

Comparison of Spring 2018 Forecast to Final Fall 2017 Forecast

Spring forecast released 3/16/18

OIL PRODUCTION (thousands of barrels per day)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| ANS Production | | | | | | | | | | | |
| Fall 17 | 526.5 | 533.4 | 525.7 | 526.8 | 518.3 | 502.5 | 492.6 | 491.1 | 493.4 | 494.8 | 492.9 |
| Spring 18 | <u>526.5</u> | <u>521.8</u> | <u>526.6</u> | <u>536.1</u> | <u>525.3</u> | <u>508.7</u> | <u>496.9</u> | <u>493.9</u> | <u>495.3</u> | <u>495.9</u> | <u>493.0</u> |
| Change | 0.0 | -11.6 | 1.0 | 9.3 | 7.0 | 6.2 | 4.3 | 2.7 | 1.9 | 1.0 | 0.1 |

ANS OIL PRICE (Nominal \$ per barrel)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| ANS Price | | | | | | | | | | | |
| Fall 17 | \$ 49.43 | \$ 56.00 | \$ 57.00 | \$ 58.00 | \$ 61.00 | \$ 64.00 | \$ 65.00 | \$ 66.00 | \$ 69.00 | \$ 72.00 | \$ 75.00 |
| Spring 18 | <u>\$ 49.43</u> | <u>\$ 61.00</u> | <u>\$ 63.00</u> | <u>\$ 64.00</u> | <u>\$ 66.00</u> | <u>\$ 67.00</u> | <u>\$ 69.00</u> | <u>\$ 70.00</u> | <u>\$ 72.00</u> | <u>\$ 74.00</u> | <u>\$ 75.00</u> |
| Change | \$ - | \$ 5.00 | \$ 6.00 | \$ 6.00 | \$ 5.00 | \$ 3.00 | \$ 4.00 | \$ 4.00 | \$ 3.00 | \$ 2.00 | \$ - |

ANS Lease Expenditures

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| ANS Total Lease Expenditures (Opex + Capex) | | | | | | | | | | | |
| Fall 17 | \$ 4,801 | \$ 4,558 | \$ 5,417 | \$ 6,002 | \$ 6,183 | \$ 6,186 | \$ 6,145 | \$ 5,994 | \$ 5,515 | \$ 5,423 | \$ 5,406 |
| Spring 18 | <u>\$ 4,801</u> | <u>\$ 4,087</u> | <u>\$ 4,938</u> | <u>\$ 5,821</u> | <u>\$ 6,022</u> | <u>\$ 6,069</u> | <u>\$ 6,123</u> | <u>\$ 5,923</u> | <u>\$ 5,441</u> | <u>\$ 5,344</u> | <u>\$ 5,321</u> |
| Change | \$ - | \$ (471) | \$ (479) | \$ (181) | \$ (161) | \$ (117) | \$ (22) | \$ (71) | \$ (74) | \$ (79) | \$ (85) |

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| ANS "Deductible" Lease Expenditures (includes only amount deducted against tax liability by producing companies) | | | | | | | | | | | |
| Fall 17 | \$ 4,482 | \$ 4,236 | \$ 4,529 | \$ 4,945 | \$ 5,017 | \$ 4,750 | \$ 4,603 | \$ 4,642 | \$ 4,668 | \$ 4,694 | \$ 4,751 |
| Spring 18 | <u>\$ 4,482</u> | <u>\$ 3,978</u> | <u>\$ 4,487</u> | <u>\$ 4,813</u> | <u>\$ 4,867</u> | <u>\$ 4,657</u> | <u>\$ 4,611</u> | <u>\$ 4,651</u> | <u>\$ 4,690</u> | <u>\$ 4,724</u> | <u>\$ 4,761</u> |
| Change | \$ - | \$ (258) | \$ (41) | \$ (132) | \$ (150) | \$ (93) | \$ 8 | \$ 10 | \$ 23 | \$ 29 | \$ 10 |

Tax Credits (\$ Millions)

| | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | Total FY19+* |
|---|---------------|---------------|---------------|---------------|---------------|-------------|-------------|---------------|
| Statutory appropriation (assumes 10% or 15% of production tax before credits, until all credits are exhausted) | | | | | | | | |
| Fall 17 | \$ 206 | \$ 167 | \$ 119 | \$ 132 | \$ 135 | \$ 139 | \$ 1 | \$ 899 |
| Spring 18 | <u>\$ 184</u> | <u>\$ 168</u> | <u>\$ 168</u> | <u>\$ 167</u> | <u>\$ 134</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 821</u> |
| Change | \$ (22) | \$ 1 | \$ 49 | \$ 35 | \$ (1) | \$ (139) | \$ (1) | \$ (78) |

