

President's Report

September 12, 2024



National Prescription Drug Take Back Day is October 26, 2024

- Help prevent unused prescription medications from being accidentally ingested, stolen, misused, and abused
- Turn in unused or expired medication to local collection sites for safe disposal
- In the U.S., approx. 18.5 million lbs. of prescription drugs have been turned in for safe disposal to date
- Alaskan communities have removed more than 82,000 lbs. of prescription drugs for safe disposal to date
- Unused or expired medicine should never be flushed or poured down the drain



Local collection site information can be found here:

<https://apps.dea.diversion.usdoj.gov/pubdispsearch/spring/main?execution=e1s1>

FY24 Year-End Financial Report

ALASKA GASLINE DEVELOPMENT CORPORATION

Fiscal Year to Date Statement of Activities

(in thousands of dollars)

as of June 30, 2024 Unaudited

| | <u>YTD Costs</u> | | <u>YTD Costs</u> | |
|--------------------------|------------------|---|---------------------|---------------------|
| LNG Project Expenditures | 4,078 | LNG Project Expenditures | | AKLING Expenditures |
| AGDC General & Admin | 2,717 | Venture Development | 1,092 | |
| | <u>6,795</u> | Core PMT & Systems | 1,619 | |
| Total | <u><u>0</u></u> | ERL | 1,367 | |
| | | Total | <u><u>4,078</u></u> | |
| | | General and Administrative by Function | | |
| | | | <u>YTD Costs</u> | G&A by Function |
| | | Personnel | 1,230 | |
| | | Travel | 44 | |
| | | Services | 1,403 | |
| | | Commodities | 38 | |
| | | Depreciation | 3 | |
| | | Total | <u><u>2,717</u></u> | |

ALASKA GASLINE DEVELOPMENT CORPORATION

Fiscal Year to Date Statement of Activities

(in thousands of dollars)

as of June 31, 2024 Unaudited

| | <u>YTD Costs</u> | | <u>YTD Costs</u> | |
|--------------------------|------------------|---|------------------|----------------------------|
| LNG Project Expenditures | 451 | LNG Project Expenditures | | <u>AKLNG Expenditures</u> |
| AGDC General & Admin | 217 | Venture Development | 274 | |
| Total | <u>667</u> | Core PMT & Systems | 104 | |
| | <u>0</u> | ERL | 72 | |
| | | Total | <u>451</u> | |
| | | General and Administrative by Function | | |
| | | | <u>YTD Costs</u> | <u>G&A by Function</u> |
| | | Personnel | 86 | |
| | | Travel | 0 | |
| | | Services | 130 | |
| | | Commodities | 1 | |
| | | Depreciation | 0 | |
| | | Total | <u>217</u> | |

AKLNG Fund and Cash Balances

| As of June 30, 2024 | | As of September 6, 2024 | |
|-------------------------------------|--------------------|-----------------------------|--------------------|
| GeFonsi Account | \$1,658,296 | GeFonsi Account | \$1,167,899 |
| Global CU Accounts | \$1,042,357 | Global CU Accounts | \$3,122,467 |
| Total | \$2,700,653 | Total | \$4,290,366 |
| FY25 Board Authorized Budget | | Additional Revenue | |
| Operating Expenses | \$2,487,600 | | |
| Capital Expenses | \$5,500,000 | FY23 Federal Appropriation* | \$4,000,000 |
| Total | \$7,987,600 | | \$8,290,366 |

***Federal award notification received September 5, 2024**

September Heads Up Meeting

- Discussion with OMB proposed budget changes and reasoning

October

- Governor's office provides feedback on proposed budget and may recommend changes that might include:
 - Decreasing/deleting funding
 - Moving request to supplemental budget
 - Moving request to governor's amended budget

November

- Agencies make changes to budget submittal based on Governor's office; feedback due mid-November

December 15

- Governor releases proposed FY26 Budget

Alaska LNG Key Highlights



North Slope Gas Supply

- 40 Tcf of gas reserves in PBU and PTU
- 122 Tcf of total “Proved Producing Reserves” in Alaska*

Arctic Carbon Capture (ACC)

