The U.S. Petroleum Renaissance: What Does it All Mean?

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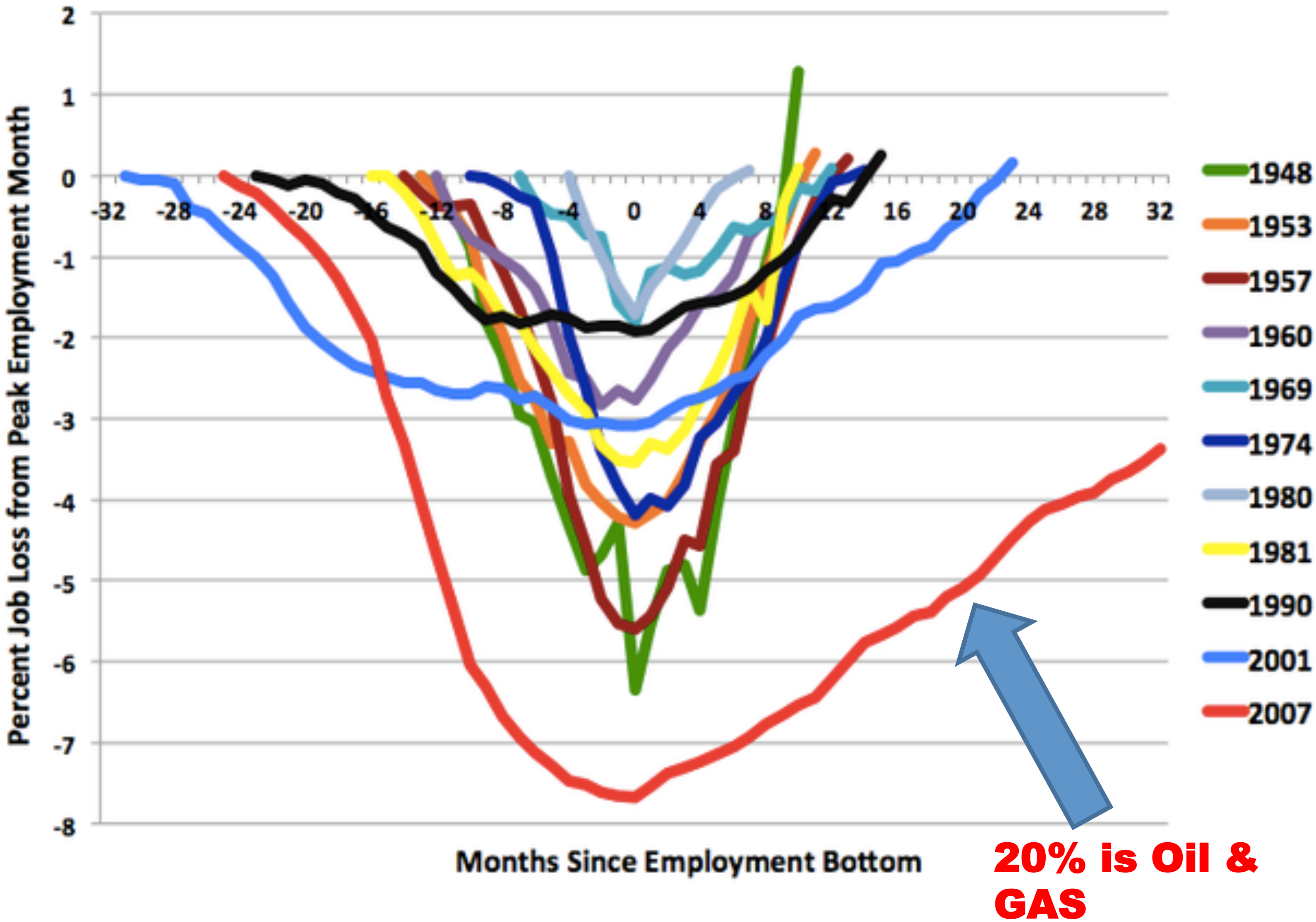
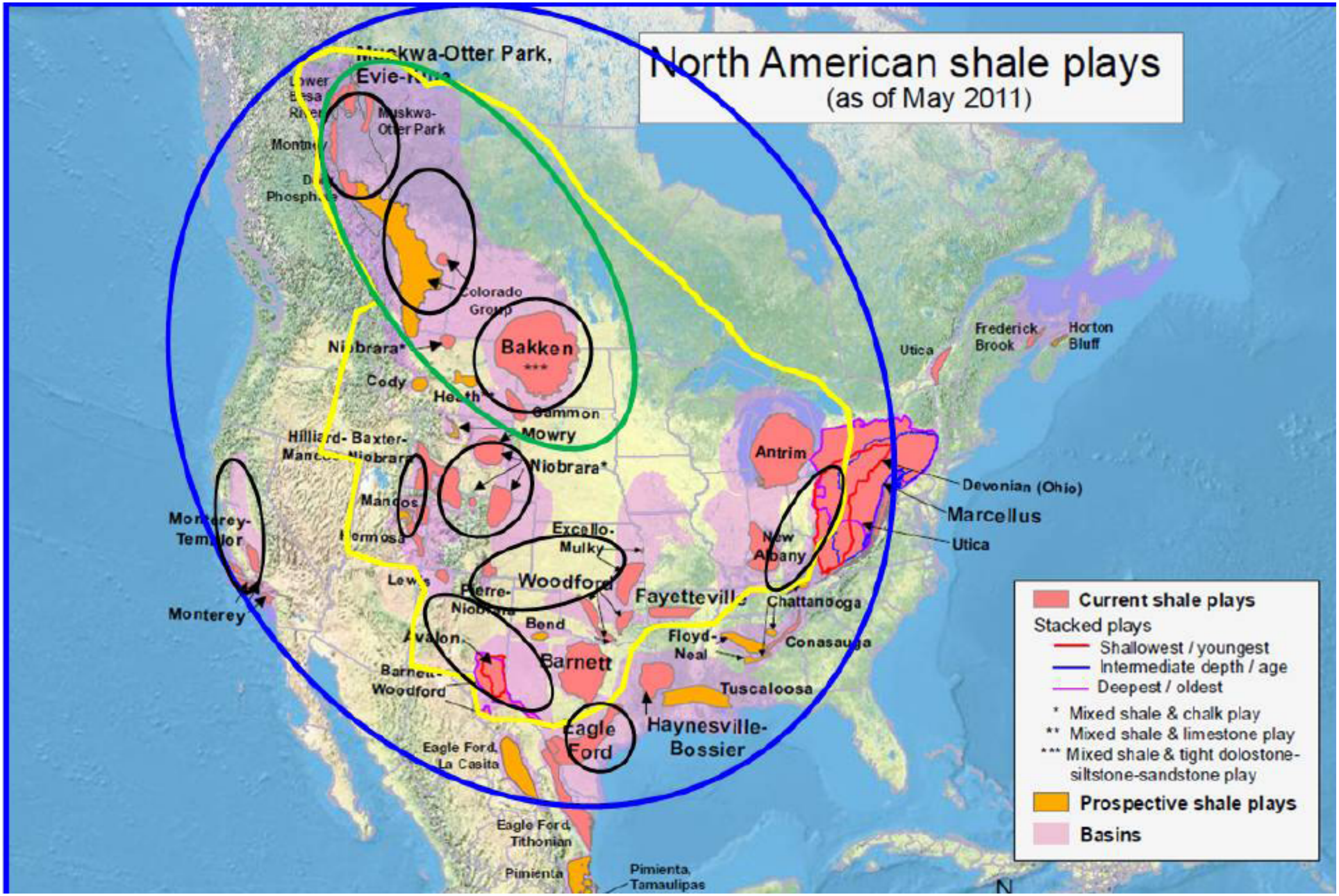
Employment Recovery Remains Slow

