

Seward Community Meeting

The Stars are Aligned for Alaska LNG
February 2018

Rosetta Alcantra, VP of Communications



- **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.

ALASKA
GASLINE
DEVELOPMENT CORP.

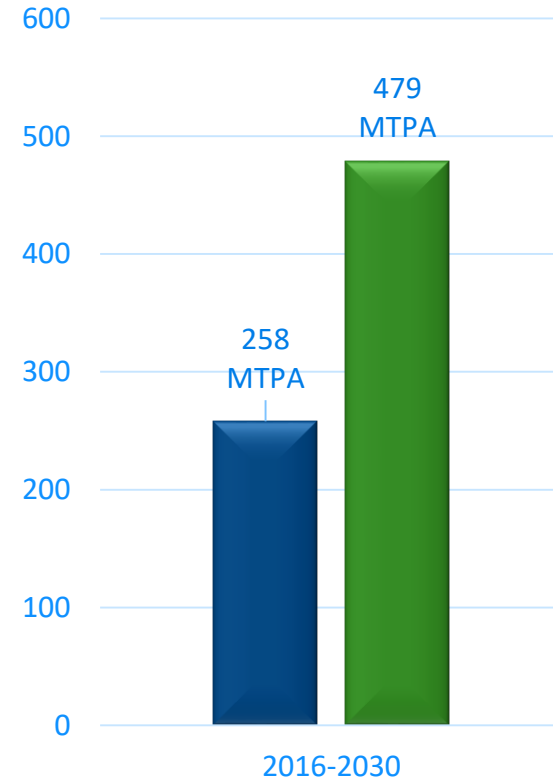
What is LNG?

LNG = Liquefied Natural Gas.

- Natural gas is the cleanest burning fossil fuel.
- LNG emits 50 percent less carbon dioxide than coal when you burn it.
- Global energy demand is expected to double by 2050.
- LNG is a growth industry – \$250 Billion annual by 2030.

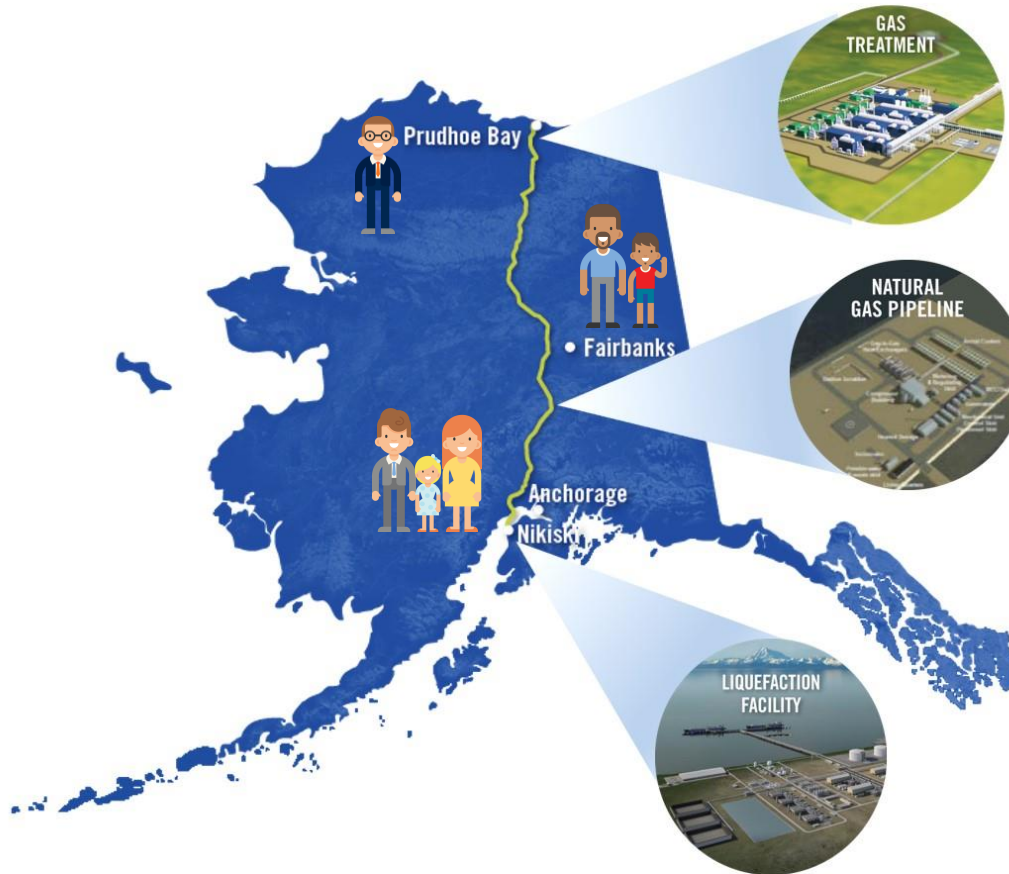


Global LNG Demand
(86% increase)



Benefits for Alaskans

CLEAN ENERGY. STABLE GAS SUPPLY. JOBS FOR ALASKANS.

