



FOR IMMEDIATE RELEASE

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AGDC and ConocoPhillips Execute MOU – Position for Next Steps

Singapore – The State of Alaska (through the Alaska Gasline Development Corporation, or AGDC) and ConocoPhillips Alaska Inc. have executed a Memorandum of Understanding (MOU) regarding negotiations to form a joint venture company (JV) that could facilitate marketing LNG from the Alaska LNG project to global LNG markets and acquire North Slope gas, with the goal of bringing LNG buyers and North Slope wellhead sellers together. AGDC and ConocoPhillips also intend to pursue the support of the other major North Slope producers in the formation of the JV.

This MOU is part of AGDC’s broader plan to position the Alaska LNG Project for a FEED decision. That plan includes key elements such as:

- structuring for federal and state tax efficiencies – including seeking a federal ruling on tax exempt status;
- advancing low-cost financing and investor options;
- engaging engineering, procurement & contracting companies with the ability to shoulder a significant part of the construction risk;
- enrolling major North Slope producers to commit their gas to the planned JV or tolling arrangements with the project; and
- positioning a JV company to engage the LNG market to gauge the extent and timing of demand.

The MOU focuses on leveraging the strengths of the parties to advance the goal of economic commercialization of the vast North Slope natural gas resources.

The MOU anticipates activities that include raising market awareness of the Alaska North Slope gas resource and the Alaska LNG project. Active sales and negotiation activities with global buyers could begin once the JV has been successfully formed.

“The AGDC board welcomes the commercial progress made by AGDC under the leadership of President Meyer as evidenced by this agreement,” said Dave Cruz, Chairman of AGDC.

“We are pleased to be working with ConocoPhillips, the leader in Alaskan LNG, in this important phase of Alaska’s major infrastructure project,” said Keith Meyer, President of AGDC.

Once established, it is anticipated that the JV would focus initially on gathering LNG market information in support of the JV’s pursuit of gas and LNG sales agreements as the project moves forward.

The JV would also seek to establish terms for a sufficient and reliable supply of gas to the project, resolving longstanding project gas supply assurance issues. The MOU anticipates that other

producers or third parties could join the JV, make gas available via wellhead sales, or commit to tolling arrangements with the Alaska LNG Project.

About Alaska Gasline Development Corporation

The Alaska Gasline Development Corporation (AGDC) is an independent, public corporation of the State of Alaska. Advancing the development and construction of a North Slope natural gas pipeline and LNG export project is its top priority. AGDC is charged with securing a long-term energy supply for Alaskans. Visit www.agdc.us for up to date information.

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