

# **NANA Regional Corporation Hydrocarbon Exploration Efforts March 11, 2015**

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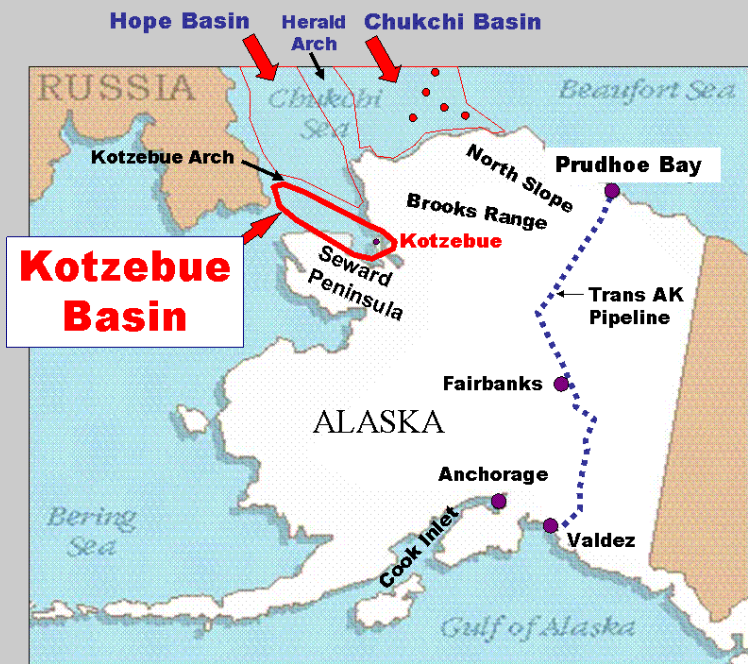
# NANA Regional Corporation

- At NANA, our mission is to improve the quality of life for our more than 13,500 Iñupiat shareholders by maximizing economic growth, protecting and enhancing our lands, and promoting healthy communities with decisions, and behaviors guided by our Iñupiat Ilitqisiat; which is our traditional value system.



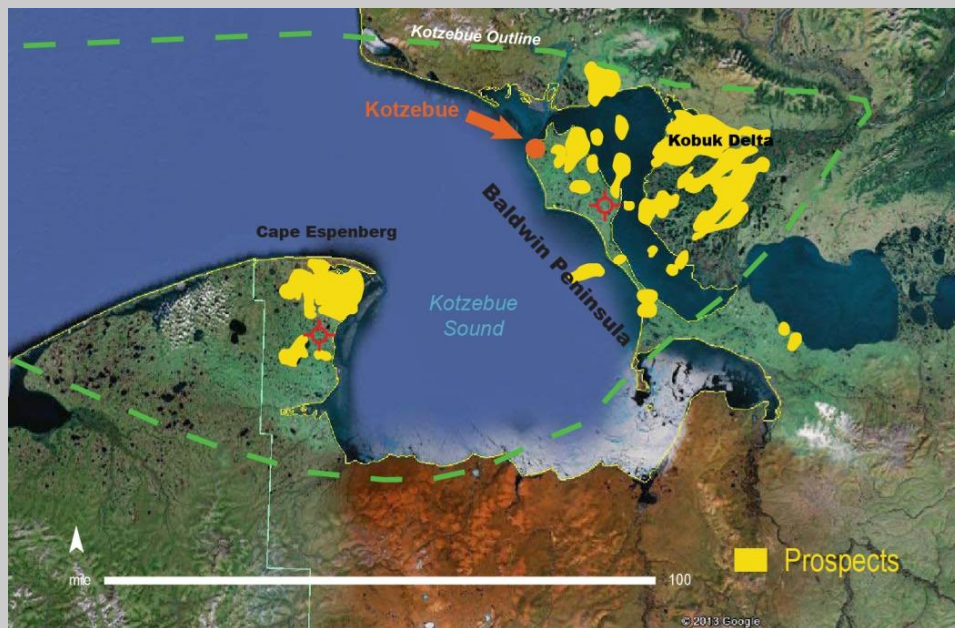
# Alaska – Kotzebue Basin Hydrocarbon Potential

## NANA Regional Corporation



- NANA seeking partners to appraise Fee Lands, 2.2 million mineral acres
- Two wells drilled by Chevron in 1974, 1500 mi of seismic
- 30 prospects/leads
- No known resources
- Assessment ongoing

- Kotzebue Basin, onshore and offshore in NW Alaska, it is one of the major sedimentary basins of North America
- >20,000 feet of Cretaceous and Tertiary basin-fill
- Comparable in size to Cook Inlet Basin



