

POISED FOR GROWTH

Port Mac & working ship in ice



Only port in Alaska with **large** (14 sq. mile)
staging, storage and industrial area





Barge dock staging area



Upland lease lots



For large projects

Activity at the Port

16 miles of pipe to be off-loaded

Bulk Resources



WesPac Midstream



WesPac Midstream wants to establish an LGN alternative for the Interior markets

WesPac highlights Rail at Port MacKenzie as part of their project overview

- develop \$600 million in infrastructure at Port MacKenzie.
- include an LNG facility for 250,000 GPD liquefaction and storage
- build an 11 Megawatt power plant
- build gas pipeline connection to ENSTAR pipe
- build rail loop siding and laydown area

The Borough is in negotiations with WesPac.

WesPac Port MacKenzie Renderings



How WesPac sees Port MacKenzie Attributes

- Ideal location for LNG
 - Existing port
 - Abundant land
 - No major permitting
 - Minimal impact
 - Gas pipelines
 - Power transmission
 - Rail lines
 - Truck access
 - Marine access
 - Peaking for utilities
 - Growth opportunities



Competing interest in this



Hilcorp & AIDEA both interested in buying the gas processing plant near Port MacKenzie owned by Tita. (Pentex, the parent company)

Central Alaska Energy

- 6.9 M gallon fuel tank farm, Central Alaska Energy
- providing low sulfur diesel fuel
- \$16 M in construction, may break ground 2015



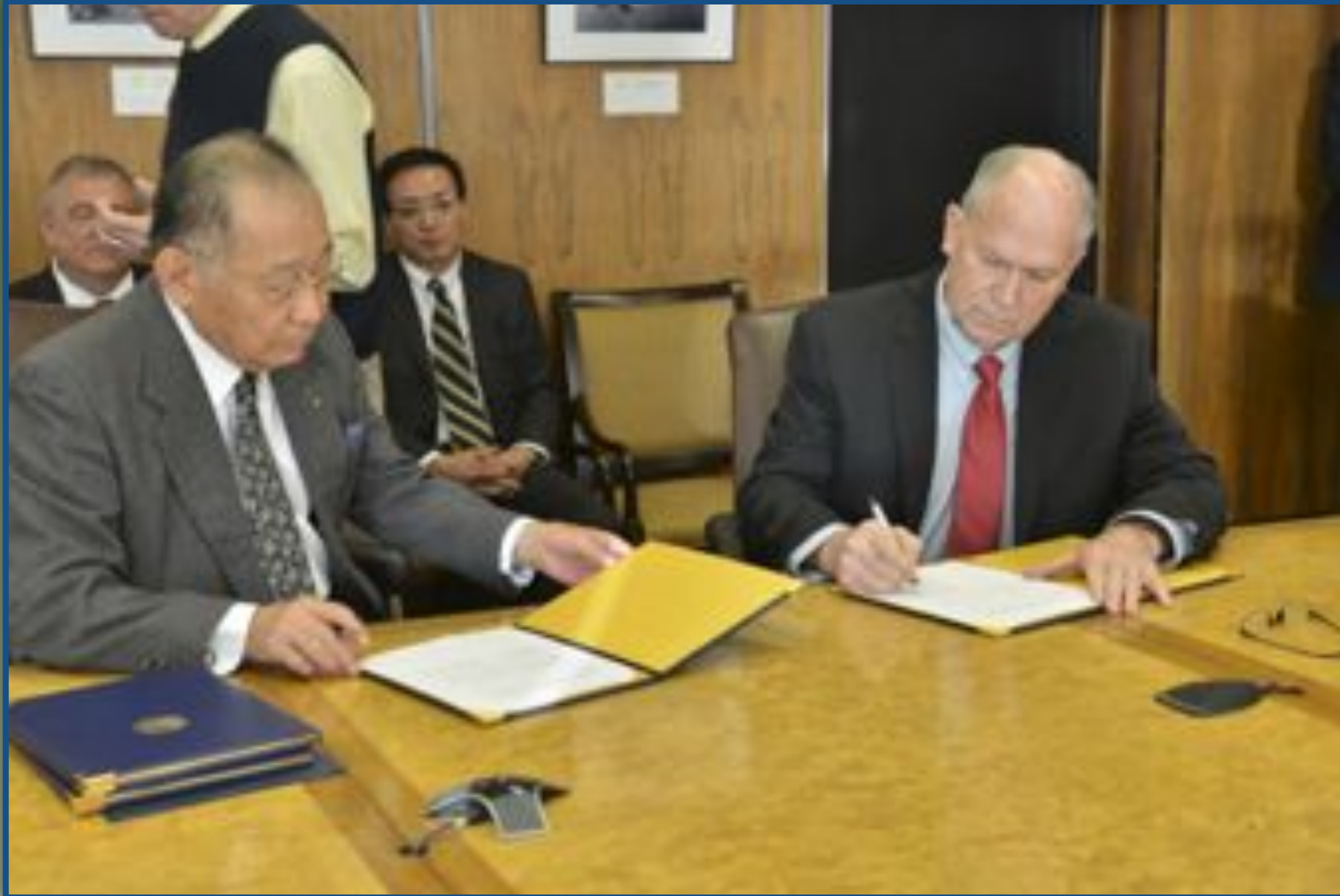
Central Alaska Energy
Fuel Storage Facility
Point Mackenzie, Alaska

