

**PRELIMINARY REPORT ON FISCAL DESIGNS
FOR THE DEVELOPMENT OF ALASKA NATURAL GAS**

BY
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NOVEMBER 2008

For

State of Alaska
Legislative Budget & Audit Committee

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Appendix 5

Base Case Model Analysis of Ten Hypothetical Fields

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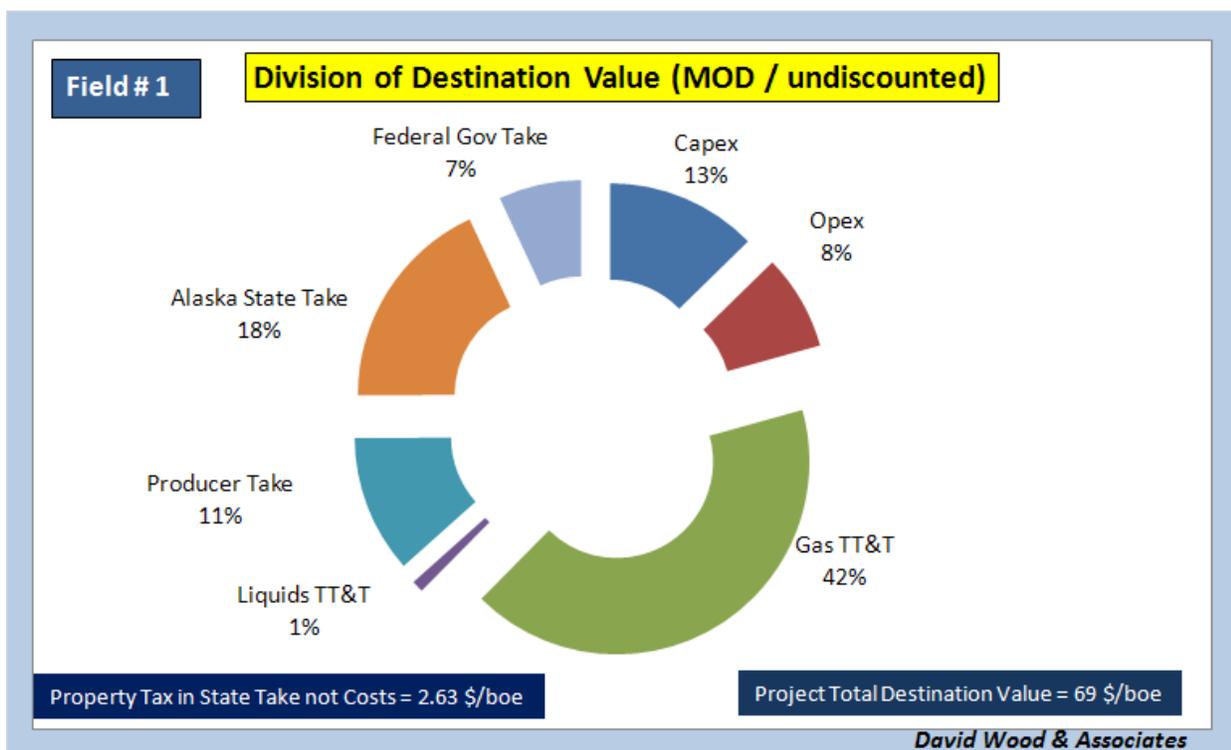
The economic performance and fiscal contributions of each of the ten hypothetical gas fields modelled in this study is illustrated in this appendix as a series of graphs and tables applying base case production, cost, price and liquid yield assumptions.

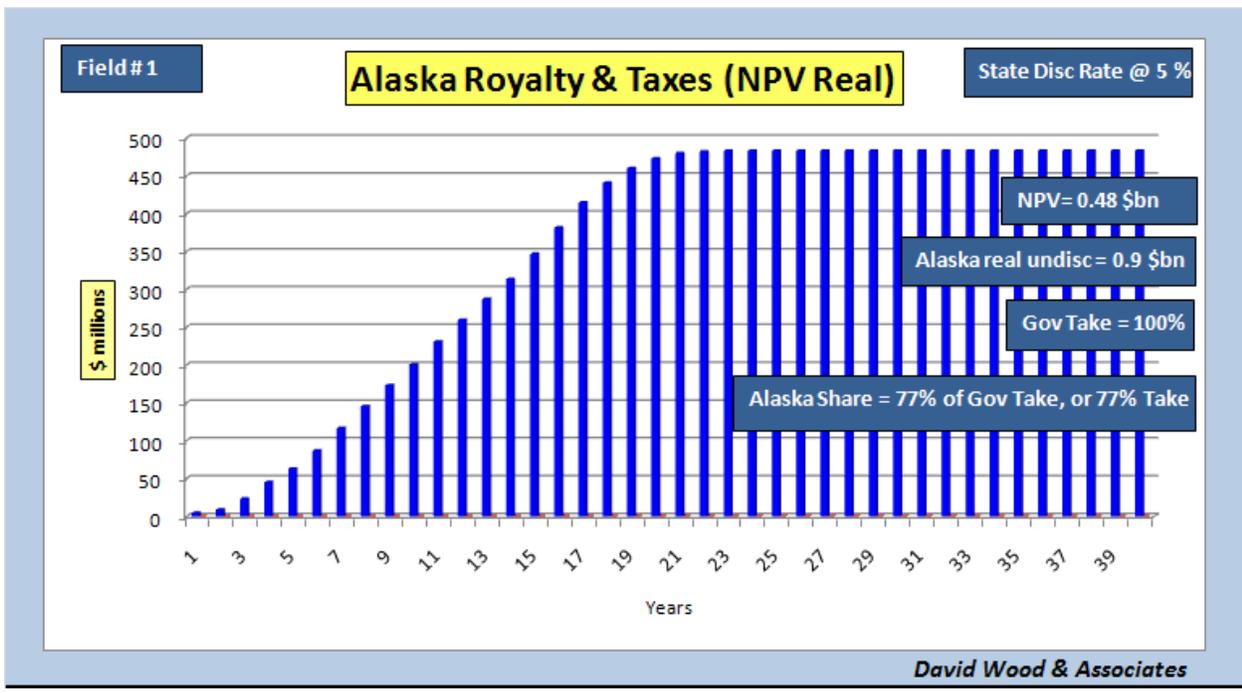
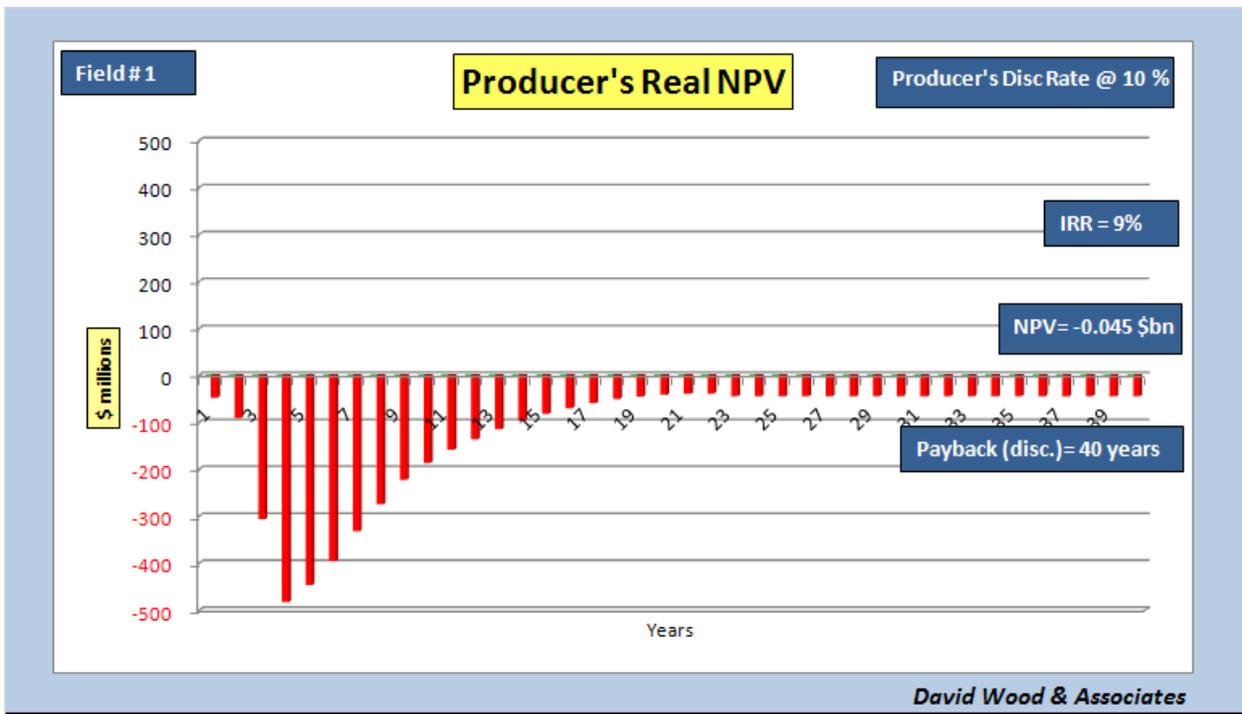
This information makes it possible to review the overall performance of the prevailing Alaska fiscal terms for a wide range of oil and gas field sizes and types.

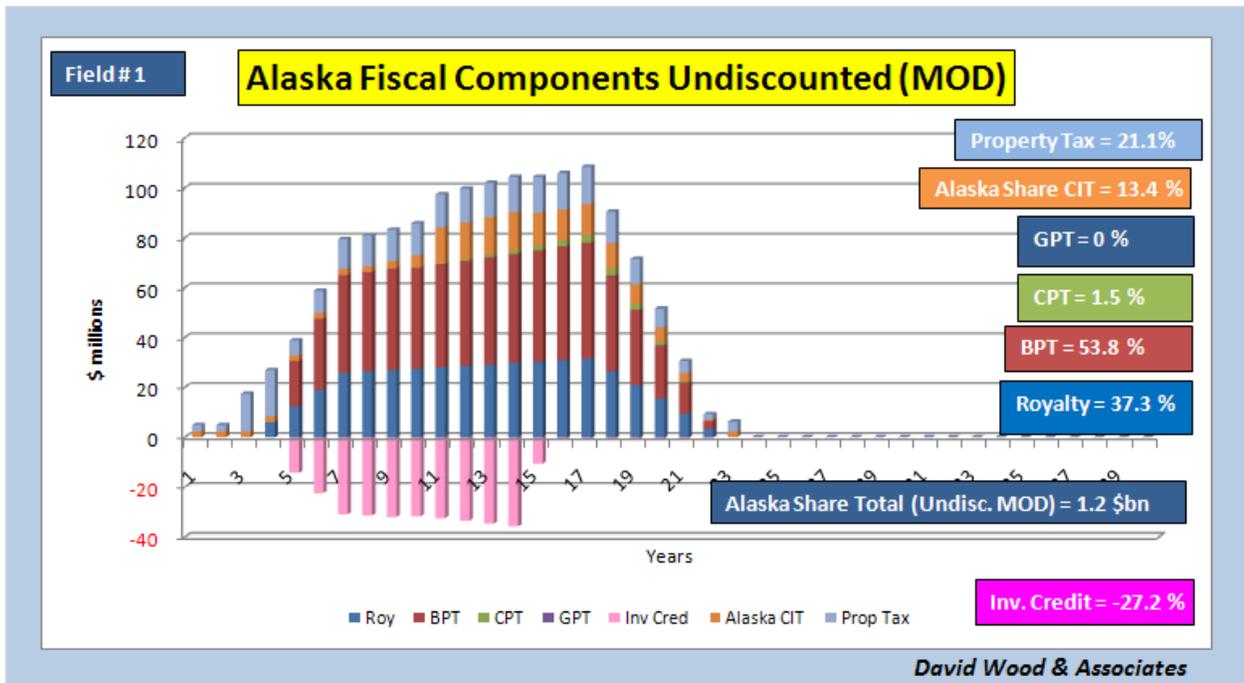
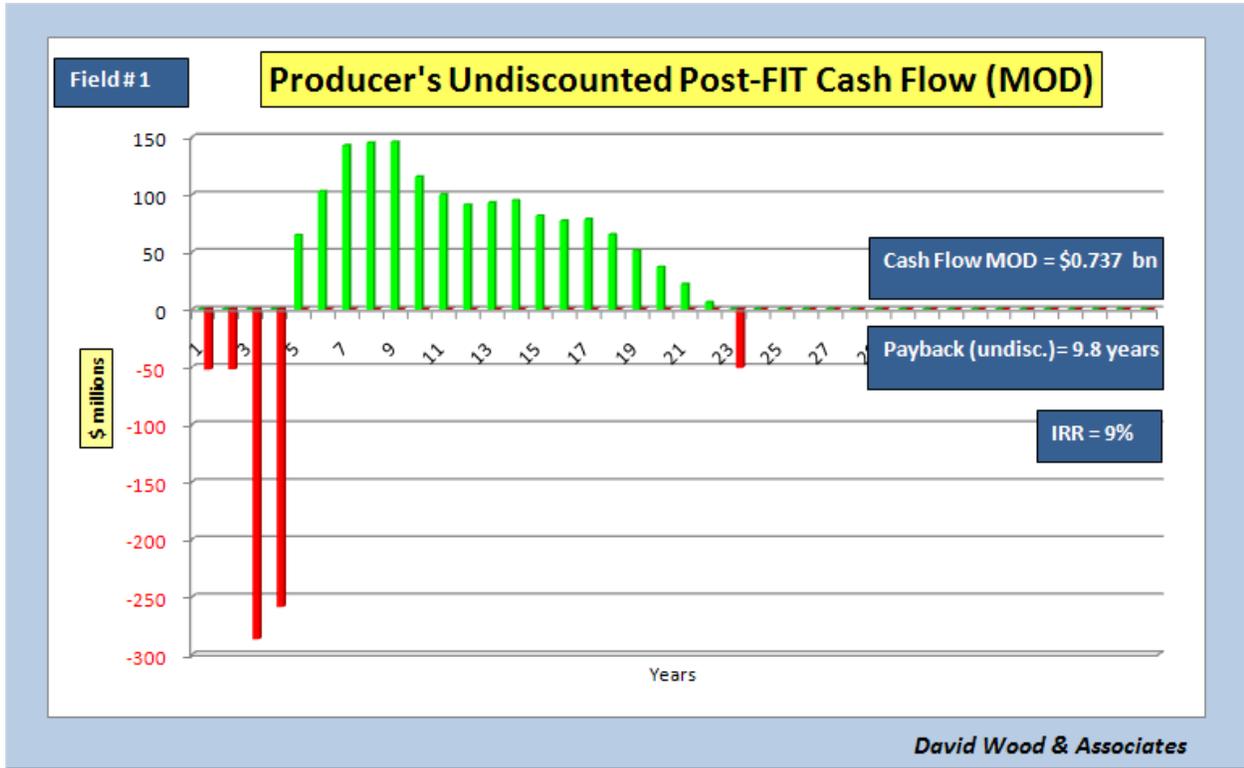
See discussion in section 4.4 of this study for more detailed interpretation of this analysis.

Gas Field #1 (92 million boe produced)

Summary of Model Calculations		
Key Values Calculated for Model Field #:	1	Key Field & Government / Alaska Metrics
Sales Gas Produced 0.548 quad btu or (bcf)	490	7.50 Initial Gas Destination Price (\$/mmbtu)
Oil (C5+) Produced (millions barrels)	11	11.83 Maximum Gas Destination Price (\$/mmbtu)
Gas + Oil(C5+) Produced 554 bcfe or (millions boe)	92	80.00 Initial Oil Destination Price (\$/barrel)
Peak Average Daily Natural Gas (mmcf)	92	126.15 Maximum Oil Destination Price (\$/barrel)
Peak Average Daily Oil (C5+) (bopd)	2,000	74.8 Initial LPG Destination Price (\$/barrel)
Maximum water cut (%)	28.4%	117.92 Maximum LPG Destination Price (\$/barrel)
Capex /unit 1.349 \$/mmbtu or (\$/boe) MOD	9.05	4 Year on stream real values refer to year: 0 \$
Opex /unit 0.891 \$/mmbtu or (\$/boe) MOD	5.97	6,375 Project Destination Value Revenue MOD (\$ millions)
Gas TT&T/unit 4.574 \$/mmbtu or (\$/boe) MOD	30.68	69.03 Project Dest. Val. MOD (\$/boe) - Average "boe" Price
Oil (C5+) TT&T/unit 0.102 \$/mmbtu or (\$/boe) MOD	0.68	4.65 (\$/boe) Total Royalties 429 \$ millions MOD
Field on-stream (Years)	19	6.73 (\$/boe) BPT (incl. Floor: no Inv Credit) 622 \$ millions MOD
Field Shut-in (Year)	23	0.19 (\$/boe) CPT Paid 18 \$ millions MOD
Producer's Post-Royalty Operating Cash Flow (\$/boe) MOD	27.04	0.00 No separate GPT under 2007 law
Producer's Pre-Production Tax Cashflow (\$/boe) MOD	17.99	-3.39 (\$/boe) Inv Credit Paid to Company -313 \$millions MOD
Producer's Post-BPTCashflow (\$/boe) MOD	11.28	1.67 (\$/boe) Alaska CIT 155 \$millions MOD
Producer's Post-PTCash Flow-NoInvCred(\$/boe) MOD	9.15	4.80 (\$/boe) Federal Income Tax 443 \$millions MOD
Producer's Post-ProgressivityInvCredit Cash Flow (\$/boe) MOE	14.45	17.29 (\$/boe)Total Gov. Share Undisc 1597 \$millions MOD
Producer's Post-FIT Cash Flow 737 \$millions & (\$/boe) MOD	7.98	12.49 (\$/boe)Total Alaska Share Undisc 1153 \$millions MOD
Producer's Post-FIT Cash Flow 499 \$millions (\$/boe) real	5.40	72.2% Alaska Percentage of Total Government Share (%)
Producer's NPV 19 \$millions @ 10% (\$/disc boe) MOD	0.60	68.4% Government Undiscounted Share of Cash Flow MOD (%)
Producer's NPV @ 10% (\$/discounted boe) real	-1.45	13.13 (\$/boe)Total Gov. Share Undisc 1213 \$millions real
Producer's NPV @ 10% (\$millions) real	-45	9.56 (\$/boe)Total Alaska Share Undisc 883 \$millions real
Producer's IRR (%) MOD	10.8%	12.55 (\$/dicounted boe) Total Gov Share NPV @5% real
Producer's IRR (%) real	8.6%	9.38 (\$/dicounted boe) Total Alaska Share NPV @5% real
Producer's Payback Time (years) MOD undiscounted	9.80	77.1% Alaska Share of Government Take real & Disc @10 (%)
Producer's Payback Time (years) real discounted	40.00	100.0% Government Share of Cash Flow real & Disc @10 (%)
Producer's NPV / Investment real Discounted	-0.09	646 Total Government Share NPV @5% real (\$ millions)
Note: "\$/boe" refers to "boe" commercially produced		483 Total Alaska Share NPV @5% real (\$ millions)

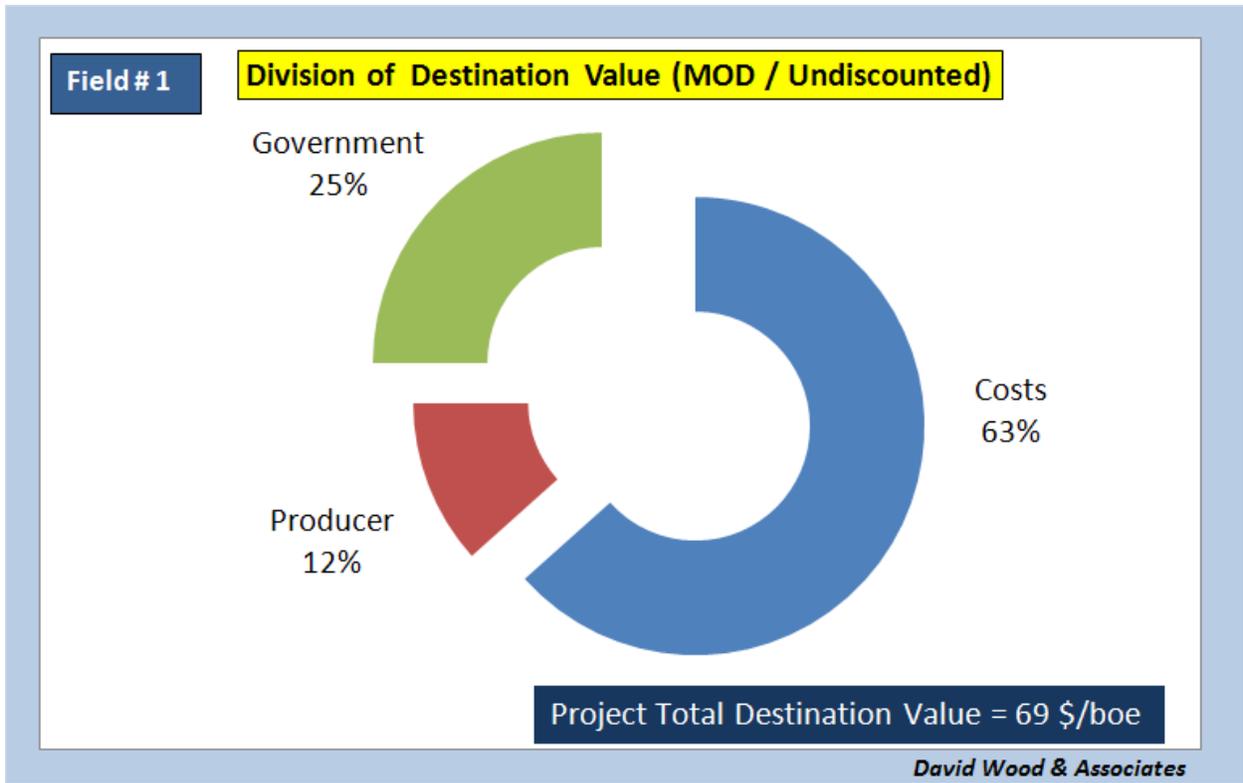






Field #2

Stakeholder Take Comparisons		
	Total Government	Producer
Take % of undiscounted MOD cash flows	68.41%	31.59%
Take % of undiscounted real cash flows	70.85%	29.15%
Take % of NPV real (5 % discount rate)	82.84%	17.16%
Take % of NPV real (10 % discount rate)	100.00%	0.00%
Take (\$ millions) from MOD cash flows	1,597	737
Take (\$ millions) from real cash flows	1,213	499
Take (\$ millions), NPV real (5 % discount rate)	646	134
Take (\$ millions), NPV real (10 % discount rate)	373	-45
Take (\$/boe) from MOD cash flows	17.29	7.98
Take (\$/boe) from real cash flows	13.13	5.40
Take (\$/disc boe), NPV real (5 % discount rate)	12.55	2.60
Take (\$/disc boe), NPV real (10 % discount rate)	12.09	-1.45
Total production undiscounted million boe = 92	52 boe disc @5 %	31 boe disc @10 %



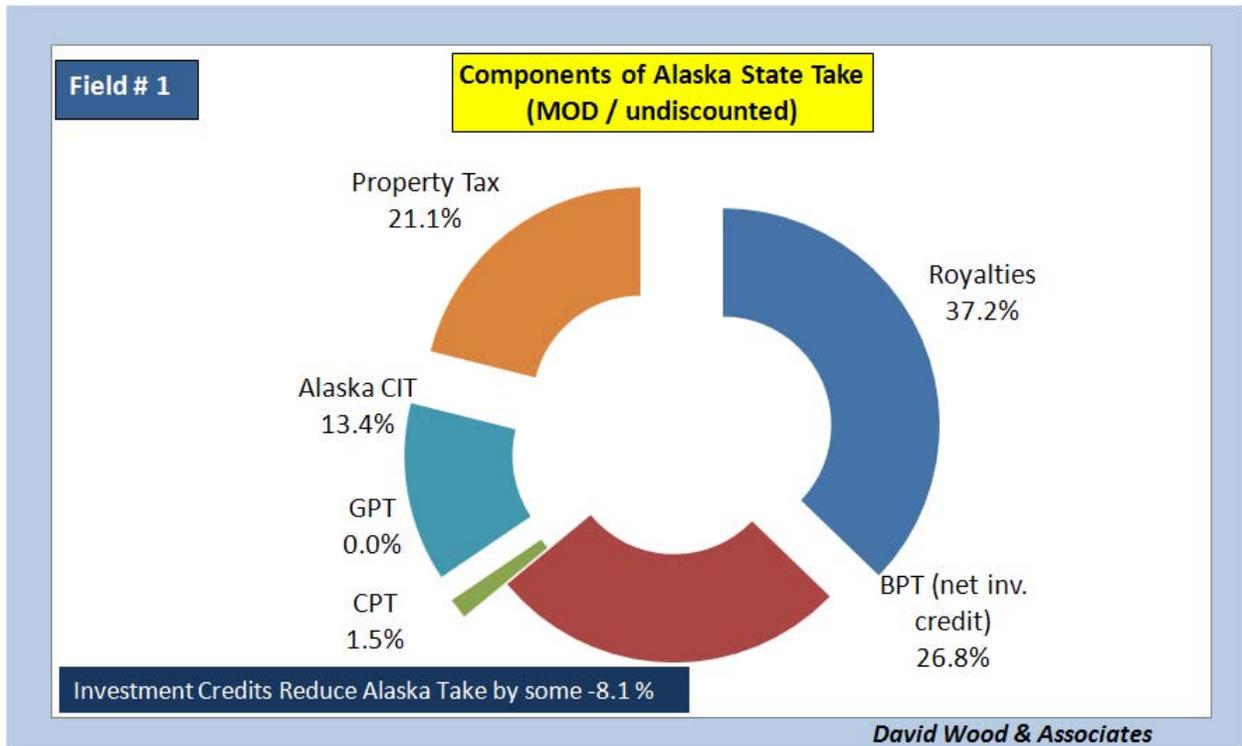
Fiscal Takes for Gas Field #1 Base Case

Government Take = Alaska State Take + Federal Income Tax

37.2% Royalties as fraction of Alaska Take (MOD / undiscounted)
53.9% BPT (incl. floor) as fraction of Alaska Take (MOD / undisc)
1.5% Combined Oil & Gas Prog. Tax (CPT) Paid (MOD / undisc)
0.0% Separate Gas Progressivity Tax GPT Paid (MOD / undisc)
13.4% CIT fraction of Alaska Take (MOD / undisc)
-27.1% Invest. Credit (offsets BPT) of Alaska Take (MOD / undisc)
21.1% Property Tax as fraction of Alaska Take (MOD / undisc)
100.0% Sum of Components of Alaska State Take
18.1% Alaska Take % of Undisc mod Destination Value
25.0% Government Take % of Undisc MOD Destination Value
49.4% Alaska Take % of Undiscounted MOD Cash Flow
68.4% Government Take % of Undiscounted MOD Cash Flow

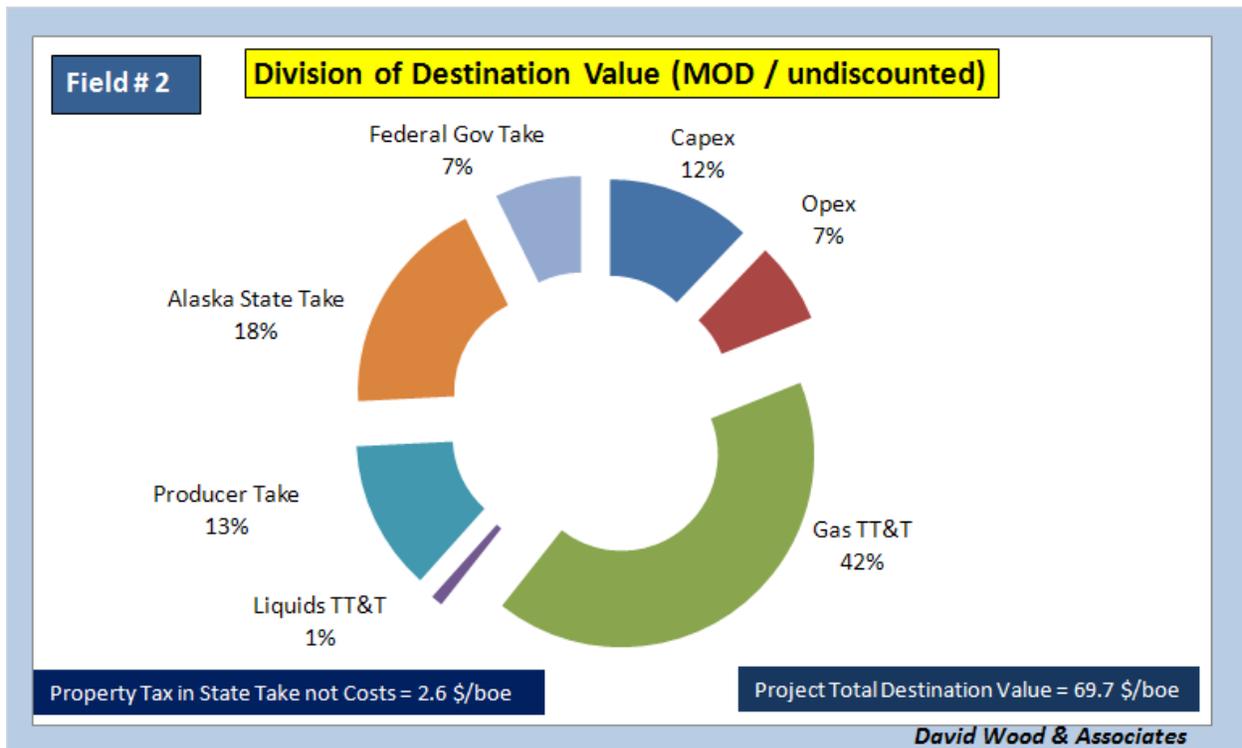
Alaska Take Components			
Fiscal Elements	\$ millions	\$boe	%
Royalties	429	4.65	37.2%
BPT (net inv. credit)	309	3.35	26.8%
CPT	18	0.19	1.5%
GPT	0	0.00	0.0%
Alaska CIT	155	1.67	13.4%
Property Tax	243	2.63	21.1%
Totals	1,153	12.49	100.0%
Undiscounted and MOD			

