

Legislative Budget and Audit Committee Presentation

April 9, 2025



Presentation Topics

- AGDC's statutorily defined authorities
- Engagement with Glenfarne
- Alaska LNG Project, Front-End Engineering Design (FEED), and Final Investment Decision (FID)
- Glenfarne structure, definitive agreements/timelines
- Roles of Legislature, Executive Branch, and AGDC
- Administration support

The Alaska Gasline Development Corporation (AGDC)

- Independent, public corporation owned by the State of Alaska (SOA)
- Created by the Alaska State Legislature

Mission

- Maximize the benefit of Alaska's vast North Slope natural gas resources through the development of infrastructure necessary to move the gas to local and international markets

AGDC divested 75% ownership of a wholly-owned subsidiary that is advancing the Alaska LNG Project to Glenfarne Group, LLC

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Alaska Statute (AS) 31.25 – Article 1. Organization, Administration, and Powers

- AS 31.25.005 Purpose to Develop Natural Gas Pipeline & Provide Economic Benefits and Revenue to the State
- AS 31.25.065 Personnel Exempt from State Personnel Act
- AS 31.25.080(a) Powers and Duties
 - (1) Determine form of ownership and operating structure
 - (6) Transfer or otherwise dispose of interest in an Alaska LNG project
 - (11) Make and execute agreements and contracts
 - (24) Enter into contracts
- AS 31.25.090 Confidentiality
- AS 31.25.101 State Corporation Acting in the Best Interest of the State
- AS 31.25.120 Authority to Create Subsidiaries
- AS 31.25.140 Exemption from State Procurement Code
- SB 138, Section 76 amends uncodified law to provide the means for Alaskans to participate in the ownership of the pipeline

Alaska Attorney General's Legal Opinion and Closing Certificate

- AGDC's execution, delivery, and performance of the transaction was reviewed by the AG's Office and considered in compliance with all applicable laws
- Compliance included AS 31.25.080(24), which requires AGDC to consult with the Commissioner of Revenue and Commissioner of Natural Resources prior to entering into contracts relating to an Alaska liquefied natural gas project, including contracts for services relating to operation, marketing, transportation, gas treatment, marine terminal operation, or liquefaction
- AGDC consulted directly with the Department of Revenue and the Department of Natural Resources, with oversight and advice provided by the AG's Office
- Consultation sessions were provided on February 14, 2025, February 24, 2025, and March 10, 2025, by AGDC, with participation from the AG's Office
- The AG's Office also provided advice on and provided oversight to a virtual data room of information provided to authorized users from the Department of Revenue and the Department of Natural Resources

Engagement

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AGDC Sought Private Investment

- 2019 to 2024 – AGDC solicited for private sector partners
- 2022 – Re-engaged Goldman Sachs for capital raise
- Strong Support from the Alaska Delegation – Senators Sullivan & Murkowski
- Energy Trade Missions to Asia with Governor Dunleavy & Senator Sullivan
- U.S. Ambassador Emanuel promoted Alaska LNG as a strategic energy asset

Public Engagement

- Presentations to the Alaska Legislature, Resources Development Council, Local Governments, Alaska Native Corporations, and Community Councils
- Stakeholders and potentially impacted parties
- Board meetings that are public noticed
- Legislative representatives assigned to the Board
- More than 130 public or open-house meetings and public outreach events

Formal Engagement with Glenfarne

- June 2022 – AGDC initial engagement with Glenfarne
- February 2024 – Goldman Sachs provided an Investor Outreach List including Glenfarne
- March 2024 – ExxonMobil recommended meeting with AGDC
 - ExxonMobil made introductions to Glenfarne CEO
 - In subsequent face-to-face meetings, AGDC rolled out the phasing concept
- April - June 2024 – More advanced discussions and face-to-face meetings
- June 2024 – Letter of Intent (LOI) signed
 - Full scope of the Alaska LNG Project
 - Initiated a due diligence period
 - Allowed AGDC to hold commercial discussions with other potential lead parties for Phase 1 pipeline, as a contingency
- December 2024 – Amendment to the LOI was executed
 - Included a Draft Term Sheet setting forth the key terms for the Definitive Agreements
 - Identified an Interim Period of 60 working days to complete the negotiation and finalization of the Definitive Agreements

Alaska LNG Project



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Alaska LNG Overview

North Slope Gas Supply

- 40 Tcf of gas reserves in PBU and PTU
- 122 Tcf of total “Proved Producing Reserves” in Alaska*
- Potential supply from Great Bear Pantheon

