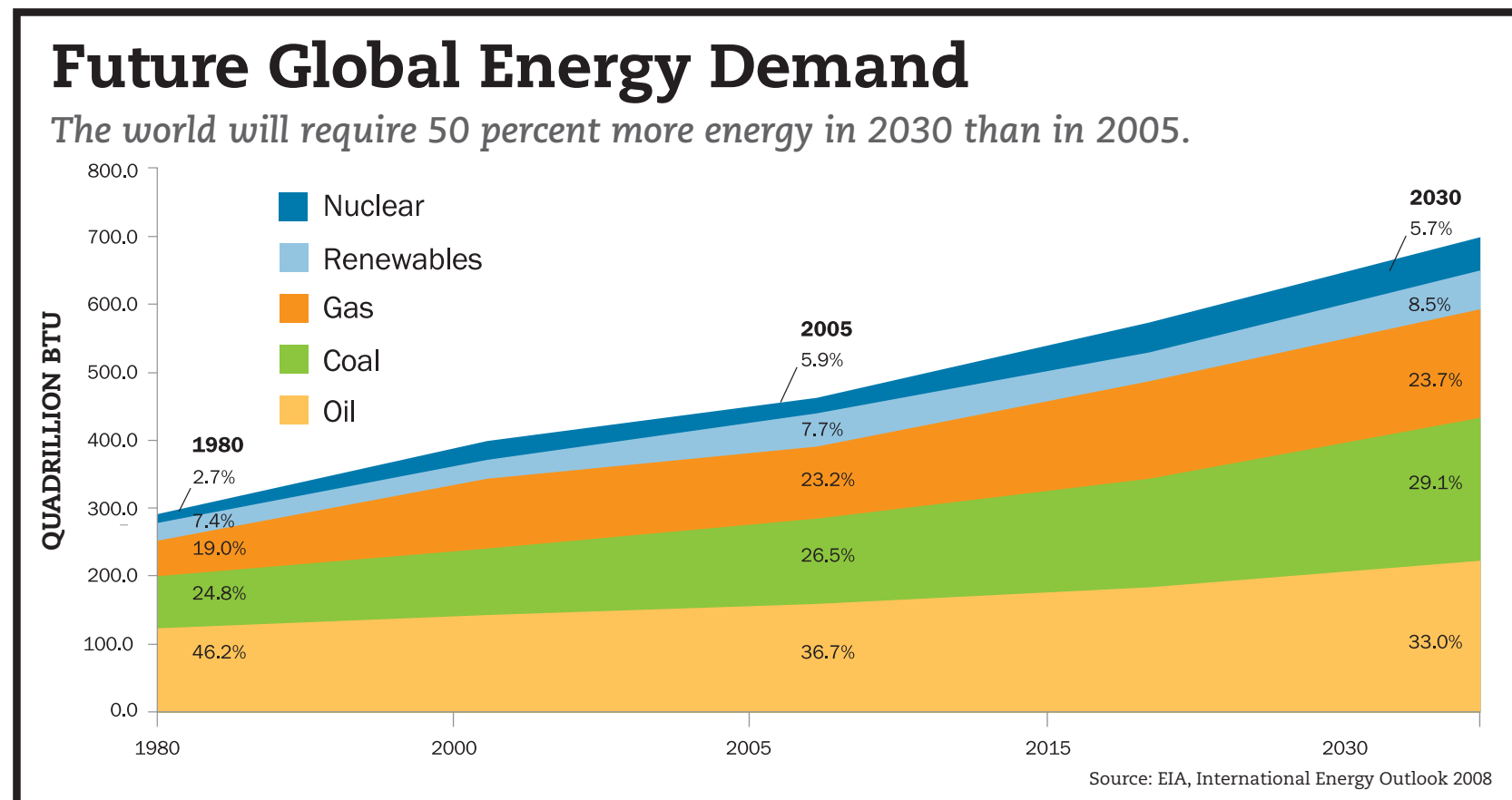




# **Securing Florida's Future through Energy Exploration**

# World Energy Consumption Will Continue to Grow

- U.S. is World's No. 1 Oil Importer
- But Growing Asian Markets are Competing for World Supply
- Florida is 3rd largest energy consuming state in U.S.

