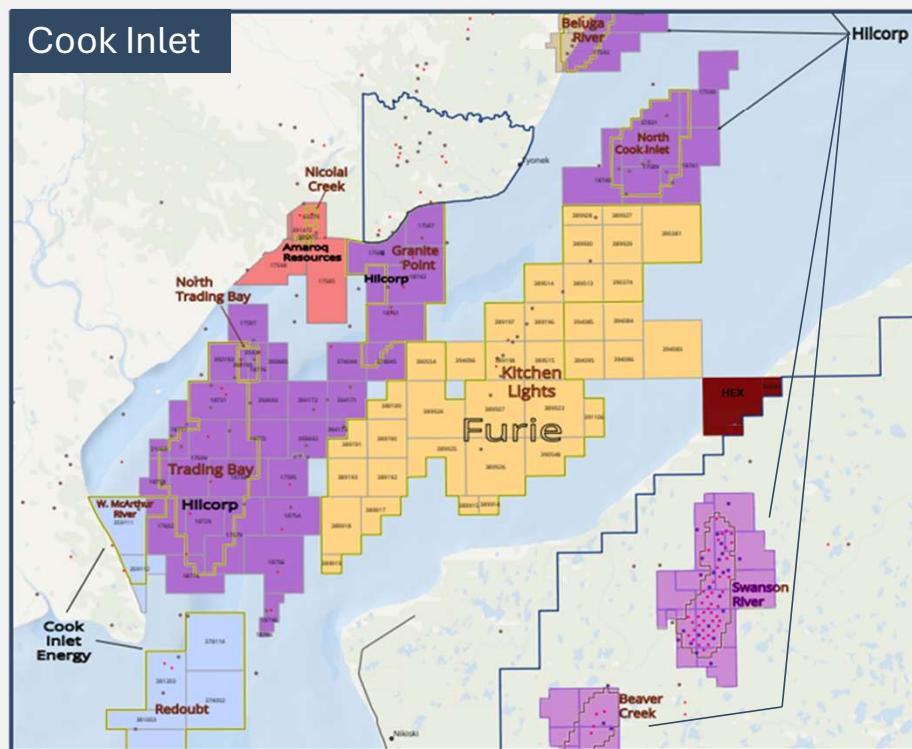




Mark Slaughter, Chief Commercial Officer
House Resources
February 4, 2026

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%

2nd

~84,000

24,000

Operations

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

• Largest CI Operator

• Acres KLU Offshore (Furie)

• Acres Off/Onshore (HEX)

