

AGENDA  
ALASKA GASLINE DEVELOPMENT CORPORATION (AGDC)  
REGULAR BOARD MEETING

October 11, 2018 AGDC Board Room, 3201 C St Suite 604 Anchorage, AK 9:00am

- I. CALL TO ORDER
- II. ROLL CALL
- III. CHAIRMAN'S CHOICE
- IV. APPROVAL OF AGENDA
- V. APPROVAL OF MINUTES – August 09, 2018
- VI. PUBLIC COMMENTS - Boardroom \_\_\_\_\_ Statewide \_\_\_\_\_
- VII. PRESIDENT'S UPDATE
- VIII. AGDC MANAGEMENT/OPERATIONAL
  - A. Committee Chair Updates
  - B. Commercial Update
  - C. Project Update
  - D. External Affairs Update
- IX. FINANCIALS
- X. EXECUTIVE SESSION
- XI. ANY OTHER ITEMS TO COME BEFORE THE BOARD
- XII. BOARD COMMENTS
- XIII. ADJOURNMENT

The Chair may announce changes in the Order of Business during the meeting.

### ALASKA GASLINE DEVELOPMENT CORPORATION REGULAR BOARD OF DIRECTORS MEETING

August 9, 2018

09:00am

A Regular Board of Directors Meeting of the Alaska Gasline Development Corporation ("AGDC") was held at the Alaska Gasline Development Corporation Board Room, 3201 C Street, Suite 604, Anchorage, Alaska, on August 9, 2018, convening at 09:00am.

The following Board members were present at the meeting (or attended via teleconference) except as otherwise noted:

DAVE CRUZ  
Anchorage, AK

Chair of the Board

HUGH SHORT  
Telephonic

Vice Chair of the Board

JOEY MERRICK  
Anchorage, AK

Secretary/Treasurer

COMMISSIONER MARC LUIKEN  
Anchorage, AK

Member of the Board

COMMISSIONER HEIDI DRYGAS  
Telephonic

Member of the Board

WARREN CHRISTIAN  
Anchorage, AK

Member of the Board

DAVID WIGHT  
Telephonic

Member of the Board

- I. CALL TO ORDER: Chair Cruz convened the meeting at 9:00am.
- II. ROLL CALL: A quorum was declared present and the meeting was duly and properly convened for the transaction of business.
- III. CHAIRMAN'S CHOICE: Chair Cruz gave a safety moment on air and water safety gear during hunting season.
- IV. APPROVAL OF AGENDA: Warren Christian moved to approve the agenda and Commissioner Luiken second. The approval of the agenda passed unanimously (7-0).
- V. MINUTES: Warren Christian moved to approve Board meeting minutes from May 10, 2018. Commissioner Luiken second. The approval of the Board meeting minutes from May 10, 2018 passed unanimously (7-0).
- VI. PUBLIC COMMENTS: Boardroom – Dr. William Cox, Richard McGahan and Eugene Haberman; Statewide – Donald Bullock
- VII. PRESIDENT'S REPORT: AGDC President Keith Meyer gave a presentation on the following:
  - i. Global LNG demand forecast
  - ii. World shift to natural gas
  - iii. Global market competition
  - iv. Alaska's gas supply
  - v. Commercial activities
  - vi. Financing activities and Alaska LNG project structure
  - vii. Government Approval – CFIUS
  - viii. ASAP regulatory and project management
  - ix. Communications
  - x. Community outreach activities
  - xi. Legislature engagement

### VIII. NEW BUSINESS – AGDC MANAGEMENT/OPERATIONAL ISSUES:

#### A. Committee Chair Updates

Technical Committee – Dave Cruz stated that Lisa Haas has replaced Mike Thompson in the ERL Department as. Further, the Technical Committee is working on a probability factor analysis on the project timeframe scheduling.

Communications Committee – Commissioner Luiken said the Communication Committee is putting together a set of one-page briefs on several topics.

#### B. External Affairs Update: Acting AGDC VP of Communications, Kathy Dunn, updated the Board about EAGR team activities, which included the following:

- a. Legislative semi-monthly reports
- b. Press releases/talking points
- c. Gasline Communications group
- d. New collateral materials
- e. New promotional video
- f. Summer newsletter
- g. Ad placement
- h. Social media
- i. Digital communication

#### C. PROJECTS UPDATE: Frank Richards, Senior Vice President of Program Management, focused his update on the following Alaska LNG and ASAP activities:

- a. Federal Energy Regulatory Commission (FERC) Section 3 application & EIS process
- b. Summer 2018 field work
- c. USACE 404 application
- d. Air permits
- e. PHMSA
- f. Pipe-in-Pipe special permit application
- g. Design spill package
- h. Kenai Spur Highway re-route
- i. Marine transportation modeling

- j. Upstream assurances
  - D. Commercial Update: Lieza Wilcox, VP of Commercial and Economics, gave an update on commercial activities:
    - a. Participation in the 2018 World Gas Conference
    - b. Buyer engagement and due diligence
    - c. Commercial update
    - d. Financial update
  - E. Resolution 2018-03: Joey Merrick offer a motion to approve a resolution of the Board of Directors of the Alaska Gasline Development Corporation Approving an Alaska Veteran Preference for RFPS and Competitively Bid Contracts. Commissioner Luiken second. The motion was approved (5-0).
- IX. FINANCIAL UPDATE: Frank Richards, Senior Vice President of Program Management, gave an update on AGDC's operating budget and expenditure variance analysis for actual reporting period July 2017 to June 2018 (FY 2018).
- X. EXECUTIVE SESSION: None
- XI. ANY OTHER ITEMS TO COME BEFORE THE BOARD: None
- XII. COMMENTS: Commissioner Luiken complimented AGDC staff and the President for using AGDC's resources very well over the last year and a half to allow AGDC to continue to operate into this next fiscal year (FY 2019).
- Joey Merrick was pleased with the forward momentum of social media.
- XIII. ADJOURNMENT: Commissioner Luiken moved to adjourn, Warren Christian second, none opposed. The meeting adjourned at 10:56am.

  
Dave Cruz, Chair

10-11-18

Date

# President's Report

---

Keith Meyer, President  
October 11, 2018



# Major Focus Areas

- Global Landscape
- Marketing and Gas Supply
- Finance and Administrative
- Construction and Operations
- Government Relations
- Community Affairs



- **Demand continues to grow, outpacing previous expectations.**
  - Biggest regional driver remains Asia.
  - China surpasses Korea for number 2 spot.
  - Supply/demand balance moving up from 2024/25 to 2022.
- **Supply competition continues**
  - LNG Canada (Shell) moving forward.
    - \$31 Billion; 14 Mtpa initially.
    - Canadian tax and import tariff breaks.
  - Russia aggressively pursuing China.
    - Mentions Alaska as potential casualty of trade war.
  - Qatar trying to expand – wants to keep top spot.
  - Mozambique, Texas, Papua New Guinea vying for position.
- **US-China trade friction creates uncertainty.**



- US – China trade tensions continue.
  - LNG placed on tariff list.
- Alaska and AGDC continue to have regular dialogue with US Administration officials to avoid Alaska LNG being affected.
- AGDC expects current trade tensions between the United States and China will be resolved well in advance of Alaska LNG exports to China.
- China remains engaged with Alaska LNG.

**FP**

news | analysis | features | the magazine | channels

REPORT

## Trump's Trade War With China Could Hit Energy Exports

China places tariffs on natural gas, a fast-growing U.S. export.