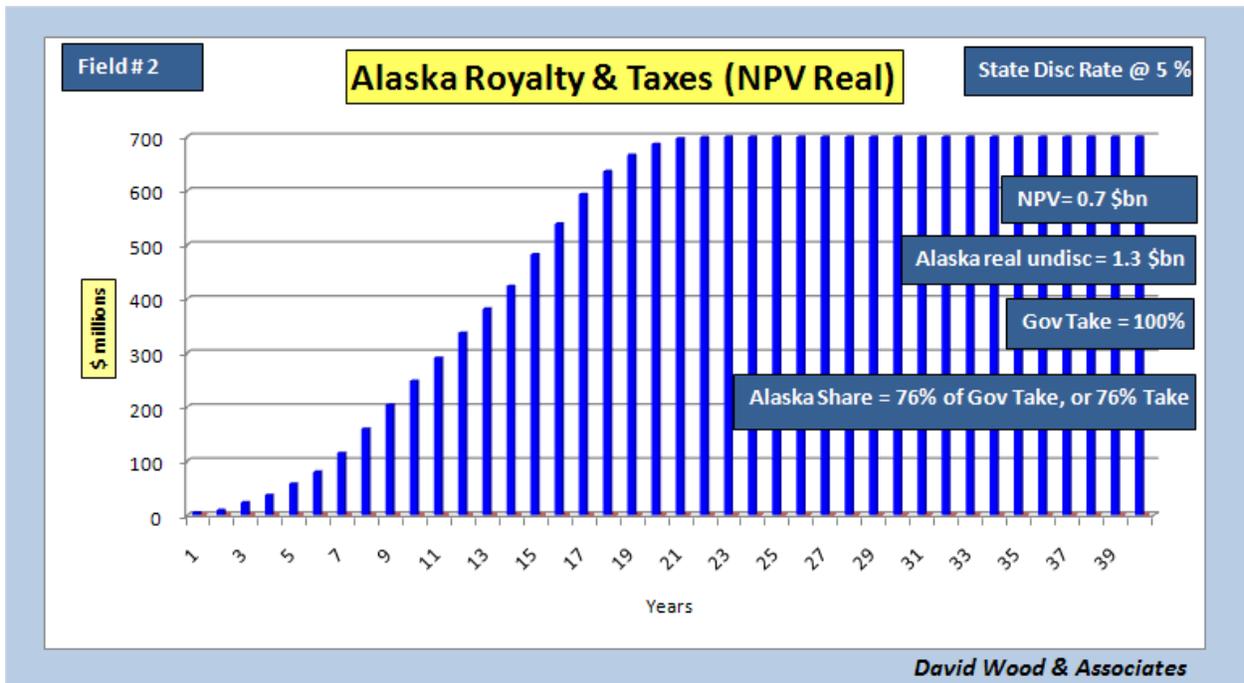
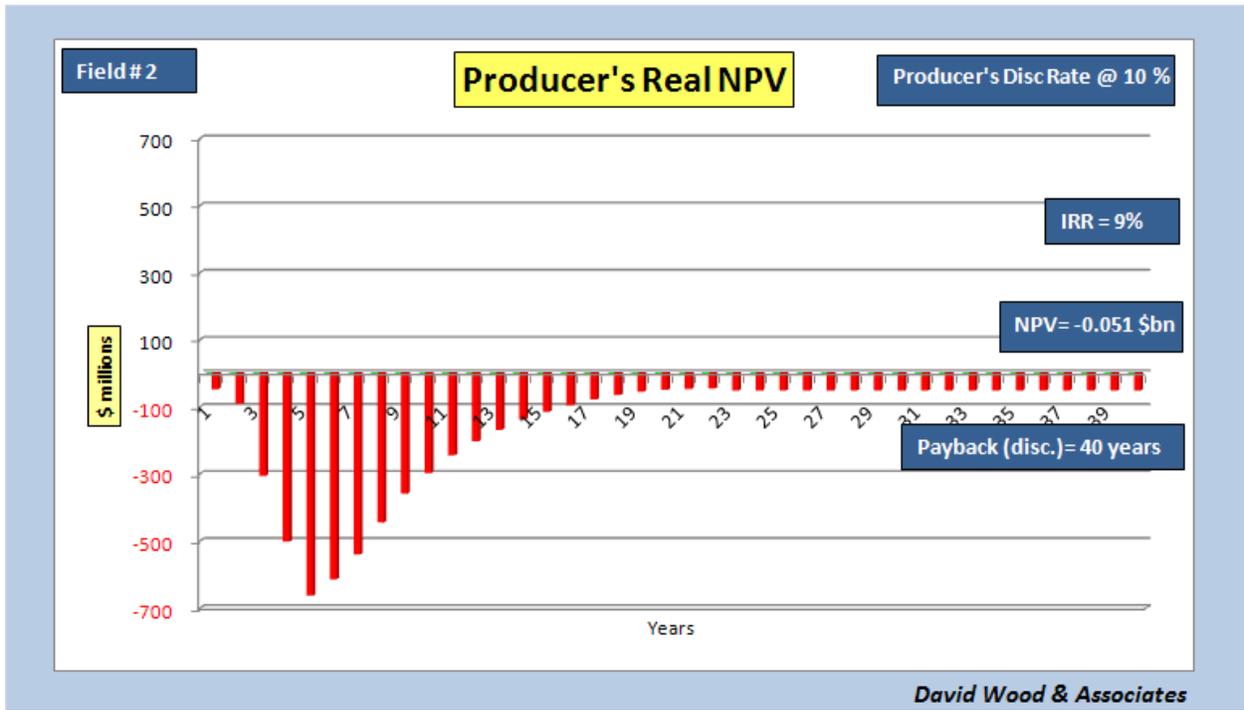
Investment Credits Reduce Alaska Take by some -27.1 %

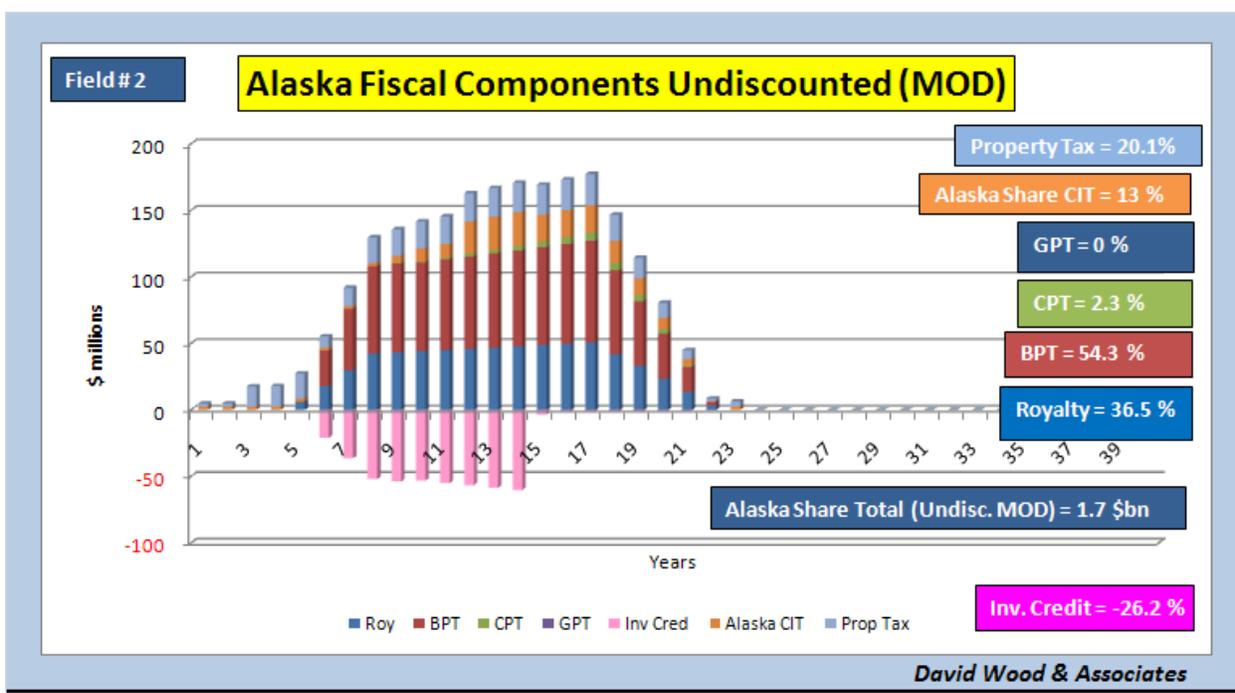
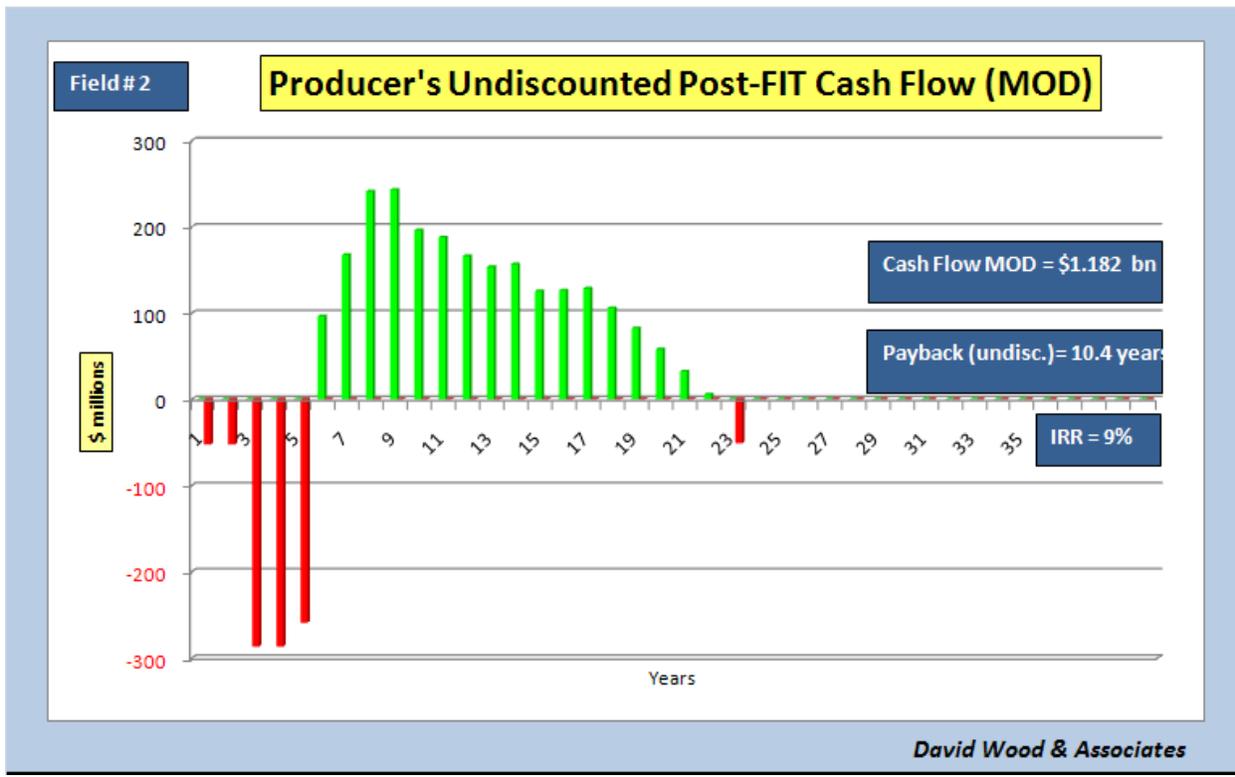


Gas Field #2 (135 million boe produced)

Summary of Model Calculations		
Key Values Calculated for Model Field #:	2	Key Field & Government / Alaska Metrics
Sales Gas Produced 0.8 quad btu or (bcf)	715	7.50 Initial Gas Destination Price (\$/mmbtu)
Oil (C5+) Produced (millions barrels)	16	11.83 Maximum Gas Destination Price (\$/mmbtu)
Gas + Oil(C5+) Produced 809 bcfe or (millions boe)	135	80.00 Initial Oil Destination Price (\$/barrel)
Peak Average Daily Natural Gas (mmcf)	147	126.15 Maximum Oil Destination Price (\$/barrel)
Peak Average Daily Oil (C5+) (bopd)	3,200	74.8 Initial LPG Destination Price (\$/barrel)
Maximum water cut (%)	38.8%	117.92 Maximum LPG Destination Price (\$/barrel)
Capex /unit 1.3 \$/mmbtu or (\$/boe) MOD	8.72	5 Year on stream real values refer to year: 0 \$
Opex /unit 0.77 \$/mmbtu or (\$/boe) MOD	5.16	9,398 Project Destination Value Revenue MOD (\$ millions)
Gas TT&T/unit 4.62 \$/mmbtu or (\$/boe) MOD	30.99	69.72 Project Dest. Val. MOD (\$/boe) - Average "boe" Price
Oil (C5+) TT&T/unit 0.103 \$/mmbtu or (\$/boe) MOD	0.69	4.70 (\$/boe) Total Royalties 634 \$ millions MOD
Field on-stream (Years)	18	7.02 (\$/boe) BPT (incl. Floor: no Inv Credit) 946 \$ millions MOD
Field Shut-in (Year)	23	0.30 (\$/boe) CPT Paid 40 \$ millions MOD
Producer's Post-Royalty Operating Cash Flow (\$/boe) MOD	28.18	0.00 No separate GPT under 2007 law
Producer's Pre-Production Tax Cashflow (\$/boe) MOD	19.45	-3.38 (\$/boe) Inv Credit Paid to Company -455 \$millions MOD
Producer's Post-BPTCashflow (\$/boe) MOD	12.45	1.68 (\$/boe) Alaska CIT 226 \$millions MOD
Producer's Post-PTCash Flow-NoInvCred(\$/boe) MOD	10.22	5.07 (\$/boe) Federal Income Tax 684 \$millions MOD
Producer's Post-ProgressivityInvCredit Cash Flow (\$/boe) MOE	15.51	17.99 (\$/boe)Total Gov. Share Undisc 2424 \$millions MOD
Producer's Post-FIT Cash Flow 1182 \$millions & (\$/boe) MOD	8.77	12.91 (\$/boe)Total Alaska Share Undisc 1741 \$millions MOD
Producer's Post-FIT Cash Flow 796 \$millions (\$/boe) real	5.90	71.8% Alaska Percentage of Total Government Share (%)
Producer's NPV 43 \$millions @ 10% (\$/disc boe) MOD	1.02	67.2% Government Undiscounted Share of Cash Flow MOD (%)
Producer's NPV @ 10% (\$/discounted boe) real	-1.22	13.55 (\$/boe)Total Gov. Share Undisc 1826 \$millions real
Producer's NPV @ 10% (\$millions) real	-51	9.79 (\$/boe)Total Alaska Share Undisc 1319 \$millions real
Producer's IRR (%) MOD	11.1%	13.01 (\$/dicounted boe) Total Gov Share NPV @5% real
Producer's IRR (%) real	8.9%	9.59 (\$/dicounted boe) Total Alaska Share NPV @5% real
Producer's Payback Time (years) MOD undiscounted	10.35	75.6% Alaska Share of Government Take real & Disc @10 (%)
Producer's Payback Time (years) real discounted	40.00	100.0% Government Share of Cash Flow real & Disc @10 (%)
Producer's NPV / Investment real Discounted	-0.07	949 Total Government Share NPV @5% real (\$ millions)
Note: "\$/boe" refers to "boe" commercially produced		700 Total Alaska Share NPV @5% real (\$ millions)

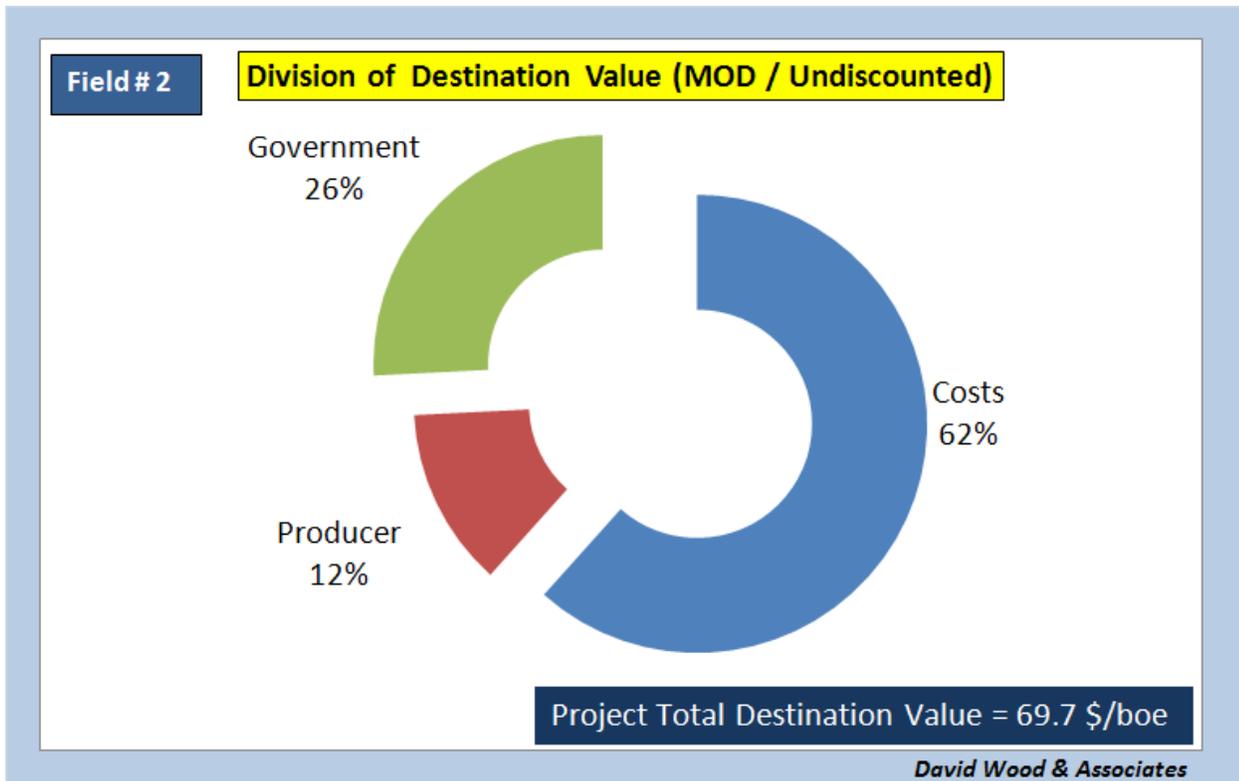






Field #2

Stakeholder Take Comparisons		
	Total Government	Producer
Take % of undiscounted MOD cash flows	67.23%	32.77%
Take % of undiscounted real cash flows	69.65%	30.35%
Take % of NPV real (5 % discount rate)	81.23%	18.77%
Take % of NPV real (10 % discount rate)	100.00%	0.00%
Take (\$ millions) from MOD cash flows	2,424	1,182
Take (\$ millions) from real cash flows	1,826	796
Take (\$ millions), NPV real (5 % discount rate)	949	219
Take (\$ millions), NPV real (10 % discount rate)	530	-51
Take (\$/boe) from MOD cash flows	17.99	8.77
Take (\$/boe) from real cash flows	13.55	5.90
Take (\$/disc boe), NPV real (5 % discount rate)	13.01	3.01
Take (\$/disc boe), NPV real (10 % discount rate)	12.59	-1.22
Total production undiscounted million boe = 135	73 boe disc @5 %	42 boe disc @10 %



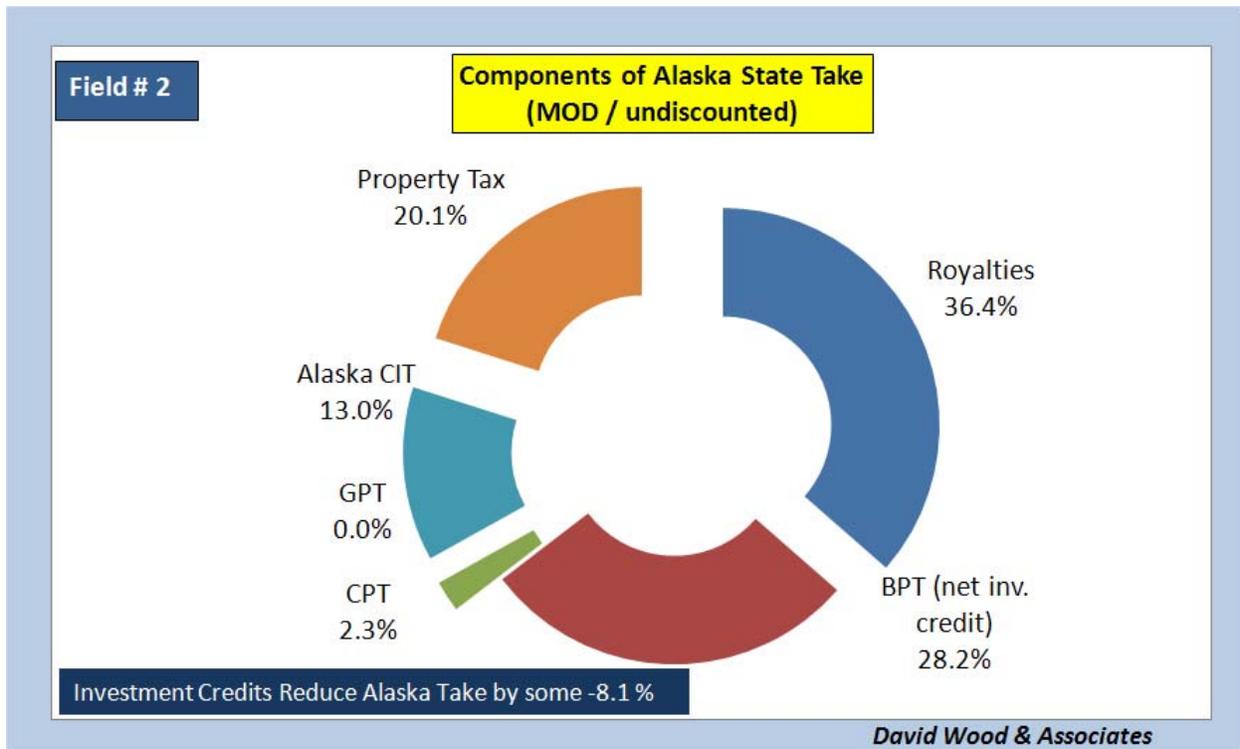
Fiscal Takes for Gas Field #2 Base Case

Government Take = Alaska State Take + Federal Income Tax

36.4% Royalties as fraction of Alaska Take (MOD / undiscounted)
54.3% BPT (incl. floor) as fraction of Alaska Take (MOD / undisc)
2.3% Combined Oil & Gas Prog. Tax (CPT) Paid (MOD / undisc)
0.0% Separate Gas Progressivity Tax GPT Paid (MOD / undisc)
13.0% CIT fraction of Alaska Take (MOD / undisc)
-26.2% Invest. Credit (offsets BPT) of Alaska Take (MOD / undisc)
20.1% Property Tax as fraction of Alaska Take (MOD /undisc)
100.0% Sum of Components of Alaska State Take
18.5% Alaska Take % of Undisc mod Destination Value
25.8% Government Take % of Undisc MOD Destination Value
48.3% Alaska Take % of Undiscounted MOD Cash Flow
67.2% Government Take % of Undiscounted MOD Cash Flow

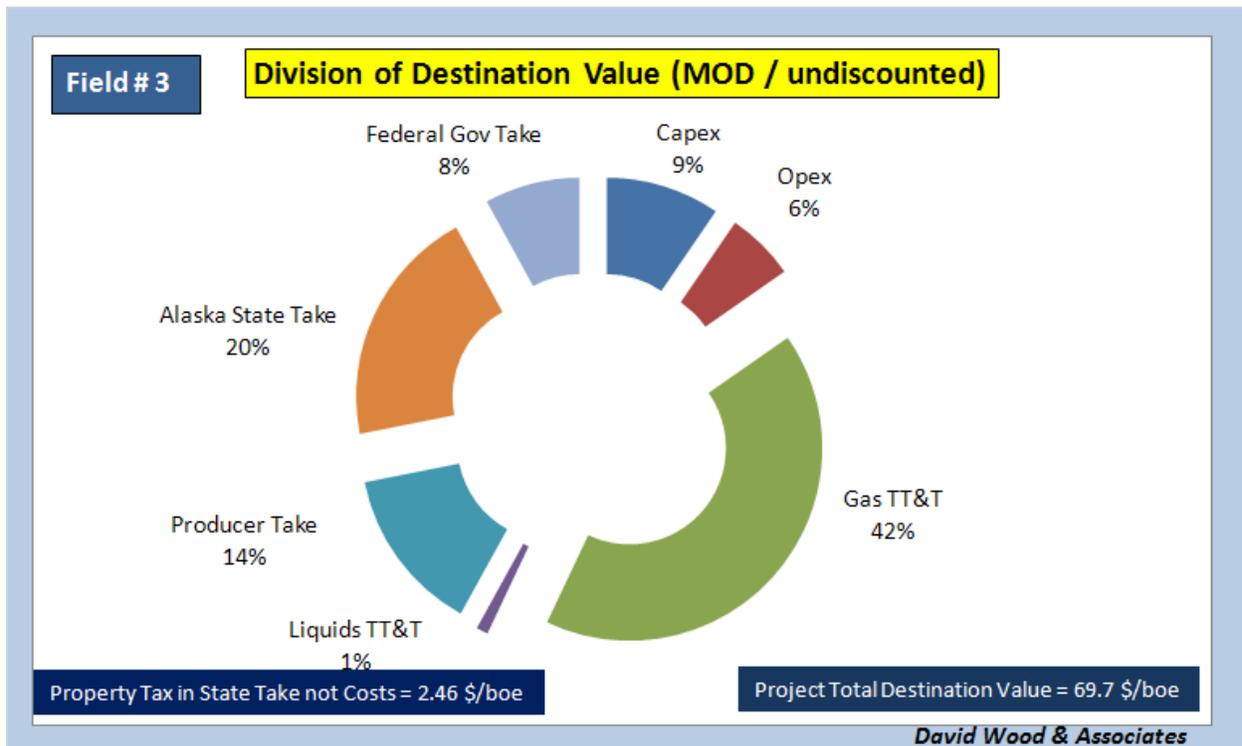
Alaska Take Components			
Fiscal Elements	\$ millions	\$boe	%
Royalties	634	4.70	36.4%
BPT (net inv. credit)	490	3.64	28.2%
CPT	40	0.30	2.3%
GPT	0	0.00	0.0%
Alaska CIT	226	1.68	13.0%
Property Tax	350	2.60	20.1%
Totals	1,741	12.91	100.0%
Undiscounted and MOD			

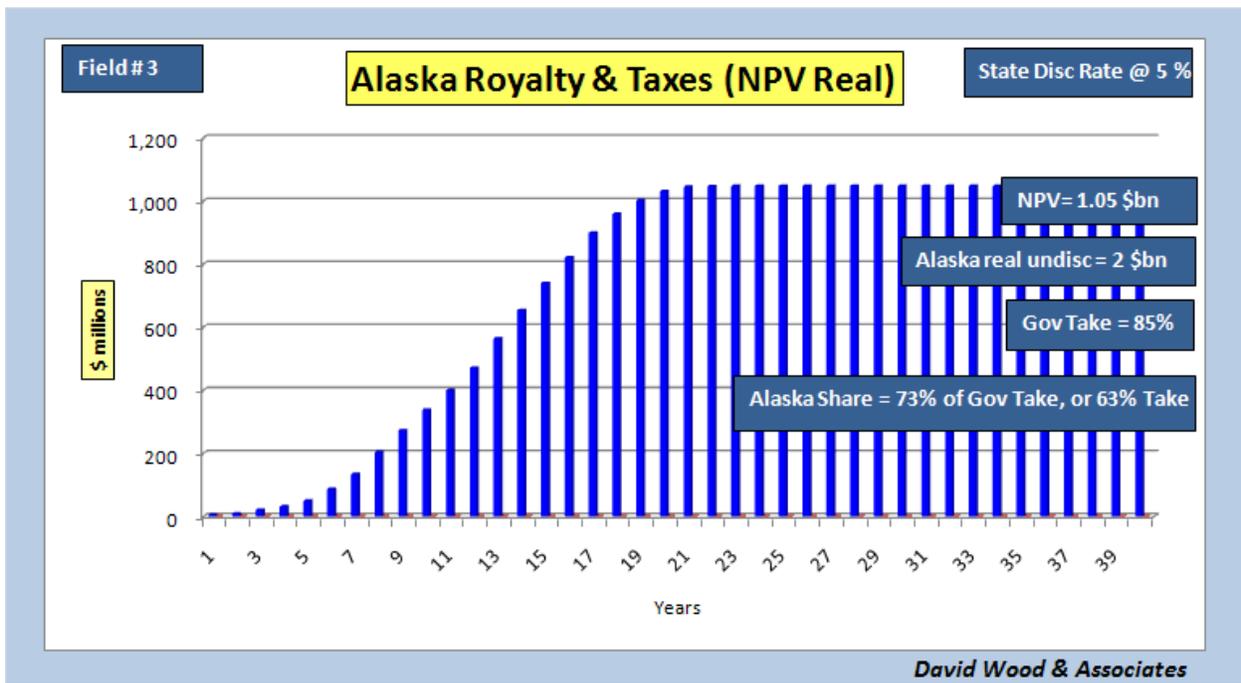
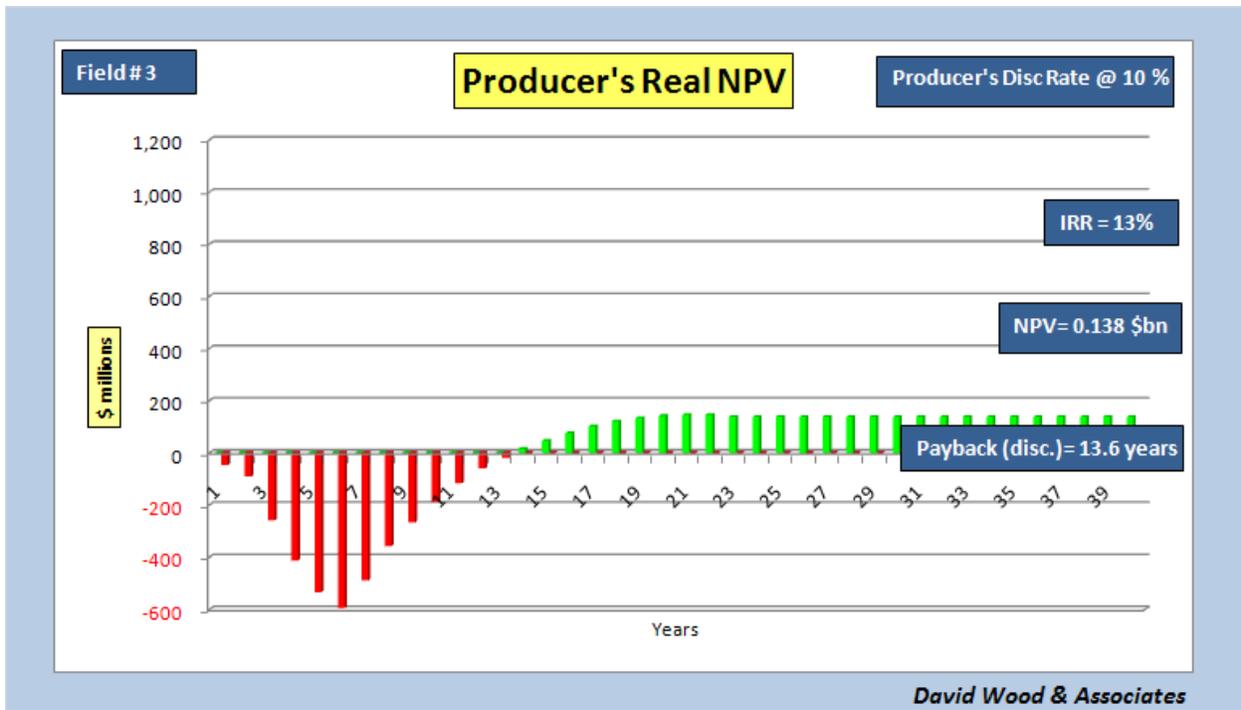
Investment Credits Reduce Alaska Take by some -26.2 %

