

Industry Overview
Kara Moriarty, Alaska Oil and Gas Association



Southeast Conference
Mid-Session Summit
March 13, 2014



AOGA member companies

PIONEER
NATURAL RESOURCES ALASKA



Apache



Hilcorp Alaska, LLC



ExxonMobil.



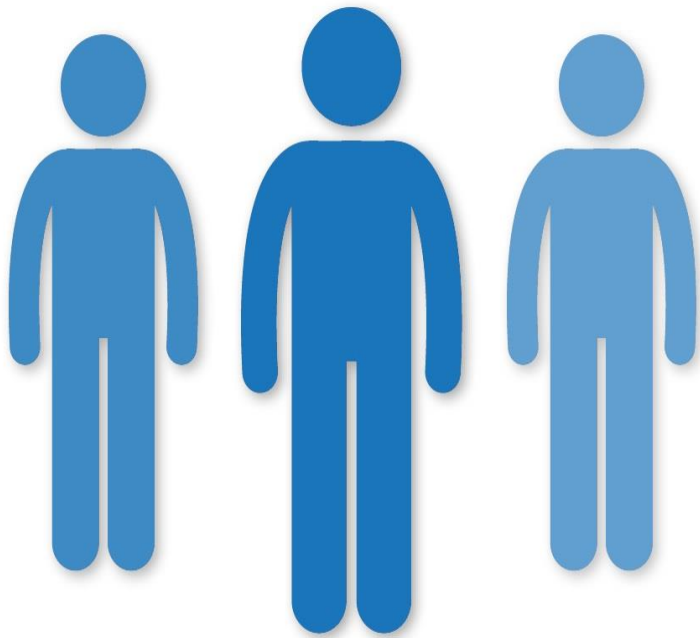
TESORO



petroleum



Healthy industry= jobs and a strong economy



One-third of all Alaska's jobs, approximately 110,000 jobs are attributed to the oil and gas industry.

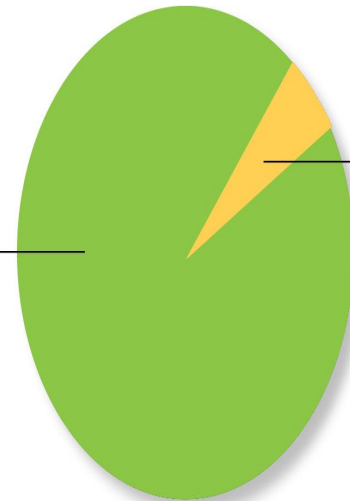
Source: University of Alaska Anchorage,
Prof. Scott Goldsmith presentation, December 2008

Single-largest State taxpayer

- “ State has collected more than \$170+ billion since Statehood
- “ FY 2013, \$6.3 billion for about 734,000 residents
- “ FY 2013 = 92%

About 90% of state tax revenues come from the oil and gas industry

Source: Alaska Dept. of Revenue, April 5, 2013 presentation



all other revenue sources

A Prosperous Partnership

- ~ Permanent Fund Dividend Payments
- ~ No Statewide Income or Sales Tax
- ~ Enhanced Quality of Life



We are Alaskans

- “ Friends and neighbors
- “ Active in communities



Alaska is Rich in Resources

RESOURCE POTENTIAL	
STATE LAND	FEDERAL LAND
<p>Cook Inlet 599 mbo and 19 tcf gas</p> <hr/> <p>Onshore North Slope Conventional: 5 bbo and 35 tcf gas Heavy/Viscous: 24-33 bbo Unconventional: 2 bbo and 12 tcf gas</p>	<p>Offshore Arctic 27 bbo and 132 tcf gas</p> <hr/> <p>NPR-A 896 mbo and 53 tcf gas</p> <hr/> <p>ANWR 10 bbo and 3.5 tcf gas</p>
<p>mbo - million barrels of oil bbo - billion barrels of oil tcf - trillion cubic feet</p>	