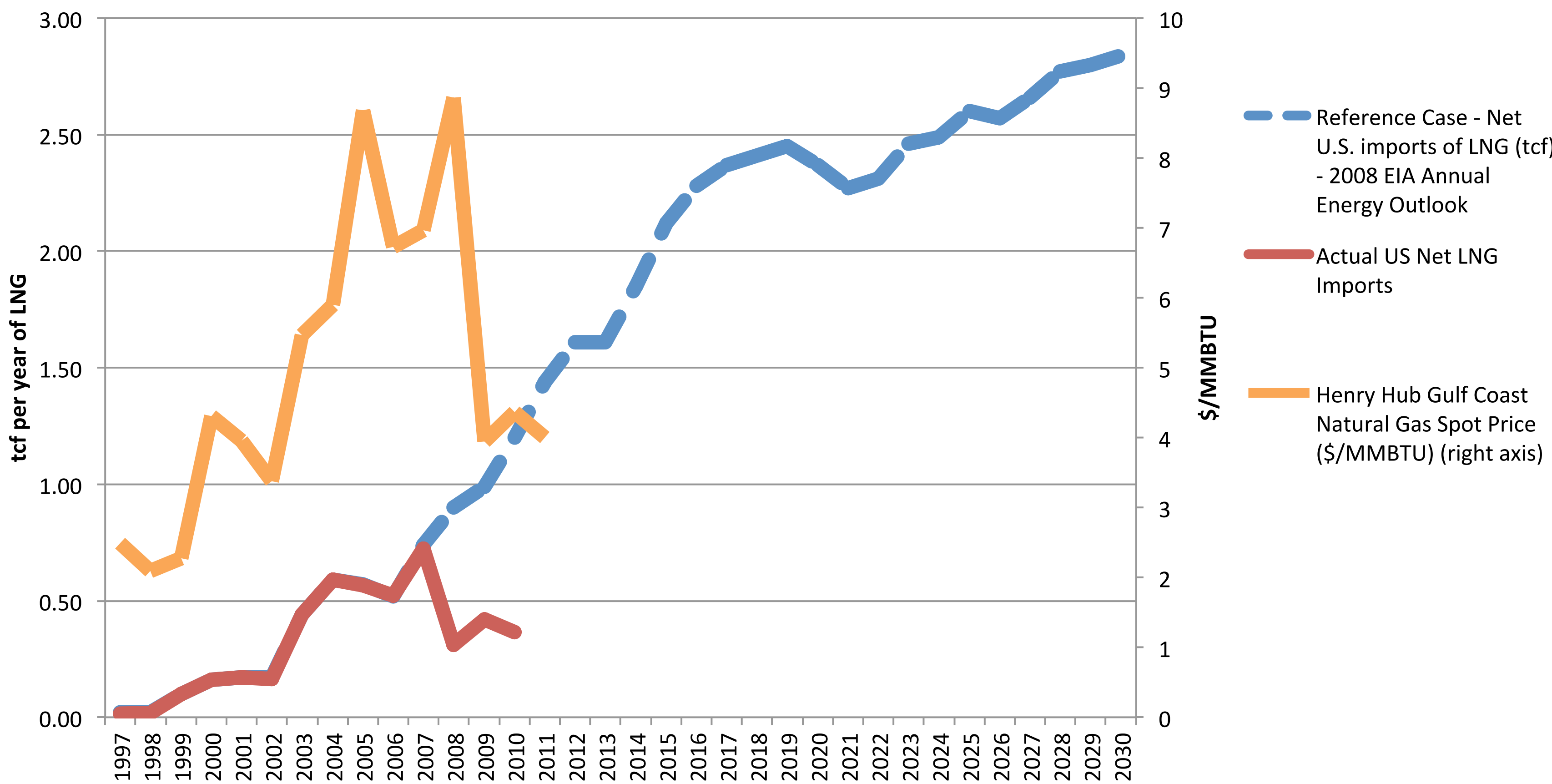


Source: U.S. Bureau of Labor Statistics



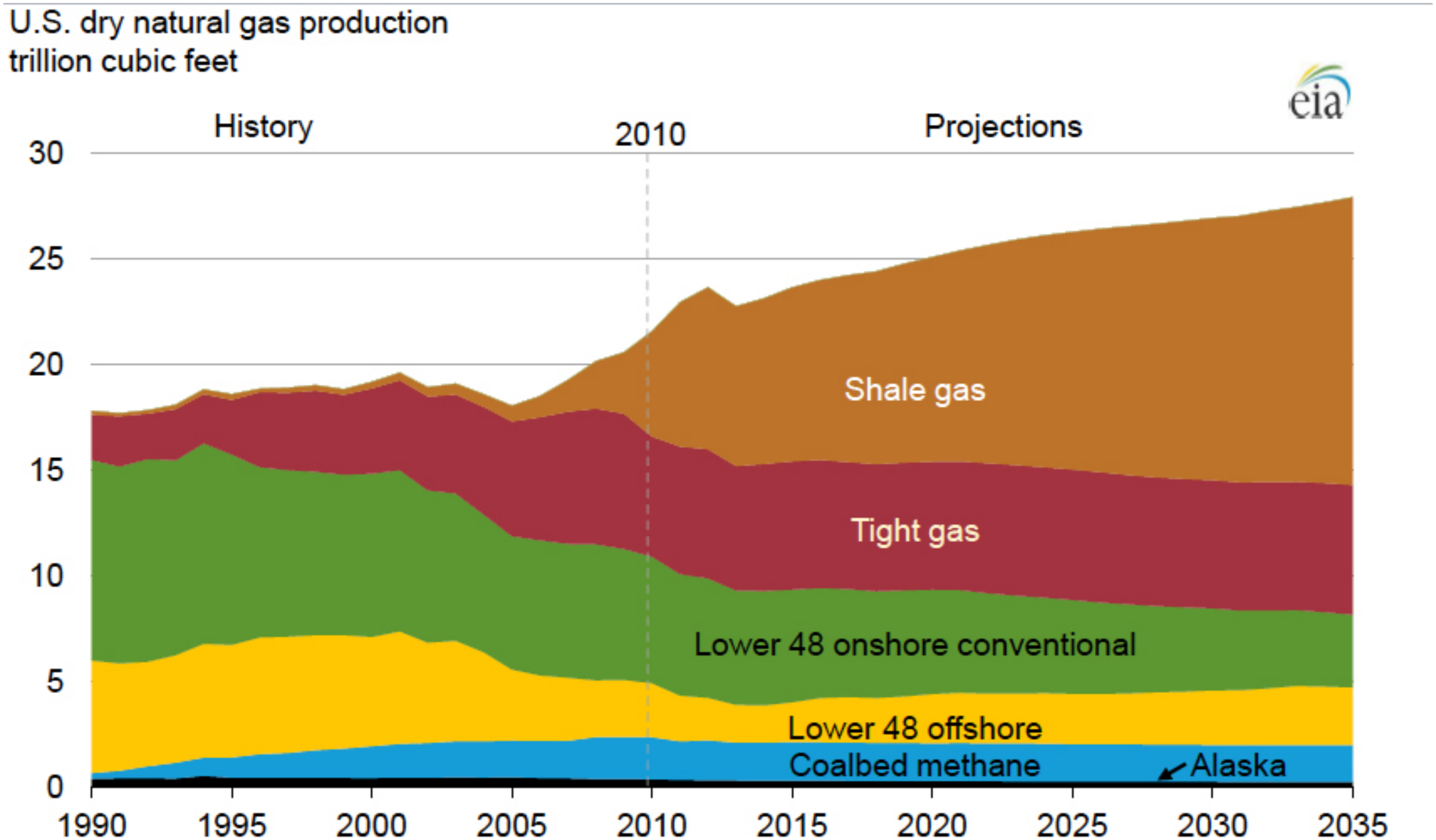
North American shale plays
(as of May 2011)
Current shale plays
Stacked plays
Shallowest / youngest
Intermediate depth / age
Deepest / oldest
* Mixed shale & chalk play
** Mixed shale & limestone play
*** Mixed shale & tight dolostone-siltstone-sandstone play
Prospective shale plays
Basins
Colorado Group
Bakken
Niobrara*
Cody
Mowry
Niobrara*
Hilliard- Baxter-
Mancos
Monterey-
Temblor
Monterey
Excello-
Mulky
Woodford
Fayetteville
Chattanooga
Bend
Avalon
Barnett
Barnett-
Woodford
Floyd-
Neal
Conasauga
Tuscaloosa
Haynesville-
Bossier
Eagle Ford, La Casita
Eagle Ford, Tithonian
Pimienta
Pimienta, Tamaulipas
Antrim
New Albany
Devonian (Ohio)
Marcellus
Utica
Frederick Brook
Horton Bluff

