

SPE Deepwater Oil Transportation Workshop

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Overview

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- **Oil Transportation Factors**
- **Trends**
- **Discovery Drivers**
- **Pipeline & Shuttle Tankering**
- **Anadarko Experience**
- **Challenges & Opportunities**



GOM Deepwater Oil

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Transportation Options





Oil Transportation Trends

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- **Still developing basin**
- ➡ **Competitive environment**
- **Opting for non-regulated lines**
- **3rd party funded**



Discovery Drivers

- **Reserves & development costs**
- **Maximize netback**
- **Accelerate 1st production**
- **Maintain market flexibility**



GOM Pipeline

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- **Established technology**
- **1st mover advantage for provider**
- **Typical life of lease dedication for discovery**
- **Helps enables future area discoveries**

GOM Shuttle Tankering

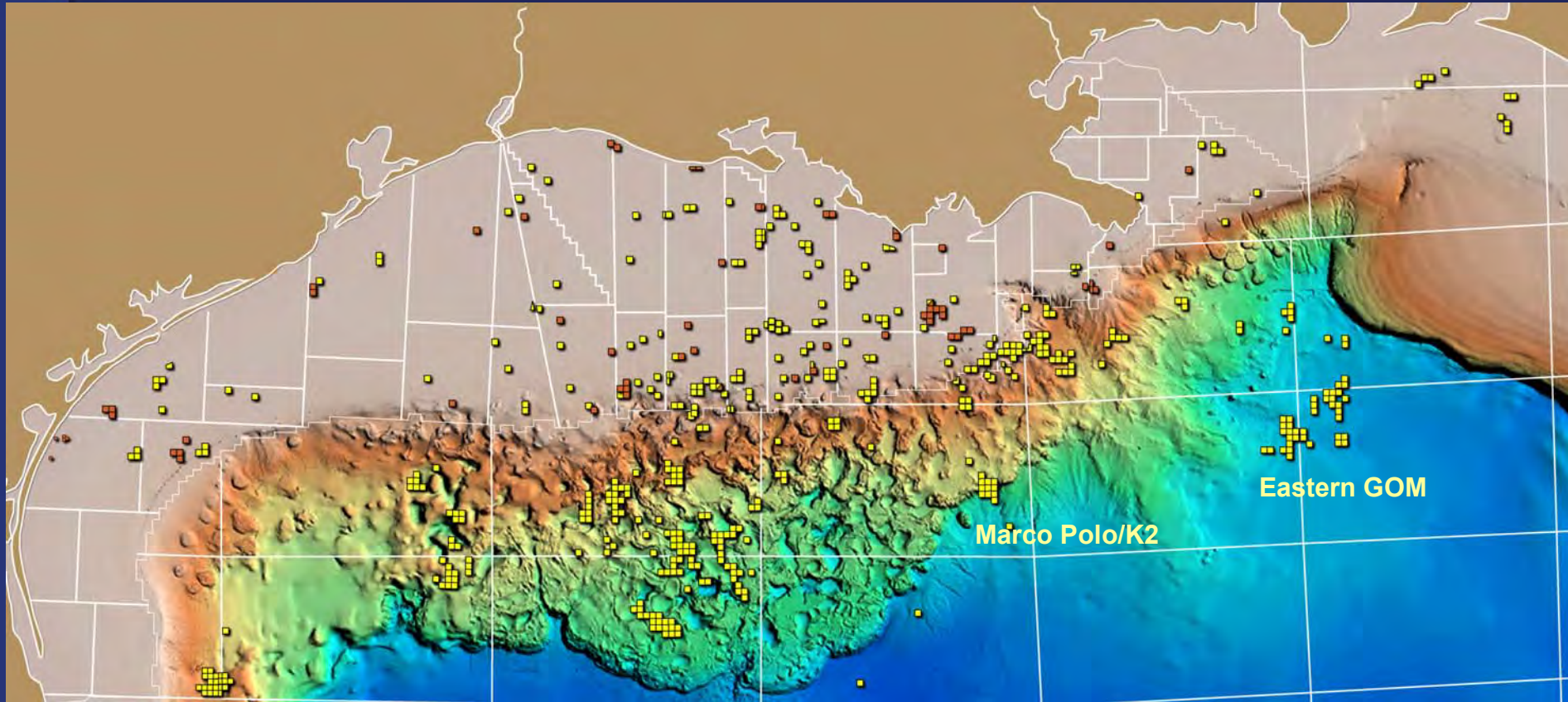
- Right discovery will enable
- Gas disposition possible issue





Acreeage & Deepwater Activity

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Marco Polo/K2

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- Oversized facility built w/ 3rd party funds
- Lease dedication required
- Pay percentage of capital over 5 yrs
- Significant value added vs. self fund



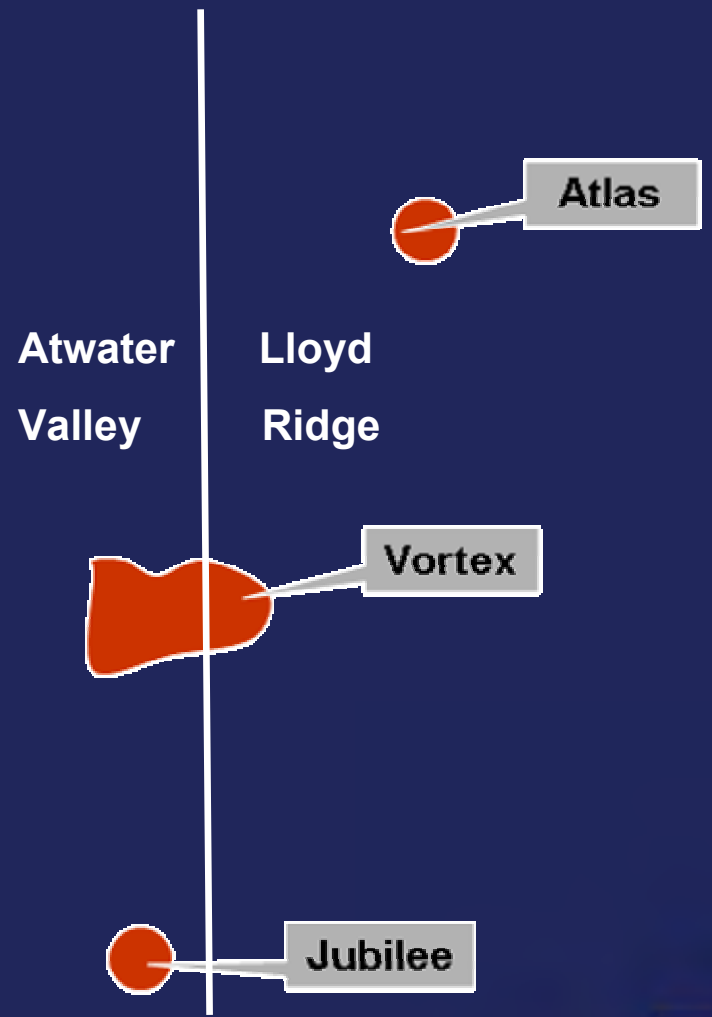


Eastern GOM

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- 4 discoveries & 4 owners
- 8,000+ ft water depth
- Joint development probable





Challenges

- **Water Depth & Technology**
- **Regulations**
- **Changing business models**
- **Financial condition of 3rd party providers**





Opportunities

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- Collaborative developments
- 3rd party capital available
- The last domestic Frontier

