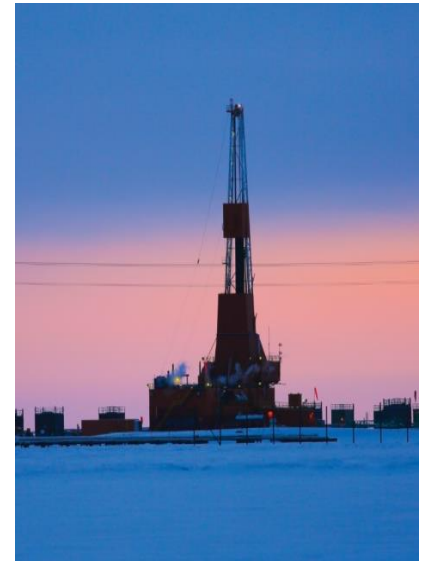


Senate Resources Committee  
Hearing: HB 111  
April 17, 2017



Damian Bilbao  
VP Commercial Ventures





## Key messages

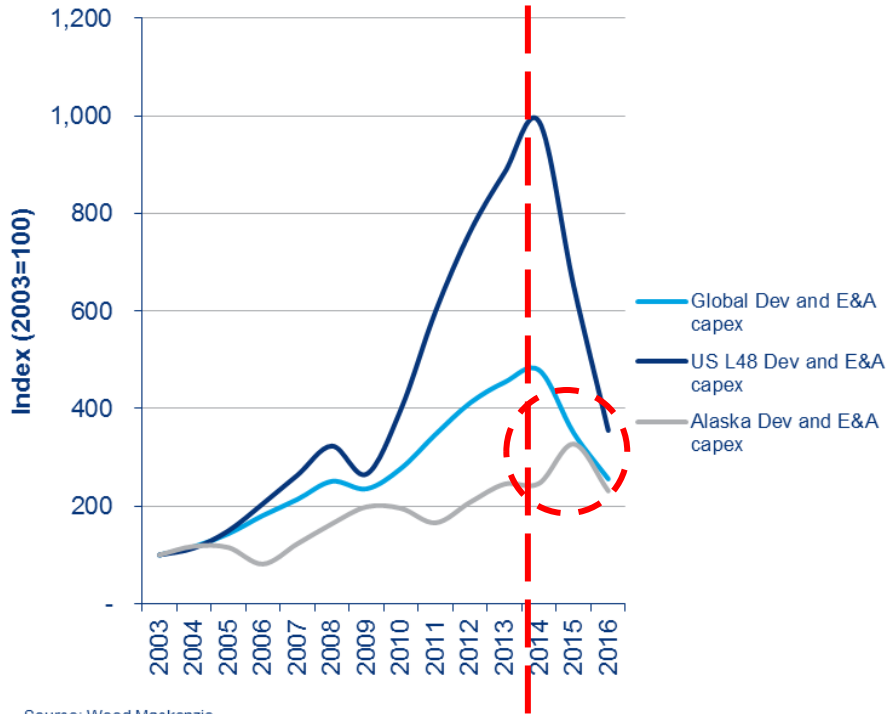
- Policy drives investment decisions – and SB 21 has made Alaska more competitive for investment.
- Alaska is competing against many other places with lower costs to produce oil – many within the United States.
- North Slope decline rates will reflect policy – and decline rates make a large difference on money to permanent fund



