



Industry Overview

Fall 2022

Kara Moriarty,
President/CEO



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Pride.

Petroleum.

Photo by David Luke, AKOG 2021 Photo Contest



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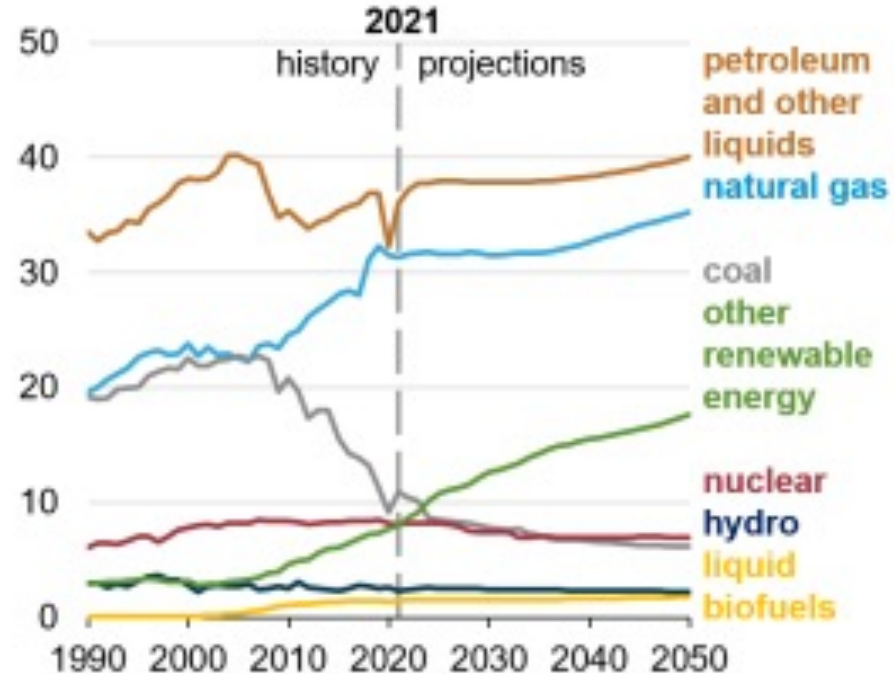


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Energy consumption by fuel
AEO2022 Reference case
quadrillion British thermal units



Source: U.S. Energy Information Administration, *Annual Energy Outlook 2022* (AEO2022) Reference case

Note: Biofuels are shown separately and included in petroleum and other liquids.

“Immediate shortfalls in fossil fuel production from Russia will need to be replaced by production elsewhere – even in a world working towards net zero emissions by 2050.”

-- *World Energy Outlook 2022*,
International Energy Agency, page 24

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Alaska Oil and Gas Association

PRODUCTS MADE FROM
OIL AND NATURAL GAS

Adhesive	Computer monitors	Guitar strings	Paint brushes	Solvents
Air mattresses	Cordless	Hair coloring	Paint roller	Space suits
Ammonia	Crayons	Hair curlers	Pajamas	Sports car bodies
Antifreeze	Credit cards	Hand lotion	Panty hose	Sunglasses
Antibacterials	Curtains	Heating coils	Parachutes	Surf boards
Antiseptics	Dashboards	Heart valves	Perfumes	Swimming pools
Artificial limbs	Denture adhesives	House paint	Permanent press	Synthetic rubber
Artificial turf	Dentures	Hula hoops	Petroleum jelly	Telephones
Asphalt	Deodorant	Ice buckets	Pharmaceuticals	Tennis rackets
Aspirin	Detergent	Ice chests	Pillow filling	Tents
Awnings	Dice	Ice cube trays	Plastic toys	Tires
Backpacks	Dishwashing liquid	Ink	Plastics	Tool boxes
Balms	Dog collars	Insect repellent	Plywood adhesive	Tool racks
Ballpoint pens	Drinking cups	Insecticides	Propane	Toothbrushes
Bandages	Dyes	Insulation	Purses	Toothpaste
Beach umbrellas	Electric blankets	iPad/iPhone	Putty	Transparent tape
Boats	Electrical tape	Kayaks	Refrigerants	Trash bags
Cameras	Enamel	Laptops	Refrigerator linings	Truck and automobile parts
Candles and gum	Epoxy paint	Life jackets	Roller skate wheels	Tubing
Candles	Eyeglasses	Light-weight aircraft	Roofting	TV cabinets
Car battery cases	Fan belts	Lipstick	Rubber cement	Umbrellas
Car enamel	Faucet washers	Loudspeakers	Rubbing alcohol	Unbreakable dishes
Cassettes	Fertilizers	Lubricants	Safety glasses	Upholstery
Caulking	Fishing boots	Luggage	Shampoo	Vaporizers
CDs/computer disks	Fishing lures	Model cars	Shaving cream	Vinyl flooring
Cell phones	Flour wax	Mugs	Shaw poofs	Vitamin capsules
Clothes	Food preservatives	Motorcycle helmets	Shoes/sandals	Water pipes
Clothesline	Football	Movie film	Shower curtains	Wind turbine blades
Clothing	Fuel tanks	Nail polish	Skateboards	Yarn
Coffee makers	Glass	Noise insulation	Skiis	
Cold cream	Glycerin	Nylon rope	Soap dishes	
Combs	Golf bags	Oil filters	Soft contact lenses	
Computer keyboards	Golf balls	Packaging	Solar panels	

