



***Senate Working Group on  
Oil and Gas Tax Credits  
October 13, 2015***

- Overview of Great Bear Petroleum
- Review of Great Bear's Exploration Activities
- North Slope Challenges for Explorers
- Great Bear's Forward Looking Plans
- Tax Credits & Great Bear – A Catalyst for North Slope Exploration

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## Great Bear Petroleum – Quick History

- Founded in 2010
- Focused exclusively on Alaska's North Slope
- Working Interest holder of 499,000 acres
- Operator on 590,000 acres
- Completed 4 seasons of 3D seismic acquisition, covering 500 sq miles, drilled 3 exploration wells
  - \$200 million in gross spending in Alaska to date
- Contracted for a 5<sup>th</sup> season of 3D acquisition, covering an additional 400 sq miles
  - Following 2016 Season, will have nearly entire position covered by 3D Seismic

## Great Bear Management Team



**Mike Mason**  
CEO & President



**Ryan Moynagh**  
Chief Financial  
Officer

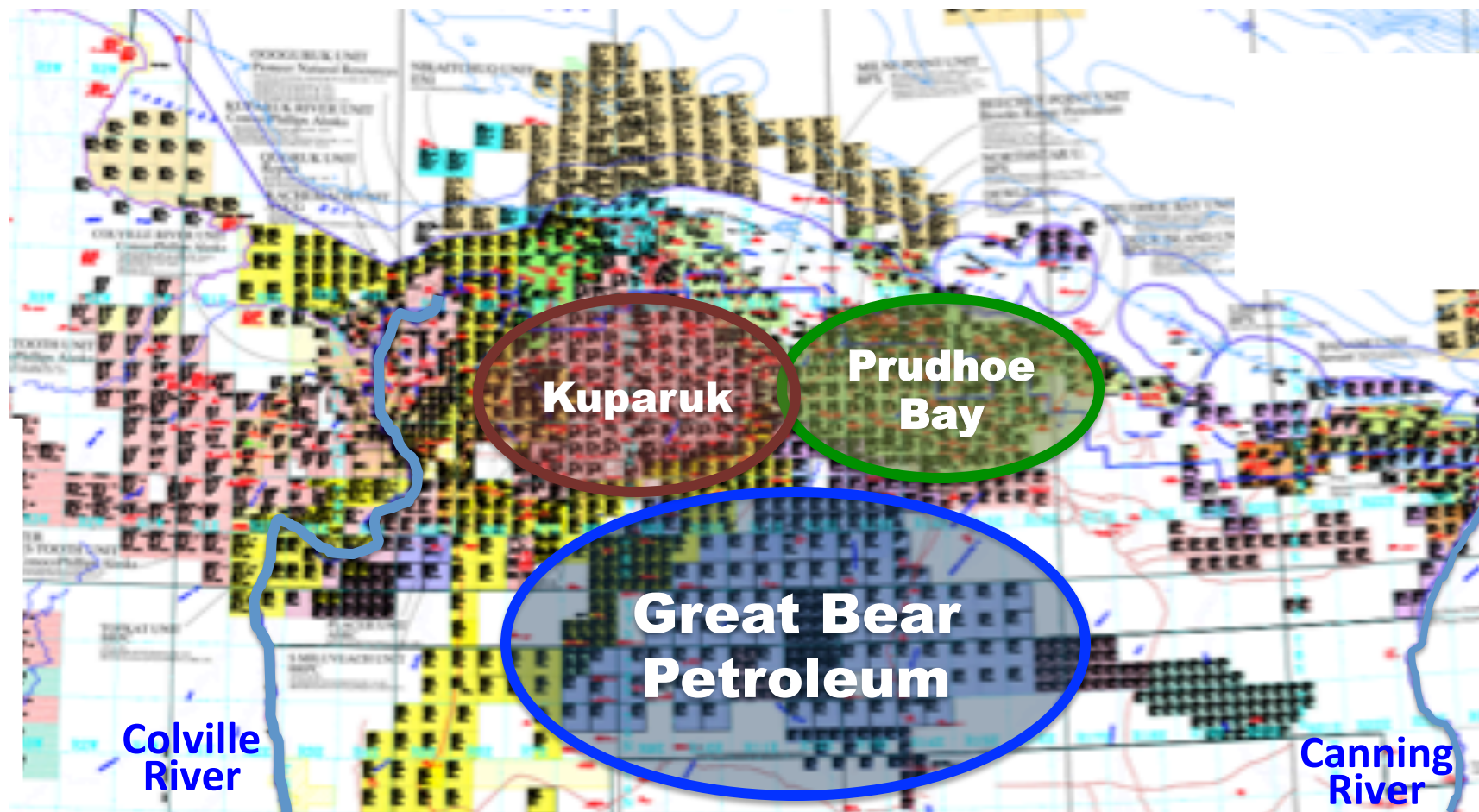


**Pat Galvin**  
Chief Commercial Officer &  
General Counsel



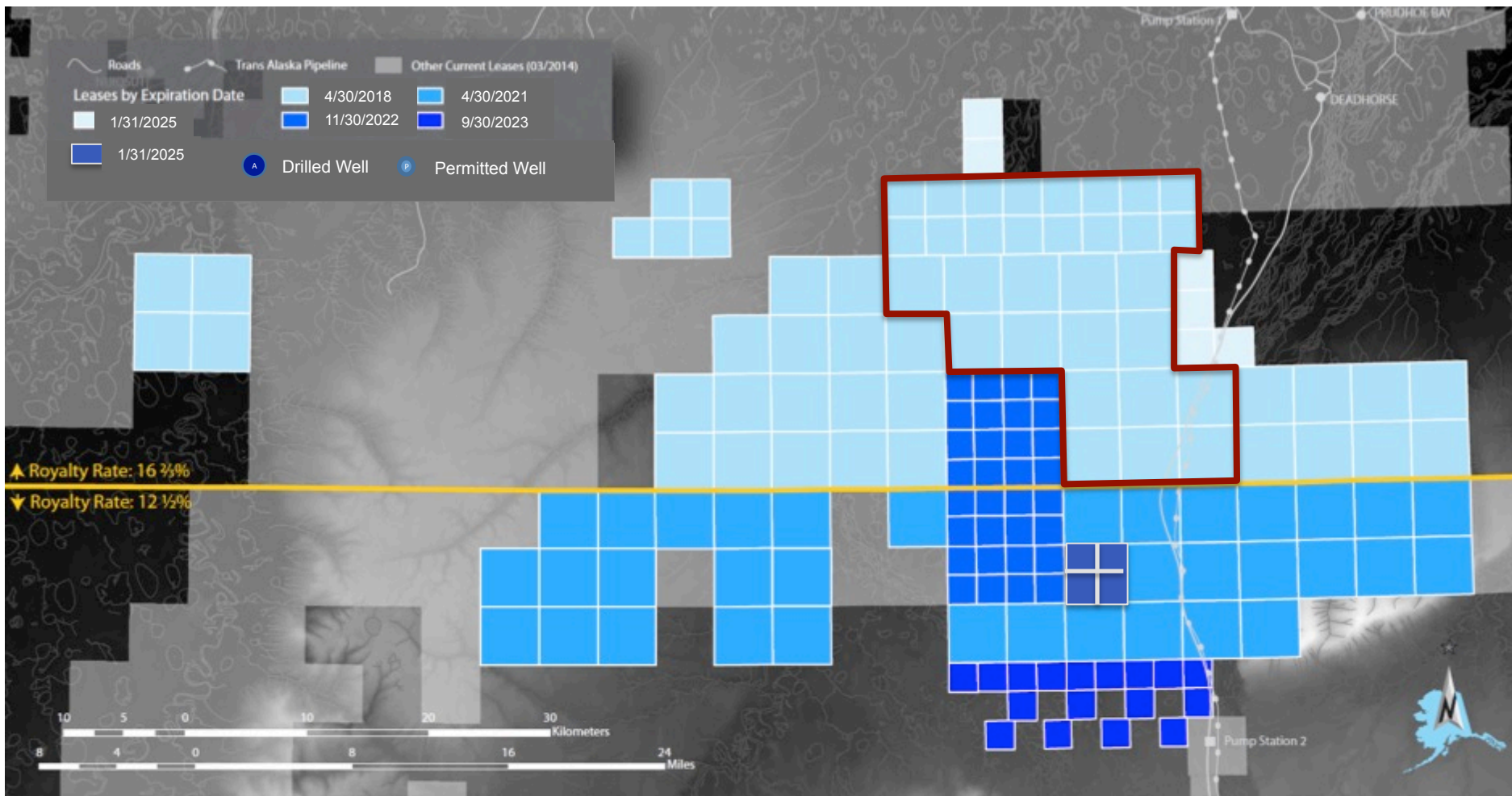
**Clark Clement**  
Chief Operating  
Officer

