



Meet Alaska
“Aligned Alaska” = Strong Oil and Gas
Industry & Stronger Alaska for another 40
Years”

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Like it our not: We are an oil company (with constitutionally mandated social responsibilities)

- **So we should act like one**
 - Know our Assets
 - Maximize ultimate recovery in fields
 - Manage Alaska's Reserve Replacement Ratio
 - Manage Alaska's Wealth Replacement Ratio
 - Encourage new technology
 - Build an Opportunity Hopper
 - Minimize the time from exploration to production
 - Ensure assets are not stranded economically or barriers

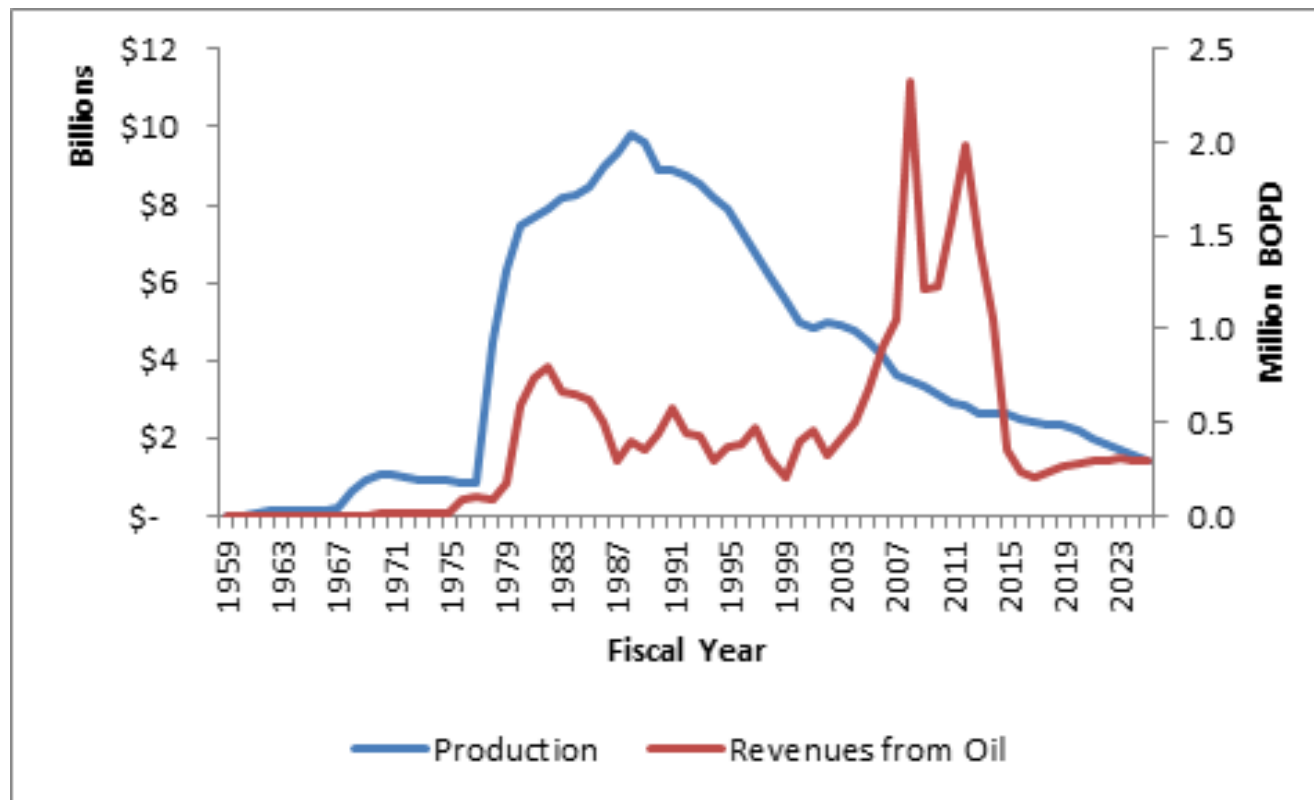


Alaska has vast opportunities

- Arctic Alaska is still underexplored, with approximately 40 billion barrels of oil and over 200 trillion cubic feet of gas remaining in undiscovered, technically recoverable resource
 - ~ 16 billion barrels + ~ 99 trillion cubic feet onshore & in state waters, including State lands, NPRA, and ANWR 1002
 - ~ 24 billion barrels + ~ 108 trillion cubic feet in Federal OCS Beaufort Sea and Chukchi Sea, though much of this is now unleaseable
- Significant discoveries from Smith Bay to ANWR remaining to be developed
- In some scenarios, TAPS could shut down as early as 2026
 - All holders of leases must be active
 - We must be able to explore and move to production expeditiously
 - Depending on low-flow limit, discoveries currently pending development could sustain TAPS an additional 2-3 decades or more



