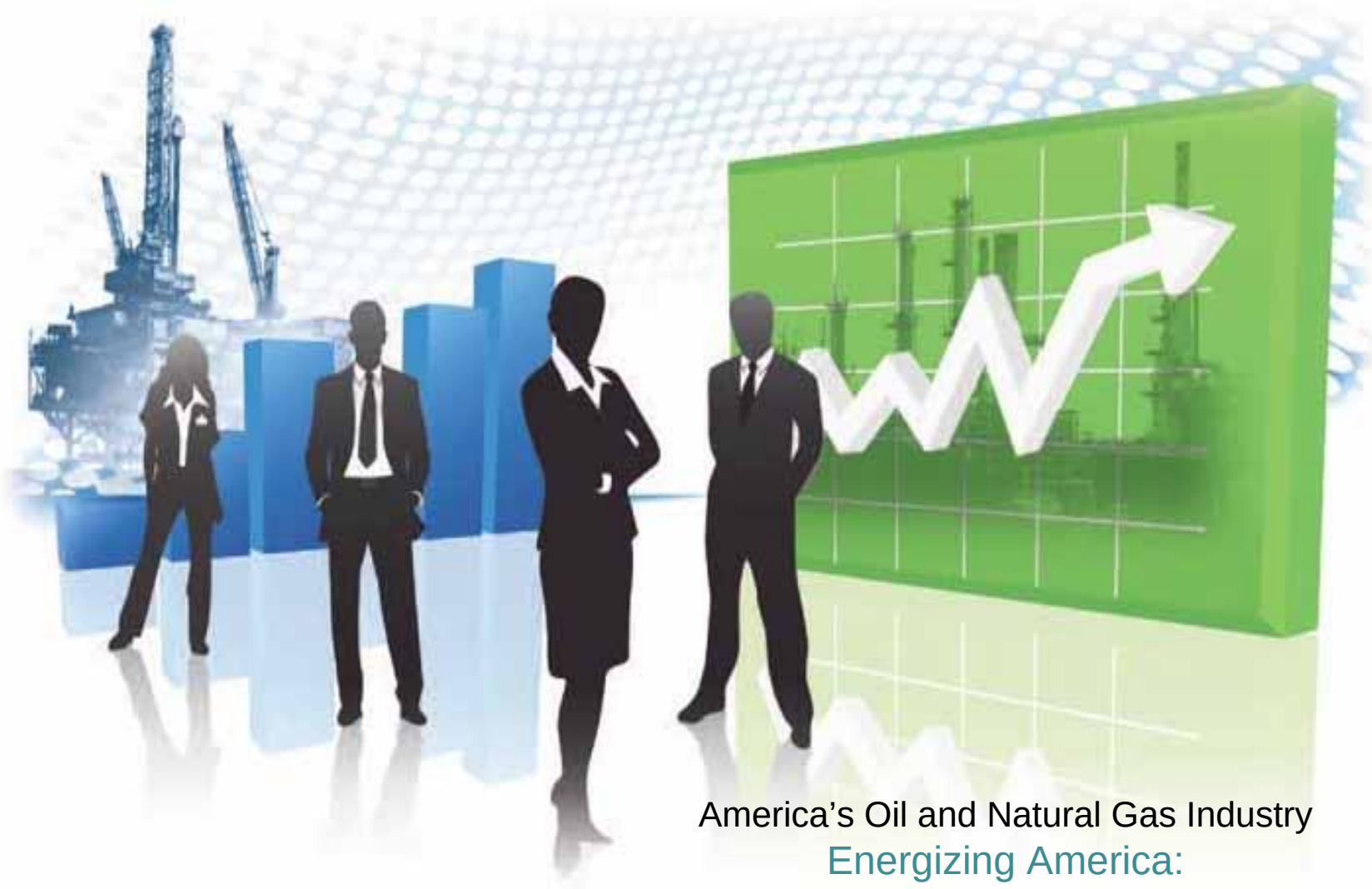
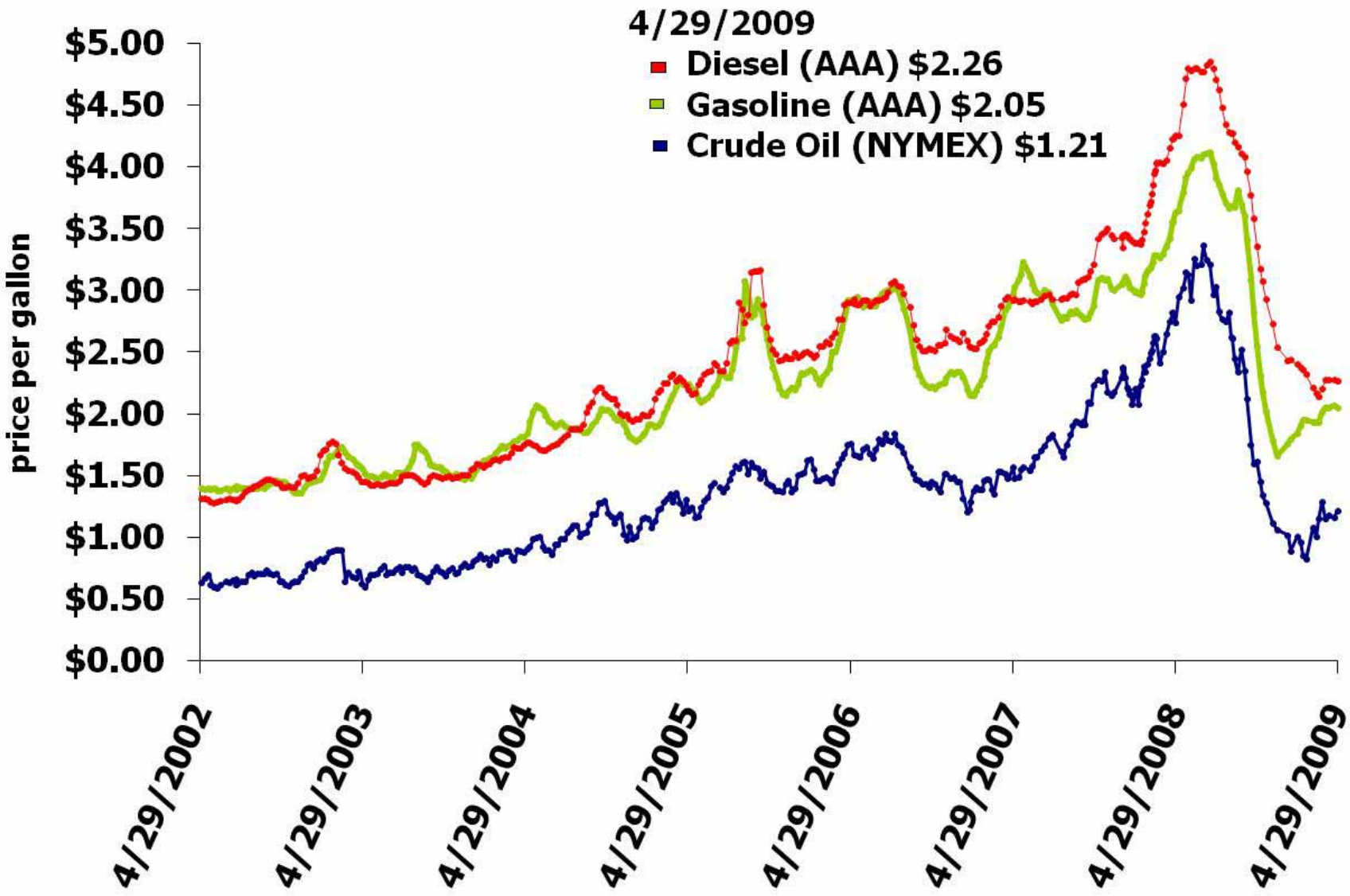


America's Oil and Natural Gas Industry

Energizing America:
Facts for Addressing Energy Policy

May, 2009

Diesel, Gasoline and Crude Prices

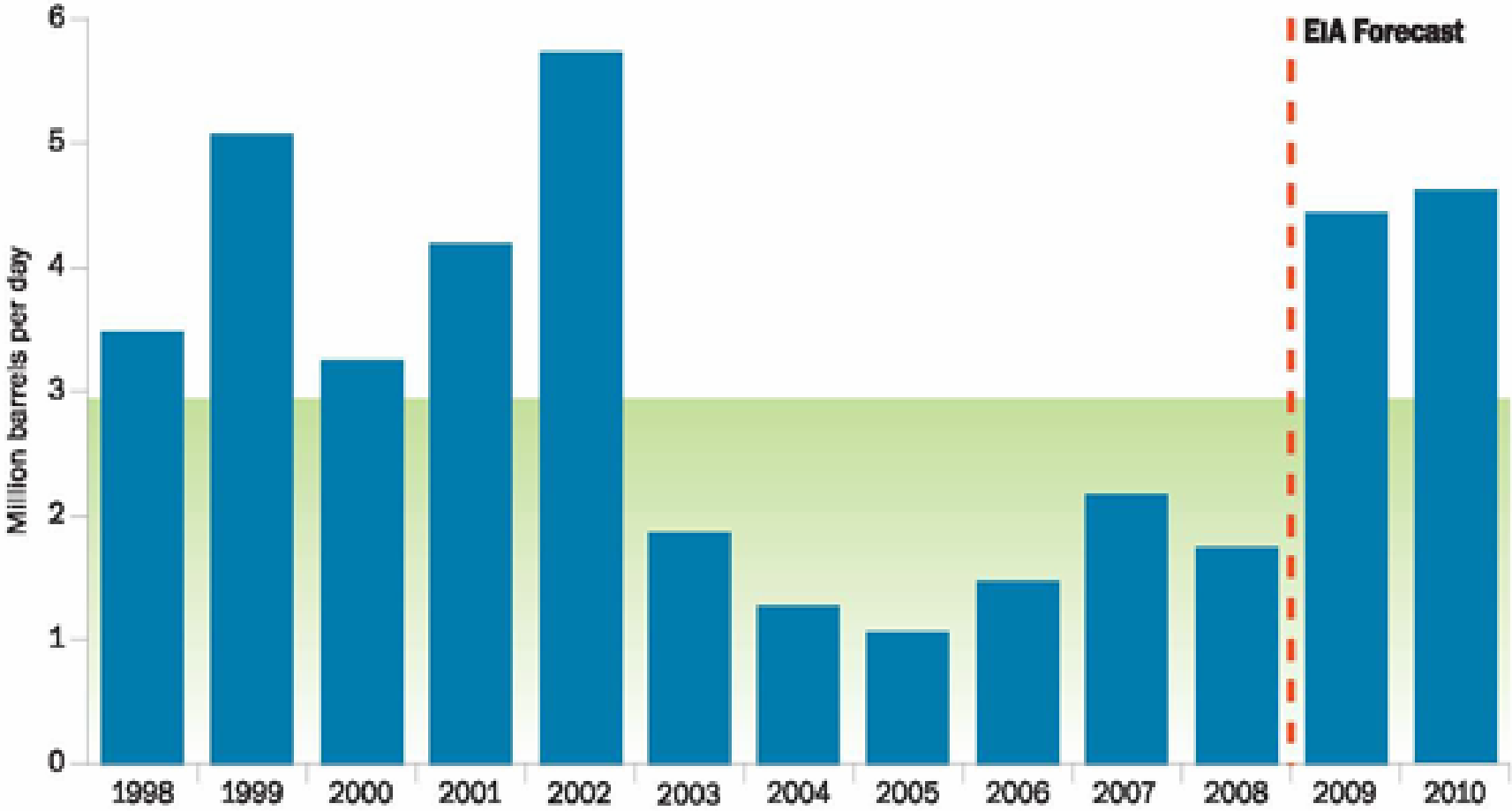


Source: NYMEX (WTI crude oil) and AAA (gasoline and diesel)

World Oil Consumption

Source: EIA, Short-Term Energy Outlook, April 2009

OPEC Surplus Crude Oil Production Capacity



Note: Shaded area represents 1997-2007 average (2.8 million barrels per day)

