



Integrity • Urgency • Ownership • Alignment • Innovation

Cook Inlet Regional Citizens Advisory Council – December 5, 2013



BRINGING NEW ENERGY TO COOK INLET

- January '12 Chevron Acquisition
- February '13 Marathon Acquisition
- 2012 Investment \$238 million
- 2013 Investment over \$300 million





COOK INLET OFFSHORE ASSET TEAM 2013 HIGHLIGHTS

- Reactivated Rig #56 on Monopod
- Reactivated Rig #428 on the Anna
- Continued working with Moncla Rig #404
- Rig #51 well work on Steelhead
- Brought two new built for purpose pulling units up from the L48





COOK INLET OFFSHORE ASSET TEAM 2014 PLANS



- Keep 4-5 rigs busy throughout the year
- Bring a new rig (Kuukpik #5) at the end of the year for another drilling campaign
- Increase production by 1,000 BOEPD



COOK INLET PIPE LINE 2013 HIGHLIGHTS

- CIPL c-plan drill in April
- ADEC 654 inspection in July
- USCG oil spill exercise in August
- Expanded secondary containment at DRT
- Approval to use Tank 4 earlier this week





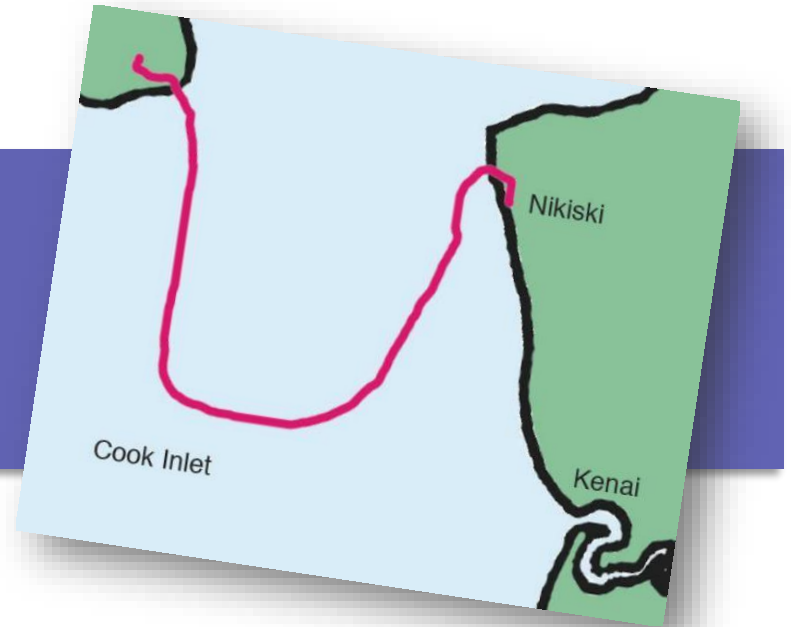
COOK INLET PIPE LINE 2014 PLANS



- Christie Lee cathodic protection
- Mainline inspection verification
- Marine line in line inspection
- Stocking long lead time spare parts



TRANS FORELANDS PIPELINE



Where do we stand?



FOR HILCORP, A SUPERIOR SYSTEM WOULD:

- Increase production by reducing down time, including down time from spills
- Save money in the short and long term, including costs associated with spills



DUE DILIGENCE QUESTIONS

- Would the pipeline reduce the likelihood of oil entering Cook Inlet?
- What hazards would the pipeline face?
- Would the pipeline reduce the likelihood of an interruption of oil transportation from the west side of Cook Inlet?
- Would it cost less to move a barrel of oil from production to the Tesoro refinery through the pipeline?
- What would happen to our oil and the pipeline if the refinery closed?



THE BOTTOM LINE

**How would the project affect
future oil development
in Cook Inlet?**



HILCORP and CIRCAC

PATH FORWARD



WORKING TOGETHER FOR THE FUTURE OF COOK INLET

More Communication

More Coordination

More Consultation

More Exchanges of Data



QUESTIONS