## Great Bear – Project Location

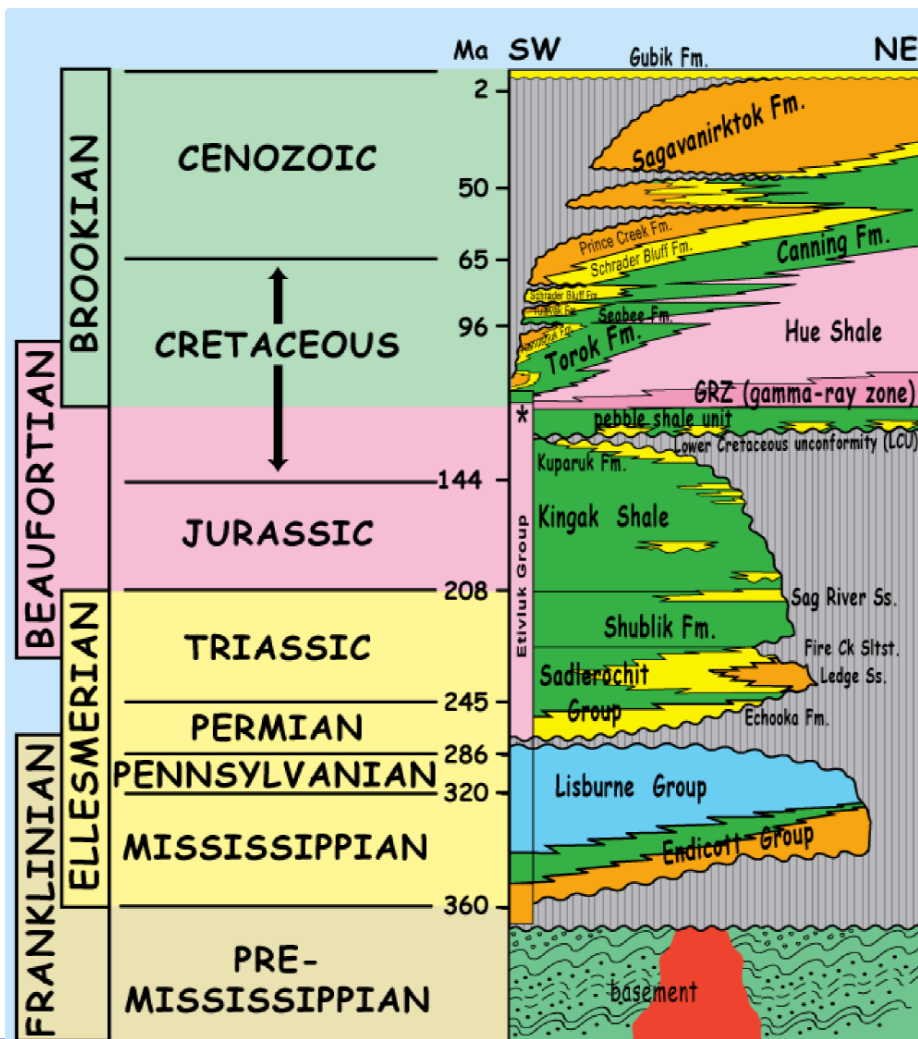




# Great Bear's Leasehold Position



## Great Bear Petroleum – Geologic Targets



Source

Reservoir

Unconventional ↔ Conventional

Brookian – Ugnu/West Sak/  
