

Point Thomson Project - Progress Update

Commitment to Produce
**POINT
THOMSON
PROJECT**



Sept 18, 2008

Resource Development Council

Craig A. Haymes

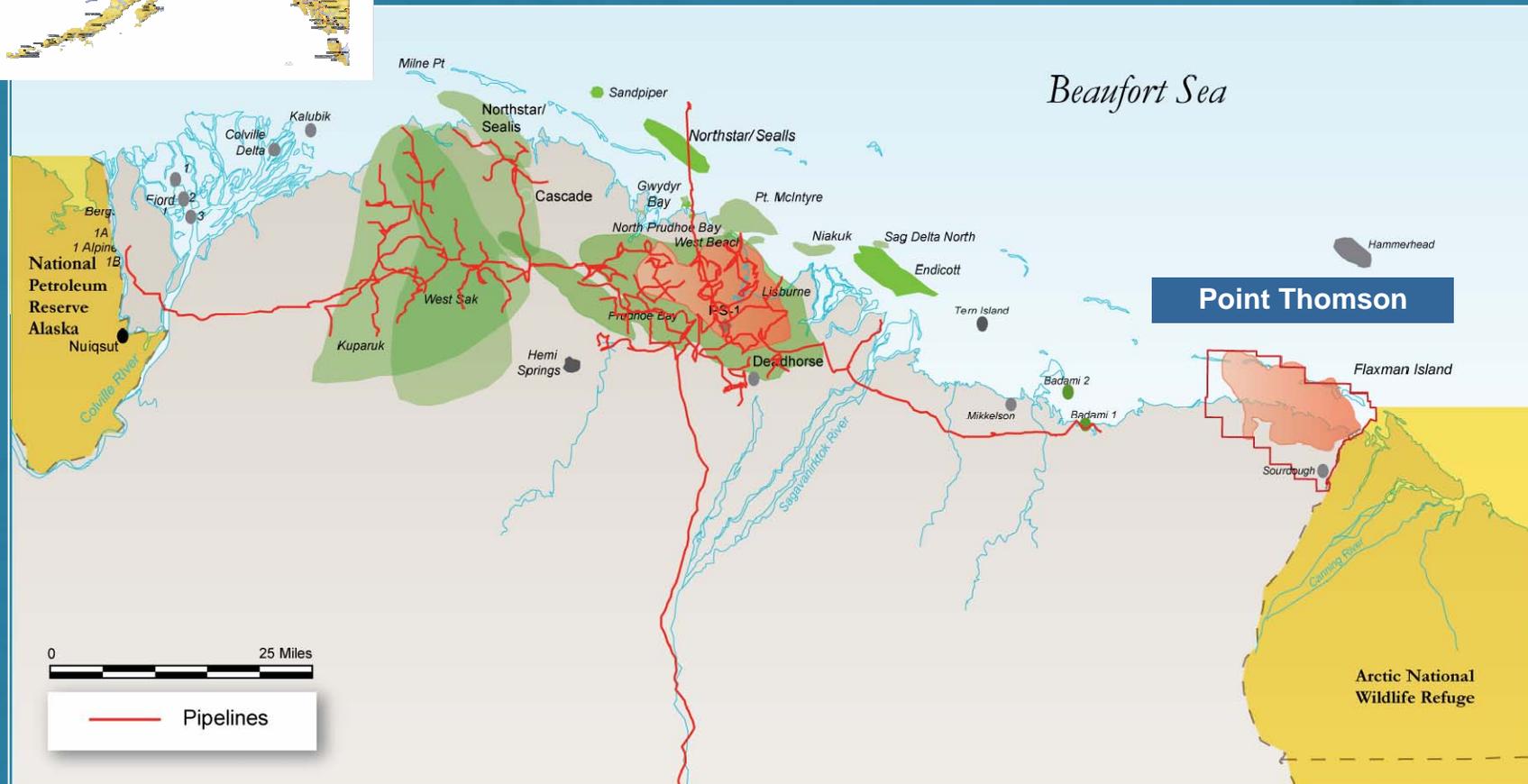
ExxonMobil Alaska Production Manager

ExxonMobil

Point Thomson – Isolated from Rest of North Slope



- Located in remote and environmentally sensitive area
- 60 miles east of Prudhoe Bay and TransAlaska Pipeline
- 22 miles east of Badami



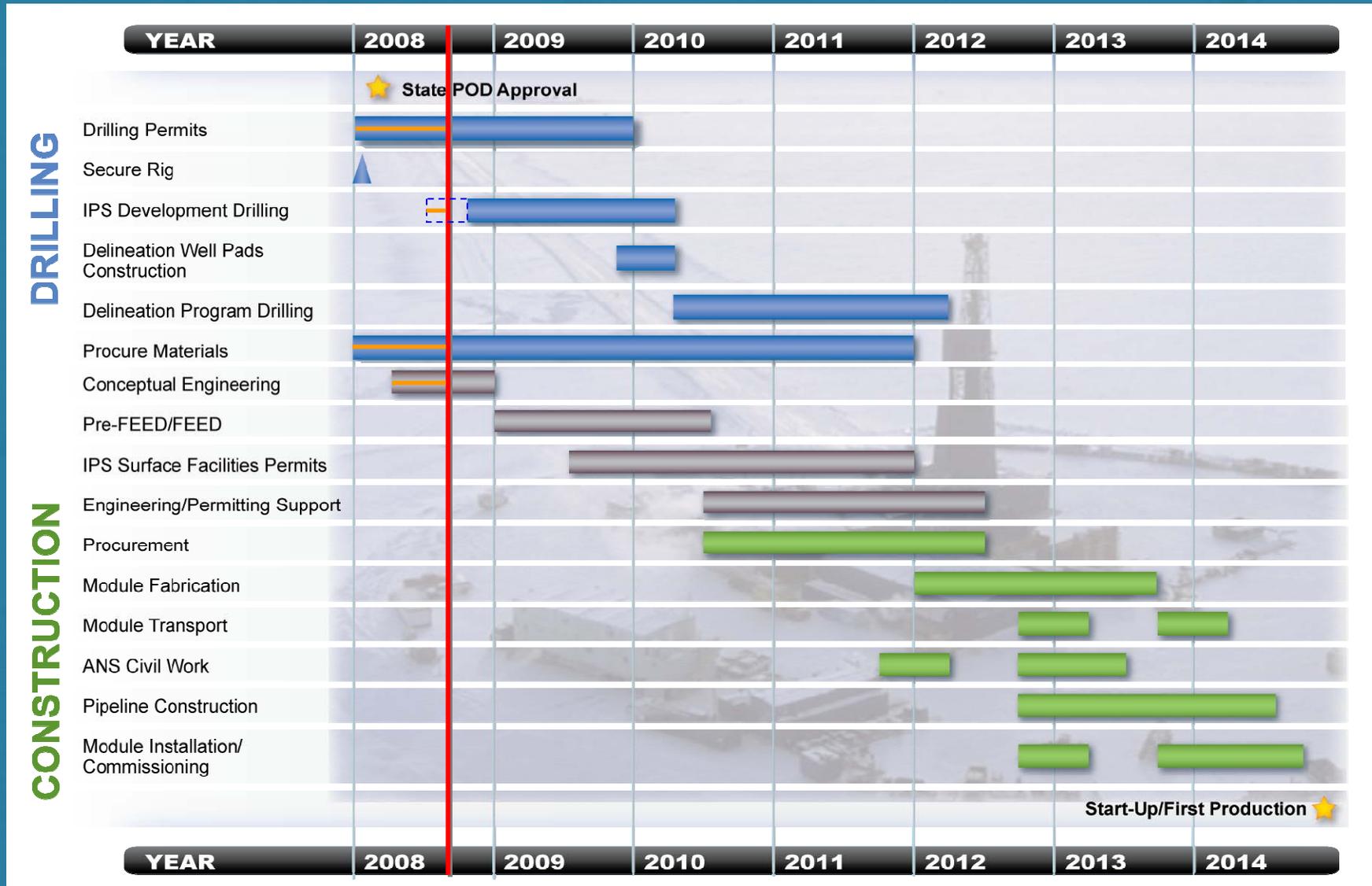
Point Thomson Project – Initial Development Phase