Where it Began - Cook Inlet

CI oil and gas production

- “ Oct. 2012: 11,243 bbls/day
- “ Sept. 2013: 16,399 bbls/day
- “ 17 rigs in Nov. 2012



Source: Alaska Department of Natural Resources

Future - Outer Continental Shelf (OCS)

Mega Potential

- ~ 27 billion barrels of oil
- ~ 132 trillion cubic feet gas
- ~ Prefer the pipeline to move oil
- ~ 54,700 potential U.S. jobs



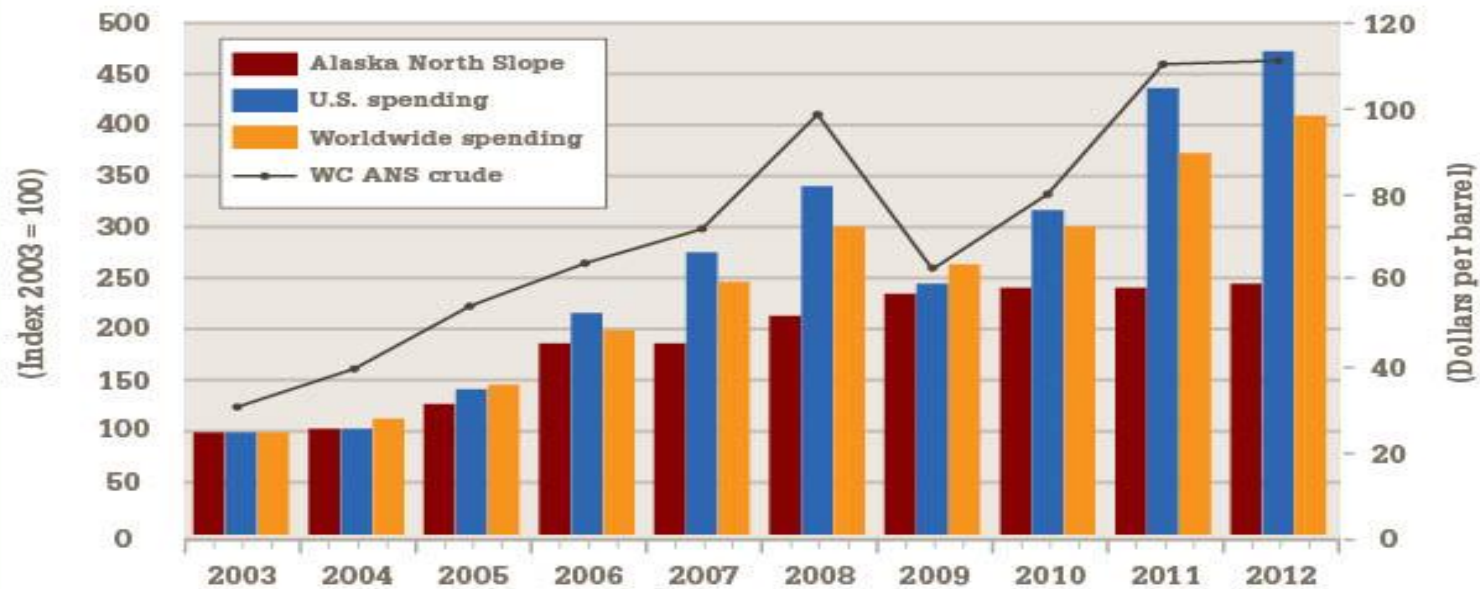
