

39th ANNUAL ALASKA RESOURCES CONFERENCE

November 15, 2018

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AGDC.us



Introduction

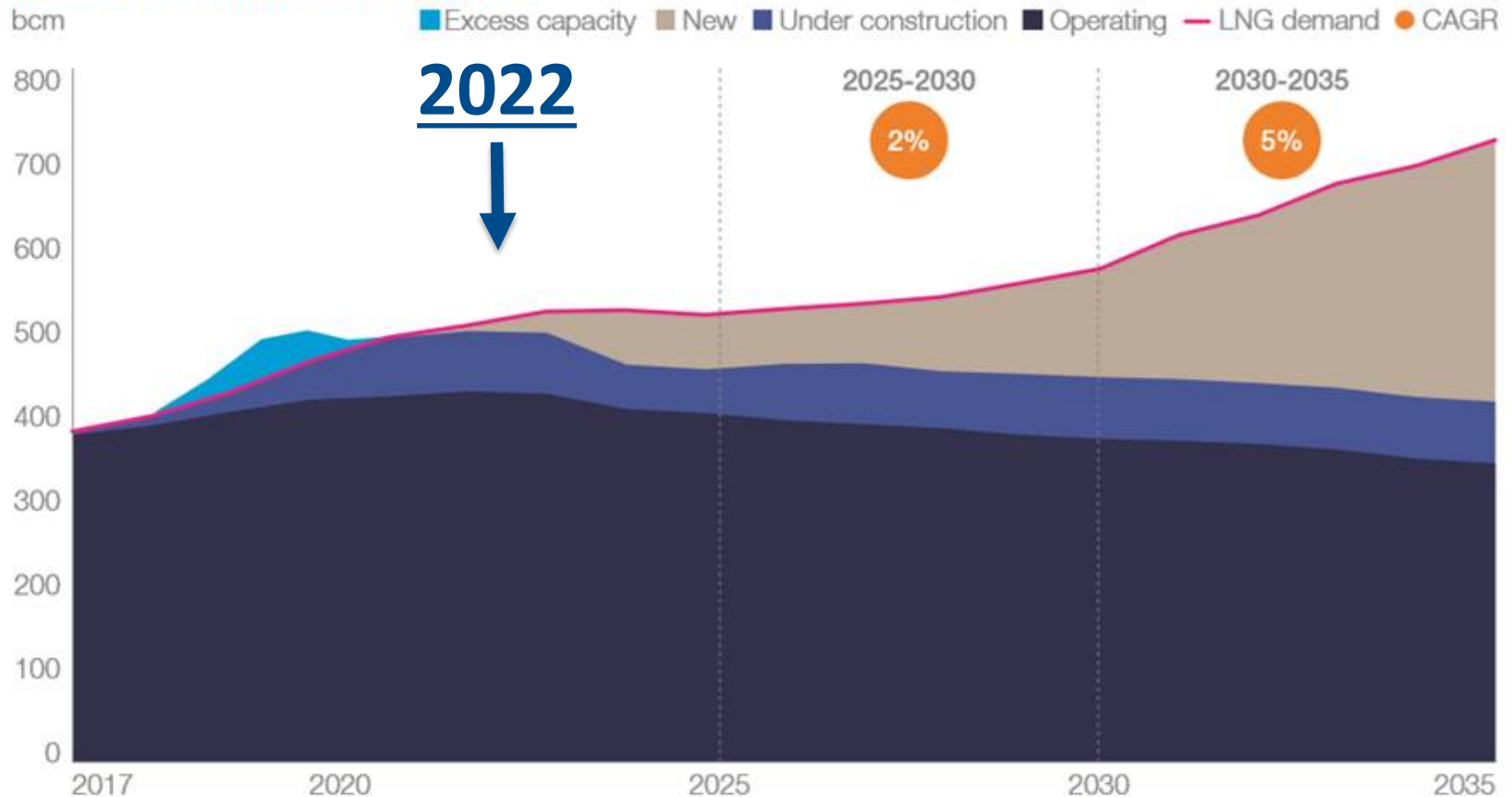
- We have momentum.
- We are winning over global competition.
- We all have to get ready.
- **2019: Accelerate!**



Accelerating Global Demand

Global supply/demand balance moves up from 2025 to 2022.