Source: EIA, *Short-Term Energy Outlook*, April 2009

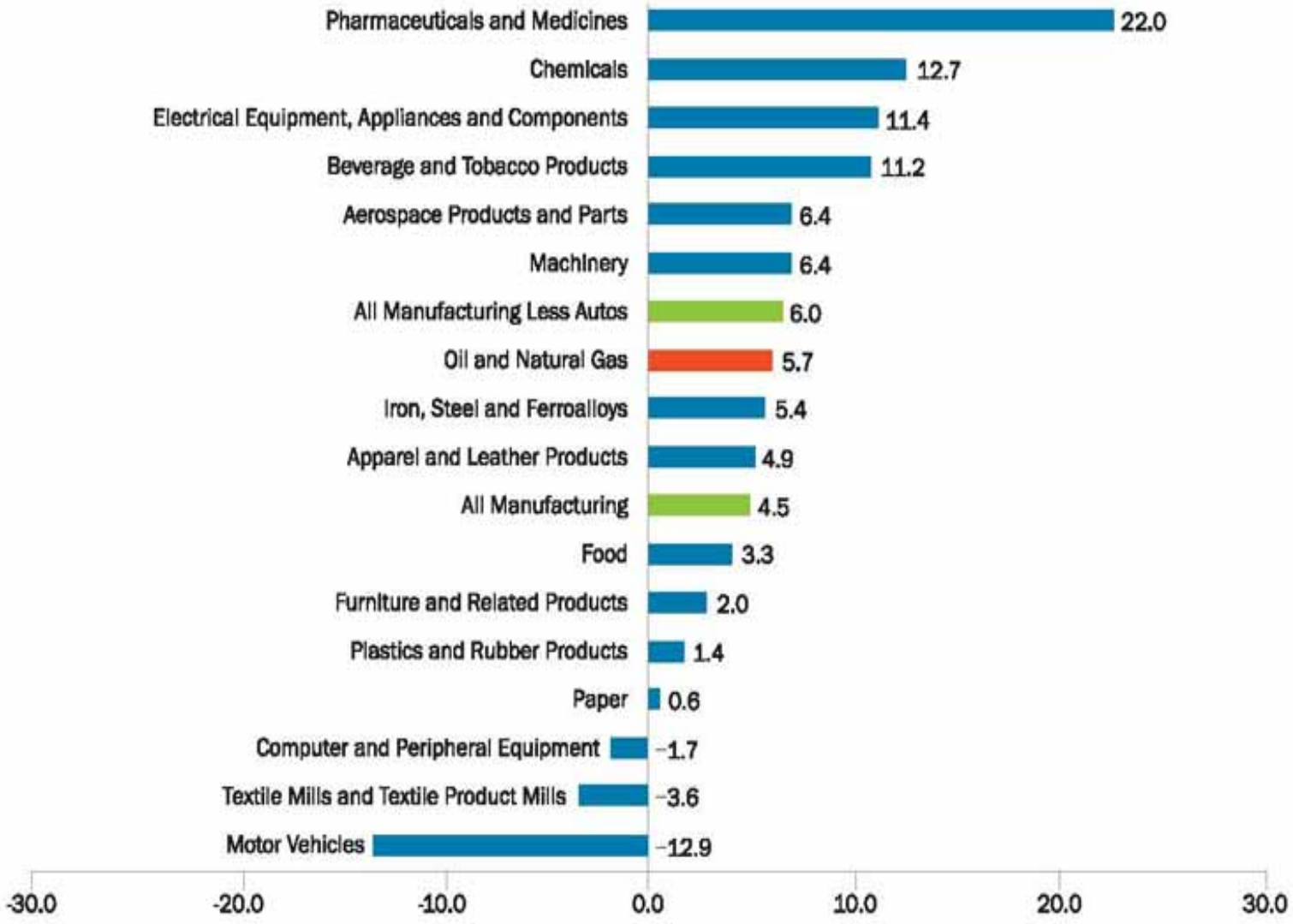
What consumers are paying for at the gasoline pump

5.7% earnings*

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

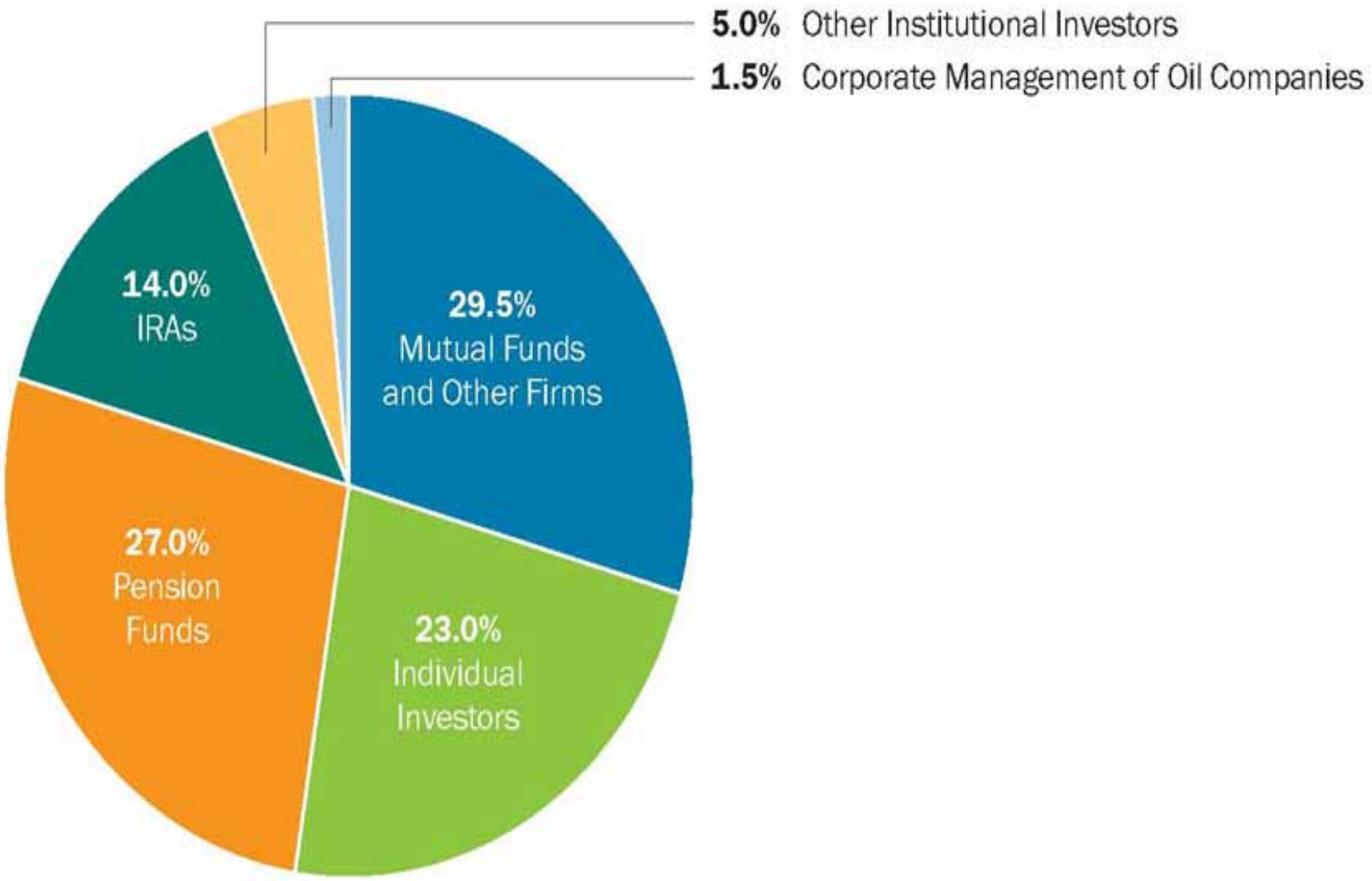
Source: Average of gasoline components from January through December 2008 as reported by EIA.

2008 Earnings by Industry (net income/sales)



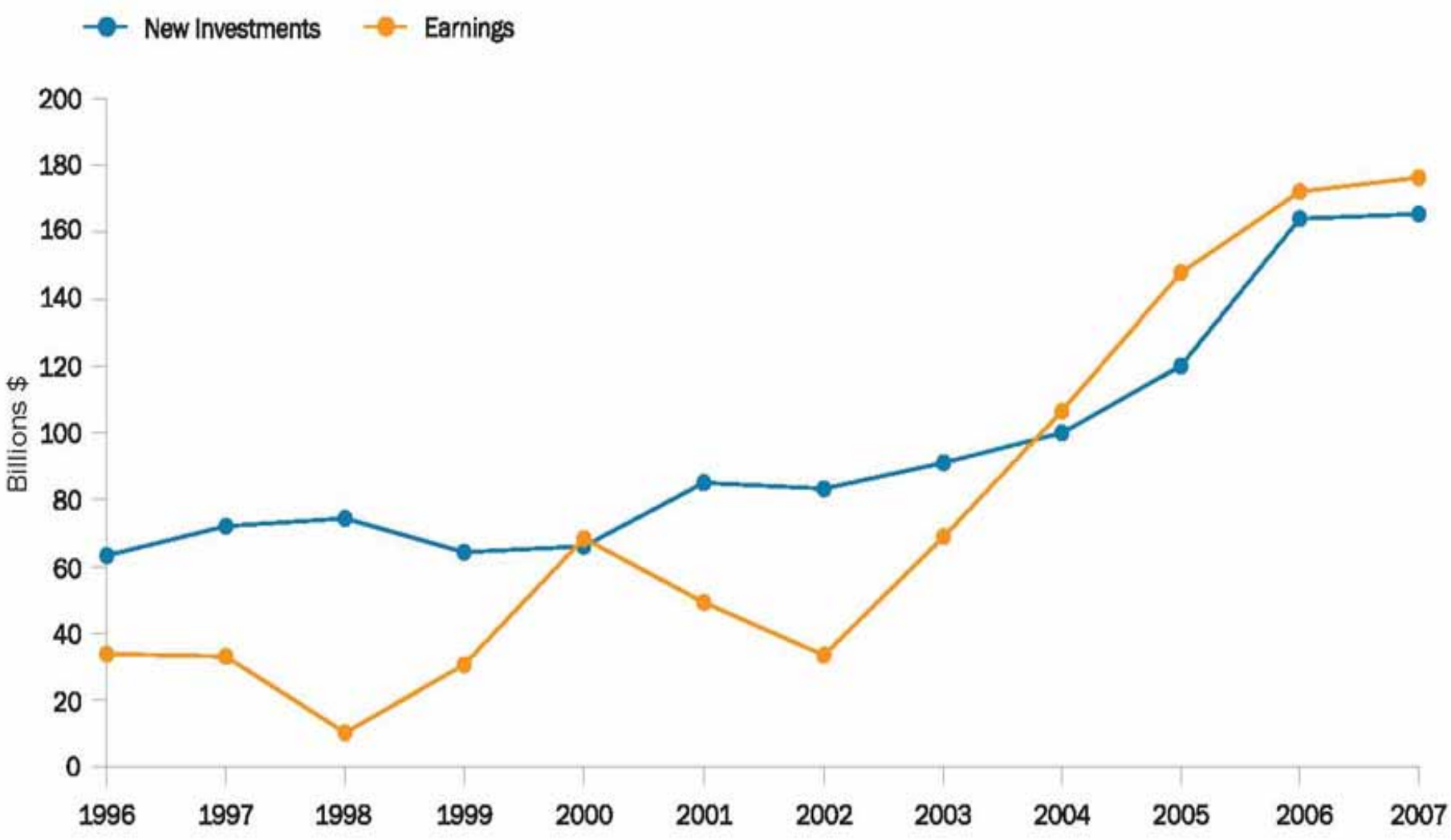
Sources: Based on company filings with the federal government as reported by U.S. Census Bureau and *Oil Daily*.

