Commonwealth North: Industry in the Time of COVID
September 30, 2020
Kara Moriarty, AOGA President/CEO
AOGA Membership
“Critical Infrastructure” Response Priorities:

• Safety of employees, contractors, and Alaskan communities
• Enacting health safety measures in accordance with guidance from WHO, CDC, state and local officials
• Keeping facilities safe and operational to deliver the energy resources Alaskans depend on
Protecting Our Workforce

To Date (as of 9/29/20):

• AOGA Member COVID-19 Cases in Alaska: **27***
  - North Slope: 24
  - Anchorage: 1
  - Fairbanks: 1
  - Valdez: 1
  - Cook Inlet: 0

• Total COVID-19 Cases in Alaska: **8,674**

*Includes non-work exposure related cases
Hilcorp Partners with ACF to Inspire Employee Giving in Alaska

by Christina Fenner | January 31, 2020 | Comments Off

BP Donates Jet Fuel To FedEx And Alaska Airlines For Coronavirus Relief Efforts

ConocoPhillips is donating a generous $100,000 to #AKCanDO and will be matching all private donations dollar-for-dollar to the fund of up to $100,000!
Market Forces Collide

“The oil and gas industry is critical to our nation’s economy and supports more than 10 million jobs. With plummeting global demand wrought by the coronavirus pandemic and supply rising as a result of the Saudi-Russian price war, prices have fallen to their lowest levels in nearly 20 years.”
– Senator Lisa Murkowski, April 7, 2020
Demand Remains: Alaska Needs to Compete

Energy production (AEO2020 Reference case)

Energy production (AEO2020 Reference case) quadrillion British thermal units

2019

2020

2021

2022

2023

2024

2025

Energy production (AEO2020 Reference case) quadrillion British thermal units

Dry natural gas

Crude oil and lease condensate other renewable energy

Coal

Natural gas plant liquids nuclear hydro

Changes in the Global Energy Mix

2018 vs Stated Policies 2040

2018

2040

OIL

NATURAL GAS

COAL

OTHER RENEWABLES

MODERN BIOENERGY

NUCLEAR

SOLID BIOMASS

HYDRO

Based on current and announced policy frameworks, oil will make up about 38% of the global energy mix in 2040.

Gas use will increase nearly 30%, making it almost as important in the energy mix as oil.

Despite coal use steadily dropping in Western countries, demand will be buoyed by Asia.

Renewable use, including from solar and wind, will increase by over 300%.

Modern bioenergy use will almost double, while traditional biomass (i.e. wood, charcoal, etc.) will fall out of favor.

*Estimated figures in Million Tonnes of Oil Equivalent (MTOE)

Source: EIA, World Energy Outlook 2018

U.S. Energy Information Administration
Alaska’s Resource Potential Remains

**CORE FIELDS**
- Alpine: Flord West, Narwhal
- Kuparuk: Nuna, Eastern NEWS
- Prudhoe Bay: 1 Pad, M Pad, VLBX

**Exploration and Development Projects**
- ExxonMobil: Pt. Thomson Unit
- Hilcorp: Liberty development
- Oil Search & Repsol Pikka exploration & Nanushuk development
- COPA: Willow Appraisal and Development
- GMT2 Development
- 2020 COPA Exploration: Harpoon
- NEW 2016-2019 COPA Leases
- NEW 2017-2018 COPA Leases
- Brooks Range Petro Co.: Mustang development and pad expansion
- 2018 COPA Exploration: Seismic Acquisition

**Total (EST)**
- AT LEAST 14 BILLION BARRELS
Pandemic could wipe out 20 YEARS of [economic] growth

Alaska Journal of Commerce, August 12, 2020
Oil Tax Ballot Measure Sets Alaska Back

• Before Alaskan voters November 3, 2020

• Viewed as short-term budget solution, but has immediate and long-term economic consequences

• Significant tax increase on a single industry, ranging from 150-300% depending on oil price

• Hurts jobs, Alaskan families, small businesses, and new discoveries on the horizon

• Now is not the time to increase taxes on any industry – including the oil and gas

• Wrong tool for complex policy change
In the midst of a global pandemic and severe economic shock, I’d rather see no spending cuts, no taxes on anybody. Removing any money from the economy can have even more damage. I think it’s

**A CHALLENGING TIME**

to be thinking about taxes in general.

Mouhcine Guettabi, UAA Institute for Social and Economic Research, September 22, 2020