Project Illustration

- Production by YE 2014: 10,000 BPD, inject remaining gas
- Includes process facilities, liquids pipeline, airstrip, camp
- Delineates oil reservoirs, ability to produce
- Future expansion capability; ultimate gas sales development



Point Thomson Project - Clear & Committed Timeline

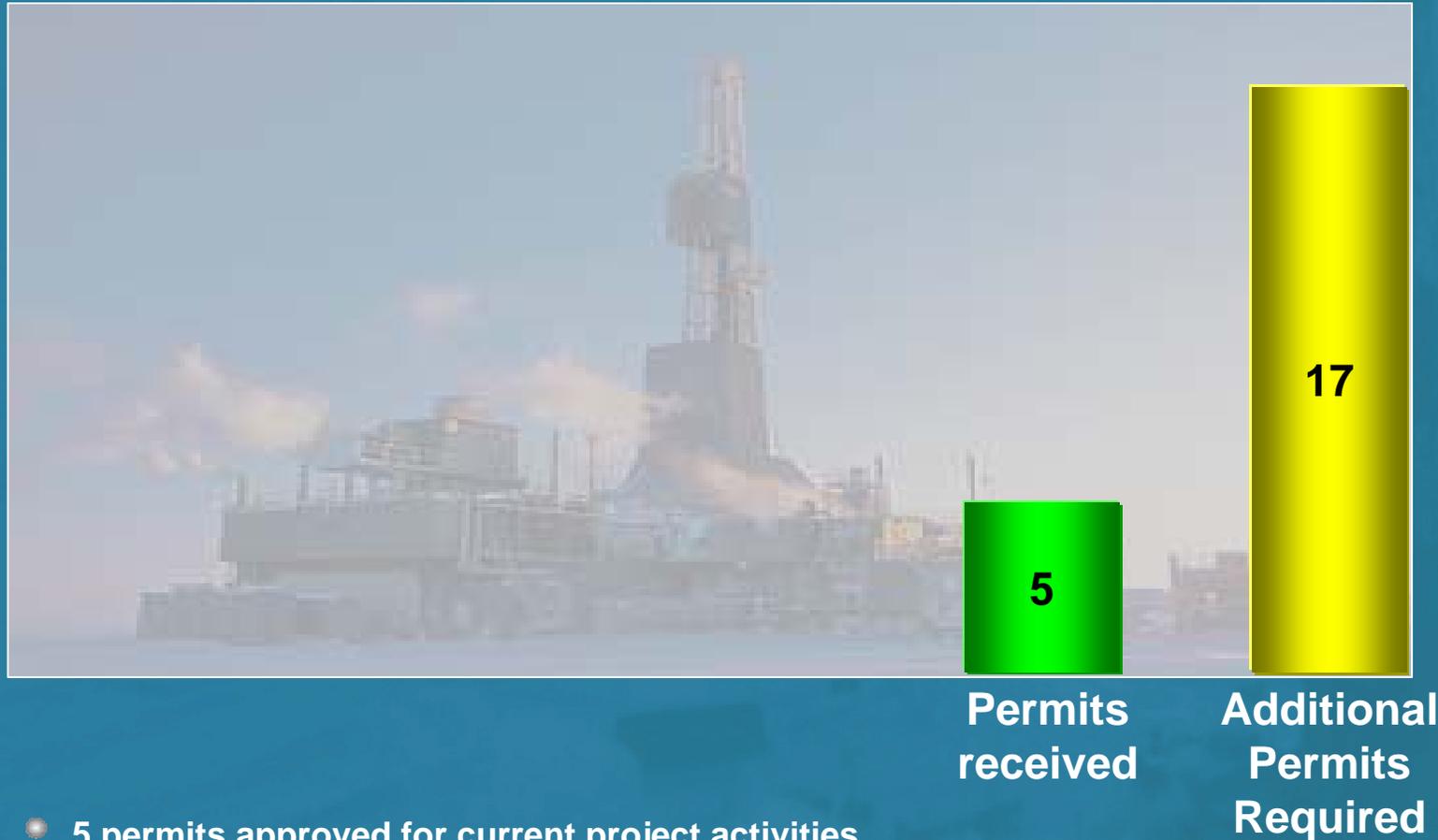


Point Thomson Project – Site Activity

- Grade pad and place additional gravel
- Stage ice road construction equipment and camp
- Prepare drill rig and helicopter pads
- Install drill well cellars and conductors

