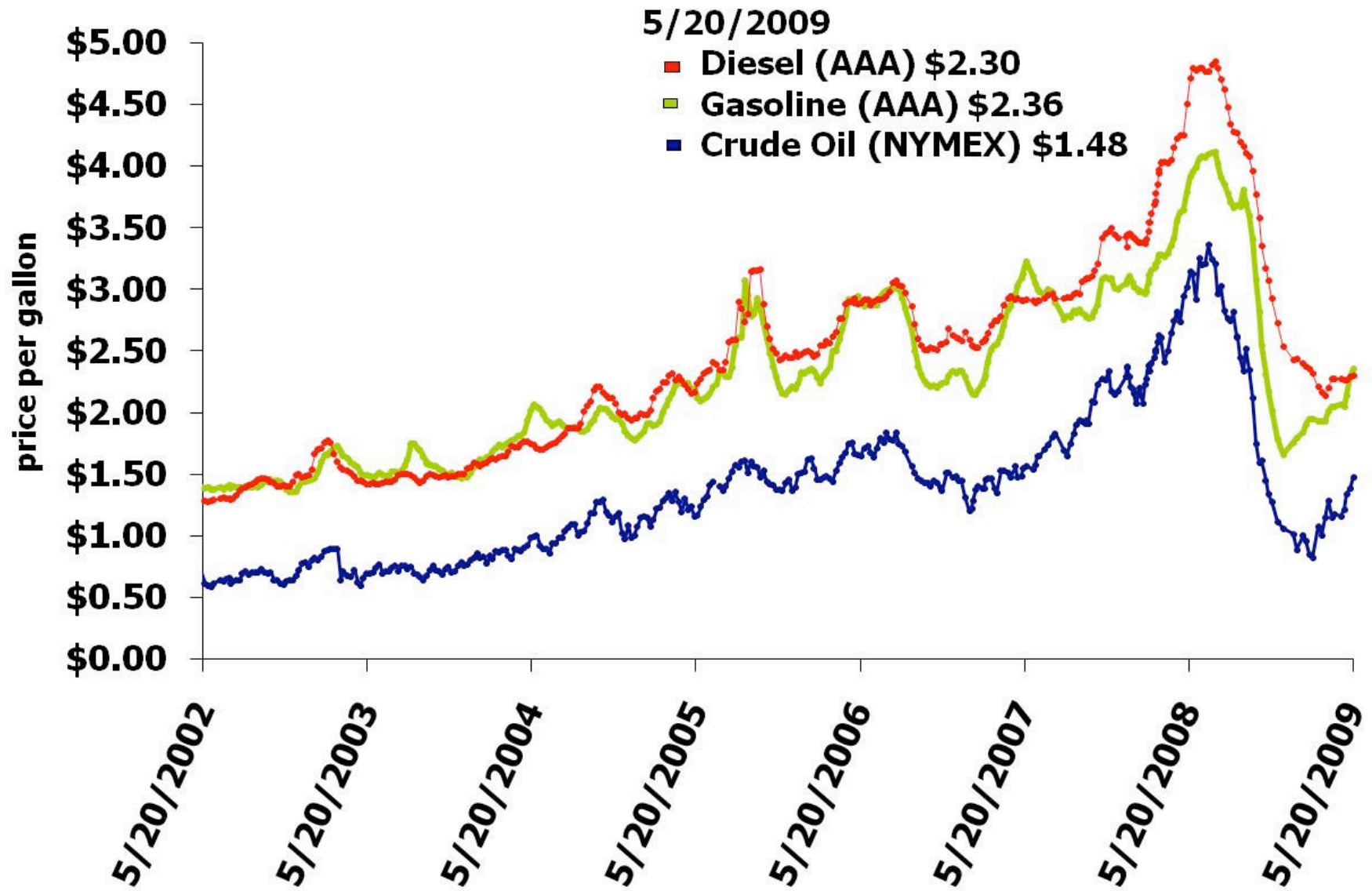


America's Oil and Natural Gas Industry



Energizing America: Facts for Addressing Energy Policy

Diesel, Gasoline and Crude Prices



Source: NYMEX (WTI crude oil) and AAA (gasoline and diesel)

What consumers are paying for at the gasoline pump



Crude Oil

Refining and
Retailing

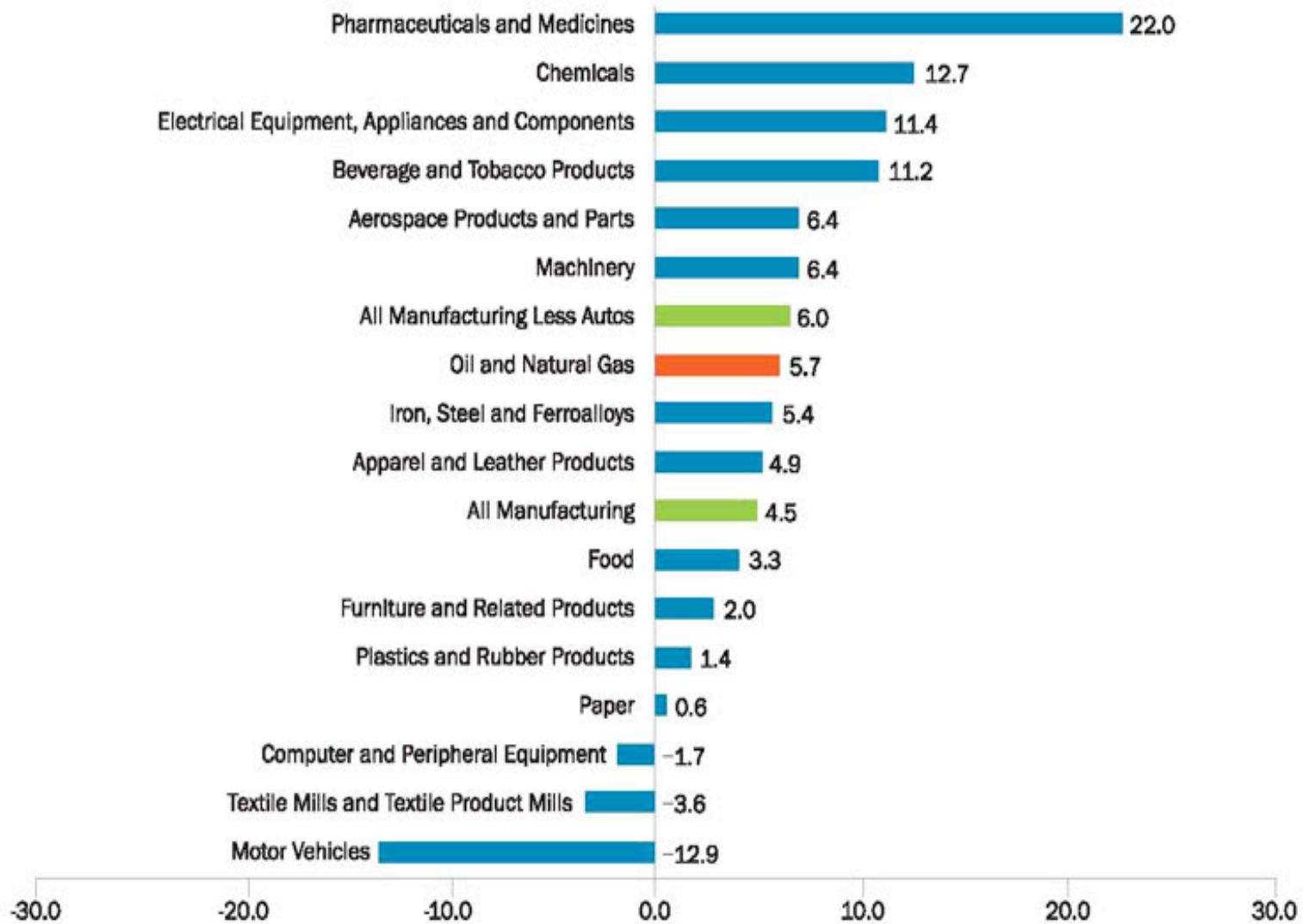
Taxes

5.7% earnings*

*Earnings differ by company. Figure represents average for the year 2008 industry earnings calculated from data reported by Oil Daily.

