

ExxonMobil Production Company
P. O. Box 196601
Anchorage, Alaska 99519-6601

C. A. Haymes
Alaska Production Manager
Jt. Interest U.S.

May 12, 2008

ExxonMobil
Production

The Honorable Bob Buch
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

The Honorable Les Gara
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

The Honorable Harry Crawford
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

The Honorable David Guttenberg
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

The Honorable Andrea Doll
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

The Honorable Scott Kawasaki
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

The Honorable Mike Doogan
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

The Honorable Beth Kerttula
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

Dear Representatives Buch, Crawford, Doll, Doogan, Gara, Guttenberg, Kawasaki and Kerttula:

ExxonMobil is in receipt of your letter dated February 19, 2008. We agree that in order to ensure a gas pipeline advances through construction, there needs to be an alignment of interests between the State of Alaska and the producers. ExxonMobil is committed to commercializing North Slope gas resources.

To illustrate the importance of this project to ExxonMobil, our corporation has spent more than \$180 million studying ways to commercialize Alaska gas. ExxonMobil has investigated export pipelines, LNG and gas-to-liquids technology. Today, we sell Prudhoe Bay gas for local use on the North Slope. Most recently, ExxonMobil entered into an agreement to sell Prudhoe Bay gas to Fairbanks Natural Gas for use in the Interior.

In response to the question set out in your letter, assuming a gas pipeline is constructed to serve North American markets, ExxonMobil would be willing to sell North Slope gas at the wellhead or to ship gas through the pipeline on commercially reasonable terms and conditions.

We will continue to work with the State of Alaska and other parties to advance the development of North Slope gas resources in a manner that provides maximum benefits to the State of Alaska, consumers and North Slope producers.

Respectfully submitted,



CAH:jpc

A Division of Exxon Mobil Corporation

ExxonMobil Production Company
P. O. Box 196601
Anchorage, Alaska 99519-6601

C. A. Haymes
Alaska Production Manager
Jt. Interest U.S.



May 12, 2008

The Honorable Johnny Ellis
Alaska State Senate
State Capitol (MS 3101) - Room 9
Juneau, Alaska 99801-1182

The Honorable Hollis French
Alaska State Senate
State Capitol (MS 3101) - Room 417
Juneau, Alaska 99801-1182

The Honorable Kim Elton
Alaska State Senate
State Capitol (MS 3101) - Room 506
Juneau, Alaska 99801-1182

The Honorable Bill Wielechowski
Alaska State Senate
State Capitol (MS 3101) - Room 115
Juneau, Alaska 99801-1182

Dear Senators Ellis, Elton, French, and Wielechowski:

ExxonMobil is in receipt of your letter dated February 19, 2008. We agree that in order to ensure a gas pipeline advances through construction, there needs to be an alignment of interests between the State of Alaska and the producers. ExxonMobil is committed to commercializing North Slope gas resources.

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In response to the question set out in your letter, assuming a gas pipeline is constructed to serve North American markets, ExxonMobil would be willing to sell North Slope gas at the wellhead or to ship gas through the pipeline on commercially reasonable terms and conditions.

We will continue to work with the State of Alaska and other parties to advance the development of North Slope gas resources in a manner that provides maximum benefits to the State of Alaska, consumers and North Slope producers.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "C. A. Haymes".

ExxonMobil Gas and Power Marketing
22777 Springwoods Village Parkway
EMHC/E2.58.525
Spring, TX 77389

Vânia Carvalho
Manager – Alaska LNG Marketing

ExxonMobil

October 22, 2015

Ms. Marcia Davis and Mr. Rigdon Boykin
Office of the Alaska Governor
550 West 7th Avenue,
Suite 1700
Anchorage, AK 99501

Negotiation of Gas Sales and Purchase Agreement ("GSPA")

Dear Ms. Davis and Mr. Boykin,

ExxonMobil has been working diligently to progress the Alaska LNG Project ("AKLNG") including the development of necessary commercial agreements to support the project.

Most recently, as requested by the Governor, ExxonMobil has been working with the Walker Administration on concepts that would allow the project to move forward in the event one or more parties were to withdraw from AKLNG. In our previous meetings, the concept developed by the State was a "withdrawal agreement", along with either a gas sale agreement or a tolling arrangement through the AKLNG facilities.

As previously mentioned, ExxonMobil is willing to negotiate with the State of Alaska or its designee ("State") a GSPA. Negotiation of the GSPA would need to be conducted on a bilateral basis between ExxonMobil and the State to maintain confidentiality of commercially sensitive information and to manage competition law concerns. ExxonMobil is ready to begin these negotiations as soon as a Confidentiality Agreement ("CA") between ExxonMobil and the State is executed, which is a standard industry practice. ExxonMobil has recently sent a revised draft CA to the Department of Law, and we are ready to execute.

