

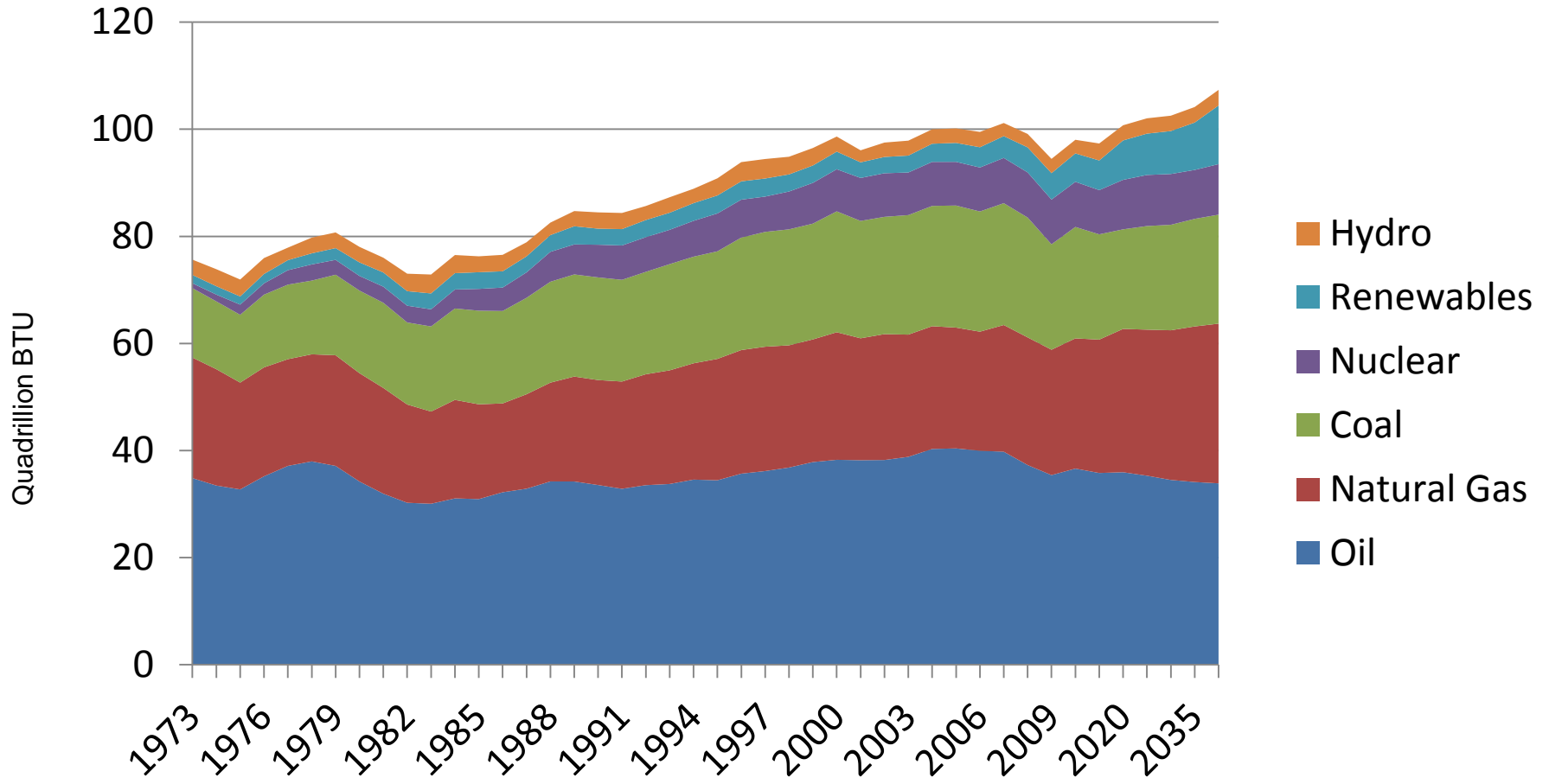
America's Oil and Natural Gas Industry



