



Senate Finance Committee: SB 92

May 6th, 2025 • Luke Saugier, Hilcorp Alaska Senior Vice President

Hilcorp Alaska Overview



Highlights

Overview:

- Employee Count: ~1,700
- Contractor Count: ~2,500
- Gross Oil Production: 350 kboe/d
- Net Oil Production: 159 kboe/d
- More than 700 partnerships with local business, generating over \$750 million in annual spend with Alaska vendors

Hilcorp Alaska Key Events:

- 2012** – Hilcorp enters Alaska with the purchase of Chevron's Cook Inlet assets
- 2014** – An acquisition from BP expands our operations to include the North Slope
- 2020** – Hilcorp buys BP's remaining assets in the state, becoming Alaska's largest operator
- 2024** – Hilcorp's footprint on the Slope expands as Eni and Chevron exit the state
- Hilcorp purchases the Spartan 151 jack-up rig to prevent it from leaving Alaska

Alaska Asset Snapshot



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Cook Inlet

Production (kboe/d)	25
Percent Gas	56%
Well Count ¹	323

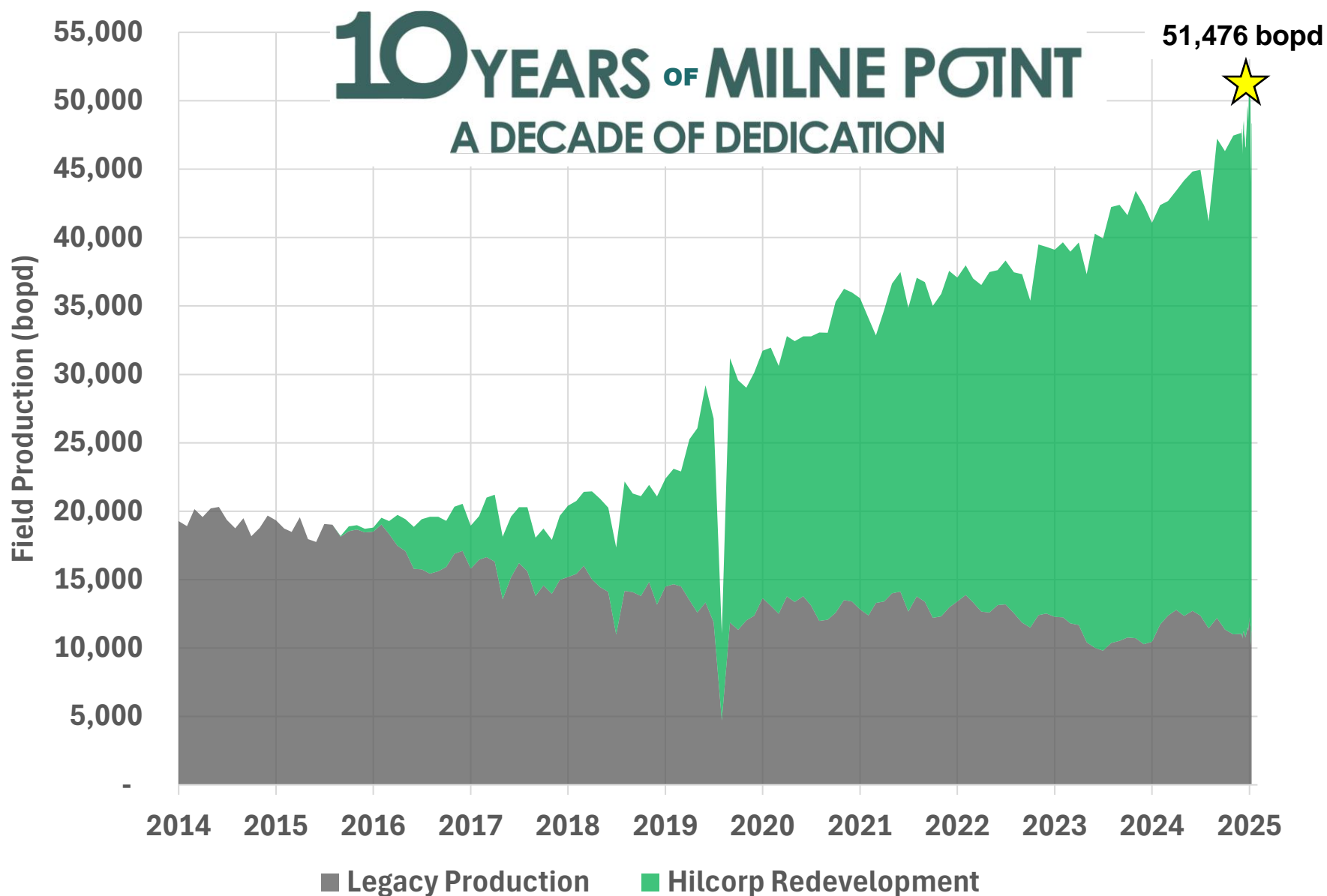
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North Slope