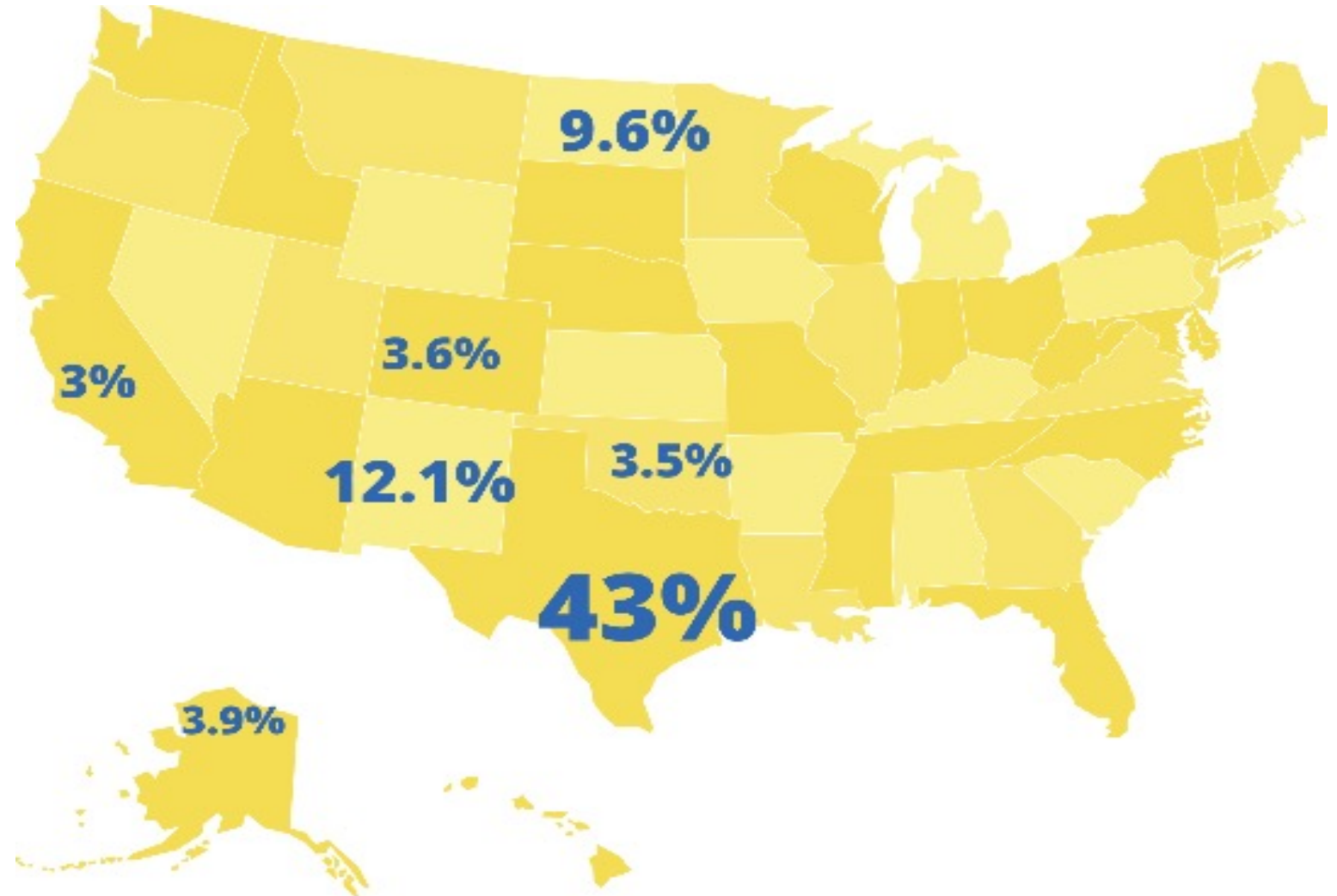


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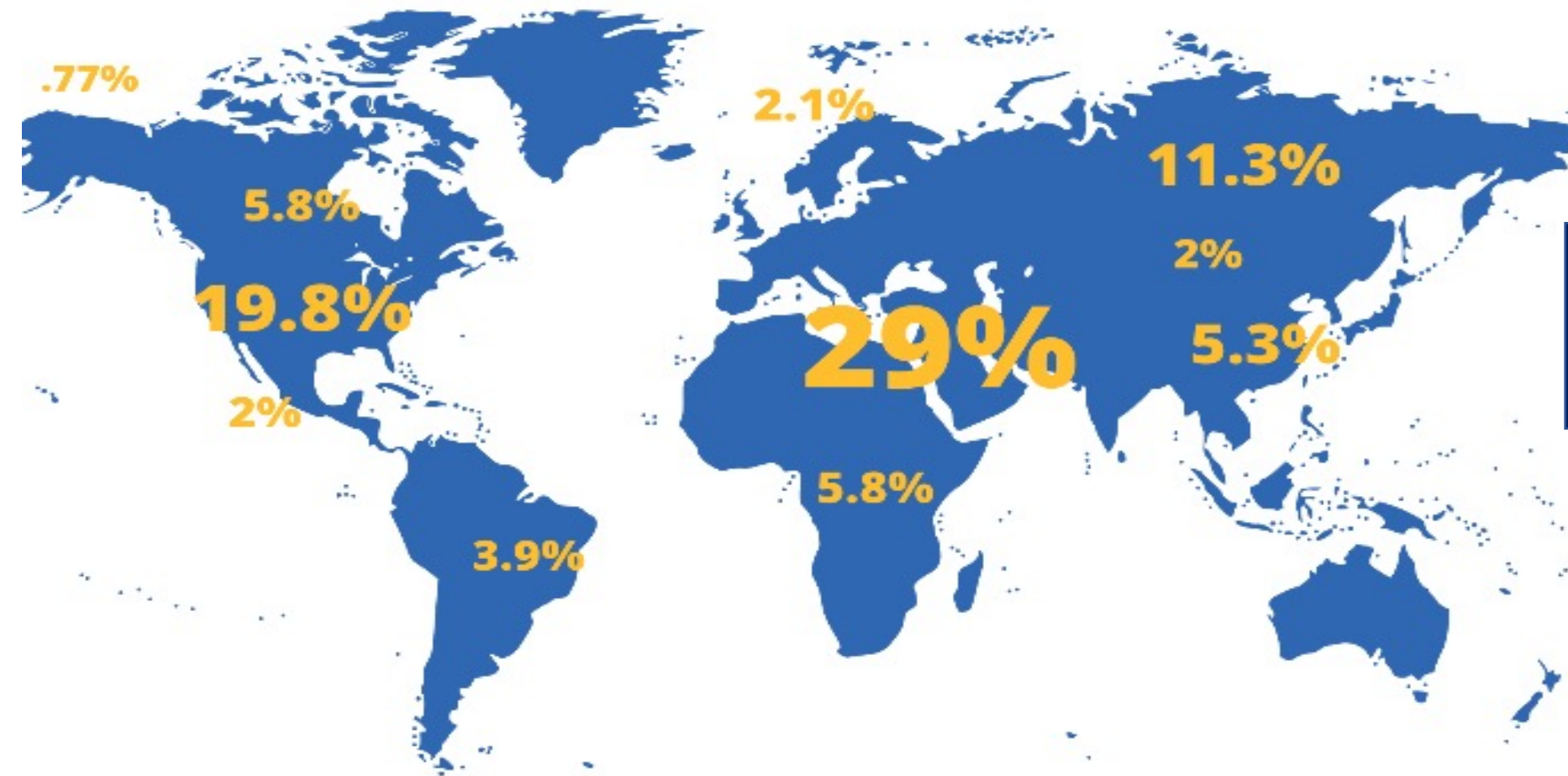
**Alaska:
3.9% US Oil Production**