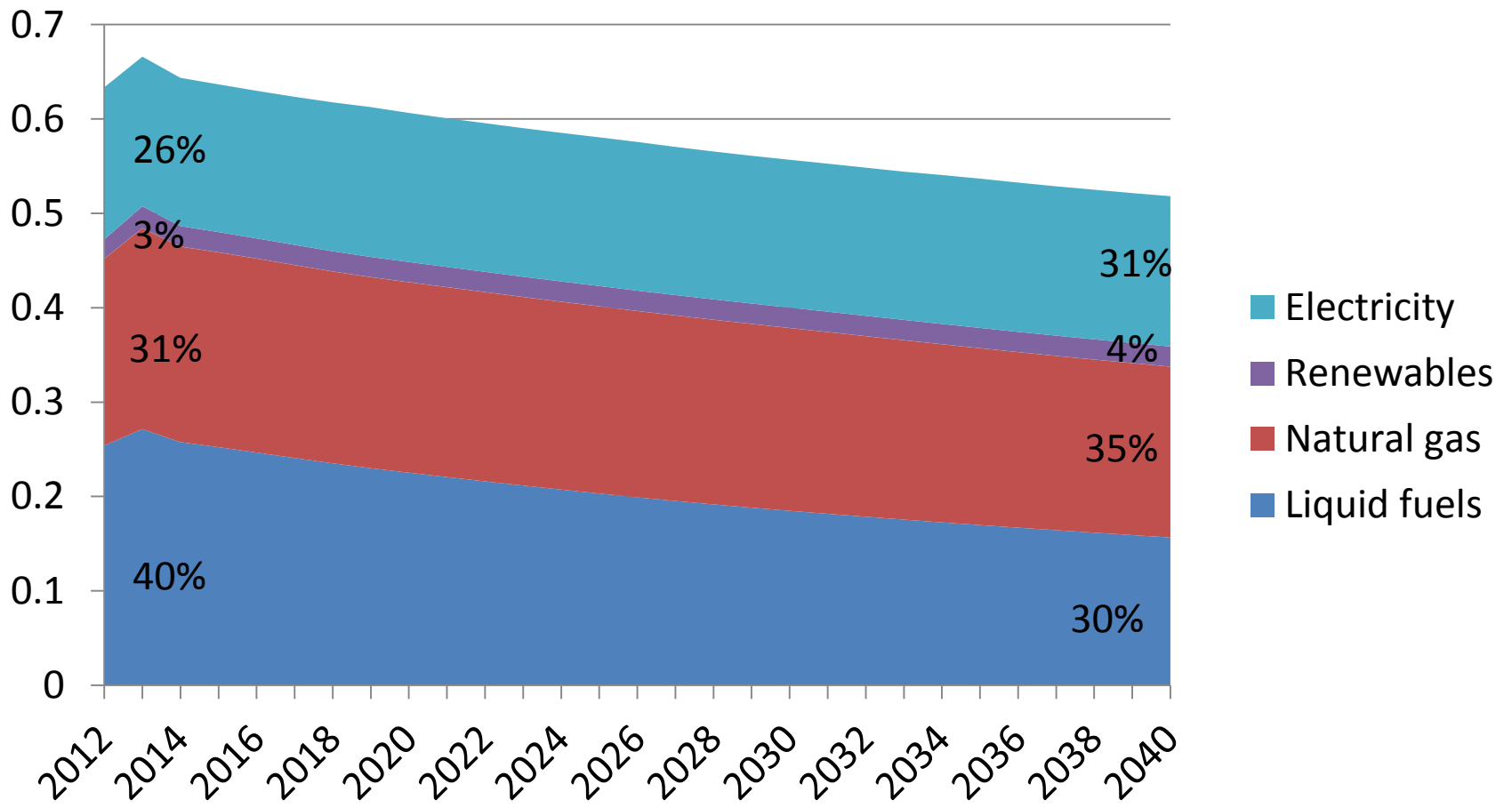
Energizing America: Facts for Addressing Energy Policy

