NOIA Annual Conference
Kara Moriarty, AOGA President/CEO
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Oil & Gas Fuels Alaska’s Economy

- 1/3 of All Alaska jobs (110,000 jobs) attributed to industry
- Every direct job = 20 more jobs throughout Alaska (private & public)
- Every dollar in wage = $8 more
- 85% of State’s unrestricted General Fund since statehood

No other industry even comes close
America’s Arctic (Alaska) has Mega Resources

<table>
<thead>
<tr>
<th>RESOURCES POTENTIAL</th>
<th>STATE LAND</th>
<th>FEDERAL LAND</th>
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<tbody>
<tr>
<td></td>
<td>Cook Inlet</td>
<td>Offshore Arctic</td>
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<tr>
<td></td>
<td>599 mbo and 19 tcf gas</td>
<td>27 bbo and 132 tcf gas</td>
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<td>Onshore North Slope</td>
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<td>Conventional:</td>
<td>NPR-A</td>
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<td></td>
<td>5 bbo and 35 tcf gas</td>
<td>896 mbo and 53 tcf gas</td>
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<td>Heavy/Viscous:</td>
<td>ANWR</td>
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<td>24-33 bbo</td>
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<td>Unconventional:</td>
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<td>2 bbo and 12 tcf gas</td>
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mbo – million barrels of oil    bbo – billion barrels of oil    tcf – trillion cubic feet
How big is Alaska’s Potential?

• 1/3 of all America’s oil and gas reserves are in Alaska
• Approximately 75% of the global arctic resource potential is offshore
• Over 80% of US Arctic offshore conventional undiscovered potential
• Estimated 23-27 billion barrels of oil (bbo)
  • Trans-Alaska Pipeline - 40 years - 17 bbo
• Estimated 104-132 trillion cubic feet of gas (tcf)
Recent Discoveries Add to Potential
Alaska Needs Investment

Without new investment the main source of Alaska’s revenue will continue to decline and risk complete shutdown of the Trans-Alaskan Pipeline in less than 15 years.

Alaska Oil Production 2000 - 2040

Source: EIA Estimates from Annual Energy Outlook 2020
US & World Need Oil & Gas

**US Consumption by Energy Source**

- 2017 World Energy – 54.7% oil and gas
- 2040 World Energy – 56% oil and gas
- Renewables as a world energy sources expected to grow by 3% over next 2 decades

**World Energy Sources**

- 2017 US Consumption – 67% oil and gas
- 2050 US Consumption – 69.5% oil and gas
- US Consumption of renewables forecasted to increase by almost 6% over next 3 decades

*Source: EIA, Jan. 2017*

*Source: EIA, May 2016*
Alaska is Not New Basin

- Not a new basin
- In 1964: first platform and hydrocarbon production in Cook Inlet
- Arctic offshore exploration in Beaufort and Chukchi Seas began in 1969
  - Gravel islands in shallow water
  - Experience, technology: deeper water, floating rigs
- Since the 1970’s there have 43 wells drilled in Alaska’s Arctic offshore
Arctic Nations Developing Oil & Gas
“Couldn’t Be Done…”