

Industry Update
Kara Moriarty, Alaska Oil and Gas Association



Resource Development Council
Alaska Resources Conference
November 20, 2013

AOGA member companies

PIONEER
NATURAL RESOURCES ALASKA



Hilcorp Alaska, LLC



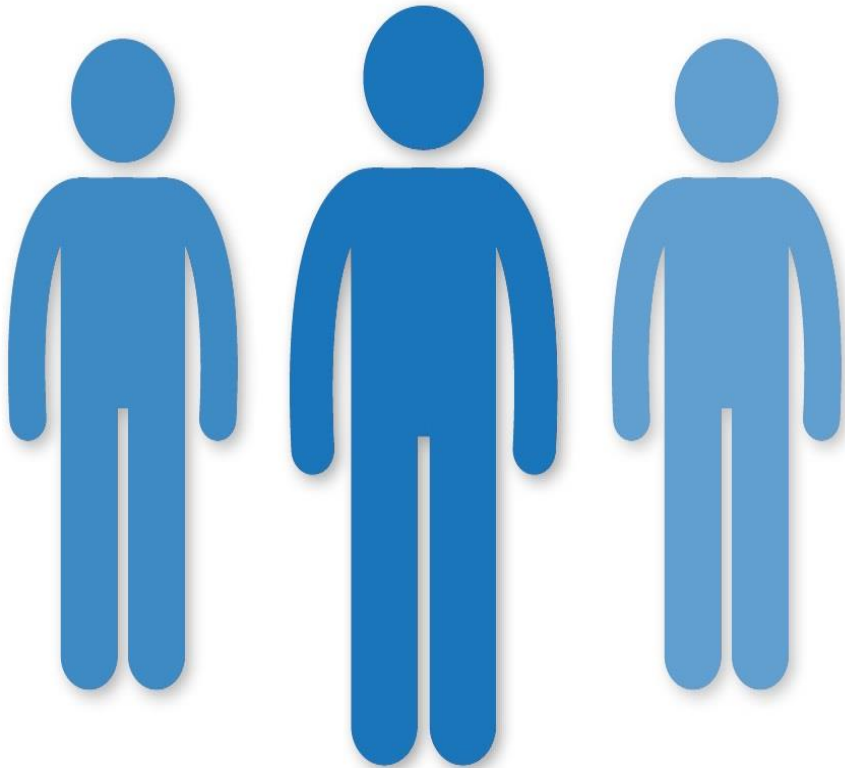
TESORO



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

We are Alaskans

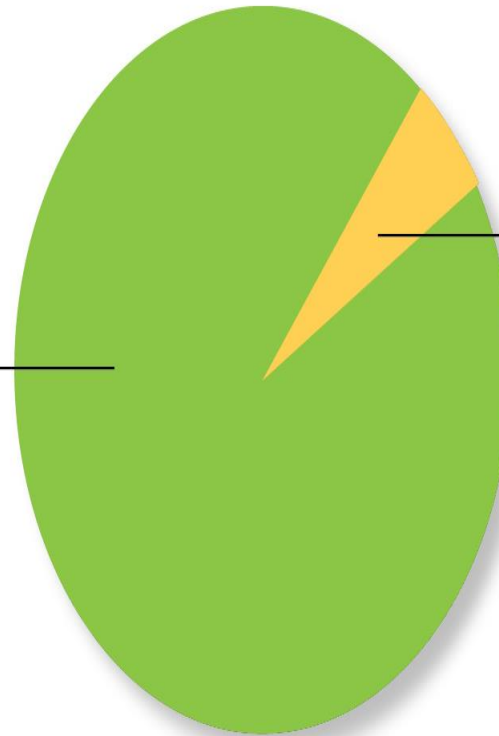
- Friends and neighbors
- Active in communities



