

Update on 2024 Activities

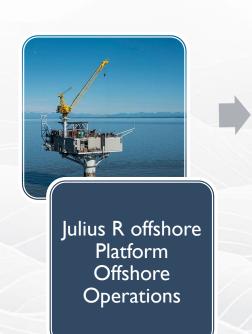
Mark Slaughter
Chief Commercial Officer
January 22, 2025



HEX Cook Inlet's Operations



Alaska's Only Locally Owned & Operated Independent Gas Producer









Nikiski Central Processing Facility



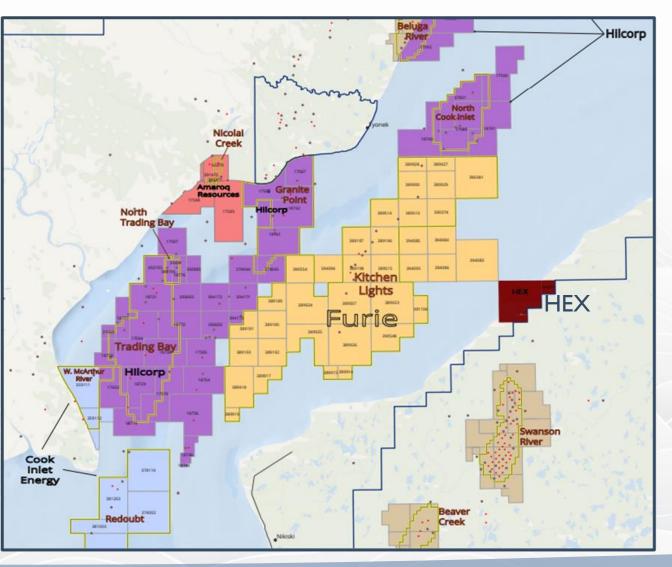
Gas Sales to Electric Utilities, Gas Utilities, and Refinery in Southcentral Alaska



Heating Alaskans' Homes

HEX Cook Inlet Overview





- HEX Cook Inlet
 - Owner of Furie Operating Alaska, LLC (Furie)
- Furie is the Operator of the Kitchen Lights Unit (KLU)
 - Produces ~5% of Total Gas in Cook Inlet (CI)
 - Second Largest Cl Operator
 - ~84,000 acres offshore
- Headquarters in Anchorage
- Furie's Operations Office in Nikiski

HEX Cook Inlet - Developing Cook Inlet Gas



- DNR may impose conditions to a Plan of Development to ensure operators are developing and maximizing resources for the benefit of the State of Alaska
 - 11 AAC. 83.343(b)
- Conditions of KLU 2024 10th Plan of Development (POD)
 - Furie will drill a grassroots or sidetrack well targeting additional gas resources during the 2024 POD period
 - Furie will provide the Division with a fully defined plan for the KLU as part of its 2025 POD submission
- Furie Successfully Met POD Conditions in 2024

Furie's Process to Bring New Gas Online in 2024



Royalty Modification Process (2023- Ongoing)

Plan of Development (2023-Current)

AIDEA Financing Negotiations (2023-Current)

Customer Contract Negotiations (2023-December 2024)

Permitting to Move Jack-up Rig (2023-2024)

Jack-up Rig Contract Negotiations (2024)

Plan, Develop, & Implement Drilling Program (2024)



New Gas Online

Furie Delivered New Gas in 2024



Royalty Modification	April 2023 Furie meets with DNR on Royalty Modification. Legislative action and negotiate with ORRI's.	2024 HB 223 on royalty modification passes House. Fails to pass Senate.	Spring – Fall Work with DNR September 5, 2024 Application Submitted	January 6, 2025 End of Public Comment Period on Preliminary Best Interest Finding (PBIF)	Awaiting Final Decision
Jack-up Rig Negotiations	January 2024 Meetings with Hilcorp and Enterprise to contract 151 Jack- up rig	January – May 2024 Spartan Selling I51 Jack-up Rig	June 3, 2024 Hilcorp Announces Purchase of Spartan 151 Jack-up Rig	September 16, 2024 Furie & Hilcorp Jack-up Rig Company LLC Sign Daywork Drilling Contract	October 3, 2024 Spartan Rig 151 Mobilized to Furie's Julius R Platform
AIDEA Financing	October 25, 2023 HEX Cook Inlet Pays \$7.5M AIDEA Loan Off in Full and Early	October 2023 AIDEA & HEX CI Commence Commercial Negotiations	October 2023 – October 2024 AIDEA Financing Due Diligence Process Under AS 44 88 172	October 23, 2024 AIDEA Board Approves Execution of \$50M Revolving Line of Credit	January 10,2025 HEX CI & AIDEA Sign Commitment Letter & Term Sheet for \$50M Revolving Line of

