



OIL & GAS:
FUELING
ALASKA'S
ECONOMY

Senate Special Committee on TAPS Throughput

February 5, 2013
Kara Moriarty, Executive Director

Alaska Oil and Gas Association

Purpose

- Serve as single point of contact for Alaskans on the state's oil and gas industry
- Provide a forum for discussion and a point of decision on issues that affect the industry

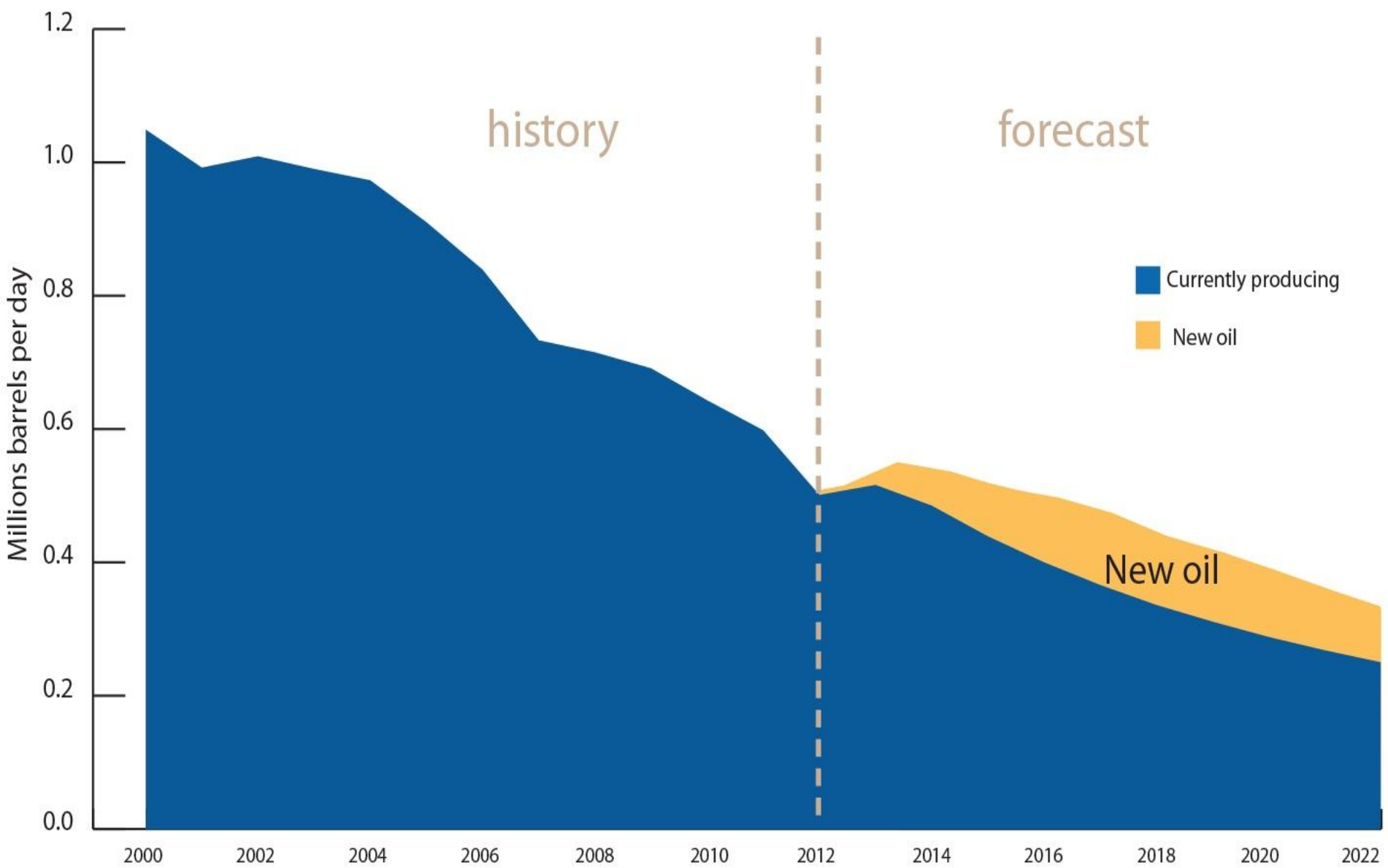
Mission

***Long-term viability of the
Alaska's Oil & Gas Industry for
the benefit of all Alaskans***



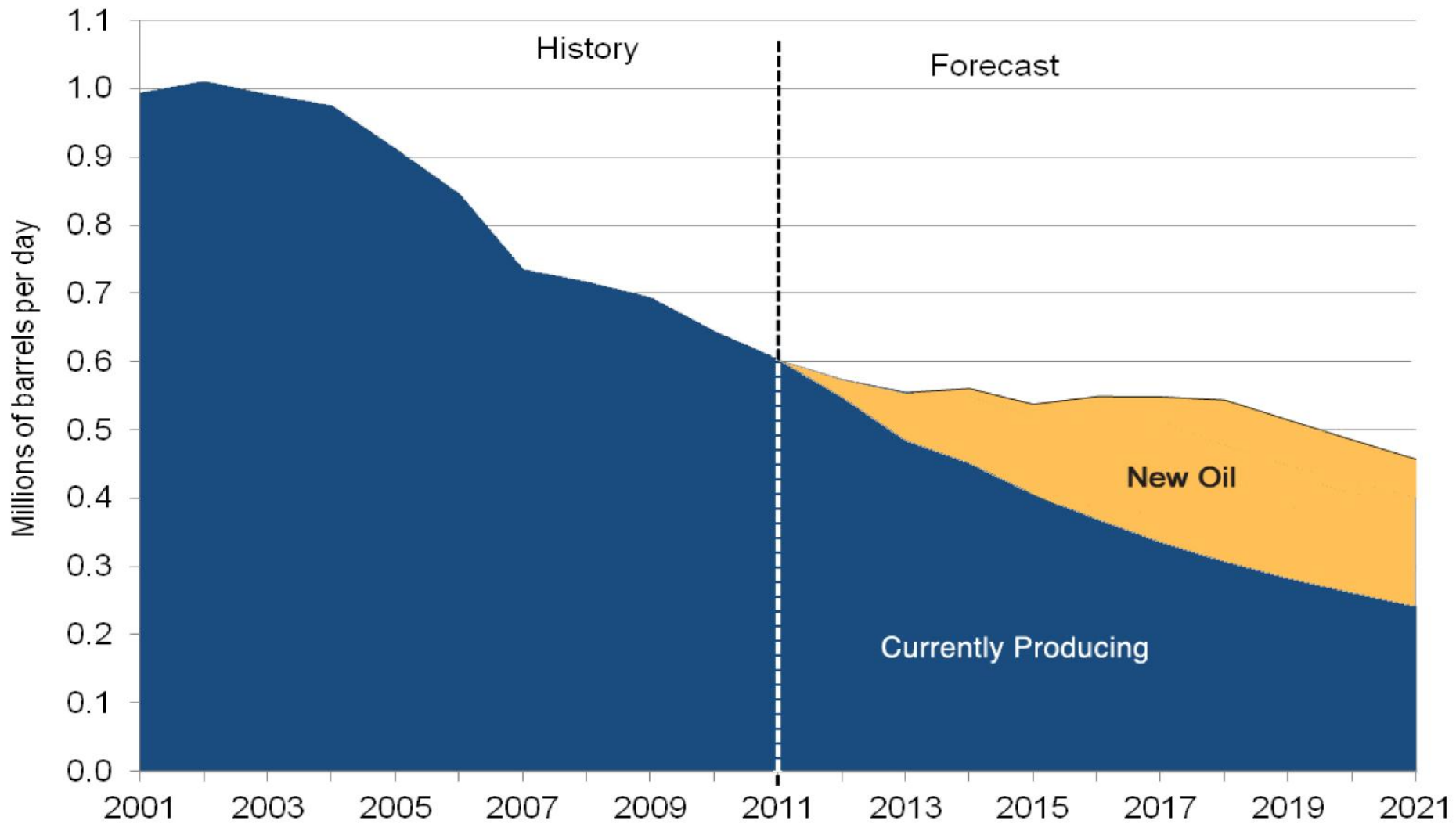
Alaska North Slope Production

FY 2000-2012 and Forecasted FY 2013-2022



Source: Department of Revenue – Dec. 2012