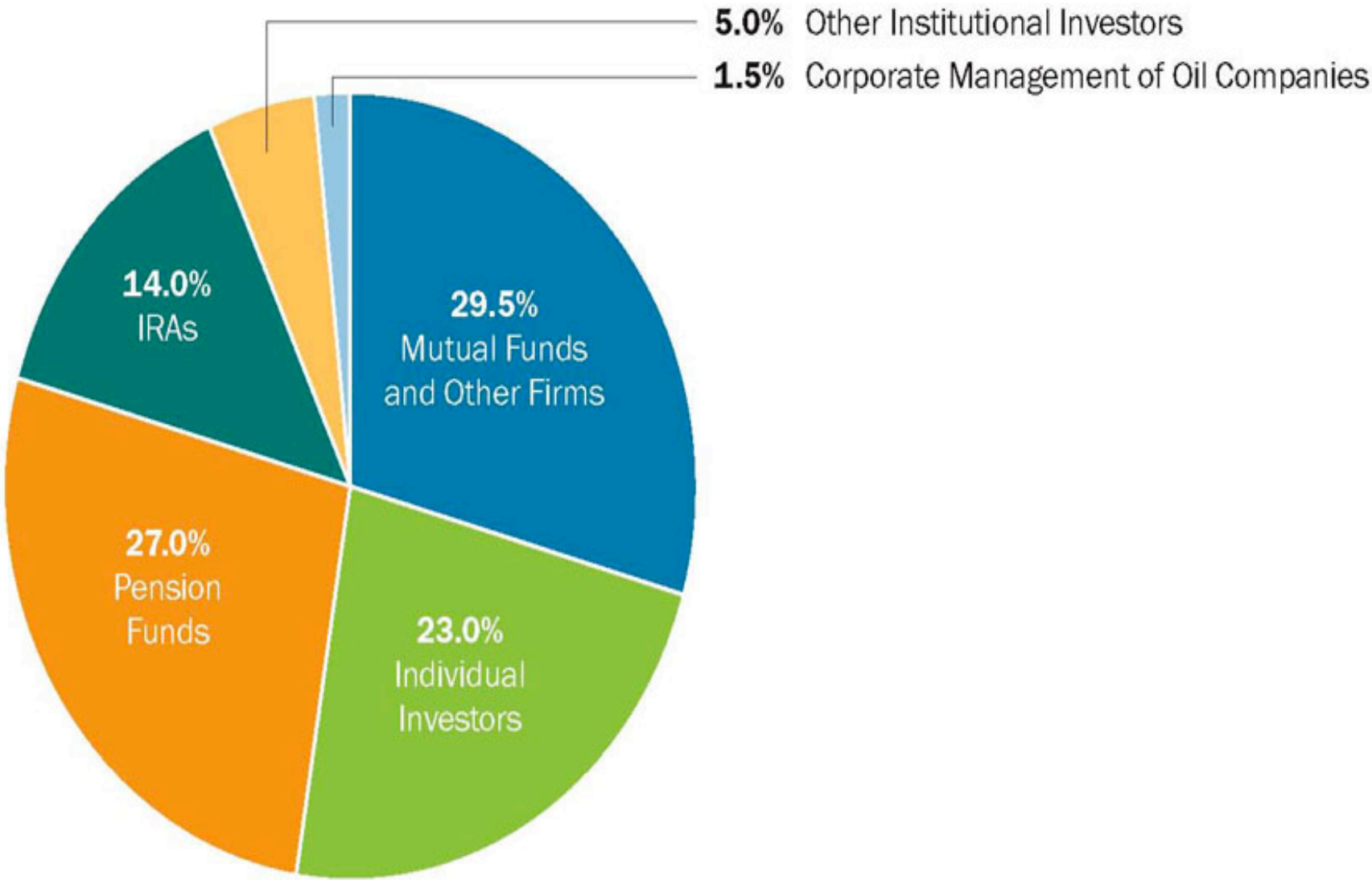
Source: Average of gasoline components from January through December 2008 as reported by EIA.

2008 Earnings by Industry (net income/sales)



Sources: Based on company filings with the federal government as reported by U.S. Census Bureau and *Oil Daily*.

Who Owns "Big Oil?" (Holdings of Oil Stocks, 2007)



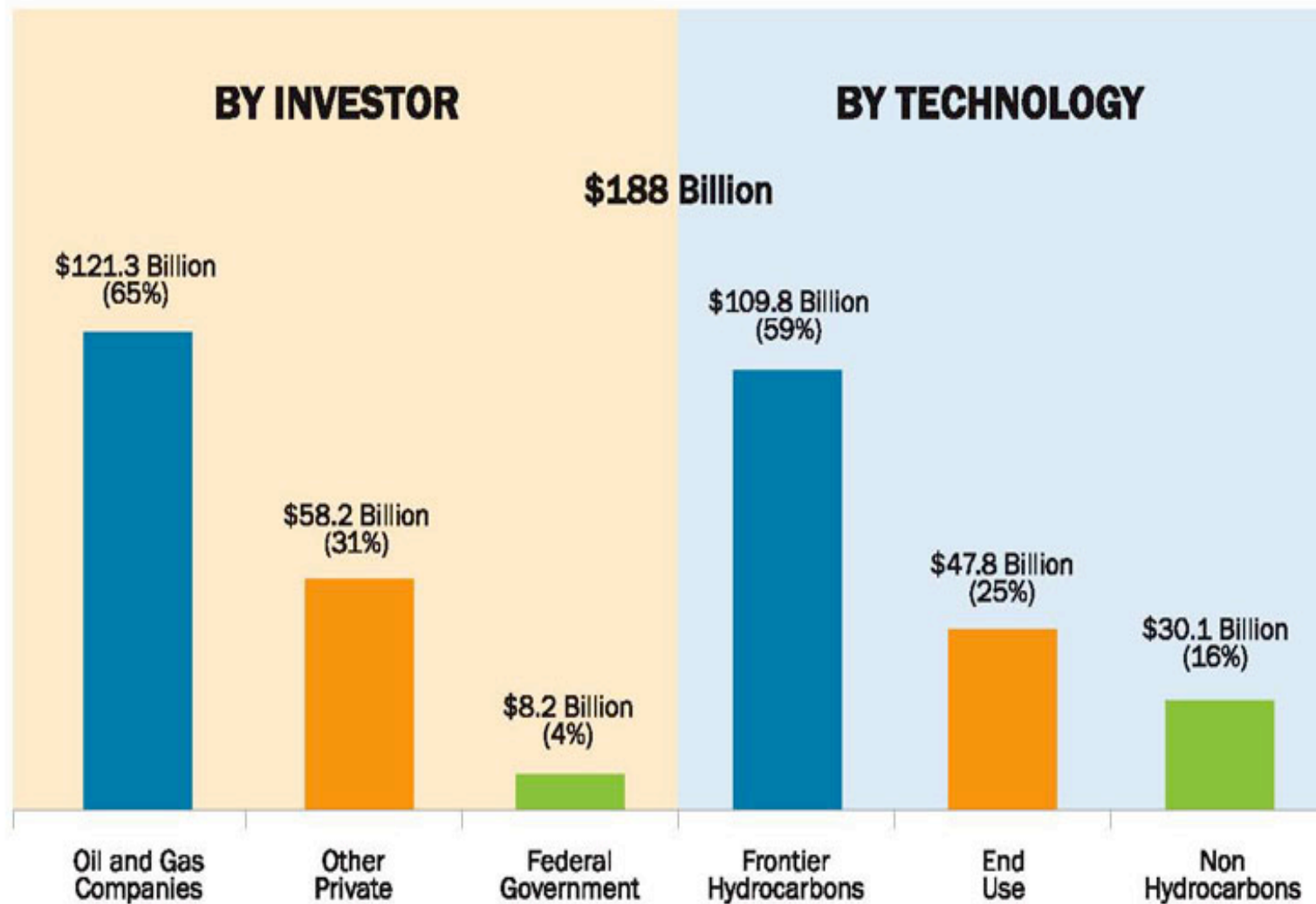
Source: *The Distribution of Ownership of U.S. Oil and Natural Gas Companies*, SONECON, September 2007