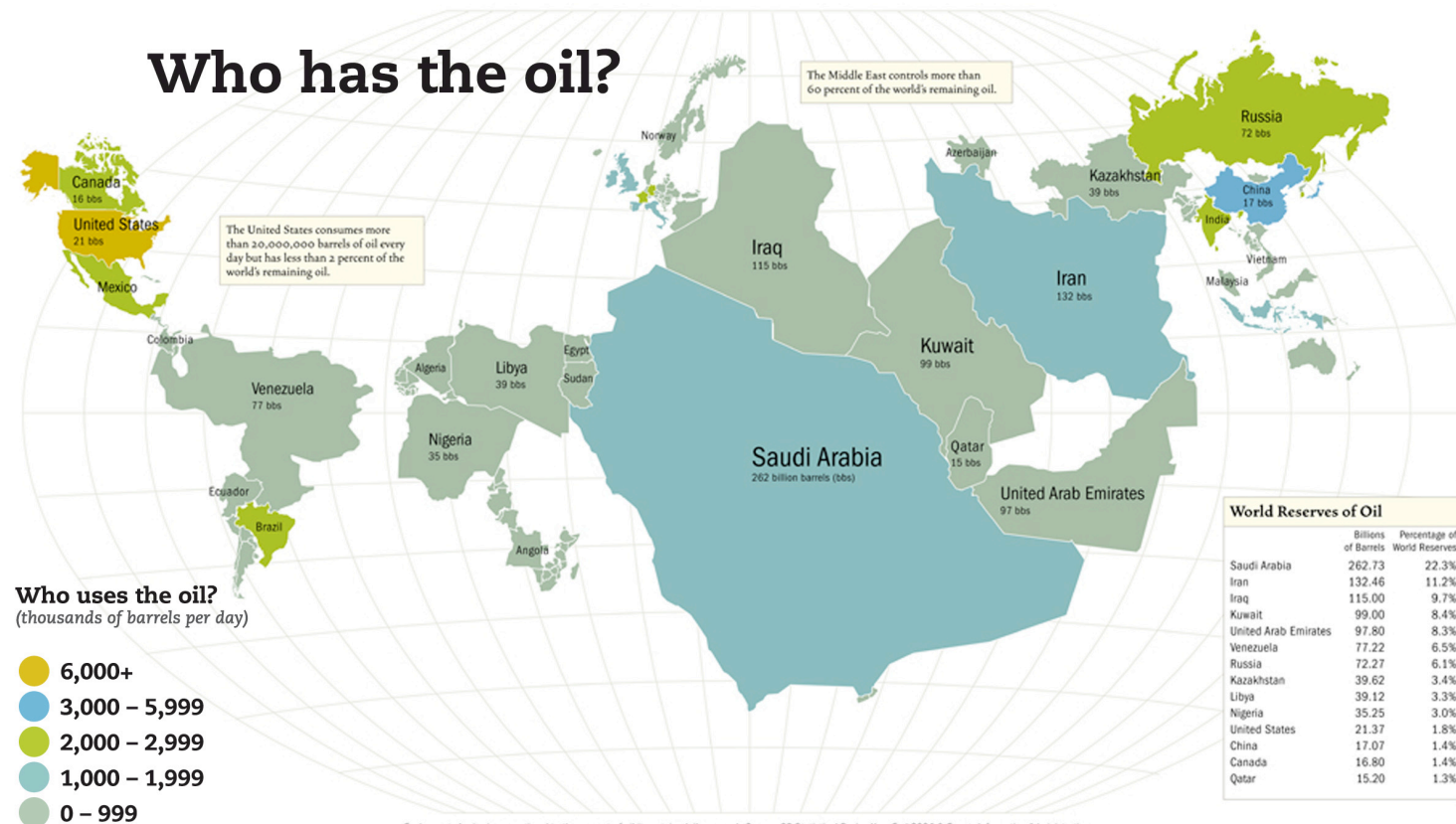




# Global Warning: U.S. Energy Destiny in Foreign Hands

## World Oil Reserves:

- Saudi Arabia 22.3%
- Iran 11.2%
- Iraq 9.7%
- Venezuela 6.5%
- Russia 6.1%
- U.S. 1.8%



# Cuba Emerges as an Energy Player



## Why Cuba's Dreams of Major Oil Discoveries Might Come True

Recent estimates suggest that the island could move into the petroleum big leagues

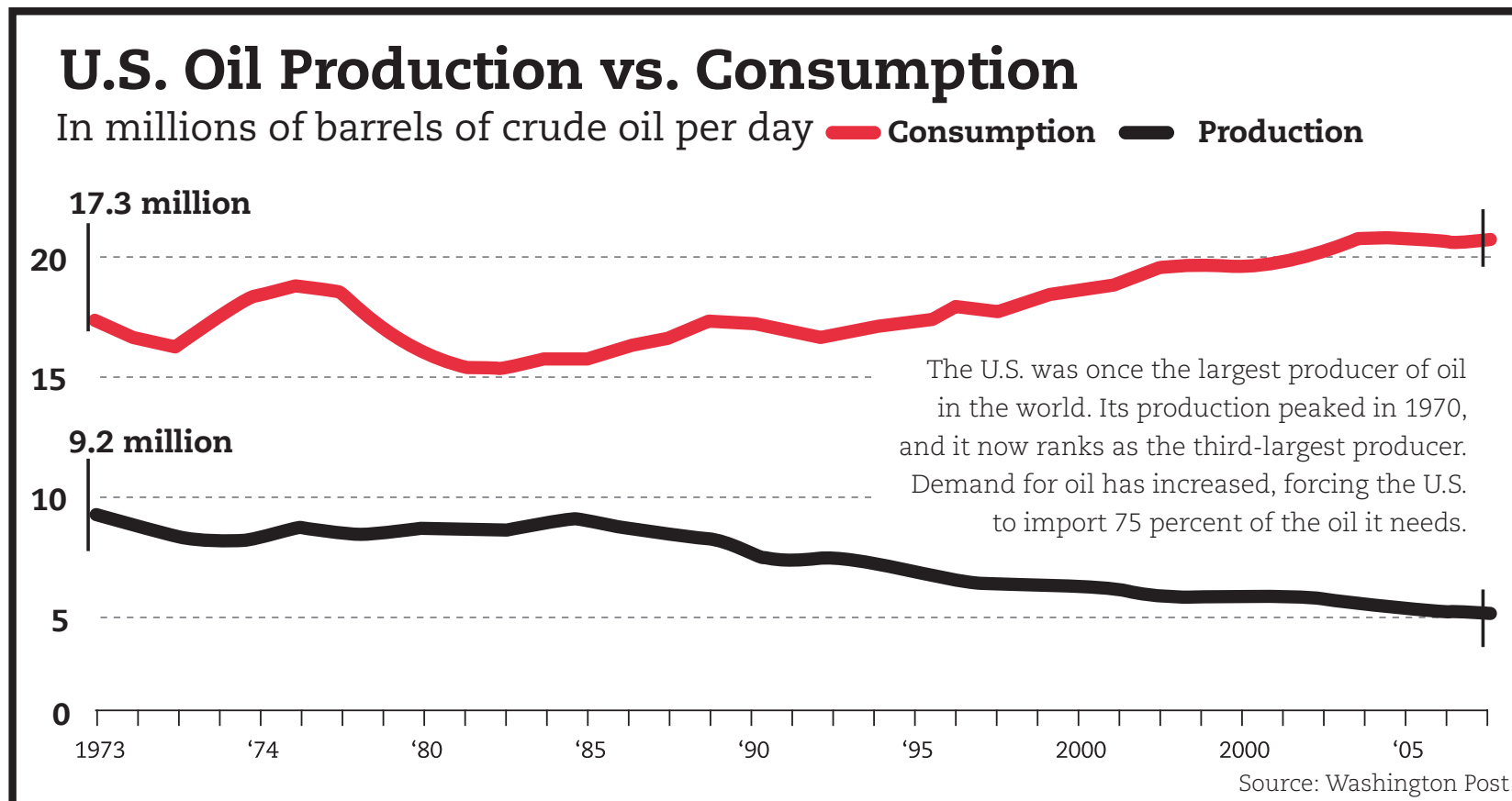
- Reported major discovery near Florida Keys
- Exploration underway 45 miles off Florida