*Assumes some tax credits will be transferred to existing producers and used to offset production tax (\$100 million Fall 17 forecast, \$125 million Spring 18 forecast)

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UNRESTRICTED REVENUE BY COMPONENT (\$ Millions)

| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Production tax | | | | | | | | | | | |
| Fall 17 | \$ 134 | \$ 458 | \$ 339 | \$ 344 | \$ 356 | \$ 365 | \$ 392 | \$ 382 | \$ 448 | \$ 592 | \$ 717 |
| Spring 18 | \$ 134 | \$ 655 | \$ 419 | \$ 450 | \$ 492 | \$ 488 | \$ 514 | \$ 555 | \$ 658 | \$ 763 | \$ 785 |
| Change | \$ - | \$ 197 | \$ 80 | \$ 106 | \$ 136 | \$ 123 | \$ 122 | \$ 173 | \$ 210 | \$ 171 | \$ 68 |
| Unrestricted royalty | | | | | | | | | | | |
| Fall 17 | \$ 681 | \$ 856 | \$ 817 | \$ 808 | \$ 831 | \$ 855 | \$ 854 | \$ 866 | \$ 909 | \$ 954 | \$ 996 |
| Spring 18 | \$ 681 | \$ 915 | \$ 920 | \$ 885 | \$ 893 | \$ 885 | \$ 896 | \$ 909 | \$ 939 | \$ 969 | \$ 981 |
| Change | \$ - | \$ 59 | \$ 103 | \$ 77 | \$ 62 | \$ 30 | \$ 42 | \$ 43 | \$ 29 | \$ 15 | \$ (16) |
| Petroleum Corporate Tax | | | | | | | | | | | |
| Fall 17 | \$ (59) | \$ 130 | \$ 170 | \$ 180 | \$ 225 | \$ 240 | \$ 250 | \$ 255 | \$ 260 | \$ 270 | \$ 285 |
| Spring 18 | \$ (59) | \$ 115 | \$ 190 | \$ 205 | \$ 205 | \$ 210 | \$ 215 | \$ 215 | \$ 225 | \$ 235 | \$ 235 |
| Change | \$ - | \$ (15) | \$ 20 | \$ 25 | \$ (20) | \$ (30) | \$ (35) | \$ (40) | \$ (35) | \$ (35) | \$ (50) |
| Subtotal Petroleum Unrestricted | | | | | | | | | | | |
| Fall 17 | \$ 876 | \$ 1,561 | \$ 1,437 | \$ 1,440 | \$ 1,519 | \$ 1,565 | \$ 1,600 | \$ 1,604 | \$ 1,717 | \$ 1,914 | \$ 2,093 |
| Spring 18 | \$ 876 | \$ 1,801 | \$ 1,639 | \$ 1,647 | \$ 1,696 | \$ 1,688 | \$ 1,727 | \$ 1,779 | \$ 1,920 | \$ 2,063 | \$ 2,095 |
| Change | \$ - | \$ 240 | \$ 202 | \$ 207 | \$ 177 | \$ 123 | \$ 127 | \$ 175 | \$ 204 | \$ 150 | \$ 1 |
| Non-Petroleum Unrestricted (including unrestricted investment) | | | | | | | | | | | |
| Fall 17 | \$ 474 | \$ 520 | \$ 610 | \$ 623 | \$ 637 | \$ 654 | \$ 676 | \$ 693 | \$ 710 | \$ 728 | \$ 745 |
| Spring 18 | \$ 478 | \$ 536 | \$ 620 | \$ 630 | \$ 641 | \$ 655 | \$ 674 | \$ 689 | \$ 704 | \$ 720 | \$ 736 |
| Change | \$ 3 | \$ 16 | \$ 10 | \$ 7 | \$ 4 | \$ 1 | \$ (1) | \$ (4) | \$ (6) | \$ (8) | \$ (9) |
| Total Unrestricted | | | | | | | | | | | |
| Fall 17 | \$ 1,351 | \$ 2,082 | \$ 2,047 | \$ 2,063 | \$ 2,156 | \$ 2,219 | \$ 2,275 | \$ 2,297 | \$ 2,427 | \$ 2,641 | \$ 2,839 |
| Spring 18 | \$ 1,354 | \$ 2,337 | \$ 2,259 | \$ 2,276 | \$ 2,336 | \$ 2,343 | \$ 2,401 | \$ 2,468 | \$ 2,625 | \$ 2,783 | \$ 2,831 |
| Change | \$ 4 | \$ 256 | \$ 212 | \$ 213 | \$ 181 | \$ 124 | \$ 126 | \$ 171 | \$ 198 | \$ 142 | \$ (8) |