Torok

Hue/HRZ

Kuparuk

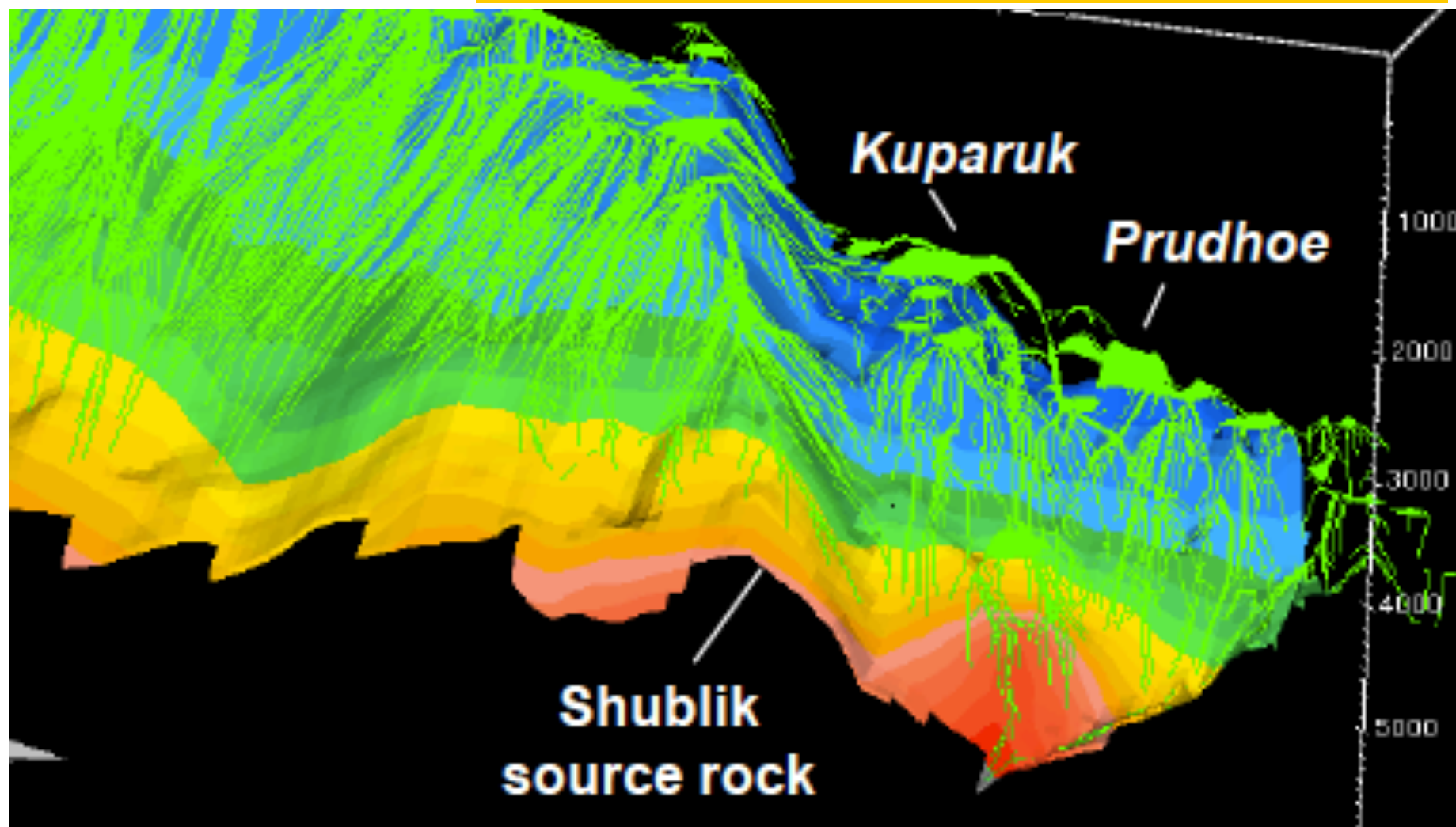
Kingak

Shublik

Ivishak

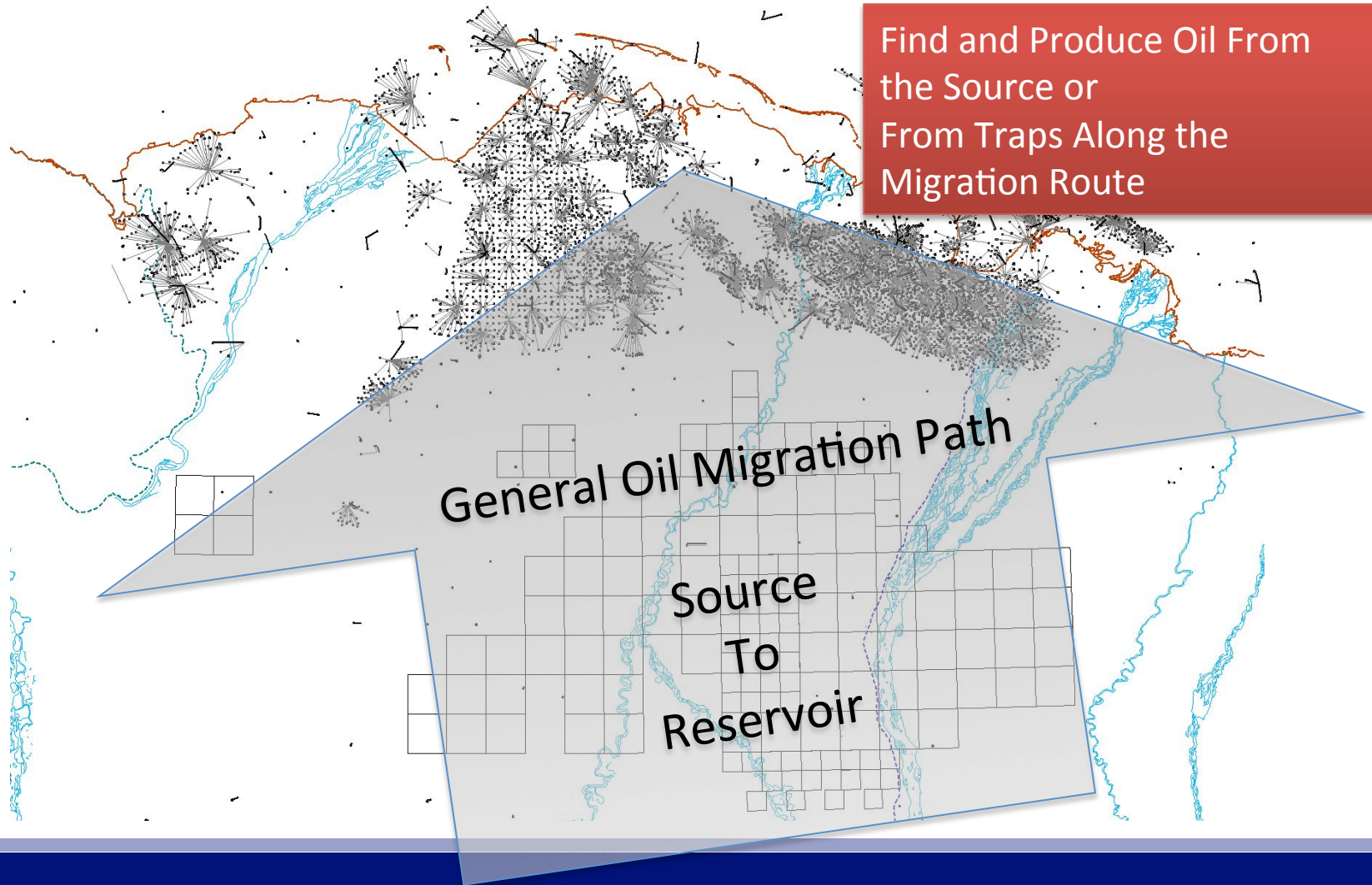


## Model - Distribution of Shublik Oil



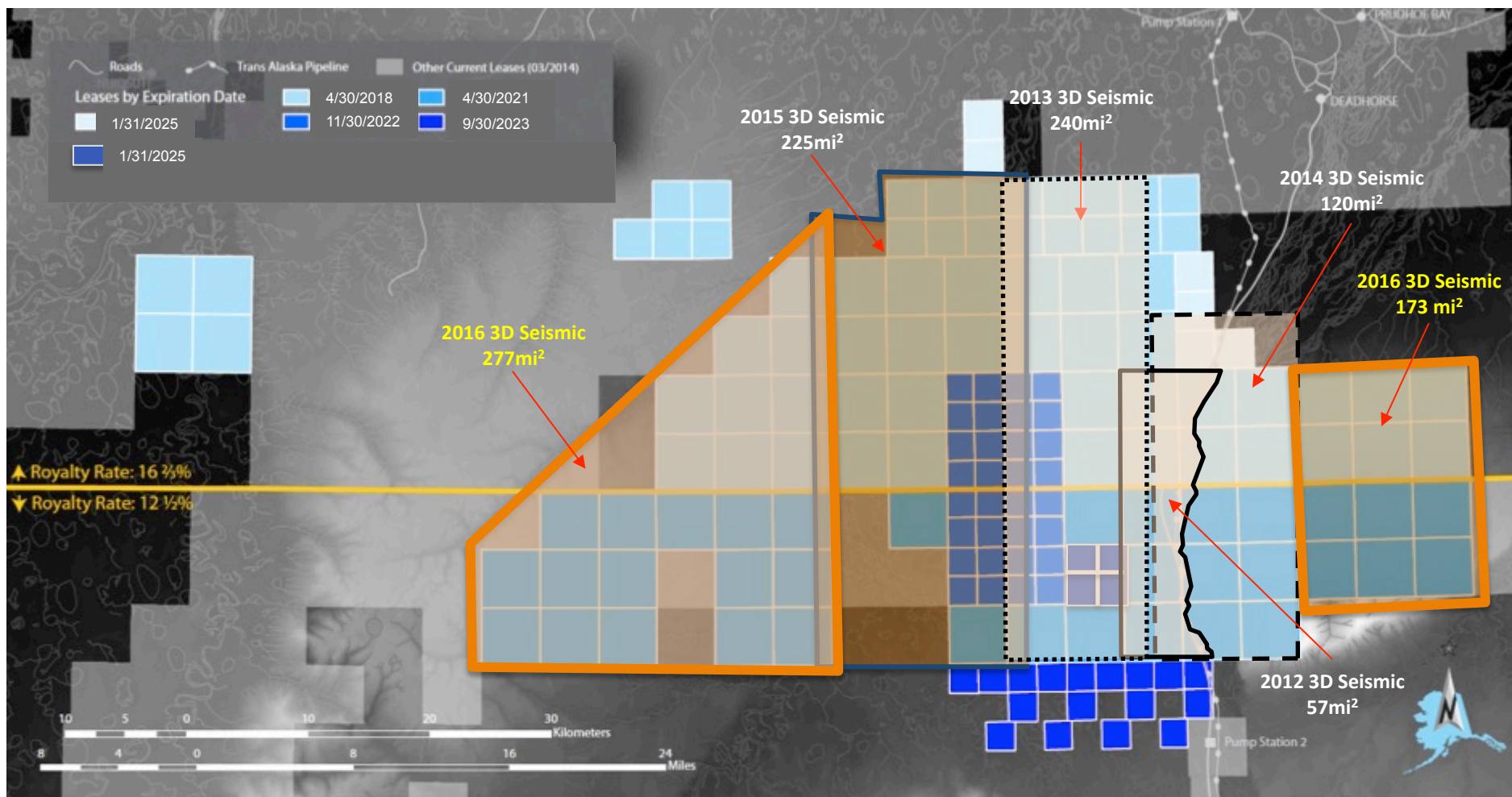