Arctic Carbon Capture (ACC)

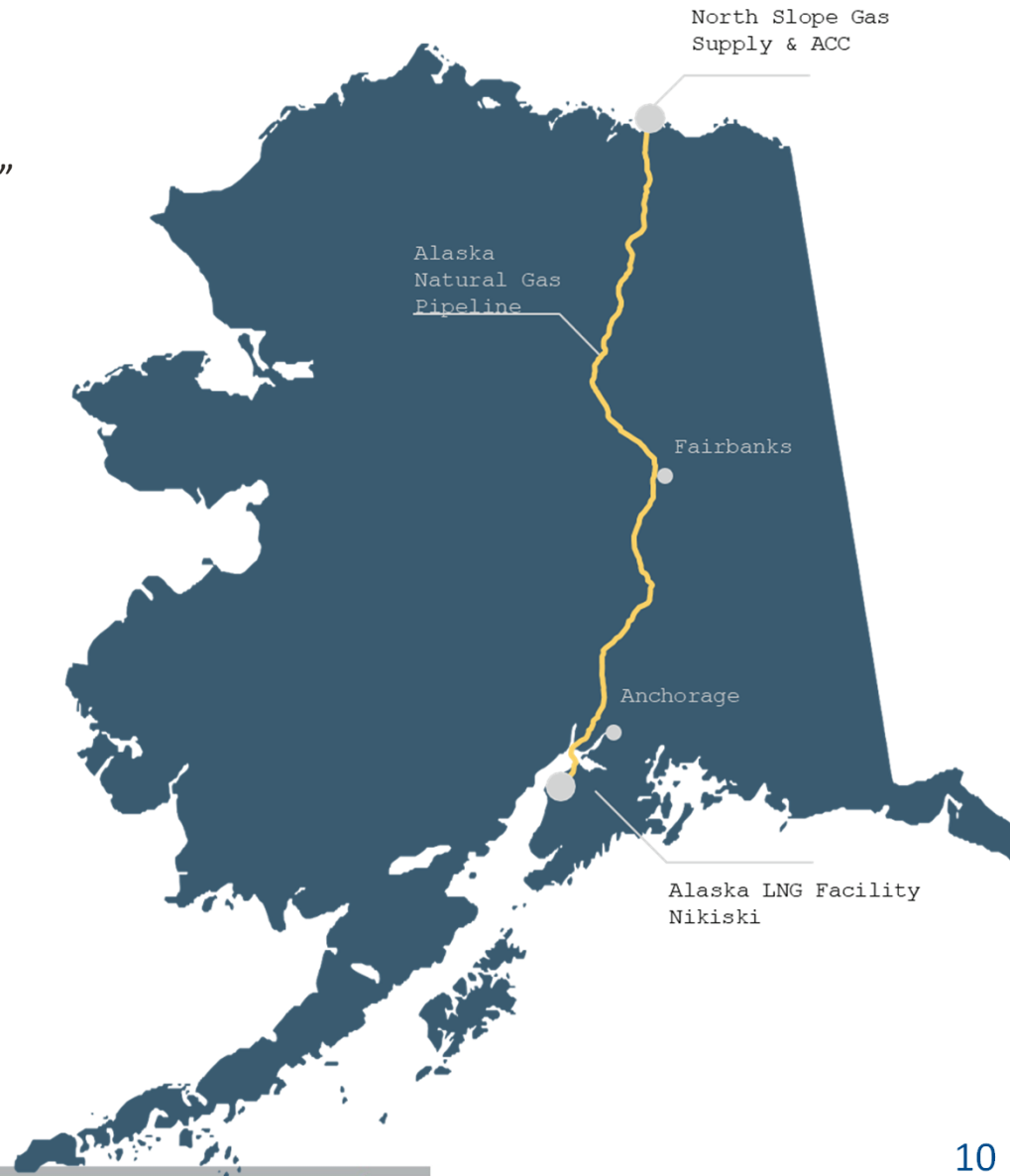
- Adjacent to existing PBU gas plants, will remove and sequester 7 million tons of CO₂ annually and condition gas to LNG specifications

Natural Gas Pipeline

- 807-mile pipeline from Prudhoe Bay to Nikiski, follows existing oil pipeline and highway system, with gas delivered to Alaska communities and the LNG plant

