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PRESS RELEASE

For Immediate Release

**KOGA RELEASES 2014 OIL AND GAS PRODUCTION FIGURES:
BEREA SANDSTONE PROPELS LAWRENCE COUNTY
TO THE #1 OIL-PRODUCING COUNTY IN KENTUCKY**

INDUSTRY SEES GROWTH IN PRODUCTION VALUE & SEVERANCE REVENUES

FRANKFORT – The Kentucky Oil and Gas Association (“KOGA”) released the 2014 oil and gas production figures today. For the year, the total production value for oil and gas in Kentucky was \$719,801,799 -- an eight percent increase over 2013. Oil and gas severance revenues totaled \$32,381,698, exceeding 2013 severance revenues by \$2,453,758.

Kentucky oil production totaled 3,376,507 barrels, an increase of 483,894 barrels over 2013. A significant contributing factor to the increase in oil production was the production growth in Lawrence County, where production increased by 309,262 barrels last year. In 2014, Lawrence County became the number one oil producing county in Kentucky.

“Horizontal drilling in the Berea Sandstone is a game changer,” stated Andrew V. McNeill, KOGA’s Executive Director. “Kentucky’s small, independent operators are leading the way in deploying these technologies to responsibly develop Kentucky’s oil and gas resources.”

Lawrence and Greenup counties -- the two counties associated with Berea Sandstone development -- accounted for 21 percent of Kentucky’s total oil production. Henderson and Union counties, historically among Kentucky’s largest oil-producing counties, accounted for 15 percent of statewide oil production. Overall, oil production value in Kentucky was \$293,513,075 in 2014, an eight percent increase over 2013.

Kentucky's total natural gas production value for 2014 was \$426,288,724, up \$32,508,235 over the previous year. Pike, Floyd, Knott, Letcher, and Perry counties remain the top five natural gas producing counties in the state, combining for 81 percent of the state's natural gas production value.

"Kentucky's oil and gas regulatory framework strikes an important balance between promoting investment and protecting the environment," stated Rudy Vogt, President of KOGA's Board of Directors. "The consensus support behind HB 386 maintains that balance, giving the industry the regulatory certainty it needs to invest and create jobs while enhancing our commitment to the Commonwealth's environmental quality."

The oil and gas industry contributes more than \$1 billion in total economic impact to Kentucky's economy and provides more than 3,200 jobs. Jobs in Kentucky's oil and gas sector pay an average salary of \$75,000. Nationally, Kentucky ranks 22nd in oil production and 18th in natural gas production. In 2014, 33 Kentucky counties reported natural gas production and 61 counties reported oil production.

NOTE: Production, gross value and taxes paid are compiled by the Kentucky Department of Revenue.

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