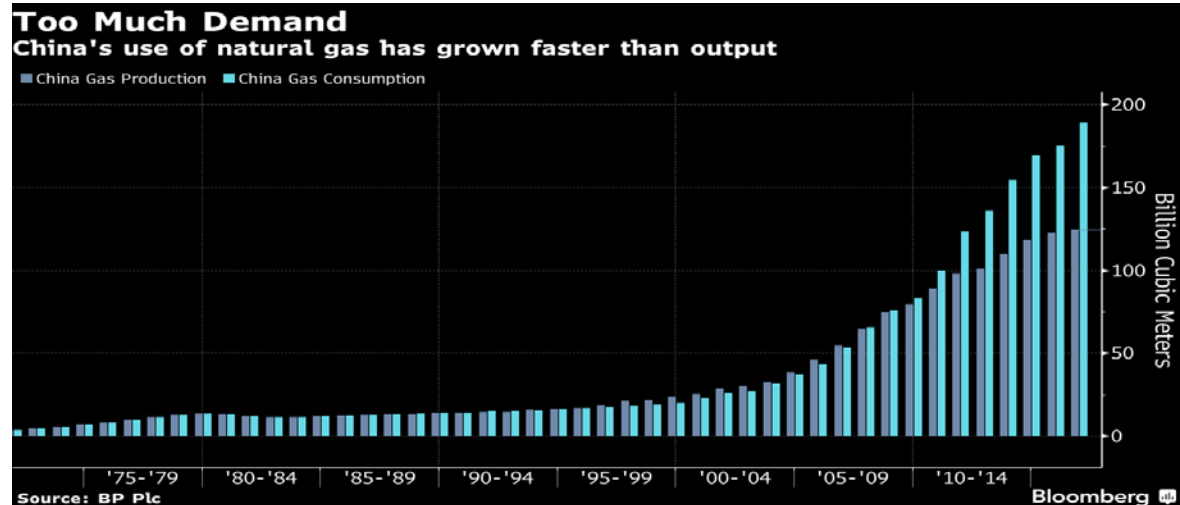
Global LNG supply and demand to 2035¹



Source: Energy Insights analysis, Energy Insights Gas Intelligence Model, IHS Vantage

China Serious about Conversion

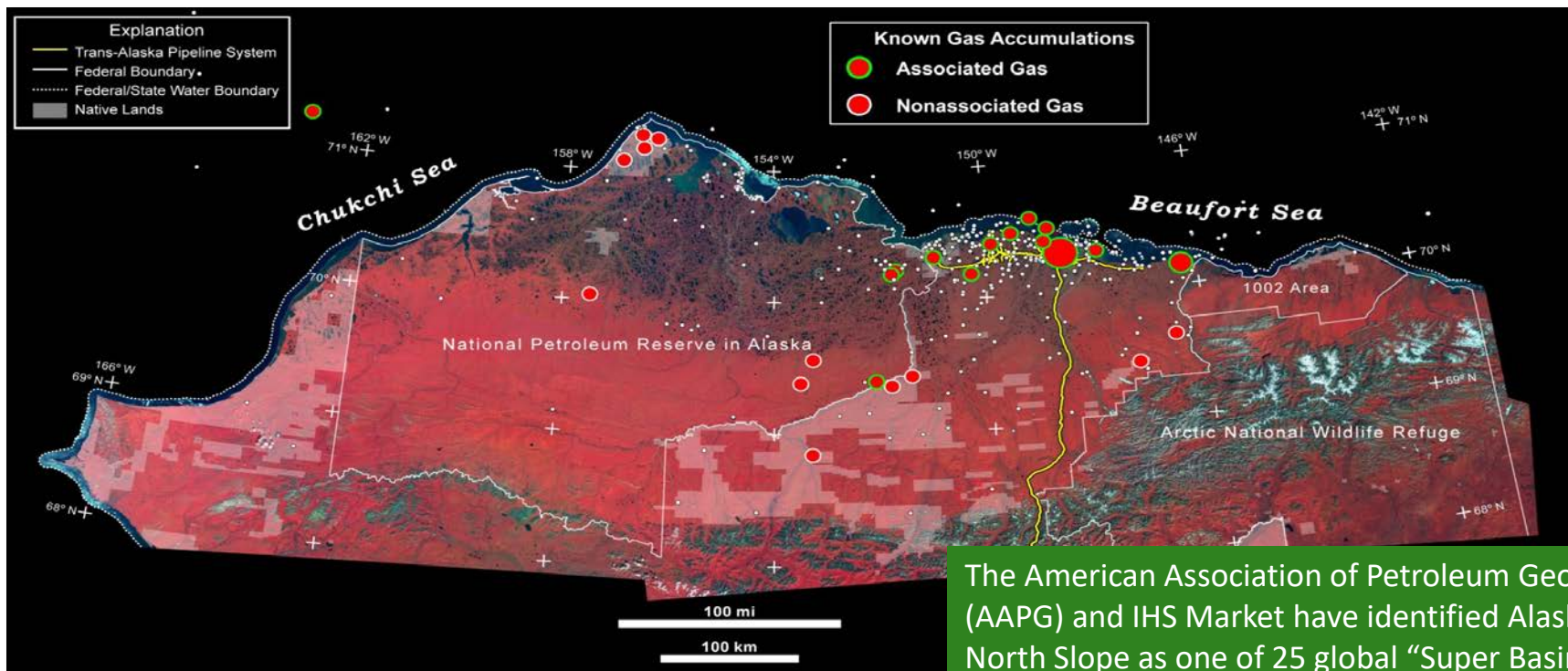
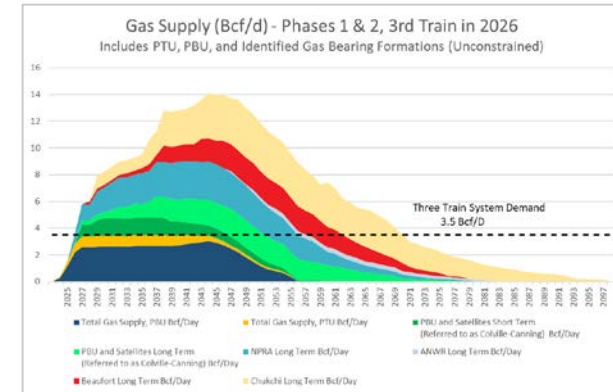
- China driving global supply/demand imbalance.
- National commitment to convert to gas.
- Lack of domestic supply.
- Rapidly expanding LNG import capacity.