Remember to be humble...Projected Imports of LNG vs. Actual



Source : EIA data and forecasts

EIA Forecast of Natural Gas Production



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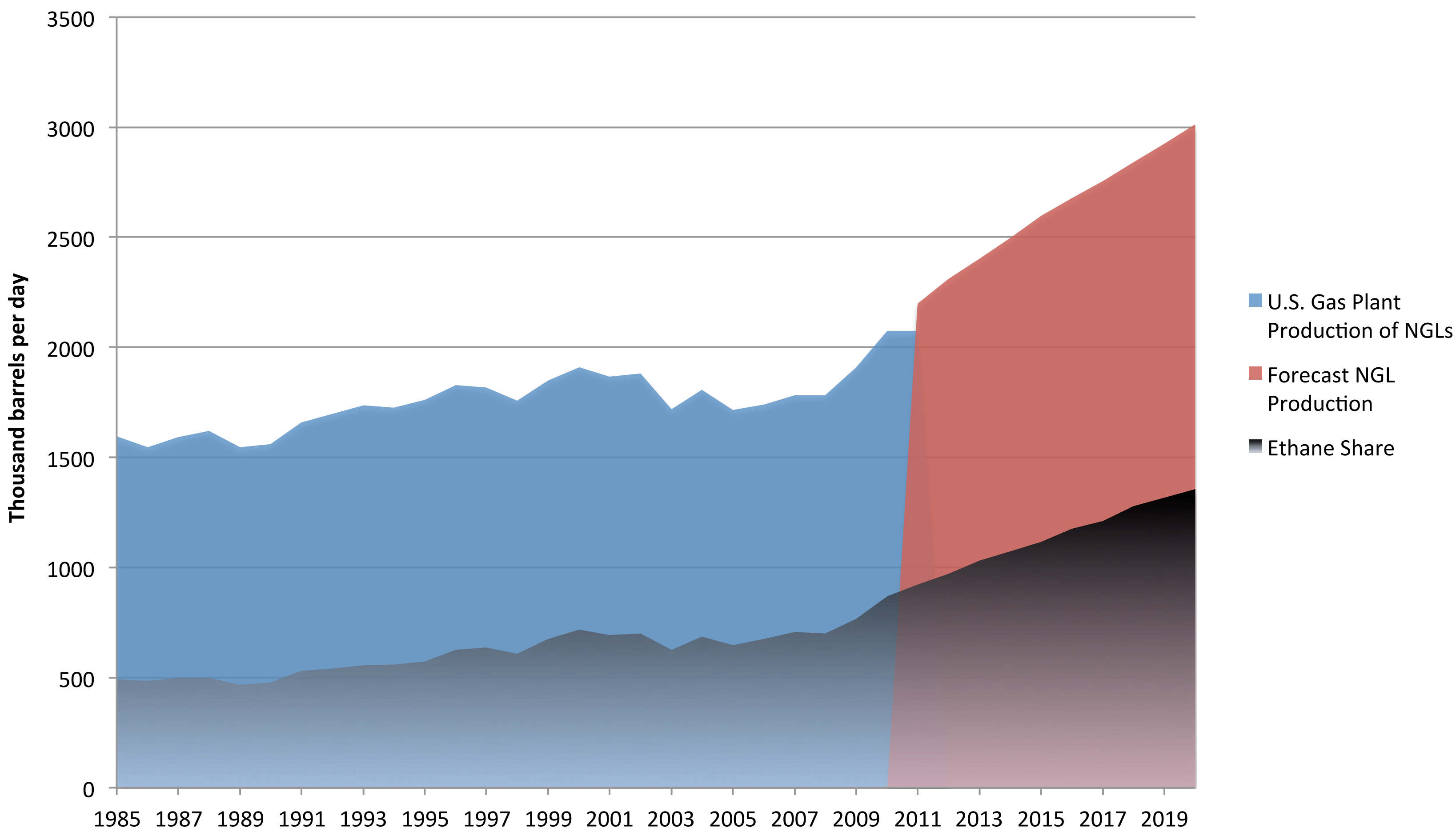
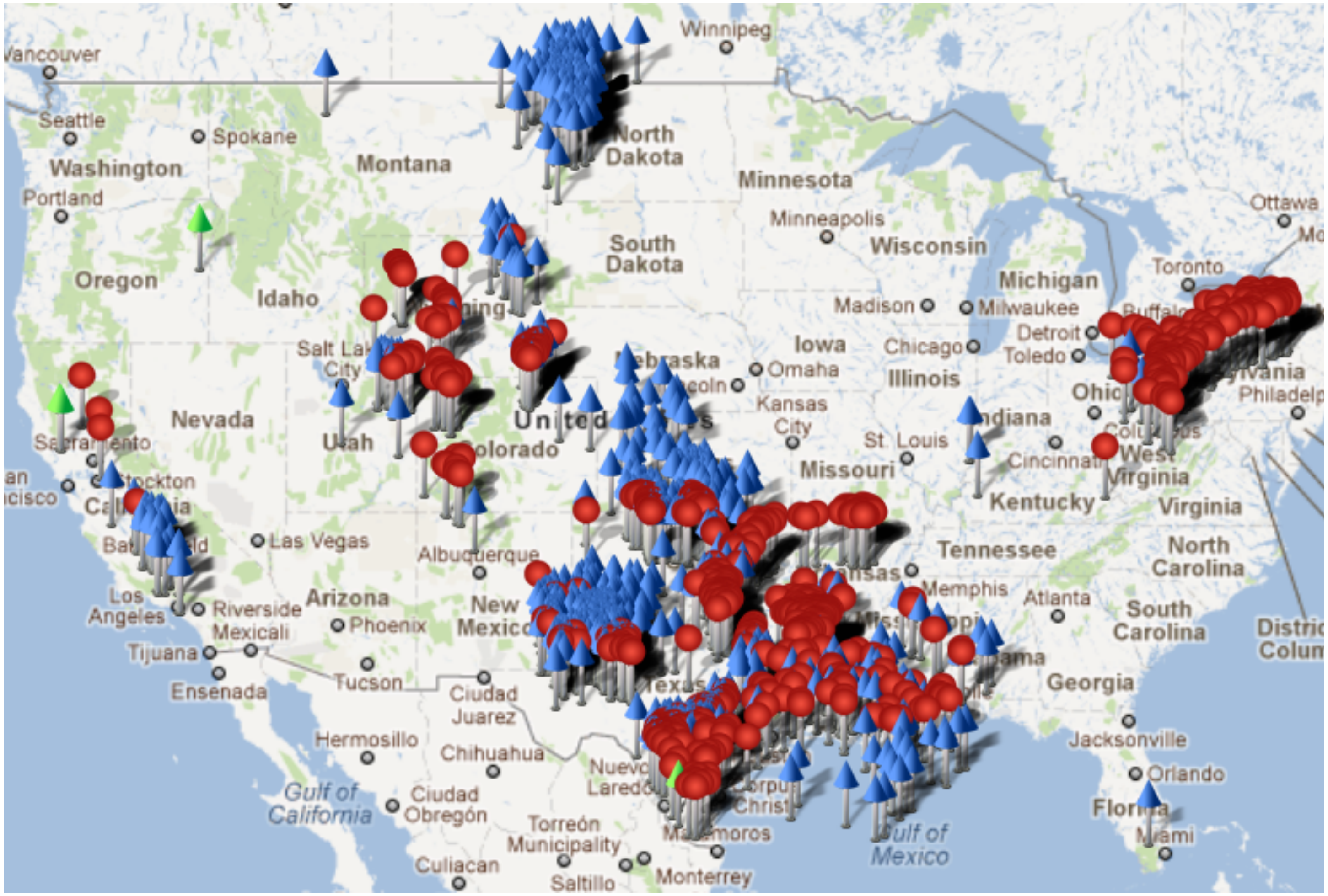
NGL Production Outlook to 2020