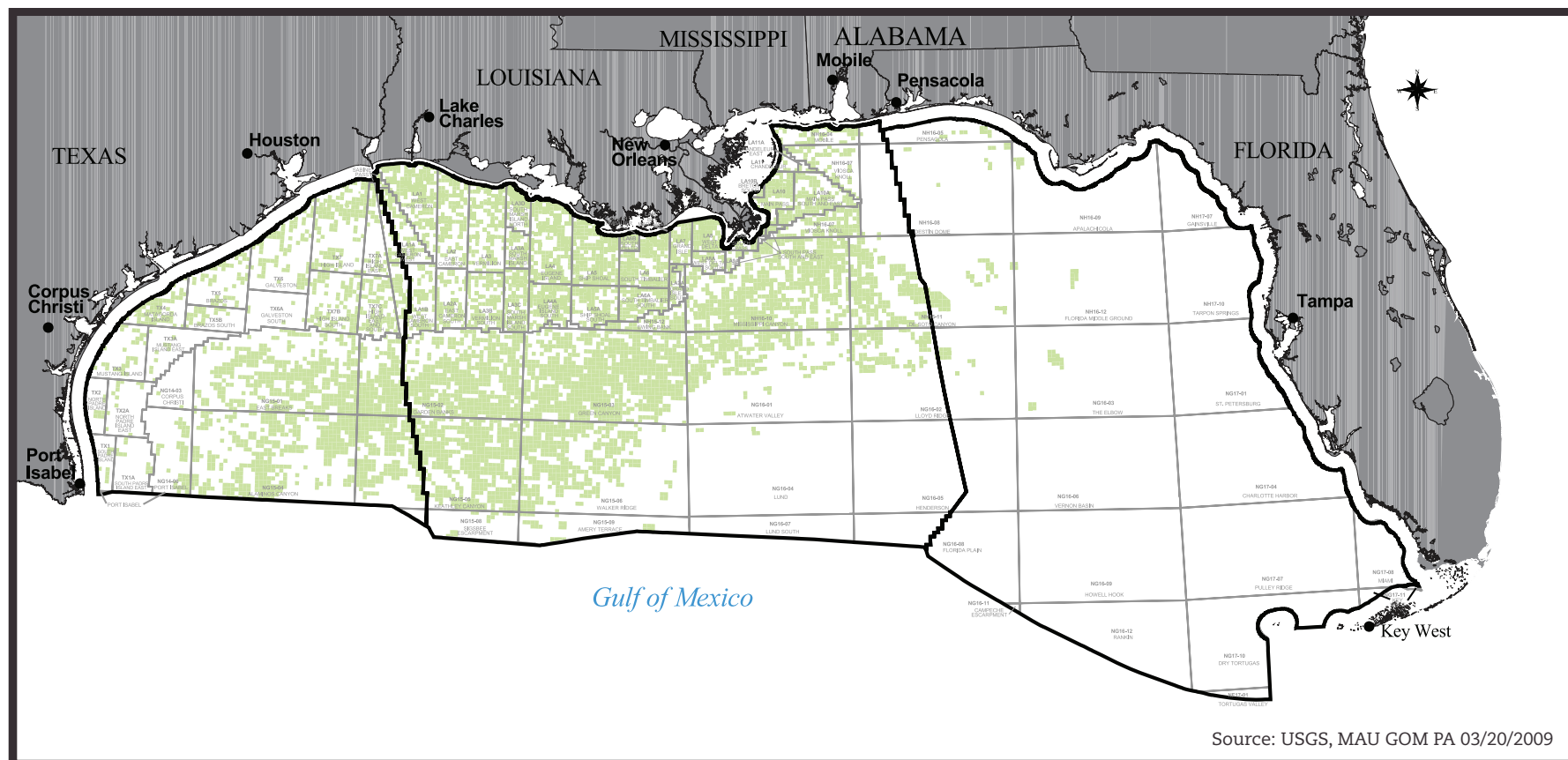
# Production Challenges

- Rising demand
- Rapidly declining production from older wells in western Gulf of Mexico
- Growing need for new energy reserves



# Florida is Only Untapped Resource in Gulf (OCS)

- Estimated reserves in Florida's Gulf: 5.2 billion barrels  
(Source: National Petroleum Council)





# Other States Reap the Benefit of Energy Exploration

- Energy revenues generate \$7 billion a year for Texas, including substantial funding for K-12 and universities





# In Florida, a Different Story

- Unemployment approaching 10%
- Funding for K-12, higher education, health care and environmental protection under severe pressure over next decade