It is important to note that completion of the GSPA will need to be underpinned by durable and predictable fiscal terms.

Once the CA has been executed between ExxonMobil and the State, I am available to meet at your earliest convenience to discuss this matter and look forward to the timely commencement of these discussions. In the meantime, if you have any questions, feel free to contact me

Best Regards,



Vânia Carvalho

ExxonMobil Gas & Power Marketing
Manager – Alaska LNG Marketing

An ExxonMobil Subsidiary

ExxonMobil Alaska Production Inc.
22777 Springwoods Village Parkway
EMHC/N1.6B.522
Spring, TX 77389

Thomas W. Schuessler
President



December 3, 2015

The Honorable Bill Walker
Governor of Alaska
550 West Seventh Avenue, Suite 1700
Anchorage, Alaska 99501

Dear Governor Walker:

At your request, ExxonMobil entered into a Confidentiality Agreement with the Department of Natural Resources (DNR) and has commenced negotiations with the DNR on a potential gas sales and purchase agreement for ExxonMobil natural gas as it leaves North Slope producing units (GSPA) that would allow the Alaska LNG (AKLNG) Project to move forward in the event that ExxonMobil were to end its participation in the AKLNG Project during Pre-FEED. ExxonMobil and the DNR have had several meetings on the GSPA.

Such a GSPA, on terms mutually acceptable to both parties, would only become effective if ExxonMobil elects to end its participation in the AKLNG Project during Pre-FEED and the State of Alaska and AGDC elect to continue to progress the AKLNG Project.

Obviously, no GSPA can be finalized between the DNR (or its designee) and ExxonMobil, and in particular, no price negotiations can commence under the Confidentiality Agreement until the following have occurred:

- 1) DNR has made an election to take its royalty share of gas in kind and acceptance by the State (including DNR and the Department of Revenue) of ExxonMobil's election to pay production tax as gas; and
- 2) A mutually agreed fiscal agreement confirmed to cover a sale of gas arrangement has been agreed with the Administration and is ready for approval by the Legislature (however, the GSPA will not become effective until the fiscal agreement is approved by the Legislature and found to be valid under the Alaska Constitution) ; and
- 3) Any necessary amendments, satisfactory to both parties, to the Point Thomson Settlement Agreement are agreed recognizing the new timeline for the AKLNG Project and the impacts that would have on the timing and options of further Point Thomson gas development.

We look forward to progressing our bilateral discussions with DNR.

Best Regards,

A handwritten signature in blue ink, appearing to read "Tom W. Schuessler".

TWS:wam

c: Mr. Mark Myers
Mr. J. K. Flood

ExxonMobil Development Company
Wellness 2, 6A.302
22777 Springwoods Village Parkway
Spring, Texas 77389

Jim K. Flood
Vice President



March 24, 2016

The Honorable Bill Walker
Governor of Alaska
550 West Seventh Avenue, Suite 1700
Anchorage, Alaska 99501

Dear Governor Walker:

Thank you for the opportunity to discuss alternative structures to commercialize North Slope gas at our Sponsors' and bilateral meetings earlier this month. As you know, ExxonMobil has worked diligently with multiple Administrations to develop this Alaskan resource. This significant investment of funds and personnel has led to the current Alaska LNG (AKLNG) Project.

I understand from recent public comments that your Administration is now considering commercial arrangements that are different than originally anticipated. In regards to the possibility of a State project, ExxonMobil remains ready to re-engage with the State on negotiations for an economic wellhead sales and purchase agreement, under commercially reasonable terms. When you are ready, we would also progress the other agreements for a State project in a manner consistent with the existing AKLNG framework.

ExxonMobil continues to believe the best option to develop North Slope gas is a project with aligned State and producer interests throughout the entire value chain, such as the AKLNG Project. Additionally, we believe the pace should be consistent with the business environment to benefit all participants. As such, we will continue working with the other AKLNG participants to complete the Pre-FEED deliverables and define the requirements to advance the Project. This helps keep all options open, including a State project or other acceptable alternative.

I look forward to our next Sponsors' meeting in April.

Sincerely,
A handwritten signature in black ink, appearing to read "Jim K. Flood".

July 22, 2016



Mr. Keith Meyer
President
Alaska Gasline Development Corporation
3201 C Street, Room 200
Anchorage, Alaska 99503

Dear Keith,

We have received a copy of your letter to Senators Meyer and Giessel dated July 13, 2016. While much of the letter relates to the Alaska Gasline Development Corporation (AGDC) and its relationship with the Legislature, there are statements within the letter ExxonMobil considers inaccurate and therefore require a response.

