

2011 Year in Review and 2012 Outlook



RESOURCE DEVELOPMENT COUNCIL

Wednesday, November 16, 2011

**Marilyn Crockett, Executive Director
Alaska Oil and Gas Association**

AOGA Member Companies

PIONEER
NATURAL RESOURCES ALASKA

Anadarko
Petroleum Corporation

XTO
ENERGY


Marathon Oil
Marathon Alaska
Production LLC

Apache


Statoil

ExxonMobil


TESORO

PETRO STAR INC.
EXCELLENCE IN ENERGY

REPSOL

bp

Alyeska pipeline
SERVICE COMPANY


eni
petroleum

Chevron


FLINT HILLS
RESOURCES[®]
Alaska



2010 Petroleum Industry Economic Facts



**Total Oil and Gas
Industry Jobs in Alaska*:**
44,800

Total Generated Payroll:
\$2.65 billion

Total FY2010 State Revenue:
\$6.2 billion

**Alaska Permanent
Fund Dividends:**
**\$18 billion (total to all
Alaskans since 1982)**

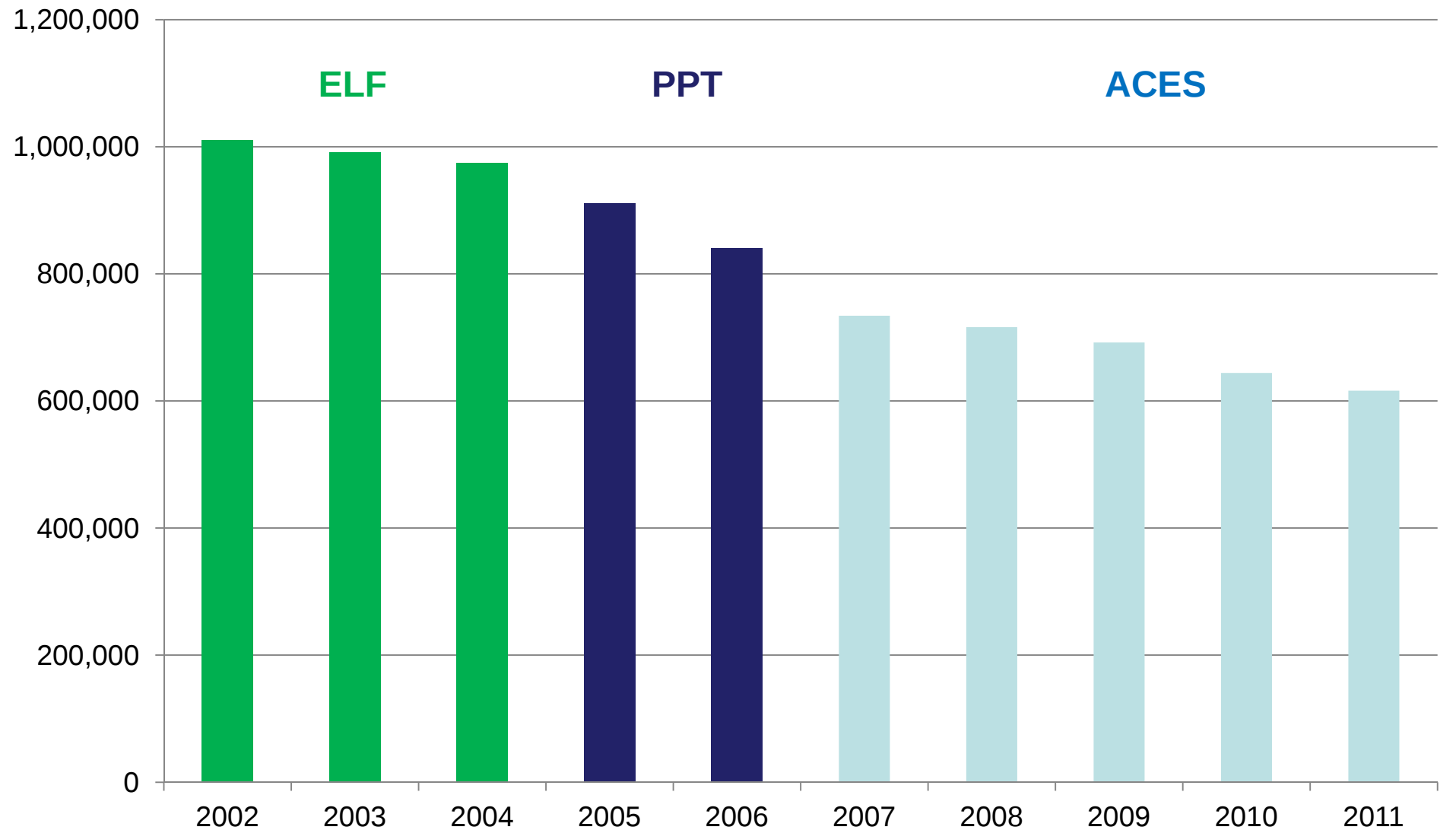
* For purposes of this study, oil and gas industry jobs includes proprietary data from oil and gas companies and an expanded definition of oil and gas to include refineries, etc. This study does not attempt to quantify jobs generated by industry tax payments to government.

