Total CI Natural Gas Production

Total Cook Inlet - Gas Production
AOGCC database & DNR Forecast

Gas Rate (MMcfpd)

Production
Gas Sales
DNR Forecast '07 Proven Only
DNR Forecast '07 Prov. + Probable
DNR Forecast May '09
Overall Operations in Cook Inlet

- Natural Gas decline remains largely unchanged
- Collaborative efforts on contingency planning is positive
- 2010 Legislation
  - Cook Inlet investment tax credits
  - Storage and drilling incentives
- Utilities are looking at storage
- Supply and demand balance will remain a delicate balance
Alaska Asset Team – E&P

- Company-Operated Gas Fields
  - Beaver Creek
  - Cannery Loop
  - Kasilof
  - Kenai
    - ~ 2.5 TCF produced since 1960’s
    - Gas Storage
  - Ninilchik (60% WI)
- N Trading Bay (80.6% WI)
- Sterling
- West Fork
- Wolf Lake

- Chevron-Operated
  - McArthur River (Steelhead) (51.2% WI)
Marathon’s efforts to meet daily demands

- Developed and manage storage – Kenai Gas Field
- Drilling projects – COOP and OBO
- Remedial well work and compression projects
- CLU negotiations with CINGSA
- Glacier Rig outsourcing
- Active participant in contingency planning and stakeholder education.
Marathon Operations in Cook Inlet 2010

- **Safety is at the forefront of ALL operations!**
- We strive to achieve safe, clean and reliable operations
- Emergency preparedness training and drills in collaboration with external stakeholders.
- Drill/Participate in 4 new gas wells
  - 2 Company operated
  - 2 Outside operated
- New gas contracts obtained
- Focus on reliability and project excellence
Loaded Well Performance

Onset of Loading

Rate, MCFD or STBPD

Pressure, psig


Gas Rate Water Rate Wellhead Pressure
2011 Plans

- **Safety and Environmental excellence is at the forefront of ALL operations!**

- Maintain excellence in environmental performance and reliability.

- Expenditures will continue at a level to meet contractual obligations

- Continued focus on reliability and project excellence
  - Process and Procedures
  - Well maintenance

We have executed with excellence in 2010 and we will continue to deliver at the same level of performance in 2011
END