

**McKINLEY RESEARCH**  
GROUP, LLC

# THE ROLE OF THE OIL & GAS INDUSTRY IN ALASKA'S ECONOMY

FALL 2025

PREPARED FOR

**AOGA**

ALASKA OIL & GAS ASSOCIATION  
People. Pride. Petroleum.



**hello**  
OUR NAME IS

*McKinley Research Group*

- Research and consulting since 1972
- Offices in Anchorage and Juneau
- Economic Analysis, Community Economic Planning, Business Development, Survey Research and more
- Conducted 100+ economic impact studies including Alaska's:
  - Oil and Gas Industry (AOGA)
  - Mining Industry (AMA/CAP)
  - Construction Industry (AGC)
  - Seafood Industry (ASMI)
  - Visitor Industry (DCCED/ATIA)
  - Early Care and Learning Sector (thread)
  - And many more...

# STUDY GOALS



1

**Analyze economic impact of oil and gas industry spending with other businesses**

2

**Assess employment impact of taxes and royalties paid by the oil and gas industry**

3

**Consider near-term investment, production, and state revenue in Alaska**

# DEFINING ALASKA'S OIL & GAS INDUSTRY

## 14 "Primary Companies"

### 11 Oil & Gas Production and Exploration Companies



**Santos**



**ExxonMobil**



### 2 Refinery Companies



PETRO STAR INC.

### Pipeline Operator



# OUR METHODOLOGY

Special data request to Primary Companies for confidential employment, wage, vendor spending, and production and investment expectations data

Special request data from Department of Labor and Workforce Analysis

State of Alaska and local government tax and royalty revenue data

IMPLAN, industry standard input-output modeling tool adjusted for the Alaska market and regional distribution of impacts

Public Environmental Impact Statements and other industry-related publications such as U.S. Energy Information Administration

A stack of metal pipes, likely steel, with yellow markings on their surfaces. The pipes are arranged in a slightly overlapping manner, showing their threaded ends. A dark blue circular graphic overlay is positioned in the center of the image, partially covering the pipes. The text "PART 1" is written in orange on the blue overlay, and "Economic Context" is written in large white letters below it.

