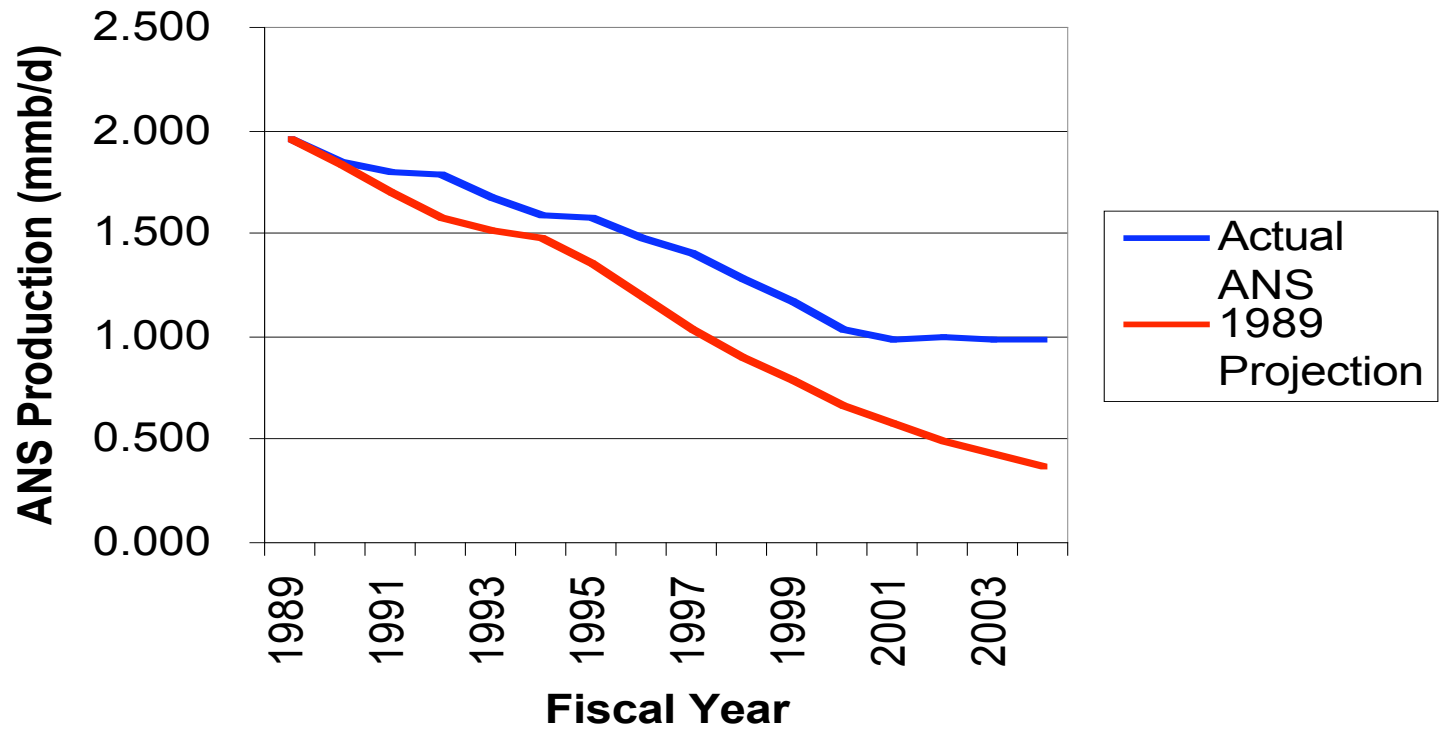


A photograph of an offshore oil drilling rig in a snowy, arctic environment. The rig is a tall, white metal structure with a red top section. It is surrounded by various pieces of equipment, including orange storage tanks and white buildings. The ground is covered in snow and ice, and the sky is a clear, bright blue. The overall scene depicts industrial activity in a cold, high-latitude region.

