

House Rules Committee

CSHB247(RLS)\ D

Scott Jepsen, VP External Affairs

Paul Rusch, VP Finance

ConocoPhillips Alaska

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Tax Credits and Applicability to COP

Tax Credit Type	Total FY17 estimate, \$MM	Total reimbursable	COP reimbursement	Total used against severance tax liability	COP used against severance tax liability
Net operating loss	452	370	0 – Not eligible	82	0. Possible for calendar year '16, but self correcting.
Exploration	76	76	0 – Not eligible	0	Possible for 2016. Expires this year.
Small producer	27	NA	NA	27	0 – Not eligible
Per barrel production credit	16	NA	NA	16	Depends upon oil price and expenditures.
Cook Inlet and Middle Earth	337	326	0 – Not eligible	11	0. Assumes sale of Tyonek. Kenai LNG not deductible.
Total	908	772	0 – Not eligible	136	Potential for an NOL. Dependent upon oil price and expenditures.

- In 2015, COP incurred obligations to the SoA of \$665MM. Negative cash flow in excess of \$100MM.
- In 1Q 2016, incurred obligations of \$77MM. Cash flow approximately -\$100MM.