Single-largest State taxpayer

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

Cook Inlet's comeback and Offshore's potential

CI oil and gas production

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



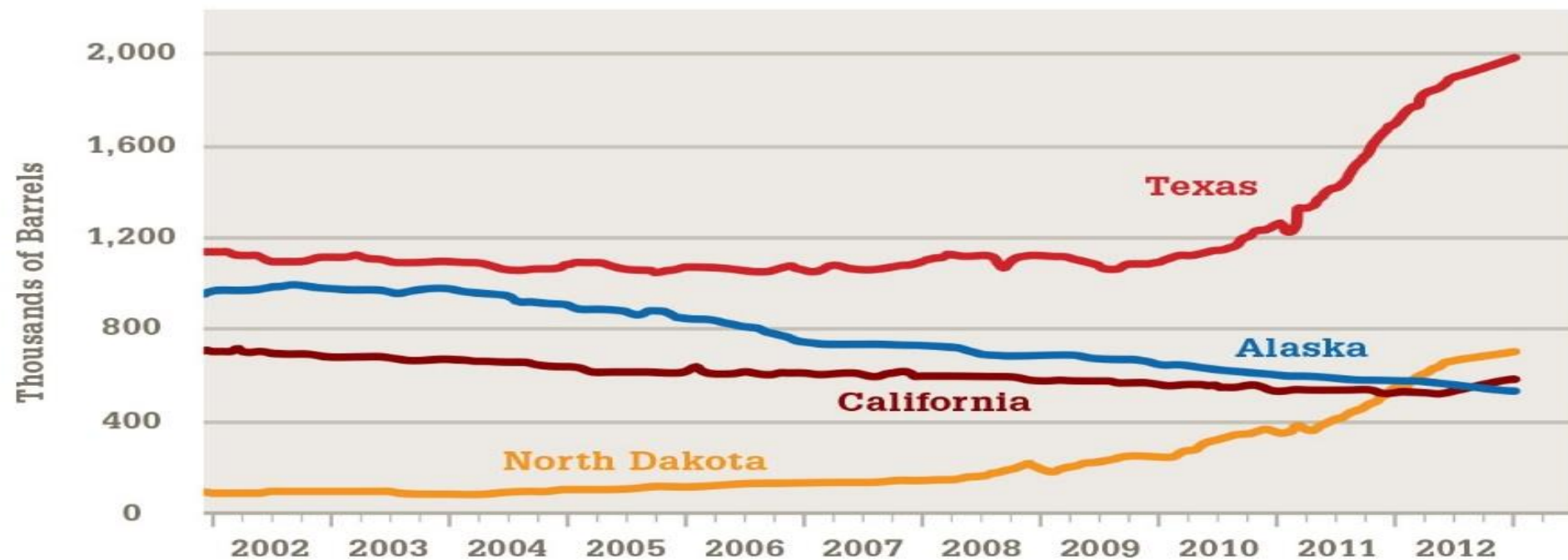
Offshore's potential

- 27 bbo and 132 tcf gas
- Prefer the pipeline to move oil
- 54,700 potential U.S. jobs



Alaska slips to fourth place

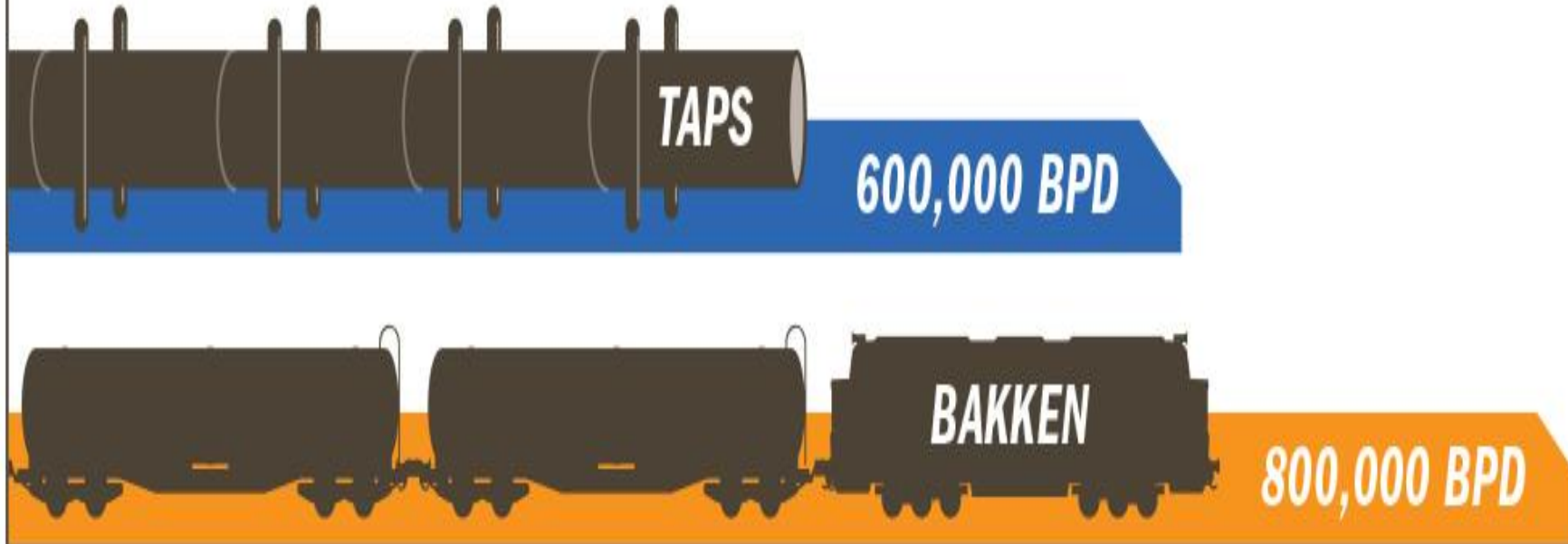
Daily Oil Production in the Top Four U.S. Oil-Producing States (2002–2012)