North Slope – “Super Basin”

Alaska's Super Basin:

- One of only 25 Super Basins in the World.
- 100+ years of supply.
- Export revenue and Alaska Supply.



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

Global Position



7 - 9 days
to Asian markets

**Alaska is Asia's
closest and most
direct source of
U.S. LNG**

Trade Friction



- Dealing with global trade issues.
- Alaska LNG will help balance trade.



US Treasury Secretary Steven Mnuchin
in Alaska last month.



Supply competition increasing:

- Canada – launches, slams US supply.
- Russia – advancing, slams Alaska supply.
- Qatar – aggressive, trying to hold top spot.



Competitive Advantage

Alaska LNG =

GLOBAL POSITION



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

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SCHEDULE CERTAINTY



Alaska LNG provides direct and unrestricted access to Asian markets.

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SUPPLY SECURITY

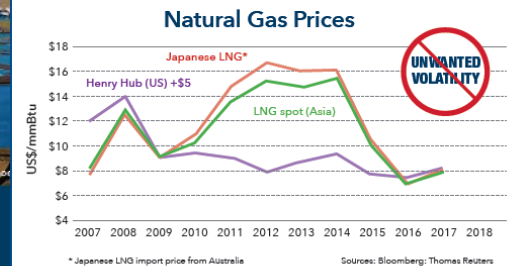


Alaska LNG provides access to the largest concentration of proven, conventional, stranded gas in North America.

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PRICE STABILITY



Alaska LNG offers an unprecedented level of price stability.

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ALASKA GASLINE
DEVELOPMENT CORP.

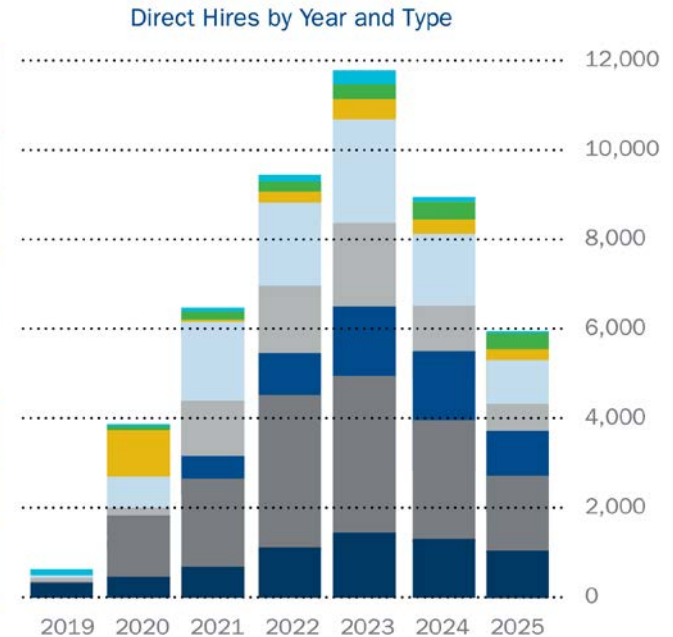
Competitive Advantage

Accelerate!



