

A scenic background image of an Alaskan landscape. In the foreground, a wide, light-colored river or road winds through a valley. The middle ground shows rolling hills and fields. In the background, majestic snow-capped mountains rise against a clear blue sky.

Alaska Resources 2011

Resource Development Council

Alaska Industry 2010 Year in Review
& 2011 Outlook

Marilyn Crockett

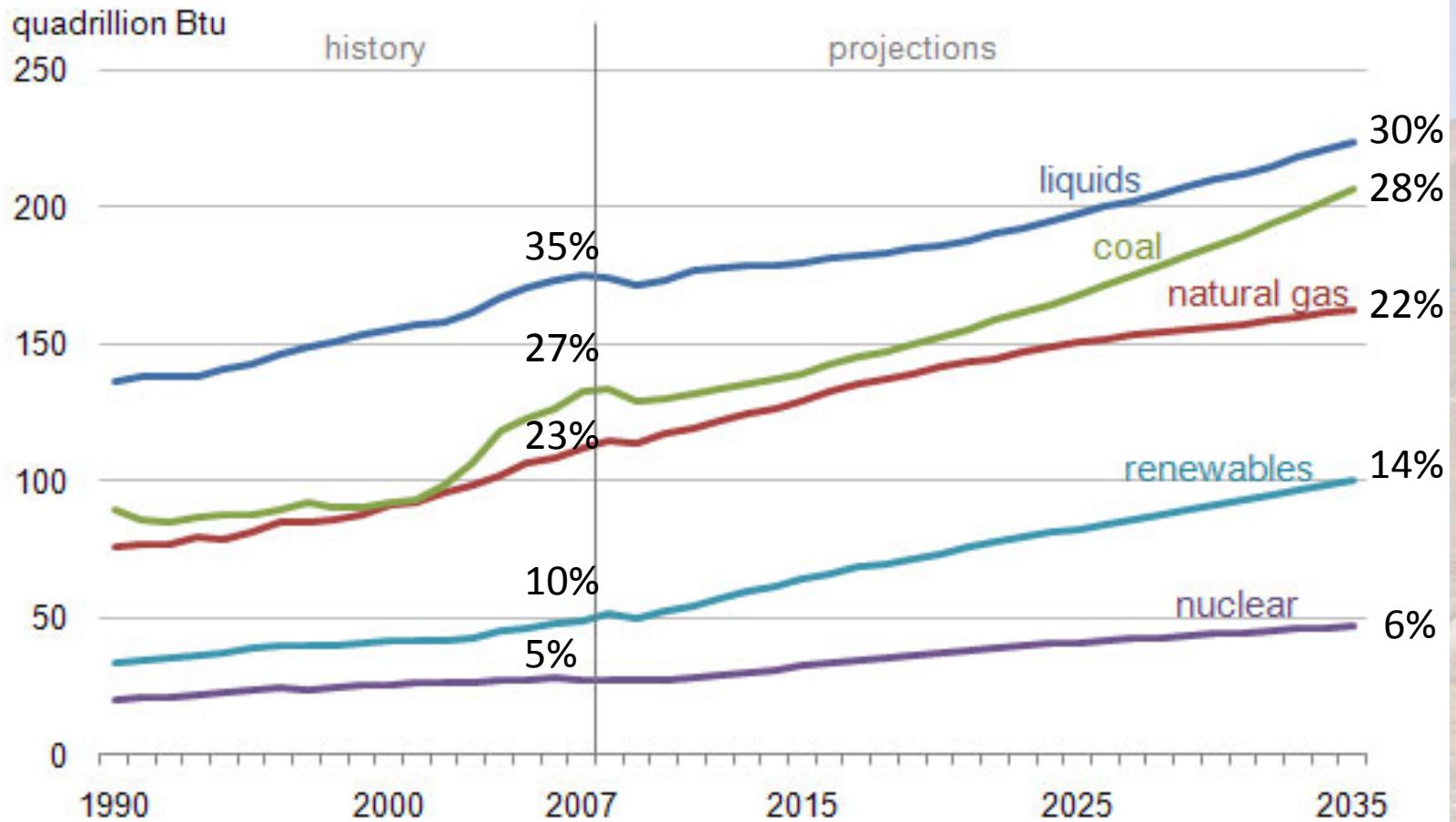
AOGA Executive Director

November 17, 2010

Anchorage, AK