Alaska LNG Facility

- 20-MTPA LNG facility located in Nikiski near the legacy Kenai LNG Plant



*https://www.eia.gov/naturalgas/crudeoilreserves/pdf/Table_8.pdf

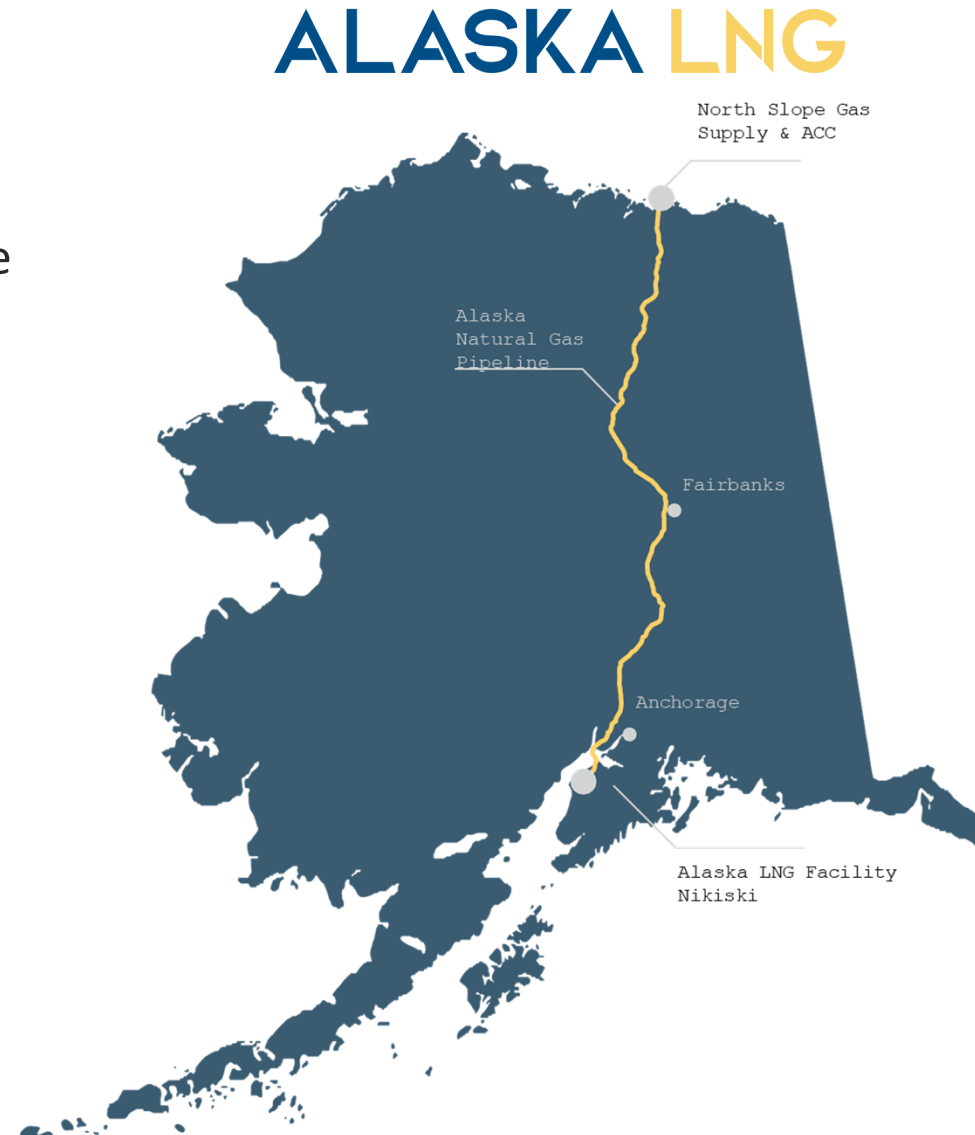
Phase 1 of Alaska LNG

Alaska LNG is a **fully permitted** integrated \$43.8 bn LNG export, pipeline, and gas treatment project

Phase 1 is the pre-build of the pipeline from the North Slope of Alaska to Southcentral Alaska – \$10.8 bn

Phase 2 is the construction of North Slope gas treatment and LNG export facilities – \$33 bn

By phasing Alaska LNG, Alaska can utilize existing permits to quickly provide gas for Alaskans and provide infrastructure for future LNG exports and industrial use



Evolution to Private Developers

2013 – 2016

Producer-Led

Producers provided initial scoping and engagement—important demonstration of *producer* support



Moderate Risk

2017 – 2022

State-Led

State-led initial design, permitting, and authorization—important demonstration of *state* support



