ALASKA LNG FACT SHEET

The Changes that Advanced Alaska LNG

The Cook Inlet energy crisis forced an Alaska energy reckoning. Cook Inlet energy prices historically range between $6 to $8 per million British Thermal Units (MMBtu). The most recent Cook Inlet gas supply contract increased prices by 50%, and the projected higher cost to import LNG, $12 to $15 per MMBtu, reset the economic hurdle for new energy projects to be considered competitive.

Step by step instead of all at once. AGDC developed a strategy to phase the massive three-component Alaska LNG project and focus on the pipeline first to break Alaska LNG into manageable parts. Wood Mackenzie determined Phase 1 of Alaska LNG, the North Slope pipeline, is economically viable at prices that meet or beat LNG imports and building the pipeline will provide billions of dollars of economic benefit for Alaska. Wood Mackenzie also validated Alaska LNG's ability to deliver liquefied natural gas (LNG) to Asia at prices lower than U.S. Gulf competitors.

Unprecedented federal support. President Trump approved Alaska LNG in 2020 and President Biden approved it in 2022. President Trump made Alaska LNG a national priority at the start of his new term, including executive orders and all-of-government engagement to accelerate Alaska LNG.

The Right Partner

With major permits in hand, AGDC sought an industry partner to develop Alaska LNG because Alaska LNG is too big and complex for the state to manage. AGDC's offering required potential developers to fund and manage 100% of the remaining engineering and design work (FEED), estimated to cost $150 million, and bring Alaska LNG to a final investment decision (FID) in exchange for a 75% stake in Alaska LNG. AGDC retains a 25% stake, consistent with the original Alaska LNG joint venture with North Slope producers. During a comprehensive search Goldman Sachs and ExxonMobil introduced AGDC to Glenfarne, which, following many months of due diligence and negotiation, agreed to develop Alaska LNG on the terms AGDC established.

AGDC's agreement with Glenfarne includes important protections for Alaska.

- Glenfarne will bear 100% of development risks and costs, estimated at $150 million, to reach FID, including AGDC's 25% share.
- Glenfarne's agreement includes a development schedule with milestones for funding, FEED, and sales agreements.
- The agreement includes mechanisms for AGDC to resume control of Alaska LNG if Glenfarne fails to meet these milestones.
- AGDC's governance rights oversee and protect the state's many interests, including "Alaska Advantage Principles" such as local management and low-cost energy for Alaskans.
- After FID, AGDC will retain 25% ownership in 8 Star Alaska, the company created to own and manage Alaska LNG, in perpetuity and Alaska has the opportunity but not an obligation to invest in Alaska LNG's three subprojects: the gas treatment plant, the pipeline, and the LNG terminal.