Production (kboe/d)	134
Percent Oil	100%
Well Count ¹	1,728

¹Enverus active producers + injectors

Setting Records at Milne

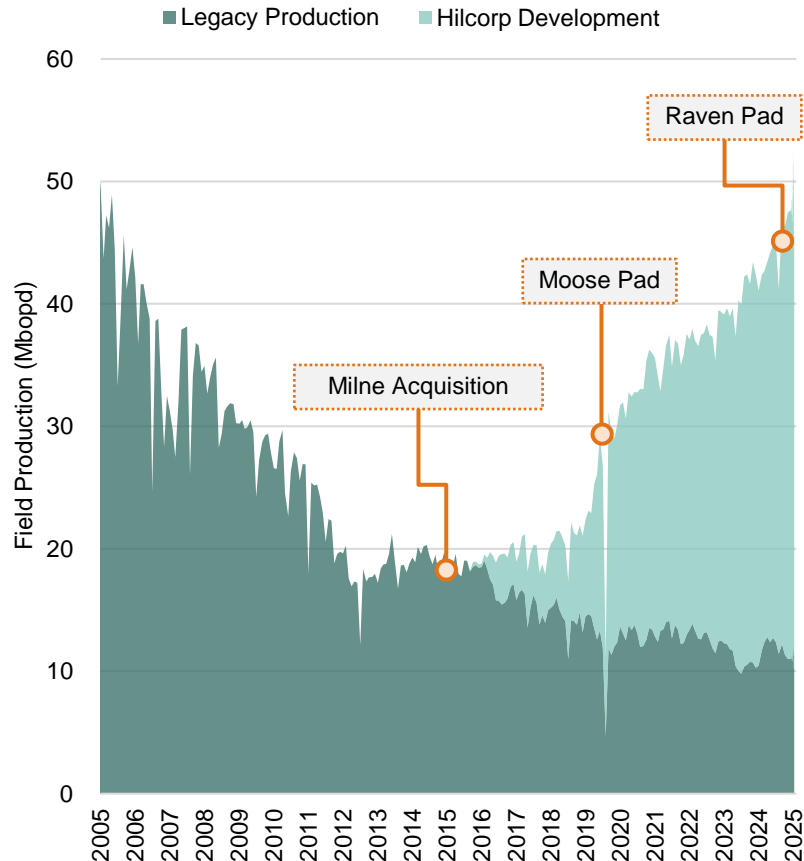


Milne Point Case Study

Finding New Opportunities and Growing Production



Milne Point Production¹



Development Highlights

- Grew production by 250% since acquisition in 2014
 - 127 wells drilled (14 with coiled tubing)
 - 58,000 bbls of polymer solution injected daily
 - 60% more produced fluid processed daily vs pre-acquisition
 - 21 ESP to jet pump conversions
 - Two new pads constructed
 - Increased field production by more than 30,000 BOPD since acquisition, more than doubling production
 - Tripled proved reserves since acquisition while replacing runoff
 - Invested \$1.5 billion in development capital

Impact of Milne Growth

Hilcorp's Milne Point Development has provided an incremental \$500mm in revenue to the State²

\$290 million
Property Tax

\$130 million
Royalties

\$80 million
Production Tax

¹ Per Enverus through December 2023

² Pro-rated production tax, property tax and royalties for Hilcorp development wedge. Assumes 12.5% royalty. Excludes NPSL.

