RESOURCES ENERGY, INC.

Alliance Presentation
REI Update
March 26, 2015

TOPICS OF KEY IMPORTANCE-
REI 1MTA COOK INLET PROJECT

Alaska Advantage

Japan Market Overview- Demand for LNG

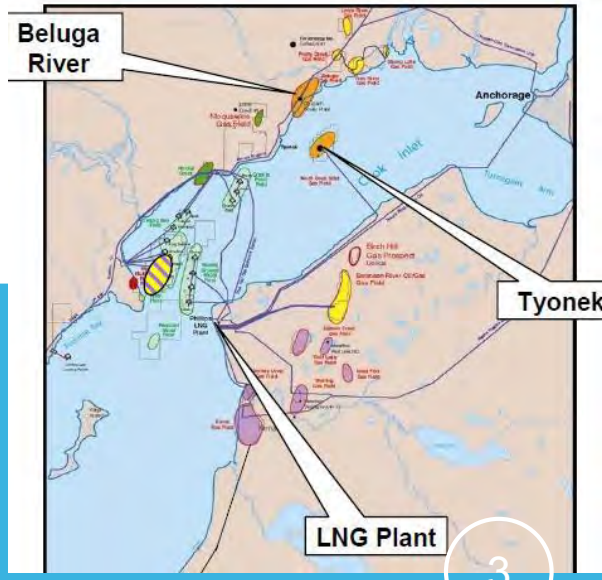
Strong support from the State of Alaska

Critical Path Components and REI Agreements and milestones

REI LNG, IN COOK INLET, CAN BE ACHIEVED

Cook Inlet, Alaska, is one of the best port for exports of high-value LNG to Japan

- Local land use permits for terminal and pipeline are possible
- Thousands of construction and permanent jobs will be created
- Support from SOA/AIDEA
- Utilizes stranded Cook Inlet Gas
- Allows for expansion of gas from other regions of the state – such as the Foothills, Outer Continental Shelf , North Slope, etc. when pipeline is to be in place



CRITICAL PATH COMPONENTS

Government to Government Agreements

- AIDEA
- SOA- Governor
- SOA – DNR
- Others

Japanese Buyers(PROPOSED)

- Government, Hyogo Prefecture, Kyoto, etc
- Industrial
- City Gas and Electric Companies

Joint Venture Partners

- Japan Companies
- US Companies and partnerships
- Native Corporations

REI ACTIVITIES

2011

December

- Established Energy Resources, Inc. (Japan)
- Established Resources Energy, Inc. (USA)
- Opened Alaska Office (Anchorage)
- "MOU" with Alaska Natural Gas Development Authority

2012

March

- Preliminary Study Report "Alaska LNG Project (North Slope)"

September

- Participated "Solicitation of Interest" – Alaska Pipeline Project"

December

- Cooperation Agreement (CA) with Alaska Department of Natural Resources

2013

April

- Feasibility Study "Alaska LNG Project (North Slope)"

July

- "CA Extension" with DNR

December

- "CA Second Extension" with DNR

2014

January

- Business Plan "Alaska LNG (Kenai)"

April

- Memorandum of Understanding with Alaska Industrial Development and Export Authority

