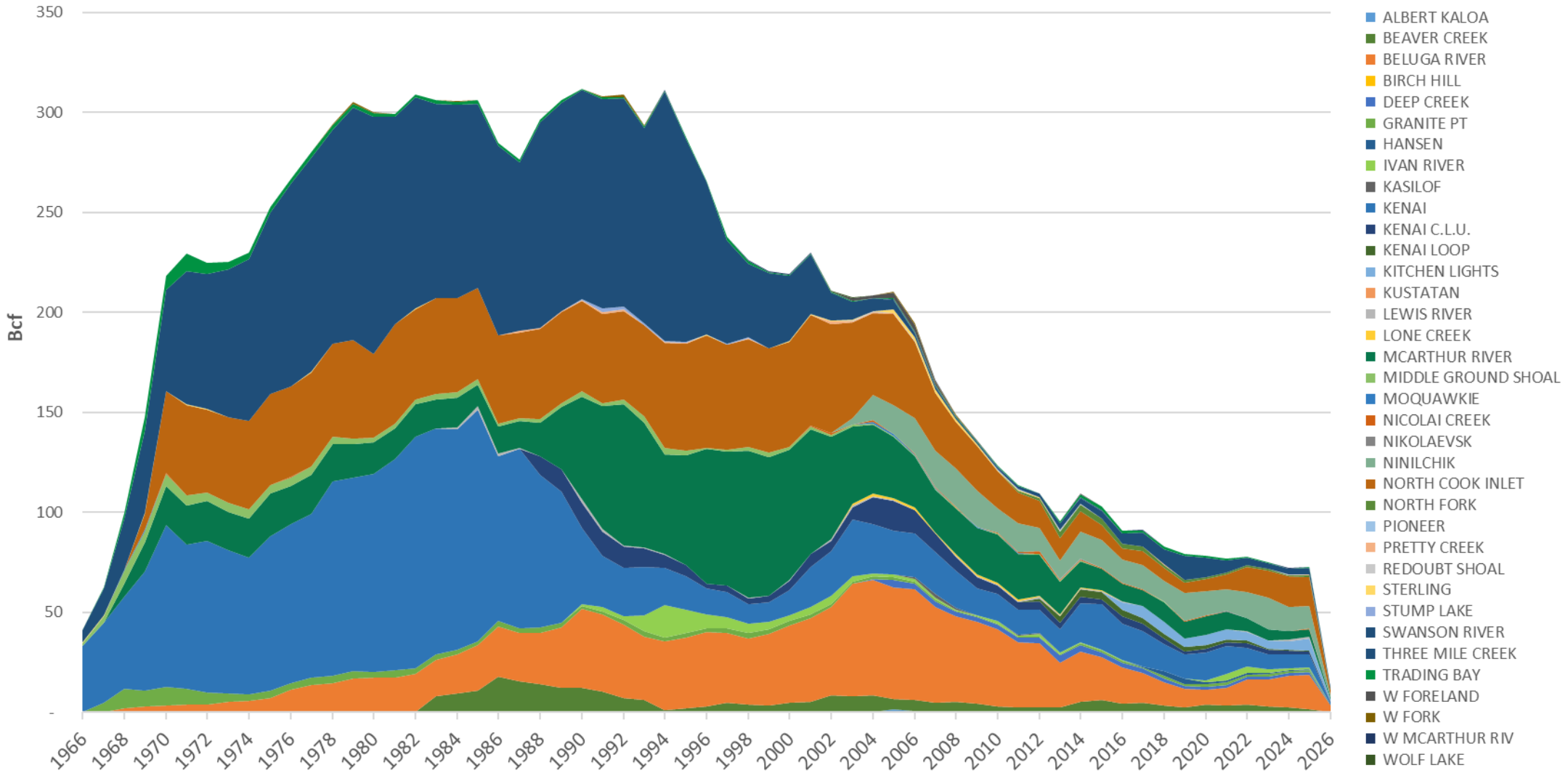
ENSTAR Natural Gas Update

June 1, 2026

ENSTAR
Natural Gas Company

Cook Inlet Annual Gas Production



Data compiled from Alaska Oil and Gas Conservation Commission

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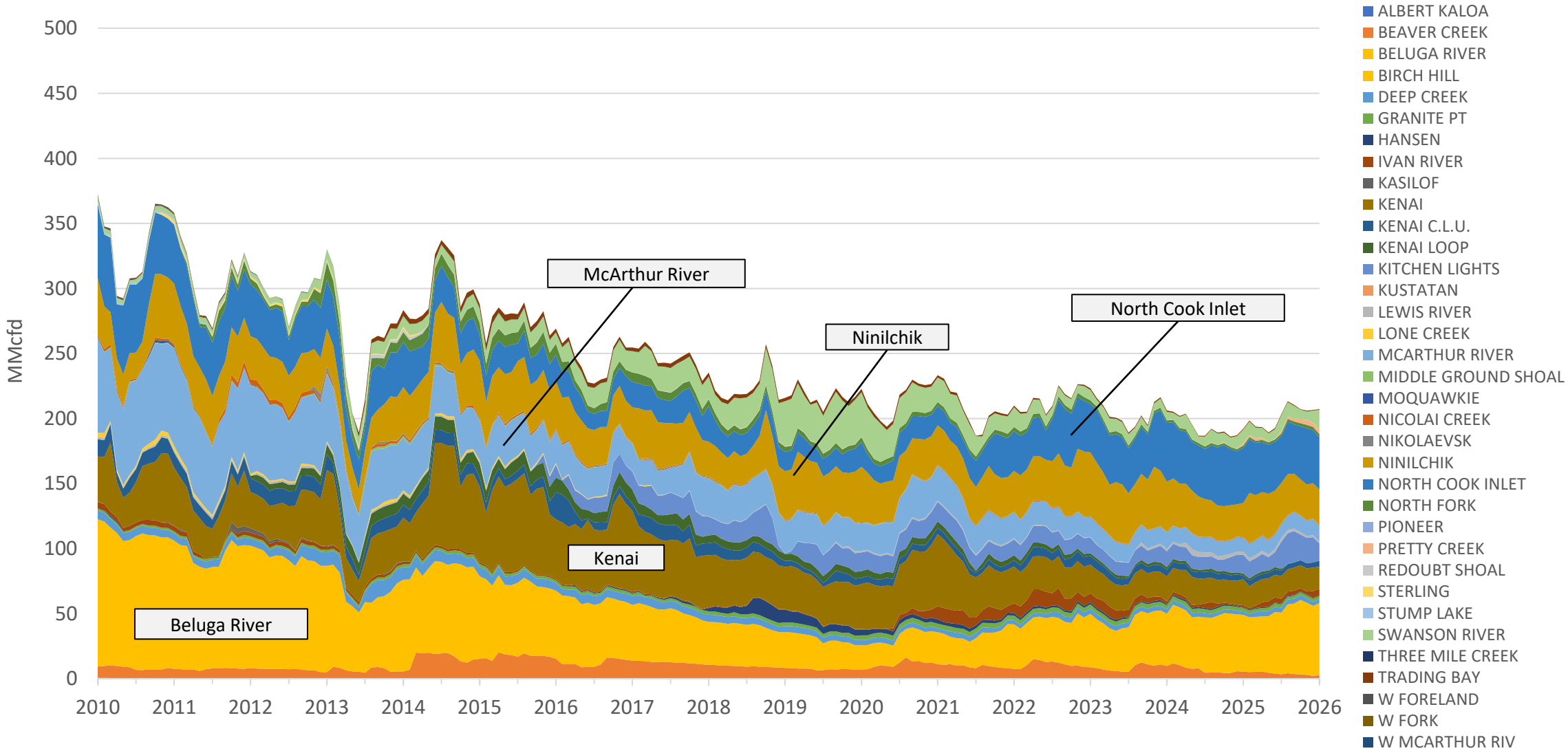
Cook Inlet Average Daily Gas Production