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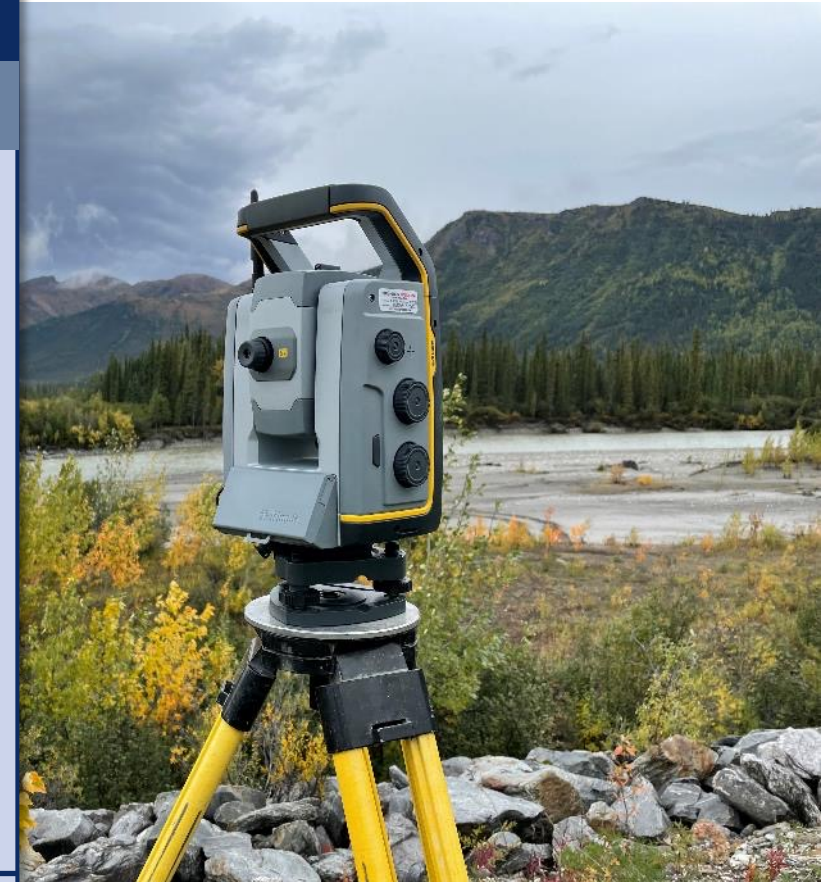
Alaska:
.77% World Oil
Production

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RESOURCE POTENTIAL	
STATE LAND	FEDERAL LAND
Cook Inlet 599 mbo and 19 tcf gas	Offshore Arctic 27 bbo and 132 tcf gas
Onshore North Slope <u>Conventional</u> 5 bbo and 35 tcf gas <u>Heavy/Viscous</u> 24-33 bbo <u>Unconventional</u> 2 bbo and 12 tcf gas	NPR-A 8.8 bbo and 39.2 tcf gas ANWR 10 bbo and 3.5 tcf gas
mbo - million barrels of oil bbo - billion barrels of oil tcf - trillion cubic feet	



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Cook Inlet: Alaska's Original Oil and Gas Basin



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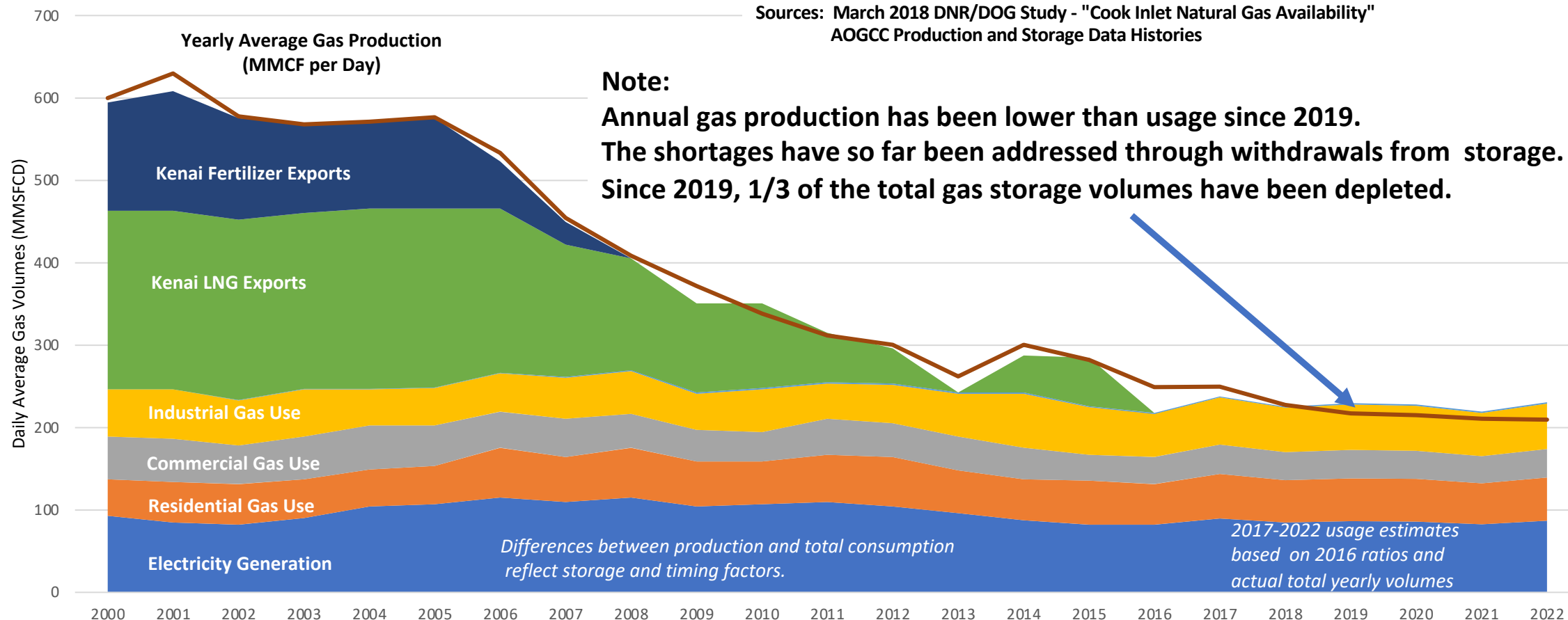
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Cook Inlet Historical Natural Gas Production and Consumption By End-Use

