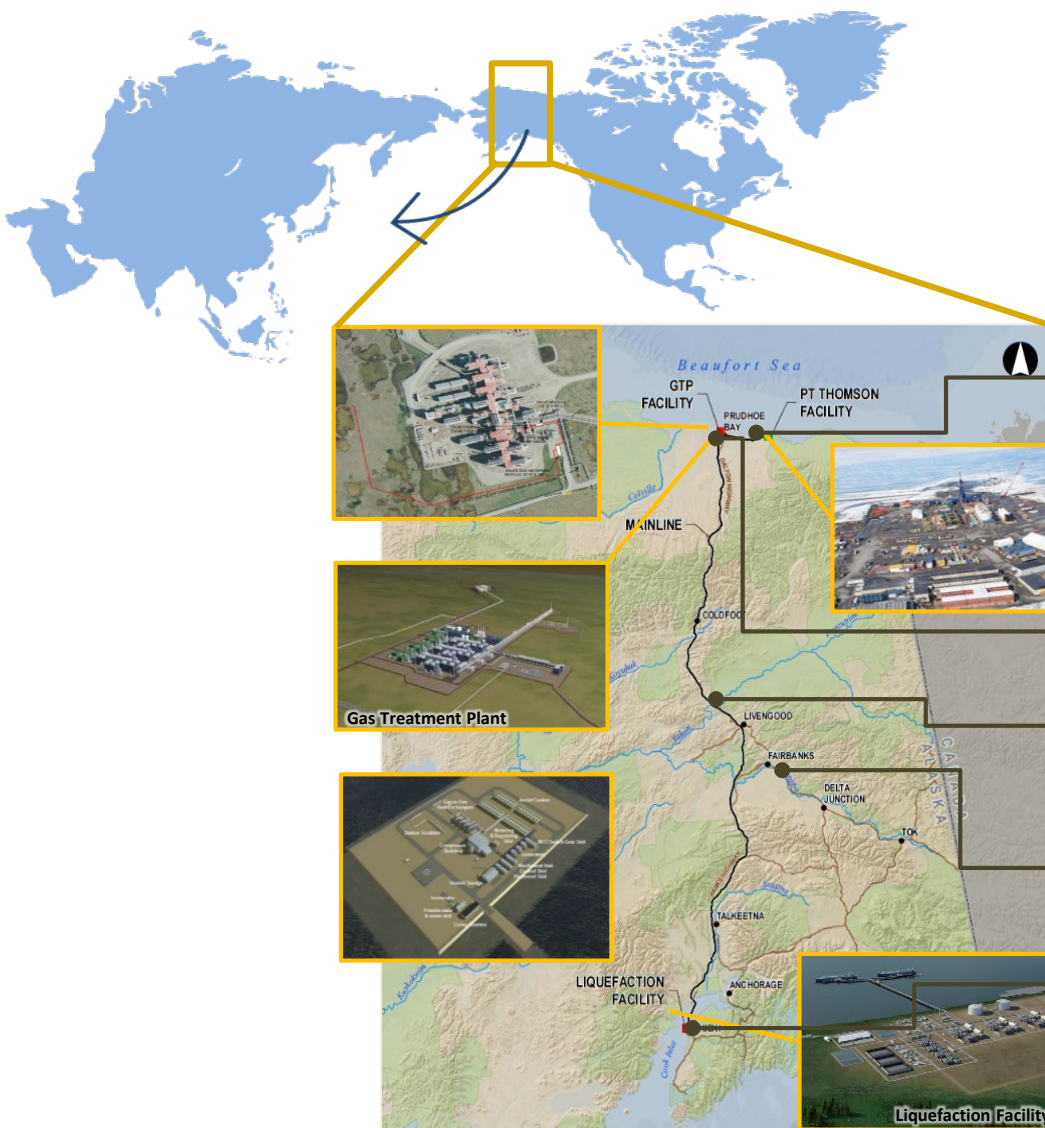


Alaska LNG Project Status Update

Senate Finance Subcommittee
February 22, 2021



Alaska LNG Project – Overview



Building a strategic partnership in preparation for Front End Engineering and Design (FEED)

Gas Production

Project anchored for 20 years by 34 trillion cubic feet (tcf) of discovered conventional North Slope natural gas from Prudhoe Bay and Point Thomson.

200tcf of prospective conventional resource could give 50+ years of supply

Gas Processing

A new gas treatment plant (GTP) will be located in Prudhoe Bay

Pipeline

807 mile pipeline with 3.3 billion cubic feet/day (bcf/d) capacity

In-State sales

Gas offtakes will provide gas to Alaskans

Liquefaction & Storage

20 million tons per annum (mtpa)

2 x 240,000 meter³ LNG Storage Tanks

Expected to export 15-20 cargoes per month



Completed cost reduction process

- Updated capital cost assessments, identifying \$8.5 billion of cost reduction from previous estimates (2015)
- Successfully passed economic stage gate



Received necessary approvals

- Department of Energy export authorizations for both Free Trade Agreement and Non-Free Trade Agreement countries
- Federal Energy Regulatory Commission (FERC) authorization to construct
- Alaska Oil and Gas Conservation Commission gas offtake approval for 3.6 Bcf/d