BY KEITH JOHNSON | SEPTEMBER 24, 2018, 2:35 PM

One project in particular seems caught in the crosshairs of the trade war: a \$43 billion **project** to pipe natural gas from the North Slope of Alaska across the state to an LNG export facility near Anchorage. A state-owned Chinese bank is helping with the project's financing, and a state-owned Chinese energy company is meant to buy much of its production. Alaska LNG was one of the Trump administration's much-touted takeaways from his 2017 trip to China.

# China Remains Engaged with Alaska

- China Joint Development Agreement parties reaffirm commitments.
- Signed Supplemental JDA.
- Sinopec 75% off-taker.
- Bank of China debt consortium.
- CIC Capital potential equity investor at FID.
- Targeting binding agreements by year-end 2018.
  - LNG Sale and Purchase Agreement subject to conditions precedent.
  - Debt term sheet.
  - Equity term sheet.

# Cooperation Serving Regional Markets

ALASKA GASLINE  
DEVELOPMENT CORP.




# Logistics Advantage

- Alaska's position in the Asia-Pacific region is ideal to supply the Asian market.
- Close distance plus stable pricing will help develop regional markets.



**GLOBAL POSITION**



Alaska LNG is North America's closest and most direct LNG supply to Asian markets.

**ALASKA LNG**

Alaska-LNG.com  
A subsidiary of the Alaska Gasline Development Corporation | AGDC.us

ALASKA GASLINE  
DEVELOPMENT CORP.




# Gas Resource for Generations

## • North Slope – “Super Basin”

- Initial: 35 Tcf Prudhoe Bay and Point Thomson.
- Future gas from entire North Slope.
  - 200 Tcf conventional.
  - Shale and hydrates add 100's Tcf.

### SUPPLY SECURITY



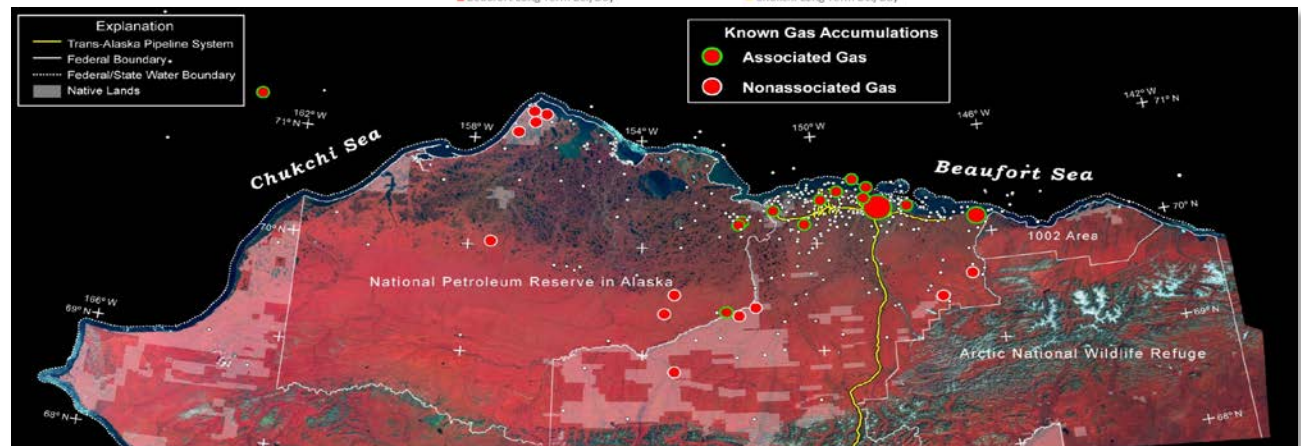
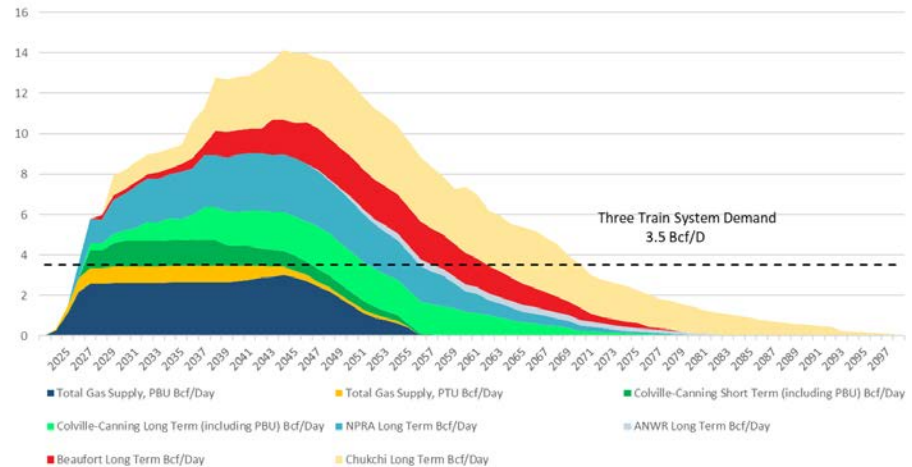
Prudhoe Bay Complex, Alaska

Alaska LNG provides access to the largest concentration of proven, conventional, stranded gas in North America.

**ALASKA LNG**

Alaska-LNG.com  
A subsidiary of the Alaska Gasline Development Corporation | AGDC.us

Gas Supply (Bcf/d) - Phases 1 & 2, 3rd Train in 2026  
Includes PTU, PBU, and Identified Gas Bearing Formations (Unconstrained)



Courtesy of Dave Houseknecht, USGS

The American Association of Petroleum Geologists (AAPG) and IHS Market have identified Alaska's North Slope as one of 25 global "Super Basins".

*Alaska LNG can offer supply for generations.*

# Installed Asset and Labor Base

- **Alaska's North Slope:**

- Prudhoe Bay production since 1977; among world's 20 largest fields.
- Large installed operations workforce.
- 8 Bcf/d reinjected daily.
- Modular construction.

Upstream infrastructure and large-scale production facilities are in place; State authorities have already approved gas sales for export.

Prudhoe Bay Gas Conditioning Facility



Interior Secretary Ryan Zinke at a June 1, 2017, press conference with Alaska Gov. Bill Walker in Anchorage.  
PHOTO: MARK THIESSEN/ASSOCIATED PRESS



*Alaska is a resource development state.*



# Schedule Certainty

- With a short and direct route, LNG deliveries will have schedule certainty.



## SCHEDULE CERTAINTY



Alaska LNG provides direct and unrestricted access to Asian markets.

