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June 29, 2016

The Honorable Cathy Giessel  
Alaska State Legislature  
Chair, Senate Resources Committee  
State Capitol Room 427  
Juneau, AK 99801-1182

Dear Senator Giessel,

Enclosed please find ConocoPhillips' response to the questions you provided in advance of the June 29 Senate and House Resource Committee hearing.

Sincerely,

A handwritten signature in black ink. The signature is fluid and cursive, appearing to read "Leo Ehrhard".

Leo Ehrhard  
Vice President – Commercial Assets

Cc: K. Meyer, President Alaska Gasline Development Corporation  
M. Rutherford, Commissioner Department of Natural Resources  
D. Van Tuyl, BP  
W. McMahon, Exxon

**1. The Pre-Front End Engineering and Design Phase (Pre-FEED) has been indicated to be completed by the fall of 2016.**

- a. Please describe what is envisioned, from the perspective of each participant, as to what will occur after the completion of Pre-FEED**
- b. Please describe what is the envisioned, from the perspective of each participant, as to the management structure after the completion of Pre-FEED. If possible, provide an organizational chart with names and job descriptions**
- d. What is the funding source effort to proceed after the completion of Pre-FEED**
- e. What is the anticipated Work Plan & Budget (WP&B) for the 2017 calendar year**

*ConocoPhillips continues to believe that, after Pre-FEED completion, the following must be in place to enable a project to be ready for FEED:*

- A package of fiscal, commercial and other project enabling agreements agreed among the project participants, with legislative ratifications where necessary pursuant to SB138, and an acceptable regulatory regime as described in the HOA and SB138*
- A project structure and design with a cost of supply that is competitive in the global market*

*ConocoPhillips is open to discussion of new concepts for progressing ANS gas commercialization, including those proposed by the State. ConocoPhillips intends to make its available gas available on mutually agreeable commercially reasonable terms. ConocoPhillips signed the Gas Availability Agreement with the State in December 2015; we have since had preliminary discussions with the State Gas Team to progress terms by which ConocoPhillips would make its gas available.*

*No management structure for AKLNG Project post-Pre-FEED activities has been agreed.*

*No agreements for funding AKLNG Project activities post-Pre-FEED have been agreed.*

*No scope of work or agreement for funding a scope of work in 2017 for the AKLNG Project have been agreed.*

**3. Do the project participants reaffirm their commitment that any agreement that has a term in excess of two years will come before the Legislature for approval? If not,**

- a. Please describe the type of agreements, to the extent possible, that may bypass the Legislature, and the reason that action is necessary.**

*In order to ensure that any relevant agreements it enters into with the State are effective pursuant to AS 38.05.020(b)(11), ConocoPhillips will work with the State parties to those agreements to achieve legislative ratification.*