

**POISED FOR GROWTH**

# Port Mac & working ship in ice





Only port in Alaska with **large** (14 sq. mile)  
staging, storage and industrial area





Barge dock staging area





# Upland lease lots



For large projects

# Activity at the Port

16 miles of pipe to be off-loaded

# Bulk Resources



# WesPac Midstream



WesPac Midstream wants to establish an LGN alternative for the Interior markets

WesPac highlights Rail at Port MacKenzie as part of their project overview

- develop \$600 million in infrastructure at Port MacKenzie.
- include an LNG facility for 250,000 GPD liquefaction and storage
- build an 11 Megawatt power plant
- build gas pipeline connection to ENSTAR pipe
- build rail loop siding and laydown area

*The Borough is in negotiations with WesPac.*



# WesPac Port MacKenzie Renderings

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# How WesPac sees Port MacKenzie Attributes

- Ideal location for LNG
  - Existing port
  - Abundant land
  - No major permitting
  - Minimal impact
  - Gas pipelines
  - Power transmission
  - Rail lines
  - Truck access
  - Marine access
  - Peaking for utilities
  - Growth opportunities



# Competing interest in this



Hilcorp & AIDEA both interested in buying the gas processing plant near Port MacKenzie owned by Tita. ( Pentex, the parent company)



# Central Alaska Energy

- 6.9 M gallon fuel tank farm, Central Alaska Energy
- providing low sulfur diesel fuel
- \$16 M in construction, may break ground 2015



