

Alaska LNG™

Fueling Alaska's Future



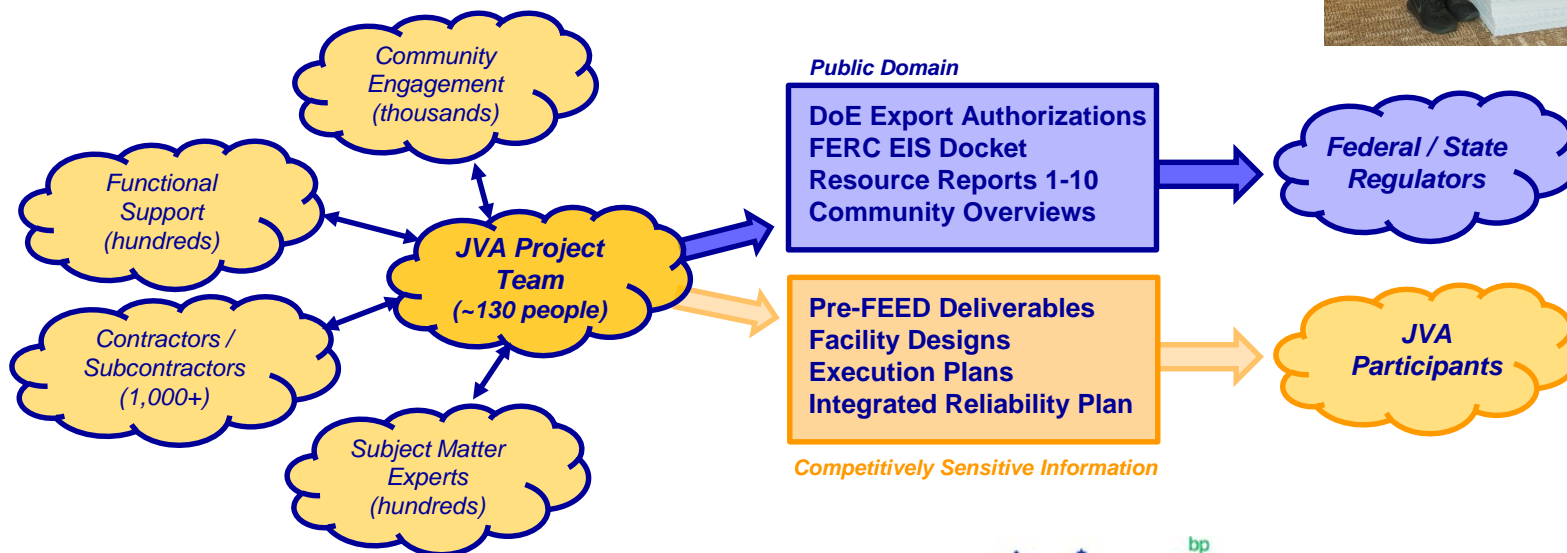
AKLNG – Legislative Update

24Aug2016

Pre-FEED JVA Project Summary

- ✦ Continued strong safety performance, no recordable incidents since Oct14 (1 total)
- ✦ Spent \$487M on Pre-FEED through July 2016 (\$107M spent on Concept stage)
- ✦ Pre-FEED work scope is ~97% complete, updated to reflect Optimization work
- ✦ 2016 Summer Field Season work complete, provides information for permitting process
- ✦ Completed 'Draft-2' Resource Reports for FERC Environmental Impact Statement
- ✦ JVA Pre-FEED deliverables nearly complete, provide to participants by 1Sep16

AKLNG Pre-FEED JVA Project Work Process:



Pre-FEED Deliverables

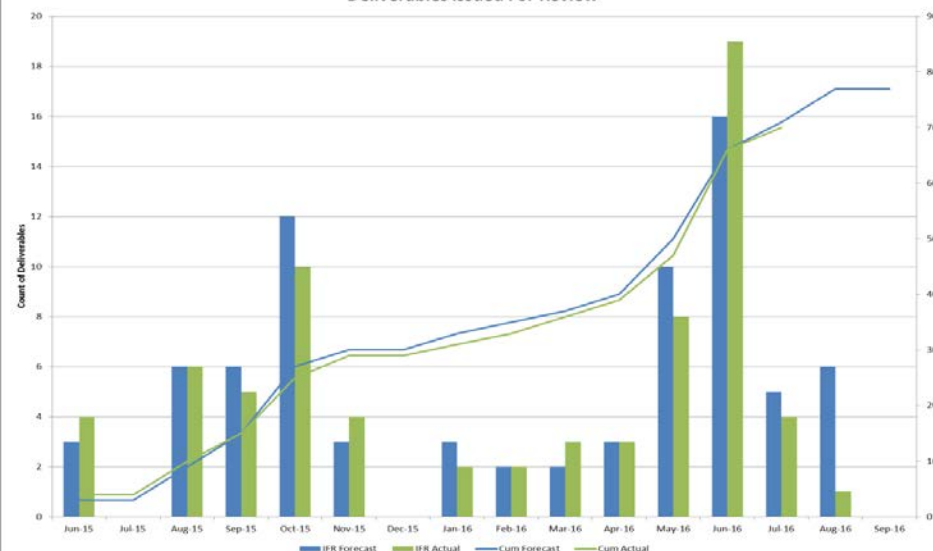
Regulatory work progressing to secure required permits:

- ✦ Draft 2 Resource Reports 1-10 filed with FERC (34,000 pages)
- ✦ Resource Reports 11 and 13 complete, pending review/filing
- ✦ Working to add data from 2016 summer field reports
- ✦ FERC and cooperating federal agencies reviewing material
- ✦ Expect extensive comments from FERC / other agencies
- ✦ Final filing material will need to address all comments

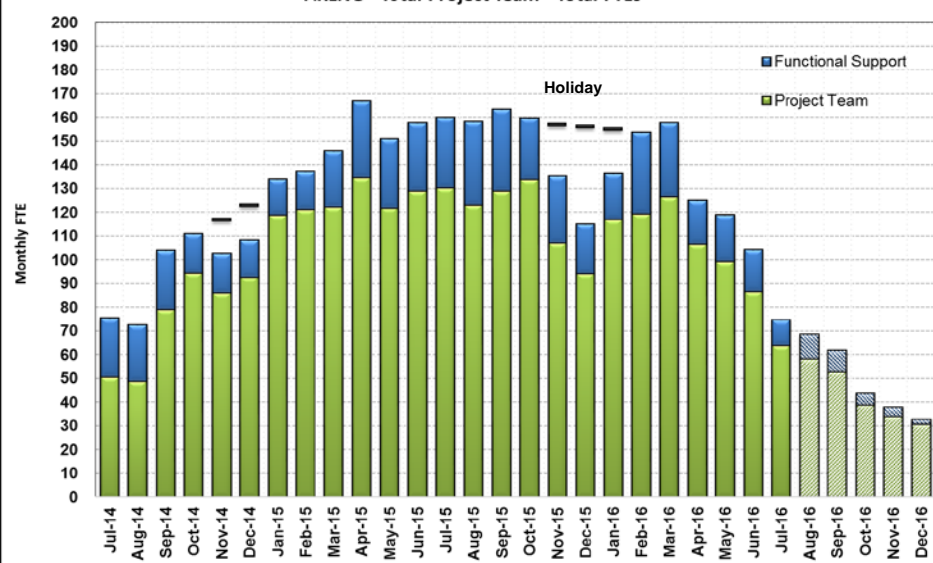
Pre-FEED Deliverables (77) document plans for:

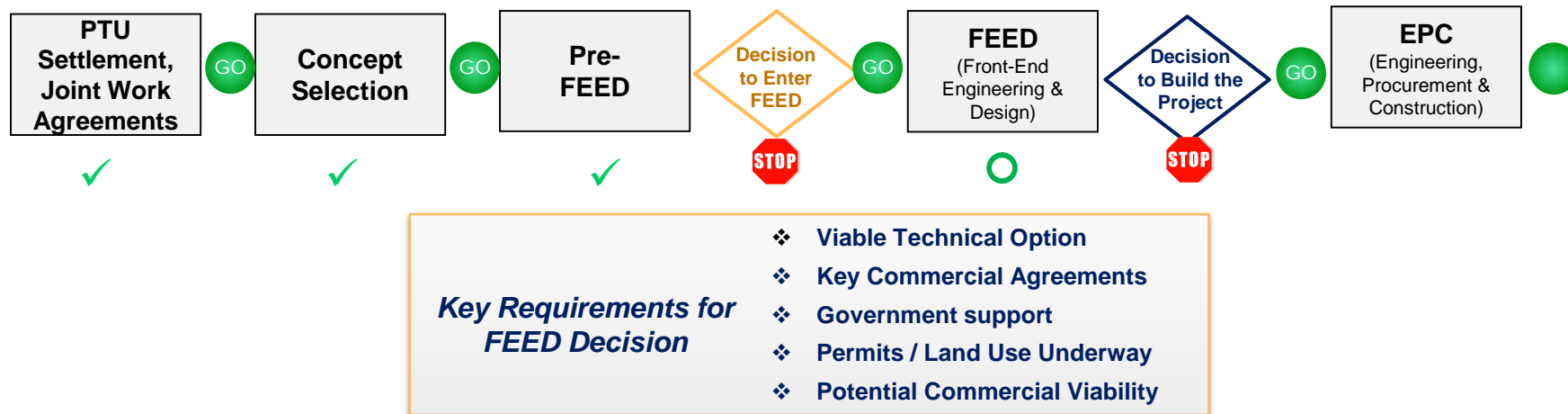
- ✦ Project scope and design basis
- ✦ Safety, regulatory, environmental, socioeconomic, risks
- ✦ Technology plans
- ✦ Project execution and construction
- ✦ Contracting and procurement
- ✦ Cost and schedule estimates

Deliverables Issued For Review



AKLNG - Total Project Team - Total FTEs





Alignment

- Agreed on design basis
- Unresolved commercial issues
- Fiscal terms undefined

Risks

- Regulatory / permitting in progress
- LNG market competition

Cost

- Capital costs reduced
- Cost of Supply may not be competitive