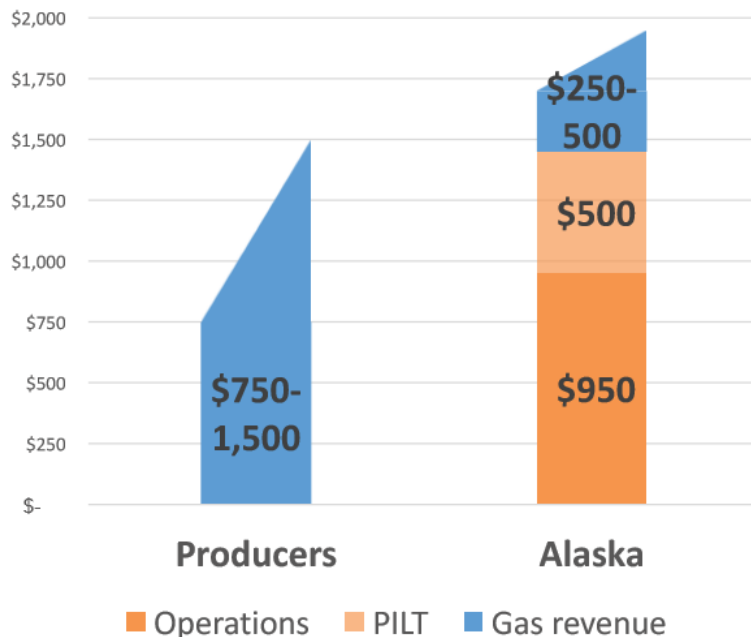


In-service 2024 – 2025.

Non-Equity Benefits to Alaska

The gasline and LNG infrastructure provides enormous value to Alaska; there is a significant opportunity cost of not developing the project.

**Payments Outside of Debt and Equity
(2025 \$Millions)**

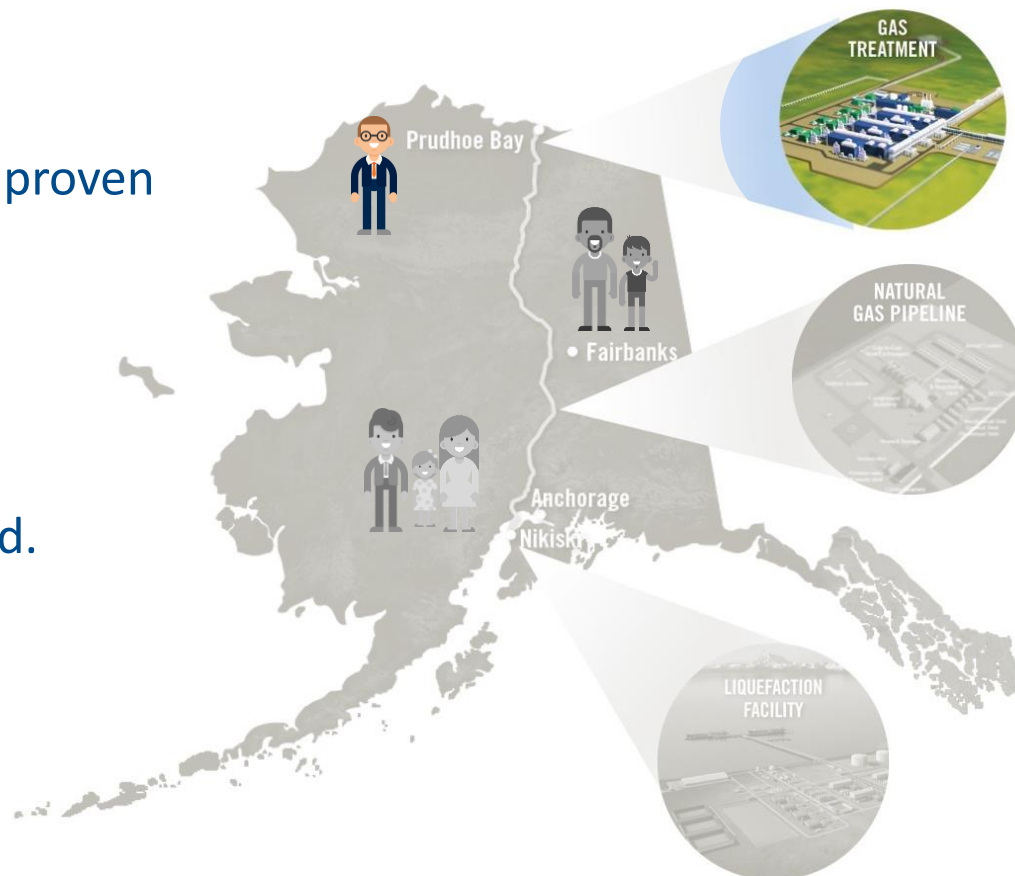


Item	Annual Value	State's Share/yr	
Gas Resource	1 TCF/yr @ \$1-2/Mcf =\$1-2 Billion	25%	\$250-500+ MM
PILT	\$450-500 MM	100%	\$450-500 MM
Operations	\$950 MM	100%	\$950 MM
Equity Return	\$1.1 Billion	0 to 100%	
Net Revenue After Debt Retirement	\$6 Billion	0 to 100%	