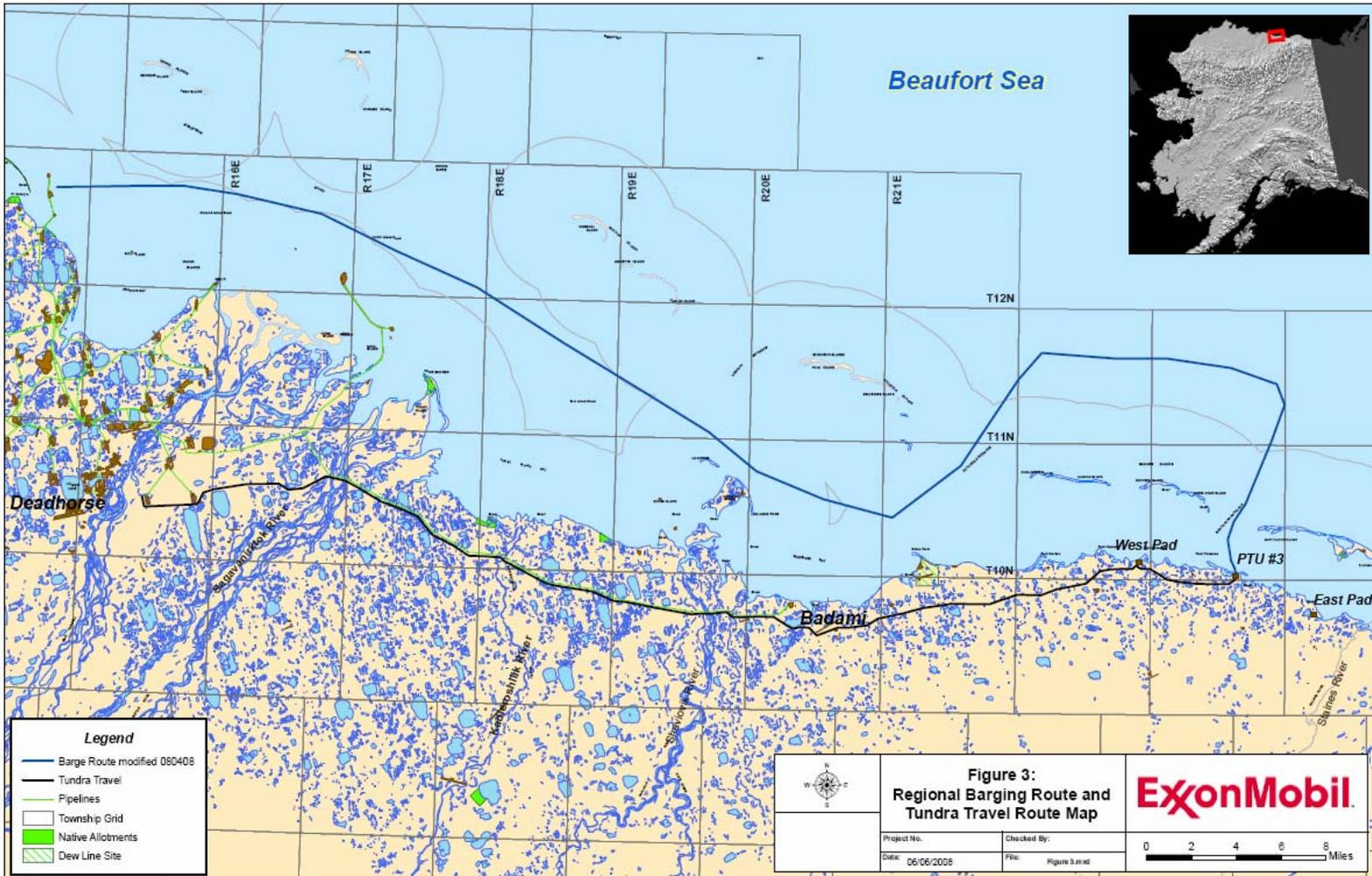


Point Thomson Project – Permits



- 5 permits approved for current project activities
- 17 additional permits required
 - ice road construction and drilling
- Working with state, federal, and local agencies

Point Thomson Project – Barge Route



- 60 miles from Prudhoe Bay dock to Point Thomson site
- Working with North Slope Borough, villages, and AK Eskimo Whaling Commission
- Modified route to address subsistence concerns

Point Thomson Project – First Barges Arrive at Site

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August 22, 2008

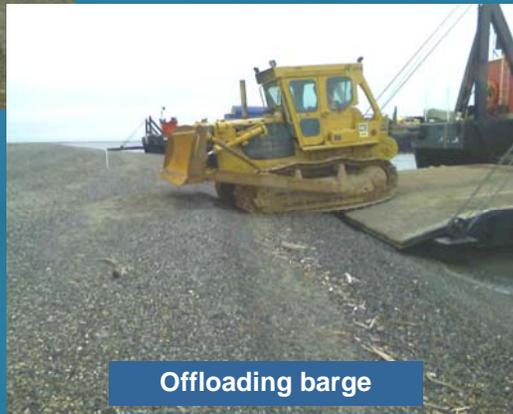
Point Thomson Project – Barges Offload



Two 200 x 60 ft barges arrive at site



Onsite Safety Briefing



Offloading barge

- 400 - 700 tons of equipment and material

Point Thomson Project – Site Activity

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Water Truck for Winter Construction



