



THE ALASKA LNG OPPORTUNITY:

DEVELOPING A WORLD-CLASS LNG EXPORT PROJECT

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- AGDC Overview
- Alaska LNG Project
 - Gas Treatment Plant
 - Pipeline
 - LNG Facility
- Global Market
- Project Competitiveness
- Benefits to Alaska

***ALASKA MOVING
FORWARD***

- **Alaska Gasline Development Corporation (AGDC)**

- ✓ Public corporation owned by the State of Alaska.
- ✓ Empowered to expedite, finance, and build natural gas infrastructure.

- **Objectives of AGDC**

- ✓ Operate as a State Corporation.
- ✓ Develop state resources for the benefit of Alaskans.



Vision

Maximize the benefit of Alaska's vast North Slope natural gas resources through the development of infrastructure necessary to move the gas into local and international markets.

Integrated Gas Infrastructure Project

- **Gas Treatment Plant:**

- ✓ 200 acre site at Prudhoe Bay.
- ✓ Treat, compress and deliver 3.3 Bcf/d.

- **Pipeline:**

- ✓ 807-mile (1,287 km), 42-inch (1.1 m) pipe.
- ✓ 2,075 psig (143 bar) operating pressure.
- ✓ Ultimately delivers over 3.3 Bcf/d.

