Oil and Gas Industry Update
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Wasilla Chamber of Commerce
December 9, 2014
Oil & gas fuels our economy

More than $\frac{1}{3}$ of Alaska’s jobs are tied to the oil and gas industry.

- Petroleum sector: 110,000 jobs, 34%
- Government sector: 82,370 jobs, 26%
- All other sectors: 129,591 jobs, 40%

535 direct jobs & 3,465 support services and indirect jobs in the Mat-Su Valley
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

Annual average of 4,000 jobs and about $310 million in wages in the Mat-Su Valley
Tax reform works for Alaska

“BP plans to invest additional $1 billion in Alaska”
Anchorage Daily News, June 2, 2013

“Repsol plans three more wells, three more rigs”
Alaska Journal of Commerce, October 17, 2013

“ConocoPhillips is planning a new drill site at Kuparuk River”
Alaska Public Radio Network, November 1, 2013

“Production exceeds Revenue forecast”
Alaska Journal of Commerce
April 11, 2014

“Oil and Construction Jobs on the Rise”
KSRM Radio
April 15, 2014

“Oilpatch jobs at record as industry hustles new projects”
Alaska Economic Report
April 13, 2014
North Slope Onshore – What’s planned?

- 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, another in 2016
- Over $1 billion more
- New leases acquired – potential $1 Billion investment
- Drilling to continue at Spy Island for potential new expansion
- Spending $240m on seismic and drilling this winter
- 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
Major North Slope lease sale

- Lease sale bids quadruple from 2013
- Highest lease sale in 21 years
- Third largest lease sale in state history
- Caelus Energy Alaska most prolific bidder
- $54.4 million
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
The Future – Outer Continental Shelf (OCS)

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 – drilled over 30 wells in the 1980’s
Balance Can Be Achieved