

# 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

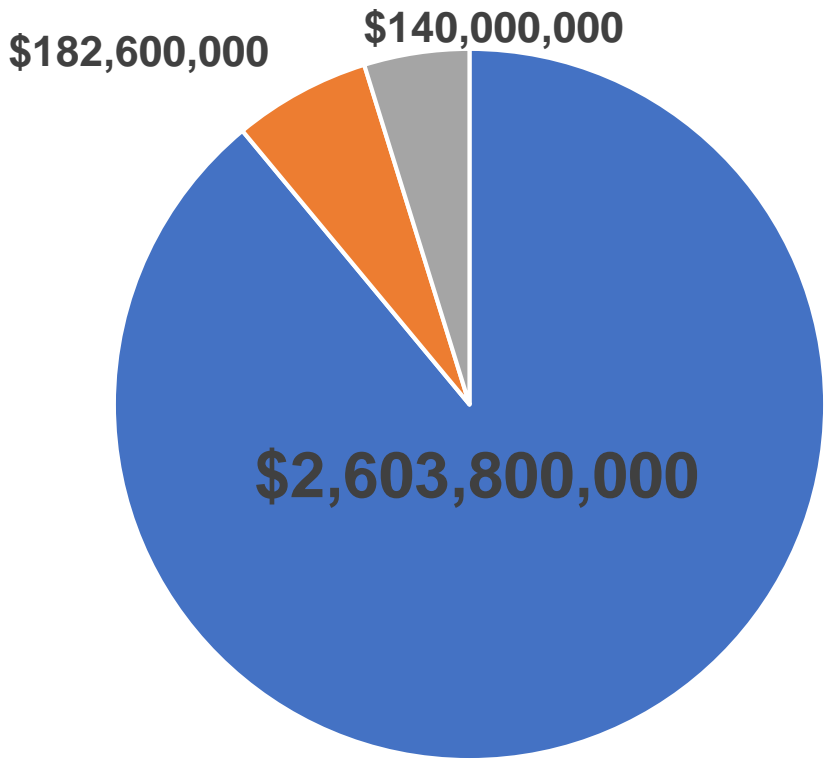
### Generates Wages

**\$1 → \$4**

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

# Oil & Gas = Significant Revenue to State

Projected FY 2020 Revenue Comparison

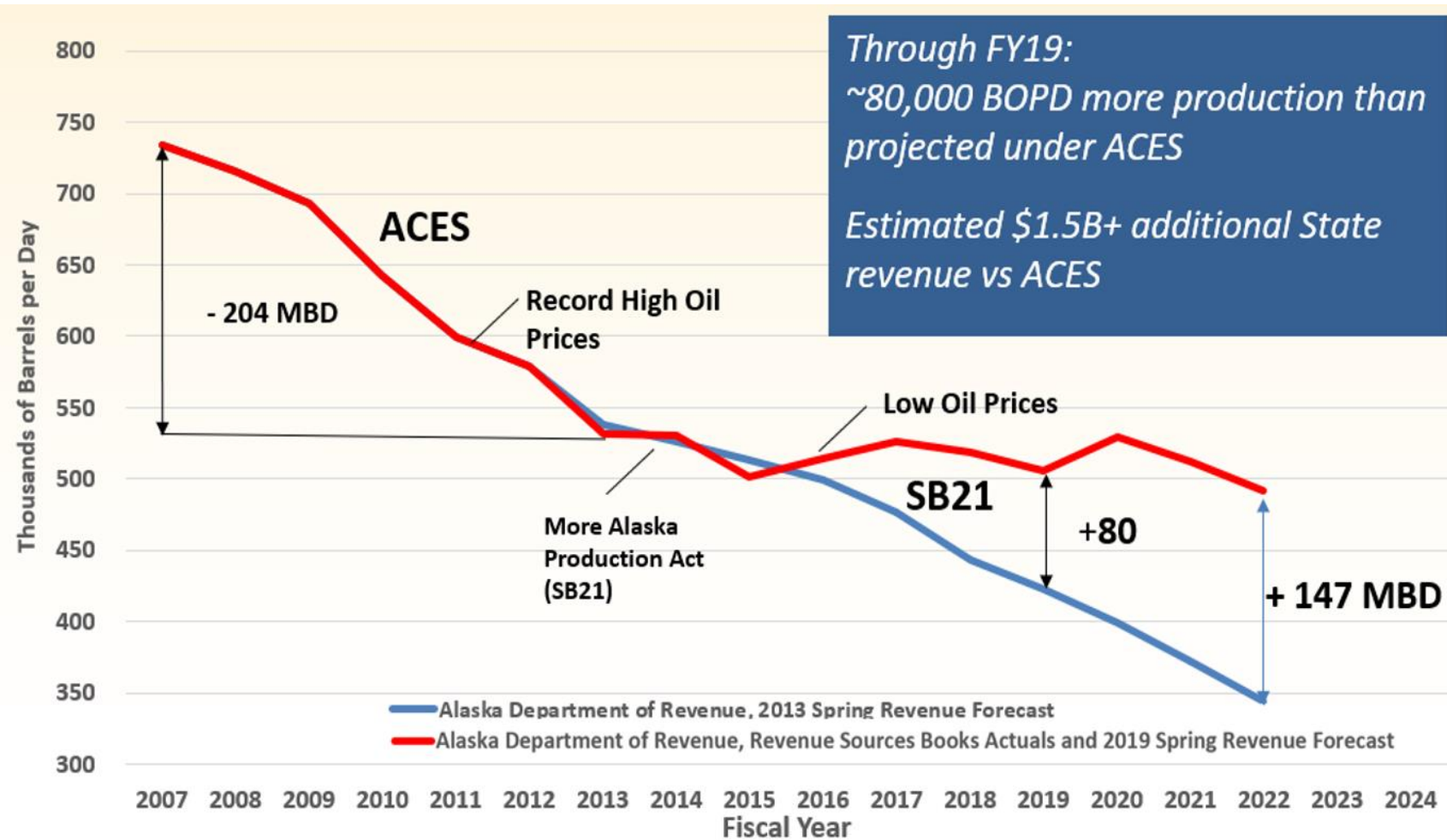