Highest Risk

2023 – Onward

Developer-Led

Transition to world-class private parties for construction and operations



**No State \$\$
during FEED,
Option to Invest
at FID**

Understanding FEED

“FEED” is the final step before Final Investment Decision (FID) and construction can start



FEED is a technical term used in the oil and gas industry for the final stage before an FID & construction



FEED stands for “Front-End Engineering Design”

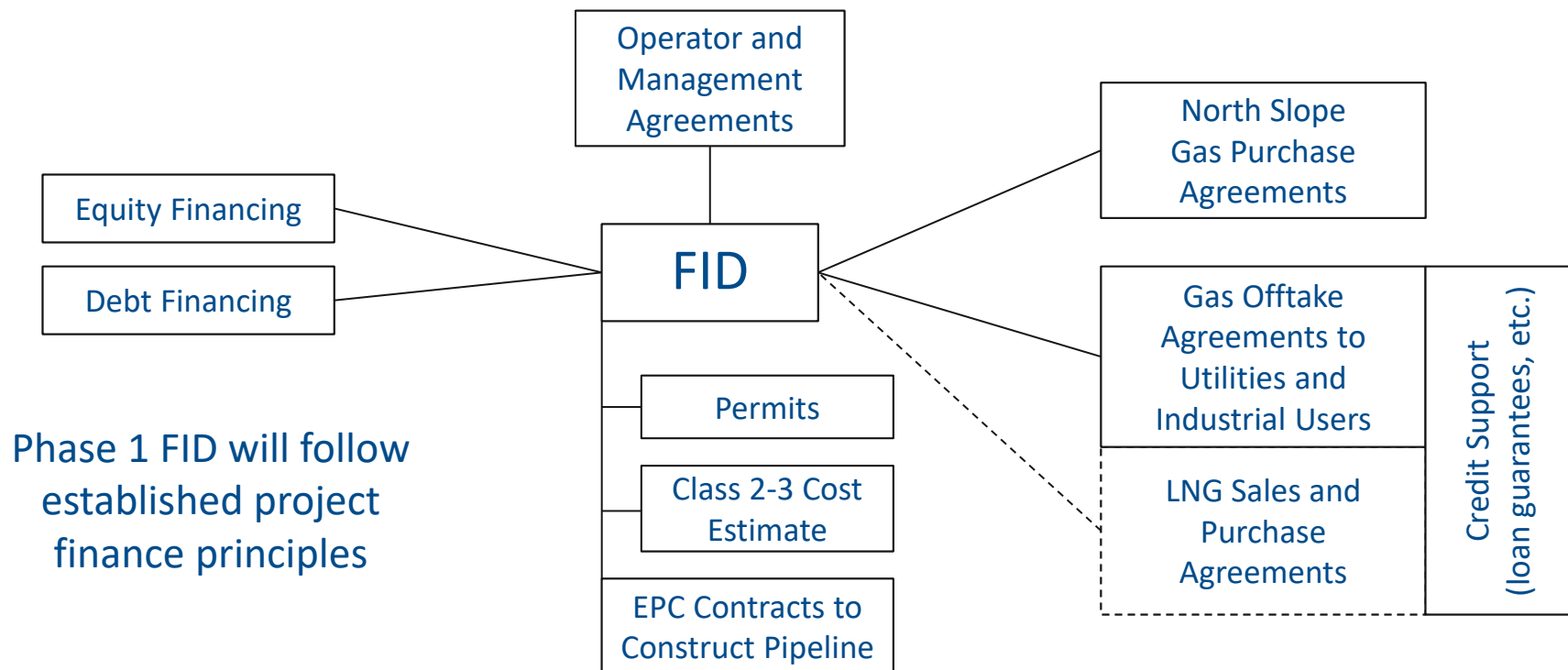


FEED produces a final cost estimate and construction contracts ready to be executed

Conditions to Enter FID

Final Investment Decision (FID) occurs when all commercial agreements needed to underpin financing are in place and all debt and equity capital necessary to fund the entire project construction is fully committed.