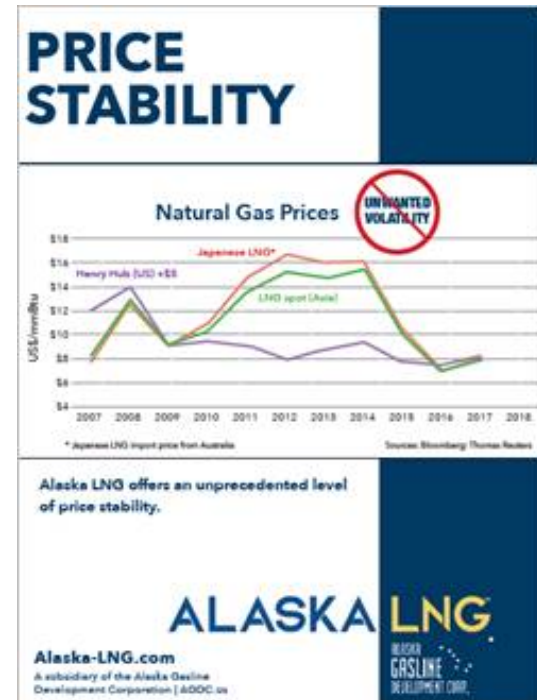
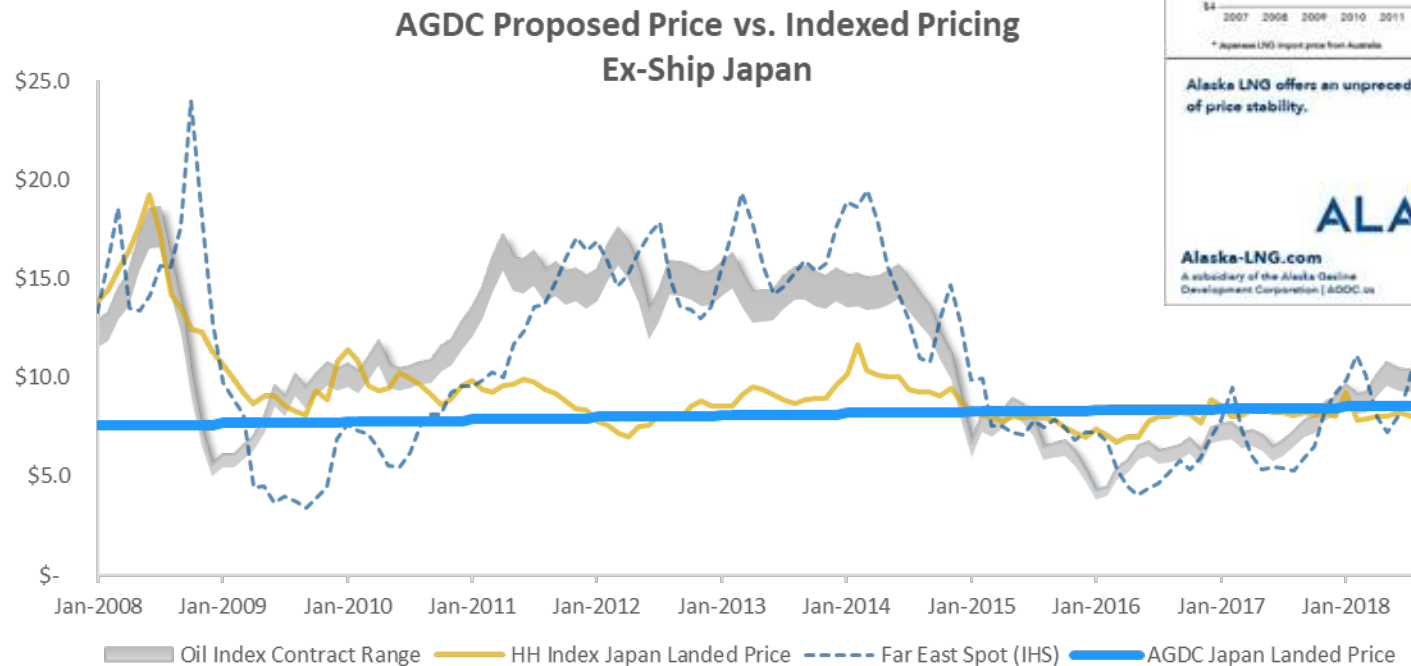
## ALASKA LNG

Alaska-LNG.com  
A subsidiary of the Alaska Gasline  
Development Corporation | AGDC-US

ALASKA  
GASLINE  
DEVELOPMENT CORP.

# Attractive Stable Pricing

- Alaska strategy is to price as an infrastructure project, rather than an oil alternative.
- Long-term, stable pricing will encourage the adoption of gas in the region, contributing to regional economic stability and improved environmental conditions.





# Competitive Advantage

Alaska LNG =

## GLOBAL POSITION



Alaska LNG is North America's closest and most direct LNG supply to Asian markets.

**ALASKA LNG**

Alaska-LNG.com  
A subsidiary of the Alaska Gasline  
Development Corporation | AGDC.us

## SCHEDULE CERTAINTY



Alaska LNG provides direct and unrestricted access to Asian markets.

**ALASKA LNG**

Alaska-LNG.com  
A subsidiary of the Alaska Gasline  
Development Corporation | AGDC.us

## SUPPLY SECURITY



Alaska LNG provides access to the largest concentration of proven, conventional, stranded gas in North America.

**ALASKA LNG**

Alaska-LNG.com  
A subsidiary of the Alaska Gasline  
Development Corporation | AGDC.us

## PRICE STABILITY



Alaska LNG offers an unprecedented level of price stability.

**ALASKA LNG**

Alaska-LNG.com  
A subsidiary of the Alaska Gasline  
Development Corporation | AGDC.us

Competitive Advantage

## Significant Milestones:

- ExxonMobil binding Gas Sales Precedent Agreement. (September 10, 2018)
- BP Alaska Gas Sales Precedent Agreement. (May 4, 2018)
- Continuing negotiations with other North Slope Producers.
- Actively engaged with DNR on State gas supply and gas supply related issues