- Total Oil Revenue to State/Local
- Total Mining Revenue to State/Local
- Total Comm. Fishing to State/Local

Source: DOR Revenue Sources Book & Presentations to House Resources Committee, April 2019



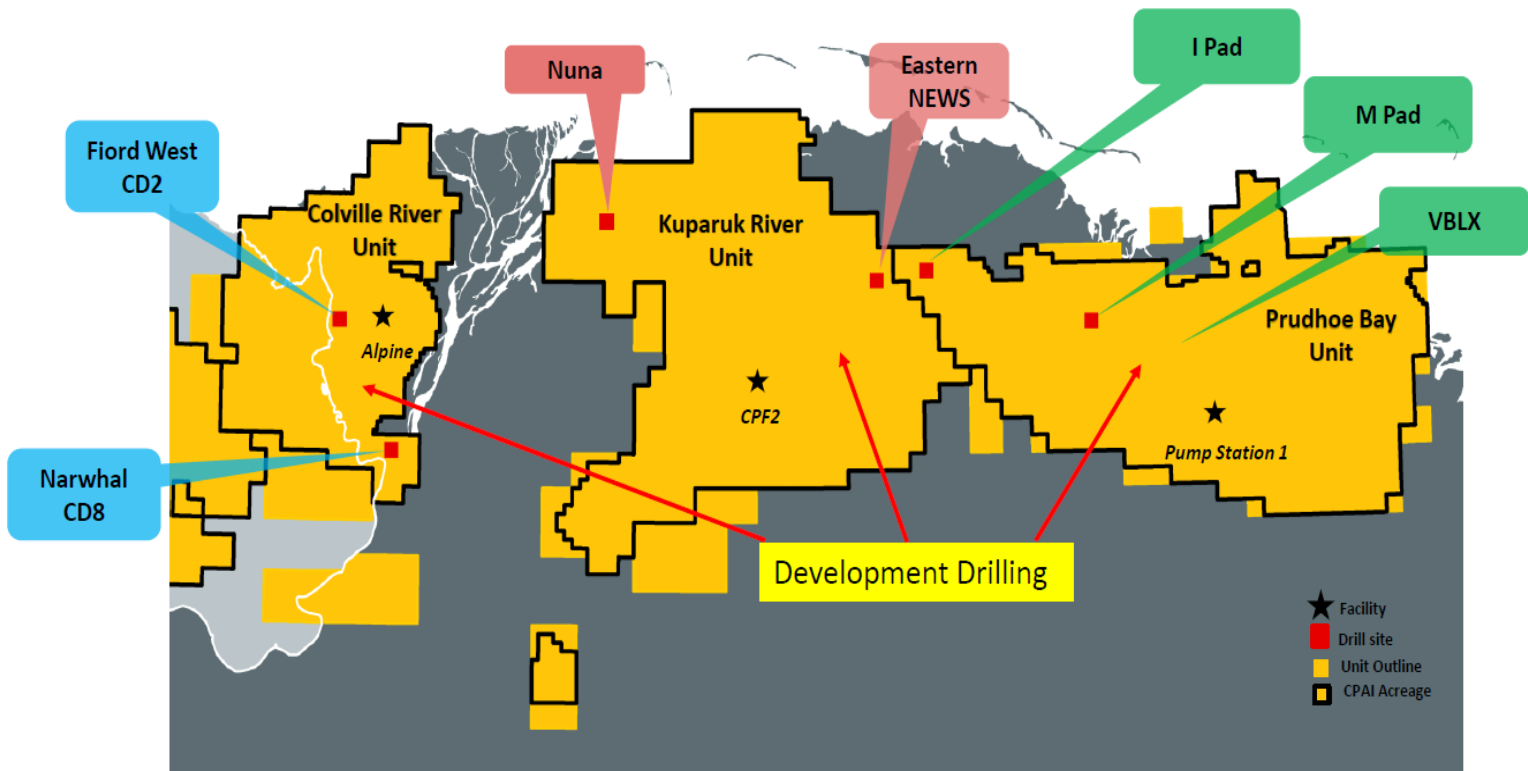
# More Production & Revenue than Forecast <sup>4</sup>