January 2000 - June 2022

Sources: March 2018 DNR/DOG Study - "Cook Inlet Natural Gas Availability"
AOGCC Production and Storage Data Histories

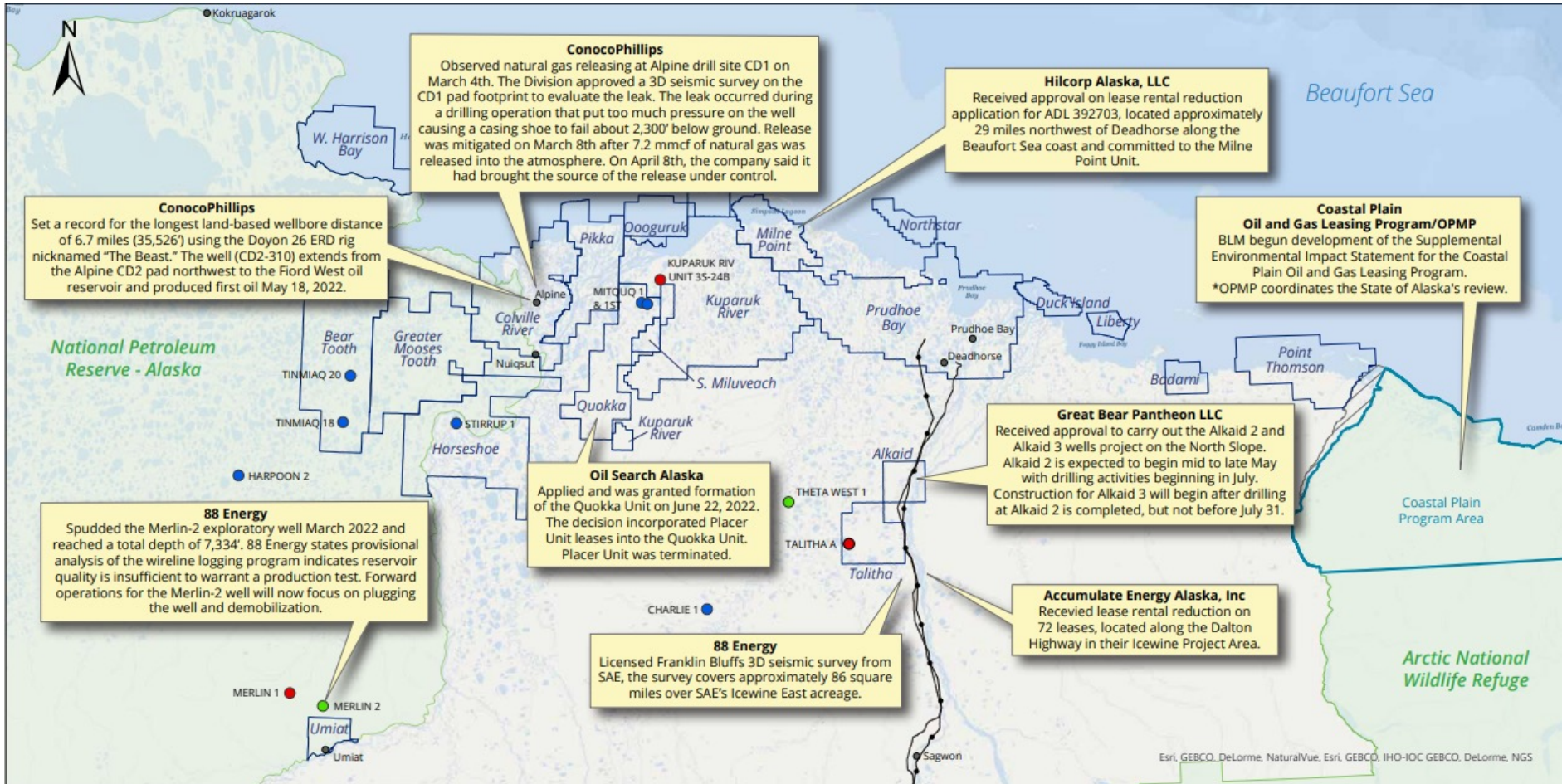


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Alaska's North Slope Resource Potential Remains



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“Since startup on June 20, 1977, TAPS has transported more than 18 billion barrels of Alaska North Slope crude from the North Slope to Valdez. ”

-- Alyeska Pipeline Service Company

45 TRANS ALASKA
PIPELINE SYSTEM



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Marathon Nikiski Refinery



- 68,000 barrel/day refinery
- Primary products include gasoline, gasoline blend stocks, jet fuel, diesel fuel, heavy fuel oils, propane and asphalt
- 300 Alaskans employed

Petro Star Valdez Refinery



- 60,000 barrel/day crude distillation unit
- 12,000 barrel/day distillate hydrotreater and associated process units (Clean Fuels Unit)
- Primary products are commercial & military spec jet fuels and ULSD (JP-5 for USCG Kodiak)

Petro Star North Pole Refinery



- 22,000 barrel/day crude distillation unit
- Primary products include commercial and military spec jet fuels, home heating oil, low-sulfur diesel, asphalt oil and turbine fuel