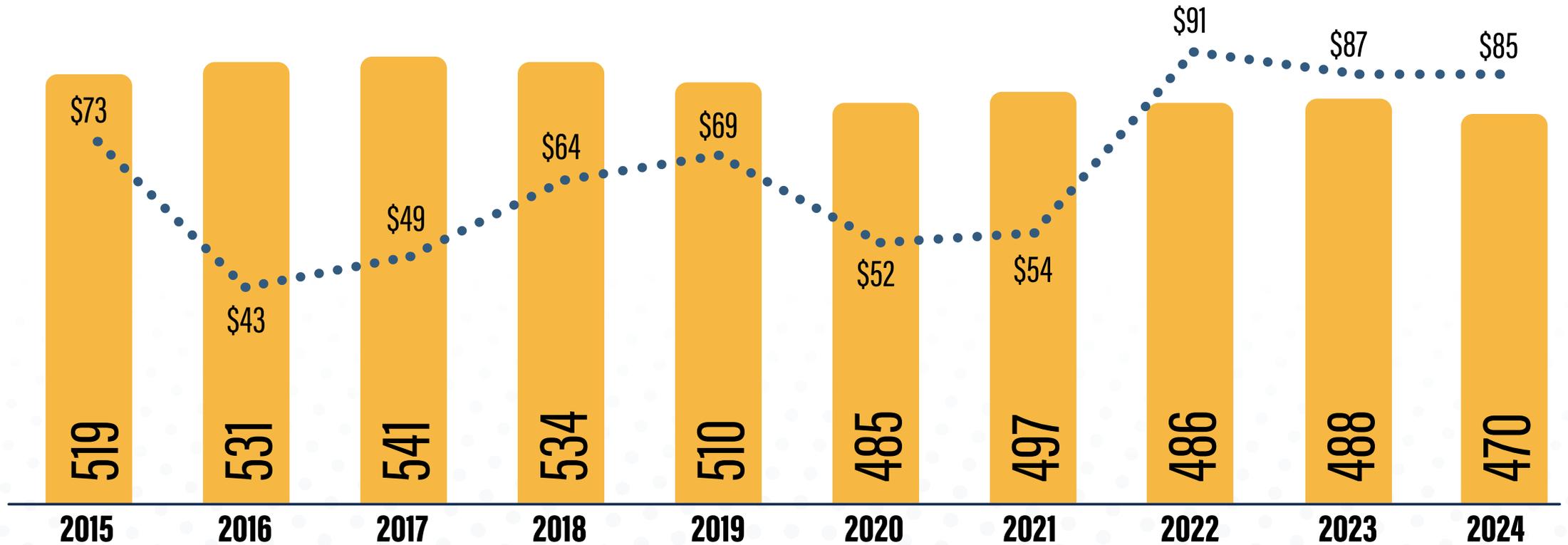
PART 1

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# Economic Context

# OIL PRICES AND PRODUCTION

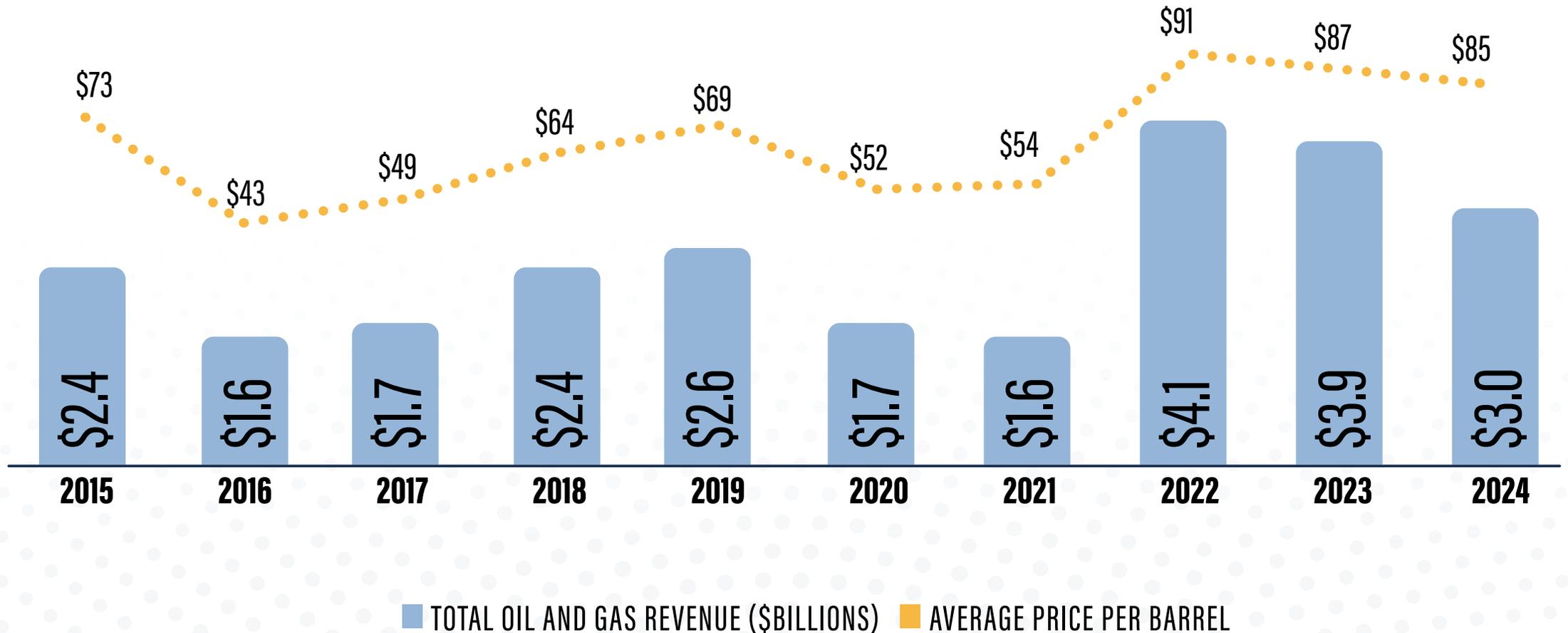