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

Oil and Natural Gas New Investments and Earnings



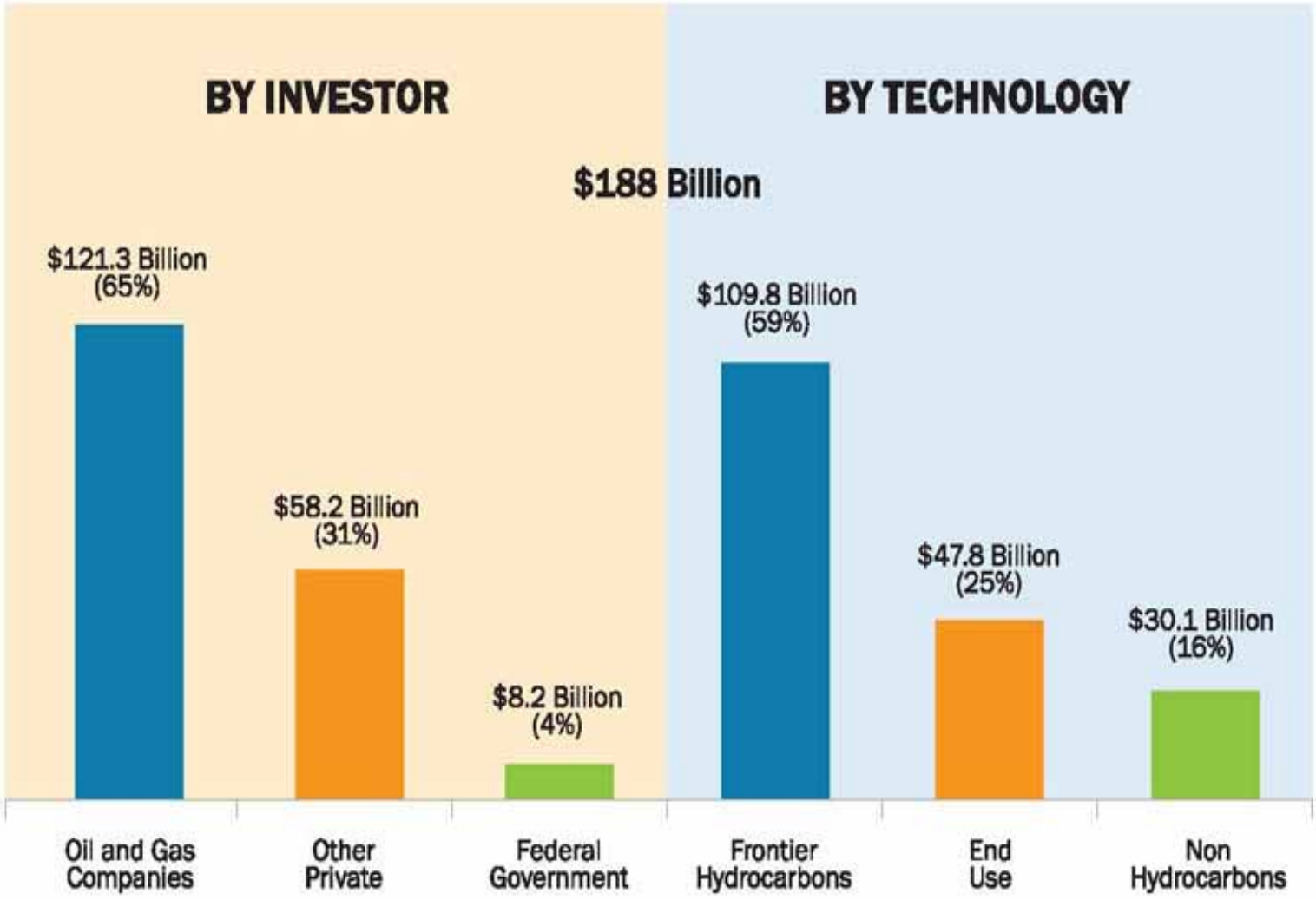
Source: Ernst & Young

WHERE FUNDS WILL GO FOR US PROJECTS

Table 1

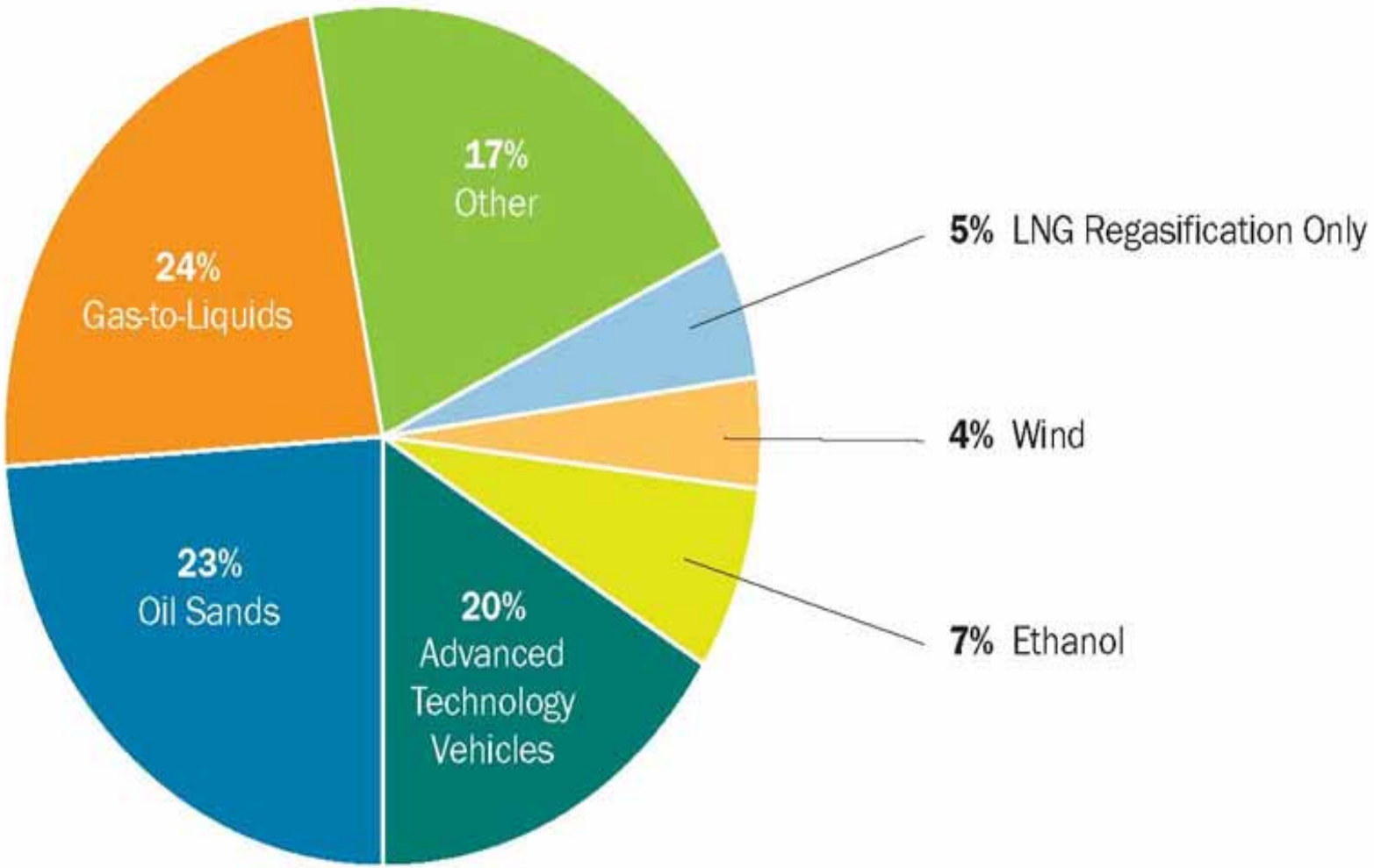
	2009, million $	Change 2009-2008, %	2008, million $	Change 2008-2007, %	2007, million $
Exploration-production					
Drilling-exploration	174,621	–27.1	239,646	10.7	216,462
Production	33,178	–27.1	45,533	10.7	41,128
OCS lease bonus	1,080	–84.3	6,883	119.1	3,142
Subtotal	**208,879**	**–28.5**	**292,062**	**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)



