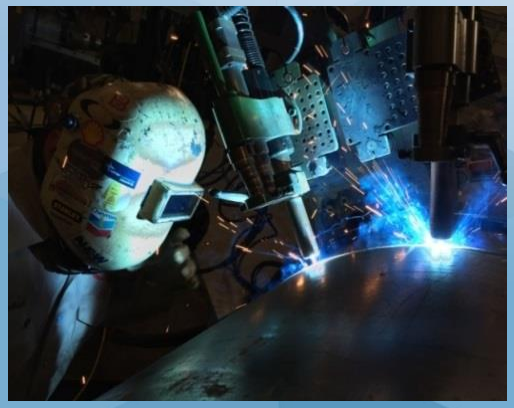
Alaska LNG™

Fueling Alaska's Future



30 October 2015

Project Update

Alaska LNG – Project Overview

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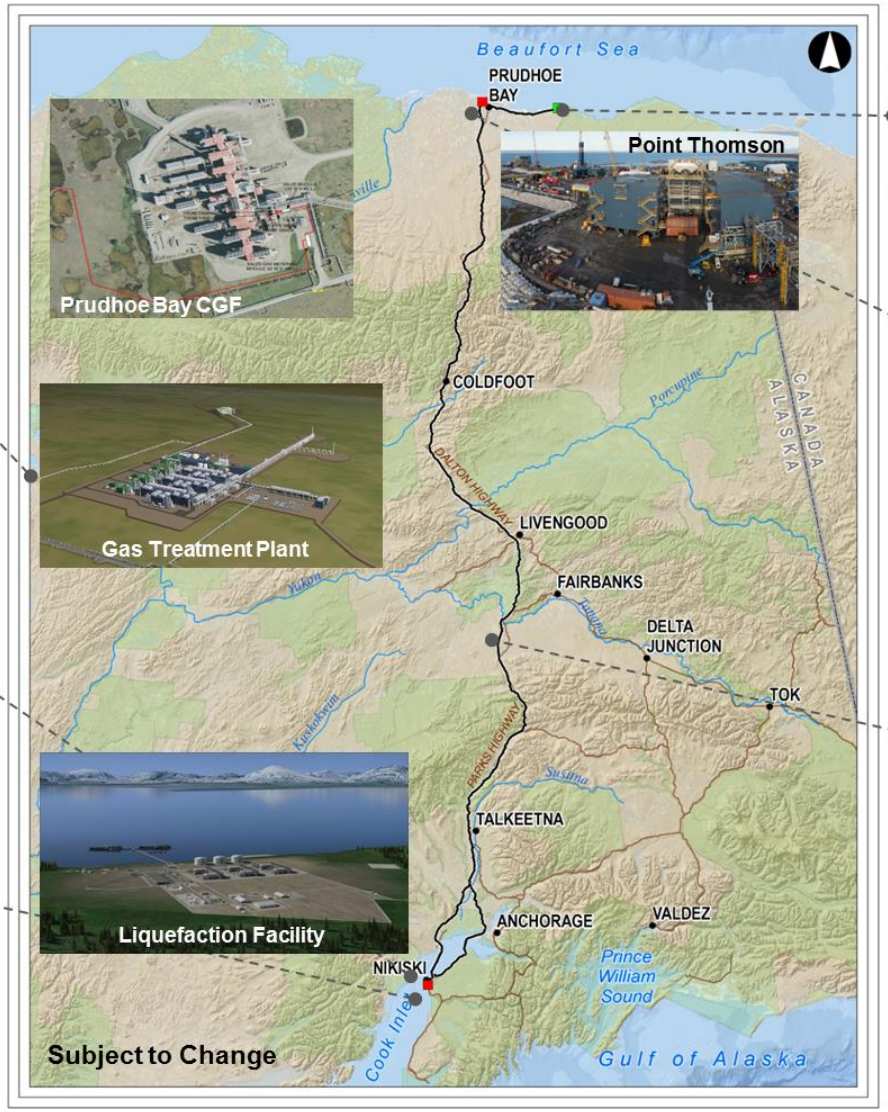
An integrated liquefied natural gas export project providing access to gas for Alaskans