- Opportunity for the State to generate \$1.6-\$2.0B per year upon project completion.
- Alaska can elect to be an equity investor.
- Significant upside opportunity given long-term LNG price forecasts.

Gas Treatment Plant

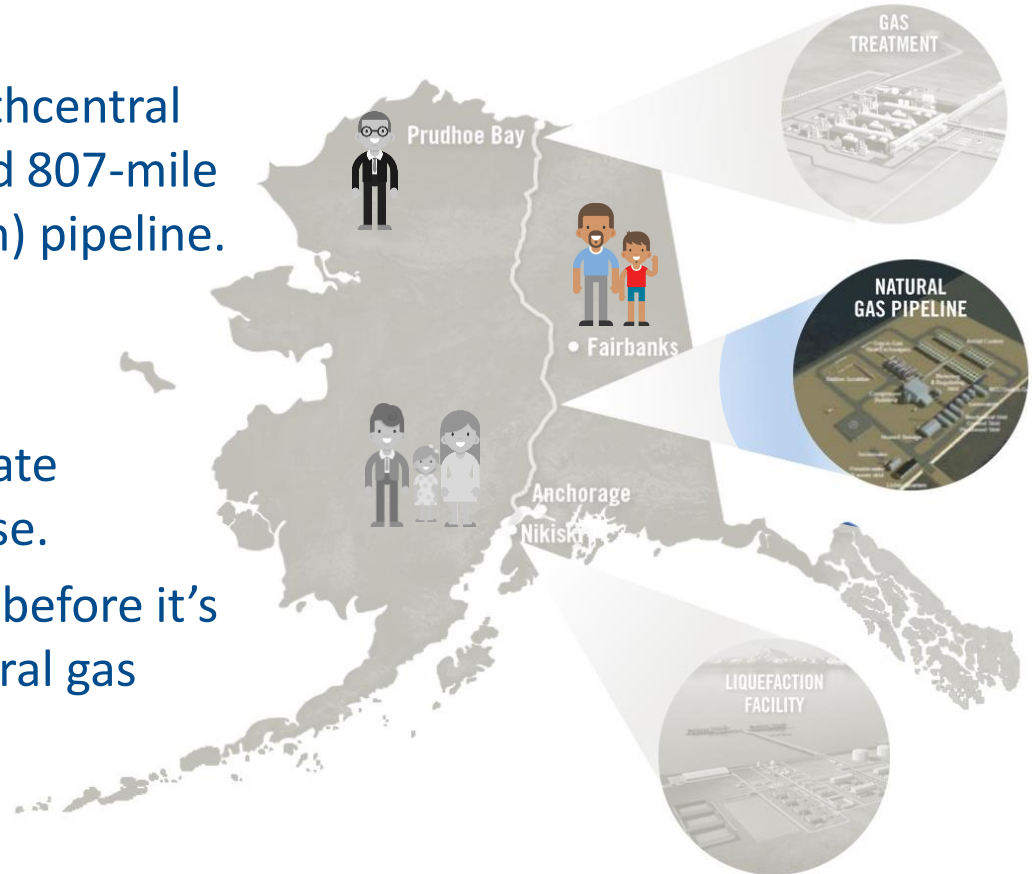
- **Alaska's North Slope**
 - 35 Trillion cubic feet (Tcf) of proven natural gas resources.
 - Existing infrastructure and workforce.
- **Gas Treatment Plant:**
 - Treat and compress 3.5 Bcf/d.
 - Remove carbon dioxide.



