

Presentation for:

**Commonwealth North
Energy Action Coalition**

June 13, 2014

Mustang Development Update

- **Mustang Road and Pad funded and installed**
- **Development drilling to begin Q4 2014**
- **Design engineering, fabrication and construction**
- **Facility install Q4 2015**
- **Commissioning and start-up Q1 2016**
- **Initial production model expects 8,000 to 10,000 BOPD**

Mustang Reserve Report – DeGolyer and MacNaughton

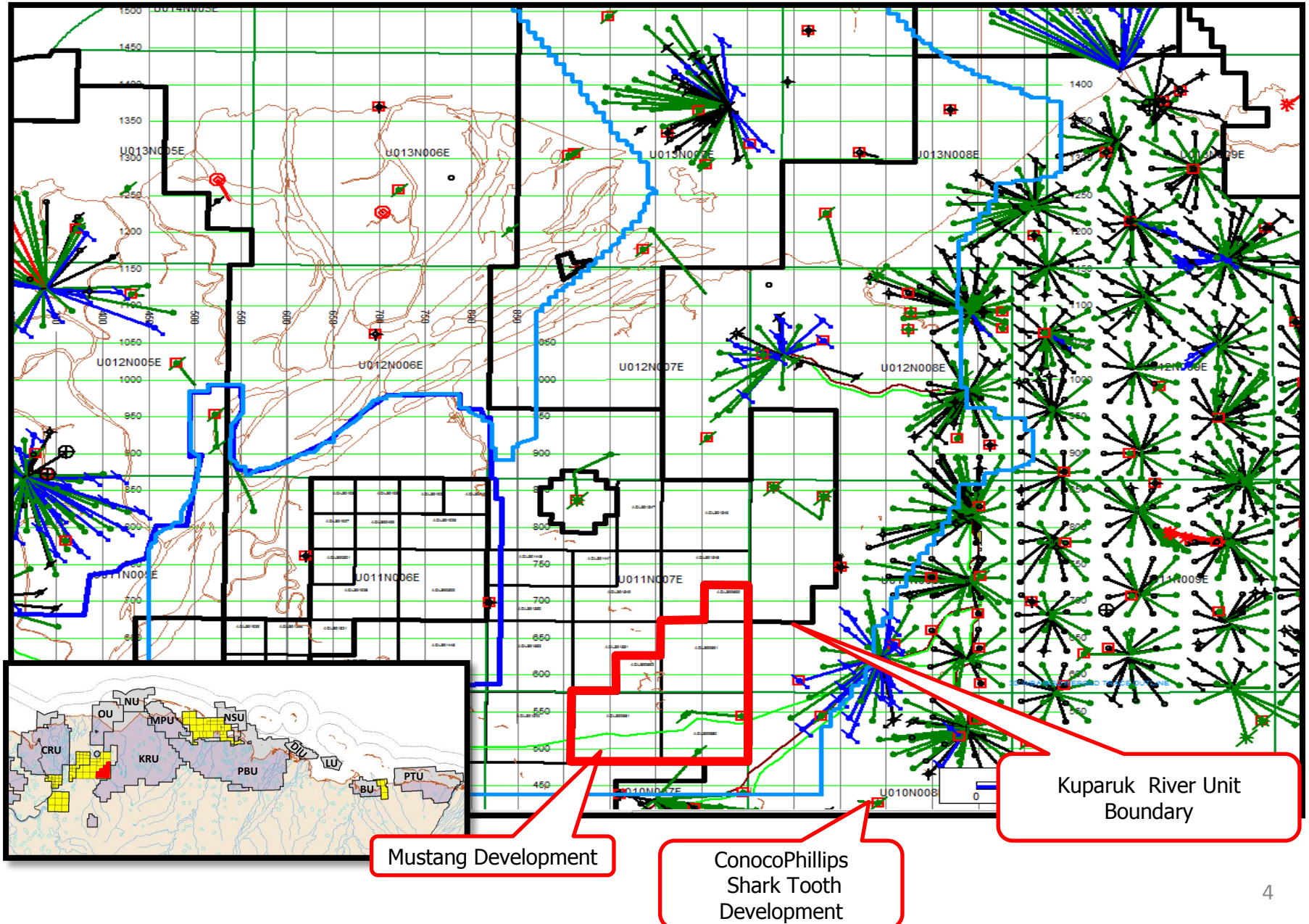
Signed July 18, 2012

<u>Proved (P 1)</u> <u>Gross Oil</u> <u>(Mbbbl)</u>	<u>Proved plus</u> <u>Probable (P 2)</u> <u>Gross Oil</u> <u>(Mbbbl)</u>	<u>Proved plus</u> <u>Probable plus</u> <u>Possible (P 3)</u> <u>Gross Oil</u> <u>(Mbbbl)</u>
24,732	43,611	51,037

