

President's Report

December 13, 2024



Winter Vehicle Essentials

Winter car preparation is crucial for staying safe in cold weather emergencies on the road. Here are some helpful tips to make sure you are prepared for a crash, break down, or being stuck in the snow:

- Check weather and road conditions and be prepared for winter driving
- Maintain sufficient fuel levels and carry an emergency roadside kit with flares and first aid supplies
- Keep an ice scraper and small shovel for removing ice and snow on or around the car
- Pack extra clothes and outer layers such a coat, hat, gloves, and boots with good traction
- Carry water and non-perishable food items in case of long waits in your car
- Keep a cell phone charger to maintain battery life
- It may also be a good idea to maintain an active roadside assistance subscription



FY25 Financial Report – 2024

AGDC Fiscal Year to Date Statement of Activities (in thousands of dollars) as of October 31, 2024 Unaudited	
LNG Project Expenditures	1,577
AGDC General & Admin	840
Total	2,417

LNG Project Expenditures (AKLNG Expenditures)		AGDC General & Administrative (G&A by Function)	
	YTD Costs		YTD Costs
Venture Development	568	Personnel	375
Core PMT & Systems	550	Travel	20
ERL	459	Services	436
Total	1,577	Commodities	9
		Depreciation	0
		Total	840

Department of Energy, National Energy Technology Laboratory Award for Alaska LNG Project Front-End Engineering Design (FEED)

- \$4 Million Award
- Award start date effective July 1, 2023
- Pre-award approval for costs starting April 1, 2023
- Budgeted costs are direct contracted project expenditures
- Monthly billing until anticipated completion date of March 2025

Budget	
Total DOE Award	\$ 4,000,000.00
Payments Received to Date	\$ 3,101,466.65
Remaining Balance	\$ 898,533.36

FY26 AGDC Budget Request

Operating Budget (in thousands of dollars)

Personal Services	\$1,260.6	FY26 is a general fund increment request, as FY25 operating budget was funded as a one-time only request. Increased services as the Division of Legislative Finance criticized AGDC for having operating costs in the capital budget.
Travel	\$47.1	
Services (Contracts)	\$1,171.8	
Commodities	\$40.0	
Total GF Request	\$2,519.5	

Capital Budget (in thousands of dollars)

GF Request	\$4,200.0	Request is for the costs of representing the state's interests during Front-End Engineering Design such as legal expertise for agreements/ contracts, regulatory review, permit compliance.
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\$50 million is appropriated to AIDEA for the Alaska LNG Project Phase 1 Backstop.

AGDC's strategic objectives are to:

- Pursue a Phase 1 Pipeline option to address Alaska's energy security
- Transition the Alaska LNG Project to a private sector lead developer who will fund and lead the full 20 MTPA LNG export project to FID

AGDC has been focused on:

- Facilitating the legislature-directed independent economic evaluation of the Phase 1 Pipeline for Alaska's long-term energy security
- Advancing gas supply precedent agreements with North Slope producers to supply the volumes that Alaska needs at commercially favorable terms
- Advancing agreements with Railbelt utilities and industrial users to purchase natural gas from the Alaska LNG Project to underpin the private funding needed to construct the Phase 1 Pipeline
- Advancing agreements with a well-qualified North American pipeline developer to complete Phase 1 Pipeline FEED and with an overall lead developer for the full scope of the Alaska LNG Project

Venture Development



AGDC has pursued private development capital to fund Alaska LNG FEED and costs to take to FID

- Estimated at \$50 million for Phase 1 Pipeline
- Estimated at \$150 million for the full Alaska LNG Project scope

AGDC is engaged with private developers and investors to lead both Phase 1 and future development of LNG exports

- Ongoing discussions with investors interested in both Phase 1 Pipeline and the full Alaska LNG Project
- Goldman Sachs is under agreement to assist AGDC in raising development and construction capital