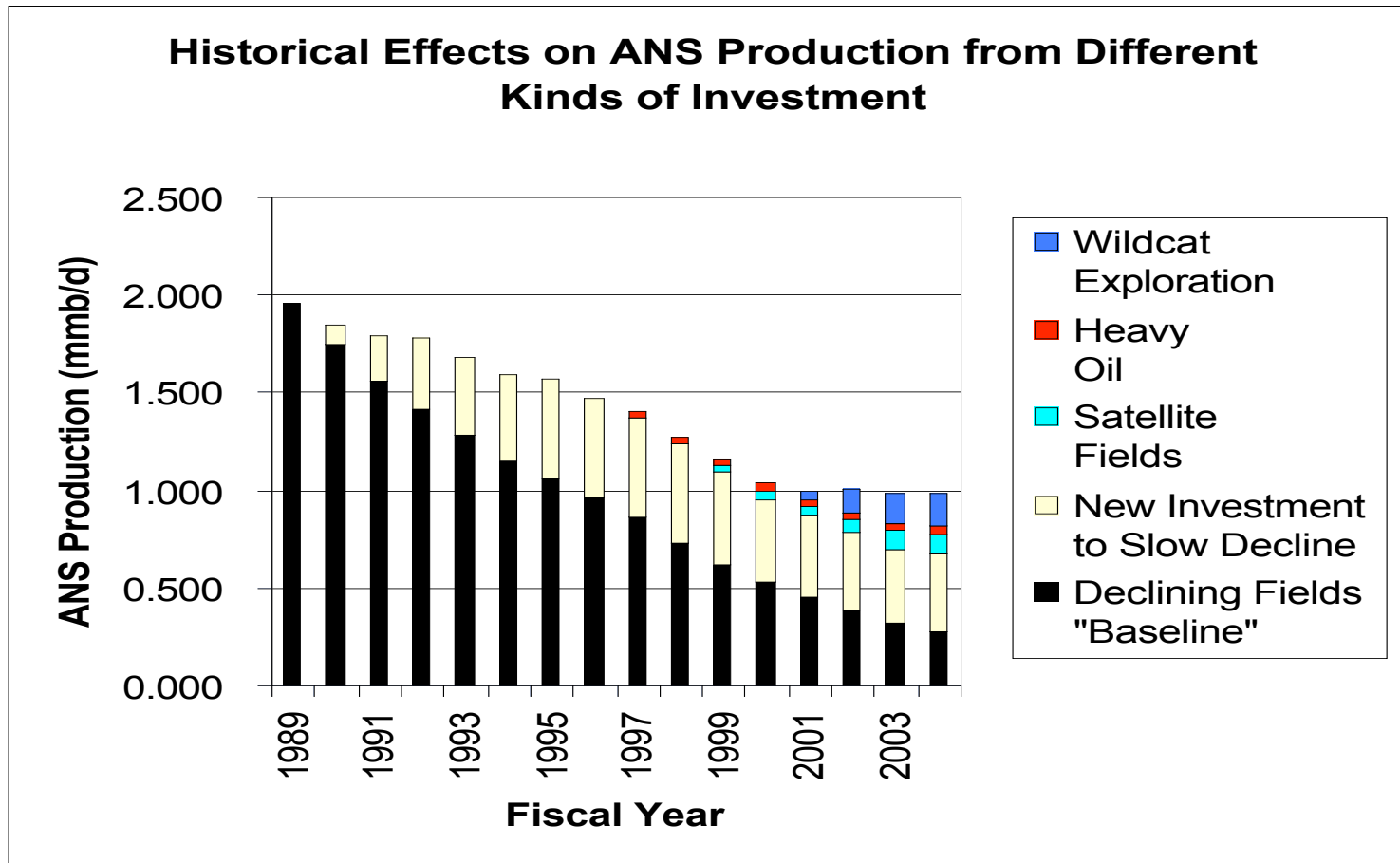
# **Is Alaska A Good Place To Invest?**

**Resource Development Council Conference  
November 18, 2004**

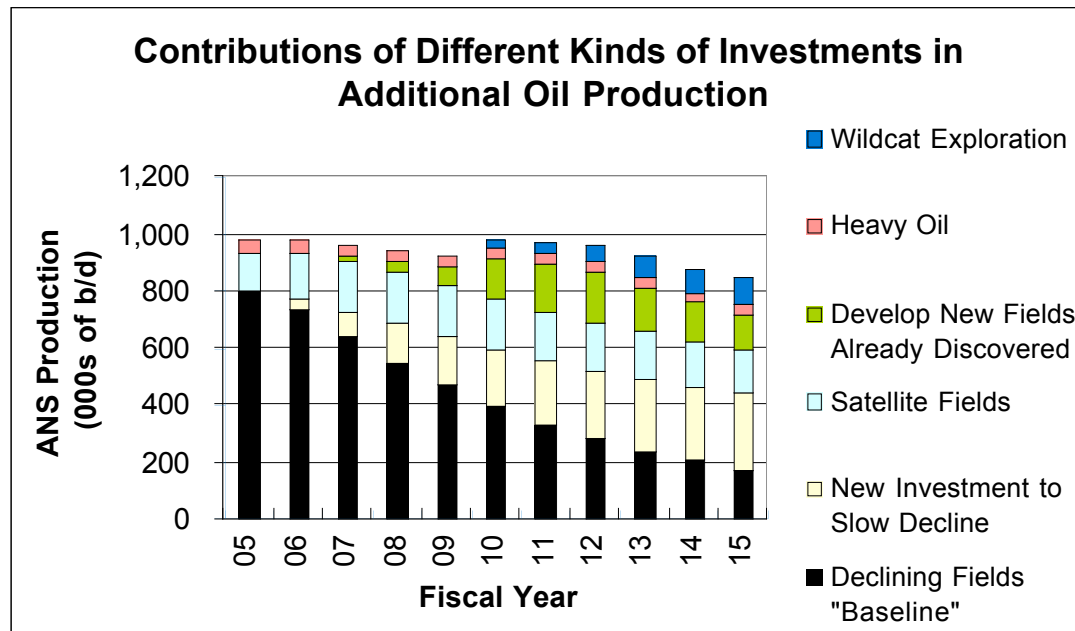
### Historical ANS Production vs. 1989 Forecast



# Historical Effects of Investment on Production



## DOR Forecast to 2015: Contributions of Different Kinds of Investments in Additional Oil Production



SOURCE: DOR *Spring 2004 Revenue Sources Book*, p. A5, "Historical and Projected Crude Oil Production".

Wildcat = "NPR" production

Heavy Oil = "Milne Point" production

New Fields Already Discovered = "Fiord" + "Point Thomson" + "Liberty" + "Nanuk" + "Known Onshore" + "Known Offshore" production

Satellites = "PBU-Satellite" + "KRU-Satellite" production

Declining Fields "Baseline" = "Prudhoe Bay" + "Kuparuk" + "Endicott" + "GPMA" production declining at 15%/yr starting in mid-2006, plus "Alpine" and "Northstar" production without adjustment from DOR's forecast

New Investment to Slow Decline = difference between Prudhoe/Kuparuk/Endicott/GPMA "baseline" above and DOR's forecasted production from them



# How Does Alaska Rank in Terms of Government Take and Competitiveness?

---

1. **Alaska has higher than average total taxes and royalties:** Alaska ranks 36 out of 61 oil provinces studied
2. **Alaska has the highest total cost:** Alaska ranks 60<sup>th</sup> out of 60 oil provinces studied
3. **Alaska is challenged in terms of profitability:** Alaska ranks 55 out of 61 oil provinces studied

*2002 Wood Mackenzie: Global Oil & Gas Risk & Rewards*

---