Operating Efficiency

Hilcorp's Core Values Drive Success



Keys to Success

Ownership & Alignment

- Investing in equipment upgrades
- Empowering employees to make decisions

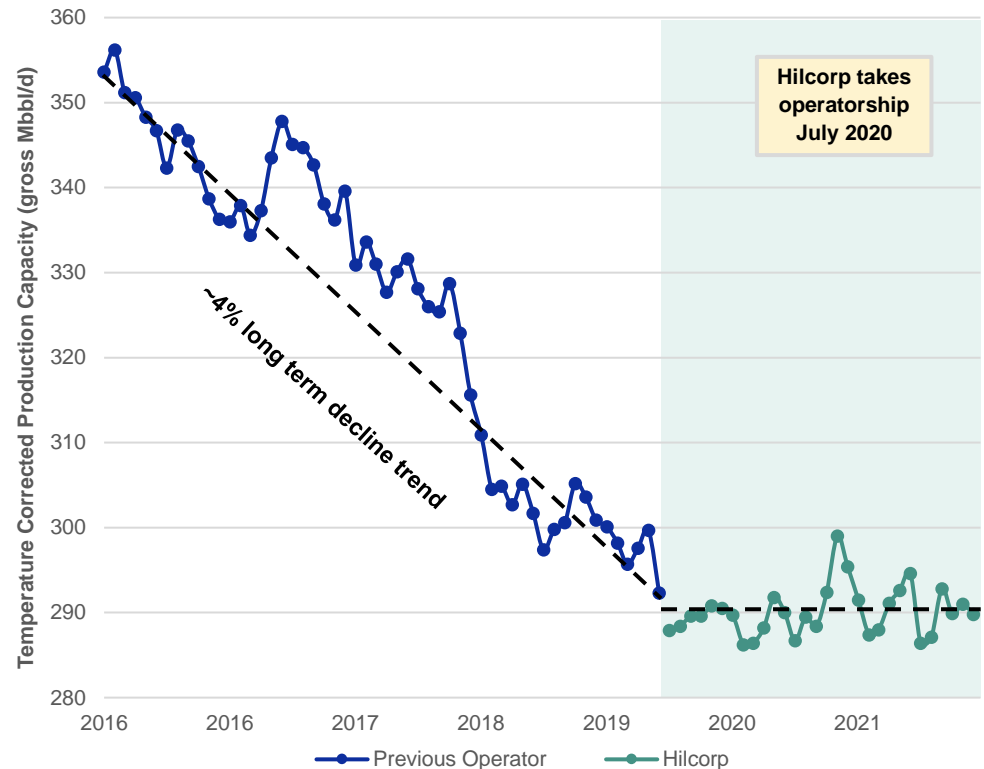
Urgency

- Field and office alignment results in innovative wins
- Improving operating efficiency requires hundreds of small wins