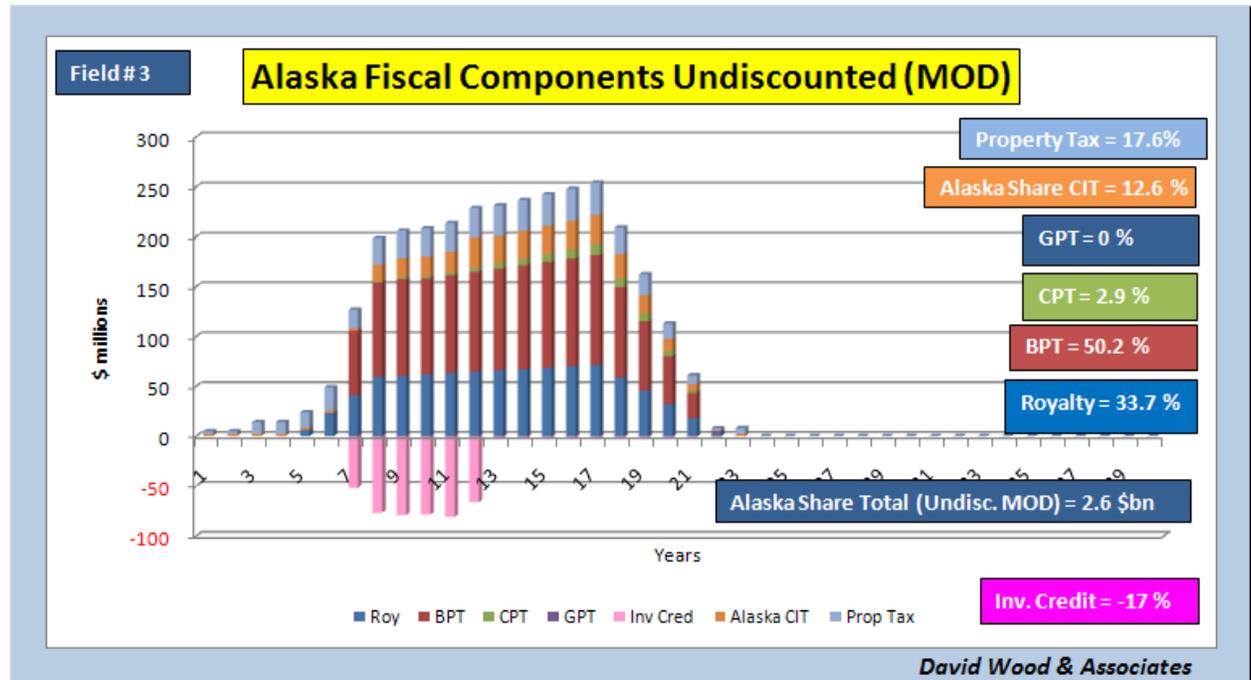
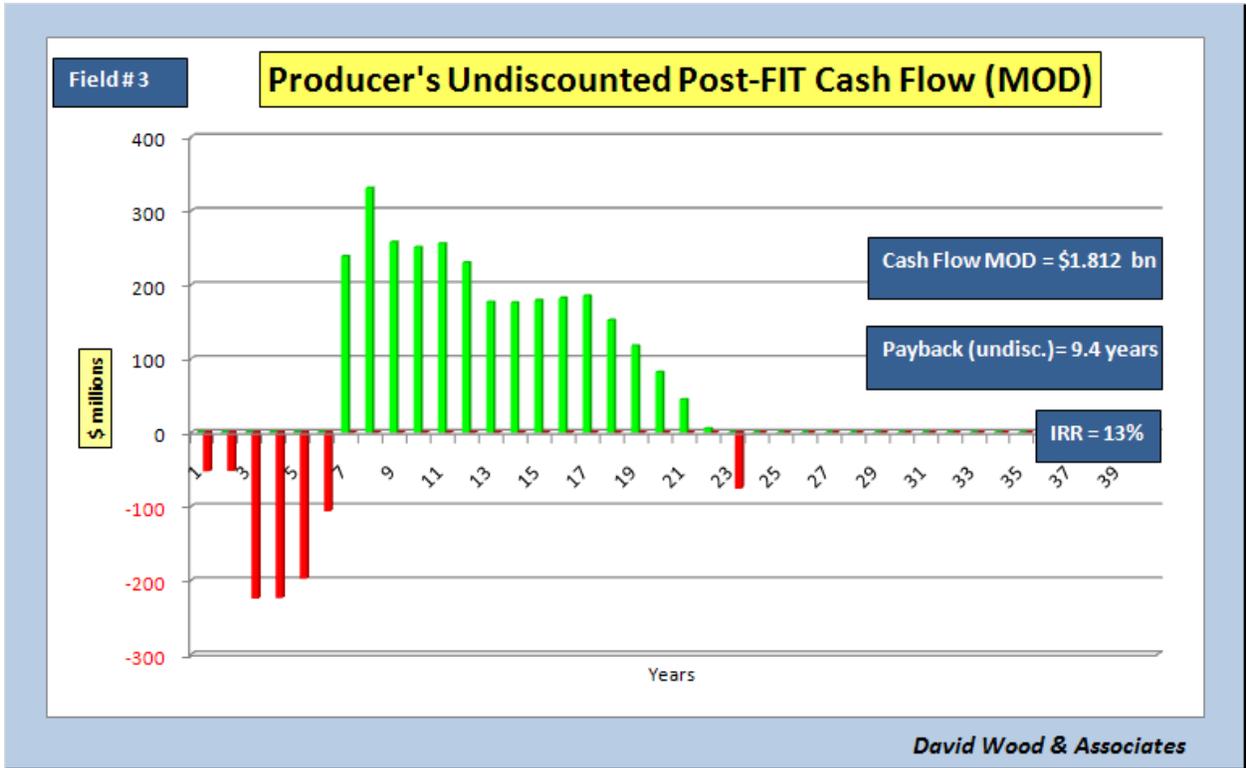


Gas Field #3 (188 million boe produced)

Summary of Model Calculations		
Key Values Calculated for Model Field #:	3	Key Field & Government / Alaska Metrics
Sales Gas Produced 1.113 quad btu or (bcf)	995	7.50 Initial Gas Destination Price (\$/mmbtu)
Oil (C5+) Produced (millions barrels)	22	11.83 Maximum Gas Destination Price (\$/mmbtu)
Gas + Oil(C5+) Produced 1125 bcfe or (millions boe)	188	80.00 Initial Oil Destination Price (\$/barrel)
Peak Average Daily Natural Gas (mmcf)	207	126.15 Maximum Oil Destination Price (\$/barrel)
Peak Average Daily Oil (C5+) (bopd)	4,500	74.8 Initial LPG Destination Price (\$/barrel)
Maximum water cut (%)	47.1%	117.92 Maximum LPG Destination Price (\$/barrel)
Capex /unit 1.025 \$/mmbtu or (\$/boe) MOD	6.88	5 Year on stream real values refer to year: 0 \$
Opex /unit 0.651 \$/mmbtu or (\$/boe) MOD	4.36	13,078 Project Destination Value Revenue MOD (\$ millions)
Gas TT&T/unit 4.621 \$/mmbtu or (\$/boe) MOD	31.00	69.74 Project Dest. Val. MOD (\$/boe) - Average "boe" Price
Oil (C5+) TT&T/unit 0.103 \$/mmbtu or (\$/boe) MOD	0.69	4.71 (\$/boe) Total Royalties 884 \$ millions MOD
Field on-stream (Years)	18	7.07 (\$/boe) BPT (incl. Floor: no Inv Credit) 1326 \$ millions MOD
Field Shut-in (Year)	23	0.40 (\$/boe) CPT Paid 75 \$ millions MOD
Producer's Post-Royalty Operating Cash Flow (\$/boe) MOD	28.98	0.00 No separate GPT under 2007 law
Producer's Pre-Production Tax Cashflow (\$/boe) MOD	22.10	-2.38 (\$/boe) Inv Credit Paid to Company -446 \$millions MOD
Producer's Post-BPTCashflow (\$/boe) MOD	15.08	1.76 (\$/boe) Alaska CIT 331 \$millions MOD
Producer's Post-PTCash Flow-NoInvCred(\$/boe) MOD	12.85	5.58 (\$/boe) Federal Income Tax 1046 \$millions MOD
Producer's Post-ProgressivityInvCredit Cash Flow (\$/boe) MOC	17.01	19.61 (\$/boe)Total Gov. Share Undisc 3677 \$millions MOD
Producer's Post-FIT Cash Flow 1812 \$millions & (\$/boe) MOD	9.66	14.03 (\$/boe)Total Alaska Share Undisc 2631 \$millions MOD
Producer's Post-FIT Cash Flow 1295 \$millions (\$/boe) real	6.91	71.6% Alaska Percentage of Total Government Share (%)
Producer's NPV 271 \$millions @ 10% (\$/disc boe) MOD	4.64	67.0% Government Undiscounted Share of Cash Flow MOD (%)
Producer's NPV @ 10% (\$/discounted boe) real	2.36	14.81 (\$/boe)Total Gov. Share Undisc 2777 \$millions real
Producer's NPV @ 10% (\$millions) real	138	10.62 (\$/boe)Total Alaska Share Undisc 1992 \$millions real
Producer's IRR (%) MOD	15.8%	14.29 (\$/discounted boe) Total Gov Share NPV @5% real
Producer's IRR (%) real	13.5%	10.34 (\$/discounted boe) Total Alaska Share NPV @5% real
Producer's Payback Time (years) MOD undiscounted	9.41	73.3% Alaska Share of Government Take real & Disc @10 (%)
Producer's Payback Time (years) real discounted	13.56	85.4% Government Share of Cash Flow real & Disc @10 (%)
Producer's NPV / Investment real Discounted	0.20	1,449 Total Government Share NPV @5% real (\$ millions)
Note: "\$/boe" refers to "boe" commercially produced		1,048 Total Alaska Share NPV @5% real (\$ millions)

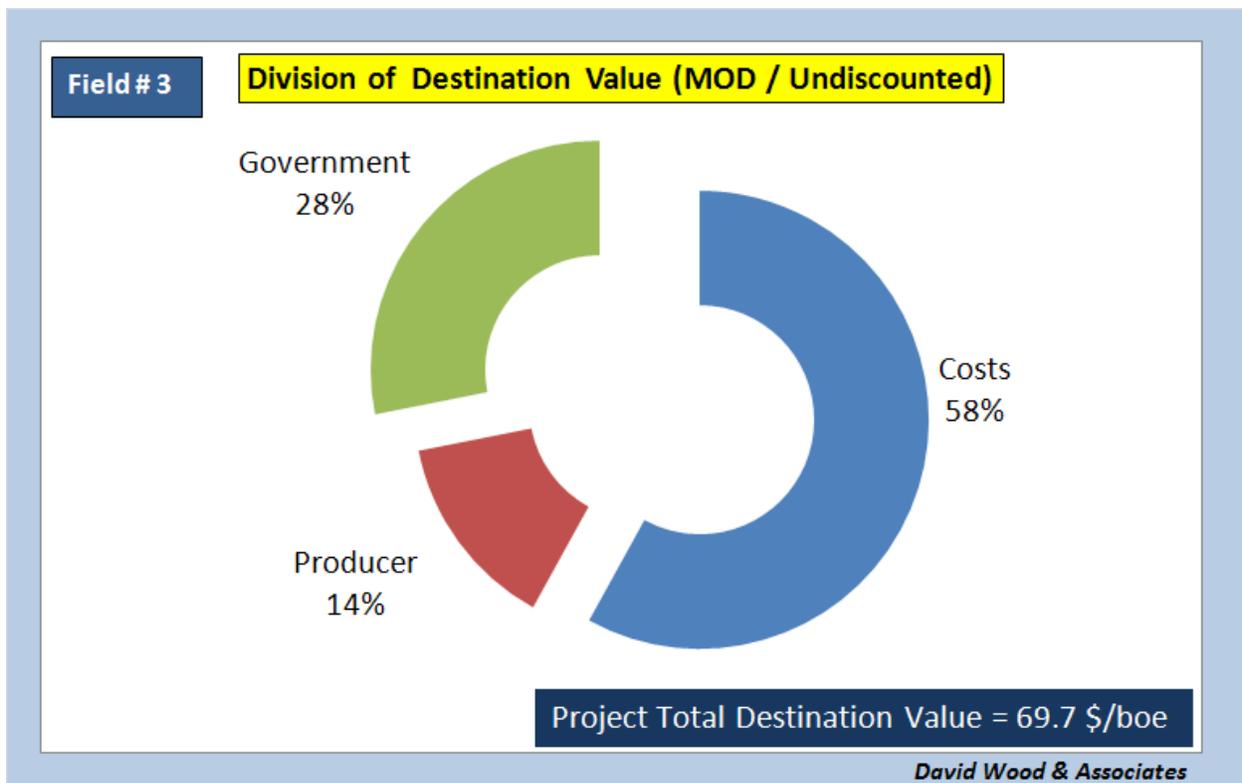






Field #3

Stakeholder Take Comparisons		
	Total Government	Producer
Take % of undiscounted MOD cash flows	66.99%	33.01%
Take % of undiscounted real cash flows	68.20%	31.80%
Take % of NPV real (5 % discount rate)	73.79%	26.21%
Take % of NPV real (10 % discount rate)	85.44%	14.56%
Take (\$ millions) from MOD cash flows	3,677	1,812
Take (\$ millions) from real cash flows	2,777	1,295
Take (\$ millions), NPV real (5 % discount rate)	1,449	515
Take (\$ millions), NPV real (10 % discount rate)	808	138
Take (\$/boe) from MOD cash flows	19.61	9.66
Take (\$/boe) from real cash flows	14.81	6.91
Take (\$/disc boe), NPV real (5 % discount rate)	14.29	5.08
Take (\$/disc boe), NPV real (10 % discount rate)	13.83	2.36
Total production undiscounted million boe = 188	101 boe disc @5 %	58 boe disc @10 %



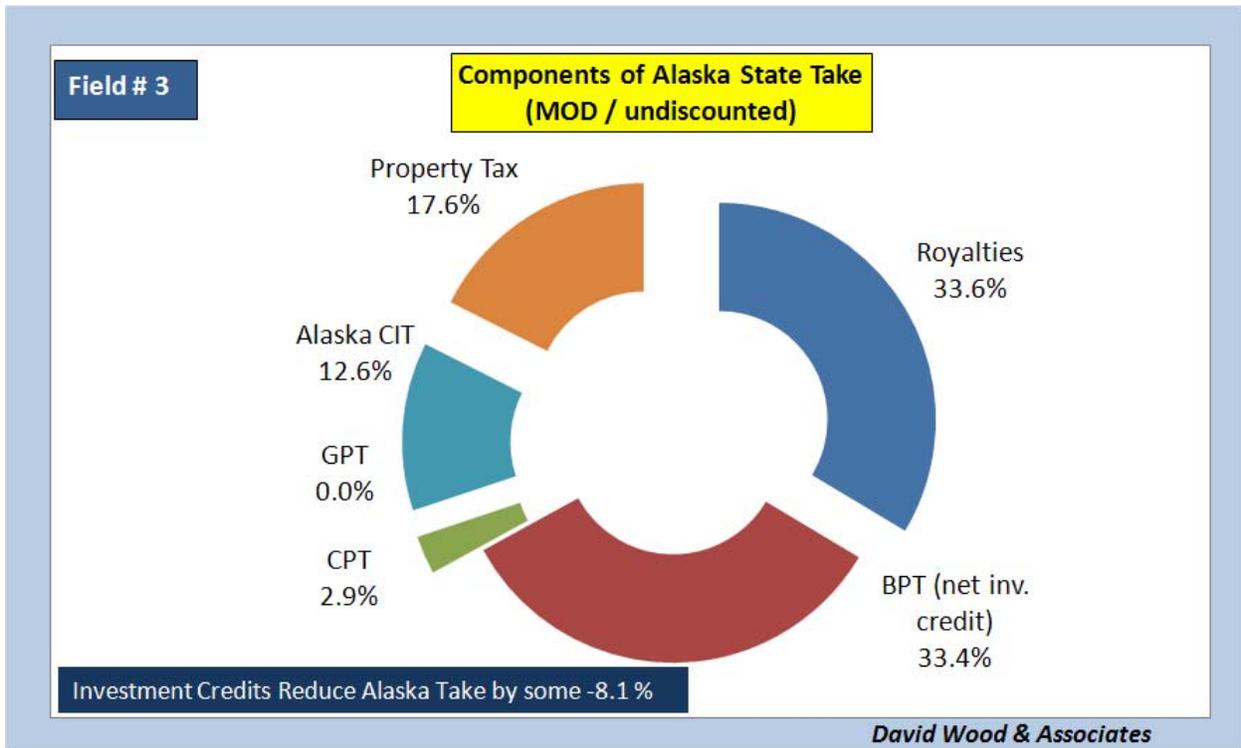
Fiscal Takes for Gas Field #3 Base Case

Government Take = Alaska State Take + Federal Income Tax

33.6% Royalties as fraction of Alaska Take (MOD / undiscouted)
50.4% BPT (incl. floor) as fraction of Alaska Take (MOD / undisc)
2.9% Combined Oil & Gas Prog. Tax (CPT) Paid (MOD / undisc)
0.0% Separate Gas Progressivity Tax GPT Paid (MOD / undisc)
12.6% CIT fraction of Alaska Take (MOD / undisc)
-16.9% Invest. Credit (offsets BPT) of Alaska Take (MOD / undisc)
17.6% Property Tax as fraction of Alaska Take (MOD /undisc)
100.0% Sum of Components of Alaska State Take
20.1% Alaska Take % of Undisc mod Destination Value
28.1% Government Take % of Undisc MOD Destination Value
47.9% Alaska Take % of Undiscounted MOD Cash Flow
67.0% Government Take % of Undiscounted MOD Cash Flow

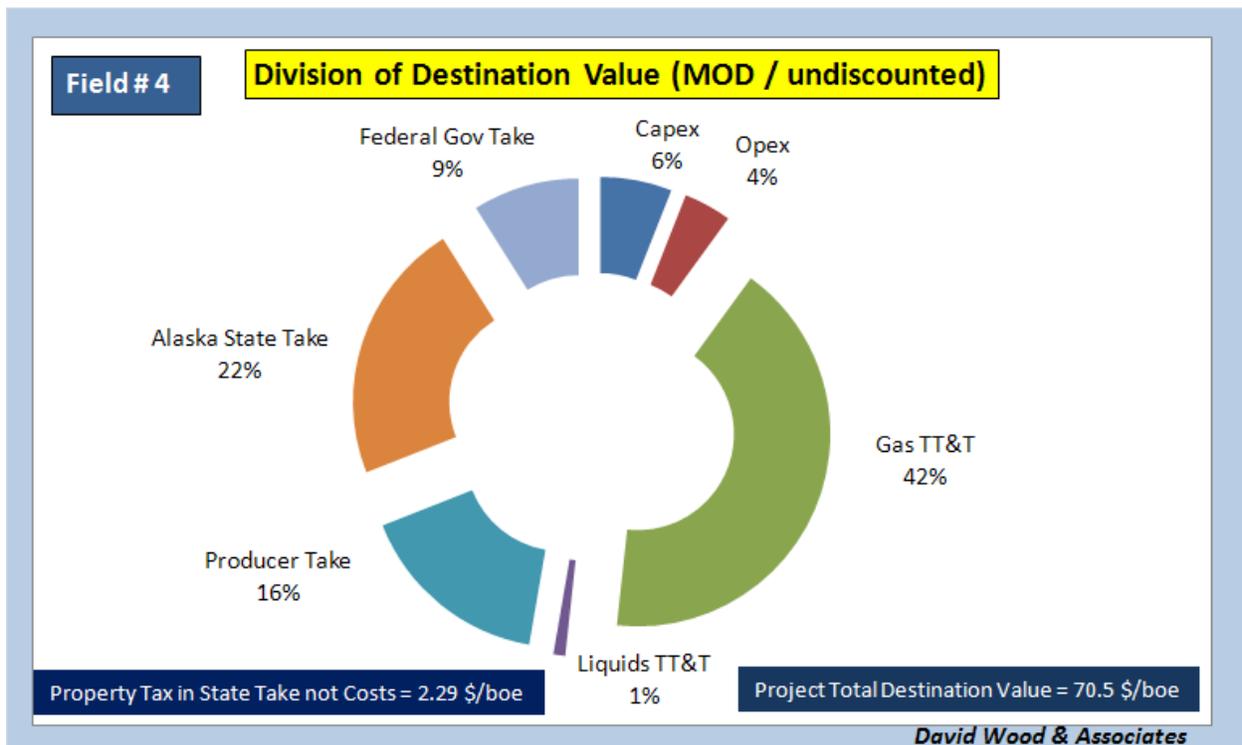
Alaska Take Components			
Fiscal Elements	\$ millions	\$boe	%
Royalties	884	4.71	33.6%
BPT (net inv. credit)	880	4.69	33.4%
CPT	75	0.40	2.9%
GPT	0	0.00	0.0%
Alaska CIT	331	1.76	12.6%
Property Tax	462	2.46	17.6%
Totals	2,631	14.03	100.0%
Undiscounted and MOD			

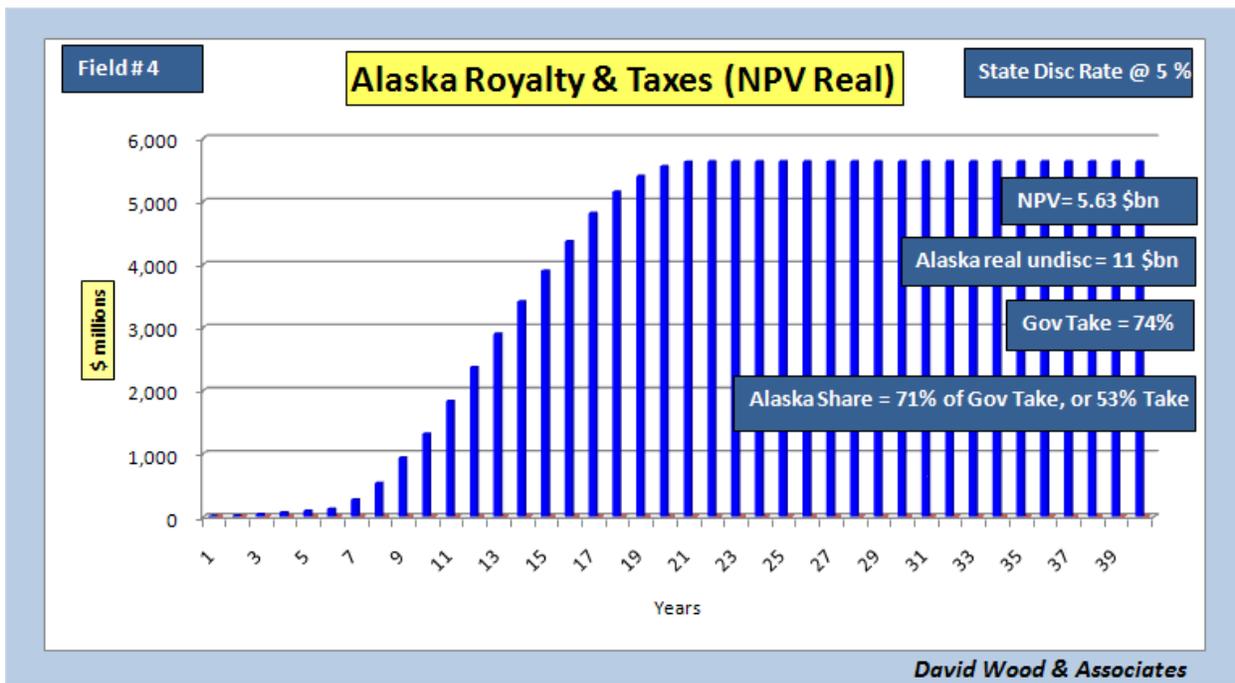
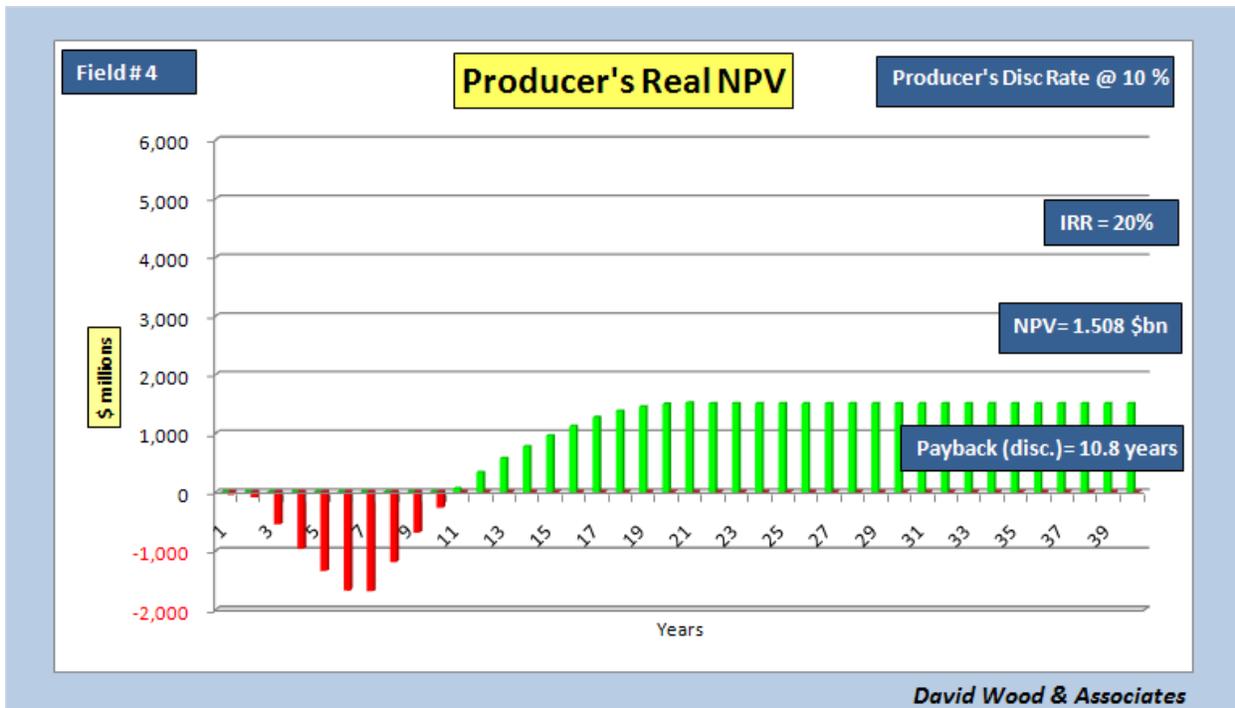
Investment Credits Reduce Alaska Take by some -16.9 %

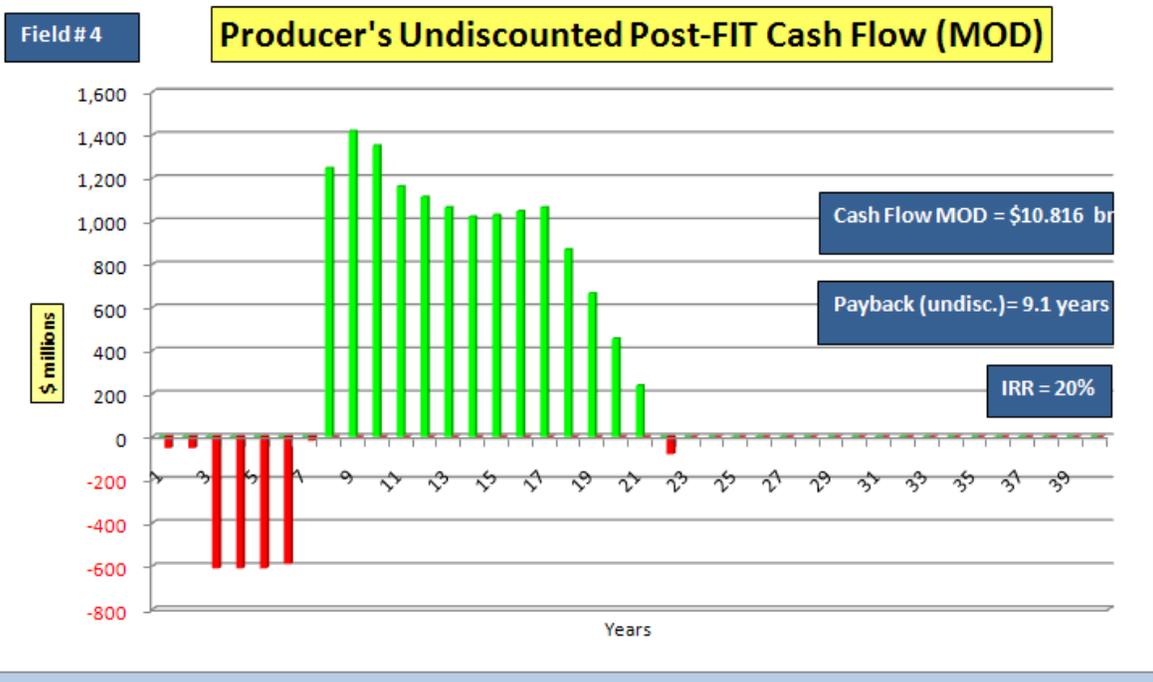


Gas Field #4 (941 million boe produced)

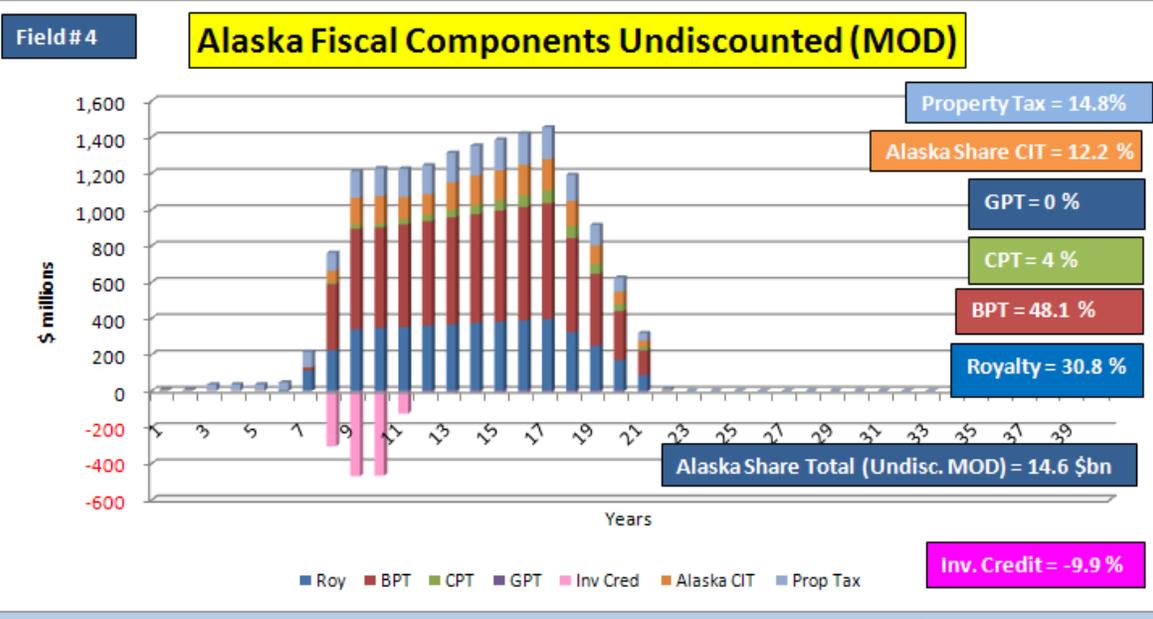
Summary of Model Calculations		
Key Values Calculated for Model Field #:	4	Key Field & Government / Alaska Metrics
Sales Gas Produced 5,584 quad btu or (bcf)	4994	7.50 Initial Gas Destination Price (\$/mmbtu)
Oil (C5+) Produced (millions barrels)	109	11.59 Maximum Gas Destination Price (\$/mmbtu)
Gas + Oil(C5+) Produced 5646 bcfe or (millions boe)	941	80.00 Initial Oil Destination Price (\$/barrel)
Peak Average Daily Natural Gas (mmcf)	1,150	123.68 Maximum Oil Destination Price (\$/barrel)
Peak Average Daily Oil (C5+) (bopd)	25,000	74.8 Initial LPG Destination Price (\$/barrel)
Maximum water cut (%)	76.9%	115.61 Maximum LPG Destination Price (\$/barrel)
Capex /unit 0.651 \$/mmbtu or (\$/boe) MOD	4.37	6 Year on stream real values refer to year: 0 \$
Opex /unit 0.454 \$/mmbtu or (\$/boe) MOD	3.05	66,298 Project Destination Value Revenue MOD (\$ millions)
Gas TT&T/unit 4.668 \$/mmbtu or (\$/boe) MOD	31.32	70.46 Project Dest. Val. MOD (\$/boe) - Average "boe" Price
Oil (C5+) TT&T/unit 0.104 \$/mmbtu or (\$/boe) MOD	0.70	4.77 (\$/boe) Total Royalties 4493 \$ millions MOD
Field on-stream (Years)	16	7.48 (\$/boe) BPT (incl. Floor: no Inv Credit) 7037 \$ millions MOD
Field Shut-in (Year)	22	0.62 (\$/boe) CPT Paid 585 \$ millions MOD
Producer's Post-Royalty Operating Cash Flow (\$/boe) MOD	30.62	0.00 No separate GPT under 2007 law
Producer's Pre-Production Tax Cashflow (\$/boe) MOD	26.25	-1.54 (\$/boe) Inv Credit Paid to Company -1449 \$millions MOD
Producer's Post-BPTCashflow (\$/boe) MOD	18.80	1.89 (\$/boe) Alaska CIT 1781 \$millions MOD
Producer's Post-PTCash Flow-NoInvCred(\$/boe) MOD	16.44	6.30 (\$/boe) Federal Income Tax 5933 \$millions MOD
Producer's Post-ProgressivityInvCredit Cash Flow (\$/boe) MOC	19.69	21.82 (\$/boe)Total Gov. Share Undisc 20536 \$millions MOD
Producer's Post-FIT Cash Flow 10816 \$millions & (\$/boe) MOC	11.49	15.52 (\$/boe)Total Alaska Share Undisc 14603 \$millions MOD
Producer's Post-FIT Cash Flow 7887 \$millions (\$/boe) real	8.38	71.1% Alaska Percentage of Total Government Share (%)
Producer's NPV 2232 \$millions @ 10% (\$/disc boe) MOD	8.12	65.5% Government Undiscounted Share of Cash Flow MOD (%)
Producer's NPV @ 10% (\$/discounted boe) real	5.49	16.40 (\$/boe)Total Gov. Share Undisc 15436 \$millions real
Producer's NPV @ 10% (\$millions) real	1,508	11.66 (\$/boe)Total Alaska Share Undisc 10974 \$millions real
Producer's IRR (%) MOD	22.6%	16.03 (\$/discounted boe) Total Gov Share NPV @5% real
Producer's IRR (%) real	20.1%	11.40 (\$/dicounted boe) Total Alaska Share NPV @5% real
Producer's Payback Time (years) MOD undiscounted	9.09	71.3% Alaska Share of Government Take real & Disc @10 (%)
Producer's Payback Time (years) real discounted	10.83	74.1% Government Share of Cash Flow real & Disc @10 (%)
Producer's NPV / Investment real Discounted	0.72	7,915 Total Government Share NPV @5% real (\$ millions)
Note: "\$/boe" refers to "boe" commercially produced		5,629 Total Alaska Share NPV @5% real (\$ millions)







