Allocating $50 in Gross Revenues under Ballot Measure 1

- Market Price $50
- Transportation Costs $10
- Gross Revenues $40

- Costs 50%
- State 33%
- Feds 4%
- Producers 13%

$50 per barrel
Being competitive is essential for attracting investment.

Government Take

- 150% tax increase
- 350% tax increase
- Ballot Measure 1
- SB 21
- Competitive Norm

Govt take includes all state & federal taxes & public & private royalties
When SB 21 took effect, costs were rising. Then, oil markets crashed.
Revenues would have fallen under any regime.
Production and Transportation costs in Alaska are $20 higher than Lower 48.

Source: Lens™, a product of Wood Mackenzie
Problematic accounting: Sponsors are comparing two distinct ledgers

Severance Tax Revenues & Credits 2015-2019 ($millions)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total severance taxes paid by large North Slope producers net of per barrel credit</td>
<td>$382</td>
<td>$177</td>
<td>$126</td>
<td>$741</td>
<td>$587</td>
<td>$2,013</td>
</tr>
<tr>
<td>Credits (Paid &amp; Owed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small North Slope Producers / Explorers</td>
<td>$224</td>
<td>$409</td>
<td>$255</td>
<td>$71</td>
<td>$68</td>
<td>$1,027</td>
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<tr>
<td>Non-North Slope</td>
<td>$404</td>
<td>$380</td>
<td>$153</td>
<td>$60</td>
<td>$38</td>
<td>$1,035</td>
</tr>
<tr>
<td>Total credits</td>
<td>$628</td>
<td>$789</td>
<td>$408</td>
<td>$131</td>
<td>$106</td>
<td>$2,062</td>
</tr>
</tbody>
</table>

Does not include another $9 billion paid in royalties, property & inc tax
Not a giveaway – Per barrel credit increases as price declines to give progressivity.

Competitive Norm v SB 21
v SB 21 Without Per Barrel Credit

Govt take includes all state & federal taxes & public & private royalties
Ballot Measure 1 is a higher tax than ACES at prices up to $120 per barrel.