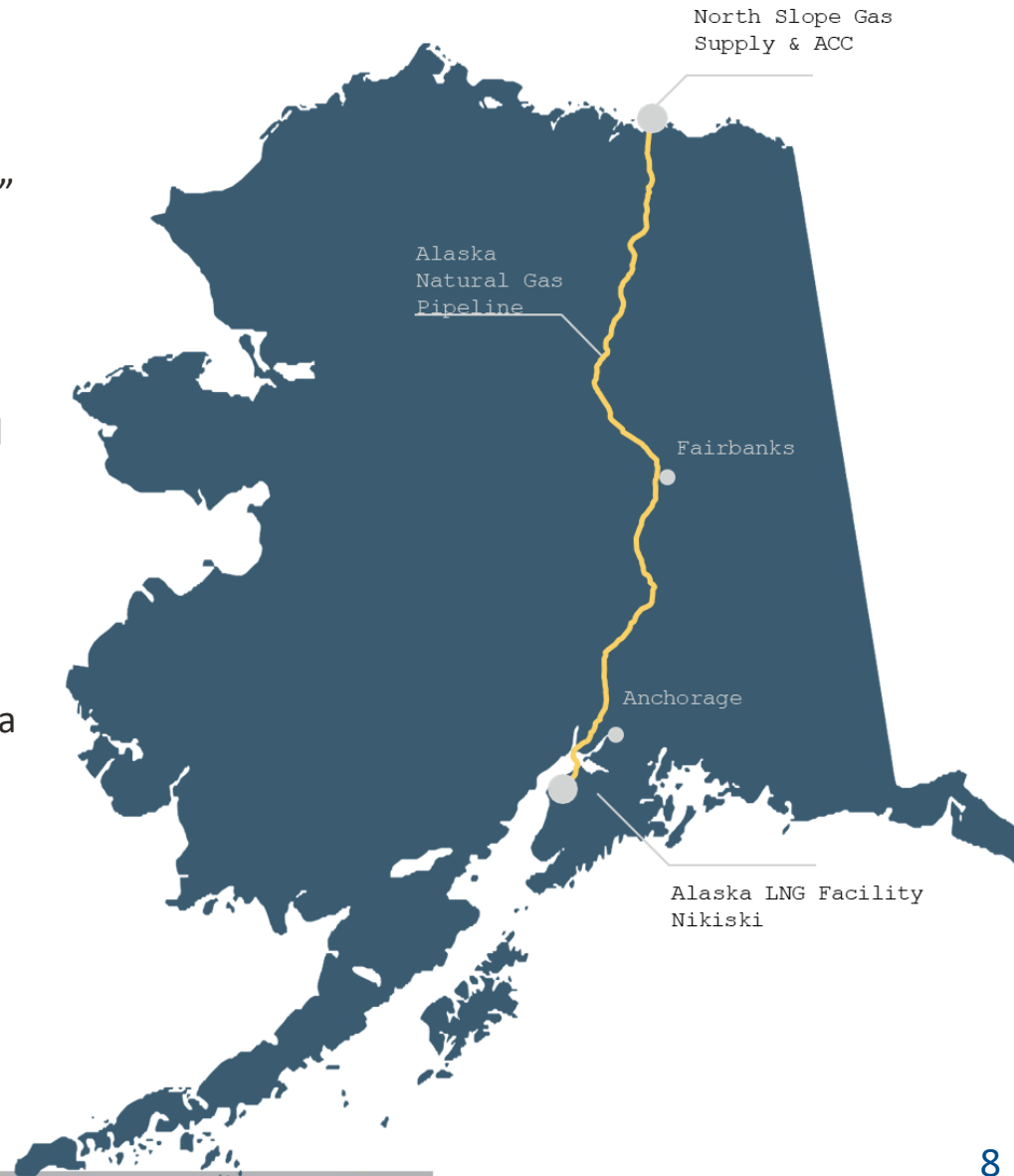
- Adjacent to existing gas plants, will remove and sequester CO₂ from raw gas stream and condition gas to LNG specifications

Natural Gas Pipeline

- 800-mile pipeline from Prudhoe Bay to Nikiski, follows existing oil pipeline and highway system, with gas delivered to Alaska communities and the LNG plant

Alaska LNG Facility

- 20-MTPA LNG facility located in Nikiski near the legacy Kenai LNG plant



*https://www.eia.gov/naturalgas/crudeoilreserves/pdf/Table_8.pdf

Major Permits and Authorizations

Completed

- Federal Energy Regulatory Commission (FERC) Environmental Impact Statement (EIS) and Order
- Department of Energy (DOE) Supplemental EIS and Export Orders
- Land Rights-of-Way (ROW): about 93 percent of Project Area
- Approved Cultural Resources Management Plan

