

ACES PRESERVES NEW FIELD INVESTMENT CLIMATE



Characteristics of the Seven Fields

	Field A	Field B	Field C	Field D	Field E	Field F	Field G
Legacy Field	●						
Satellite	●	●	●		●		
Stand Alone				●		●	●
Heavy Oil	●				●		
Reserves (MMB)	80	60	40	200	100	120	320
Capital (\$ / B)	\$11	\$10	\$11	\$13	\$16	\$8	\$5
Expense (\$ / B)	\$7	\$9	\$8	\$12	\$8	\$5	\$6

New Field Tax Analysis - Net Present Value Effects

NET PRODUCTION TAX SCENARIOS

Scenario #	Rate		Progressivity		Capital Investment Credit	Industry NPV @ 10% at \$40/bbl real ANS WC (mm\$)						
	Mature Fields	Other Fields	Trigger	Rate		Field A	Field B	Field C	Field D	Field E	Field F	Field G
ACES - 10% Floor	25.0%	25.0%	\$30	0.0020	20%	10	60	40	40	(540)	210	970
ACES - No Floor	25.0%	25.0%	\$30	0.0020	20%	120	60	40	40	(260)	210	970
PPT - Status Quo	22.5%	22.5%	\$40	0.0025	20%	180	50	60	10	(180)	220	1,100
High Net Tax	35.0%	22.5%	\$30	0.0030	20%	150	50	50	0	(170)	140	1,100

GROSS PRODUCTION TAX SCENARIOS

Scenario #	Tax Rate (All Fields)	Other Incentives	Progressivity		Capital Investment Credit	Industry NPV @ 10% at \$40/bbl real ANS WC (mm\$)						
			Trigger	Rate		Field A	Field B	Field C	Field D	Field E	Field F	Field G
Low Rate - No Credits	13%		\$40	0.0020	None	(30)	(40)	(30)	(450)	(590)	80	740
Medium Rate	16%		\$40	0.0020	20%	30	0	0	(290)	(460)	130	830
Former Tax - No ELF	16%		NA	NA	none	(40)	(50)	(30)	(440)	(580)	80	760
High Rate - Flat Tax	19%		NA	NA	20%	20	(10)	0	(270)	(450)	130	850
Sliding Scale	Price / Yrs in Svc	5-Yr Holiday	NA	NA	20%	130	40	40	20	(360)	180	1,100