**OIL&GAS  
JOURNAL**

### **AGDC, ExxonMobil Alaska sign binding gas sales precedent agreement**

WASHINGTON, DC, Sept. 12

09/12/2018

By Nick Snow

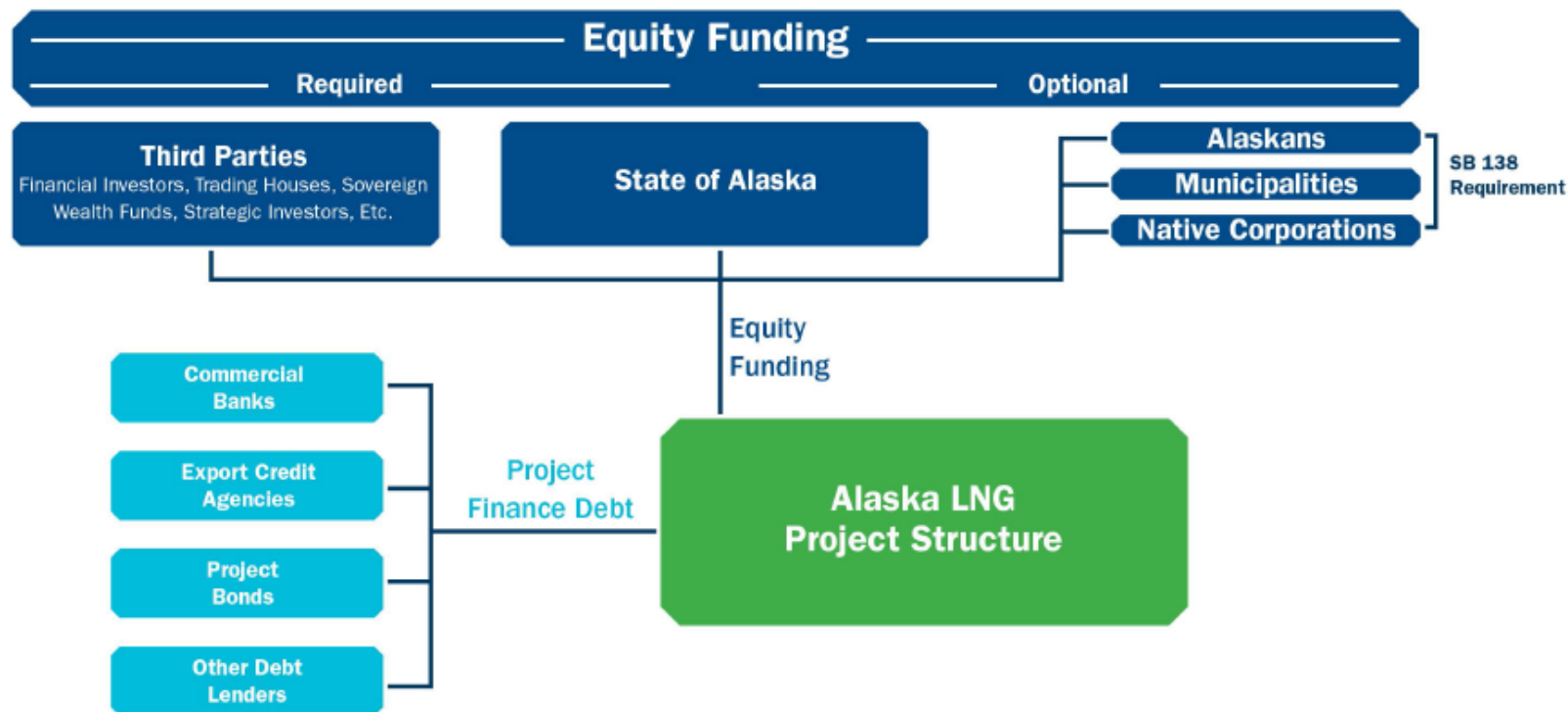
OGJ Washington Editor

- AGDC developing pricing and contract terms for in-state customers.
  - Identifying demand, interconnects.
- Small-scale LNG deliveries to remote and mobile markets are feasible through truck, rail, and barge transport.
- Marketing activities in 2018/19 will increase emphasis on in-state marketing for both gas and in-state LNG.



LNG trucking - Tokyo

# Finance: Project Structure



Detailed project structure, in line with above, being put together by project development team (AGDC, Goldman Sachs, Baker Botts, Hilltop Securities, DOR).

## Alaska LNG:

- FERC announced they will issue a draft Environmental Impact Statement (EIS) in February 2019 – one month earlier than the previous schedule.



## Alaska Stand Alone Pipeline (ASAP):

- US Army Corps of Engineers Record of Decision (ROD) pending, awaiting Federal and State regulatory consistency.



# Government Relations

Increased interaction with:

US Administration



Foreign Ministries and Officials

Alaska CODEL and State Legislators




## Tele-town Hall Listening Sessions with ANCSA Regional Corporations:

- October 1 – AHTNA & Affiliates (5-6 p.m.)
- October 2 – ASRC & Affiliates (12-1 p.m.)
- October 3 – Koniag, Inc. & Affiliates (9:30-10:30 a.m.)

## AFN resolution:

- Submitted resolution to AFN for consideration; resolution requests support for AGDC/Alaska LNG project and highlights AGDC's intent to procure services from the Native Community as the project advances.
- AGDC's resolution sponsored by CIRI, Doyon, and ASRC.

**ALASKA LNG**  
*Get Involved.  
Get Ready.  
Get Engaged.*



Learn more about the project at  
[www.agdc.us](http://www.agdc.us)

**TELEPHONE TOWN HALL LISTENING SESSION**  
**WE WANT TO HEAR FROM YOU!**

Thank you Cook Inlet Regional Inc., Cook Inlet Tribal Council, Chickaloon Village Traditional Council, Knik Tribal Council, Knikatu Inc., Eklutna Inc., Tyonek Native Corporation, Native Village of Eklutna, Kenaitze Indian Tribe, Salamatof Native Association, Inc., Seldovia, Native Village of Ninilchik, Ninilchik Native Association, Southcentral Foundation and affiliate organizations.

**WHO:** Tribal/community/shareholders from CIRI and affiliates  
**WHEN:** Thursday, September 6, 2018 **TIME:** 9:30-10:30 AM  
**WHERE:** Teletown Hall Conference Dial-In (907)-202-7105 Conference ID #34590613

You are invited to participate in a tele-town hall listening session hosted by the State of Alaska's Office of Native and Rural Affairs and the Alaska Gasline Development Corporation to share your comments, questions or concerns regarding the Alaska Liquefied Natural Gas (LNG) project. Members of the Alaska Gasline Development Corporation will share a brief project update and listen to your questions or concerns about the recent commercial and regulatory activities and their relevance to your community and stakeholders.

**ALASKA GASLINE DEVELOPMENT CORP.**

Donna Bach, Director of Alaska Native Affairs, AGDC  
T: 907.222.7418, Email: [dbach@agdc.us](mailto:dbach@agdc.us)

Barbara Blake, Director of Native and Rural Affairs, State of Alaska  
T: 907.465.3520, Email: [barbara.blake@alaska.gov](mailto:barbara.blake@alaska.gov)

- **Commercial:**

- Advancing commercial discussions to definitive agreements.
- Upstream resource definition.

- **Financial:**

- Advancing finance discussions and interfacing with financial markets.
- Economic benefits analysis.

- **Construction:**

- Advancing Engineering, Procurement and Construction contracts for selection.
- Project Labor Agreement.

- **Alaska Engagement:**

- Stakeholder interaction; increasing community and “Alaska First” dialogue.



*Get Involved.*  
*Get Ready.*  
*Get Engaged.*

---



AGDC.us



# Commercial Update

---

VP of Commercial and Economics,  
Lieza Wilcox



# Gas Supply Agreements

- ExxonMobil Alaska Production (ExxonMobil) and AGDC signed a binding agreement to enter into a definitive Gas Sales Agreement (GSA).
  - Key terms, including price and volume, have been established in a Gas Sales Precedent Agreement (GSPA) signed September 10, 2018.
- AGDC now has gas supply agreements with two of the major North Slope gas producers.
  - AGDC is progressing discussions with both BP and ExxonMobil to paper the more detailed GSAs based upon terms agreed to with each party in their respective GSPAs.



Hugh Short, Lieza Wilcox, Darlene Gates (EM), and Governor Bill Walker at signing of AGDC and ExxonMobil GSPA, September 10, 2018. Photo courtesy of: Governor's Office.

# Gas Supply Agreements

- AGDC continues to work on an agreement for gas supply with ConocoPhillips and engaging the Alaska Department of Natural Resources (DNR) on information needed to conduct a best interest finding (BIF).
  - As part of the BIF process, DNR solicited interest in its royalty in kind gas from the Prudhoe Bay Unit and the Point Thomson Units.

Estimated Gas Volumes Available for Alaska LNG (Volume, TCF)		
Prudhoe Bay Unit	RIV*	RIK/TAG**
State of Alaska	3.00	6.00
ExxonMobil	7.64	6.55
ConocoPhillips	7.58	6.49
BP	5.54	4.74
Chevron	0.24	0.20
<b>TOTAL</b>	<b>24</b>	<b>24</b>

Estimated Gas Volumes Available for Alaska LNG (Volume, TCF)		
Point Thomson Unit	RIV*	RIK/TAG**
State of Alaska	0.75	1.50
ExxonMobil	3.29	2.82
BP	1.68	1.44
<b>Others</b>	<b>0.28</b>	<b>0.24</b>
<b>TOTAL</b>	<b>6</b>	<b>6</b>

\*Assumed at 12.5%

\*\*Assumed at 25%

# Agreement Negotiations Update

- Joint Development Agreement (JDA):
  - Parties are advancing all agreements.
- Sales and Purchase Agreements (SPAs):
  - Negotiating SPAs with key parties.
  - Discussing regional cooperation with select parties.



JDA meeting, Beijing, September 2018.

- In early October, AGDC, Goldman Sachs, and Baker Botts discussed the equity offering process.
- 4Q 2018/1Q 2019:
  - Work underway on a non-confidential presentation and/or equity book to be provided to potential equity investors and the legislature.
  - AGDC will begin initial road show to introduce project to potential equity investors consisting of project overview.
  - A package for board approval will be prepared in advance of Equity Roadshow that will outline equity offer terms, methods for investment, and commercial structuring.