Preserving democracy since 1981  
**TALLAHASSEE DEMOCRAT**  
Tallahassee.com

**FSU prepared to  
eliminate 21 programs**

the independent florida  
**alligator**

**FSU faces the prospect of  
making massive cuts**

**Orlando Sentinel**

**UF considers eliminating 748 jobs,  
closing several academic programs**

SARASOTA  
**Herald Tribune**

**Budget plans call for deep cuts at UF**

**Annual Texas  
Oil Revenues**

**\$7 BILLION**

**\$6.4 BILLION**

**Florida Budget  
Cuts Since 2007**



# States Reap the Benefit of Energy Production in Federal Waters – 2009

<b>LOUISIANA:</b>	<b>\$121 MILLION</b>
<b>ALASKA:</b>	<b>\$37.5 MILLION</b>
<b>TEXAS:</b>	<b>\$35.6 MILLION</b>
<b>MISSISSIPPI:</b>	<b>\$23.8 MILLION</b>
<b>ALABAMA:</b>	<b>\$19.7 MILLION</b>
<b>CALIFORNIA:</b>	<b>\$5 MILLION</b>

**FLORIDA: \$0**

# How We Got Here

- 1943: Florida's first oil field discovered in Collier County
- 1990: State imposes ban on oil drilling in state waters
- 1995: Settlement returns 73 federal offshore leases
- 2006: Congress halts drilling in Eastern Gulf





# Where We Stand

- Ban on exploration in state waters – from shore to 10.35 miles out
- Federal moratorium prevents exploration in federal waters
- Florida receives no revenue from federal oil leases





# Consequences of Florida Policy

Florida is energy dependent

- Tourism industry creates high demand for energy
- Natural gas and oil consumption is high and growing
- No refineries and insignificant production capacity

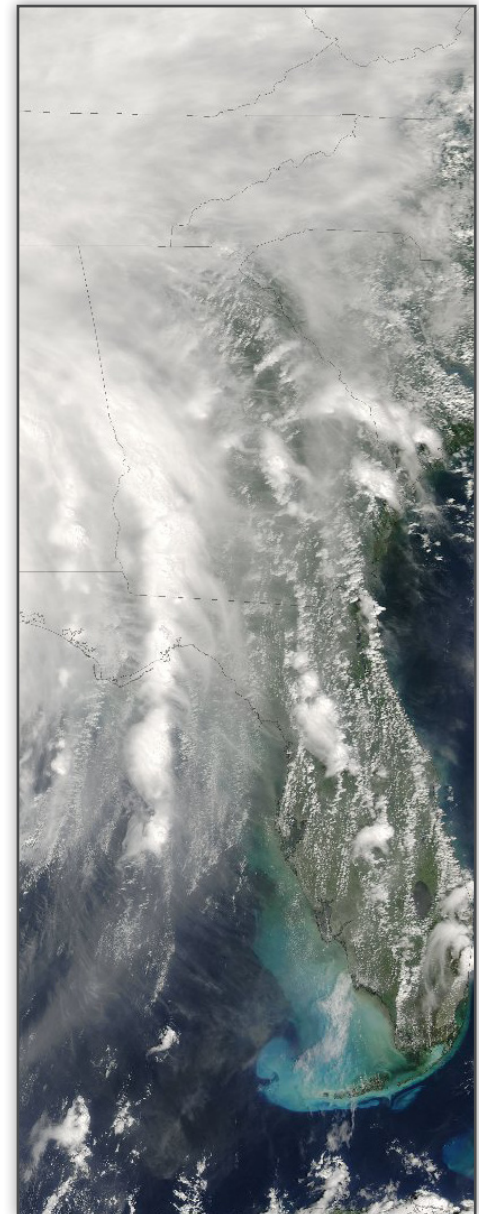
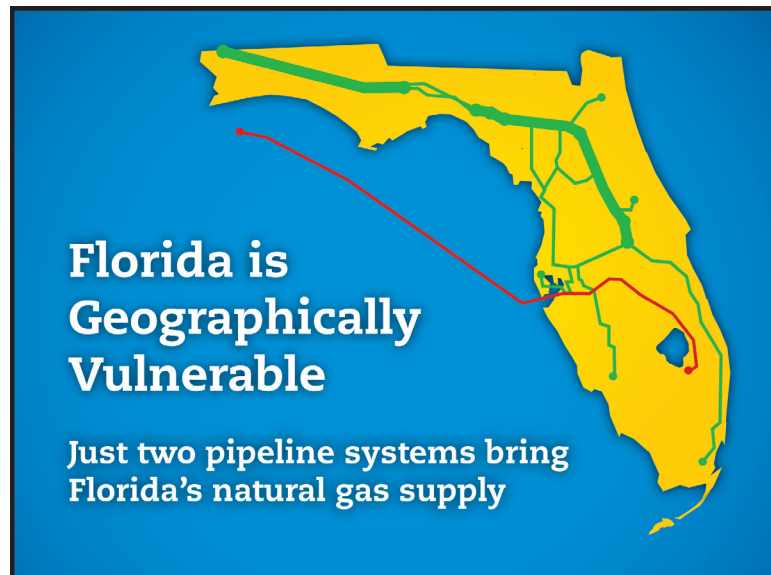




# Consequences of Florida Policy

Florida is vulnerable to supply disruptions

- Unique geography
- Katrina nearly resulted in Florida blackout
- Two pipelines bring nearly 100% of natural gas supply
- Petroleum products come by sea