## Great Bear Concept

Find and Produce Oil From  
the Source or  
From Traps Along the  
Migration Route



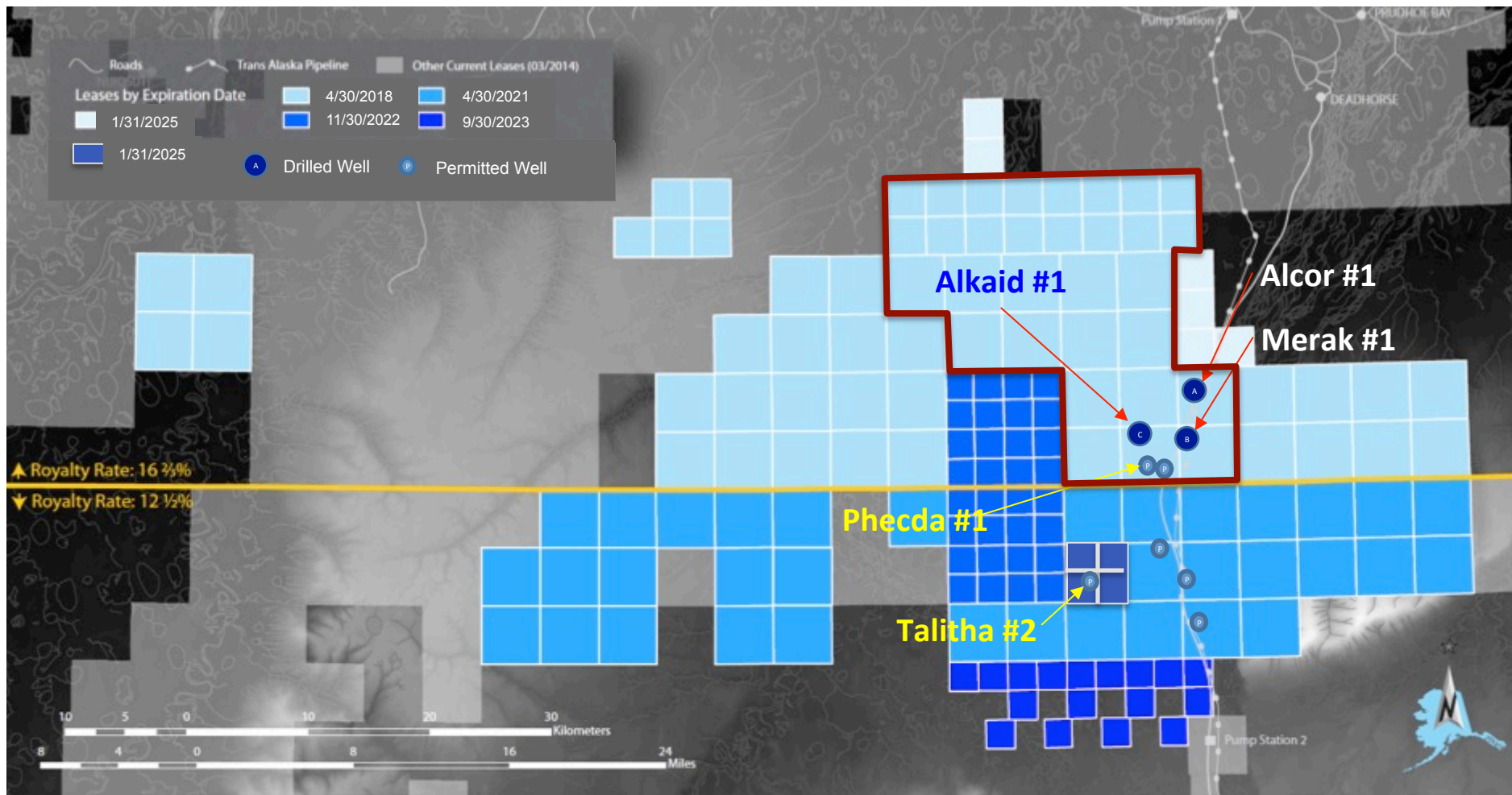
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# Great Bear 3D Seismic Surveys 2012 - Present



