

Looking into the Future - Oil & Gas Market Outlook

Meet Alaska

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World's Largest Independent Exploration & Production Company

17 Countries

GLOBAL OPERATIONS

11,000+

EMPLOYEES

~1.3 Million BOE

PRODUCTION

5 Billion BOE

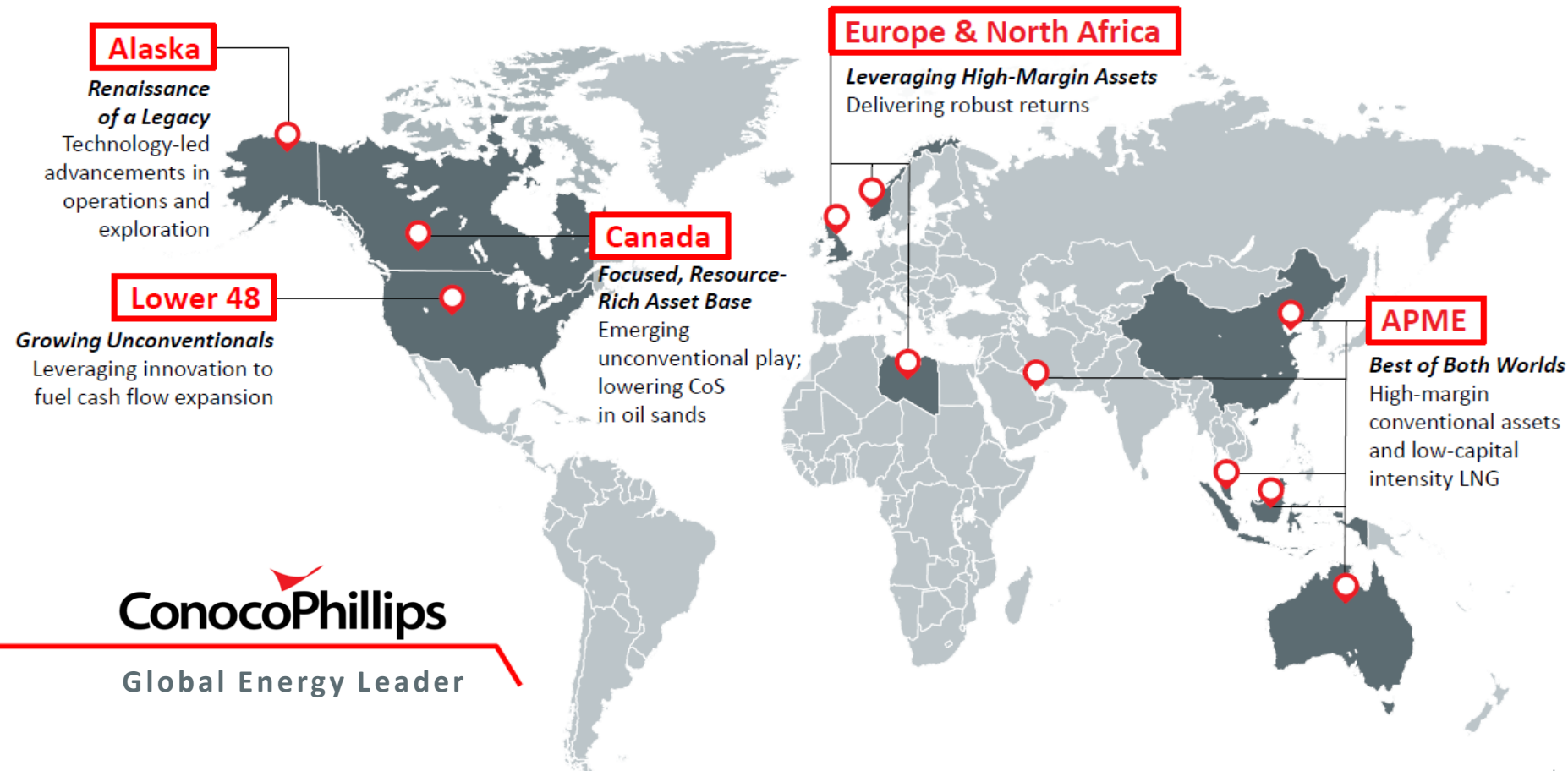
YEAR-END 2017
PROVED RESERVES

\$71 Billion

TOTAL ASSETS

S&P: A -

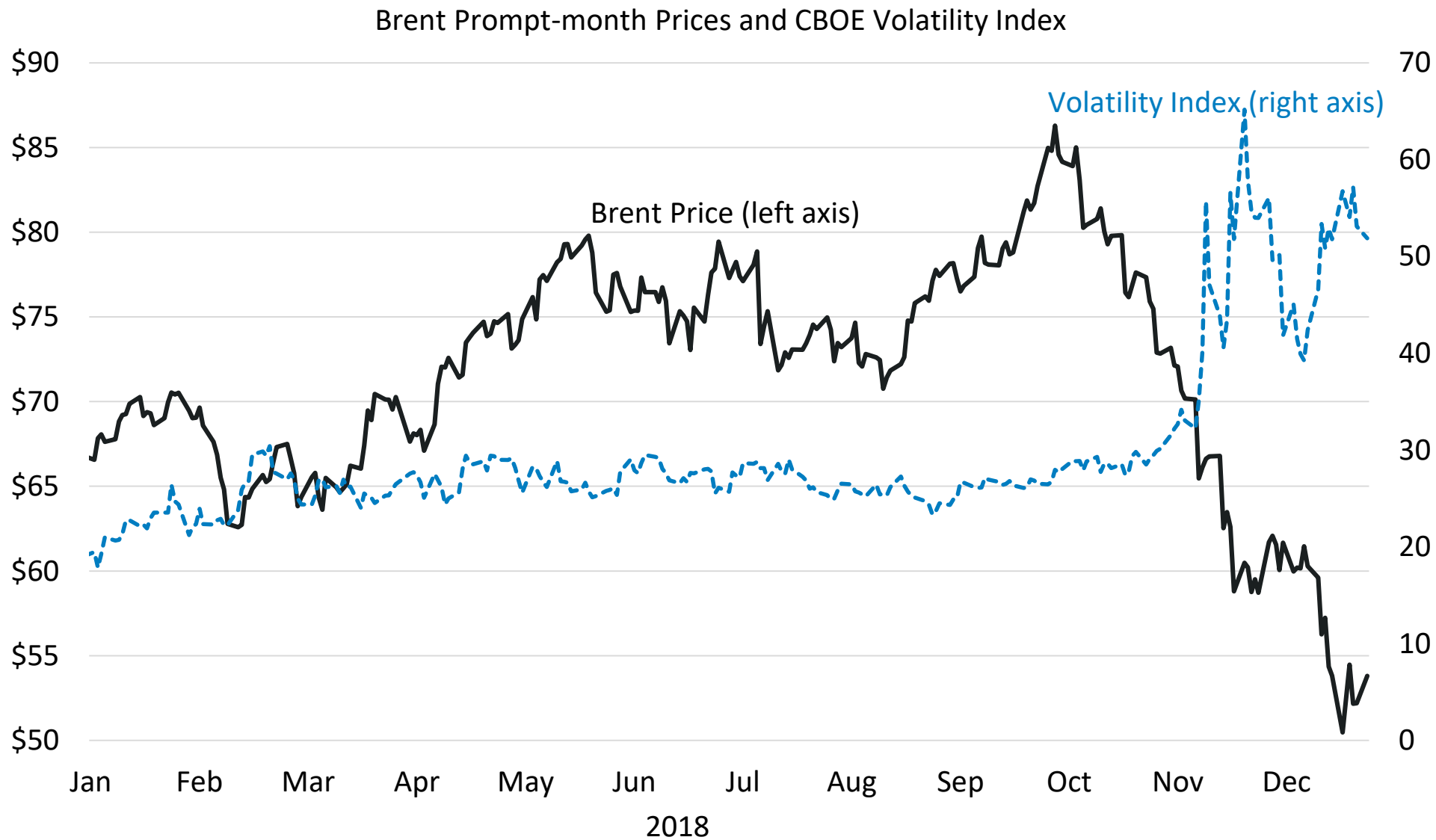
INVESTMENT GRADE
CREDIT RATING



Our vision is to be the E&P company of choice for all stakeholders, responsibly meeting the world's growing energy needs.