LNG Market Conditions

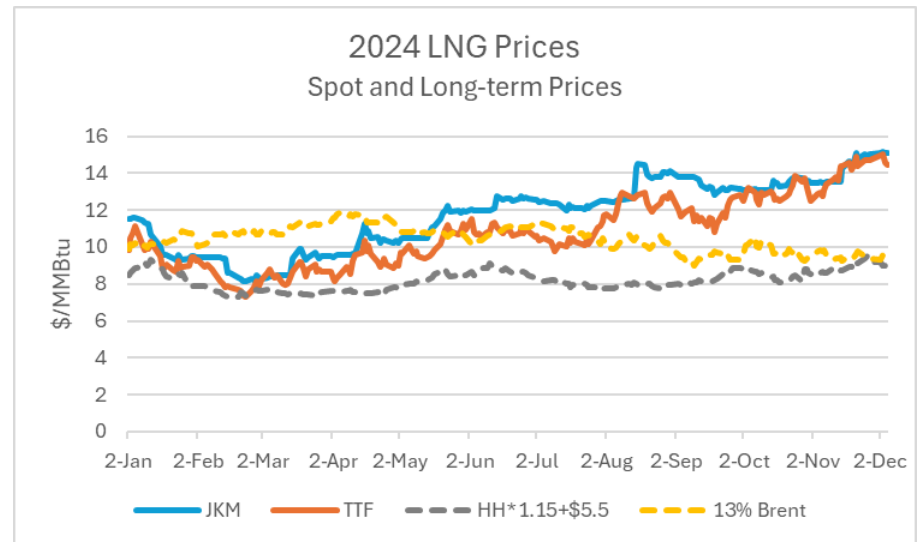


Spot Prices (JKM & TTF) Climbing

- Prices continue to climb, as we enter winter months

Long-term contract prices have remained steady

- A slight easing of Brent-indexed, as oil prices soften
- A typical increase in Henry Hub, as we enter the winter months



2024 was stable for long-term contracts, while spot buyers feel the pinch

- Geopolitics driving the race between JKM and TTF, with TTF once again closing the gap
- Europe importing 6% less LNG in Q4 compared with Q4 2023, but imports still higher than YTD average, as more regasification infrastructure comes online (Greece and Germany)
- La Niña still expected to land a cold punch, driving up Henry Hub
- Russia-Ukraine gas transit deal expires end of 2024—this could have significant implications

Lead Party Negotiations



- Terms being discussed under which a third-party developer would commit to fund and resource Alaska LNG to FID
 - Due diligence nearing complete by both parties
 - Primary focus on a 2031 pipeline startup, under the phased approach
- Developer would assume a lead position in terms of equity and would “carry” AGDC to FID
- Parties will enter interim period to negotiate Definitive Agreements
 - 8 Star LLC Agreement amendments
 - Project Development Agreement
 - Development Plan
- Will continue to update Board

Phase 1 Pipeline

ALASKA
GASLINE
DEVELOPMENT CORP.

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.

Phase 1 of Alaska LNG

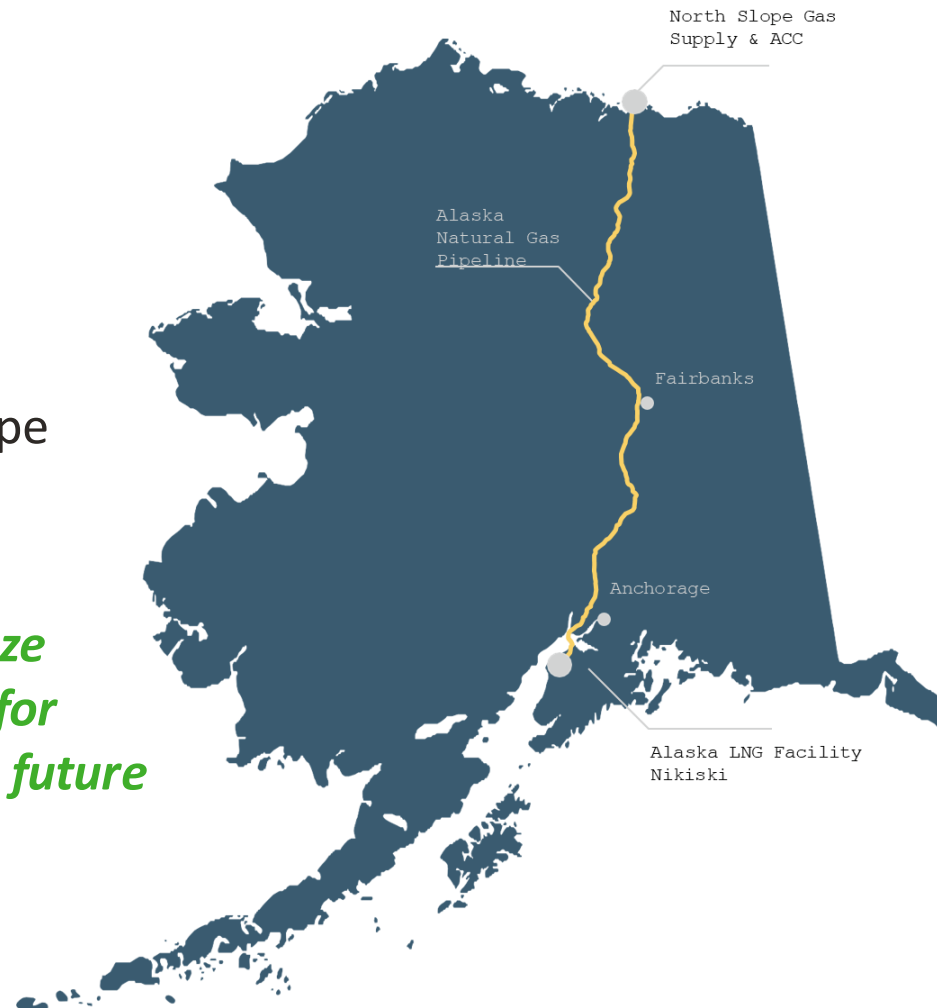
Alaska LNG is a **fully permitted** integrated LNG export, pipeline, and gas treatment project