Data compiled from Alaska Oil and Gas Conservation Commission

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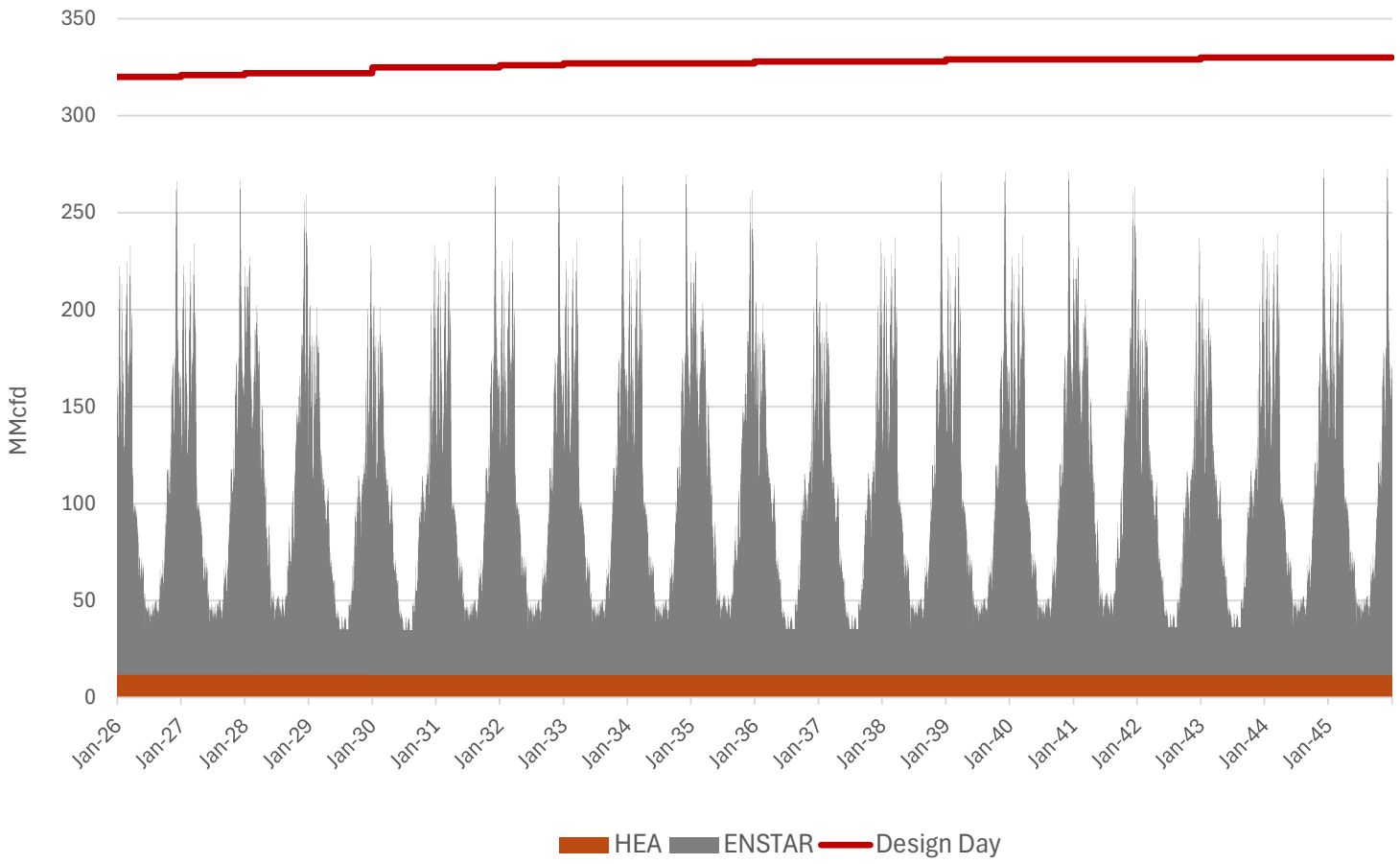
Customer Daily Demand - Various Weather Conditions



Year	Weather Selection HDD	Enstar Annual Demand	HEA Annual Demand	Design Day
2026	9,794	34.5	4.3	320
2027	9,794	34.6	4.3	320
2028	11,190	37.9	4.3	321
2029	8,177	30.6	4.3	322
2030	8,177	30.7	4.2	324
2031	9,794	34.8	4.2	325
2032	9,794	34.9	4.2	326
2033	9,794	34.9	4.2	326
2034	9,794	35.0	4.2	326
2035	11,190	38.4	4.2	327
2036	8,177	31.0	4.2	327
2037	8,177	31.1	4.2	327
2038	9,794	35.3	4.2	328
2039	9,794	35.4	4.2	328
2040	9,794	35.5	4.2	328
2041	11,190	38.9	4.2	329
2042	8,177	31.5	4.2	329
2043	8,177	31.6	4.2	329
2044	9,794	35.8	4.2	330
2045	9,794	35.9	4.2	330

