

Alaska's Energy Opportunity for Japan

World Trade Center
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My Role with AGDC

- **Background:**
 - More than 37 years of experience in the oil and gas industry.
 - Previously executive vice president at the Mitsubishi Corporation.
 - Gained worldwide knowledge in LNG commerce.
 - Bachelor's degree in commerce from Hitotsubashi University.
- **Role:**
 - Maintains corporate presence in Japan.
 - Responsible for client management.
 - Advises on marketing and networking in Japan.
 - Downtown Tokyo office:
 - Entities in Japan have a local official they can meet with to discuss the LNG project.

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

- Public corporation owned by the State of Alaska.
- Empowered to expedite, finance, and build a gas project.
- *AGDC is Alaska's natural gas infrastructure development company.*



- **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.

Project Update

- **Gas Treatment Plant:**

- Treat and compress 3.5 Bcf/d.
- Remove all CO₂.

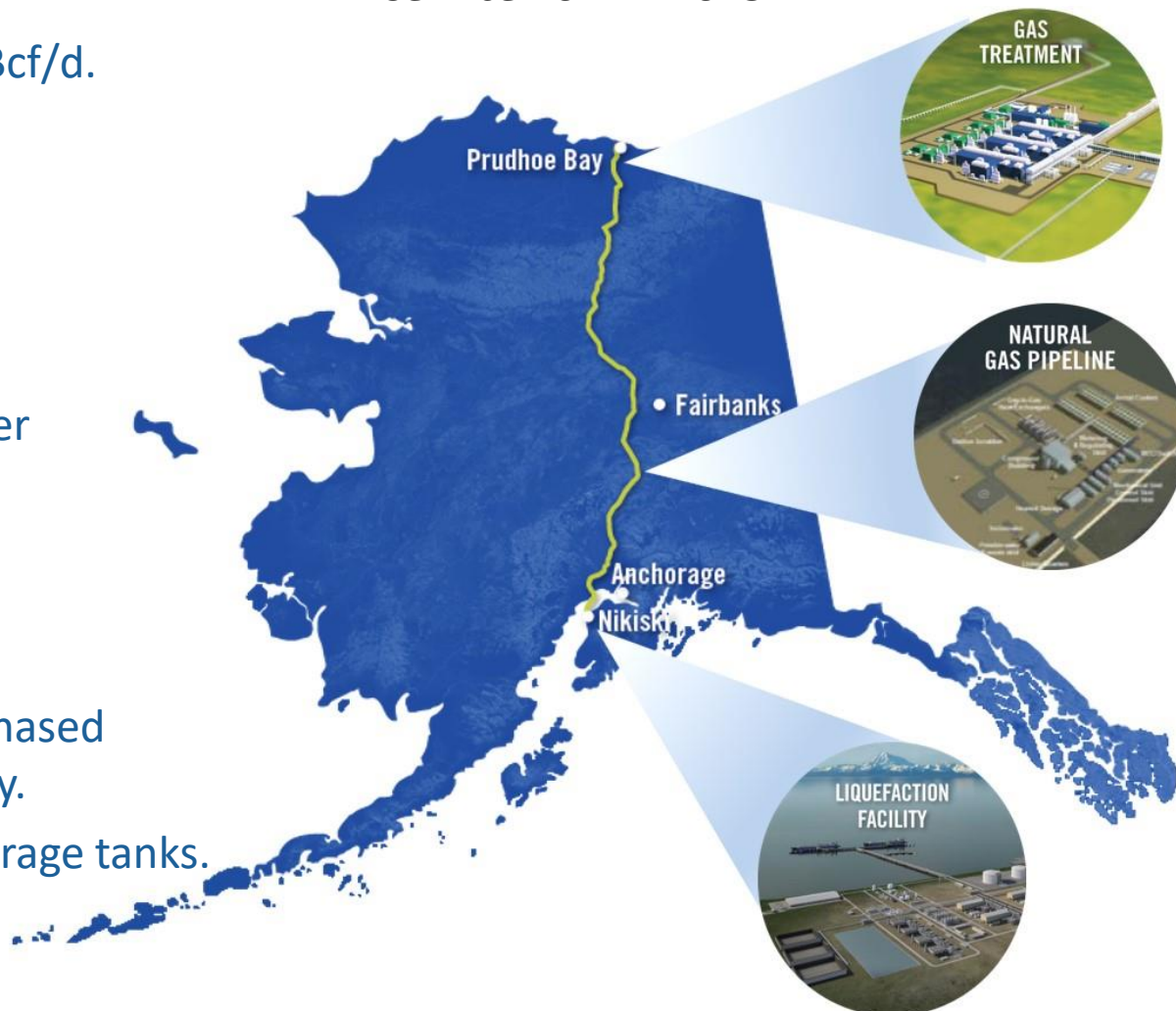
- **Pipeline:**

- 807-mile (1,299 km), 42-inch (1.1 m) pipe.
- Established corridor under State of Alaska control.
- Delivers over 3.3 Bcf/d.

- **LNG Production Facility:**

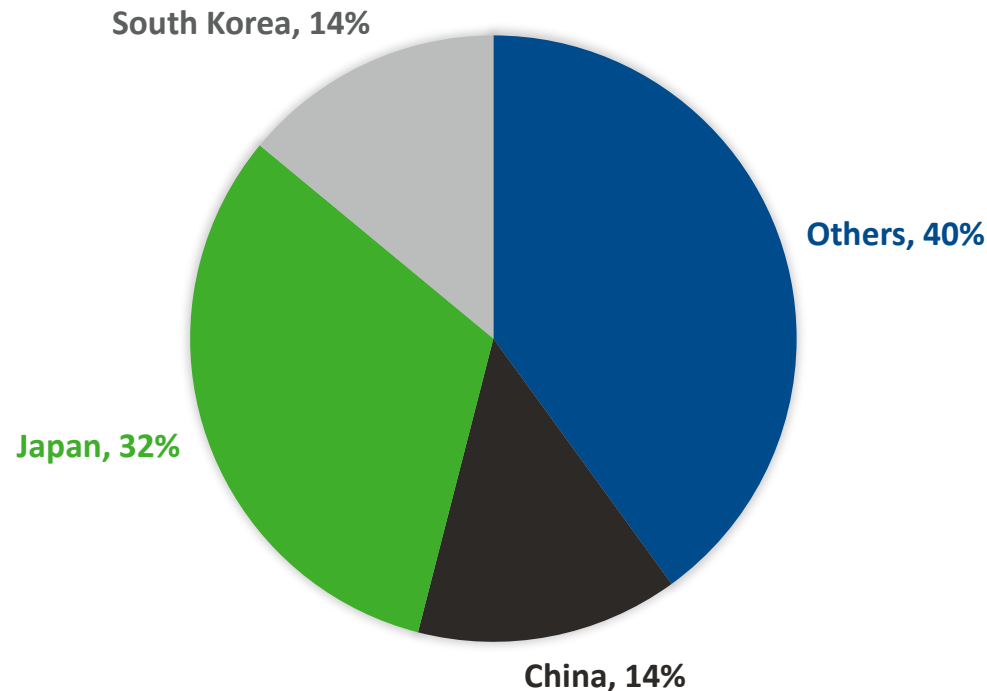
- 20 MTPA; 3 trains with phased development opportunity.
- Two 240,000 m³ LNG storage tanks.
- Two berths, capable of 217,000 m³ vessels.

In-service 2024 – 2025.