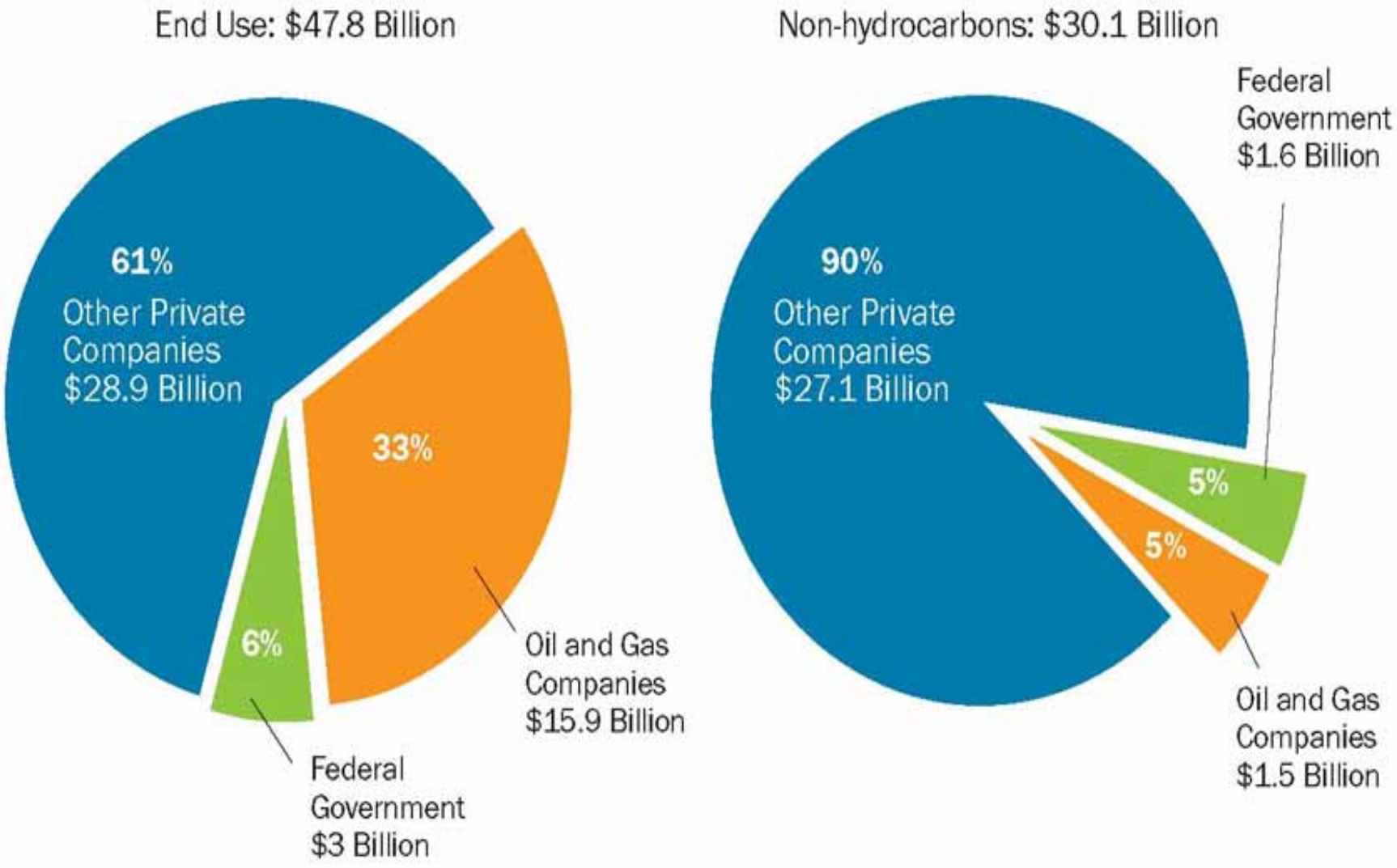
Source: T2 and Associates and CEE

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



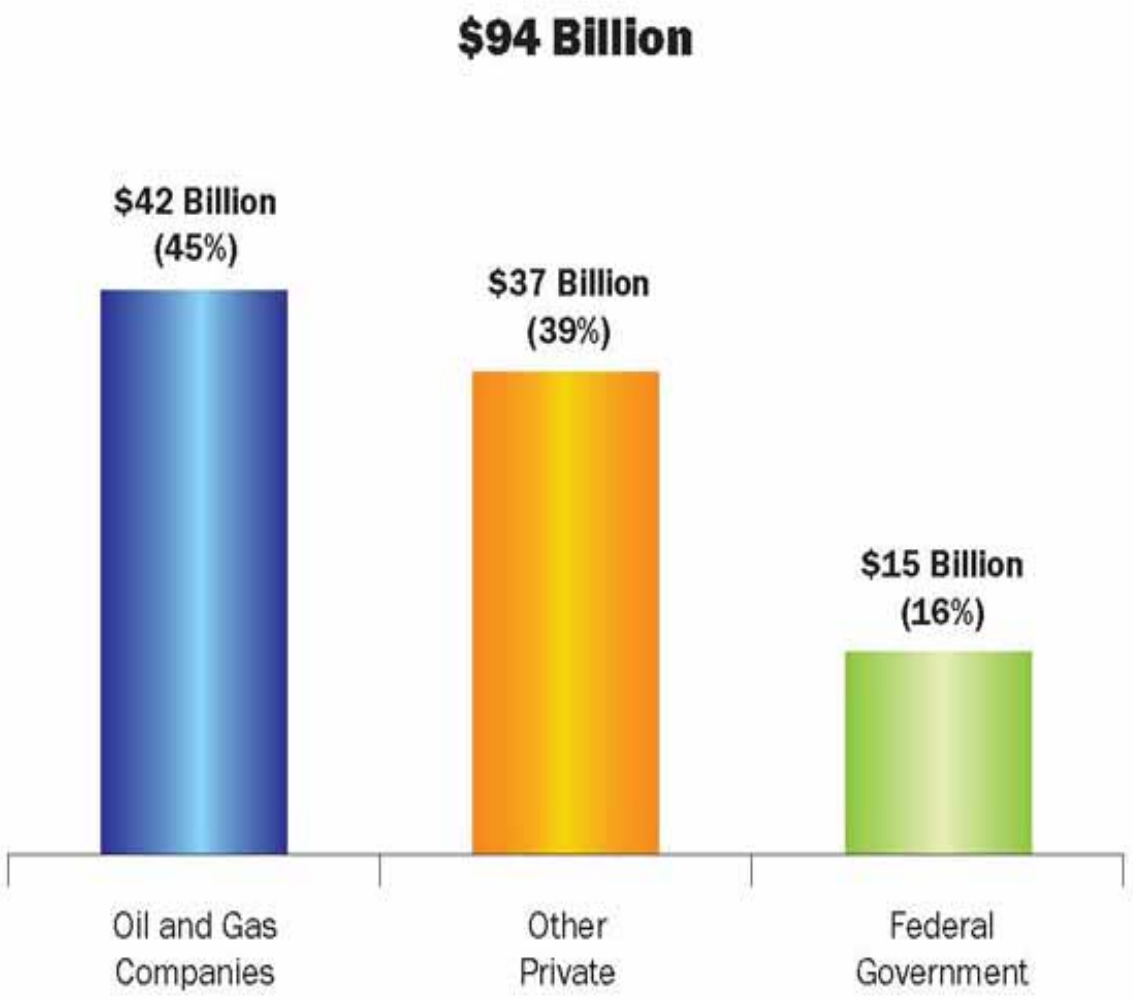
Source: T2 and Associates and CEE

Leading Emerging Energy Investments by U.S. Firms (2000-2007)

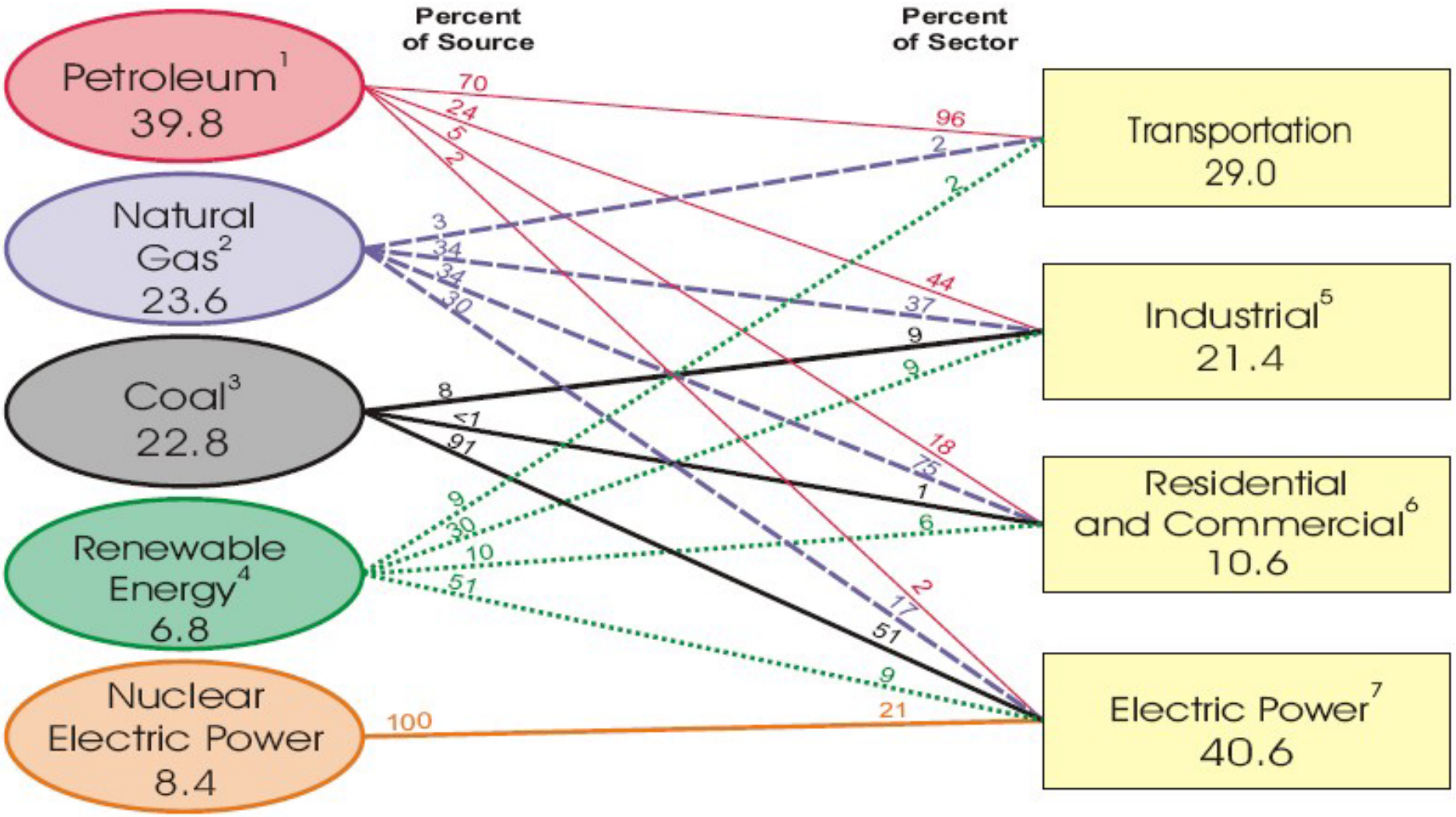


Source: IER and CEE

Carbon Mitigation (2000-2006)