Kyle Isakower
American Petroleum Institute
October 24, 2013

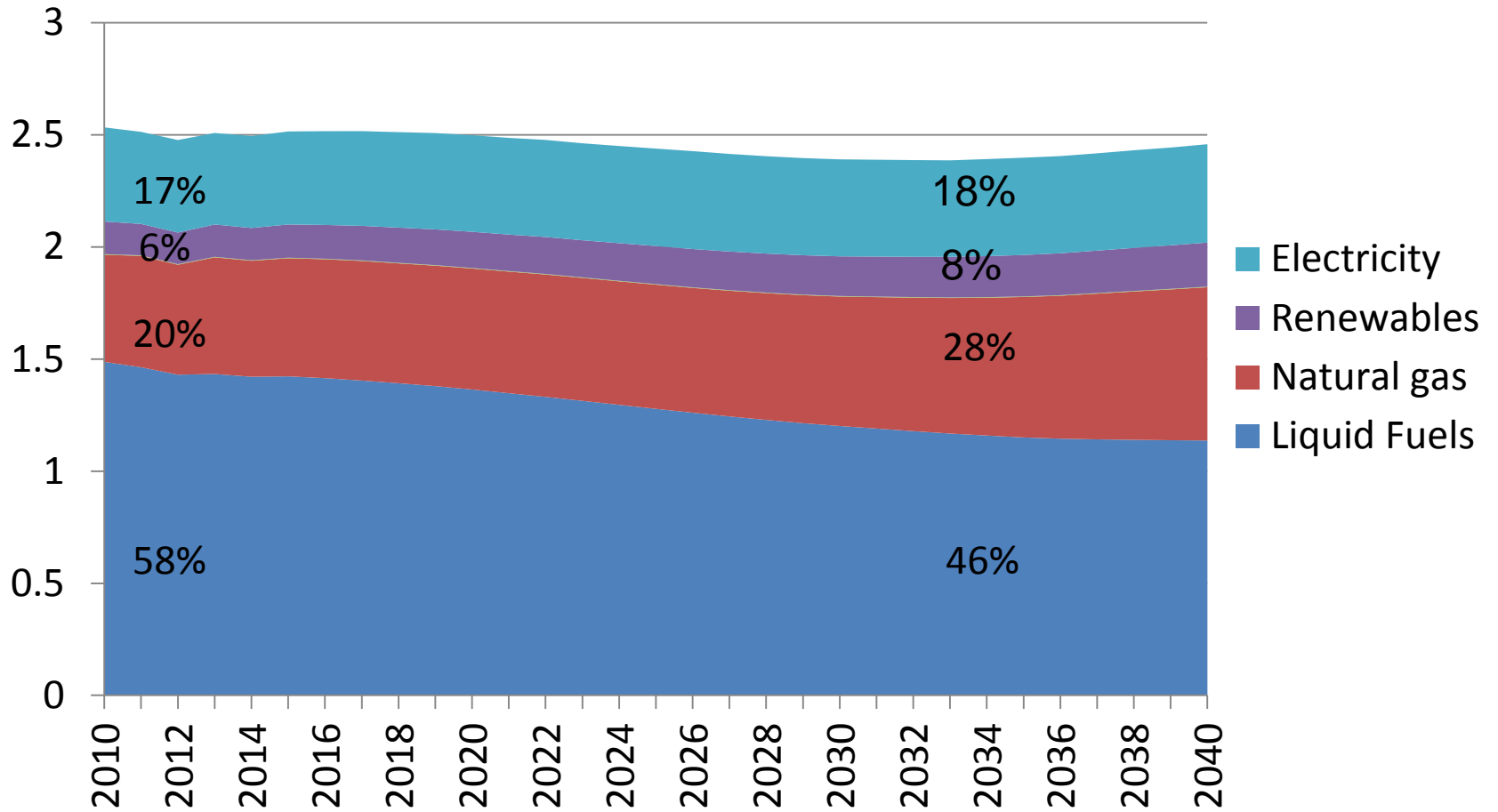
The U.S. will require 10 percent more energy in 2040 and more than half of it will be met by oil and gas



New England Residential Energy Consumption Forecast by Fuel Type (quadrillion btu)