Site Survey



Gravel Pad Grading



Crew Changeout



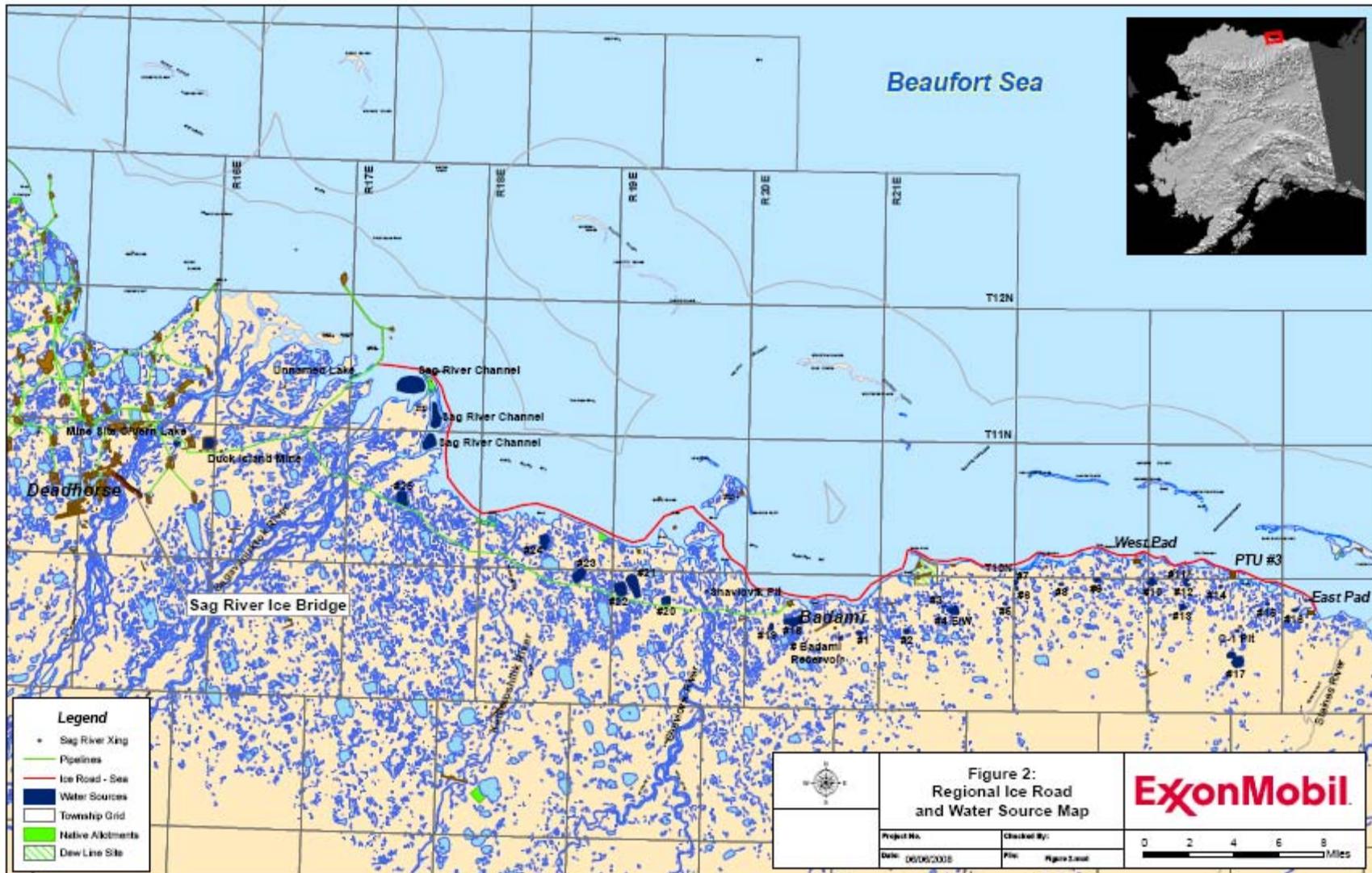
Equipment Staging



Onsite Camps

ExxonMobil

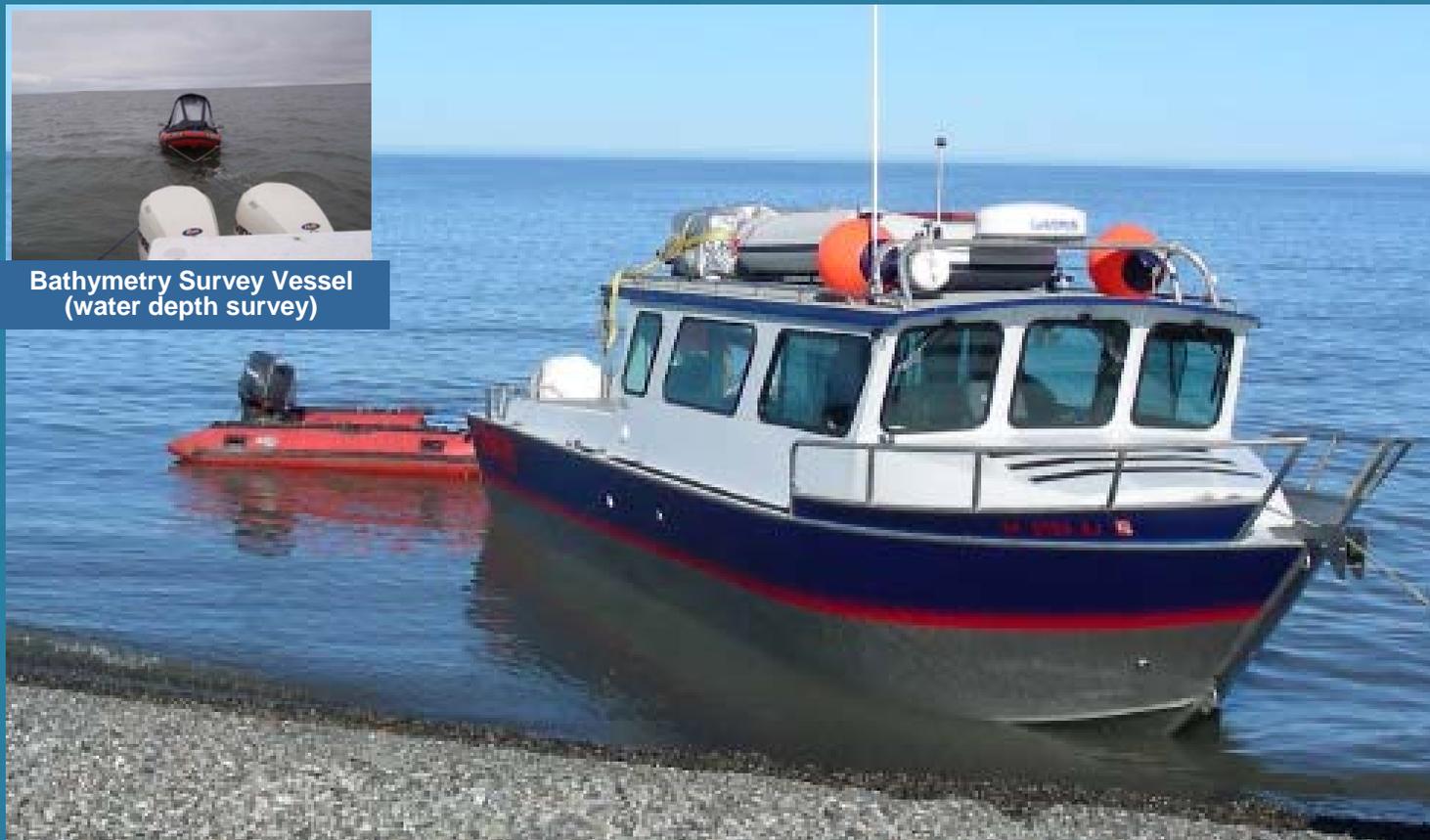
Point Thomson Project – 50 mile Sea Ice Road



Point Thomson Project – Bathymetry Survey



**Bathymetry Survey Vessel
(water depth survey)**



- 32 foot vessel with three person crew
- Conventional depth finder to map water depths for ice road
- Survey near shoreline, targeting 3 to 5 foot water depths
- Will complete survey September 2008