Pipeline

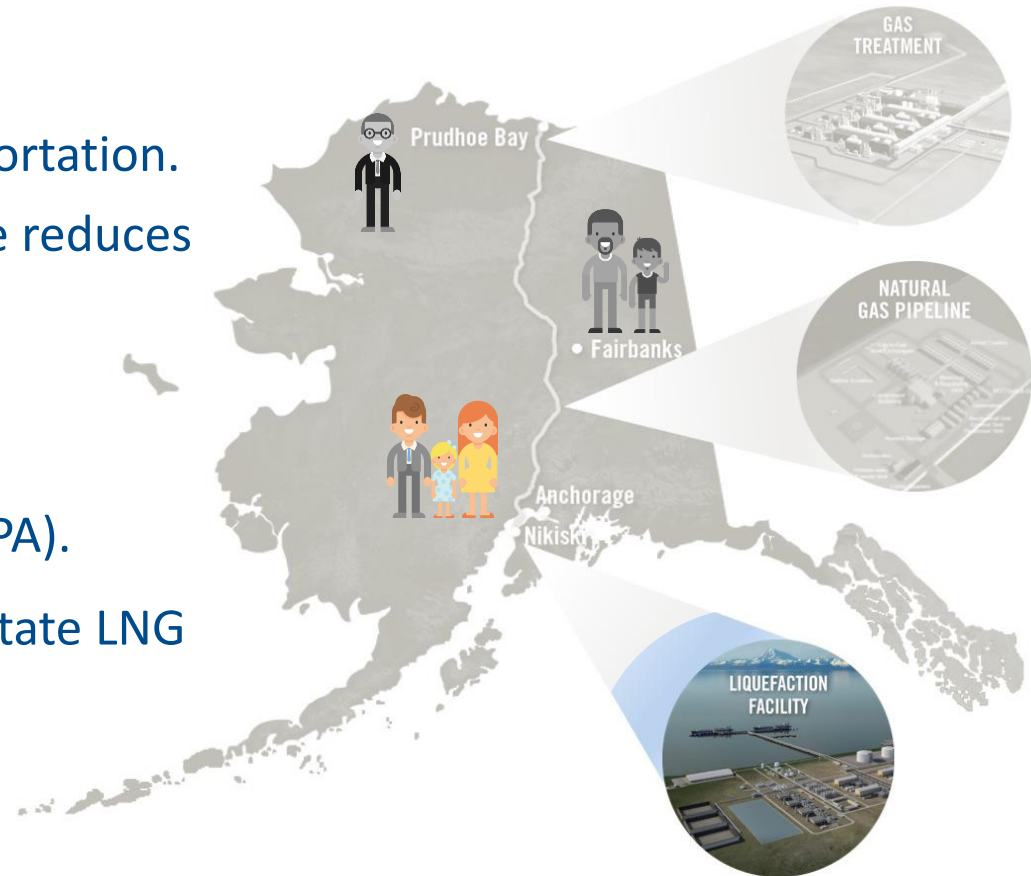
- **Pipeline:**

- Gas is transported to Southcentral Alaska via an underground 807-mile (1,299 km), 42-inch (1.1 m) pipeline.
- Established corridor.
- Delivers over 3.3 Bcf/d.
- Multiple offtakes for in-state domestic and industrial use.
- Alaskans will get gas first, before it's turned into liquefied natural gas (LNG) for export.



LNG Plant

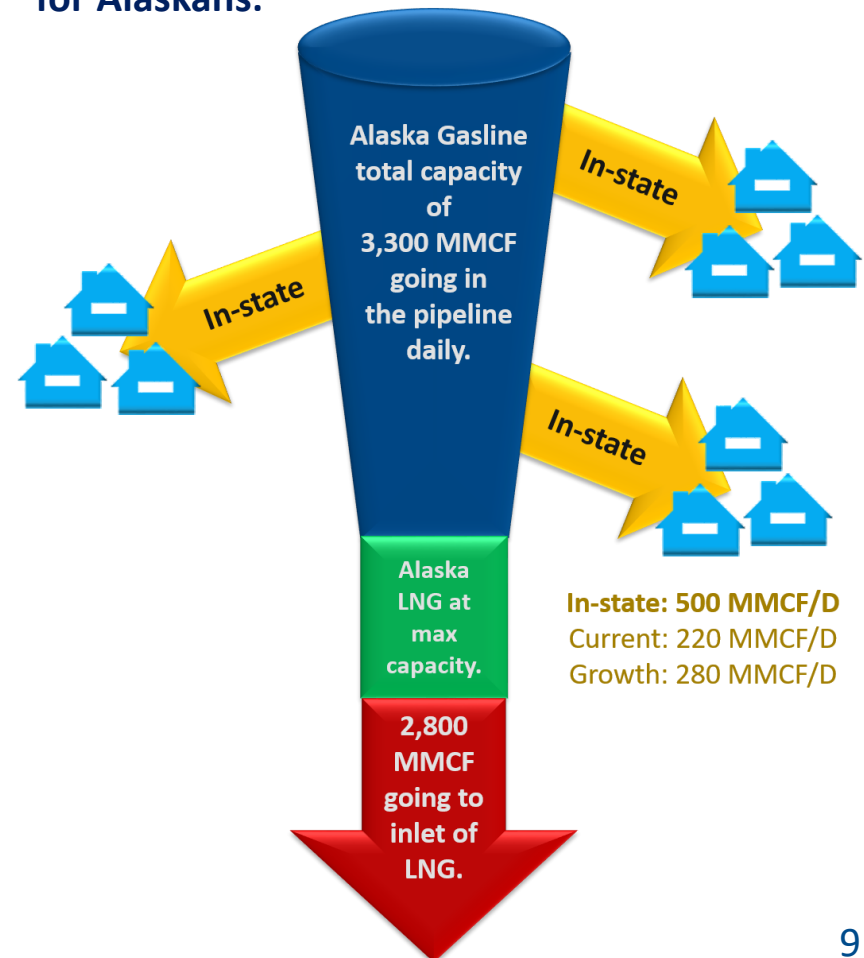
- **LNG Plant:**
 - Located in Nikiski.
 - Natural gas liquefied for transportation.
 - When super chilled volume reduces to 1/600 its gaseous form.
 - LNG is loaded onto specialized ships for transport.
 - 20 Metric tons per annum (MTPA).
 - Opportunity for small scale in-state LNG distribution.