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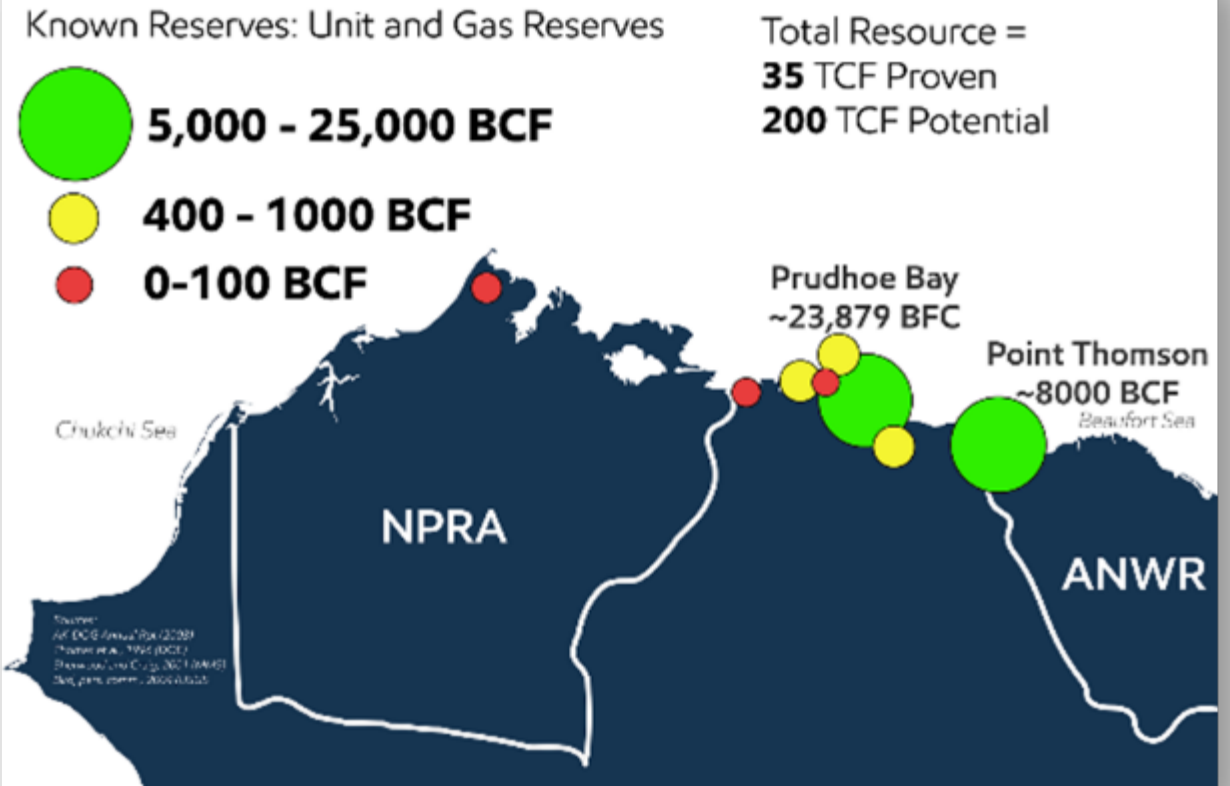
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Massive Natural Gas Resource



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Alaska North Slope Gas Potential



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ALASKA: Doing ESG Right



Environmental
Governance

Social

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Driving Innovation



LEIF VAN CISE | UAF

“UAF engineers and Hilcorp Alaska have successfully deployed an enhanced oil recovery method using a process known as polymer flooding to pull thick, viscous oil to the surface at Milne Point.”

--- New Technique for Heavy Oil Recovery, Alaska Business, October 12, 2022

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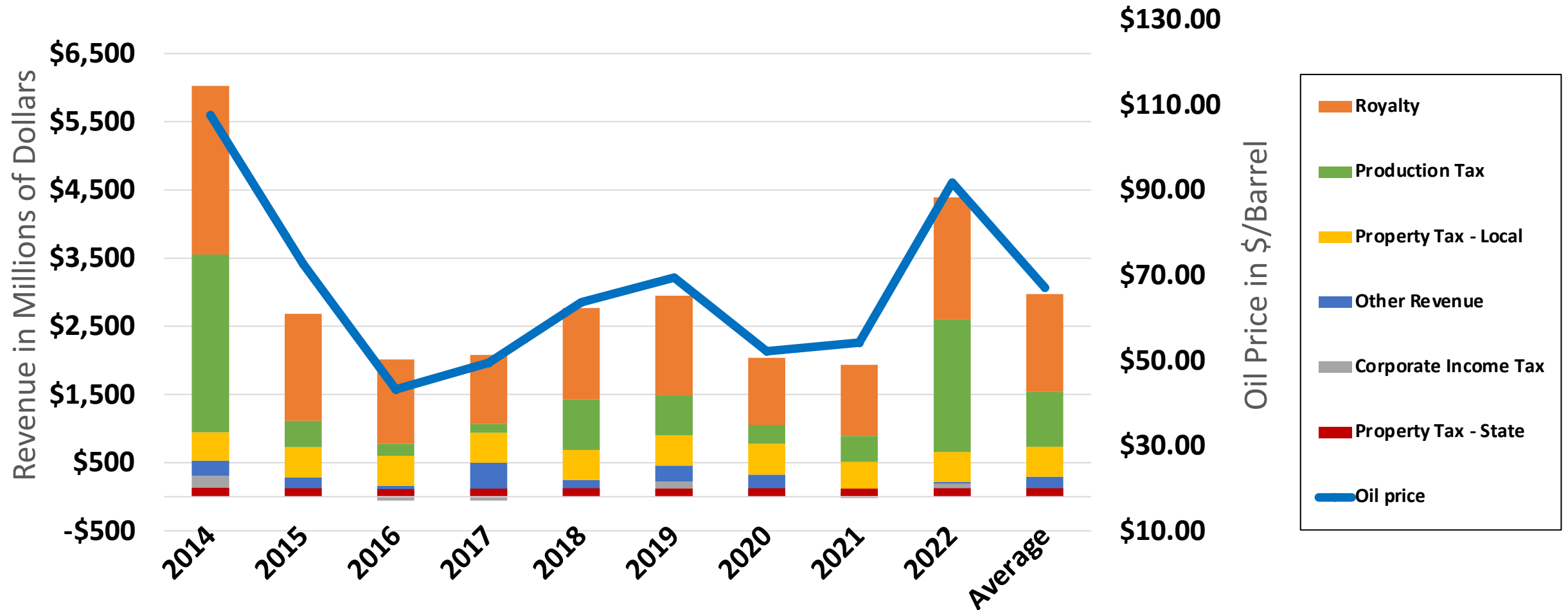
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	2021 Actual	2022 Projected	2023 Projected
Average Price of Oil (\$/barrel)	\$54.14	\$91.68	\$101
Oil Revenue (State & Local)	\$2.051 Billion	\$4.51 Billion	\$5.61 Billion
Other Revenue	\$924.4 Million	\$851.8 Million	\$981.5 Million
Investment Revenue	\$3.305 Billion	\$3.080 Billion	\$3.426 Billion
Total State Revenue (subject to appropriation)	\$5.530 Billion	\$7.531 Billion	\$8.990 Billion

