Southeast Conference
Mid-Session Summit

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February 4, 2020
Oil & Gas = Largest Source of Jobs & Wages

The Big Takeaways

Alaska’s oil and gas industry remains the single most important economic engine in the state

Significant Source of Jobs

- 77,600 jobs & $4.8 billion in wages
- or 24% of all wage and salary jobs and 27% of all wages in Alaska

Supports Private & Public Sectors

1 → 8 Jobs
For every Primary Company job, there are 8 other Alaska jobs associated with Primary Company spending

1 → 7 Jobs
For every Primary Company job, there are 7 other Alaska jobs associated from oil-related taxes and royalties paid to the state

Generates Wages

$1 → $4
For every dollar earned by Primary Company employees, $4 are generated in additional indirect and induced wages

Source: McDowell Group Report, January 2020
Oil & Gas = Significant Revenue to State

Projected FY 2020 Revenue Comparison

- Total Oil Revenue to State/Local: $182,600,000
- Total Mining Revenue to State/Local: $140,000,000
- Total Comm. Fishing to State/Local

$2,603,800,000

Source: DOR Revenue Sources Book & Presentations to House Resources Committee, April 2019
More Production & Revenue than Forecast

Through FY19:
~80,000 BOPD more production than projected under ACES
Estimated $1.5B+ additional State revenue vs ACES
Core Fields are Key for Future

Investing in Core Fields: Prudhoe, Kuparuk River, Colville River (Alpine)

Prudhoe Bay, Kuparuk River and Colville River Units thru 2029 (estimated*): $11B capital 380 MM Bbls produced peaking at ~150,000 BOPD

*All numbers are gross estimates.
North Slope “Renaissance”

Based upon publicly available sources and ConocoPhillips estimates.

CORE FIELDS
Alpine: Fiord West, Narwhal
Kuparuk: Nuna, Eastern NEWS
Prudhoe Bay: I Pad, M Pad, VLBX
Core Fields Development Drilling

Hilcorp: Liberty development

Hundreds of Thousands of New Barrels/Day and ~$24 Billion in Capital

Based upon publicly available sources and ConocoPhillips estimates.
| “Major O&G tax changes should **be backed by substantial analysis** looking at both unique local factors as well as global comparables, not budgetary issues in any given year.”
| - Ken Alper, Gov. Walker’s Tax Director, HB 411 presentation, 2018 |
| “Despite the seemingly simple and straightforward title of the initiative bill, the language of the bill is difficult to interpret and raises a number of implementation and constitutional questions.”
| - Department of Law, Oct. 2019 |
| “The initiative sponsors have not stated what is fair, how they justify it, how they measure it or how the initiative attains fairness. They better have some basis, because **economically it is a mess**.”
| Roger Marks, Retired State Economist, Oct. 2019 |