WHERE FUNDS WILL GO FOR US PROJECTS

Table 1

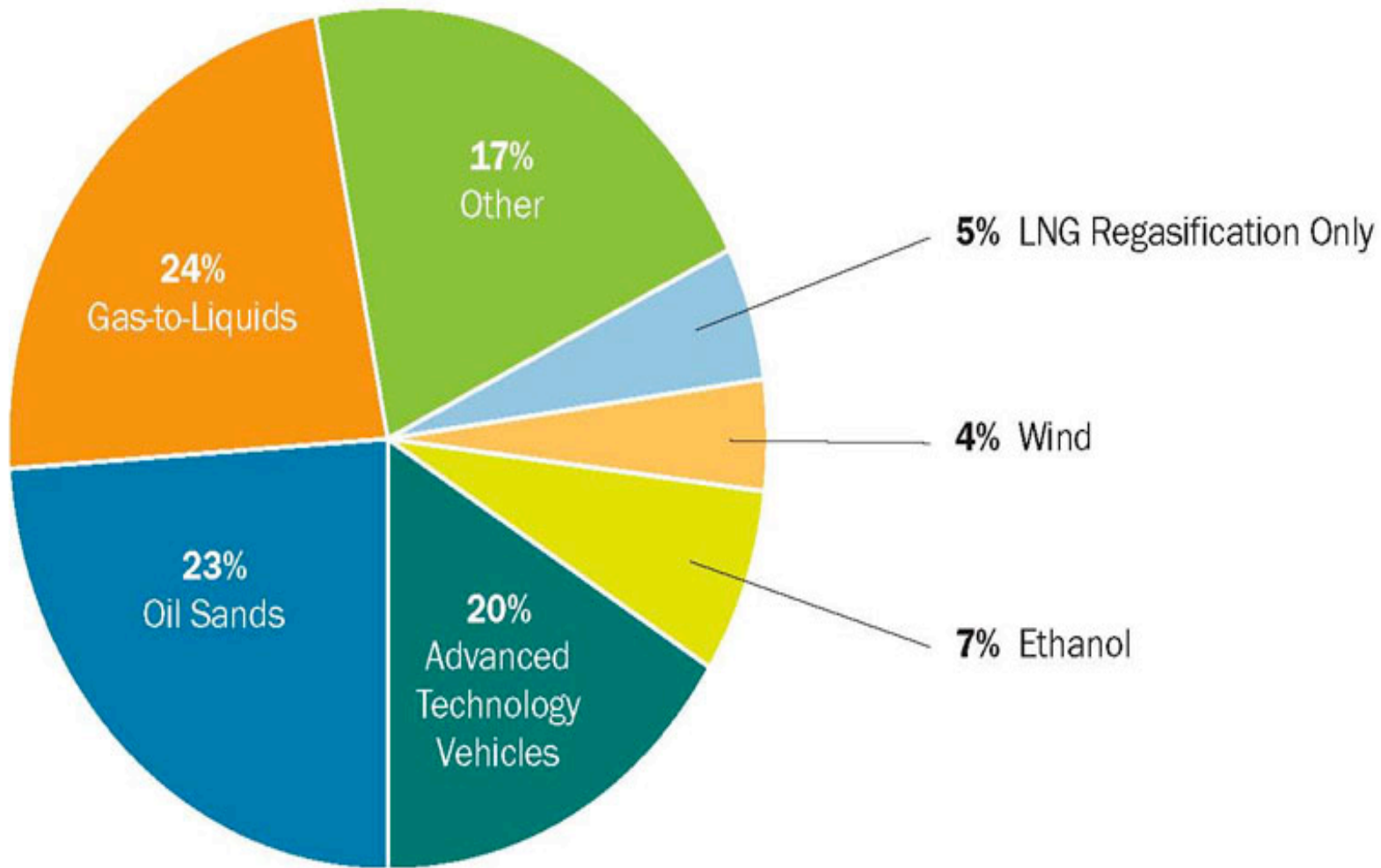
	2009, million \$	Change 2009-2008, %	2008, million \$	Change 2008-2007, %	2007, million \$
Exploration-production					
Drilling-exploration	174,621	-27.1	239,646	10.7	216,462
Production	33,178	-27.1	45,533	10.7	41,128
OCS lease bonus	1,080	-84.3	6,883	119.1	3,142
Subtotal	208,879	-28.5	292,062	12.0	260,732
Other					
Refining	10,140	-22.0	13,000	57.0	8,280
Petrochemicals	50	-95.0	1,000	19.0	840
Marketing	1,950	-35.0	3,000	20.0	2,500
Crude and products pipelines . .	5,164	16.5	4,431	146.8	1,796
Natural gas pipelines	10,374	63.6	6,343	45.2	4,367
Other transportation	840	-30.0	1,200	23.7	970
Mining, other energy	900	-25.0	1,200	20.0	1,000
Miscellaneous	3,750	-25.0	5,000	22.0	4,100
Subtotal	33,168	-5.7	35,174	47.5	23,853
Total	242,047	-26.0	327,236	15.0	284,585

Technology – Our Industry’s Investments (2000-2007)



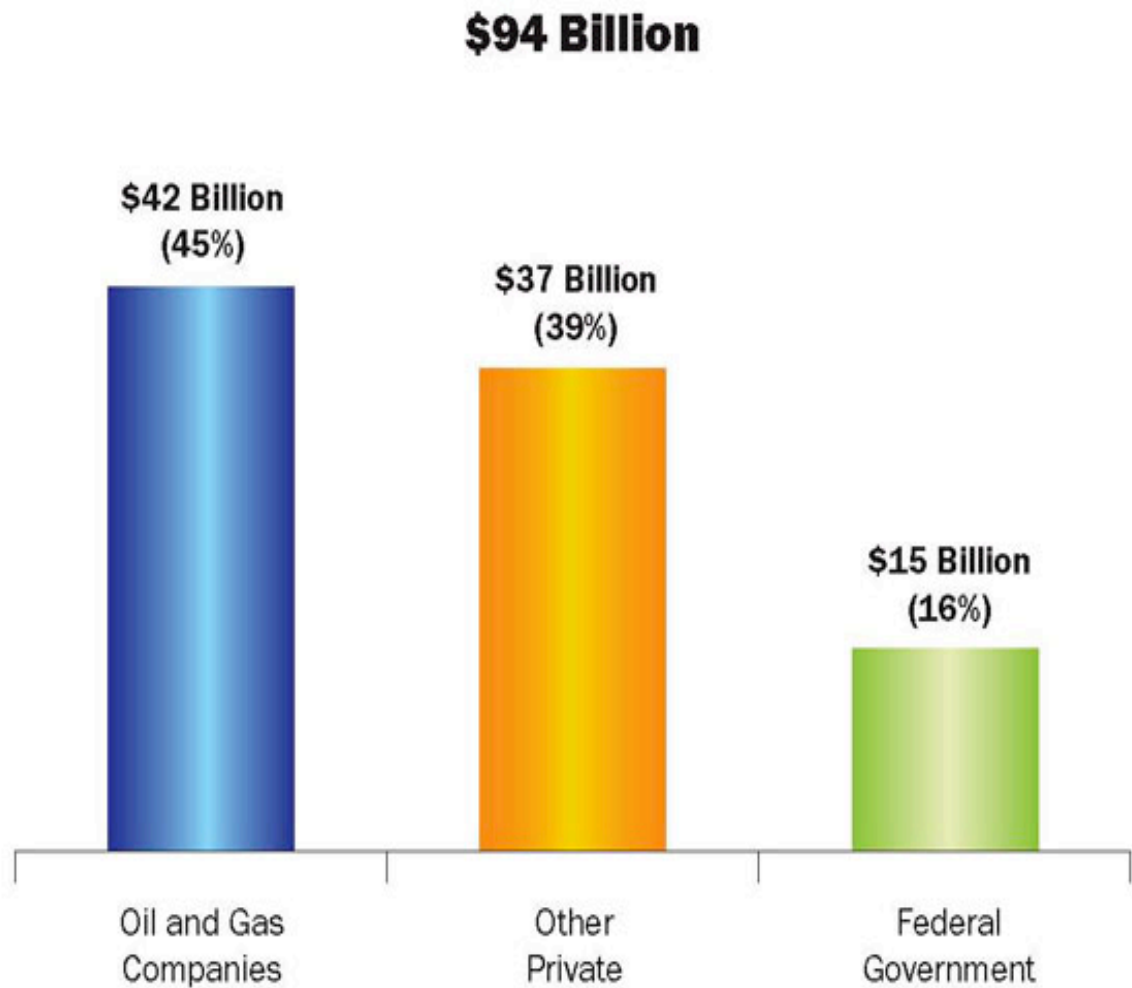
Source: T2 and Associates and CEE

Leading Emerging Energy Investments in North America (2000-2007)