World Energy Demand

Figure 2. World marketed energy use by fuel type

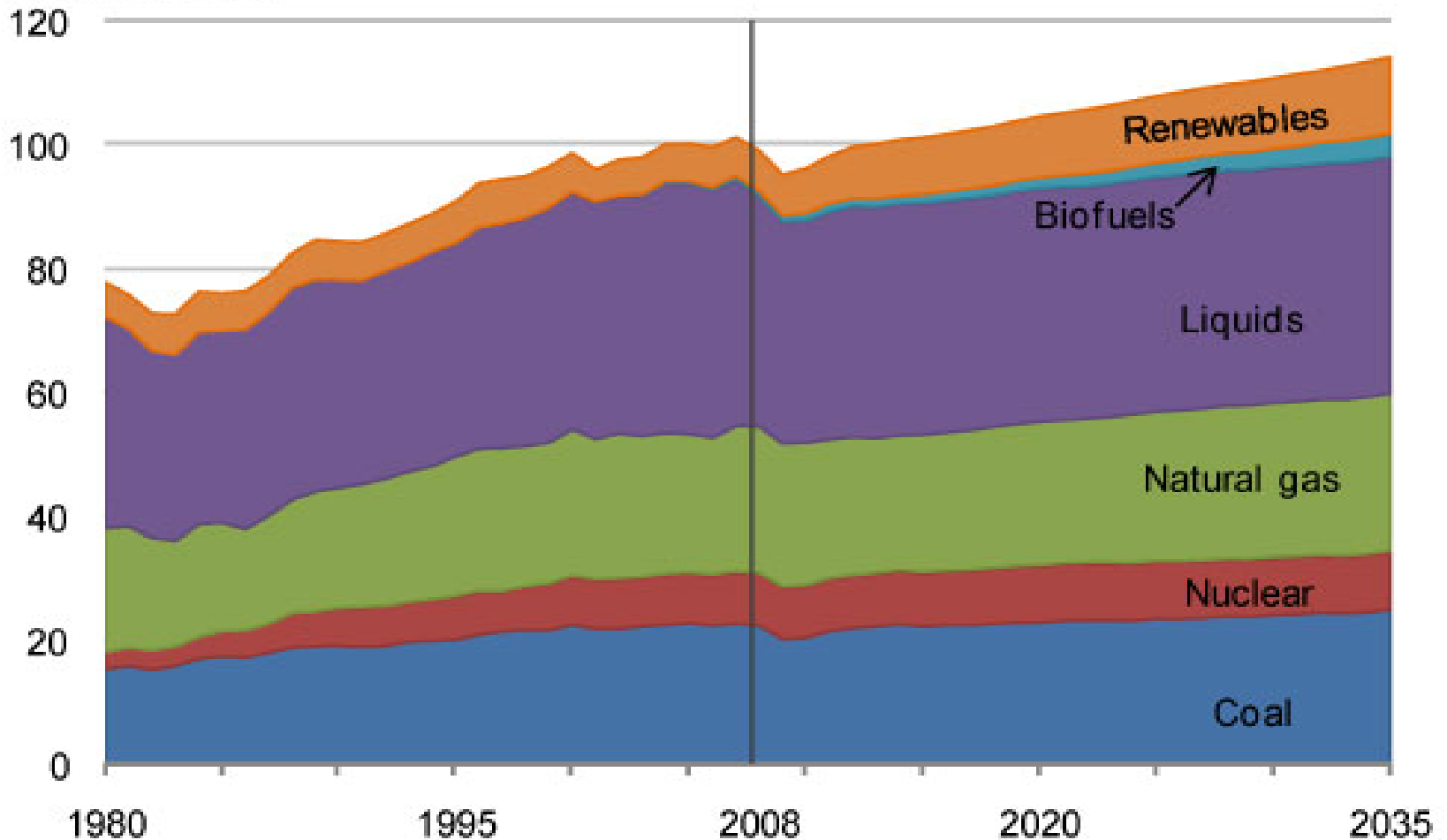


Source: EIA – May 2010

US Consumption

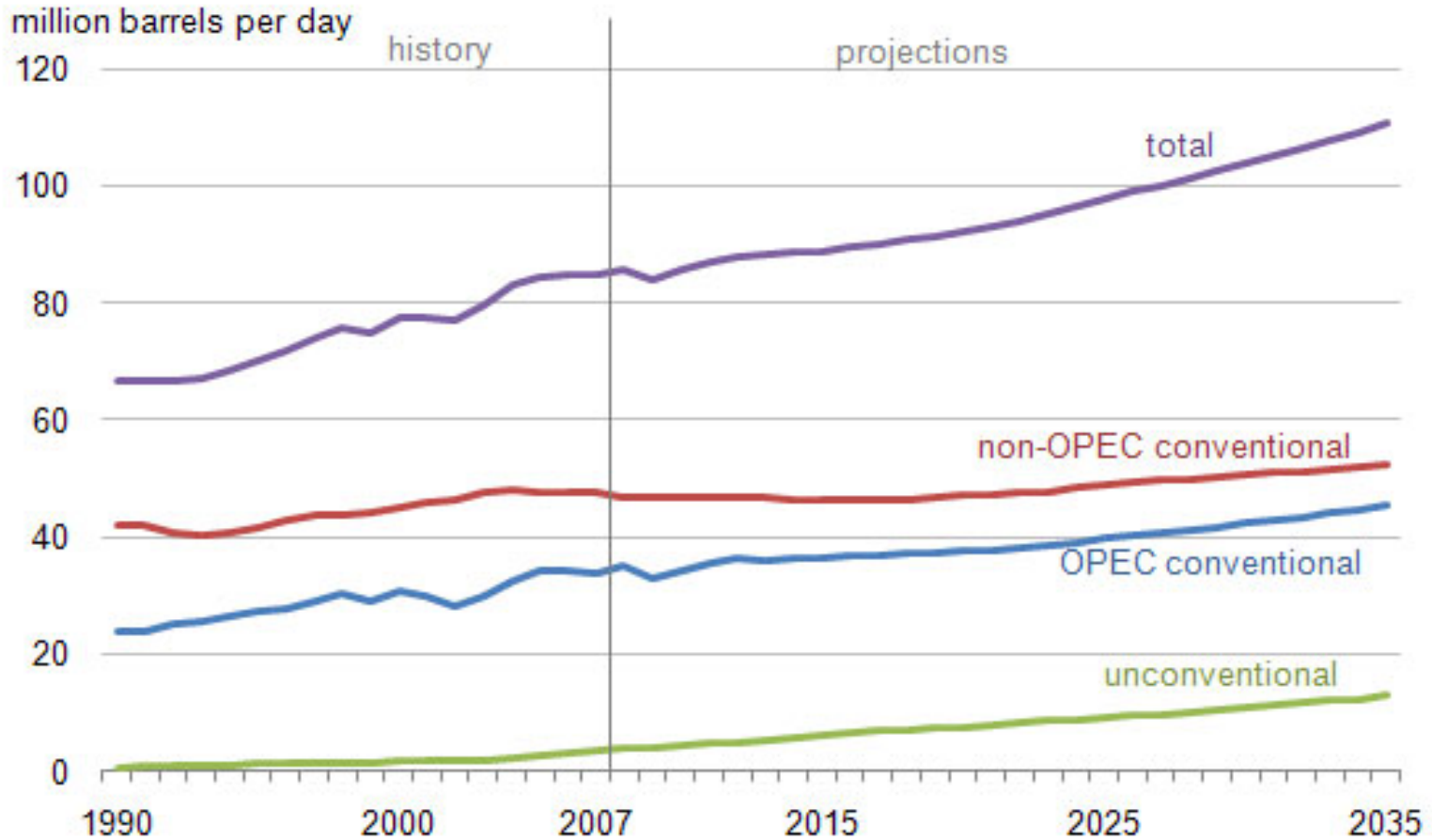
Figure 1. U.S. primary energy consumption, 1980-2035

