Alaska Oil & Gas Industry Update

Kenai/Soldotna Chamber of Commerce Luncheon
August 19, 2015

Kara Moriarty
AOGA President/CEO
AOGA Member Companies
The oil and gas industry supplies ___% of the State of Alaska's spending money (that funds things like education and public safety).
ANSWER: The oil and gas industry supplies about 90% of the State of Alaska’s spending money.
The oil and gas industry creates revenue for the State of Alaska through:

Production tax
Corporate income and property tax
Royalties
All of the above
ANSWER: All of the Above.
The State of Alaska collects production tax, property tax, corporate income tax, and royalties from companies operating in Alaska.
A Year Ago Today
What has happened in the past 12 months?

Up to 185,000 jobs could be lost in the oil and gas industry this year, study says

The Canadian Press, May 19, 2015

CALGARY - Shrinking budgets in the oil and gas industry could lead to as many as 185,000 direct and indirect job losses in Canada this year, according to a new study by an industry group. The report, released Tuesday by the labour market division of Enform, says the potential losses would represent a 25 per cent drop in the number of jobs the sector supports and are the result of major budget cuts in the oilpatch.

On to Plan B as Oil Work Stalls in Texas

By CLIFFORD KRAUSS

The New York Times

MIDLAND, Tex. — With oil prices plummeting by more than 50 percent since June, the gleeful mood of recent years has turned glum here in West Texas as the frenzy of shale oil drilling has come to a screeching halt.
Since the passage of SB 21, companies operating on the North Slope have announced plans to spend an additional:

- $800 million
- $1.5 billion
- $5 billion
- $25 billion
ANSWER: An additional $5 billion in new investments
Oil production in Cook Inlet up by 80%

Cook Inlet production 2005-2014

Production (thousand bbls/day)

Source: DOR, Fall 2014 RSB
Tax credits:

- An investment in Alaska’s future
- Generating jobs, investment, and production
- Key in attracting new and smaller companies to Alaska
The oil and gas industry accounts for approximately _____ jobs and total wages of about _____ in the Kenai Peninsula Borough.

- 6,000 & $430 million
- 1,200 & $100 million
- 9,000 & $1 billion
- 4,000 & $350 million
ANSWER: The oil and gas industry is responsible for 6,000 jobs and total wages of $430 million in the Kenai Peninsula Borough.
Cook Inlet: A model for Co-existence
The next generation of oil & gas development
Thank you!

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