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Contact:

Account Supervisor, FrazierHeiby
614.481.7534 (o)
614.849.8649 (m)
kanthony@frazierheiby.com

Rhonda L. Reda
Executive Director, OOGEEP
740.587.0140
rreda@oogEEP.org

More than 200,000 Ohio-based, oil and gas industry-related jobs projected by 2015
Ohio Oil & Gas Energy Education Program releases Kleinhenz & Associates Inc. study about economic impact of natural gas and crude oil industry on Ohio; includes Utica-shale development projections

Granville, Ohio – Providing further evidence that Ohio is on the cusp of a possible economic oil and gas boom, the Ohio Oil & Gas Energy Education Program (OOGEEP) released its second economic impact study, which provides data about how the state’s natural gas and crude oil industry positively impacts Ohio’s economy today, and includes the first comprehensive study about how planned oil and gas development in Ohio’s Utica shale formation might impact the state over the next five years.

“Ohio’s natural gas and crude oil industry has played an important role in sustaining and securing the state’s energy and economic future for more than 150 years,” said William Siskovic, OOGEEP board member, economic impact study committee chair and president of Everflow Eastern Partners, LP. “We strongly believe that the industry will continue to play an important role in the state’s economic recovery and resurgence.”

OOGEEP’s study was commissioned from Kleinhenz & Associates, Inc., a Cleveland-based economic research firm, and included input from Marietta College, The Ohio State University, Central Ohio Technical College and Zane State College. In addition to an in-depth analysis of how Ohio’s oil and gas industry positively impacts the state’s economy today, the study includes projections for 2011 to 2015 based on expected oil and gas industry spending to develop the Utica shale formation.

“Pursuing oil and gas exploration in the Utica has the potential to turn Ohio’s economy around,” said David Mustine, general manger for energy at JobsOhio. “It’s an amazing economic opportunity.”

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The Utica projections focus on five specific economic elements – jobs, personal income, royalties, tax revenues and gross state product (GSP) – from 2011 until 2015. According to the study, Ohio’s natural gas and crude oil industry could help create and support more than 200,000 Ohio-based jobs from the leasing, royalties, exploration, drilling, production and pipeline construction activities for the Utica shale reserve. The state could experience an overall wage and personal-income boost of \$12 billion by 2015 from industry spending.

The study also projects royalty payments to landowners, schools, businesses and communities could increase to as much as \$1.6 billion by 2015 – *a number that exceeds the total amount of royalties distributed by Ohio’s natural gas and crude oil industry in the last decade.*

Total tax revenue from oil and gas exploration and development in the Utica shale formation from 2011 until 2015, including severance, commercial activity, ad valorem (property), federal, state and local taxes, is projected to be approximately \$479 million. Industry expenditures related to Utica shale development could generate approximately \$12.3 billion in gross state product and result in a statewide output or sales of more than \$23 billion.

“The data clearly demonstrates the transformative force oil and gas exploration and development could have on the state’s economy,” said Rhonda Reda, executive director of OOGEEP. “Ohio has been given great geological gifts and the economic potential is tremendous.”

2010 Ohio Oil and Gas Industry Data

Though drilling in the Utica formation is still in the early phases of exploration, the Ohio natural gas and crude oil industry has made significant contributions to the state’s economy since the first commercial well was drilled in 1860.

According to the OOGEEP study, in 2010 the industry supported and contributed to nearly 13,000 jobs and was responsible for \$793 million in annual salaries and personal income for Ohioans. The industry also distributed more than \$90 million in royalty payments to local landowners, schools, businesses and communities.

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In 2010, the natural gas and crude oil industry paid \$32.7 million in taxes, including severance, commercial activity, ad valorem (property), federal, state and local taxes, and generated \$988 million in gross state product and statewide output or sales of \$1.7 billion. The industry also reinvested approximately \$238 million for oil and gas exploration and development in Ohio.

Currently, there are more than 64,000 active wells throughout 49 counties in Ohio. To date, more than 274,000 wells have been drilled in 76 of the state's 88 counties. Ohio remains a leader in total number of wells drilled, which is surpassed only by Pennsylvania, Oklahoma and Texas. Since 1860, Ohio's natural gas and crude oil industry has produced more than 8 trillion cubic feet of natural gas and more than 1 billion barrels of crude oil.

"For well over a century, Ohio has been blessed with plentiful oil and natural gas resources," said Tom Stewart, executive vice president of the Ohio Oil & Gas Association. "Today, Ohio is beginning a new era of oil and gas exploration made possible by a triumph of technology that is unlocking reservoirs that until now were not accessible. The result will be the development of vast new supplies of reliable energy and the creation of jobs in the oil and gas sector, as well as in other business sectors, who are counting on this resource to expand authentic economic opportunity in Ohio."

The Kleinhenz & Associates study, titled "Ohio's Natural Gas and Crude Oil Exploration and Production Industry and the Emerging Utica Gas Formation Economic Impact Study," and corresponding fact sheets are available for download at www.oogeep.org.

About the Ohio Oil & Gas Energy Education Program

The Ohio Oil & Gas Energy Education Program (OOGEEP) is a nonprofit organization responsible for public outreach on behalf of Ohio's natural gas and crude oil industry. The mission of OOGEEP is to facilitate educational, scholarship and safety programs and to promote public awareness about the industry and its positive impact on the economy. For more information, visit www.oogeep.org.

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