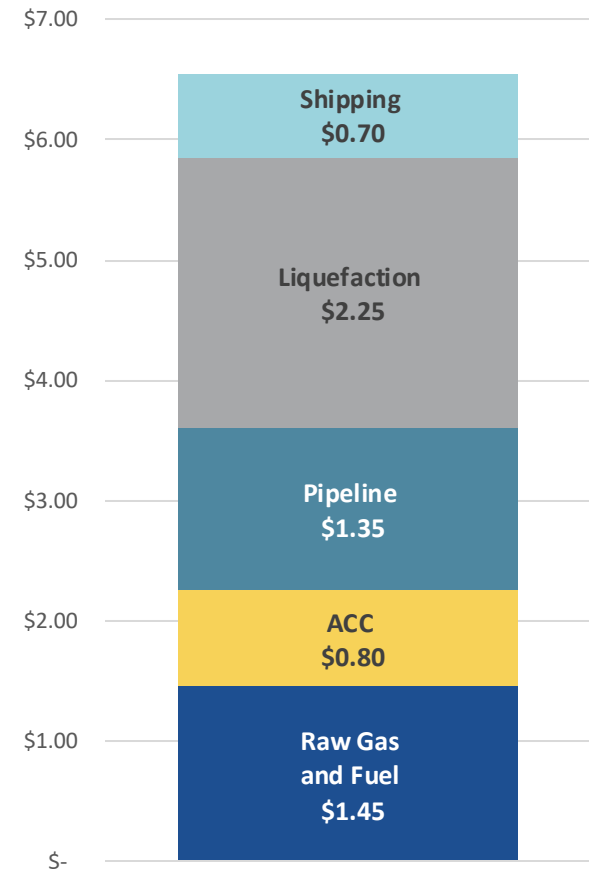
| ALASKA LNG | | Federal Permits and Authorizations | |
|--|---------------|------------------------------------|--|
| Permit/Authorization | Date Obtained | Complete | |
| Presidential Finding Concerning Alaska Natural Gas - President Reagan | 1/12/1988 | ✓ | |
| BLM Right-of-Way - Grant Offer | 1/1/2021 | ✓ | |
| BLM Right-of-Way Record of Decision | 7/23/2020 | ✓ | |
| Cultural Resources Management Plan | 6/24/2021 | ✓ | |
| DOD Letter of Non-Objection | 3/10/2020 | ✓ | |
| DOE Natural Gas Export Order No. 3554 (Free Trade) | 11/21/2014 | ✓ | |
| DOE Natural Gas Export Order No. 3643 (Non-Free Trade) Conditional | 5/28/2015 | ✓ | |
| DOE Natural Gas Export Order No. 3643-A (Non-Free Trade) | 8/20/2020 | ✓ | |
| DOE Natural Gas Export Order No. 3643-B (Non-Free Trade) Rehearing | 4/15/2021 | ✓ | |
| DOE Natural Gas Export Order No. 3643-C (Non-Free Trade) Affirming and Amending | 4/13/2023 | ✓ | |
| DOE Natural Gas Export Order No. 3643-D (Non-Free Trade) Denying Rehearing | 6/14/2023 | ✓ | |
| EPA Section 401 Water Quality Certification | 6/22/2020 | ✓ | |
| FAA Determinations GTP | 4/19/2018 | ✓ | |
| FAA Determinations LNG | 12/8/2017 | ✓ | |
| FERC Final Environmental Impact Statement | 3/6/2020 | ✓ | |
| FERC Order Granting Authorization under Section 3 of the Natural Gas Act | 5/21/2020 | ✓ | |
| FERC Programmatic Agreement - Cultural Resources | 5/29/2020 | ✓ | |
| NMFS Biological Opinion AKRO-2018-01319 | 6/3/2020 | ✓ | |
| NMFS Cook Inlet Marine Mammals (whales/seals) Incidental Take Rule | 8/17/2020 | ✓ | |
| NMFS Cook Inlet Marine Mammals (whales/seals) Letter of Authorization | 9/15/2020 | ✓ | |
| NMFS Prudhoe Bay Incidental Harassment Authorization Marine Mammals (whales/seals) | 2/16/2021 | ✓ | |
| NPS Right-of-Way Permit | 1/5/2021 | ✓ | |
| NPS Right-of-Way Record of Decision, DNPP | 7/23/2020 | ✓ | |
| PHMSA Siting Letter of Determination and Analysis - Liquefaction Facility | 2/4/2020 | ✓ | |
| PHMSA Special Permit - Crack Arrestor Spacing | 9/9/2019 | ✓ | |
| PHMSA Special Permit - Mainline Block Valve Spacing | 9/9/2019 | ✓ | |
| PHMSA Special Permit - Pipe-in-Pipe | 4/27/2020 | ✓ | |
| PHMSA Special Permit - Strain-Based Design | 9/9/2019 | ✓ | |
| PHMSA Special Permit - Three-Layer Polyethylene Coating | 9/9/2019 | ✓ | |
| USACE Record of Decision Section 404 Wetlands Permit | 6/24/2020 | ✓ | |
| USACE Section 404 Permit | 7/10/2020 | ✓ | |
| USCG Bridge Permit – Chulitna East Fork | 9/11/2020 | ✓ | |
| USCG Bridge Permit – Chulitna Middle Fork | 9/11/2020 | ✓ | |
| USCG Bridge Permit – Deshka River | 9/11/2020 | ✓ | |
| USCG Bridge Permit – Sag | 9/11/2020 | ✓ | |
| USCG Bridge Permit – Tolovana | 9/11/2020 | ✓ | |
| USCG Letter of Recommendation Regarding the Waterway Suitability Assessment | 8/17/2016 | ✓ | |
| USCG Waterway Suitability Assessment | 3/18/2016 | ✓ | |
| USFWS Biological Opinion | 6/17/2020 | ✓ | |
| USFWS Cook Inlet Incidental Take Rule Marine Mammals (sea otters) | 8/1/2019 | ✓ | |
| USFWS Eagle Take Permit | 6/23/2020 | ✓ | |
| USFWS Incidental Take Rule Marine Mammals (polar bear) | 8/5/2021 | ✓ | |