Refining & Transporting



Investment was Stagnant

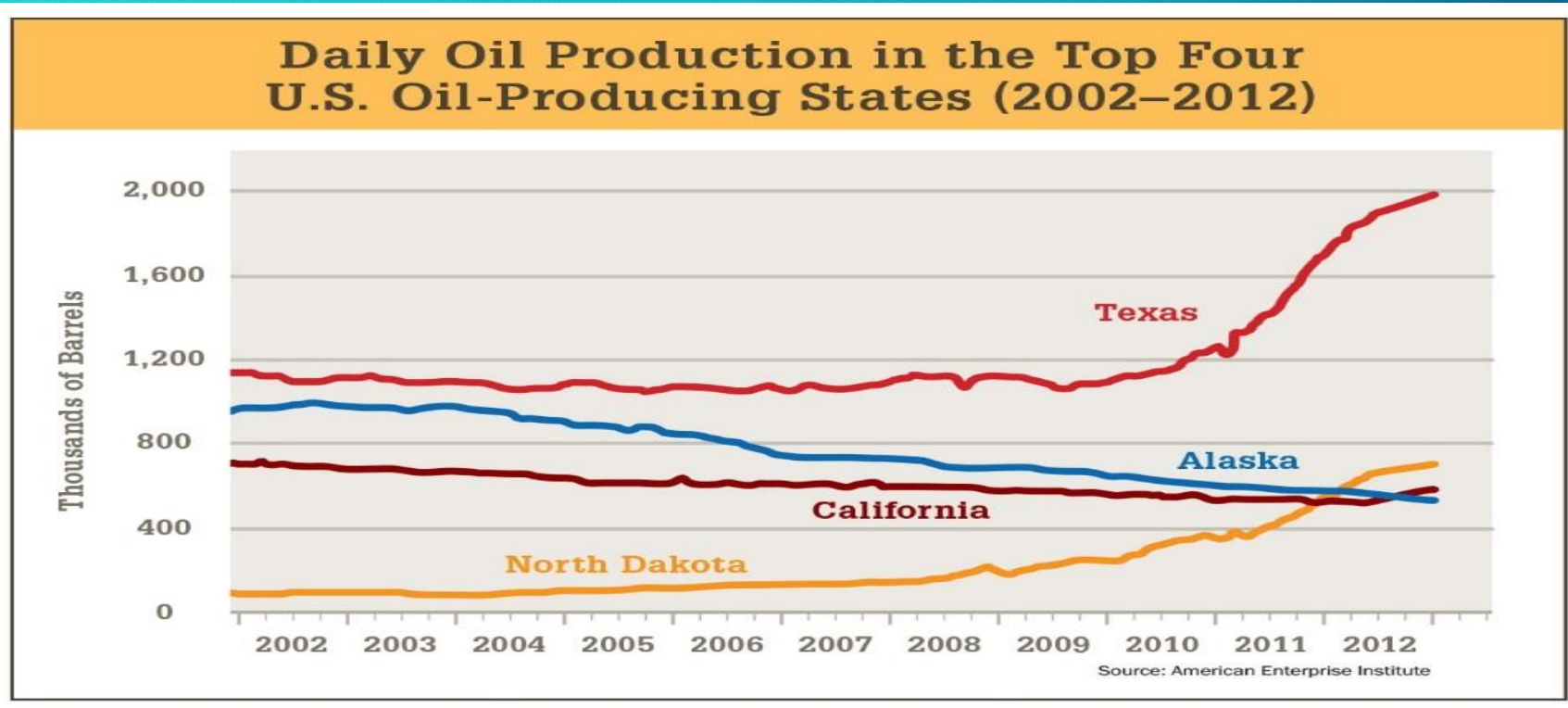
Estimated capital spending* for exploration and development Alaska North Slope vs. U.S. and worldwide for the years 2003 – 2012

AOGA



*North Slope figures based on tax return information; U.S. based on top 50 public companies; worldwide based on top 75 public companies
Source: Econ One Research