Continued engagement and support from the Government

- Ongoing engagement at both State and Federal Government, maintaining continued backing for the project

Building a world-class partnership

Upstream



- Highly supportive upstream parties
- Indicative terms for gas supply agreed
- Upstream parties may participate in gas treatment plant

Pipeline



- Participation of leading North American pipeline company secured
- Strong interest from infrastructure funds

Offtake



- Participation of major Asian LNG buyer secured
- Strong interest from other Asian LNG customers

Project Lead & LNG Plant operator



- Seeking world class LNG project developer to take lead role

- We are continuing to advance the structure and leadership of the project with a Strategic Party group consisting of:
 - North Slope Producers
 - A major pipeline developer
 - LNG buyers
 - Banks and financial corporations
- This group has the technical and financial capacity to bring this project to completion
- A likely lead party for each of the Gas Treatment Plant and the Pipeline have been identified
- But there are hurdles remaining:
 - A lead party for the LNG plant needs to be identified
 - The project needs fiscal stability
 - Property tax issues need to be addressed

- Accomplishments
 - Federal Environmental Regulatory Commission (FERC)
 - Environmental Impact Statement - published
 - Order authorizing construction - received
 - Federal Rights-of- Way Received
 - Bureau of Land Management (BLM)
 - National Park Service (NPS) – Denali Nat. Park & Preserve
 - 36 Additional major permits/approvals
 - LAST major Federal approval was received last week!
- Remaining major permit/approval work underway
 - State ROW lease: Public comment period ends March 1
 - Air permit for liquefaction facility: ADEC considering comments
 - Cultural Resources Management Plan (CRMP): New draft distributed last week

Governor's FY22 Budget Proposed

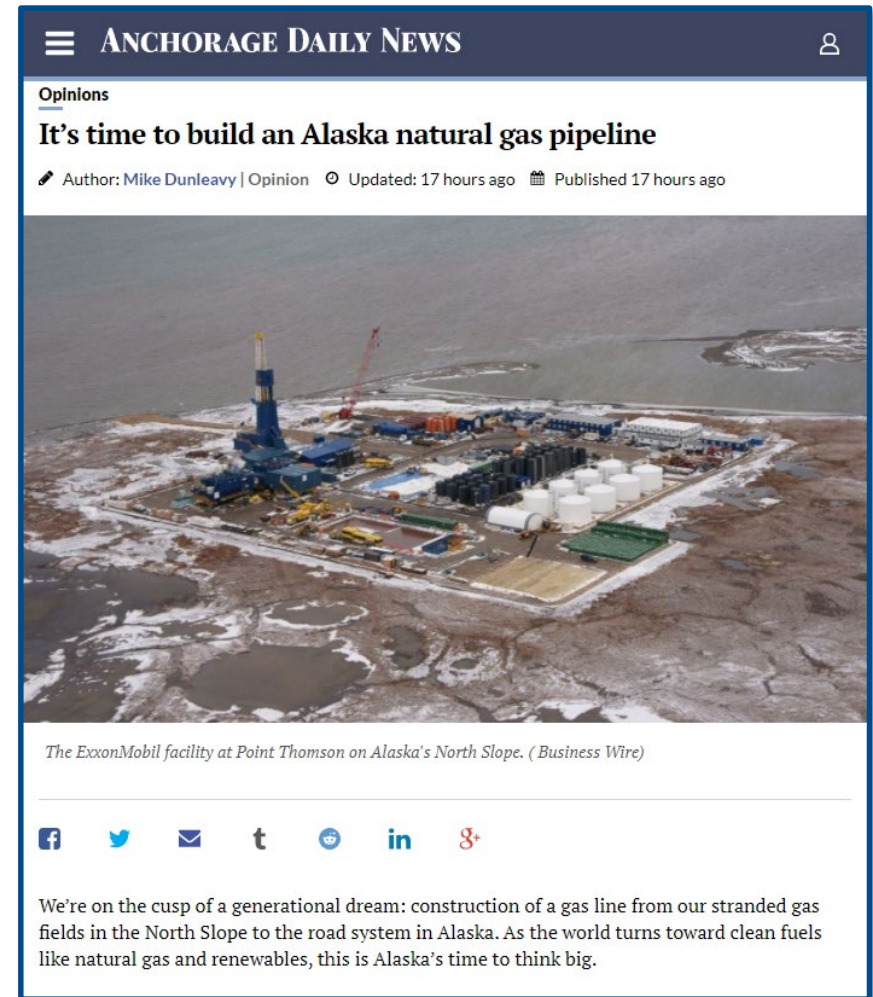
- FY22 Operating Budget
 - No new appropriation needed
 - \$3,081,600 authorization
 - 10% reduction from FY21
 - Authorizes use of funds from Alaska LNG Project Fund
 - Future funding sources
 - Statutory Designated Program Receipts
 - \$50,000,000 (private sector funds)
 - Federal Receipt Authority
 - Economic Stimulus/Infrastructure Funds
- AGDC will continue to:
 - Advance Alaska LNG Project towards FEED Stage Gate
 - Transition leadership to private sector lead parties
 - Maintain maximum value of State of Alaska investment
 - Work with state and federal entities on additional ways to optimize