quadrillion Btu



OPEC Producers = 40% of Total

Figure 3. World liquids production



A Dot on the World Energy Map

Energy Balance of the
WORLD
(1997)



Legend

Difference between energy production & consumption in millions of tonnes of oil equivalent (MTOe) (1997)

Energy deficit ↑

Over 35 MTOe

1 - 35 MTOe

Approx. balance

1 - 35 MTOe

Over 35 MTOe

Energy surplus ↓

No available data

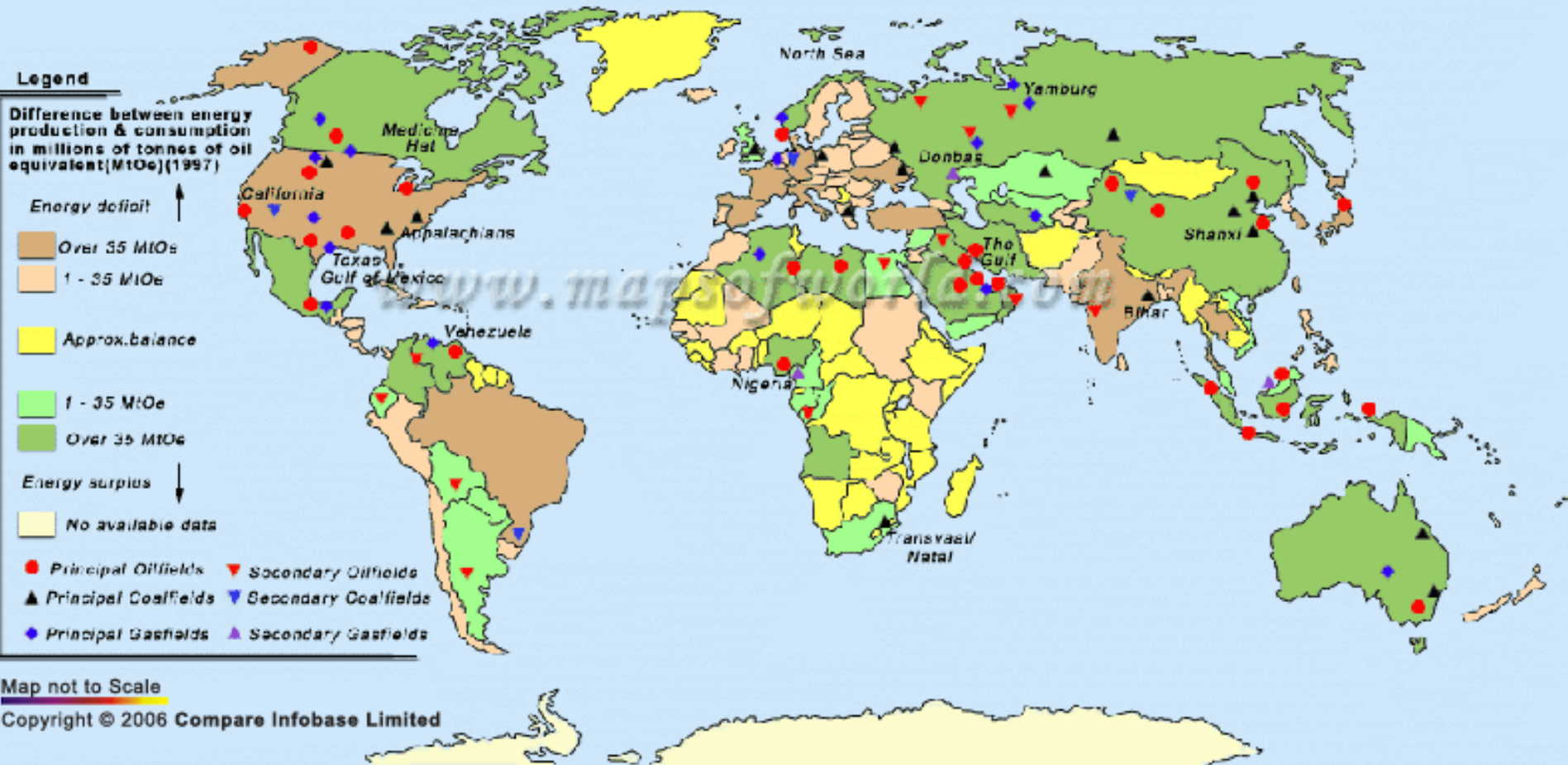
● Principal Oilfields ▼ Secondary Oilfields