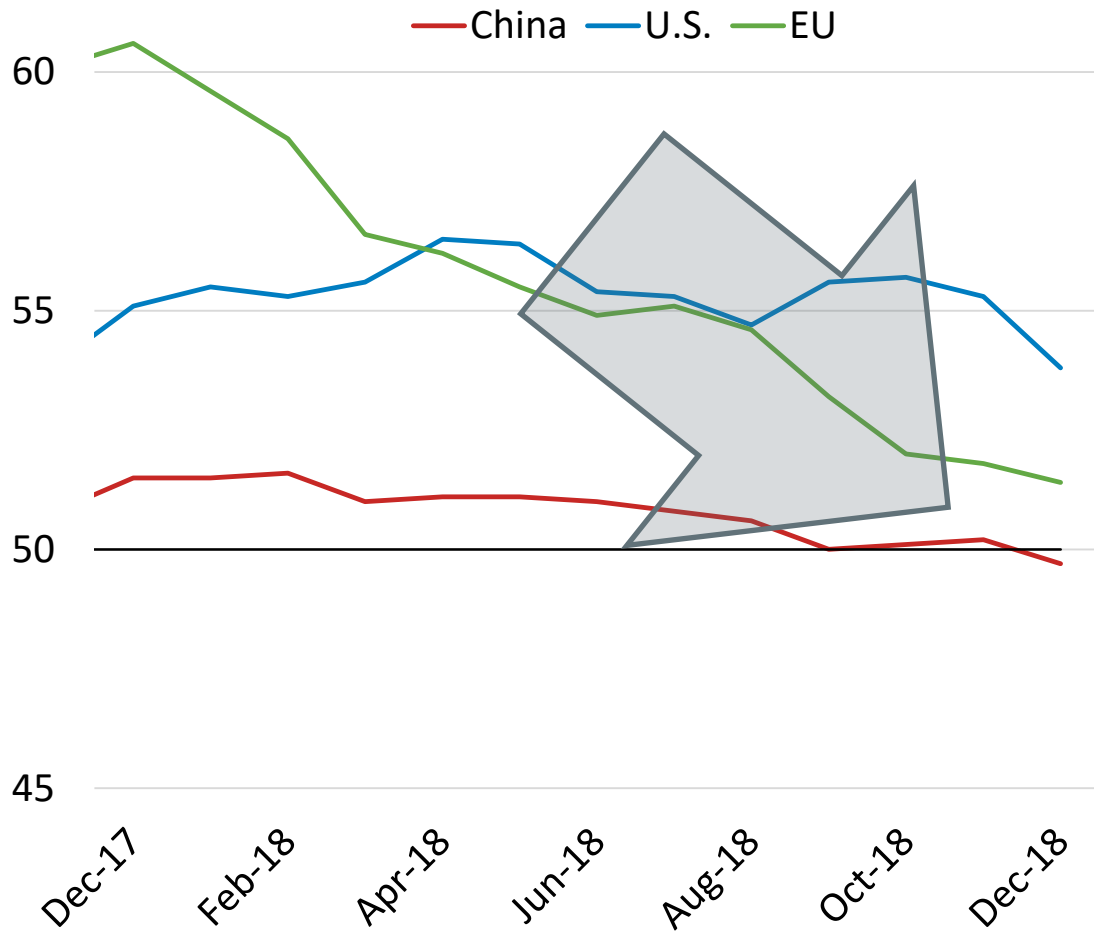
Crude Oil Market Outlook

Global Oil Market Update

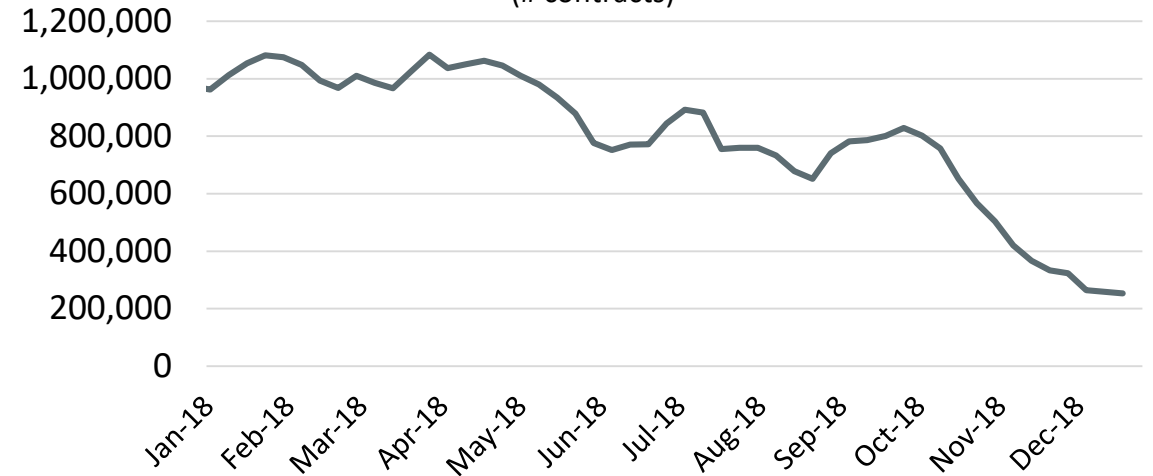


Macroeconomic Factors Affecting Oil Market

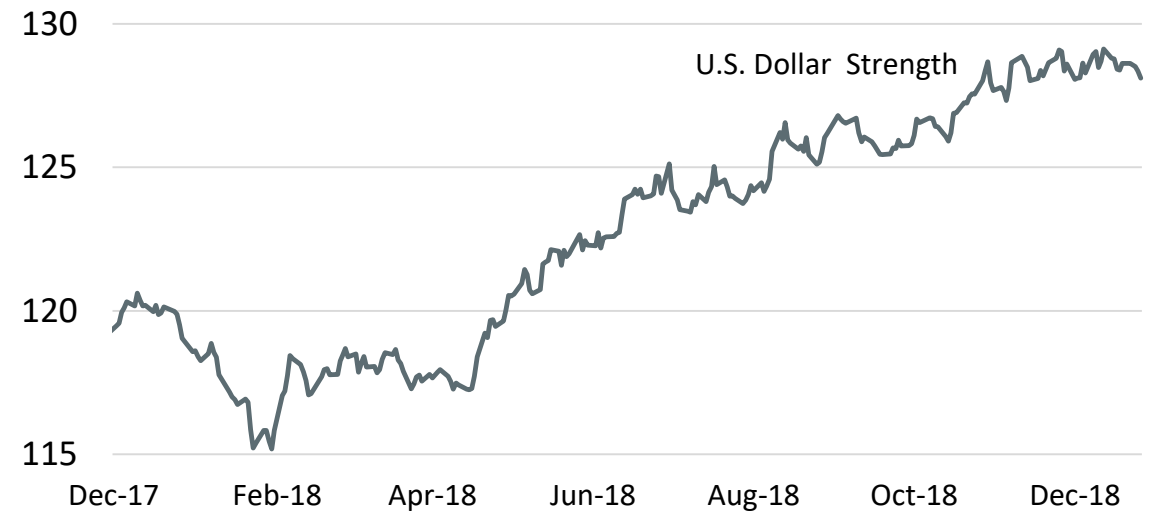
Manufacturing Purchasing Managers Index



Brent and WTI Managed Money Net Length (# contracts)

