

# ACES STRIKES FAIR BALANCE BETWEEN INDUSTRY AND GOVERNMENT

## HOW DO WE KNOW?

THROUGH EYES OF INDUSTRY:

**ACES PRESERVES  
INVESTMENT OPPORTUNITIES**

### New Fields

- All costs are prospective
- We study "Cradle to Grave" Economics
  - Examine Net Present Value for Entire Project
- We compare share of Pre-Tax Profits
  - Received by Industry
  - Received by Government

THROUGH EYES OF STATE:

**ACES POSITIONS ALASKA TO  
BE STRONG COMPETITOR**

### Mature Fields

- Most costs have been incurred
- We compare how a \$1.00 Oil Price increase is shared by Industry and Government
- We don't use cash flow in a single year because it can vary widely from year to year

## Alaska and Competing Governments Compared Using the Following Factors:

- Attractiveness of Oil & Gas Reserves
- Cost to Develop the Field
- Total Government Share
  - Whole Project Value (New Fields)
  - Next \$1.00 Price Increase (Mature Fields)
- Political Stability
- How Quickly Capital Investment is Returned to Industry

# ACES

Alaska's Clear and Equitable Share