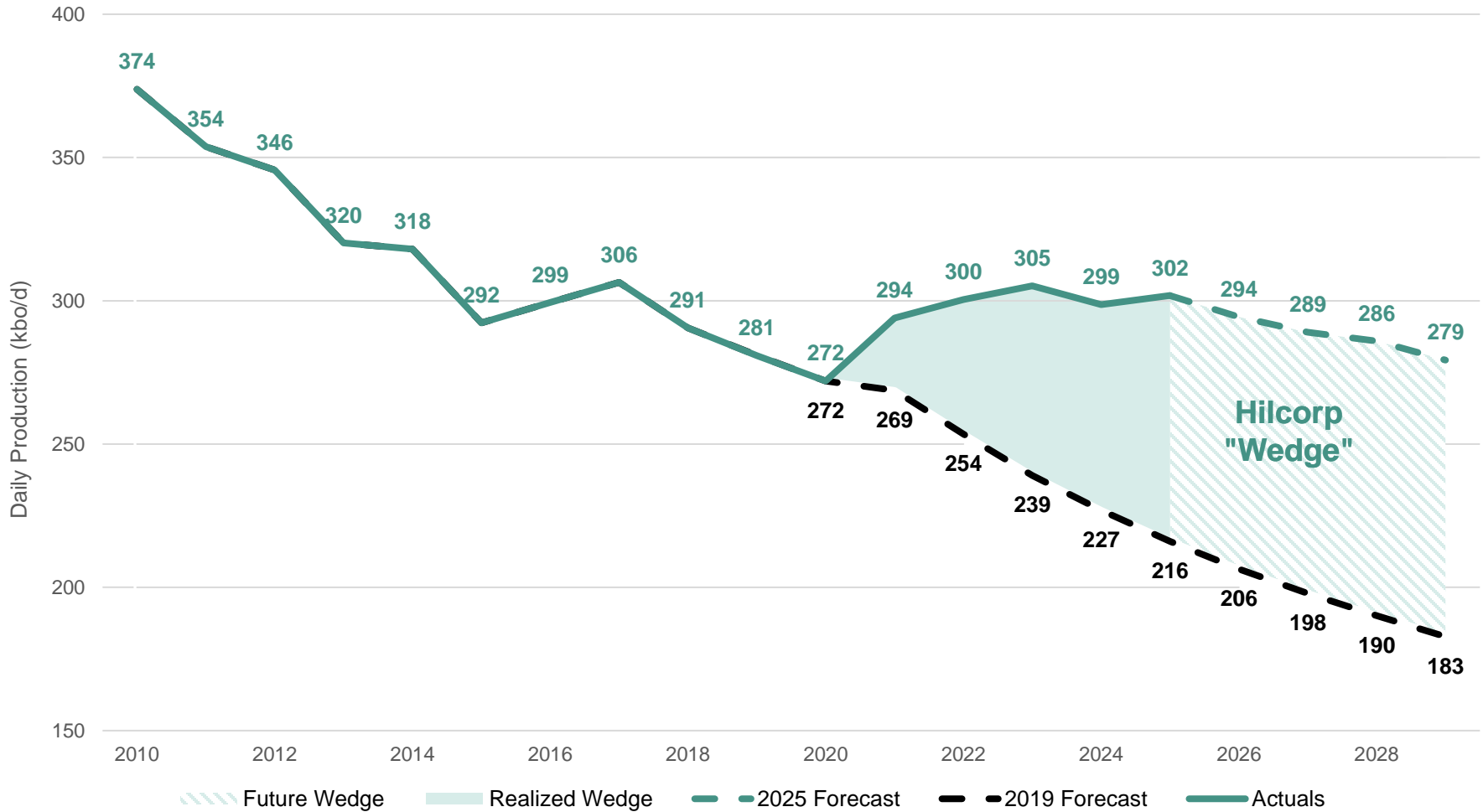
Integrity & Innovation

- Investing in new wells
- Reduce emissions