Phase 1 is the pre-build of the pipeline from the North Slope of Alaska to Southcentral Alaska

Phase 2 is the construction of North Slope gas treatment and LNG export facilities

By phasing Alaska LNG, Alaska can utilize existing permits to quickly provide gas for Alaskans and provide infrastructure for future LNG exports and industrial use

ALASKA LNG



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

The analysis shows a positive economic value to the state.

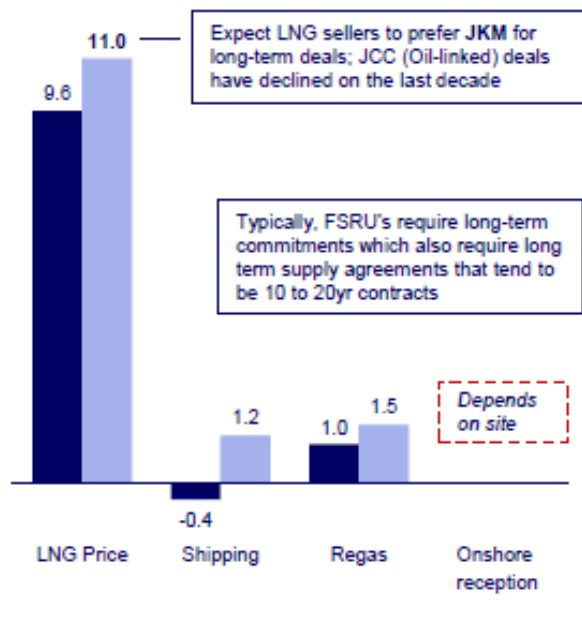
Economic Viability

Analysis of LNG Imports as alternative

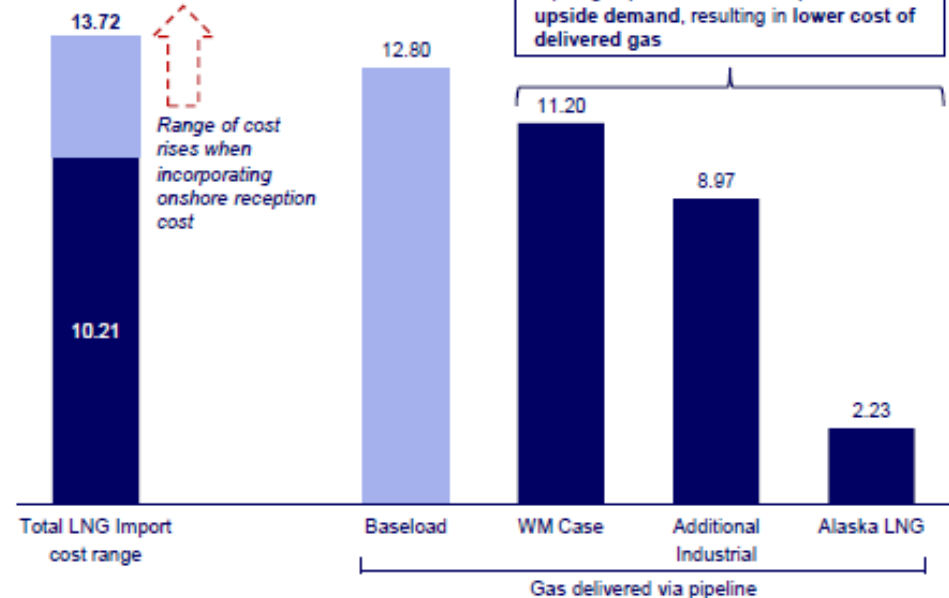


LNG imports estimated at ~US\$10.2-13.7/mmbtu plus onshore costs downstream of regas, within range of the delivered cost via pipeline