▲ Principal Coalfields ▼ Secondary Coalfields

◆ Principal Gasfields ▼ Secondary Gasfields

Map not to Scale

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National Headlines

Anadarko, partners in second Sierra Leone oil find

(Reuters – 11/15/10)

ExxonMobil, Hess commence drilling another well in offshore Brazil

(Houston Chronicle – 11/12/10)

Chevron CEO: Will Do More Acquisitions Under Right Opportunity

(WSJ – 11/11/10)

Marathon to drill heavily in Woodford shale in '11

(Reuters – 11/11/10)

ConocoPhillips plans to drill up to 8 Australian wells starting next year

(Bloomberg – 11/2/10)

Alaska Headlines

Chevron pulls plug - Cook Inlet assets for sale, holding onto North Slope, ANWR leases (11/14/10)

Unocal gives up more White Hills leases (11/14/10)

DOI still revising OCS lease program (10/24/10)

Uncertain future for Southcentral gas (10/10/10)

FEX drops last onshore state acreage (10/3/10)

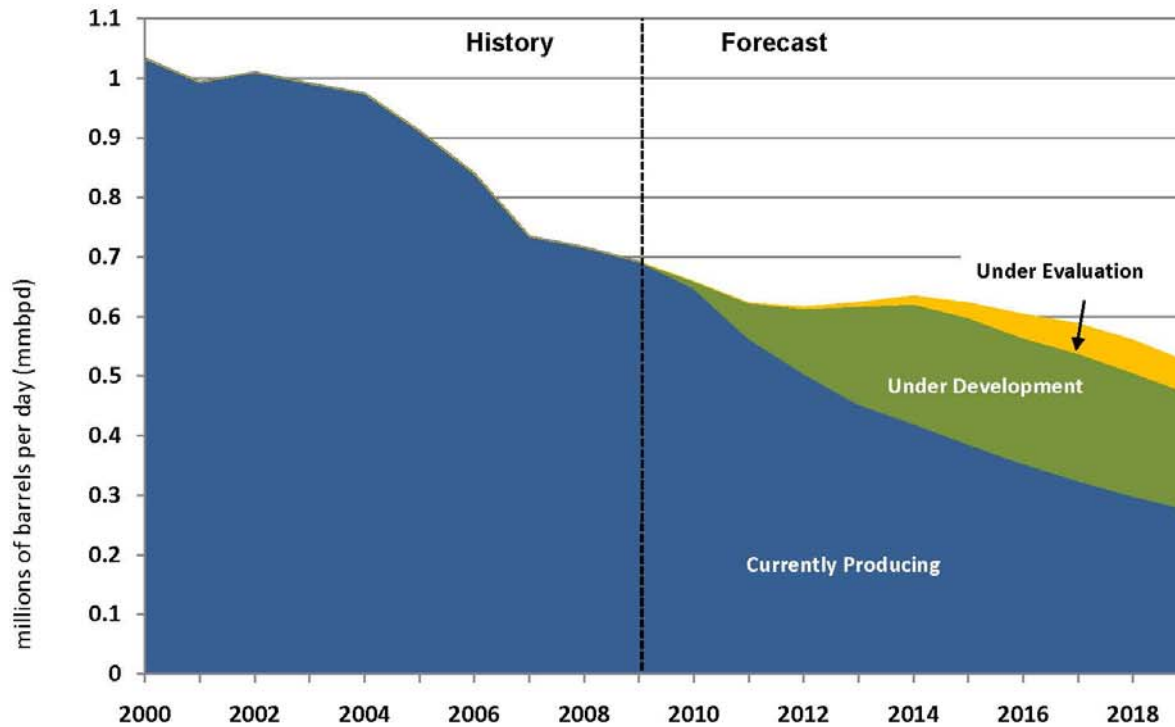
More leases dropped – Eni, Anadarko and FEX relinquish.. (8/15/10)