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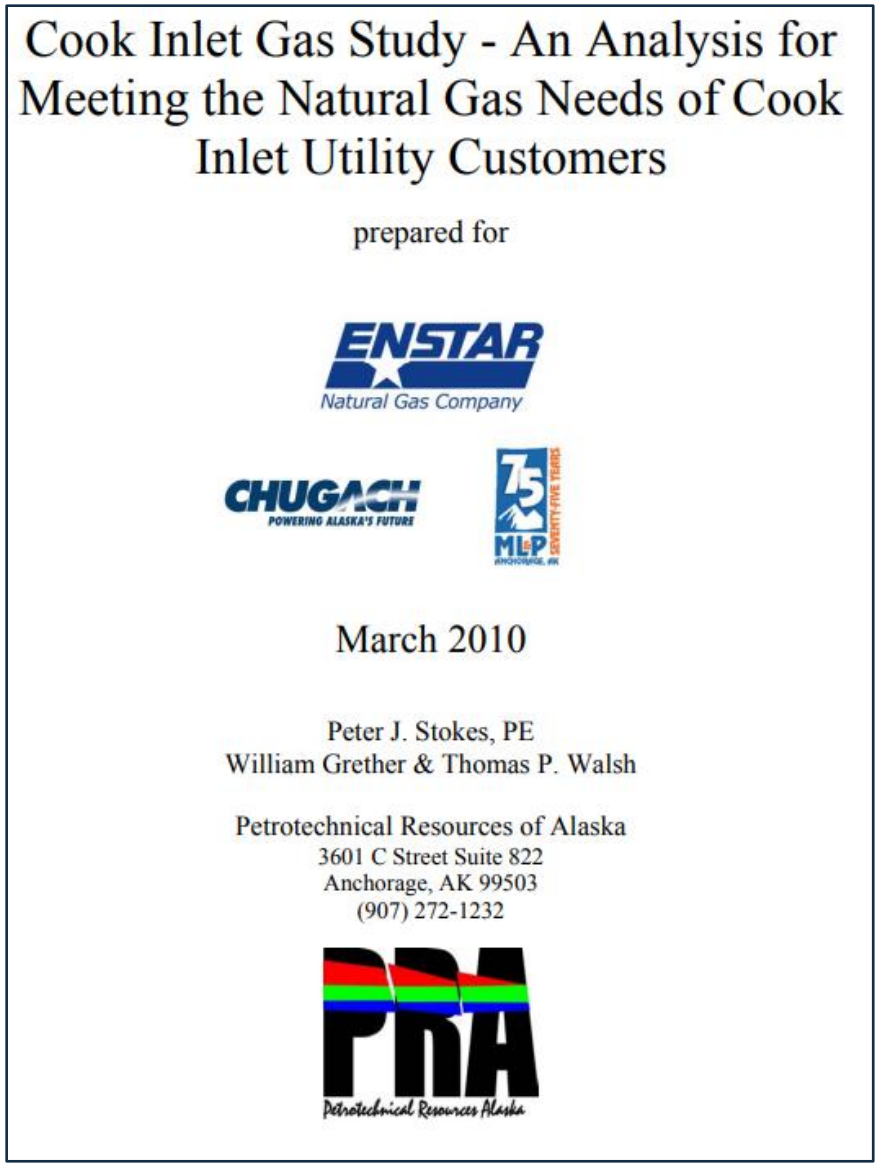
PRA 2010 Cook Inlet Gas Study



Cook Inlet Gas Study - An Analysis for Meeting the Natural Gas Needs of Cook Inlet Utility Customers

prepared for

ENSTAR Natural Gas Company

CHUGACH POWERING ALASKA'S FUTURE

MLP SEVENTY-FIVE YEARS

March 2010

Peter J. Stokes, PE
William Grether & Thomas P. Walsh

Petrotechnical Resources of Alaska
3601 C Street Suite 822
Anchorage, AK 99503
(907) 272-1232

PRA Petrotechnical Resources Alaska

Executive Summary

- To meet demand through 2020 up to 185 wells need to be drilled.
- Required due to the significant drop in deliverability of individual wells (3-10 mmcfd of initial production per well)
- Equates to an estimated $1.8 - $2.8 billion in capital expenditures.
- If the drilling activity remains at 13.6 wells completed per year, the shortage of gas will occur after 2018.

- www.petroak.com/CI_gas_prareport.pdf

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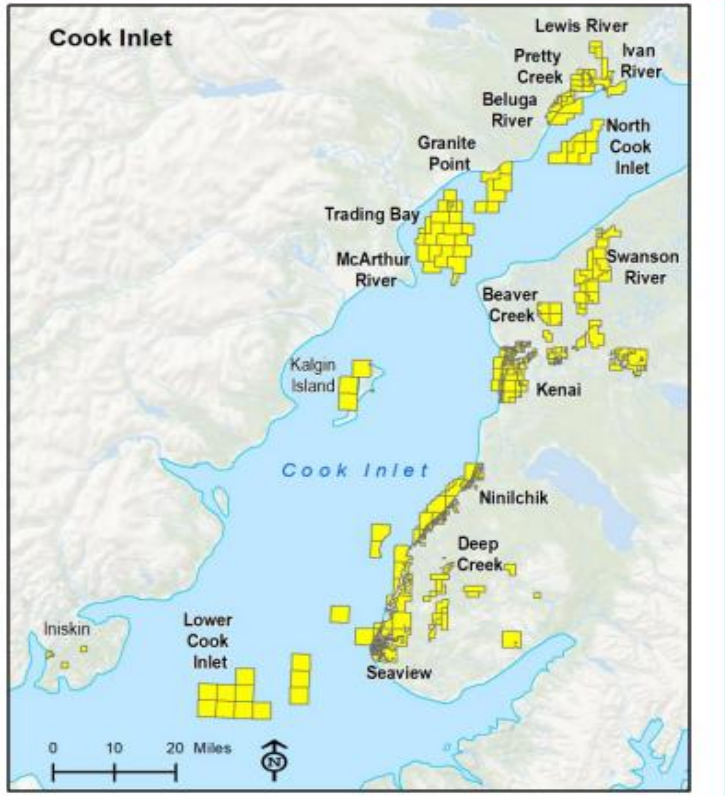
What's happened since then?

Cook Inlet Basin

- **Hilcorp is actively engaged in the Cook Inlet Basin developing its leasehold; currently producing approx. 50Bcf/year.**
  - From 2012 to 2025, Hilcorp has produced over 750 Bcf of gas and drilled 192 wells
  - Hilcorp has spent well over $1.5 billion in the Cook Inlet Basin
  - Hilcorp is increasing activity in Cook Inlet Basin
  - Drilled 22 wells in 2022, 18 wells in 2023, and 19 wells in 2024, 20 wells in 2025
    - Annual capex of over $200+ million; drilling 15-20 wells per year moving forward
- **Producing wells' production initially declines ~30-40% per year**
- **Cook Inlet Basin gas market is unlike any other in the United States – it is a closed market, what we make is what we use.**
- **Resources (people, equipment, vendors) are also limited and finite, the goal is to maximize gas with the resources we have.**



Utilities and other gas producers must identify new sources of gas supply for South Central Alaska

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(slides from Hilcorp's January 28, 2026 presentation to House Resources)