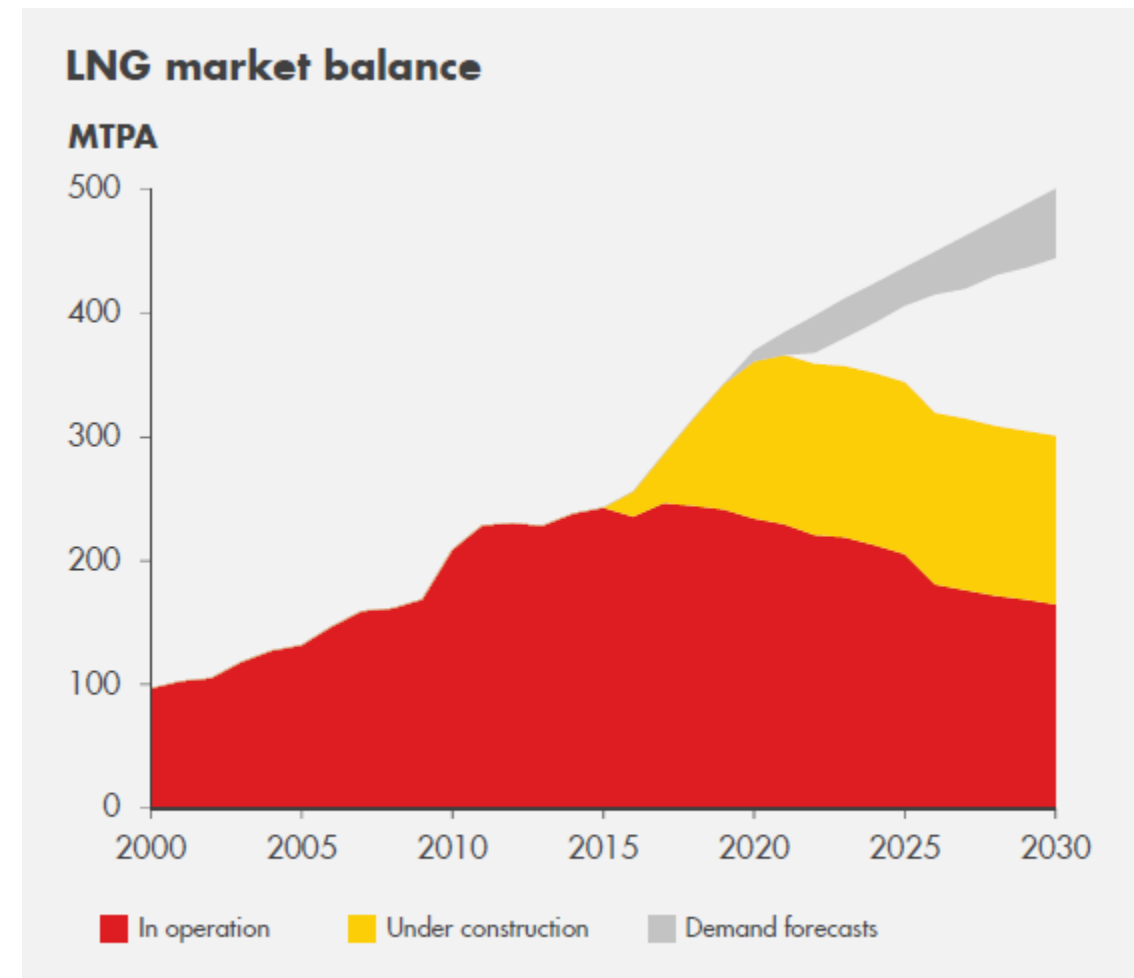
- **LNG Production Facility:**

- ✓ 20 MTPA; 3 trains with phased development opportunity.
- ✓ Two 240,000 m³ LNG storage tanks.
- ✓ Two berth jetty, capable of 217,000 m³ vessels.