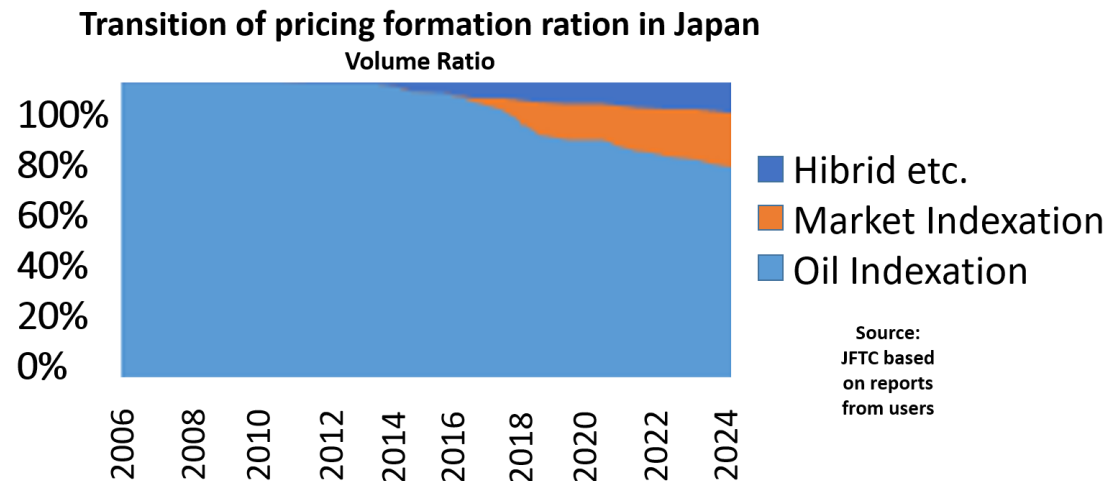


- Japan, China and South Korea together make up 60% of the world LNG purchases in 2017.