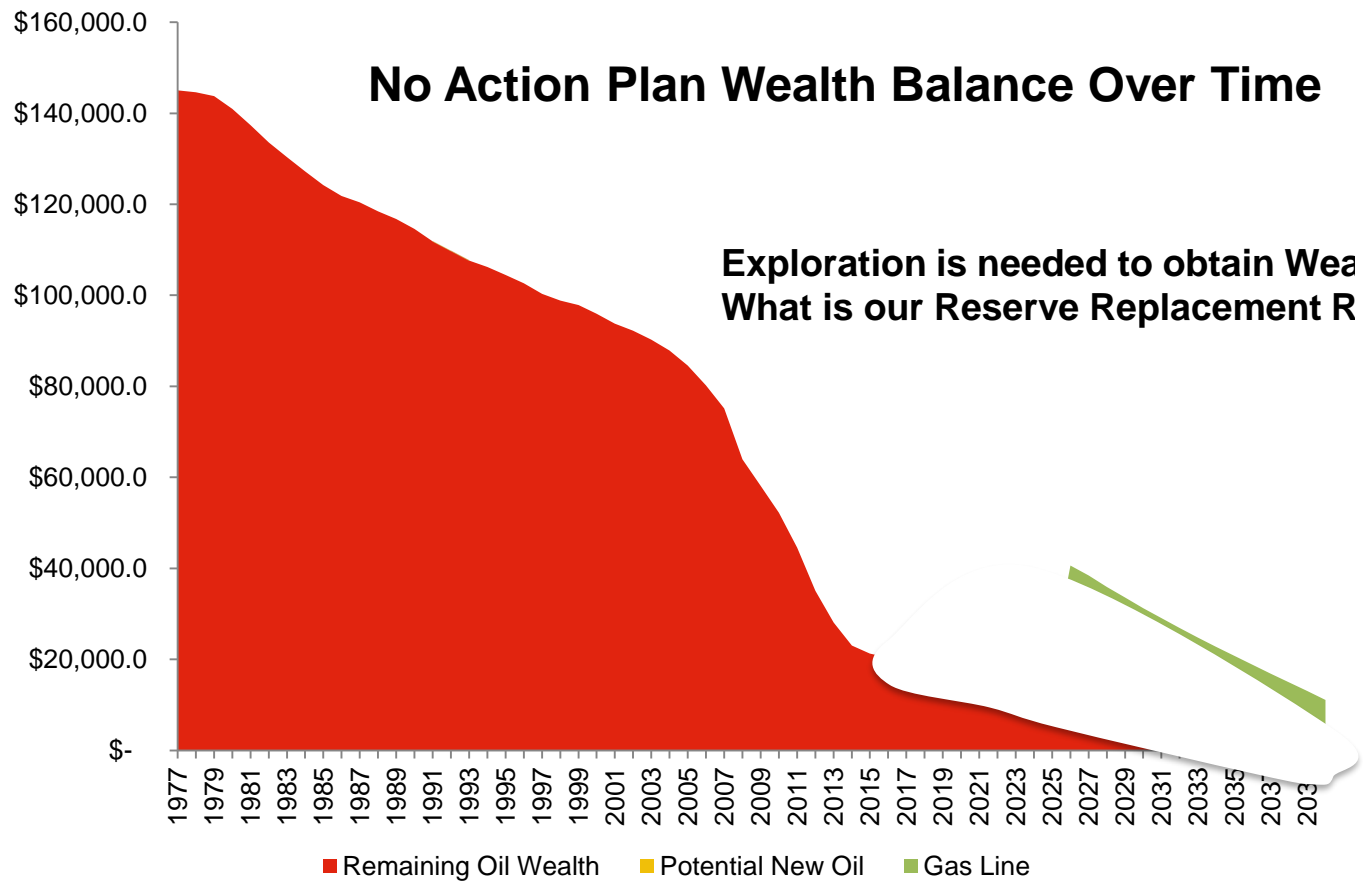
We Cannot Control Oil Prices



We can control exploration, development, production, stranded production and spending