- Operate safely and responsibly

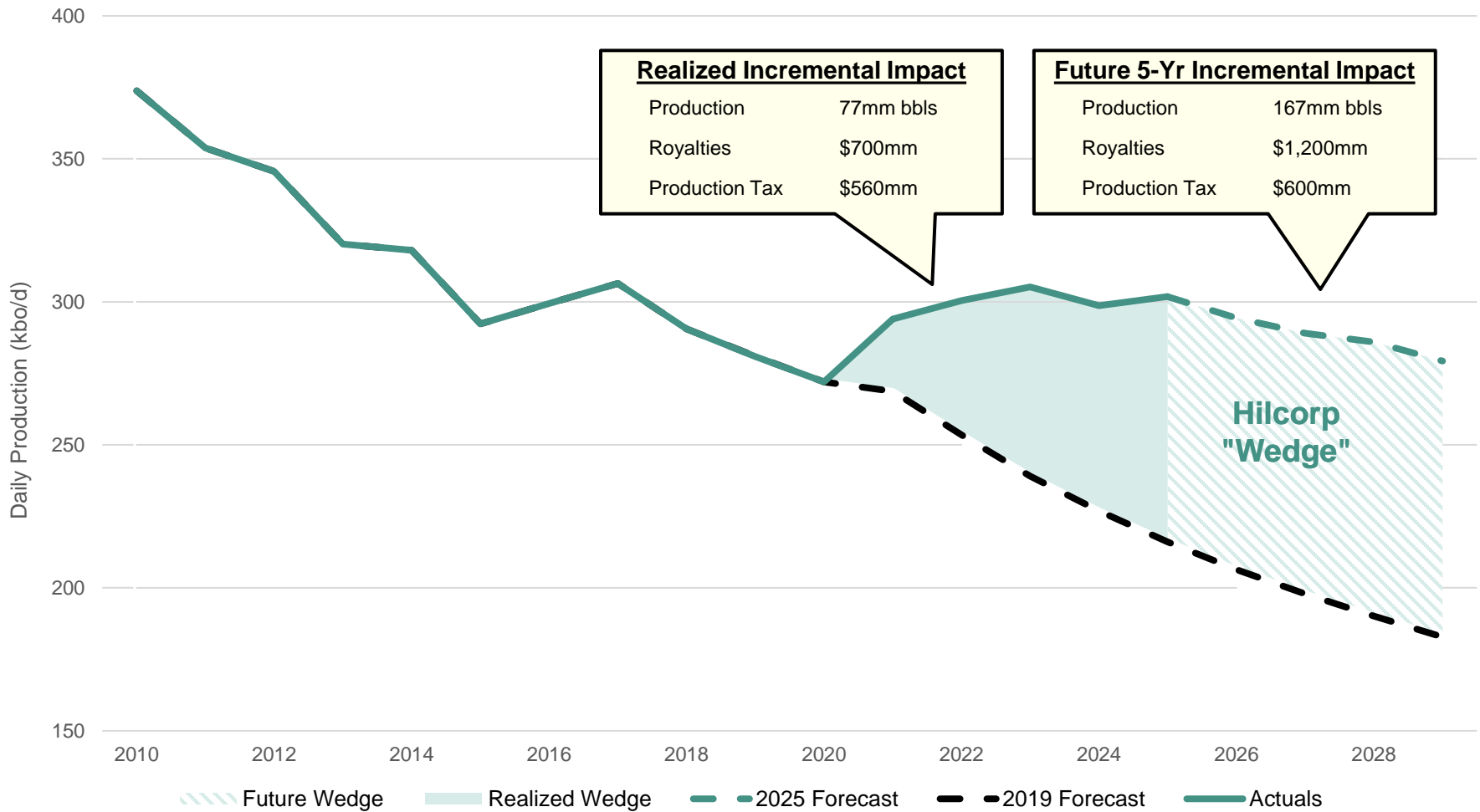
Prudhoe Bay



The Hilcorp “Wedge”



The Hilcorp “Wedge”