August

- "CA Third Extension" with DNR

December

- "Cooperation Agreement" with State of Alaska

COOK INLET EXPORT LNG PROJECT

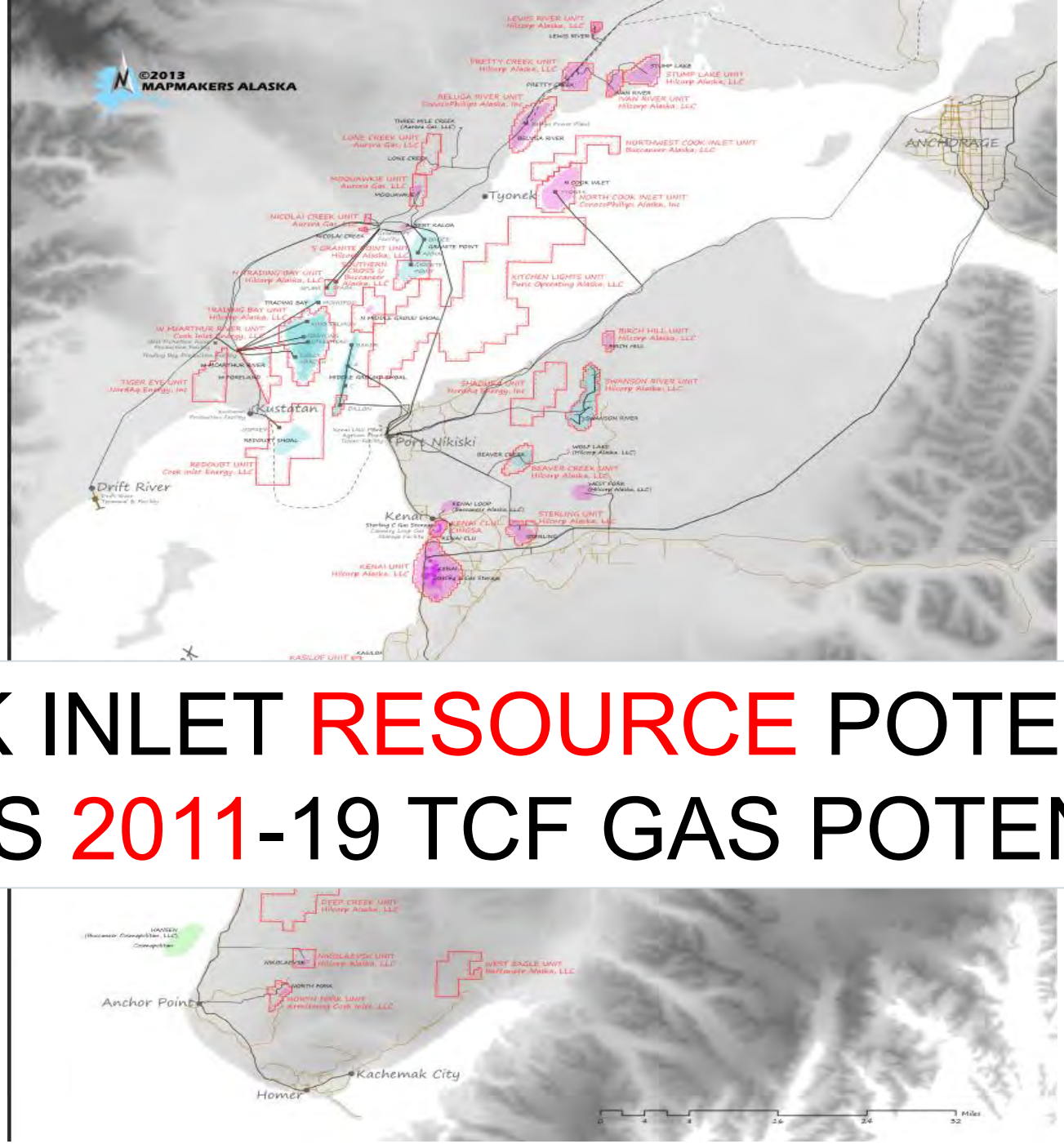
Greenfield LNG plant: 1 MTA plant

Aggregated Cook Inlet Gas supply as Feedstock

- Division of Oil and Gas Studies
- USGS report
- Cook Inlet reservoir and production analyses (June and July 2014)