Source: T2 & Associates and CEE


Percent of Source
Percent of Sector
Petroleum[1] 39.8
Natural Gas[2] 23.6
Coal[3] 22.8
Renewable Energy[4] 6.8
Nuclear Electric Power 8.4
Transportation 29.0
Industrial[5] 21.4
Residential and Commercial[6] 10.6
Electric Power[7] 40.6
70
24
5
2
3
34
34
30
8
<1
91
9
30
10
51
100
96
2
2
44
37
9
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18
75
1
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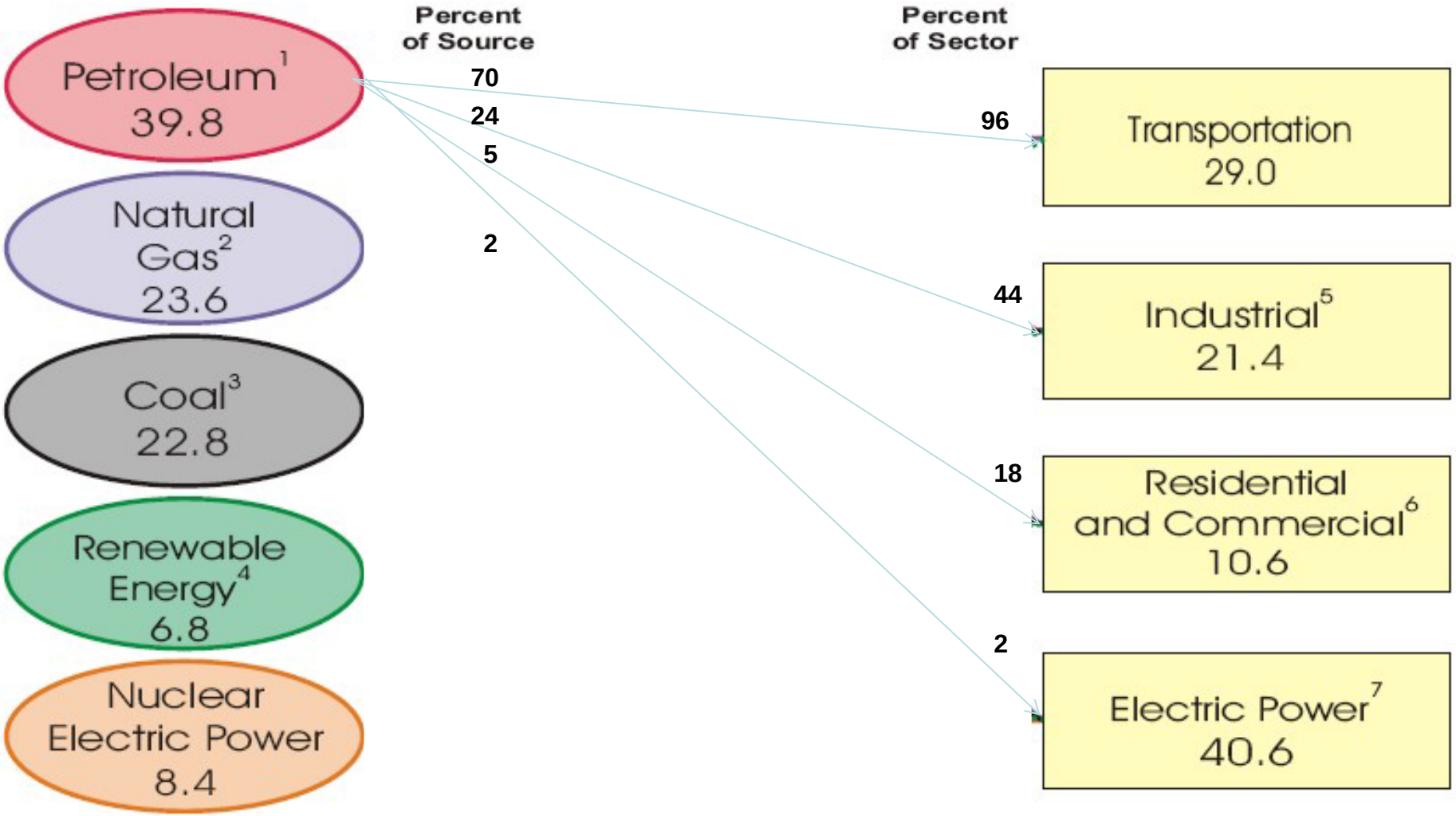
17
51
9
21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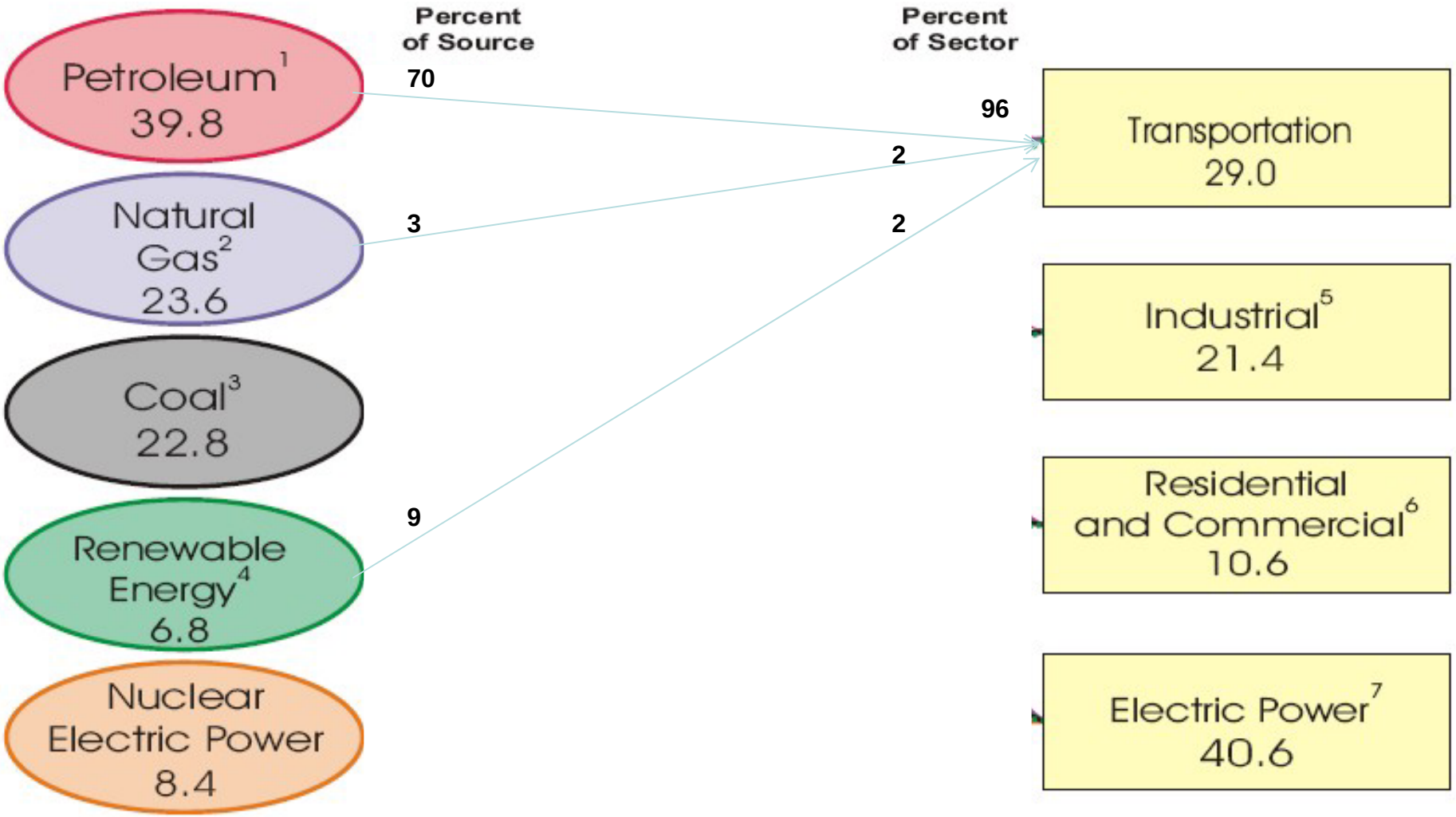
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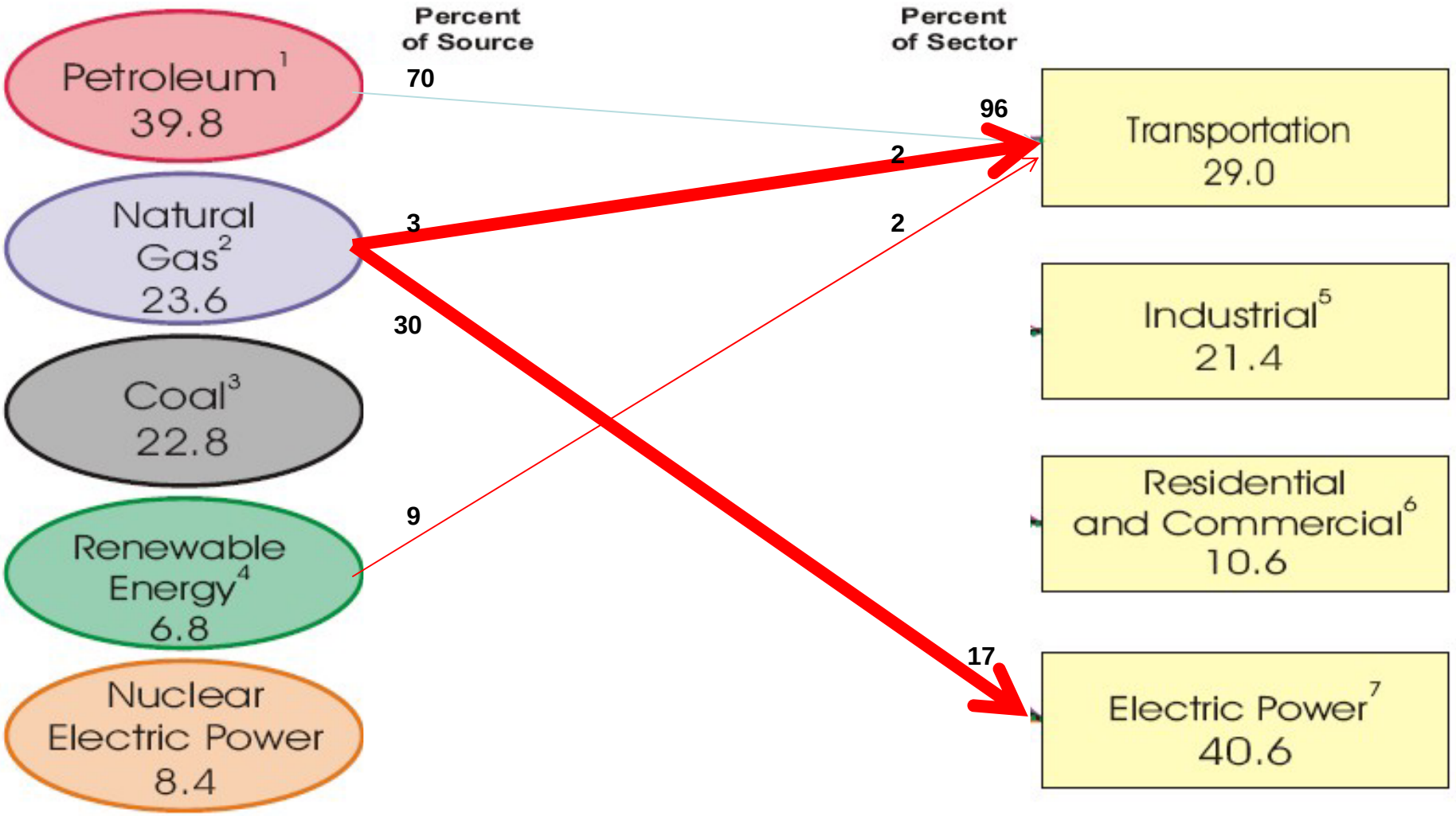
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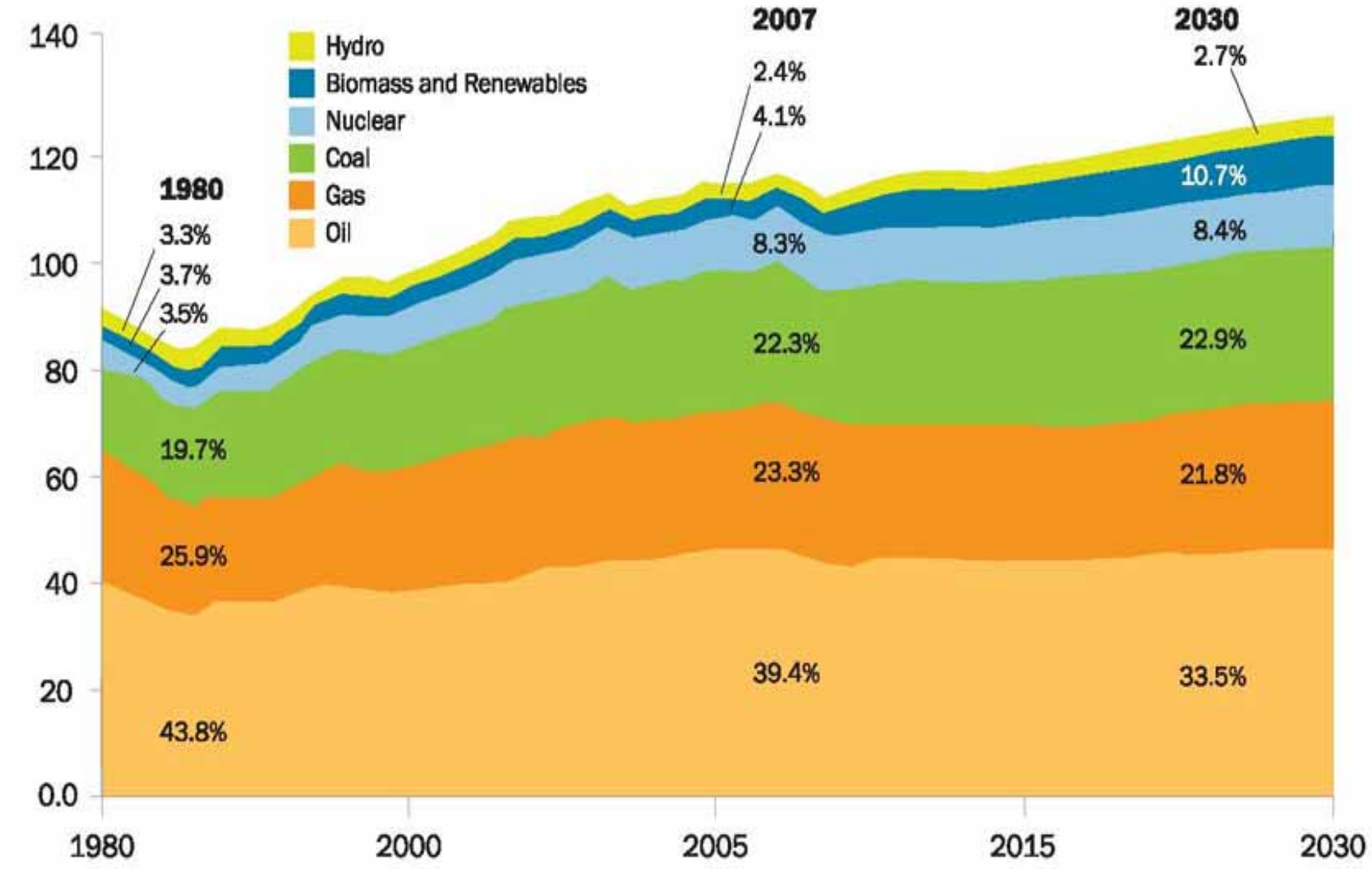
Future U.S. Energy Demand

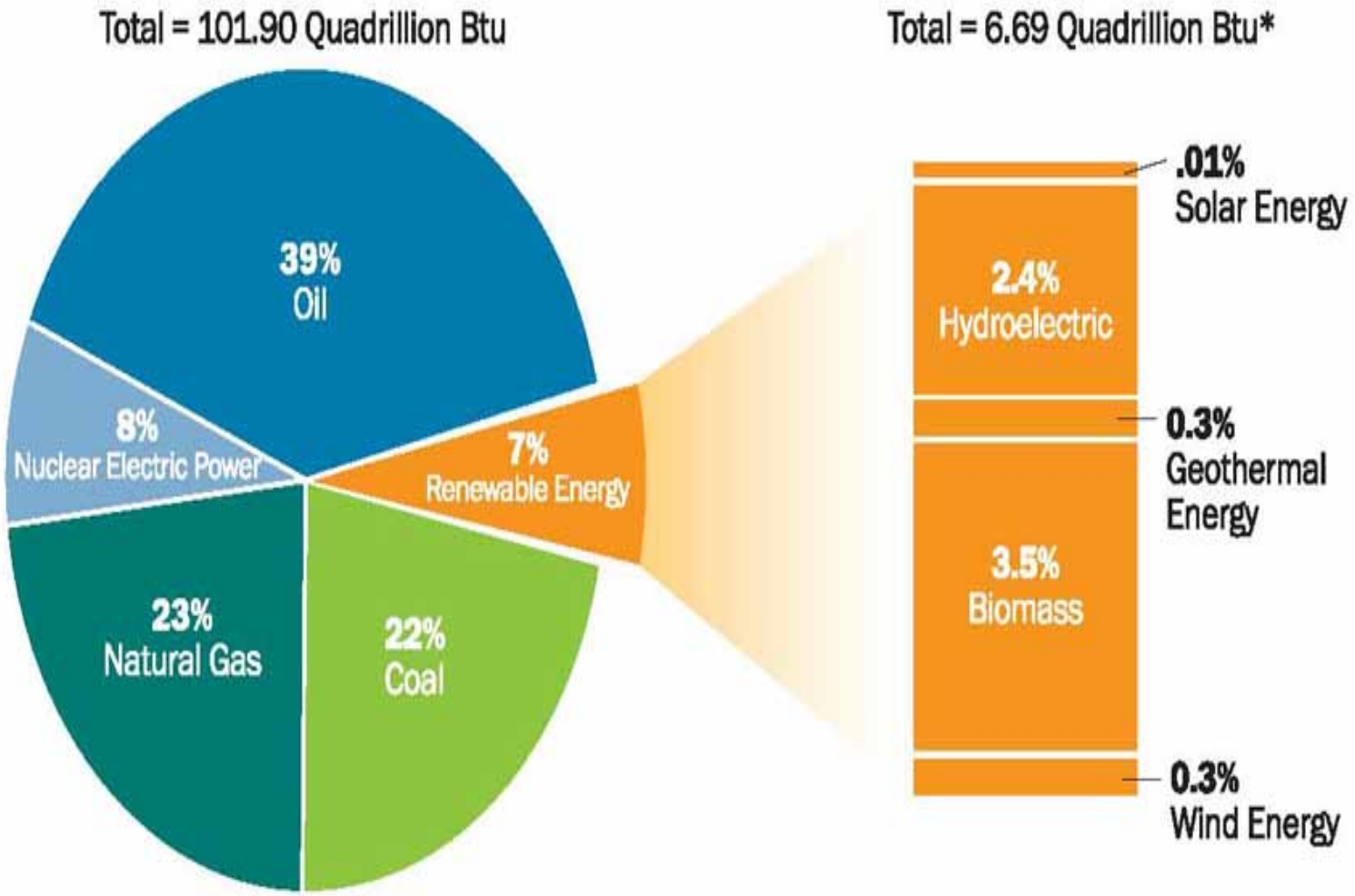
The U.S. will require 9 percent more energy in 2030 than in 2007.



