OIL AND GAS UPDATE
KARA MORIARTY
PRESIDENT/CEO
ALASKA OIL AND GAS ASSOCIATION

Alaska Miners Association
Annual Fall Convention
November 6, 2014
HAPPY 75<sup>TH</sup> ANNIVERSARY, AMA!
AOGA MEMBER COMPANIES
Over the past five years:

• **80%** of Alaskans believe oil and gas industry is **good for the state**

• **64%** of Alaskans believe oil pays its fair share

• **75%** of Alaskans believe the industry operates in an **environmentally safe** manner

• **72%** of Alaskans **support OCS** exploration and development
## BALLOT MEASURE 1 RESULTS

52% NO - 47% YES

<table>
<thead>
<tr>
<th>AREA</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANCHORAGE</td>
<td>45%</td>
<td>55%</td>
</tr>
<tr>
<td>INTERIOR</td>
<td>56%</td>
<td>44%</td>
</tr>
<tr>
<td>RURAL ALASKA</td>
<td>47%</td>
<td>53%</td>
</tr>
<tr>
<td>SOUTHCENTRAL</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>SOUTHEAST</td>
<td>64%</td>
<td>36%</td>
</tr>
</tbody>
</table>
THANK YOU, MINERS!
ALASKA NEEDS TO “GET IT”
NORTH SLOPE ONSHORE – WHAT’S PLANNED?

- Drilling to continue at Spy Island for potential new expansion
- Additional exploration wells in 2015 to delineate prospect
- Construction of Pt Thomson field – on track for 2016 production
- New Rig at Kuparuk & $1 billion in additional investment
- Production expected in 2015 in NPRA

- New player on the North Slope – acquiring 100% of 2 smaller fields & 50% of 2 others
- Conducting seismic within Prudhoe – adding a new rig in 2015
- Over $1 billion more
- Evaluating new development field – potential $1 Billion investment
- Over $1 billion more
Cook Inlet Oil and Gas Production

- Jan. 2013: 12,398 bbls/day
- Jan. 2014: 16,486 bbls/day
- 20 rigs in May 2013
COOK INLET – WHAT’S PLANNED?

- Ongoing increased investment – resulting in new exploration/appraisal wells & increased production
- Applied for five year offshore seismic period with National Marine Fisheries Service
- Ongoing work for new gas production platform
- Acquired additional state acreage with $1.5 million work commitment
- Constructing new subsea pipeline to Tesoro refinery
- Plan to drill 3 delineation wells – planning for onshore and offshore development
- Seeking financing to restart Nikiski fertilizer plant
- LNG export reauthorized by DOE of up to 40 BCF thru Feb 2016
- Applied for five year offshore seismic period with National Marine Fisheries Service
Mega Potential

• 27 billion barrels of oil
• 132 trillion cubic feet gas
• Prefer the pipeline to move oil
• 54,700 potential U.S. jobs
• Not a new basin – over 30 wells drilled in the 1980’s
• 12-15 years to production
ALASKA LNG PROJECT

Potential Benefits

• Single Largest Investment in Alaska’s history
• Creates 15,000 new jobs
• Generates Billions in new Tax Revenue
• Provides Natural Gas to Alaskans
CURRENT ALIGNMENT & PROGRESS

• Legislature approves Heads of Agreement

• Continue Field Studies and Environmental Baseline Assessments

• Continue engineering and design work for integrated project

• Prepare State and Federal permit and license applications

• Establish a durable gas fiscal regime
WORK TOGETHER. WIN TOGETHER.