While it's important to correct these inaccuracies so interested parties can understand how the Alaska LNG Project parties arrived at our current status, it's also important to recognize the fact that ExxonMobil has an aligned interest to work with the State of Alaska to commercialize North Slope natural gas resources. Towards this goal, we've worked with Administrations for several years and as we stated in a joint press release issued February 17, 2016, with the State, BP, and ConocoPhillips: "ExxonMobil remains committed to commercializing Alaska's natural gas, and we are committed to working with the Project participants to explore options that would continue to progress that goal". This includes supporting a transition to the type of State run project you reviewed with the Legislature on June 29, 2016.

As part of this transition, we would like to use this letter to clarify ExxonMobil's position on elements of your July 13, 2016 letter. First, we object to your characterization that the schedule presented on June 29, 2016 "removes any focus or commitment on completion within any specified timeframe". During preparation for testimony, the subject schedule was included at AGDC's specific request to show the time frames for FEED, EPC, and start-up of the facilities. The schedule was presented generically to allow the reader to define start-up as a function of the Project management "gates" described on the next page of the presentation.

The lack of progress on the requirements to move through the gates was the core of the issue discussed with the State on February 9, 2016; which are also mischaracterized in your letter. As the Project agreements restrict each party's ability to comment on any other parties' actions or statements, we are documenting ExxonMobil's position on the subject meetings and invite other parties to independently share their position. At no time did ExxonMobil ever suggest we "shelve the Project". Our position was to focus the right level of resources on the critical path regulatory process while allowing the parties to resolve open commercial and fiscal issues.

On January 18, 2016, the State Administration sent us a letter outlining the agreements and actions required before the end of the regular session or "other options" would be considered. The letter, however, failed to include progress on a fiscal agreement. As ExxonMobil has previously stated, one of our prerequisites for entering FEED is a mutually acceptable fiscal agreement with the necessary predictability and durability to underpin a project of this scale. As such, in February, we offered two concepts to the Project participants to progress the Project:

1. Support transition to a State run project, or
2. Pace AKLNG project work to match current market conditions while continuing to advance regulatory approvals and cost reductions concurrently with work on fiscal and commercial agreements to provide the information necessary for a FEED decision.

As you testified in the Joint Resources Committee hearing, "right now we know that we've got to reduce the cost of this system". If the parties went with Concept 2, we would continue to follow the staged gate process and work cost of supply to improve project competitiveness. As lead party under the existing pre-FEED Joint Venture Agreement, we have offered a 2017 work program and budget that is consistent with this concept.

Nonetheless, ExxonMobil supports working with the State on either concept and the State Administration has chosen Concept 1 – a State run LNG project. The Governor has publicly stated a State run project would not be subject to the same taxes as an industry project and a state owned project may provide unique federal tax benefits. Furthermore, the Governor has said the State and alternative investors may accept a lower return on equity. These options could reduce cost of supply and ExxonMobil supports considering these options, as well as others that might commercialize North Slope gas.

Additionally, on page two of your letter you mischaracterize a recent public comment saying ExxonMobil has a "lack of willingness to chase this project". As previously stated, we are fully committed to developing a plan that can successfully benefit all parties, including Alaskans.

ExxonMobil has demonstrated this commitment in several ways, including:

- Spent \$96 million on gas commercialization efforts prior to AKLNG, including work related to progressing the Stranded Gas Development Act and the Alaska Gas Inducement Act.
- Funded 25% of the \$107 million in Concept Select work and 33% of the \$460 million spent on Pre-FEED to date, for a total ExxonMobil spend of \$179 million on AKLNG.
- Provided over two thirds of the people on the Alaska LNG Project Management Team which has successfully designed the AKLNG infrastructure and progressed the requisite permits.
- Funded 33% of the costs to secure the LNG Plant land and DoE export permit authorization.
- Funded 62% of the \$4.2 billion Point Thomson Initial Production System for a total share of \$2.6 billion. The Project included significant pre-investment for gas sales and included a larger condensate export pipeline to support a potential gas export project.

In addition, ExxonMobil has stated multiple times that our gas resources are available to sell to any project, including a State run project, on mutually agreed, commercially reasonable terms. Towards that goal, our bi-lateral negotiating team remains ready to re-start discussions on gas sales to support the State run Project.

We hope this letter will help clarify the historical facts and allow us to be more successful in working together in the future. We look forward to working with you to transition the Project to the State, explore options to reduce the cost of supply, re-engage on gas sales negotiations, and develop the necessary fiscal regime to commercialize North Slope gas.

Sincerely,

Mr. Keith Meyer
July 22, 2016
Page 3

c: Senator Cathy Giessel
Senator John Coghill
Senator Kevin Meyer
Representative Benjamin Nageak
Representative Dave Talerico
Commissioner Andy Mack
Deputy Commissioner Dona Keppers
Ms. Suzanne Cunningham
Ms. Jane Conway
Mr. Chad Hutchinson
Mr. Jerry Juday
Mr. Rynnieva Moss
Mr. Darwin Peterson
Ms. Esther Tempel
Mr. Gary Zepp
Mr. Joe Marushack
Ms. Janet Weiss