Alaska LNG's Cost of Supply is Well Below Market Prices

- \$6.55 cost of supply delivered to Asia is lower than competing market prices*:
 - Brent Linked: \$10.40 ($\$80 \text{ Brent} \times 13\%$)
 - U.S. Gulf Coast: \$8.66 ($1.15 \times \$2.75 \text{ Henry Hub} + \5.50)
 - JKM: \$12.00 (*spot price*)
- Verified by Wood Mackenzie
- 2023 update to account for recent construction inflation, 45Q tax credits, and financial return expectation – remains largely unchanged

* as of June 6, 2024

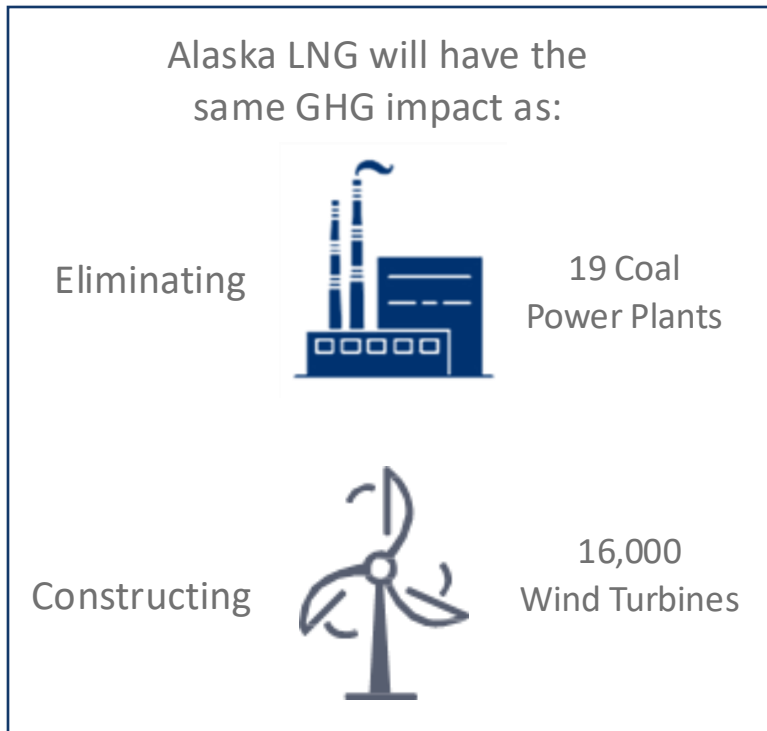
\$6.55: Delivered Cost of Supply



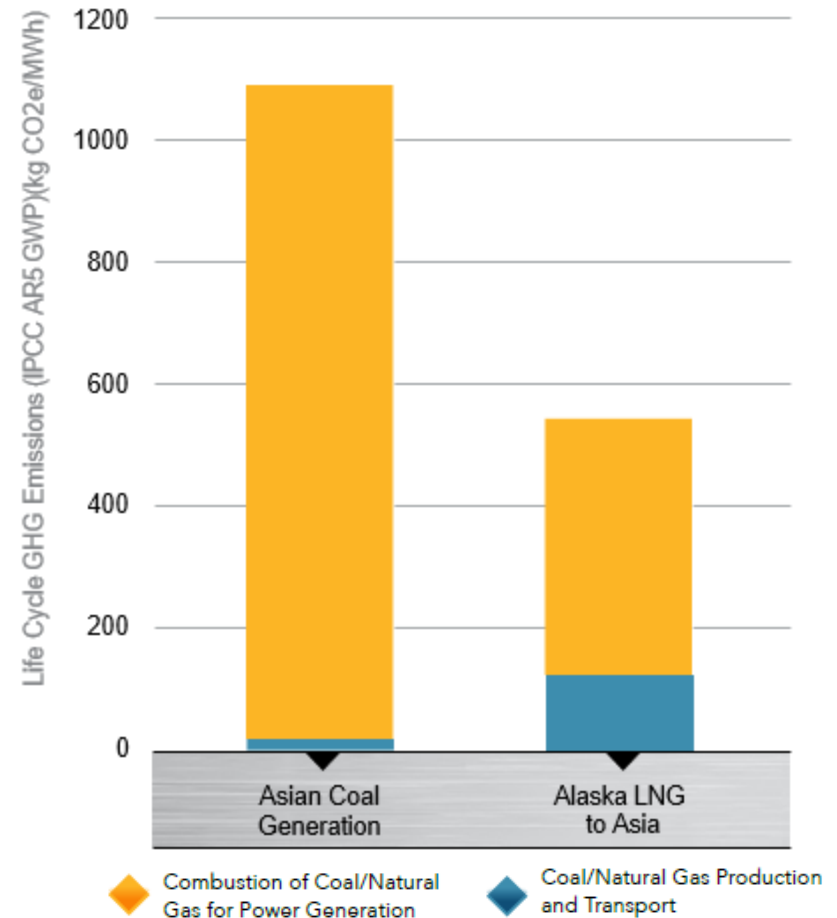
Positive Climate Impact

Alaska LNG can reduce GHG emissions by more than 77 million tonnes of CO₂ per year.

Alaska LNG can have one of the greatest GHG benefits of any project in the world.



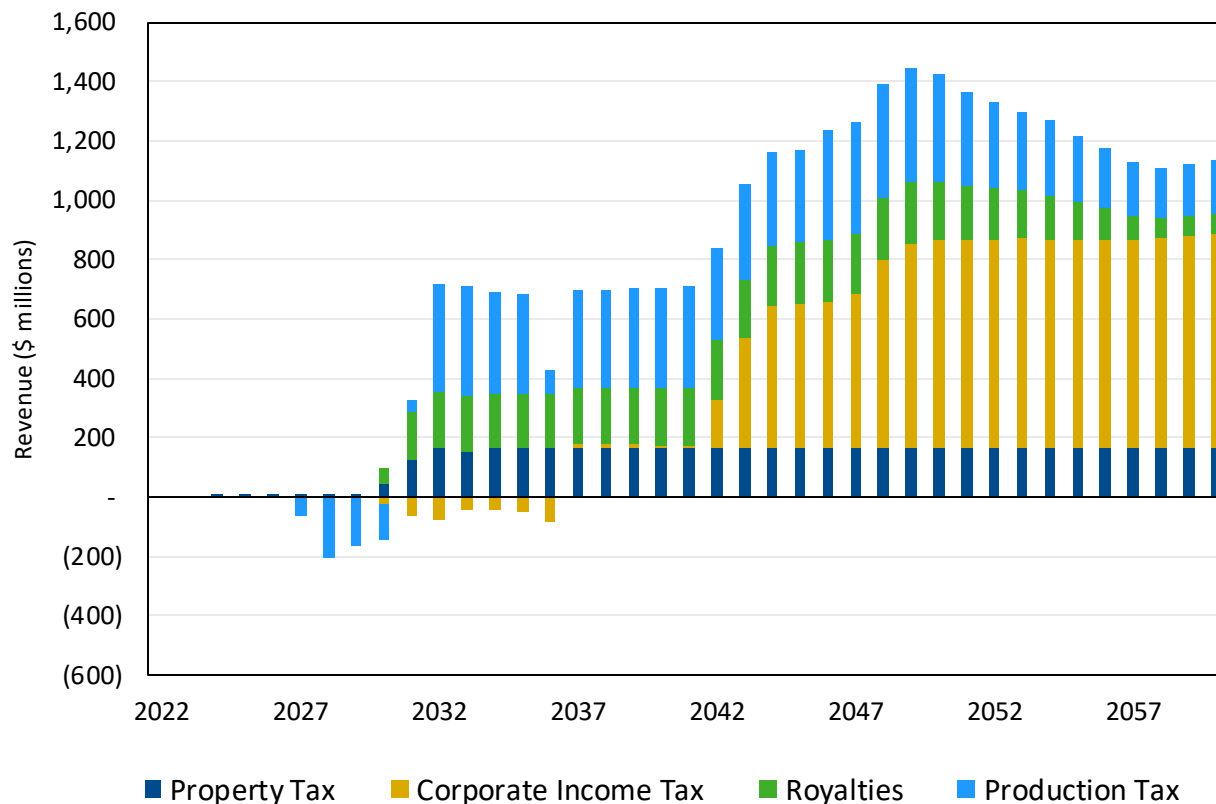
Lifecycle GHG Emissions for Natural Gas vs. Coal Power