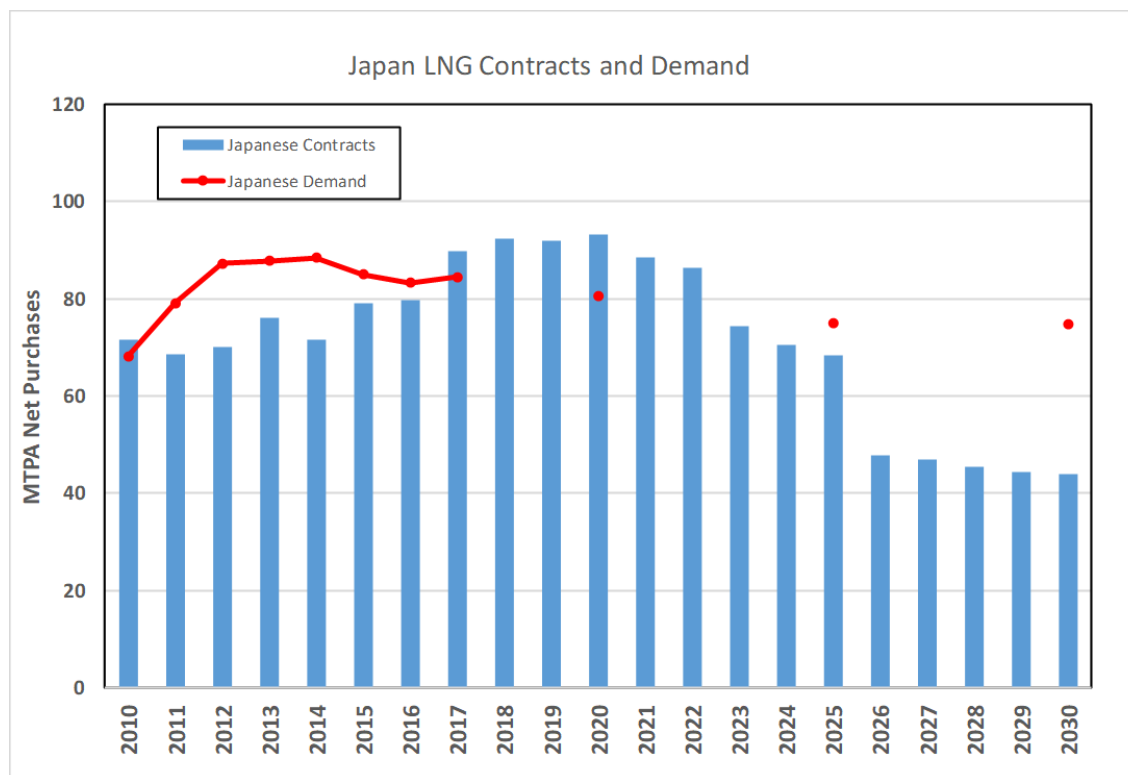
GLOBAL LNG DEMAND SHARE



- Japan moved its energy focus to the LNG market, since the Great East Japan Earthquake and the Fukushima nuclear plant accident.
- Now, Japan is the largest liquefied natural gas (LNG) buyer in the world, importing almost 84 million tons in 2017.
- Current LNG market faced with some uncertainty in short-term due to restart of some nuclear facilities and deregulation in both the retail power and retail gas market. But there are Japanese companies looking to help create other demand centers in Asia-Pacific region.
- Japan is still looking to diversify its supply portfolio in sources of LNG and pricing formulas.

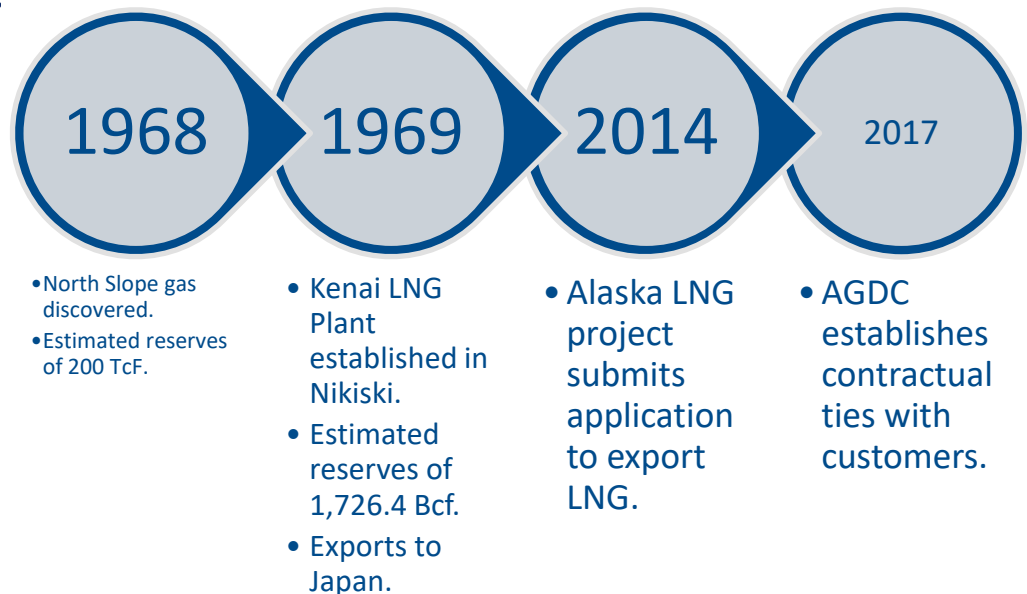


Japan LNG Demand



- **Japanese Free Trade Commission (JFTC) released report in June 28, 2017:**
 - Report recommends that LNG sellers not impose destination clauses – primarily impacts existing projects.
 - The Alaska project is perfectly positioned to be in compliance with report recommendations.

- Alaska LNG is a great opportunity for Japan, U.S., and Alaska.
- Infrastructure, energy, and job creation for both nations.
- Significant trade balance contribution.
- Legacy to invest in the future.
- Building upon historic relationship - Alaska was the first LNG seller to Japan.



Marketing Effort: Asia-Pacific

- **G2G Interaction:**
 - High level government engagement.
- **Potential customers coming to Alaska:**
 - Alaska LNG summit.
 - Individual customer visits.
- **Engaging potential customers:**
 - Focus on China, Japan, Korea, SE Asia.
 - Meetings in Asia and Alaska.
- **Advancing the contracting process:**
 - Initial non-binding indication of interest.
 - Binding bankable agreement.



Michiaki Hirose, president of Tokyo Gas said, “For more than forty-years Tokyo Gas received shipments of LNG from Alaska. As the closest source of North American LNG to Japan, with a shipping time of as little as seven days point to point, Alaska LNG is naturally an economic and reliable source of LNG for Tokyo Gas.”



Tokyo Gas dinner at the Governor's Mansion.