# Chinese Consul General Meeting

- AGDC hosted staff from the Consulate General of the People's Republic of China in San Francisco in September.
  - Consul General Wang Donghua took over the post in August 2018 and brought 3 staff members for a project update.
- AGDC provided a project overview and update on discussions with the JDA parties.
- The Consul General voiced the consulate's support and advocacy of Alaska LNG, especially with AGDC as a state-owned entity in charge, but broad trade issues may impede progress.



Consul General Wang Donghua and Deputy Consul General Ren Faqiang with Lieza Wilcox and Tim Fitzpatrick, September 19, 2018. Courtesy of: AGDC.

# Project Report

---

Frank Richards, Senior Vice President of Program Management  
October 10, 2018



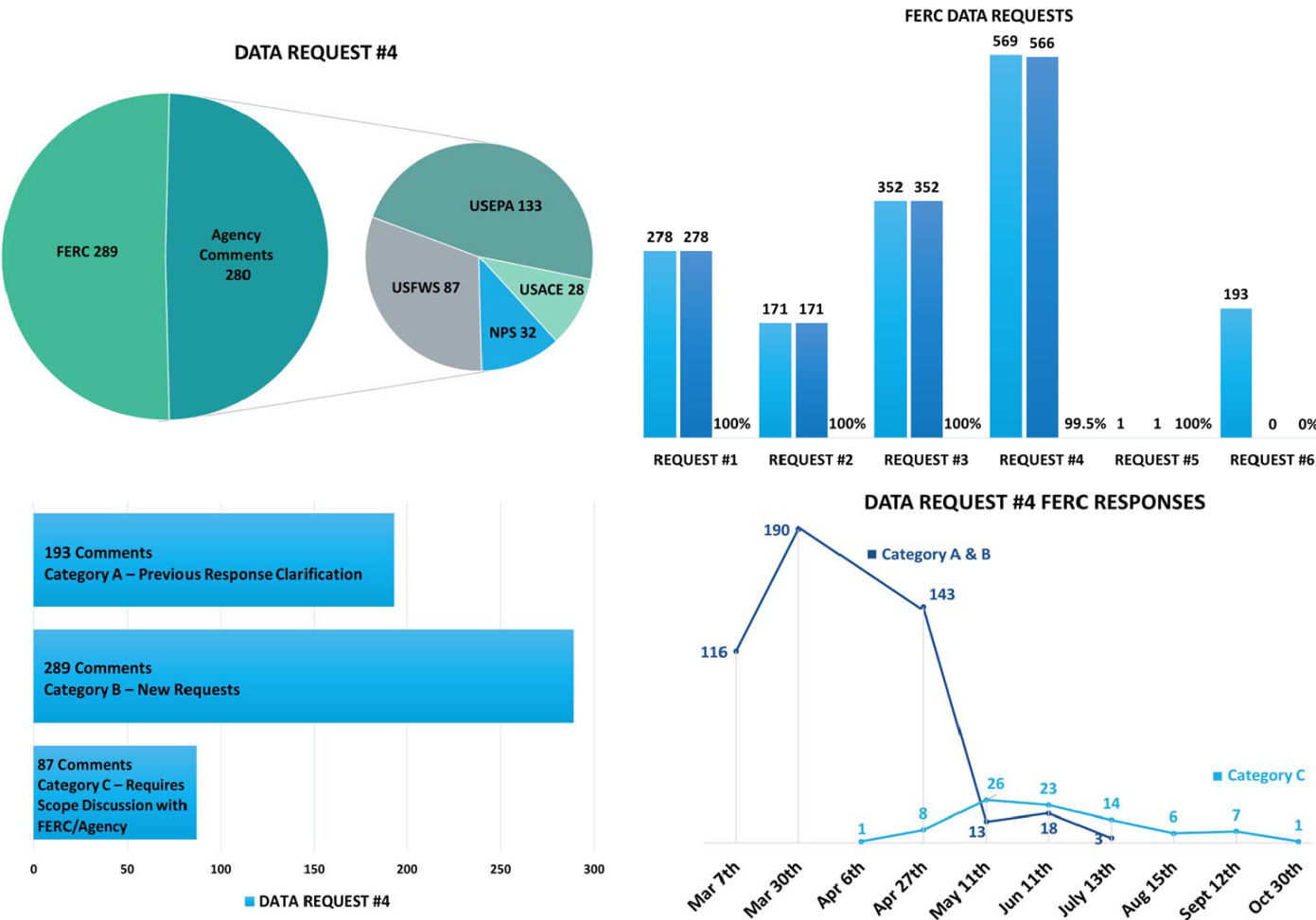


## FERC Section 3 Application & EIS Process

- **FERC schedule was accelerated by approximately 1 month:**
  - Draft Environment Impact Statement (DEIS) – February 2019.
  - Final Environmental Impact Statement (FEIS) – November 2019.
  - Final Authorization/Record of Decision from FERC – February 2020.
  - Major Federal permits and authorization for COE Wetlands, NMFS and BLM ROW will be tied to FERC ROD schedule.
  - FERC currently drafting Preliminary Draft EIS (PDEIS) for internal/agency review.
- **FERC Environmental Data Request #4:**
  - 288 FERC comments with 279 Federal agency comments (569 total).
  - 566 responses submitted through August 2018 (99% complete).
  - Remaining submittal planned for October 30, 2018.
- **FERC Environmental Data Request #5 – hydraulic modeling request.**
  - Received April 5, 2018; answered April 26, 2018
- **FERC Environmental Data request #6 – delivered October 2, 2018.**
  - 193 FERC comments.

Updated: 10/3/2018

## FERC Data Requests – Dashboard



## FERC Section 3 Application & EIS Process (Cont.)

- Procurement for 3rd Party Fire Protection review underway with proposals due October 4th.
- Agency consultations required for FERC responses included U.S. Army Corp of Engineers (USACE) concluded.
- U.S. Department of Transportation (PHMSA) and FERC signed MOU to improve coordination throughout the LNG permit application process for FERC jurisdictional LNG facilities.
- AGDC submitted a detailed response to PHMSA on September 21 for their compliance review with siting requirements for FERC.

## Summer 2018 Field Work

- Completed Kenai Spur Highway Right-of-Way (ROW) and control survey work.
  - KSH environmental team conducted additional wetland search and verification of PJD wetland boundaries.
- Completed ichthyoplankton field events at LNG Marine Terminal.
  - Report to be finalized and filed to FERC October 30, 2018.

## USACE 404 Application:

- All 117 responses completed and submitted on March 21, 2018.

## Air Permits:

- Application for GTP submitted to Alaska Department of Environmental Conservation December 2017.
- ADEC provided 16 RFIs; AGDC provided responses May 1, 2018.
- Application for LNG submitted to ADEC May 1, 2018.

## PHMSA:

- PHMSA is considering the revised environmental conditions and assessments for the four pipeline special permits; no AGDC action items at this time.

## Pipe-in-Pipe Special Permit Application.

- Continued development of final responses to PHMSA information request rescheduled to mid-October.

## Design Spill Package:

- PHMSA August 2018 memo clarified PHMSA's responsibilities for evaluating Design Spill Package for FERC siting requirements.
- AGDC submitted a detailed response on September 21.