# The Time is Right to Create Energy Options for Florida

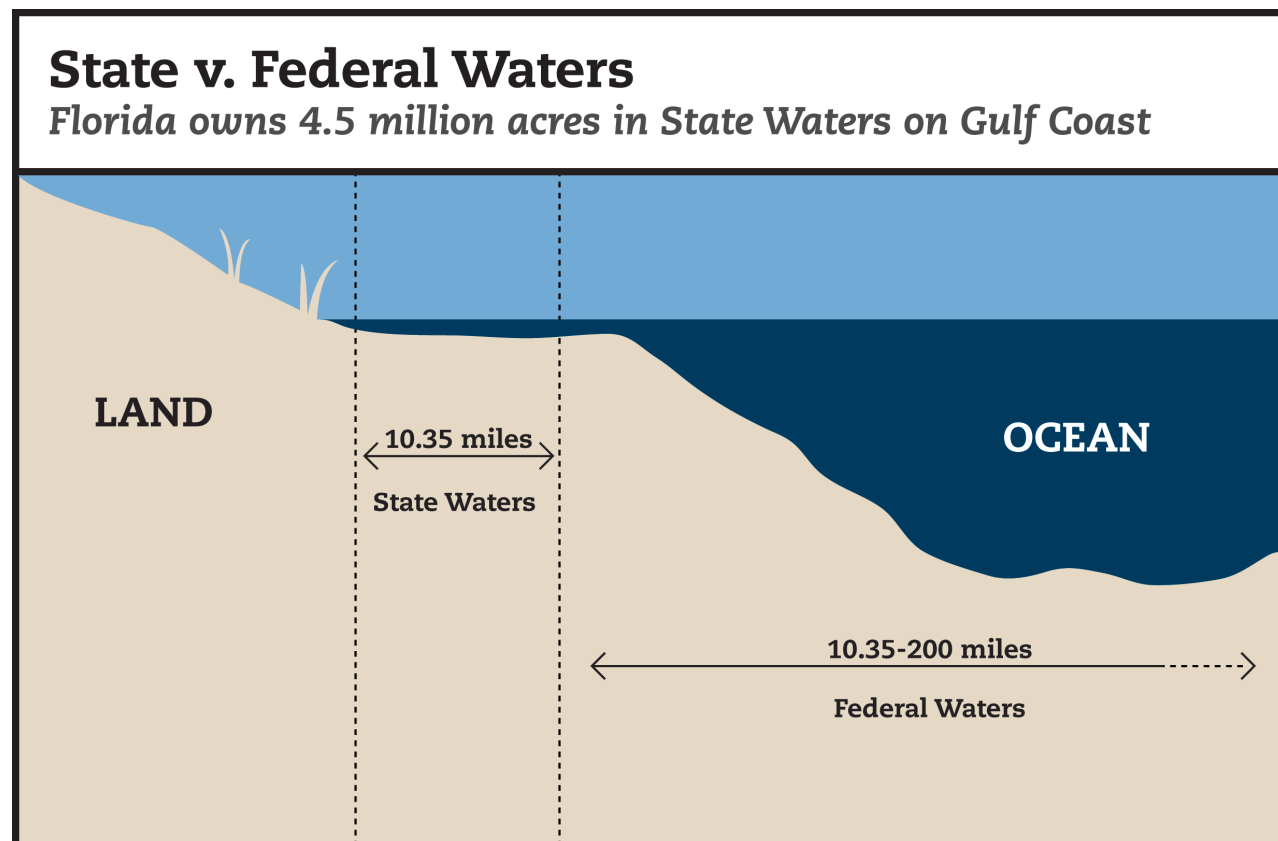
- Florida's untapped reserves can help meet energy needs
- Florida can learn from 100 years of experience
- Florida can be national, international model
- Energy security, economic growth and environmental protection are all compatible





# Florida's Oil Possibilities

- Florida owns 10.35 miles from the coast
- Florida could negotiate better royalties than other states
- Plus, if Florida opened up state waters, it could also negotiate a significant share from federal waters (10.35-200 miles)



# Extent of Florida's Oil and Natural Gas Reserves

- Much is unknown because no seismic studies in decades
- What is known: Giant fields on both ends of the state.

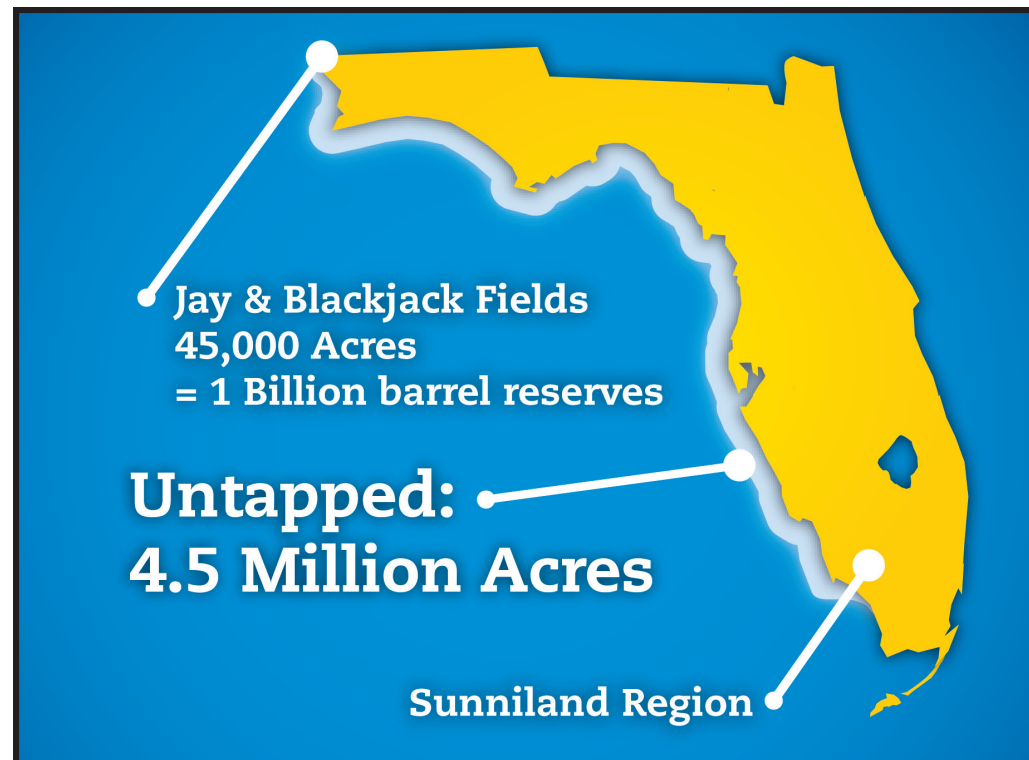
**Jay Field region:**

500 million barrels.

