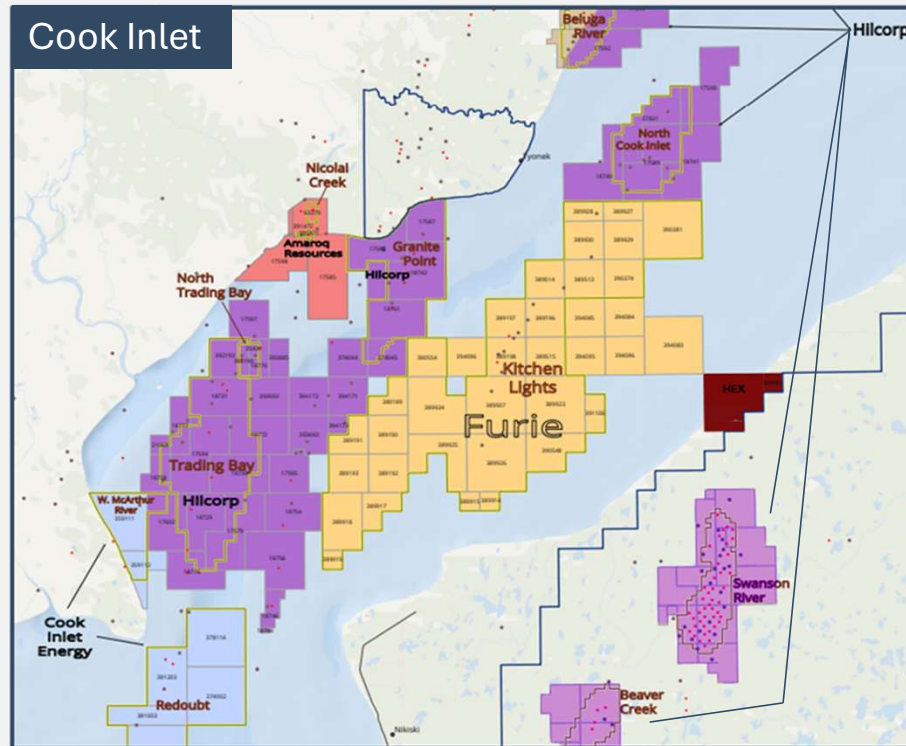




Mark Slaughter, Chief Commercial Officer
House Resources
February 4, 2026

Alaska's ONLY Locally Owned & Operated Gas Explorer, Producer, & Operator

- **HEX:** Owner of Furie Operating Alaska, LLC (Furie)
- **Furie:** Operator of Kitchen Lights Unit (KLU)
- **'09 KLU** formed by bringing 3 units together:
 - Kitchen
 - Corsair
 - Northern Lights



9.35%

- Produces of Total Gas in Cook Inlet (CI) (AOGCC Dec 2025)

2nd

- Largest CI Operator

~84,000

- Acres KLU Offshore (Furie)

24,000

- Acres Off/Onshore (HEX)

Operations

- Nikiski

HEX

How We're Delivering Natural Gas to Alaskans



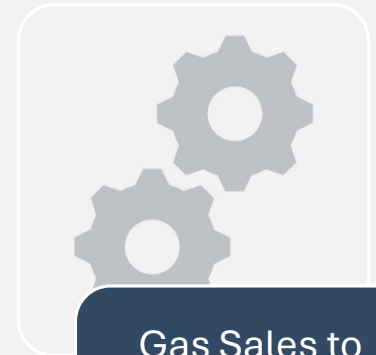
Allegria Leigh
Offshore
Production
Platform