Appendix

Hilcorp Alaska Activity

Investing in the State Since 2012



Since Entering Alaska

\$5.6 billion

Royalties¹, Production, and Property Taxes Paid to AK

\$9.0 billion

Completed Acquisitions

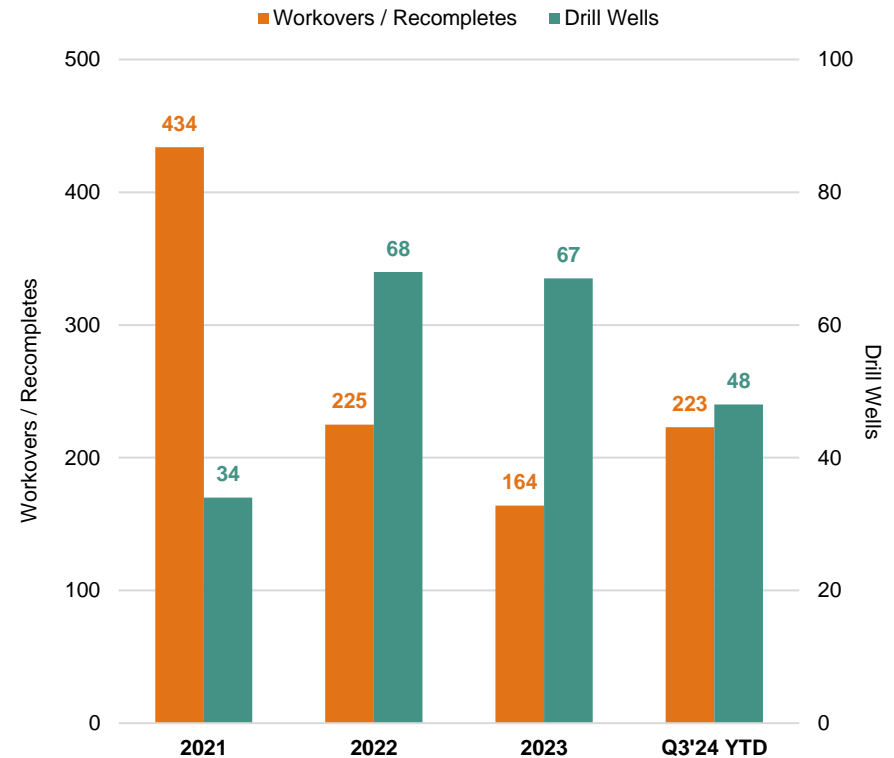
\$5.3 billion

Capital and Expense Investment

360 million

Barrels of Oil Equivalent Produced

Recent Alaska Activity



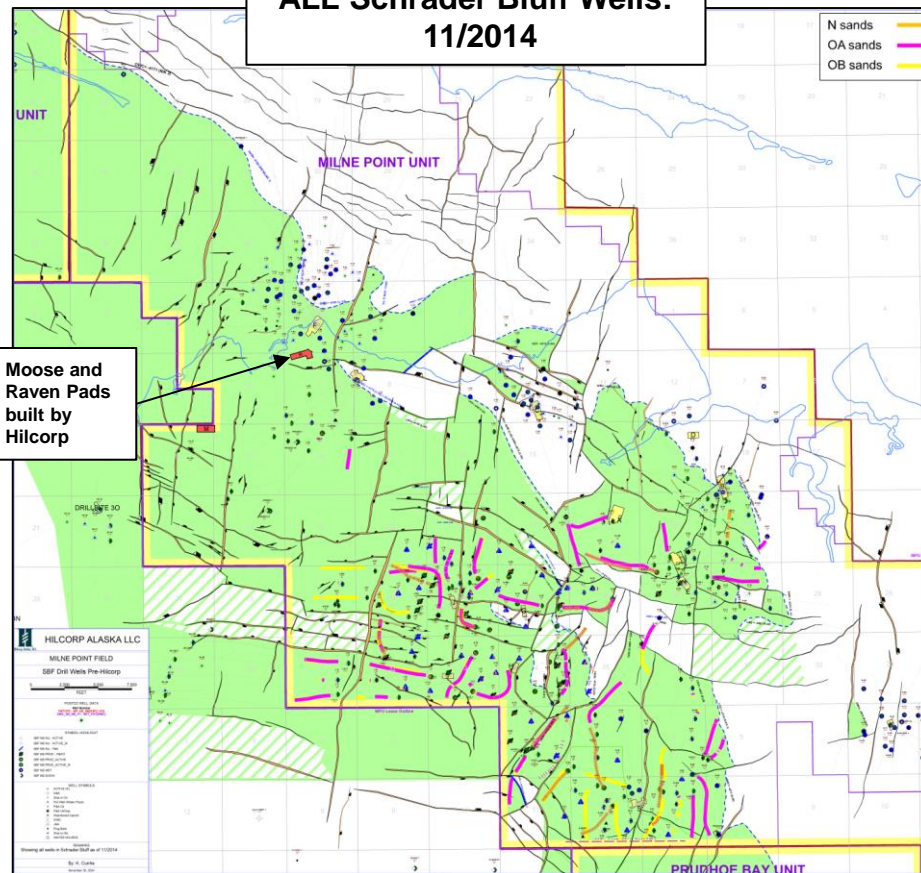