**Technical team is developing in-house tool sets to estimate construction mode requirements, civil volume requirements, and hydraulic analysis modeling.**

**Researching ANILCA Title XI applicability and developing strategy for timing of permit and Right-of-Way applications for Denali National Park and Preserve.**

**Technical team providing scenarios and CAPEX profiles for Commercial team's economic models.**

**Transferred Cook Inlet bathymetry data obtained during 2014-2016 Alaska LNG Pre-FEED to NOAA.**

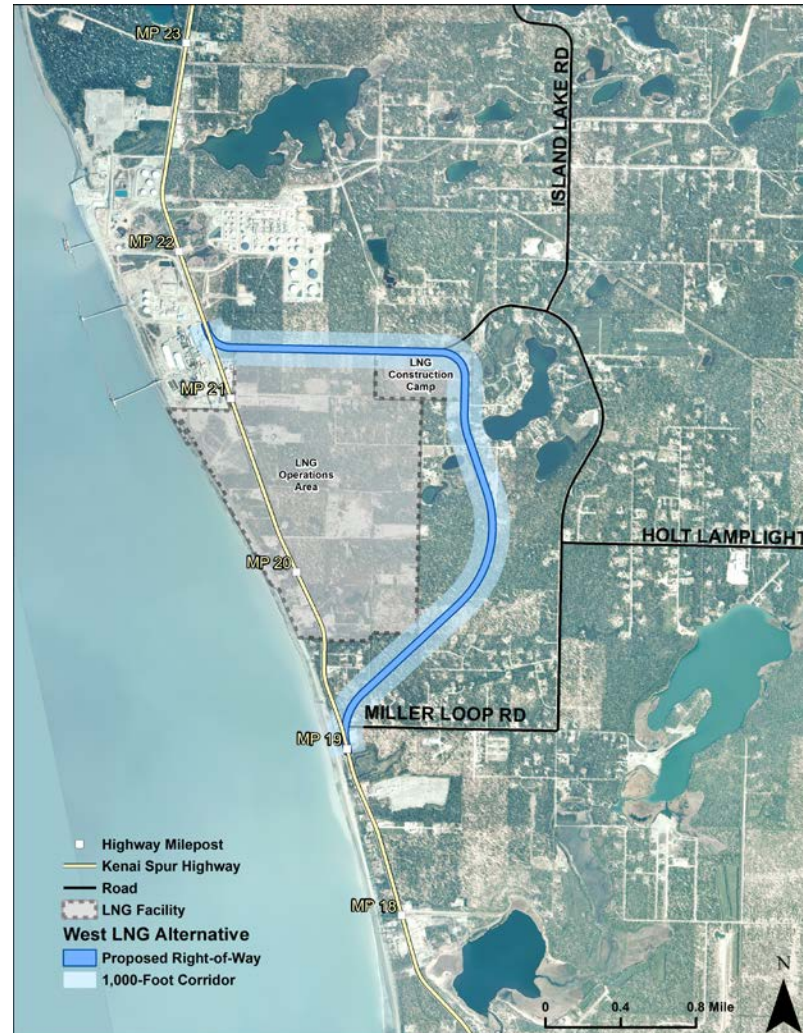
## **DOT&PF Highway Use Agreement:**

- AGDC finalized draft Highway Use Agreement.
- Draft has been transmitted with agenda for initial discussions with DOT&PF.
- Detailed discussions to be held with:
  - Northern Region DOT&PF;
  - Central Region DOT&PF;
  - Specialized DOT&PF sections for focus topics on overload provisions (Commercial Vehicles) and bridges (Bridge Design).



## Kenai Spur Highway Re-route:

- Awarded initial design contract to Lounsbury and Associates.
- Reroute design package will provide 30% design.
- Field survey work (right-of-way, utilities, wetlands) completed and Digital Terrain Model (DTM) prepared.
- Team is processing field data, updating basemap and preparing ROW drawings.
- Detailed alignment refinement and engineering continue into October with all deliverables complete by December 20, 2018.



## Potential LNG buyers requesting upstream assurance:

- Presented Sinopec the PRA/AGDC PBU reservoir model confirming 24 TCF of recoverable gas resources on August 20, 2018.
- Kicked off the North Slope Gas Exploration Data Project on September 20th.
  - A collaborative effort between AGDC, University of Alaska Fairbanks, and Drilling info (Houston, TX) to build an interactive, digital data base of North Slope publically available exploration data.
- Preparing a report documenting the North Slope as one of only 25 Worldwide Super Basins, as ranked recently by the American Association of Petroleum Geologists and IHS Markit.
- Synthesized a compilation of PBU and PTU Reservoir data obtained from AOGCC Major Gas Sale Testimonies by BPXA and XOM.
- Working with BP and ExxonMobil to address numerous PBU and PTU gas resources data requests from Sinopec that can only be answered with proprietary Operator reservoir models and subsurface geoscience data.

## Environmental, Regulatory and Land (ERL) and Engineering:

- U.S. Army Corps of Engineers (USACE) published Final Supplemental Environmental Impact Statement (SEIS) – June 22, 2018.
- National Marine Fisheries Service (NMFS) completed consultation with USACE on endangered species and issued a Letter of Concurrence (LOC) for the species impact determinations – September 5, 2018.
- State ROW Lease Amendment 3 issued – September 5, 2018.
- USACE anticipated issuing a Record of Decision (ROD) and Clean Water Act / Rivers and Harbors Act (404/10) permits on September 22, 2018; however, the USACE has not yet received ADNR State Historic Preservation Office (SHPO) concurrence on the ASAP Programmatic Agreement (PA).
- Bureau of Land Management (BLM) anticipates issuance of a ROD and Federal Grant of ROW in late October; however, this requires ADNR SHPO concurrence on the ASAP PA.
- Section 106 working group meeting scheduled for October 19, 2018.
- Joint Record of Decision USACE and BLM – November 1, 2018.



## Presentations:

- Fairbanks Economic Development Corporation – August 22, 2018
- Alaska Unocal Retirees – September 6, 2018
- Palmer Chamber of Commerce – September 12, 2018
- Kenai Peninsula Builders Association – September 20, 2018

## Meetings:

- Salamatof Native Association Board of Directors
- Tyonek Native Corporation
- Ahtna Inc. and Ahtna Family of Companies
- Kenai Peninsula Borough Alaska LNG Project Advisory Committee
- Nikiski Community Council
- AGDC Community Advisory Council
- University of Alaska President Jim Johnson