• Nikiski



How We're Delivering Natural Gas to Alaskans



Allegra Leigh
Offshore
Production
Platform



15-mile Sub-sea
Gathering Line

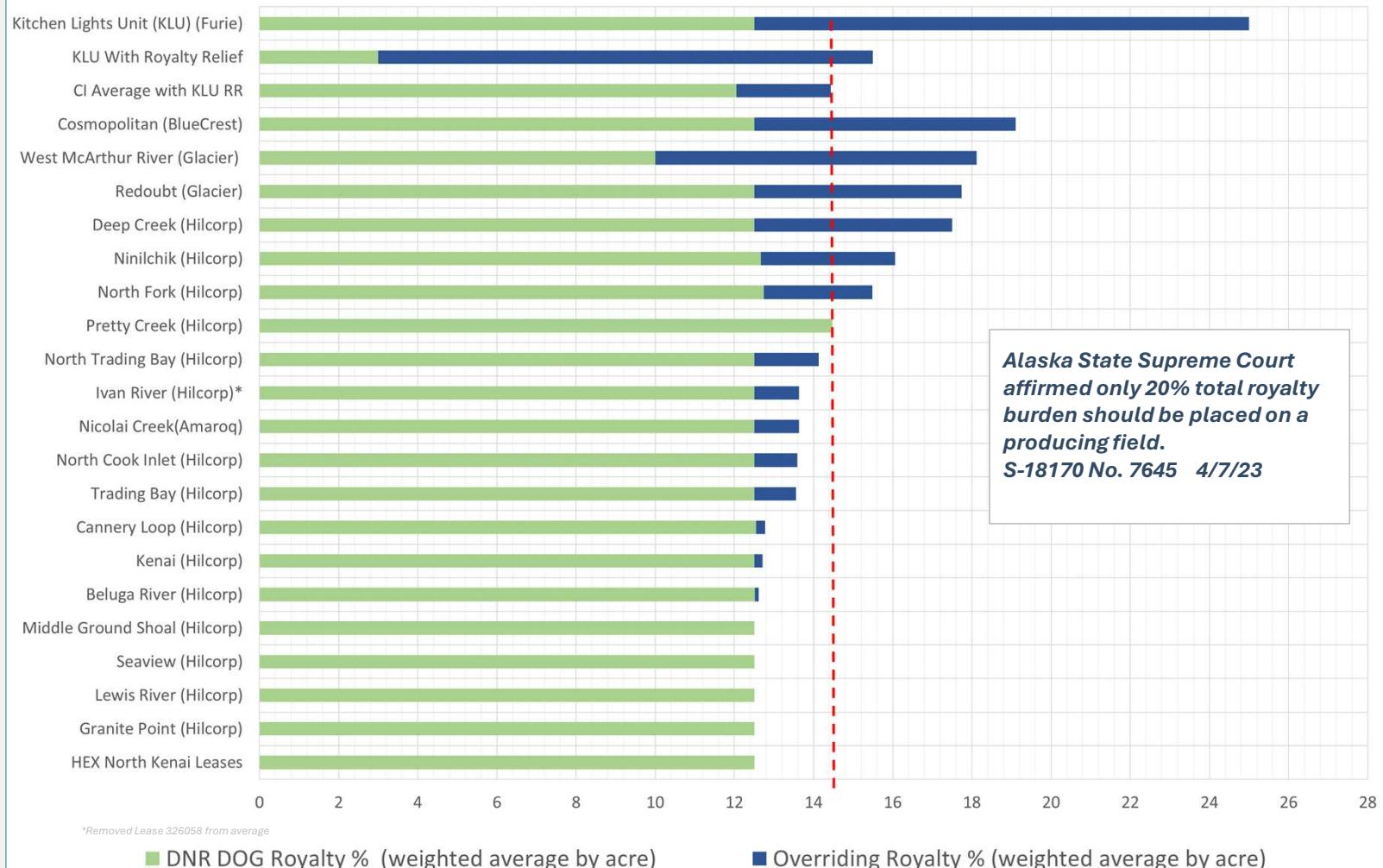


Central
Processing
Facility
in Nikiski



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

Total Weighted Royalty Percentages by Cook Inlet Field



**Alaska State Supreme Court
affirmed only 20% total royalty
burden should be placed on a
producing field.
S-18170 No. 7645 4/7/23**



Efforts to Secure Royalty Relief (RR)