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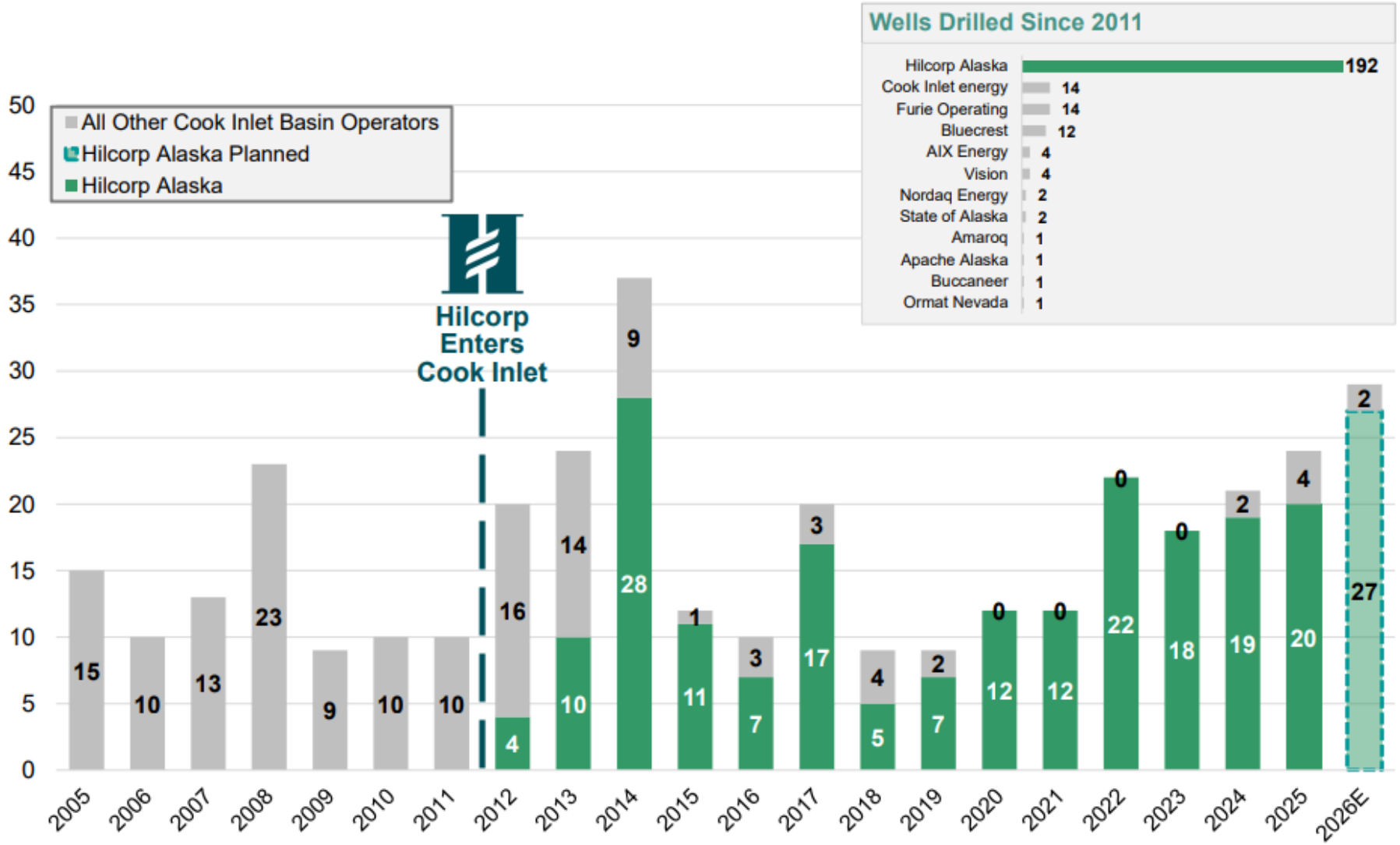
Hilcorp Presentation Continued…



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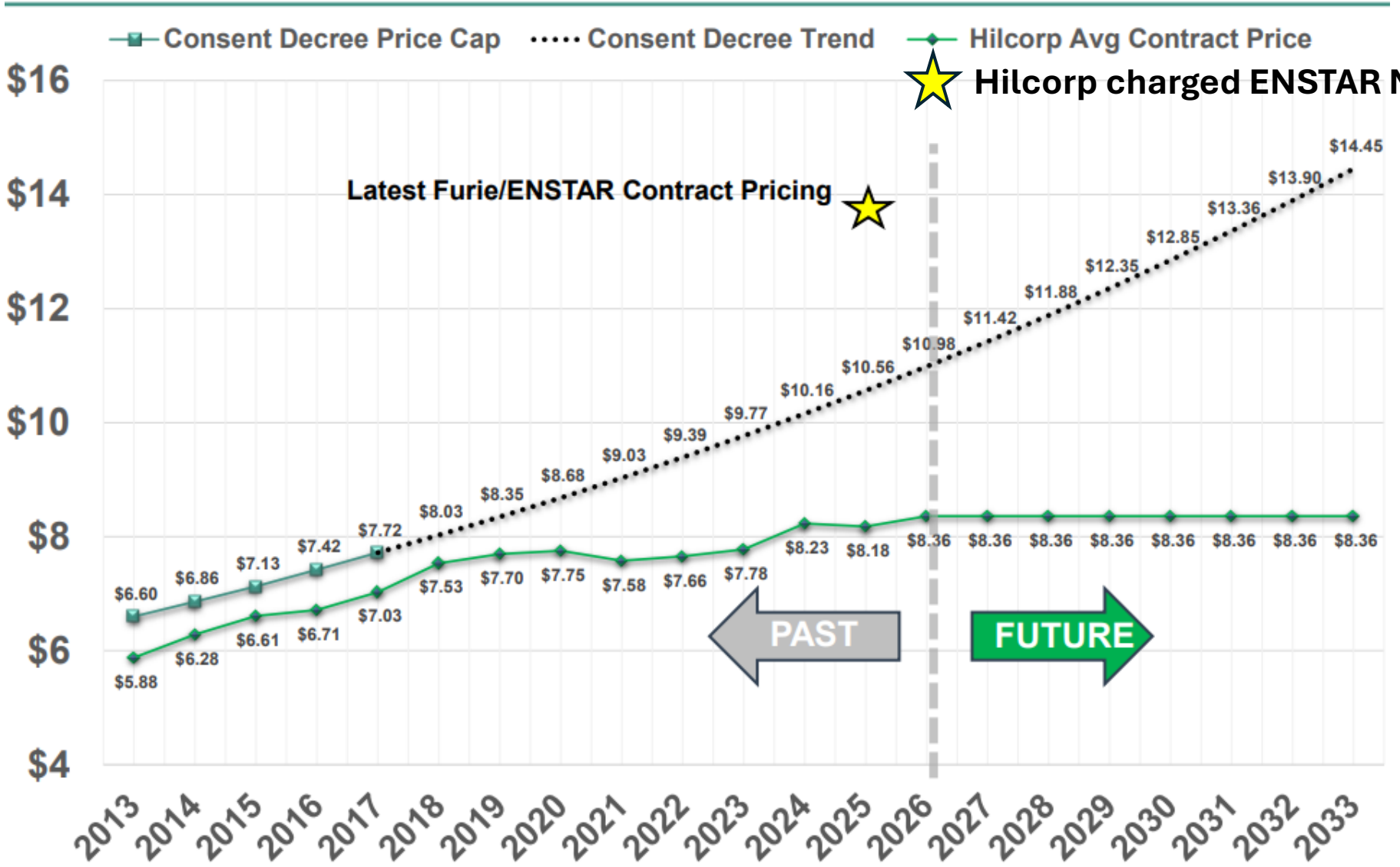
Hilcorp Presentation continued…