Oil & Gas Has been Good to Alaska – Jobs & Revenue

- **State of Alaska has collected \$157 billion from oil & gas since 1959**
 - **98% of all state revenues have been from natural resources**
 - **Oil & gas continue to dominate state's unrestricted revenue, accounting for 89% (\$6.68 billion) in FY 2010.**

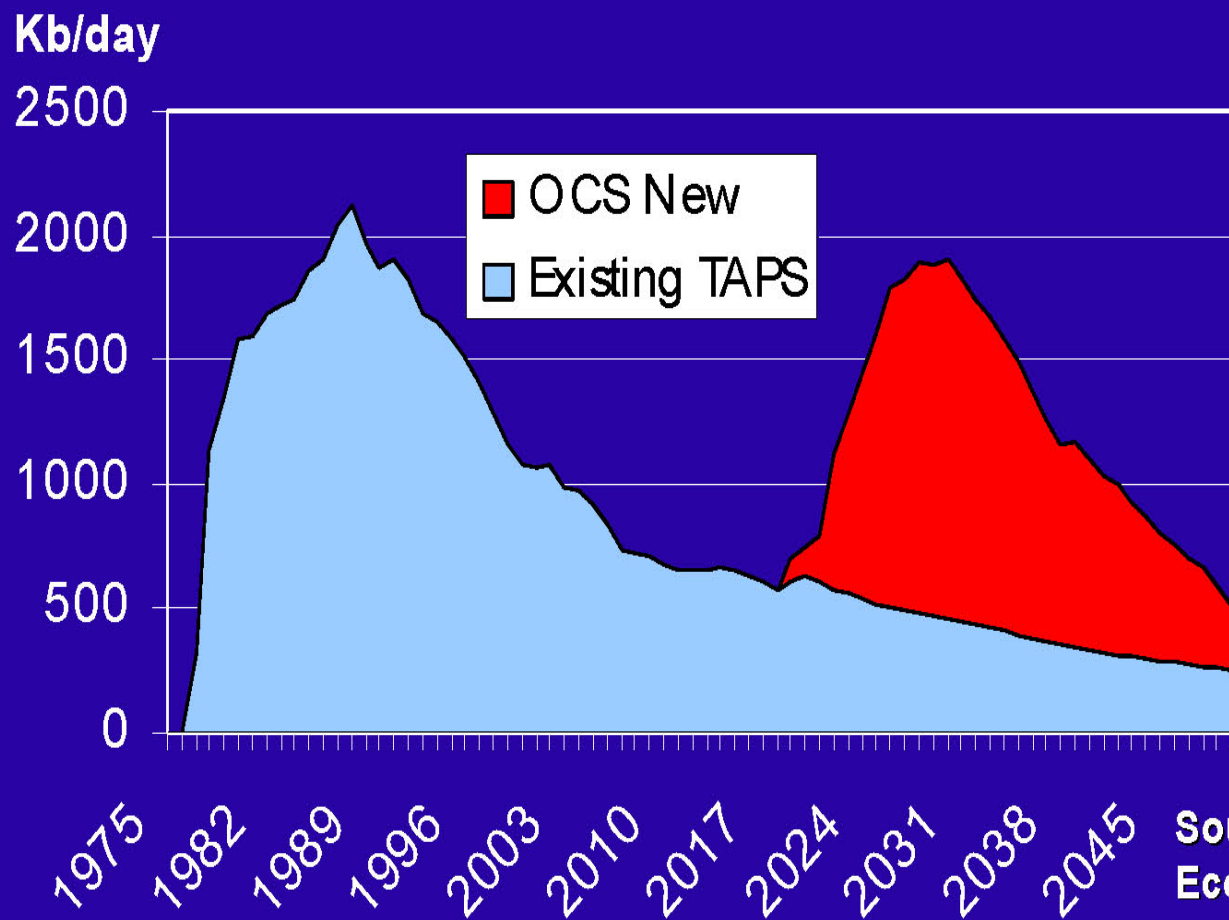
Production Taxes: \$2.87 billion	Royalties (including to Perm Fund): \$2.75 billion
Property Taxes: \$600 million	Corporate Income Taxes: \$448 million
 - **State estimates 90% of its revenue will continue to come from oil and gas – even with falling production**

