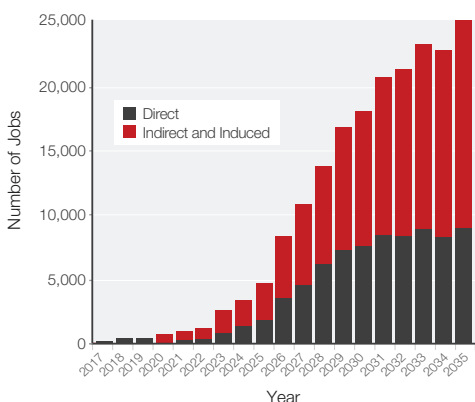




Virginia

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

Virginia is projected to receive the third highest levels of spending, employment and gross domestic product due to Atlantic offshore oil and natural gas development. Annual spending from Atlantic OCS oil and natural gas exploration and development activity in Virginia is projected to peak to nearly **\$1.8 billion in 2035**. Virginia is expected to see high spending levels due to the significant oil and gas development activity in the resource rich waters around the state.



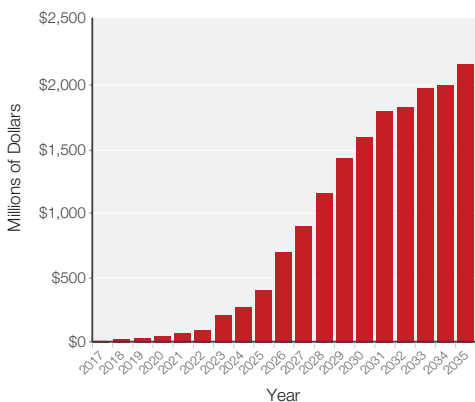
Employment Opportunity

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.

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