



THE NORWAY REPORT:

Why we went

Who went

What we learned

NORWAY



Why We Went:

Focus upon Energy Development as Economic Drivers of a Successful Economy:

- Oil and Gas Development for Export
- Internal Consumption of Renewable Energy

Who Went:

46 Alaskans:

- 12 Legislators (Republicans and Democrats)
- Oil and Gas Industry Representatives
- Renewable Energy Practitioners and Advocates
- Local Government Reps: N. Slope to S.E. AK
- Economic Development Interests/Investors
- One Fed

What We Learned

- Norway is in control of its oil and gas development to a greater degree than Alaska
- Norway is not worried about its fiscal or economic future

Oslo

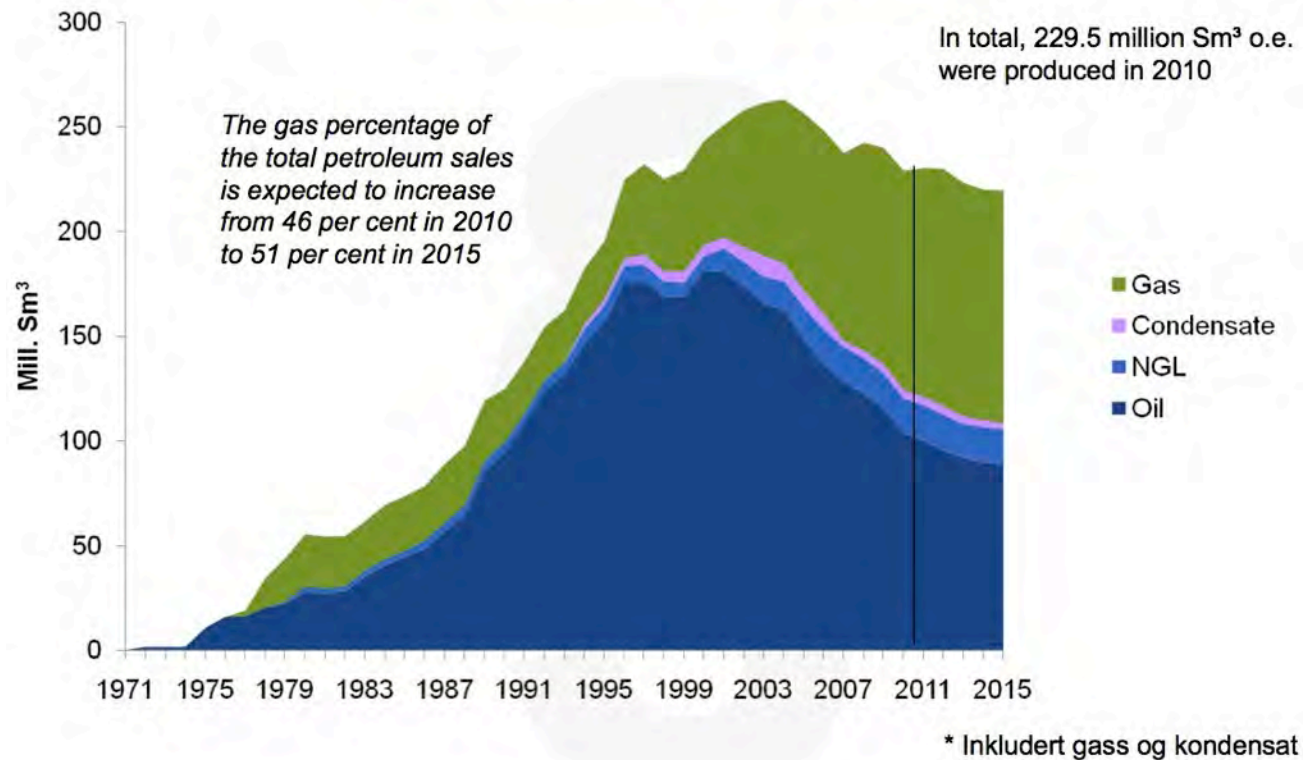


Norway Statistics (2010):