Alaska North Slope Production



Source: Alaska Department of Revenue – 2010 Fall Revenue Sources Book

The Importance of Alaska OCS Production



Source: Northern
Economics

OCS Mean Undiscovered Technically Recoverable Resources

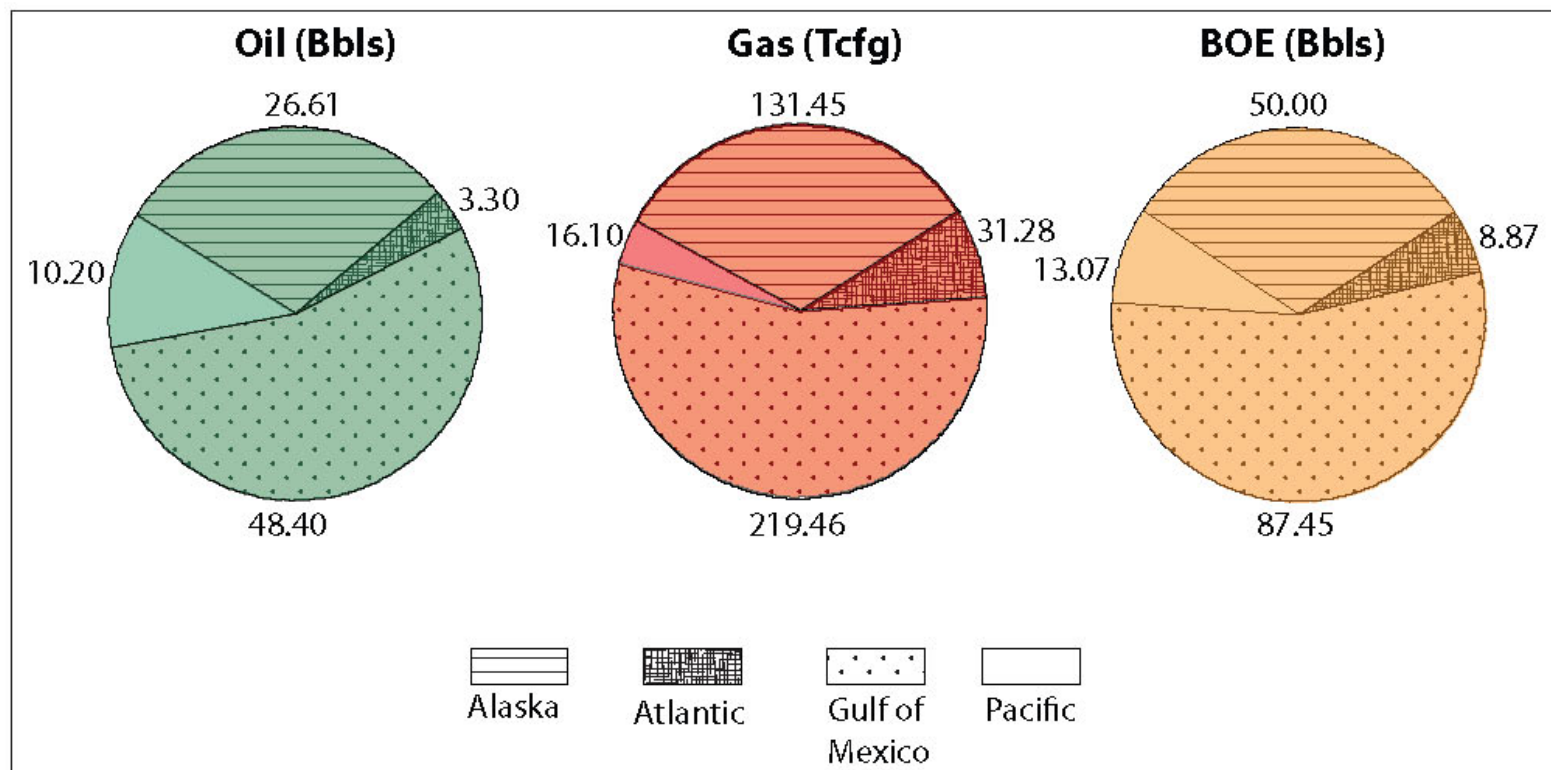