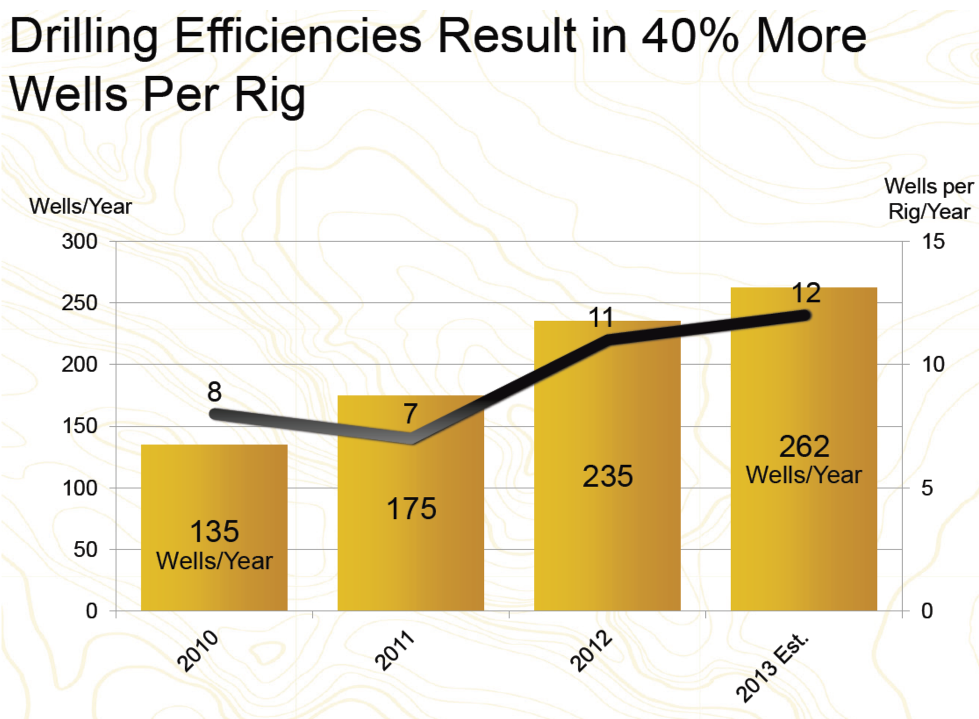
Source: EIA Data, EPRINC forecast. Assumes ethane continues to incrementally increase its share of the NGL pool.

