
Senate Finance Committee

CSSB21

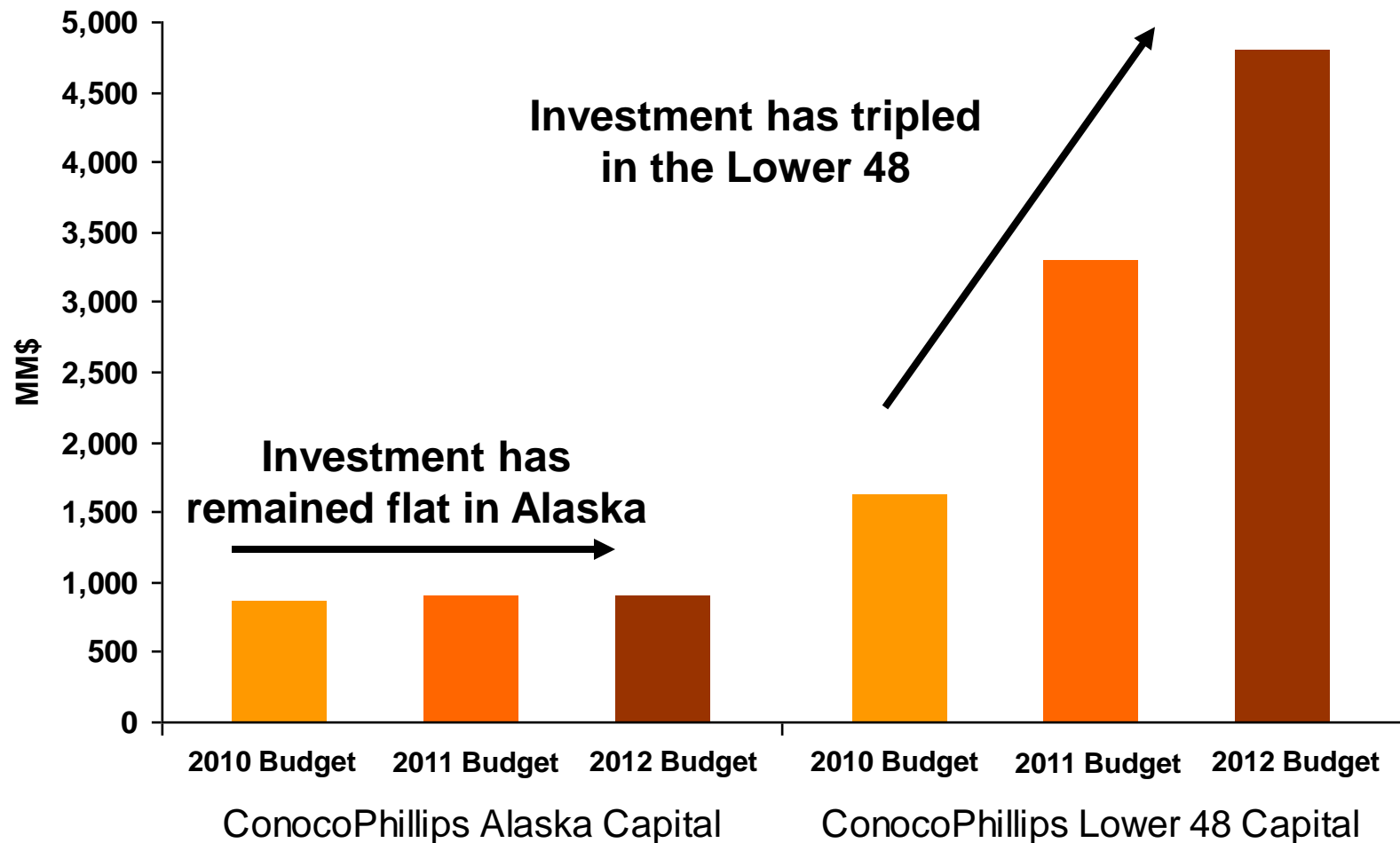
Bob Heinrich, VP Finance

Scott Jepsen, VP External Affairs

ConocoPhillips Alaska

March 14, 2013

ConocoPhillips Capital Allocation



Investment flows where investor has upside

Changes to ACES to Improve Alaska's Investment Climate

Change	CSSB21
<ul style="list-style-type: none">• Eliminate progressivity	✓
<ul style="list-style-type: none">• Create a flatter tax rate over a broad range of prices<ul style="list-style-type: none">➤ Producer and State share proportionately as prices fluctuate and margins change	✓
<ul style="list-style-type: none">• Establish a tax structure creating an attractive investment climate<ul style="list-style-type: none">➤ Competitive tax rate➤ Provide the incentives to balance Alaska's high cost environment➤ Incentives for both legacy and new field investments	<ul style="list-style-type: none">• Issues<ul style="list-style-type: none">➤ Tax increase at lower prices – base rate too high➤ Uncertainty around GRE application to legacy fields.