

Virginia

The U.S. oil and natural gas industry provides energy security and economic benefits to our nation, supporting more than **9.8 million jobs** and contributing **\$1.2 trillion** in added value to the economy.¹

Energy is Crucial for Virginia

<p>141,600</p> <p>Total statewide jobs provided or supported by the oil and natural gas industry.¹</p>	<p>\$7.2 BILLION</p> <p>Contribution to Virginia's labor income.¹</p>
<p>\$12.5 BILLION</p> <p>Value added to Virginia economy.¹</p>	<p>120</p> <p>Identified Virginia vendors in the oil and natural gas supply chain.³</p>
<p>\$52,567</p> <p>Average salary in Virginia across all industries.²</p>	<p>\$62,183</p> <p>Average salary in Virginia for non-gas station oil and natural gas employees.²</p>

POTENTIAL IMPACT ON U.S. (by 2035)	MORE	
	Pro-Energy Policies	Regulatory Constraints
Oil & Natural Gas Production (MMboed)	+8.0	-3.4
Total Jobs Supported	+2.3 million	-830 thousand
GDP / Year	+\$443 billion	-\$133 billion
Total Government Revenue / Year	+\$122 billion	-\$18 billion
Cumulative Government Revenue from 2016	\$1.08 trillion	-\$500 billion
Total Household Income / Year	+\$118 billion	-\$43 billion
Average Household Energy Expense	-\$360/year	+\$242/year
	LESS	

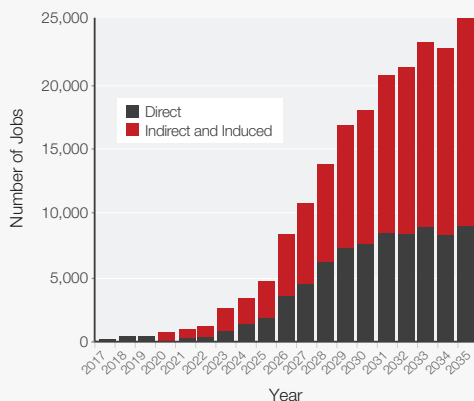
¹PWC, "Economic Impacts of the Oil and Natural Gas Industry on the US Economy in 2011," July 2013.

²Bureau of Labor Statistics, Quarterly Census of Employment and Wages. Data includes NAICS code 324 which may count some coal product manufacturing jobs.

³API Vendor Survey Findings Report.

Source: Incremental impacts assessed versus a Baseline scenario

The Benefits of U.S. Offshore Oil and Natural Gas Development in the Atlantic



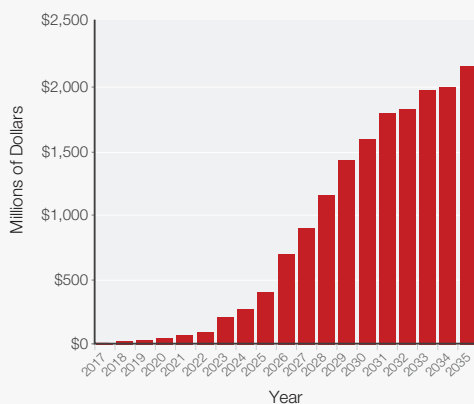
Employment Opportunity

Virginia employment due to Atlantic OCS oil and gas exploration and development activities is projected to reach nearly **25,000 jobs in 2035**, with a direct employment level of **nearly 9,000 jobs** and an indirect and induced employment level of **nearly 16,000 jobs**.

Benefits for Virginia's Economy

Atlantic OCS oil and natural gas production is expected to contribute significant sums to the Virginia state economy. In 2035, the contributions of this activity are projected to reach nearly **\$2.2 billion**.

Additionally, if the Gulf of Mexico state/federal revenue sharing arrangement is enacted for Atlantic coastal states, Virginia could see a 37.5% share of the bonuses, rents and royalties generated which are projected to reach **\$400 million per year by 2035**. The cumulative effect on the state budget from 2017-2035 is projected to be nearly **\$1.9 billion**.



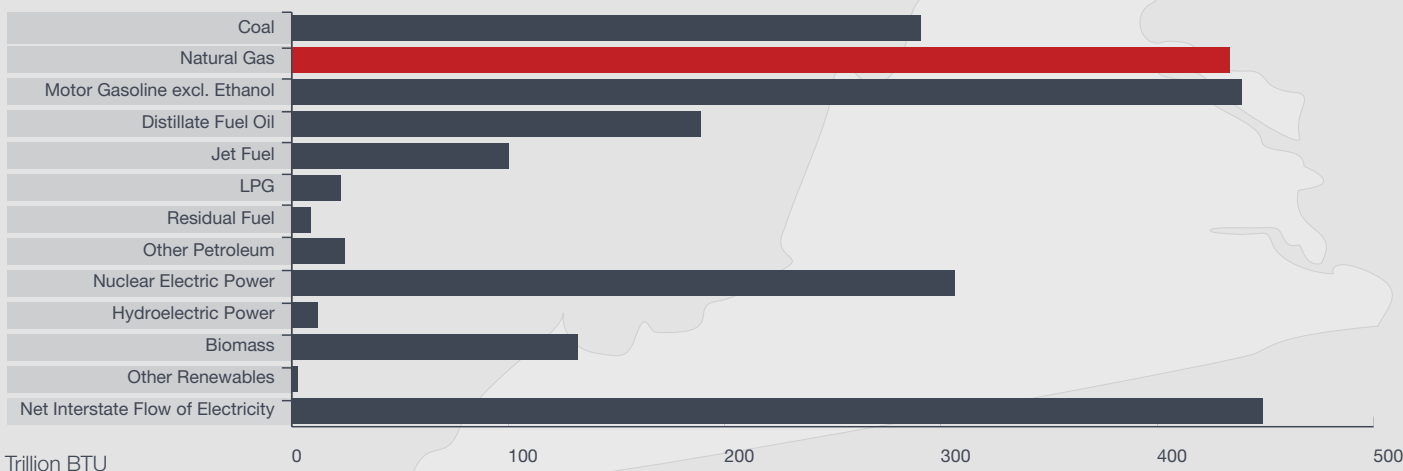
VA's Marine Sector Attracts Spending

The makeup of Virginia's economy, as well as the large amount of development activity projected off its coast is expected to lead to high levels of engineering activity in the state, with spending projected to reach nearly **\$400 million dollars a year in 2035**. Virginia possesses a strong marine background, hosting major offshore industry supplier Oceaneering's marine service division in Chesapeake, as well as one of the largest dry docks in the US at Newport News Shipbuilding.

Other existing industry suppliers in Virginia include Bauer Compressors in Norfolk who supplies compression equipment for use on offshore platforms, PaR Marine Services which provides cargo handling equipment for offshore vessels and platforms, and Strongwell of Bristol which provides high-tech building materials used in the construction of floating production units.

Virginia Energy Consumption Estimates, 2013

(Energy Information Administration, State Energy Data System)



What Virginia Is Thinking
On Energy Issues?

- <http://bit.ly/1LubLlq>

65%

Support offshore drilling for domestic oil and natural gas resources. —Harris Poll, January 2015