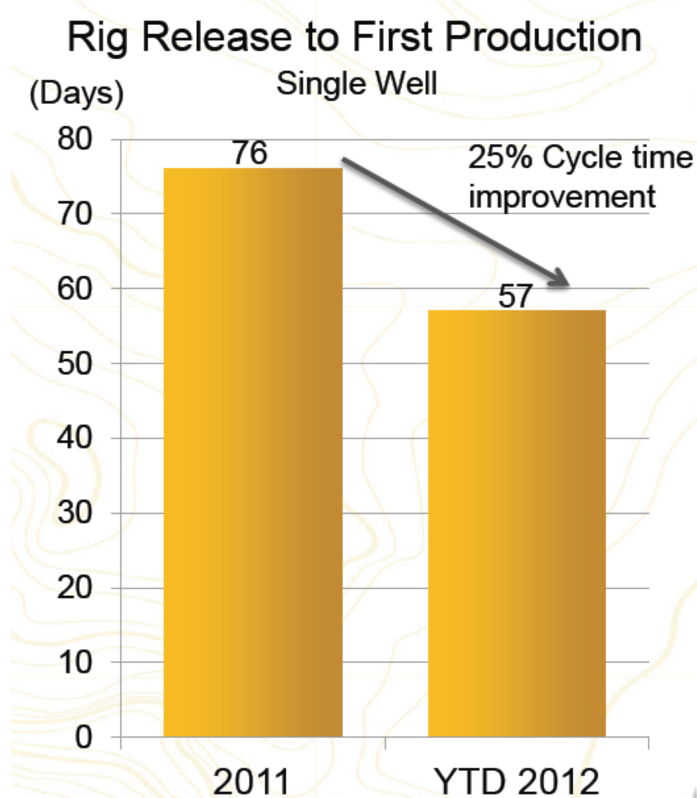
Rig Count and Permits



Source: Photo Baker Hughes Interactive Rig Count Jan 25, 2012

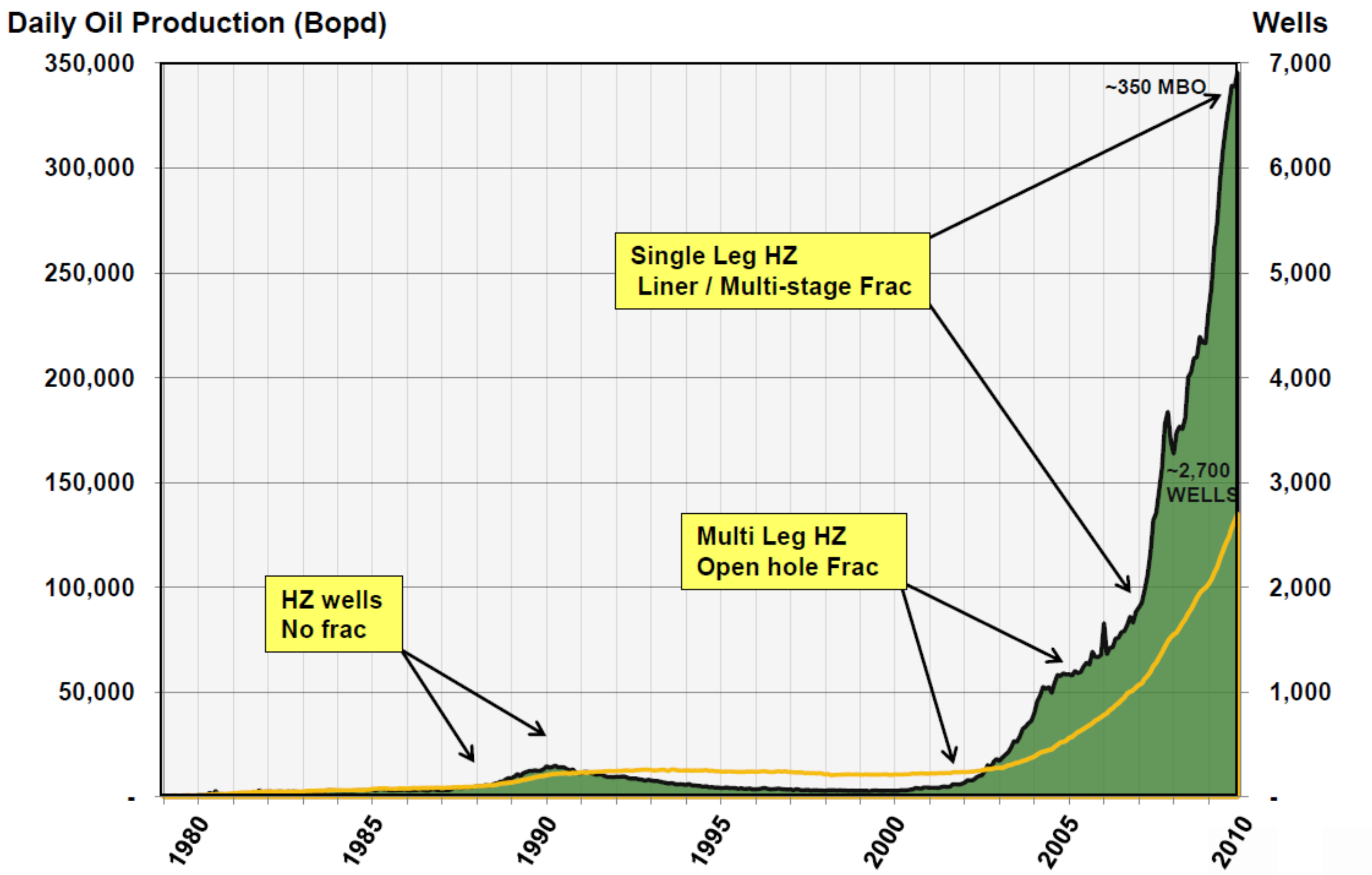
Drilling Efficiencies – Doing more with less…





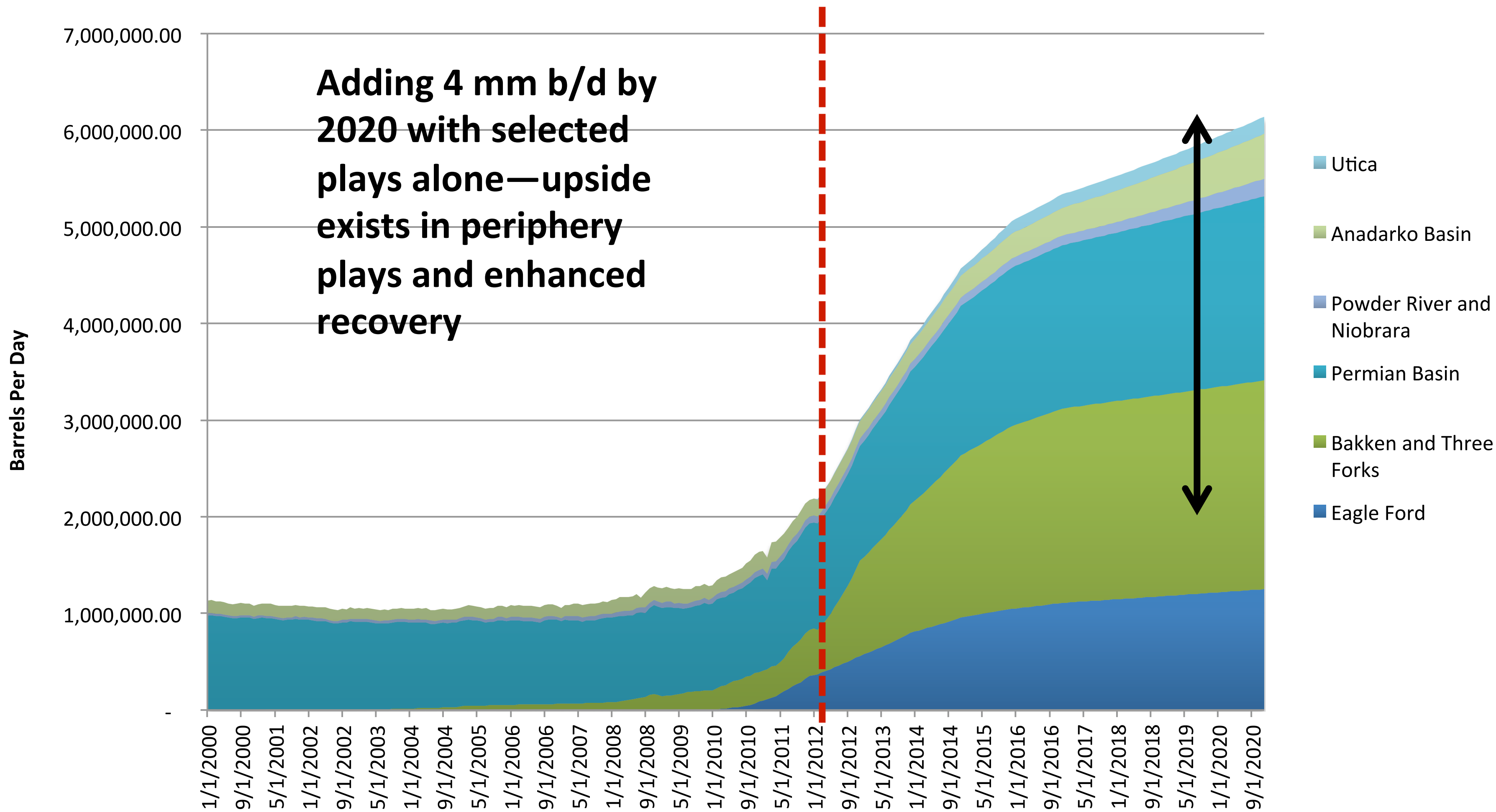
Source: Continental Resources Oct 9th 2012 Investor Presentation

