



BP Testimony to House Resources and House Energy

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April 25, 2012



BP in Alaska

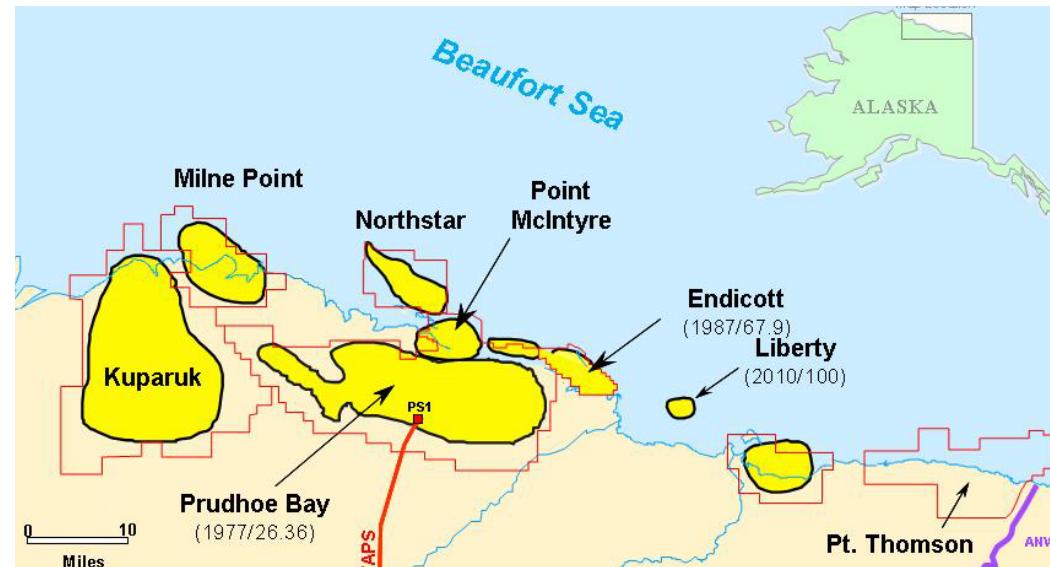
How BP makes investment decisions

What could growth in investment mean for Alaska's future

BP in Alaska since 1959



- 53 years in Alaska
 - Office opened in 1959
- \$13.4 billion in upstream spend with Alaska Firms the last 10 years
- 2,100 Employees (82% Alaska residents)
 - 275 APICC students hired in last 10 years
 - 54 internships, 100+ fulltime jobs in last 5 years
- 6,000+ Contractors
- \$70 million of direct community investment since 2001