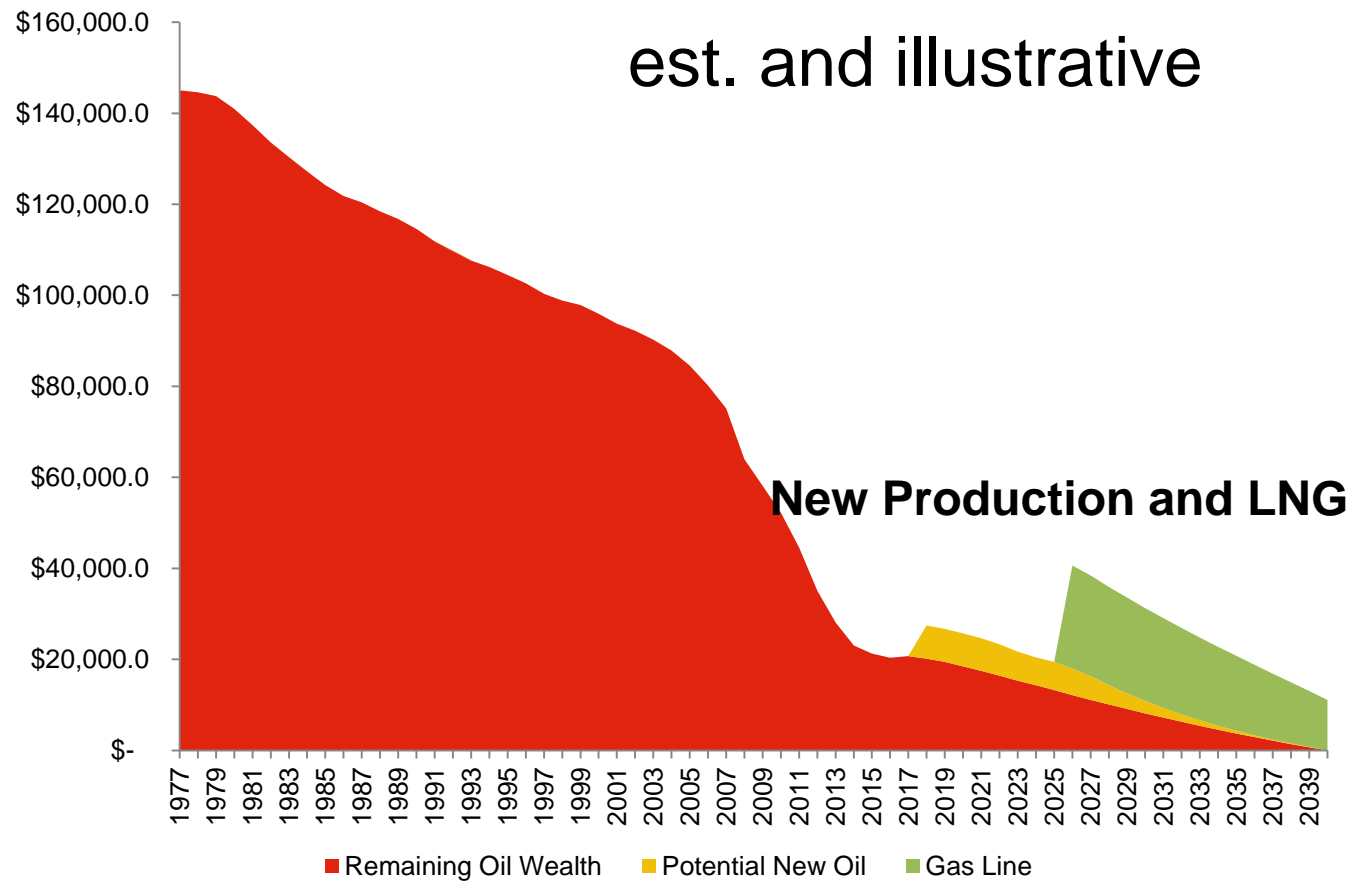


Forecasting Our Future





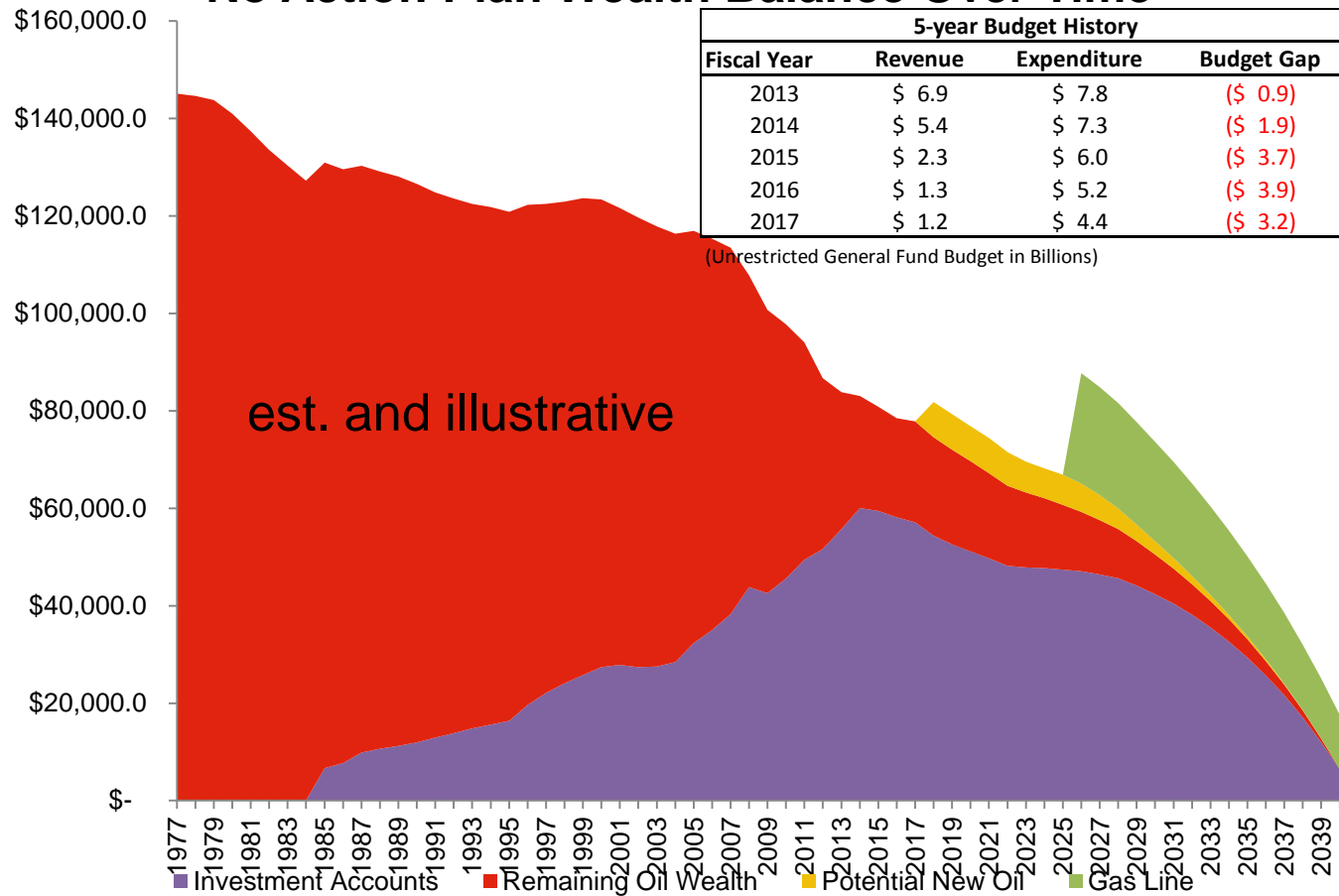
Forecasting Our Future





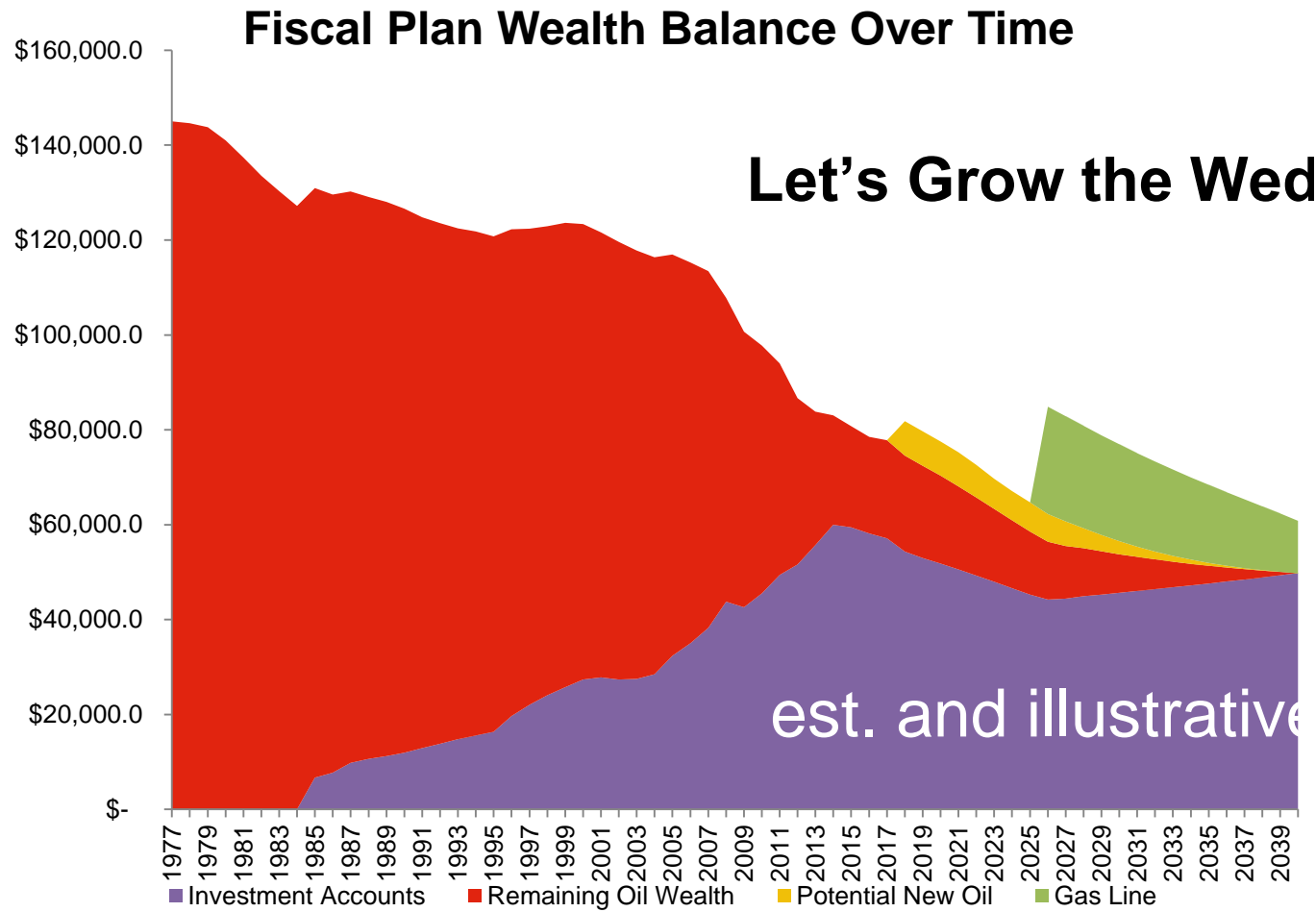
Understanding Our Options

No Action Plan Wealth Balance Over Time





Understanding Our Options



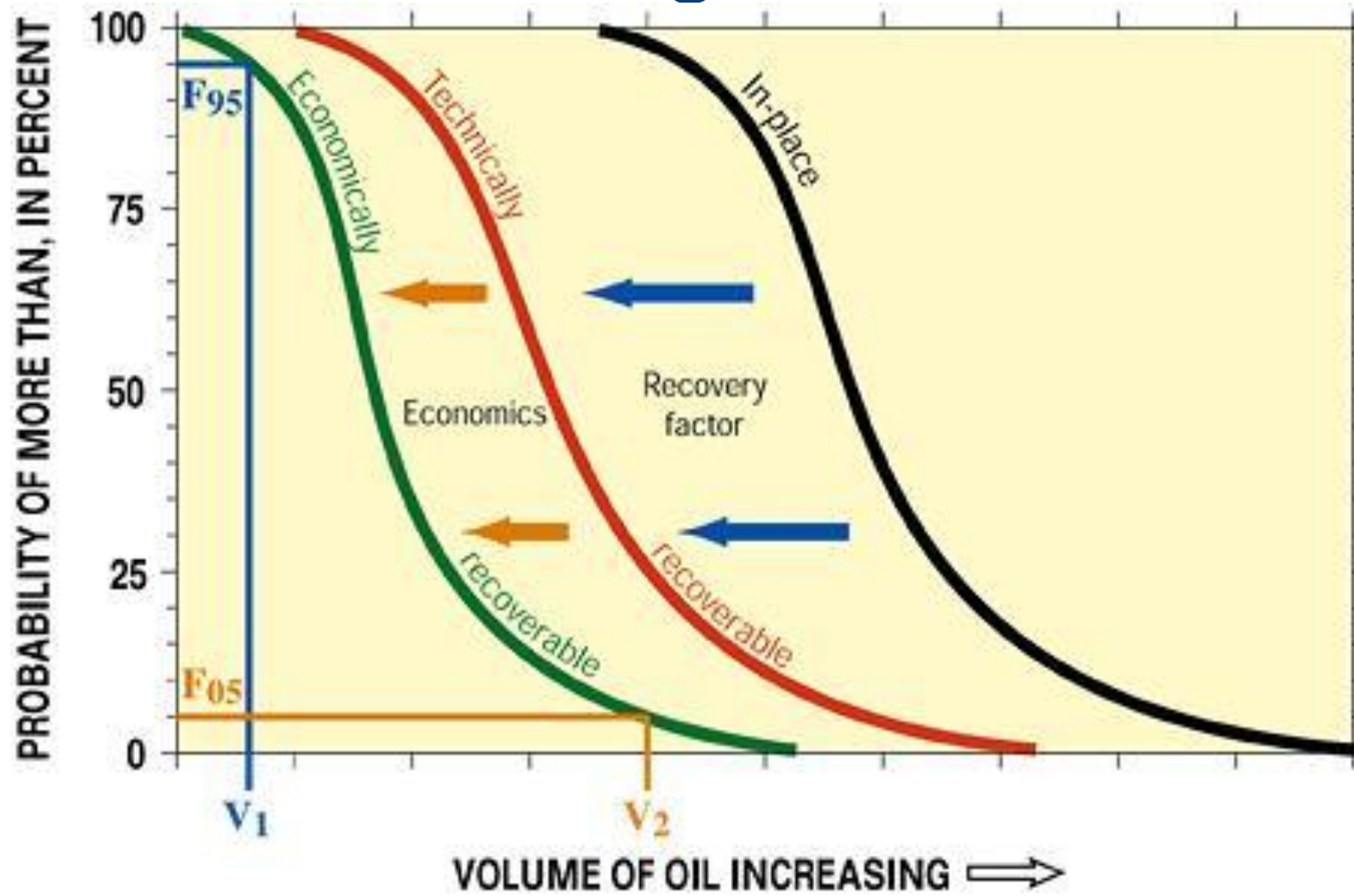


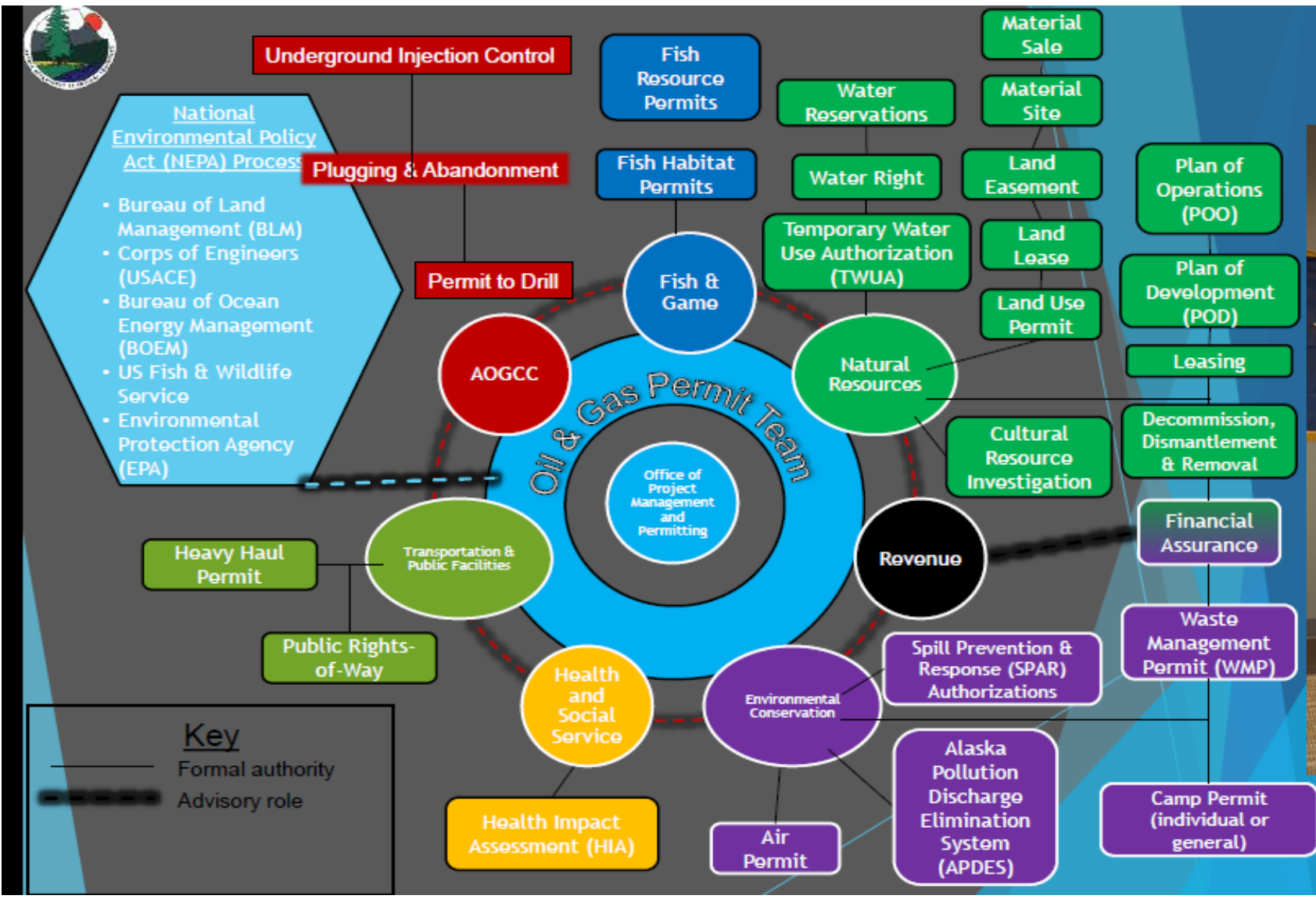
How do we Build Wedges?

- **Technology Advancement and Exploration**
- **Prospective areas are explored**
 - Study the rocks, offset well data, Seismic
 - Wells Drilled, logged, cored and tested
 - Discovery: unknown previously unrecognized accumulation of hydrocarbons
- **Once oil or gas is discovered**
 - Continue to appraise thru Delineation – additional wells are drilled, logging, cored and tested
 - Establish Proved reserves, provides confidence, economics, & funding
 - Sanction Development
- **If not economic now keep in the Hopper**
- **We must expedite Discoveries and move them to Production**



Proving Reserves







Engagement and Alignment is Key!

- Pro industry government/**residents**
- O&G Competiveness Review Board
- Predictable, consistent, stable
- Financial
- Ready skilled workforce
- Long term development planning **“We Live”**





Alignment as “One Alaska” is Powerful

- **Ask ourselves, “How Aligned are we as Alaskans regarding Oil and Gas?”**
- **Are we Alaskans aligned with the Federal Government?**
 - If not, we are not managing Alaska properly
 - We are not managing our future
 - As Alaskan’s we are not living to our potential!!
- **If we are not, how much does this cost you as an Alaskan?**
- **Do we know which Option sets are best for Alaska? Fed take?**
- **What does the North Slope look like in 2050? Master Planning is an output of engagement and aligns.**
- **We should be doing this for every region in Alaska to maximize the Resource benefit to Alaskans.**
- **We Must Control Our Future... by being one we can do this!**



Our Largest Known Stranded Resource: Natural Gas

Do You Know?