# Communications Update

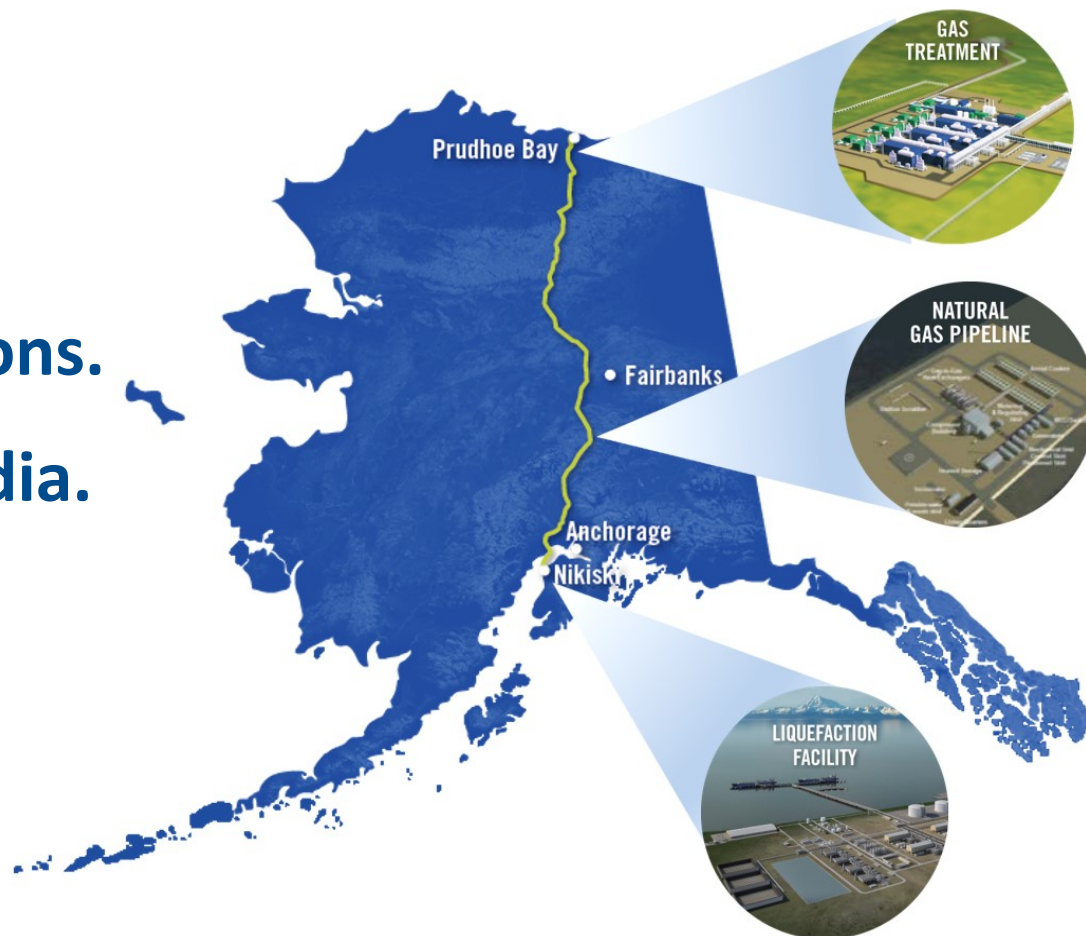
---

Tim Fitzpatrick, VP External Affairs & Government Relations  
October 11, 2018



# Presentation Overview

- Media Relations.
- Marketing.
- Government Relations.
- Social & Digital Media.
- Market Research.
- Publications.



- **Proactive Outreach:**
  - ExxonMobil GSPA.
  - FERC accelerates schedule.
  - JDA supplemental agreement.
  - Fairbanks coalition.
- **Rapid Response:**
  - Chinese tariffs.
  - Funding plans.
  - Mat-Su FERC filing.
  - LNG Canada.

**NGI Daily Gas Price Index**

HOME DAILY GPI MEXICO GPI SHALE DAILY NGI DATA

Home » China Firms, Alaska Reaffirm Plans to Advance Alaska LNG Project

Looking to read the full article? Subscribe today!

**China Firms, Alaska Reaffirm Plans to Advance Alaska LNG Project**

October 3, 2018 Charlie Passut

**ALASKA Journal of Commerce**

**AGDC chooses route for Kenai Spur Highway around LNG plant**

By Thomas Brethauer (author/illustrator)  
Alaska Journal of Commerce  
Post date: Wed, 09/19/2018 10:21am

**upstream**  
THE GLOBAL OIL & GAS NEWS SOURCE

Brent futures (1 mo): \$81.37 ▲ **+0.72%** WTI spot: \$72.17 ▲ **+0.24%** WTI futures (1 mo): \$72.06 ▲ **+0.91%** UK Nat Gas (1 mo): 76.50p ▲ **+1.82%**



**ExxonMobil in Alaska LNG pact**

US supermajor signs preliminary agreement to supply feed gas to planned project

Caroline Evans  
10 Sep 2018 21:20 GMT Updated 10 Sep 2018 21:41 GMT

**Fairbanks businesses support AGDC**

*Petroleum News*

- **Trade shows and events: outreach and education.**

- Alaska State Fair/Energy Day.
- OGIF (Houston, TX).
- UAF Job and Internship Fair.
- Alaska Tourism Conference.
- Alaska Federation of Natives.
- Alaska State Chamber Fall Forum.
- Palmer Chamber of Commerce.
- Southeast Conference.





## Raising in-state awareness of Alaska LNG and AGDC.



**ALASKA'S OPPORTUNITIES**

**RESOURCE DEVELOPMENT**

Alaska LNG will be the biggest economic driver in Alaska since the Trans Alaska Pipeline was built. Beyond the direct positive impacts to the construction industry and support sectors, the project will create opportunity for new resource projects including mines, and other commercial opportunities. Alaska LNG will launch economic development and opportunity for the next generation.



**ALASKA LNG**

Alaska-LNG.com  
A subsidiary of the Alaska Gasline Development Corporation | AGDC.us

ALASKA GASLINE DEVELOPMENT CORP.

Alaska Miners Association



Proud to support the 2018 Alaska Federation of Natives Convention.

Together, we can bring innovation to Alaska through the gas pipeline project.

**ALASKA LNG**

Alaska-LNG.com  
A subsidiary of the Alaska Gasline Development Corporation | AGDC.us

ALASKA GASLINE DEVELOPMENT CORP.

Alaska Federation of  
Natives Program Guide



**CREATING ALASKA'S FUTURE**


**THE ALASKA LNG PROJECT - BENEFICIAL INFRASTRUCTURE FOR ALASKA.**

- Liberates North Slope resources and encourages exploration.
- Provides gas to Alaskans.
- Generates significant long-term revenue.



**ALASKA LNG**

Alaska-LNG.com  
A subsidiary of the Alaska Gasline Development Corporation | AGDC.us

ALASKA GASLINE DEVELOPMENT CORP.

Petroleum News – The Producers Issue

## Raising global awareness of Alaska LNG and AGDC.

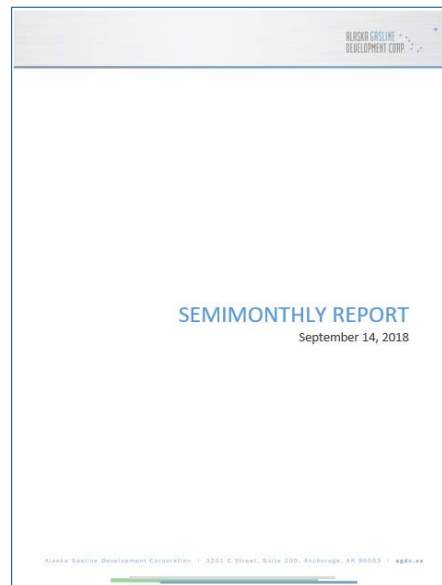


IGU Magazine and Upstream



LNG Industry Magazine and  
Gasworld/World Gas Yearbook

- **Candidate outreach: contact & project information.**
- **Regulatory progress: federal engagement and support.**
- **Ongoing state legislative engagement.**
- **State intergovernmental relations:**
  - Weekly stakeholder call: AGDC, DOLWD, DOT, DNR, DOR.



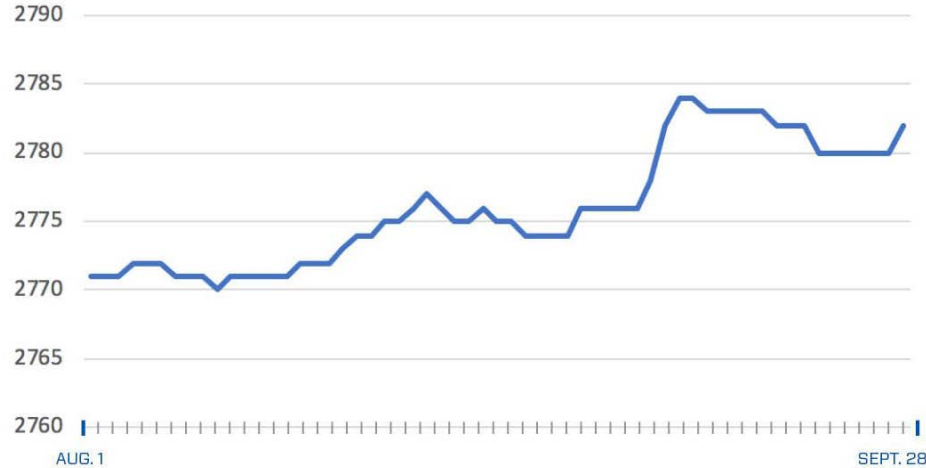
- Refocus on primary platforms of Facebook and Twitter.
- Build audience with consistent engagement.
- Expand to additional platforms as our audience and capabilities develop.