Gross reserves are attributable to 100 % working interest

- BRPC Internal reserves evaluation
- Strickland Group
- DeGolyer and MacNaughton
- David Hite, Phd – AIDEA feasibility Study

Mustang Development – Kuparuk River Unit



Phased Development Drilling Plan

● Existing Well

● Exploration Wells

Phase I

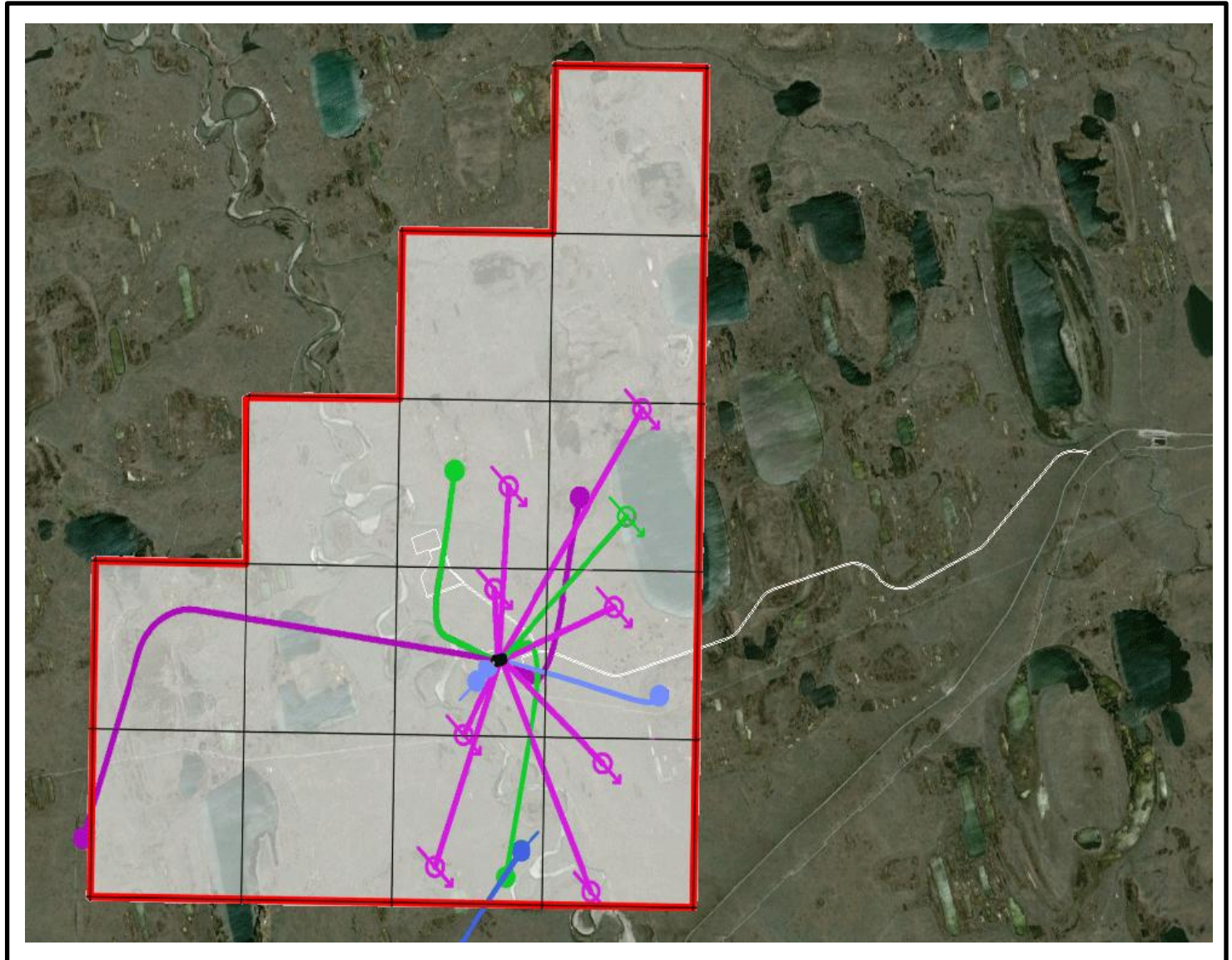
● Production Wells

↻ Injection Well

Phase II