Gas Treatment Plant (GTP)
- 3.3 BCFD peak winter rate
- Three trains with compression, dehydration and chilling for gas conditioning (remove impurities)
- CO_2 removed and compressed for injection at PBU

LNG Storage & Marine Terminal
- LNG storage tanks
- Two jetties to accommodate 15-20 LNG carriers per month

Liquefaction Facility
- Natural gas is cooled to -260 degrees to condense the volume 600 times
- 3 trains dehydrate, chill and liquefy gas to produce up to 20 million tons of LNG each year



Point Thomson Gas Expansion*
- New wells
- New gas processing facilities

Prudhoe Bay Tie-In*
- Gas delivery to new gas treatment plant (GTP)
- Integration with existing CGF
- Injection of CO_2 from GTP

Gas Pipeline
- 800+ mile 42" diameter gas pipeline from gas treatment plant to liquefaction facility
- 3.3 BCFD capacity
- 8 compressor stations
- ~ 5 in-state off-take points

* Prudhoe Bay and Point Thomson Modifications/New Facilities are managed by Prudhoe Bay Unit and Point Thomson Unit Operators, respectively, and are closely coordinated with the Alaska LNG Project.

Artists renditions of LNG and GTP

Alaska Gasline Development Corp. | BP | ConocoPhillips | ExxonMobil | TransCanada

Alaska LNG – Project Overview

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Safety, Health and Environment Report:

- Building culture of caring – 1 minor vehicle incident, 3 first aid, 2 near miss

Executive Summary:

$303M Through Sep 15

- Spend: $243M on pre-FEED th

83% Through Aug 15

- Initial design scope ~75% complete, 2015 field work ~50% complete

100% Through Sep 15

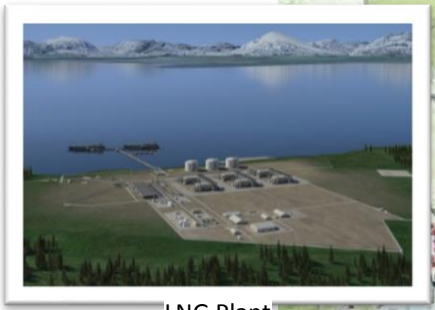
- Finalizing project design/execution basis (cost and schedule estimate
- Ongoing collaboration with regulators at local, State and Federal levels
- Community open-house sessions continuing with FERC participation
- Progressing wo Submitted SoA request for a 48" pipeline system
- Developing 2016 Work Program and Budget

Key Messages:

- Alaska LNG is an integrated LNG project – *plants plus pipeline*
  - Regulated under FERC Section 3; allows design integration
  - Integrated design includes ~ 5 off-take points for in-state supply
- Focus on lowest cost of supply to compete in a global market
- Alignment, risk and cost reduction (ARC) remain key to success

Gas Treatment Plant (GTP)