**Sunniland region:**

200 million barrels.

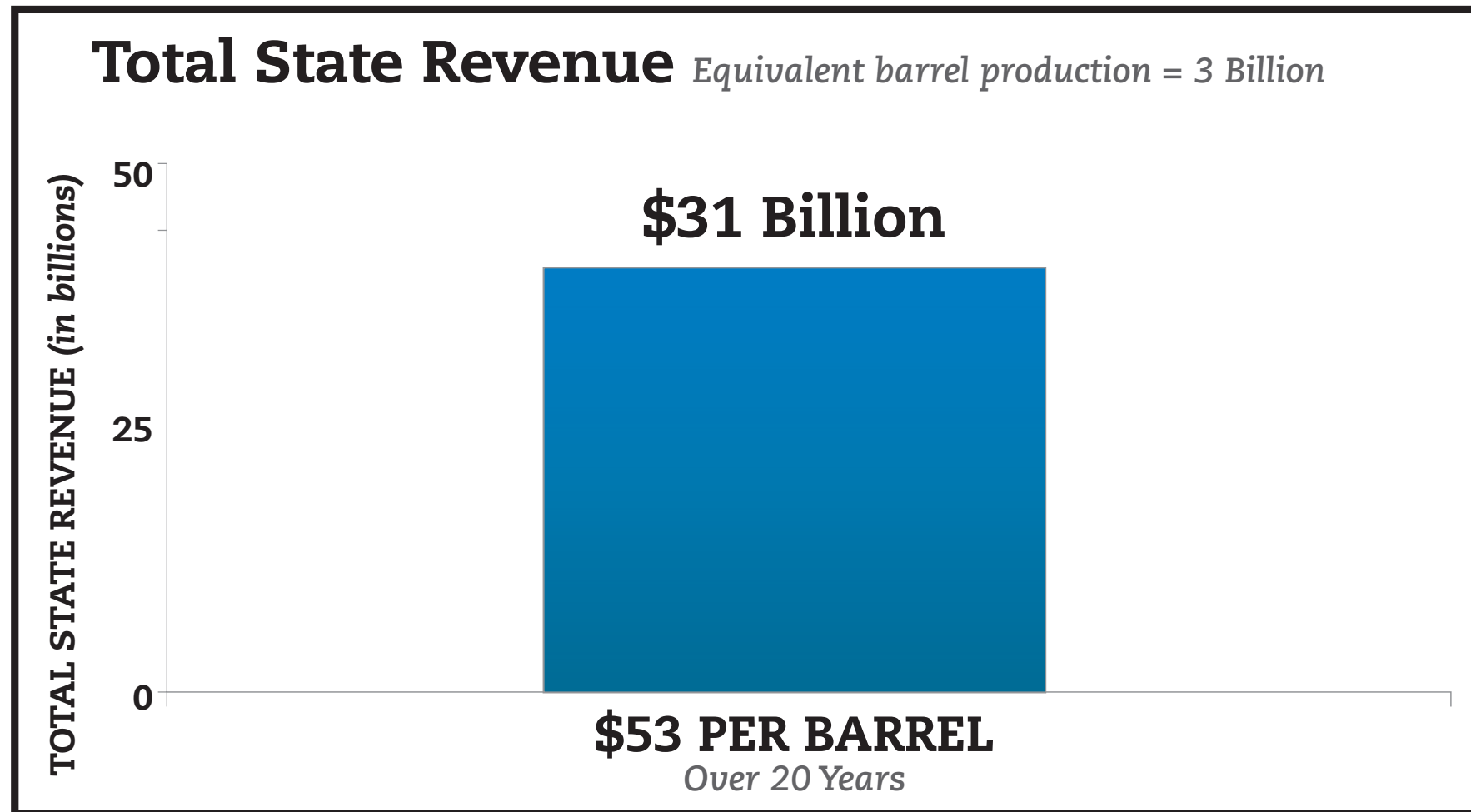
Florida has significant reserves in between these fields.





# Significant New Funding for Florida Priorities

## *Conservative Revenue Share Projections*



# Direct Annual Impact of Energy Exploration

- \$1.59 Billion Direct Economic Infusion
- Creates 16,000 Energy Sector Jobs
- Average Salary: \$76,500 per year
- Direct Economic Activity Generated: \$3.5 billion per year