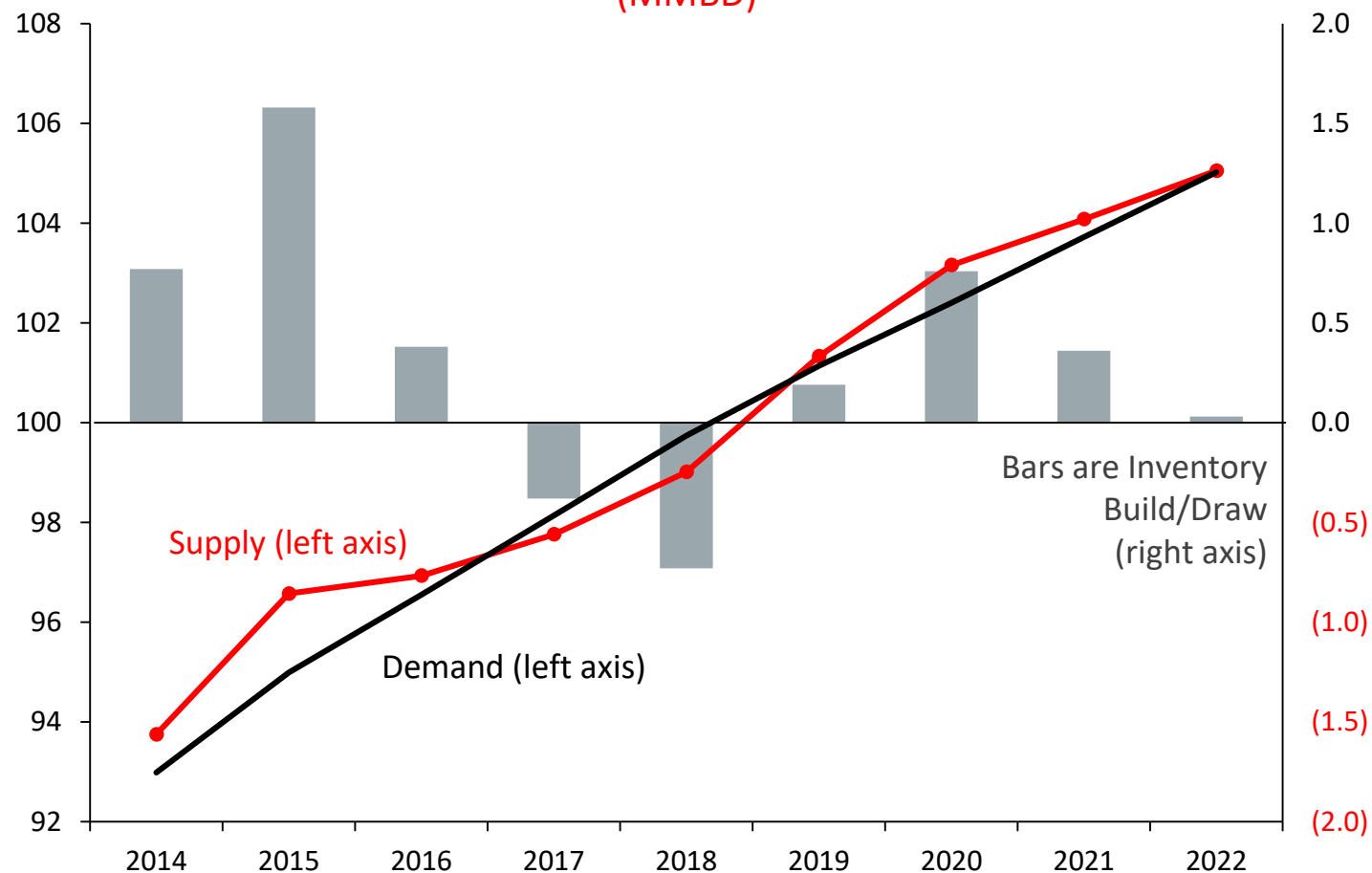


Trade Weighted USD Index



Global Oil Market Medium Term Outlook

Global Oil Supply, Demand & Inventory Change
(MMBD)

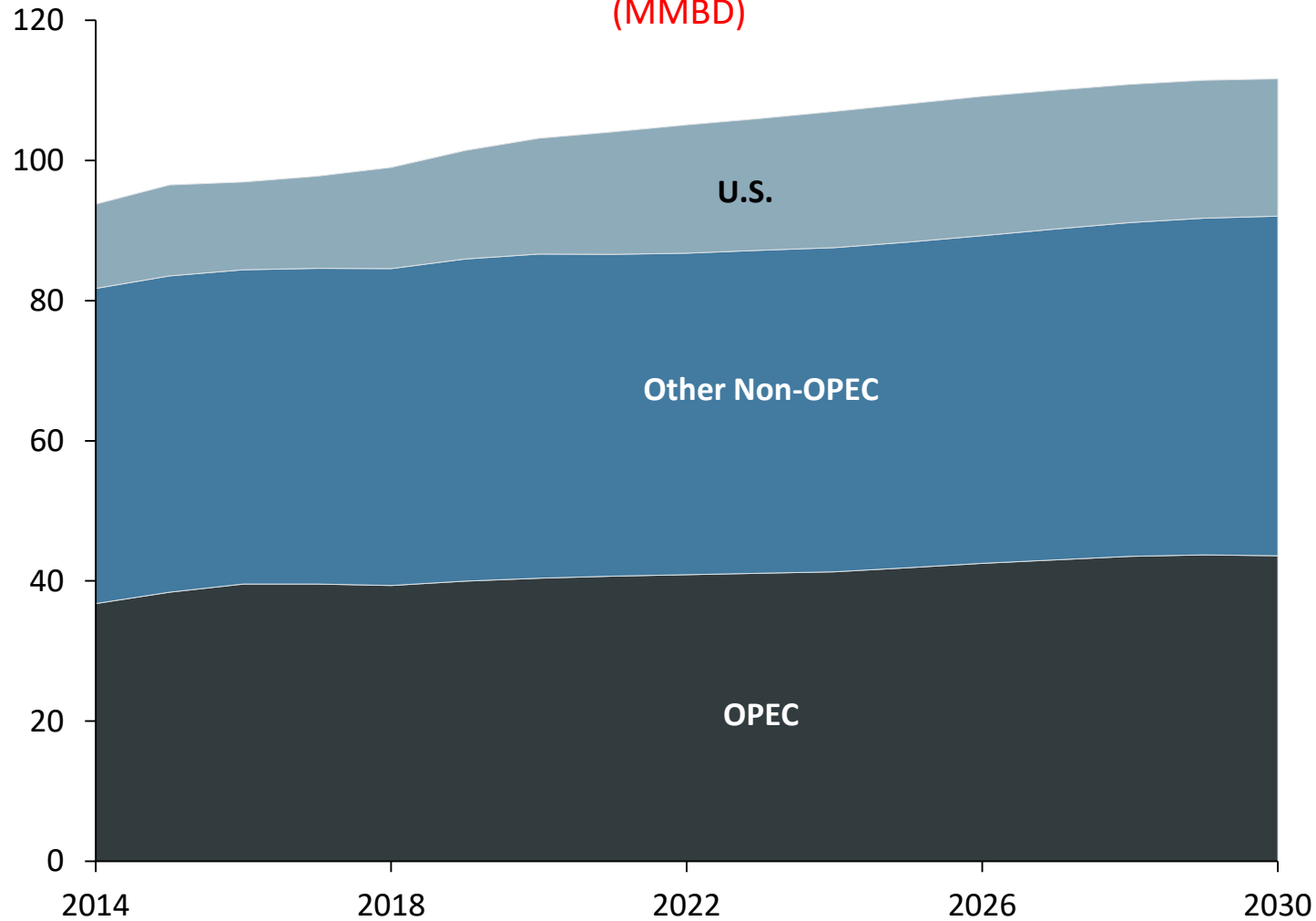


Key Near Term Risks

- Global GDP growth decelerating, less balanced
 - Emerging Markets growth especially important to oil market
- Geopolitical Risks Elevated

Global Oil Production Outlook

COP View of Global Oil Supply (MMBD)



- U.S. leads net growth to 2030
- Non-OPEC Non-U.S. output stable
- OPEC growth mostly in Middle East