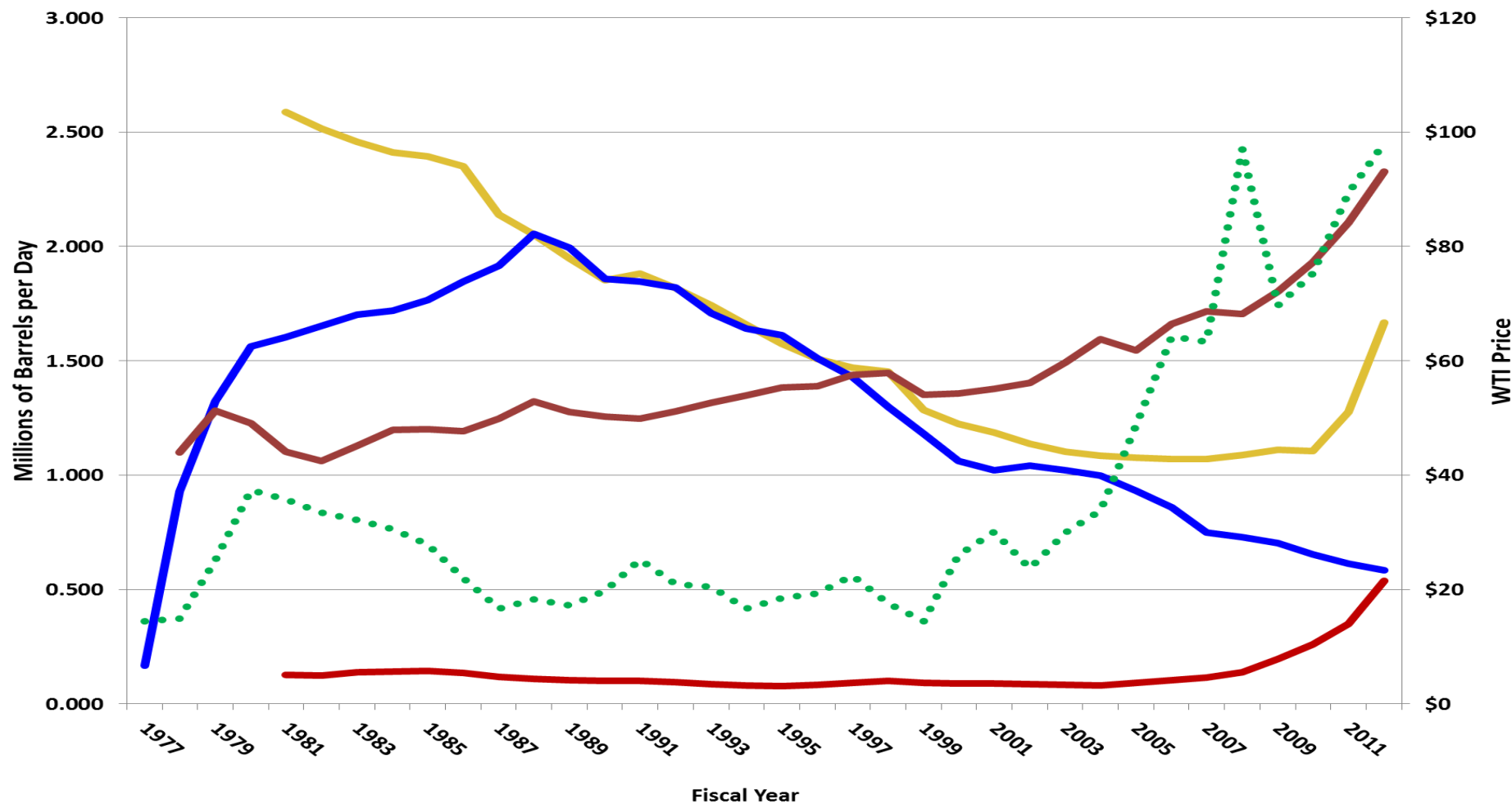
Production Decline Is Real



Source: State of Alaska

Competition at High Oil Prices

Historical Oil Production Curves with Nominal WTI Price



— Texas

— Alaska

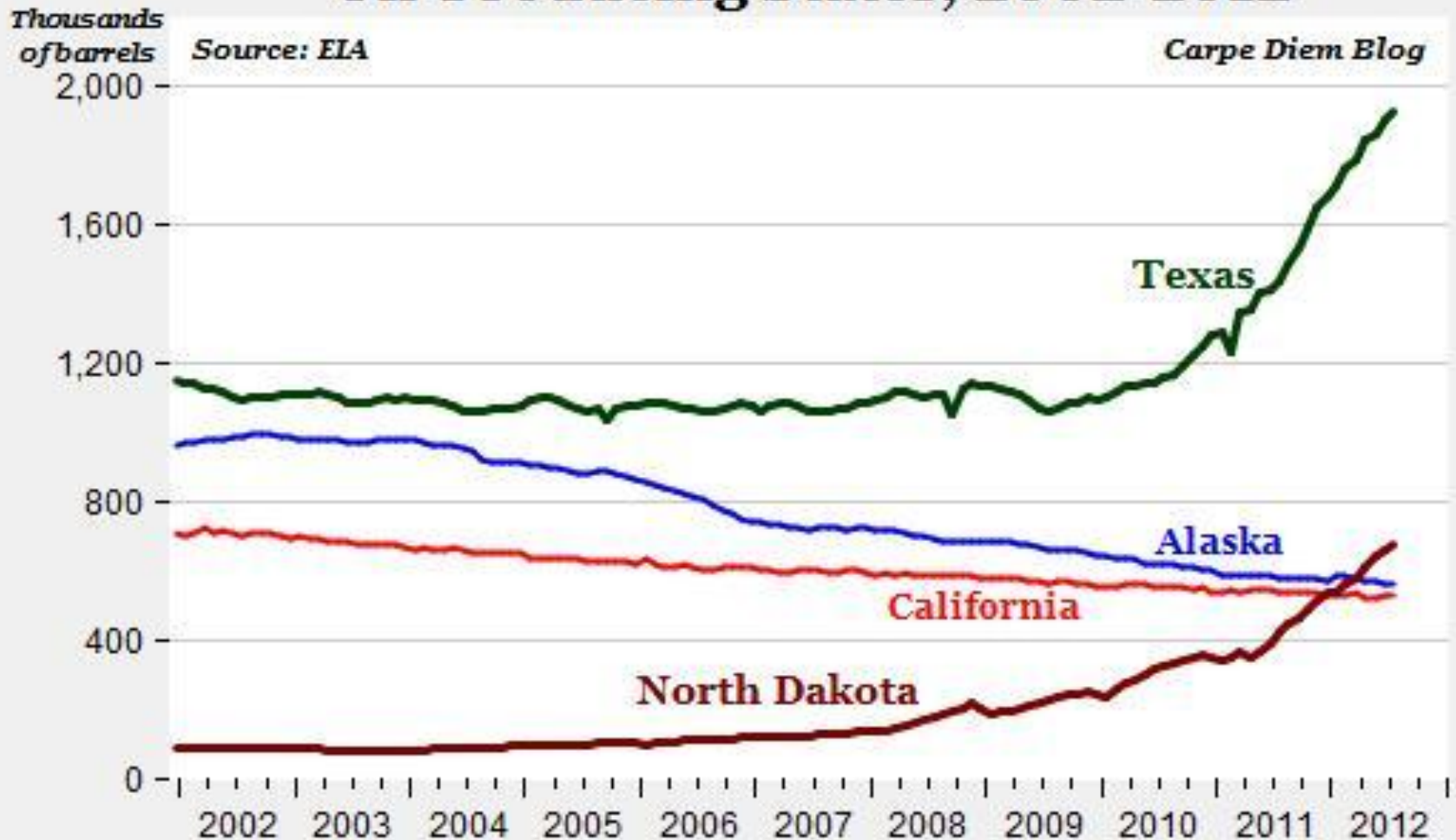
— North Dakota

— Alberta

... Price - WTI nominal

Alaska Headed Out of Medal Contention – 4th

Daily Oil Production in the Top 4 U.S. Oil-Producing States, 2002-2012



Trans Alaska Pipeline System



- Approximately 11 percent of the nation's domestic oil production carried on TAPS.
- Nearly 17 billion barrels of crude oil transported.
- 20,000+ tankers loaded.
- 547,000 barrels throughput per day, 2012 average.