Jobs for Alaskans

- A construction employment boom.
- Long-term employment.
- Begin training now; demand for employment will require trained workforce.
- Indirect and induced jobs will spread the benefit of the Alaska LNG project to even more Alaskans.



- Lower gas prices in Australia led to significant additional mining activity.
- Alaska LNG project will produce similar positive outcomes, fueling existing mine expansion and attracting new mining.
- One study estimates the Alaska LNG project will generate up to \$151.6 billion in direct cost savings and \$266.5 billion in total additional spending over the 30-year project lifespan (TPG).



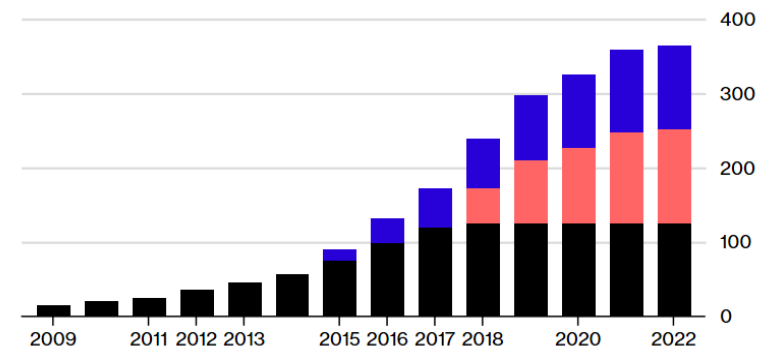
Tourism Benefits

- AMHS spends \$15 million annually on fuel; converting to LNG will save 60% and reduce emissions (TPG).
- AKRR locomotives convertible to natural gas without requiring replacement.
- Cruise industry is “responding to demands for cleaner air and pristine coastlines” by switching to LNG (Bloomberg.com).

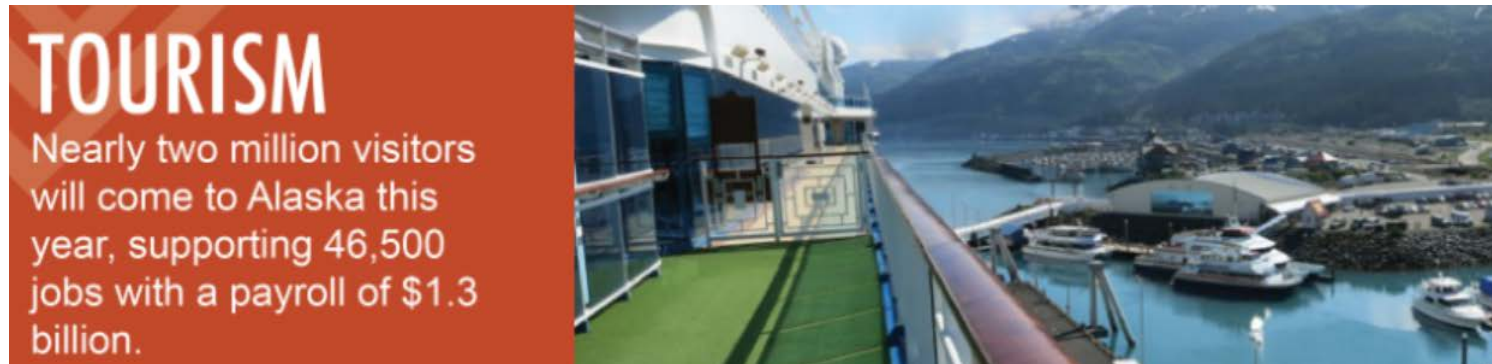
Expanding Fleet

Confirmed LNG-powered ships

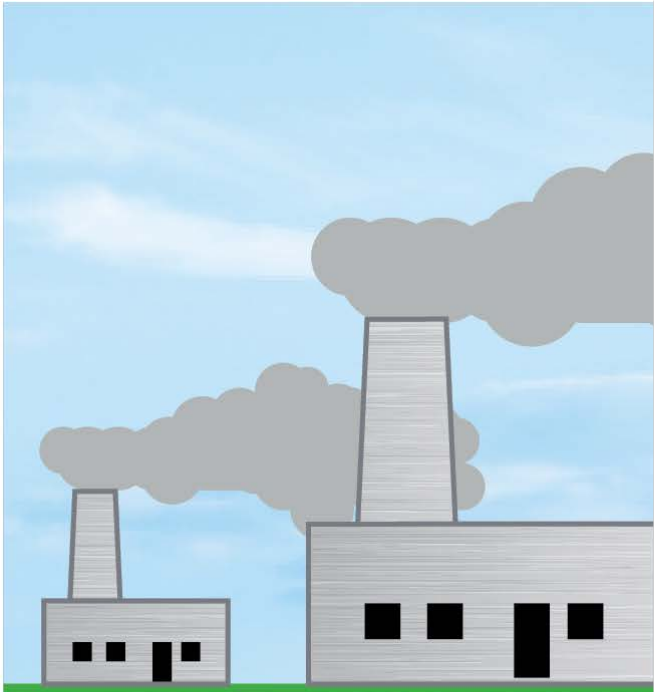
■ Ships in operation ■ Ships on order ■ LNG ready