TOP PRIORITY: GAS FOR ALASKANS

- **Stable Prices.**
- **Energy for all of Alaska:**
 - Offtakes to communities and projects along the Alaska Gasline.
 - Small scale LNG distribution.
 - No risk of Alaskans' gas going to Asia.

Alaska LNG System Design Guarantees Gas for Alaskans:

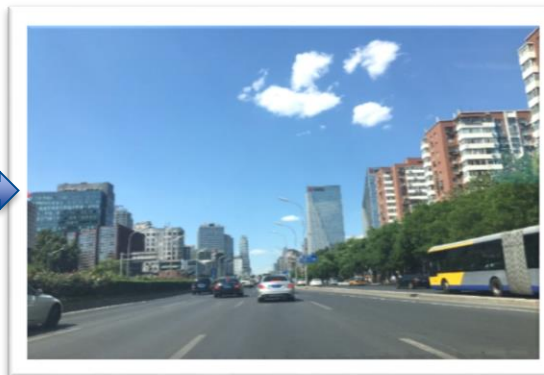


Clean Energy for Alaskans

- Clean air in Alaska.
- Blue skies in China.
- Alaska LNG will improve China's air quality and offset 80 million tonnes of CO₂ per Year.



The Alaska Gasline will provide clean fuel to reduce particulate pollution.



- **Alaska LNG will create a construction employment boom with a long-term employment future:**
 - **12,000** jobs during construction.
 - **1,000** long-term operations jobs.