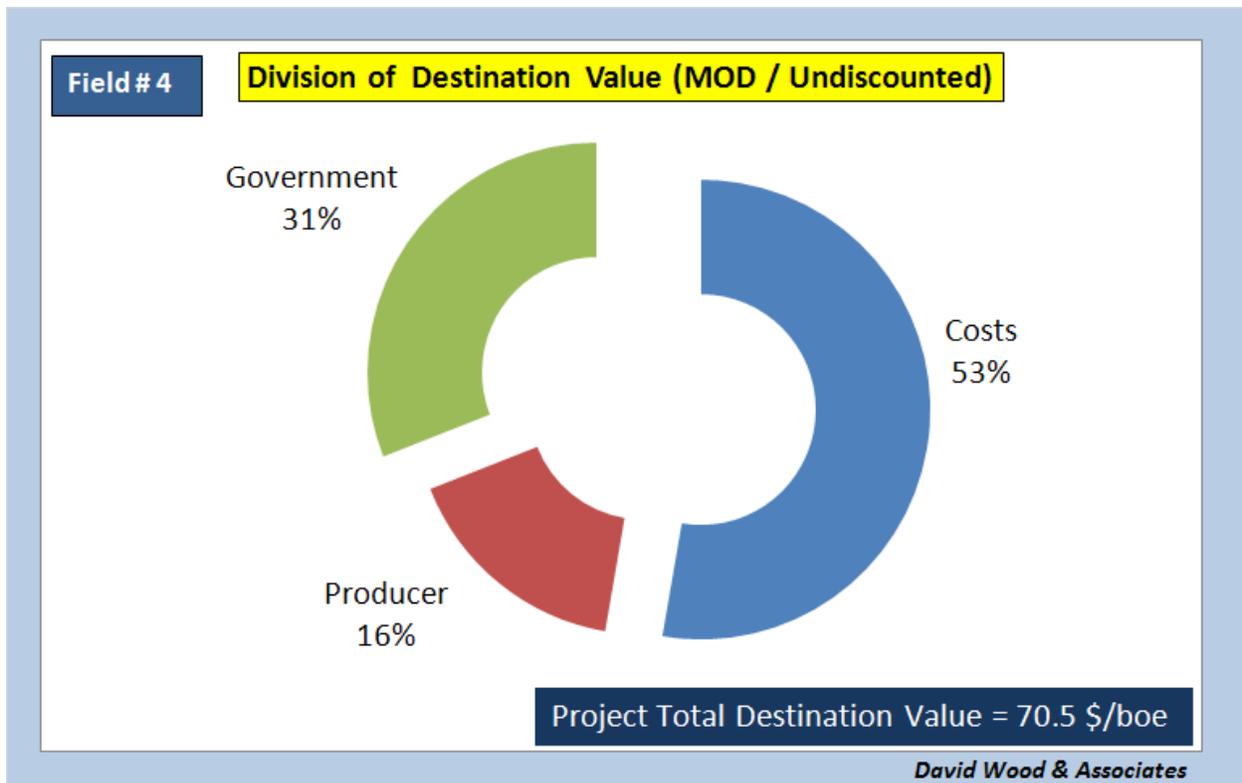
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Gas Field #4

Stakeholder Take Comparisons		
	Total Government	Producer
Take % of undiscounted MOD cash flows	65.50%	34.50%
Take % of undiscounted real cash flows	66.18%	33.82%
Take % of NPV real (5 % discount rate)	68.98%	31.02%
Take % of NPV real (10 % discount rate)	74.07%	25.93%
Take (\$ millions) from MOD cash flows	20,536	10,816
Take (\$ millions) from real cash flows	15,436	7,887
Take (\$ millions), NPV real (5 % discount rate)	7,915	3,559
Take (\$ millions), NPV real (10 % discount rate)	4,308	1,508
Take (\$/boe) from MOD cash flows	21.82	11.49
Take (\$/boe) from real cash flows	16.40	8.38
Take (\$/disc boe), NPV real (5 % discount rate)	16.03	7.21
Take (\$/disc boe), NPV real (10 % discount rate)	15.68	5.49
Total production undiscounted million boe = 941	494 boe disc @5 %	275 boe disc @10 %



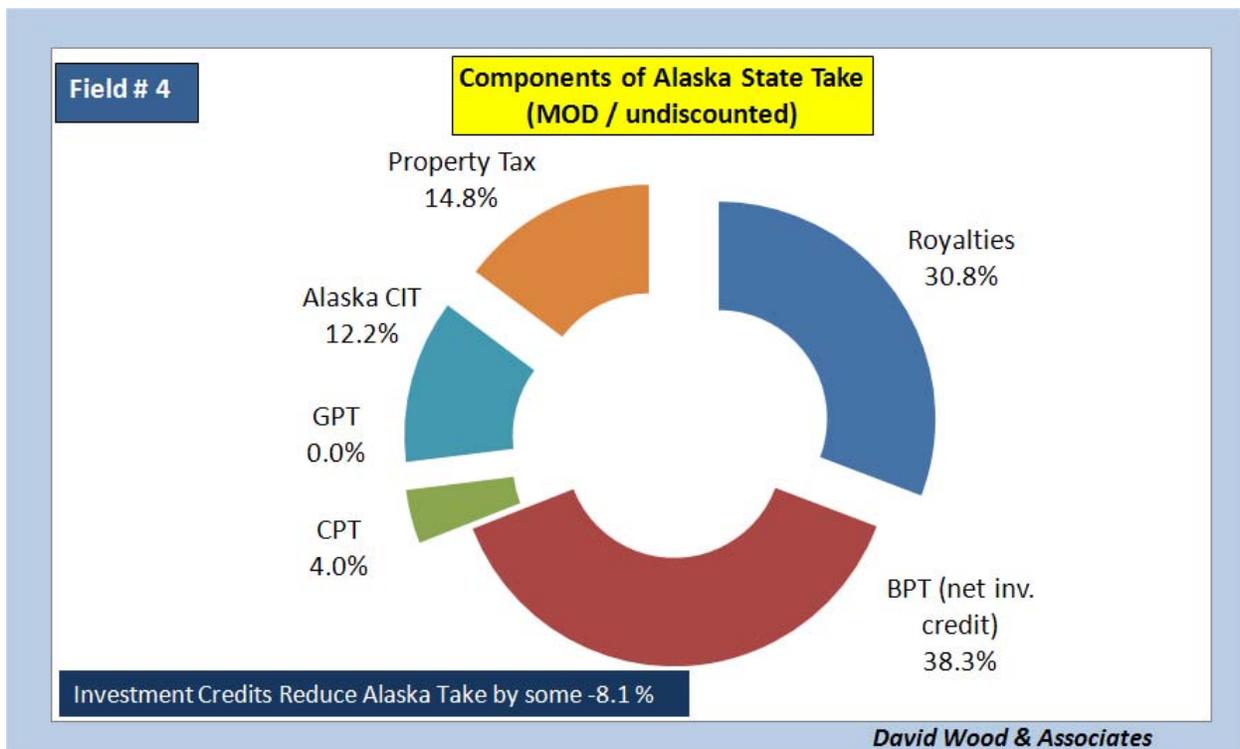
Fiscal Takes for Gas Field #4 Base Case

Government Take = Alaska State Take + Federal Income Tax

30.8% Royalties as fraction of Alaska Take (MOD / undiscounted)
48.2% BPT (incl. floor) as fraction of Alaska Take (MOD / undisc)
4.0% Combined Oil & Gas Prog. Tax (CPT) Paid (MOD / undisc)
0.0% Separate Gas Progressivity Tax GPT Paid (MOD / undisc)
12.2% CIT fraction of Alaska Take (MOD / undisc)
-9.9% Invest. Credit (offsets BPT) of Alaska Take (MOD / undisc)
14.8% Property Tax as fraction of Alaska Take (MOD / undisc)
100.0% Sum of Components of Alaska State Take
22.0% Alaska Take % of Undisc mod Destination Value
31.0% Government Take % of Undisc MOD Destination Value
46.6% Alaska Take % of Undiscounted MOD Cash Flow
65.5% Government Take % of Undiscounted MOD Cash Flow

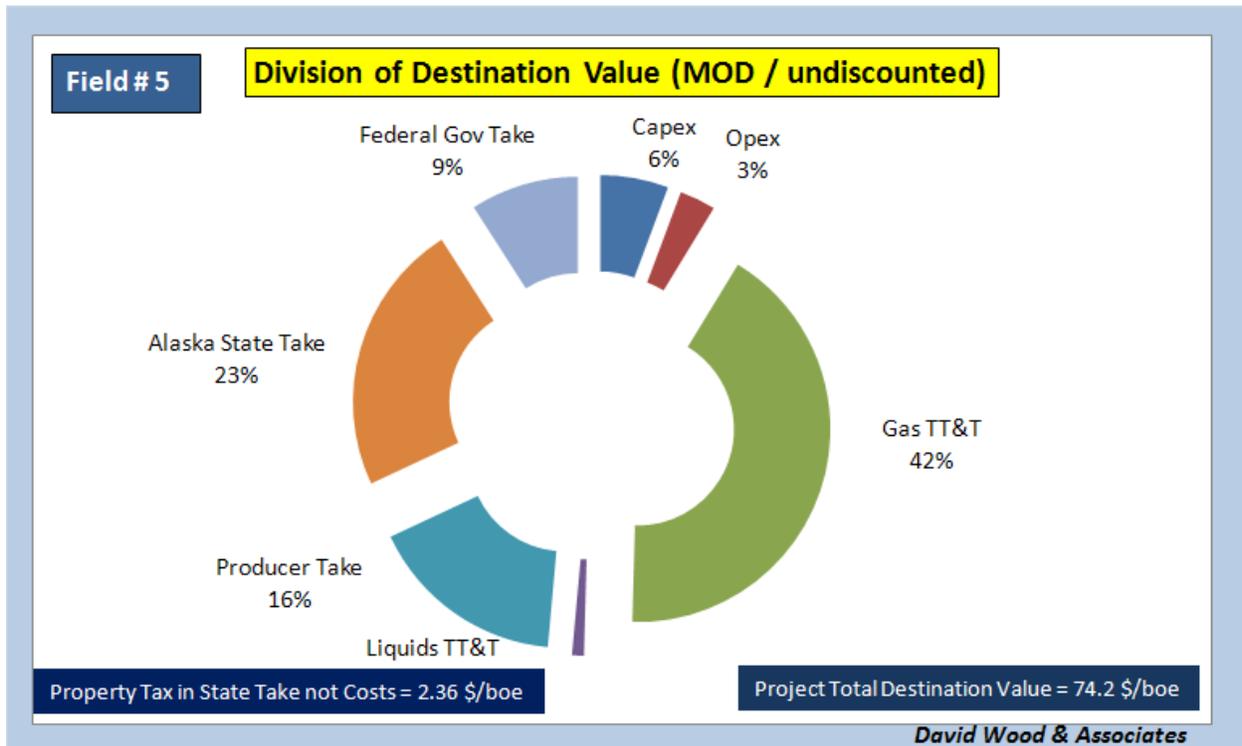
Investment Credits Reduce Alaska Take by some -9.9 %

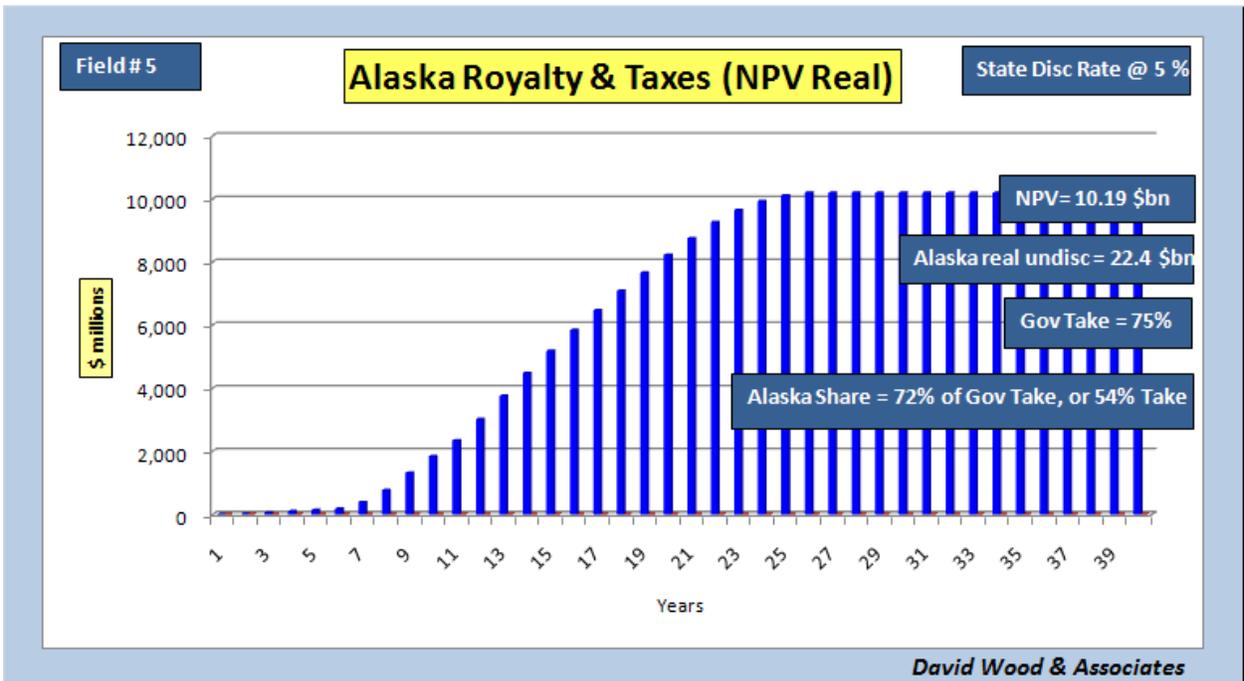
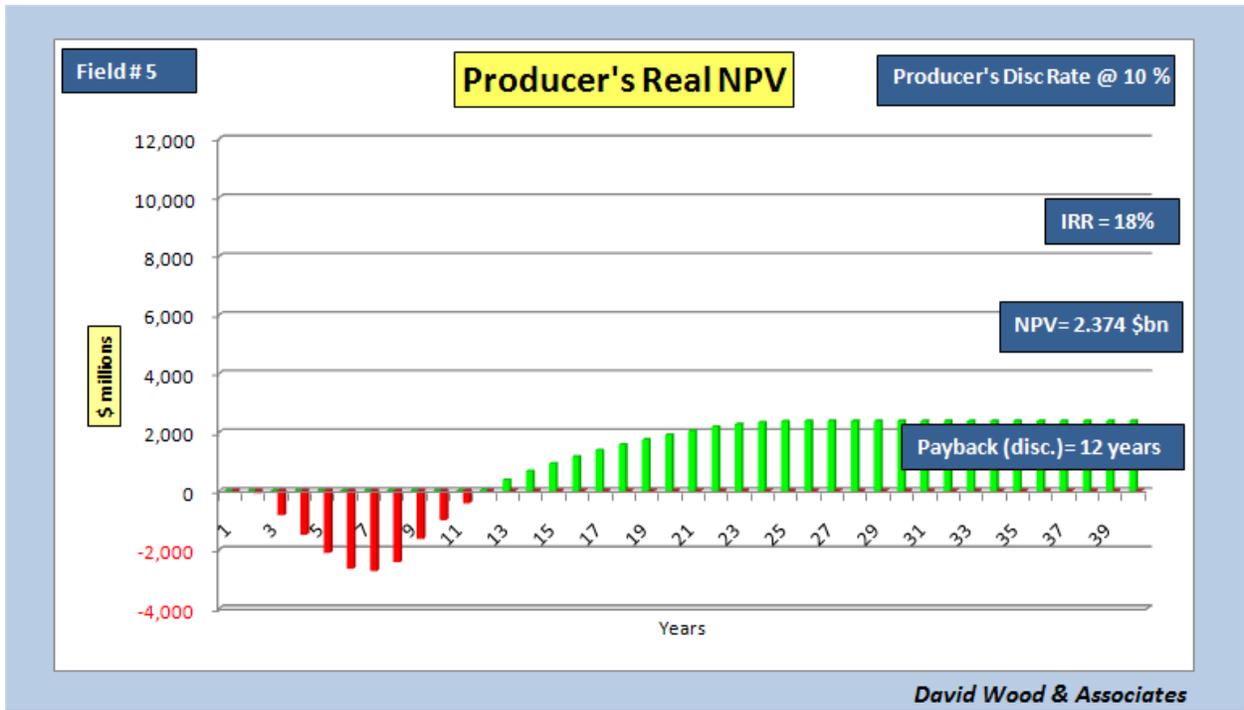
Alaska Take Components			
Fiscal Elements	\$ millions	\$boe	%
Royalties	4,493	4.77	30.8%
BPT (net inv. credit)	5,588	5.94	38.3%
CPT	585	0.62	4.0%
GPT	0	0.00	0.0%
Alaska CIT	1,781	1.89	12.2%
Property Tax	2,156	2.29	14.8%
Totals	14,603	15.52	100.0%
Undiscounted and MOD			

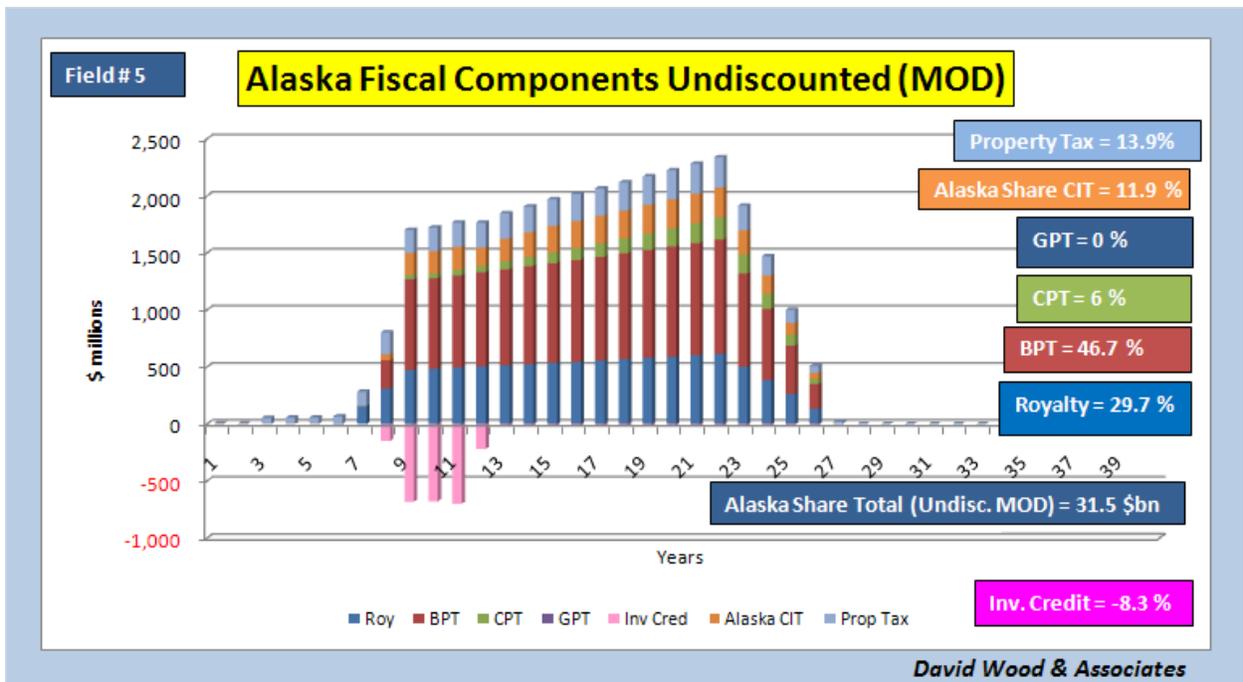
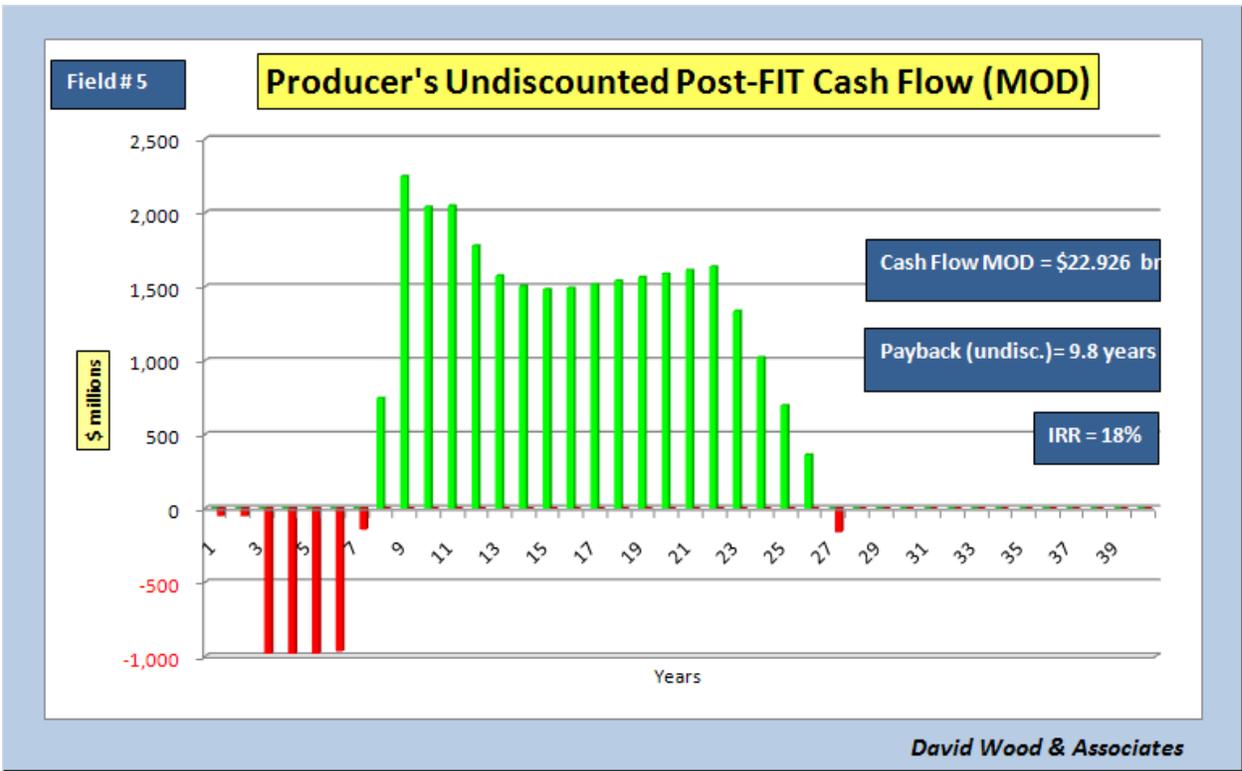


Gas Field #5 (1861 million boe produced)

Summary of Model Calculations		
Key Values Calculated for Model Field #:	5	Key Field & Government / Alaska Metrics
Sales Gas Produced 11.046 quad btu or (bcf)	9880	7.50 Initial Gas Destination Price (\$/mmbtu)
Oil (C5+) Produced (millions barrels)	215	12.80 Maximum Gas Destination Price (\$/mmbtu)
Gas + Oil(C5+) Produced 11168 bcfe or (millions boe)	1861	80.00 Initial Oil Destination Price (\$/barrel)
Peak Average Daily Natural Gas (mmcf)	1,610	136.55 Maximum Oil Destination Price (\$/barrel)
Peak Average Daily Oil (C5+) (bopd)	35,000	74.8 Initial LPG Destination Price (\$/barrel)
Maximum water cut (%)	85.6%	127.65 Maximum LPG Destination Price (\$/barrel)
Capex /unit 0.648 \$/mmbtu or (\$/boe) MOD	4.35	6 Year on stream real values refer to year: 0 \$
Opex /unit 0.367 \$/mmbtu or (\$/boe) MOD	2.46	138,090 Project Destination Value Revenue MOD (\$ millions)
Gas TT&T/unit 4.916 \$/mmbtu or (\$/boe) MOD	32.97	74.19 Project Dest. Val. MOD (\$/boe) - Average "boe" Price
Oil (C5+) TT&T/unit 0.109 \$/mmbtu or (\$/boe) MOD	0.73	5.04 (\$/boe) Total Royalties 9373 \$ millions MOD
Field on-stream (Years)	21	7.95 (\$/boe) BPT (incl. Floor: no Inv Credit) 14793 \$ millions MO
Field Shut-in (Year)	27	1.02 (\$/boe) CPT Paid 1899 \$ millions MOD
Producer's Post-Royalty Operating Cash Flow (\$/boe) MOD	32.99	0.00 No separate GPT under 2007 law
Producer's Pre-Production Tax Cashflow (\$/boe) MOD	28.64	-1.41 (\$/boe) Inv Credit Paid to Company -2617 \$millions MOD
Producer's Post-BPTCashflow (\$/boe) MOD	20.72	2.01 (\$/boe) Alaska CIT 3745 \$millions MOD
Producer's Post-PTCash Flow-NoInvCred(\$/boe) MOD	18.15	6.75 (\$/boe) Federal Income Tax 12557 \$millions MOD
Producer's Post-ProgressivityInvCredit Cash Flow (\$/boe) MOC	21.07	23.72 (\$/boe)Total Gov. Share Undisc 44148 \$millions MOD
Producer's Post-FIT Cash Flow 22926 \$millions & (\$/boe) MOC	12.32	16.97 (\$/boe)Total Alaska Share Undisc 31591 \$millions MOD
Producer's Post-FIT Cash Flow 15868 \$millions (\$/boe) real	8.52	71.6% Alaska Percentage of Total Government Share (%)
Producer's NPV 3729 \$millions @ 10% (\$/disc boe) MOD	8.25	65.8% Government Undiscounted Share of Cash Flow MOD (%)
Producer's NPV @ 10% (\$/discounted boe) real	5.25	16.84 (\$/boe)Total Gov. Share Undisc 31347 \$millions real
Producer's NPV @ 10% (\$millions) real	2,374	12.04 (\$/boe)Total Alaska Share Undisc 22415 \$millions real
Producer's IRR (%) MOD	20.9%	16.26 (\$/discounted boe) Total Gov Share NPV @5% real
Producer's IRR (%) real	18.5%	11.62 (\$/dicounted boe) Total Alaska Share NPV @5% real
Producer's Payback Time (years) MOD undiscounted	9.77	71.6% Alaska Share of Government Take real & Disc @10 (%)
Producer's Payback Time (years) real discounted	11.96	74.9% Government Share of Cash Flow real & Disc @10 (%)
Producer's NPV / Investment real Discounted	0.62	14,265 Total Government Share NPV @5% real (\$ millions)
Note: "\$/boe" refers to "boe" commercially produced		10,195 Total Alaska Share NPV @5% real (\$ millions)

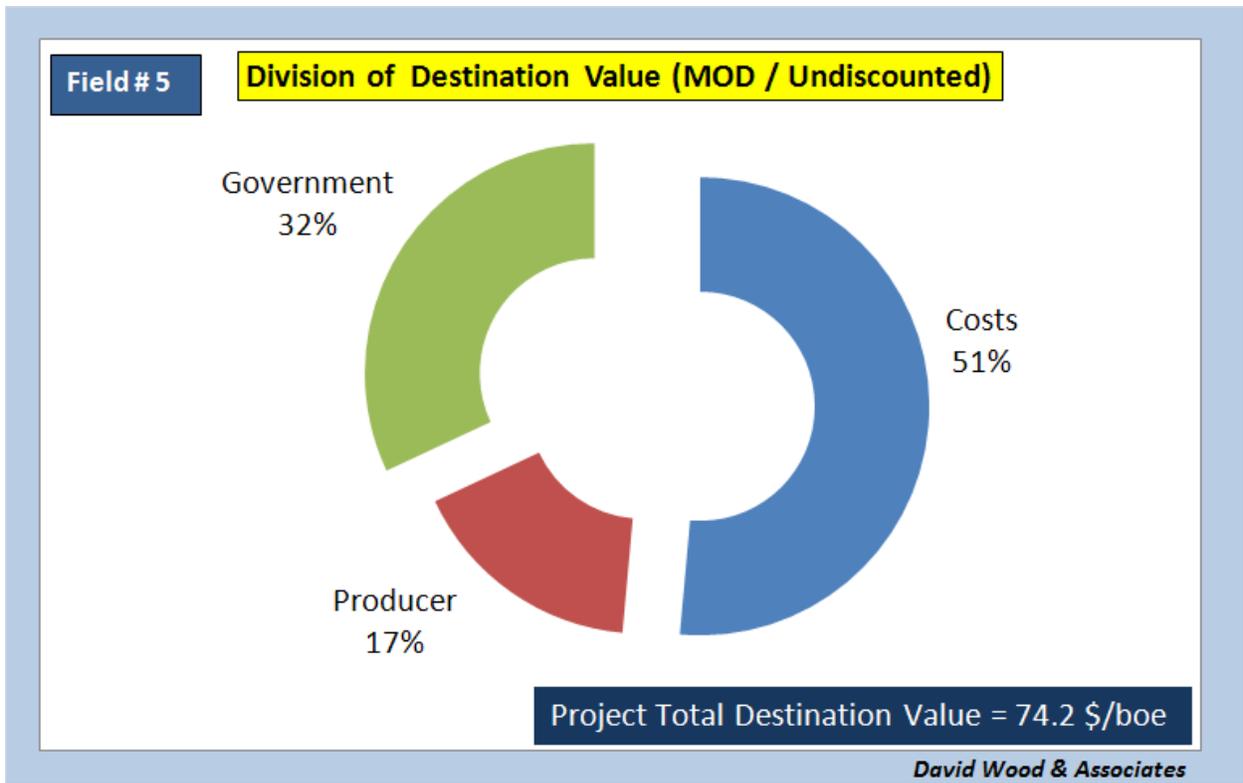






Field #5

Stakeholder Take Comparisons		
	Total Government	Producer
Take % of undiscounted MOD cash flows	65.82%	34.18%
Take % of undiscounted real cash flows	66.39%	33.61%
Take % of NPV real (5 % discount rate)	69.17%	30.83%
Take % of NPV real (10 % discount rate)	74.92%	25.08%
Take (\$ millions) from MOD cash flows	44,148	22,926
Take (\$ millions) from real cash flows	31,347	15,868
Take (\$ millions), NPV real (5 % discount rate)	14,265	6,358
Take (\$ millions), NPV real (10 % discount rate)	7,094	2,374
Take (\$/boe) from MOD cash flows	23.72	12.32
Take (\$/boe) from real cash flows	16.84	8.52
Take (\$/disc boe), NPV real (5 % discount rate)	16.26	7.25
Take (\$/disc boe), NPV real (10 % discount rate)	15.69	5.25
Total production undiscounted million boe = 1861	877 boe disc @5 %	452 boe disc @10 %