Timeline is critical – prior to 2020 target for Export to Japan

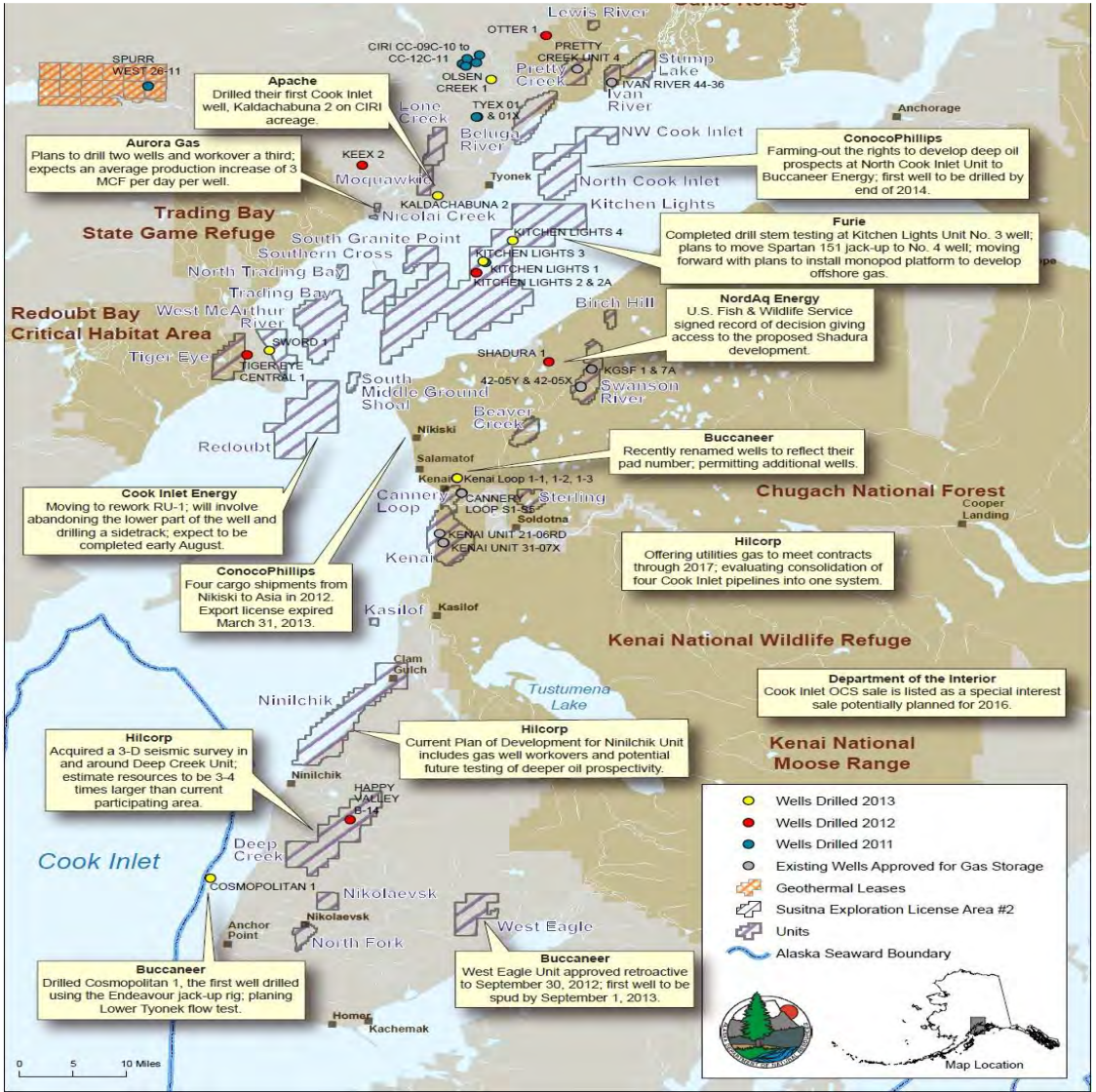
- **Earlier in-state demand for LNG could be made available**



COOK INLET RESOURCE POTENTIAL

USGS 2011-19 TCF GAS POTENTIAL

COOKINLET OIL AND GAS ACTIVITY



RESERVE AND PRODUCTION STUDY RESULTS – COOK INLET

The study evaluated 2P reserves (Risked Proved and Probable in SPE/AAPG et al. 2011 terminology)

Total range of 2P estimated at approximately 2.7-3.1 Tcf (2,700 – 3,100 Bcf)

- Approximately 40 years of utility load (approximately 80 Bcf/yr)