¹ Estimated royalties at 12.5%

Milne Schrader Bluff Development

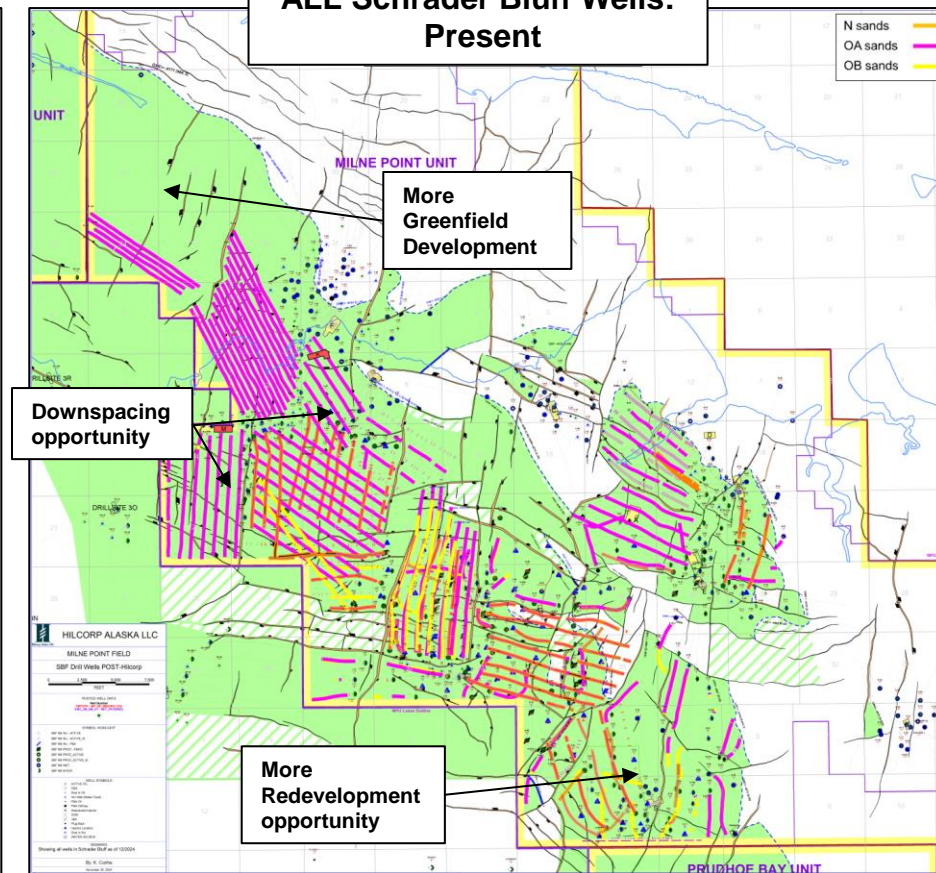


- 161 New Wells, 430 Miles Drilled
- 110 MMBO Produced by Hilcorp
- Many more drilling opportunities to grow Milne even more!

**ALL Schrader Bluff Wells:
11/2014**



**ALL Schrader Bluff Wells:
Present**



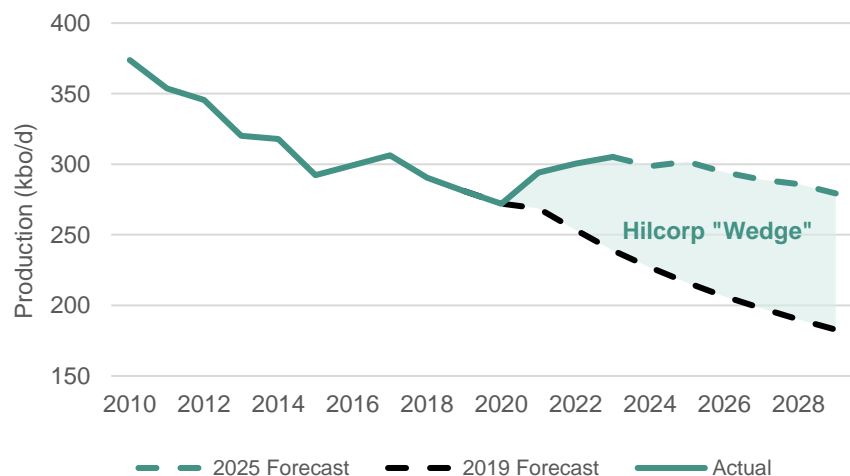
Hilcorp Activity is Growing State Revenue