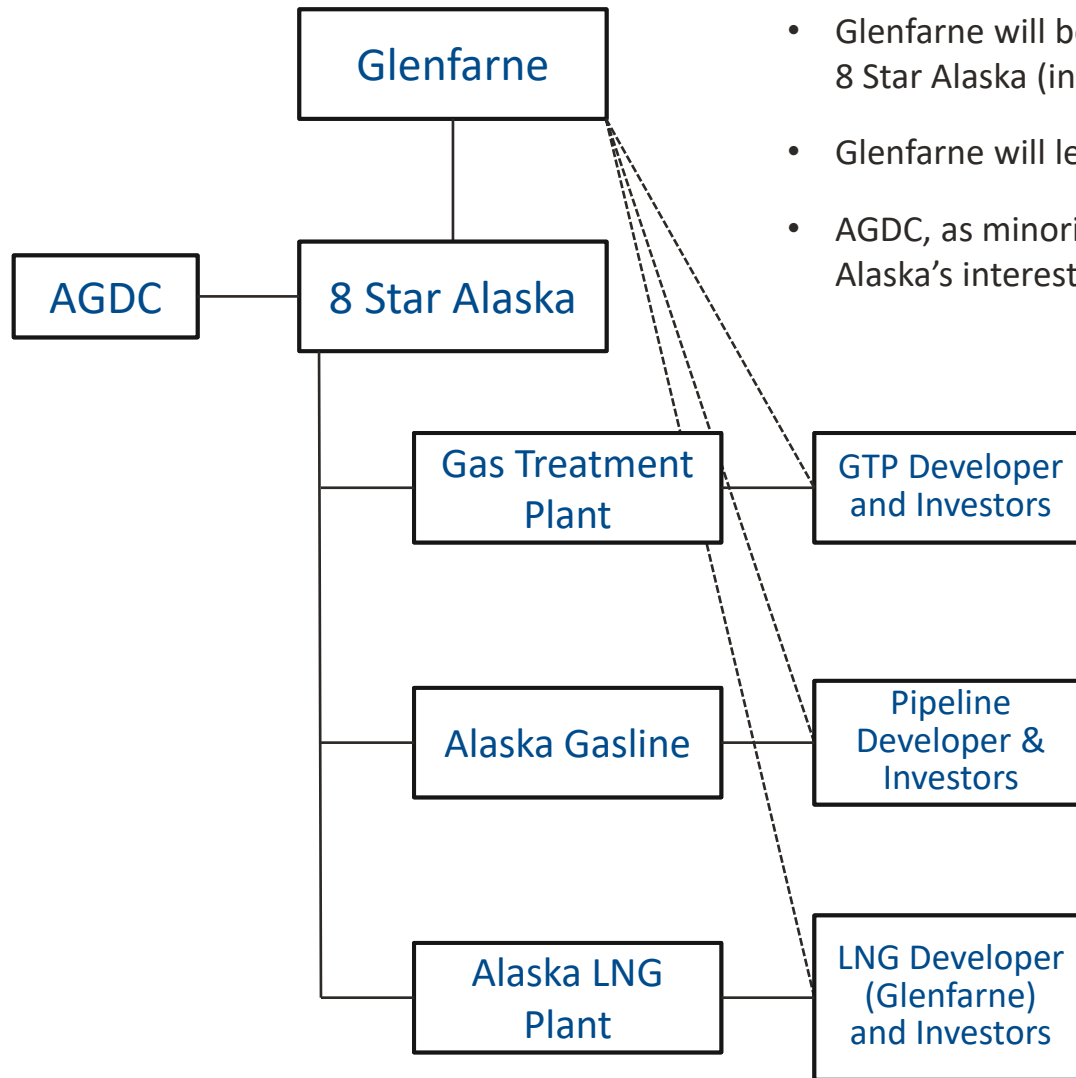
FID is not simply a “decision” to build—it requires full construction funding committed and deployed by third parties.



Glenfarne and Definitive Agreements



Glenfarne Ownership Structure

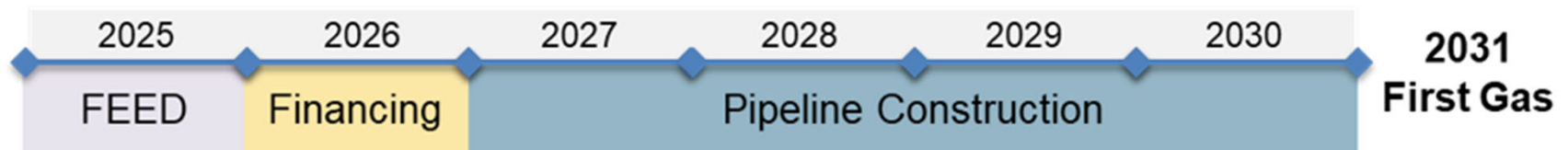


- Glenfarne will be the majority owner and manager of 8 Star Alaska (including Alaska LNG and Phase 1)
- Glenfarne will lead project development
- AGDC, as minority owner, will represent the State of Alaska's interests