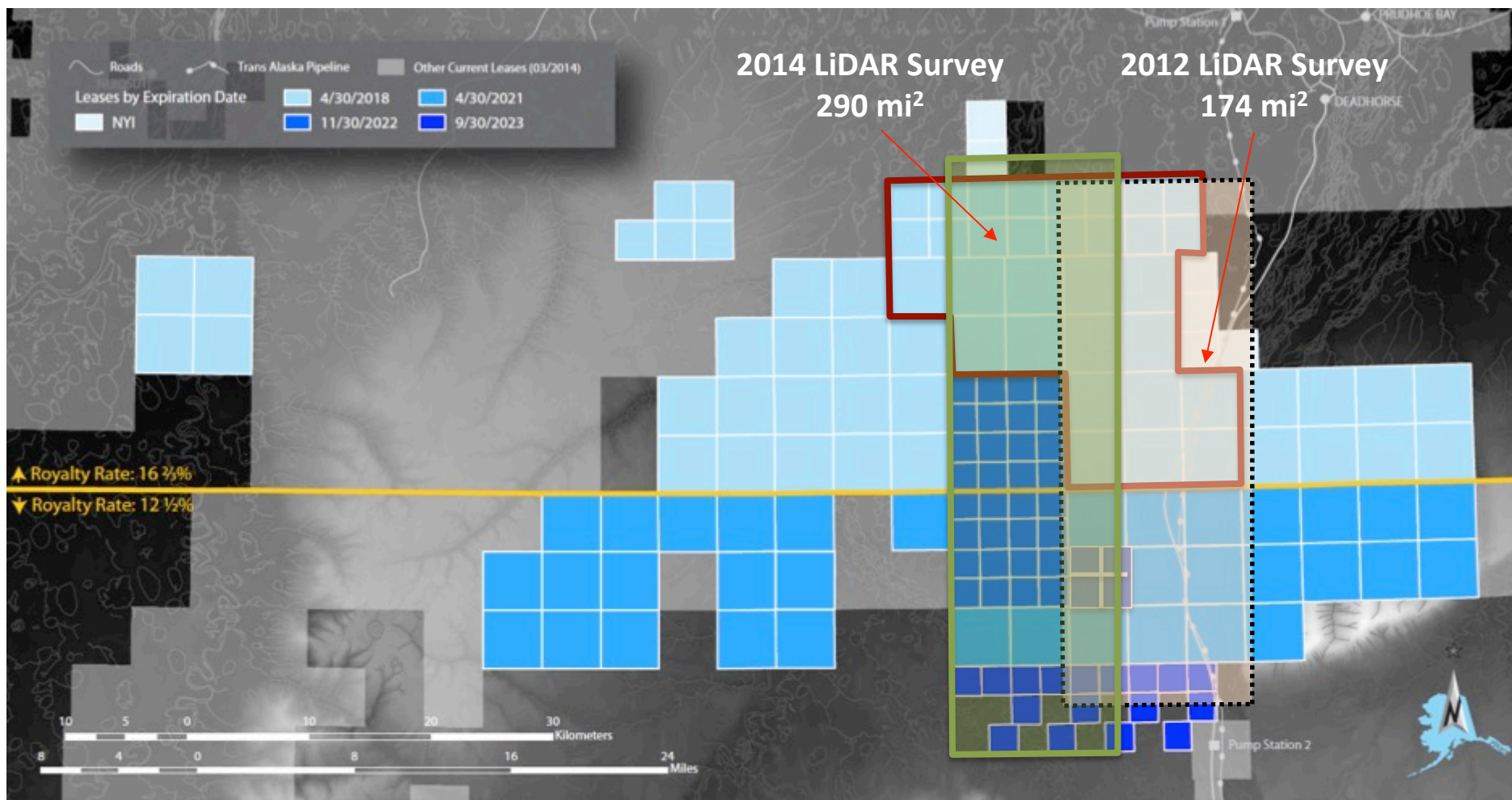


# Great Bear Wells – 2012 - 2015

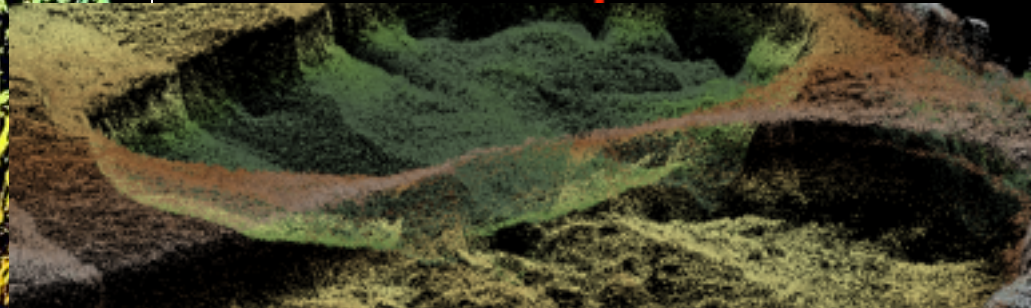
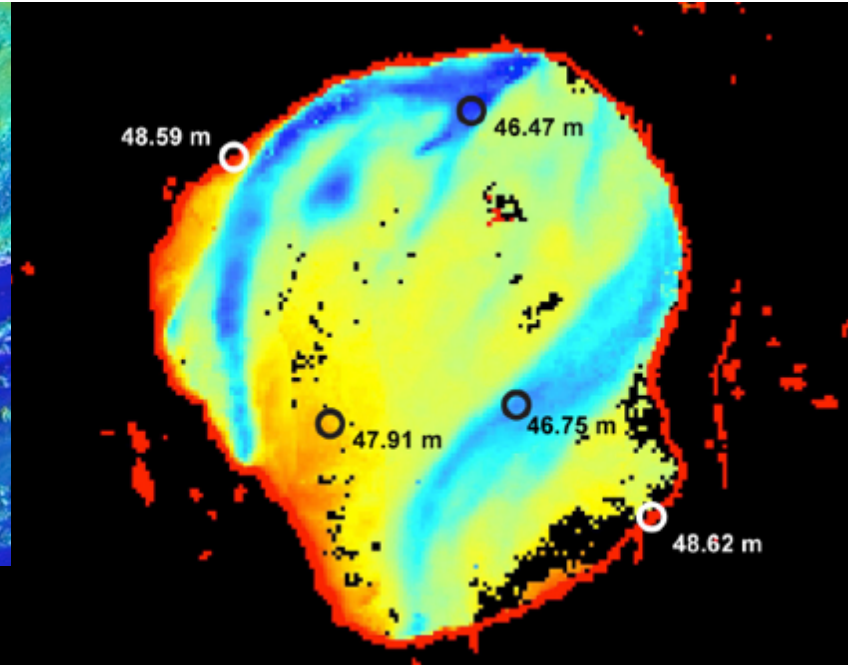
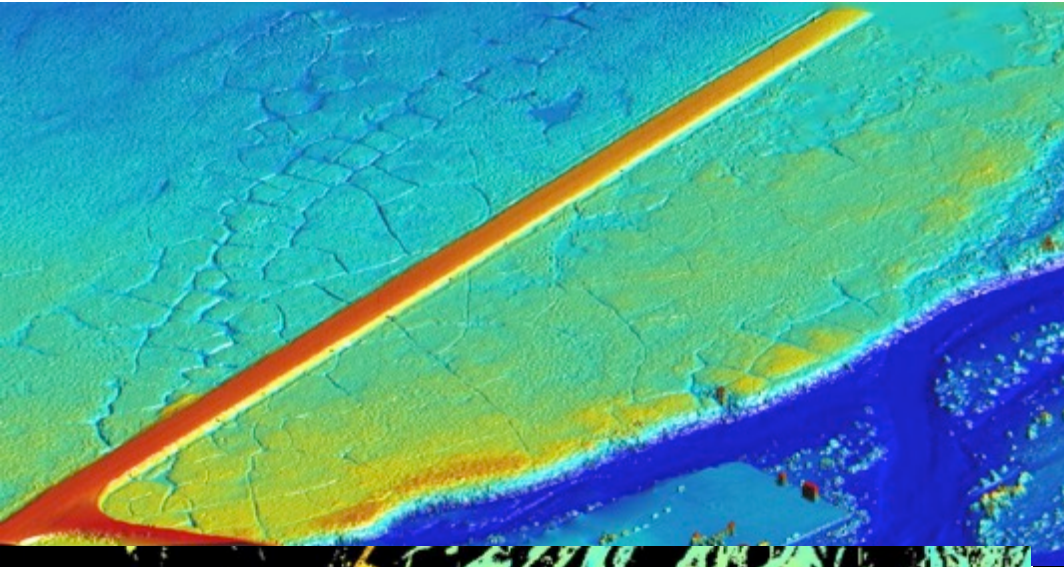