Williston Basin Production Forecasts



Source: Continental Resources **, from Platts Midstream Development & Management Conference, May 12, 2011** NDPA

EPRINC's Forecast for Major U.S. Shale Plays



Source: HPDI data with EPRINC forecast estimates

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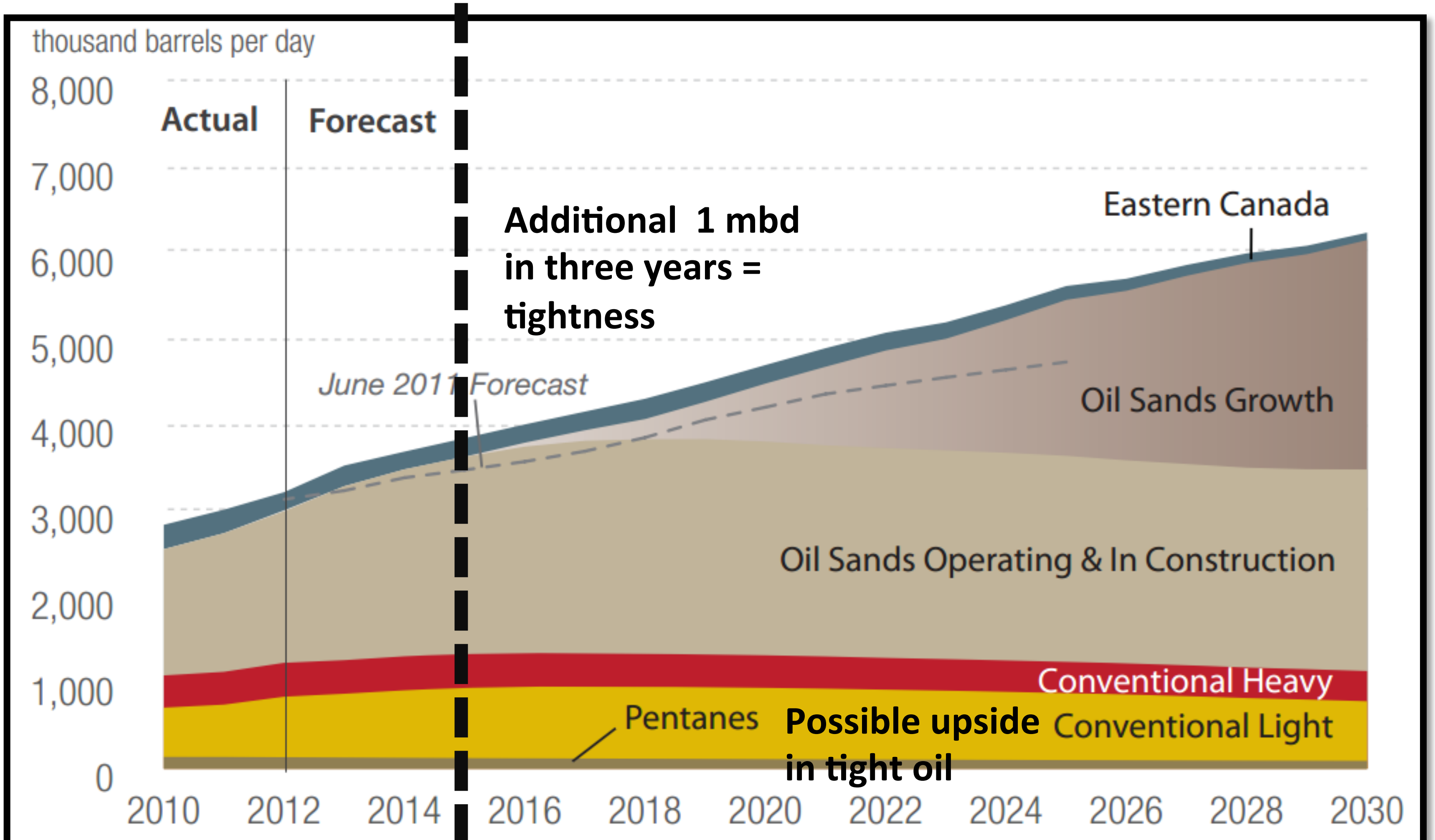
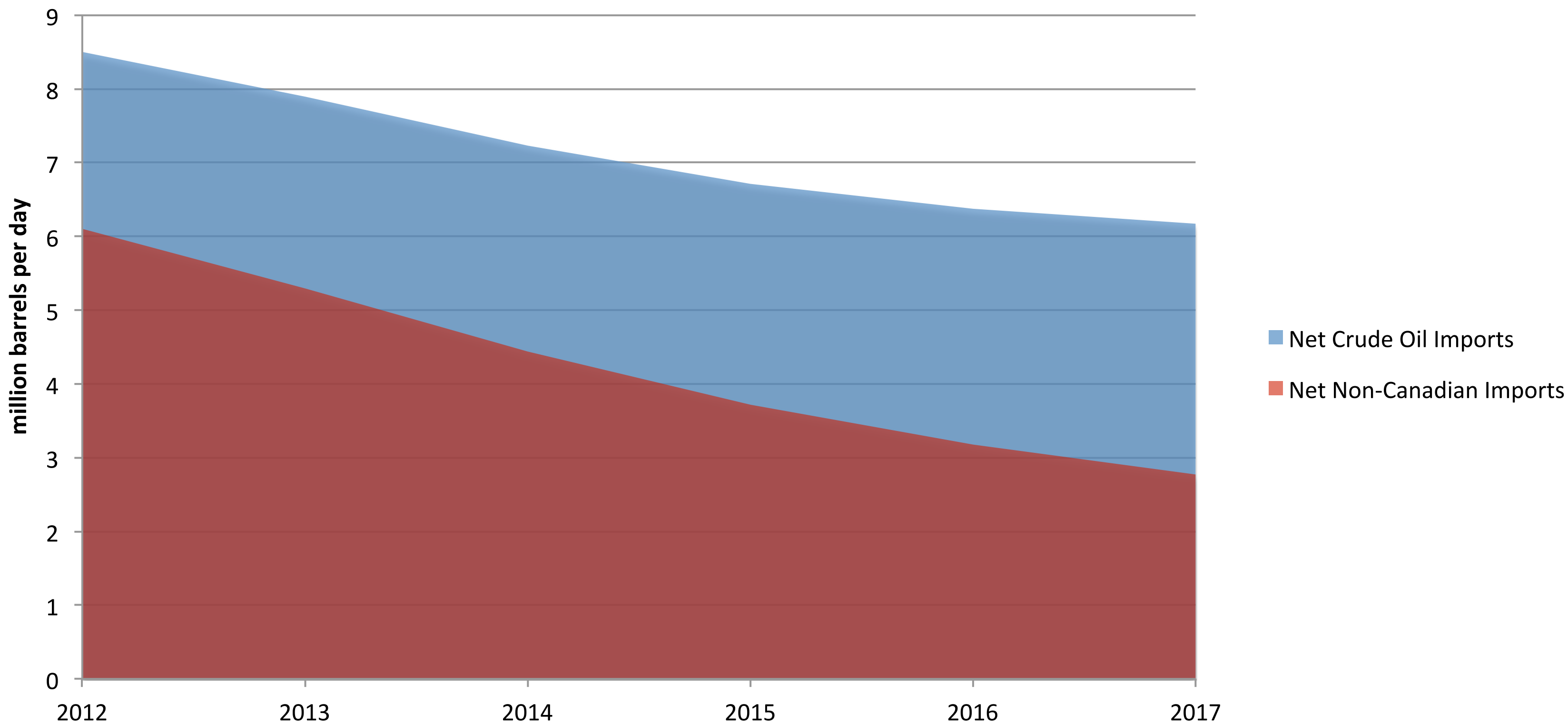
Canadian Production