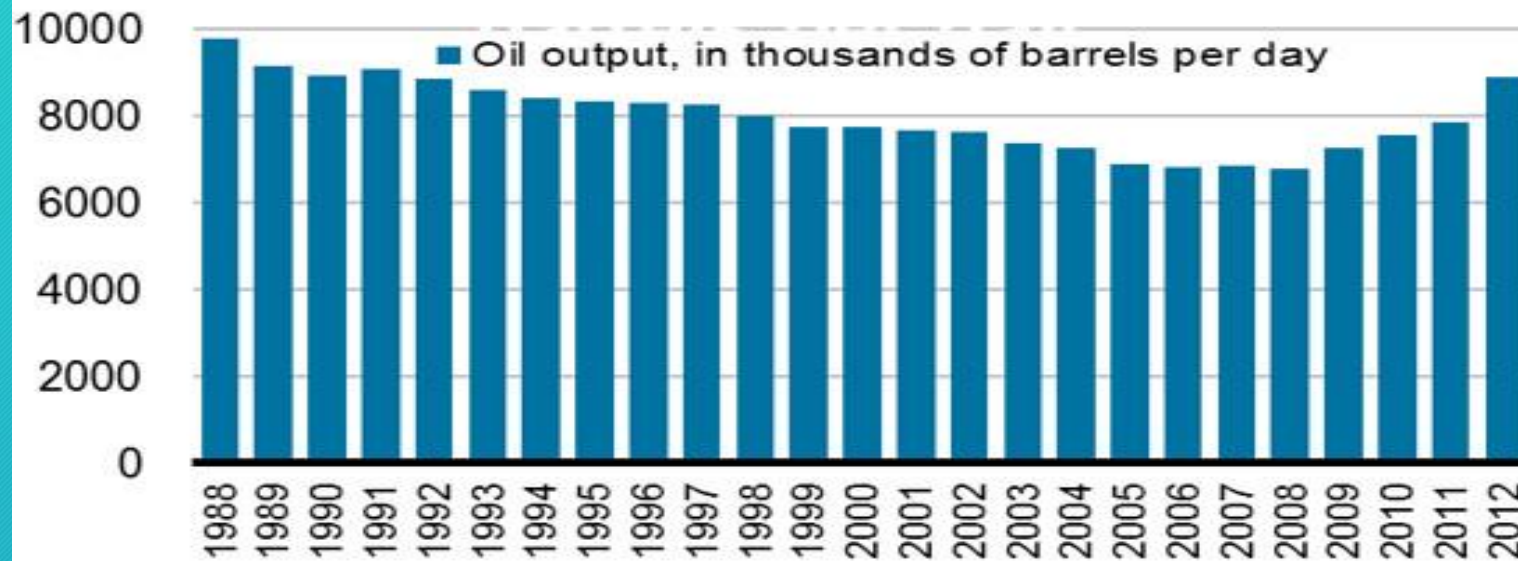
Alaska slips to fourth place



The U.S. oil industry is booming, but not in Alaska

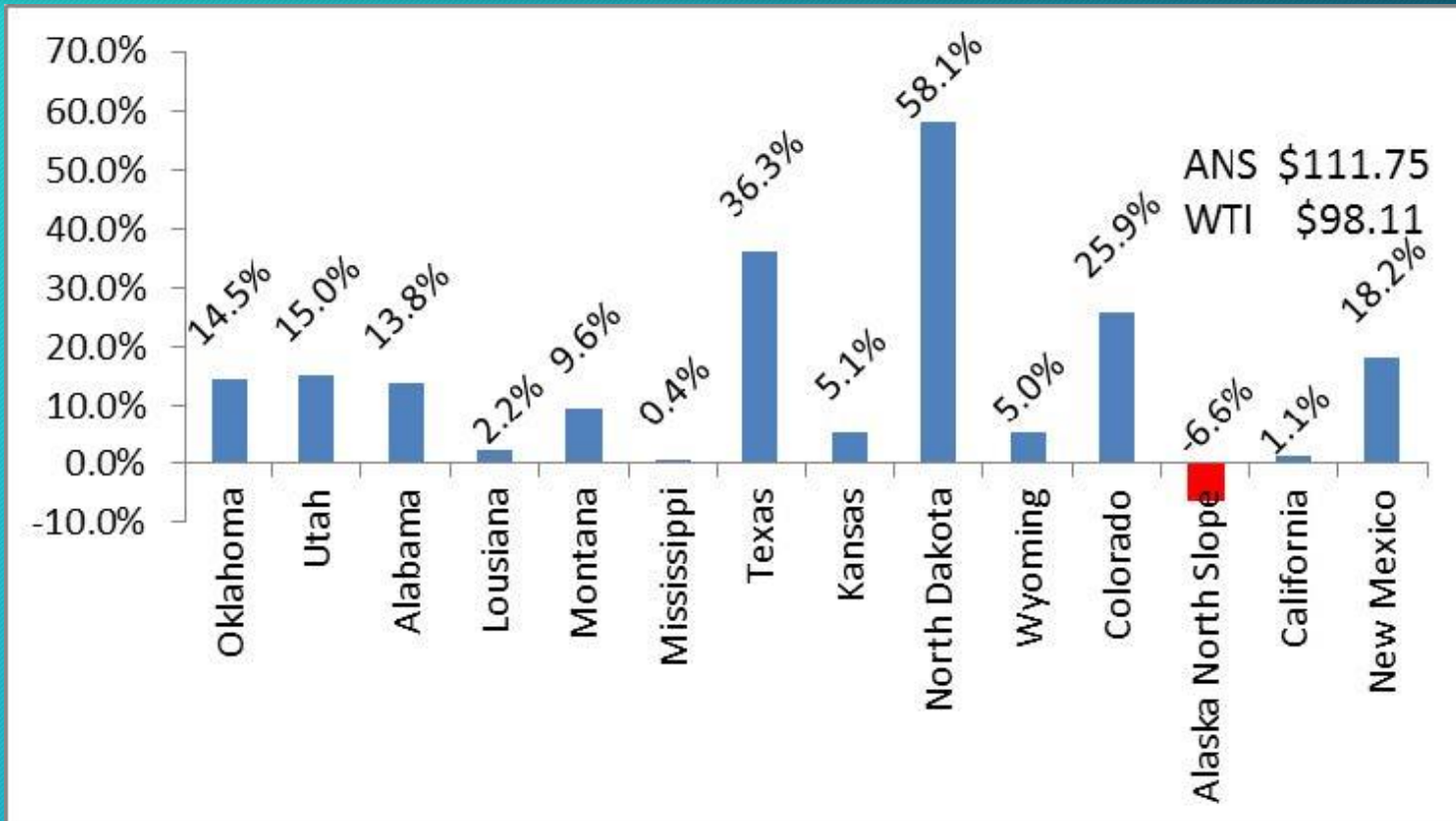
Rising Supply

The U.S. is the world's fastest growing oil producer



Source: BP

Every State - But Alaska - Increased Production



Tax reform signed into law



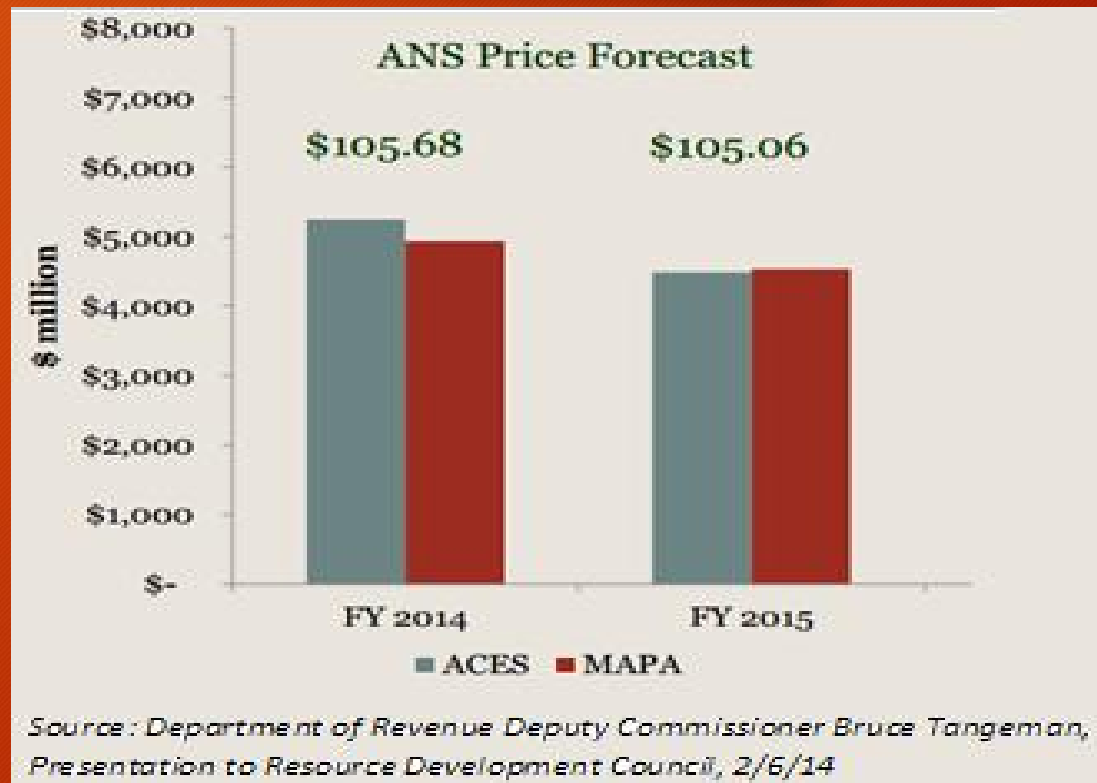
Oil tax referendum= threat to Alaska's economy

- “ Sends the wrong signal to investors
- “ Takes Alaska back to a failed tax policy
- “ Tax reform needs time to work



Tax reform is not a “Give Away”

- “ New tax is not the cause of the state’s current budget deficit
- “ Current deficit is result of declining price & production and increased transportation costs.