Refining in Alaska



Cook Inlet



Apache



Hilcorp Alaska, LLC



Marathon Oil

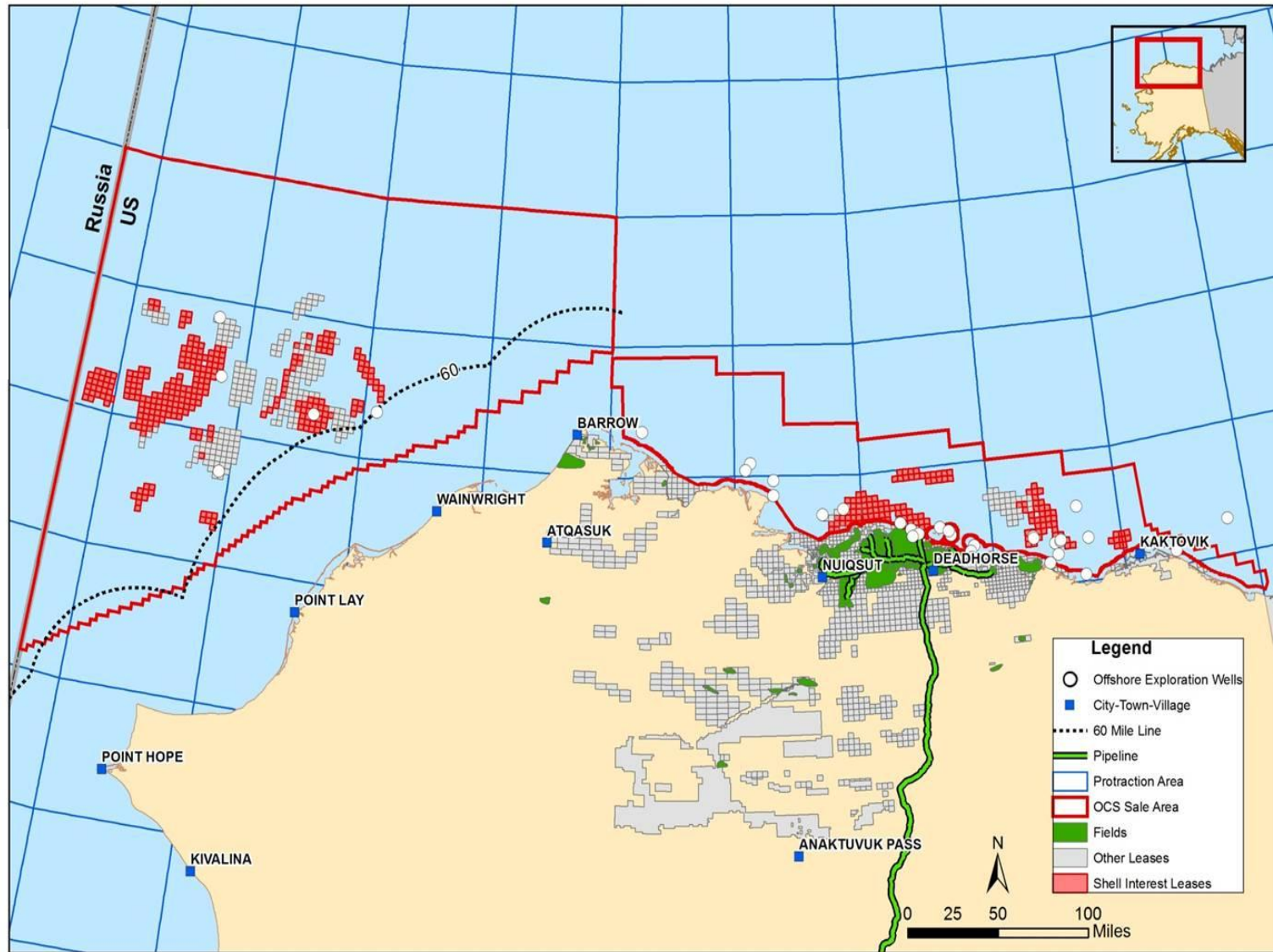
Marathon Alaska
Production LLC



TESORO



Arctic Offshore Potential



North Slope Onshore

Great Potential:

- 40 bbo in Arctic
- 5 bbo recoverable in existing fields
- 2 bbo potential Unconventional



PIONEER
NATURAL RESOURCES ALASKA



petroleum

ExxonMobil



Governor Lays out Principles for Oil Tax Reform

Anchorage Daily News, Jan. 6, 2013:

Reform must:

- Be fair to Alaskans
- Encourage new oil production
- Be simple and restore balance
- Be durable and long-term in nature

AOGA Thoughts on SB 21

- Support the proposed elimination of progressivity
- Concerns with how the bill addresses tax credits
- Support the concept of gross revenue exclusions but should be expanded to fit the majority of projects in legacy fields
- Represents cornerstone for significant and crucial tax reform
- Stand ready to assist in achieving a long-term policy for Alaska