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**Alaska Oil and Gas Association Comments on the
Department of Revenue’s 2019 Spring Revenue Forecast**

Anchorage – March 18, 2019 – Today, officials with the Alaska Department of Revenue predicted that oil production will essentially hold steady in the near term, and increase when large new fields like Willow and Pikka come online in the longer term. While the spring production forecast shows a temporary dip compared with fall 2018 predictions, this was attributed to Spy Island at the Nikaitchuq field going partially offline earlier this year; the field has since returned to production with volumes up to daily standards.

“Oil production has held steady over the last few years despite a long period of lower oil prices,” said Kara Moriarty, president and CEO of AOGA. “In just five years, the industry has made significant investments to stop the alarming decline rate seen less than a decade ago. Managing to stabilize production, and even increase it, in recent years is an incredible achievement that benefits the State through production tax revenue, royalties, and jobs.”

Of note, production forecasts that were developed under the old tax law known as ACES in FY12 and FY13 predicted oil production would plummet far below today’s projected number for FY20. Clearly, industry investment made a sizable impact in revising forecasts upward by such a significant amount.

The Department of Revenue’s Spring 2019 Revenue Forecast can be found here:
<http://www.tax.alaska.gov/programs/documentviewer/viewer.aspx?1529r>

AOGA is a professional trade association whose mission is to foster the long-term viability of the oil and gas industry in Alaska for the benefit of all Alaskans. AOGA membership is comprised of the State’s largest taxpayers. More information about the organization can be found at www.aoga.org, on Facebook (AlaskaOilAndGas), or twitter (@AOGA).

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