15-mile Sub-sea
Gathering Line

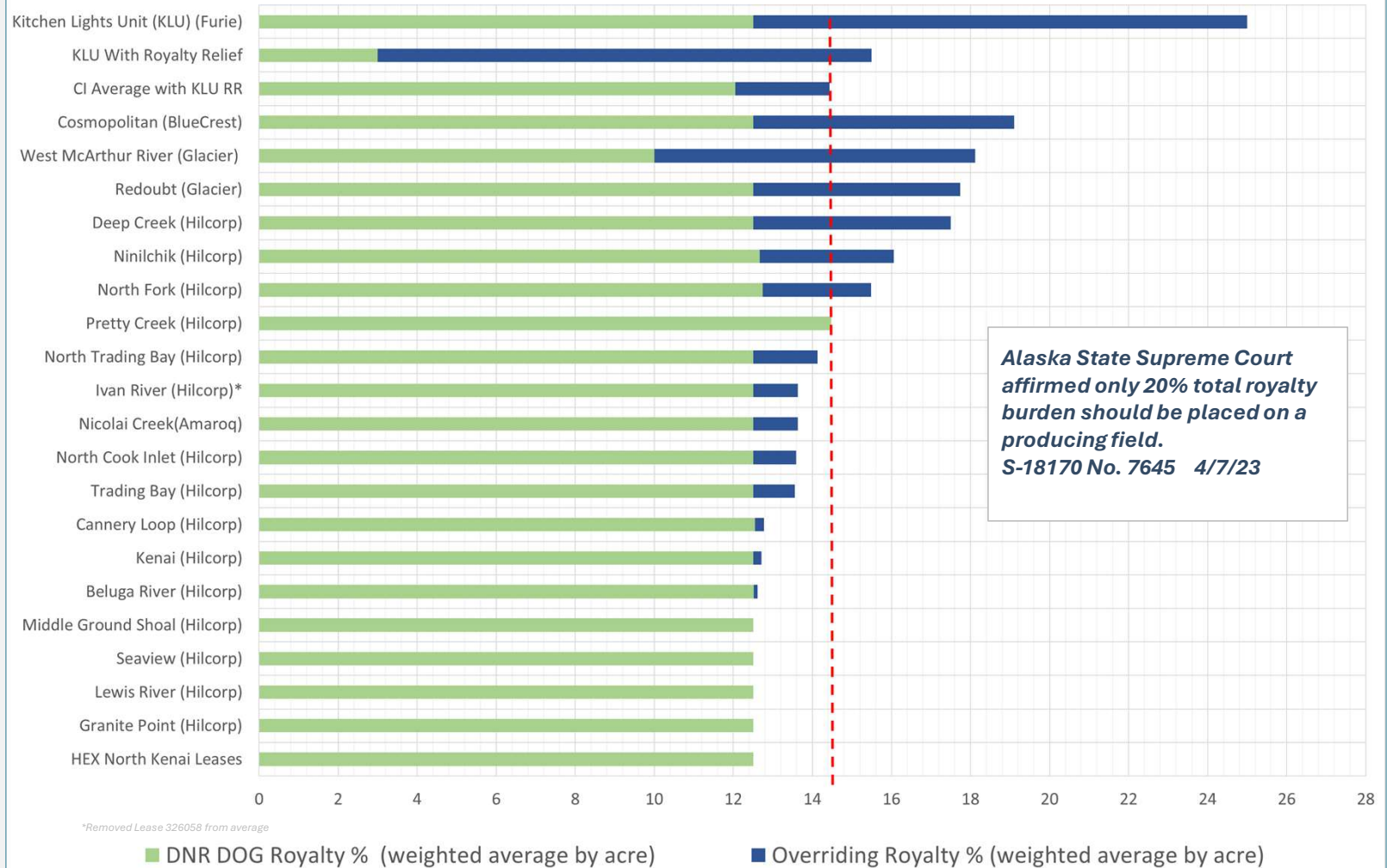


Central
Processing
Facility
in Nikiski



Gas Sales to
Electric Utilities,
Gas Utility,
& Refinery in
Southcentral
Alaska

Total Weighted Royalty Percentages by Cook Inlet Field



HEX

Efforts to Secure Royalty Relief (RR)