Central Alaska Energy  
Fuel Storage Facility  
Point Mackenzie, Alaska



Will have Alaska's **only** 100 railcar industrial loop

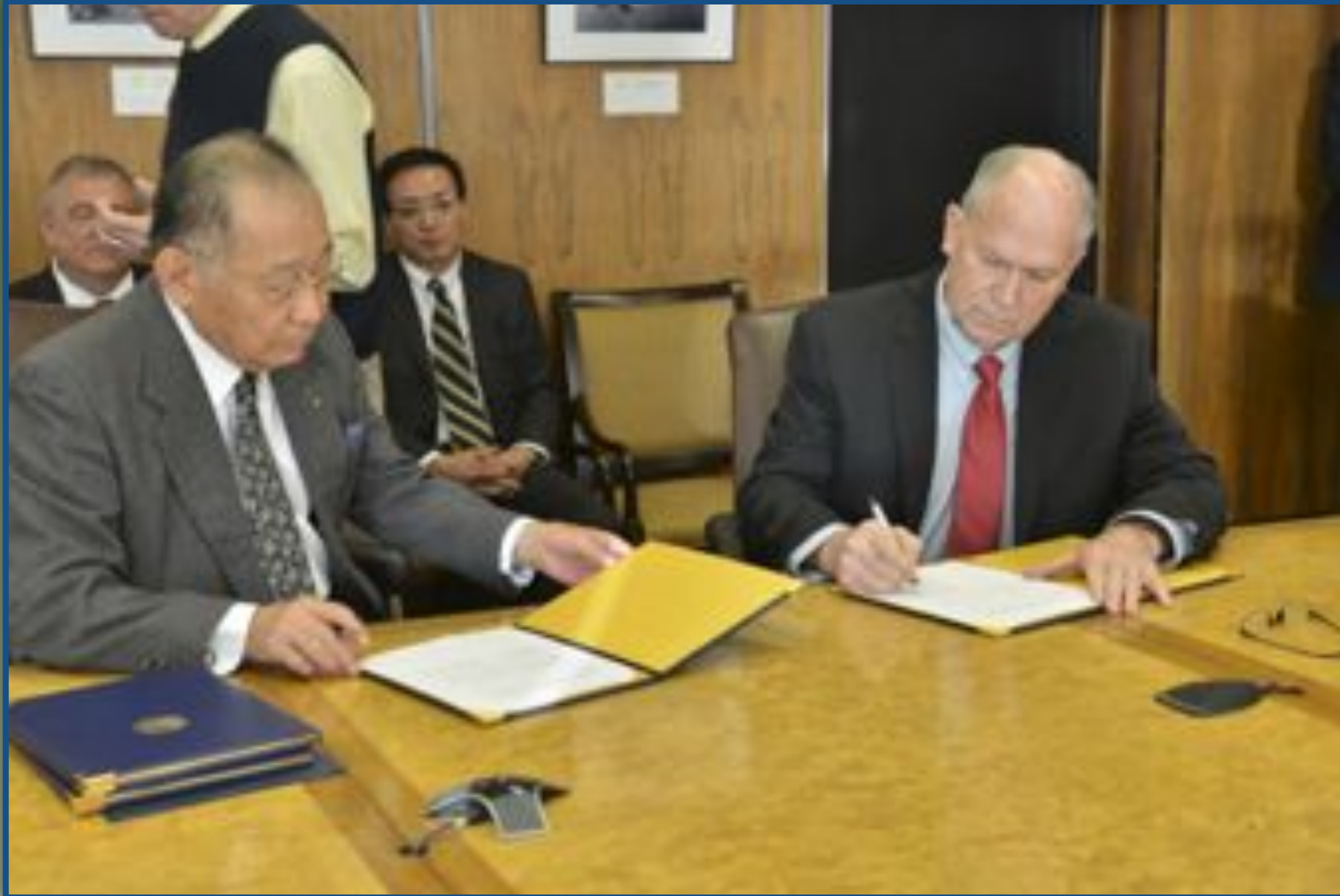




An aerial photograph of a port facility. In the foreground, a large dark-colored ship is docked at a pier. To its right, another smaller vessel is moored. The pier extends into a body of water. The shoreline is covered in dense green forest. In the background, there are more landmasses and islands under a cloudy sky. A yellow rectangular box with a blue border is overlaid on the left side of the image, containing the word "Exports".

Exports





An MOU for natural gas with REI,  
Resources Energy Inc. plans natural gas facility  
in Cook Inlet, Port MacKenzie

# A project cargo Port

- ✦ would reduce transportation costs for PROJECT CARGO on Alaska's biggest projects: natural gas pipeline, supplies for gold mines, large bridges, North Slope infrastructure
- ✦ would reduce transportation costs for recurring project materials delivery





Imports





Imports



# project cargo

- steel for northern bridges
- pipe for old and new oil fields
- fracking sand for future shale oil development
- other petroleum-related equipment