Will have Alaska's **only** 100 railcar industrial loop



An aerial photograph of a port facility. In the foreground, a large dark-colored ship is docked at a pier. To its right, another smaller vessel is moored. The pier extends into a body of water. The shoreline is covered in dense green forest. In the background, there are more landmasses and islands under a cloudy sky. A yellow rectangular box with a blue border is overlaid on the left side of the image, containing the word "Exports".

Exports



An MOU for natural gas with REI,
Resources Energy Inc. plans natural gas facility
in Cook Inlet, Port MacKenzie

A project cargo Port

- ✦ would reduce transportation costs for PROJECT CARGO on Alaska's biggest projects: natural gas pipeline, supplies for gold mines, large bridges, North Slope infrastructure
- ✦ would reduce transportation costs for recurring project materials delivery



Imports



Imports



project cargo

- steel for northern bridges
- pipe for old and new oil fields
- fracking sand for future shale oil development
- other petroleum-related equipment



Project Forwarding Lessee



Fort Knox

Examples of mines and mineral prospects along rail corridor

LIVENGOOD

Shorty Creek extension
- copper, gold -

Monkey Knob - gold

Shorty Creek - copper, molybdenum, gold

Globe Creek - limestone/cement

Fort Knox - gold

FAIRBANKS

NENANA

lead, zinc prospects

HEALY

coal

copper

copper

MAN Prospect

◇ - nickel, platinum, copper

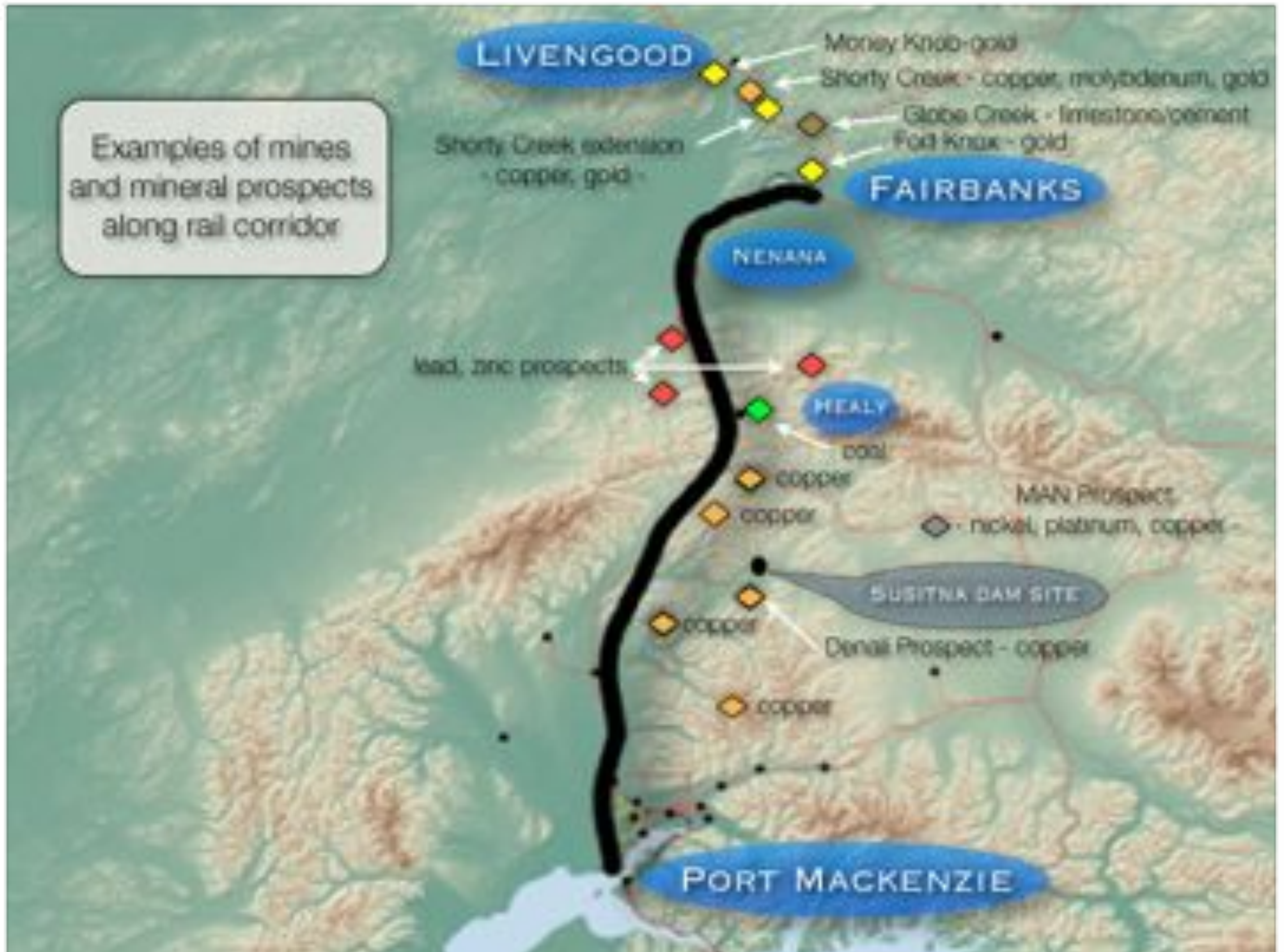
BUSITNA DAM SITE

copper

Denali Prospect - copper

copper

PORT MACKENZIE



Greater Wasilla Chamber of Commerce

Raven Gold Alaska Pogo Mine

Central Alaska Energy JDM Consultants

WestPac Logistics Klondike Concrete Co.

