



2023 Fairbanks Industry Update Forum

Luke Saugier, Senior Vice President, Hilcorp Alaska

Hilcorp in Alaska



- Today, Alaska makes up nearly 60 percent of Hilcorp overall.
- Hilcorp has steadily grown our Alaska business to where we're at today: in 2023, Hilcorp approved our largest ever budget for Alaska.
- Largest oil and gas operator and largest natural gas supplier in Alaska.*
- ~1,500 employees, 75% Alaska resident (and growing).
- More than 700 partnerships with Alaska businesses, generating over ~\$750 million in annual spend with Alaska vendors.

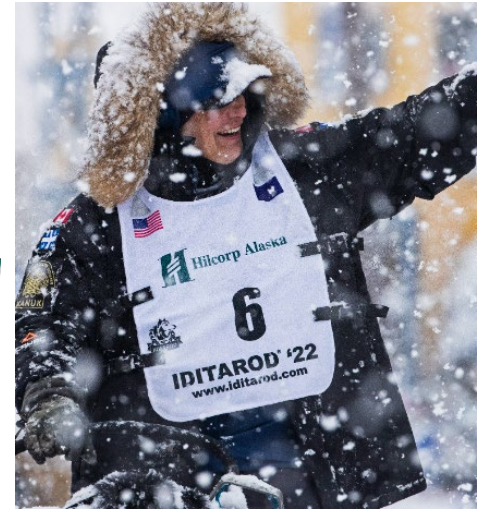


**based on operated oil and gas production rate*

In the community



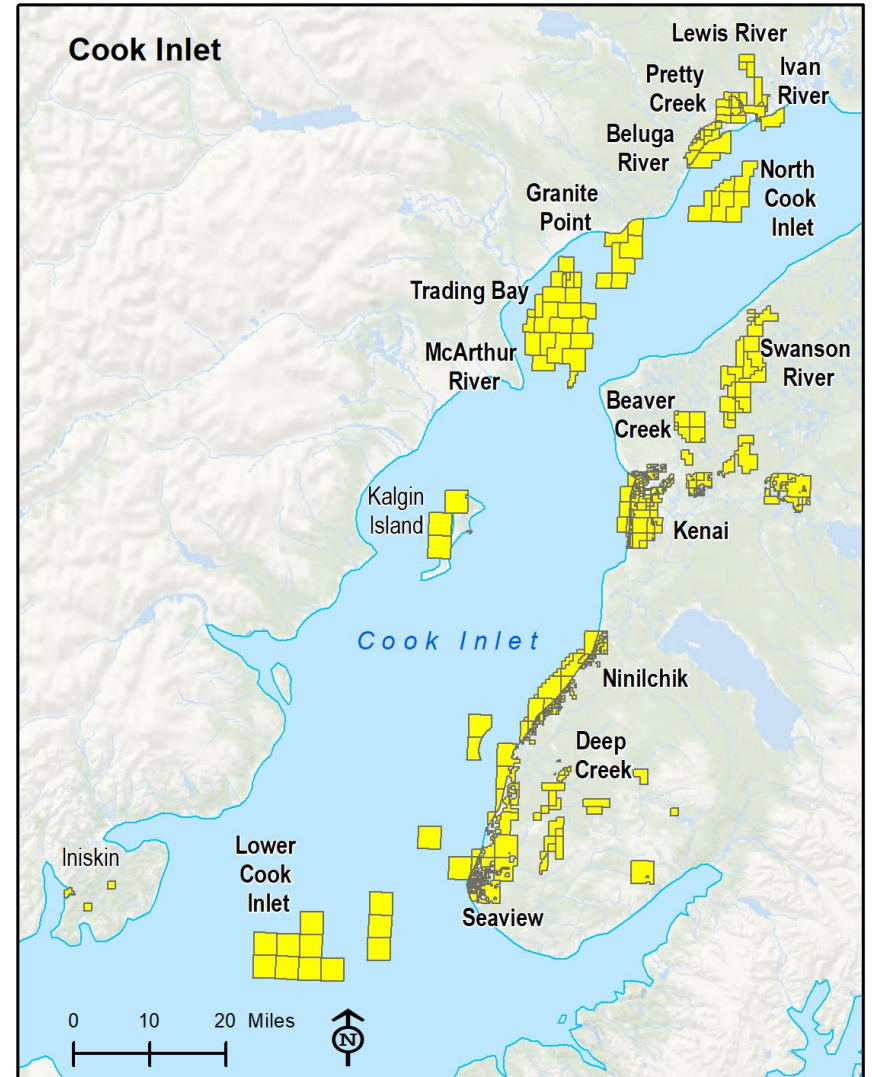
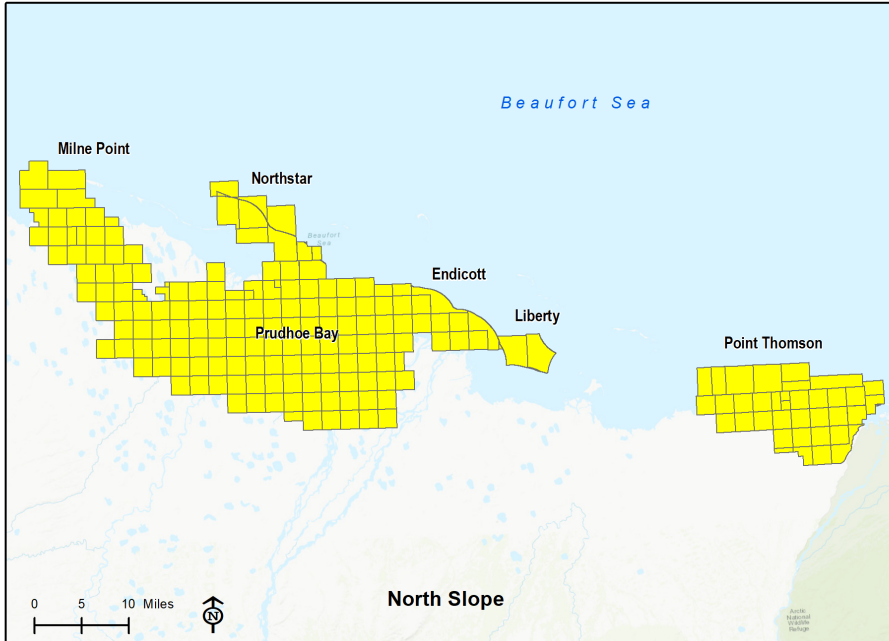
- Hilcorp employees have contributed over \$15 million to nonprofits since 2022.
- In 2022, each employee received \$25,000 into their Giving Fund Accounts to fund community nonprofits.
 - Nearly \$50 million total in new charitable giving dollars
- Proud sponsor of the Iditarod
- Recently announced Platinum Level Sponsorship of Alaska School Activities Association (ASAA)