- “ At prices under \$105/barrel, new tax generates more state revenue than old tax.



Smart Choices for Alaska's Future: Vote No on 1

- “ Broad coalition of supporters
 - “ Leslie Hajdukovich, Fairbanks
 - “ Linda Leary, Eagle River
 - “ Bob Berto, Ketchikan
 - “ Rick Boyles, Anchorage
 - “ Rick Mystrom, Anchorage
- “ Sharing accurate information
- “ Protecting Alaska's economy and jobs



Our Coalition

More than 200 local business, labor, community groups & thousands of individuals have joined together to oppose Ballot Measure 1.

Alaska Chamber of Commerce

Anchorage Chamber of Commerce

Chugiak Eagle River Chamber of
Commerce

Greater Fairbanks Chamber of Commerce

Greater Ketchikan Chamber of Commerce

Greater Wasilla Chamber of Commerce

Juneau Chamber of Commerce

Kenai Chamber of Commerce

Seward Chamber of Commerce

Soldotna Chamber of Commerce

Alaska Teamsters

Alaska Miners Association

Alaska Trucking Association

Alaska State Home Building
Association

Associated General Contractors

Fairbanks Economic Development
Corporation

Make Alaska Competitive Coalition

North Slope Borough

Resource Development Council

The Alaska Support Industry Alliance

Southeast Conference

Mat-Su Business Alliance

Doyon Limited

CH2M HILL

Eagle River Orthodontics

Fort Knox Gold Mine

Little Red Services

Millennium Alaskan Hotel

NANA Development Corporation

Security Aviation

Sourdough Express

Delta Leasing LLC

Sunrise Bagel & Espresso

Carlile Transportation

The Welding Shop, Inc

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www.ForAKsFuture.com