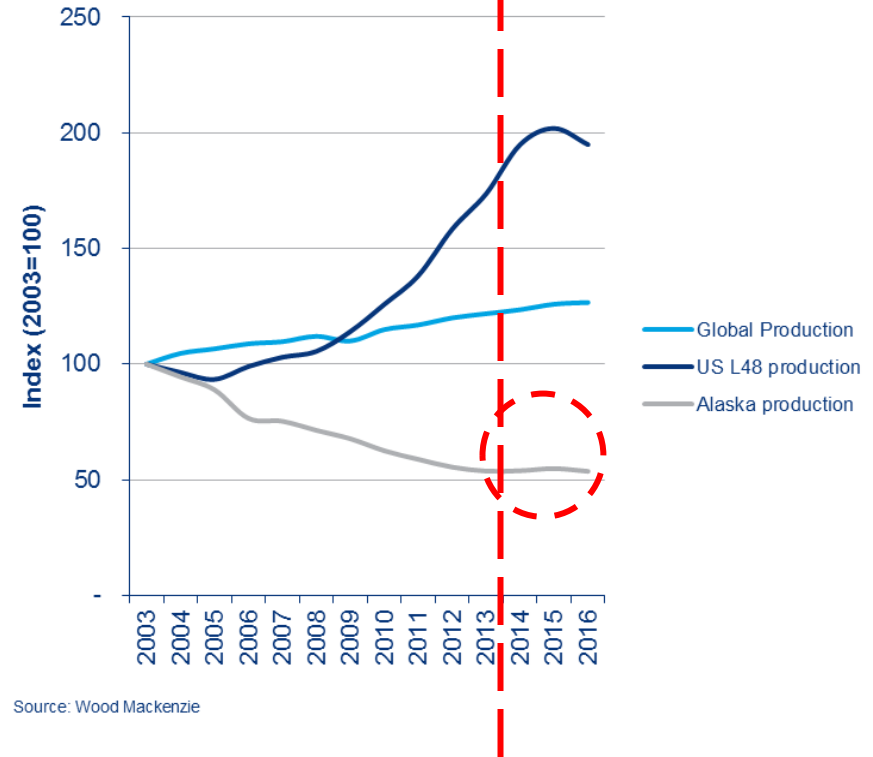
# Policy matters and drives investment



## Investment trends by region



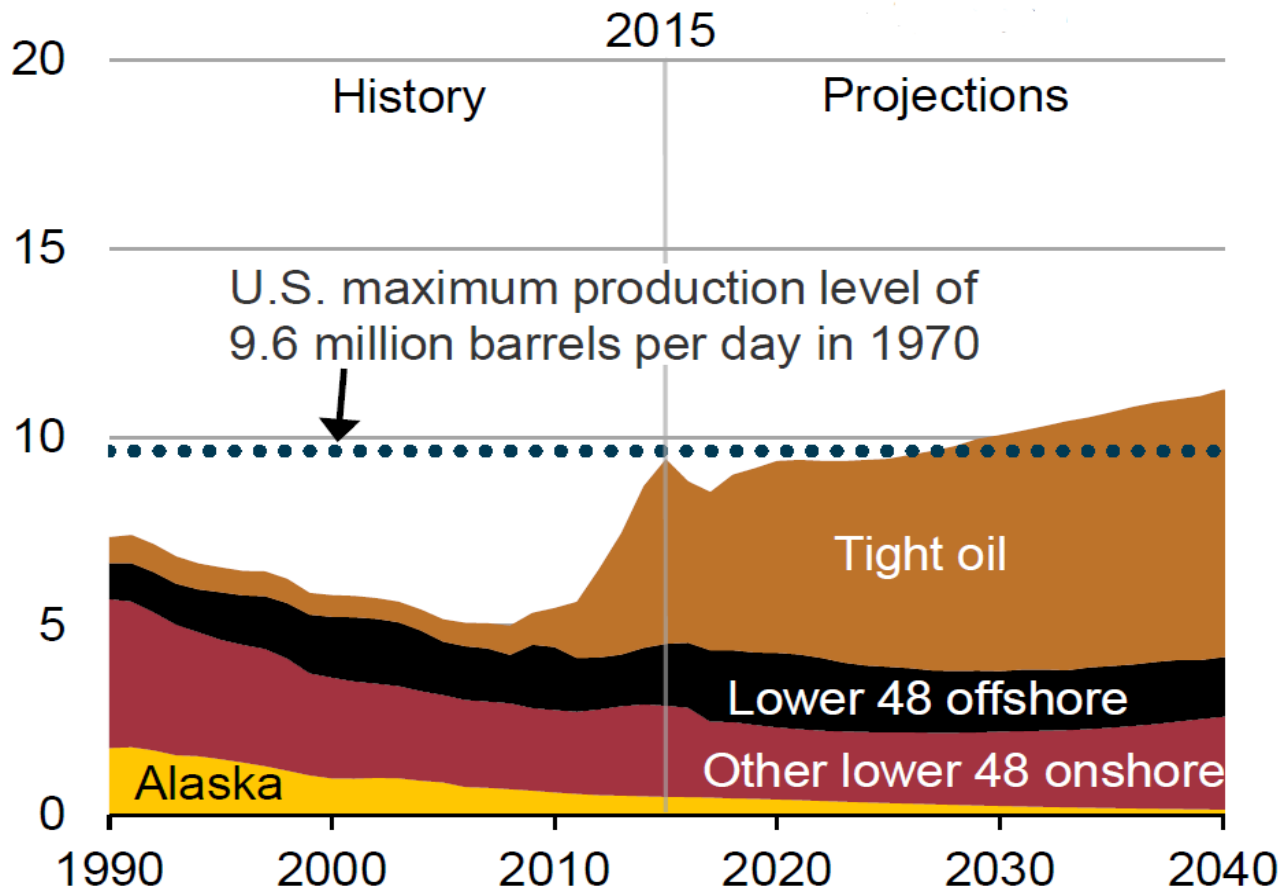
