AMENDMENT #4

State of Alaska

Legislative Budget & Audit Committee

Room 101, Capitol Building

Juneau, AK 99811-1182

AND

DWA Energy Limited,

25 Badgers Oak

Lincoln LN5 9JP

United Kingdom

**TOTAL CONTRACT AMOUNT: $392,750**

**(including reimbursement for expenses)**

The parties to this amendment, made and entered into the date of the Chair of the Legislative Budget & Audit (LBA) Committee signs the contract, are the Legislative Budget & Audit Committee, whose address is State Capitol, Room 101, Juneau, Alaska 99801-1182, hereinafter referred to as the “Committee,” and DWA Energy Limited, 25 Badgers Oak, Lincoln LN5 9JP, United Kingdom, hereinafter referred to as the “Consultant.”

THE PURPOSE OF THIS AMENDMENT is to amend the original contract, entered into May 20, 2009, and amended December 16, 2009, February 26, 2010 and June 25, 2010 between the Committee and the Consultant, to amend the statement of work to include work to compile model results on a wide range of scenarios and sensitivities for the oil fiscal design and tax structure and the interrelationship to gas.

Clause I (B) is modified to become Clause I (C) and modified to read:

1. *In addition, the Consultant will respond to any additional questions related to the work listed in (A)* ***and (B)*** *of this Clause. However, for purposes of responsible contract management by the Committee Chair and the Project Director, the Committee Chair must give written approval prior to work being performed by the Consultant that is a request from another Legislator or Legislative staff person that has been submitted to the Consultant, the Committee Chair or the Project Director. All requests from other committee chairs for the Consultant to testify, or otherwise make himself available for participation in a committee hearing, must be approved in writing by the Committee Chair prior to such participation. A written record of these requests and their disposition will be maintained by the Project Director.*

A new Clause I (B) is inserted to read:

1. *The Consultant will provide the Legislature with professional and specific economic* *analysis and advice in calculating multi-year cash flows to facilitate evaluation of oil fiscal design and tax structure to better understand the interrelationship of gas and oil fiscal design and tax structure. This assistance, at the direction of the Committee Chair or Project Director, will include but is not be limited to:*

* *Compile a model for oil fiscal design and tax structure. This model must take into consideration the following:*

1. *Alaska’s current oil fiscal design, tax structure components, and determinant variables,*
2. *Known and yet to be known upstream oil reserves (upstream cost / production data for Prudhoe Bay, and other North Slope oil fields from Department of Revenue),*
3. *Analysis of other oil fiscal regimes globally and their comparison to Alaska’s,*
4. *Additional analysis of the revenue effects of alternating the components and variables identified in (i) of this section.*

* *Conduct multi-case analysis using the model and analyze and compile model results using a wide range of scenarios and sensitivities. Present interim results and round-table workshop to discuss model scenario assumptions.*
* *In cooperation with LBA contractor Dan E. Dickinson, DBA Dan E. Dickinson, CPA, develop a working model and database analysis with three deliverables:*

1. *Written report outlining the working interrelationship between oil fiscal design and tax structure and gas fiscal design and tax structure enabling the Legislature to model and arrive at potential policy solutions,*
2. *Final Excel model with user guidelines, and*
3. *Formal presentation to Legislature.*

All other terms of the contract remain the same.