Point Thomson Project – Sea Ice Road & Runway

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- Construction of 50 mile ice road will commence by Dec 2008 (depends on weather)
- One Mile ice runway to support large aircraft (including Hercules)
- Ice road will requires >50 tons of equipment to build
- Ice road built on frozen ocean, thickness increased with water and ice
- Mobilize drilling rig January 2009

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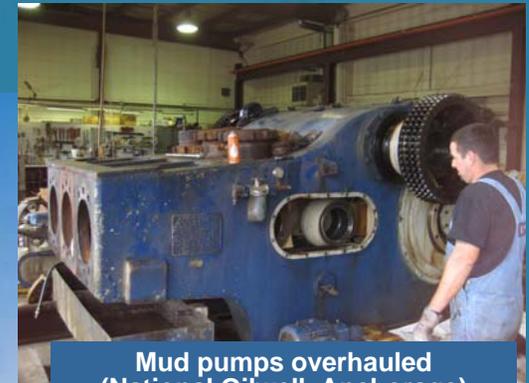
Point Thomson Project – Nabors 27E Drill Rig Upgrade



Draw Works Replaced
(Deadhorse, AK)



Derrick Refurbished
(Edmonton)

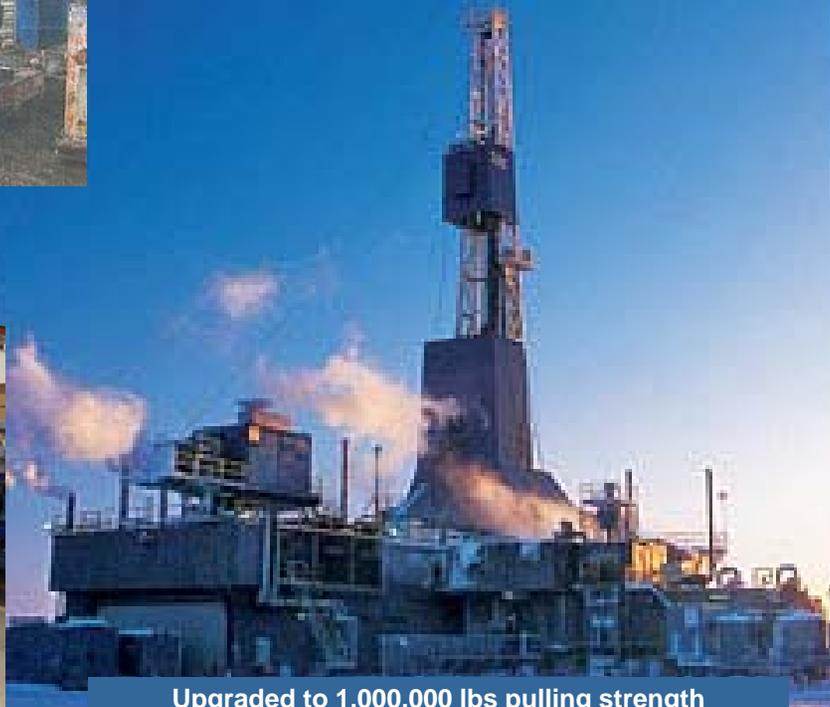


Mud pumps overhauled
(National Oilwell, Anchorage)



Engines Overhauled
(Seattle)

/2008



Upgraded to 1,000,000 lbs pulling strength



Mud pump module fabrication
(Aurora, Anchorage)

- \$20M rig upgrades on schedule - completion December 2008
- Rig mobilized to Point Thomson site by January 2009
- Multi-year drilling program commences February 2009

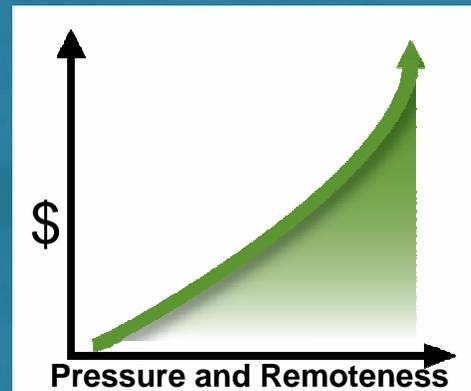
Wells Required for High-Pressure Operations

15 kpsi Wellhead



Point Thomson Drilling

- Abnormal pressure
- Extended reach
- Heavy mud
- World class wells



Point Thomson Project - Contributing Companies

Thanks to the many Alaska companies and hundreds of employees working on Point Thomson.

Air Logistics of Alaska, Inc.

Alaska Clean Seas

Alaska Industrial, LLC

Atigun, Incorporated

Aurora Automotive,
Welding and Fabrication

F Robert Bell & Associates

Brooks Range Supply, Inc./
Colville, Incorporated

Cameron

Carlile Transportation Systems

Cellar Tech

Chiniak Environmental Consulting

Crowley Alaska, Inc.

Delta Leasing LLC

Doyon Universal Services, LLC

Duane Miller & Assoc.

ENTRIX Environmental
Consultants, Inc.

Epoch Well Services, Inc.

ERA Helicopters, Inc.

Fairweather E&P

Fairweather, Inc.

W.W. Grainger, Inc.

Halliburton

Hydril Pressure Control
a GE Oil & Gas business

Lewellen Arctic Research, Inc.

Marsh Creek, LLC

M-I SWACO

MRO Sales, Inc.

Nabors Alaska Drilling, Inc.

National Oilwell Varco

Northland Wood Products, Inc.

Quadco, Inc.