DNR Royalty Relief Process

2023

Legislature/DNR Royalty Modification

2024

New Gas Drilled

2025

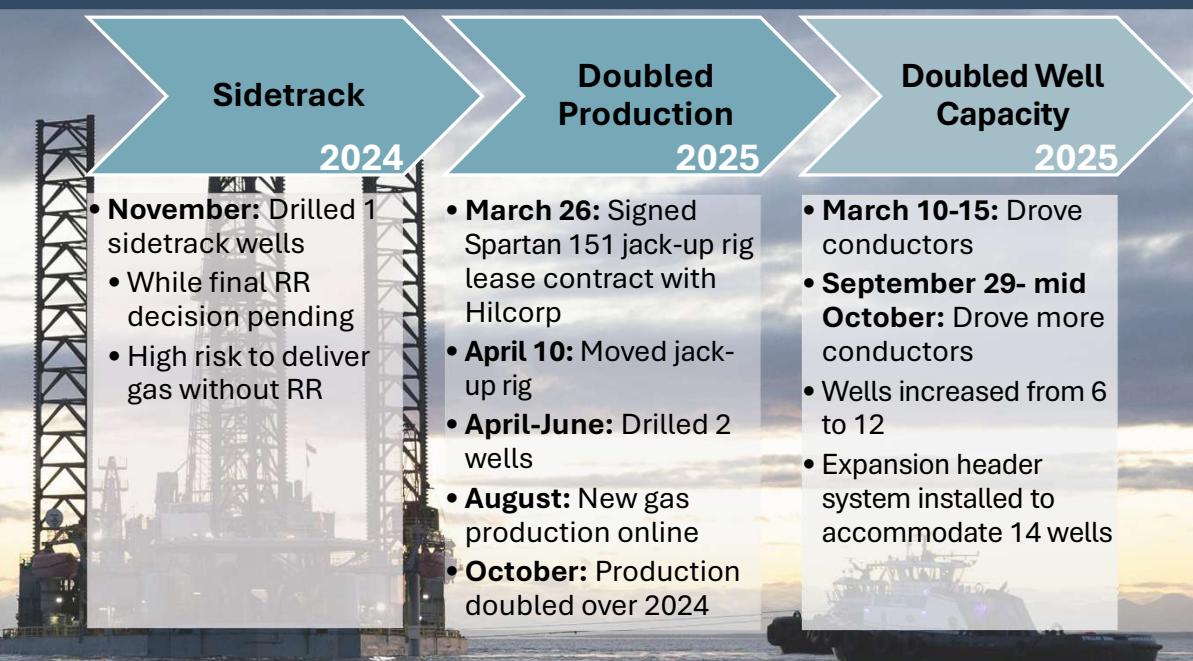
- April – November:
 - Iterative discussions in pre-application phase
 - Concerns expressed by Department of Natural Resources (DNR) about private overriding royalty interest (ORRI)
 - DNR requested HEX to show progress on reducing ORRIs to get to state's best interest findings
 - HEX unsuccessful in 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