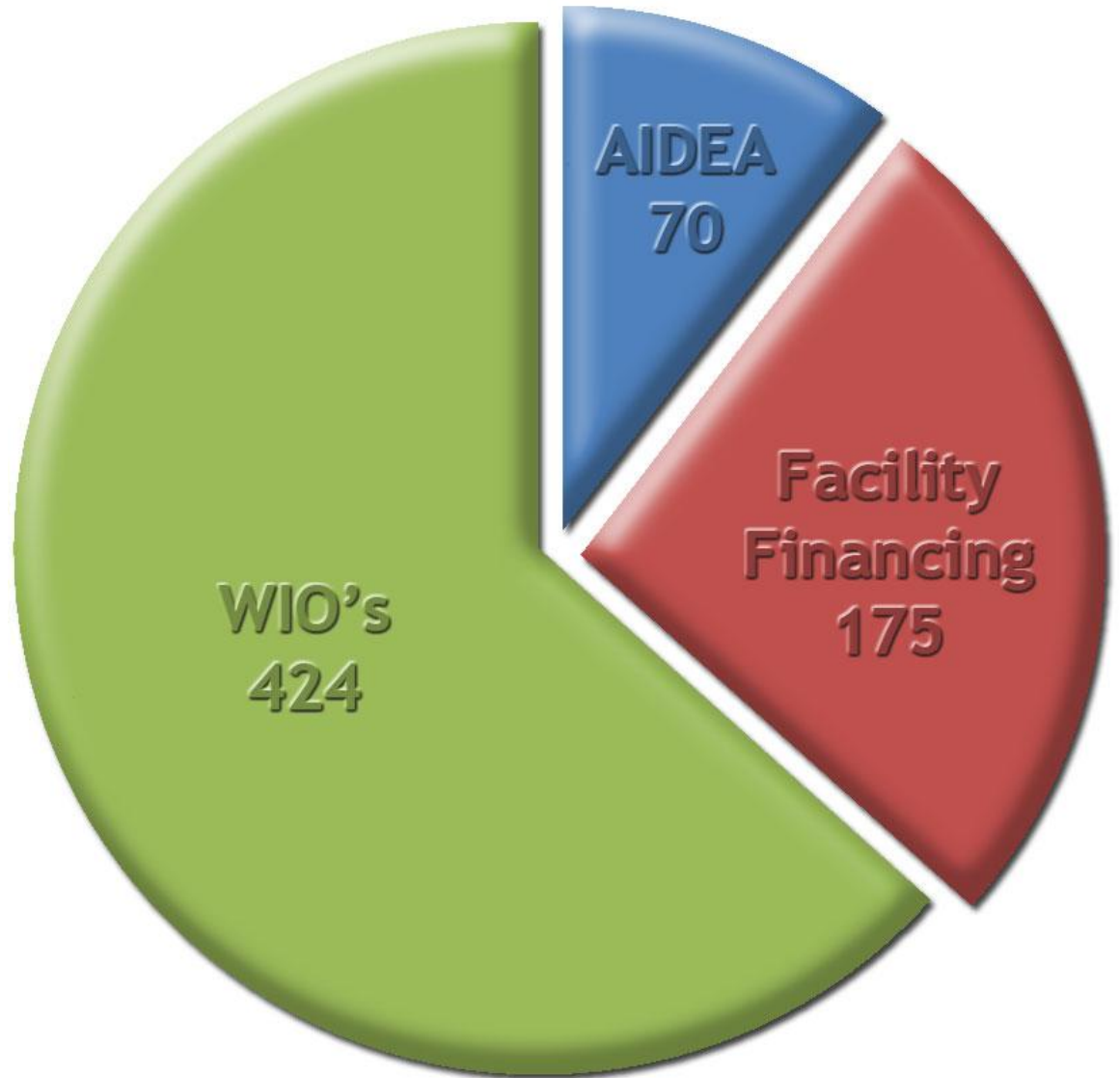
● Production Wells

↻ Injection Wells

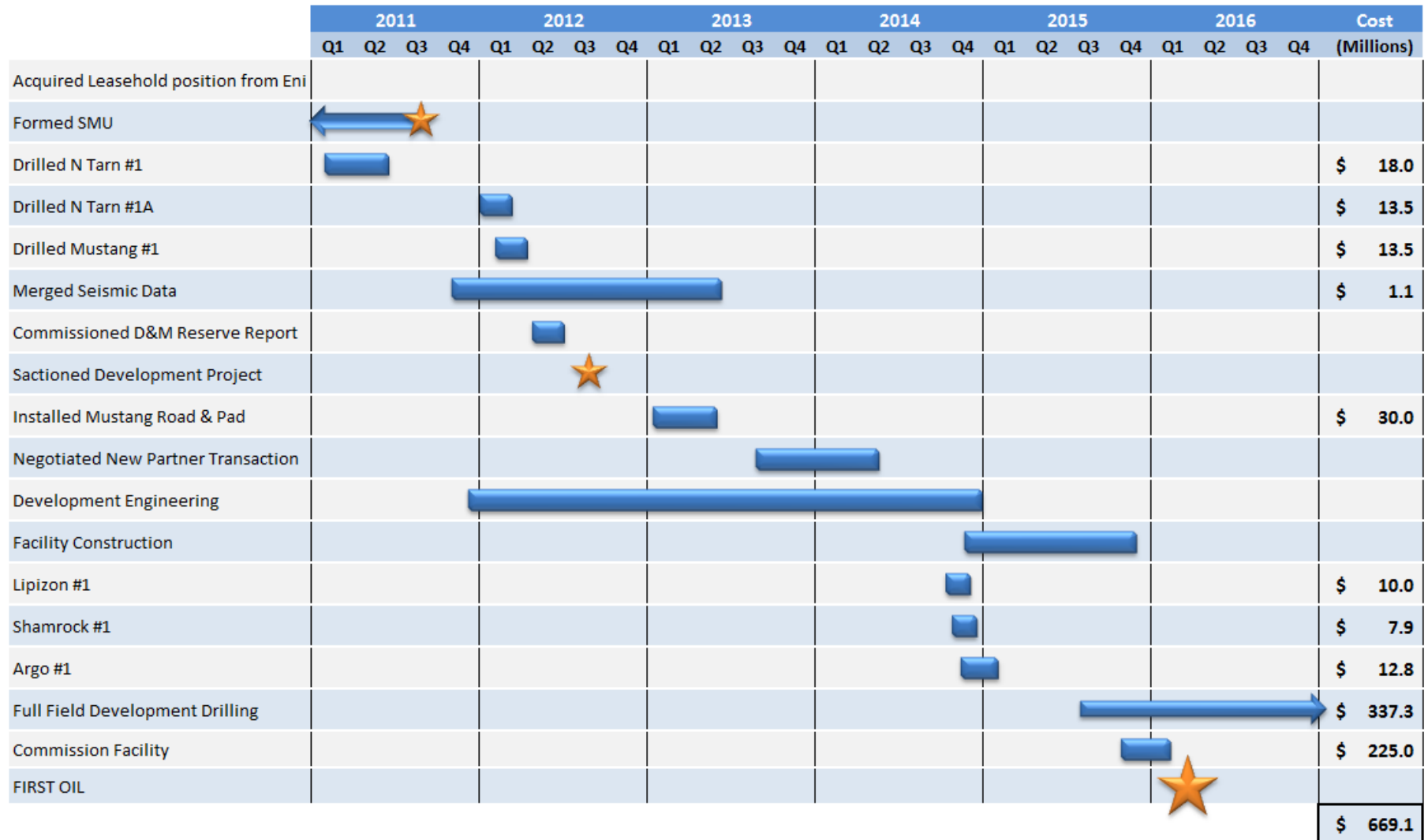


Full Field Development Cost Structure - Source

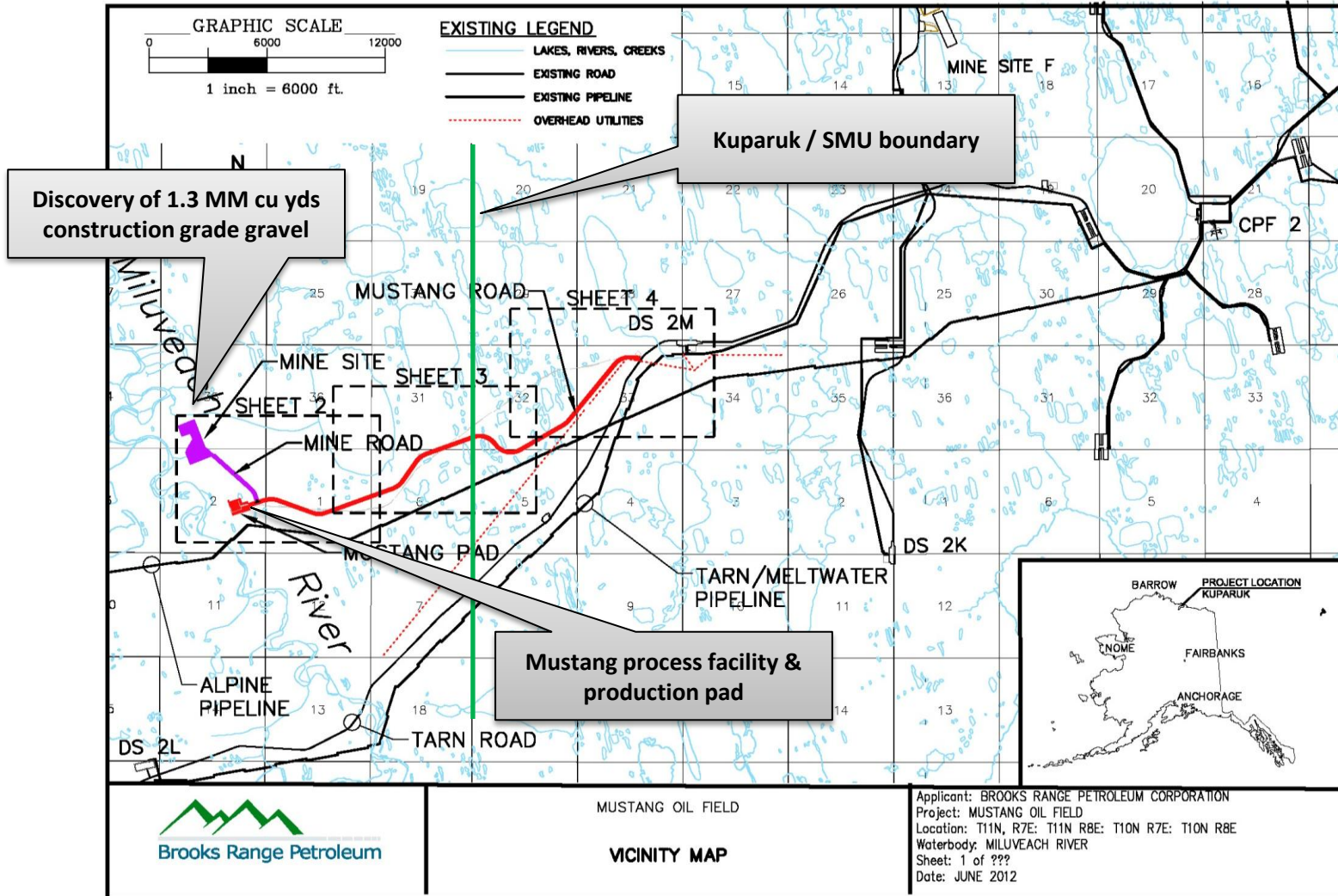
Road & Pad		\$ 30.0
AIDEA	\$ 20.0	
WIO's	\$ 10.0	
Facilities		\$ 225.0
AIDEA	\$ 50.0	
Financing	\$ 175.0	
WIO's Dev. Drilling		\$ 368.0
WIO's Exploration Costs		\$ 46.1
		<hr/>
		\$ 669.1