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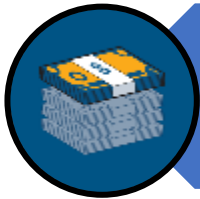
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\$20 Billion
in royalties from oil and gas production



\$27.3 Billion
total distributed



23 Million
paid applications



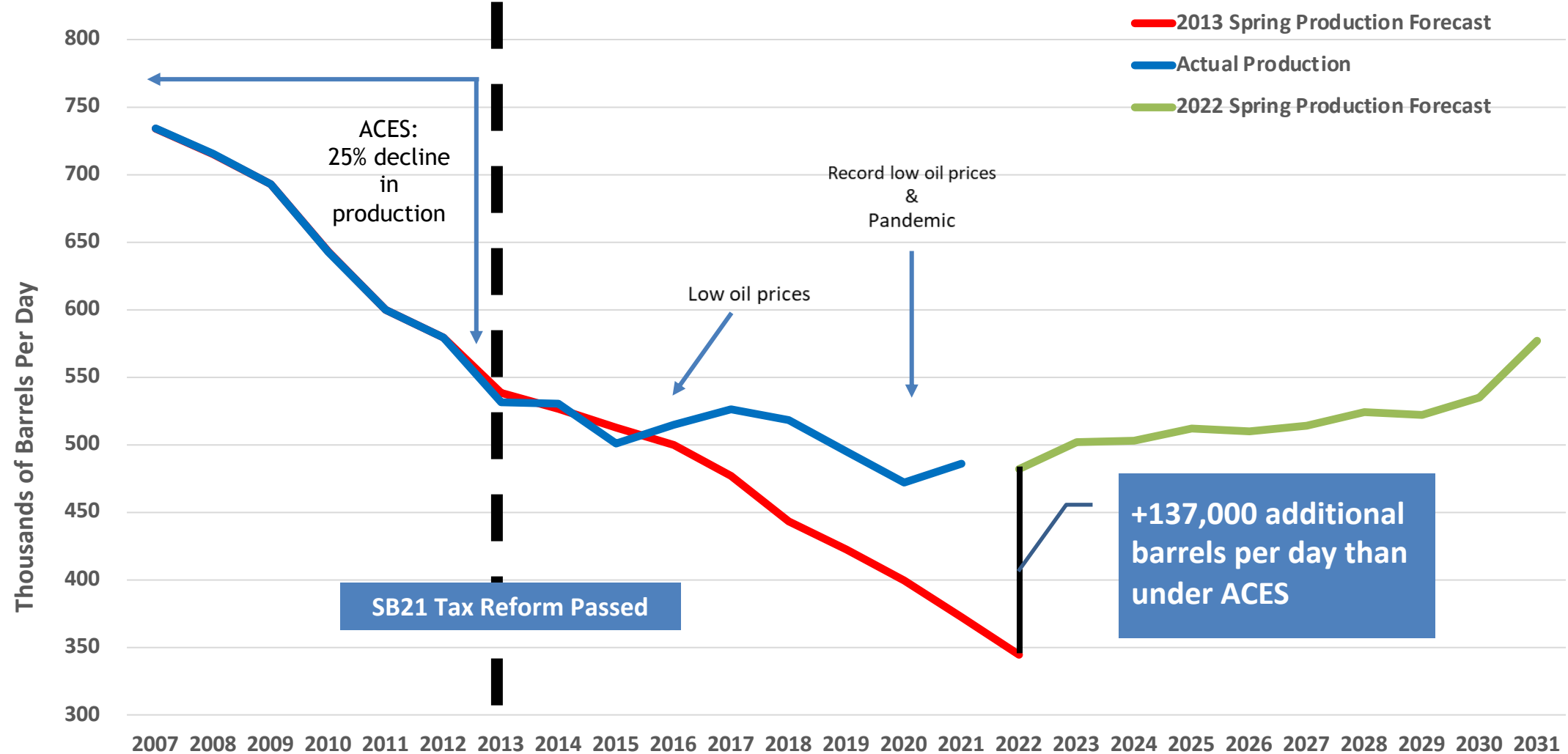
\$49,817.41
to individual Alaskans



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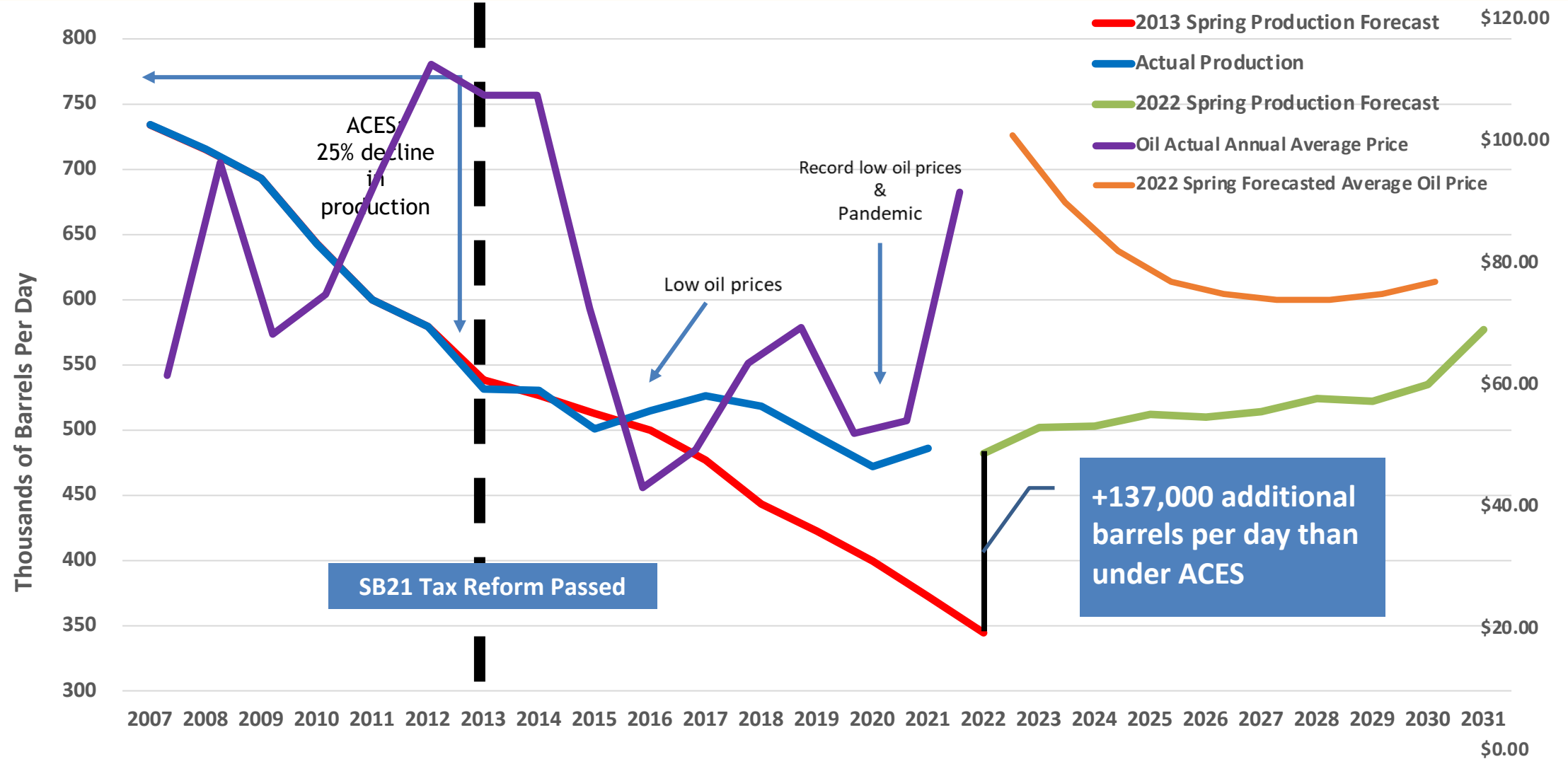