REI's 20 year supply of feedstock is 55 Bcf/yr

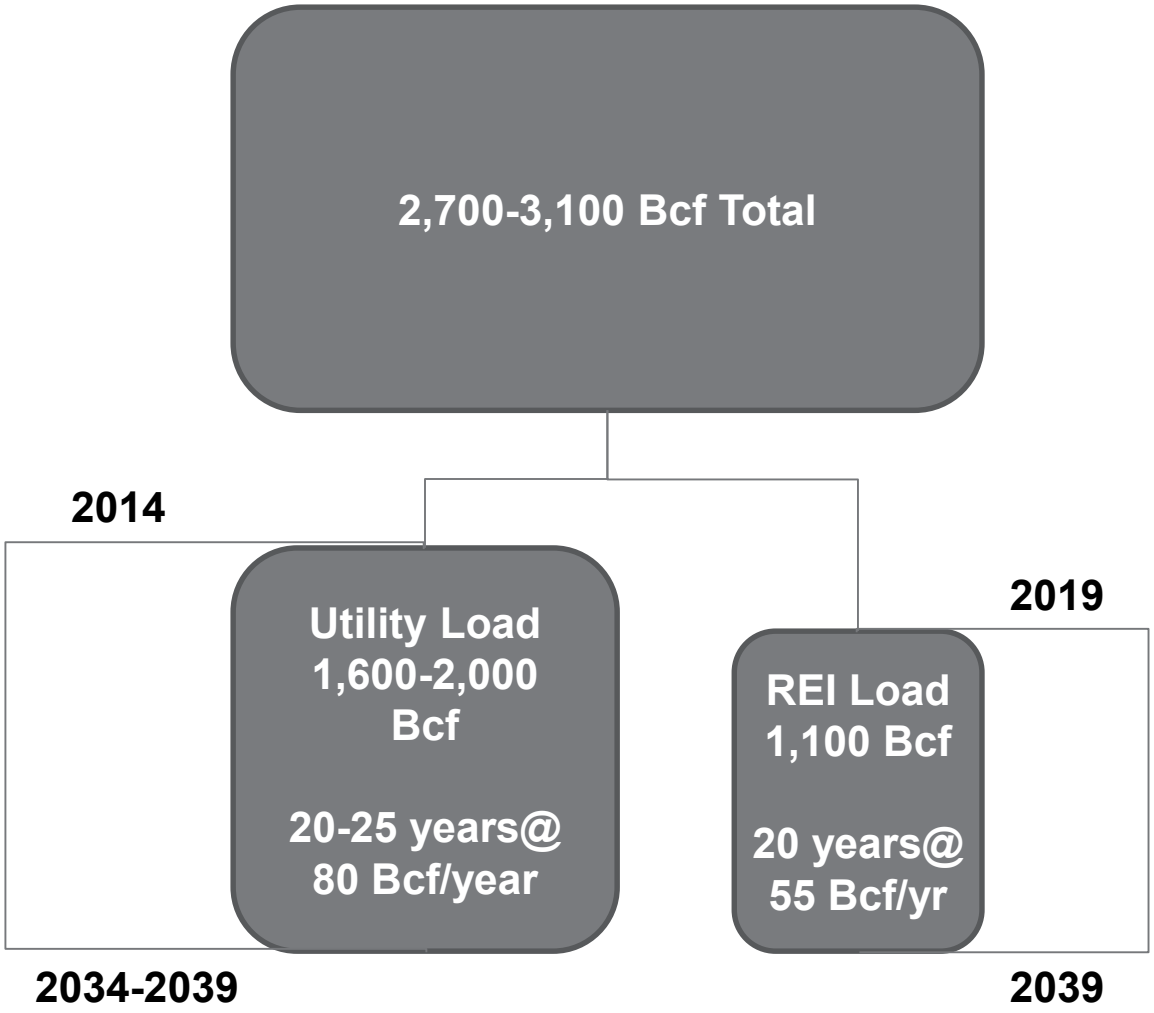
- Starts in 2019
- Represents 35-40% of the total 2P reserves

Approximately 20-25 years of utility load would remain (2019-2039)

