

Brooks Range Petroleum Corporation

Presentation for:

House Resources Committee

HCS for CSSB 21 (RES)

Bart Armfield, Chief Operating Officer

April 2, 2013

Mustang Development - UPDATE



Access Road & Production Pad

Completion of mining & construction phase

Results:

Overburden – less than expected

Gravel quantity – much larger volume

Quality – greater portion within design specifications



Summer conditioning

Facility design, procurement and fabrication

On-site Construction in Q2 2014

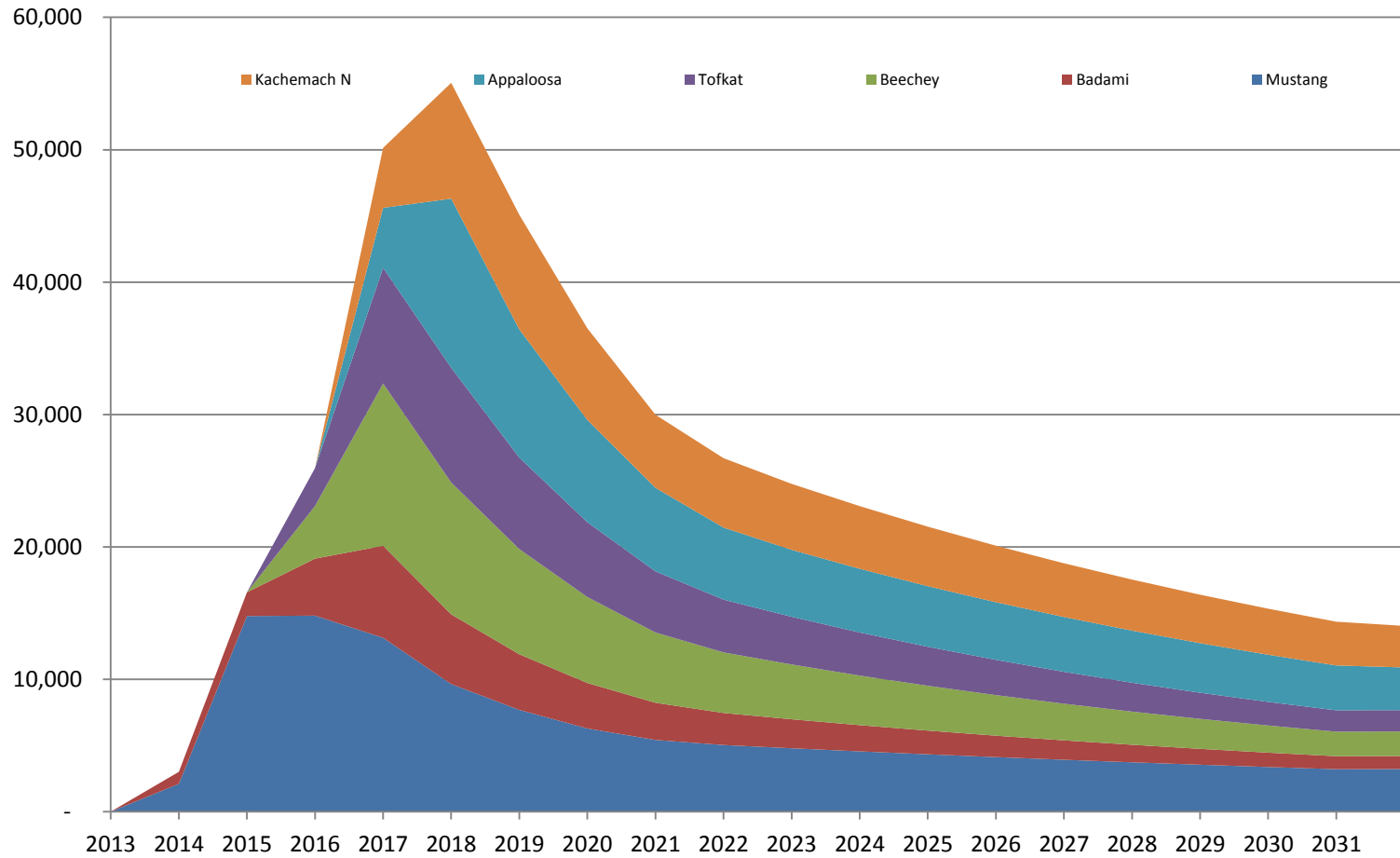
FIRST OIL in 17 months

15,000 BOPD contribution to TAPS throughput

Key Considerations for HCS to CSSB 21 (RES)

1. ***Alaska needs E AND P, not just P***
2. ***"One size does not fit all." The bill should address what keeps Exploration aggressive..... in addition to what motivates Production to progresseach is different.***
3. ***BRPC as a very small independent, has delivered on bringing significant value to the state for the credits previously provided, and will continue to do so.***
 - Overall, the JV has received \$ 69 MM in credits
 - Mustang alone will recover ALL credits within single year
 - Project life will return to SOA 1.2 B in revenue (17 times credits paid out)

Future Projects



Support / Considerations

	As Proposed in CS draft	Input Consideration
Base Tax Rate	35%	Flat base of 30%
Credits		
QCE (elimination of 20%)		Consider extending to 2016
EIC (elimination)		Long-term effects on Fiscal Note
Produced barrel credit	\$ 5.00 / bbl	Support produced bbl credit
Monetization of NOL's	35%	Transition to a 35% rate from a defined 45%
GVR	20%	Support GVR concept
Small Producer Credit	2016	Extend qualification period to 2022