Figure 2. Mean Undiscovered Technically Recoverable Resources by type and region.

BOEM Proposed 5-Year Oil & Gas Leasing Program 2012-2017

3 Alaska Sales

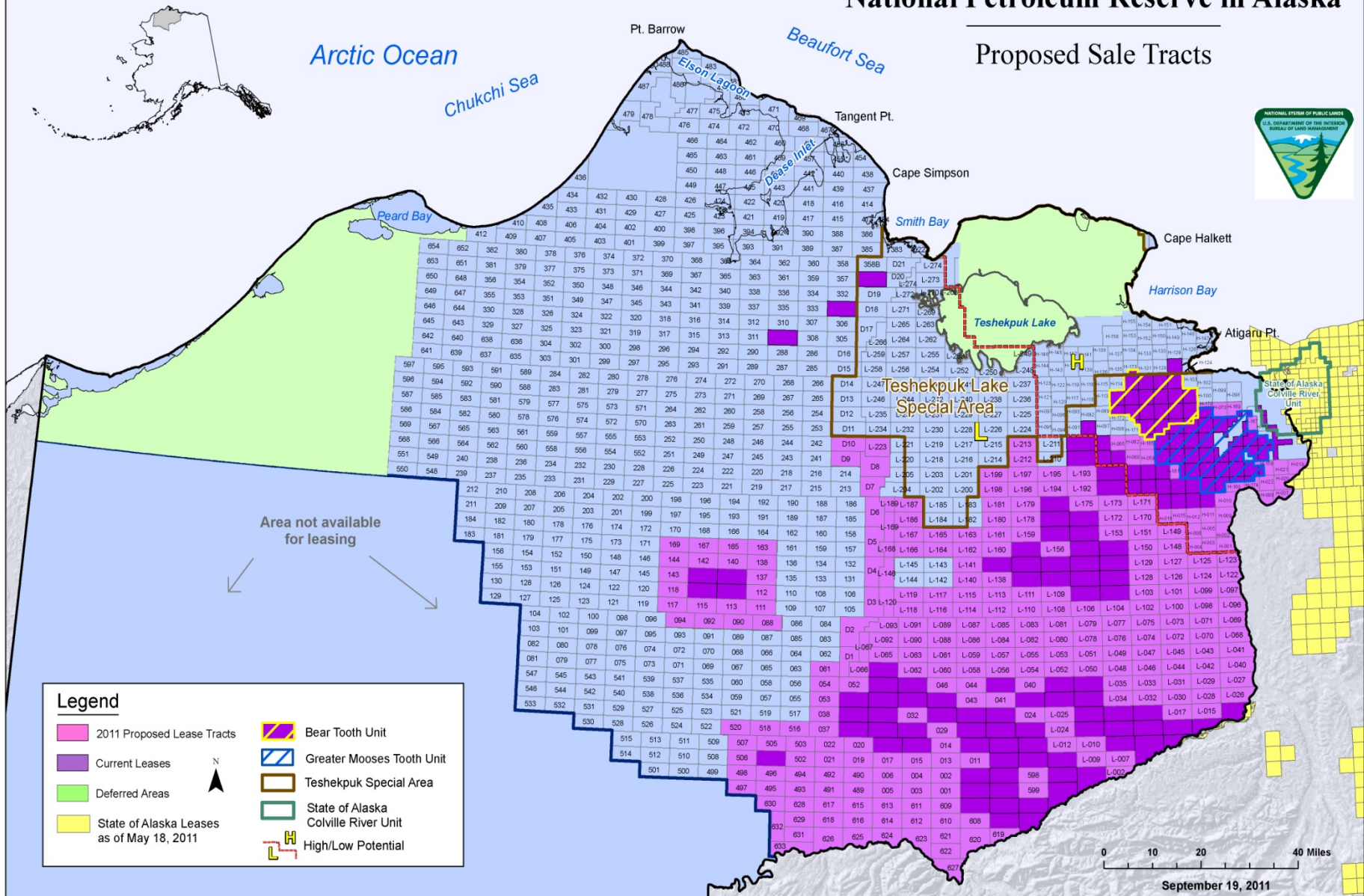
Sale No. 244	Cook Inlet	2013
Sale No. 242	Beaufort Sea	2015
Sale No. 237	Chukchi Sea	2016