LNG Import cost range per value chain component¹
US\$/mmbtu, real 2024



LNG Import cost (without onshore investment) vs Gas delivered via pipeline
US\$/mmbtu, real 2024



Source: Wood Mackenzie

1. Considers LNG Price average for the 2031 – 2050 Period, Shipping and Regas costs maintained constant in real terms

Economic Impact

Economic Impact of LNG Pipeline Phase 1



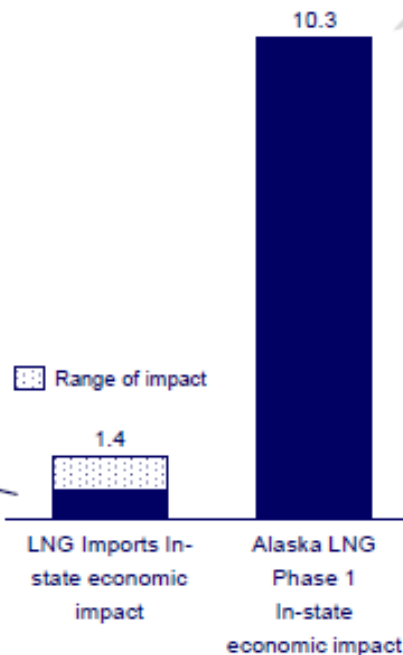
Economic impact for Alaska LNG Phase 1 is 7x – 10x larger than the LNG imports alternative with the additional benefit of potential lower gas cost via industry expansion and upside demand

Economic Impact Comparison – LNG Imports vs Alaska LNG Phase 1

GVA in US\$ billion, 2024 Real

Phase 1 costs are offset by roughly equivalent economic impacts

- Marginal FSRU capex considered as only requiring setting up – construction done elsewhere
- No upside for gas demand outside of current baseload consumption
- Impact mainly considering:
 - Dock construction
 - FSRU and dock required labor
 - Local services and materials suppliers
 - Local businesses stimulated



- Pipeline construction related activity and capital spend directly impacting Alaska economic activity
- Lifetime operational expenditure
- Government revenue from project's corporate taxes
- Government take from upstream gas monetization
- Upside for gas demand (additional industrial) and Fairbanks gas switch from higher emissions fuels

