OIL INDUSTRY UPDATE

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Alaska Oil and Gas Association

Midnight Sun Republican Women’s Club
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The voice of the oil and gas industry in Alaska

Governed by a Board of Directors made up of member companies

Represent the majority of oil and gas exploration, production, refining, and transportation companies operating in Alaska

Advocate on behalf of industry as a whole

Testify on legislation affecting industry

Develop comments and litigate on issues involving endangered species, environmental regulations (e.g. air and water permits), etc.

Inform the public about oil and gas’ importance to Alaska

Interact with policymakers

Occasionally get involved with ballot measures
AOGA Member Companies
Largest private sector in Alaska

1 oil and gas industry job generates 20 other jobs through industry spending:
9 private sector jobs and 11 government jobs.

Source: “The Role of the Oil and Gas Industry in Alaska’s Economy,” McDowell Group, May 2014
Oil tax reform

April 2013: SB 21 - Oil tax reform passed
January 2014: SB 21 in place
Summer 2014: Referendum to repeal SB 21
August 2014: Referendum defeated
SB 21 is working

- New projects are currently moving forward
  - BP adding 2 new rigs and over $1b in new investment
  - Repsol spending $240m on seismic and drilling this season
  - Caelus Energy acquired new leases and spending an additional $1b

- Employment on the North Slope remains high

- Near-term production is expected to increase
Obstacles to development

- Federal overreach
  - Land withdrawals
  - ESA issues
  - Permitting

- State Issues
  - Permitting
  - Stable tax policy
Alaska’s Outer Continental Shelf

Mega Potential

- 27 billion barrels of oil
- 132 trillion cubic feet gas
- 35,000 potential annual jobs,
- $70 billion in payroll

Not a new basin
Incredible potential must be realized

Shell is moving forward for 2015
Other countries developing arctic resources
Shipping lanes, tourism opportunities
Limited infrastructure and response capabilities
Endangered Species Act
Balance can be achieved
What should Alaskans do?

ENGAGE!
- Talk to legislators
- LTE
- Submit comments to Federal Agencies

OCS hearing-March 2
- Marriott, 2 pm
- Press conference
- Written testimony