## Focused on Facebook and Twitter engagement.

Facebook trends, Aug. 1 to Sept. 28

AGDC Likes



### Twitter

July 2018 reach: 1700  
Engagement rate: 1.6%

August 2018 reach: 2200  
Engagement rate: 3.3%

September 2018 reach: 3400  
Engagement rate: 1.7%



- **Summer newsletter distributed in August:**
  - 2,700 emailed.
  - 2,000 mailed.
  - On-site event distribution.
- **Updates including:**
  - BP GSPA.
  - World Gas Conference.
  - Gasline Coalition.
  - Community Engagement.



*Get Involved.*  
*Get Ready.*  
*Get Engaged.*

---



AGDC.us



# Financial Update

October 11, 2018



# Expenditures and Projected Funds

Reporting Period January 2017 to June 2019

Quarterly Project Spend (\$0,000) <b>Major Activities</b>	Actuals (Jan17-Aug18) 20-Months	1-Month FCST				<b>Total Spend</b>
		1Q FY19	2Q FY19	3Q FY19	4Q FY19	
Regulatory (FERC)	28,280	1,200	3,600	5,200	6,200	<b>44,480</b>
Commercial	10,965	800	2,400	2,400	2,400	<b>18,965</b>
Project Finance	1,020	150	450	850	850	<b>3,320</b>
Communications	1,862	130	420	450	600	<b>3,462</b>
AGDC Corporate (Operating)	15,411	830	2,500	2,500	2,500	<b>23,741</b>
<b>Total Monthly</b>	<b>57,537</b>	<b>3,110</b>	<b>9,370</b>	<b>11,400</b>	<b>12,550</b>	<b>93,968</b>
<b>Period Monthly Burnrates</b>	<b>2,877</b>	<b>3,110</b>	<b>3,123</b>	<b>3,800</b>	<b>4,183</b>	

**Estimated Spend.**



Projected Fund Balance <b>Fund</b>	(Aug CY18) Ending Balance	FCST			
		1Q FY19	2Q FY19	3Q FY19	4Q FY19
AKLNG Total	48,600	45,490	36,120	24,720	12,170
ASAP Total	0				
<b>Remaining Balance</b>	<b>48,600</b>	<b>45,490</b>	<b>36,120</b>	<b>24,720</b>	<b>12,170</b>

**Estimated Balance.**



Notes:

# Operating Budget Variance Analysis

Actuals Reporting Period July 2018 to August 2018 (FY19)

Operating Expenditures (\$000s)	Full FY19 Budget	FY19 YTD Actuals	FY19 YTD Budget	FYTD Variance (Under)/Over	Percent Spent
<b>Account</b>					
Personal Services	6,096	905	1,016	(110)	15%
Travel	500	31	83	(53)	6%
Services	3,240	460	540	(80)	14%
Commodities (Office/IT Supplies etc.)	550	88	92	(3)	16%
Depreciation			-	-	-
<b>Operating Total</b>	<b>\$ 10,386</b>	<b>\$ 1,484</b>	<b>\$ 1,731</b>	<b>\$ (247)</b>	<b>14%</b>

## Variance Drivers

**Personal Services-** AGDC in-house full time PCN headcount is 20 verses budgeted headcount of 26.

Operating Expenditures (\$000s)	Full FY19 Budget	FY19 YTD Actuals	FY19 YTD Budget	FYTD Variance (Under)/Over	Percent Spent
<b>Department</b>					
Executive Team	3,189	480	532	(52)	15%
Commercial Team	854	95	142	(47)	11%
External Affairs Team	1,386	184	231	(47)	13%
Legal Team	275	24	46	(22)	9%
Finance Team	1,269	143	212	(69)	11%
Admin Services Team	2,147	355	358	(3)	17%
IT Data Mgmt Team	1,266	203	211	(8)	16%
<b>Operating Total</b>	<b>\$ 10,386</b>	<b>\$ 1,484</b>	<b>\$ 1,731</b>	<b>\$ (247)</b>	<b>14%</b>

**Variance Commentary –** AGDC currently has six PCN vacancies. The vacant positions account for 45% of the operating budget underrun (\$0.110 MM). The remaining 55% of the underrun is due to timing of travel and services (136K). AGDC expects to fill the vacancies when project financing is obtained.

Notes:



# Expenditure Variance Analysis

Reporting Period January 2017 thru August 2018

AFE Expenditures (\$000s)	AFE ITD Actual Spend 20-Months	AFE ITD Budget 20-Months	Variance
Regulatory/Program Management	28,280	29,420	(1,140)
Commercial	11,984	12,955	(971)
Communications	1,862	1,941	(79)
Operating (Non-AFE)	15,411	15,658	(247)
<b>AGDC Total</b>	<b>\$ 57,538</b>	<b>\$ 59,974</b>	<b>\$ (2,436)</b>

- AGDC Board extended the Original AFE term by 12-months in May 2018 to June 2019
- Active cost control and austerity measures allowed AGDC to progress the scope while significantly under spending the budget.
- The budget presented in the table above is rephrased to increase the AFE term by 12-months

Notes:

AFE-Authorization For Expenditures (Board Approved).

ITD-Inception To Date. Budget values include contingency

## Variance Drivers

**Significant austerity program was implemented to extend use of allocated funding.**

### Regulatory Variance Drivers:

- Timing of FERC related activities (-\$0.43 MM)
- Timing of Core Regulatory activities (-\$0.70 MM)

### Efficiency Gains:

- Use of internal resources for FERC comment responses.
- Continuity of effort with no work stoppages.

### Commercial Variance Drivers:

- Timing of Core activities (-\$0.245 MM)
- Timing of Financing activities (-\$0.72 MM)

### Efficiency Gains:

- Use of internal resources for drafting of key agreements.
- Continuity of effort with no work stoppages.

# Vendors with potential to be >than \$5-MM

VENDORS	SERVICES PROVIDED	FY16-FY19 EST AMOUNT
ERM ALASKA	ENVIRONMENTAL IMPACT STATEMENT SUPPORT ASAP AND AKLNG	> \$5.0-Million
EXP ENERGY SERVICES INC	PROJECT MANAGEMENT, FERC RESPONSES, PERMITTING	> \$5.0-Million
HAWK CONSULTANTS LLC	CONTRACT STAFF	> \$5.0-Million
SOA - DEPT OF LAW	OUTSIDE LEGAL SUPPORT	> \$5.0-Million

- AGDC Amended and Restated Bylaws require Board notification of expenditures Reasonably Expected to be over \$1-Million and Board approval for expenditures over \$5-Million.
- FY16 to FY19 expenditures to the vendors listed above are likely to exceed \$5-million total in FY19.

*Get Involved.*  
*Get Ready.*  
*Get Engaged.*

---



agdc.us

 Facebook.com/AKGaslineDevelopmentCorp

 Alaska Gasline Development Corporation