ALASKA OIL PRODUCTION AND ALASKA NORTH SLOPE OIL PRICE, SFY2015-SFY2024



■ ALASKA OIL PRODUCTION (THOUSAND BARRELS PER DAY) ■ AVERAGE PRICE PER BARREL

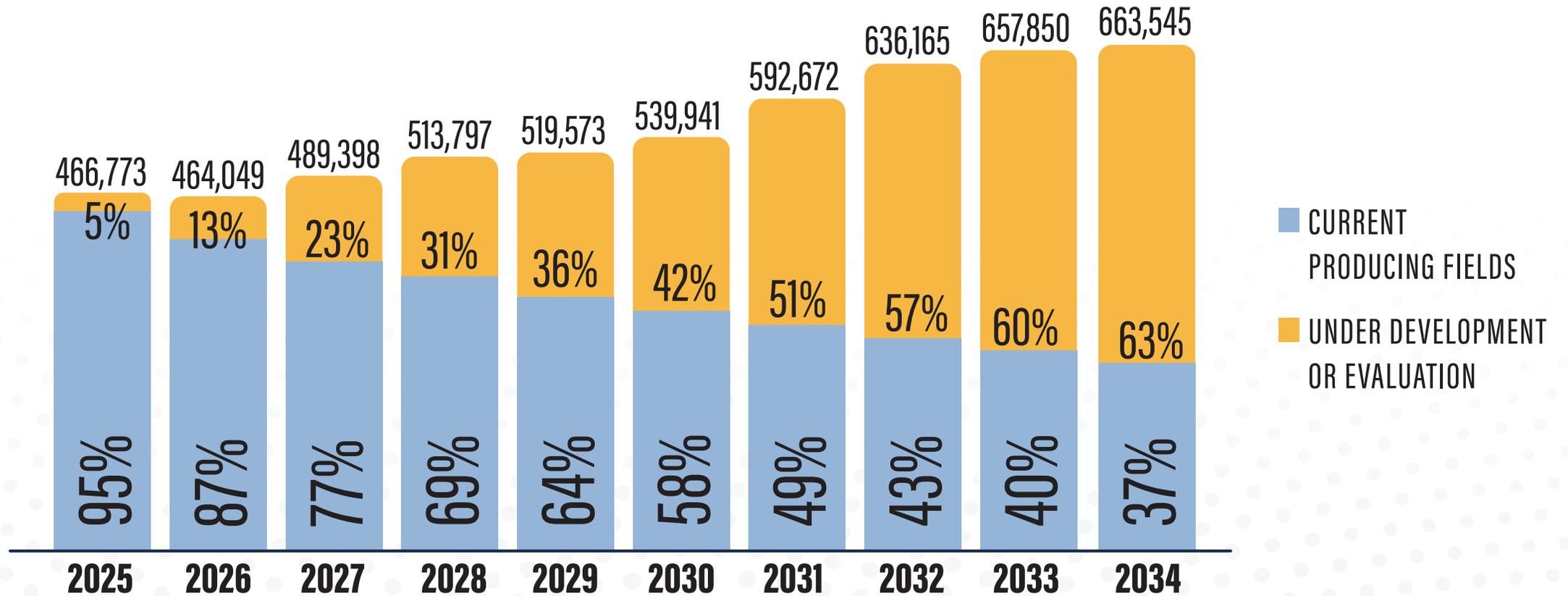
# OIL PRICES AND STATE OF ALASKA REVENUE