Houston Chamber of Commerce **Accelergy**

Greater Fairbanks Chamber of Commerce

ALASKA GASLINE DEVELOPMENT CORP. Alutiig

Greater Palmer Chamber of Commerce

Alaska State Chamber of Commerce **Koniag**

Houston City Kinross-Fort Knox

Alaska Railroad Fairbanks North Star Borough

Resource Development Council **NPI**

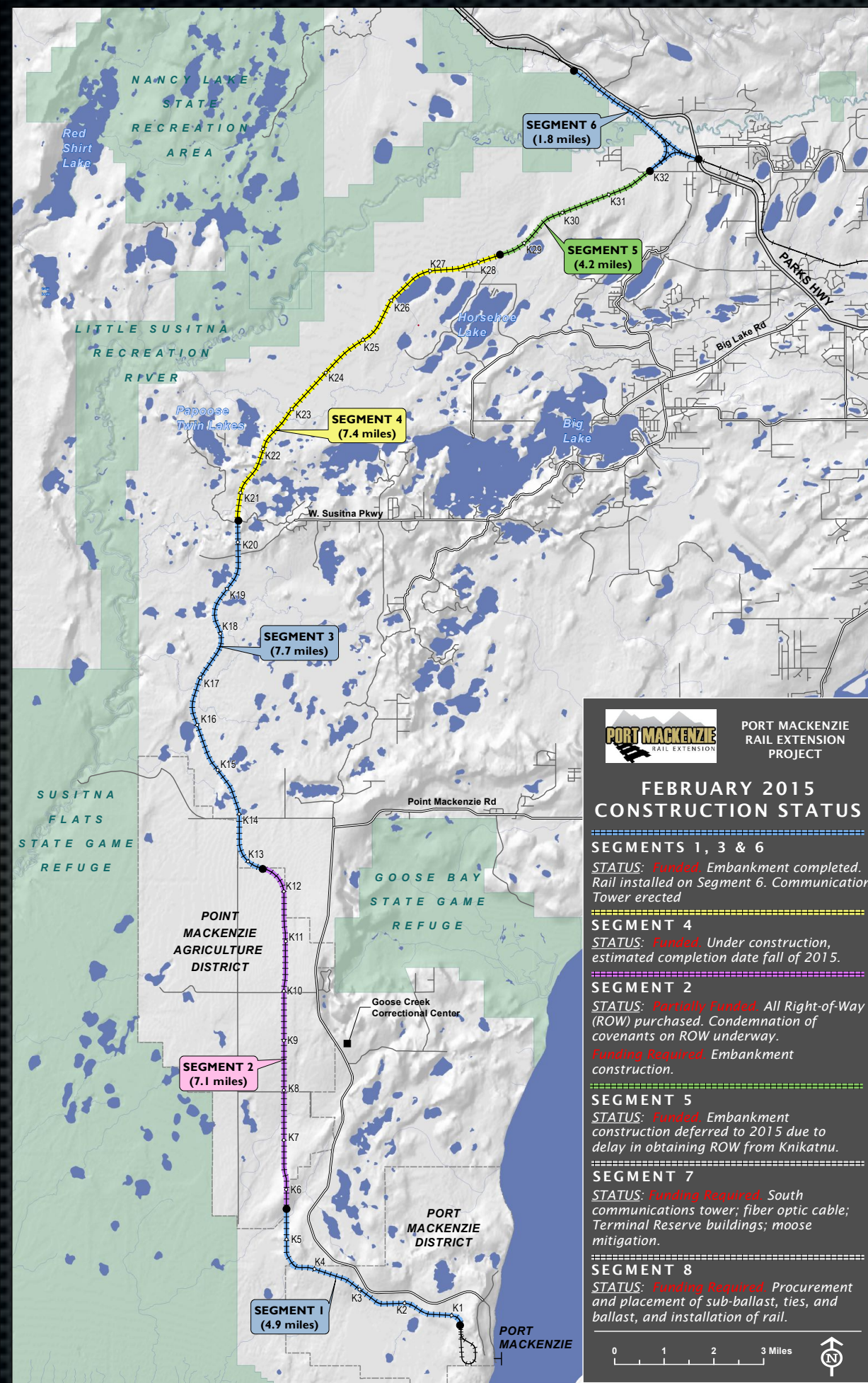
International Union of Operating Engineers

AEDC

The Alaska Miners Association

Companies & Freight to use Port MacKenzie Rail

- ✱ WestPac Logistics
- ✱ Central Alaska Energy
- ✱ WesPac Midstream
- ✱ Sumitomo Metal Mining
- ✱ Alutiiq
- ✱ NPI
- ✱ QAP
- ✱ Usibelli



