December 10, 2014

AOGA Statement: Fall 2014 Revenue Sources Book shows more industry investment, more oil production

"The Fall Revenue Sources Book demonstrates tax reform is working for Alaskans as indicated by the fact that we have more oil production and more industry investment," said Alaska Oil and Gas Association (AOGA) President and CEO Kara Moriarty.

"As Department of Revenue Acting Commissioner Marcia Davis said in her report, '…we anticipate higher production in the near term than previously forecast. North Slope oil production between FY 2013 and FY 2014 held steady, and it expected to increase by approximately 15,000 barrels per day and 10,000 barrels per day in FY 2016 and 2017, following decline of 22,000 barrels per day in FY 2015.'

"Oil companies said the new tax law would lead to more investment, and more production, and they were right," said Moriarty. "Billions more dollars are being spent in Alaska's oil patch since tax reform passed, including investments by small, independent oil and gas companies. New investment leads to more oil. Acting Commissioner Davis confirms this when she says, '…our long-term view is optimistic. Greater investment by the oil and gas industry on the North Slope and solid performance of state investments make Alaska's overall financial health sound.'

"Even though Alaska is experiencing a period of low oil prices, the current tax policy is working as intended by generating hundreds of millions more in State revenue at these lower prices, while providing a stable business climate for increased industry investment," said Moriarty.

The Alaska Oil and Gas Association is a private, business trade association. Its 14 member companies represent the majority of oil and gas exploration, production, transportation, refining, and marketing activities in Alaska. More information regarding the organization can be found at www.aoga.org.

# # #