Source: Greenhouse Gas Lifecycle Assessment: Alaska LNG Project

DOR performed analysis on expected State of Alaska revenue from Alaska LNG

Annual State Revenues (\$ Nominal)



Key Assumptions

- Does not include AGDC revenue from return on investment-to-date or future State investments
- \$1.00 gas price
- Assumes full property tax but does not show the share going to boroughs
- Assumes no liquids losses at Prudhoe Bay

LNG Market Update

ALASKA
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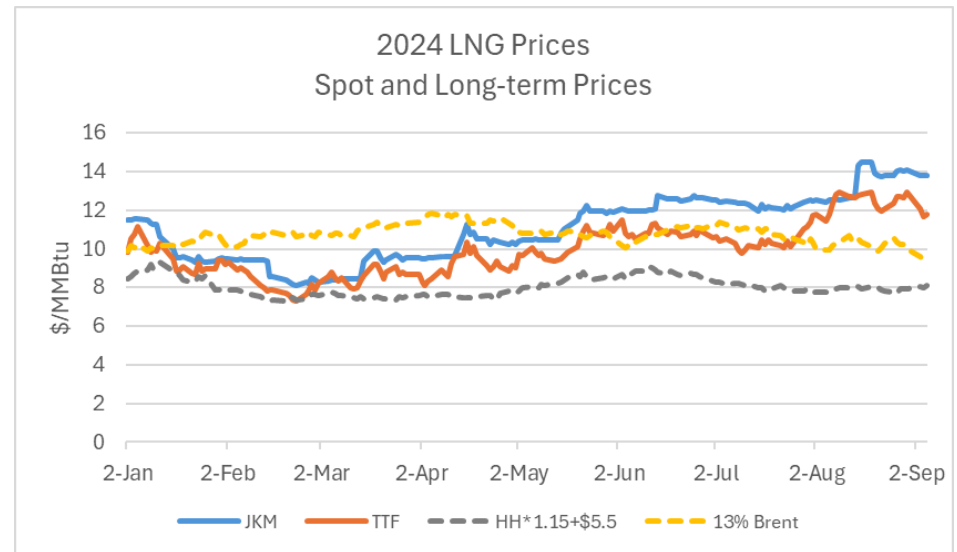
The logo for Alaska Gasline Development Corp. features the company name in a sans-serif font. To the right of the text is a stylized outline of the state of Alaska, composed of several blue stars of varying sizes arranged to form the state's shape.

Spot Prices (JKM & TTF) Climbing

- The Asian JKM price is holding at ~\$2 over the European TTF price
- Both have climbed into the \$12 - \$14 range