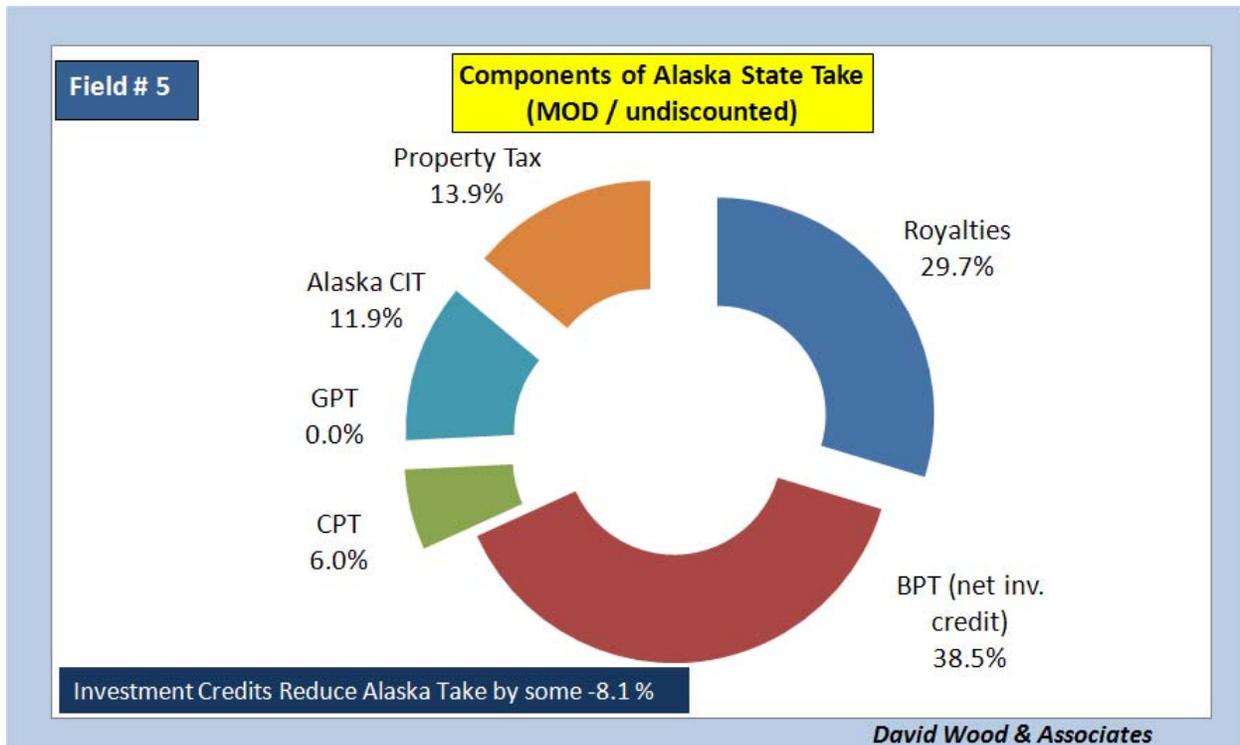
Fiscal Takes for Gas Field #5 Base Case

Government Take = Alaska State Take + Federal Income Tax

29.7% Royalties as fraction of Alaska Take (MOD / undiscounted)
46.8% BPT (incl. floor) as fraction of Alaska Take (MOD / undisc)
6.0% Combined Oil & Gas Prog. Tax (CPT) Paid (MOD / undisc)
0.0% Separate Gas Progressivity Tax GPT Paid (MOD / undisc)
11.9% CIT fraction of Alaska Take (MOD / undisc)
-8.3% Invest. Credit (offsets BPT) of Alaska Take (MOD / undisc)
13.9% Property Tax as fraction of Alaska Take (MOD / undisc)
100.0% Sum of Components of Alaska State Take
22.9% Alaska Take % of Undisc mod Destination Value
32.0% Government Take % of Undisc MOD Destination Value
47.1% Alaska Take % of Undiscounted MOD Cash Flow
65.8% Government Take % of Undiscounted MOD Cash Flow

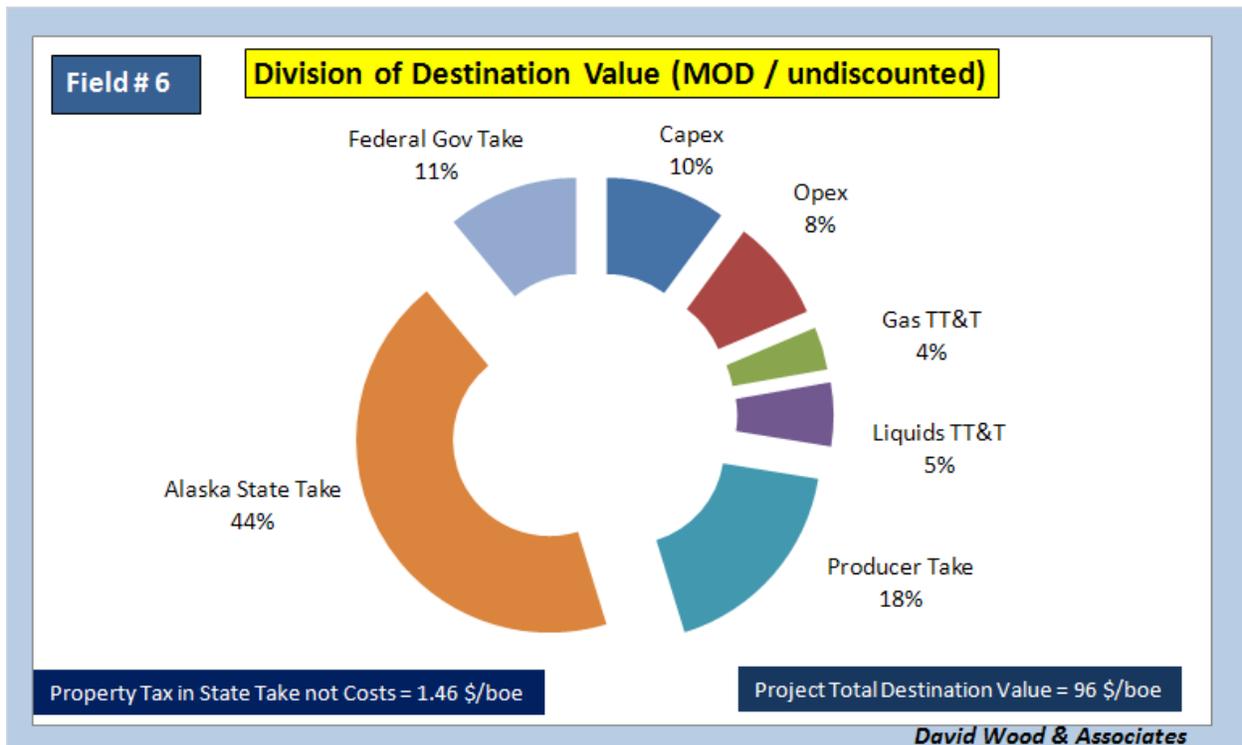
Alaska Take Components			
Fiscal Elements	\$ millions	\$boe	%
Royalties	9,373	5.04	29.7%
BPT (net inv. credit)	12,176	6.54	38.5%
CPT	1,899	1.02	6.0%
GPT	0	0.00	0.0%
Alaska CIT	3,745	2.01	11.9%
Property Tax	4,398	2.36	13.9%
Totals	31,591	16.97	100.0%
Undiscounted and MOD			

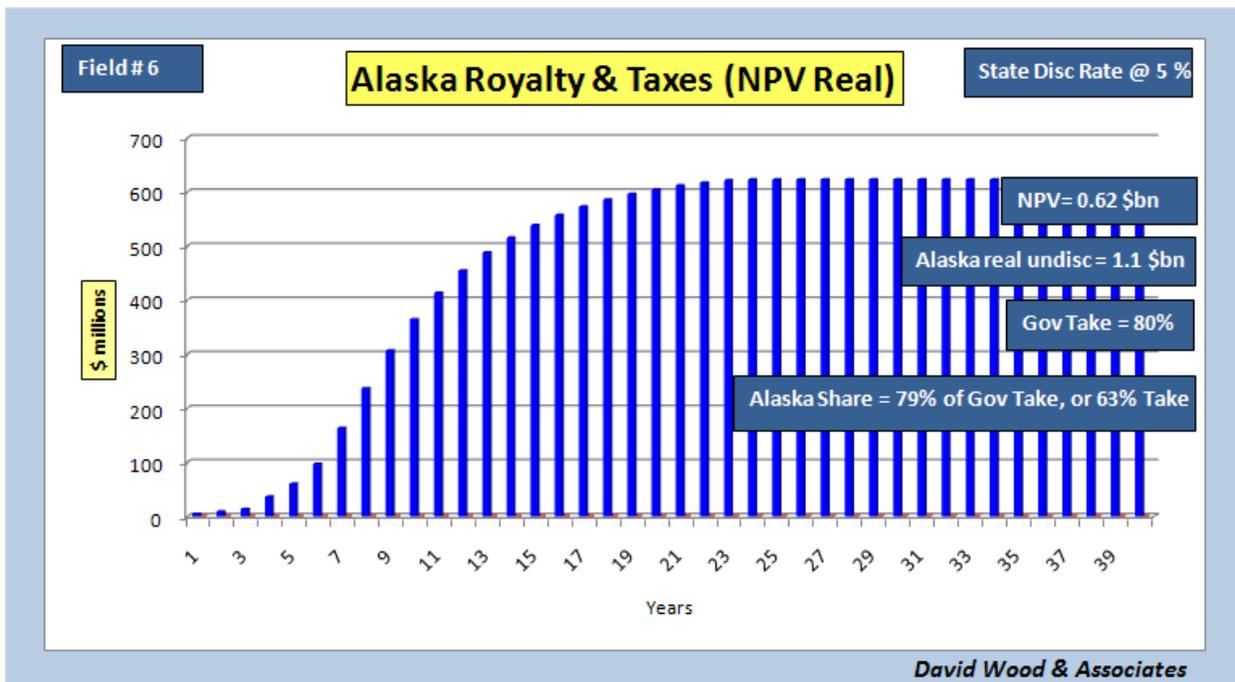
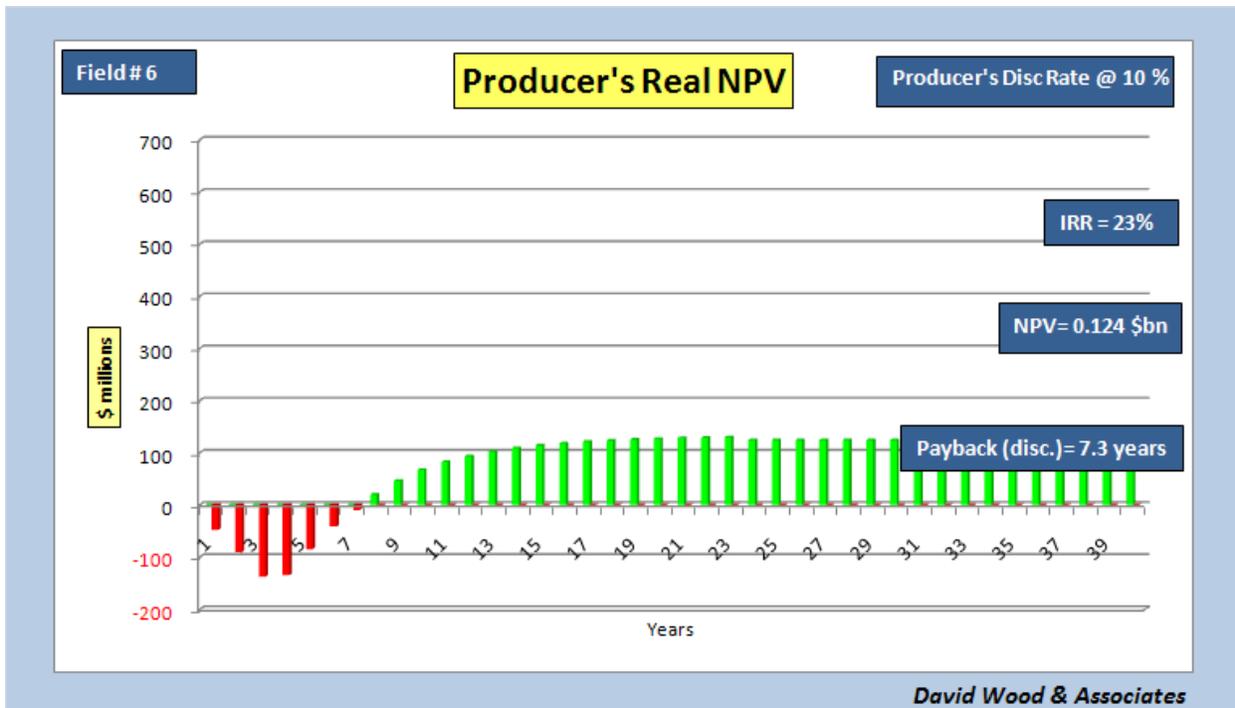
Investment Credits Reduce Alaska Take by some -8.3 %

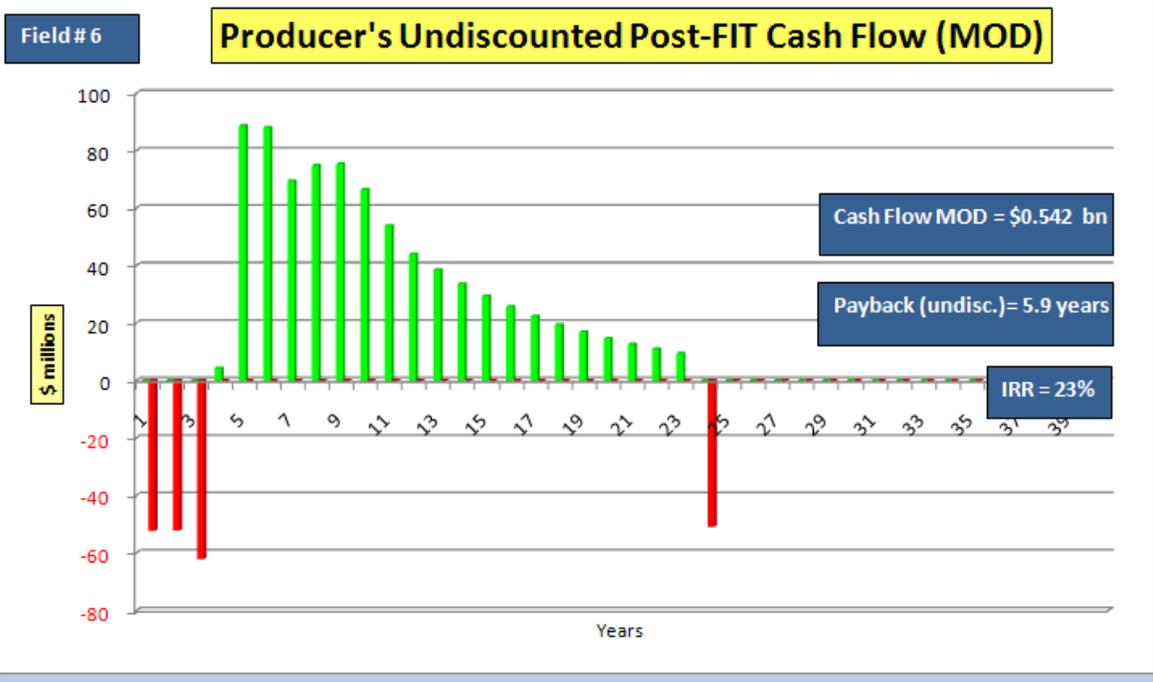


Oil Field #6 (32 million boe produced)

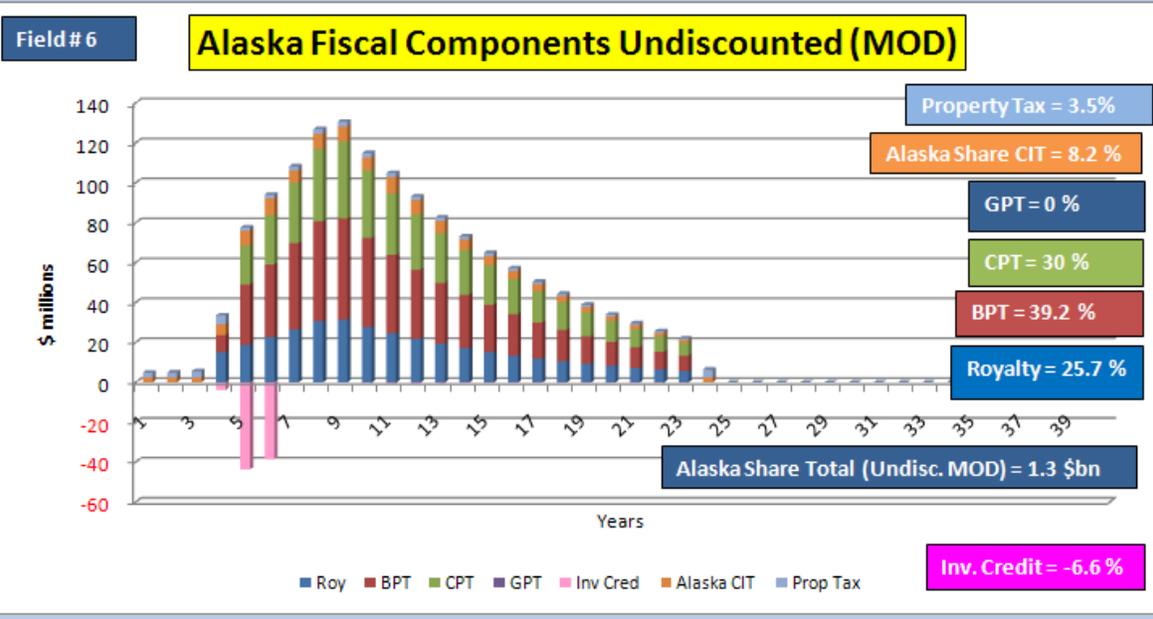
Summary of Model Calculations		
Key Values Calculated for Model Field #:	6	Key Field & Government / Alaska Metrics
Sales Gas Produced 0.022 quad btu or (bcf)	20	7.50 Initial Gas Destination Price (\$/mmbtu)
Oil (C5+) Produced (millions barrels)	28	12.06 Maximum Gas Destination Price (\$/mmbtu)
Gas + Oil(C5+) Produced 191 bcfe or (millions boe)	32	80.00 Initial Oil Destination Price (\$/barrel)
Peak Average Daily Natural Gas (mmcf)	5	128.67 Maximum Oil Destination Price (\$/barrel)
Peak Average Daily Oil (C5+) (bopd)	7,500	74.8 Initial LPG Destination Price (\$/barrel)
Maximum water cut (%)	22.8%	120.28 Maximum LPG Destination Price (\$/barrel)
Capex /unit 1.518 \$/mmbtu or (\$/boe) MOD	10.19	4 Year on stream real values refer to year: 0 \$
Opex /unit 1.3 \$/mmbtu or (\$/boe) MOD	8.72	3,048 Project Destination Value Revenue MOD (\$ millions)
Gas TT&T/unit 0.518 \$/mmbtu or (\$/boe) MOD	3.47	95.95 Project Dest. Val. MOD (\$/boe) - Average "boe" Price
Oil (C5+) TT&T/unit 0.767 \$/mmbtu or (\$/boe) MOD	5.15	10.83 (\$/boe) Total Royalties 344 \$ millions MOD
Field on-stream (Years)	20	16.56 (\$/boe) BPT (incl. Floor: no Inv Credit) 526 \$ millions MOD
Field Shut-in (Year)	24	12.68 (\$/boe) CPT Paid 403 \$ millions MOD
Producer's Post-Royalty Operating Cash Flow (\$/boe) MOD	67.78	0.00 No separate GPT under 2007 law
Producer's Pre-Production Tax Cashflow (\$/boe) MOD	57.59	-2.78 (\$/boe) Inv Credit Paid to Company -88 \$millions MOD
Producer's Post-BPTCashflow (\$/boe) MOD	41.04	3.46 (\$/boe) Alaska CIT 110 \$millions MOD
Producer's Post-PTCash Flow-NoInvCred(\$/boe) MOD	27.00	10.61 (\$/boe) Federal Income Tax 337 \$millions MOD
Producer's Post-ProgressivityInvCredit Cash Flow (\$/boe) MOE	31.14	52.82 (\$/boe)Total Gov. Share Undisc 1678 \$millions MOD
Producer's Post-FIT Cash Flow 542 \$millions & (\$/boe) MOD	17.06	42.21 (\$/boe)Total Alaska Share Undisc 1341 \$millions MOD
Producer's Post-FIT Cash Flow 430 \$millions (\$/boe) real	13.55	79.9% Alaska Percentage of Total Government Share (%)
Producer's NPV 167 \$millions @ 10% (\$/disc boe) MOD	13.57	75.6% Government Undiscounted Share of Cash Flow MOD (%)
Producer's NPV @ 10% (\$/discounted boe) real	10.11	41.84 (\$/boe)Total Gov. Share Undisc 1329 \$millions real
Producer's NPV @ 10% (\$millions) real	124	33.37 (\$/boe)Total Alaska Share Undisc 1060 \$millions real
Producer's IRR (%) MOD	25.3%	41.05 (\$/dicounted boe) Total Gov Share NPV @5% real
Producer's IRR (%) real	22.8%	32.58 (\$/dicounted boe) Total Alaska Share NPV @5% real
Producer's Payback Time (years) MOD undiscounted	5.92	79.0% Alaska Share of Government Take real & Disc @10 (%)
Producer's Payback Time (years) real discounted	7.34	79.9% Government Share of Cash Flow real & Disc @10 (%)
Producer's NPV / Investment real Discounted	0.69	785 Total Government Share NPV @5% real (\$ millions)
Note: "\$/boe" refers to "boe" commercially produced		623 Total Alaska Share NPV @5% real (\$ millions)







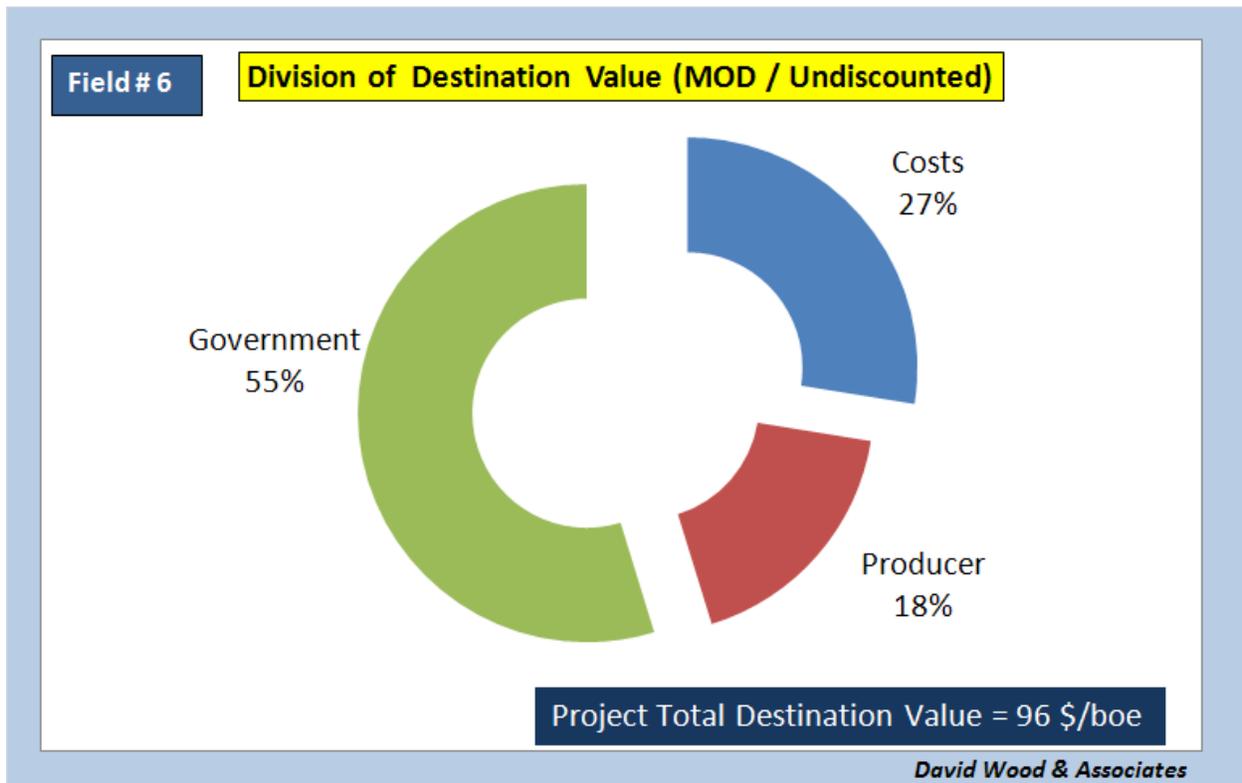
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Field #6

Stakeholder Take Comparisons		
	Total Government	Producer
Take % of undiscounted MOD cash flows	75.58%	24.42%
Take % of undiscounted real cash flows	75.54%	24.46%
Take % of NPV real (5 % discount rate)	76.78%	23.22%
Take % of NPV real (10 % discount rate)	79.95%	20.05%
Take (\$ millions) from MOD cash flows	1,678	542
Take (\$ millions) from real cash flows	1,329	430
Take (\$ millions), NPV real (5 % discount rate)	785	237
Take (\$ millions), NPV real (10 % discount rate)	496	124
Take (\$/boe) from MOD cash flows	52.82	17.06
Take (\$/boe) from real cash flows	41.84	13.55
Take (\$/disc boe), NPV real (5 % discount rate)	41.05	12.41
Take (\$/disc boe), NPV real (10 % discount rate)	40.31	10.11
Total production undiscounted million boe = 32	19 boe disc @5 %	12 boe disc @10 %



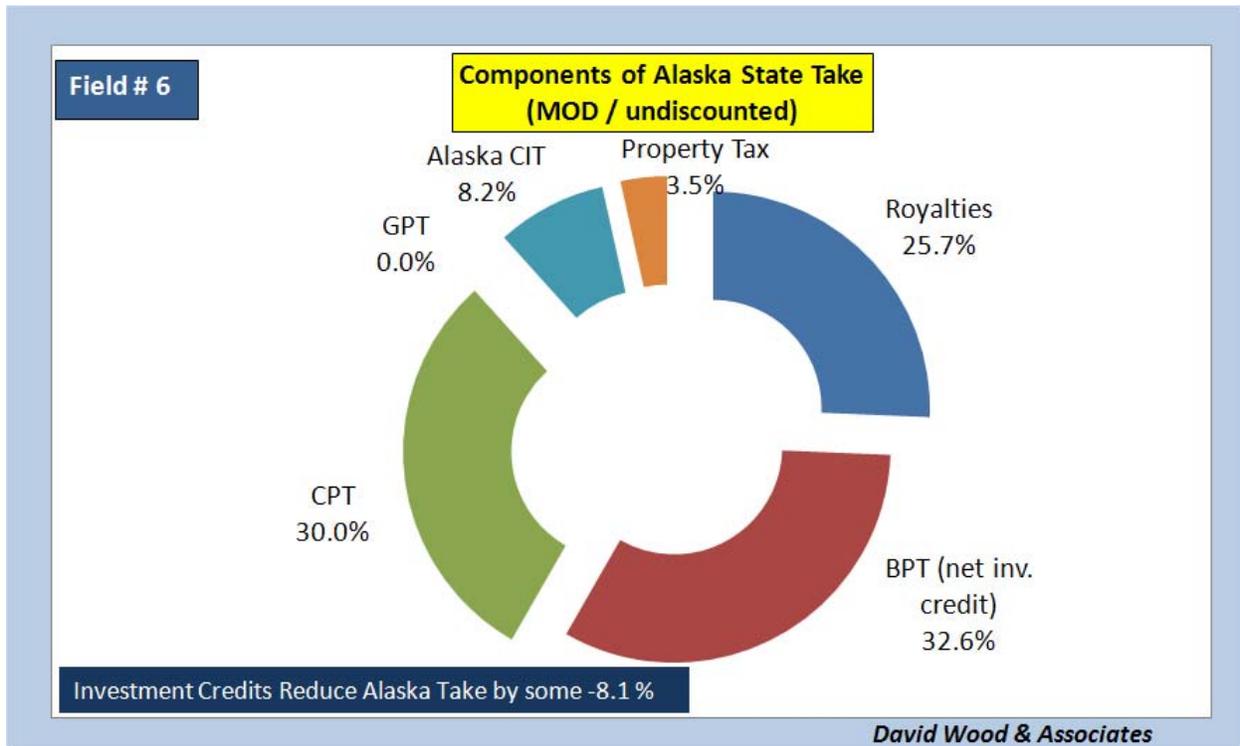
Fiscal Takes for Oil Field #6 Base Case

Government Take = Alaska State Take + Federal Income Tax

25.7% Royalties as fraction of Alaska Take (MOD / undiscounted)
39.2% BPT (incl. floor) as fraction of Alaska Take (MOD / undisc)
30.0% Combined Oil & Gas Prog. Tax (CPT) Paid (MOD / undisc)
0.0% Separate Gas Progressivity Tax GPT Paid (MOD / undisc)
8.2% CIT fraction of Alaska Take (MOD / undisc)
-6.6% Invest. Credit (offsets BPT) of Alaska Take (MOD / undisc)
3.5% Property Tax as fraction of Alaska Take (MOD / undisc)
100.0% Sum of Components of Alaska State Take
44.0% Alaska Take % of Undisc mod Destination Value
55.1% Government Take % of Undisc MOD Destination Value
60.4% Alaska Take % of Undiscounted MOD Cash Flow
75.6% Government Take % of Undiscounted MOD Cash Flow

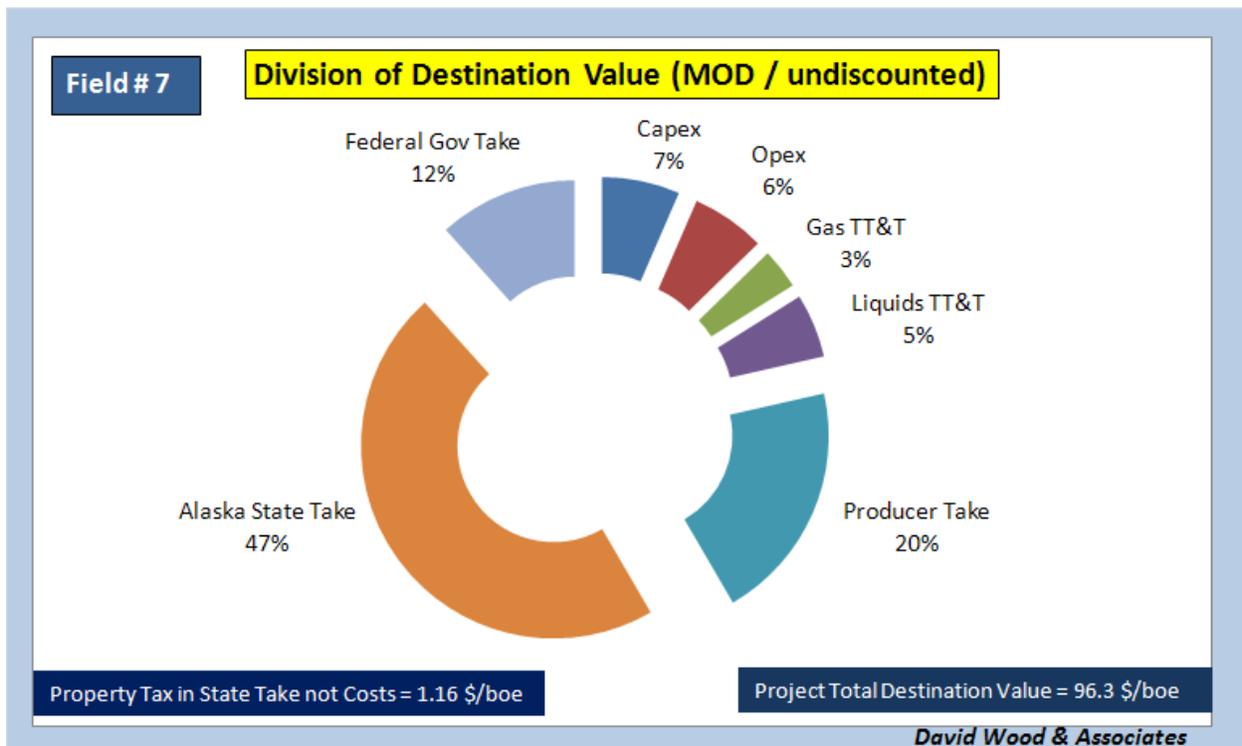
Alaska Take Components			
Fiscal Elements	\$ millions	\$boe	%
Royalties	344	10.83	25.7%
BPT (net inv. credit)	438	13.78	32.6%
CPT	403	12.68	30.0%
GPT	0	0.00	0.0%
Alaska CIT	110	3.46	8.2%
Property Tax	46	1.46	3.5%
Totals	1,341	42.21	100.0%
Undiscounted and MOD			