Ample line-of-sight supply projects can meet demand

Continuous Learning and Optimization of Eagle Ford Completion Design

Unconventional Analytics Advantages

Rapid, Low Cost Experimentation

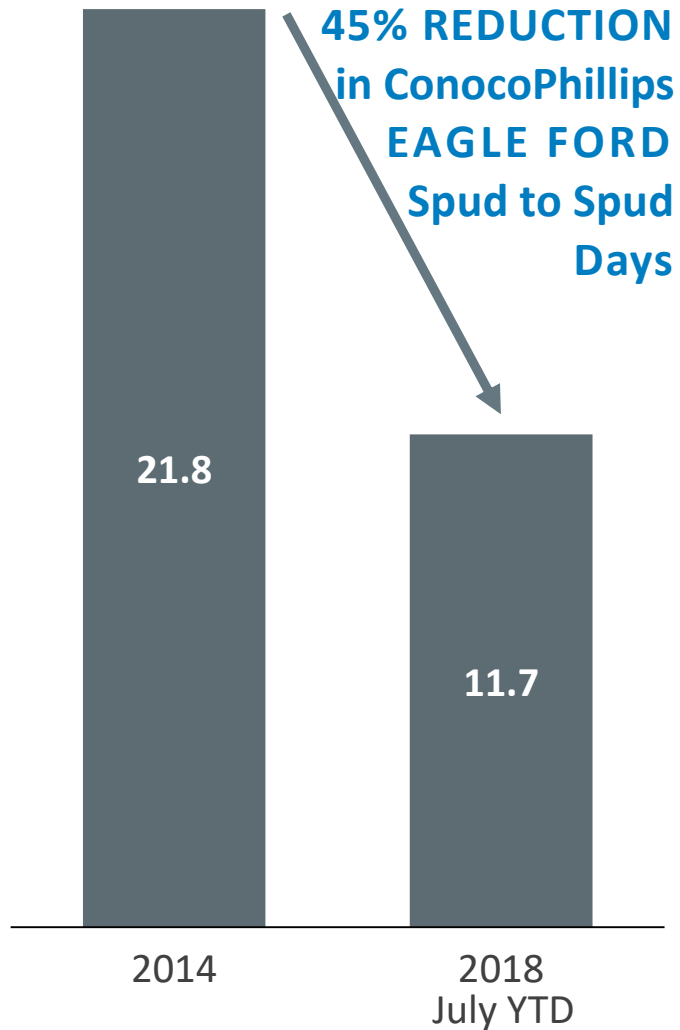
Numerous Upstream Operators

Abundant Data to Analyze

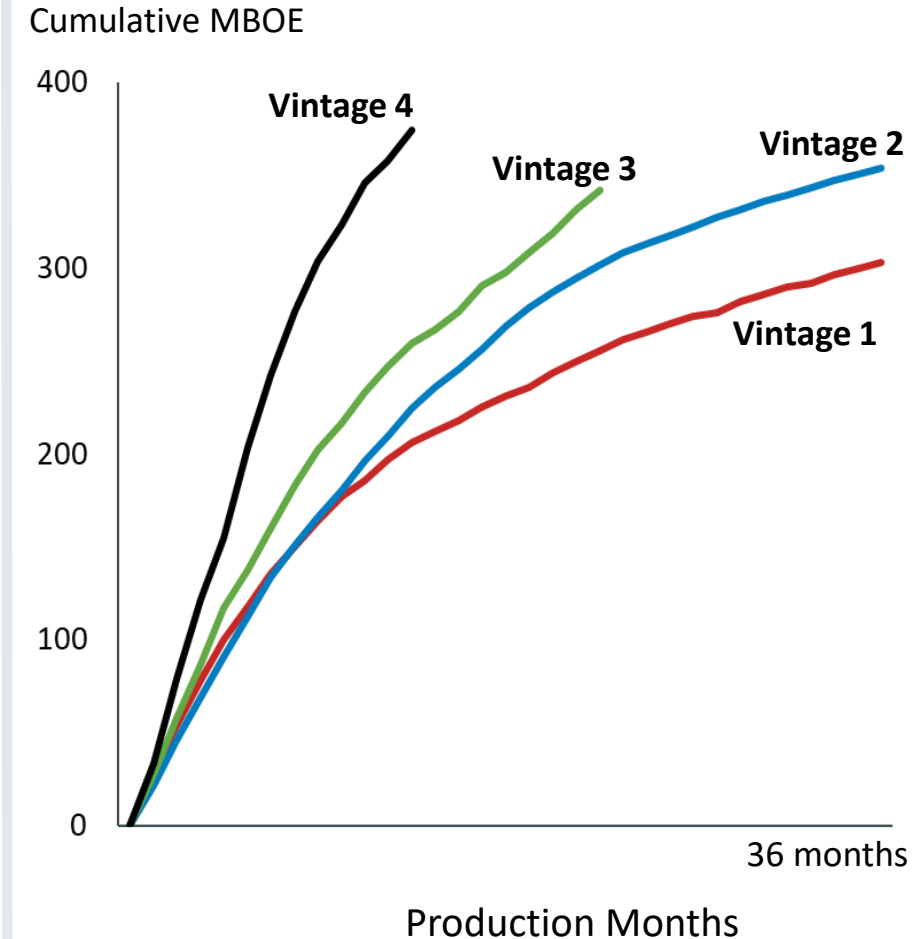
Small per Well Gains = Big Wins

Learnings Applicable to Many Assets

Improved Performance Example

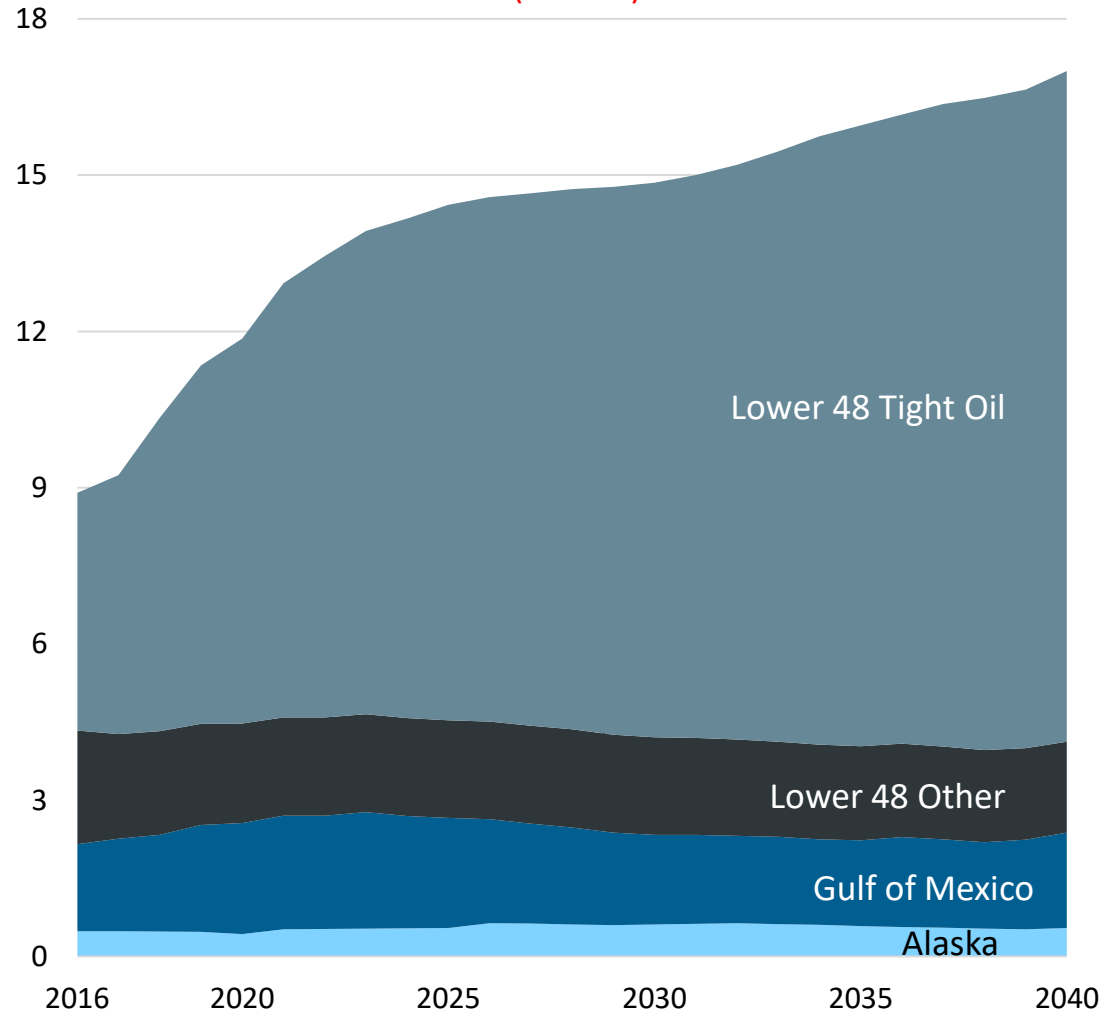


Eagle Ford Completion Design Vintages



Tight Oil is the Source of U.S. Oil Production Growth

Permian Leads U.S. Growth (MMBD)