- We re-inject more boe everyday than N. Dakota produces
- Our 3.5 tcf gas is 580,000 boe which is more than TAPs production!
- USGS estimates Alaska N.S. gas at 35 tcf Proven and 200 Tcf conventional



Tcf = Trillion cubic feet



Alaska LNG Project Components

- **Integrated gas infrastructure project:**

- ✓ **Gas Treatment Plant:**

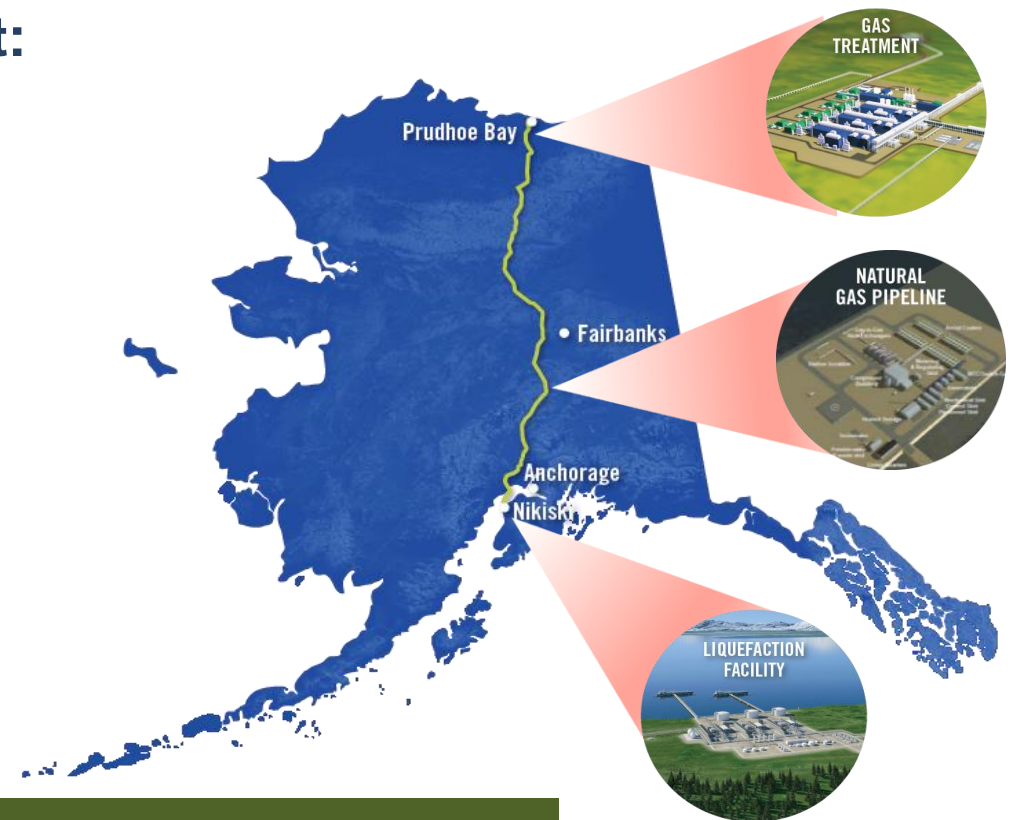
- 200 acre site at Prudhoe Bay.
- Clean, dehydrate, chill and compress 3.5 Bcf/d.

- ✓ **Pipeline:**

- 800-miles (1,287 km).
- 42-inch pipe (1.1m).
- In-state offtake points.
- Deliver more than 3.3 Bcf/d.

- ✓ **LNG Production Facility:**

- Located in Nikiski, Alaska.
- 600 acre site.



All components including gas supply are within Alaska.

Fully-integrated natural gas pipeline and liquefaction system



7 Major Project Advantages

- **Vast Proven Gas Resources**
- **Proximity to Markets**
- **Climate**
- **Reliability**
- **History and Expertise**
- **Stable Government**
- **Quality of Project Research**



Major Project Benefits for Alaska

- Gas for Alaskans
- Environmental Energy Improvements – Clean fossil Fuel
- Diversify Revenue for State of Alaska
- Jobs and Workforce Development
- Economic Investment Incentive – Add ons....



Summary

- **Education and alignment is a long term-key: know our resource potential**
- **Federal permitting alignment - a must**
- **Master Plan Development and Distribution - needs to be done**
- **Build wealth through new exploration and unlocking stranded resources**
- **NS Gas is our largest known stranded asset - we need to be in the game to make it economic and fill the future void**
- **Government and business relationships are Key**
- **Sharing of infrastructure is smart**



Thank you!



Proximity to Markets

Korea \$10 B Annual
Ak injects 2x Korea demand
2023 demand opening





Arctic Climate Efficiencies

Cold and dry arctic climate can provide an energy efficiency up to 15% in the winter months

Over 60% of the pipeline is underground/subterranean





Reliability, History, and Expertise

- **Trans-Alaska Pipeline**
 - ✓ Prudhoe Bay to Valdez.
 - ✓ In operation since 1977.
 - ✓ 17+ billion barrels of oil produced.
- **North Slope Gas Resource**
 - ✓ 35 Tcf proven North Slope gas.
 - ✓ 200 Tcf conventional.
- **LNG Production**
 - ✓ Pioneer in global LNG.
 - ✓ 45 years of reliable LNG exports.
 - ✓ First LNG plant to service Asia-Pacific market;
Alaska has never missed a cargo shipment to Asia.



Tcf = Trillion Cubic Feet



Stable Government



Government to Government Relationships Key



Quality of Research

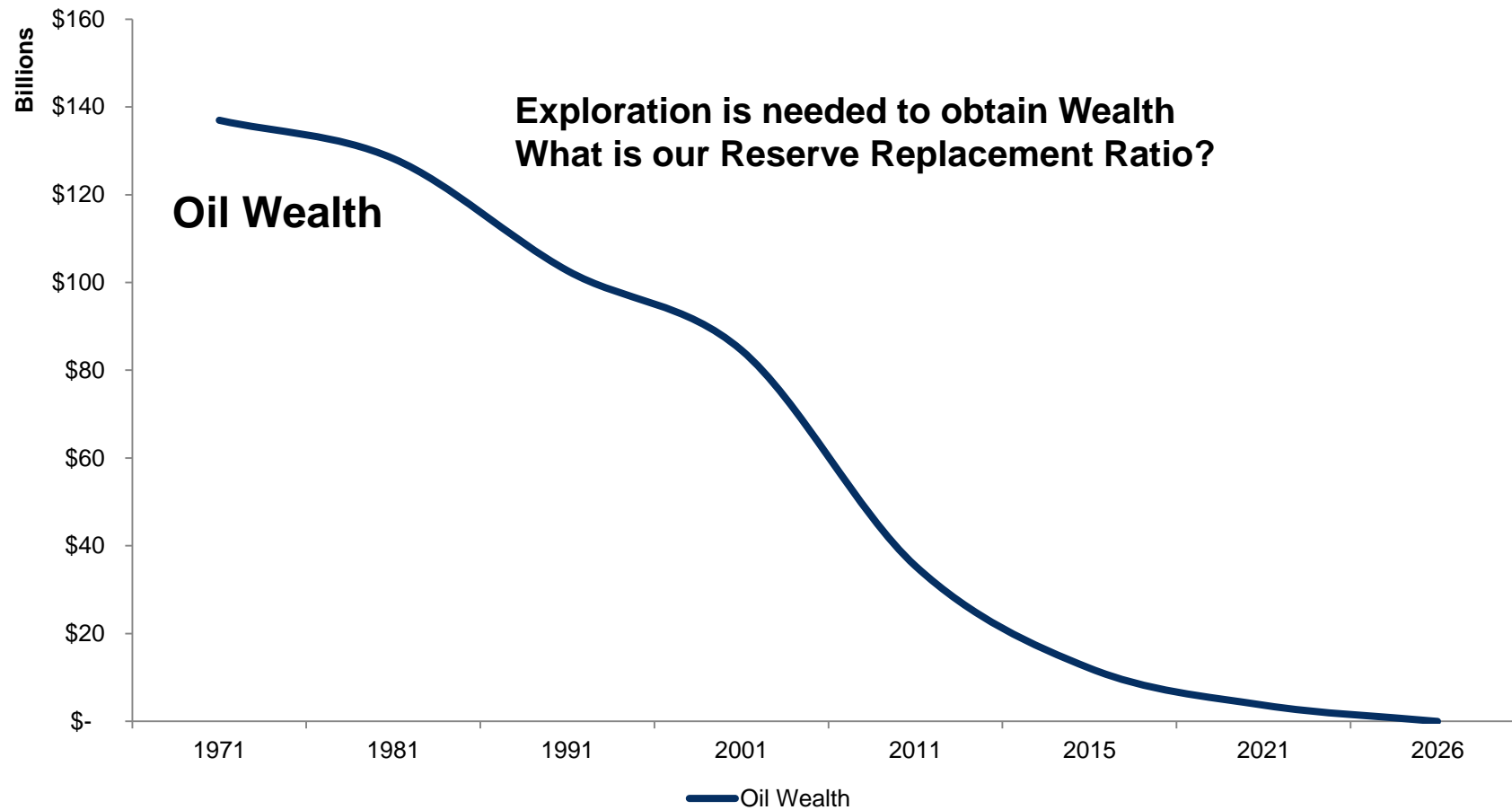
Project has been thoroughly studied and analyzed:

- ✓ **33,700 pages submitted to FERC.**
- ✓ **Over 1 million man hours invested through pre-FEED analysis.**
- ✓ **193,000 acres mapped; 300 streams surveyed.**
- ✓ **Thousands of boreholes (10-150 feet deep).**
- ✓ **World-renown contractors involvement during the Pre-FEED process.**
- ✓ **\$500 million Pre-FEED reaching conclusion.**



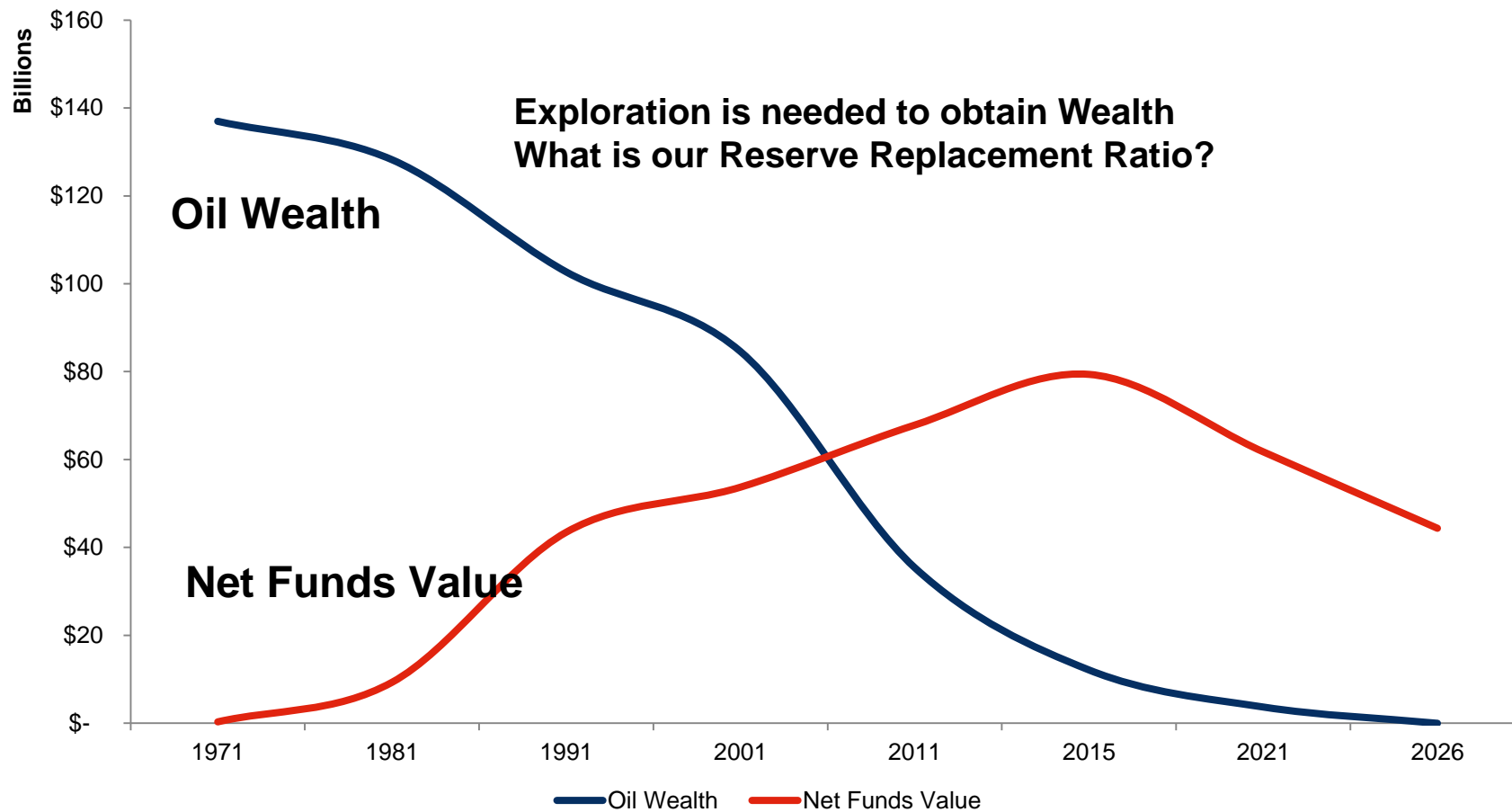


Understanding Our Performance





Understanding Our Performance





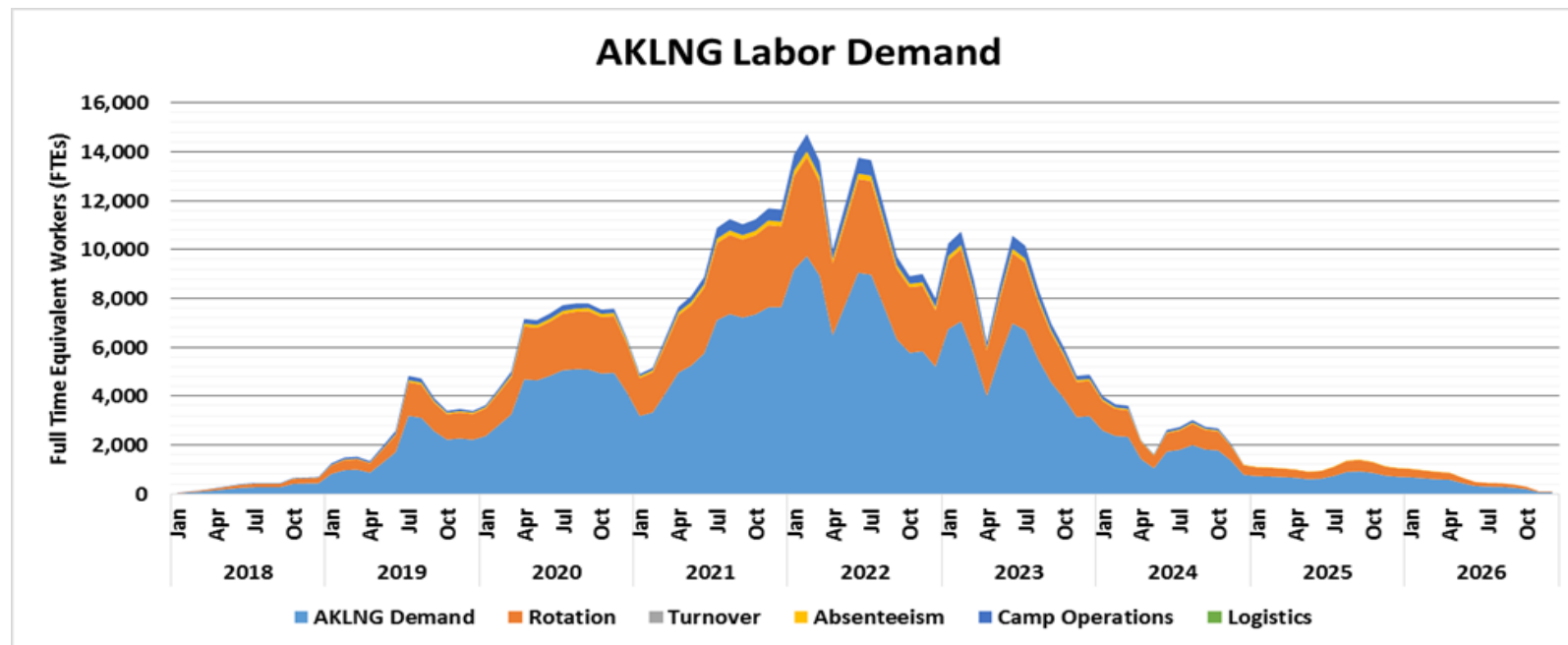
Gas for Alaskans

Alaskans have crippling energy costs throughout the state.





Jobs and Workforce Investment



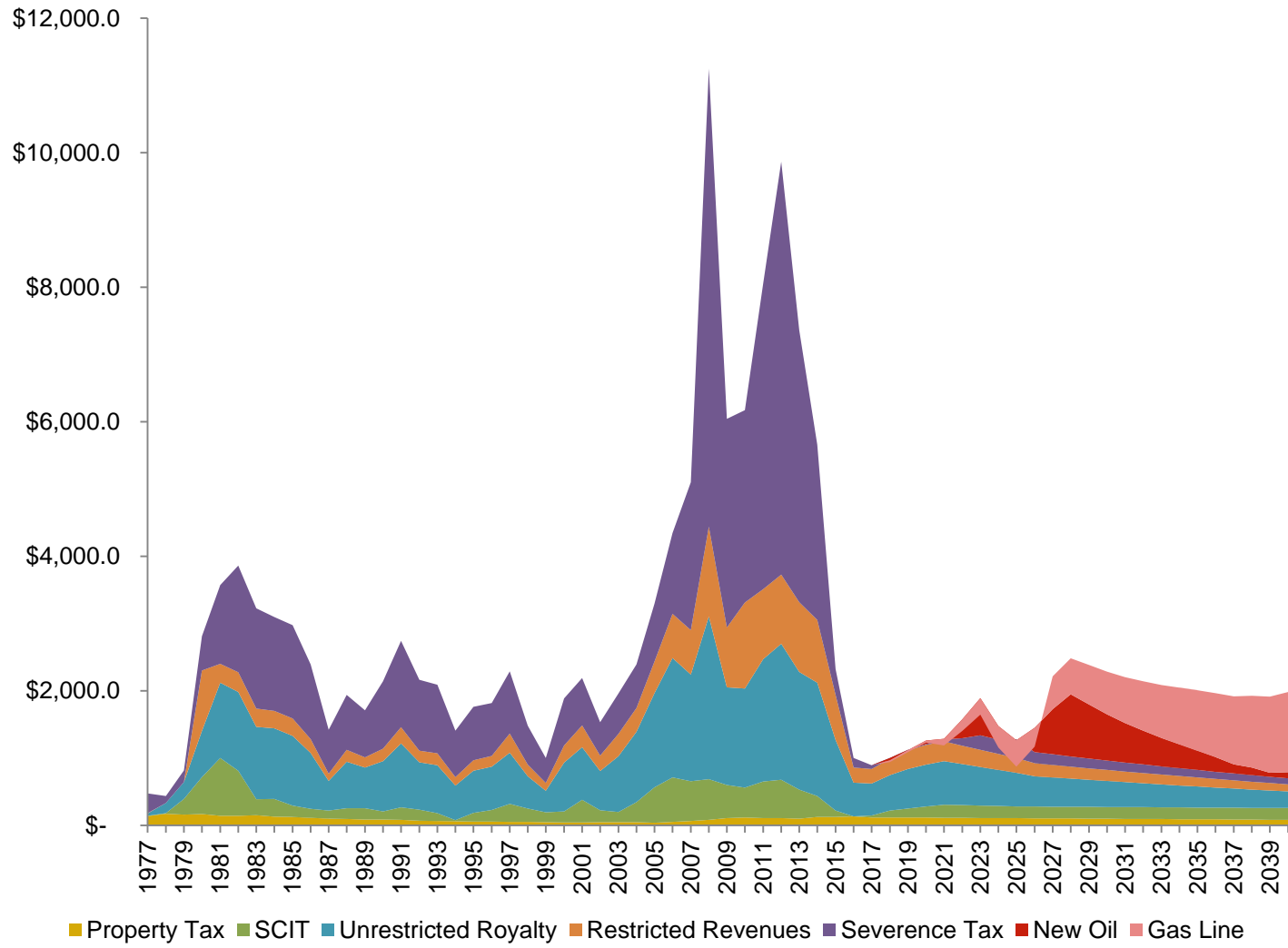
- **Jobs:**

- ✓ Approximately 9,000-12,000 jobs during constructions
- ✓ Estimated 1,000 permanent operations and maintenance (O&M) jobs
- ✓ Teamsters, Operating Engineers, Laborers, and Pipeliners will be the four largest expected peak craft needs.