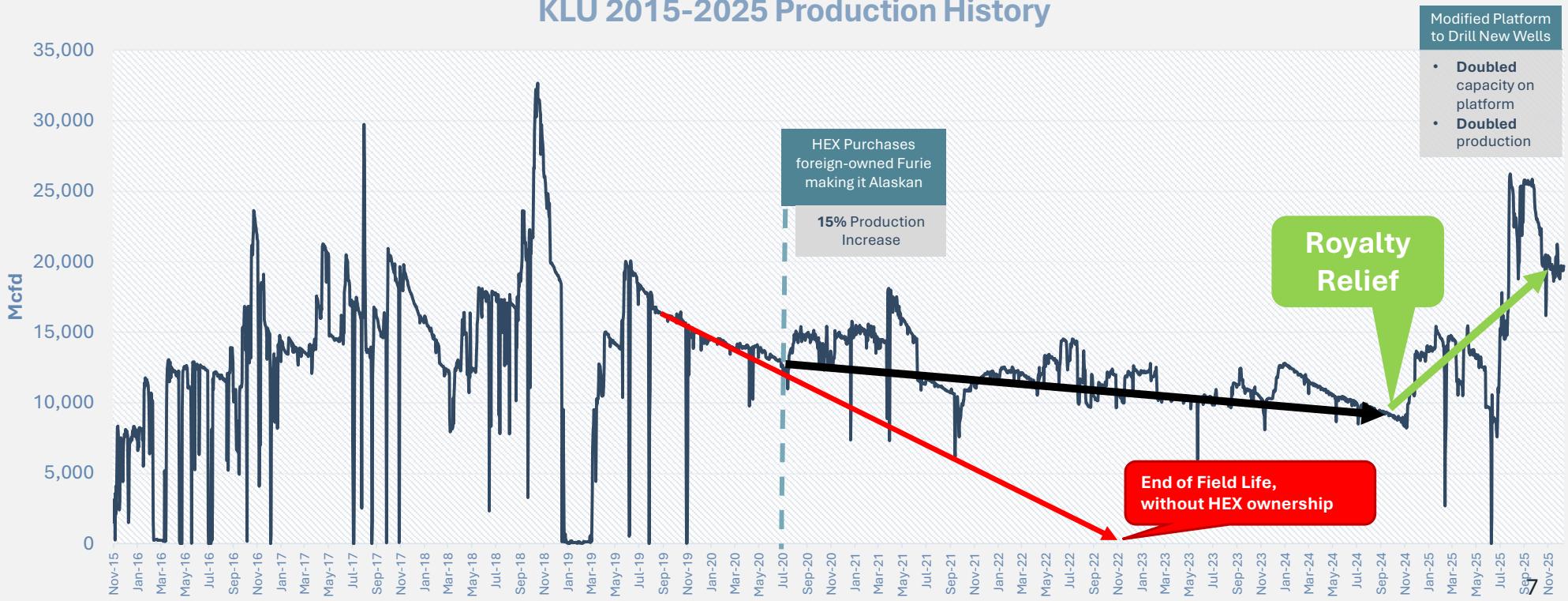


HEX Committed to Invest and Develop



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

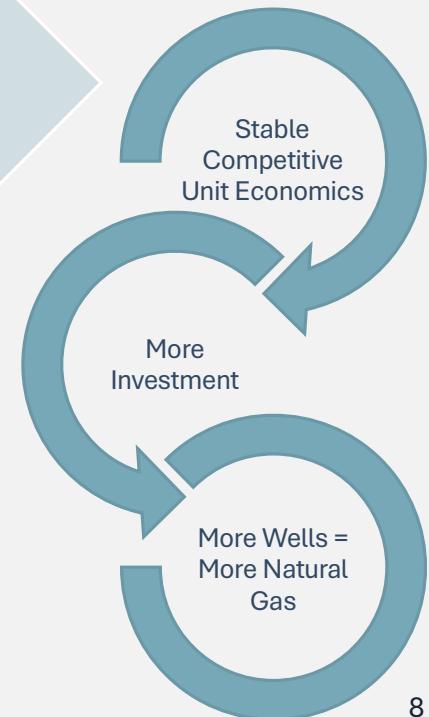
2024-2026

- 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

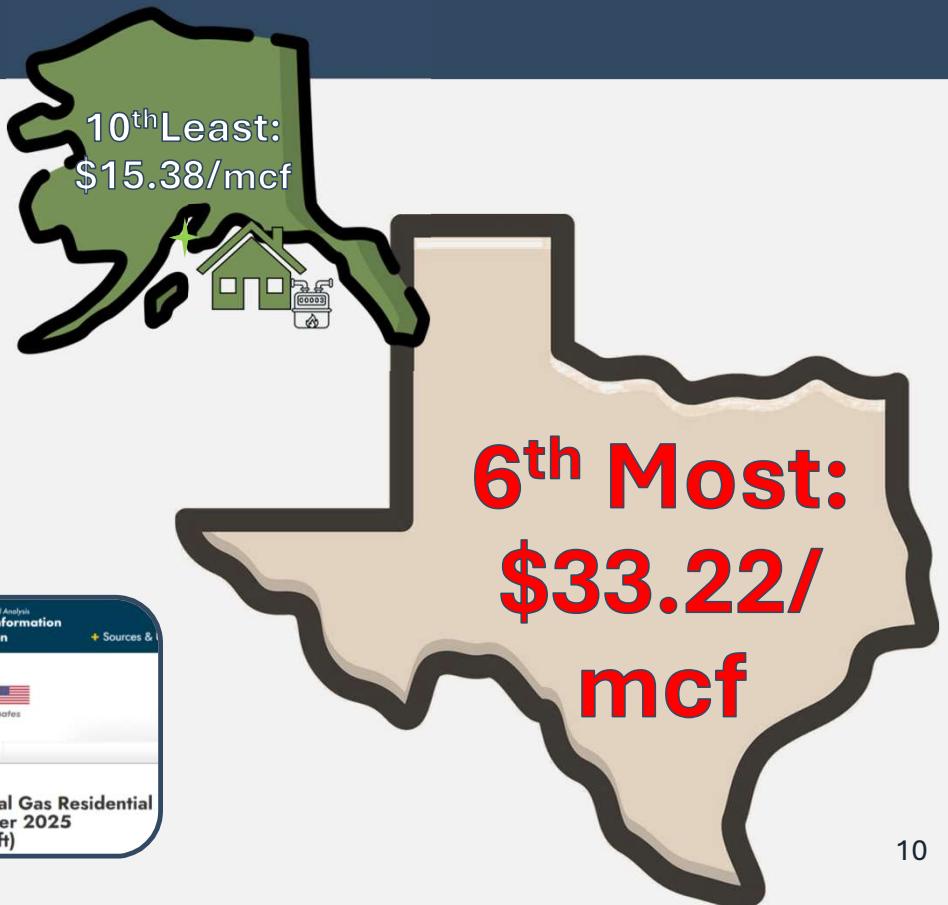
Challenges

- 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





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?