## Production trends by region



# US oil potential is large and competitive



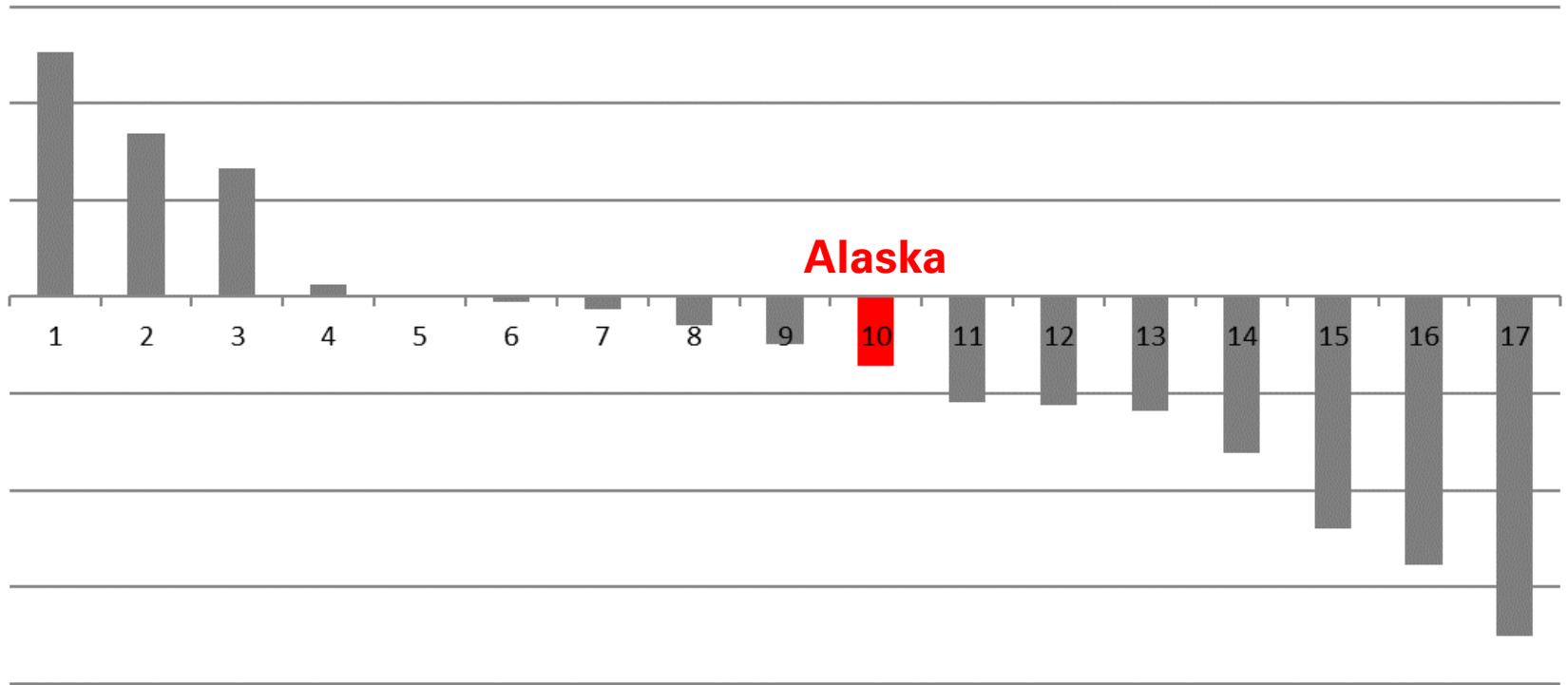
U.S. crude oil production  
million barrels per day