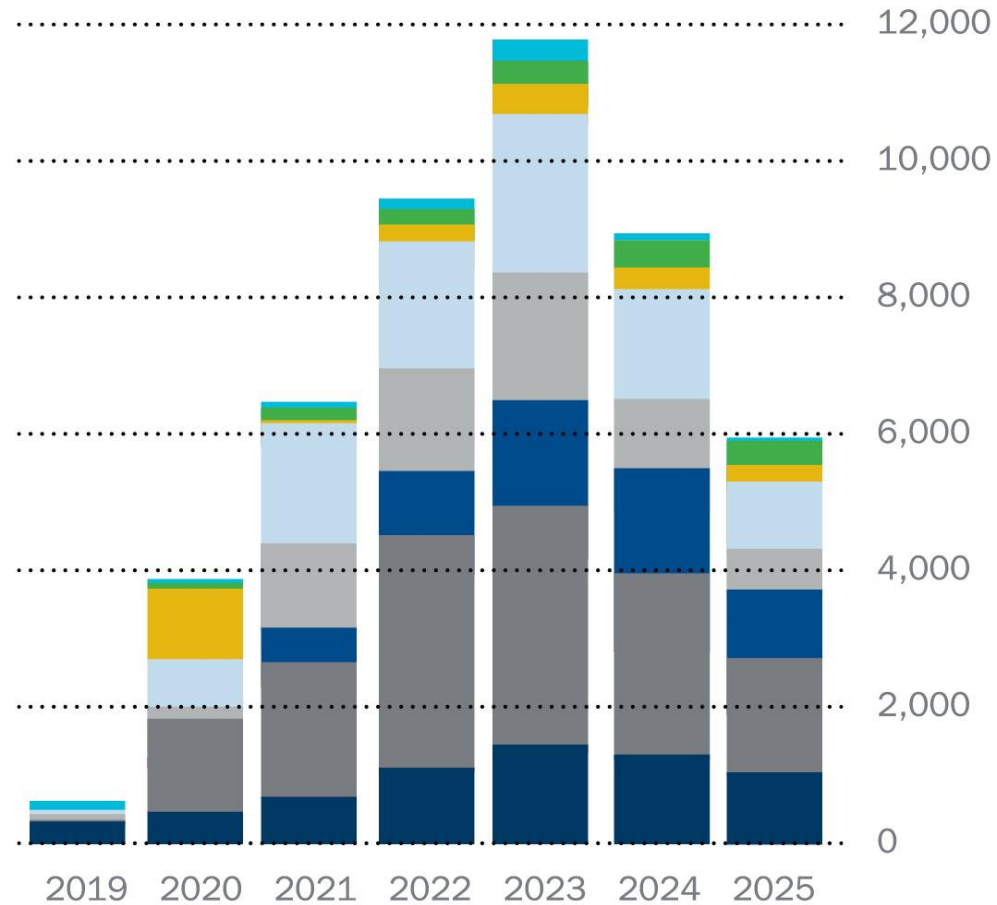


Jobs for Alaskans

Direct Hires at Peak

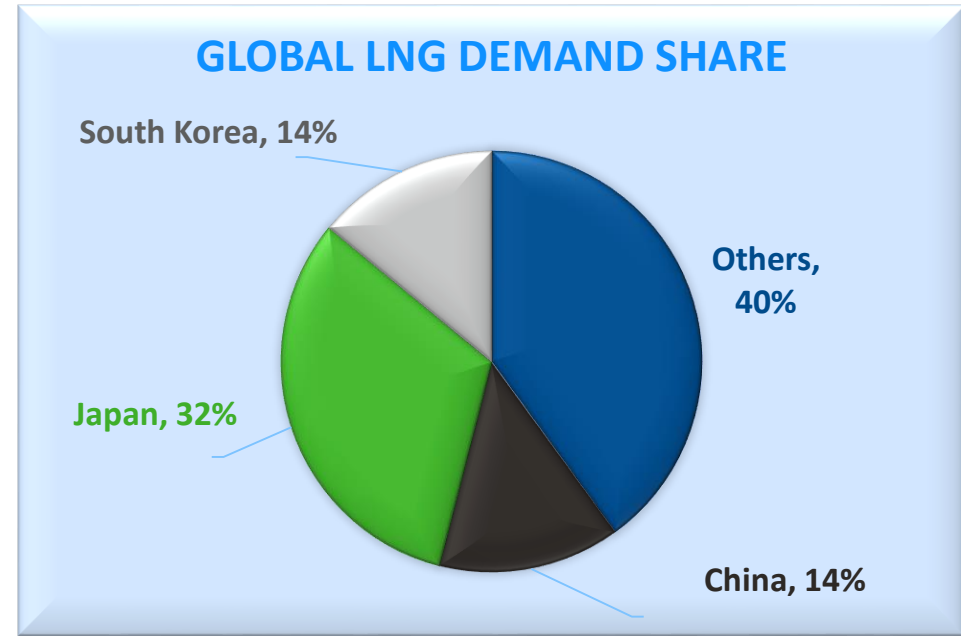


Direct Hires by Year and Type



Every trade will be needed to construct the Alaska LNG.

- Asia is the largest LNG market.
- Environmental concerns in China have caused a mandated shift to gas.
- Demand for natural gas has grown dramatically, outpacing the ability to produce domestically.
- LNG import capacity is increasing rapidly to help satisfy future demand.
- Chinese President Xi's address to the 19th Party Congress mentioned "environment" 89 times.
- "China is very serious about constructing an ongoing, mutually beneficial relationship with Alaska," Chinese Deputy Consul General Ren Faqiang.



Commercial Agreements

- **AGDC has signed agreements with:**
 - Japan – Tokyo Gas Co., Ltd.
 - Vietnam – PetroVietnam Gas.
 - South Korea – Korea Gas Corporation (KOGAS).
 - China:
 - Sinopec: World's largest integrated oil company.
 - Bank of China: World's 4th largest bank.
 - CIC Capital: World's 3rd largest sovereign wealth fund.



AGDC and Tokyo Gas Co., Ltd. sign LOI in Tokyo, Japan;
December 4, 2017.