Source: Petroleum News

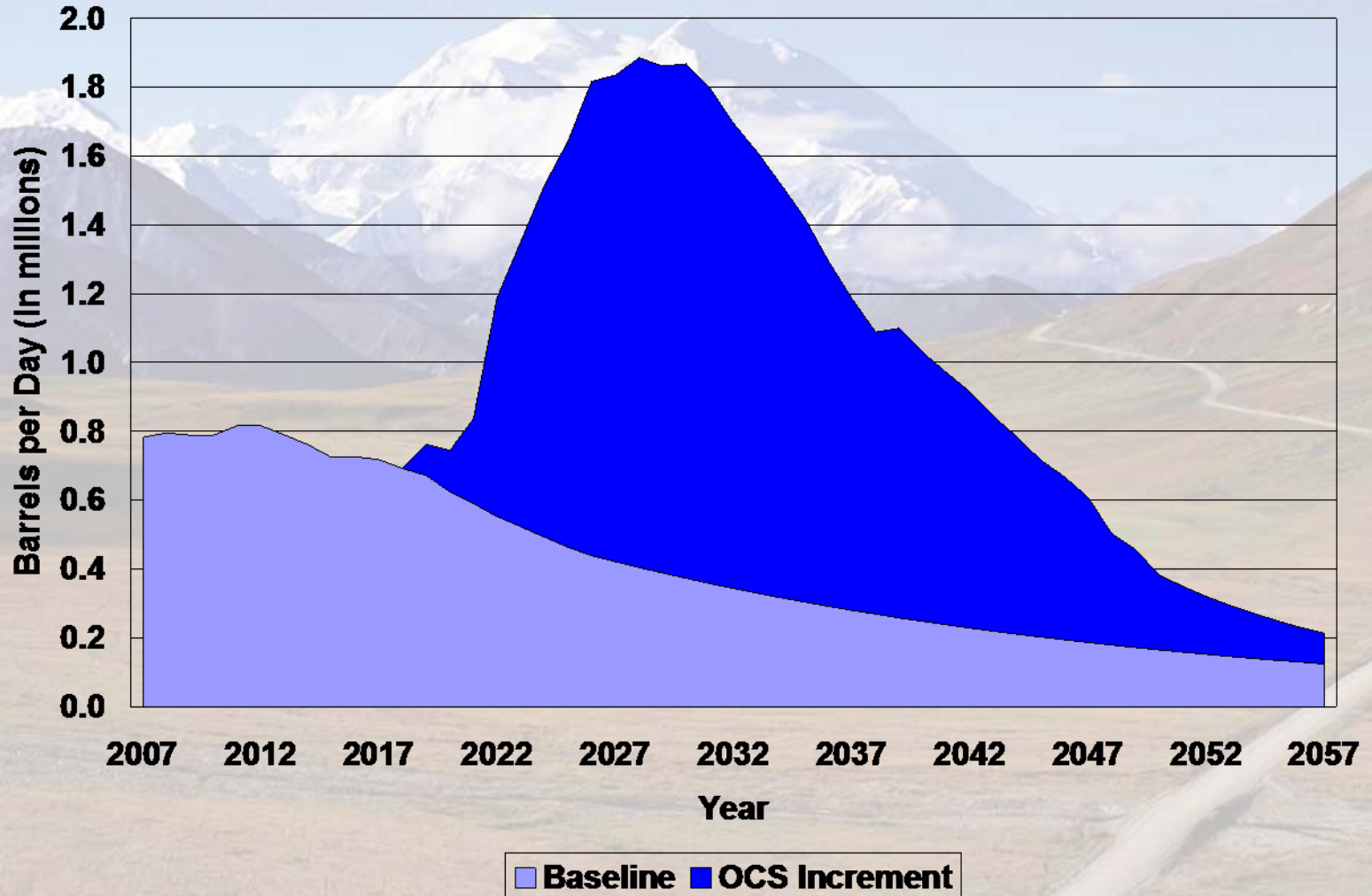
Alaska Resources

- Arctic Alaska: 30 Billion barrels of oil; 132 Trillion Cubic Feet of Natural Gas
- 1/3 of the nation's OCS reserves
 - Compared to: 22 BBO proved US reserves
 - Compared to: 1.6 BBO annual US production
 - Compared to: ~16 BBO produced to date from the North Slope

Figure 4-9. Alaska North Slope Production, FY 2000-2009 and Forecasted FY 2010-2019



North Slope Oil Production With OCS



2010 Lease Sales

State Lease Sales

2 Beaufort Sea: 3 Bidders
Sun-West Oil & Gas/Shearn
Donkel/Cade and Donkel
GMT Exploration Co.

Cook Inlet: 8 Bidders
Donkel/Cade
Monte Allen
Cade/Newman/Donkel/Jodgden
Escopeta
Cook Inlet Energy
Buccaneer Alaska
Paul Craig
Armstrong Cook Inlet

North Slope Areawide: 4 Bidders
Great Bear Petroleum
Daniel Donkle
AVCG
ConocoPhillips Alaska