# Project Forwarding Lessee



Fort Knox



Examples of mines and mineral prospects along rail corridor

LIVENGOOD

Monkey Knob - gold

Shorty Creek - copper, molybdenum, gold

Globe Creek - limestone/cement

Fort Knox - gold

Shorty Creek extension  
- copper, gold -

FAIRBANKS

NENANA

lead, zinc prospects

HEALY

coal

copper

copper

MAN Prospect

◇ - nickel, platinum, copper

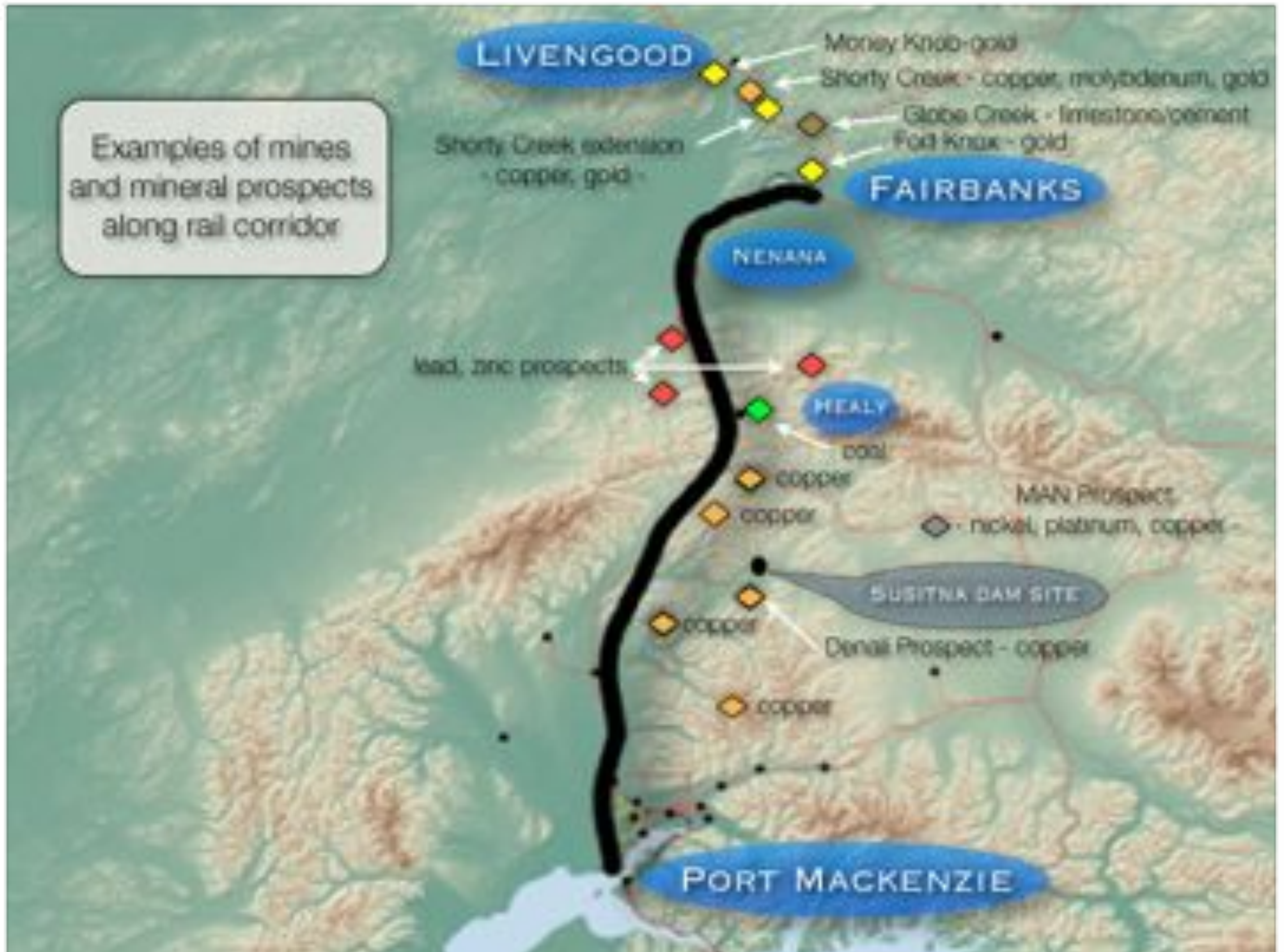
BUSITNA DAM SITE

copper

Denali Prospect - copper

copper

PORT MACKENZIE





Greater Wasilla Chamber of Commerce

Raven Gold Alaska Pogo Mine

Central Alaska Energy JDM Consultants

**WestPac Logistics** Klondike Concrete Co.

Houston Chamber of Commerce **Accelergy**

Greater Fairbanks Chamber of Commerce

**ALASKA GASLINE DEVELOPMENT CORP.** Alutiig

Greater Palmer Chamber of Commerce

Alaska State Chamber of Commerce **Koniag**

Houston City Kinross-Fort Knox

**Alaska Railroad** Fairbanks North Star Borough

Resource Development Council **NPI**

International Union of Operating Engineers

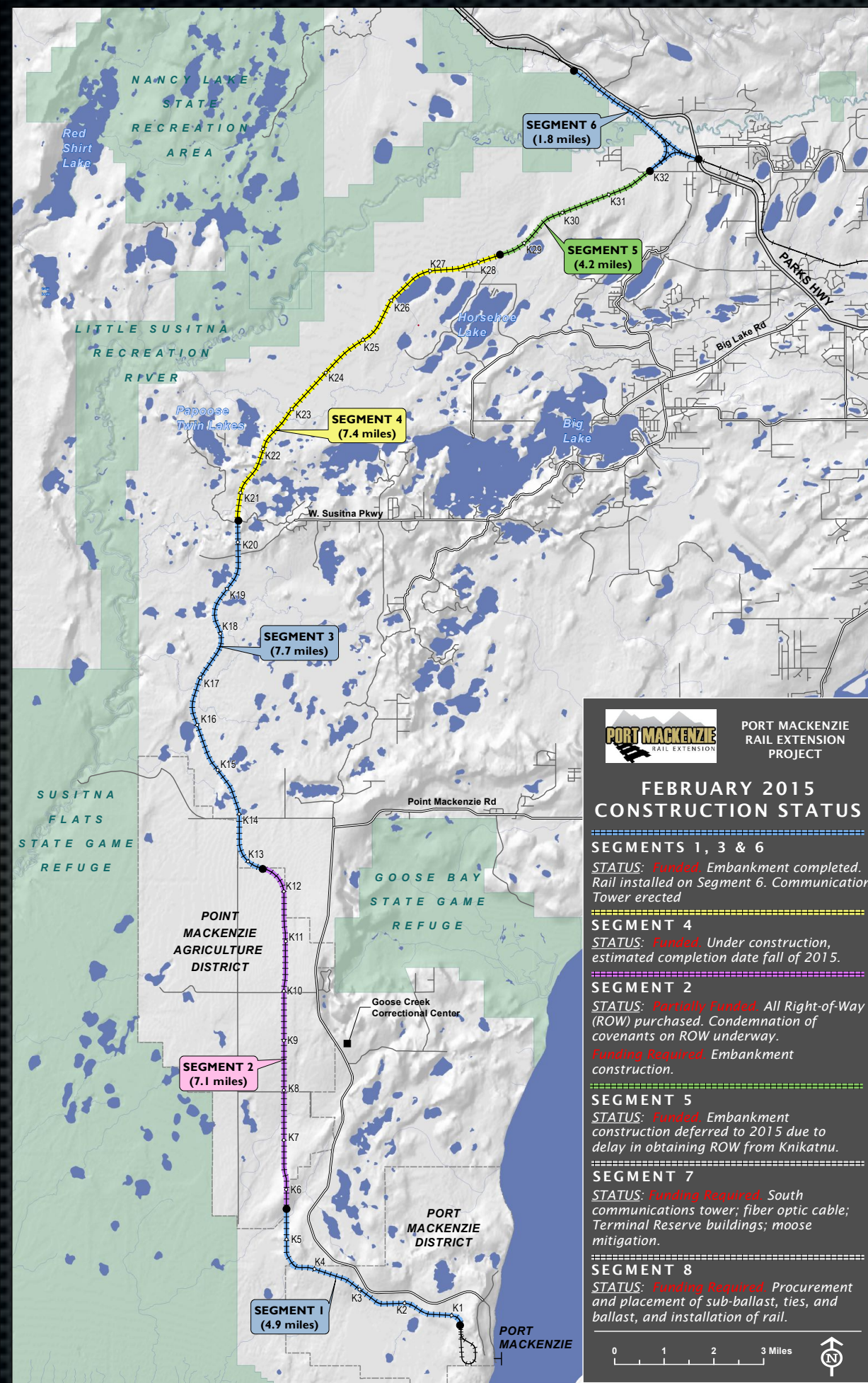