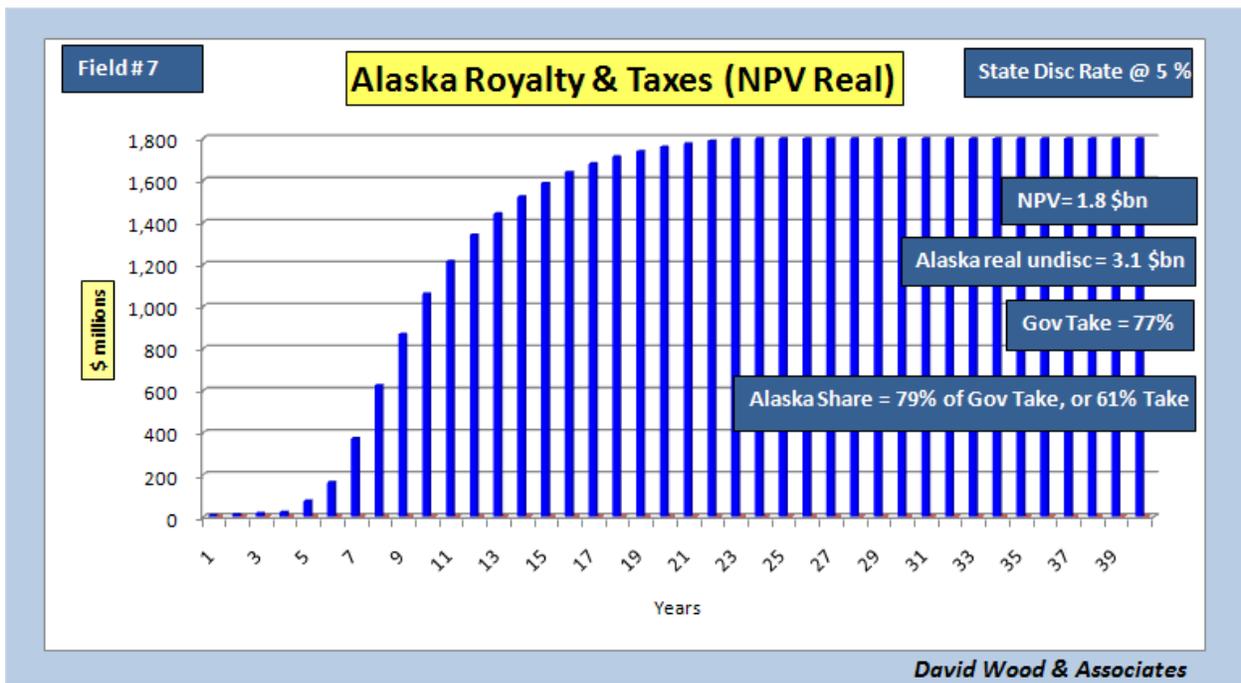
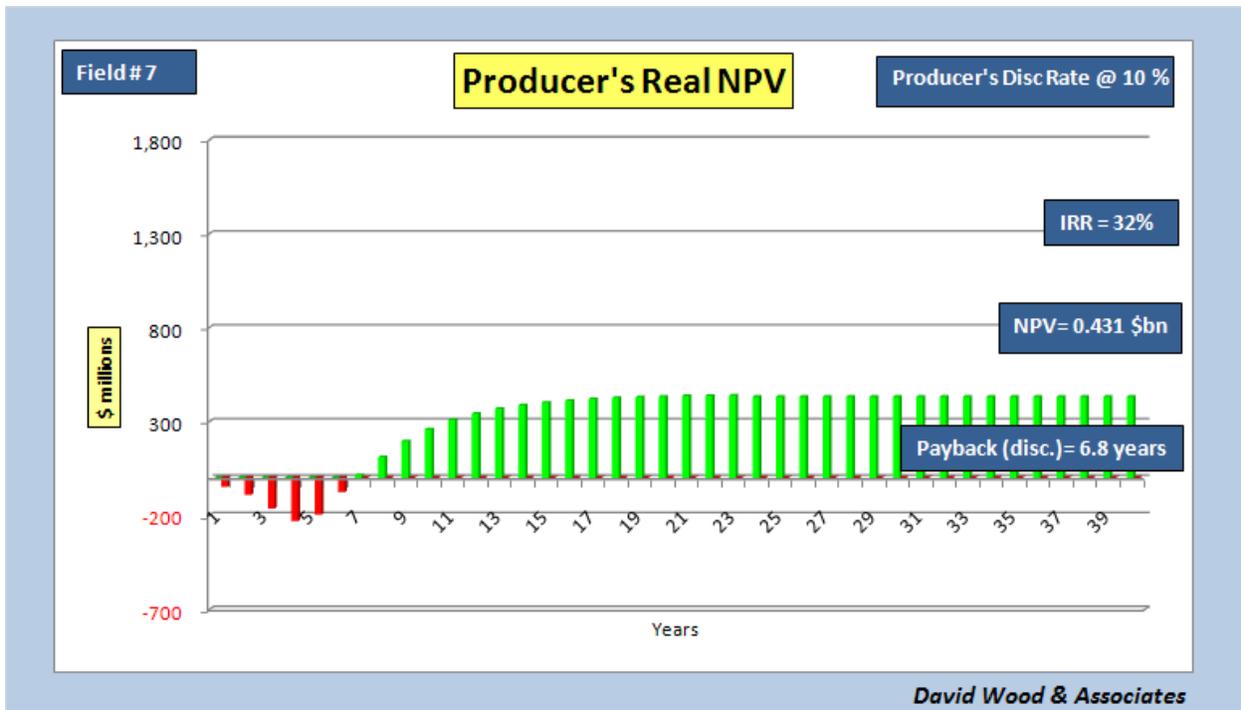
Investment Credits Reduce Alaska Take by some -6.6 %

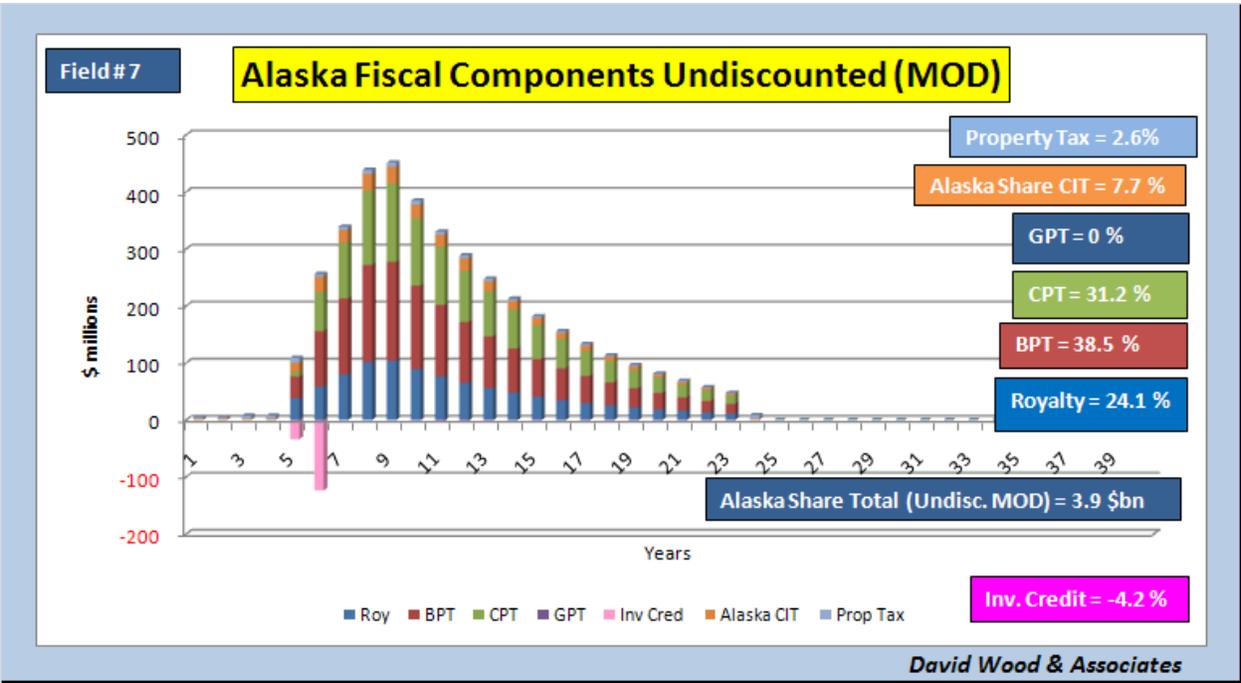
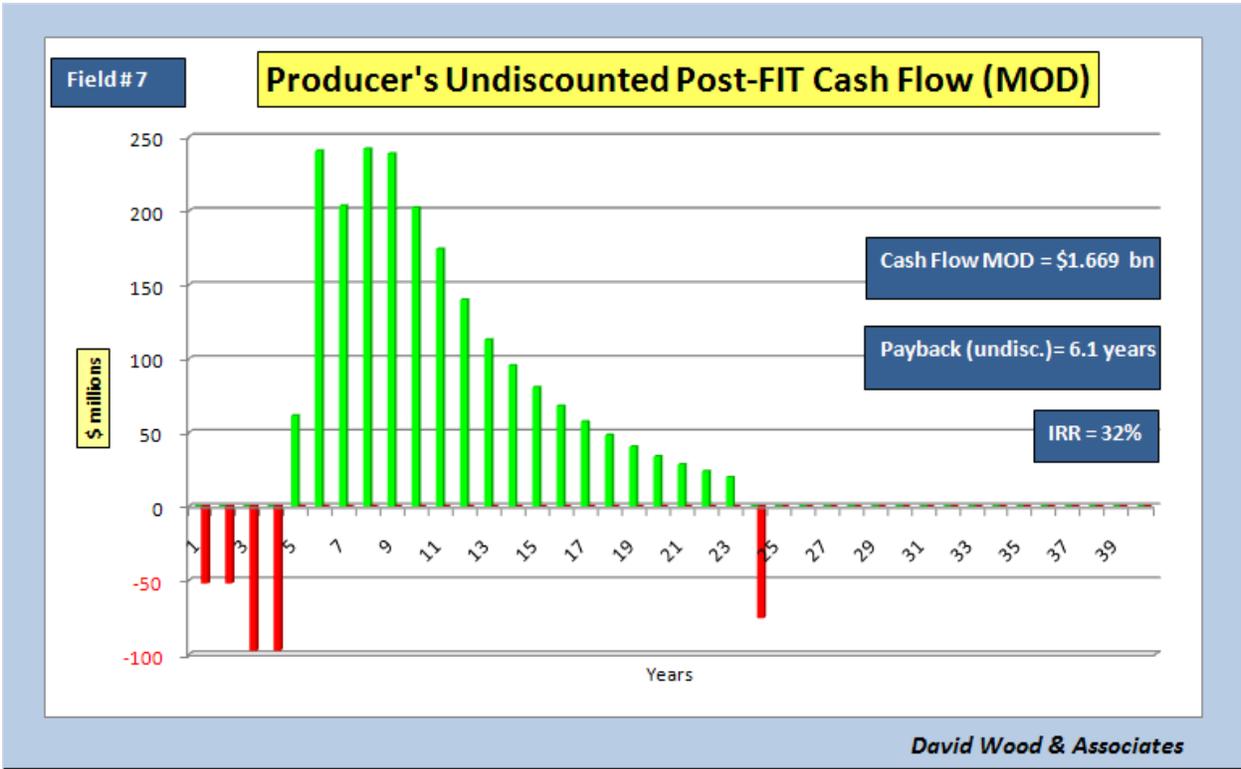


Oil Field #7 (85 million boe produced)

Summary of Model Calculations		
Key Values Calculated for Model Field #:	7	Key Field & Government / Alaska Metrics
Sales Gas Produced 0.056 quad btu or (bcf)	50	7.50 Initial Gas Destination Price (\$/mmbtu)
Oil (C5+) Produced (millions barrels)	77	12.06 Maximum Gas Destination Price (\$/mmbtu)
Gas + Oil(C5+) Produced 513 bcfe or (millions boe)	85	80.00 Initial Oil Destination Price (\$/barrel)
Peak Average Daily Natural Gas (mmcf)	16	128.67 Maximum Oil Destination Price (\$/barrel)
Peak Average Daily Oil (C5+) (bopd)	25,000	74.8 Initial LPG Destination Price (\$/barrel)
Maximum water cut (%)	32.5%	120.28 Maximum LPG Destination Price (\$/barrel)
Capex /unit 0.988 \$/mmbtu or (\$/boe) MOD	6.62	5 Year on stream real values refer to year: 0 \$
Opex /unit 0.945 \$/mmbtu or (\$/boe) MOD	6.34	8,232 Project Destination Value Revenue MOD (\$ millions)
Gas TT&T/unit 0.487 \$/mmbtu or (\$/boe) MOD	3.27	96.30 Project Dest. Val. MOD (\$/boe) - Average "boe" Price
Oil (C5+) TT&T/unit 0.773 \$/mmbtu or (\$/boe) MOD	5.19	10.92 (\$/boe) Total Royalties 933 \$ millions MOD
Field on-stream (Years)	19	17.42 (\$/boe) BPT (incl. Floor: no Inv Credit) 1489 \$ millions MOD
Field Shut-in (Year)	24	14.13 (\$/boe) CPT Paid 1208 \$ millions MOD
Producer's Post-Royalty Operating Cash Flow (\$/boe) MOD	70.59	0.00 No separate GPT under 2007 law
Producer's Pre-Production Tax Cashflow (\$/boe) MOD	63.97	-1.90 (\$/boe) Inv Credit Paid to Company -162 \$millions MOD
Producer's Post-BPTCashflow (\$/boe) MOD	46.55	3.50 (\$/boe) Alaska CIT 299 \$millions MOD
Producer's Post-PTCash Flow-NoInvCred(\$/boe) MOD	31.21	11.30 (\$/boe) Federal Income Tax 966 \$millions MOD
Producer's Post-ProgressivityInvCredit Cash Flow (\$/boe) MOE	34.32	56.52 (\$/boe)Total Gov. Share Undisc 4832 \$millions MOD
Producer's Post-FIT Cash Flow 1669 \$millions & (\$/boe) MOD	19.52	45.22 (\$/boe)Total Alaska Share Undisc 3866 \$millions MOD
Producer's Post-FIT Cash Flow 1325 \$millions (\$/boe) real	15.51	80.0% Alaska Percentage of Total Government Share (%)
Producer's NPV 552 \$millions @ 10% (\$/disc boe) MOD	17.17	74.3% Government Undiscounted Share of Cash Flow MOD (%)
Producer's NPV @ 10% (\$/discounted boe) real	13.42	44.88 (\$/boe)Total Gov. Share Undisc 3836 \$millions real
Producer's NPV @ 10% (\$millions) real	431	35.83 (\$/boe)Total Alaska Share Undisc 3063 \$millions real
Producer's IRR (%) MOD	34.8%	44.43 (\$/dicounted boe) Total Gov Share NPV @5% real
Producer's IRR (%) real	32.1%	35.30 (\$/dicounted boe) Total Alaska Share NPV @5% real
Producer's Payback Time (years) MOD undiscounted	6.08	79.1% Alaska Share of Government Take real & Disc @10 (%)
Producer's Payback Time (years) real discounted	6.84	76.6% Government Share of Cash Flow real & Disc @10 (%)
Producer's NPV / Investment real Discounted	1.45	2,262 Total Government Share NPV @5% real (\$ millions)
Note: "\$/boe" refers to "boe" commercially produced		1,797 Total Alaska Share NPV @5% real (\$ millions)

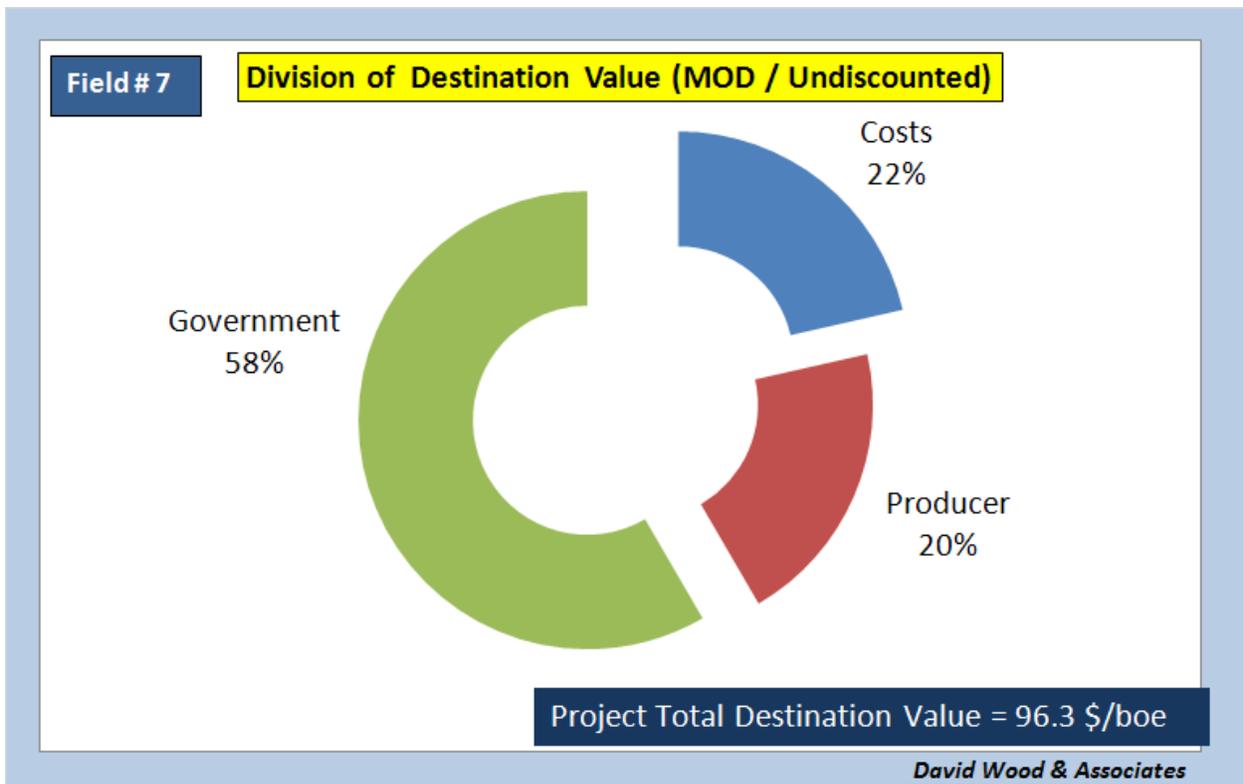






Field #7

Stakeholder Take Comparisons		
	Total Government	Producer
Take % of undiscounted MOD cash flows	74.33%	25.67%
Take % of undiscounted real cash flows	74.32%	25.68%
Take % of NPV real (5 % discount rate)	75.00%	25.00%
Take % of NPV real (10 % discount rate)	76.63%	23.37%
Take (\$ millions) from MOD cash flows	4,832	1,669
Take (\$ millions) from real cash flows	3,836	1,325
Take (\$ millions), NPV real (5 % discount rate)	2,262	754
Take (\$ millions), NPV real (10 % discount rate)	1,413	431
Take (\$/boe) from MOD cash flows	56.52	19.52
Take (\$/boe) from real cash flows	44.88	15.51
Take (\$/disc boe), NPV real (5 % discount rate)	44.43	14.81
Take (\$/disc boe), NPV real (10 % discount rate)	43.99	13.42
Total production undiscounted million boe = 85	51 boe disc @5 %	32 boe disc @10 %



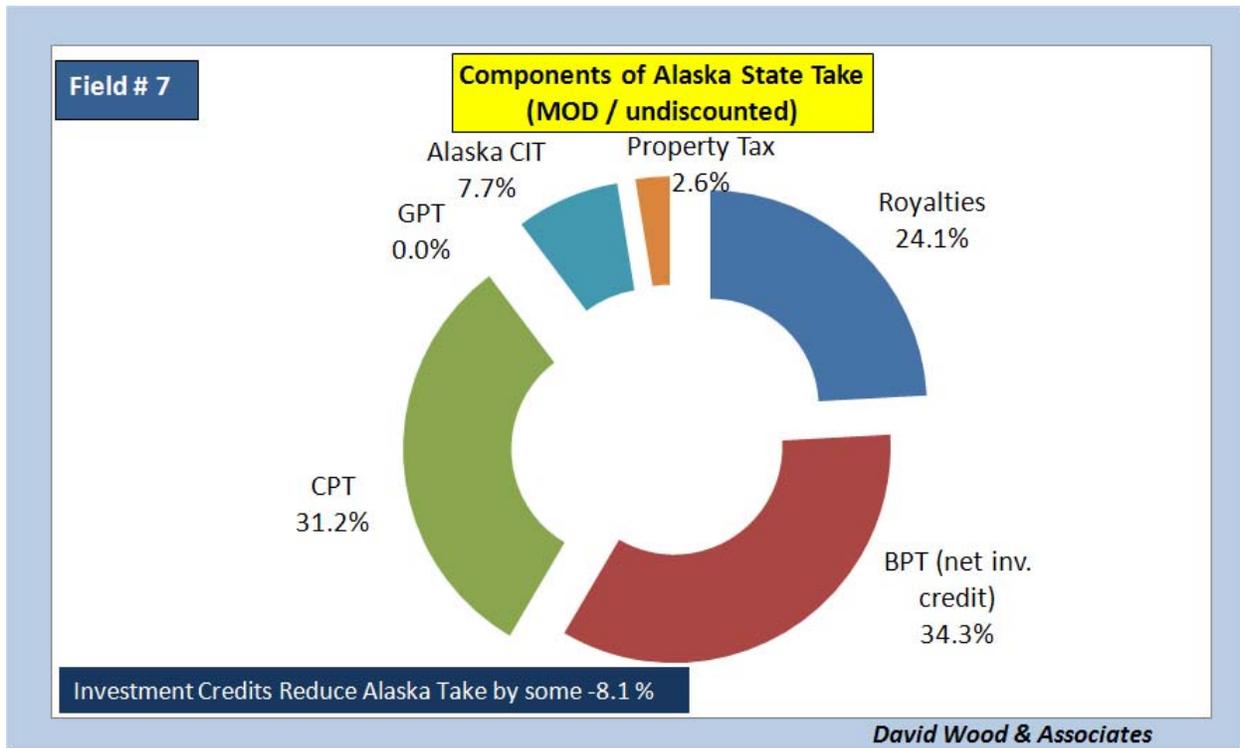
Fiscal Takes for Oil Field #7 Base Case

Government Take = Alaska State Take + Federal Income Tax

24.1% Royalties as fraction of Alaska Take (MOD / undiscounted)
38.5% BPT (incl. floor) as fraction of Alaska Take (MOD / undisc)
31.2% Combined Oil & Gas Prog. Tax (CPT) Paid (MOD / undisc)
0.0% Separate Gas Progressivity Tax GPT Paid (MOD / undisc)
7.7% CIT fraction of Alaska Take (MOD / undisc)
-4.2% Invest. Credit (offsets BPT) of Alaska Take (MOD / undisc)
2.6% Property Tax as fraction of Alaska Take (MOD / undisc)
100.0% Sum of Components of Alaska State Take
47.0% Alaska Take % of Undisc mod Destination Value
58.7% Government Take % of Undisc MOD Destination Value
59.5% Alaska Take % of Undiscounted MOD Cash Flow
74.3% Government Take % of Undiscounted MOD Cash Flow

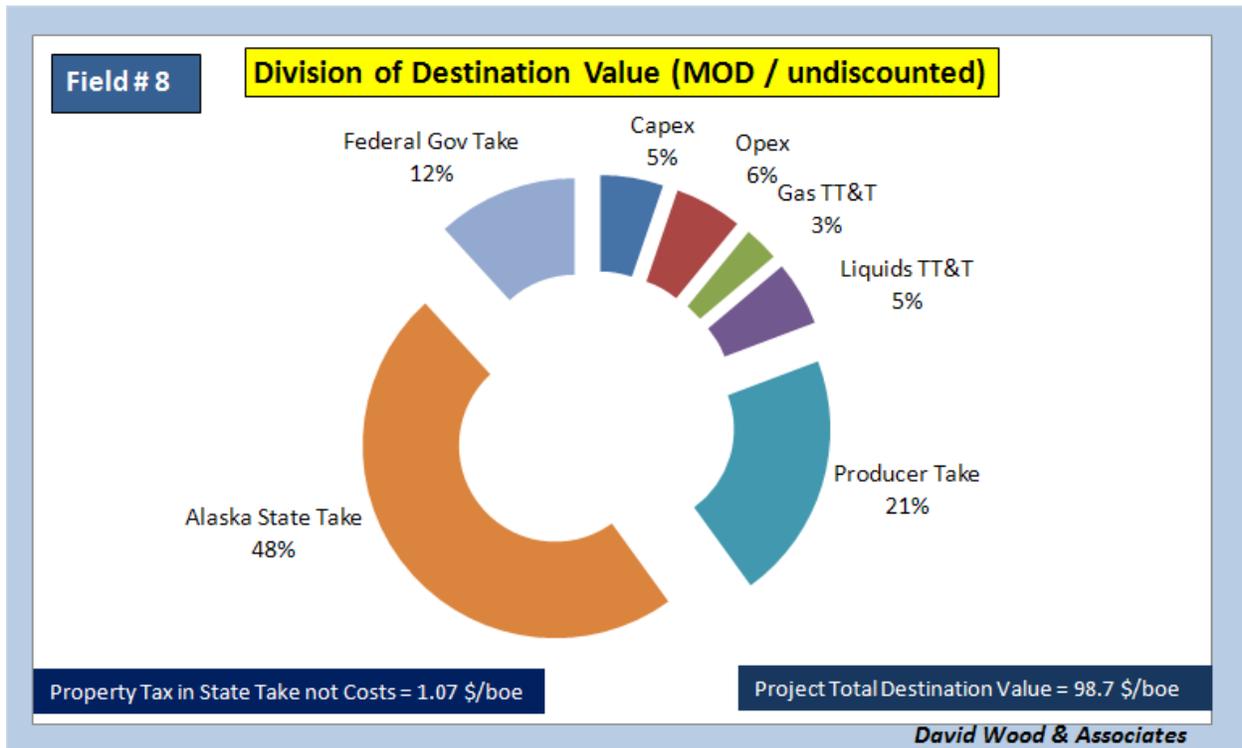
Investment Credits Reduce Alaska Take by some -4.2 %

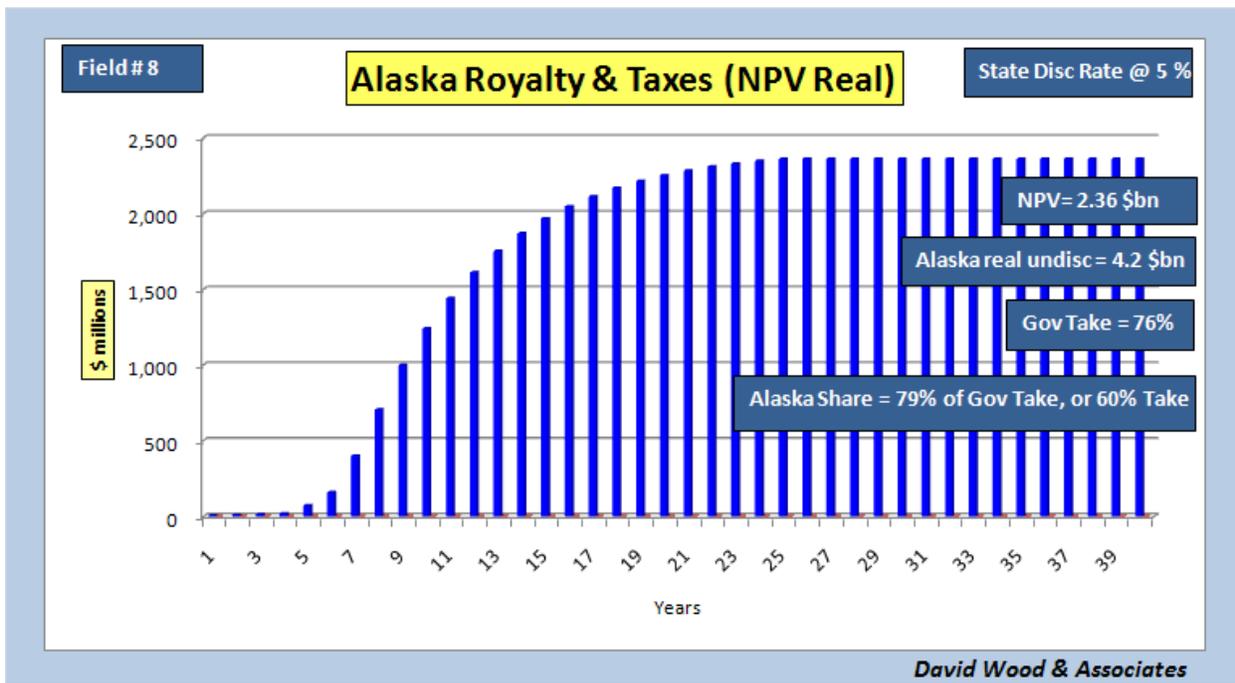
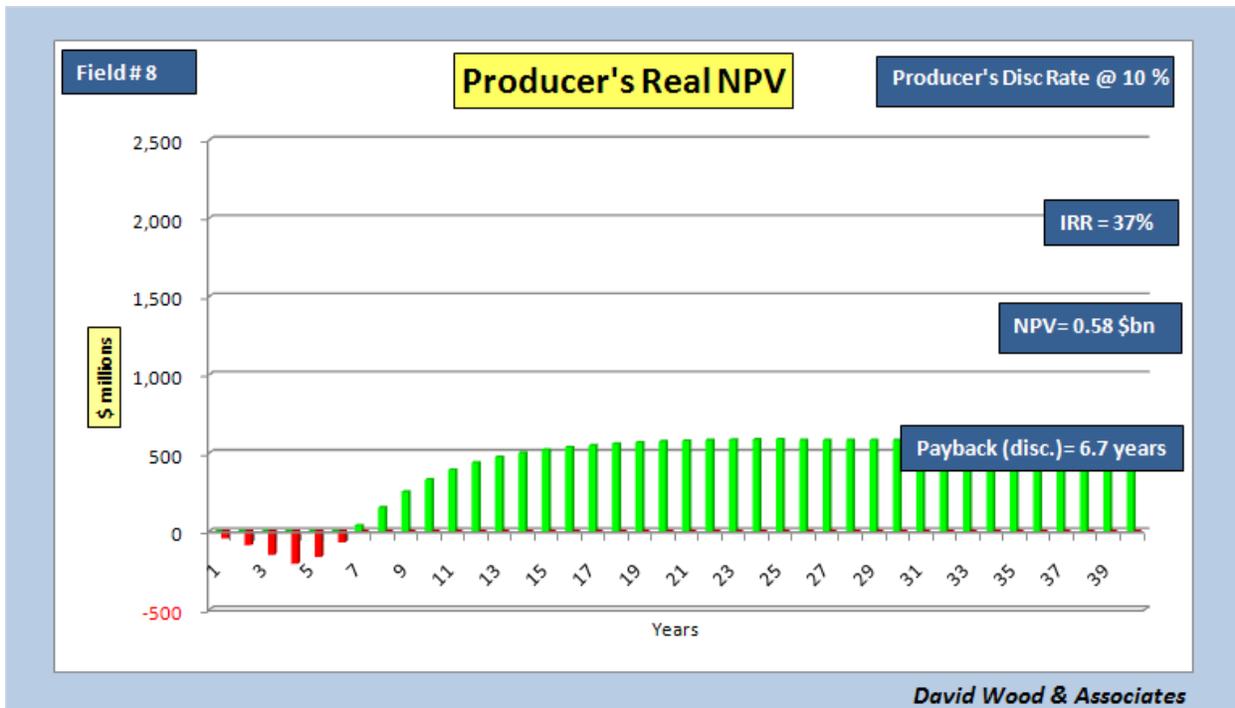
Alaska Take Components			
Fiscal Elements	\$ millions	\$boe	%
Royalties	933	10.92	24.1%
BPT (net inv. credit)	1,327	15.52	34.3%
CPT	1,208	14.13	31.2%
GPT	0	0.00	0.0%
Alaska CIT	299	3.50	7.7%
Property Tax	99	1.16	2.6%
Totals	3,866	45.22	100.0%
Undiscounted and MOD			

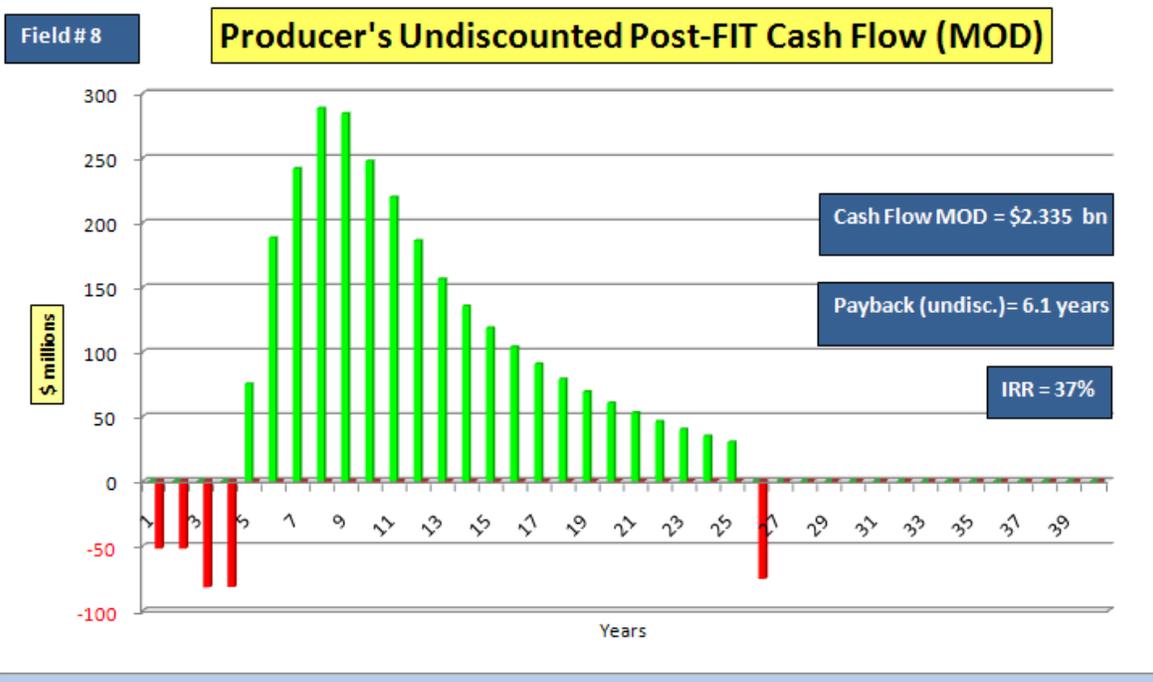


Oil Field #8 (113 million boe produced)