Credit

44.88.172

Furie Is Doing the Work For New Gas



Permitting to Move Jack-up Rig

April 2023
Environmental Consultant Engaged for Incidental Harassment Authorization (IHA) Permit

April - July 2023
IHA Pre-application
Meetings
NOAA/NMFS/USACE

July 19, 2023 Furie Applies for IHA

September 12th, 2024 NMFS Issues IHA Valid for 2 Years

Customer
Contract
Negotiations

Fall 2023 – Spring 2024 Periodic Meetings Spring 2024 -Winter 2024 Contract Negotiations December, 2024 ENSTAR announces Contract at House Resources Hearing

December 31, 2024 ENSTAR submits Furie and HEA contracts to RCA

Plan of Development

January 2024 – October 2024

Continued reserve evaluation, well design, facility improvements

Drilling Program

2023+ Geologic & Geophysical Work 2023 + Engineering & Well Design Fall 2023 – January 2024 Long Lead Items Ordered February –
September 2024
Contractor /
Vendor
Procurement &
Contracting

October 2024
A-I Well
Abandoned
A-IA Well Drilled

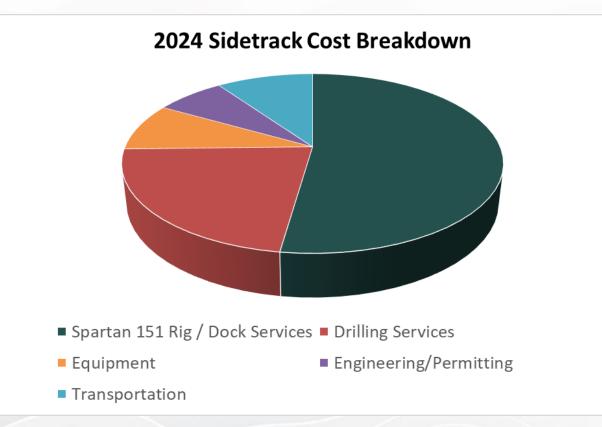
December 16th 2024

A-IA Online

2024 Furie Drilling Program Highlights



- KLU A-IA Sidetrack
 - 0 Accidents/Environmental Impacts
 - 160 + Personnel worked on the project