Source: EIA, Revised AEO 2009 Tables A1 and A17

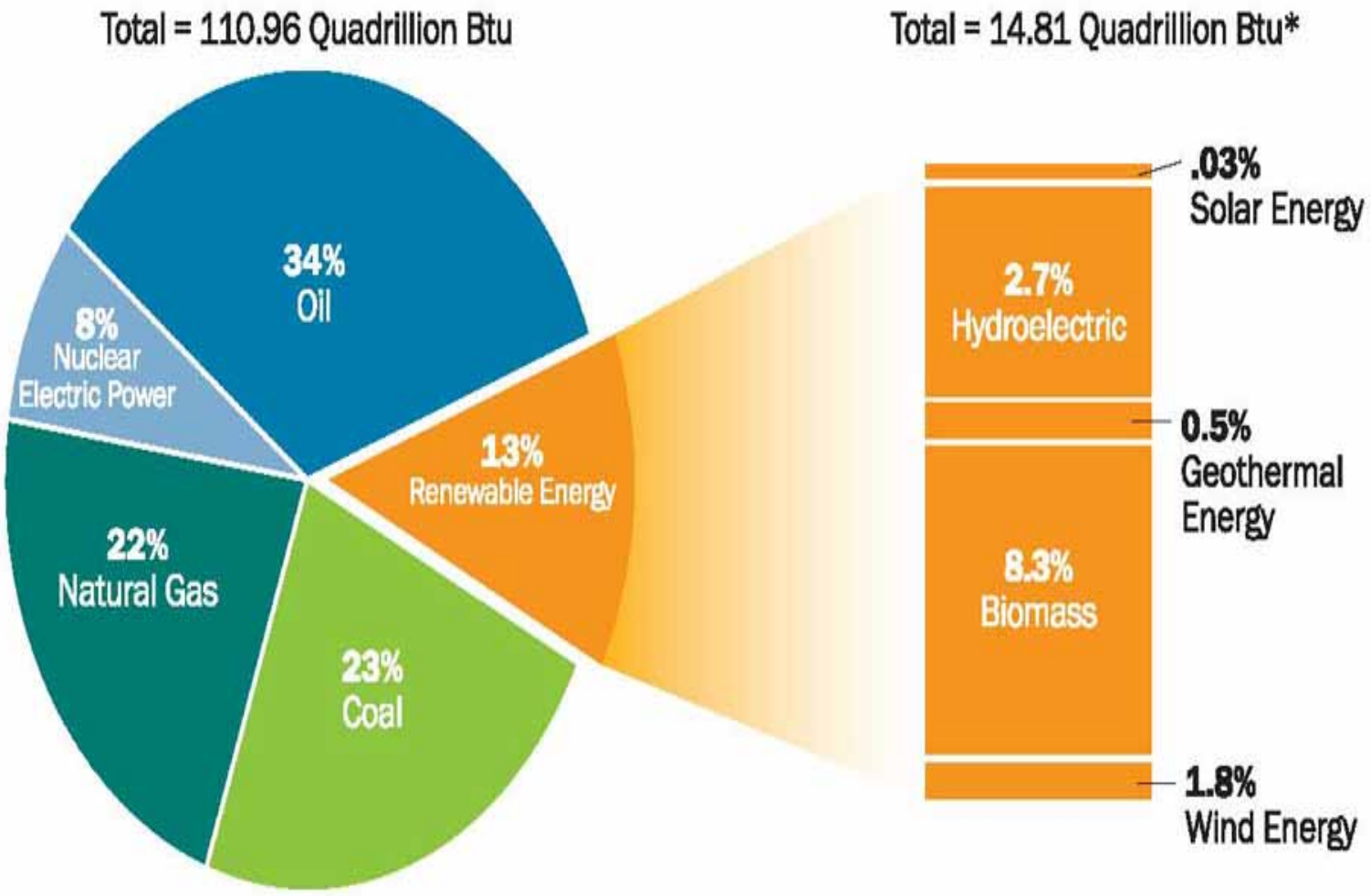
	2007		2030		% Change
Consumption	**Quads**	*% Share*	**Quads**	*% Share*	
Liquid Fuels and Other Petroleum	**40.75**	**40.0%**	**40.30**	**36.3%**	**-1.1%**
Oil	40.11	39.4%	37.13	33.5%	-7.4%
Ethanol and Biodiesel	0.64	0.6%	3.17	2.9%	395.3%
Natural Gas	**23.70**	**23.3%**	**24.15**	**21.8%**	**1.9%**
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



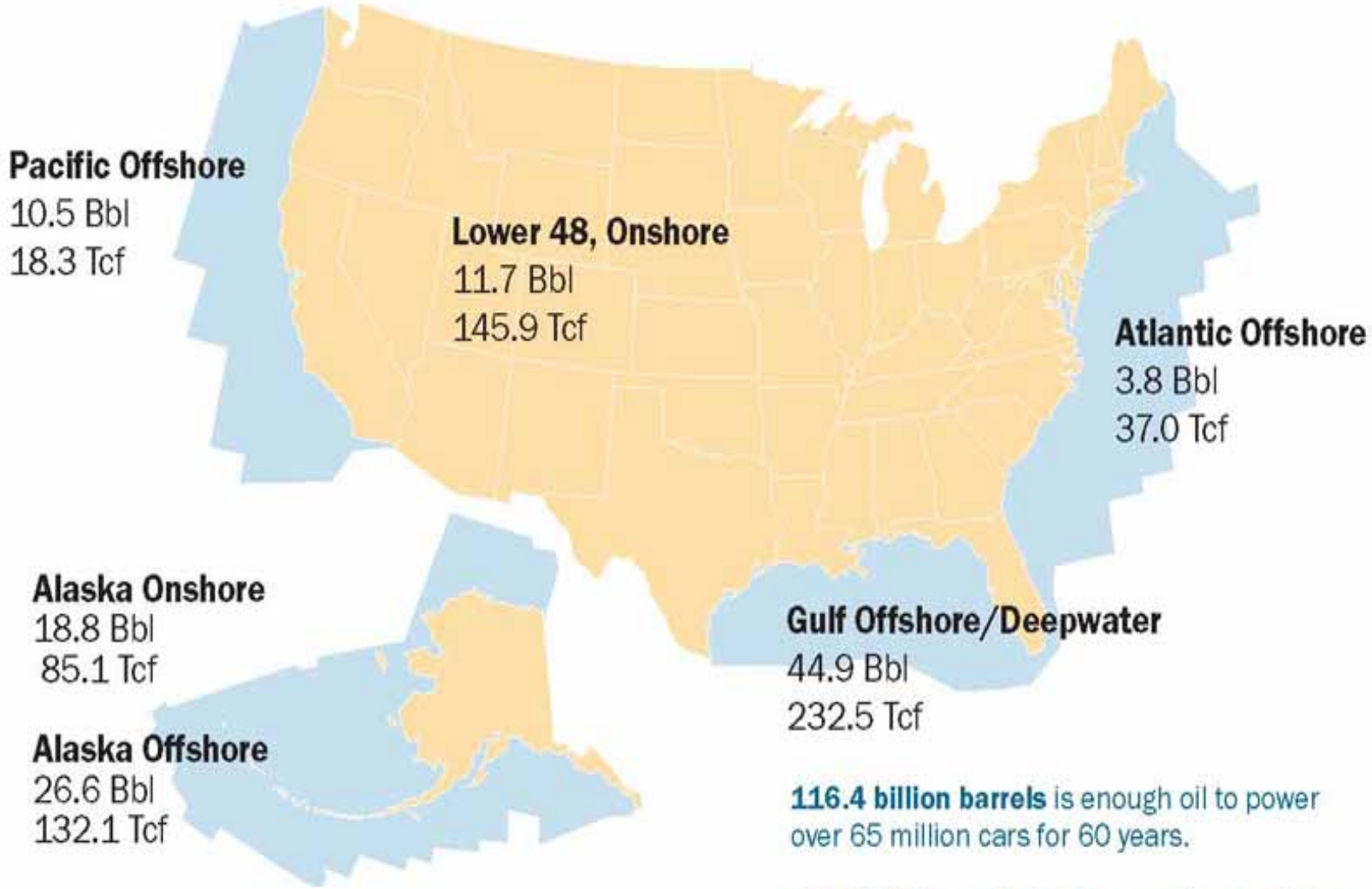
Note: Sum of components may not add exactly to 100 percent due to rounding.
*Includes non-marketed renewable energy from residential and commercial sectors.
Source: EIA, Revised AEO 2009 Tables A1 and A17

The Role of Renewable Energy Consumption in the Nation's Energy Supply, 2030



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)*

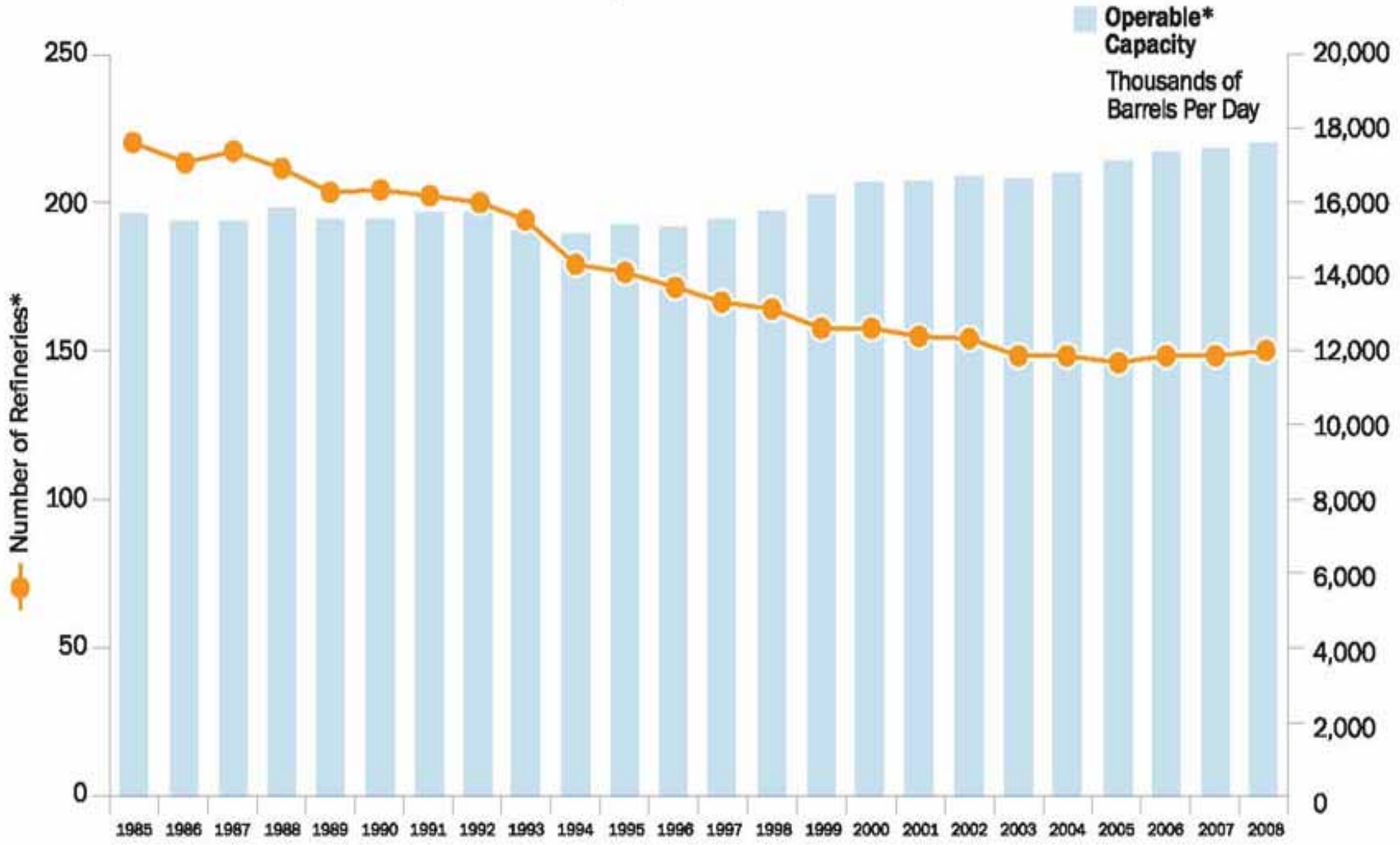


116.4 billion barrels is enough oil to power over 65 million cars for 60 years.