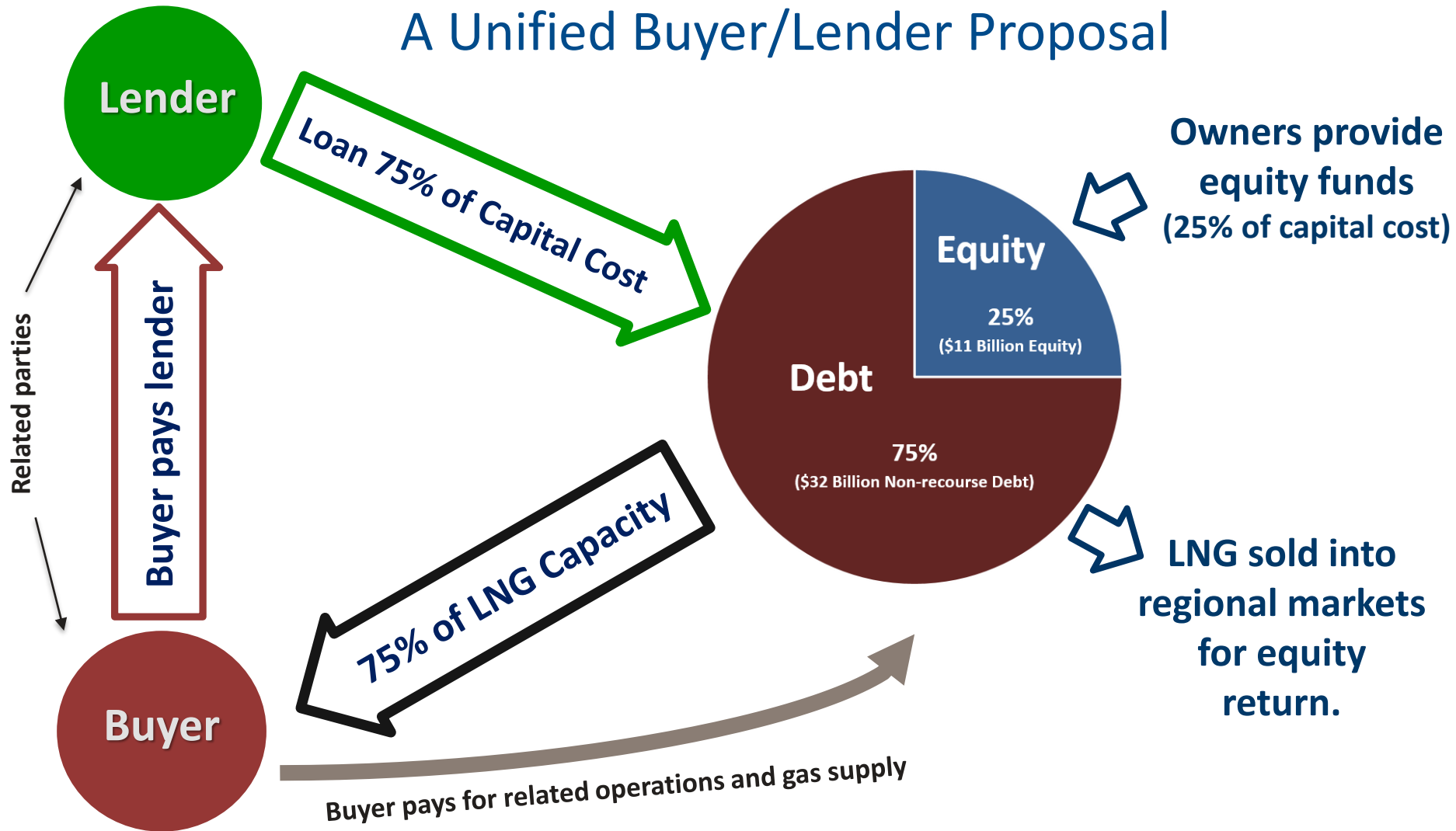


Joint Development Agreement signing in Beijing, China; 2017.

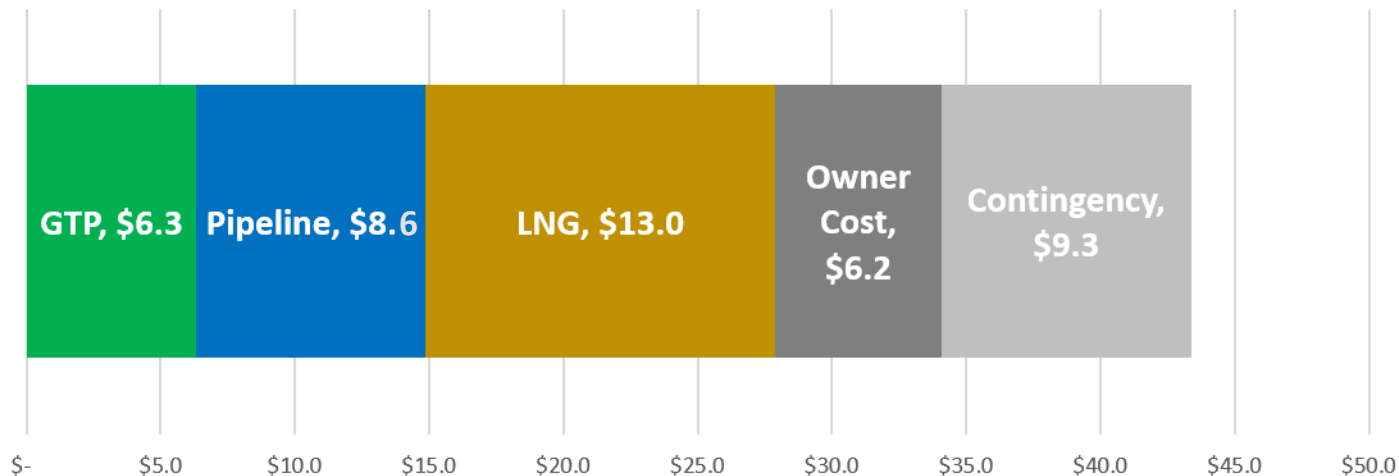


AGDC and KOGAS sign MOU in Washington,
D.C.; June 28, 2017.