GLOBAL LNG BALANCE

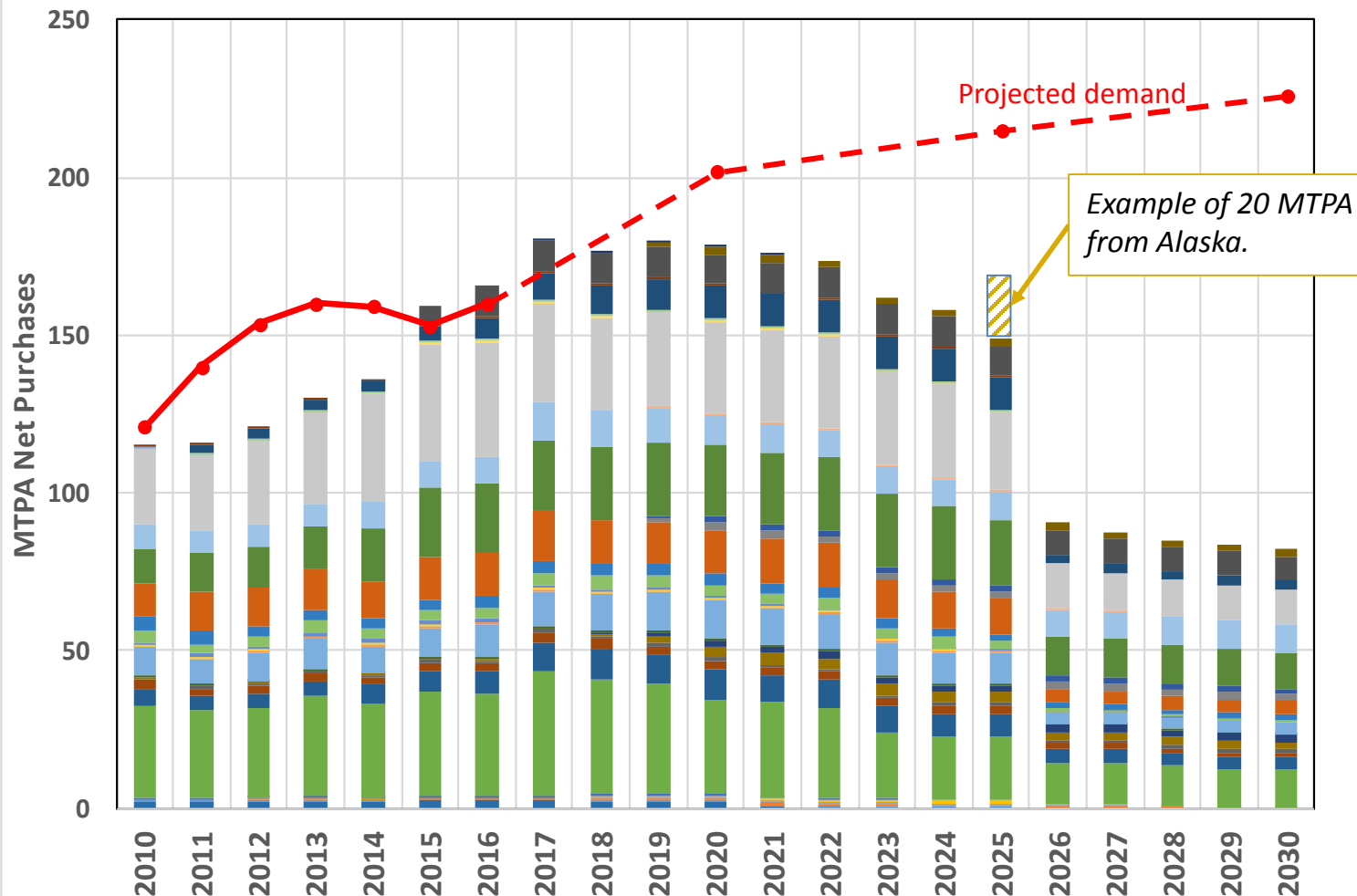
- Deficit starts in 2023.
- New sources of LNG will be needed at the same time Alaska LNG starts operation.