650.9 trillion cubic feet is enough natural gas to heat 60 million homes for 160 years.

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

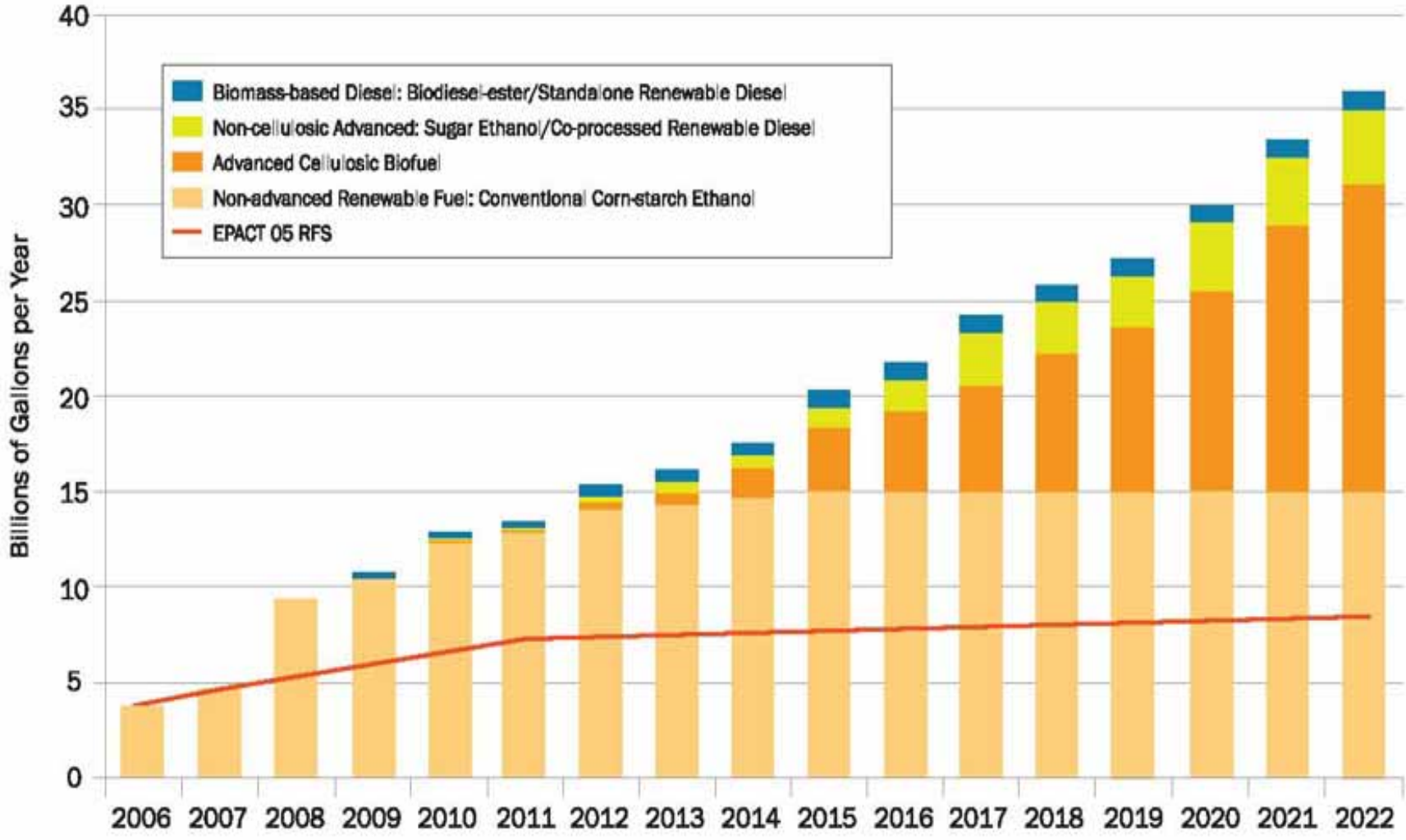
Number of Refineries Declines but Capacity Expands



*Operable as of January 1st

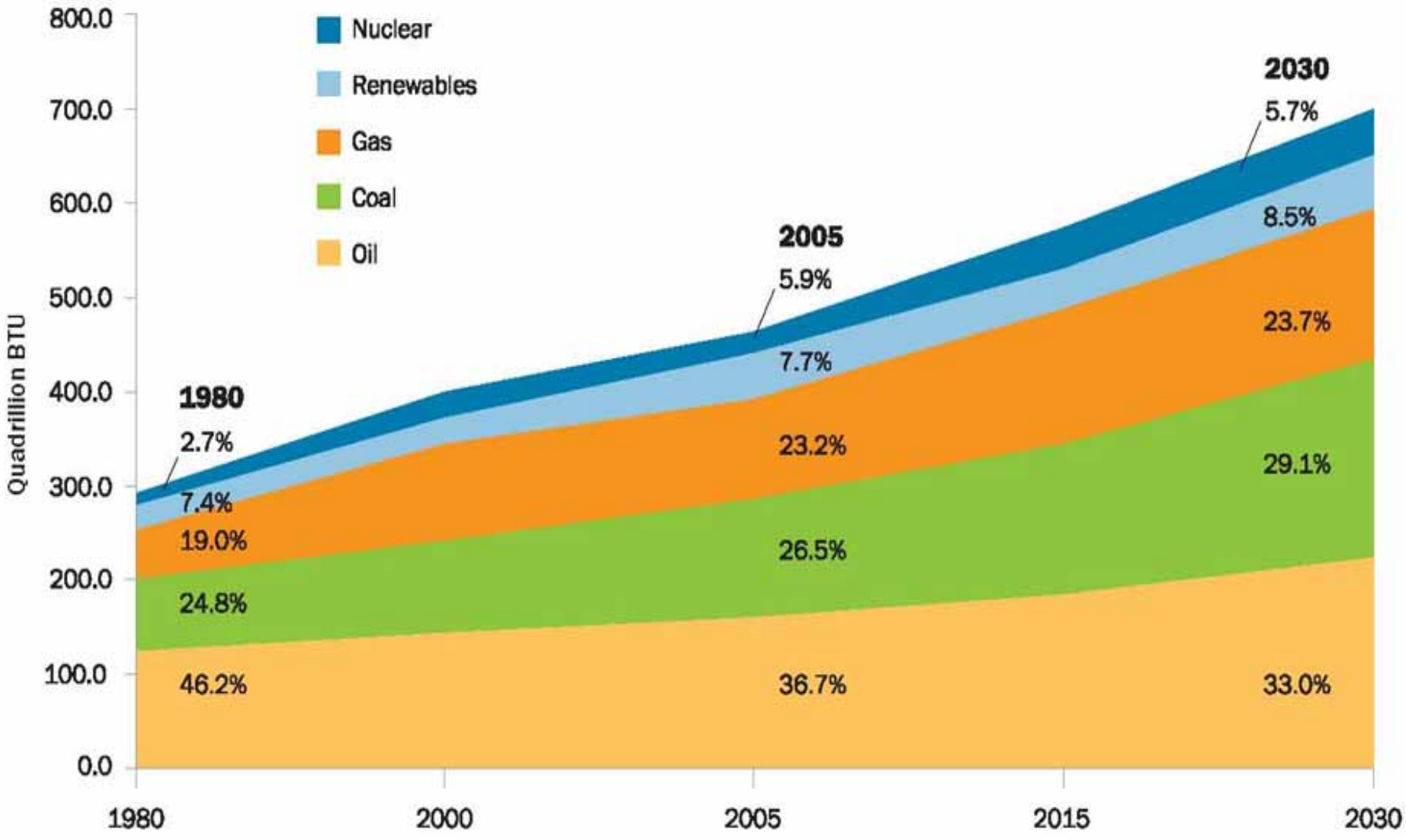
Source: DOE

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.)

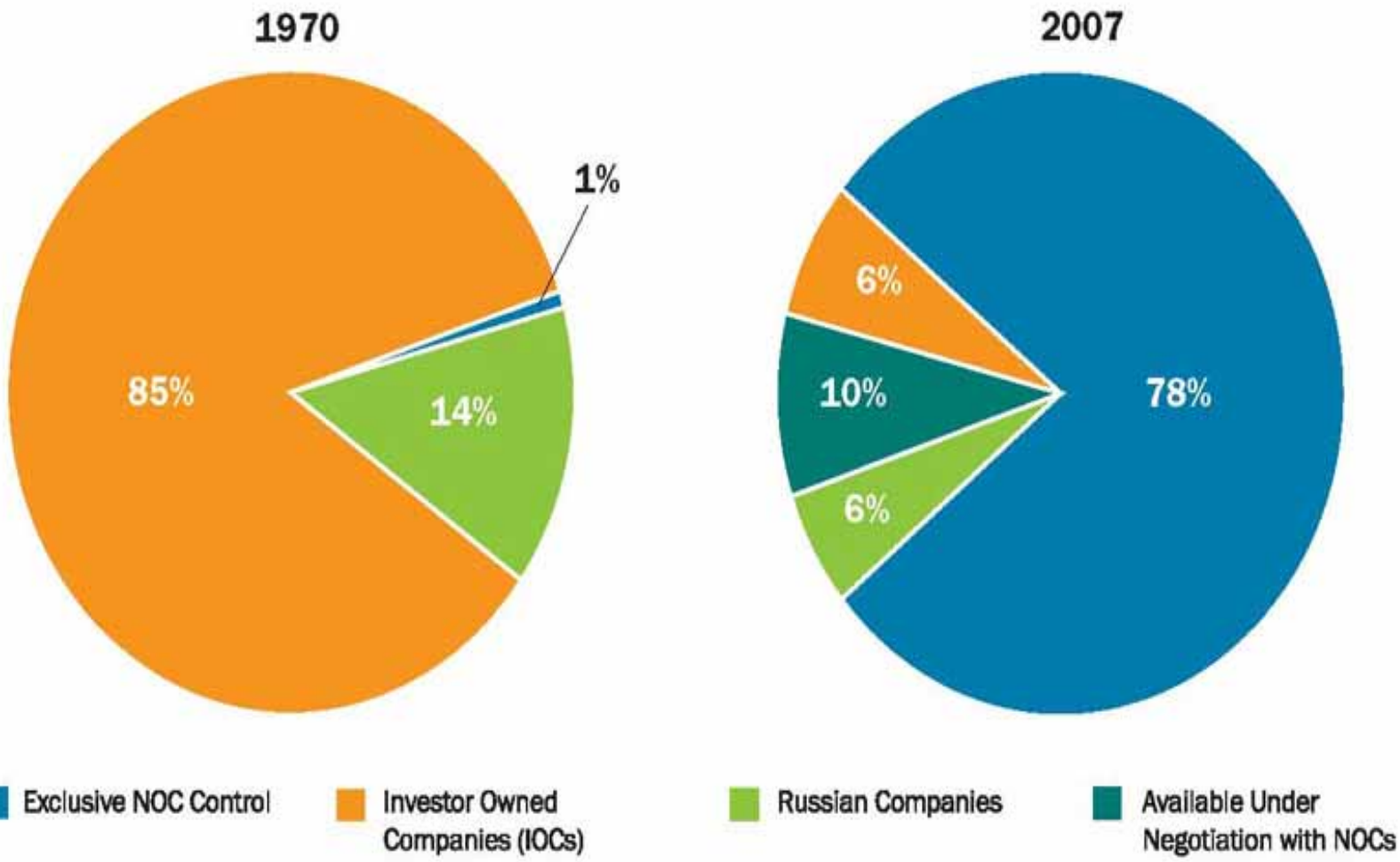


Source: EIA, International Energy Outlook 2008

	2005		2030		
Consumption	**Quad BTU**	**% Share**	**Quad BTU**	**% Share**	**% Change**
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%