Note: Slide has been modified to reflect recent pricing for ENSTAR gas purchases.

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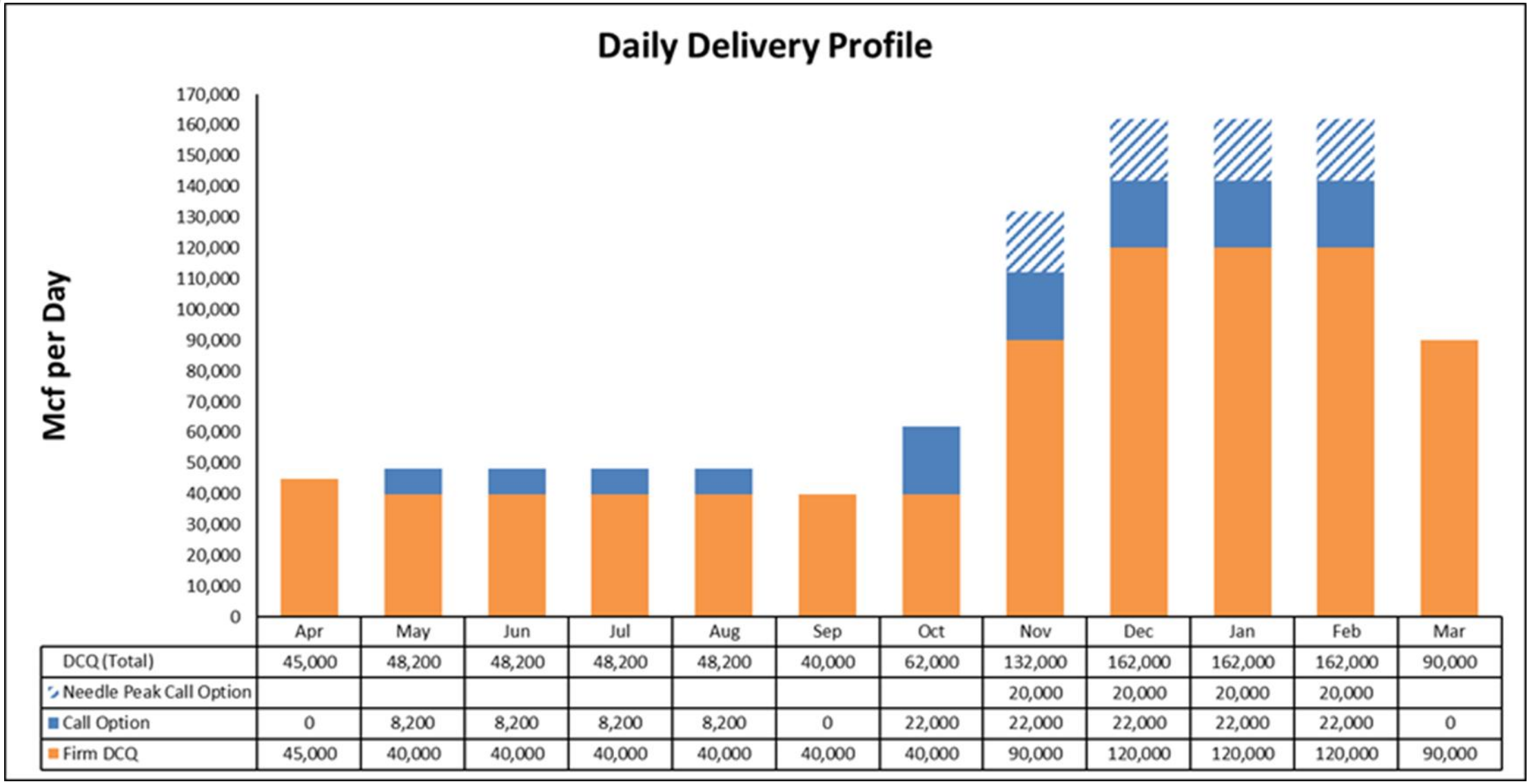
Amended Hilcorp APL-14



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
DCQ (Total)	45,000	48,200	48,200	48,200	48,200	40,000	62,000	132,000	162,000	162,000	162,000	90,000
Needle Peak Call Option								20,000	20,000	20,000	20,000	
Call Option	0	8,200	8,200	8,200	8,200	0	22,000	22,000	22,000	22,000	22,000	0
Firm DCQ	45,000	40,000	40,000	40,000	40,000	40,000	40,000	90,000	120,000	120,000	120,000	90,000