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# Core Fields are Key for Future

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



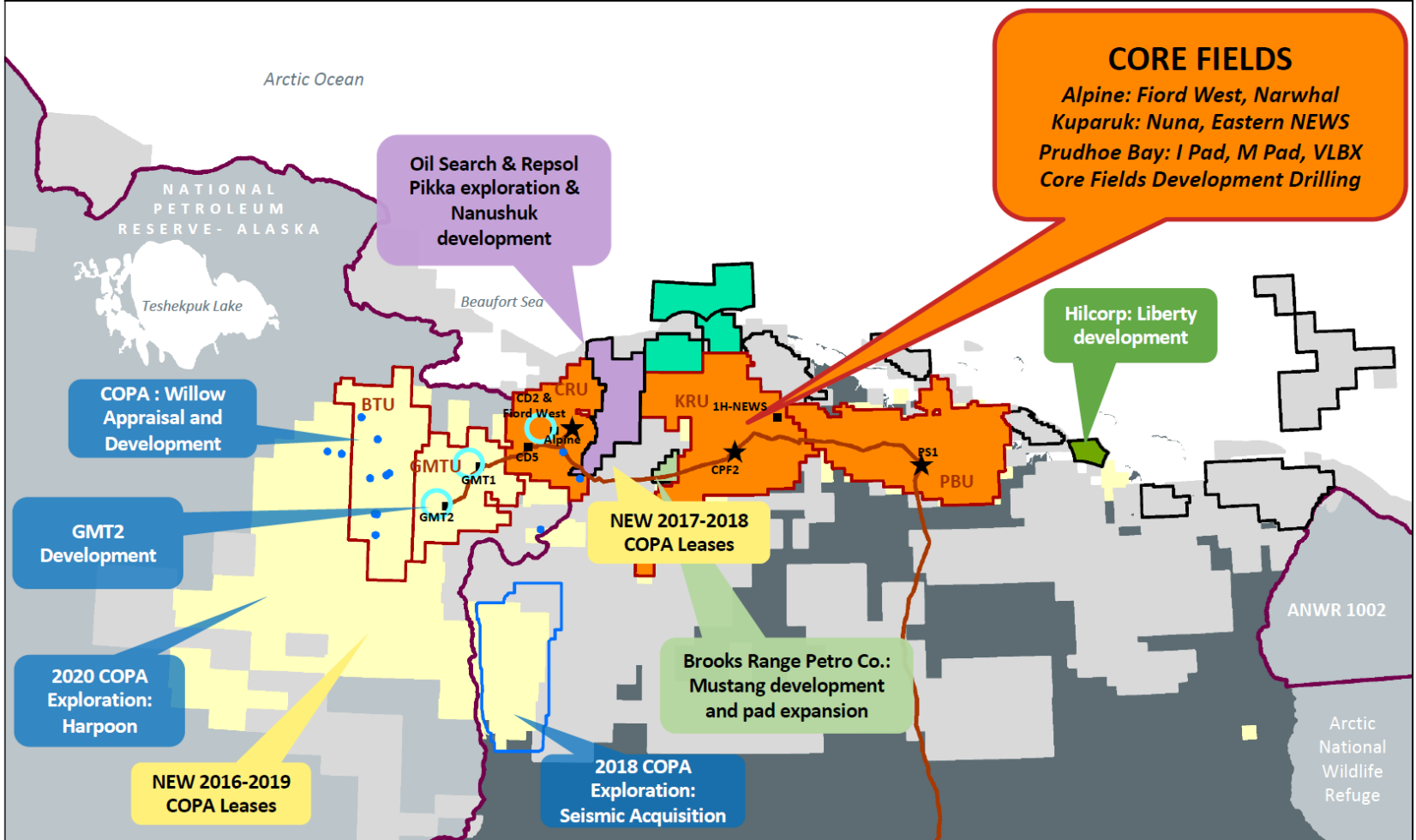
**Prudhoe Bay, Kuparuk River and Colville River Units thru 2029 (estimated\*) : \$11B capital  
380 MM Bbls produced peaking at ~150,000 BOPD**

\*All numbers are gross estimates.



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# North Slope "Renaissance"



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

Based upon publicly available sources and ConocoPhillips estimates.



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# Potential Initiative – Biggest Risk to Future

## Group submits petition books, setting stage for costly fight over Alaska oil taxes

“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