Source: Wood Mackenzie

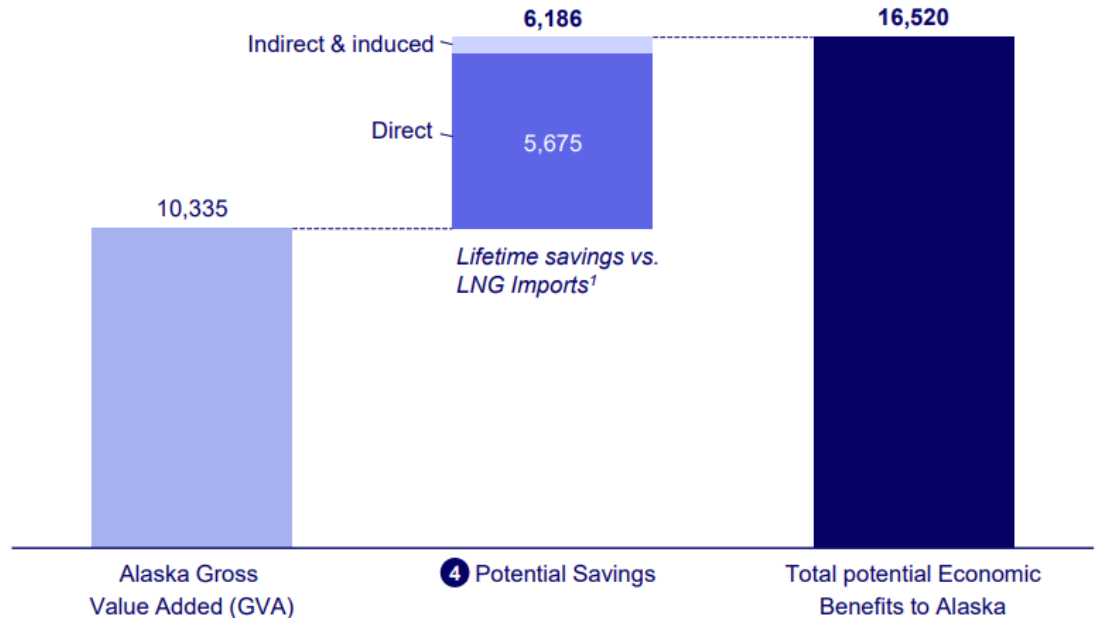
Economic Impact of LNG Pipeline Phase 1



With potential implied savings (compared to LNG imports) economic benefits to the state add up to ~US\$ 16.6 Bn

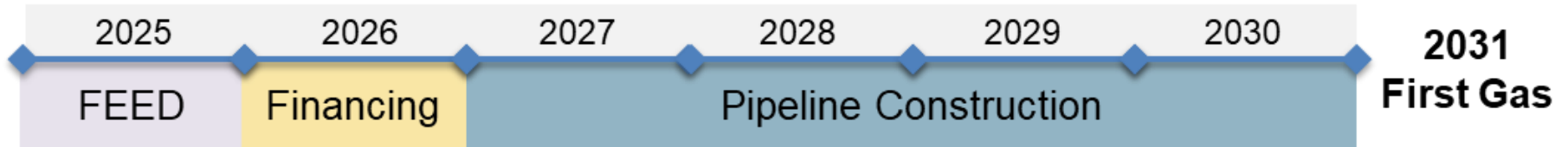
- Gas via pipeline has additional economic benefits over the long term:
 - Lifetime **savings** from the **baseload** supplied via Pipeline, compared to LNG add up to **~US\$ 5.7 billion**
 - Savings going back into the economy would also generate indirect and induced impact
 - The pipeline provides potential upside for gas demand and industrial activity
 - Overall potential impact to the state of Alaska is estimated at **~ US\$16.5 billion** or 2.8x in-state capex

Total Economic Impact Estimated for Alaska LNG Phase 1
US\$ million, 2024 Real



Source: Wood Mackenzie, AGDC, the Perryman Group; 1. Considers WM Case Scenario, high-end cost of LNG imports and grossed up with the construction economic multiplier (as proxy)

Actions to Build the Pipeline



- Third-party verification of Phase 1 of Alaska Natural Gas Pipeline economics (completed October 2024)
- Execute FEED Backstop Agreement with pipeline company (in progress)
- Secure \$50 million to fund FEED backstop (in progress)
- Pipeline company funds and undertakes FEED, prepares final cost estimate and construction contracts
- Enter into agreements with Alaska utilities for long-term gas supply
- Raise debt and equity financing
- Final Investment Decision – Start construction