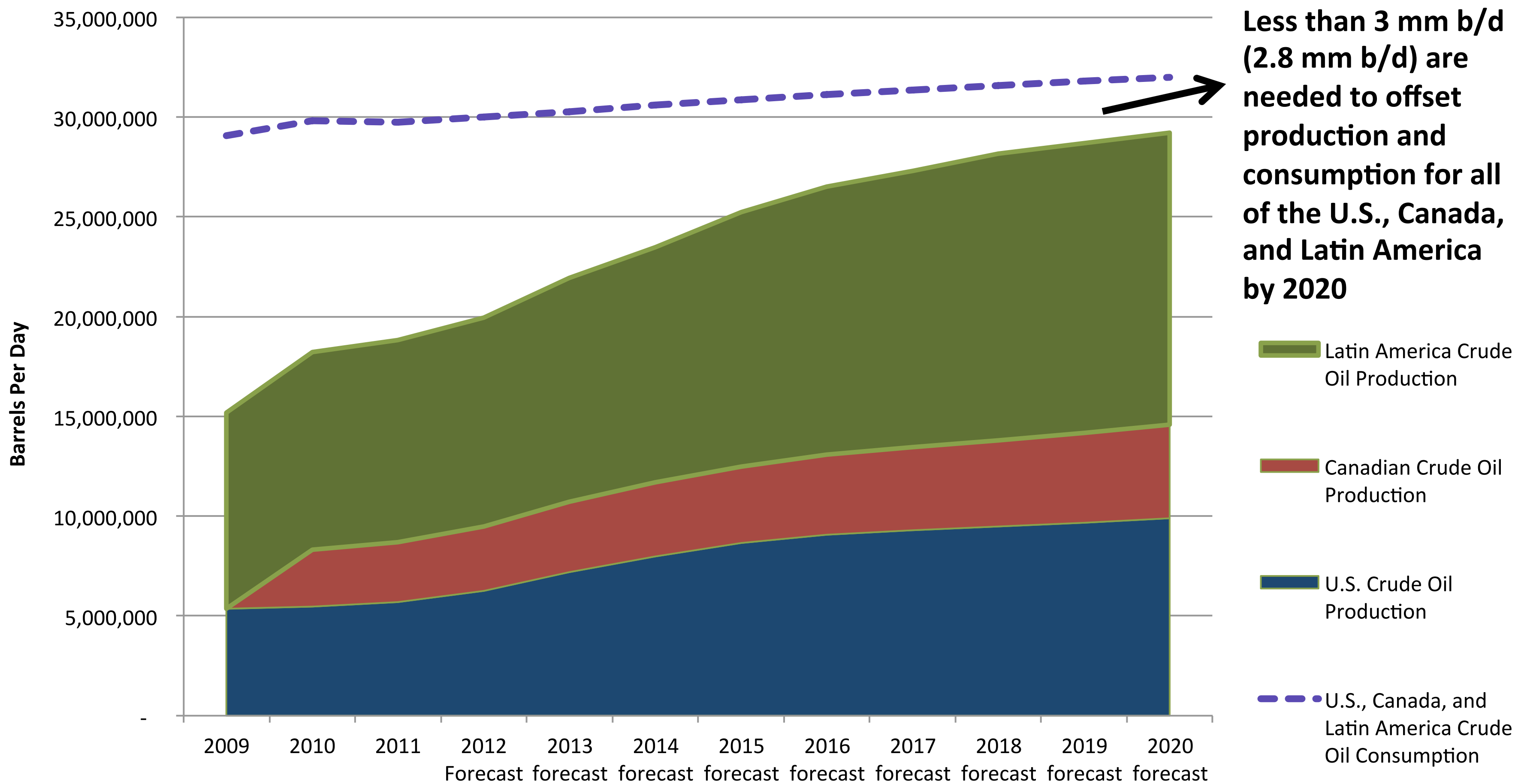
Source: CAPP

Resulting Decline in US Net Imports*



*Holds all US crude oil and biofuel production constant except for the plays listed in the previous slides. Assumes 1 mm bd of Canadian production growth dispersed evenly over 5 years, and that all incremental Canadian production enters the US. Also assumes US demand remains unchanged from current levels.

The Americas nearly self sufficient by 2020...

