

OHIO OIL & GAS ENERGY EDUCATION PROGRAM OFFICE OF STATE OF STATE

Since 1860, when Ohio's first commercial well was drilled, the natural gas and crude oil industry has made significant contributions to the state's economy. In September 2011, Kleinhenz & Associates completed an independent 2010 Economic Impact Study that demonstrates how these Ohio energy producers positively impact the state's economy in a variety of ways. A summary of that Study is shown below.

REINVESTMENT OF REVENUES

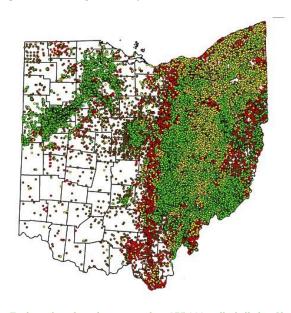
Ohio's natural gas and crude oil industry reinvested approximately \$238 million on new exploration and development in Ohio.

GROSS STATE PRODUCT

Ohio's natural gas and crude oil industry, via its expenditures, generated approximately \$988 million in gross state product and had a statewide output or sales of \$1.7 billion last year.

ROYALTIES AND "FREE" NATURAL GAS

Ohio's natural gas and crude oil operators (producers) distributed \$90 million in royalty payments to local landowners, schools, businesses and communities, and provided an additional \$61 million in free natural gas to those mineral interest owners with wells on their properties. Since 2000, more than \$1 billion in royalty payments has been paid which significantly boosted local economies.



To date, there have been more than 275,000 wells drilled in Ohio. Today, there are more than 64,000 wells producing natural gas and crude oil in Ohio.

TAX REVENUES

Ohio's natural gas and crude oil industry paid \$32.7 million per year in federal, state and local taxes:

TYPE OF TAX	ANNUAL AMOUNT
Severance	\$2.5 million
Commercial Activity	\$2.8 million
Ad Valorem (Property)	\$5.7 million
Income (Federal)	\$17.4 million
Income (State & Local)	\$4.3 million
Total	\$32.7 million

JOBS AND PERSONAL INCOME

Ohio's natural gas and crude oil industry supports more than 4,490 direct jobs which contributes to a total of 12,950 Ohio jobs due to the leasing, royalties, exploration, drilling, production and pipeline construction activities in various geological formations within Ohio.

The industry was responsible for \$793 million in annual salaries and personal income to Ohioans in 2010.

CONSUMER IMPACT

Ohio kept \$718 million in the state by buying locally-produced natural gas and crude oil.

Ohio consumers saved \$30 million in avoided interstate pipeline transportation costs, and another \$9.2 million due to the price reducing impact that Ohio's natural gas supply has on U.S. market.

Source: Kleinhenz & Associates - September 2011 Economic Impact Study - Ohio's Natural Gas and Crude Oil Industry
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