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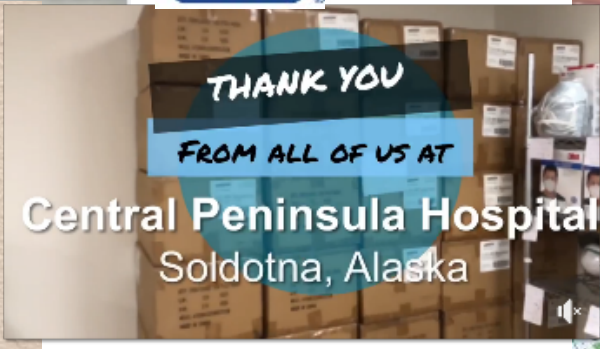
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**Alaskans
Supporting
Alaskans**

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Iditarod welcomes Hilcorp Alaska and Harvest Midstream as new Principal Partners

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Kara Moriarty
President and CEO
moriarty@aoga.org
907-222-2608
www.aoga.org

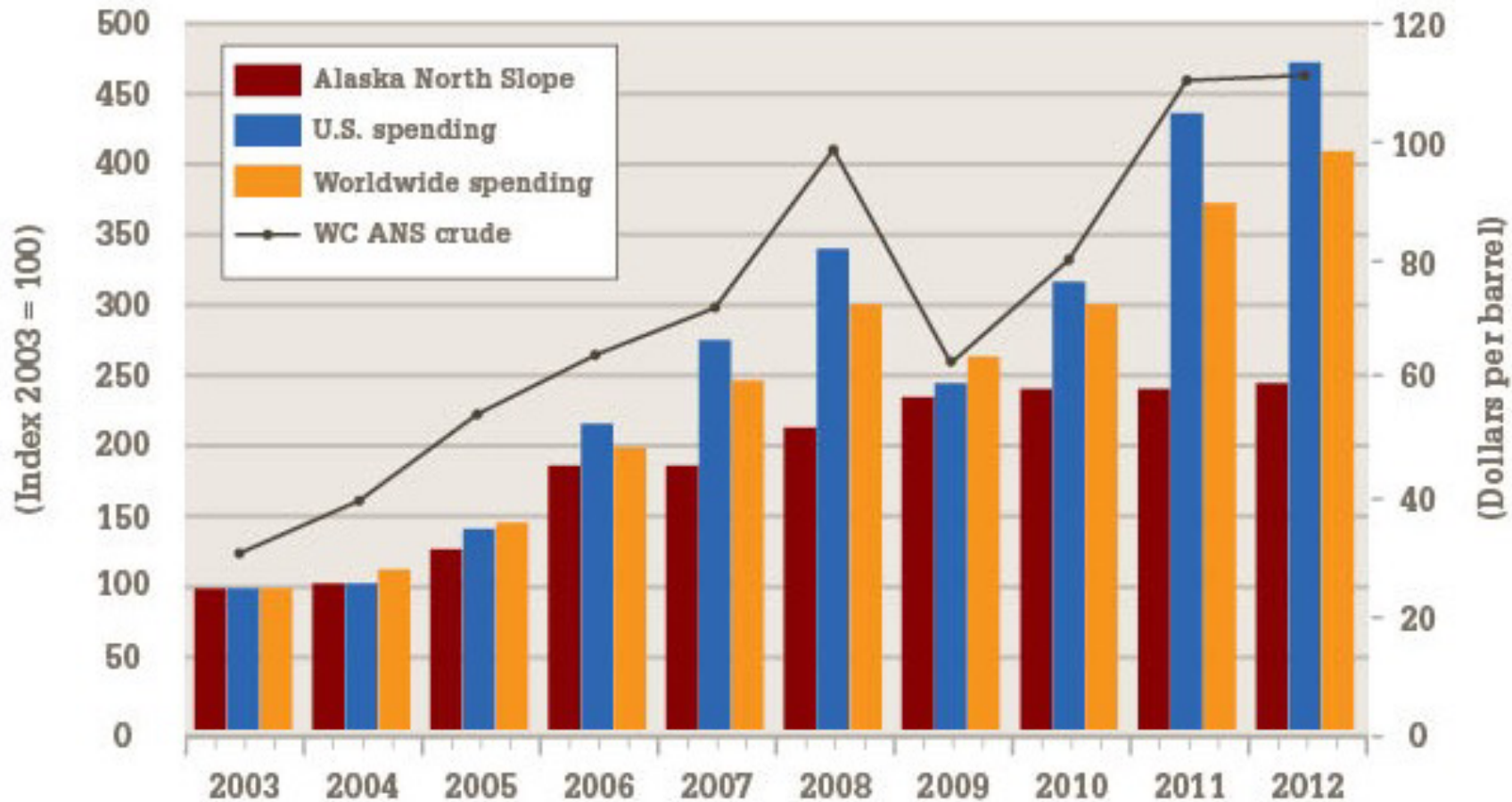
Thank you!

