

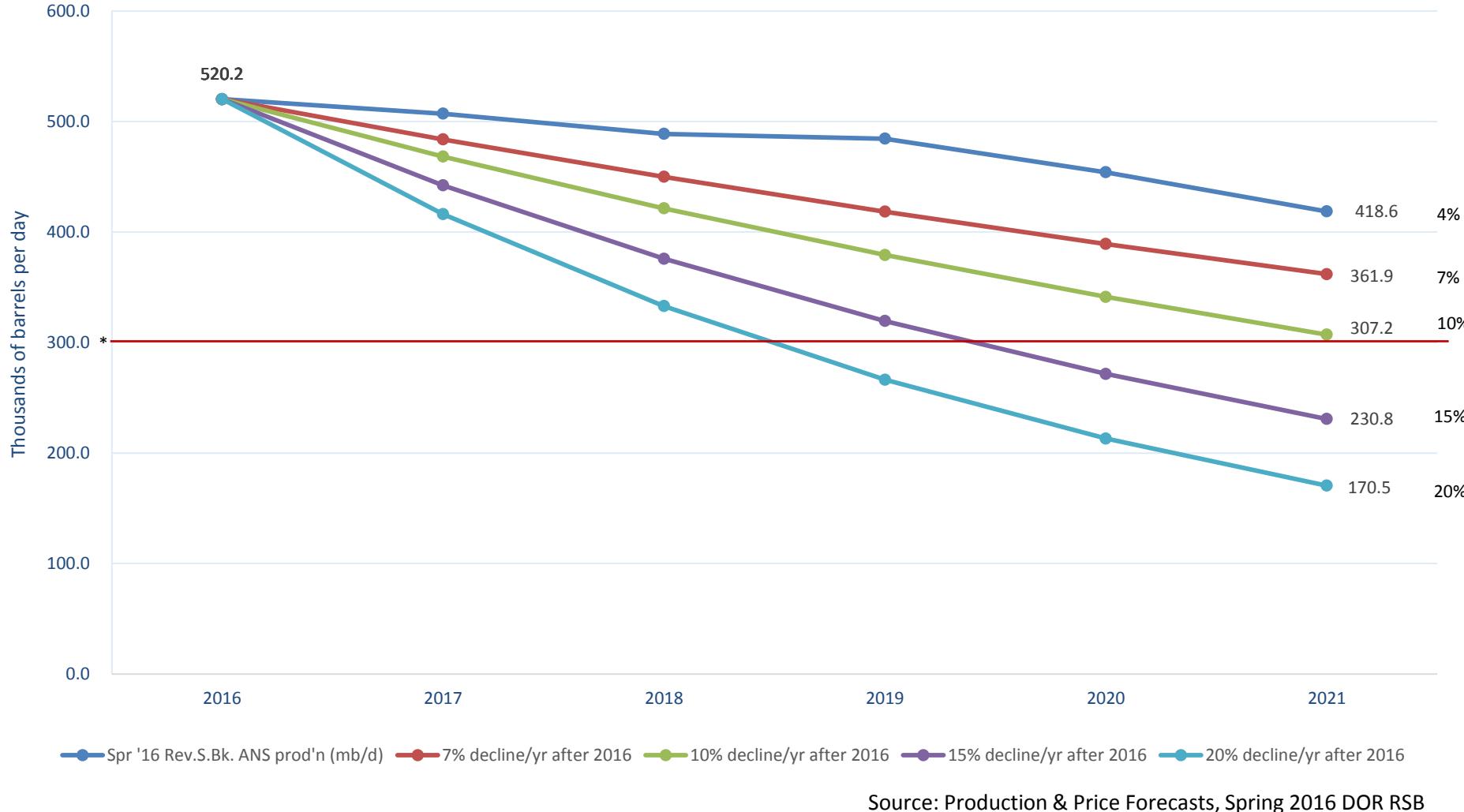


Senate Finance Committee

◦ Kara Moriarty –President/CEO

May 15, 2016

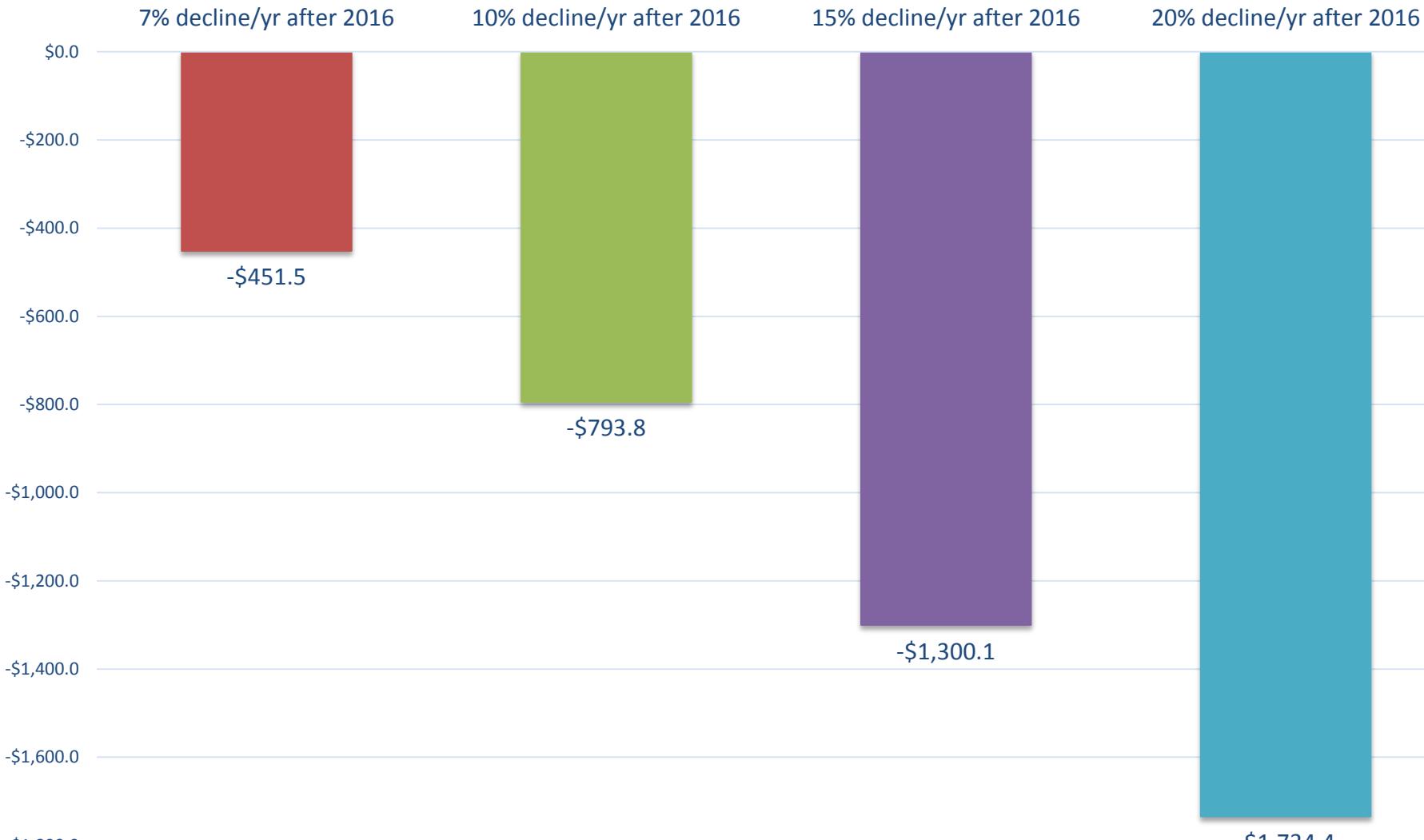
Projected Production Decline Curves



Source: Production & Price Forecasts, Spring 2016 DOR RSB

*According to Alyeska Pipeline Service Company, the Trans-Alaska Pipeline System (TAPS) faces a significant operational obstacle at 300,000 barrels per day. Despite some of the best and most innovative people in the industry focused on this scenario, an operational solution has not yet been identified to sustain TAPS operations below this level.

Cumulative Reduction in Royalty Value after 5 years/Decline (\$MM)



Source: Production & Price Forecasts, Spring 2016 DOR RSB