- For each subproject, including Phase 1, Glenfarne will have the right to partner with third-party developers and investors
- These partners will fund and develop the individual subprojects under the management of Glenfarne
- The first stage of funding is FEED
- The next stage gate is FID
- ***The State of Alaska will have the right, but not the obligation, to invest up to 25% of construction costs by FID***

Project Timelines

Phase 1 timeline for construction of the pipeline from the North Slope to Southcentral Alaska:



- Options to accelerate this timeline are being pursued
- The Alaska Legislature may have opportunity to invest in the Phase 1 pipeline as early as 4th quarter of 2025

An Agreement in Line with Strategy

President's Report

September 21, 2023

Alaska LNG Execution Strategy

AGDC's Role: Transition to Private Investors

- AGDC is seeking qualified partners and investors to advance Alaska LNG to FID
- AGDC created the project company 8 Star Alaska, LLC (8 Star) to function as the parent company of the project
- AGDC is transitioning Alaska LNG assets under 8 Star and is selling 75% equity ownership of the company to investors in exchange for taking the project to FID
- AGDC will retain a 25% carried interest in 8 Star

8 Star's Role: Manage Alaska LNG through FID

- 8 Star will be managed by private investors with AGDC being a minority owner
- 8 Star will be the project manager and retain oversight of all 3 aspects of the project through to FID
- 8 Star ownership may consist of one "lead party" with other strategic partners owning minority stakes
- At FID, 8 Star will raise the construction capital for each of the three project subcomponents

Now → After Investment

Key objectives set out at the beginning of investor outreach were all met in the Definitive Agreements between AGDC and Glenfarne.

- ✓ Glenfarne provides the necessary capital to cover spending through FID for Alaska LNG
- ✓ AGDC will retain a 25% carried interest in 8 Star Alaska, LLC
- ✓ Firm project milestones must be met
- ✓ Governance/oversight and rights of AGDC as minority partner in the project
- ✓ Inclusion of the Alaska Advantage Principles

The Alaska Advantage Principles

- The Company will establish and maintain a substantial operational presence in Alaska
- The Company will accept tie-in requests from Alaska customers—as per design, one such tie-in will serve Fairbanks
- In-State customers get the priority right for 500 MMscfd (more than double current demand)
- Capacity will be expanded to accommodate increased demand above the original 500 MMscfd allocation
- The Project may utilize differential rates only where they both:
 1. Help maximize the flow of natural gas through the project, and
 2. Achieve the lowest possible cost of gas for Alaska utility customers

Roles



By FID, the State will have the opportunity to invest up to 25% equity in the construction of the project.

What does the Legislature need to make informed decisions?

- Construction and cost overrun risks
- Equity and debt finance options
- Construction spending timing and amounts
- Estimated return on equity

What does the State gain as an equity investor?

- 25% of the future profits in each of the sub-projects invested in

Additional roles of the Legislature?

- Analyzing property taxes impacts to project economics and costs to Alaskans

Role of the Executive Branch

Department of Revenue

- Property Taxes/Payment in Lieu of Taxes
- Investment opportunities for Alaskans, Alaska companies, and Alaska Native Corporations

