ALASKA’S ECONOMIC FUTURE: WHAT ROLE FOR A NORTH SLOPE NATURAL GAS PIPELINE?

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May 10, 2011
Public Forum on the Alaska Natural Gas Pipeline
Sponsored by the Federal Coordinator
Anchorage, Alaska
PETROLEUM DRIVES THE ECONOMY
PETROLEUM

• Jobs

• Complexity

TOURISM
HOW TO GET $5 BILLION IN STATE REVENUE FROM OTHER SOURCES

$6,667 / OZ. GOLD

$33 / SALMON

$3,333 / TOURIST
OUR ECONOMIC FORTUNES ARE TIED TO PETROLEUM (MMBPD)
COULD THE FUTURE ALASKA ECONOMY LOOK LIKE THIS?
THE NON-PETROLEUM STRATEGIES FOR THE FUTURE

• Natural Resource Development
• Value Added Processing
• Economic Diversification
• Infrastructure Investments in Power and Transportation
• Footloose Industry
• Renewable Energy
**DOES PETROLEUM HAVE A FUTURE IN ALASKA?**

<table>
<thead>
<tr>
<th></th>
<th>Oil (Billion Barrels)</th>
<th>Gas (TCF)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRODUCTION TO DATE</strong></td>
<td>16</td>
<td>-</td>
</tr>
<tr>
<td><strong>KNOWN STATE: Colville-Canning</strong></td>
<td>4.5</td>
<td>37.5</td>
</tr>
<tr>
<td><strong>TECHNICALLY RECOVERABLE</strong></td>
<td>33.6</td>
<td>148.8</td>
</tr>
<tr>
<td>ANWR 1002</td>
<td>10.3</td>
<td>3.8</td>
</tr>
<tr>
<td>OCS Beaufort</td>
<td>6.9</td>
<td>32.1</td>
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<tr>
<td>OCS Chukchi</td>
<td>15.5</td>
<td>60.1</td>
</tr>
<tr>
<td>NPRA</td>
<td>.9</td>
<td>52.8</td>
</tr>
<tr>
<td><strong>OTHER</strong></td>
<td>?</td>
<td>?</td>
</tr>
</tbody>
</table>
PIPELINE CONSTRUCTION JOBS: BOOM AND BUST
EMPLOYMENT IN THE OIL PATCH

TOTAL

Barrels per Worker
EMPLOYMENT IMPACT: BEYOND CONSTRUCTION

- KNOWN GAS
- NEW EXPLORATION
- OIL PRODUCTION AND DISCOVERIES
- COST OF OPERATING IN OIL PATCH
- OUTSIDE THE OIL PATCH
GAS PRICE PROJECTION

Source: IEA, AEO 2011.
GAS REVENUE PROJECTION (Billion)
GAS VS OIL REVENUES (Million)
REVENUE FROM OTHER OIL

• ANWR
• OCS
• NPRA
• Unconventional Oil
STATE GF REVENUE PROJECTION
STATE GF: USE OF SAVINGS
STATE GF WITH GAS REVENUE
STATE GF: BALANCED SOLUTION
PERMANENT FUND
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