ECONOMIC MODELING OF VARYING GAS SHARES FOR SOA

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		Option 1	Op	tion 2				
+ Royalty Ga	Royalty varies depend Average royalty estim	ing on which leases are producing ga ated at 13%		Royalty varies depending on which leases are producing gas. Average royalty estimated at 13%				
+ Gross Tax	SB 138 proposes a shit production tax of 10.5	t from net profit tax (35%) to a gross %	s Another option would be to raise 10.5% to 12.5%.	Another option would be to raise the gross production tax from 10.5% to 12.5%.				
= In Kind Ga	s Share	22.1% Cumulative Cash Flow		3.9%				
60 sbn	STATE OF ALASKA		UCERS 160 SBN	FED GOV'T				
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				Option 1					Dption 2		
+ Royal	11 1142	Royalty varies depending on which leases are producing gas. Average royalty estimated at 13%			Royalty varies depending on which leases are producing gas. Average royalty estimated at 13%						
+ Gross			38 proposes a shift from net profit tax (35%) to a gross luction tax of 10.5%			Another option would be to raise the gross production tax from 10.5% to 12.5%.					
= In Kin	ıd Gas Share		DE	22.1% RCENT OF NE	T DDECE		OVER PROJECT		23.9%		
60%	STATE	OF ALASKA	rc.				UVEN FNUJEGI	60%		FED GOV'T	
50% -				50% -			OPTION 1	50% -			
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0% -			OPTION 2	30% -				30% -			OPTIO
0% -				20% –				20% –			OPTIO
0% -				10% -				10% -	7	-	STATUS QUO
0%	LOW	MID	HIGH	0% –	LOW	MID	HIGH	0% –	LOW	MID	HIGH

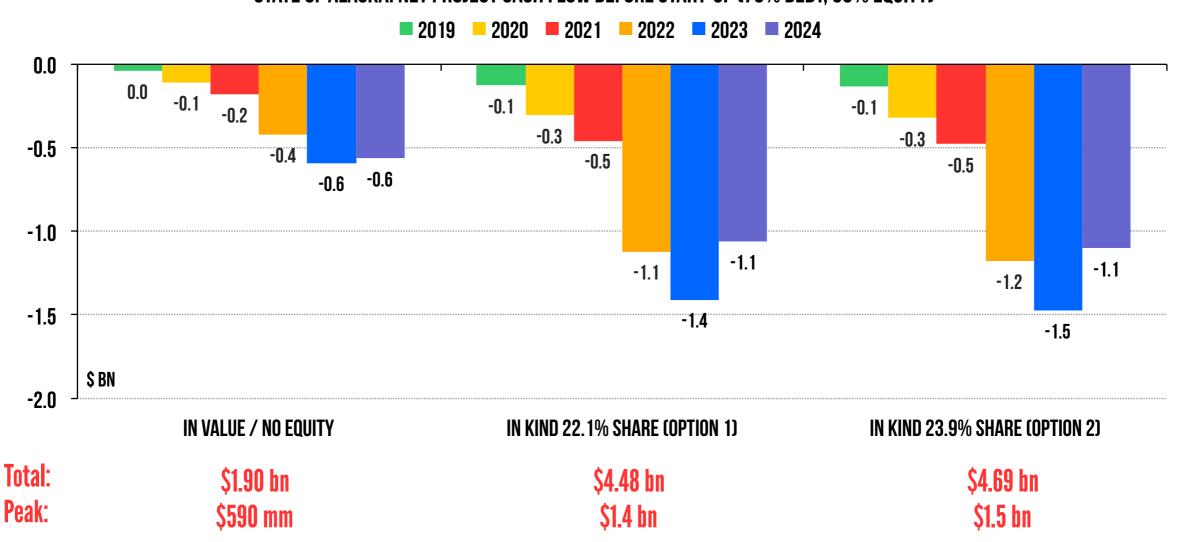
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SOA OUTLAYS VARY ~208 MM DEPENDING ON GAS SHARE

Annual outlays could vary by an average of 34 mm based on 22.1% share vs. 23.9% share



STATE OF ALASKA: NET PROJECT CASH FLOW BEFORE START-UP (70% DEBT, 30% EQUITY)

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