RAIL CONSTRUCTION

JOBS



Nearly 200 jobs at peak of 2013 & 2014 season

PORT MACKENZIE
RAIL EXTENSION



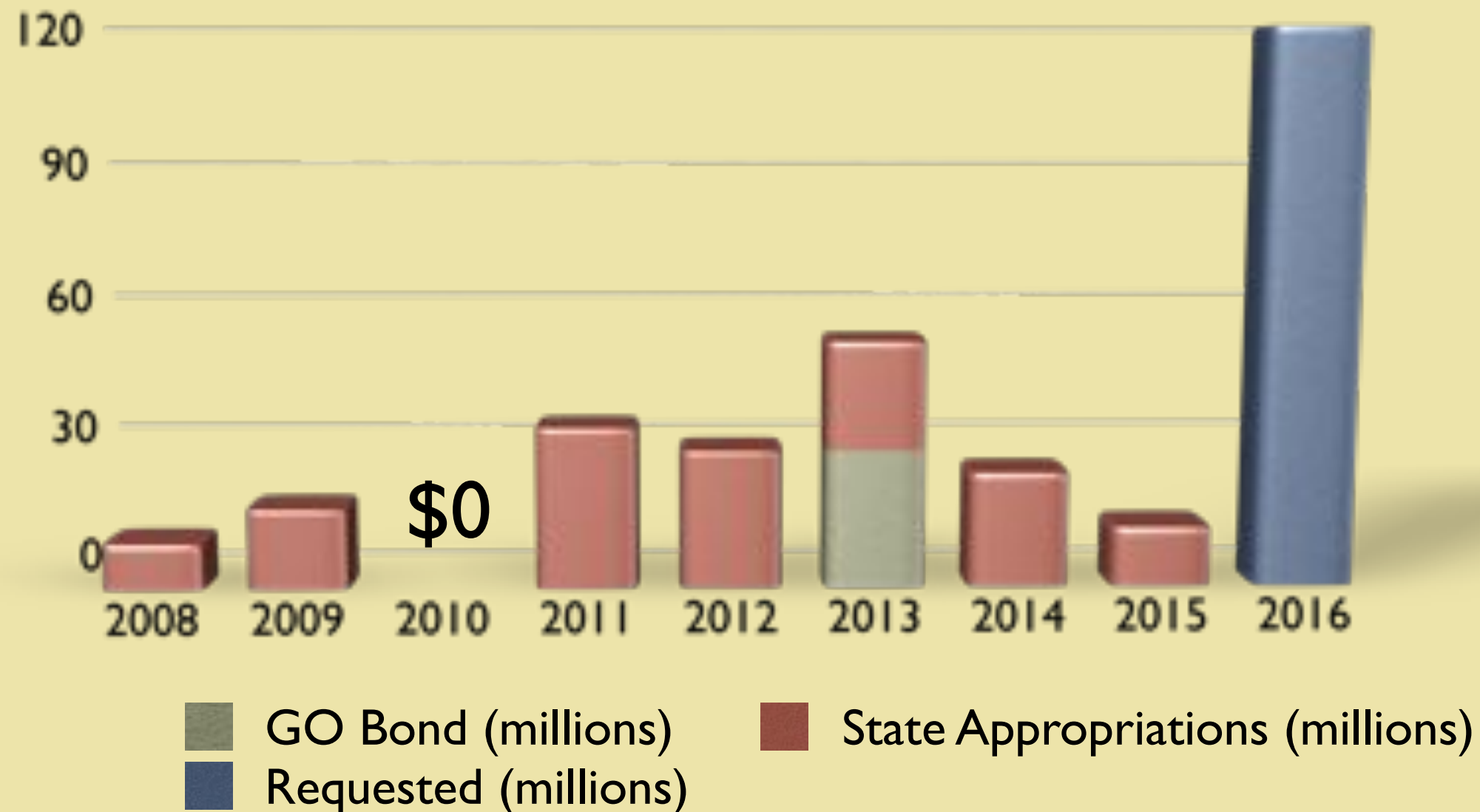
RAIL EXTENSION

\$184 million

Seven separate appropriations
and a state-wide general obligation bond sale

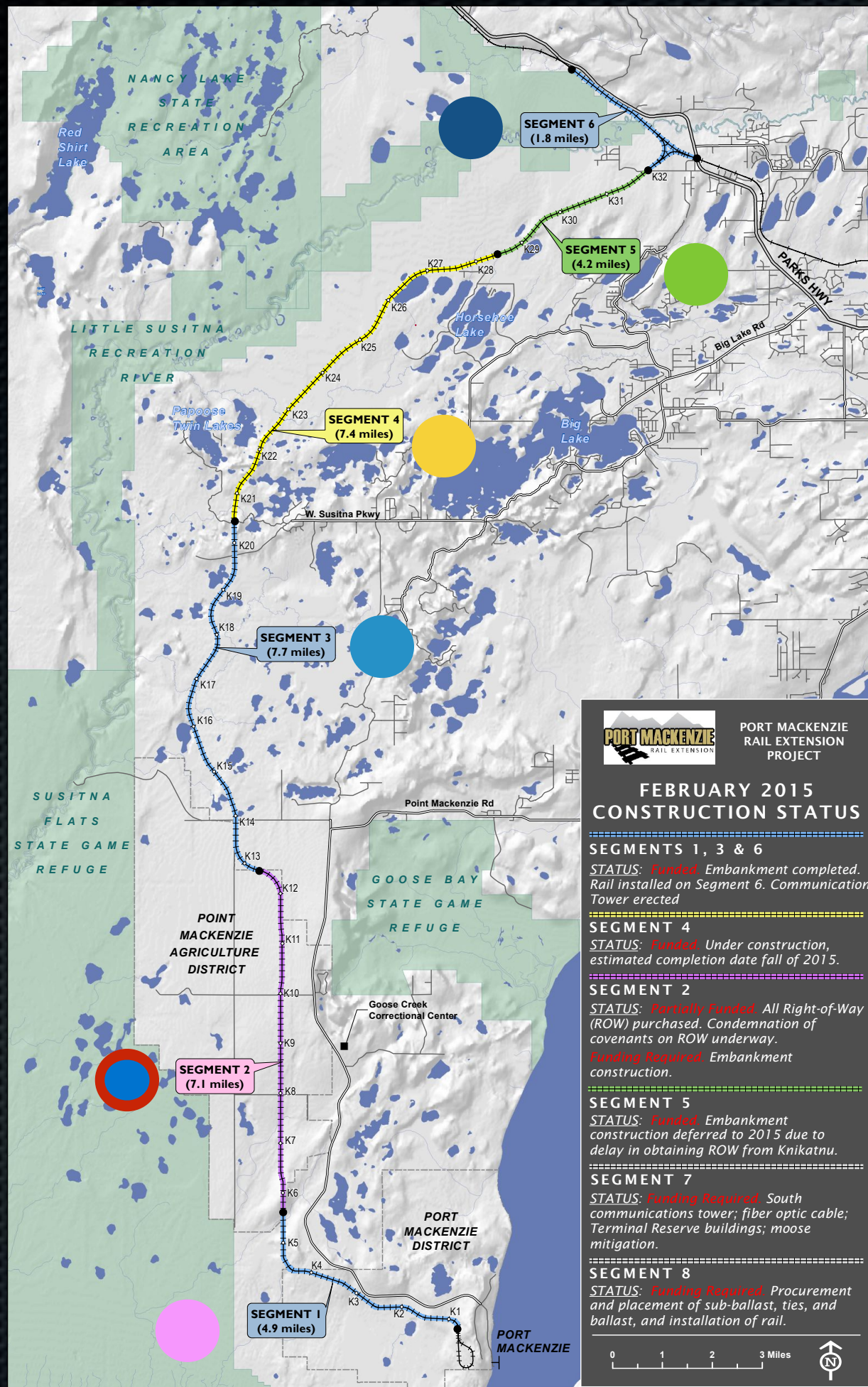


Project funding over time

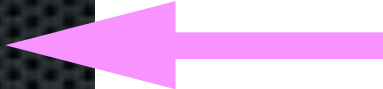






Total funding to date

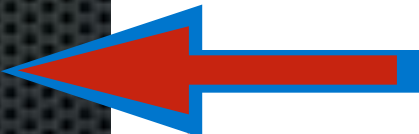


\$184 million



Funded

-  Segment 1
-  Segment 3
-  Segment 4
-  Segment 5
-  Segment 6

Funding Required

-  Segment 2
-  Segment 7
-  Segment 8

 Partial Funding





Thank You!