***Proud Partner of ASAA
and All Alaska Students***



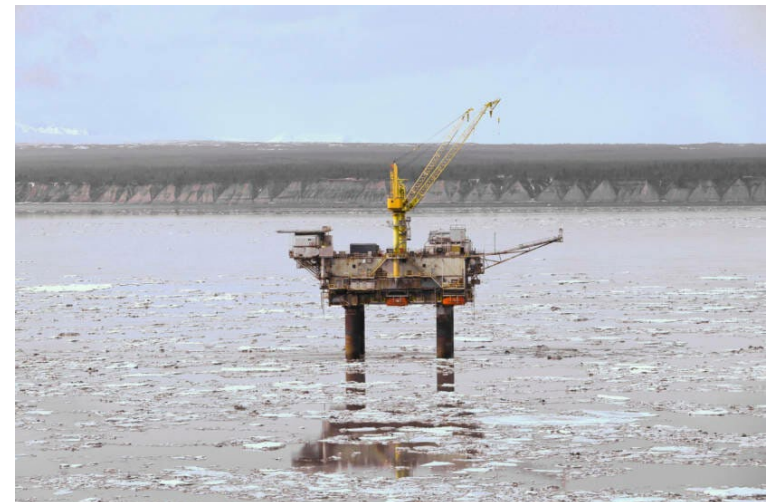
Hilcorp in Alaska



Cook Inlet Basin



- Since 2012, Hilcorp has spent over \$750 million dollars on capital projects to produce Cook Inlet natural gas.
- Hilcorp plans to spend the same or more over the next 10 years.
- In 2022, Hilcorp delivered over 50 billion cubic feet of natural gas.
- New and innovative technologies:
 - New drilling rigs, new offshore pulling units, onshore pulling units, new vendors
 - Applied modern technology new to the Inlet (e.g., 3D seismic, improved stimulation, horizontal drilling, etc.)