In December 2017, AGDC signed a letter of intent with Japan's Tokyo Gas for the sale and purchase of LNG from Alaska LNG project.

The Alaska LNG Project

- **Needed:**

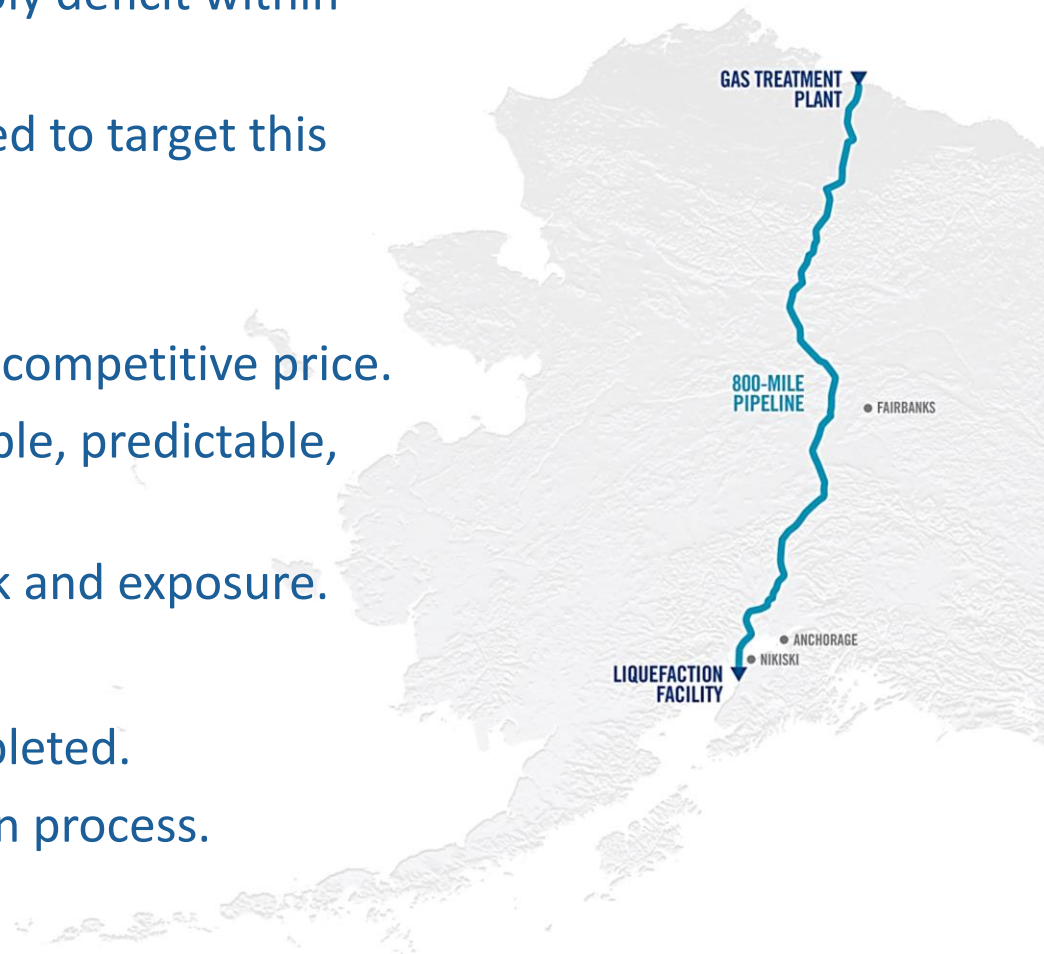
- Asia market will face a supply deficit within seven years.
- Alaska LNG is well positioned to target this supply deficit.

- **Competitive:**

- Alaska can deliver LNG at a competitive price.
- Alaska LNG will provide stable, predictable, long-term security.
- Project phasing reduces risk and exposure.

- **Achievable:**

- Pre-FEED engineering completed.
- Environmental approval is in process.
- In-service 2024 - 2025.





The stars are aligned, seize the opportunity.



Big project. Achievable. Alaskans have done it before.

Get Involved.

Get Ready.

Get Engaged.



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