Chukchi and Beaufort Seas Lease Sites

Legend:
- Offshore Exploration Wells
- City-Town-Village
- 60 Mile Line
- Pipeline
- Protraction Area
- OCS Sale Area
- Fields
- Other Leases
- Shell Interest Leases
2012 Activities

- Top-holes drilled
- Successful ice and weather forecasting
- Challenging ice
- Kaktovik whale hunt
- Where are they now?
Arctic Containment System

- Fourth line of defense
- Will provide coverage for Chukchi and Beaufort
- First of its kind – exceeds regulations
- Delay in completion and classification ended aspiration for hydrocarbon drilling in 2012
- Will be fully operational in 2013
2012 Logistics

- Trained over 2000 personnel

- Helicopters, fixed wings and vessels

- Over 12,000 rotations

- Man Camps in communities

- Miami Heat jet

- Over one million gallons of fuel transferred
Fundamentally, drilling program will be the same in 2013

Existing Exploration Plans for the Beaufort and Chukchi Sea

EPA air permits

Expect continued litigation at every turn
Economic Impact

IMMEDIATE IMPACTS

- 1800+ employed in 2012
- Alaska spend - $100 M+
- Rig upgrades, WA ($100+million, 400 jobs)
- Aiviq, LA ($150+million, 900 jobs)
- Capping & Containment systems ($200+ million)

LONG TERM IMPACTS OF OCS DEVELOPMENT*

- Annual average 54,000 jobs over 50 years
- $145 billion in payroll
- 700,000 barrels/day through TAPS

*Based on ISER/Northern Economics study
Working Together In The Arctic

- Coast Guard role and support: search & rescue, vessels

- North Slope Borough and local communities

- State of Alaska, Dept. of the Interior, NOAA, EPA

- Involved ports: Anchorage, Dutch Harbor, Valdez, Nome, Wainwright, Barrow and NW/Seattle
2013: Drilling to Hydrocarbons

- Continue to drill in Chukchi and Beaufort
- Science
  - NSB Agreement
  - NOAA MOU
- Onshore/offshore data collection
- Crossing NPRA
Activism Targeting Shell Alaska

- Maintain safety for all
- No one gets hurt and no major delays
- Direct action led by Greenpeace
- Court Injunction
- Expectation is they will continue