Cook Inlet Basin



- Hilcorp is investing for growth in Kenai and Cook Inlet.
 - New wells at existing fields
 - Rate-adding wellwork
 - Exploration drilling

- In the coming years, Hilcorp plans to invest hundreds of millions of dollars per year in Kenai and Cook Inlet.

- Recent developments:
 - Possible new infrastructure, such as platform(s)
 - 2022 Lease Sales (State & Federal)
 - Alaska LNG Project
 - Exploring options to repurpose infrastructure for renewable energy

North Slope – Alaska Islands



Endicott, Northstar & Point Thomson

- Well Work
- Facility Optimizations
- Efficiency & Reserve Growth



North Slope – Milne Point



- Production Growth
 - 18 new drill wells in 2023
- Schrader Bluff Development
- Raven Pad
- Facility Upgrades
- Jet Pump Expansion

North Slope – Milne Point success



- Since taking over as operator in 2015, Hilcorp has invested more than a billion dollars at Milne Point and drilled more than 100 wells.
- Milne Point production has grown from ~18,400 BOPD in 2014 to over ~43,000 BOPD today.
- With continued investment, we expect to see production over 60,000 BOPD in the next 4-5 years.



North Slope – Prudhoe Bay



Increase Production

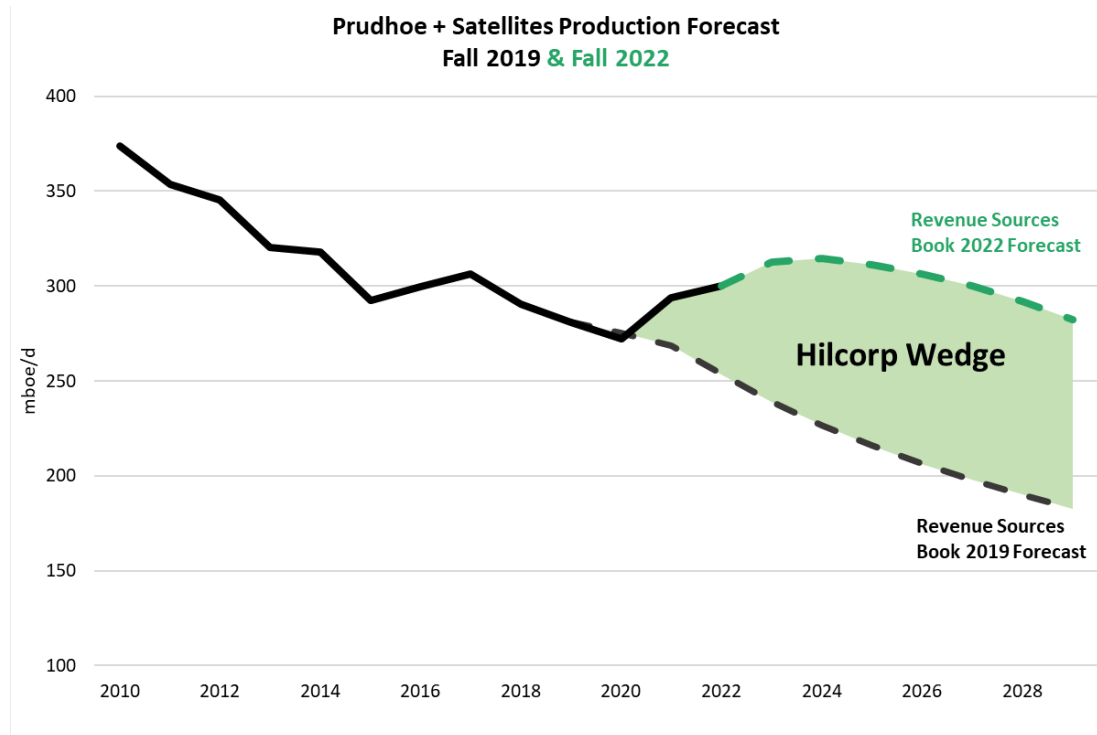
- Recently mobilized *another* drilling rig
- 22 new drill wells in 2023
- More wells online
- Move more gas and water
- Increase Gas Cap Water Injection
- Intense focus on Optimization



Hilcorp Wedge



- Hilcorp operating Prudhoe Bay has led to year-over-year production increases.
- Focus is on drilling new wells, fixing old wells and repairing and expanding oil processing facilities.
- Increased production forecast over a ten-year period from 2019-2029 is worth ~730 million barrels of *additional* oil production.
- In 2023, Hilcorp operating PBU means an additional ~70 million barrels.