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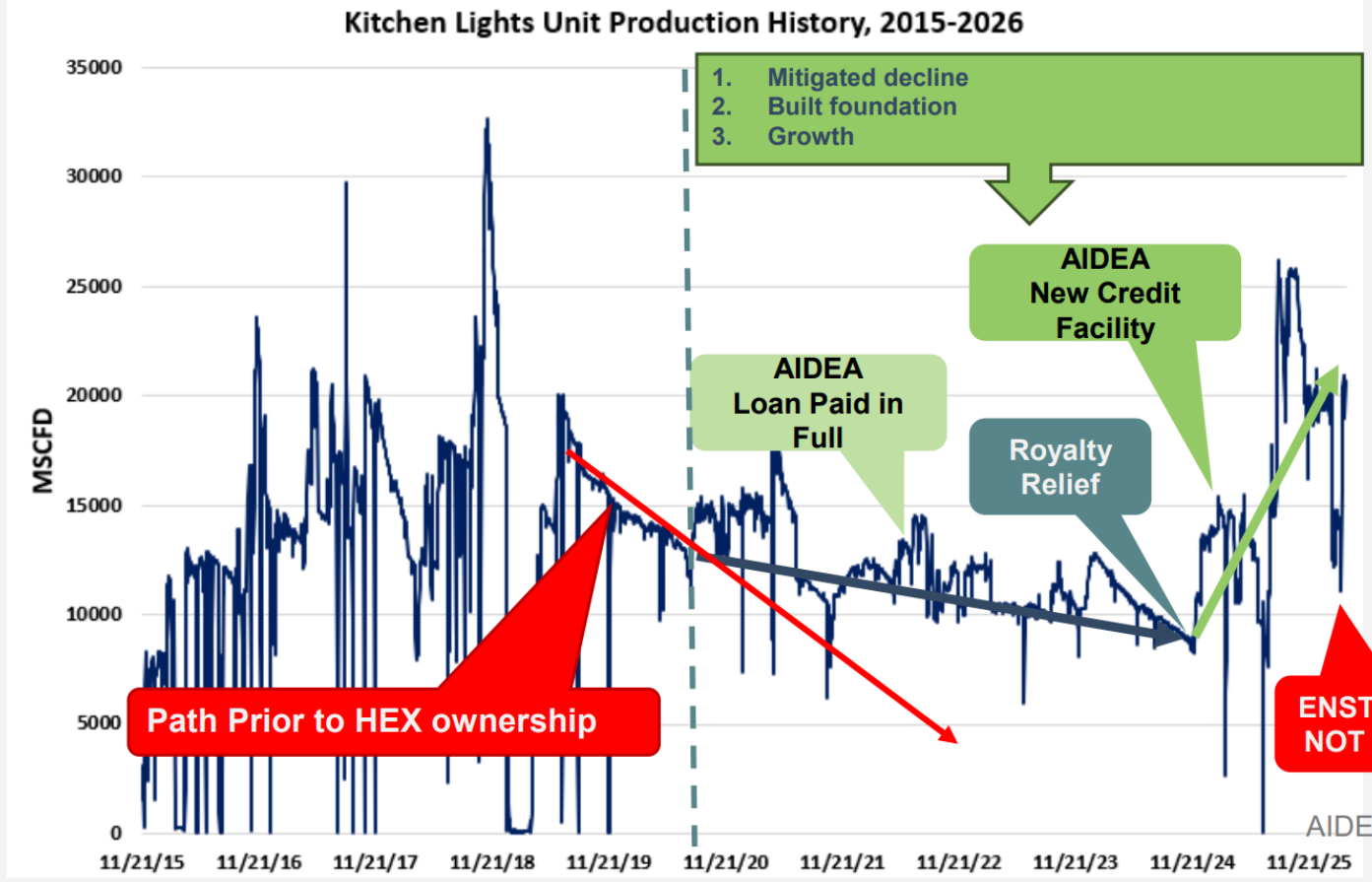
HEX – Presentation to AIDEA on May 13, 2026

Strengthening Alaska's Natural Gas Future



Mitigated Decline:

- **AIDEA's Critical Role:**
  - Credit facility that gave us runway to execute responsibly
- **DNR Royalty Relief**
- **HEX Culture:**
  - Process, Alaskans, and accountability

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Royalty Relief – will it save the day?

Commissioner's Final Findings and Determination for Kitchen Lights Unit Royalty Modification

Table 3: DNR Final Modeling Results

Results of Probabilistic Price Scenarios								
Price Path Scenario	**SOA Royalty $MM (NPV12.5)**	**End of Field Life Extension Over June 2025 (months)**	**End of Field Life Extension Over June 2025 (Years)**	**End of Field Life**	**Cumulative Production From Sept 2024 MMSCF**	**Production Tax $MM (NPV12.5)**	**State Share of Property Tax (50%) $MM (NPV12.5)**	**Total State Revenue $MM (NPV 12.5)**
Scenario 1: No Royalty Modification (baseline)	*$2.75*	*0*	*0*	*June 2025*	*2,496*	*$0.41*	*$0.79*	*$3.94*
Scenario 2: Furie's Updated Price Estimate	$17.11	126	10.5	December 2035	65,724	$6.30	$16.92	$40.33
Scenario 3: Random Furie Updated Price +/- $1 (medium case)	$17.24	126	10.5	December 2035	65,724	$6.30	$16.92	$40.46
Scenario 4: Uniform Price (medium-high case)	$18.65	126	10.5	December 2035	65,724	$6.30	$16.92	$41.87
Scenario 5: Normal Price (high case)	$26.91	138	11.5	December 2036	68,369	$6.40	$17.71	$51.02

https://aws.state.ak.us/OnlinePublicNotices/Notices/Attachment.aspx?id=152960

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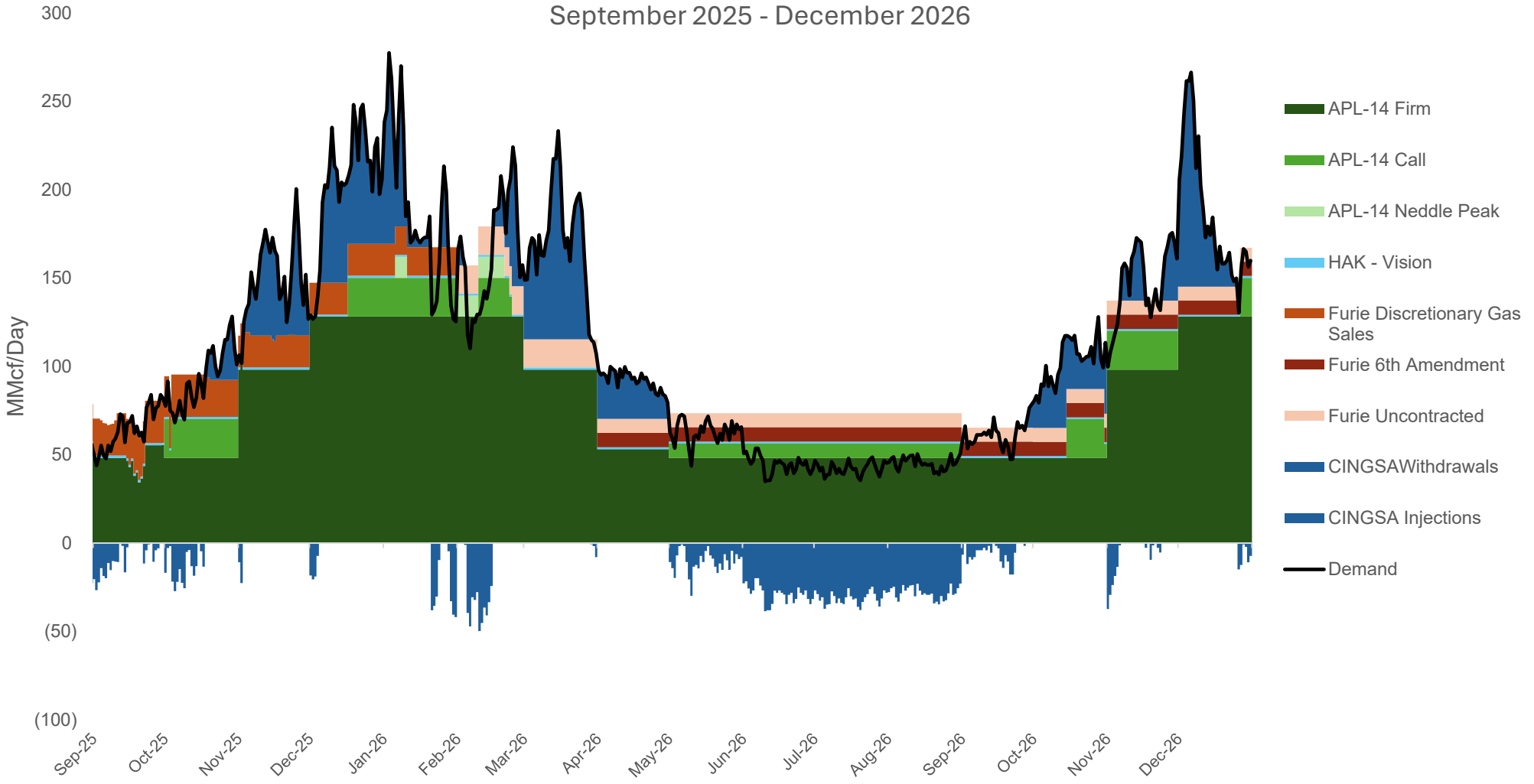
ENSTAR Supply vs Demand Projections