Long-term contract prices have remained steady

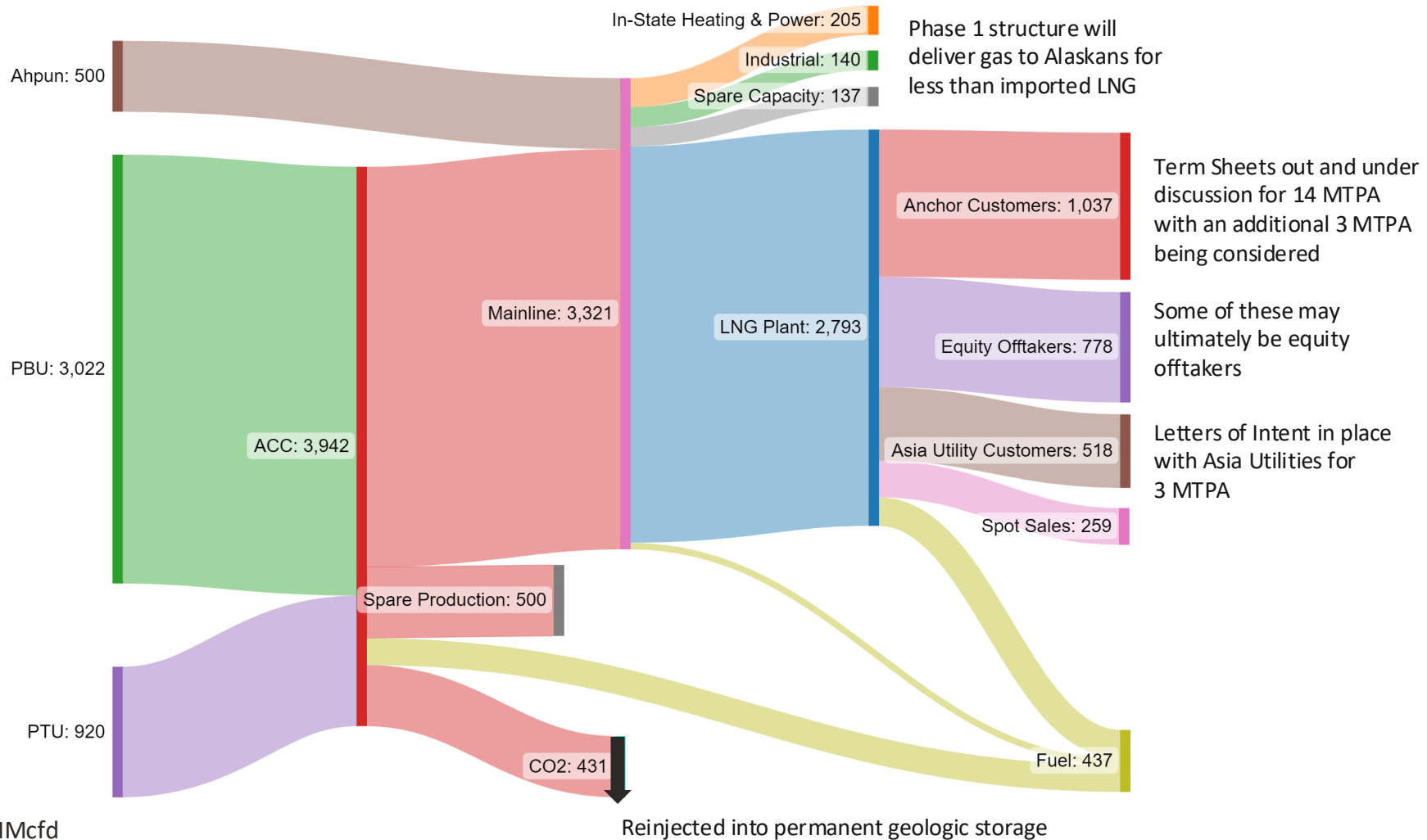
- Henry Hub contracts are steady and discounted by \$2 to Brent-indexed



2024 Continues to be stable, with Henry Hub setting the floor

- Low U.S. domestic gas prices translate into competitive LNG into Asia
- European inventories are robust, and LNG growth has shifted back to Asia
- Panama Canal remains a major obstacle and nearly all LNG flowing from the U.S. to Asia is taking the long way to get there
- European gas storage is 93% full already with time to spare before winter

Indicative view of Alaska LNG flows based on current conversations



Independent Third-Party Economic Assessment of Phase 1 Pipeline



*“It is the intent of the legislature that the Alaska Gasline Development Corporation continue to work towards meeting the critical energy needs of Alaskans by advancing a pipeline project proposal which would deliver North Slope natural gas to Alaska's utilities, businesses, and homeowners. Further, it is the intent of the legislature that the Alaska Gasline Development Corporation complete an independent third-party review of a project proposal that would commercialize North Slope gas and present that analysis to the legislature by December 20, 2024. **It is the further intent of the legislature that if analysis shows a positive economic value to the state, all parties would work toward Front End Engineering and Design for Phase 1 of a pipeline project.**”*

At the direction of the Alaska Legislature, Wood Mackenzie was contracted to complete an independent third-party economic assessment of the Alaska LNG Phase 1 Pipeline.

The first portion of this economic assessment is complete and compares the cost of natural gas delivered to Alaskans from the Phase 1 Pipeline to the cost of imported LNG.



Wood Mackenzie is a leading global provider of data and analytics solutions for the renewables, energy and natural resources sectors.

Wood Mackenzie has worked extensively since 2016 as an independent consultant on Alaska energy issues, including providing economic analysis into the cost of supply for Alaska LNG. Most recently in 2021/22, Wood Mackenzie updated this analysis which included calculating new base cost of supply and competitive analysis.