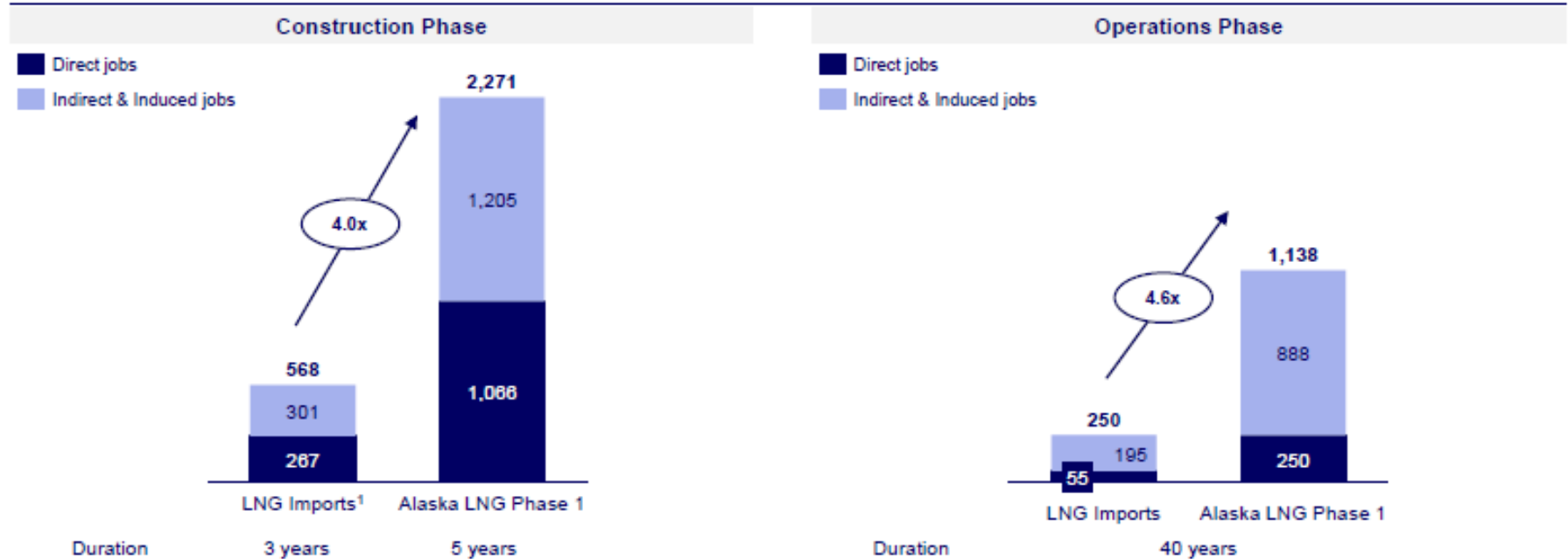
Phase 1 Jobs

Economic Impact of LNG Pipeline Phase 1



The impact in jobs created from Alaska LNG Phase 1 is 4x larger than the LNG imports alternative mainly due to a larger in-State construction scope

Economic Impact Comparison – LNG Imports vs Alaska LNG Phase 1
Average jobs per year - Direct, indirect, and induced



Source: Wood Mackenzie and AGDC. 1. Refer to appendix for key assumptions

AIDEA Board Resolution

On December 4, 2024, the Alaska Industrial Development and Export Authority (AIDEA) Board of Directors passed a resolution authorizing AIDEA staff to execute the necessary agreements for AIDEA to supply a \$50 million FEED backstop for Phase 1

- AGDC, AIDEA, and pipeline company working to finalize and execute agreements
- No further AIDEA Board action is necessary to access funds

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT
AUTHORITY RESOLUTION NO. G24-17
RESOLUTION OF THE ALASKA INDUSTRIAL AND EXPORT AUTHORITY REGARDING A CREDIT INSTRUMENT FOR USE BY THE ALASKA GASLINE DEVELOPMENT CORPORATION REGARDING FINANCING A FRONT END ENGINEERING AND DESIGN STUDY

WHEREAS, the Alaska Industrial Development and Export Authority (the "Authority") pursuant to AS 44.88.080 has enumerated powers and authorizations for the development of infrastructure in connection with the development and transportation of Alaska's natural resources;

WHEREAS, AS 44.88.080 (11) provides that the authority may enter into contracts or agreements with respect to the exercise of any of its powers, and do all things necessary or convenient to carry out its corporate purposes and exercise the powers granted in this chapter;

WHEREAS, AS 44.88.080 (15) authorizes the authority to assist private lenders to make loans to finance the costs of projects through loan commitments, short-term financing, or otherwise;

WHEREAS AS 44.88.080 (17) specifies that the authority can enter into contracts or other transactions with a federal agency, with an agency or instrumentality of the state or of a municipality, or with a private organization or other entity consistent with the exercise of any power under this chapter;

WHEREAS, the Authority pursuant to AS 44.88.080 (9) can "enter into contracts or other transactions regarding them with, a federal agency, an agency or instrumentality of the state, a municipality, a private organization, or other source[.]";

Resolution G24-17 2

Resolution G24-17 3

Resolution G24-17 4

Resolution G24-17 5

What is the FEED Backstop Agreement?

