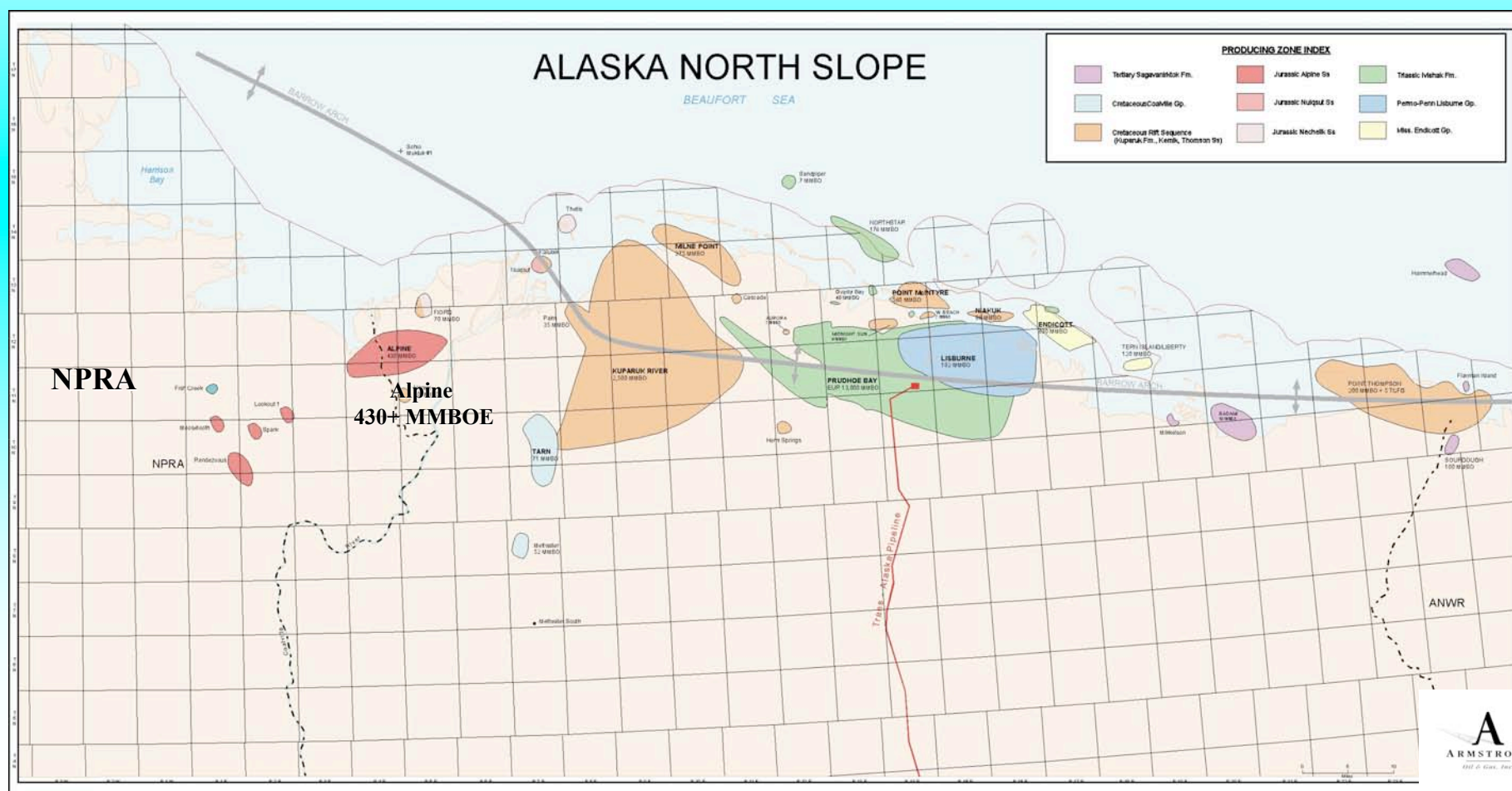
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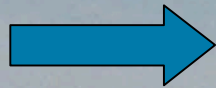


Alaska North Slope Today

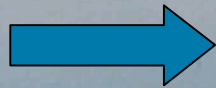
- TAPS Pipeline is now half empty.
- Recent legal changes provide access to facilities.
- Extended reach and horizontal drilling increases flowrates and reduces cost, allowing heretofore uneconomic discoveries to be profitably developed.



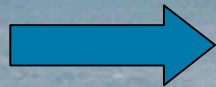
Current Challenges Doing Business on the North Slope



Regulatory/Permitting



Getting Gas to Market



Expansion of the Infrastructure