STATE OF ALASKA OIL- AND GAS-RELATED REVENUE AND ALASKA NORTH SLOPE OIL PRICE, SFY2015-SFY2024



# ALASKA NORTH SLOPE OIL PRODUCTION FORECAST BY FIELD TYPE

ALASKA DEPARTMENT OF NATURAL RESOURCES, FY2025-FY2034



PART 2

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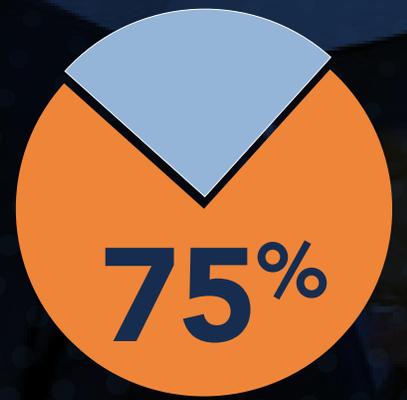
# Key Economic Impacts

IN 2024, PRIMARY COMPANIES DIRECTLY...

# Employed Alaskans

Employed  
**4,575 workers**  
in Alaska

**3,440** =  
were  
Alaska residents



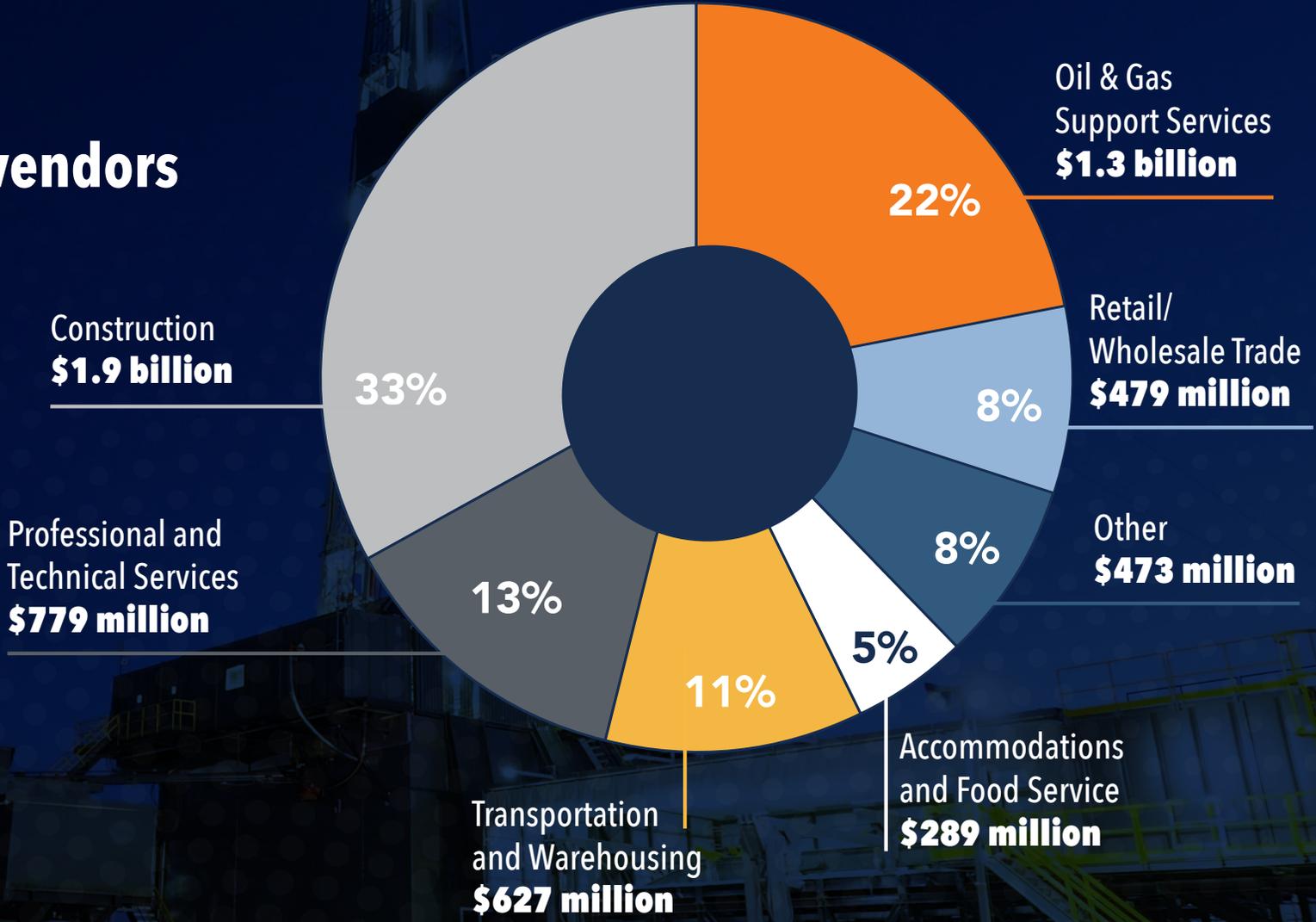
of "Primary  
Company"  
employment

# WHERE PRIMARY COMPANY WORKERS LIVE IN ALASKA



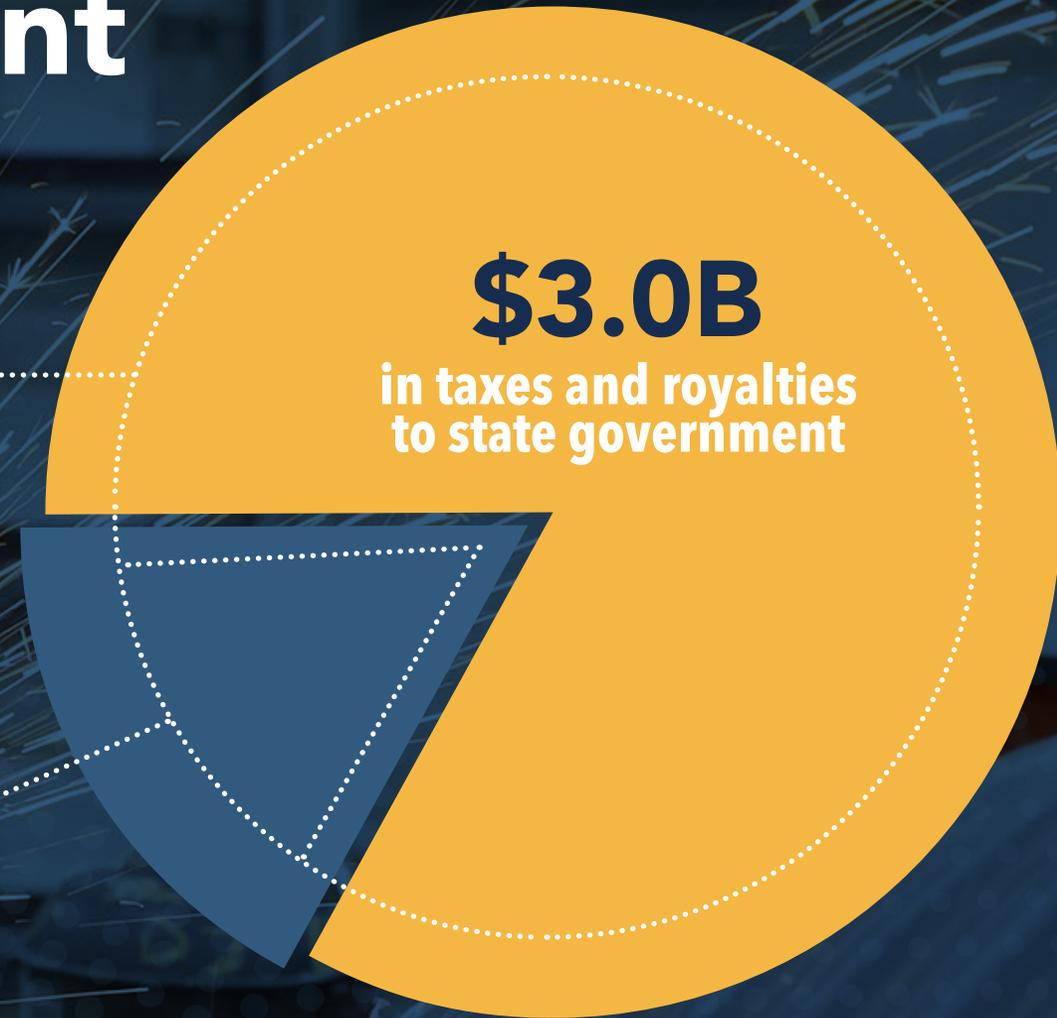
**IN 2024, PRIMARY COMPANIES DIRECTLY...**