TAILWINDS INCREASE PRODUCTION

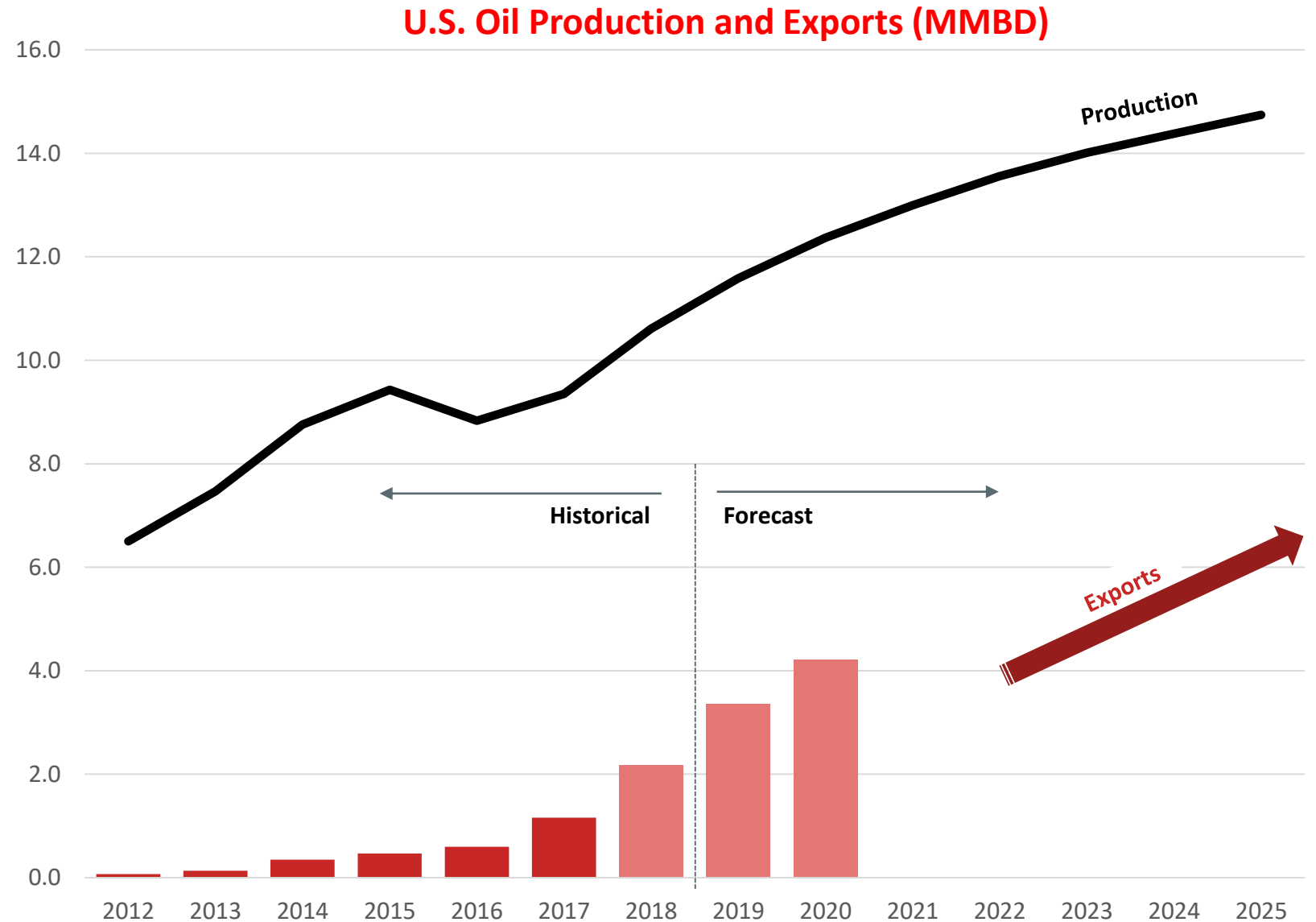
- Compared to 2010, One Rig Today adds
 - 373% more production in Permian
 - 480% more production in Bakken
 - 1277% more production in Eagle Ford
- Over 7,000 Drilled, Uncompleted Wells

TEMPORARY HEADWINDS

- Take Away Capacity
- Pipeline and Export Capacity

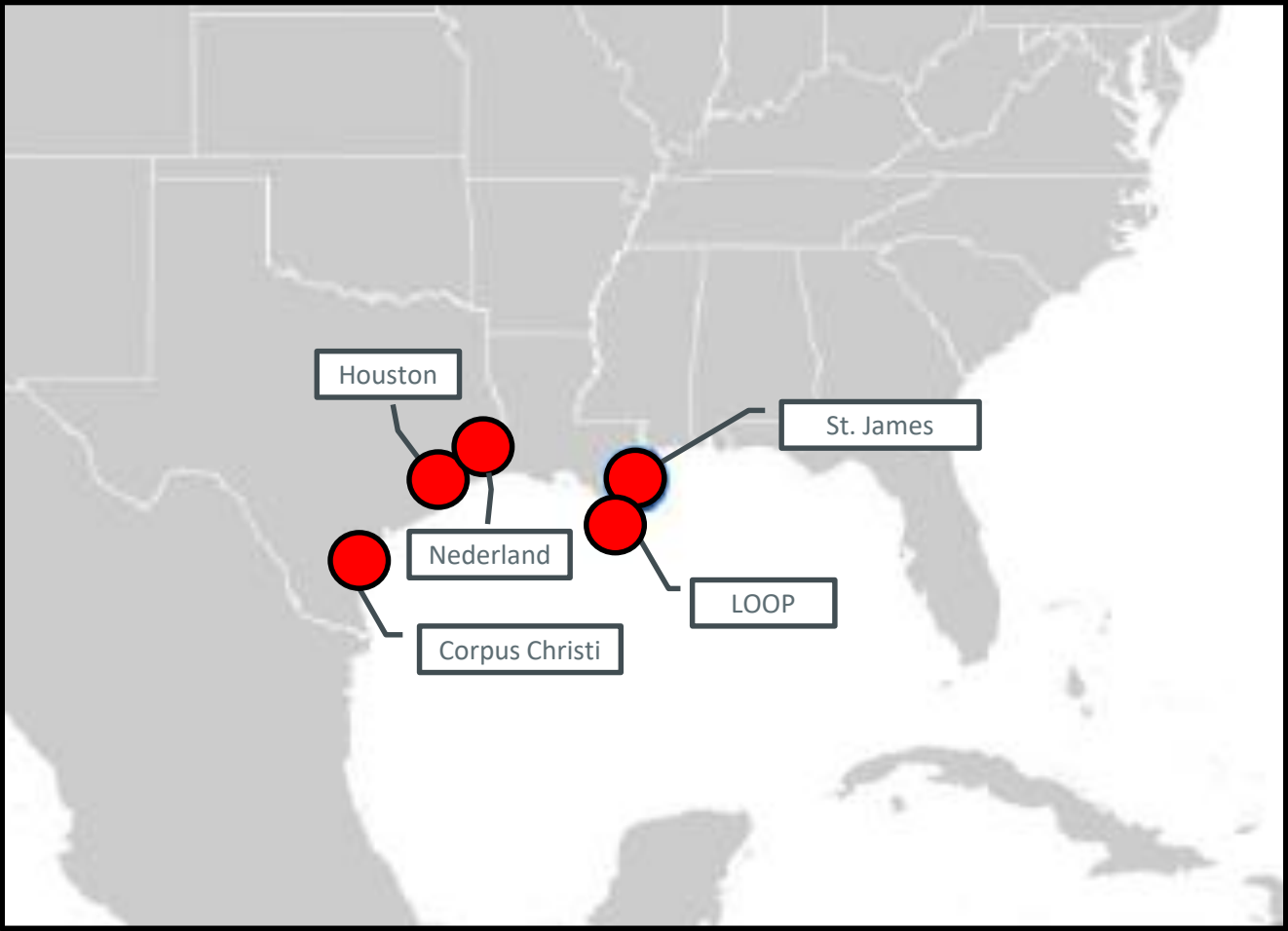
U.S. Crude Oil Exports Expected to Continue to Grow

- No expected new U.S. refinery capacity
- U.S. Exports expected to grow to roughly ~40% of production by mid 2020s
- Export destinations will increase, but volume will be dominated by Asian importers