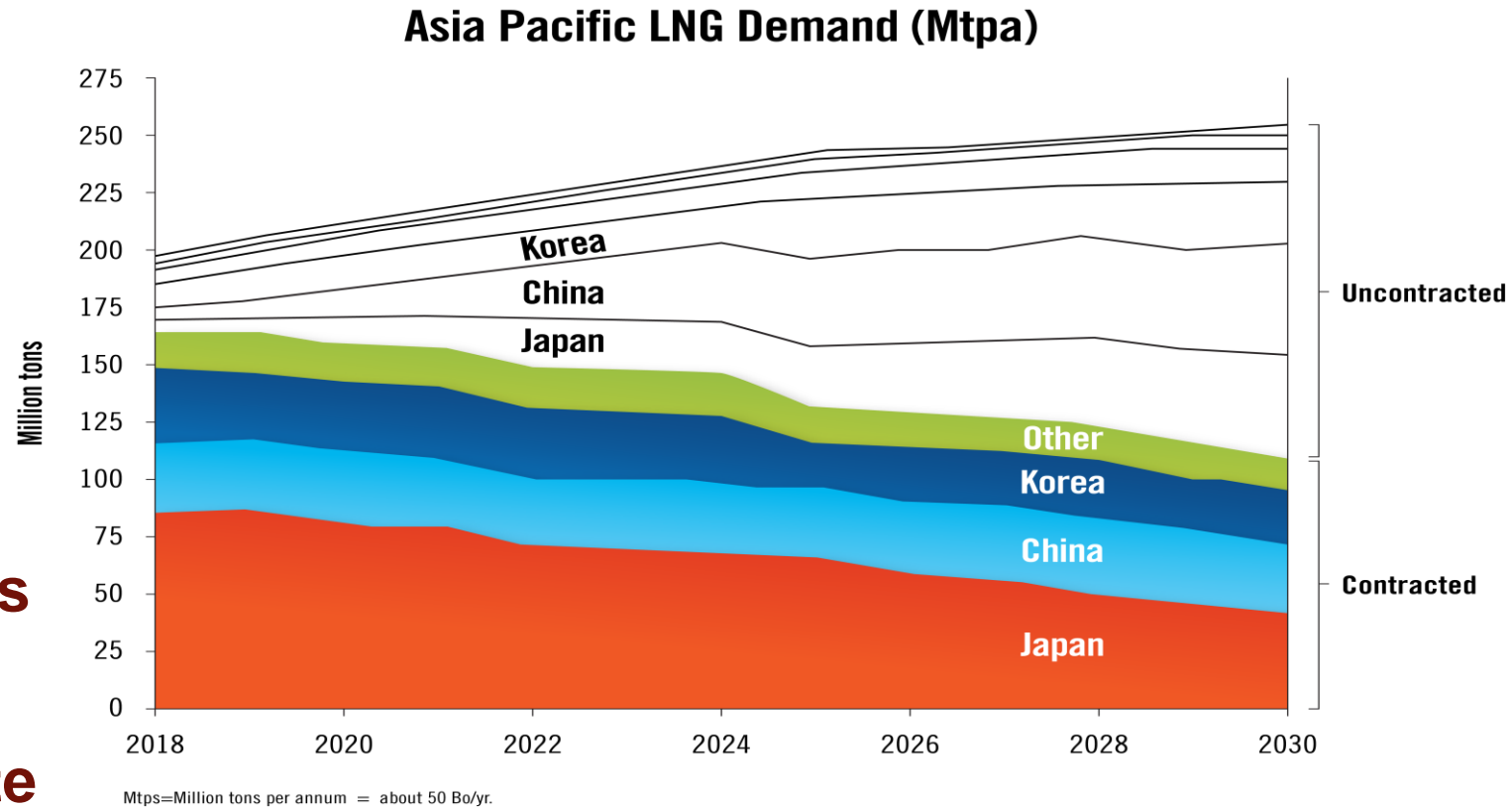
Additional Economic Development







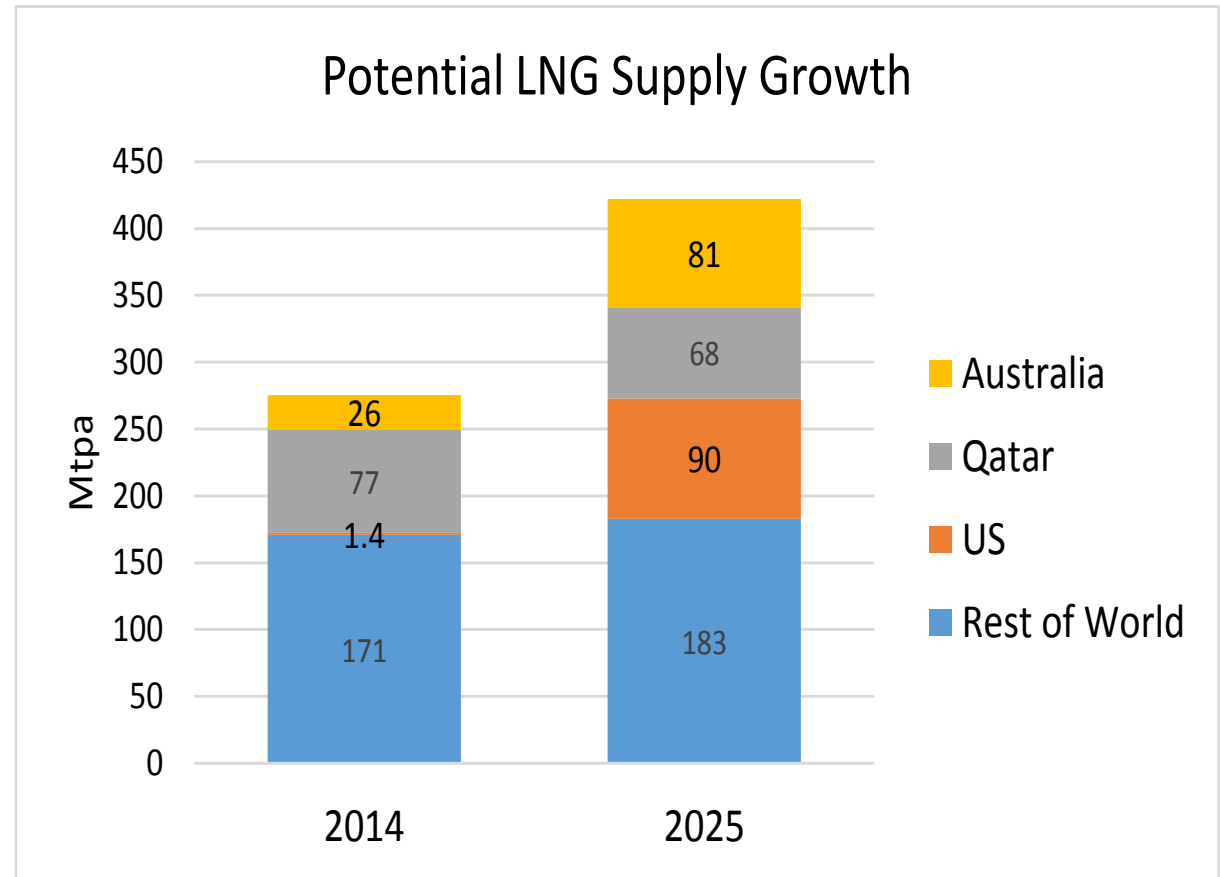
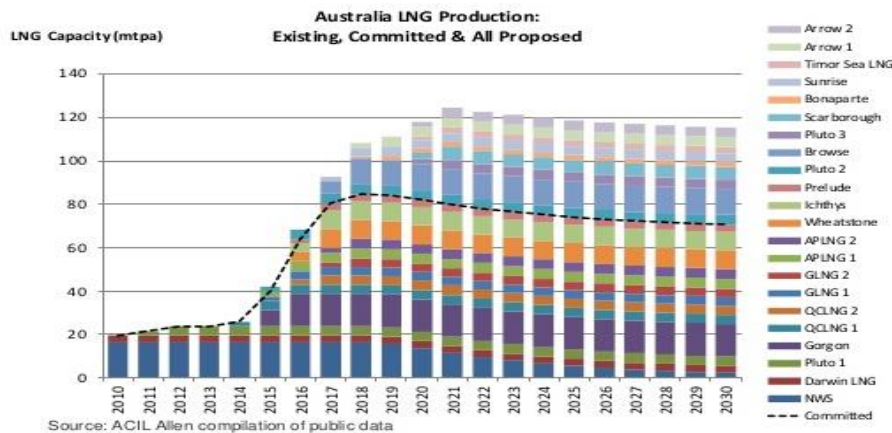
- **Current global surplus.**
- **Equilibrium by 2022; new supply needed 2021-2025.**
- **Many supply projects chasing demand.**
- **Sellers must compete on more than just price.**





The Competition

- **Global competition comes from known sources.**
- **Alaska can compete, but has to get in the ring and fight.**
- **Alaska is in the best position to fight for Alaska's project.**





The introduction of State ownership

- ◆ In addition to a third party toller, the State of Alaska (SoA) could further reduce the cost of supply with a potential tax exemption
- ◆ SOA-ownership shown as fully tax exempt