Companies Supporting Furie's 2024 Drilling Program

Hilcorp Jack-up Rig

Rig Tenders

Northern Solutions

CISPRI

Fairweather

61 North

Aurora Drilling

Weaver Brothers

Five Star Catering

Pollard

PESI

KAKIVIK

Expro

PRA

Dukowitz Machine Shop

Peninsula Pumping

Haliburton

Grasshopper Aviation

Maritime Helicopters

Cook Inlet Tug & Barge

acobs

Cameron

Geolog

Grant Aviation

Tuboscope

Alaska E-line

Yellowjacket

Jim Boatwright & Sons

5-Star Catering

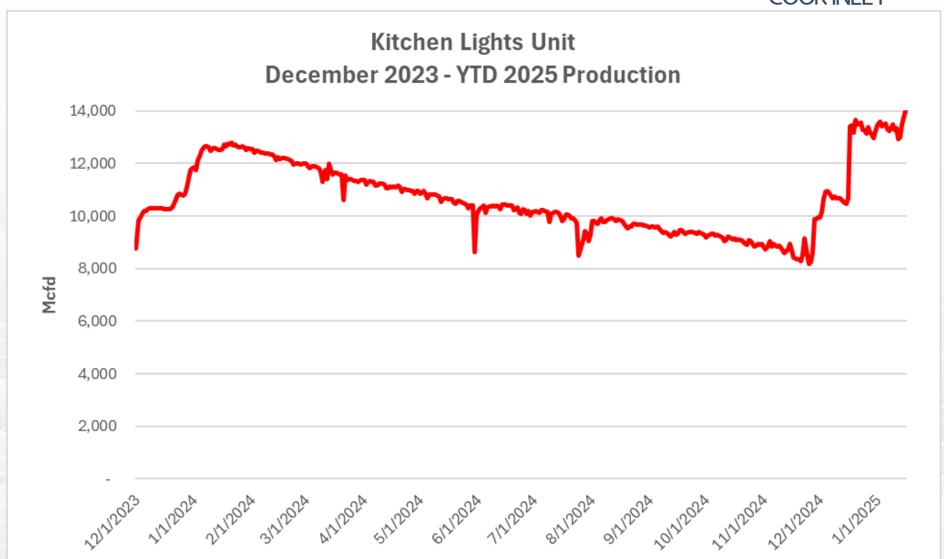
Baker

3 Bears

Magtec

KLU 2024 Gas Production





2024 Drone Program

- Furie partnered with UAF ACUASI in 2021
- First Beyond Visual Line of Sight waiver approved in the United States for flights to and from an offshore platform.
- Utilize emerging technology in Alaska to address operational challenges.



2025 Outlook - Furie



- DNR Best Interest Finding for Royalty Modification of KLU Critical
- 2025 I Ith POD Issued by DNR I/3/25
 - Preparing to drill up to 2 wells at Julius R Platform
 - Infield Development Drilling
 - Contractor / Vendor availability
 - New Gas to Market Fall 2025
- Modifications to Julius R Platform
 - Engineering & Permitting to Increase Well Count
 - Cook Inlet General Permit
- Design & Permit 2026 KLU Drilling Program



Southcentral Gas Takeaways

- HEX Cook Inlet is Committed to Developing Gas in Cook Inlet
- Current Market Limited to 70 Bcf & Shrinking
- Long Term Gas Market Uncertainty
 - Utilities working to bring in LNG
 - North Slope Gas Line
- Alaskans Benefit from Producers, State and Customers Working in Alignment
- Limited Cook Inlet Drilling Services in Place







U.S. States

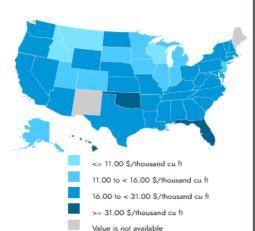
State Profiles and Energy Estimates CHANGE STATE/TERRITORY ▼

OVERVIEW DATA ▼ ANALYSIS



Rankings: Natural Gas Residential Prices, October 2024 (\$/thousand cu ft)

		Download Table Data as CSV	
Rank \$	State \$	Natural Gas Residential Prices (\$/thousand cu ft)	
	Hawaii	47.43	
	Oklahoma	31.98	
	Florida	31.12	
	Georgia	30.33	
	Texas	29.74	
	Missouri	27.50	
	Arizona	24.90	
	Delaware	24.67	
	Alabama	23.98	
)	District of Columbia	23.94	
	Louisiana	22.99	
2	Mississippi	22.91	
3	Vermont	22.80	
ı	New York	22.31	
5	Ohio	21.82	
5	Wyoming	21.69	
7	Connecticut	21.18	
3	North Carolina	21.04	
9	Maryland	20.87	
0	Arkansas	20.63	
1	New Hampshire	20.60	
2	California	19.54	
3	West Virginia	19.15	
4	Nevada	18.87	
5	Virginia	18.81	
5	Nebraska	18.49	



Expenditures

Total Energy per

Additional State Rankings

•	Total	Energy	per	Capita

Natural Gas

Electricity

Total Energy per Capita: EIA, State Energy Data System, Total Consumption Per Capita

Expenditures





3rd Quarter 2024 CI Prevailing Value \$8.32/mcf Henry Hub Avg Price \$2.23/Mcf

https://tax.alaska.gov/programs/oil/index.aspx

4th Most Affordable Gas at Your Home Meter \$11.89/Mcf

Thank You!