Reversing Production Decline

- Hilcorp has cumulatively invested \$2.6bn in capital and expense projects on the North Slope
- We have reversed the declining trend in production in the fields that we operate
- Incremental rate added by this activity is expected to reach nearly 100 kbo/d – more than the Pikka project
- Our efforts have significantly expanded revenue for AK

2019 vs 2025 DOR Production Forecast¹



5-Year Future Impact of the "Wedge" ^{1,2}

167 million

Million Barrels of Oil

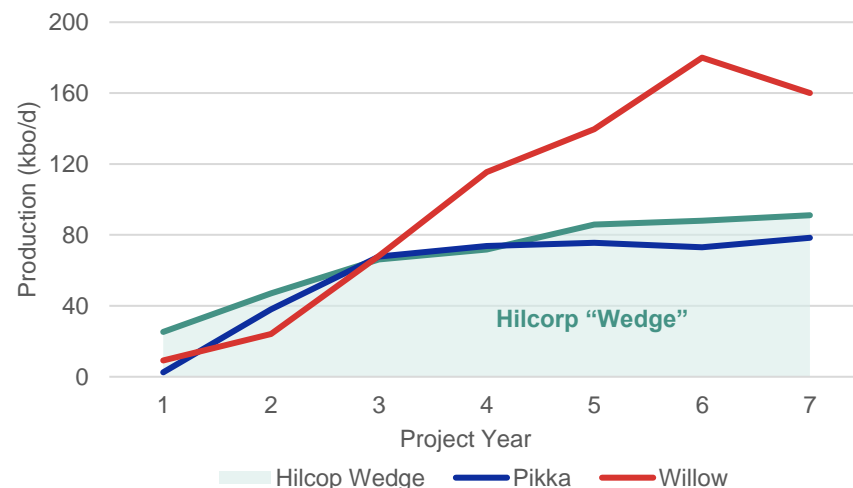
\$1.2 billion

North Slope Royalties

\$600 million

North Slope Production Tax

North Slope Project Comparison¹



¹ Production forecasts from AK Department of Revenue (DOR) Spring 2025 Revenue Sources Book
² 12.5% royalty rate. Production tax rate based on Hilcorp analysis using 2025 Spring RSB forecasts.



Continued Investment in Alaska

Hilcorp North Slope 2025 Plan

- **Hilcorp will invest \$750mm on the Slope in 2025**
 - Initiate polymer injection at newly acquired Nikaitchuq and Oooguruk fields
 - Drill 50+ wells at Prudhoe Bay
 - \$200mm campaign at Milne Point primarily exploiting the Schrader Bluff formation
 - Prepping a ~ \$180M project to drill the first well at Point Thompson in 10 years.
 - Invest \$50-60MM per year at Prudhoe Bay to maintain rotating equipment
- **Hilcorp expects to expand North Slope production by 5% in the near term with a five-year goal of 10%**
 - Forecasted 2025 production of 41 million net barrels of oil, a 5% increase compared to 2024.

Incremental Growth Value to the State

- The 2025 DOR Revenue Sources Book expects ~300kbo/d production from Hilcorp operated fields
- **Annual Impact of Hilcorp Prod Growth to State of Alaska:**

Growth (%)	Rate (kbo/d)	Annual (MMbo)	Royalties ¹ (\$mm)	Prod Tax ² (\$mm)	Total (\$mm)
5%	15	5.5	\$44	\$19	\$63
10%	30	11.0	\$87	\$38	\$125

¹ 12.5% royalty rate and DOR 2025 ANS price

² 8% production tax rate based on average of AK DOR 2024 and 2025 ANS production tax estimates.



Thank You



Hilcorp Alaska

Hilcorp looks forward to continuing to responsibly produce Alaskan oil and natural gas, create Alaskan jobs and contribute to the State's economy for decades to come.

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