These 2P reserves could support a daily production rate for REI of 160,000 Mcf/d

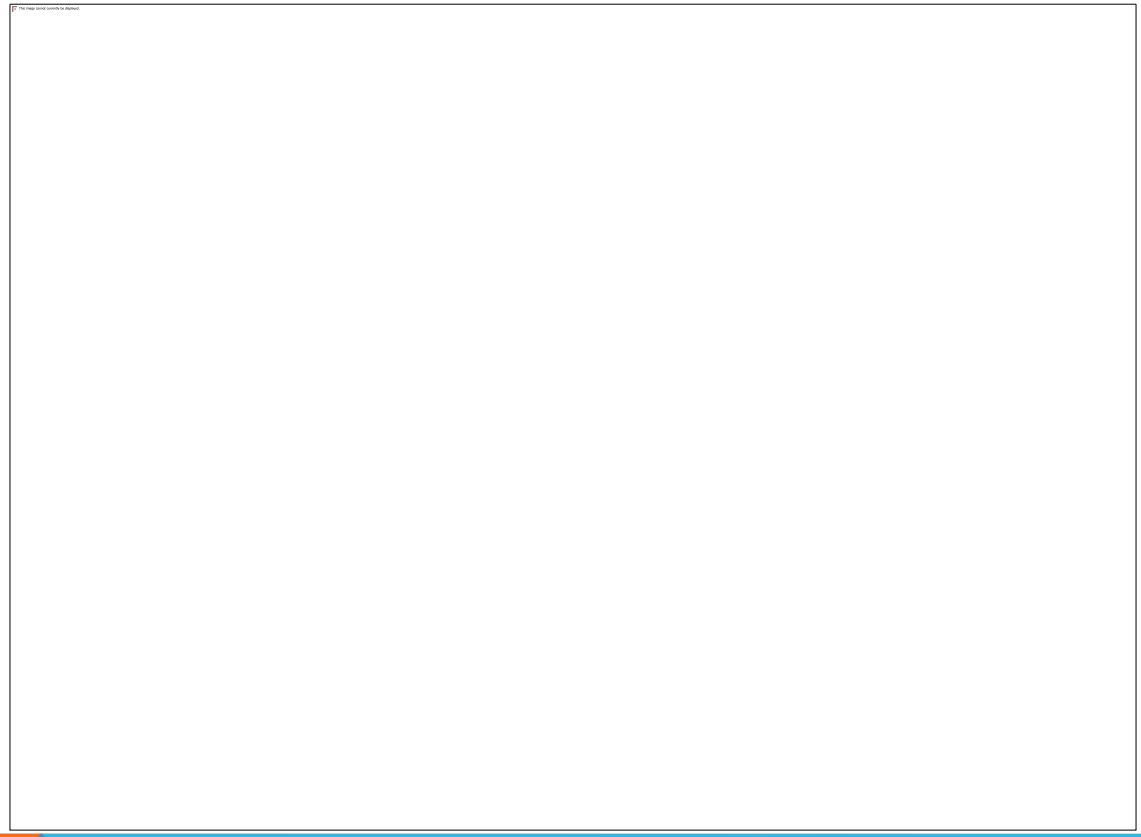
Source: Michael F. Donnelly, Ph.D. Global Energy Consultancy LLC, 2014

ESTIMATED COOK INLET 2P RESERVES



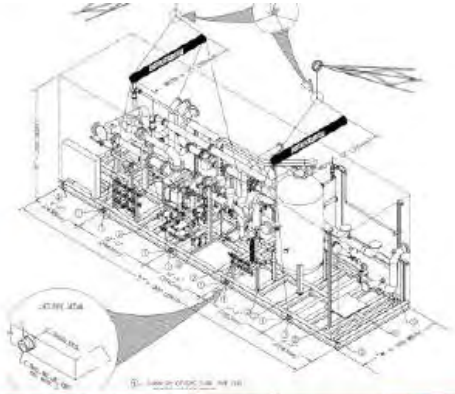
Source: GEC LLC 2014, 2P Reserve Study, Cook Inlet

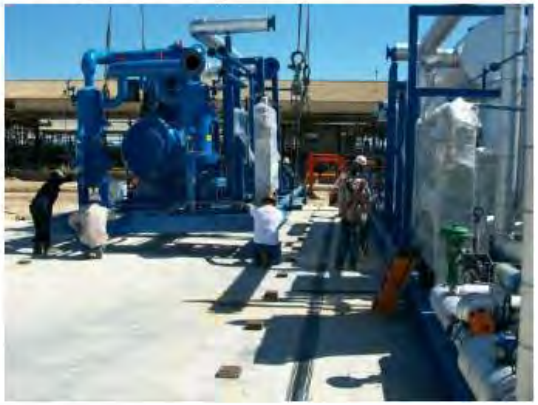
MODULARIZED LNG PLANT



SITE INSTALLATION

Site Installation
Rigging and Setting of Modules





COOK INLET TECHNICAL/FEASIBILITY STUDY

Outside Contractors that conducted the Technical/ Feasibility Study of the Project

- Kellog Brown Root LLC (KBR) – Engineering Services
- Global Energy Consultancy LLC (GEC) – Economics Analysis
- Golder Associates Inc. (Golder) – Geotechnical Services

PROJECT SCHEDULE

Target Year	Activities
2015	FEED
	FERC Request for Pre-Filing
	DOE Application
2016	FERC Pre-Filing and Formal Application
2017	FERC Final EIS Issuance
	Issuance of Authorization (FERC/ DOE)
2018-2019	EPC
2019-2020	First LNG