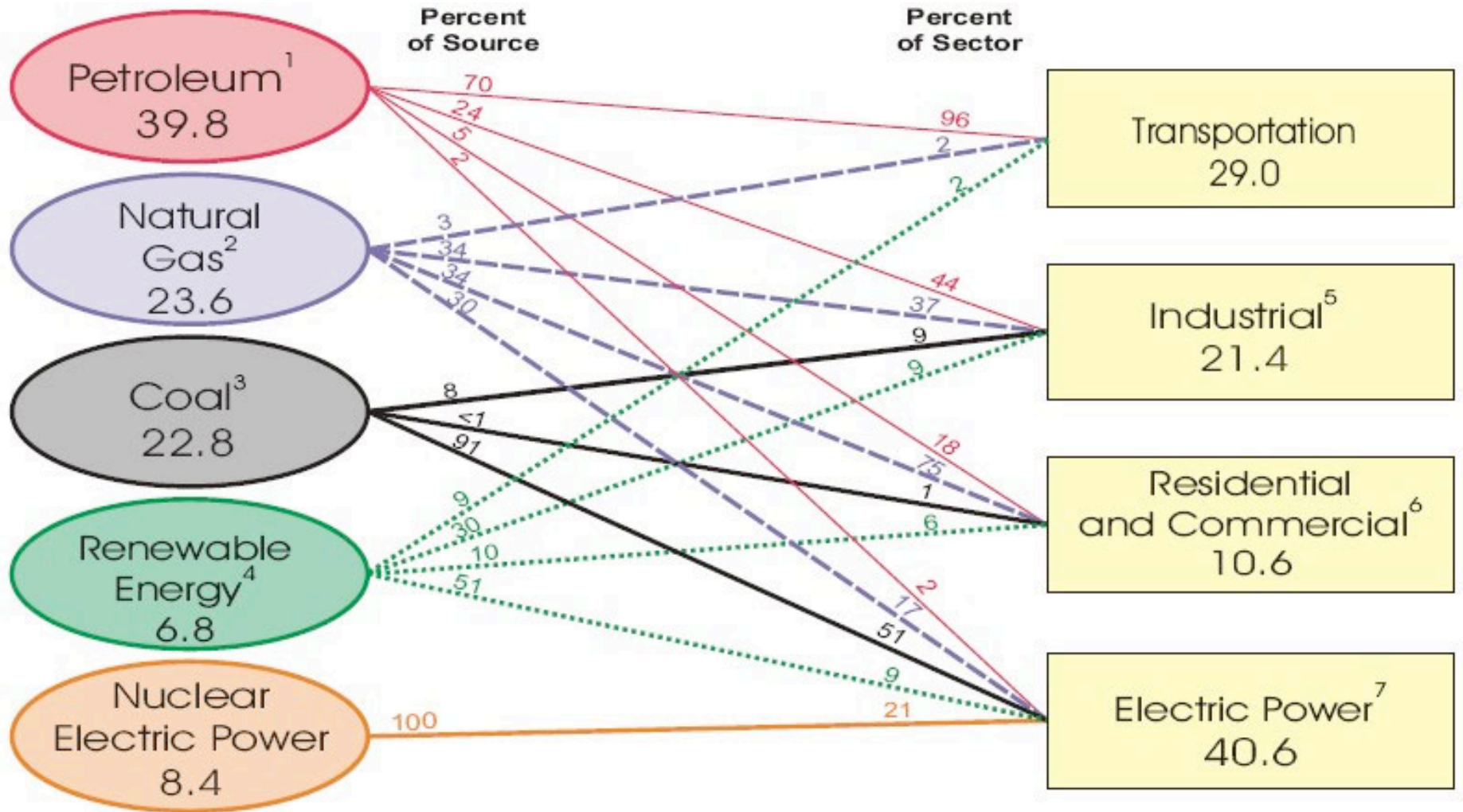


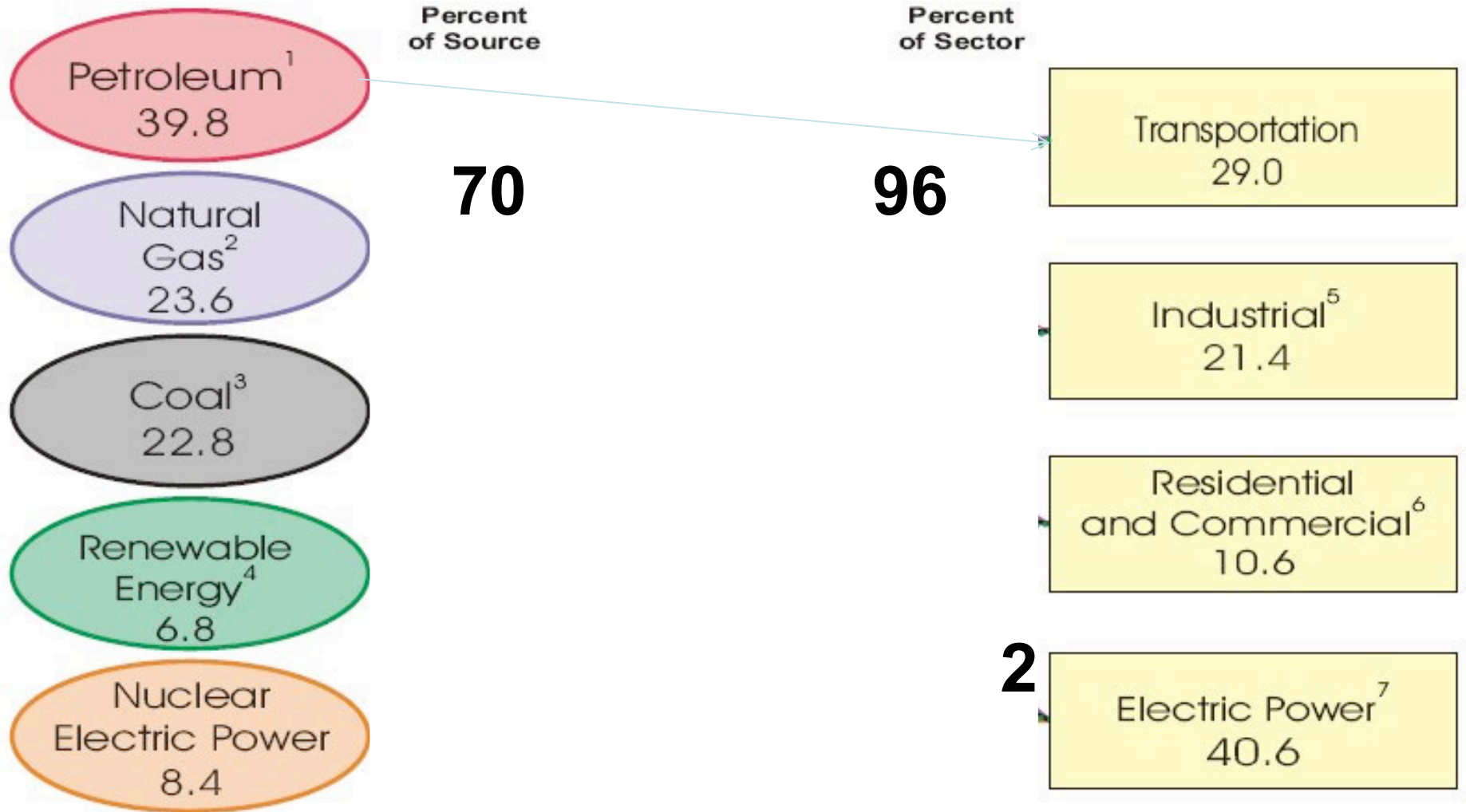
Source: T2 and Associates and CEE

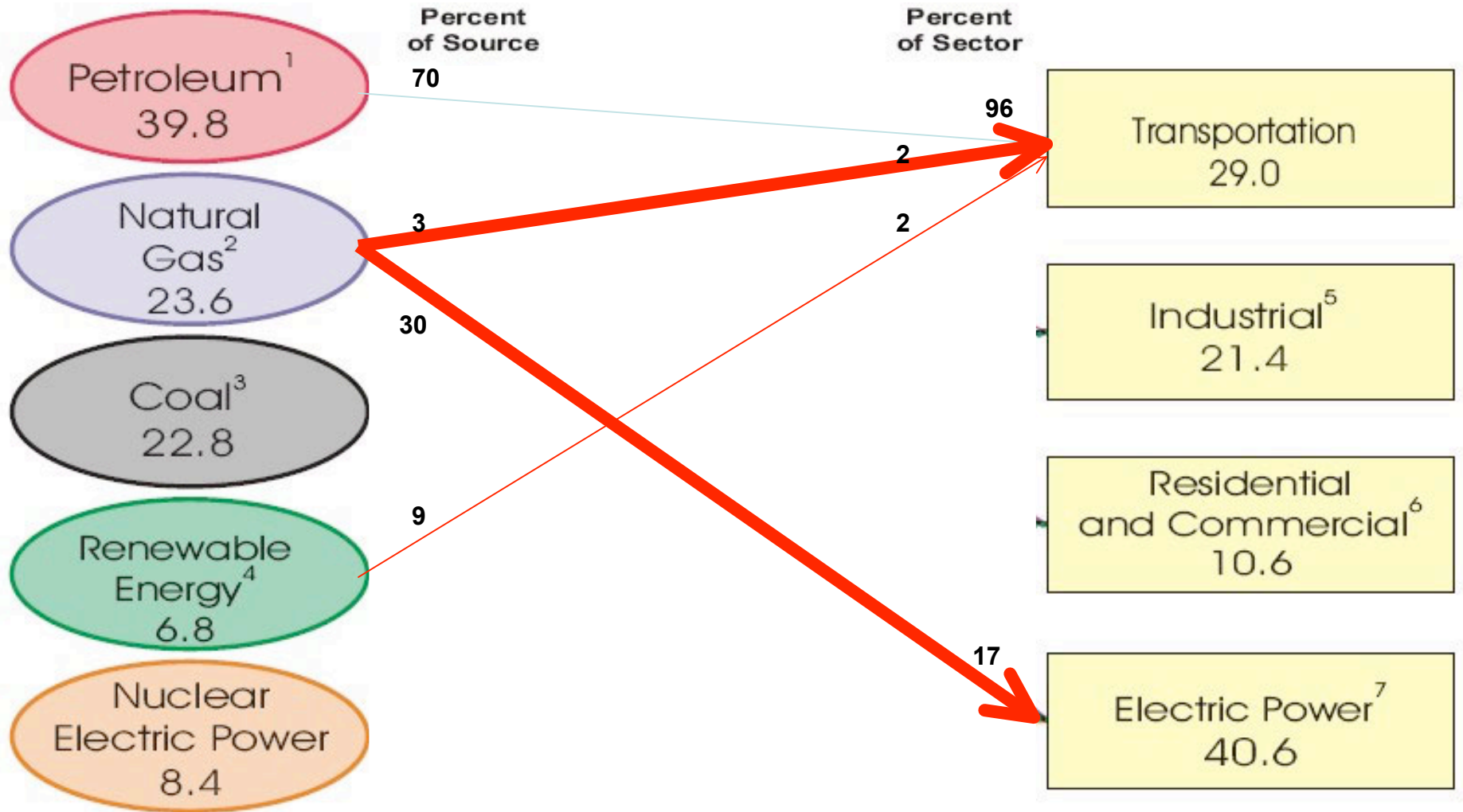
Carbon Mitigation (2000-2006)