Pipeline Compressor Station



LNG Plant

Project Team

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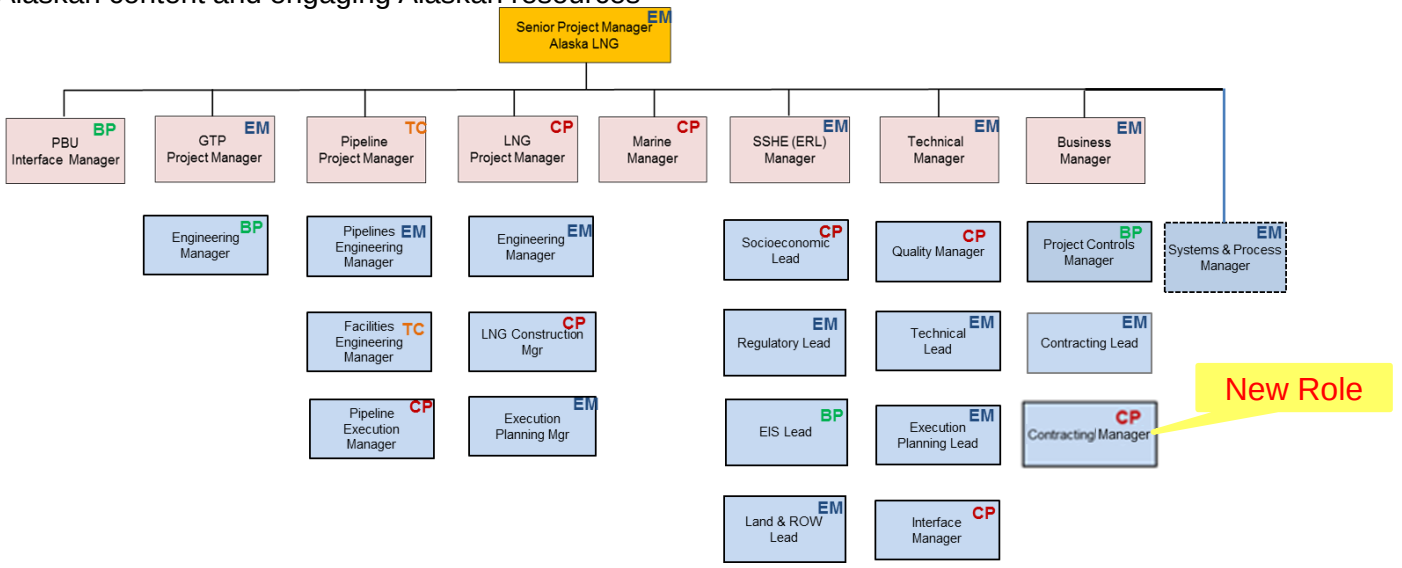
- Fully integrated project team
  - All companies represented at all levels – “best player plays”
  - Leadership team in place (27 roles, over 800 years experience)
  - Leverage skills to meet common goal of delivering Alaska LNG
- Teams “co-located” to ‘take work to the people’
  - Integrate teams into contractors’ offices for key work scopes
  - All offices include representatives from each company
- Building project organizations
  - Over 100 full time employee positions filled
  - 3 offices: Anchorage, Calgary and Houston
  - Expect several hundred contractors for each proj
  - Working to award contracts, staff contractors in 4Q14
  - Strong focus on Alaskan content and engaging Alaskan resources

28

135

4 with Denver

Awarded



New Role

AKLNG Project Scope

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JVA Project Team Scope

AKLNG Project Team ---- Pre-FEED Project Scope (under JVA)

- Integrated Project Design Basis
- Train sizes and configuration
- Finalize Plot Plans
- Driver-compressor selection
- Air emissions and modeling
- Finalize Process Design
- Generate data for Resource Reports
- Finalize Pipeline Size and Route
- Cost & Schedule Deliverables
- FEED Execution Plan
- Regulatory/Permitting Plan
- ITT and FEED Contracting Plan

Commercial Work by CoVs

Other Activities being executed by Co-Venturers & State of Alaska

- SoA - Gas Fiscals, PILT, RIK
- Governance for FEED and beyond
- Long Term Organization, including roles and responsibilities
- FERC Filings
- Commercial / Fiscal / Regulatory Agreements
  - Gas supply / balancing
  - Upstream Agreements
  - Others…..