Exploratory Wells by Region

Alaska OCS Area	Number of Exploratory Wells	Number of Deep Stratagraphic Test Wells	Number of Development Wells	Total
Gulf of Alaska	12	1	0	
Kodiak	0	6	0	
Cook Inlet	13	1	0	
Saint George Basin	10	2	0	
North Aleutian Basin	0	1	0	
Norton Basin	6	2	0	
Navarin Basin	8	1	0	
Beaufort Sea	30	0	7	
Chukchi Sea	5	0	0	
Totals	84	14	7	105

National Petroleum Reserve in Alaska

Proposed Sale Tracts



2011 State of Alaska Lease Sales

Cook Inlet Areawide

Record-breaker in modern times

109 tracts sold

\$11,125,063 total high bids

Next sale Spring, 2012

North Slope Areawide

Last sale held Oct. 2010

123 tracts sold

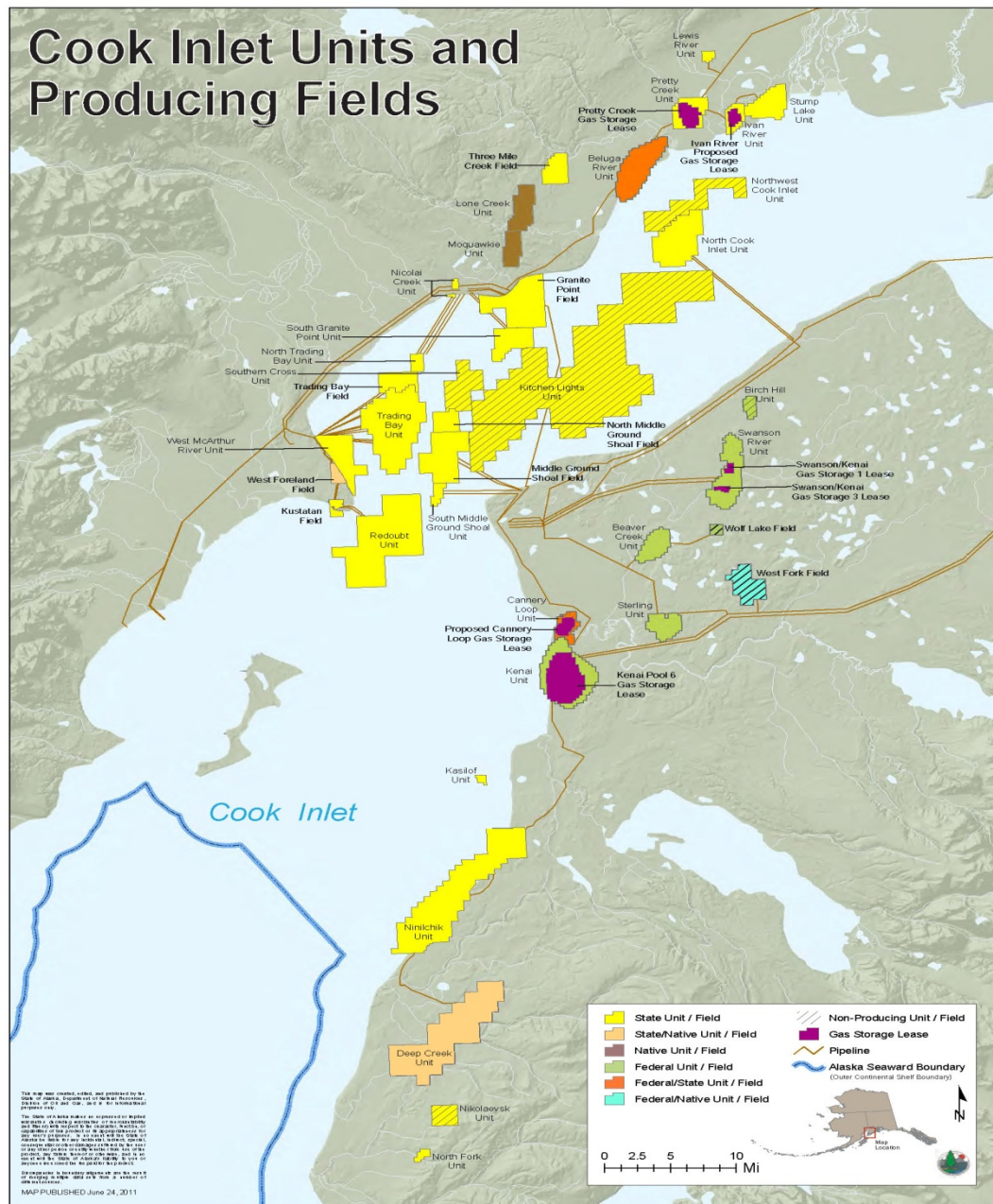
\$8,271,480 total high bids

North Slope, Beaufort Sea & Foothills Areawide Sales

Scheduled for Dec. 7, 2011

14.7 million acres available

Cook Inlet Units and Producing Fields



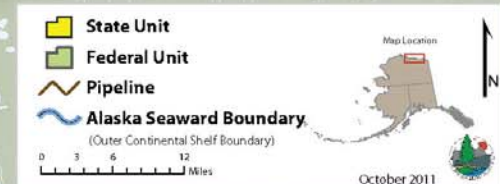
North Slope Units

Beaufort Sea

NATIONAL PETROLEUM
RESERVE - ALASKA



This map was created, edited, and published by the State of Alaska, Department of Natural Resources (DNR), Division of Oil & Gas (DOG).
The information included is for graphic illustration only. The source documents remain the official record. Consult the Unit files, Lease file, and Land Administration System (LAS), or other sources comprising the official public record for additional information.
Discrepancies in boundary alignments are the result of merging multiple data sets from a number of different sources.
MAP PUBLISHED October 2011



2012 Outlook for Alaska

Fiscal Regime:

- Major ACES Reform is Needed

Legal Challenges/Uncertainty:

- 2012 OCS Drilling Programs
- ESA Listings and Critical Habitat Designations
- NPRA IAP
- ANWR CCP
- National Ocean Policy

Permitting Delays:

- New EPA air rules
- OCS Air Permitting...but improving
- CD-5

New Opportunities

- Resurgence of Activity in Cook Inlet
- Increase in Exploration on the North Slope