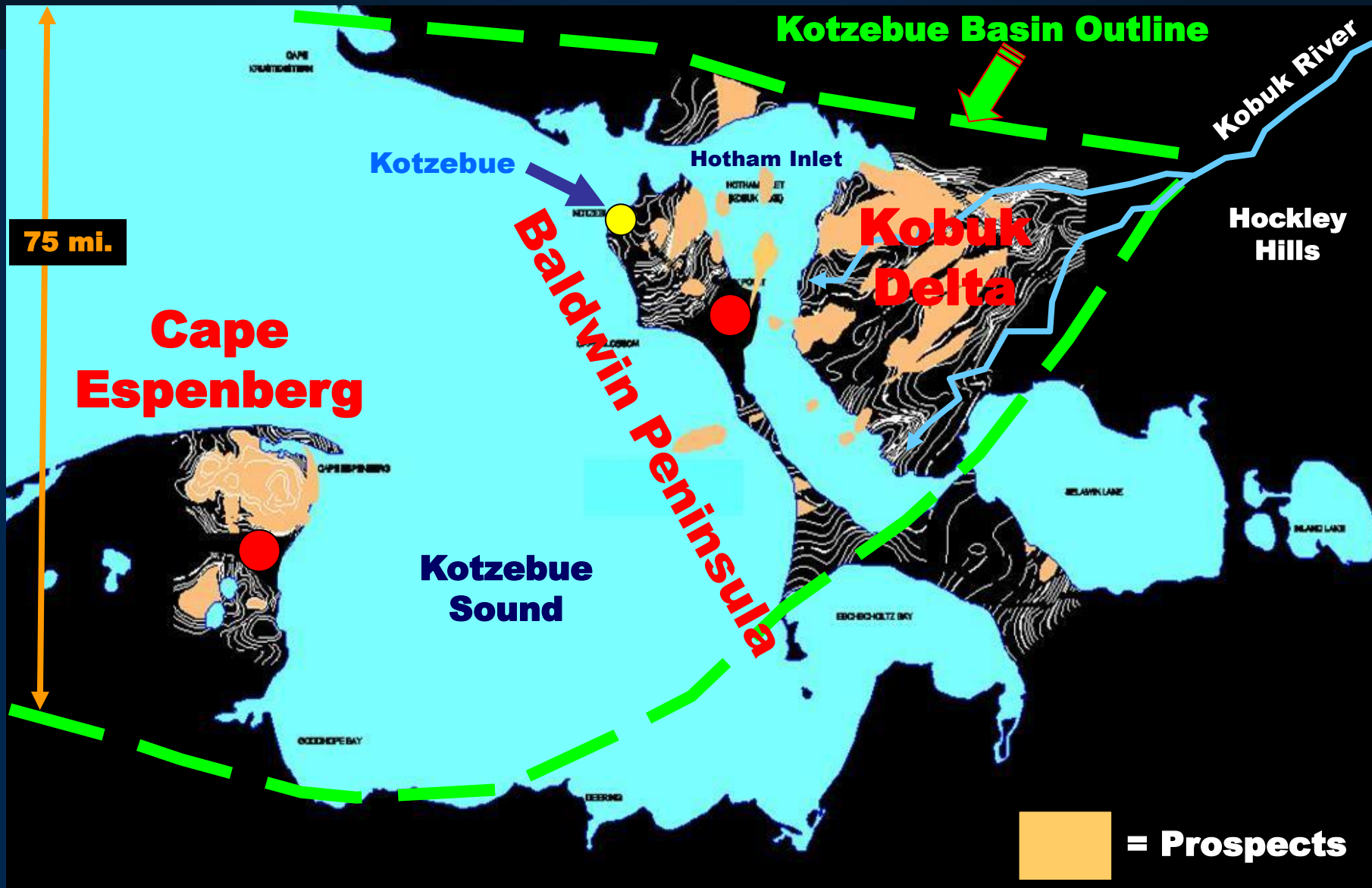
# Need for Energy

- Residents in NW Alaska are paying between \$6 and \$11 per gallon for gasoline and heating fuel
- Lower energy cost through natural gas will offer sustainable solutions to the Region's energy crisis

# Kotzebue Oil and Gas Project History

- Chevron
  - Extensive regional seismic studies, 1970-1974
  - Two wells drilled in 1974 & 1975,
  - Chevron lost interest once it determined it was a gas prone basin (oil was the company's focus)
- NANA Consultant - Intera Report – 1993-1995
  - Postulated oil prone sources and potential for gas
  - Relatively high risk for exploration for relatively small field sizes ignoring local market needs
  - Yet showed gas potential
- Trio Petroleum
  - Exploration Agreement and Option to lease dated 2008
  - Firm well commitments in every year commencing April 1, 2010
  - No wells drilled agreement terminated 2011 after failing to fund drilling
- NANA Consultant - Moyes & Co.
  - Retained August 2012 to provide technical and commercial assistance
  - Assembled existing data, Reprocessed seismic data
  - Evaluating technical and commercial issues
  - Attracted company for on-site reviews in 2014