DNR Royalty Relief Process

2023

Legislature/DNR Royalty Modification

2024

New Gas Drilled

2025

- **April – November:**
 - Iterative discussions in pre-application phase
 - Concerns expressed by Department of Natural Resources (DNR) about private overriding royalty interest (ORRI)
 - DNR requested HEX to show progress on reducing ORRIs to get to state's best interest findings
 - HEX unsuccessful in reduction of ORRI
- **HB 223 Cook Inlet-wide royalty relief** by Rep. Rauscher
 - Did not pass
- **Summer:** HEX/Furie re-engaged work with DNR
 - Applicant worked with DNR commercial unit
 - Commercial modeling led to positive state's best interest finding to grant RR
 - HEX moved forward with sidetrack in advance and in good faith
- **Feb 4:** Royalty relief granted retroactive to September 2024
- **April 10:** Moved jack-up rig to Allegra Leigh Platform to drill 2 wells
- **April 29:** AIDEA \$50MM line of credit

HEX

HEX Committed to Invest and Develop

Sidetrack

2024

- **November:** Drilled 1 sidetrack wells
- While final RR decision pending
- High risk to deliver gas without RR

Doubled Production

2025

- **March 26:** Signed Spartan 151 jack-up rig lease contract with Hilcorp
- **April 10:** Moved jack-up rig
- **April-June:** Drilled 2 wells
- **August:** New gas production online
- **October:** Production doubled over 2024

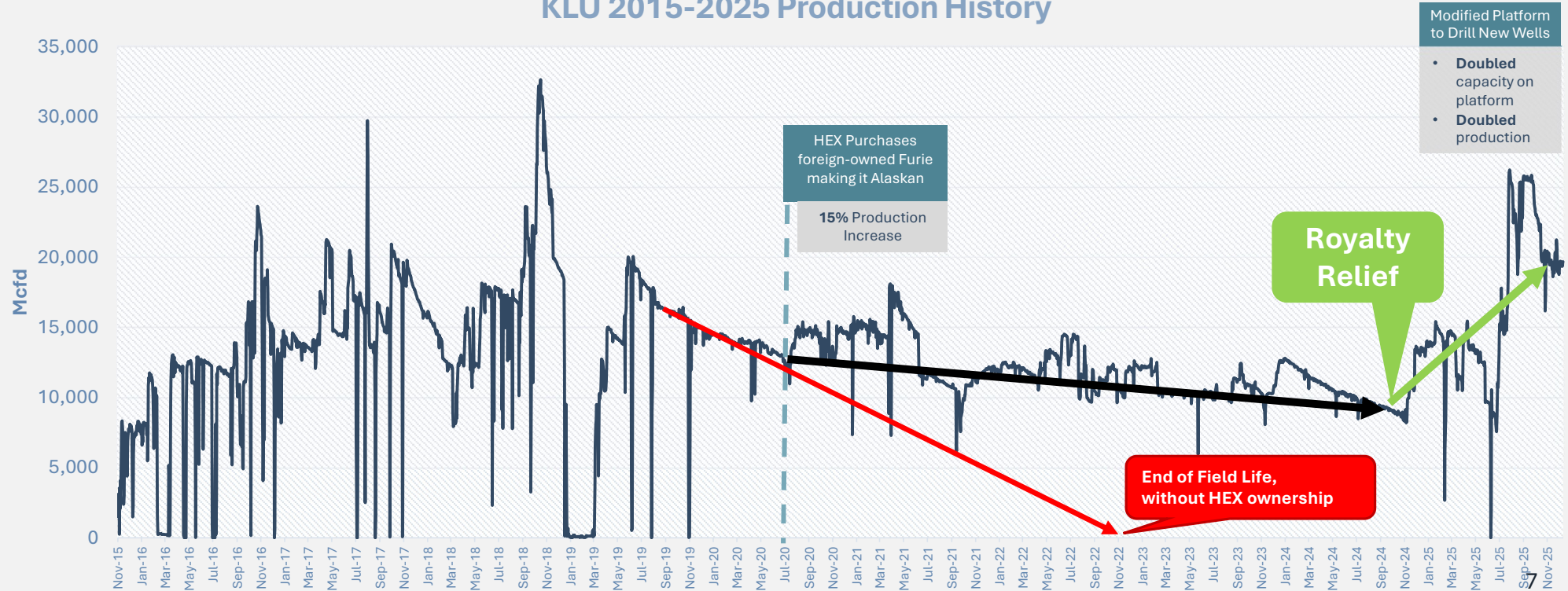
Doubled Well Capacity

2025

- **March 10-15:** Drove conductors
- **September 29- mid October:** Drove more conductors
- Wells increased from 6 to 12
- Expansion header system installed to accommodate 14 wells