THE ALASKAN ADVANTAGES

Alaska has a 40+ year track record of delivering LNG to Asia/Japan without interruption

Proximity - 9 shipping days and no Panama Canal Toll

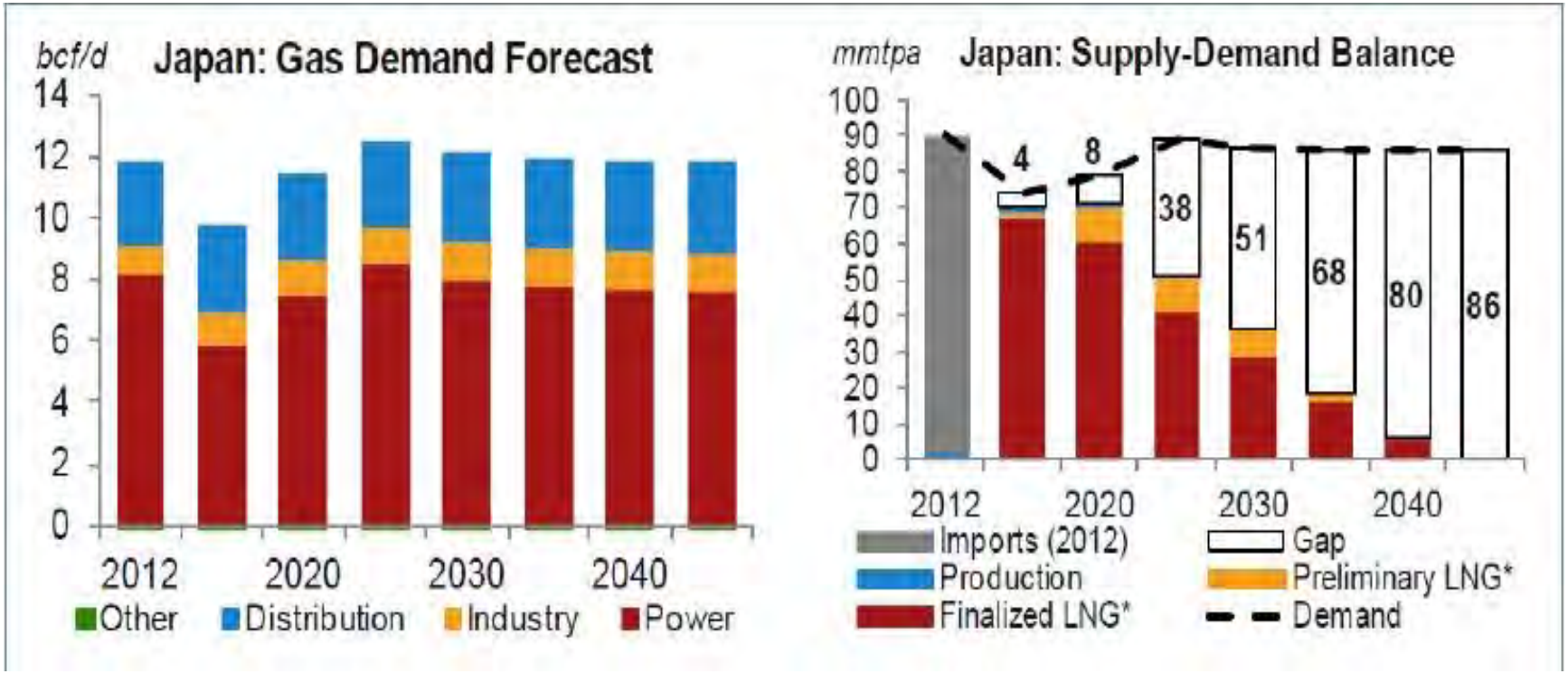
Not part of the lower 48 Shale debate and cumbersome DOE review process