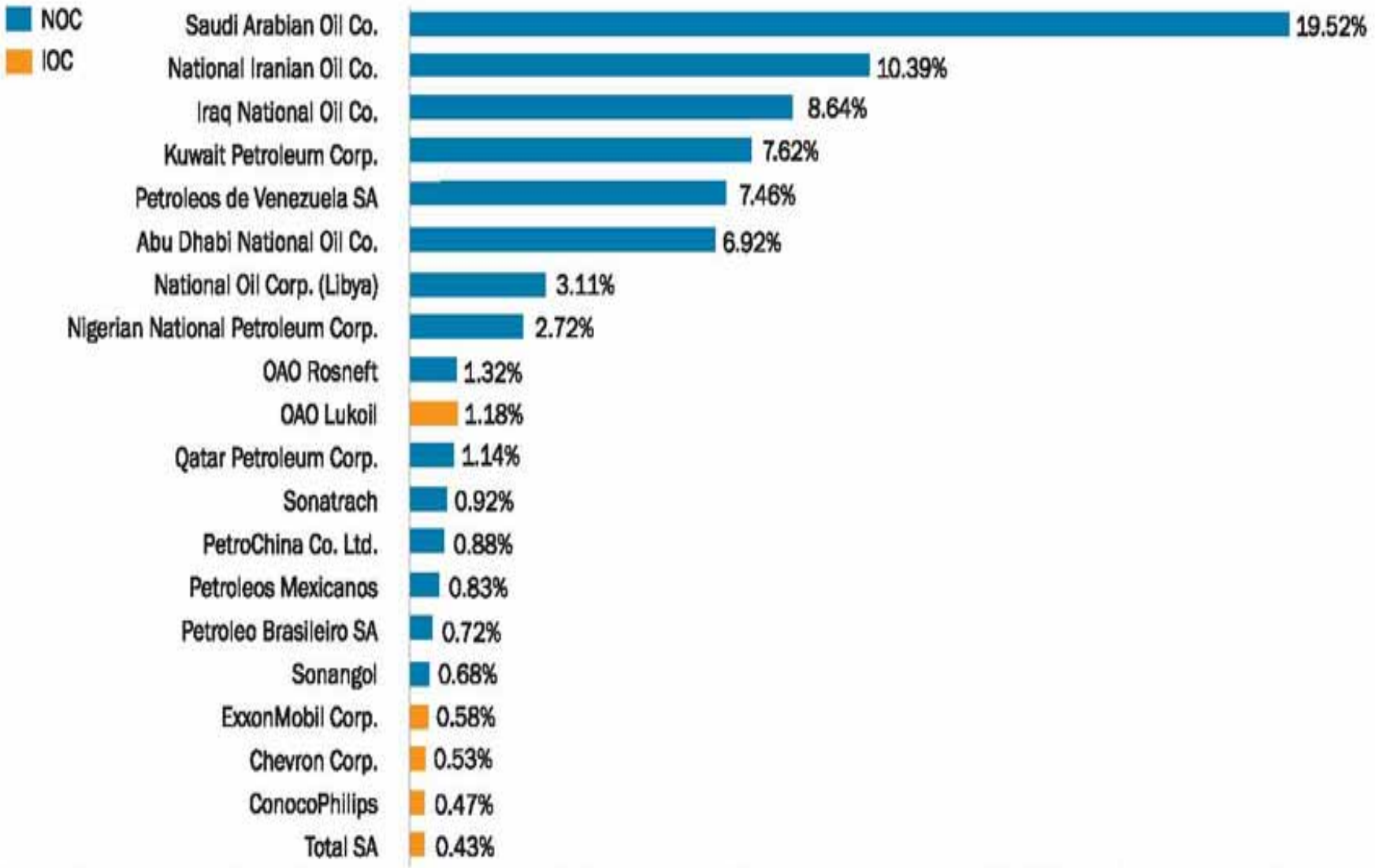
The Myth of "Big Oil" (As a Percent of Proven Reserves)

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



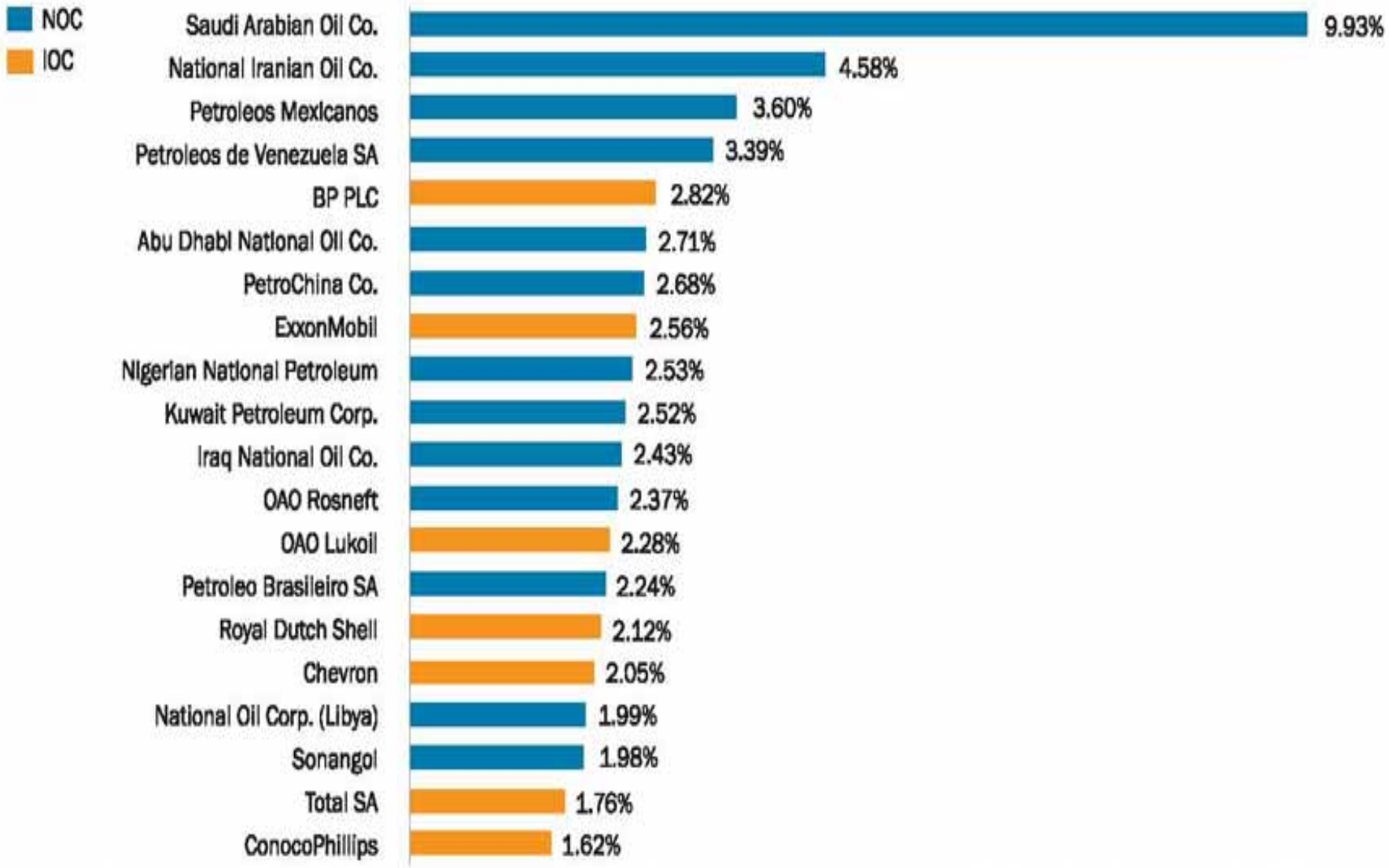
Source: PFC Energy

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



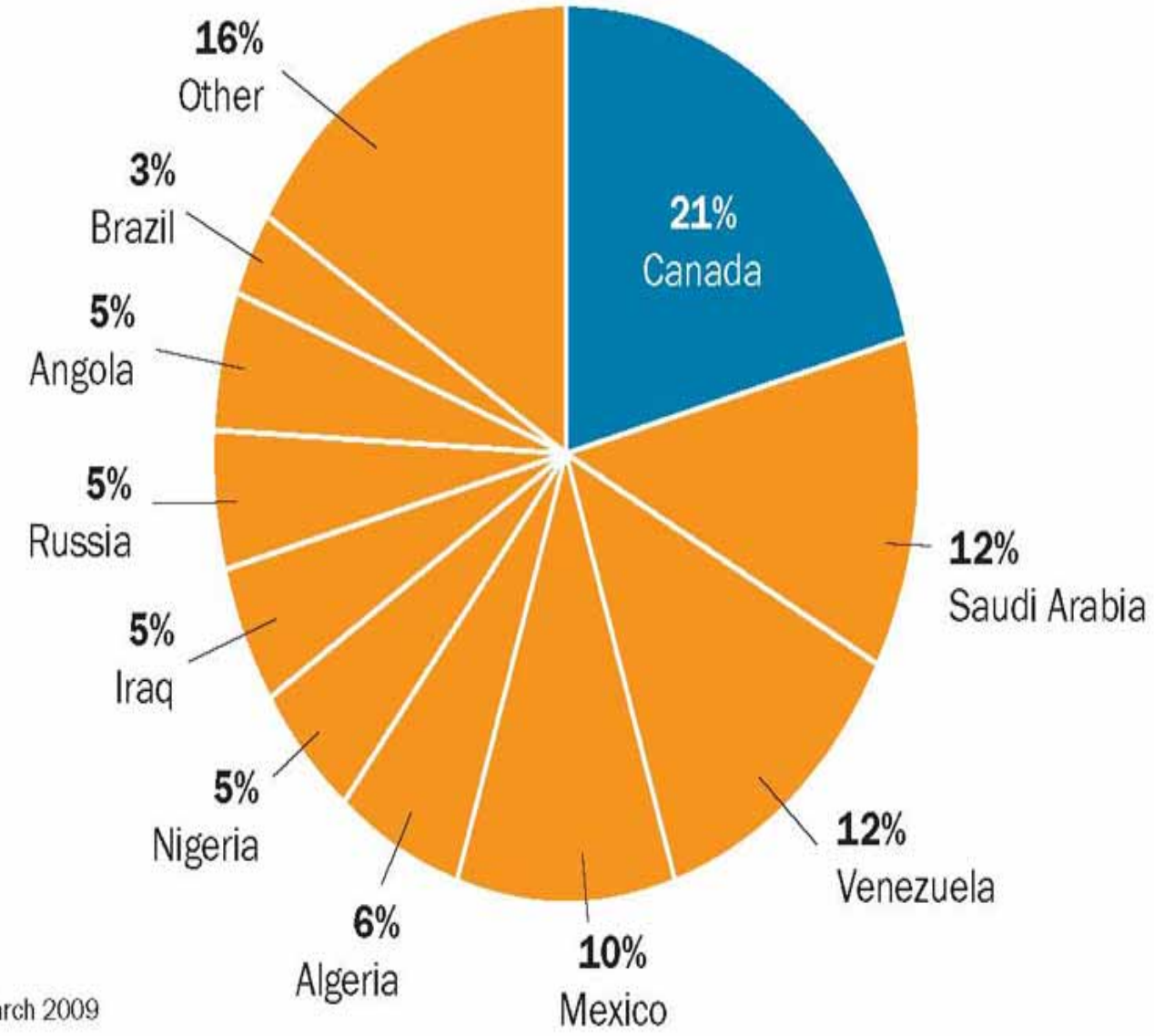
Source: World Reserves of 1.3 trillion barrels as of January 1, 2008 according to *Oil & Gas Journal*, December 22, 2008. Leading companies: *Oil & Gas Journal*, September 15, 2008

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



Source: Estimated world total of 85.6 million barrels per day in 2007 and leading oil companies according to *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.