Source: T2 & Associates and CEE

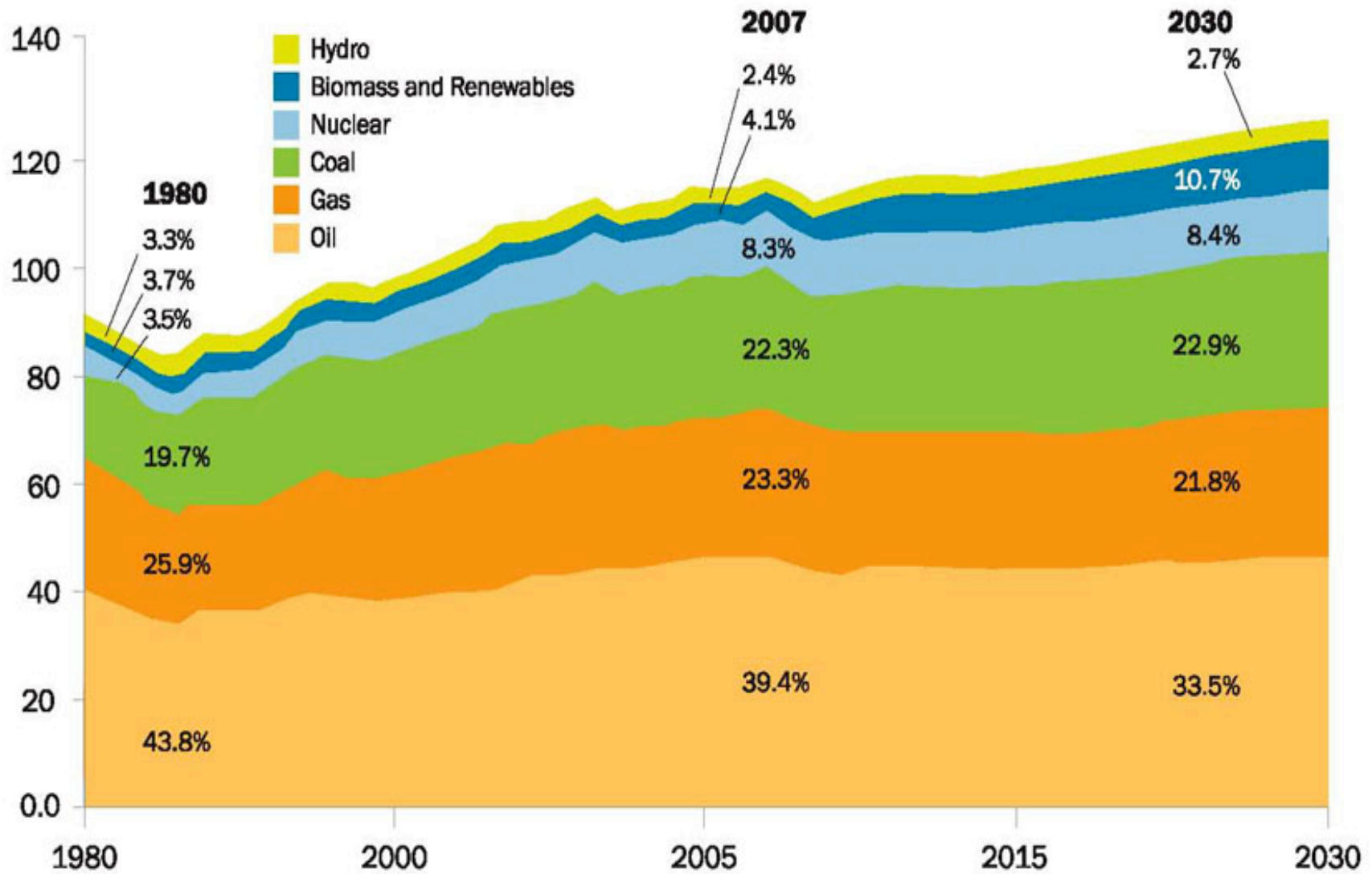






Future U.S. Energy Demand

The U.S. will require 9 percent more energy in 2030 than in 2007.



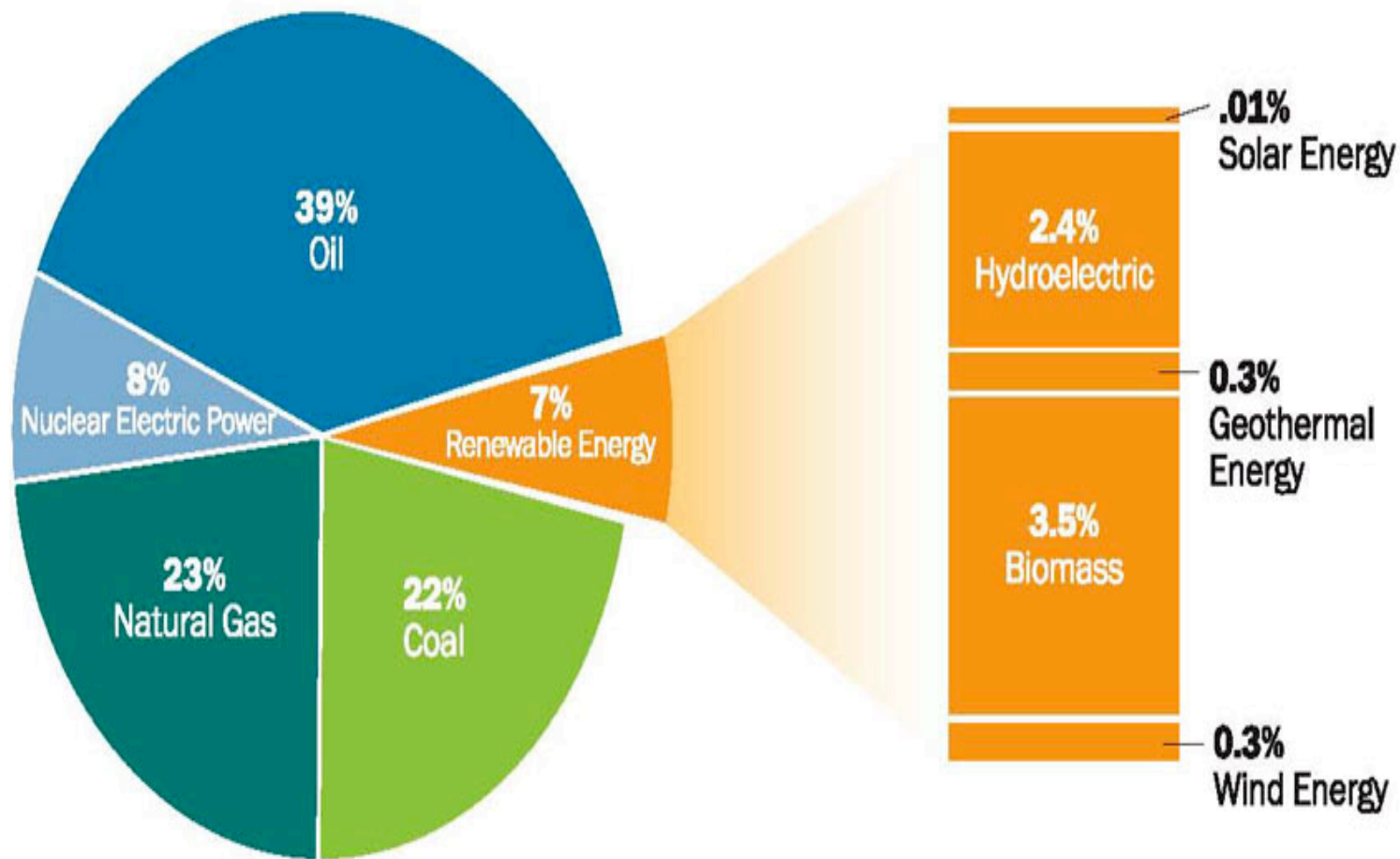
Source: EIA, Revised AEO 2009 Tables A1 and A17

