Role of Independents in Alaska’s North Slope Development

J. Patrick Foley
Senior Vice President, Alaska Operation
Introduction to Caelus Energy Alaska

- Privately-held Independent E&P company
- Jim Musselman, proven oil finder
  - Triton, Kosmos
- Apollo Global Management partnership

Alaska Operations Overview:
- 70% w.i. and operator of Oooguruk
- 13,000 BOPD gross production
- 80 + full-time Alaska employees
- 150 - 300 Alaska contract workers
- Heavy contractor load this winter
  - Frac program, seismic
- ~ $ 250 - 500 million 2015 capital budget
- Nuna – proposed 1st Oil 4Q 2016
What is an Independent Oil and Gas Company?

- Independents
  - A non-integrated company
  - Primarily in the exploration and production side of the industry (limited downstream)
  - Often first to adopt new technologies
  - Independents account for majority of total natural gas production; and approx. 54% of total oil production in the United States
  - Independents drill close to 94% of America’s oil and natural gas wells

- Financial Market Drivers
  - Independents rewarded for **production growth** and **debt management**
Alaska’s North Slope – a changing landscape

Source: Alaska Division of Oil and Gas, September 2014

www.caelusenergy.com
Beaufort Sea and North Slope Areawide Sale