To build projections for the upcoming heating season, daily temperatures observed in 1995 (Normal Year with 9,794 Heating Degrees) were applied to current gas loads. ENSTAR uses a wide range of weather scenarios to build a resilient gas supply plan that meets our customers needs.

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Long-Term Plan for ENSTAR

- Additional Storage needs
- Glenfarne Agreements
  - Framework agreement
  - LNG Import
  - PH. I Pipeline
- ENSTAR is not providing any equity for either of these projects
  - 2024 HB 307 AM 14
- File Gas Supply Agreement with the RCA prior to development

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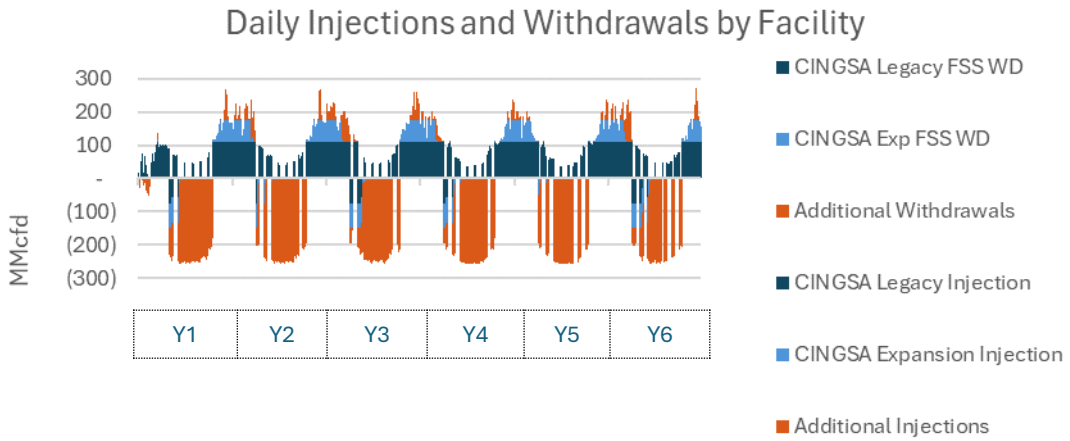
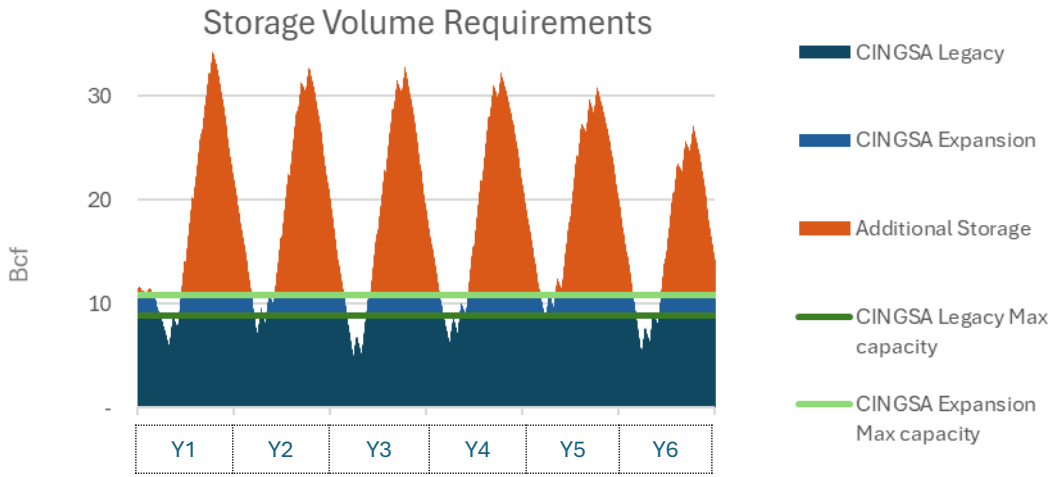
LNG Deliveries:

LNG Cargo Shipments – 3.8 Bcf/Cargo

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Deliveries	Volume, Bcf
Y1					1	2	2	2	2	1			10	38
Y2				1	1	2	2	2	1	1			10	38
Y3				1	2	2	2	2	1	1			11	42
Y4				1	1	2	2	2	1	1			10	38
Y5				1	1	2	2	1	1	1			9	34
Y6				1	1	2	2	1	1	1			9	34

Uncontracted Storage	
LNG Phase	Max
Volume (Bcf)	24
Withdrawal (MMcfd)	130
Injections (MMcfd)	260





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LNG Import Pricing

- Japan-Korea Marker (JKM) Prices – TBD (today it is $18 per MCF)
  - Expect volatility
- Shipping - $1.00 per MCF
- LNG Terminal Infrastructure - $3 to $5 per MCF (depends on participating volume)
- Total, all-in cost between $16 - $22
- This becomes the new cost of gas for ENSTAR's customer and Electric utilities in 2033 (currently $10.80 per MCF)