SLR

Schlumberger

TerraSond Limited

Udelhoven Oilfield System
Services

Frontier Alaska

POINT
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PROJECT
Commitment to Produce



PTU POD - Addressing DNR's Requests

- **Engineering & Drilling Starts 2008**
 - > 200 jobs by next winter
- **Production begins 2014**
- **10,000 Barrels per Day**
- **Future Expansion Capability**

- **Drilling Program – Gas, Oil, Condensate**
 - 2 gas cycling wells
 - 3 oil / gas delineation wells
 - Additional Wells



- **Term of POD through to Production**
- **Owners support \$1.3 Billion Project**
- **Already Secured Rig; Long Lead Materials**
- **Scheduled Milestones for State to Monitor Progress**
- **Owners Support Assured by Corporate Executives**
- **Agreed to Unit Termination if Milestones Not Met**

Point Thomson Project – Drilling, Developing, Producing

August 2008



Year end 2014
(Project Illustration)

- World's highest pressure gas cycling facilities
- World Class Drill Wells
- Future expansion capability
- Ultimate gas sales development
- Essential for an Alaska Gas Pipeline



Point Thomson Project – World Class Development

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Development Production Commitment

Commitment to Produce
**POINT
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**World's Highest Pressure
Gas Cycling Project**

Challenges and Risks

- ▶ 10,000 psi injection pressures
 - ▷ Over twice as high as Prudhoe Bay
 - ▷ 3,000 psi separator pressure
- ▶ Extended reach, abnormal pressure drilling
 - ▷ World class combination of mud weight and departure

ExxonMobil
Taking on the world's toughest energy challenges.™

Backup

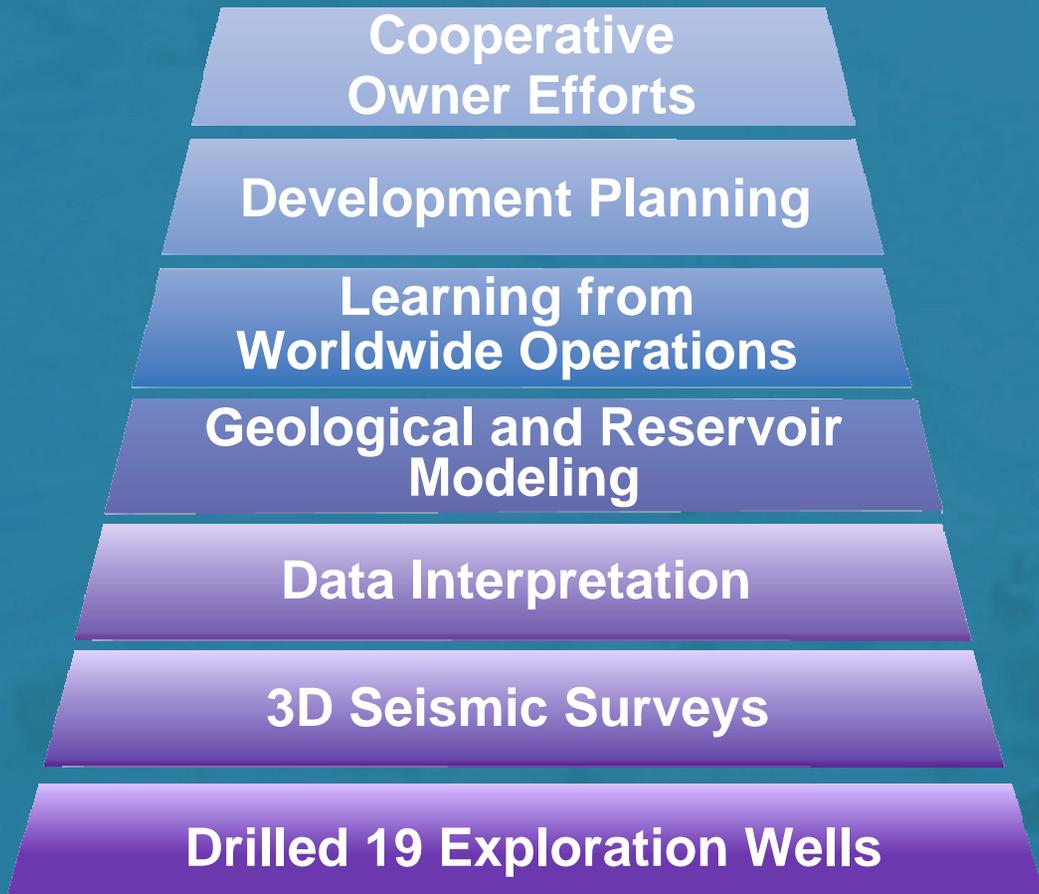
Point Thomson Project – Significant Effort Ongoing

