

Cook Inlet GTL Economic Assumptions¹

30,000 barrels per day plant Single Reactor Train located in Cook Inlet

Plant Startup Date	2024	
Initial Project Duration	20 years	
Total Project Investment	\$6.5 billion (includes interest during construction)	
SOA Corporate Income Tax	\$1.5 billion	
SOA Royalty Revenue	\$700 million (12.5 royalty/75% gas from SOA leases)	
SOA Production Tax	\$320 million (.17 cents/mmBtu)	
Natural Gas Price	\$4.01 mm/Btu	
Feedstock Supply	255 mmcf/day	
Workforce—Construction	Up to 5,000 jobs	
Workforce—Operations	Up to 500 permanent skilled jobs Laborer \$75,000 annual wage Supervisor \$95,000 annual wage	
Annual Capital Expenditures	\$363 million	
Annual Working Capital	\$267 million	
Product Yields	Propane	2.3%
	Butane	2.7%
	Naptha	24.0%
	Jet Fuel	30.0%
	Diesel	41.0%

Domestic opportunities

Commercial activity assists in gas development in Cook Inlet benefitting utilities/residents of rail belt. Twenty years of jobs and tax revenue.

Provides high quality products including excellent jet fuel blend stock having no sulfur or aromatics and acceptable freeze point.

Opportunity to replace products produced by Flint Hills

Availability of refined products for military/aviation industry and household use (LPG).

Competition may result in lower domestic fuel prices.

Carbon sequestration could enhance oil recovery in Cook Inlet.

¹Reference: Nexant Final Report: GTL/CTL/BTL Feasibility Study; November 2014: Alaska Industrial Development and Export Authority