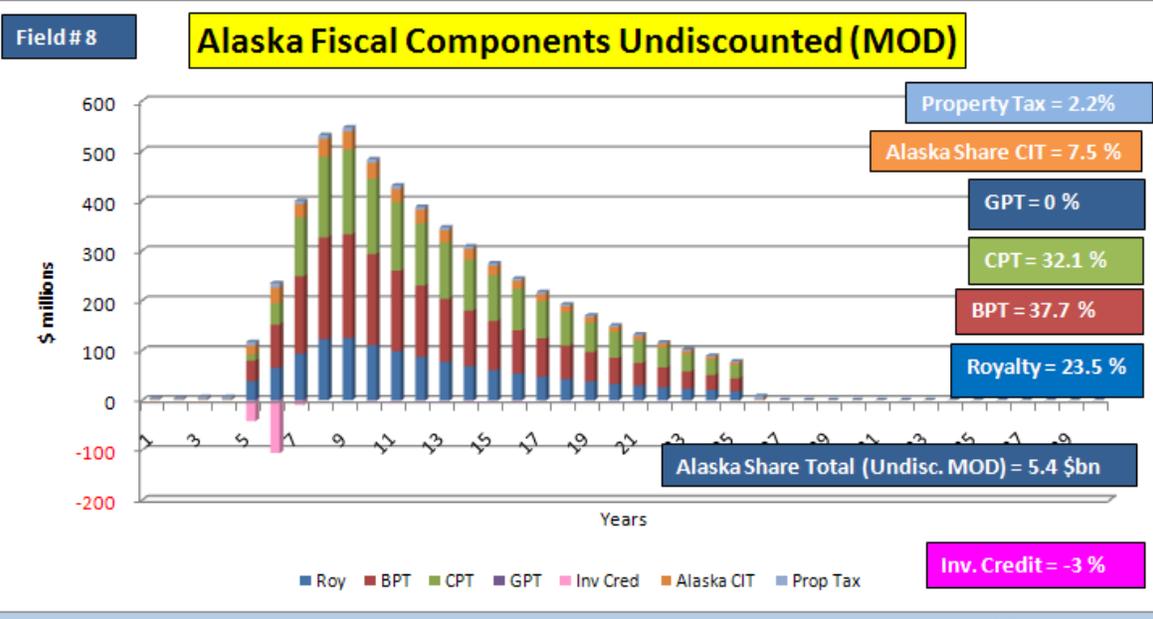
Summary of Model Calculations		
Key Values Calculated for Model Field #:	8	Key Field & Government / Alaska Metrics
Sales Gas Produced 0.064 quad btu or (bcf)	57	7.50 Initial Gas Destination Price (\$/mmbtu)
Oil (C5+) Produced (millions barrels)	104	12.55 Maximum Gas Destination Price (\$/mmbtu)
Gas + Oil(C5+) Produced 680 bcfe or (millions boe)	113	80.00 Initial Oil Destination Price (\$/barrel)
Peak Average Daily Natural Gas (mmcf)	17	133.87 Maximum Oil Destination Price (\$/barrel)
Peak Average Daily Oil (C5+) (bopd)	30,000	74.8 Initial LPG Destination Price (\$/barrel)
Maximum water cut (%)	30.1%	125.14 Maximum LPG Destination Price (\$/barrel)
Capex /unit 0.823 \$/mmbtu or (\$/boe) MOD	5.52	5 Year on stream real values refer to year: 0 \$
Opex /unit 0.88 \$/mmbtu or (\$/boe) MOD	5.90	11,190 Project Destination Value Revenue MOD (\$ millions)
Gas TT&T/unit 0.432 \$/mmbtu or (\$/boe) MOD	2.90	98.71 Project Dest. Val. MOD (\$/boe) - Average "boe" Price
Oil (C5+) TT&T/unit 0.8 \$/mmbtu or (\$/boe) MOD	5.37	11.25 (\$/boe) Total Royalties 1275 \$ millions MOD
Field on-stream (Years)	21	18.00 (\$/boe) BPT (incl. Floor: no Inv Credit) 2041 \$ millions MOD
Field Shut-in (Year)	26	15.34 (\$/boe) CPT Paid 1740 \$ millions MOD
Producer's Post-Royalty Operating Cash Flow (\$/boe) MOD	73.29	0.00 No separate GPT under 2007 law
Producer's Pre-Production Tax Cashflow (\$/boe) MOD	67.78	-1.46 (\$/boe) Inv Credit Paid to Company -165 \$millions MOD
Producer's Post-BPTCashflow (\$/boe) MOD	49.78	3.58 (\$/boe) Alaska CIT 406 \$millions MOD
Producer's Post-PTCash Flow-NoInvCred(\$/boe) MOD	33.54	11.71 (\$/boe) Federal Income Tax 1328 \$millions MOD
Producer's Post-ProgressivityInvCredit Cash Flow (\$/boe) MOE	35.89	59.50 (\$/boe)Total Gov. Share Undisc 6745 \$millions MOD
Producer's Post-FIT Cash Flow 2335 \$millions & (\$/boe) MOD	20.59	47.79 (\$/boe)Total Alaska Share Undisc 5417 \$millions MOD
Producer's Post-FIT Cash Flow 1826 \$millions (\$/boe) real	16.11	80.3% Alaska Percentage of Total Government Share (%)
Producer's NPV 741 \$millions @ 10% (\$/disc boe) MOD	18.62	74.3% Government Undiscounted Share of Cash Flow MOD (%)
Producer's NPV @ 10% (\$/discounted boe) real	14.59	46.28 (\$/boe)Total Gov. Share Undisc 5246 \$millions real
Producer's NPV @ 10% (\$millions) real	580	37.07 (\$/boe)Total Alaska Share Undisc 4203 \$millions real
Producer's IRR (%) MOD	39.3%	45.75 (\$/dicounted boe) Total Gov Share NPV @5% real
Producer's IRR (%) real	36.5%	36.42 (\$/dicounted boe) Total Alaska Share NPV @5% real
Producer's Payback Time (years) MOD undiscounted	6.09	79.1% Alaska Share of Government Take real & Disc @10 (%)
Producer's Payback Time (years) real discounted	6.67	75.6% Government Share of Cash Flow real & Disc @10 (%)
Producer's NPV / Investment real Discounted	1.86	2,968 Total Government Share NPV @5% real (\$ millions)
Note: "\$/boe" refers to "boe" commercially produced		2,363 Total Alaska Share NPV @5% real (\$ millions)







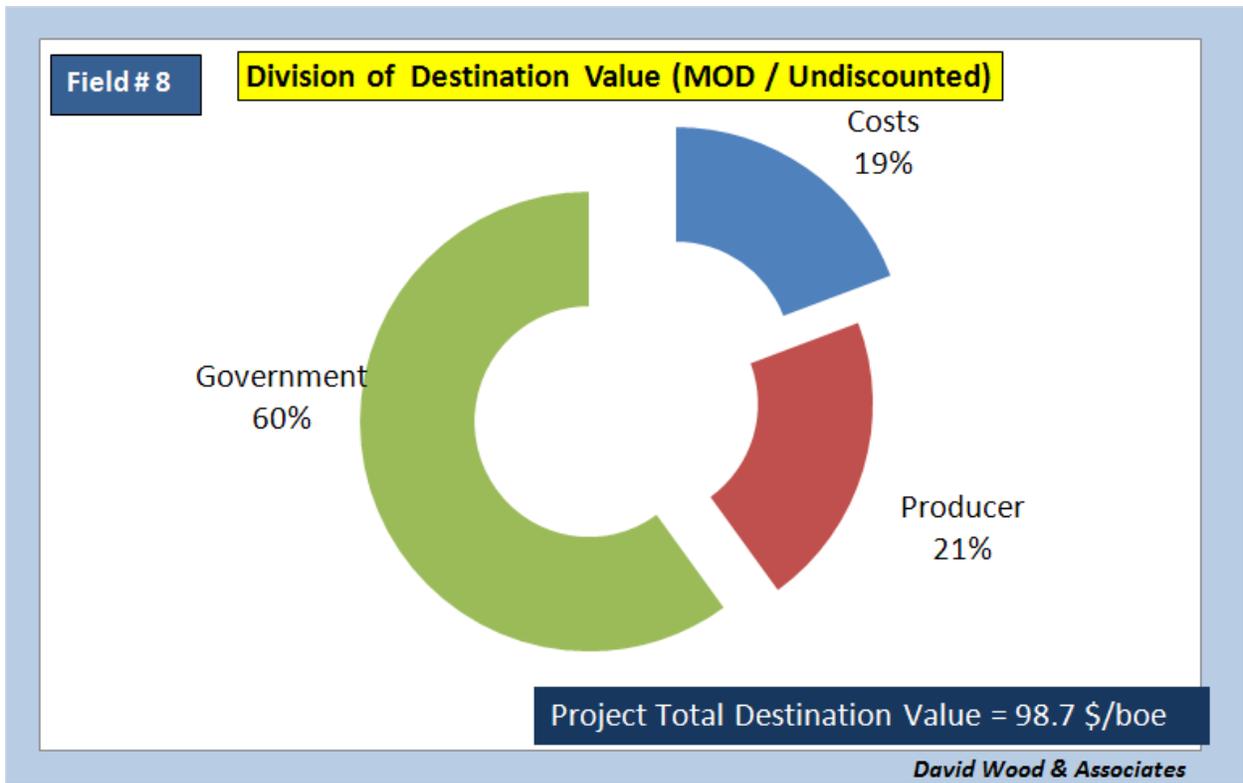
David Wood & Associates



David Wood & Associates

Field #8

Stakeholder Take Comparisons		
	Total Government	Producer
Take % of undiscounted MOD cash flows	74.29%	25.71%
Take % of undiscounted real cash flows	74.18%	25.82%
Take % of NPV real (5 % discount rate)	74.51%	25.49%
Take % of NPV real (10 % discount rate)	75.61%	24.39%
Take (\$ millions) from MOD cash flows	6,745	2,335
Take (\$ millions) from real cash flows	5,246	1,826
Take (\$ millions), NPV real (5 % discount rate)	2,968	1,016
Take (\$ millions), NPV real (10 % discount rate)	1,799	580
Take (\$/boe) from MOD cash flows	59.50	20.59
Take (\$/boe) from real cash flows	46.28	16.11
Take (\$/disc boe), NPV real (5 % discount rate)	45.75	15.65
Take (\$/disc boe), NPV real (10 % discount rate)	45.23	14.59
Total production undiscounted million boe = 113	65 boe disc @5 %	40 boe disc @10 %



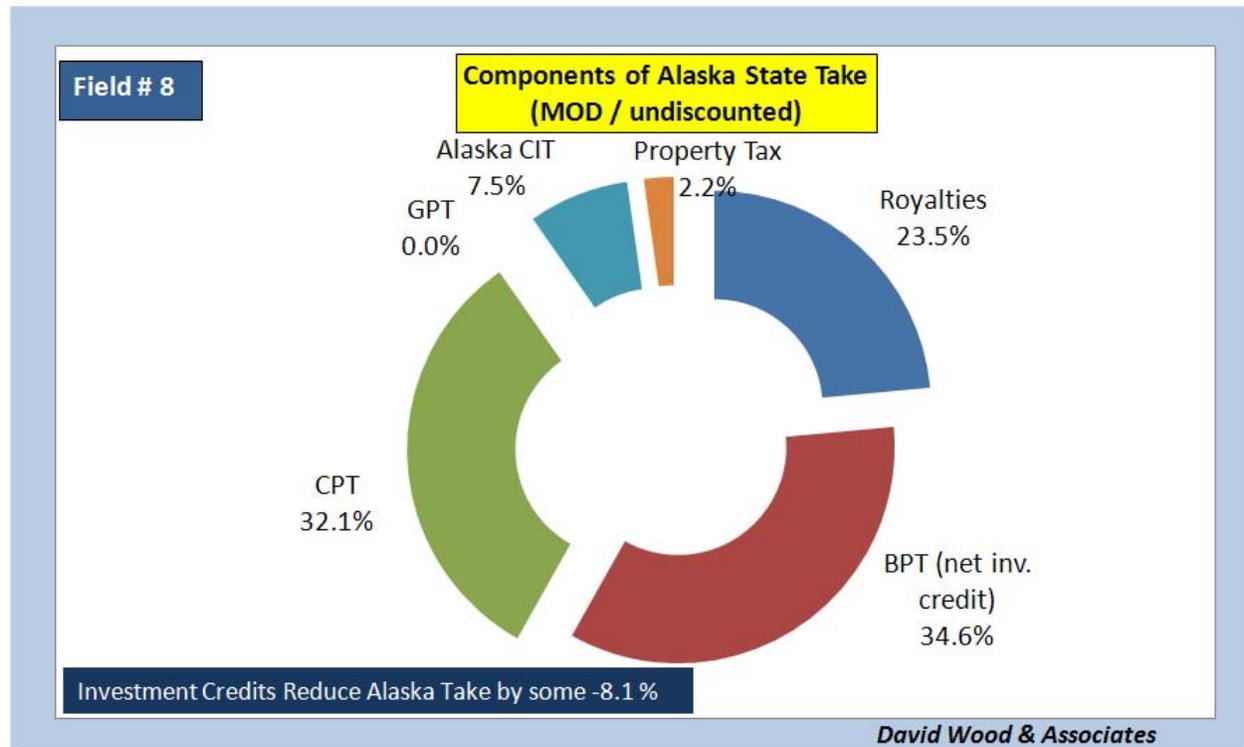
Fiscal Takes for Oil Field #8 Base Case

Government Take = Alaska State Take + Federal Income Tax

23.5% Royalties as fraction of Alaska Take (MOD / undiscounted)
37.7% BPT (incl. floor) as fraction of Alaska Take (MOD / undisc)
32.1% Combined Oil & Gas Prog. Tax (CPT) Paid (MOD / undisc)
0.0% Separate Gas Progressivity Tax GPT Paid (MOD / undisc)
7.5% CIT fraction of Alaska Take (MOD / undisc)
-3.0% Invest. Credit (offsets BPT) of Alaska Take (MOD / undisc)
2.2% Property Tax as fraction of Alaska Take (MOD /undisc)
100.0% Sum of Components of Alaska State Take
48.4% Alaska Take % of Undisc mod Destination Value
60.3% Government Take % of Undisc MOD Destination Value
59.7% Alaska Take % of Undiscounted MOD Cash Flow
74.3% Government Take % of Undiscounted MOD Cash Flow

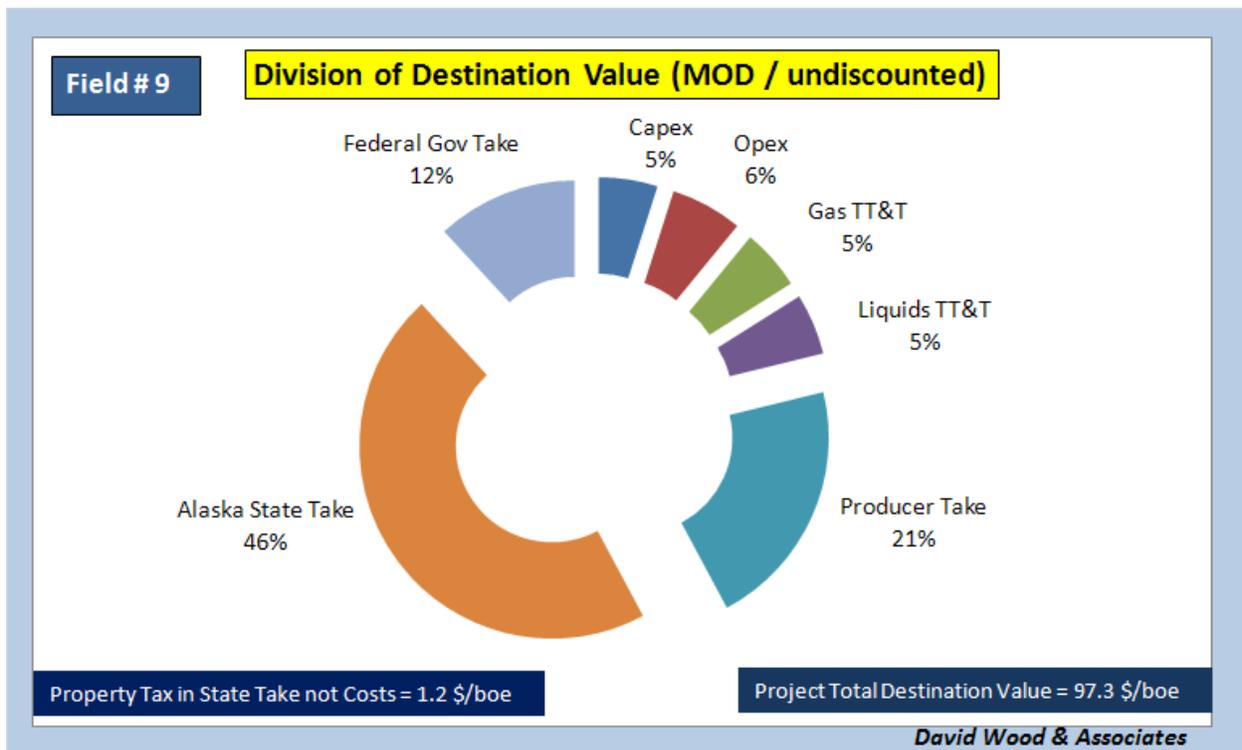
Investment Credits Reduce Alaska Take by some -3 %

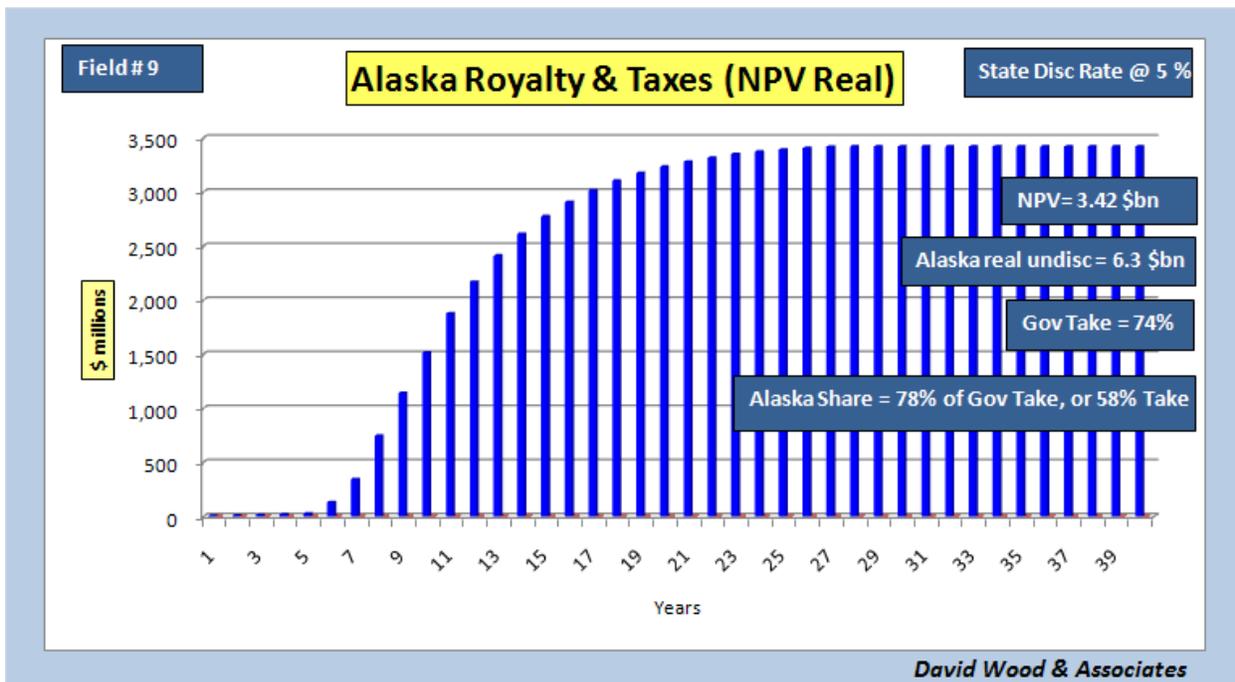
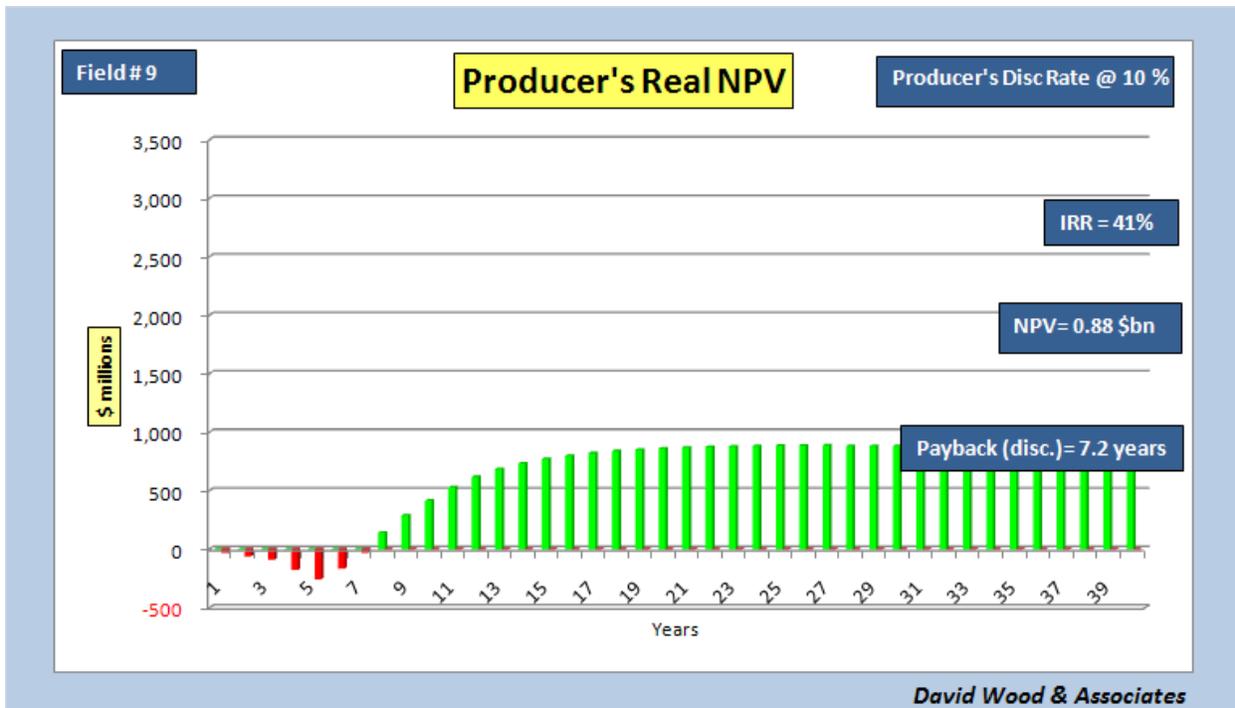
Alaska Take Components			
Fiscal Elements	\$ millions	\$boe	%
Royalties	1,275	11.25	23.5%
BPT (net inv. credit)	1,876	16.54	34.6%
CPT	1,740	15.34	32.1%
GPT	0	0.00	0.0%
Alaska CIT	406	3.58	7.5%
Property Tax	121	1.07	2.2%
Totals	5,417	47.79	100.0%
Undiscounted and MOD			

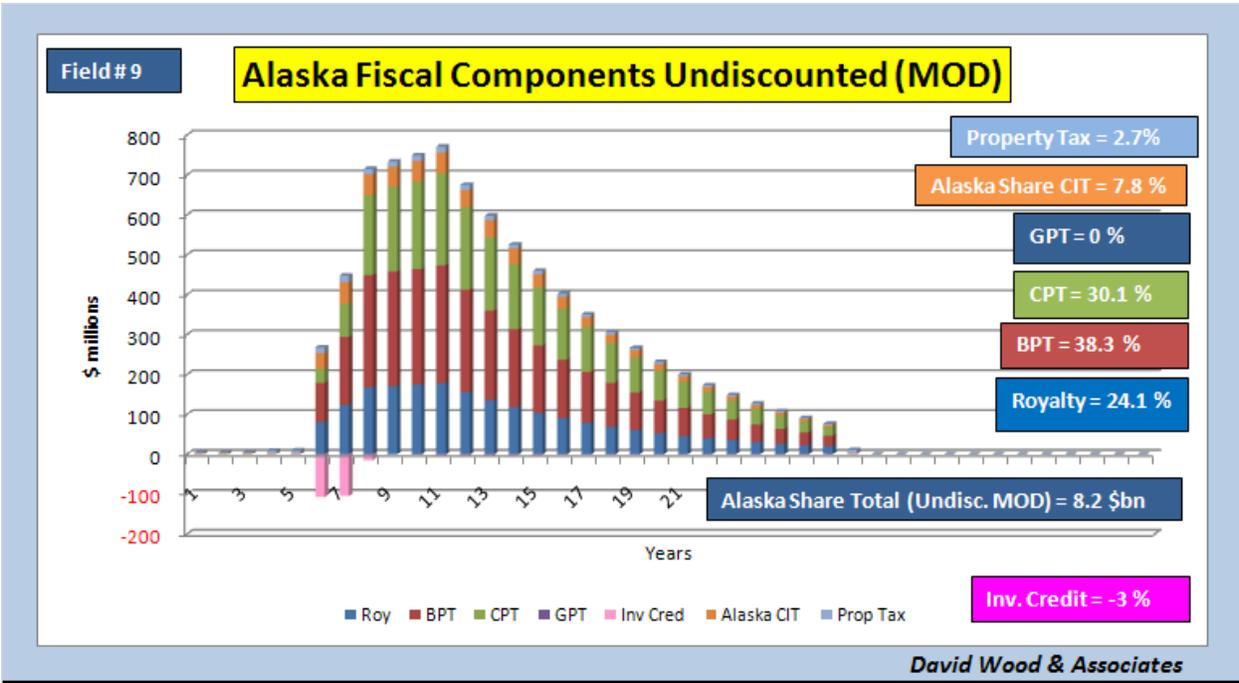
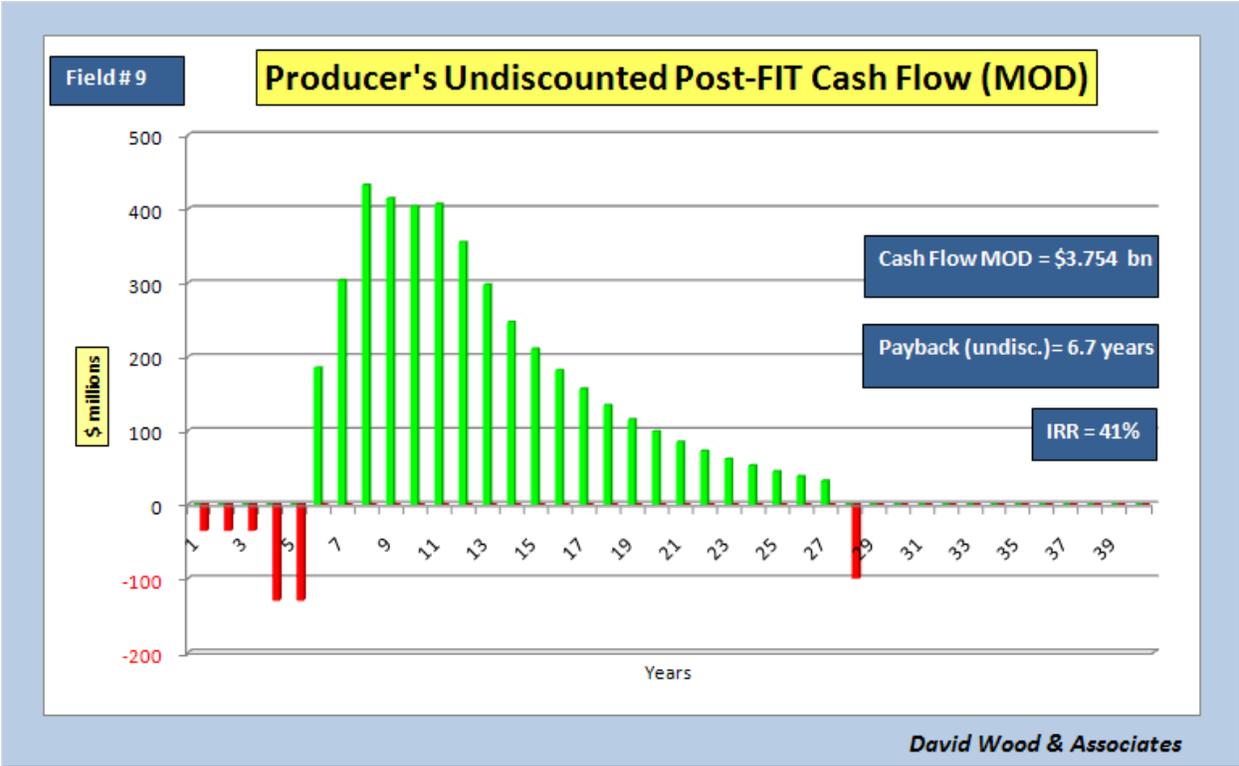


Oil Field #9 (184 million boe produced)

Summary of Model Calculations		
Key Values Calculated for Model Field #:	9	Key Field & Government / Alaska Metrics
Sales Gas Produced 0.198 quad btu or (bcf)	177	7.50 Initial Gas Destination Price (\$/mmbtu)
Oil (C5+) Produced (millions barrels)	154	13.06 Maximum Gas Destination Price (\$/mmbtu)
Gas + Oil(C5+) Produced 1103 bcfe or (millions boe)	184	80.00 Initial Oil Destination Price (\$/barrel)
Peak Average Daily Natural Gas (mmcf)	46	139.28 Maximum Oil Destination Price (\$/barrel)
Peak Average Daily Oil (C5+) (bopd)	40,000	74.8 Initial LPG Destination Price (\$/barrel)
Maximum water cut (%)	37.6%	130.20 Maximum LPG Destination Price (\$/barrel)
Capex /unit 0.759 \$/mmbtu or (\$/boe) MOD	5.09	6 Year on stream real values refer to year: 0 \$
Opex /unit 0.911 \$/mmbtu or (\$/boe) MOD	6.11	17,885 Project Destination Value Revenue MOD (\$ millions)
Gas TT&T/unit 0.837 \$/mmbtu or (\$/boe) MOD	5.62	97.27 Project Dest. Val. MOD (\$/boe) - Average "boe" Price
Oil (C5+) TT&T/unit 0.744 \$/mmbtu or (\$/boe) MOD	4.99	10.77 (\$/boe) Total Royalties 1981 \$ millions MOD
Field on-stream (Years)	22	17.11 (\$/boe) BPT (incl. Floor: no Inv Credit) 3146 \$ millions MOD
Field Shut-in (Year)	28	13.46 (\$/boe) CPT Paid 2476 \$ millions MOD
Producer's Post-Royalty Operating Cash Flow (\$/boe) MOD	69.78	0.00 No separate GPT under 2007 law
Producer's Pre-Production Tax Cashflow (\$/boe) MOD	64.69	-1.32 (\$/boe) Inv Credit Paid to Company -244 \$millions MOD
Producer's Post-BPTCashflow (\$/boe) MOD	47.58	3.50 (\$/boe) Alaska CIT 643 \$millions MOD
Producer's Post-PTCash Flow-NoInvCred(\$/boe) MOD	32.28	11.52 (\$/boe) Federal Income Tax 2119 \$millions MOD
Producer's Post-ProgressivityInvCredit Cash Flow (\$/boe) MOE	35.44	56.24 (\$/boe)Total Gov. Share Undisc 10341 \$millions MOD
Producer's Post-FIT Cash Flow 3754 \$millions & (\$/boe) MOD	20.42	44.72 (\$/boe)Total Alaska Share Undisc 8222 \$millions MOD
Producer's Post-FIT Cash Flow 2898 \$millions (\$/boe) real	15.76	79.5% Alaska Percentage of Total Government Share (%)
Producer's NPV 1131 \$millions @ 10% (\$/disc boe) MOD	18.81	73.4% Government Undiscounted Share of Cash Flow MOD (%)
Producer's NPV @ 10% (\$/discounted boe) real	14.63	43.14 (\$/boe)Total Gov. Share Undisc 7933 \$millions real
Producer's NPV @ 10% (\$millions) real	880	34.21 (\$/boe)Total Alaska Share Undisc 6291 \$millions real
Producer's IRR (%) MOD	44.0%	42.80 (\$/discounted boe) Total Gov Share NPV @5% real
Producer's IRR (%) real	41.2%	33.71 (\$/dicounted boe) Total Alaska Share NPV @5% real
Producer's Payback Time (years) MOD undiscounted	6.70	78.3% Alaska Share of Government Take real & Disc @10 (%)
Producer's Payback Time (years) real discounted	7.18	74.4% Government Share of Cash Flow real & Disc @10 (%)
Producer's NPV / Investment real Discounted	2.14	4,343 Total Government Share NPV @5% real (\$ millions)
Note: "\$/boe" refers to "boe" commercially produced		3,421 Total Alaska Share NPV @5% real (\$ millions)