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Appendix



*North Slope figures based on tax return information; U.S. based on top 50 public companies; worldwide based on top 75 public companies
Source: Econ One Research

Lagging Investment:

Estimated Capital Spending* for exploration and development Alaska North Slope vs. US and Worldwide for 2003 -2012

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Tax Policy Instability:

**13 changes or
proposed
changes in 17
years**

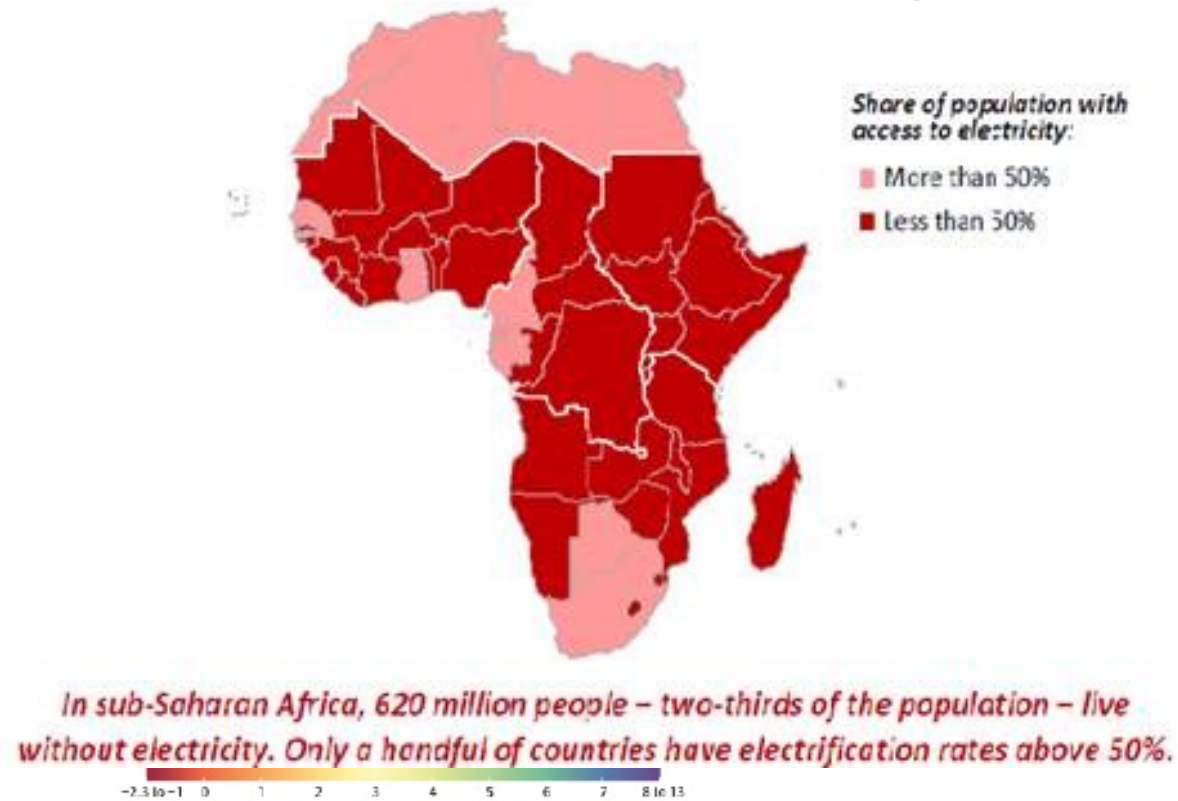
Dates	Tax Policy Change	Increase/Decrease	AOGA Position
Feb. 2005 – March 2006	Aggregated ELF – Administrative decision altering gross production tax	Tax Increase	Opposed
April 2006 – July 2007	Petroleum Production Tax (PPT)	Tax Increase	Opposed Final Version
July 2007 – 2013	Alaska's Clear and Equitable Share (ACES)	Tax Increase	Opposed
2010	Cook Inlet Recovery Act	Incentives for Industry	Supported
2014	SB 21	Both	Supported with Concerns
2016	HB 247	Tax Increase	Opposed
2017	HB 111	Tax Increase	Opposed
2018	Several Tax Increase Proposed but not passed	Tax Increase	Opposed
2019	Several Tax Increase Proposed but not passed	Tax Increase	Opposed
2020	Alaska's Fair Share Ballot Measure	Tax Increase	Opposed
2021	Several Tax Increase Proposed but not passed	Tax Increase	Opposed
2022	Several Tax Increase Proposed but not passed	Tax Increase	Opposed

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Figure 2. Change in Life Expectancy at Birth by County, 1980 to 2014



Compared with the national average, counties in central Colorado, Alaska, and along both coasts experienced larger increases in life expectancy between 1980 and 2014, while some southern counties in states stretching from Oklahoma to West Virginia saw little, if any, improvement over this same period.

“On May 18, 2021, the International Energy Agency (IEA) released . . . plans for the global energy sector to reach “net zero” greenhouse gas emissions by 2050 . . . **And today, in real-world Africa, this goal is not feasible.** Nor is it advisable. While I agree with their data on many topics, the IEA’s conclusion is flat-out wrong on this issue. ***Africa needs oil and gas.***”

-- NJ Ayuk, The African Energy Chamber

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