Alaska Oil & Gas Association
Educational Seminar

January 6, 2011
Anchorage, AK
What is AOGA?

- Alaska’s oil and gas trade association since 1966
- Purpose
  1) Serve as a single point of contact for Alaskans on the state’s oil and gas industry
  2) Provide a forum for discussion and a point of decision on issues that affect the industry
- Goal
  - A vital oil and gas industry that contributes to a vibrant economy for Alaska
AOGA Structure

- Board of Directors

Standing & Special Committees & Task Groups:

- Environmental
  - Air
  - Water
  - Habitat/Wildlife

- Health & Safety

- Lands, Exploration & Operations

- Offshore

- Permit Streamlining

- State Legislative

- Tax
Beaufort Sea

Related entities:
- National Petroleum Reserve - Alaska
- Arctic National Wildlife Refuge
- Arctic Coastal Plain - 1002 Area

Location:
- Barrow
- Kaktovik
- Deadhorse
- Kotzebue
- Nuqait
52 Years of Petroleum Revenue

TOTAL: $108 Billion (Restricted & Unrestricted)

- Royalties: $46 billion (43%)
- Production Tax: $39 billion (36%)
- Other: $23 billion (21%)

Petroleum Revenue has constituted 83% of the state’s unrestricted revenue since statehood.
<table>
<thead>
<tr>
<th>Revenue Type</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Royalty</td>
<td>$2,176.2MM</td>
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<tr>
<td>Production Tax</td>
<td>$2,860.7MM</td>
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<tr>
<td>Property Tax</td>
<td>$497.5MM</td>
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<tr>
<td>Corporate Income Tax</td>
<td>$447.9MM</td>
</tr>
<tr>
<td>Other</td>
<td>$592.3MM</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>$6,574.6MM</td>
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</tbody>
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Royalty includes Permanent Fund contribution ($696.1MM) and School Fund contribution ($11.1MM).
Property tax figure (also known as ad valorem) includes local government shares ($378.7MM).
Other includes restricted revenues from NPR-A and tax settlements.
Total (minus Permanent Fund, School Fund, local property tax, and other) represents 89% of unrestricted revenue.
Future Revenue Outlook

“Oil revenues continue to dominate the unrestricted revenue picture – and is projected to provide more than 87% of General Purpose Unrestricted Revenue through FY 2020.”

Department of Revenue
Sources Book – Dec. 2010
**Production Forecast**

- In 10 years, the state forecasts 51% of total production will be new oil.
- Even with this new oil, the state is forecasting a 19% reduction in total production in 10 years.
Wells Drilled in Alaska

Total: 188
Total: 173
Total: 163
Total: 166

Source: AOGCC
State Arctic Lease Status

Total Acres

Acres Closed

Source: Mapmakers
Marilyn Crockett, Executive Director
Kara Moriarty, Deputy Director
Kate Williams, Regulatory Affairs
Tamara Sheffield, Support Services

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