Consumption	2007		2030		% Change
	Quads	% Share	Quads	% Share	
Liquid Fuels and Other Petroleum	40.75	40.0%	40.30	36.3%	-1.1%
Oil	40.11	39.4%	37.13	33.5%	-7.4%
Ethanol and Biodiesel	0.64	0.6%	3.17	2.9%	395.3%
Natural Gas	23.70	23.3%	24.15	21.8%	1.9%
Coal	22.74	22.3%	25.42	22.9%	11.8%
Nuclear Power	8.41	8.3%	9.29	8.4%	10.5%
Hydropower	2.46	2.4%	2.96	2.7%	20.3%
Biomass & Renewables	3.59	3.5%	8.68	7.8%	141.8%
Other*	0.23	0.2%	0.16	0.1%	-30.4%
Total	101.90	100.0%	110.96	100.0%	8.9%
Oil and Natural Gas	63.81	62.6%	61.28	55.2%	-4.0%
Oil, Natural Gas and Coal	86.55	84.9%	86.7	78.1%	0.2%

The Role of Renewable Energy Consumption in the Nation's Energy Supply, 2007

Total = 101.90 Quadrillion Btu

Total = 6.69 Quadrillion Btu*



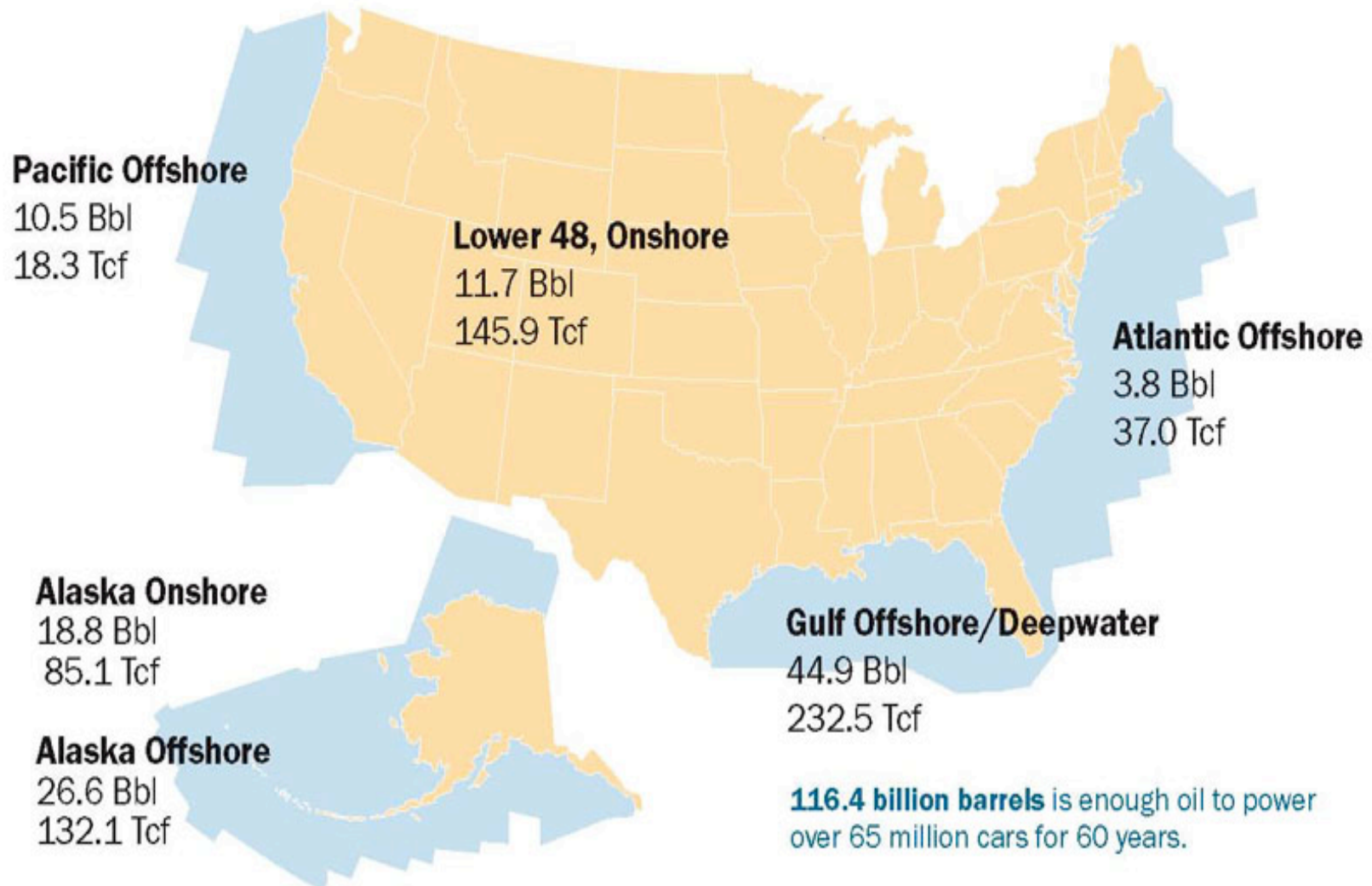
Note: Sum of components may not add exactly to 100 percent due to rounding.

*Includes non-marketed renewable energy from residential and commercial sectors.

Source: EIA, Revised AEO 2009 Tables A1 and A17

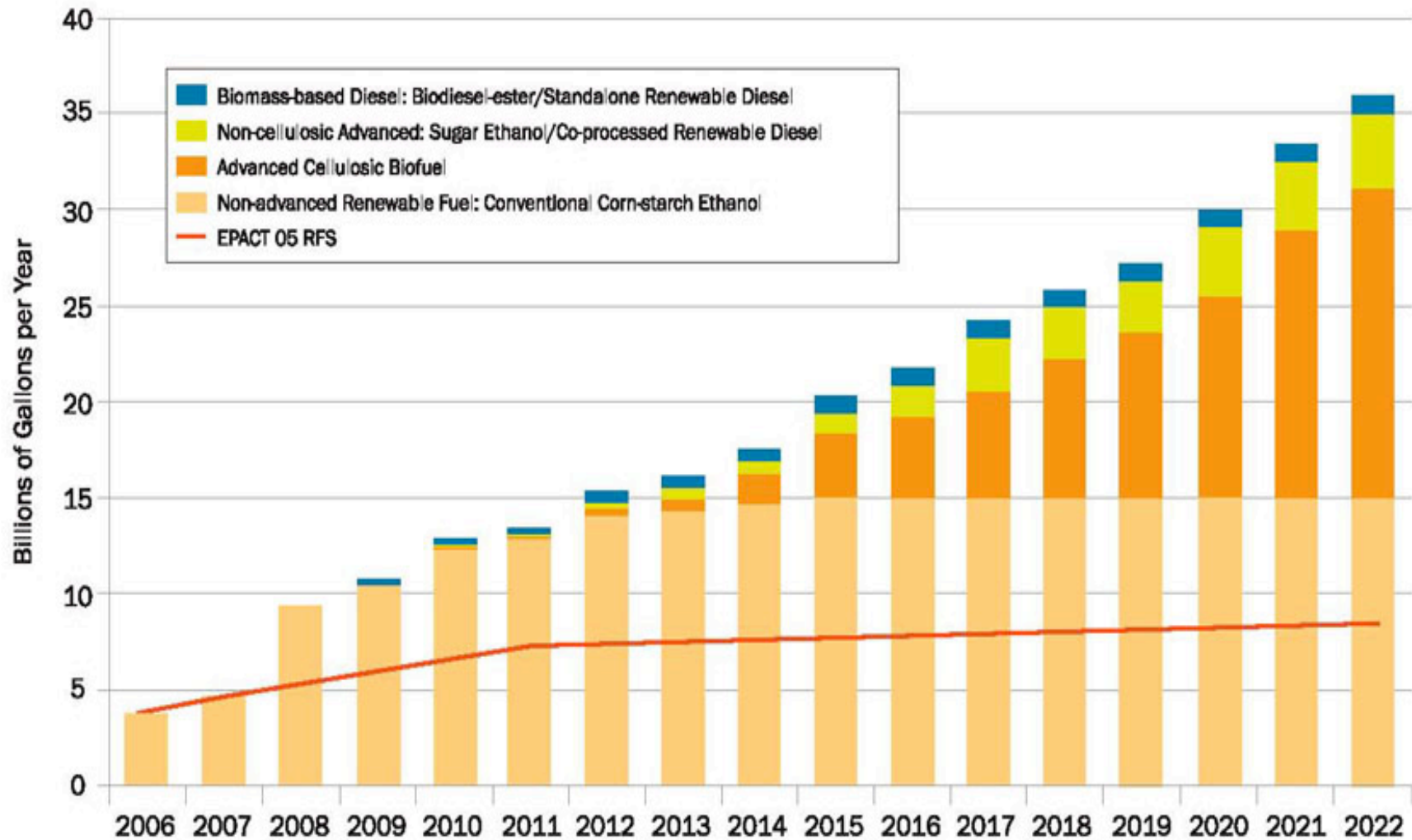
U.S. Crude Oil (Bbl) and Natural Gas (Tcf) Resources