BP in Alaska

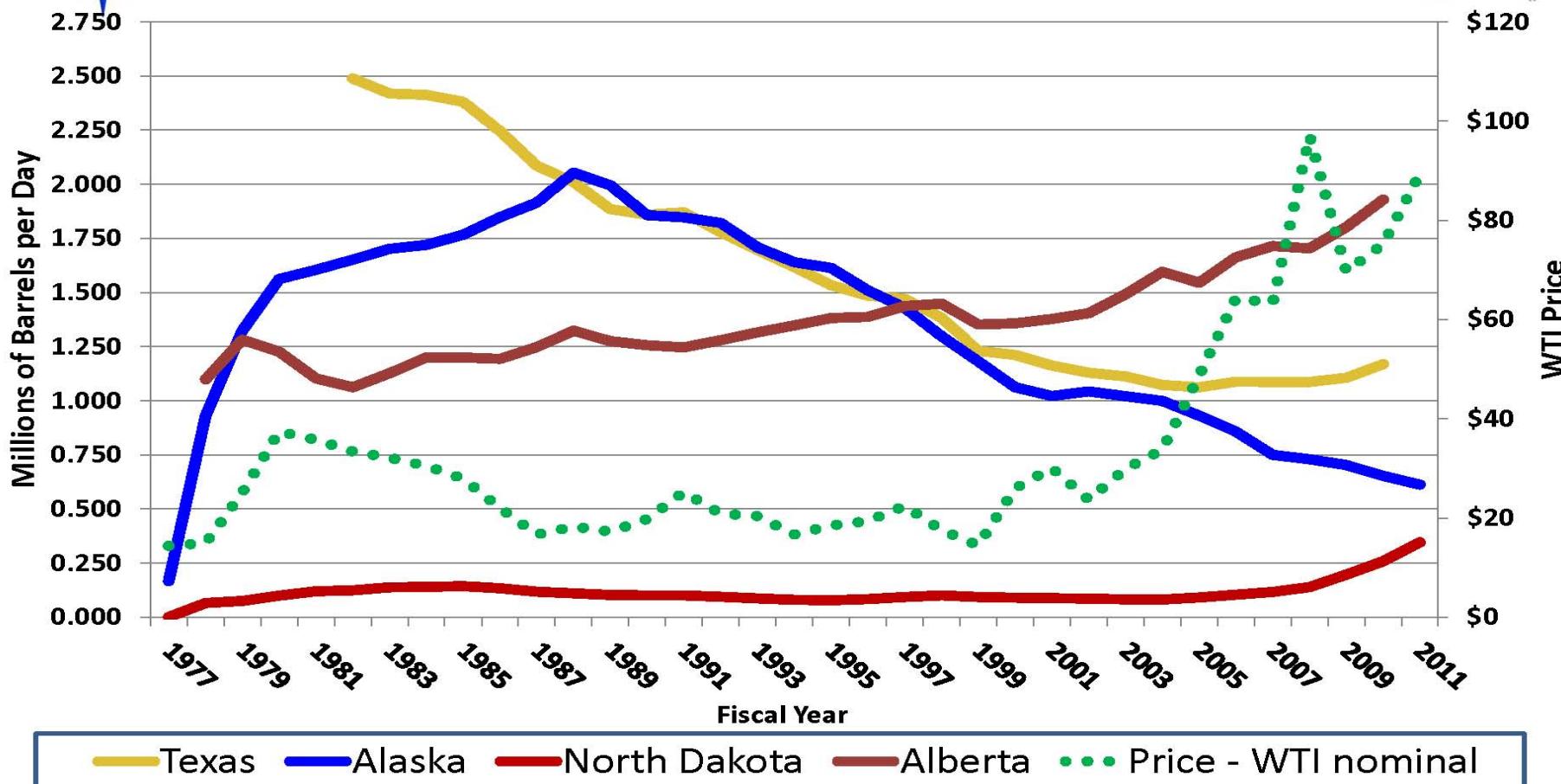
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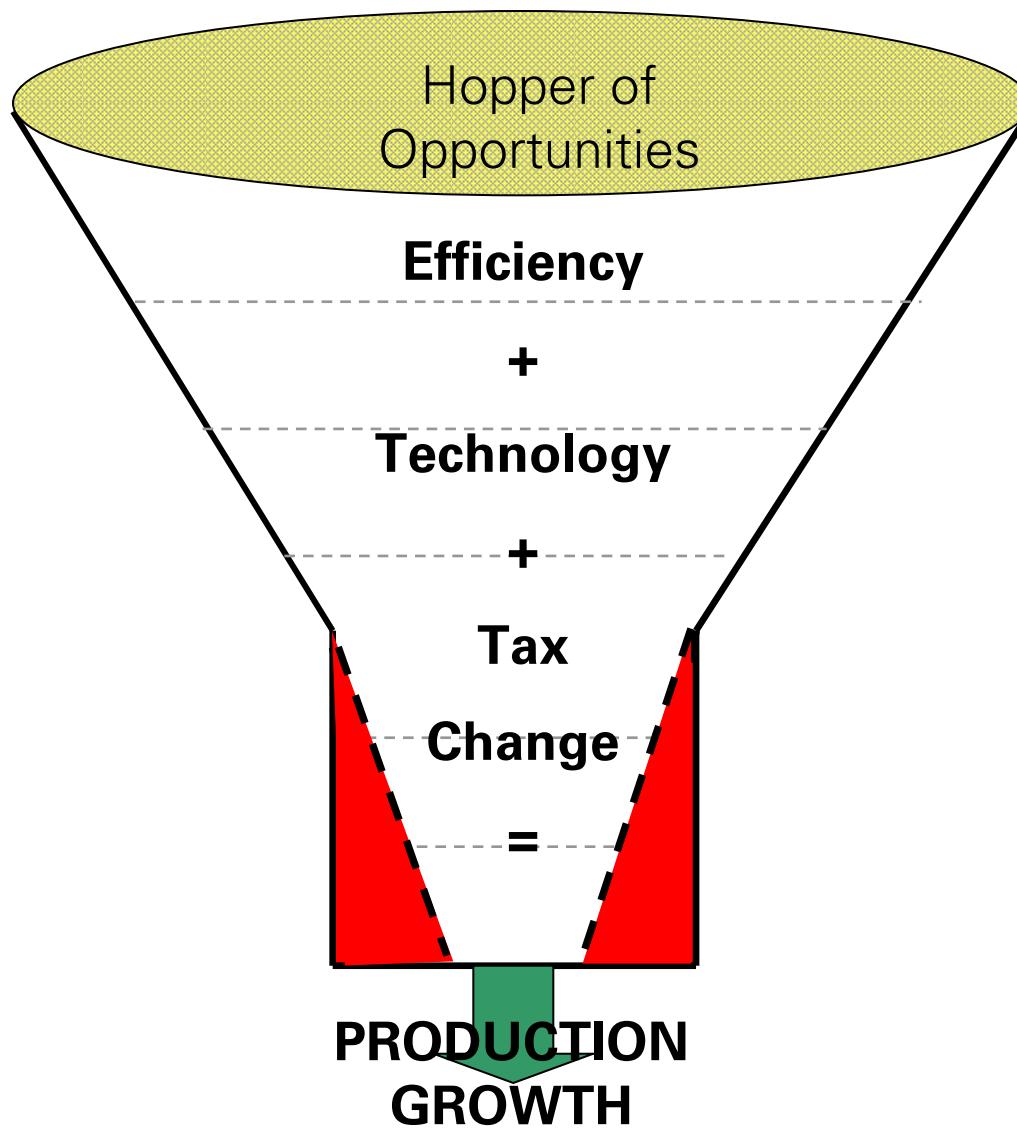
Global investment is limited and goes to the most attractive regions