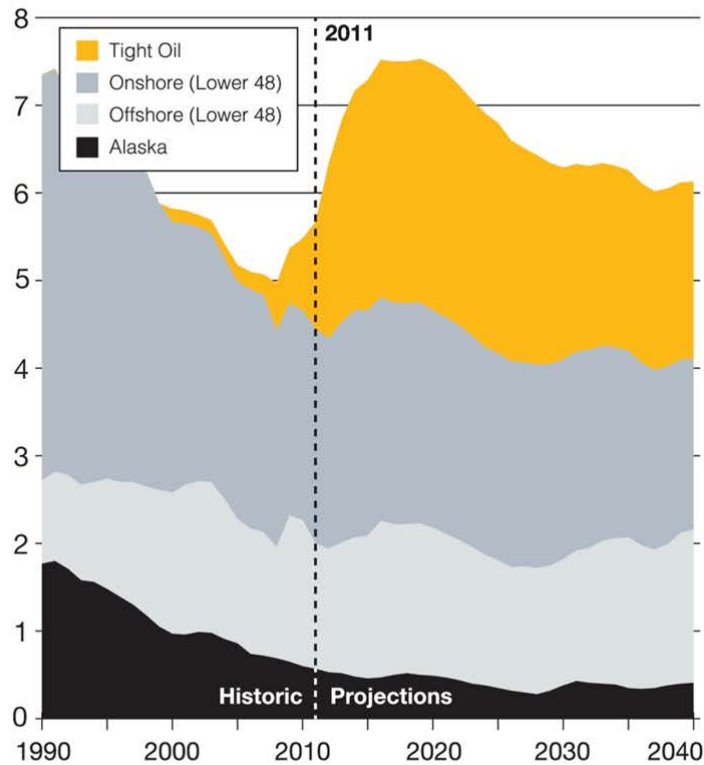
New England Energy Consumption Forecast by Fuel Type (quadrillion btu)



Shale production is offsetting declining production from other U.S. oil and natural gas resources

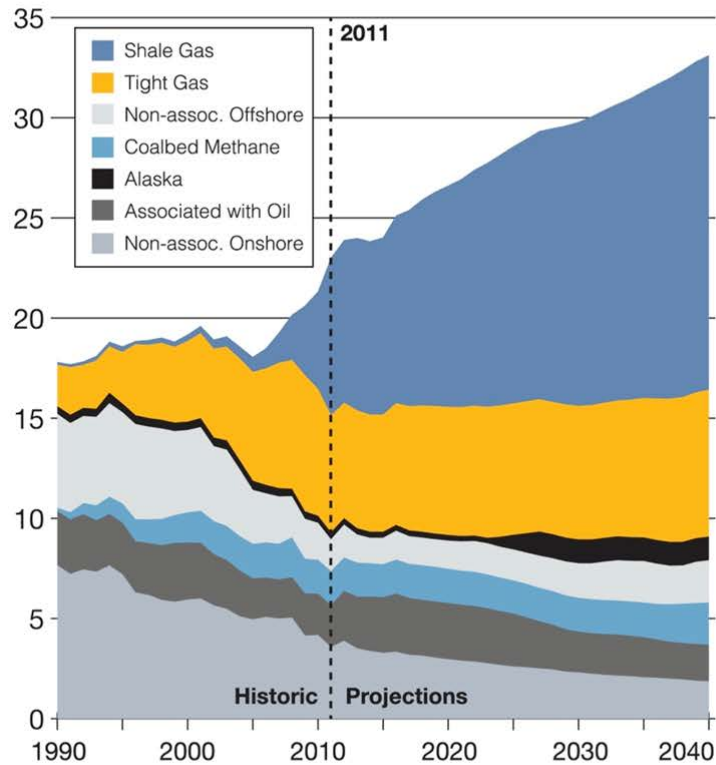
U.S. Crude Oil Production by Source

(millions of barrels per day)



U.S. Dry Gas Production by Source

(trillion cubic feet per year)



Source: EIA, Annual Energy Outlook 2013 Early Release

Oil and gas industry employment growing much faster than total private sector employment

Percent change in employment, oil and natural gas industry and all private sector employment
percent change from 2007



Source: U.S. Bureau of Labor Statistics

Note: Total private sector employment is non-government employment, as derived from the Quarterly Census of Employment and Wages.

From the start of 2007 through the end of 2012, total U.S. private sector employment increased by more than one million jobs, about 1%. Over the same period, the oil and natural gas industry increased by more than 162,000 jobs, a 40% increase.