Phased Approach to Alaska LNG

Governor Dunleavy and the AGDC Board support a phased approach to Alaska LNG

- The phased project would start with a \$5.9 billion pipeline to Fairbanks
- Constructing the pipeline segment to Fairbanks will provide energy for Alaskans and significantly de-risk Alaska LNG
- The first phase is expected to be predominantly funded by Federal stimulus investments and progress President Biden's low-carbon initiatives

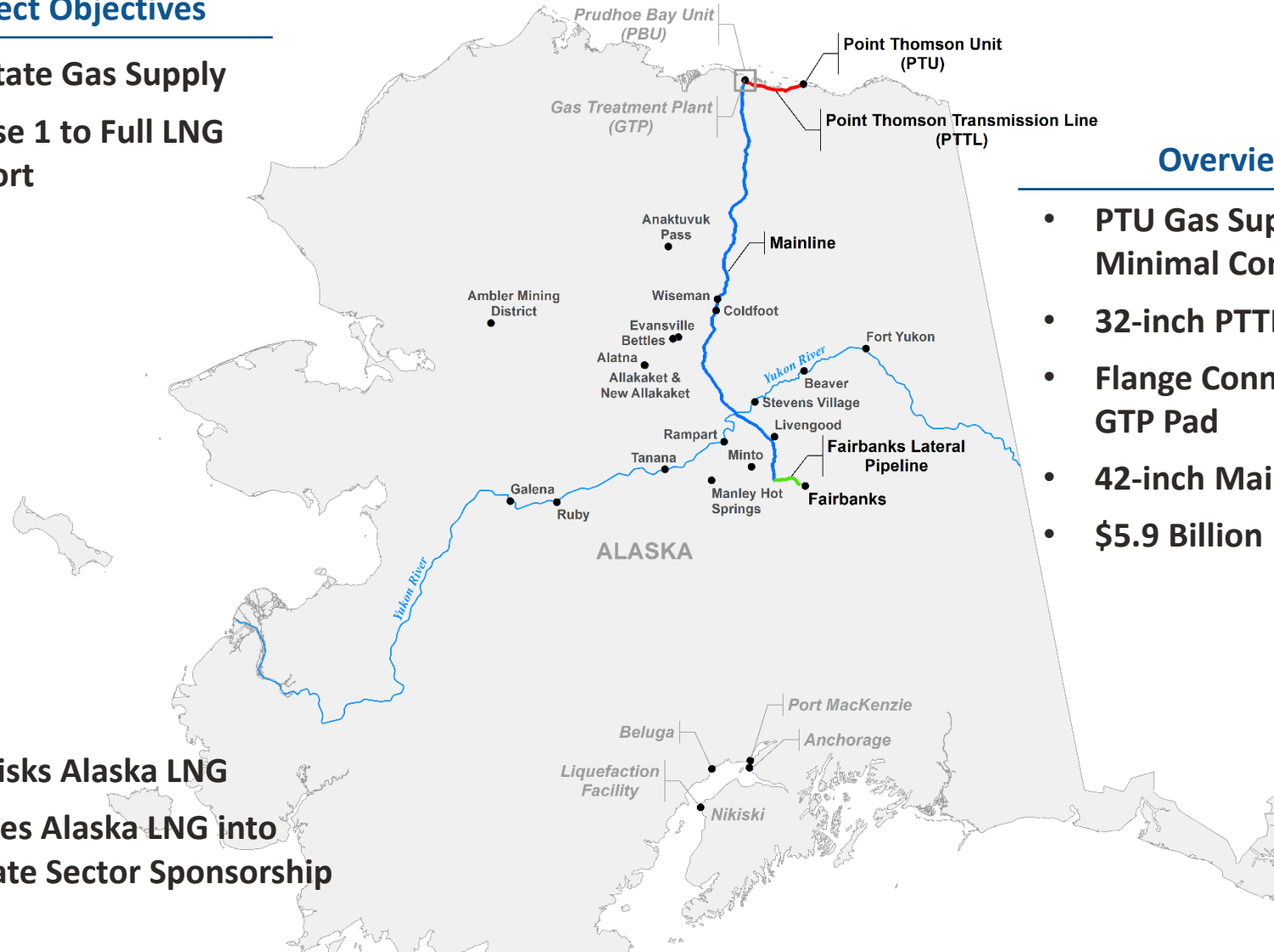
U.S. clean energy infrastructure initiative that will resolve longstanding climate, pollution, and energy problems affecting vulnerable rural populations and strategically located Department of Defense installations



Accelerated Initial Phase to Deliver Early Gas

Project Objectives

- In-State Gas Supply
- Phase 1 to Full LNG Export
- De-risks Alaska LNG
- Moves Alaska LNG into Private Sector Sponsorship



Overview

- PTU Gas Supply with Minimal Conditioning
- 32-inch PTTL
- Flange Connection at GTP Pad
- 42-inch Mainline
- \$5.9 Billion