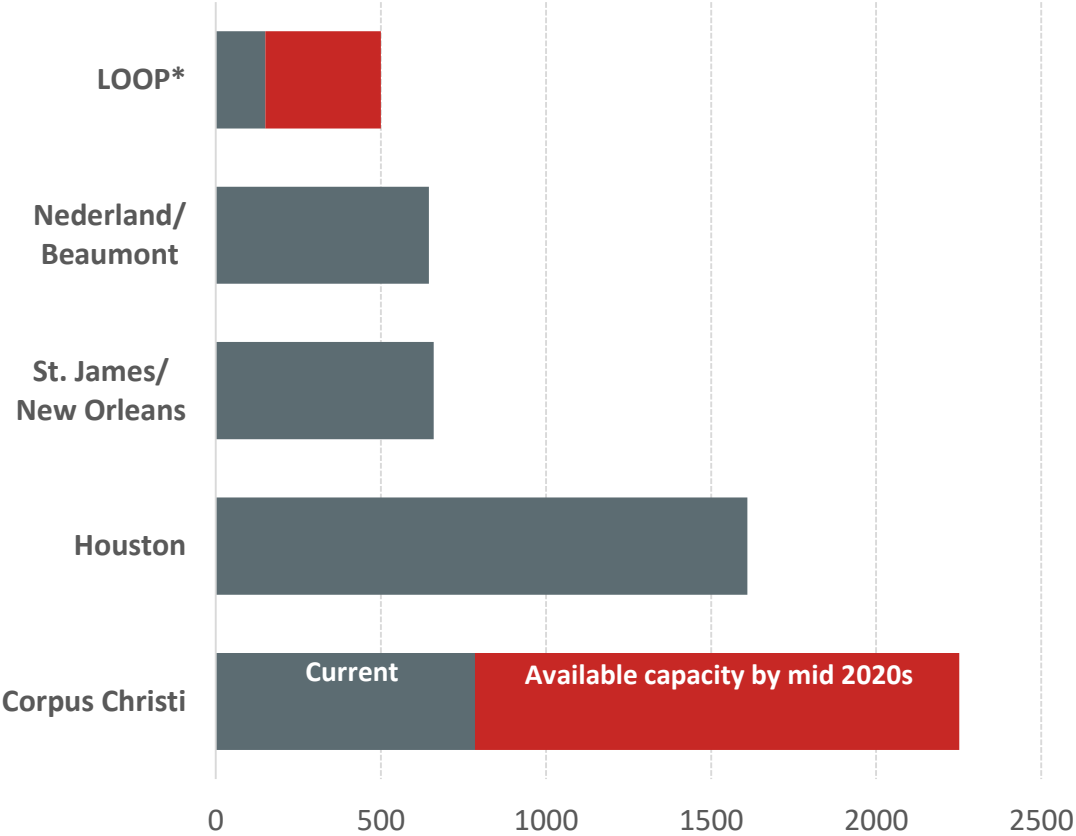


Infrastructure Development is Critical To U.S. Crude Exports

U.S Gulf Coast Main Crude Ports

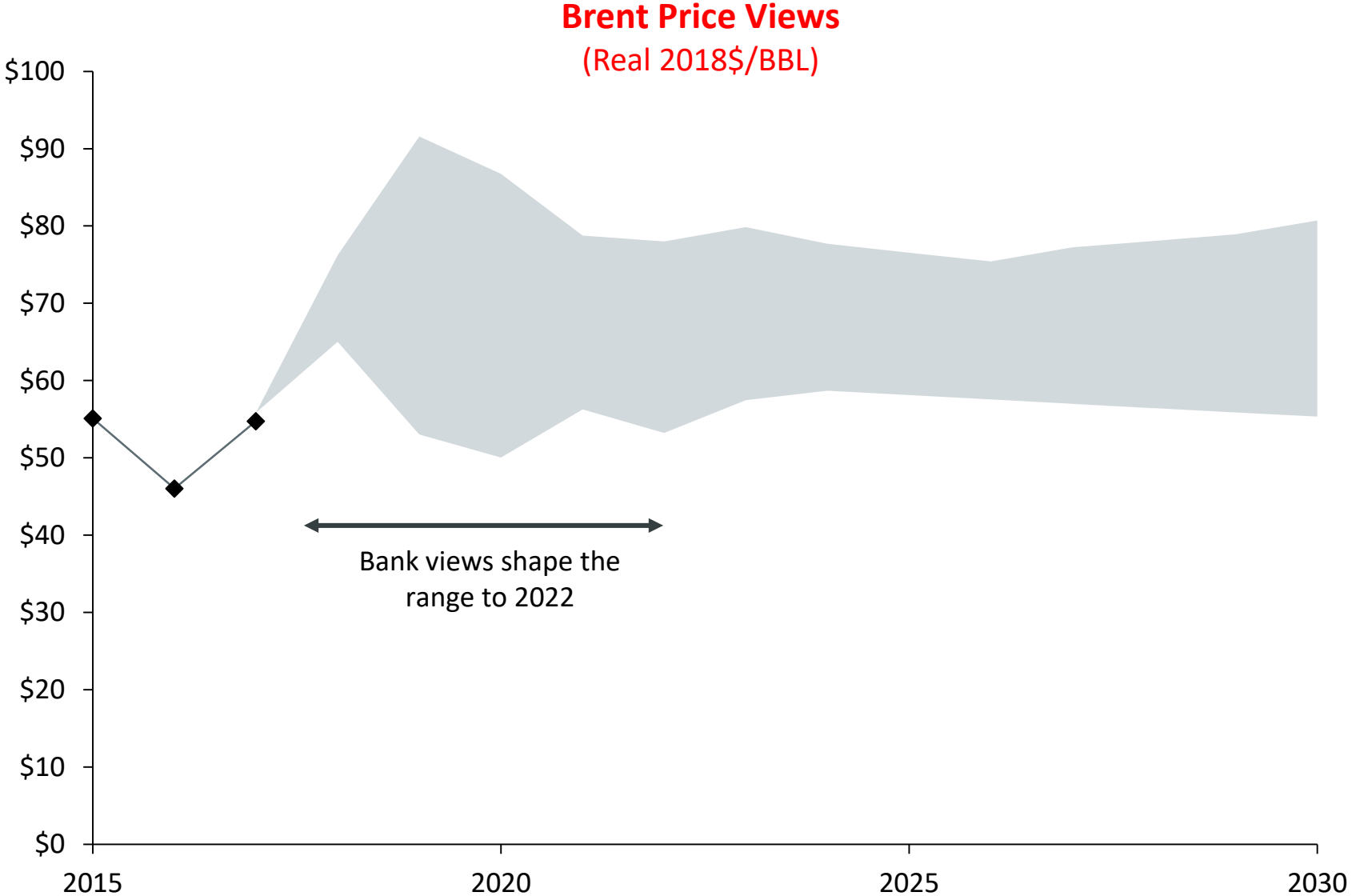


USGC Port Crude Export Capacity (MMBD)



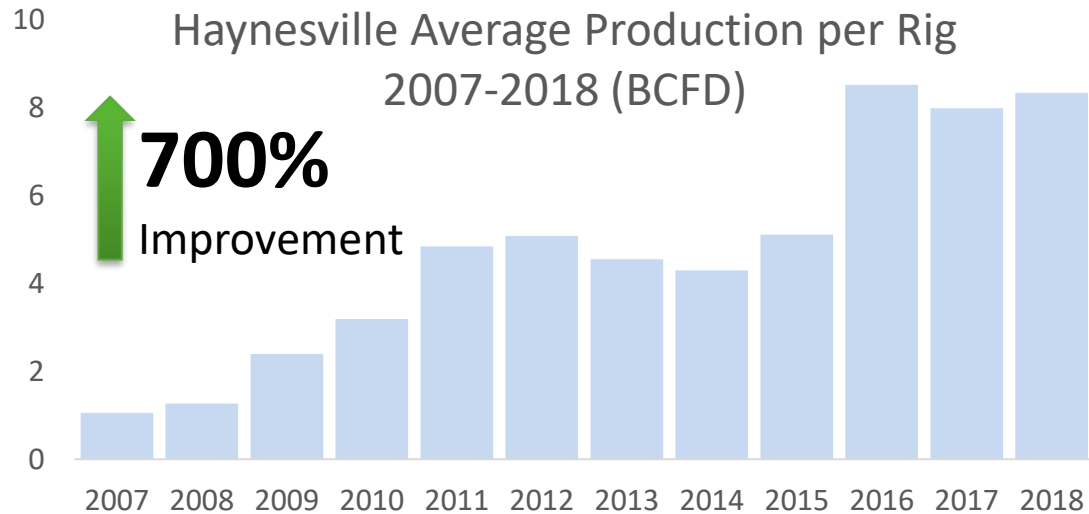
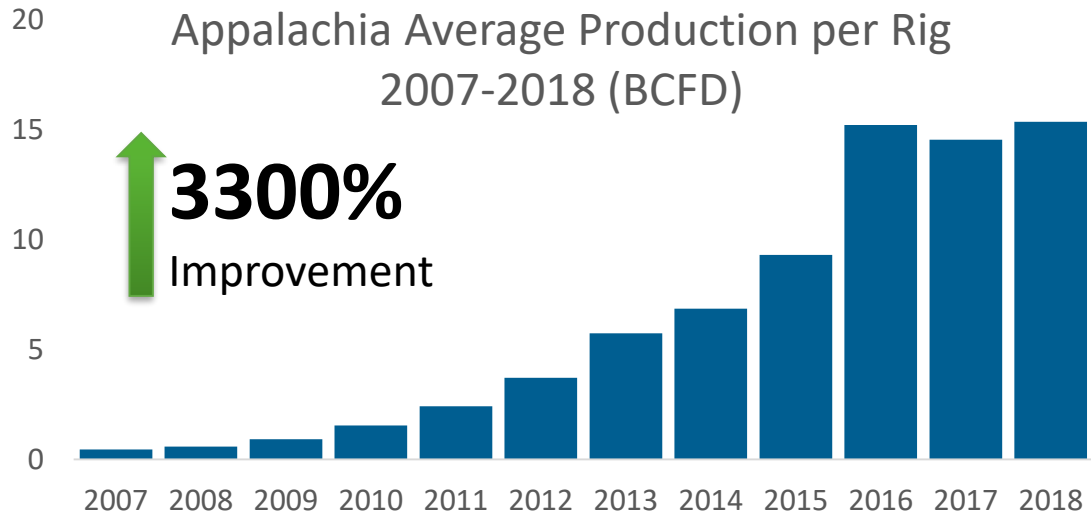
*LOOP was exclusively used as an import facility until it was modified to allow exports earlier in 2018.
 Corpus Christi includes Ingleside.
 Excludes offshore buoy capacity which could add 5-8 MMBD of additional capacity.

