

1. **analytica: Show net present value of profits to the state assuming the state pays:**
 - a. **\$2 billion in infrastructure roads, bridge, and related costs**
 - b. **\$1 billion in infrastructure roads, bridge, and related costs**

Response:

In our base-case scenario,* the AK LNG project would generate a Net Present Value (NPV) to the state of approximately \$10.2 bn, when future cash flows are discounted at 10% and discounted to the start of pre-FEED spending. If the state's total capital spending on the project increased by \$1bn for any reason, we anticipate that this would reduce the state's NPV by ~\$450mm, while an increase of \$2bn would reduce project NPV by ~\$900mm.

* This scenario assumes that the state has a 25% ownership in the liquefaction facility and a 10% ownership in the gas treatment plant and pipeline (with TransCanada owning 15%)