Department of Natural Resources

- Revenue-in-kind/Revenue-in-value
- Permit approvals

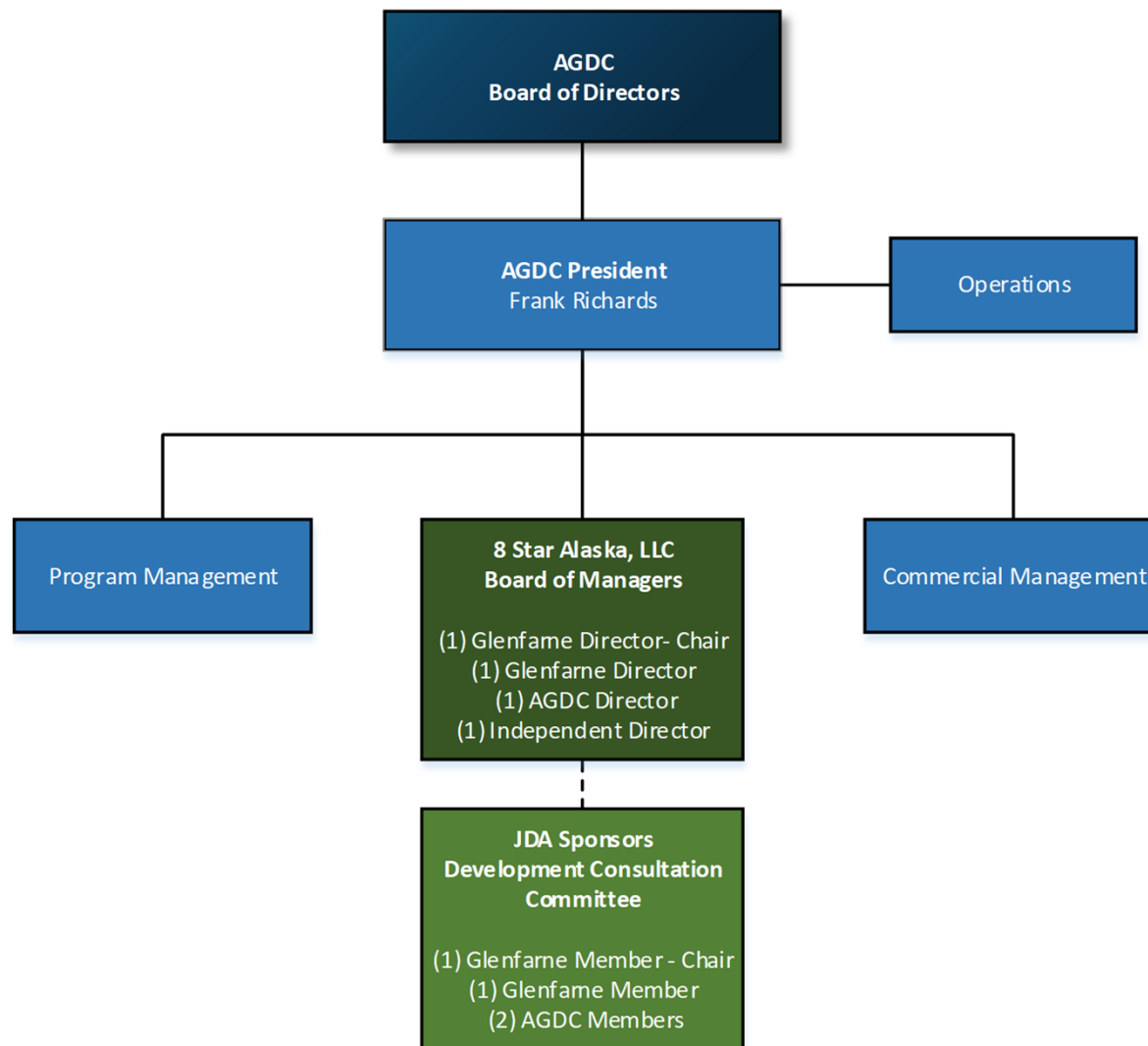
Departments of Fish & Game, Environmental Conservation, and Transportation & Public Facilities

- Permit approvals

Department of Labor and Workforce Development

- Workforce training

8 Star – AGDC's Role Forward



Benefits

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State of Alaska revenues come from

- Commercialization of natural gas (royalties and production tax)
- Commercialization of unlocked Point Thomson condensate (royalties and production tax)
- Corporate income tax on upstream and midstream
- Property tax on upstream and midstream investments
- Equity investment in Alaska LNG (if elected)

Alaska Affordable Energy for Rural Alaska

- Required by Alaska Statute 37.05.610
- Develops energy in areas of the state without access to the pipeline
- The Alaska Affordable Energy Fund is to receive an annual deposit of 20% of state revenue after paying into the Permanent Fund

Completing construction of the gas treatment and liquification plants and exporting natural gas will result in:

- Significantly cheaper gas for Alaskans, potentially in the \$4 to \$5 per MMBtu range
 - Could save railbelt households \$1,000 in annual heating and electric costs
 - Fairbanks residents will save even more
- Potential to attract more industry in Alaska with cheap energy costs
- 1,000 full-time permanent jobs and thousands more indirect jobs created
- Revenues to the State can be hundreds of million per year from State's investments already made
- Revenues can be significantly more if State elects to invest in any sub-project