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ASIA LNG CONTRACTS EXPIRING MID-2020'S

Japan, Korea, Taiwan, China LNG Contracts and Demand



Note: Colored bar segments represent individual Asian LNG buyers

Source: Global NatGas Advisors LLC Analysis

- Asia represents over 70% of global LNG demand.
- Existing contracts expire in the same timeframe as a projected global shortfall in LNG supply.
- Global demand grew 7.5% in 2016, with Japan, Korea, Taiwan and China collectively up 4.6%.

ALASKA LNG CAPITAL STRUCTURE

Equity:

- ~\$10 Billion
- 8% Return

Alaska LNG Total:

- ~\$40 Billion
- 5.75% Cost of Capital

Non-Recourse Debt:

- ~\$30 Billion
- 5% Interest Rate

Alaska LNG as an Infrastructure Project

- 25% Equity investment.
- 75% Non-recourse debt.

Equity Investment

- Opportunity to earn 8% return on equity through initial period.
- State of Alaska has the opportunity to invest.

Non-Recourse Debt

- Non-recourse debt backed by long-term contracts.
- Does not create a liability for the equity owners.

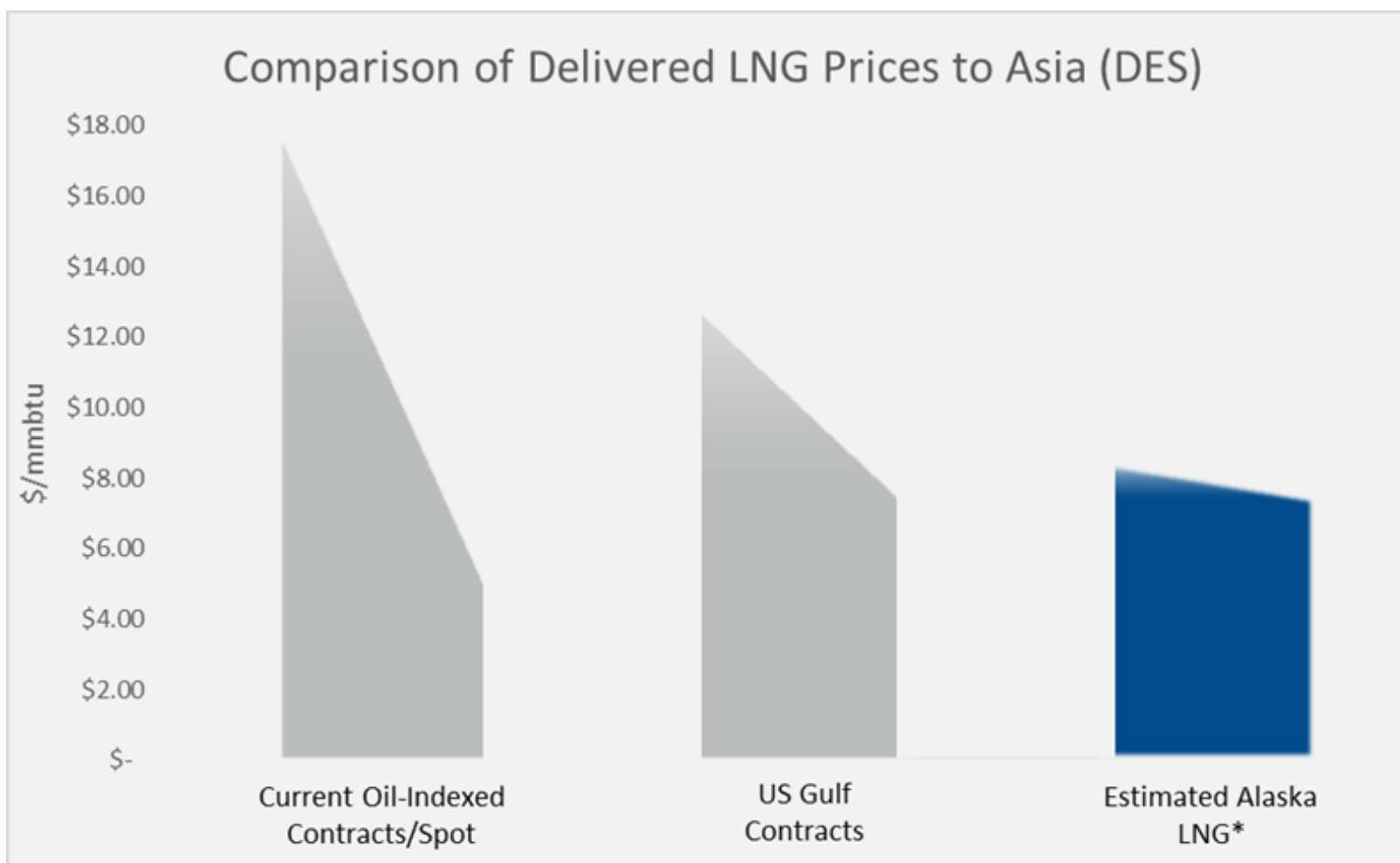
Note: Project may be phased to further reduce the initial capital requirement.

ALASKA LNG'S ADVANTAGES



- Ability to offer flexible pricing structures.
- Enormous well-proven, low-risk, producible gas resource.
- Known and stable regulatory and governmental process; plus royalty regime.
- Proximate, country-to-country direct transport; four decades of uninterrupted LNG exports.
- Sites, pipeline route extensively studied and engineered.
- Ability for phased development.
- Cold climate increases LNG production efficiency.
- Valuable contributor to bilateral trade relationships.

AGDC LED ALASKA LNG IS COMPETITIVE



Alaska LNG is competitive under the project finance structure with current market benchmarks.

Creates construction and long-term jobs

- During the peak of construction Alaska LNG could create between 9,000 to 12,000 direct jobs.
- 700 to 1,000 long term jobs created during the project operating phase (+ 30 years).

Long-term secure source of natural gas for in-state demand

- Alaska LNG can supply stable, low price natural gas for all current and future Alaska demand.
- Mitigates risk of Cook Inlet decline.
- Allows new communities and industries to use natural gas.

Increase North Slope oil production

- Extends the period Prudhoe Bay is economic to operate.
- Gas sales an additional source of revenue for new fields, improving their economics.
- Gasline will increase the probability of finding oil while exploring for gas that can be monetized.

Increase revenue to the State of Alaska

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ALASKA MOVING FORWARD



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