(Undiscovered Technically Recoverable Federal Resources)*



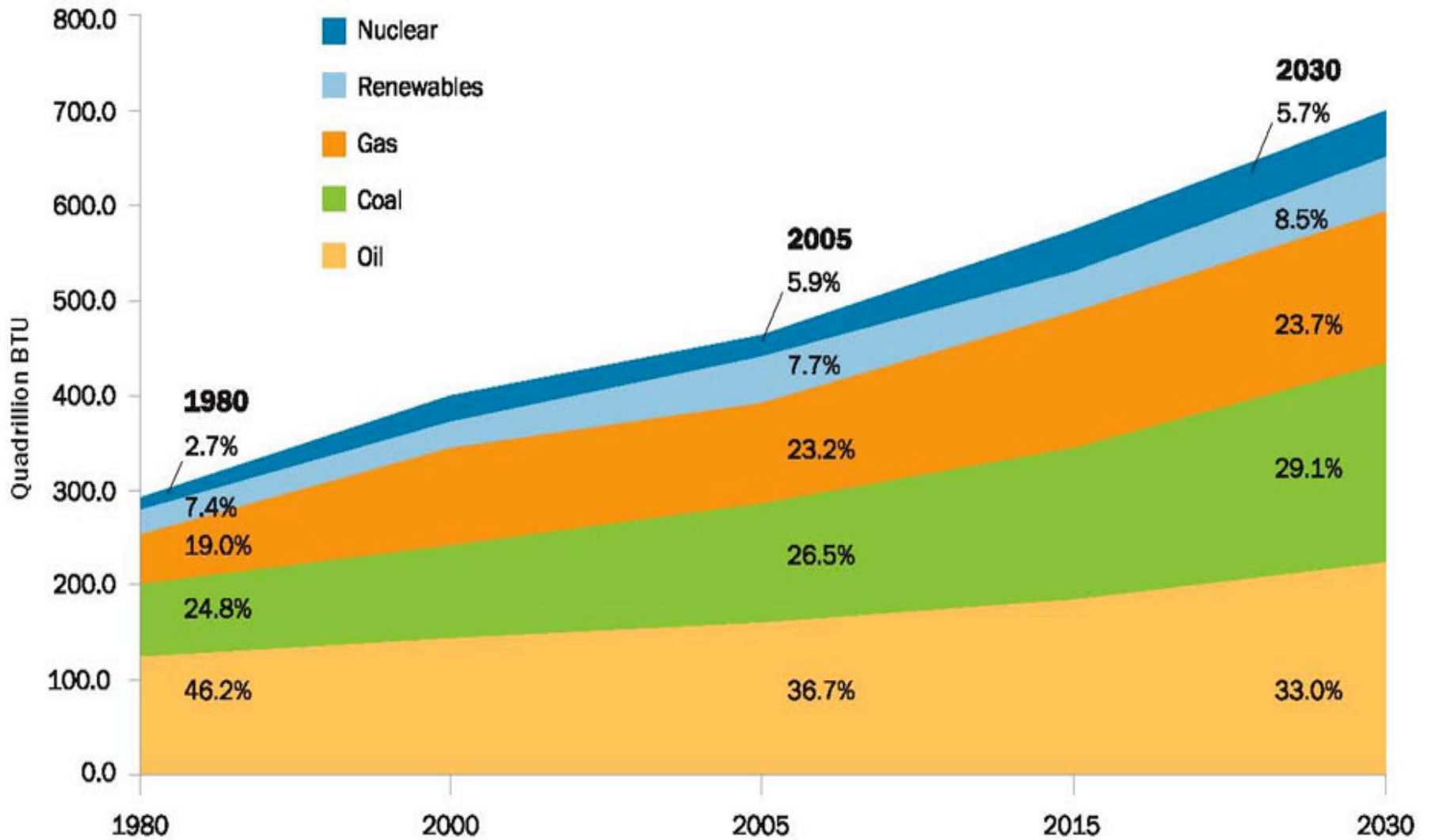
*Figures may not add exactly to total due to rounding.
Source: MMS, BLM, and API calculations

Expanding Alternative Fuels for Transportation: Current Laws



Source: EIA and Energy Independence Security Act of 2007

Future Global Energy Demand (The world will require 50 percent more energy in 2030 than in 2005.)

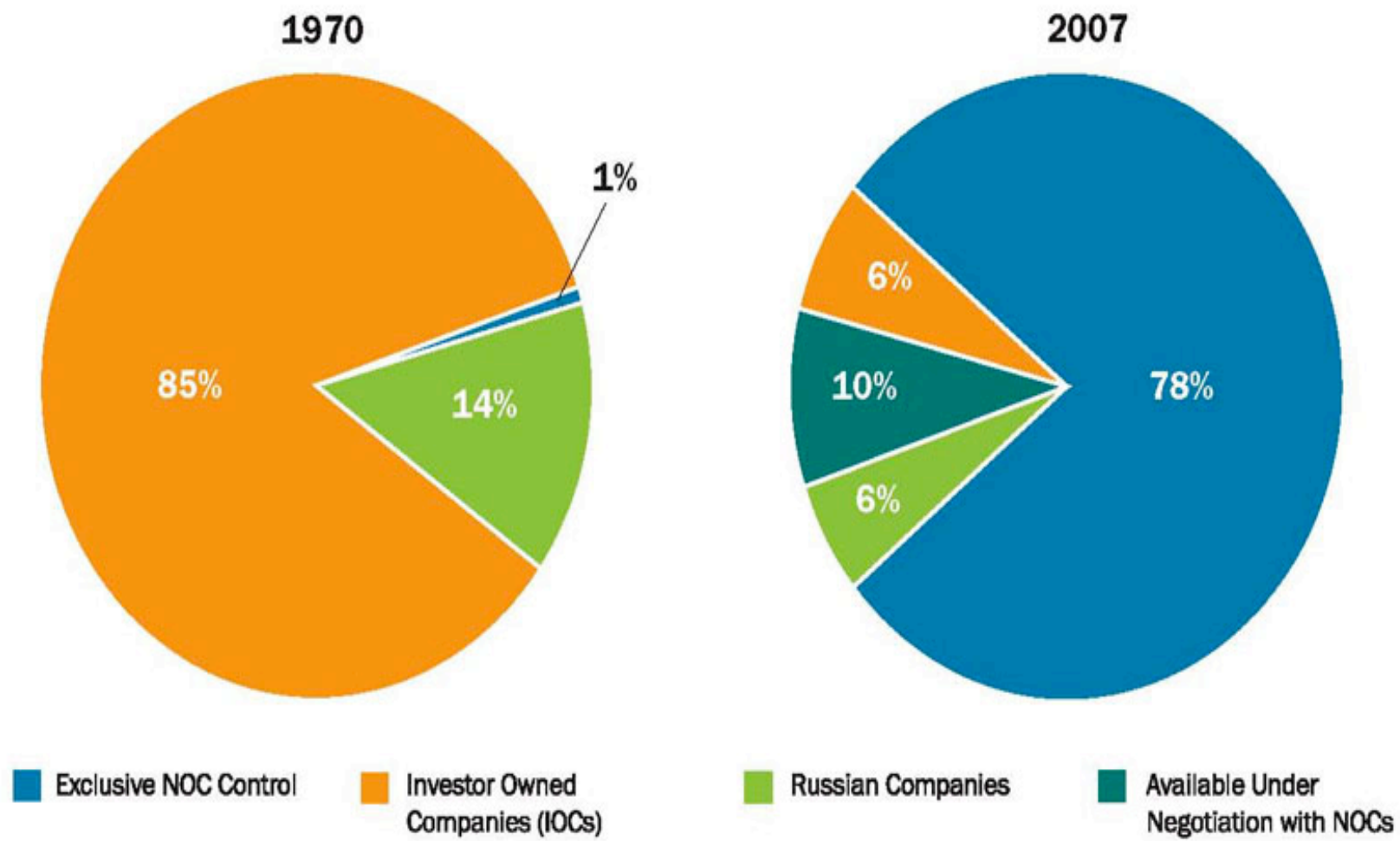


Source: EIA, International Energy Outlook 2008

Consumption	2005		2030		% Change
	Quad BTU	% Share	Quad BTU	% Share	
Liquid Fuels	169.4	36.7%	229.3	33.0%	35.3%
Natural Gas	107.4	23.2%	164.7	23.7%	53.4%
Coal	122.5	26.5%	202.2	29.1%	65.0%
Nuclear Power	27.5	5.9%	39.5	5.7%	43.6%
Renewables	35.5	7.7%	59.0	8.5%	66.5%
Total	462.3	100.0%	694.7	100.0%	50.3%
Oil and Gas	276.81	59.9%	393.96	56.7%	42.3%
Oil, Gas and Coal	399.35	86.4%	596.21	85.8%	49.3%