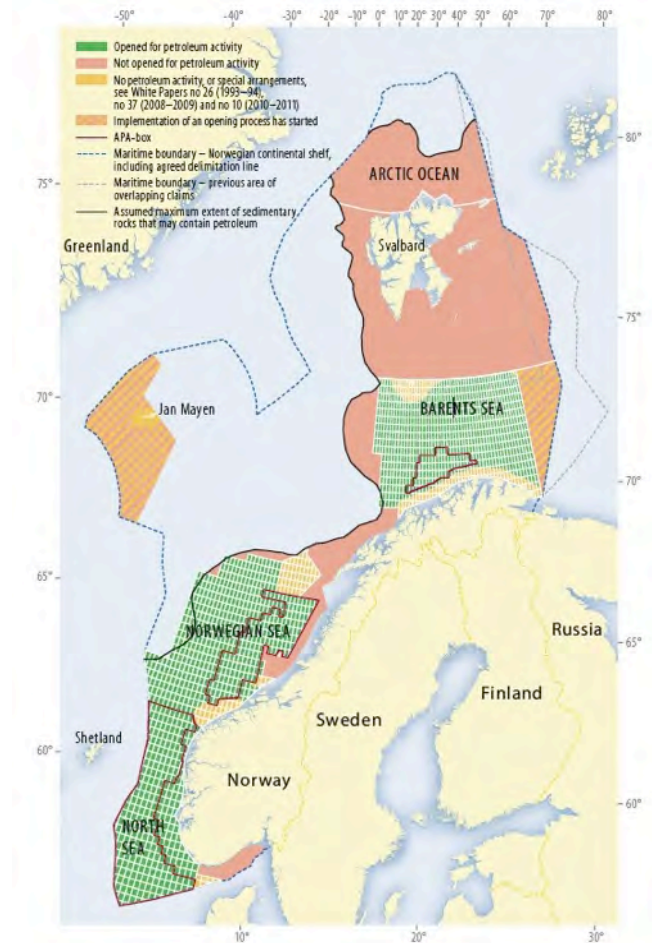
- Population: 4,888,000 (7x that of Alaska)
- Income Per Capita: \$88,400 (vs. \$43,209 AK)
- Income: GDP/PPP: \$59,100 (vs. \$47,700 U.S.)
- % of Government annual expenditure paid by oil and gas revenues: 26% (vs. 80-90% AK)