**AEDC**

**The Alaska Miners Association**

# Companies & Freight to use Port MacKenzie Rail

- ✿ WestPac Logistics
- ✿ Central Alaska Energy
- ✿ WesPac Midstream
- ✿ Sumitomo Metal Mining
- ✿ Alutiiq
- ✿ NPI
- ✿ QAP
- ✿ Usibelli





PORT MACKENZIE  
RAIL EXTENSION  
PROJECT

## FEBRUARY 2015 CONSTRUCTION STATUS

### SEGMENTS 1, 3 & 6

**STATUS:** *Funded.* Embankment completed.  
Rail installed on Segment 6. Communication  
Tower erected

### SEGMENT 4

**STATUS:** *Funded.* Under construction,  
estimated completion date fall of 2015.

### SEGMENT 2

**STATUS:** *Partially Funded.* All Right-of-Way  
(ROW) purchased. Condemnation of  
covenants on ROW underway.

**Funding Required:** Embankment  
construction.

### SEGMENT 5

**STATUS:** *Funded.* Embankment  
construction deferred to 2015 due to  
delay in obtaining ROW from Knikatu.

### SEGMENT 7

**STATUS:** *Funding Required.* South  
communications tower; fiber optic cable;  
Terminal Reserve buildings; moose  
mitigation.

### SEGMENT 8

**STATUS:** *Funding Required.* Procurement  
and placement of sub-ballast, ties, and  
ballast, and installation of rail.