Source: EIA, Annual Energy Outlook 2016

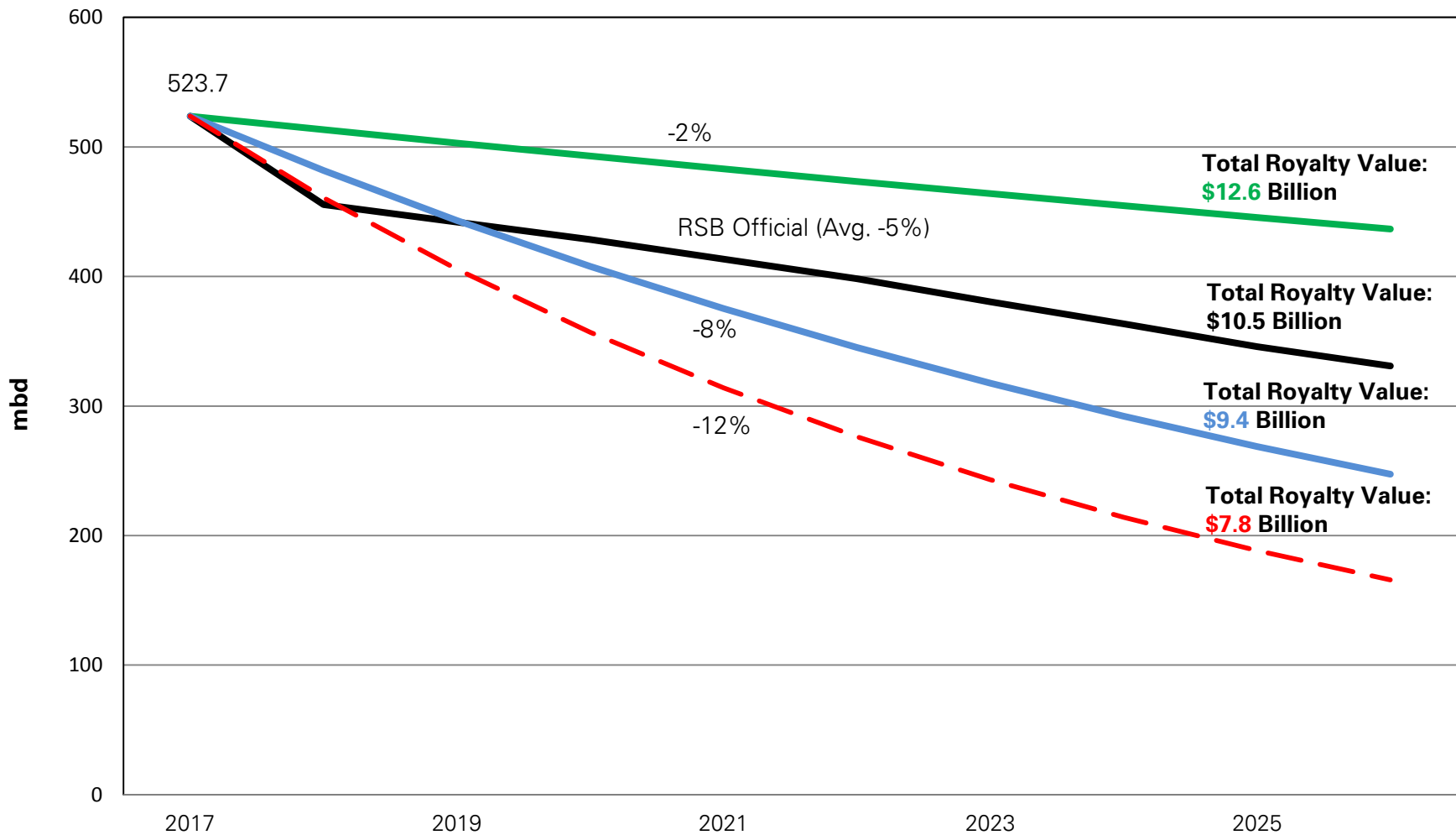
# BP Alaska within the BP upstream portfolio

## 2016 Free Cash Flow (\$m)



- BP Alaska 2016 cash flow in comparison with other BP regions

# The right policy can make big difference on North Slope decline





# Suggested Principles for Alaska Policy

- Encourage more oil down TAPS
- Extend the life of backbone fields - Prudhoe Bay & Kuparuk
- Encourage more independents looking for oil and gas
- Don't pick winners and losers



*Pioneering the Past, Fueling Alaska's Future*