Table 2. – Total Operational and Capital Investment Impact of the Oil and Natural Gas Industry to the US Economy, 2011

| Item | Amount | Percent of US Total |
|---|---------------|----------------------------|
| <i>Operational Impact</i> | | |
| Employment* | 8,445,200 | 4.9% |
| Labor Income (\$ millions)** | \$515,368 | 5.4% |
| Value Added (\$ millions) | \$1,073,552 | 7.1% |
| <i>Capital Investment Impact</i> | | |
| Employment* | 1,388,100 | 0.7% |
| Labor Income (\$ millions)** | \$82,247 | 0.9% |
| Value Added (\$ millions) | \$135,837 | 0.9% |
| <i>Total Impacts</i> | | |
| Employment* | 9,833,200 | 5.6% |
| Labor Income (\$ millions)** | \$597,615 | 6.3% |
| Value Added (\$ millions) | \$1,209,389 | 8.0% |

Source: PwC calculations using the IMPLAN modeling system (2011 database).

Details may not add to totals due to rounding.

* Employment is defined as the number of payroll and self-employed jobs, including part-time jobs.

** Labor income is defined as wages and salaries and benefits as well as proprietors' income.

The Economic Impact of the Oil and Natural Gas Industry in Maine, 2011

| Employment* | | | | | |
|--|------------------|----------------|----------------|------------------|-----------------------|
| Sector Description | Direct | Indirect | Induced | Total | As a % of State Total |
| Direct Operational Impact of the Oil and Natural Gas Industry | 12,370 | | | 12,370 | 1.6% |
| Indirect and Induced Operational Impacts on Other Industries | | | | | |
| <i>Services</i> | | 1,722 | 5,709 | 7,432 | |
| <i>Finance, insurance, real estate, rental and leasing</i> | | 1,305 | 1,525 | 2,830 | |
| <i>Wholesale and retail trade</i> | | 234 | 1,859 | 2,093 | |
| <i>Manufacturing</i> | | 784 | 608 | 1,392 | |
| <i>Transportation and warehousing</i> | | 552 | 363 | 915 | |
| <i>Construction</i> | | 481 | 183 | 664 | |
| <i>Information</i> | | 233 | 286 | 519 | |
| <i>Agriculture</i> | | 134 | 296 | 430 | |
| <i>Utilities</i> | | 26 | 27 | 52 | |
| <i>Mining</i> | | 16 | 4 | 20 | |
| <i>Other</i> | | 16 | 39 | 55 | |
| Total Operational Impact on Employment | 12,370 | 5,503 | 10,900 | 28,772 | 3.6% |
| Total Operational Impact on Labor Income | \$386.0 | \$305.6 | \$458.6 | \$1,150.2 | 3.2% |
| Total Operational Impact on Value Added | \$1,081.5 | \$508.0 | \$781.0 | \$2,370.5 | 4.2% |

Source: PwC calculations using the IMPLAN modeling system (2011 database).

* Employment is defined as the number of payroll and self-employed jobs, including part-time jobs.

** Labor income is defined as wages and salaries and benefits as well as proprietors' income.

IHS Study: “*America’s New Energy Future: The Unconventional Oil and Gas Revolution and the US Economy; Volume 3: A Manufacturing Renaissance*”

- Unconventional oil and natural gas activity supported 2.1 million jobs in 2012, and is projected to increase to nearly 3.9 million jobs by 2025
- Unconventional development increased GDP by \$284 billion in 2012, projected to increase to \$533 billion in 2025
- Total government revenue (federal, state and local) from 2012 to 2025 is projected to increase by \$1.6 trillion due to unconventional development

Economic Impact of Unconventional Oil and Gas Development on Maine

| | 2012 | 2020 | 2035 |
|--|--------------|--------------|--------------|
| Employment | 2,769 | 4,571 | 5,007 |
| Value Added (millions \$) | \$261 | \$417 | \$462 |
| Federal Taxes | \$34 | \$56 | \$63 |
| State & Local Taxes (millions \$) | \$34 | \$50 | \$48 |
| | | | |

Source: IHS Global Insight, "America's New Energy Future: The Unconventional Oil and Gas Revolution and the US Economy," December 2012.

Thank You

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