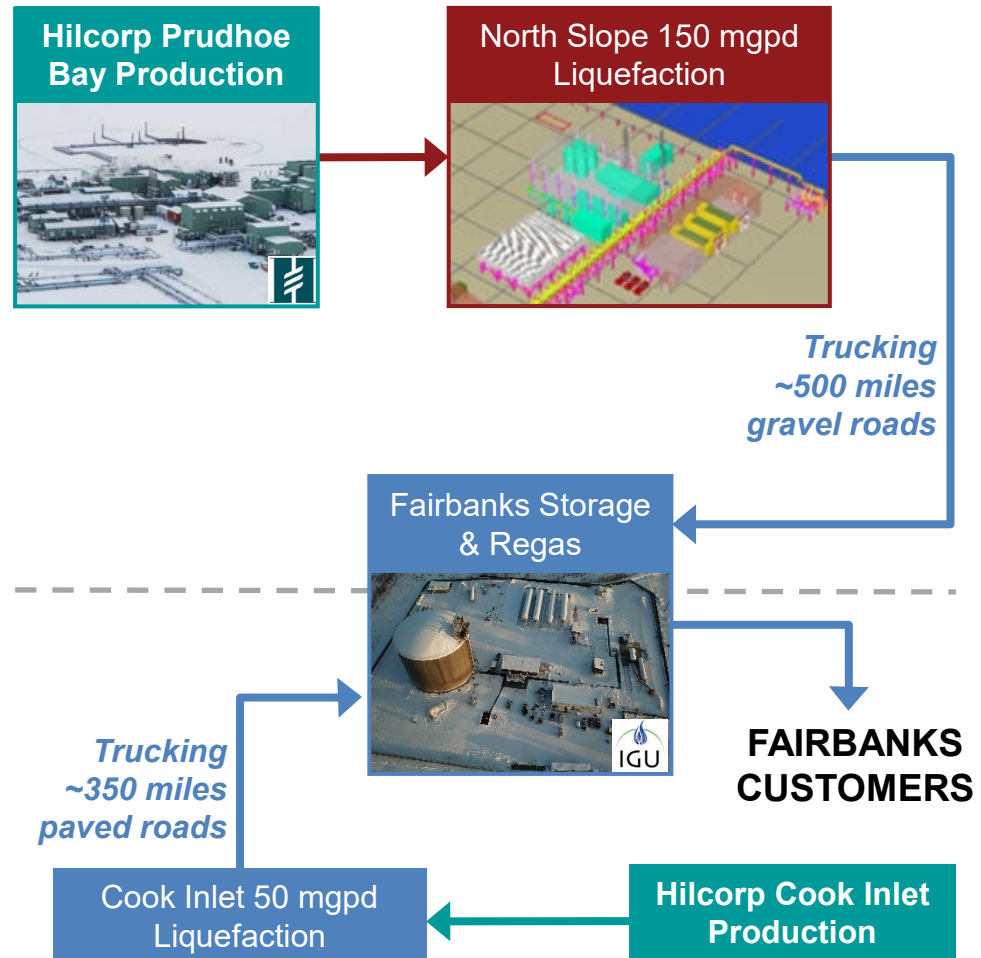


*based on State of Alaska Department of Revenue data and projections

Harvest North Slope LNG Project



- Harvest, Hilcorp & IGU signed new supply deal in January
- Gas supply & liquefaction shifted to N. Slope
- Harvest to build, own and operate a new 150,000 gallon per day LNG plant
- Hilcorp to supply IGU natural gas produced from Prudhoe Bay field
- 20-year agreement between IGU and Harvest
- Expected startup by the end of 2024



The Future: Stability Matters



- As a smaller, privately owned company, Hilcorp is more efficient and less susceptible to pressure from those targeting Alaska.
- Small and nimble LLCs and S-Corps are the future of Cook Inlet investment.
- Several bills in Juneau would tilt the field against the small, independent companies that Alaska has tried to incentivize to come to Alaska.
- The focus should be on a fair playing field and attracting more investment from a variety of companies – large and small.



EDITORIAL: The common-sense path Alaska can take on oil taxes

Railbelt utilities again scramble to fill expected Cook Inlet gas shortages

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.



Hilcorp Alaska