Costa Swift

Vice President in the Upstream and Carbon Management Consulting Team

More than 18 years of experience working in the oil and gas industry.

Since joining in 2012 Wood Mackenzie, Costa has worked on a range projects across the unconventional and conventional space including performance improvement, operational benchmarking, market studies, due diligence, valuation, developing corporate, and growth strategies.

Daniel Bermudez

Principal Consultant focused on the Gas & LNG sector

At Wood Mackenzie for more than 6 years, with additional experience in upstream and metals & mining.

Before Wood Mackenzie, Daniel worked as a management consultant at EY, and prior to that worked at Schlumberger Business Consulting.

Akira Takiguchi

Managing Consultant

Akira joined Wood Mackenzie in early 2024 and has collaborated with the Gas and LNG team on key projects such as pipeline due diligence and market analysis for LNG projects.

Prior to Wood Mackenzie, he worked at New Fortress Energy and as a consultant across Latin America.

Next Steps – Report Presentation

- Initial presentation to AGDC Board September 12th on energy cost projections
- Wood Mackenzie to present final report with economic benefits to State of Alaska by September 20th
- AGDC will work with the Governor and Legislative Budget and Audit (LB&A) committee leadership on a date for Wood Mackenzie to present their full report

Technical & ERL Update



Federal Energy Regulatory Commission

- Resolved – Alaska LNG Project authorization was upheld

Department of Energy

- Ongoing – Challenged export approval
- All briefs filed – Oral arguments scheduled for October 21

Our Children's Trust (OCT)

- Filed May 22, 2024 in Alaska 3rd Judicial District
- The State of Alaska filed Motion to Dismiss

National Marine Fisheries Service & U.S. Fish and Wildlife Service

- Filed May 30, 2024 in U.S. Court of Appeals, Ninth Circuit
- Challenged Biological Opinions
- No Statement of Issues is yet available

- Permit and Authorization Maintenance
- Renewals
- Land Use Agreements
- Stakeholder Responses
- Press Responses

Contact Us

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Acronyms

| | | | |
|-------------------|---|---------|---|
| ACC | Arctic Carbon Capture | Gt | Gigatonne |
| AFN | Alaska Federation of Natives | GTP | Gas Treatment Plant |
| AGDC | Alaska Gasline Development Corporation | HH | Henry Hub |
| ANCSA | Alaska Native Claims Settlement Act | HOA | Heads of Agreement |
| ANVCA | Alaska Native Village Corporation Association | IOC | International Oil Company |
| AOGCC | Alaska Oil and Gas Conservation Commission | IPT | Integrated Project Team |
| AP-X | Air Products Liquefaction Technology | IRR | Internal Rate of Return |
| Bbl | Barrel | JKM | Japan Korea Marker |
| Bblsd | Barrels per Day | Kbblsd | Thousand Barrels per Day |
| Bcf | Billion Cubic Feet | LNG | Liquefied Natural Gas |
| Bcfd | Billion Cubic Feet Per Day | LOI | Letter of Intent |
| BLM | Bureau of Land Management | M3 | Cubic Meters |
| Capex | Capital Expenditure | MMBtu | Metric Million British Thermal Unit |
| CB&I | Chicago Bridge & Iron Company | MOU | Memorandum of Understanding |
| CCS | Carbon Capture and Sequestration | MT | Metric Tons |
| CIT | Corporate Income Tax | MTPA | Million Tonnes Per Annum |
| CO ₂ | Carbon Dioxide | NETL | National Energy Technology Laboratory |
| CO ₂ E | CO ₂ Equivalent | NPRA | National Petroleum Reserve Alaska |
| DES | Delivered Ex-Ship | O&M | Operations & Maintenance |
| DOE | Department of Energy | OCS | Outer Continental Shelf |
| DOT&PF | (Alaska) Department of Transportation and Public Facilities | Opex | Operating Expenses |
| EA | Environmental Assessment | QRA | Quantitative Risk Analysis |
| EIS | Environmental Impact Statement | ROW | Right-Of-Way |
| EPC | Engineering, Procurement & Construction | SPA | Sale and Purchase Agreement |
| FEED | Front End Engineering Design | TAPS | Trans-Alaska Pipeline System |
| FERC | Federal Energy Regulatory Commission | Tbtu/yr | Trillion British Thermal Units per Year |
| FID | Final Investment Decision | Tcf | Trillion Cubic Feet |
| FOB | Free on Board | TPA | Tonne per Year |
| FTA | Free Trade Agreement | USGS | United States Geological Society |
| GHG | Greenhouse Gas | VDR | Virtual Data Room |