- AGDC secures a “backstop” from AIDEA to underpin pipeline company's FEED costs, up to \$50 million
- The pipeline company funds and completes the work necessary to prepare for construction—“first dollars” are privately funded
- FEED outcome – either:
 - The pipeline company takes FID and the backstop is unused and released, or
 - The pipeline company is reimbursed for their costs, up to \$50 million and provides the FEED package to AGDC

Key Terms:

- Pipeline company will complete the work at their own expense, subject to the backstop
- Agreement is conditioned upon \$50 million Letter of Credit for backstop from AIDEA
- Agreed-upon scope of work sufficient to take FID and start construction
- Pipeline company and AGDC will negotiate agreements for pipeline company to construct and operate the pipeline
- Pipeline company manages the FEED process with AGDC participation and oversight

AGDC is currently negotiating a FEED backstop agreement

Timeline of Execution

1. **December 4:** AIDEA Board Resolution authorizing AIDEA Executive Director to negotiate and execute binding agreements contemplated in MOU
2. **After AIDEA Resolution:** *The following agreements are all dependent on each other and no agreement is effective until all three are executed*
 - AIDEA and 8 Star/AGDC execute agreement to compensate AIDEA for providing backstop
 - 8 Star and Pipeline Company execute FEED Backstop Agreement
 - AIDEA provides Pipeline Company acceptable credit facility for backstop
3. **Upon execution of the three FEED Agreements:** Pipeline Company commences work to update the FEED Scope of Work and Budget at their own expense
4. **Upon update and approval of updated/final FEED Scope of Work and Budget:**
 - Pipeline Company commences full FEED Work
 - AIDEA credit facility is in effect
 - AIDEA and 8 Star/AGDC agreement is in effect

Preferred Gas Supply: Great Bear Pantheon

These fields are still in development, so back up supply agreements from Prudhoe Bay and Point Thomson are required

<\$1.00 per
MMBtu

- Cheaper to supply gas to pipeline than reinject
- Price to be reduced based on cost-savings

Low-Cost
Access

- Does not require any CO₂ removal
- Located adjacent to pipeline, no new infrastructure needed

“Back Up” Gas Supply: Producing North Slope Fields

These fields are currently producing gas but will have a higher price and require additional infrastructure

Prudhoe
Bay

- Largest gas field in North America
- Needs gas treatment to remove CO₂

Point
Thomson

- Selling gas unlocks liquids production
- Requires new 63-mile pipeline

Satellite
Fields

- Endicott and North Star
- Needs gas treatment to remove CO₂



AGDC - PANTHEON RESOURCES DUE DILIGENCE PROJECT

RECOVERABLE GAS VOLUMES

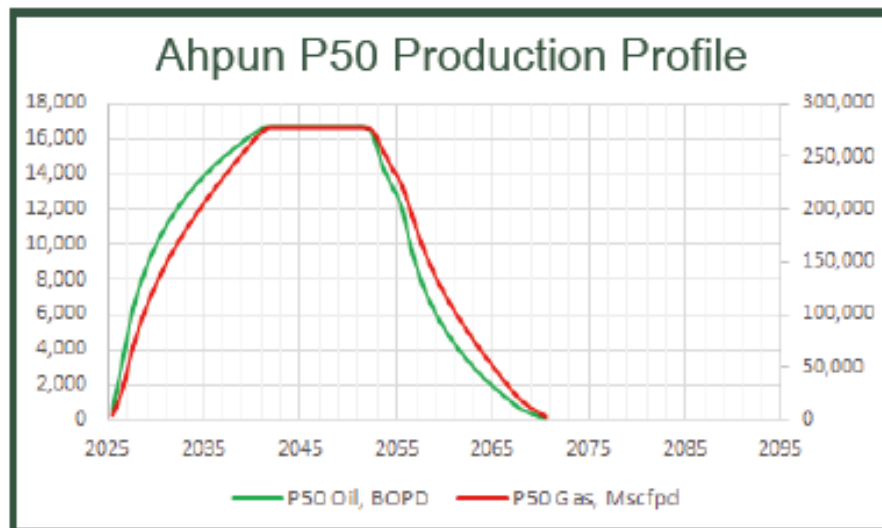
- Ryder Scott estimates that both Ahpun and Kodiak have significant gas in place
- Kodiak has an estimated 6.7 TCF and Ahpun has an estimated 2.9 TCF of technically recoverable resource under the P50 (mid-case) scenario.