Long Term Brent Crude Oil Prices

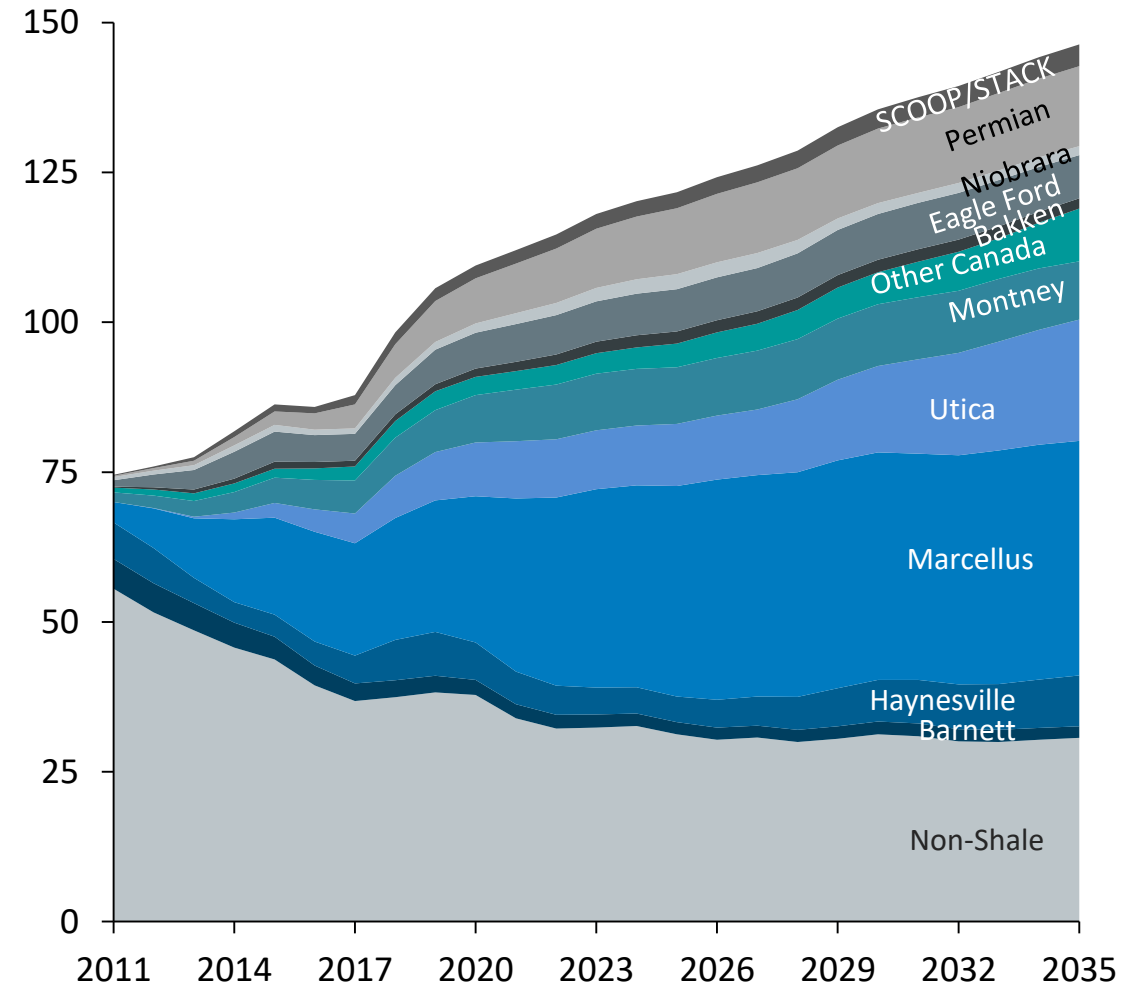


Natural Gas Market Outlook

North American Natural Gas Driven by Shale

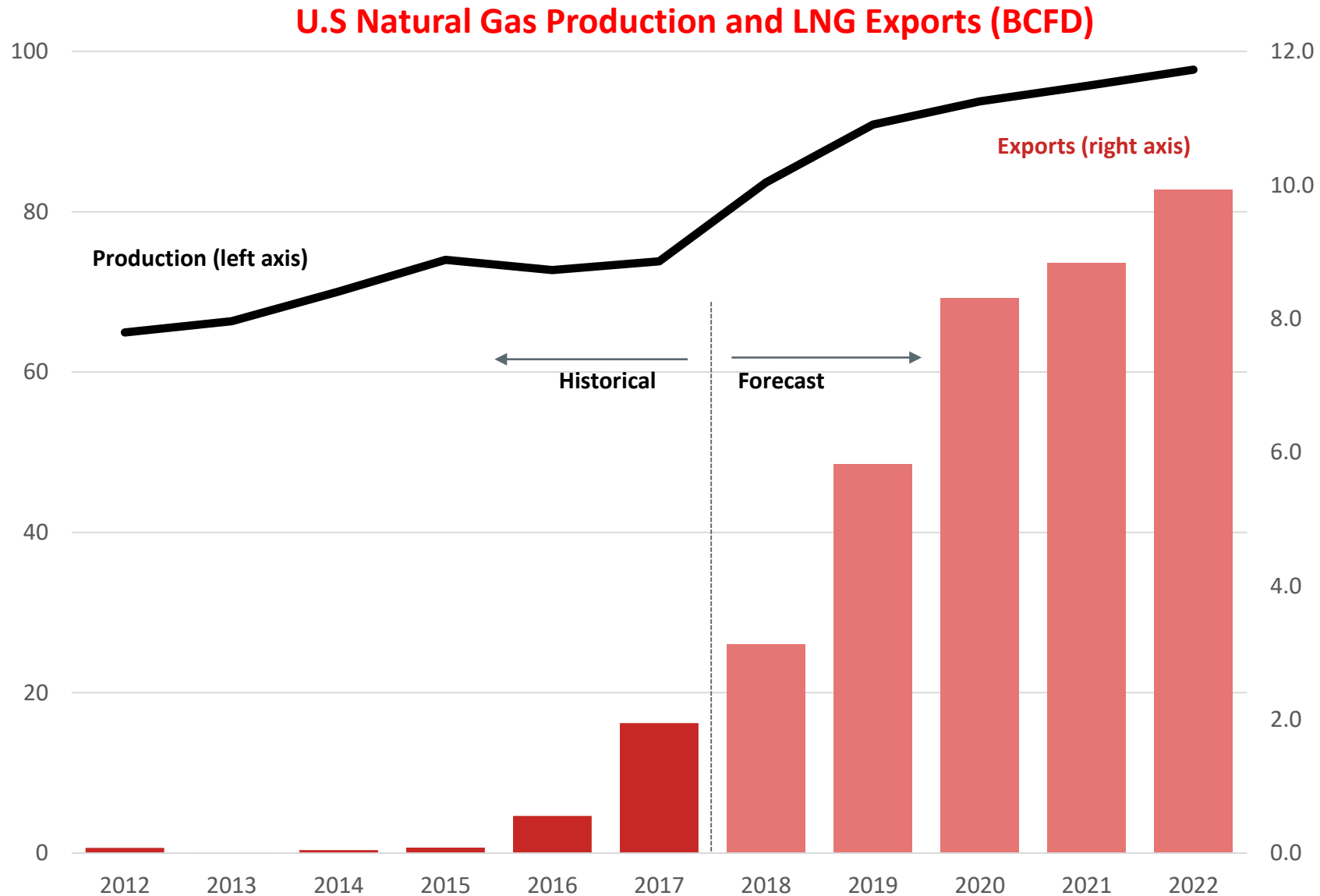


Shale Gas is 80% of North America Gas Production by 2030 (Bcfd)