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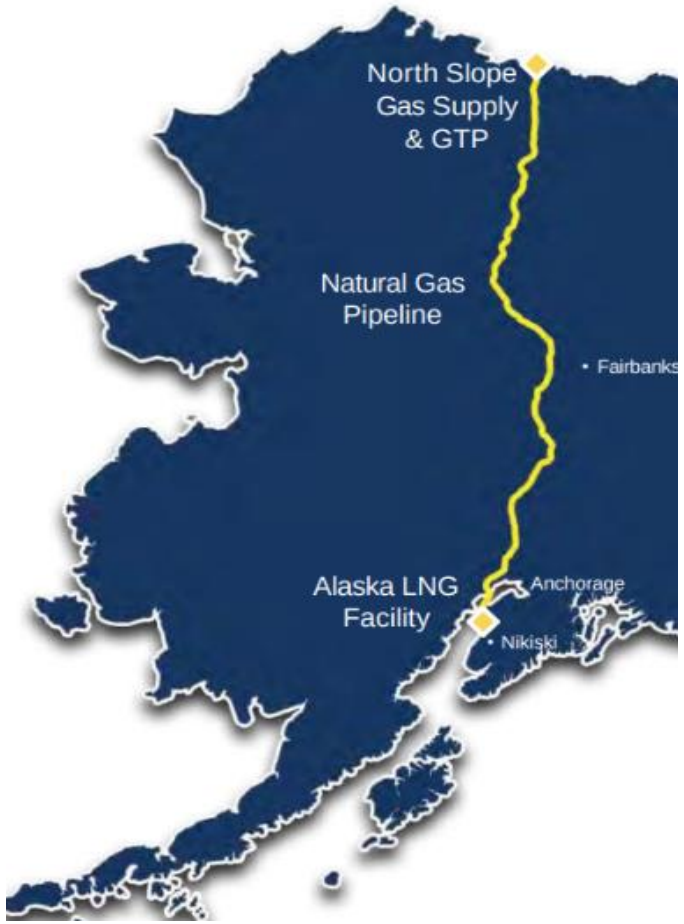
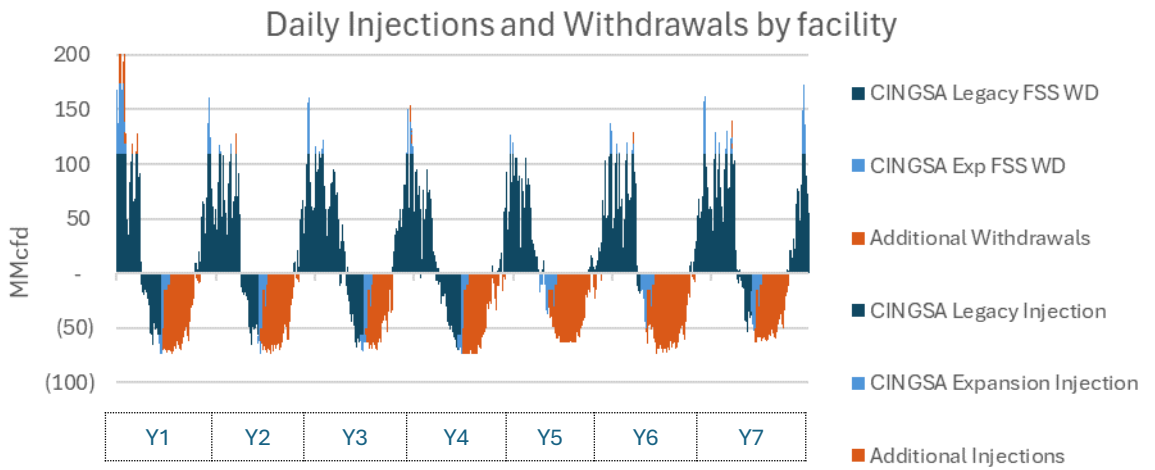
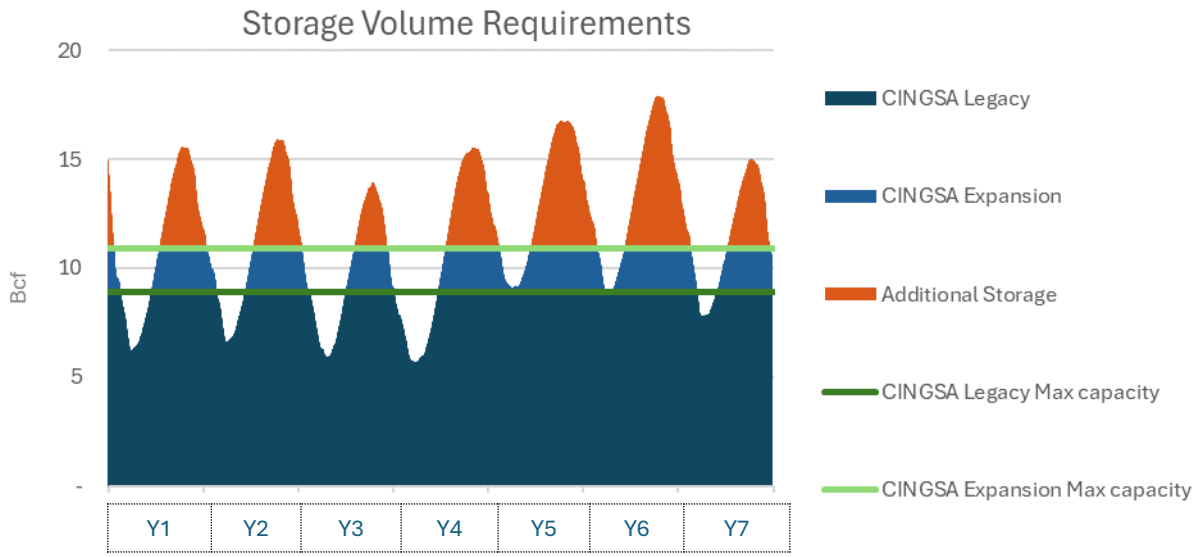
NS Pipeline Deliveries:



Uncontracted Storage	
North Slope Phase	Max
Volume (Bcf)	7
Withdrawal (MMcfd)	61
Injections (MMcfd)	74





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AK LNG Pipeline Pricing

- Fixed price at $16 per MCF, not subject to cost overruns
  - Brings stability
  - Subject to annual inflation factor
- As volumes on the pipeline increase, price decreases
  - This is the only project that has the potential to reduce the price of energy
- LNG Terminal Infrastructure – per the terms of the framework agreement, this infrastructure is acquired by the AK LNG project
- AK LNG generates revenue for Alaska; LNG imports do not
- Similar to Cook Inlet Royalties, any increase or decrease is borne by the ratepayer

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QUESTIONS

Photo courtesy of ENSTAR Service Technician, Pat Nolan