**> \$800 Million
spent to date**

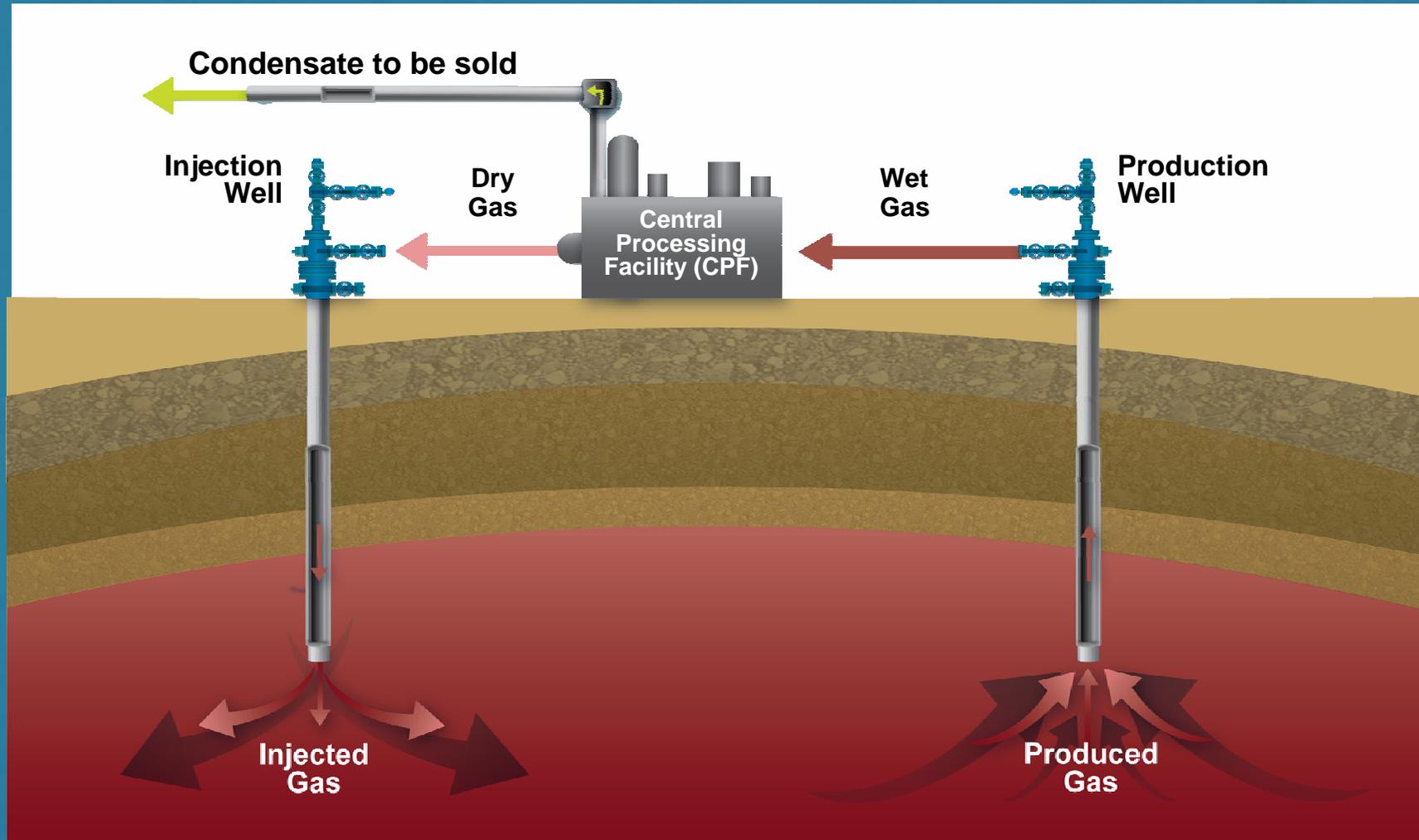
**Plan of Development
(POD)**

\$1.3 Billion Project

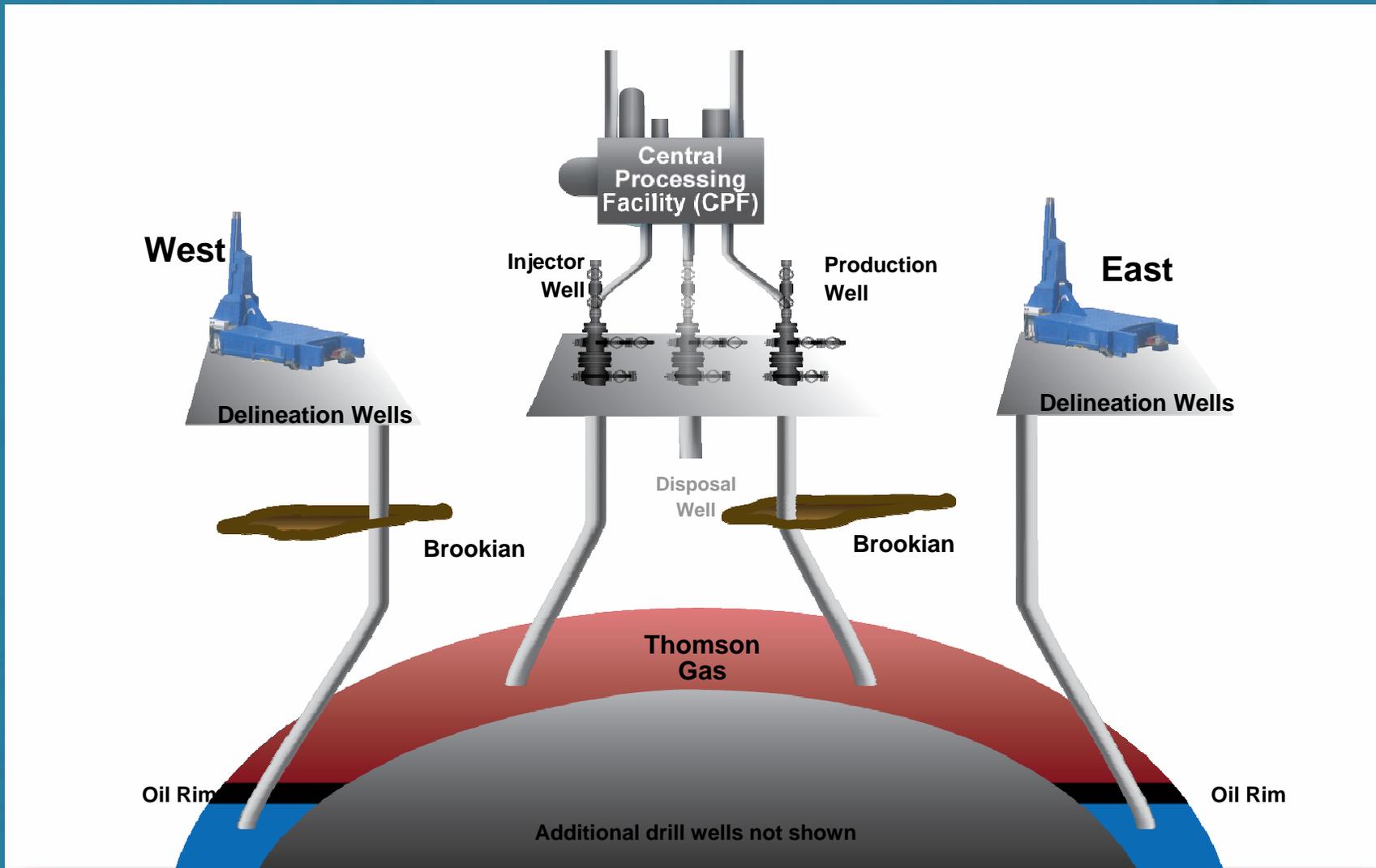
● **Future Expansion Capability**



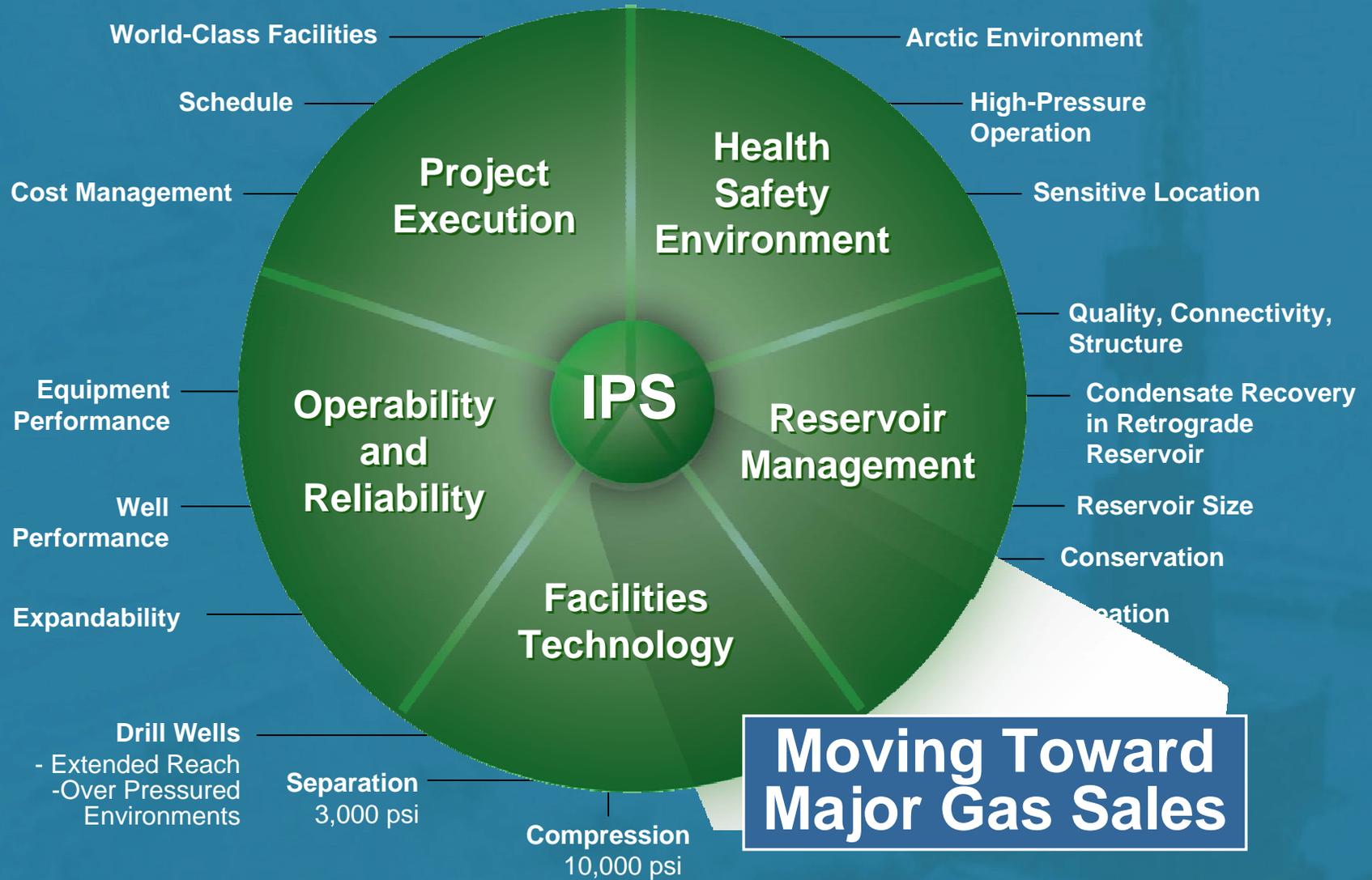