Source: DNV GL



Fisheries Benefits

- 
- Alaska LNG will offset 80 million tons of CO2 per year from going into the atmosphere.
 - “There is a significant acid rain fallout over the North Pacific due to air pollution in Asia. Cleaner air in Asia will lead to cleaner oceans and healthier fish in Alaska. It is a win-win situation for all of us.”

- Ricky Gease, Kenai River Sportfishing Association

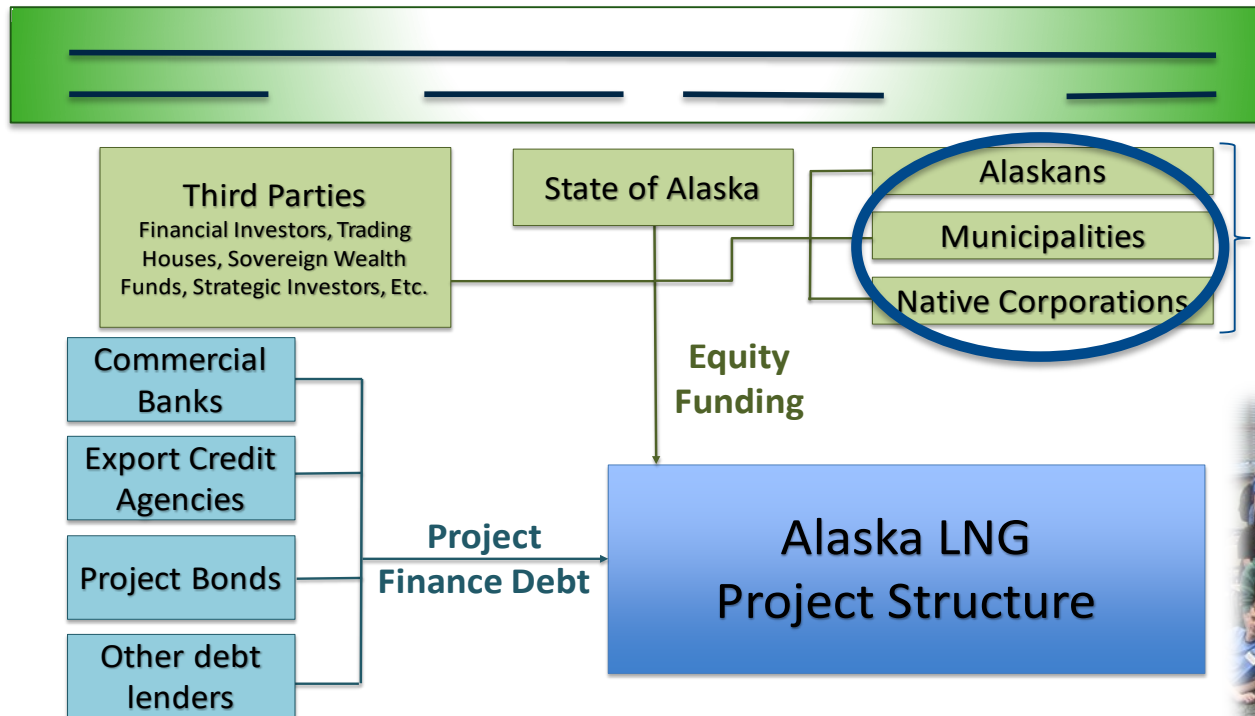
FISHERIES

The seafood industry in Alaska employs over 63,000 people and accounts for 55% of total U.S. commercial fisheries production.



System Funders will be Owners

Goal: Opportunity to own a share of Alaska's future!



100 years of gas supply = 100 years of revenue

- **50th anniversary of 1st LNG shipment.**
- **Succeed together as Alaskans.**
- **Own a share of the future.**



For the latest news and information:

Online - AGDC.us



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