# Significant and Sustained Economic Impact

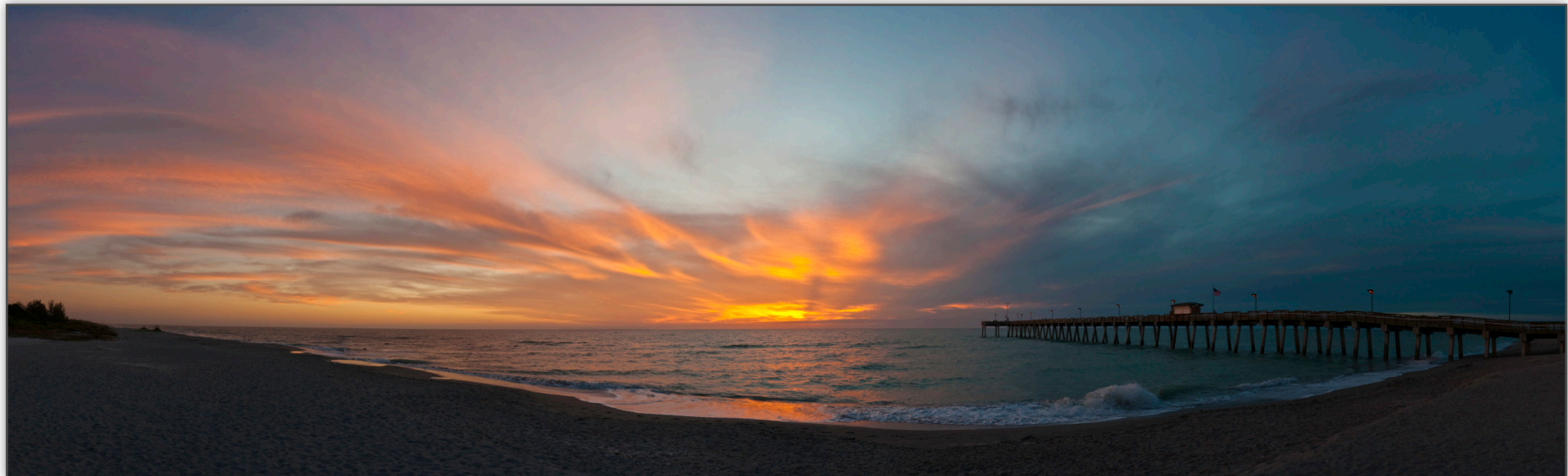
- Total Impact Throughout Florida's Economy:
- New Energy Sector Stimulates 34,000 jobs total
- Total Economic Activity Generated: \$6.4 billion per year
- Total impact is equivalent to Orlando's tourism sector





# Florida Can Set High, Modern Standard for Oil Exploration

- Not old-style exploration
- Learn from other states' experience
- Set the bar wherever you need
- Preserve the viewscape and protect environment
- Range of options available using latest technology





# Technology Options Exist

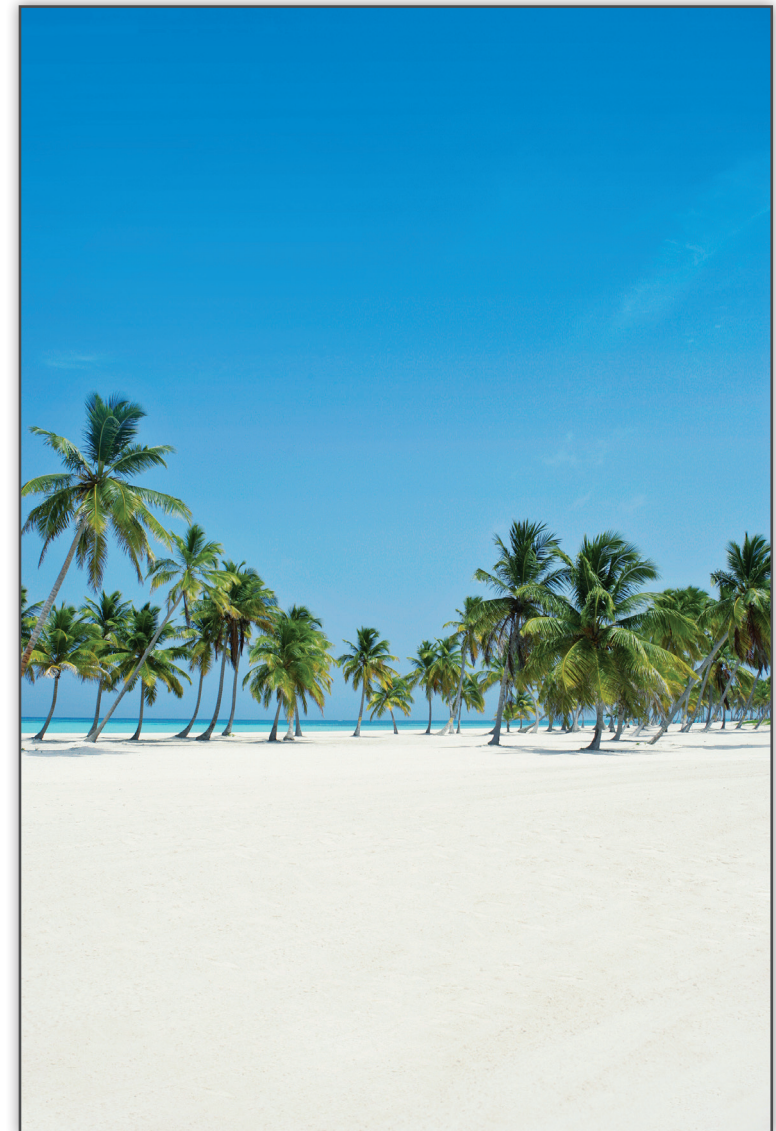
- Temporary offshore structures
- Sub-sea extraction
- Anchor barge beyond sightline
- Hovercraft
- Directional drilling from inland industrial site





# Florida's Beaches are Its Treasure

- Set a standard that protects beaches
- Oil exploration can co-exist with thriving tourist trade
- Avoid visual blight
- Generate revenues to fund land acquisition, beach renourishment, essential services
- Enhance Florida's quality of life
- Reduce exposure to tanker spills

