Comparison of North Slope Gas Project Economic Metrics with the Global Slate of New Source Projects

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Methodology

- Projects were selected given the following set of sort criteria:
  - Production start is expected to be 2006 or later
  - The project must have a projected capex of $1 billion or larger
  - The project must have a minimum of 100 mmboe recoverable

- It should be noted that we elected not to include projects which started production prior to 2006 because the project would have already have been advantaged by the high prices of the last few years. So as to have a level basis for comparison it was decided that we would only take a forward looking view. Many of the projects selected have been under development and therefore there have been expenditures prior to 2006.

- Cash flows and derived project metrics are based “real” (costs and prices escalated at 2.5% and then deflated by 2.5%) based on a 2.5% escalation factor

- Approximately 60 projects were identified which fit the above criteria
North Slope Gas Project BOE Reserves Compared to the Global Slate of New Source Projects

Projects > $1B Capex
2006 Production Cutoff
BOE (millions)

- PFC
- Alaska

North Slope Gas Project
Kashagan
North Slope Gas Project Entitlement BOE Reserves Compared to the Global Slate of New Source Projects

Projects > $1B Capex
2006 Production Cutoff
Entitlement BOE

North Slope Gas Project

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North Slope Gas Project Capex Compared to the Global Slate of New Source Projects

Projects > $1B Capex
2006 Production Cutoff
Undiscounted Capex (mm $)
North Slope Gas Project Undiscounted Net Cash Flow/Barrel Compared to the Global Slate of New Source Projects

![Graph showing net cash flow in relation to different project capital expenditures.]
North Slope Gas Project Undiscounted Net Cash Flow Compared to the Global Slate of New Source Projects

Projects > $1B Capex
2006 Production Cutoff
Net Cash Flow

North Slope Gas Project

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North Slope Gas Project IRR Compared to the Global Slate of New Source Projects

Projects > $1B Capex
2006 Production Cutoff
IRR

North Slope Gas Project

Projects: $15, $20, $25, $30, $35, $40, $50, $60
Status Quo
Stranded Gas
Stranded w/ Credits
North Slope Gas Project NPV10 Compared to the Global Slate of New Source Projects

Projects > $1B Capex
2006 Production Cutoff
NPV10

North Slope Gas Project
North Slope Gas Project NPV10/BOE Compared to the Global Slate of New Source Projects

Projects > $1B Capex
2006 Production Cutoff
NPV10 / BOE

Probability of Exceedance >>

-5 $0 $5 $10 $15 $20 $25
($mm / BOE)

North Slope Gas Project

$15
$20
$25
$30
$35
$40
$45
$50
$55
$60
Status Quo
Stranded Gas
Stranded w/ Credits
North Slope Gas Project NPV10/Undiscounted Capex Compared to the Global Slate of New Source Projects

Projects > $1B Capex
2006 Production Cutoff
NPV10 / Undiscounted Capex

- North Slope Gas Project

- Status Quo
- Stranded Gas
- Stranded w/ Credits

Probability of Exceedance >>

-1.0 0.0 1.0 2.0 3.0 4.0 5.0 6.0

-0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
North Slope Gas Project PIR10 Compared to the Global Slate of New Source Projects

Projects > $1B Capex
2006 Production Cutoff
PIR10

North Slope Gas Project

Projects compared to the global slate of new source projects, illustrating the probability of exceedance for different capital expenditure levels. The graph shows the percentage of projects that exceed a given capital expenditure threshold for the North Slope Gas Project (PIR10) in comparison to other projects.

Key: Status Quo, Stranded Gas, Stranded w/ Credits.
North Slope Gas Project Capex Versus NPV10 Compared to the Global Slate of New Source Projects
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