HEX Royalty Relief Impact on Drilling and Reinvestment

KLU 2015-2025 Production History



HB 271: How HEX can Continue Delivering for Alaskans

Preparing for 2026 Drilling

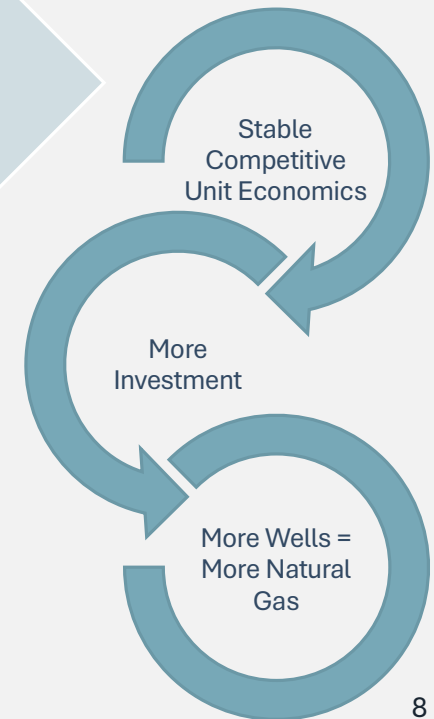
2024-2026

- Jack-up Rig
 - Engaged rig broker
 - Trips to Singapore and Saudi Arabia to inspect-for-purchase jack-up rigs
- Hilcorp's Spartan 151 jack-up rig discussions and leasing
 - Contracted for 2026

HB: 271 Royalty Relief Legislative Process

2026

- Provides surity in a dynamic Cook inlet basin
- Permanent 3% royalty on certain leases in KLU
- Promotes aggressive immediate and long-term investments to develop gas





Cook Inlet Natural Gas Market

Challenges

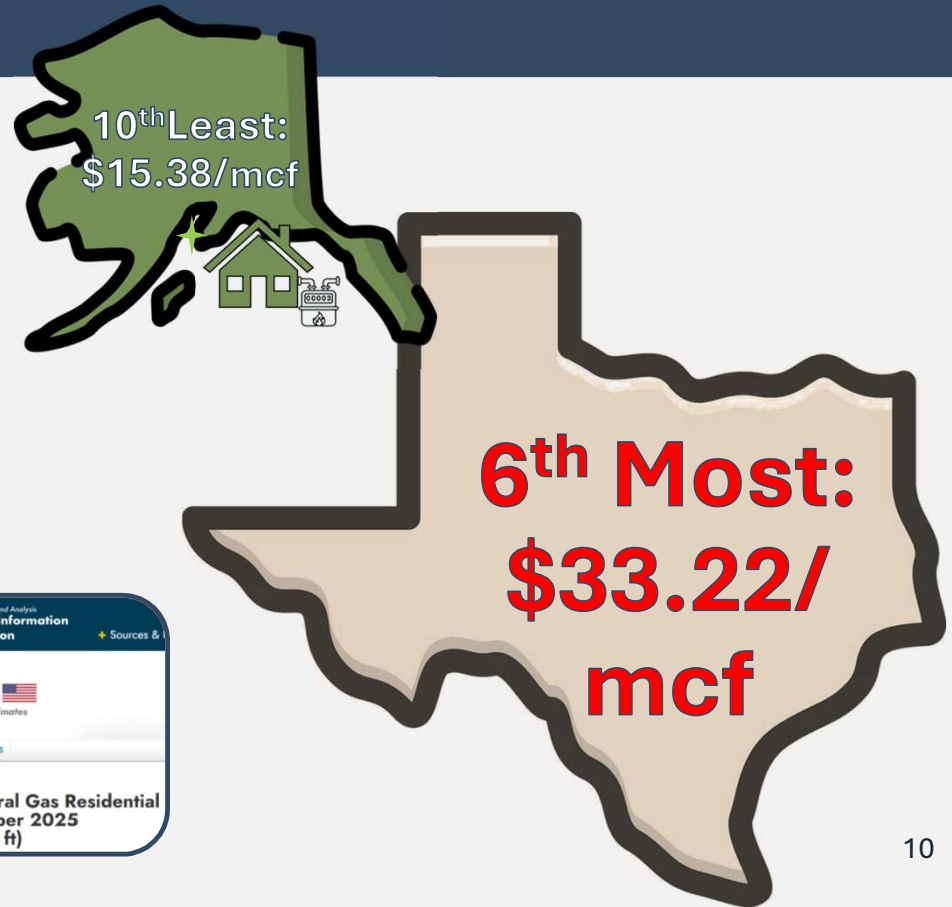
- **Future gas market is unique and unstable**
- **Bridging the supply gap between now and a potential pipeline and LNG import facility**
- **High costs of drilling in an under-supported and under-explored basin**
- **Timing of jack-up rig to drill new wells to be determined**