# Great Bear Lidar Surveys

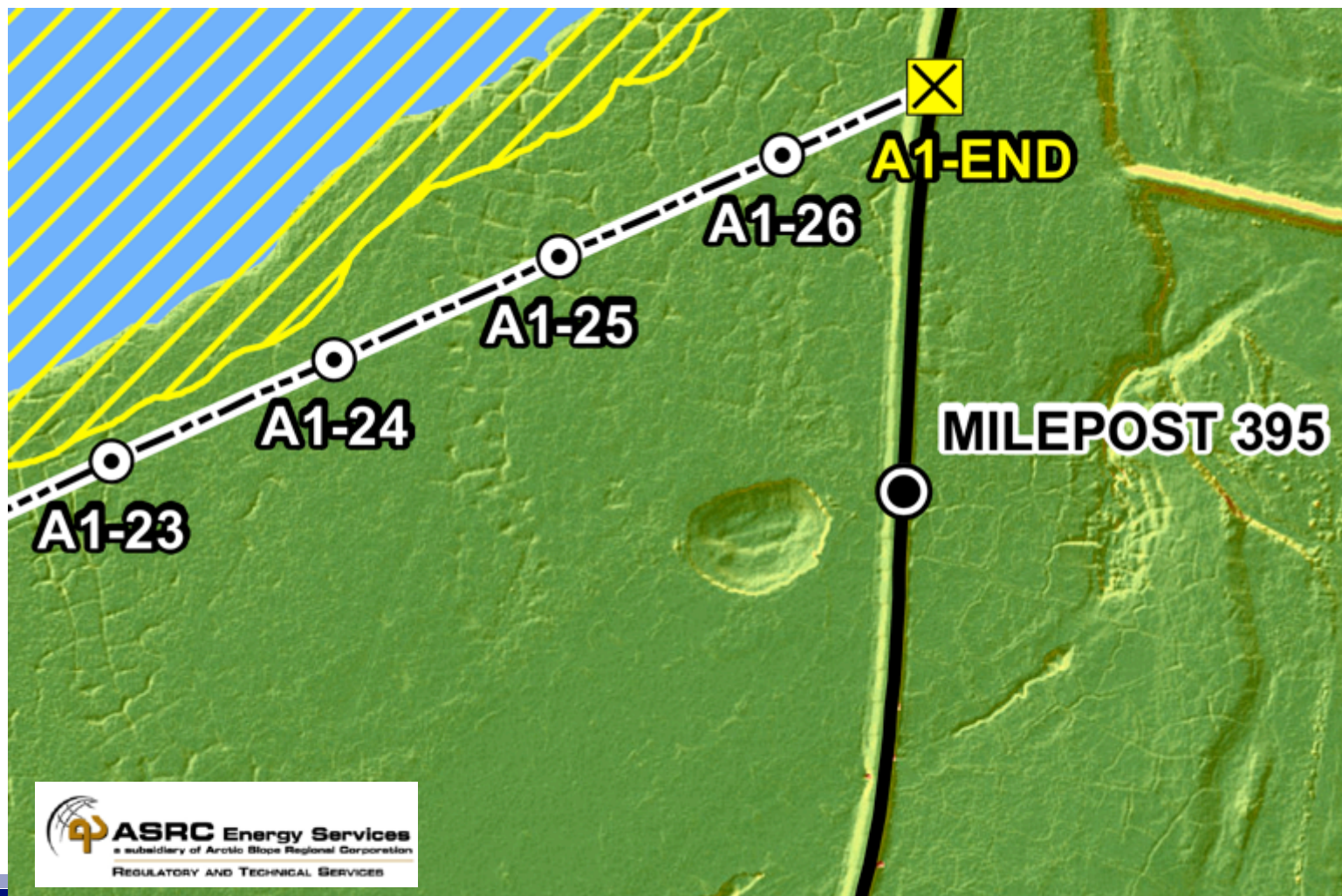


## Great Bear Lidar Surveys - Products





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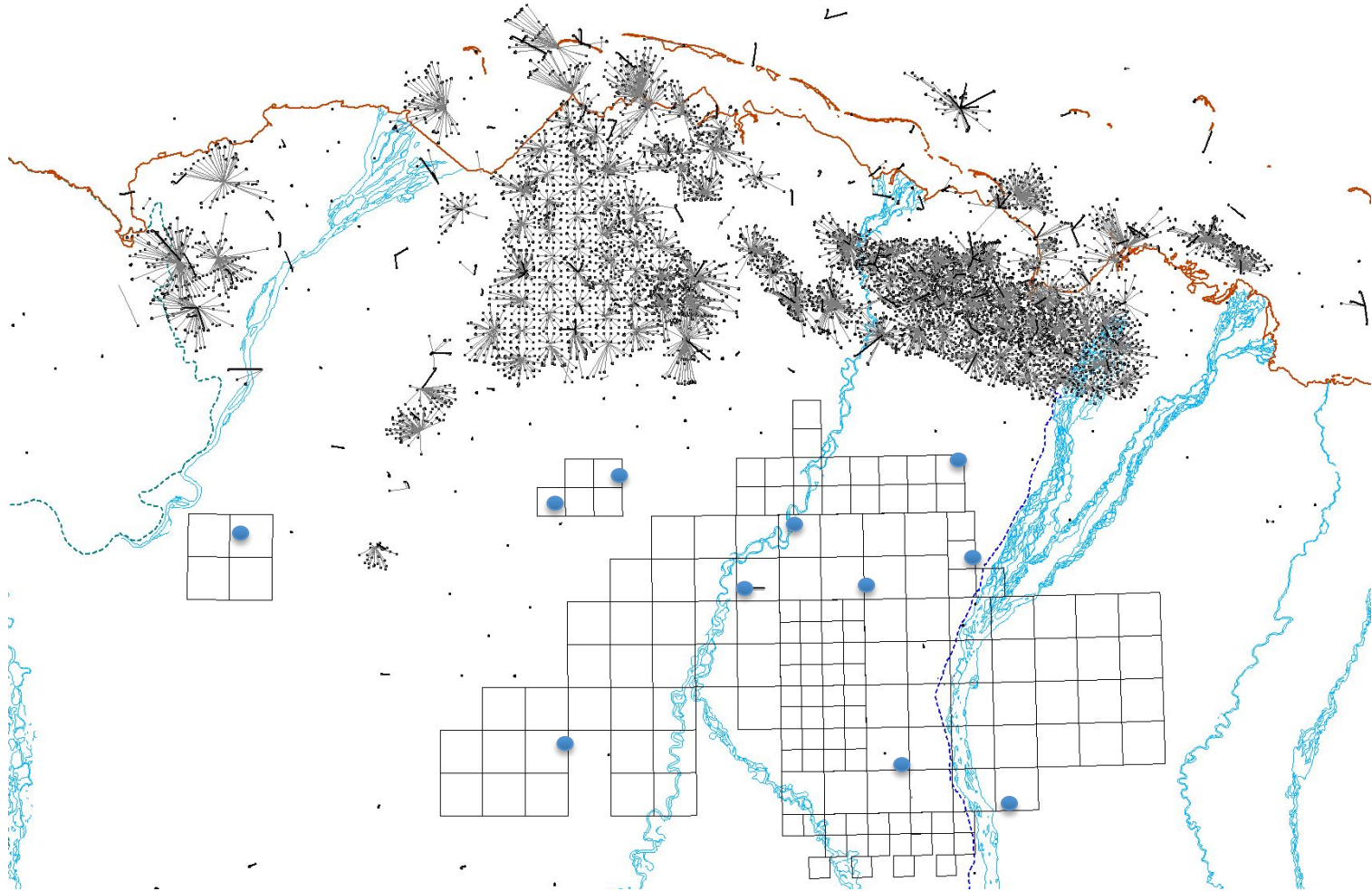
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### Barriers to Entry

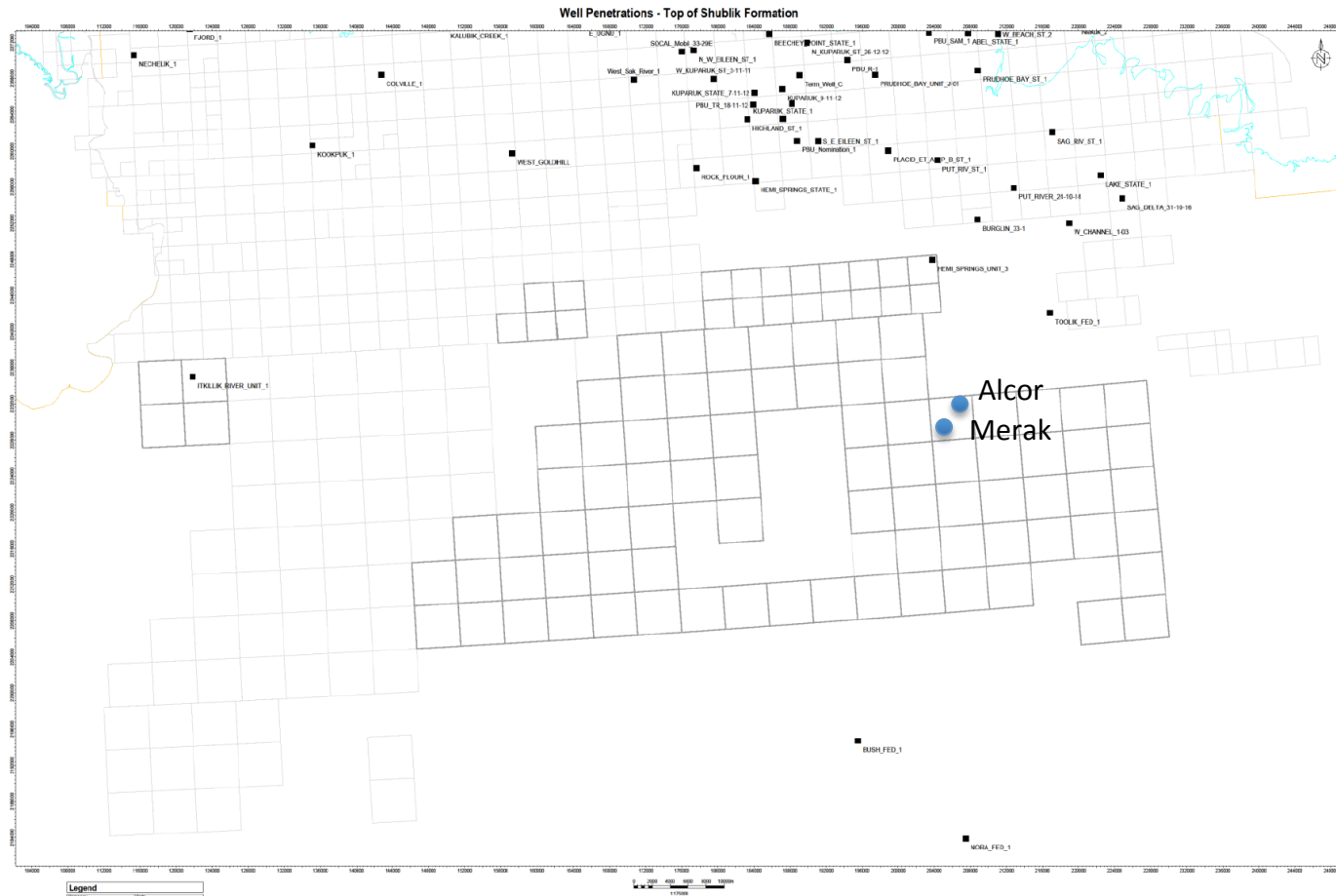
- Lack of Data
- Short & Unpredictable Winter Exploration Season
- Permitting Complexity & Delays
- High Cost Environment



## North Slope Challenges – Lack of Data



## Well Penetrations of the Shublik Formation



## North Slope Challenges - Short & Unpredictable Exploration Season

### Length of Tundra Opening Lower Foothills Area

Season	Length of Opening in Days
2002-2003	112
2003-2004	106
2004-2005	96
2005-2006	149
2006-2007	126
2007-2008	122
2008-2009	101
2009-2010	0
2010-2011	117
2011-2012	77
2012-2013	117
2013-2014	61

- Example: Winter Exploration Well Program
  - 19 Different Permits
  - 16 Different Agency Contacts
- Development Challenge:
  - Wetland Permitting – Mitigation?