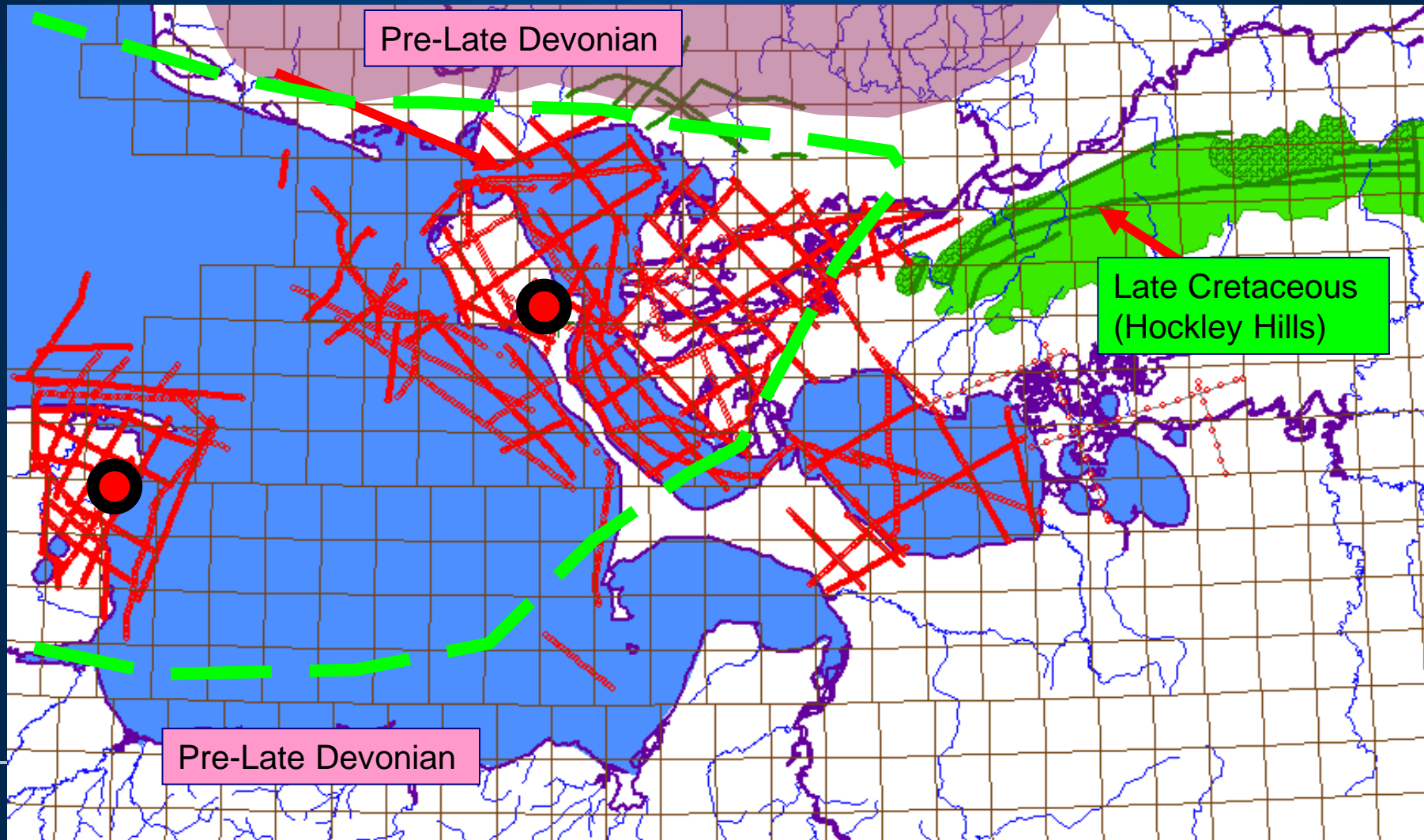
# Local Geography



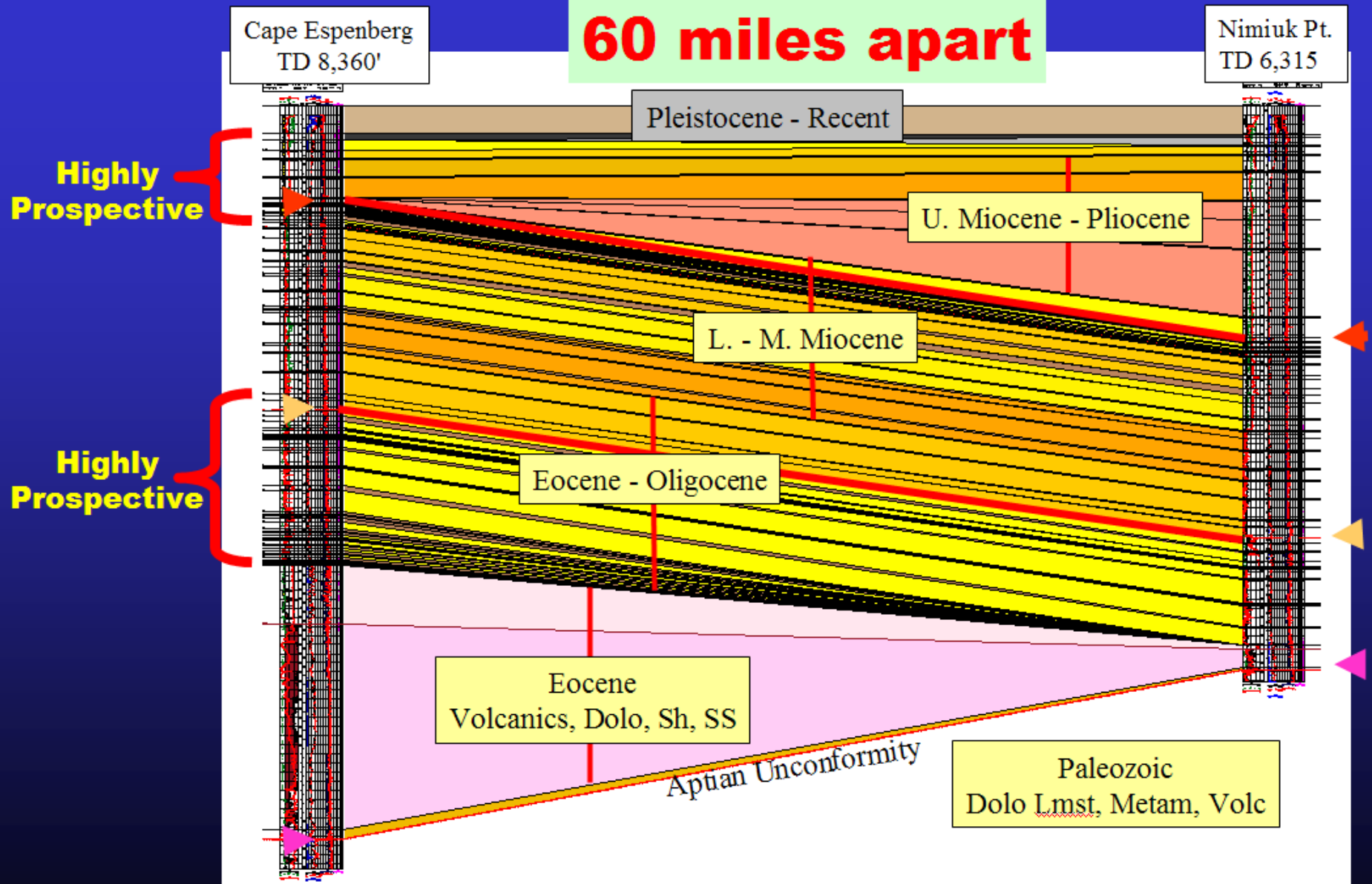


# Exploration History and Data

- SOCAL (now Chevron): frontier exploration - early to mid 1970s
- 1500 miles 2D seismic, gravity and aeromagnetic data
- Outcrop and subsurface studies and two stratigraphic test wells 1974



# Primary Reservoir Targets





# TODAY – Advancing the Basin

- Five confidentiality agreements signed in 2014 and one in 2015.
- A company visited twice in 2014, however they view the basin as too high of a geological risk to fund the exploration in total.
- Due to these issues we believe now is the time to evaluate self-funding the seismic work to de-risk the basin.

# How and why “de-risk” the geology of the basin

- Companies want to see more geological information.
- If successful more data will add greater value for NANA.
- Seismic work is required to lower the risk.

# Next Steps

- Finding partners is challenging (State incentives definitely help).
- Continue to evaluate self-funding seismic work.
- Continue to work with interested parties on data review for potential funding.
- Aim for seismic work in 2015-2016 or 2016-2017.