Historical Oil Production: How Did Our Competition Fare When Prices Spiked?



The tax policy will greatly influence how many projects move forward



- Healthy base business
- Brightwater, Multi-lateral drilling, Lo Sal, etc.
- \$5 billion in potential new investment
 - Prudhoe I Pad
 - Kuparuk Eastern NEWS
 - Prudhoe Sag @ scale
 - Add'l drilling in legacy fields



BP in Alaska

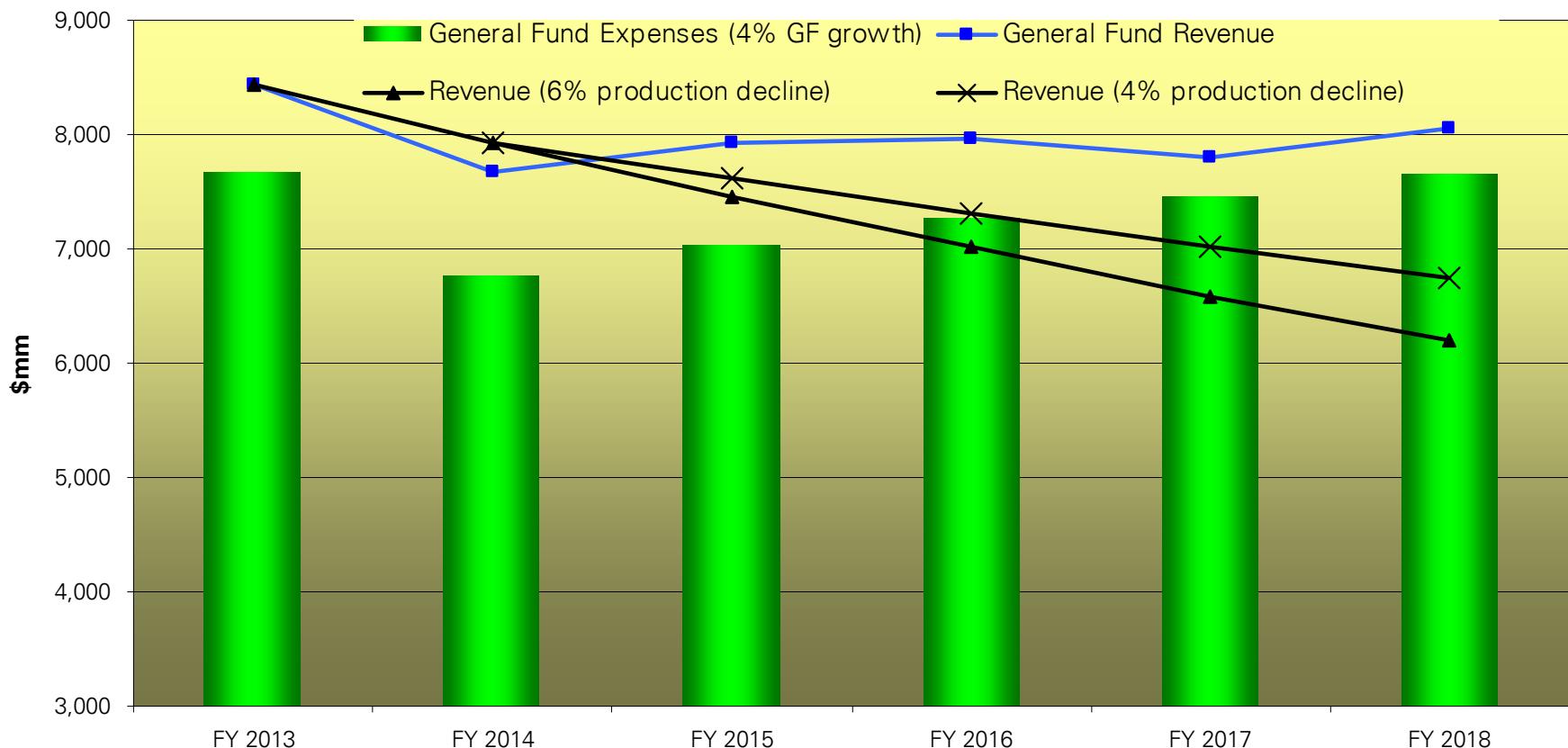
How BP makes investment decisions

**What could growth in investment mean for
Alaska's future**

Declining production is a crisis

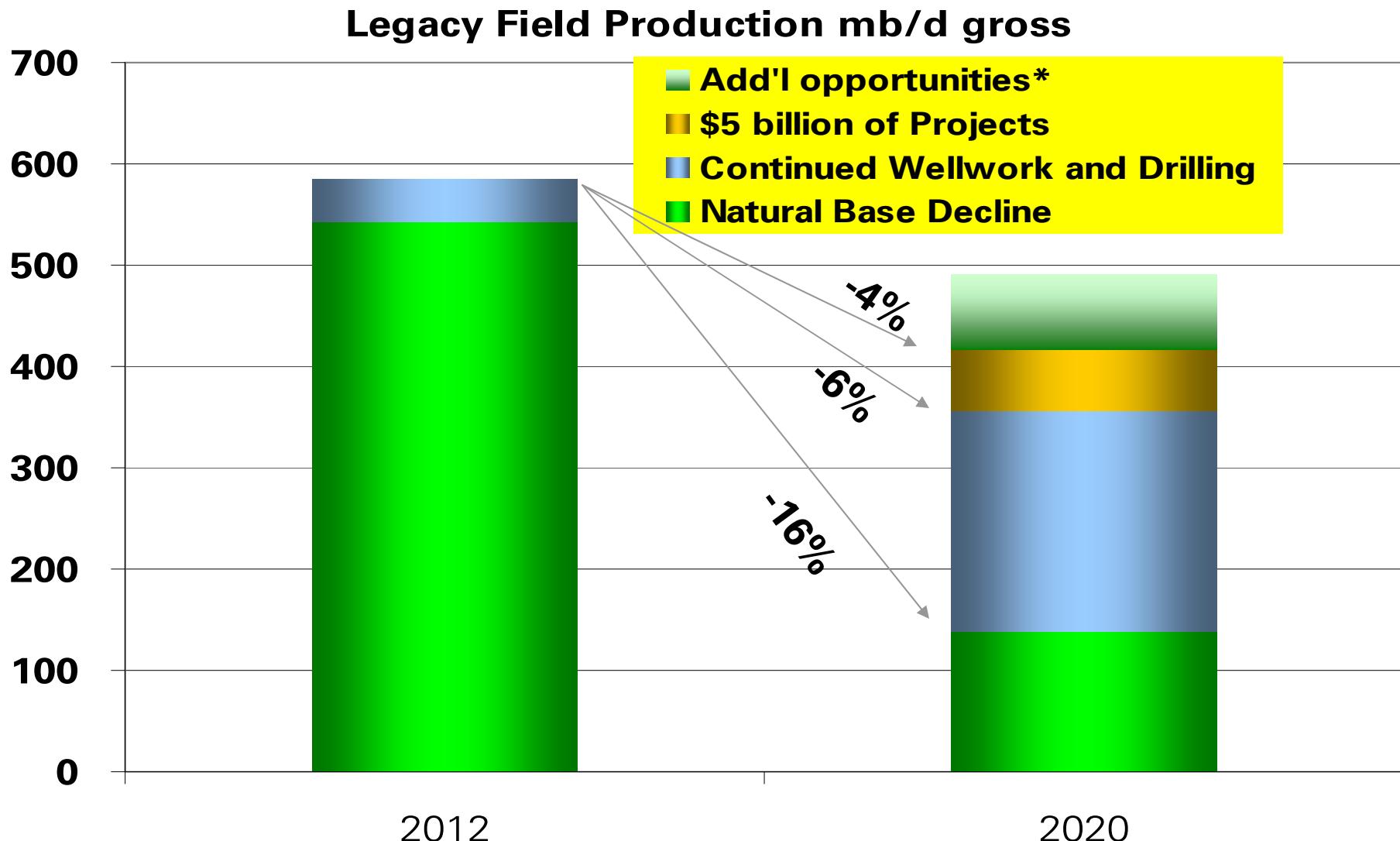


GF Revenue versus Appropriations FY13 to FY 18
Spring 2012 Revenue Forecast With 4% GF Growth beginning in FY2014



Source: Office of Management and Budget presentation to House Resources, April 25, 2012

Two-thirds of production in 2020 derives from activity performed from 2012 to 2020



Key Messages



- ACES is a no growth policy that bets Alaska's future on high oil prices
- Legacy fields are the only near-term option for new production
- If taxes do not change, our business will have to
- Other regions, like Alberta, have lowered taxes and increased investment and production