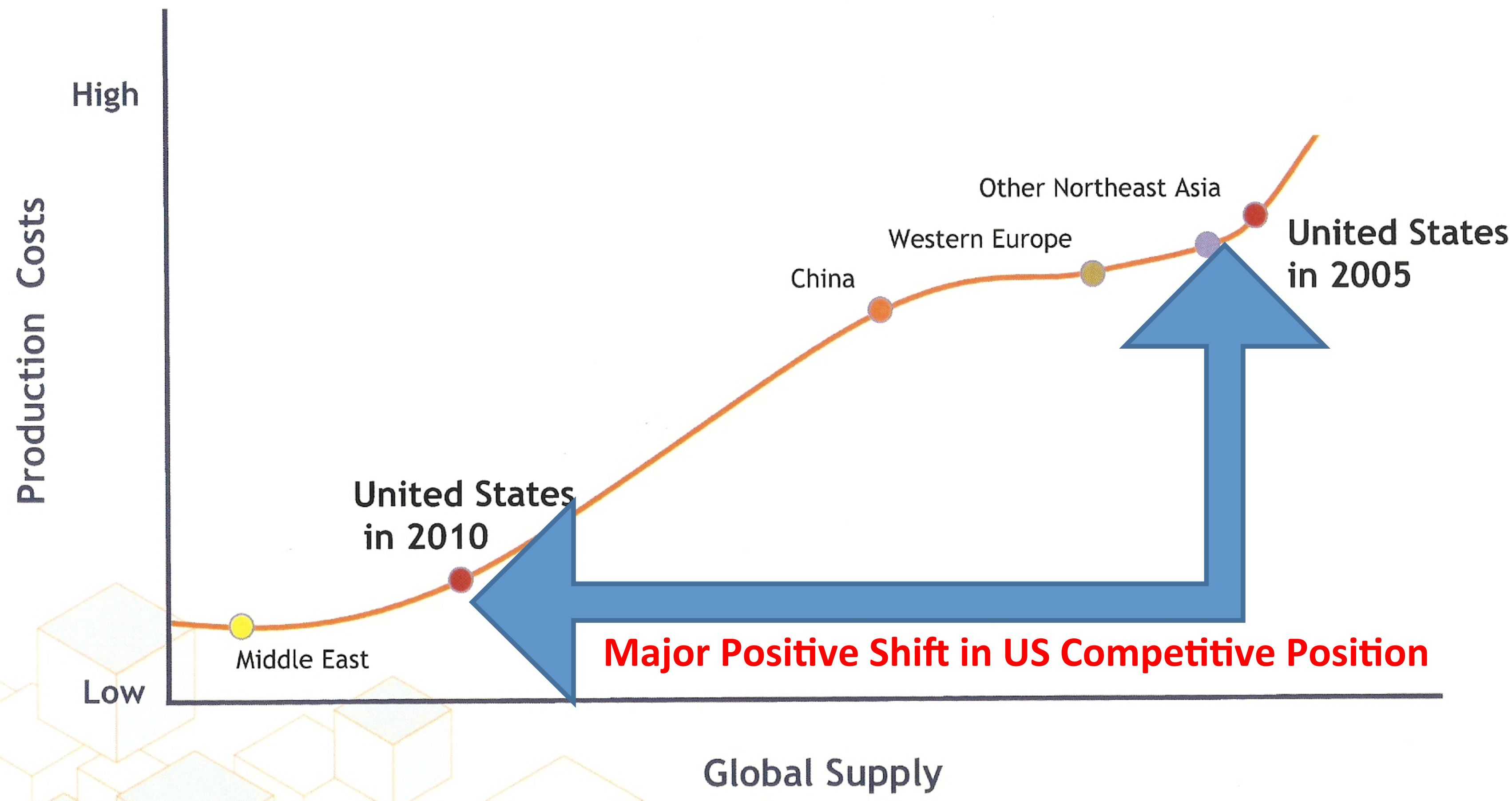


Less than 3 mm b/d (2.8 mm b/d) are needed to offset production and consumption for all of the U.S., Canada, and Latin America by 2020

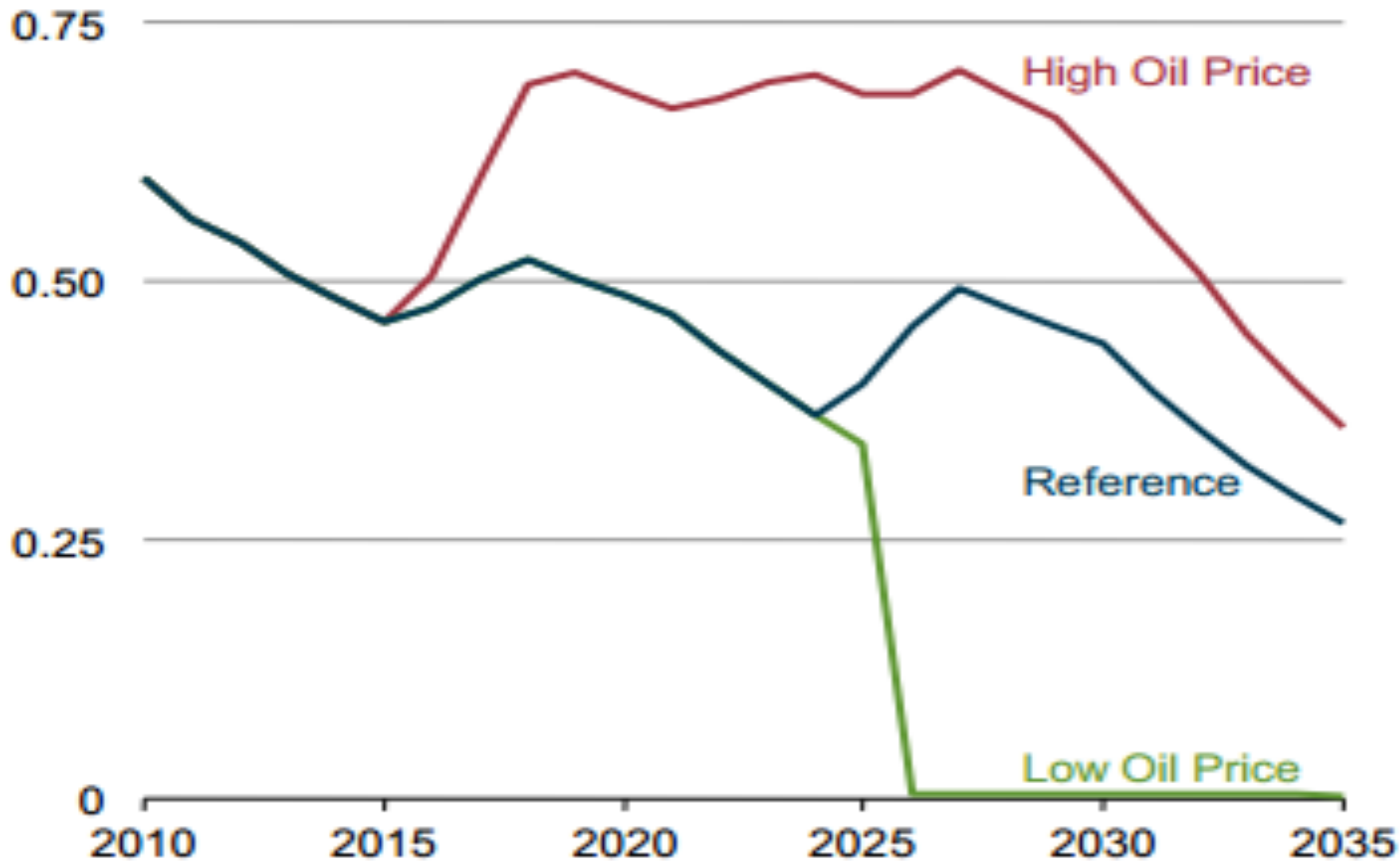
Source: US 2012 data from May EIA-forecasts using EPRINC shale additions, Canada forecast from CAPP, Latin America production from BMI with some small estimates for "other latin america countries" from 2017-2012Energy

Typical Global Ethylene Supply Curve

(Petrochemical Production Costs by Country/Region)



North Slope Production Scenarios



Source: EIA

Conclusions

- This is a petroleum renaissance. The U.S. is the largest producer of gas in the world and quickly moving into first place in oil production.
- Downstream is Connected to the Upstream – Need Both.
- Regulatory Fix is Critical –Permitting, Permitting, Permitting!!!!
- Federal Access and Alignment of Interests are Essential
- Positive Future is Not Guaranteed without Policy Accomadation to New Reality.