Keys to Success (ARC)

- Alignment
- Risk reduction - reducing the range of uncertainty (perceived risks)
- Cost reduction and predictability

Project Development Phases

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Alaska LNG – Phased/Gated Project Management Process (Oct 12)

- ❑ Viable Technical Option(s) Identified
- ❑ Government Support
- ❑ Permits / Land Use Achievable
- ❑ Potential Commercial Viability

- ❑ Viable technical option
- ❑ Key Commercial Agreements
- ❑ Government Support
- ❑ Permits / Land Use Underway
- ❑ Potential Commercial Viability

- ❑ Secure Permits / Land Use / Financing / Commercial Agreements
- ❑ Confirm Commercial Viability
- ❑ Execute EPC contracts

PTU Settlement, Joint Work Agreements → GO → **Concept Selection** → **Decision** → GO → **Pre-FEED** → **Decision** → GO → **FEED** (Front-End Engineering & Design) → **Decision to Build the Project** → GO → **EPC** (Engineering, Procurement & Construction)

STOP (Decision) STOP (Decision) STOP (Decision to Build the Project)

(Today)

Peak Staffing:	~200	400 - 500	500 – 1,500	9,000 – 15,000
Cost ($):	Tens of Millions	Hundreds of Millions	Billions	Tens of Billions
Est. Engineering / Technical Duration*:		*12 - 18 Months*	*2 - 3 Years*	*5 - 6 Years*

Concept Select
- Identify and Rank project concept options with a reasonable likelihood of satisfying market needs
- Recommend a base concept for the project

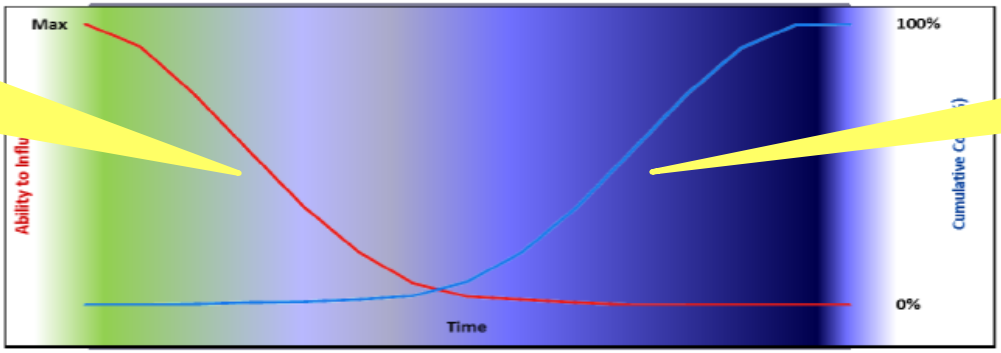
Optimize (Pre-FEED)
- Optimize and finalize selected concept option
- Define the project sufficiently to support major regulatory filings and start of FEED
- Prepare capital cost and schedule estimates

Define (FEED)
- Prepare, submit and maintain regulatory filings to final decision
- Advance project definition and data collection to be ready for final investment decision and execution of major contracts
- Prepare a capital cost estimate to support project sanction

Execution-Startup
- Engineering, Procurement, and Construction
- Finalize detailed design, procurement and logistics for construction
- Complete construction, commissioning, start-up

On Schedule to complete Pre-FEED by MY16, FEED decision by MY17, consistent with HOA

Project Influence Curve



Key is to prepare for project success in FEED / EPC to minimize Cost of Supply

Alaska LNG by-the-numbers

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Technical and

$303M Through Sep 15

- $243M + on pre-FEED through August 15
- 570+ acres purchased in Nikiski, A
- 135
- 130+ full-time personnel on Alaska LNG Project
- 200+ people in the field (80 scientists)
- 950+ acres of topographic survey
- 15,500+ acres of cultural surveys
- 148,000+ feet of shallow seismic completed
- 250 boreholes drilled
- 100+ environmental site assessments completed
- 2,000+ helicopter flying hours, 87,000+ miles driven
- 1,100+ field check points set/confirmed

Regulatory

- 2 DoE conditional export licenses (FTA / non-FTA)
- 10,000+ pages of regulatory filings

Engagement

- 90+ community outreach events
- 100s of Alaska entities involved in logistics and labor studies
- ~700 Alaska businesses – information sessions
- 40+ meetings with Alaska Native regional and village corporations and tribal entities

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Questions