North Slope Foothills: No Bidders

Federal Lease Sales

NPR-A Lease Sale

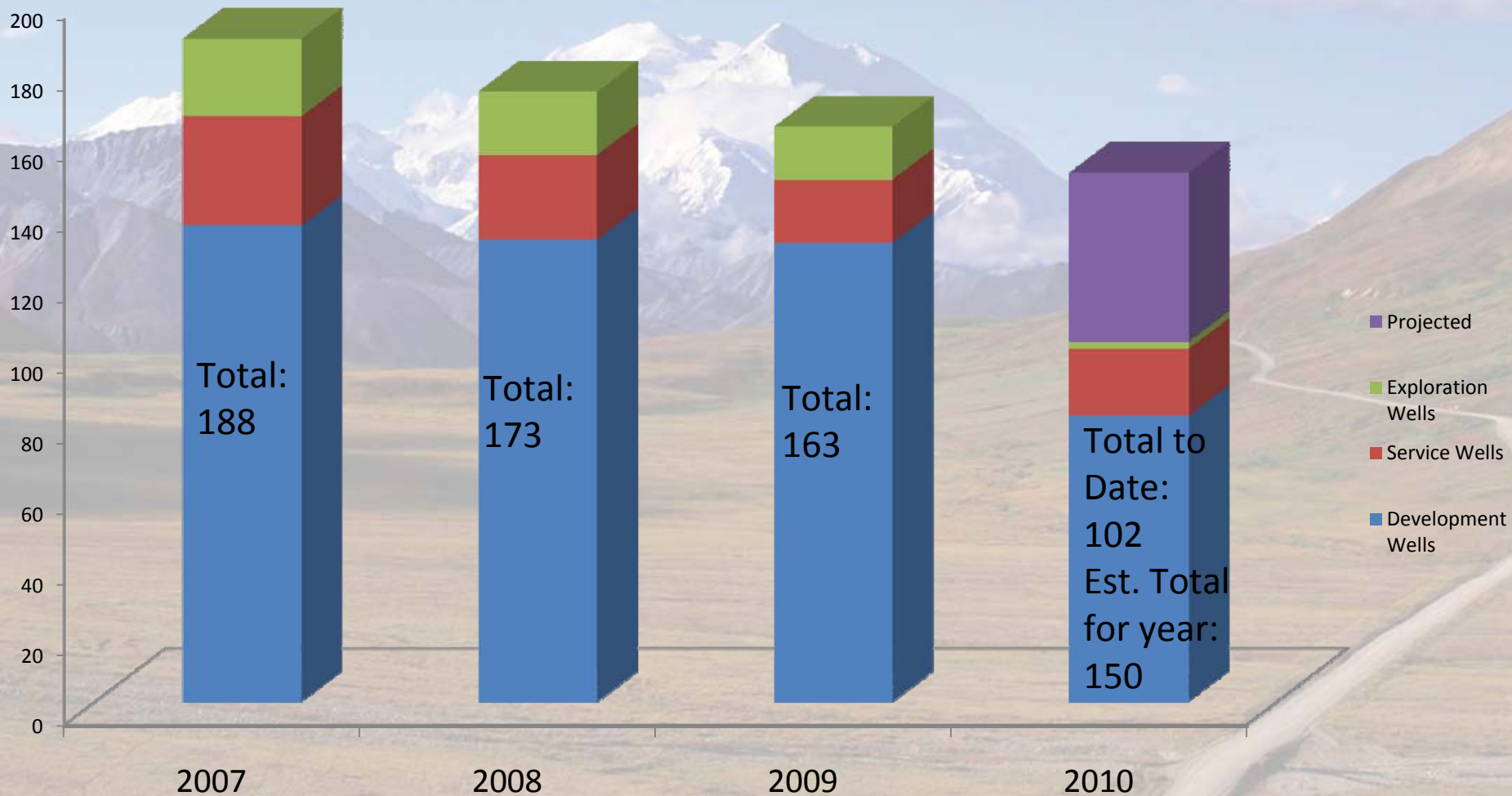
- 190 Tracks Offered – 43 High Potential

Only 5 Tracks Received Bids

- Only One Company Participated

ConocoPhillips

Wells Drilled Down 20%



Source: AOGCC – As of Aug. 2010

2011 Outlook for Alaska

Uncertainty:

- OCS Moratorium/Directive from Washington, DC
- ESA Listings and Critical Habitat Designations
- NPRA IAP
- ANWR CCP
- National Ocean Policy
- Long Lead Times/Upfront Investment

Permitting Delays:

- Agency Resources

2011 Outlook for Alaska

Fiscal Regime:

→Major ACES Reform is Needed

Legal Challenges:

- 5-year OCS Program; Chukchi 193
- ESA Listings and Critical Habitat Designations
- Pt. Thomson Litigation

Permitting Delays:

- ACMP Sunset Extension
- New EPA air rules
- Delay for Pt Thomson
- CD-5

New Production and New Fields

- Nikaitchuq to begin production
- Savant successful in restarting Badami

A wide-angle landscape photograph showing a dirt road that curves through a valley. The valley floor is covered in dry, yellowish-brown grass. In the background, there are dark, rugged mountains with significant snow cover under a clear blue sky with a few wispy clouds. The overall scene is bright and clear.

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