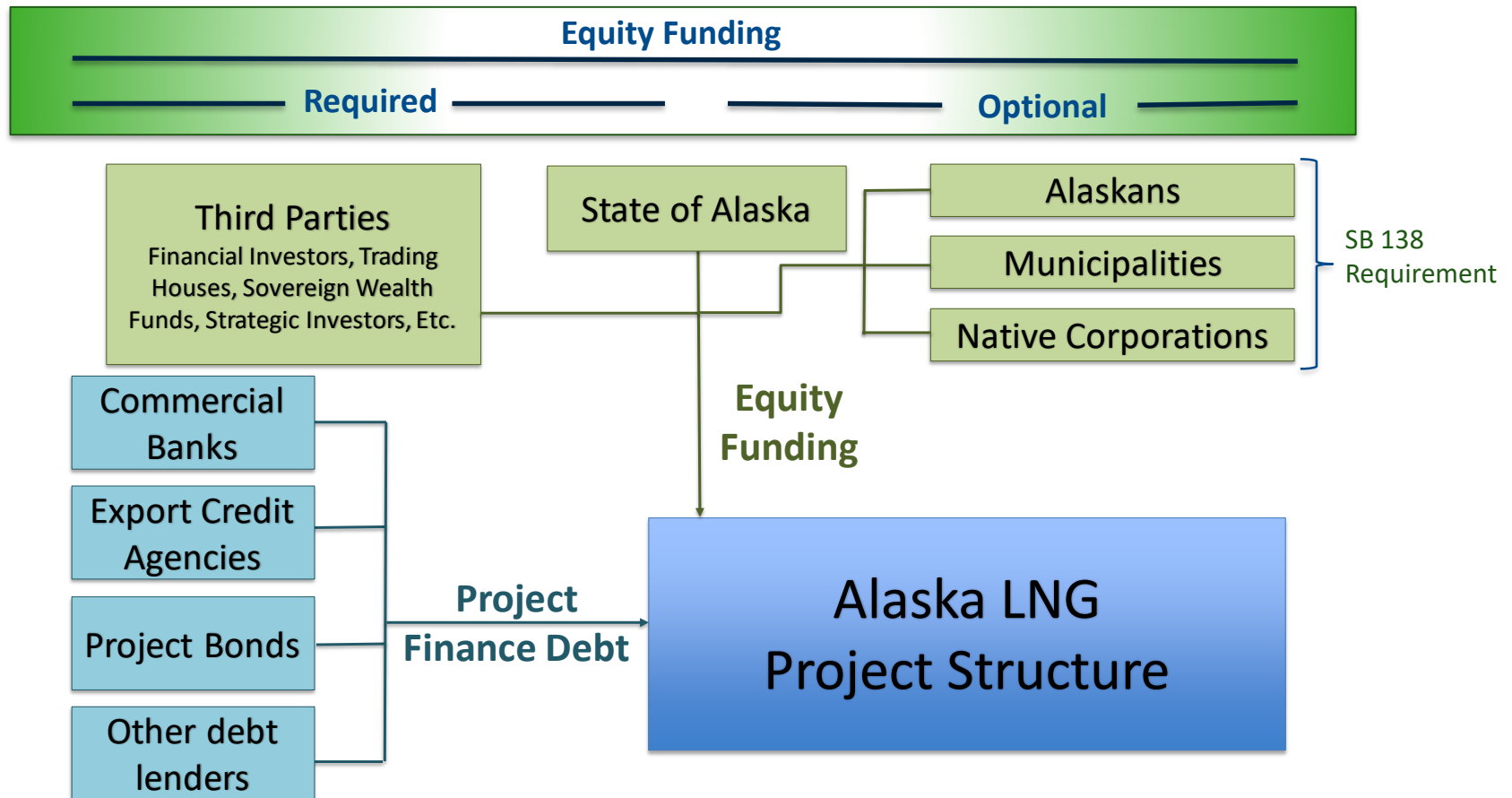
Joint Development Agreement



**Project cost, including contingencies,
totals \$43.4 Billion*.**



The project company must be structured to enable third parties to invest in the company.



Investment in Alaska's Future

- Alaska LNG will be the biggest **economic driver in Alaska** since the construction of the Trans-Alaska Pipeline System (TAPS).
- Alaska LNG project will spur **new resource development projects**.
- Low cost, clean burning natural gas will spur **economic development for the next generation**.



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.



Follow the Alaska LNG Project

907-330-6300

- Questions? Give us a call.

agdc.us

- Learn more about who we are, what we do, and what the project means for Alaska.

Alaska-LNG.com

- Updated project information.
- Interactive route map.

facebook.com/AKGaslineDevelopmentCorp

- Follow us on Facebook to track our progress and get breaking news.



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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