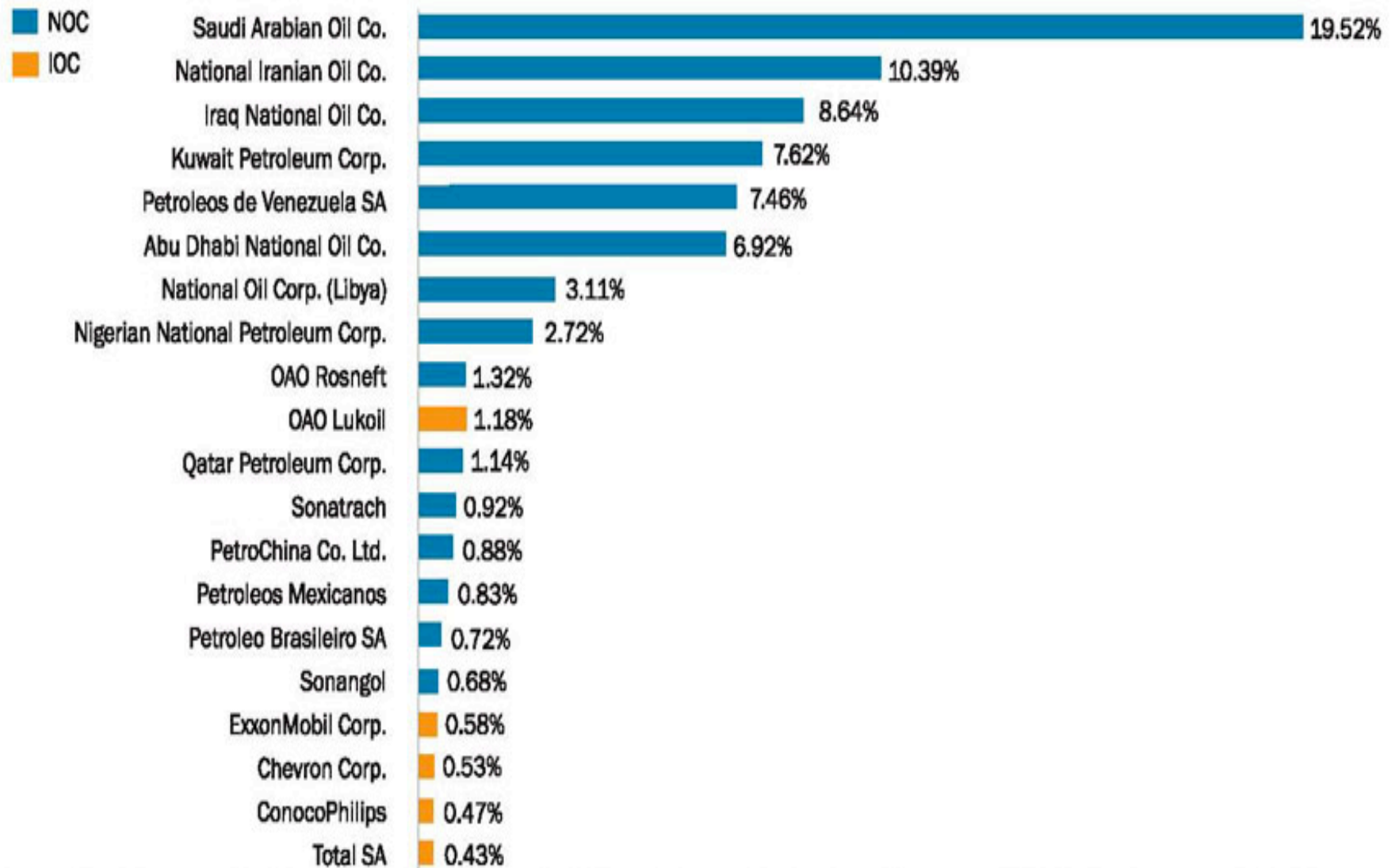
The Myth of "Big Oil" (As a Percent of Proven Reserves)

National Oil Companies (NOCs) Increasingly Control the World's Oil Reserves



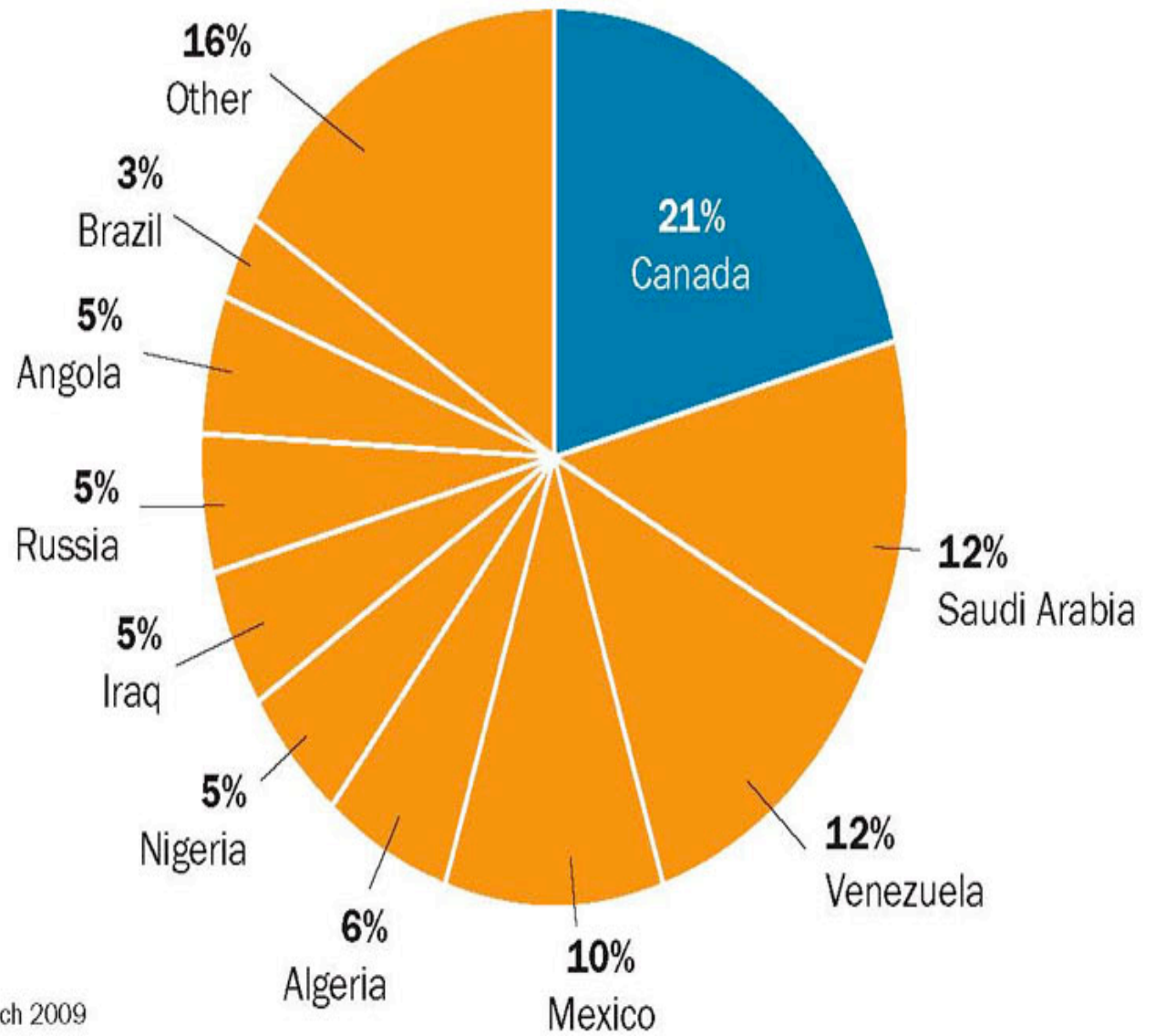
Source: PFC Energy

2007 Largest Oil and Gas Companies (percent of worldwide reserves)



Source: World Reserves of 1.3 trillion barrels as of January 1, 2008 according to *Oil & Gas Journal*, December 22, 2008. Leading companies: *Oil & Gas Journal*, September 15, 2008

U.S. Imports of Crude and Products



Source: EIA, *Petroleum Supply Monthly*, March 2009

Policy Choices Needed to Ensure Future Energy Security

- ❖ Increase, not decrease energy production by promoting all sources.
- ❖ Encourage energy efficiency as a core American principle.
- ❖ Encourage investment in advanced technologies and long-term energy initiatives.
- ❖ Allow market forces to allocate products and adjust to changing conditions.
- ❖ Refrain from new taxes that make it more expensive to develop our domestic supplies.
- ❖ Support the need to participate actively in global energy markets rather than isolate the U.S.