Mustang Project Timeline / Budget



Mustang Development Infrastructure - AIDEA



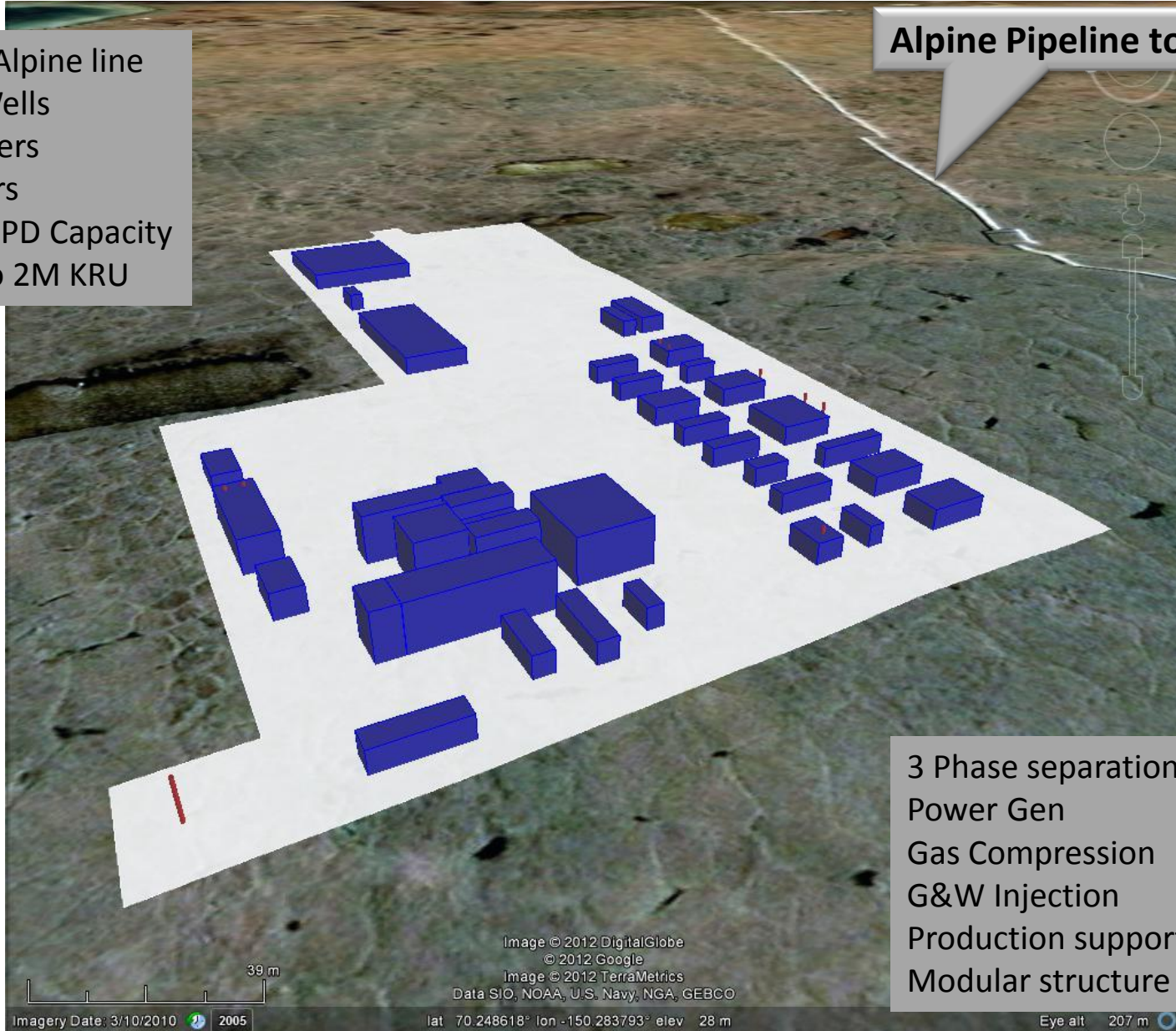
Mustang Gravel Road & Pad Construction



Mustang Production Pad

700 ft. to Alpine line
23 Total Wells
12 producers
11 injectors
15,000 BOPD Capacity
4.5 mile to 2M KRU

Alpine Pipeline to KRU



3 Phase separation
Power Gen
Gas Compression
G&W Injection
Production support modules
Modular structure

- **Final stages of securing full funding of Mustang Development**
- **Up to \$800 million in investment planned over next 2 years**
- **Mustang Development as Anchor Project**
- **Engineering underway for stand alone 15,000 BOPD facility**
- **200-250 Construction Jobs**
- **150 Development Drilling Jobs**
- **50 Anchorage based BRPC staffing**
- **~ \$0.5 billion in revenue for State and Permanent Fund at 1P Reserves**