Increasing Productivity Per Well Allows Production to Grow at Low Prices

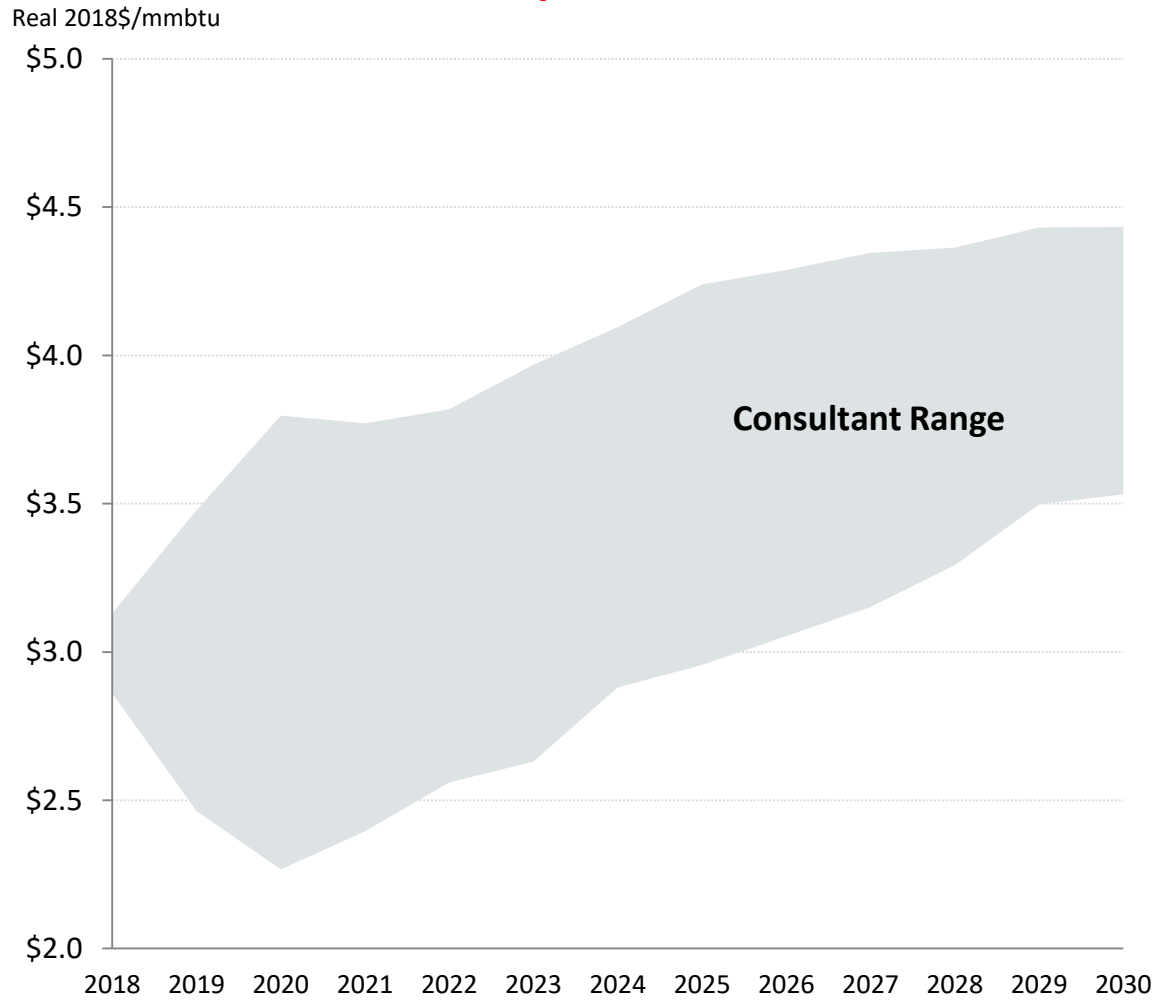
U.S. LNG Exports Expected to Become the Outlet for Increased Gas Production



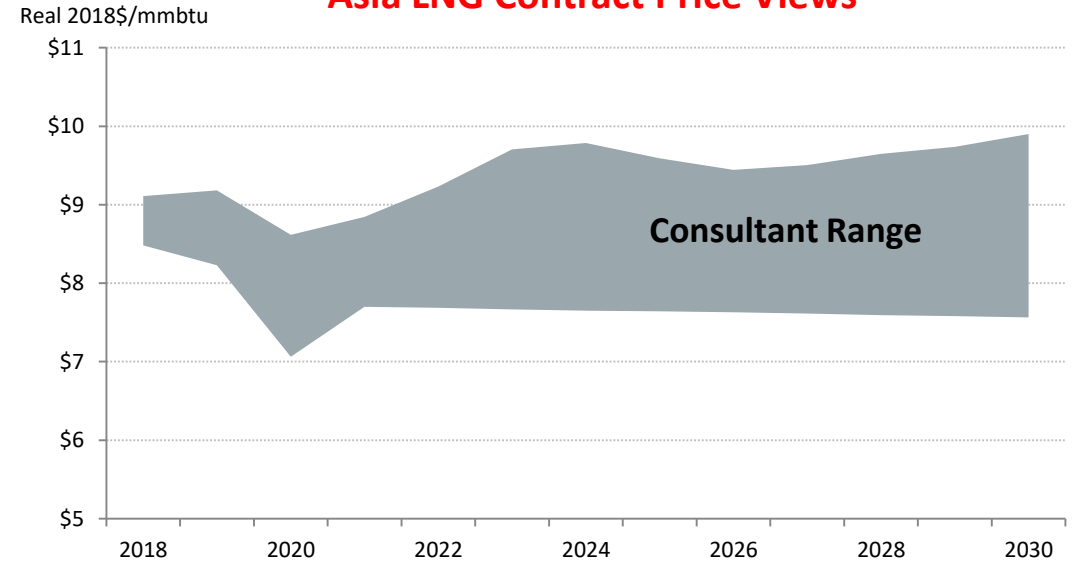
- Several proposed U.S. LNG projects are considered 'probable' to FID in the next 18 months
- By 2022, U.S. LNG Exports expected to grow from < 3% to ~10% of production
- U.S. & China trade dispute may provide room for other LNG suppliers to secure offtake agreements from Chinese buyers

Global Gas Benchmark Prices

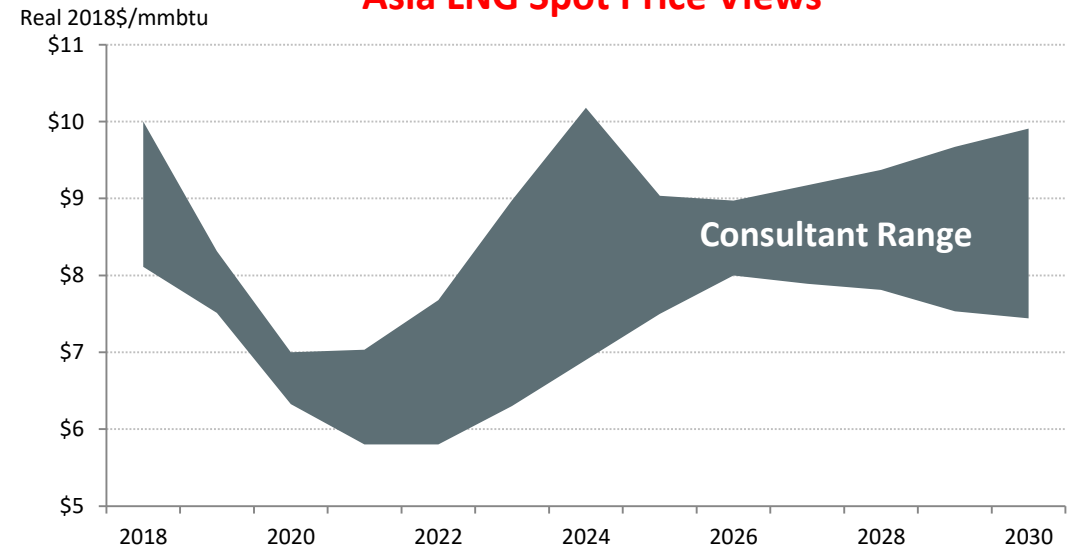
Henry Hub Prices



Asia LNG Contract Price Views



Asia LNG Spot Price Views





Crude Oil

- Demand expected to grow long term albeit at decelerating pace
- New E&P development needed in all global regions and resource types to meet demand
 - Supplies benefit from lower cost structure and ongoing productivity improvements

Natural Gas

- Solid demand growth expected through 2030
 - Emerging markets lead growth
- Natural gas is evolving to a global market
 - LNG trade to strengthen ties between regional markets
 - Henry Hub to influence global gas prices