**Spent \$5.8 billion**  
**with more than 1,000 Alaskan vendors**



IN 2024, PRIMARY COMPANIES DIRECTLY...  
**Supported Government**

Paid **\$3.5 Billion**  
to state and local governments



**\$510M**  
in oil and gas property  
taxes to local governments

# HOW OIL & GAS SPENDING IMPACTS ALASKA'S ECONOMY



# INCLUDING MULTIPLIER IMPACTS, TOTAL ECONOMIC IMPACTS OF THE OIL & GAS INDUSTRY IN ALASKA...



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# THE OIL AND GAS INDUSTRY HAS ALASKA'S HIGHEST ECONOMIC MULTIPLIER



**1** Direct Oil and Gas Job Supports **14** Additional Jobs in Alaska



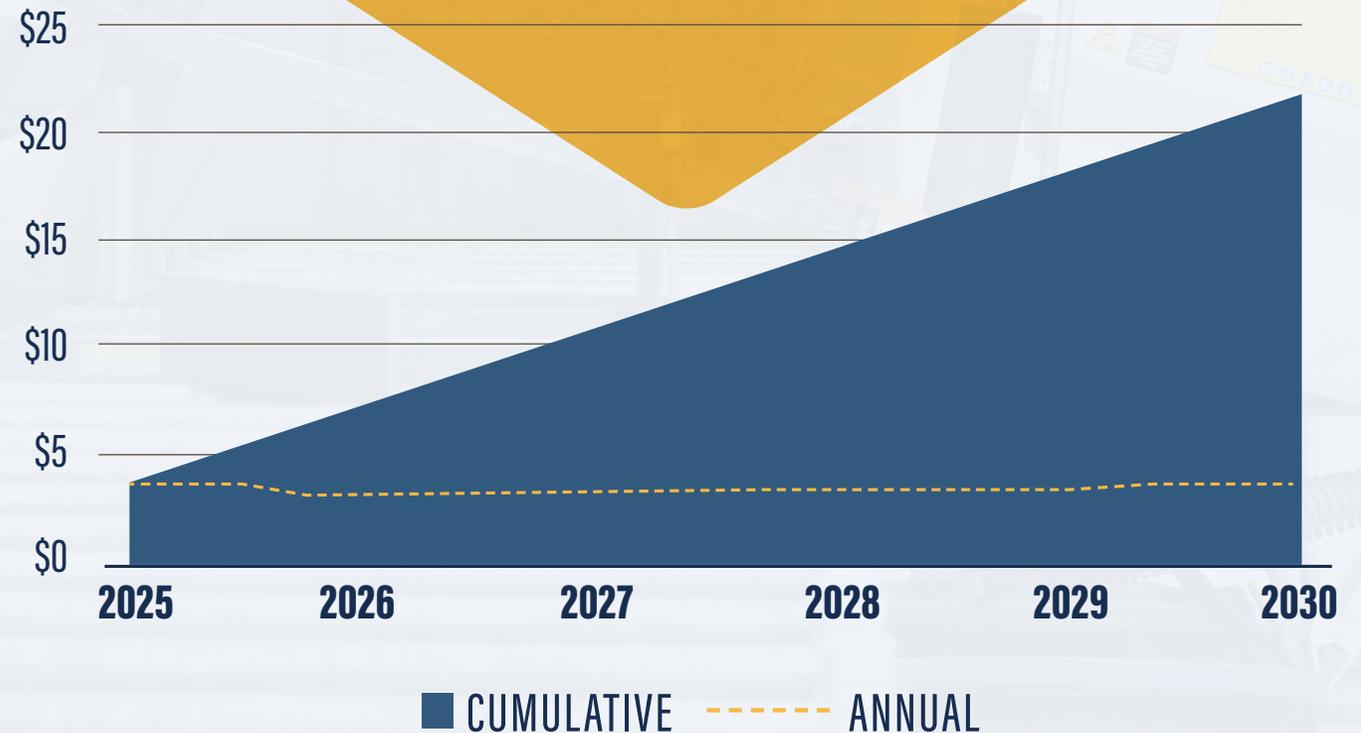
**PART 3**

# The Future of Alaska's Oil and Gas Industry

## DEVELOPMENT PROJECTS 2025-2030

- Santos' Pikka reaches first oil in late 2025/early 2026
- ConocoPhillips Willow Project development continues through 2029
- Hilcorp infield development on the North Slope and in Cook Inlet

**\$22B**  
in planned investments



Expected Oil- and Gas-Related Capital Expenditures  
(\$Billions), 2025-2030

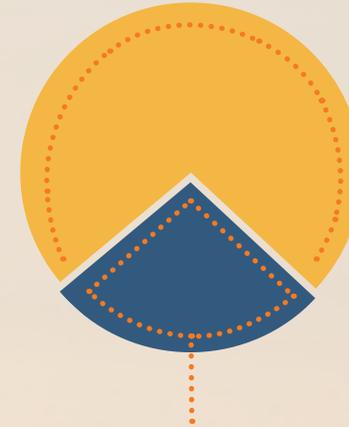
# STATE GOVERNMENT REVENUE EXPECTATIONS

Between FY2025-FY2034,  
State Government Revenue  
