

PRESS RELEASE

For Immediate Release

Contact

Rosetta Alcantra
Vice President, Communications
ralcantra@agdc.us
+1 (907) 330-6358

AGDC Gains Favorable IRS Tax Exemption Status

August 8, 2017 – Anchorage, Alaska – In a recent ruling, the U.S. Internal Revenue Service determined the Alaska Gasline Development Corporation (AGDC) qualifies as a tax-exempt political subdivision of the State of Alaska under new and more stringent proposed IRS regulations.

“This is great news for the corporation and the Alaska LNG project,” stated AGDC President Keith Meyer. “Receiving a favorable tax ruling from the IRS was one of the expectations of the transition of the Alaska LNG project to state leadership. The favorable ruling from the IRS will provide significant maneuvering room as we shape the financial structure of the Alaska LNG project. This is our next great energy project as a state and important for America to move into a position of major energy supplier to our overseas trading partners.”

As a political subdivision, AGDC will not be subject to federal income tax and can issue tax-exempt debt. The federal tax exemption can further reduce the cost of service on the system and can increase the competitiveness of the project while also improving overall returns to project stakeholders.

AGDC was not dependent on this ruling to make Alaska LNG economically viable; however, the ruling creates the opportunity, under the right conditions, for lower cost debt financing and makes the project even more competitive.

###

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 terminal 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.