	Original Gas in Place, BSCF			Recovery Factor (RF), %			Technically Recoverable Resources (TRR), BCF		
	P90 RSC Adj.	P50 Calculated*	P10 SLB geo model	P90 RF	P50 RF	P10 RF	P90 TRR	P50 TRR	P10 TRR
Ahpun	2,630	5,507	11,531	46%	52%	63%	1,201	2,850	7,308
Kodiak	8,998	19,090	40,504	20%	35%	50%	1,800	6,682	20,252

*P50 calculation based on a lognormal distribution

PRODUCTION FORECAST

- Ahpun field has sufficient Technically Recoverable Resource to supply the State of Alaska's needs of up to 200 MMscfd for over 20 years, and the Kodiak field has enough Technically Recoverable Resource to supply up to 500 MMscfd for an additional 30 years.
- For the P50 case, based on Ahpun type well, peak gas rates are 280 MMScfd (with 2 rigs)
- The development plan will require hundreds of wells, similar to an unconventional field.



NEXT STEPS

- The complex geology and variable reservoir potential needs to be further understood to narrow the range of outcomes and to design a field development plan
- Development of either the Ahpun or Kodiak contingent resources depend on a successful well performance appraisal campaign.
- The Megrez well will intersect several zones, and if successful, the well will identify additional resources

Numbers to Count On. Experts to Trust.

Phase 1 Pipeline Next Steps

- Complete AIDEA agreements for Phase 1 Pipeline FEED Backstop
- Coordinate FEED preparation activities with Pipeline Lead Party
- Complete Pipeline joint venture discussions
- Finalize Backstop Agreement
- Initiate Phase 1 Pipeline FEED

Data Center Initiative

- Governor hosting data center owners to promote Alaska as prime location with abundant land, water, colder temperatures and abundant pipeline gas from Phase 1 pipeline
 - Data center will require 1-3 GW of power
 - Up to three data centers (9 GW total power)
- Data centers can receive gas at a differentiated rate
- Any additional gas flowing through the pipeline to data centers reduces the cost of gas to Alaskans
- Resulting power costs are derived from NETL analysis

Data Centers				In-State		
Data Center Load	Demand	Gas Price	Power Costs	Demand	Gas Price	Power Costs
GW	Bcfa	\$/MMBtu	\$/kWh	Bcfa	\$/MMBtu	\$/kWh
0	-			75	12.45	0.109
1	65	4.00	0.050	75	10.85	0.098
2	130	3.88	0.049	75	9.34	0.087
3	195	3.75	0.048	75	7.93	0.077
4	260	3.63	0.047	75	7.06	0.071
5	325	3.50	0.046	75	5.58	0.061
6	390	3.38	0.045	75	5.09	0.057
7	455	3.25	0.044	75	4.32	0.052
8	520	3.13	0.043	75	3.61	0.047
9	585	3.00	0.043	75	3.09	0.043

ERL Update

ALASKA
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The logo for Alaska Gasline Development Corp. features the word "ALASKA" in a simple, black, sans-serif font. Below it, the word "GASLINE" is written in a larger, bold, blue, sans-serif font. Underneath "GASLINE", the words "DEVELOPMENT CORP." are written in a smaller, black, 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.

Federal Energy Regulatory Commission

- Resolved – Alaska LNG Project authorization was upheld

Department of Energy

- Challenged export approval
- Oral arguments were October 21

Our Children's Trust (OCT)

- Filed in Alaska 3rd Judicial District
- The State of Alaska filed Motion to Dismiss
- Discovery is stayed pending a decision on the Motion to Dismiss

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

- Challenged Biological Opinions
- No Statement of Issues is yet available
- Case is stayed while NMFS and FWS update their Biological Opinions

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

Summary



AGDC has accomplished the following:

- AGDC secured a Gas Sales Precedent Agreement (GSPA) with Great Bear Pantheon, providing potential Alaska LNG Phase 1 investors with confidence that enough gas will be available on economical terms
- Wood Mackenzie completed the analysis requested by the Alaska Legislature demonstrating that Alaska LNG Phase 1 is price competitive and economically viable, and documenting \$16 billion in economic benefits that the State of Alaska will receive from Phase 1
- At AGDC's request, AIDEA authorized a letter of credit backstop enabling AGDC to finalize contractual arrangements with a credible North American pipeline developer to initiate and privately fund Phase 1 FEED
- AGDC has assisted a lead developer in advancing agreements with Railbelt utilities and industrial users to purchase natural gas from the Alaska LNG Project and underpin the private funding needed to construct the Phase 1 Pipeline
- Advanced agreements with a well-qualified North American pipeline developer to complete Phase 1 Pipeline FEED and with an overall lead developer for the full scope of the Alaska LNG Project

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