from Oil and Gas will average

**\$2.4B**



Royalties are expected to increase  
as new developments move into  
production.



**27%**

Average Unrestricted General  
Fund Revenue represented by  
State Oil and Gas Revenue

PART 4

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# Summary

# ALASKA'S OIL & GAS INDUSTRY CONTINUES TO BE...

## A Significant Source of Jobs



**70,425**  
jobs

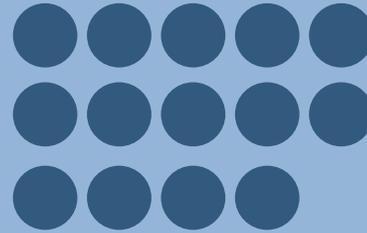
**=16%**  
of all jobs



**\$6.6B**  
in wages

**=17%**  
of all wages

## Alaska's Sector with the Highest Economic Impact



Each Primary Company  
job supports **14 jobs**

**\$1** in Primary Company  
wages supports **\$4 in wages**



## Part of Alaska's Future

- **\$22 billion** in investment between 2025-2030
- Increased production to **663,500 bpd** by FY2034
- Average **27%** of State of Alaska Unrestricted General Fund Revenue

# McKINLEY RESEARCH

## GROUP, LLC

*McKinley Research Group, LLC is a team of respected professionals with 50 years experience providing research, consulting, and advisory services to clients seeking answers to questions and solutions to organizational complexities.*

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