Positives

- **Royalty relief is working, but stability is needed**
 - 50% of KLU wells were drilled under royalty relief
- **Jack-up rig under contract to potentially drill well(s) in 2026**
- **There is gas in Cook Inlet**

Local Gas for Better Residential Prices

Rank	State	Price	Rank	State	Price
1	Hawaii	57.71	21	Alabama	24.89
2	Georgia	39.74	22	District of Columbia	24.76
3	Oklahoma	36.97	23	Maryland	24.66
4	Arkansas	33.99	24	North Dakota	23.73
5	Texas	33.22	25	Indiana	22.73
6	West Virginia	32.97	26	Oregon	22.18
7	Kentucky	32.44	27	California	21.94
8	Delaware	32.20	28	Illinois	21.55
9	Rhode Island	31.38	29	Iowa	21.25
10	Missouri	30.52	30	Tennessee	20.44
11	Vermont	30.45	31	New Jersey	17.94
12	Mississippi	29.41	32	South Dakota	17.36
13	Massachusetts	27.64	33	Michigan	16.92
14	North Carolina	26.98	34	Nevada	16.10
15	Arizona	26.75	35	Wisconsin	15.99
16	New York	26.67	35	Minnesota	15.99
17	Pennsylvania	26.61	35	Colorado	15.99
18	Connecticut	26.56	38	Alaska	15.38
19	South Carolina	26.52	39	Montana	14.33
20	New Hampshire	26.25	40	Idaho	12.49
21	Alabama	24.89	41	Utah	12.09



HEX Teams Making it Possible

Contractors

- Alaska E-line
- Aurora Drilling
- Baker Hughes
- Cameron
- CISPRI
- Cook Inlet Tug & Barge
- Cruz
- Dukowitz Machine
- Expro
- Fairweather
- Five Star Catering
- Geolog
- Grant Aviation
- Grasshopper Aviation
- Haliburton
- Hilcorp: Jack-up Rig
- Industry Associations
- Jacobs
- Jim Boatwright & Sons
- KAKIVIK
- Legislators
- Magtec
- Marathon
- Maritime Helicopters
- Northern Solutions
- Patriot Well Services
- Peninsula Pumping
- PESI
- Pollard
- PRA
- Rig Tenders
- Tuboscope
- Udelhoven
- Weaver Brothers
- Yellowjacket
- 2 Core Films
- 3 Bears
- 61 North
- & more...

Teams

- Governor Dunleavy
- AOGCC
- DEC, DNR, DFG, OPMP
- Alaska Legislature
- HEX and Furie Employees
- ENSTAR
- Marathon
- CEA
- HEA
- MEA



Questions?