Point Thomson - Produce Condensate by Cycling Gas



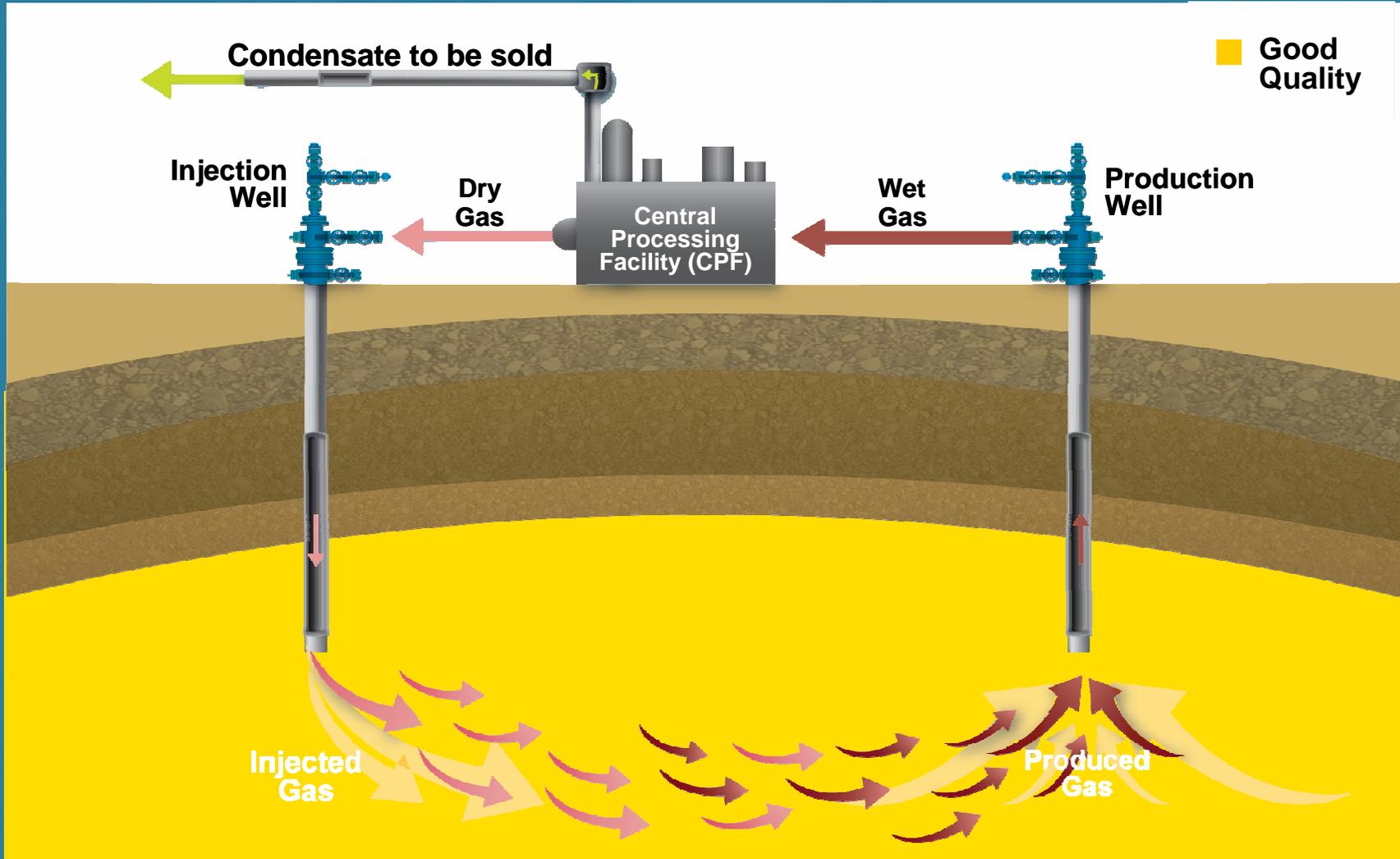
Point Thomson Project – Drilling



Point Thomson Project – Prudently Manages Risk



Point Thomson – Reservoir Quality & Performance



Point Thomson – Reservoir Quality & Performance