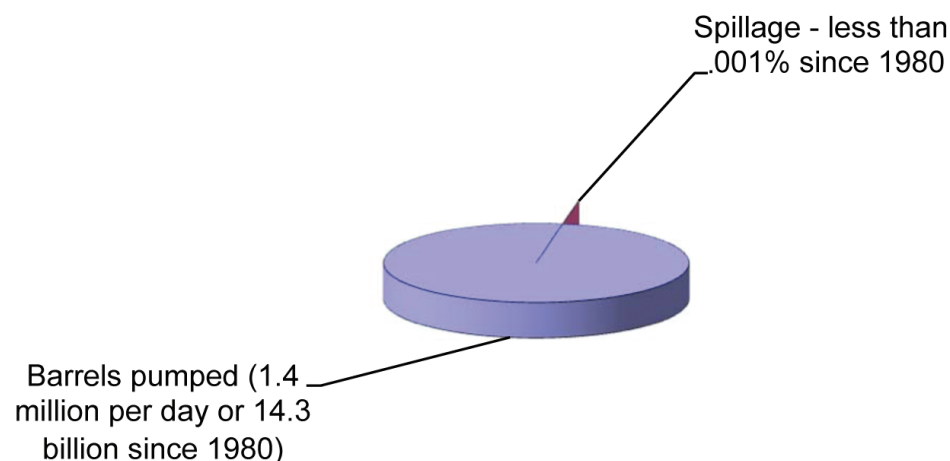




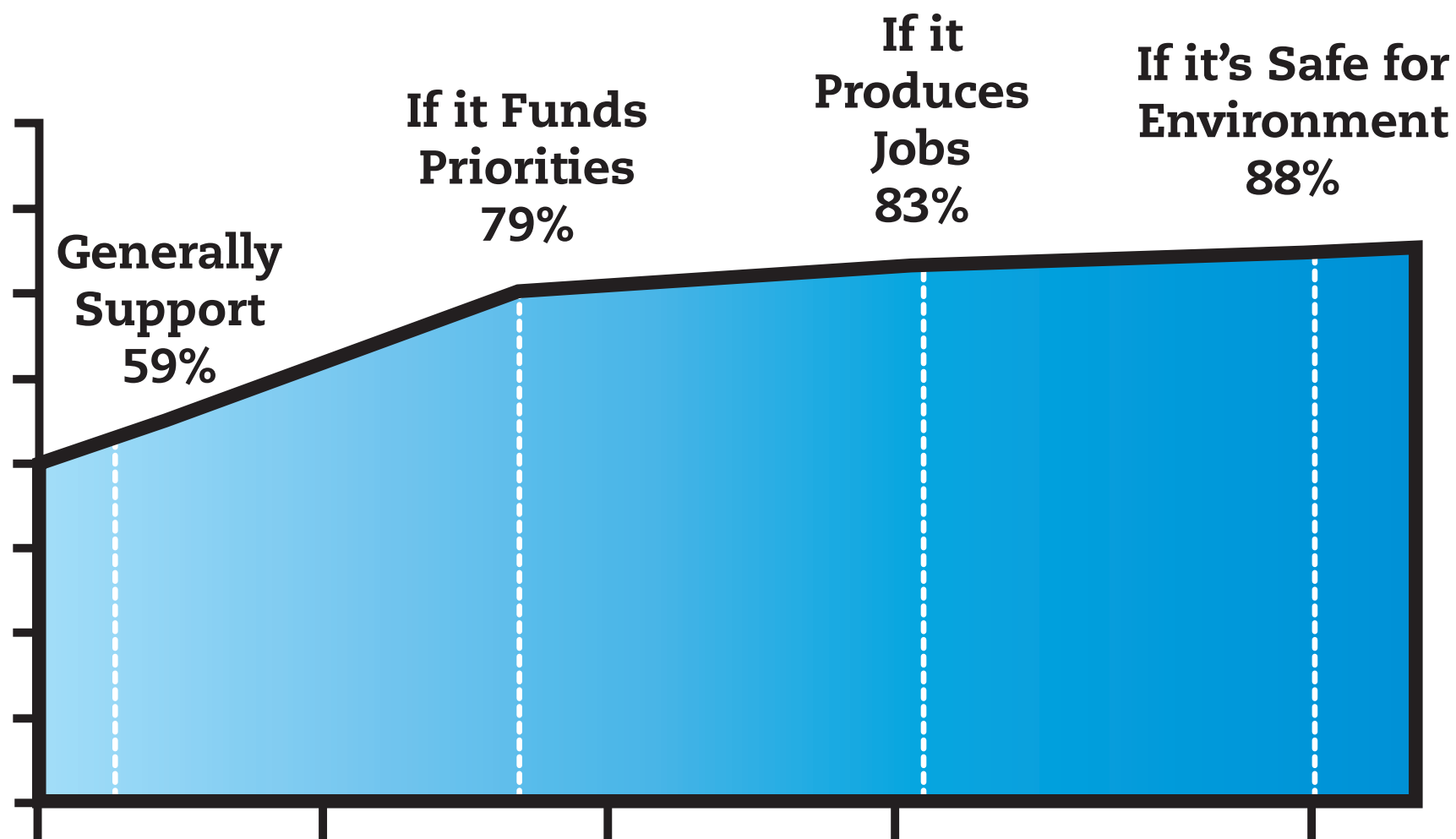
# Modern Energy Industry is Environmentally Safe

- New technology is environmentally protective
- No major spill in 30 years
- No spillages from major hurricanes
- Natural seepage accounts for virtually all of perceived “oil spills” in the Gulf
- Tankers are the biggest risk for spills
- Extensive state and federal regulations

**Safety of Current Offshore Leases**  
(Source: Minerals Management Service)



# New Poll Shows Strong Public Support for Oil Drilling Off of Florida's Coast





# Voters Support Oil Production, Not New Taxes

- When asked how to solve Florida's budget crisis, voters say...