0 1 2 3 Miles





# RAIL CONSTRUCTION



# JOBS



Nearly 200 jobs at peak of 2013 & 2014 season



**PORT MACKENZIE**  
RAIL EXTENSION



RAIL EXTENSION

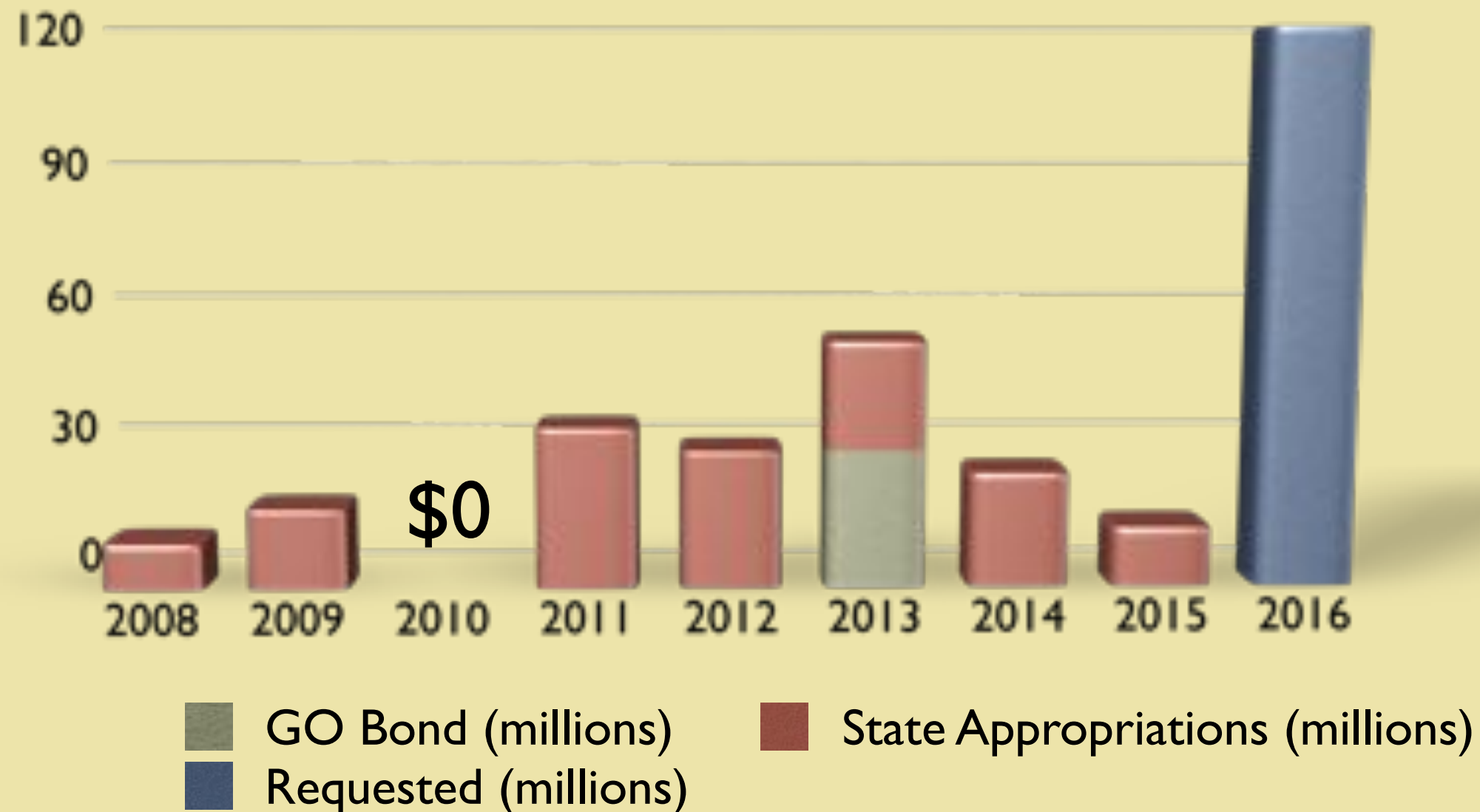
**\$184 million**

**Seven separate appropriations**  
and a state-wide general obligation bond sale





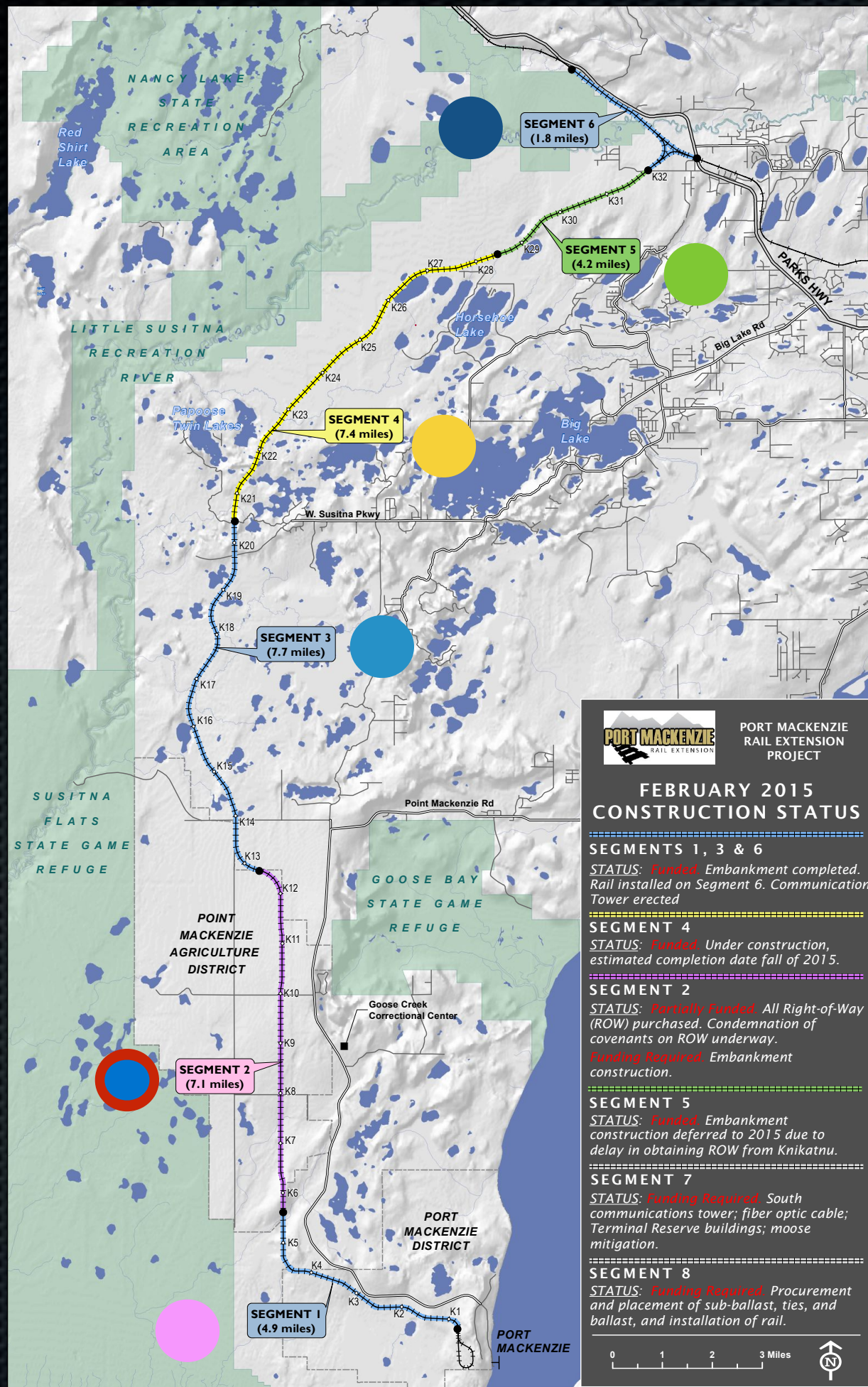
# Project funding over time



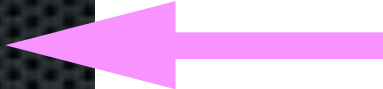




Total funding to date

\$184 million

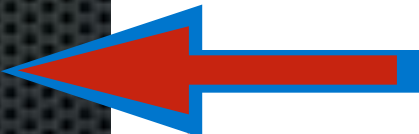






## Funded

-  Segment 1
-  Segment 3
-  Segment 4
-  Segment 5
-  Segment 6

## Funding Required

-  Segment 2
-  Segment 7
-  Segment 8

 Partial Funding









*Thank You!*