Source: American Enterprise Institute

New players are changing the game

More oil shipped from North Dakota by rail than through TAPS

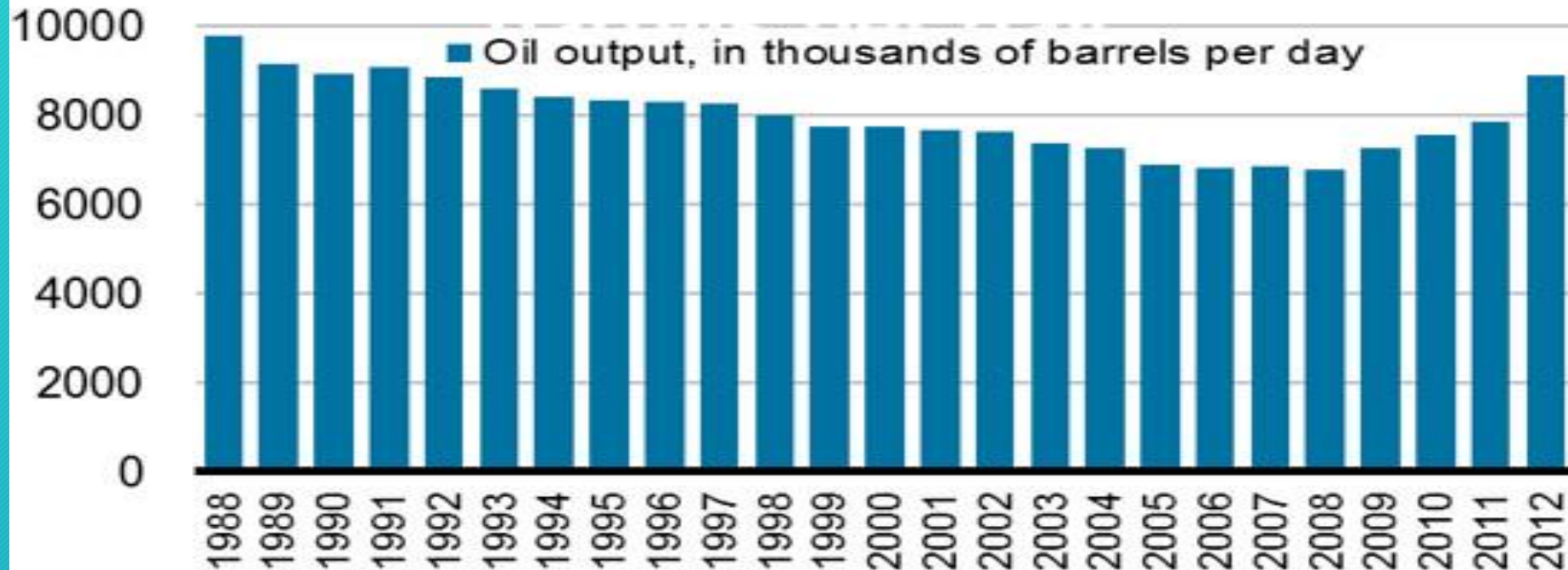


Source: Scientific American

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

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



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

- Broad coalition of supporters
- Sharing accurate information
- Protecting Alaska's economy and jobs

vote

NO on 1

for Alaska's future

Campaign Co-Chairs

- Leslie Hajdukovich, Fairbanks
- Linda Leary, Eagle River
- Bob Berto, Juneau
- Rick Boyles, Anchorage
- Rick Mystrom, Anchorage



Projects announced since tax reform

“BP plans to invest additional \$1 billion in Alaska”

Anchorage Daily News, June 2, 2013

“Repsol plans three more wells, three more rigs”

Alaska Journal of Commerce, October 17, 2013

**“ConocoPhillips is planning a
new drill site at Kuparuk River”**

Alaska Public Radio Network, November 1, 2013

What others are saying about tax reform

vote

NO  **on 11**

for Alaska's future

www.ForAKsFuture.com - Join the coalition!

The screenshot shows a web browser window with the URL <http://www.votenoone.com/coalition>. The page features a red header with a navigation menu containing 'About', 'Chairs', 'Coalition', 'Get the Facts', 'News', and 'Contact'. The 'Coalition' link is highlighted. To the left of the navigation is a logo for 'vote NO on 1 for Alaska's future'. Below the navigation, the main content area is titled 'Will you join the coalition?'. It contains a paragraph explaining the coalition's purpose: 'We are a diverse coalition that seeks to represent all Alaskans who care about the future of our state. We know that a strong economic future creates jobs for Alaskans today – and tomorrow. Sign up today to join the effort, and spread the word about the importance of securing Alaska's future.' Below this text are three buttons for voting: 'YES I SUPPORT VOTE NO ON 1.', 'I MIGHT support Vote No on 1, tell me more.', and 'NO I do not support Vote No on 1.'. To the right of these buttons, it says '29 votes'. On the far right, there is a 'CONNECT' section with the text 'You can join us using' and icons for Facebook, Twitter, and Email. Below that is a 'PULSE' section showing a grid of user profile pictures and a notification that 'Luke Miller just joined.' The background of the page features a scenic view of a waterfront at dusk.