



JOBS, REVENUE AND OPPORTUNITY FOR THE COMMONWEALTH

With nearly 600,000 Pennsylvanians out of work right now, Marcellus development slated to create more than 211,000 new jobs, deliver \$18 billion shot in the arm for state's economy

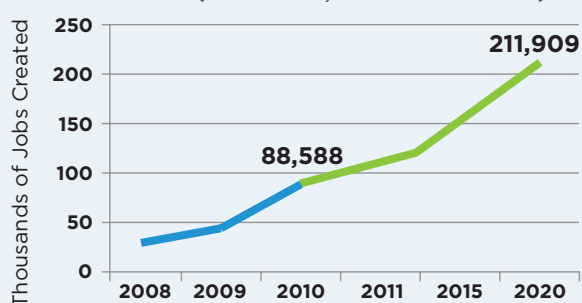
Nearly one out of every ten Pennsylvanians of working-age find themselves today without a working opportunity, a rate of unemployment for the state that's more than doubled over just the past two years. At the same time, and certainly not coincidentally, cash-strapped state and local governments are being forced to slash essential services across the Commonwealth, a function of seeing nearly 320,000 residents disappear from the state's employment rolls in just the past 36 months.

But while there are no easy answers or quick fixes in reversing an economic slide as rapid and severe as the one confronting our nation now, at least in Pennsylvania, we've got options. Among the most exciting? The safe and steady development of clean-burning natural gas resources from the Marcellus Shale responsible for creating more than 44,000 jobs, generating \$4.5 billion in economic value, and sending more than \$1.4 billion back in royalties to the state's landowners. By the end of 2010, those numbers are expected to double — and from there? **You're about to find out.**

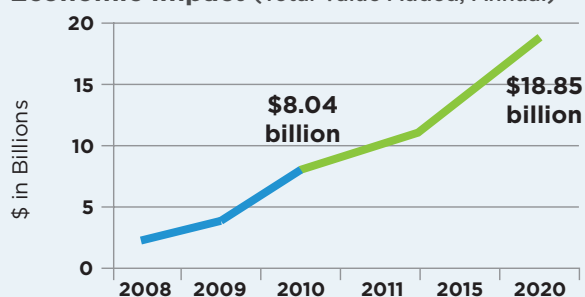
FAST FACTS

- \$4 million is invested in producing each Marcellus Shale well
- At 2,500 produced annually, Pennsylvania can expect to see \$10 billion invested in well site operations alone
- Each mile of Marcellus pipeline represents a nearly \$1 million investment into PA's economy
- For every \$1 invested in the state by Marcellus producers, \$1.90 in total economic output is generated.

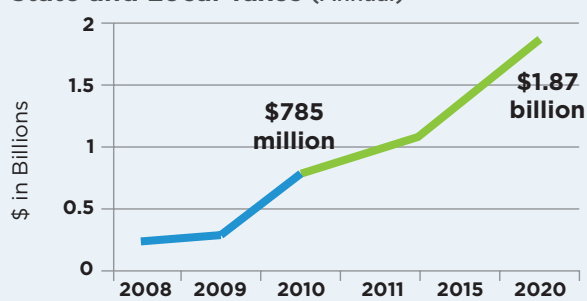
Jobs Created (Cumulative, Direct and Indirect)



Economic Impact (Total Value Added, Annual)



State and Local Taxes (Annual)



Source: Penn State University, July 2009, May 2010

The Marcellus Multiplier: Powering Pennsylvania's Supply Chain



SITE CONSTRUCTION & PREPARATION

- **DESCRIPTION:** Prepare site for the drilling process
- **FACT:** 5,000 tons of aggregate per location, using full-time operation of dozer, excavator and roller
- **LOCAL COMPANIES:** Cleveland Brothers, Mine Safety Appliances, Eaton Corp., Filtrexx, SunnySide Supply, John Gleim



PRODUCTION & SITE COMPLETION

- **DESCRIPTION:** Restoration of the site and maintenance of the producing well
- **FACT:** One Marcellus Shale well can produce enough clean-burning natural gas for 24,000 homes a year
- **LOCAL COMPANIES:** PPG, Eaton, Exterran, FLABEG, Caterpillar, Ariel Corporation



WELL PRODUCTION

- **DESCRIPTION:** Casing and drilling of the well
- **FACT:** 125 tons of locally produced cement per well
- **LOCAL COMPANIES:** Kennametal, United States Steel, Cleveland Brothers, Mine Safety Appliances, WireCo, JLG Industries, Inc., Vallourec SA, Nalco Chemical Co.



PIPING

- **DESCRIPTION:** Construction of flow lines at the site before natural gas enters gathering lines
- **FACT:** A single MSC company has invested \$75 million in PA for midstream Marcellus development
- **LOCAL COMPANIES:** United States Steel, Vallourec SA, Kennametal, Durabond, Otis Eastern, Precision Pipeline



TRANSPORTATION & LOGISTICS

- **DESCRIPTION:** Moving materials to and from the well site
- **FACT:** 180 rail cars of sand used for a single well
- **LOCAL COMPANIES:** Norfolk Southern, CSX Transportation, Reading & Northern Railroad Co., GE Transportation Systems, PGT Trucking, Wellsboro & Corning Railroad, Lycoming Valley Railroad Co., Lehigh Valley Railway, McJunkin-Redman Corp., Pipeco, Sooner



WATER MANAGEMENT

- **DESCRIPTION:** Water and materials management
- **FACT:** \$50,000 per well paid for water to local governments to reinvest
- **LOCAL COMPANIES:** United States Steel, Air Products and Chemicals, Inc., Siemens, Highland Tank, GE, Nalco

Profile of a "Marcellus Multiplied" Company

Manufacturing

U.S. Steel

Founded: 1901

What It Makes: Steel, sheet metal, flat-rolled metal, pipe



What It Says: "I would like to say, on behalf of the 3,000 employees who work at the Mon Valley, that the amount of steel that will be required for this emerging gas industry in Pennsylvania is certainly welcome news. And we look forward to providing a quality product for the natural gas supply chain in support of the Marcellus Shale development."

— Lisa Roudabush, general manager of processed products

Transportation

PGT Trucking

Founded: 1981

What It Does: Flatbed trucking and transportation services



What It Says: "We have already in the transportation industry seen a pickup in business related to the Marcellus Shale. And with these projections — 2,000-plus wells that will be new and operational each year, transportation of the pipe, drill heads, rigging, and other equipment supplies — not just for flatbed trucking, but for all phases of the trucking industry, is going to be a phenomenal thing."

— Joe Vargo, executive vice president

Restaurant/Hospitality

Shelly's Pike Inn

Founded: 1983

What It Serves: American, neighborhood cuisine

What It Says: "Business has improved since they've been drilling around here — quite a bit. And I'm really happy about it. I figure it's great for the area. The farmers have worked hard around here all their lives. Now they have an opportunity to get some extra money, maybe retire. It's a shame it didn't happen years ago."

— Greg McKelhaney, owner