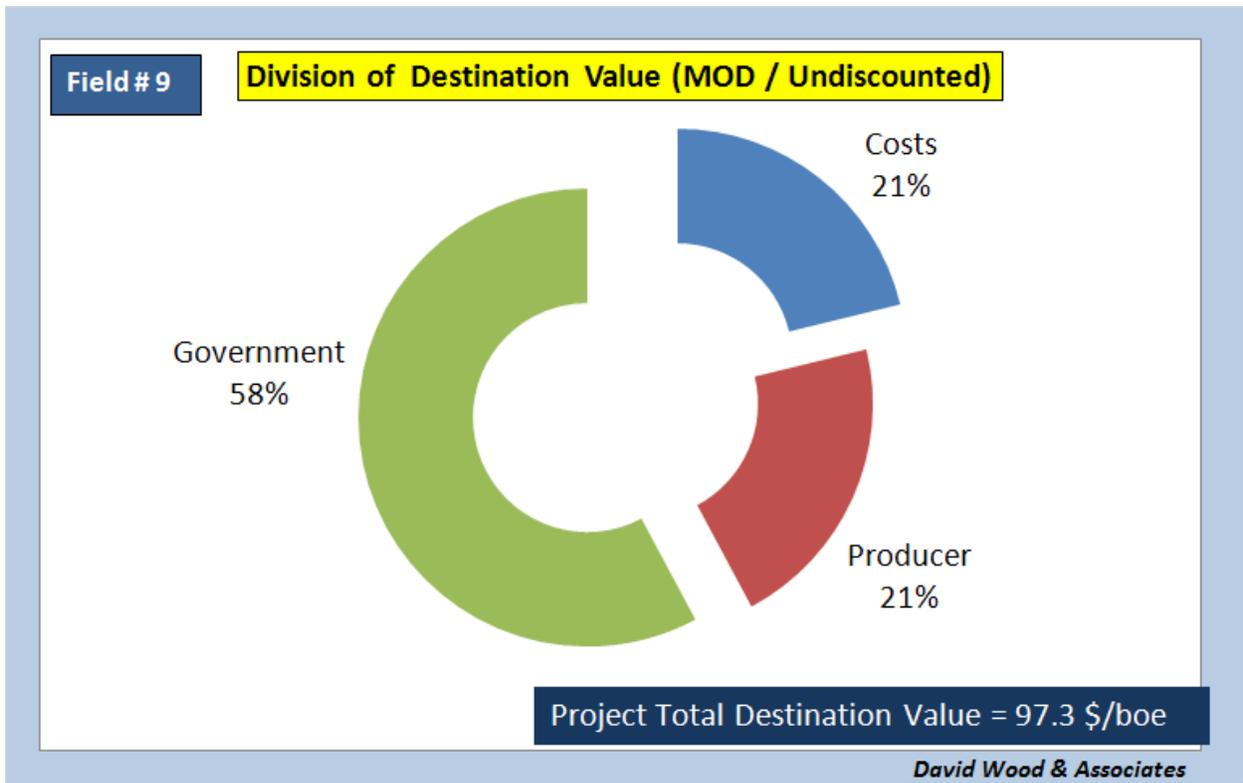






Field #9

Stakeholder Take Comparisons		
	Total Government	Producer
Take % of undiscounted MOD cash flows	73.36%	26.64%
Take % of undiscounted real cash flows	73.24%	26.76%
Take % of NPV real (5 % discount rate)	73.47%	26.53%
Take % of NPV real (10 % discount rate)	74.36%	25.64%
Take (\$ millions) from MOD cash flows	10,341	3,754
Take (\$ millions) from real cash flows	7,933	2,898
Take (\$ millions), NPV real (5 % discount rate)	4,343	1,569
Take (\$ millions), NPV real (10 % discount rate)	2,551	880
Take (\$/boe) from MOD cash flows	56.24	20.42
Take (\$/boe) from real cash flows	43.14	15.76
Take (\$/disc boe), NPV real (5 % discount rate)	42.80	15.46
Take (\$/disc boe), NPV real (10 % discount rate)	42.43	14.63
Total production undiscounted million boe = 184	101 boe disc @5 %	60 boe disc @10 %



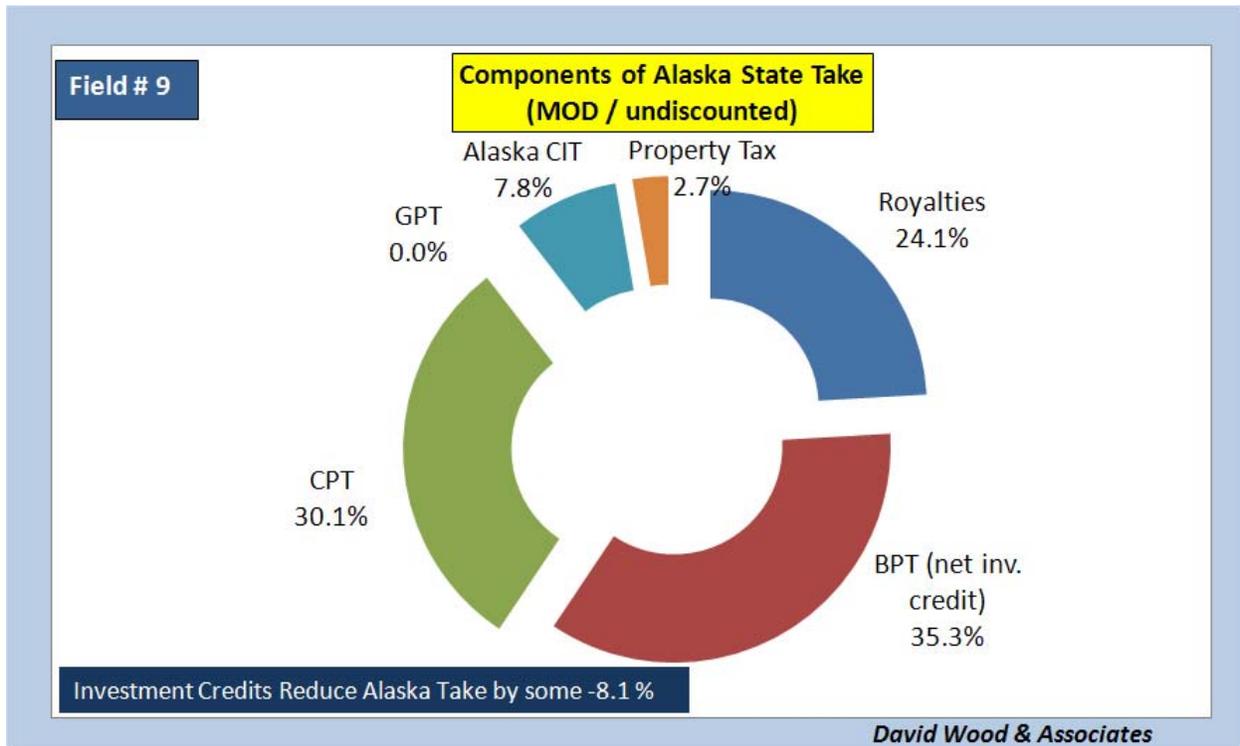
Fiscal Takes for Oil Field #9 Base Case

Government Take = Alaska State Take + Federal Income Tax

24.1% Royalties as fraction of Alaska Take (MOD / undiscounted)
38.3% BPT (incl. floor) as fraction of Alaska Take (MOD / undisc)
30.1% Combined Oil & Gas Prog. Tax (CPT) Paid (MOD / undisc)
0.0% Separate Gas Progressivity Tax GPT Paid (MOD / undisc)
7.8% CIT fraction of Alaska Take (MOD / undisc)
-3.0% Invest. Credit (offsets BPT) of Alaska Take (MOD / undisc)
2.7% Property Tax as fraction of Alaska Take (MOD / undisc)
100.0% Sum of Components of Alaska State Take
46.0% Alaska Take % of Undisc mod Destination Value
57.8% Government Take % of Undisc MOD Destination Value
58.3% Alaska Take % of Undiscounted MOD Cash Flow
73.4% Government Take % of Undiscounted MOD Cash Flow

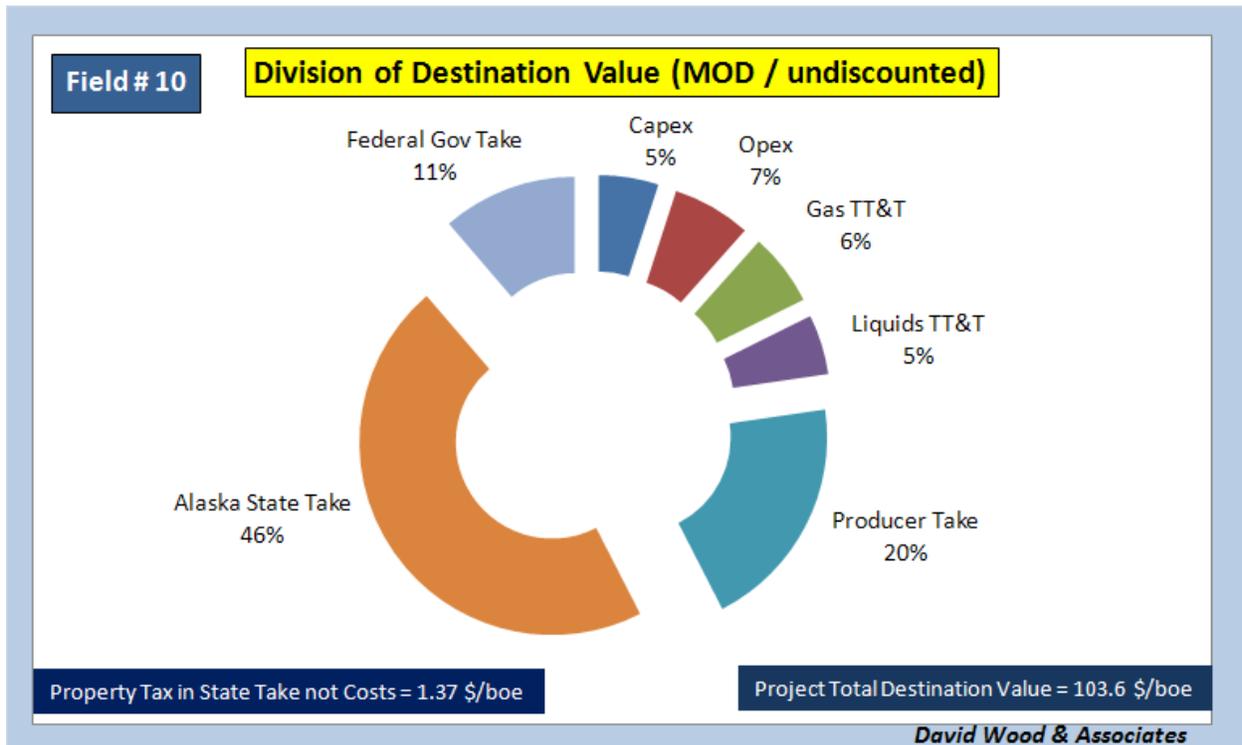
Investment Credits Reduce Alaska Take by some -3 %

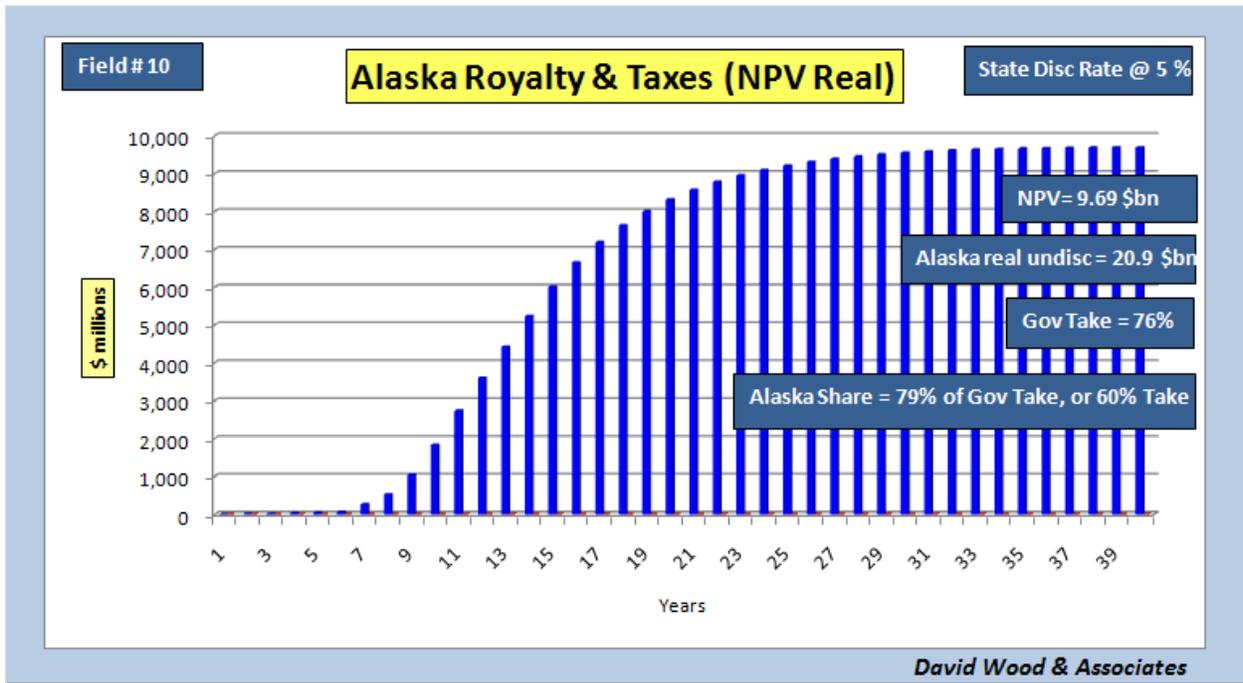
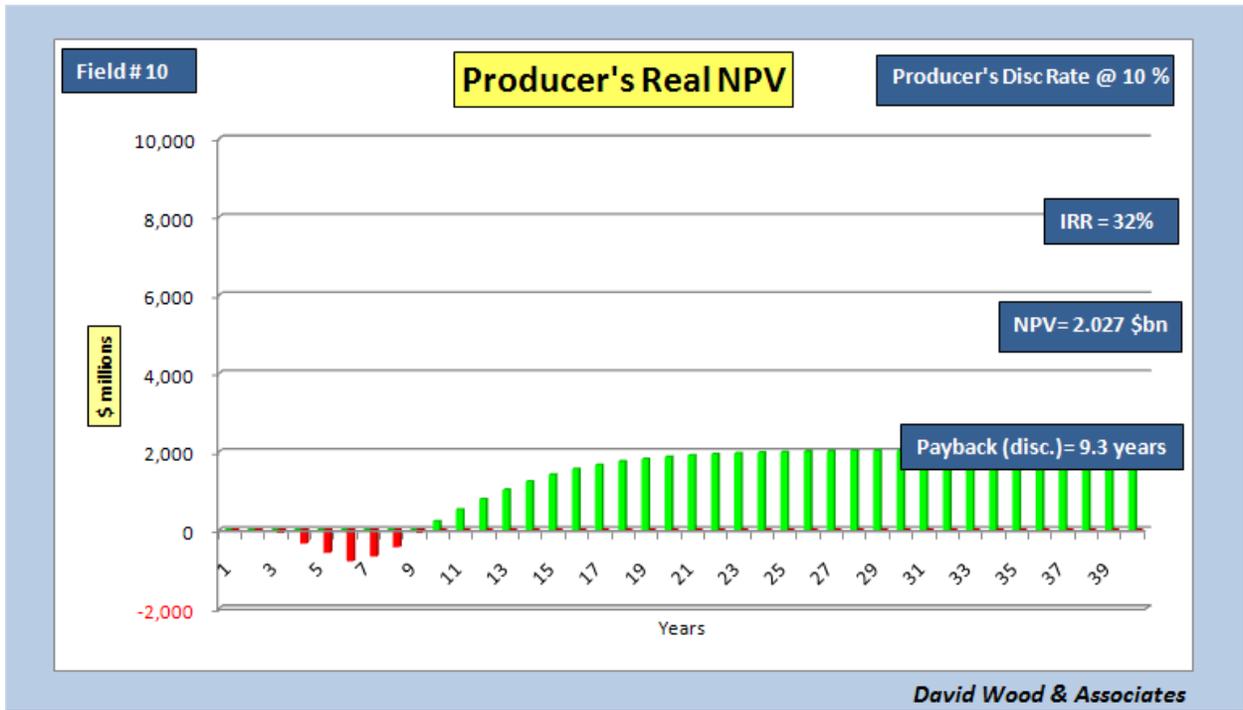
Alaska Take Components			
Fiscal Elements	\$ millions	\$boe	%
Royalties	1,981	10.77	24.1%
BPT (net inv. credit)	2,902	15.78	35.3%
CPT	2,476	13.46	30.1%
GPT	0	0.00	0.0%
Alaska CIT	643	3.50	7.8%
Property Tax	220	1.20	2.7%
Totals	8,222	44.72	100.0%
Undiscounted and MOD			

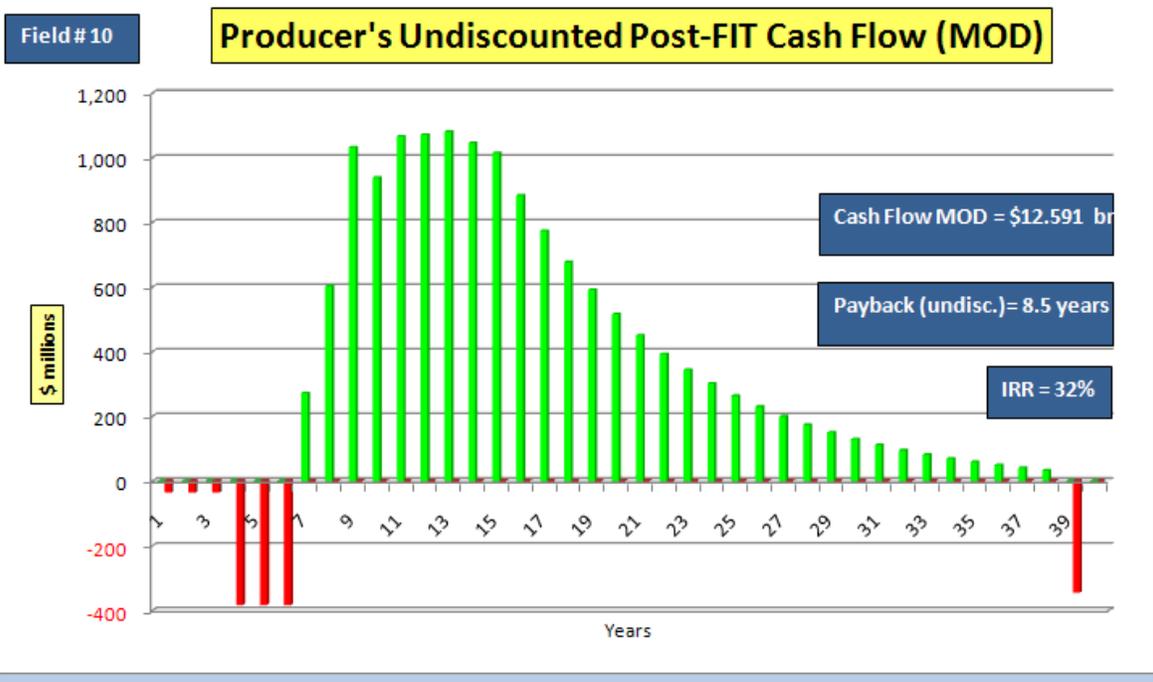


Oil Field #10 (615 million boe produced)

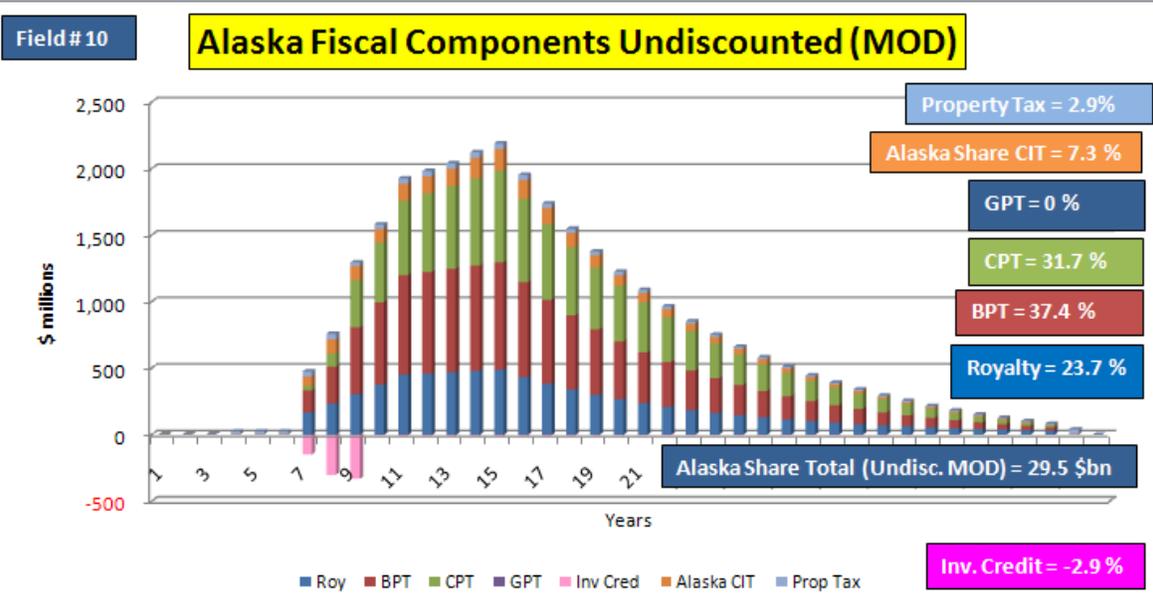
Summary of Model Calculations		
Key Values Calculated for Model Field #:	10	Key Field & Government / Alaska Metrics
Sales Gas Produced 0.771 quad btu or (bcf)	690	7.50 Initial Gas Destination Price (\$/mmbtu)
Oil (C5+) Produced (millions barrels)	500	16.24 Maximum Gas Destination Price (\$/mmbtu)
Gas + Oil(C5+) Produced 3690 bcfe or (millions boe)	615	80.00 Initial Oil Destination Price (\$/barrel)
Peak Average Daily Natural Gas (mmcf)	138	173.18 Maximum Oil Destination Price (\$/barrel)
Peak Average Daily Oil (C5+) (bopd)	100,000	74.8 Initial LPG Destination Price (\$/barrel)
Maximum water cut (%)	54.3%	161.89 Maximum LPG Destination Price (\$/barrel)
Capex /unit 0.824 \$/mmbtu or (\$/boe) MOD	5.53	7 Year on stream real values refer to year: 0 \$
Opex /unit 1.059 \$/mmbtu or (\$/boe) MOD	7.11	63,693 Project Destination Value Revenue MOD (\$ millions)
Gas TT&T/unit 1.047 \$/mmbtu or (\$/boe) MOD	7.02	103.57 Project Dest. Val. MOD (\$/boe) - Average "boe" Price
Oil (C5+) TT&T/unit 0.776 \$/mmbtu or (\$/boe) MOD	5.20	11.35 (\$/boe) Total Royalties 6978 \$ millions MOD
Field on-stream (Years)	32	17.89 (\$/boe) BPT (incl. Floor: no Inv Credit) 11005 \$ millions MO
Field Shut-in (Year)	39	15.19 (\$/boe) CPT Paid 9341 \$ millions MOD
Producer's Post-Royalty Operating Cash Flow (\$/boe) MOD	72.89	0.00 No separate GPT under 2007 law
Producer's Pre-Production Tax Cashflow (\$/boe) MOD	67.36	-1.39 (\$/boe) Inv Credit Paid to Company -854 \$millions MOD
Producer's Post-BPTCashflow (\$/boe) MOD	49.46	3.50 (\$/boe) Alaska CIT 2150 \$millions MOD
Producer's Post-PTCash Flow-NoInvCred(\$/boe) MOD	32.69	11.69 (\$/boe) Federal Income Tax 7192 \$millions MOD
Producer's Post-ProgressivityInvCredit Cash Flow (\$/boe) MOC	35.66	59.60 (\$/boe)Total Gov. Share Undisc 36652 \$millions MOD
Producer's Post-FIT Cash Flow 12591 \$millions & (\$/boe) MOC	20.47	47.90 (\$/boe)Total Alaska Share Undisc 29460 \$millions MOD
Producer's Post-FIT Cash Flow 9124 \$millions (\$/boe) real	14.84	80.4% Alaska Percentage of Total Government Share (%)
Producer's NPV 2791 \$millions @ 10% (\$/disc boe) MOD	18.29	74.4% Government Undiscounted Share of Cash Flow MOD (%)
Producer's NPV @ 10% (\$/discounted boe) real	13.28	42.43 (\$/boe)Total Gov. Share Undisc 26094 \$millions real
Producer's NPV @ 10% (\$millions) real	2,027	33.99 (\$/boe)Total Alaska Share Undisc 20903 \$millions real
Producer's IRR (%) MOD	34.2%	41.91 (\$/discounted boe) Total Gov Share NPV @5% real
Producer's IRR (%) real	31.5%	33.30 (\$/dicounted boe) Total Alaska Share NPV @5% real
Producer's Payback Time (years) MOD undiscounted	8.50	78.8% Alaska Share of Government Take real & Disc @10 (%)
Producer's Payback Time (years) real discounted	9.27	75.6% Government Share of Cash Flow real & Disc @10 (%)
Producer's NPV / Investment real Discounted	1.64	12,198 Total Government Share NPV @5% real (\$ millions)
Note: "\$/boe" refers to "boe" commercially produced		9,691 Total Alaska Share NPV @5% real (\$ millions)







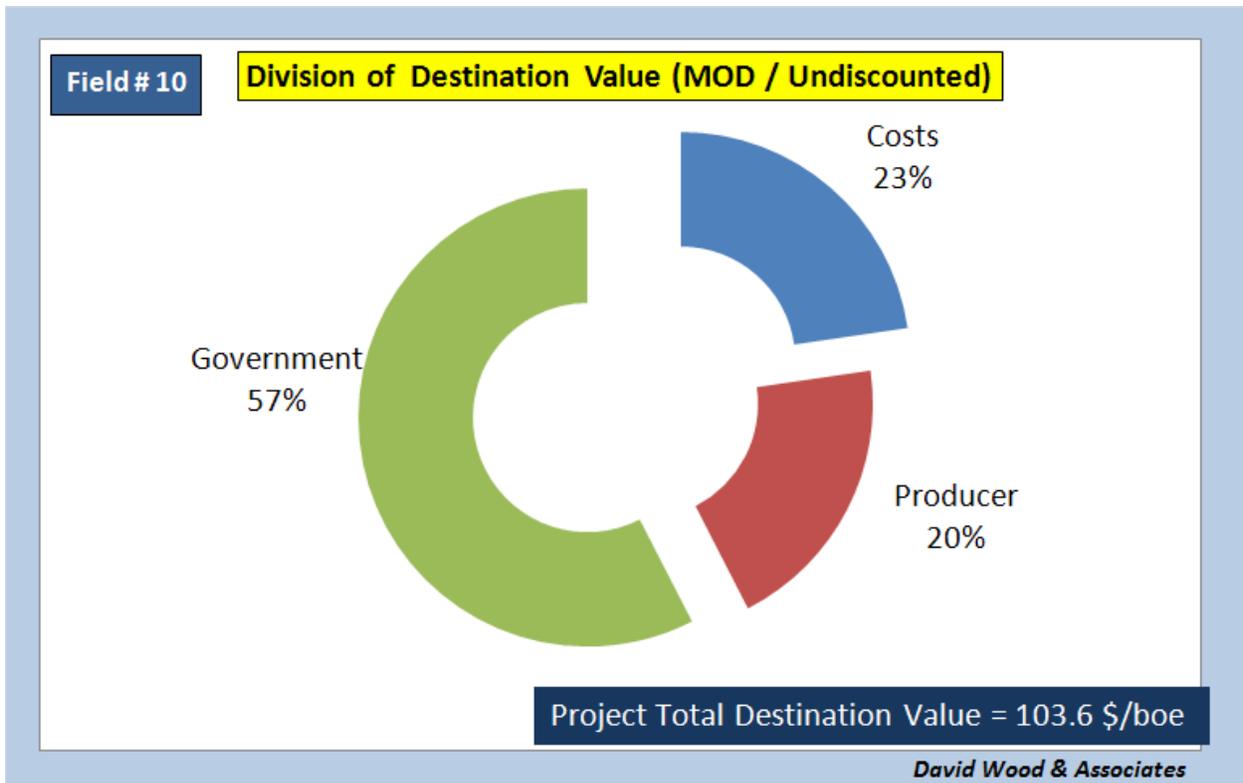
David Wood & Associates



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Field #10

Stakeholder Take Comparisons		
	Total Government	Producer
Take % of undiscounted MOD cash flows	74.43%	25.57%
Take % of undiscounted real cash flows	74.09%	25.91%
Take % of NPV real (5 % discount rate)	74.28%	25.72%
Take % of NPV real (10 % discount rate)	75.65%	24.35%
Take (\$ millions) from MOD cash flows	36,652	12,591
Take (\$ millions) from real cash flows	26,094	9,124
Take (\$ millions), NPV real (5 % discount rate)	12,198	4,223
Take (\$ millions), NPV real (10 % discount rate)	6,295	2,027
Take (\$/boe) from MOD cash flows	59.60	20.47
Take (\$/boe) from real cash flows	42.43	14.84
Take (\$/disc boe), NPV real (5 % discount rate)	41.91	14.51
Take (\$/disc boe), NPV real (10 % discount rate)	41.25	13.28
Total production undiscounted million boe = 615	291 boe disc @5 %	153 boe disc @10 %



Fiscal Takes for Oil Field #10 Base Case

Government Take = Alaska State Take + Federal Income Tax

23.7% Royalties as fraction of Alaska Take (MOD / undiscounted)
37.4% BPT (incl. floor) as fraction of Alaska Take (MOD / undisc)
31.7% Combined Oil & Gas Prog. Tax (CPT) Paid (MOD / undisc)
0.0% Separate Gas Progressivity Tax GPT Paid (MOD / undisc)
7.3% CIT fraction of Alaska Take (MOD / undisc)
-2.9% Invest. Credit (offsets BPT) of Alaska Take (MOD / undisc)
2.9% Property Tax as fraction of Alaska Take (MOD / undisc)
100.0% Sum of Components of Alaska State Take
46.3% Alaska Take % of Undisc mod Destination Value
57.5% Government Take % of Undisc MOD Destination Value
59.8% Alaska Take % of Undiscounted MOD Cash Flow
74.4% Government Take % of Undiscounted MOD Cash Flow

Investment Credits Reduce Alaska Take by some -2.9 %

Alaska Take Components			
Fiscal Elements	\$ millions	\$boe	%
Royalties	6,978	11.35	23.7%
BPT (net inv. credit)	10,151	16.51	34.5%
CPT	9,341	15.19	31.7%
GPT	0	0.00	0.0%
Alaska CIT	2,150	3.50	7.3%
Property Tax	840	1.37	2.9%
Totals	29,460	47.90	100.0%

Undiscounted and MOD