- Lack of Competition in Service Sector
- One – Off Exploration Drilling Programs



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### Immediate Work Plan

- Complete seismic coverage over our contiguous lease position
- Expand our inventory of high-impact prospects across our 3D seismic coverage area
- Execute a multi-well, multi-year exploration program
- Secure cost-effective services by using the multi-well, multi-year commitment
- Proactively reduce permitting risk

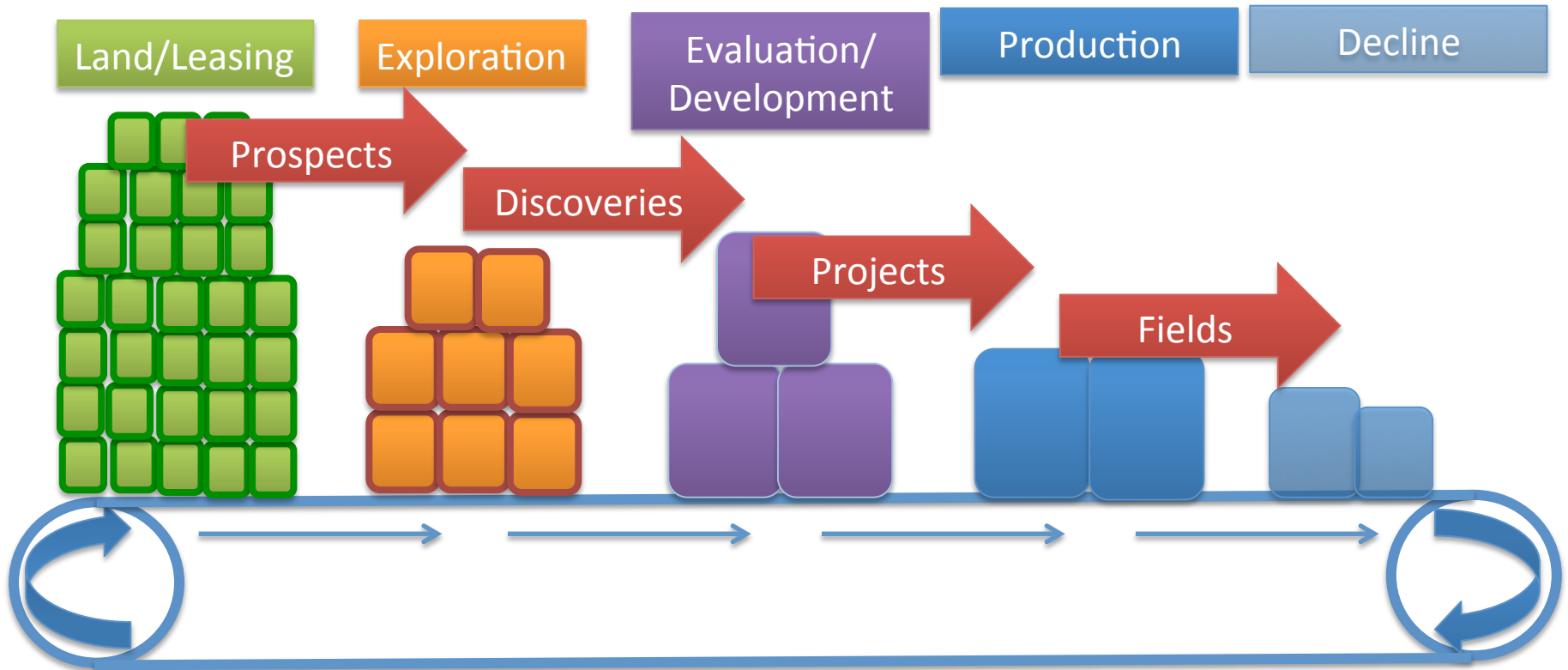
### Number of Exploration Wells Is Directly Related to Tax Credit Program

- Extension of the Exploration Incentive Credit Program
- “Stackability” of EIC and NOL Credits
- Collateralization of Tax Credit Certificates
- Interest Rate on Tax Credit Financing

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## Exploration's Role in State Production



**A Strong Exploration And Production System Keeps Feeding the Progression with New Land and Exploration**



## Tax Credits – Keep What Is Working

### Inertia/Momentum Are Strong Forces in the Oil and Gas Industry

- **Alaska Has Emphasized North Slope Exploration in State Oil and Gas Policy for the Past 15 Years**
  - Areawide Leasing Program
  - Exploration Incentive Credit (EIC) Program
  - Net Operating Loss Credits
  - Tax Credit Certificate Payments
  - Collateralization of Tax Credit Certificates
- **It Took A While, But That Effort is Now Showing Success**
  - Diversified Group of North Slope Explorers
  - Recent Discoveries
  - New Production Coming On-Line
- **Elimination/Reduction of Credits Will Be Costly**
  - Likely to Slow Down or Stop Exploration
  - Lower Likelihood of New Discoveries
- **Getting Momentum Back Will Take A Long Time**

### — Great Bear is Poised for Significant Exploration Activity

- The Number of Wells is Directly Related to Tax Credits Offered
- Great Bear's Chance of Success is Increased by Drilling More Wells
  - Multiple Play Types to Explore
  - Constantly Learning - Early Wells Reduce Risk on Subsequent Wells
- Success Breeds Success – A Great Bear Discovery Will Increase Interest in Other North Slope Exploration

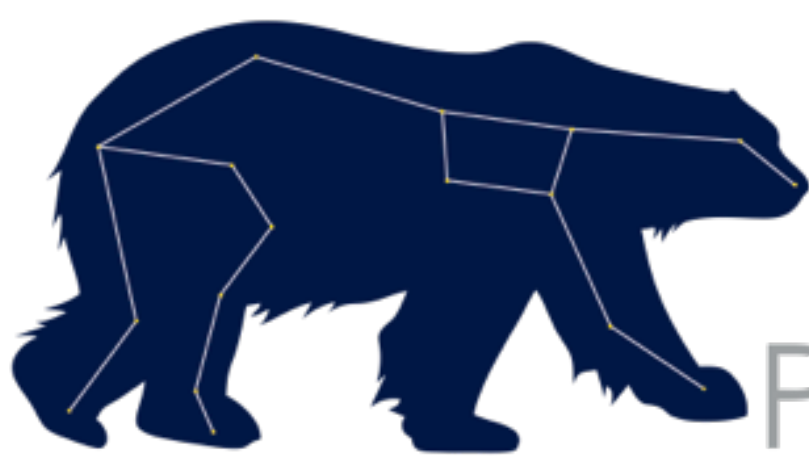
### — State's Case for Exploration Incentive Tax Credits

- Successful Exploration Will Result in Significant Cash Flow To the State
- As Resource Owner Across the North Slope, State Has a Greater Chance of Success Than Any Individual Explorer
- The State's Risk is Reduced, and Chance of Success is Improved, if the Number of Exploration Wells Increases

# Risk is Reduced Through Diversification

- Great Bear is a Highly Active North Slope Explorer
- Great Bear's Investment to Date Has Been Substantial and Well Spent
- Great Bear's Pace and Volume of Future Exploration Activity Will be Directly Related to Tax Credit Program
- Risk is Reduced, and Likelihood of Success is Increased by More Exploration
- Reducing Exploration Risk of Alaska's North Slope Resources is a Good Investment for the State of Alaska





Great Bear  
PETROLEUM

*Questions?*