

March 14, 2013
Senate Finance Committee
Testimony on Senate Bill 21

6:19:17 PM: Scott Jeffson, VP of External Affairs, **ConocoPhillips**: It has been brought to our attention that there has been some confusion with regard to a presentation that ConocoPhillips conducted on February 18th. In that presentation our Executive Vice-President for Exploration Matt Fox talked about some development activities that we foresee over the next five years dealing with primarily drilling. The thrust of Matt's presentation was to talk about the role that technology is currently playing in our efforts to develop our legacy assets of the North Slope. **I think some may have misinterpreted his comments to mean this is a new initiative, and that this is something incremental above and beyond our base plan and I want to make it clear that it is not the case. The activities that Matt described are part of our base plan, it's a subset of what we expect to spend over the next five years.** In fact, over the last five years we've been spending about \$500 million a year on the same sorts of activities. So what Matt talked about was \$2.5 billion over the next five years, which is on pace with the historical investment we've made.

6:25:06 PM: Senator Meyer to Bob Heinrich with ConocoPhillips: You had mentioned that there is more opportunity if the tax climate allows the opportunity to exist. It looks like the question would be if we have reached that point where we have a climate that would spur additional investment and hopefully production.

6:25:37 PM: Bob Heinrich with ConocoPhillips: With the current bill, while it is an improvement over ACES, and we are pleased to see that, the way we currently see it is we will have to look at our projects on a project by project basis because of the structure we can't across the board say that the opportunity slate...some projects will be approved and some because of the loss of the tax credit structure may not improve under the current structure.

6:27:00 PM: Scott Jeffson, VP of External Affairs, **ConocoPhillips**: **At this point we are not in a place where we could say how much we would do differently if this bill was passed.**

6:29:30 PM: Senator Click Bishop: Thanks for your testimony Mr. Jeffson. I just gotta tell you that we have worked very hard doing some heavy lifting here. We've moved the needle on the base rate almost seven percentage points down, and it's a tough lift for some of us. I understand the position that you're in but you need to understand the position that I'm in with my constituents and the people of Alaska and...I thought I was missing a slide. I thought there was gonna be a page four with a check-off on the increased activity box to say the least. Thank you.

6:36:30 PM: Damian Bilbao, Head of Finance for **BP Alaska**: The CS [for SB21] does provide some good steps forward to making Alaska more competitive, but **we don't feel that it goes far enough to attract the type of meaningful investment that's required to make the future look different from the last six or seven years.**

6:40:30 PM: Dan Seckers with **ExxonMobil**: We believe the committee substitute is a remarkable improvement over ACES. **But we believe the base rate is still too high and does not make Alaska attractive enough.**