Norway's Oil and Gas Production

Petroleum production



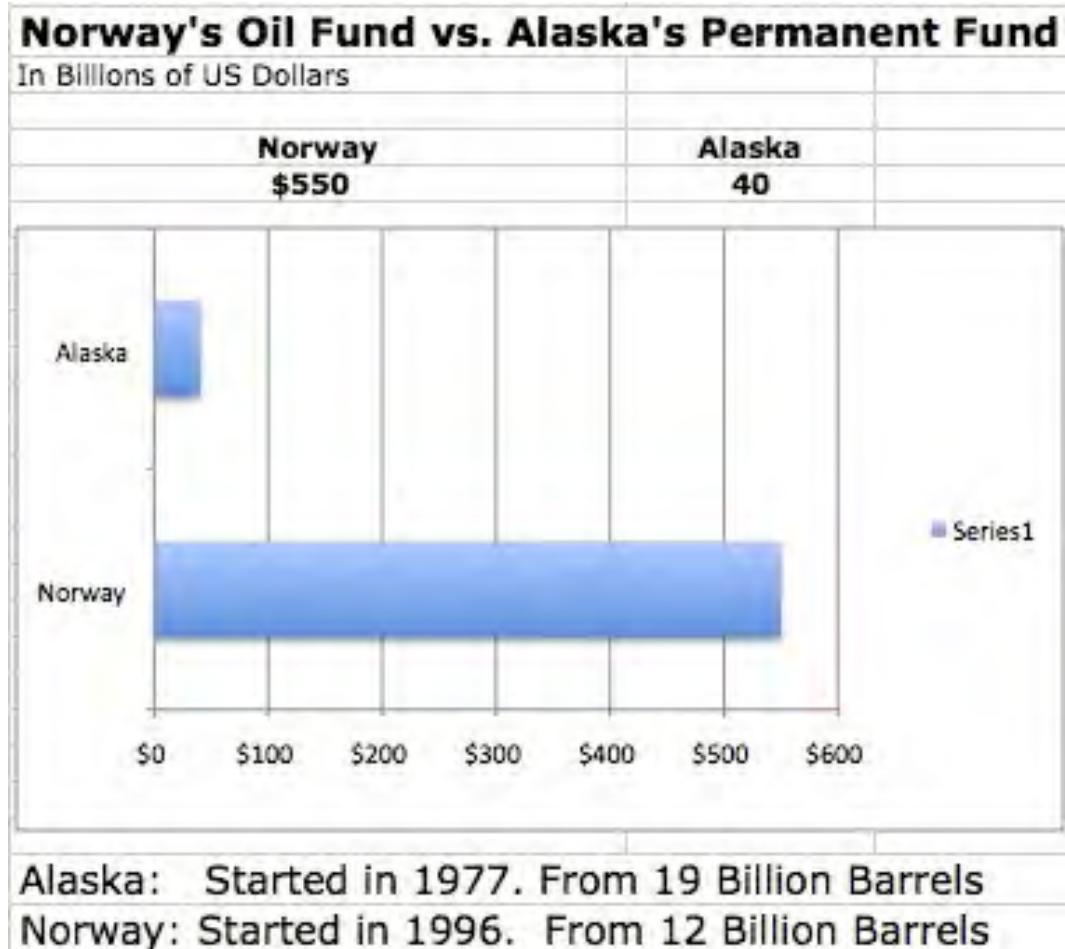
Norway's Continental Shelf



What We Learned:

- Norway is converting its non-renewable resources into a perpetual endowment.
- They are doing so at an incredible rate.
- Fiscal planning in Norway has a multi-generational horizon.

What We Learned:



What We Learned:

- Norway has discovered the power of capitalism.

What We Learned:

- The #1 investor in Norway's oil and gas development is.....**Norway.**

What We Learned:

- Norway has developed a huge local oil and gas industry

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Statoil

What We Learned:

- STATOIL is now operating in North America
- Headquartered in Houston
- With 140 Norwegian oil and gas support companies
- Norway's #2 export: Oil and gas support

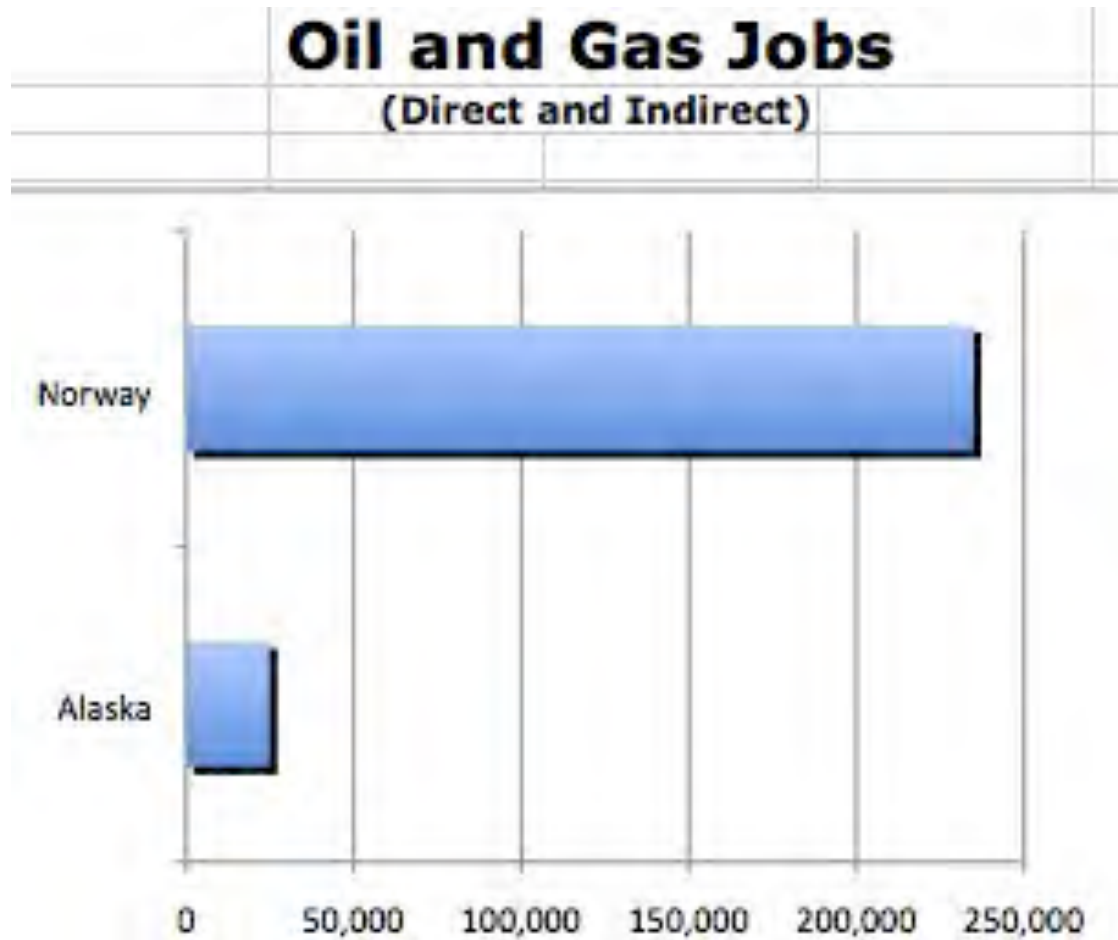
What We Learned:

- STATOIL is now in Alaska:
- 16 of its own leases in the Chukchi
- More leases shared with ConocoPhillips
- Offices in Anchorage
- **Norway's government will receive more \$ from producing in the Alaskan OCS than the State of Alaska will.**

What We Learned:

- Norway has more jobs in the oil and gas sector than Alaska.

What We Learned:



What We Learned:

Norway successfully attracts private investment to develop its oil and gas resources.

Oil and Gas Companies in Norway



What Private Companies Like about the Norwegian Model:

- Reduced Risk (Seismic provided by Norway)
- Reduced Up-Front Costs (no bids)
- Shared Risk/Co-investment – Petoro/SDFI
- Alignment between Norway and industry
- Predictability: Tax Stability
- Predictability: Safety and Environmental Rules and Sanctions

Predictable Sanctions

Sanctions

The use of sanctions must reflect the nature of the violation

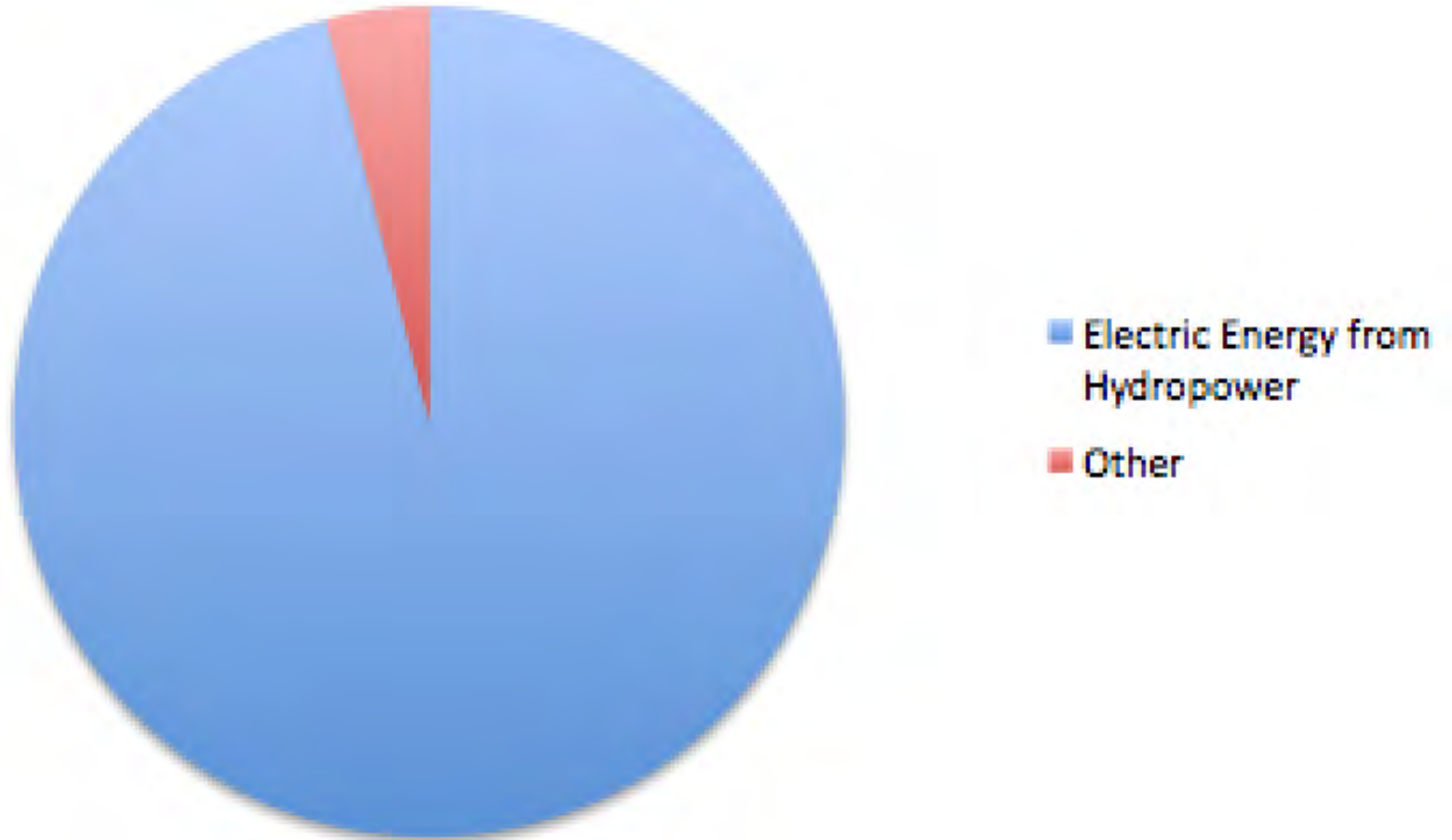


Renewable Energy Leader



Statkraft

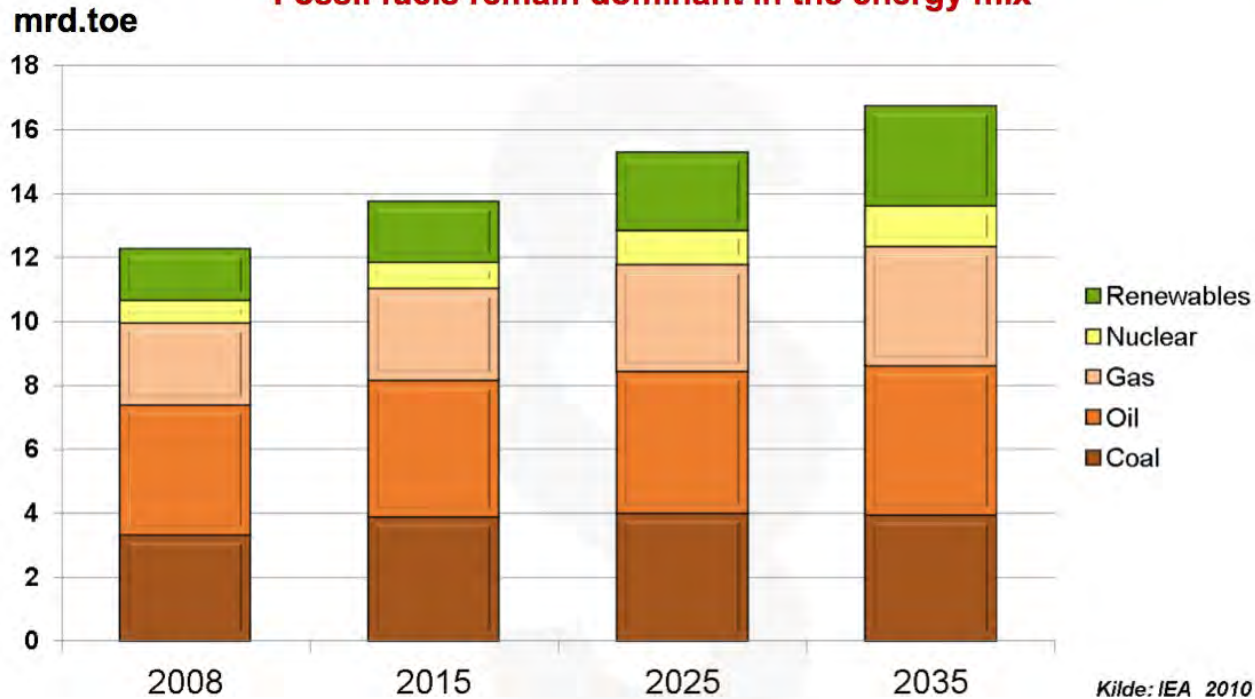
Hydropower is King



Norway's Global Energy Outlook

The Global need for Energy continues to rise

Fossil fuels remain dominant in the energy mix



The Keys To Norway's Success:

- Attitude
- Stakeholder Consultation
- Alignment between Government and Private Sector
- Co-Investment

Can the “Norway Model” be applied Here?

- At the State level/On State lands?
- At the Federal level/On Federal lands?
- On Native Corporation lands?

Stay Tuned: More to Come.....

Further Research and Analysis:

- Other aspects of Norway:
 - Education
 - Healthcare
- Other States and Countries

THANK YOU!