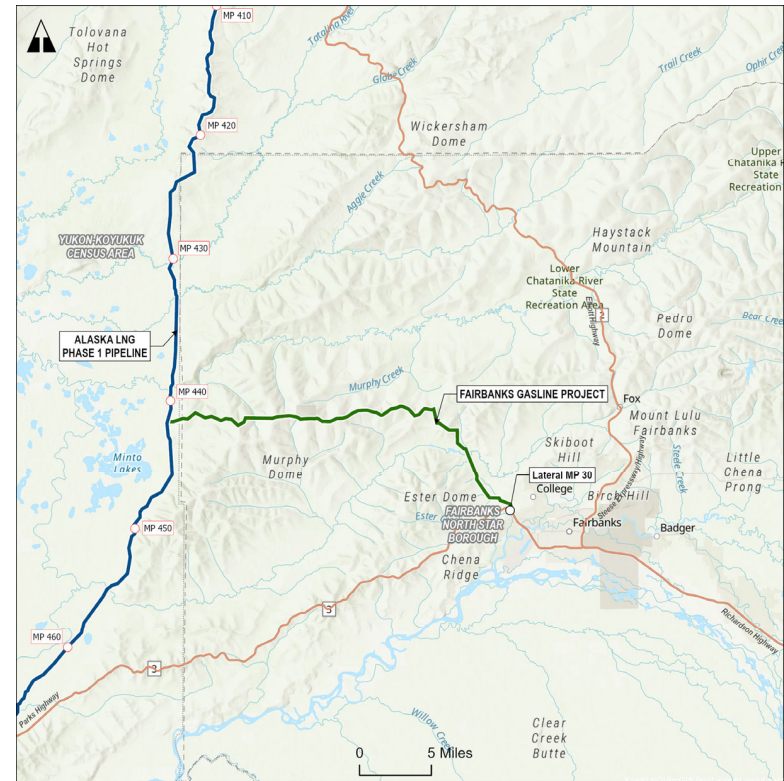
Fairbanks Spur Line

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The logo for Alaska Gasline Development Corp. features the company name in a sans-serif font. To the right of the word "GASLINE" is a stylized outline of the state of Alaska, composed of several blue stars of varying sizes arranged to form the state's shape. A single blue star is also positioned to the right of the word "DEVELOPMENT".

Fairbanks Gasline Project

- AGDC previously designed and permitted Fairbanks spur under ASAP
- Producers designed Alaska LNG as integrated wholesale project; permitted accordingly
- Scope changes would cause significant re-permitting delays and costs
- Preliminary agreement with a qualified Fairbanks company to fund, construct, and operate the Fairbanks Gasline Project; simultaneous startup
- AGDC will share completed ASAP permit and design work to minimize cost and schedule
- Counterparty company has requested confidentiality



“America’s Gasline”

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The logo features a stylized outline of the state of Alaska, composed of several blue stars of varying sizes arranged to form the state's shape.

Trump Administration Support

Unleashing Alaska's Extraordinary Resource Potential

- Executive Order signed on January 20, 2025

Unleashing Prosperity Through Deregulation

- Executive Order signed on January 31, 2025

Establishing the National Energy Dominance Council

- Executive Order signed on February 14, 2025

Ensuring Accountability for All Agencies

- Executive Order signed on February 18, 2025



Joint Session of Congress – March 6, 2025 Speech

- "My administration is also working on a gigantic natural gas pipeline in Alaska...it's all set to go"

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AGDC Common Acronyms

ACC	Arctic Carbon Capture	FEED	Front End Engineering Design
AFN	Alaska Federation of Natives	FERC	Federal Energy Regulatory Commission
AGDC	Alaska Gasline Development Corporation	GTP	Gas Treatment Plant
ANCSA	Alaska Native Claims Settlement Act	HH	Henry Hub
ANVCA	Alaska Native Village Corporation Association	Kbblsd	Thousand Barrels per Day
AOGCC	Alaska Oil and Gas Conservation Commission	LNG	Liquefied Natural Gas
Bbl	Barrel	LOI	Letter of Intent
Bblsd	Barrels per Day	m ³	Cubic Meters
Bcf	Billion Cubic Feet	MMBtu	Metric Million British Thermal Unit
Bcfd	Billion Cubic Feet Per Day	MT	Metric Tons
BLM	Bureau of Land Management	MTPA	Million Tonnes Per Annum
CCS	Carbon Capture and Sequestration	NETL	National Energy Technology Laboratory
CO ₂	Carbon Dioxide	NPR-A	National Petroleum Reserve - Alaska
CO ₂ E	CO ₂ Equivalent	ROW	Right-of-Way
DOE	Department of Energy	TAPS	Trans-Alaska Pipeline System
EA	Environmental Assessment	Tbtu/yr	Trillion British Thermal Units per Year
EIS	Environmental Impact Statement	Tcf	Trillion Cubic Feet
EPC	Engineering, Procurement & Construction	TPA	Tonne per Year