Independent Producer

• Typically defined as exploration and production company with no downstream (refining, marketing or transportation) operations.

• Usually smaller than an integrated company, though many integrated companies have separated from their downstream operations.

• Sole business focus is on upstream (exploration and production) operations.
Creating efficiencies that extend field life and increase asset values

Increasing capital investment to develop additional oil and gas reserves

Capturing adjacent opportunities for additional value creation potential
January 2012: Entered Cook Inlet

Increased Cash Investment
January 2012: $11MM/month Spend
Today: ~$20MM/month Spend

Increased Contractor Activity
2012: 1.34MM Man Hours
2013: 1.67MM Man Hours
2014: ~ 2MM Man Hours

January 2012 – Paid 100 vendors
July 2014 – Paid 300 vendors
Hilcorp on the North Slope

**MILNE POINT**
50% of BP’s interest
Hilcorp operated

**NORTHSTAR**
100% of BP’s interest
Hilcorp operated

**ENDICOTT**
100% of BP’s interest
Hilcorp operated

**LIBERTY DEVELOPMENT**
Operatorship and 50% of BP’s interest.
Advancement of Liberty development subject to regulatory approval
OUR GOALS
Reworking existing wells to increase production
Improve and maintain infrastructure
Drill more wells
Book more reserves

THE BENEFITS
Extend the life of existing fields
Increased natural gas production for Alaskans
Increased property values
Increased royalty payments
Small projects adding up to big results
More oil in TAPS
2012 – 2014 Trading Bay Investments

Total Trading Bay Investments $73 MM

- Facilities (55)
- Work Overs & Recompletions (26)
- Repairs (14)
- Drilling (1)
2012 – 2014 Trading Bay Operating Expense
Trading Bay Royalties 2012 - 2014
Year End 2012
255 Employees
96% Alaska Residents

Year End 2013
316 Employees
97% Alaska Residents

Year End 2014
505 Employees
88% Alaska Residents
Thank You!