All First Nation and Native land claim issues are resolved

JAPAN MARKET OVERVIEW

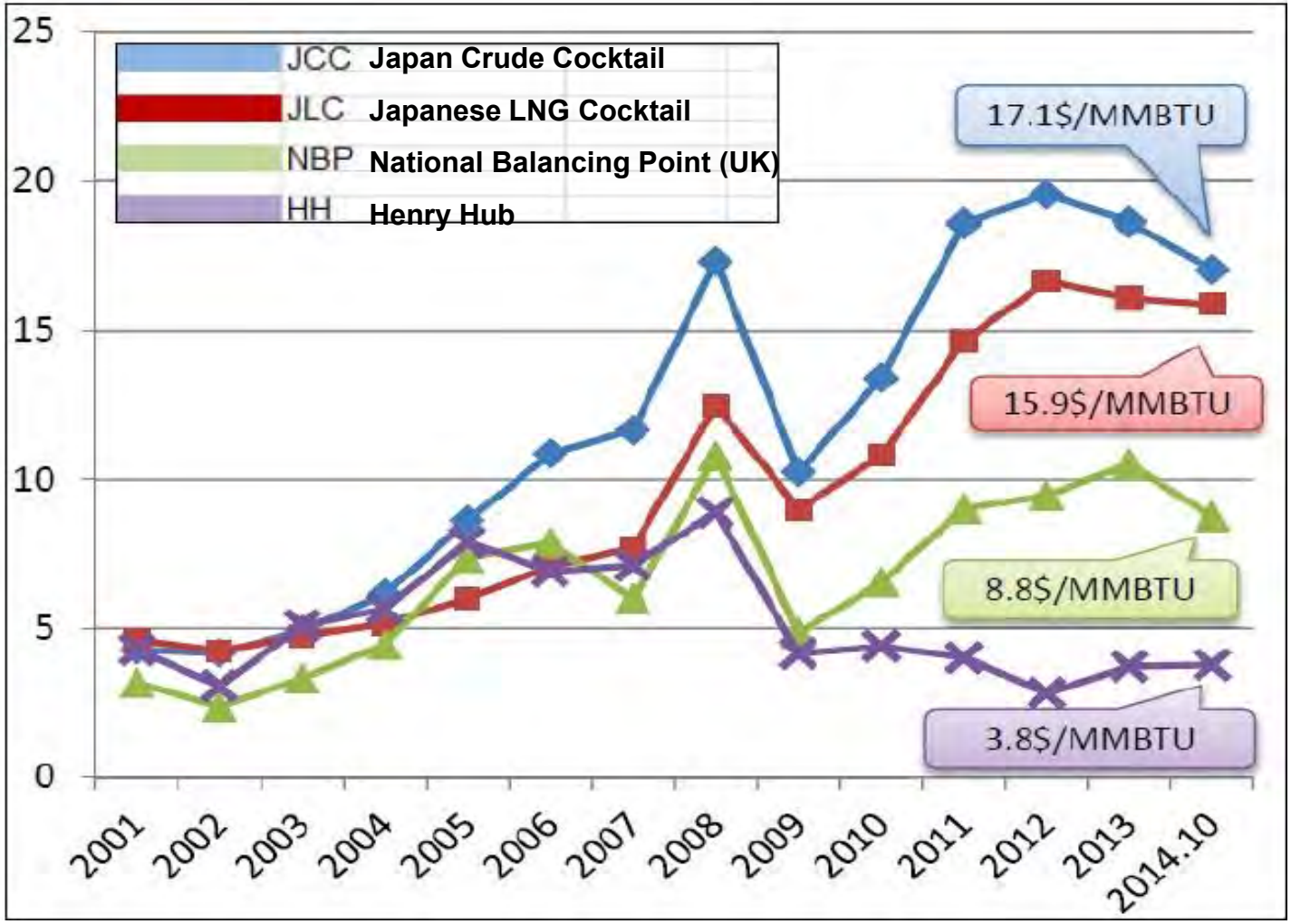
LNG SUPPLY-DEMAND OUTLOOK FOR JAPAN

2015(REI forecast) World LNG Demand= about 260 million tons
Asian LNG Demand= about 170 million tons(65% of World Demand)
Japan LNG Demand=about 76 million tons(30 % of World Demand) and continue to be No.1 importer towards 2030.
(Note) 2012 Japan LNG Demand=85 million tons , about 9 million tons up from 2011, was due to the emergency LNG imports including spot cargoes to meet the gap caused by the suspension of about 50 units of nuclear power plants after Fukushima disaster in March, 2011.



Source: “Global LNG Supply & Demand Study”, PFC Energy, May 2013

JAPAN IMPORTED LNG PRICE (2001-2014)

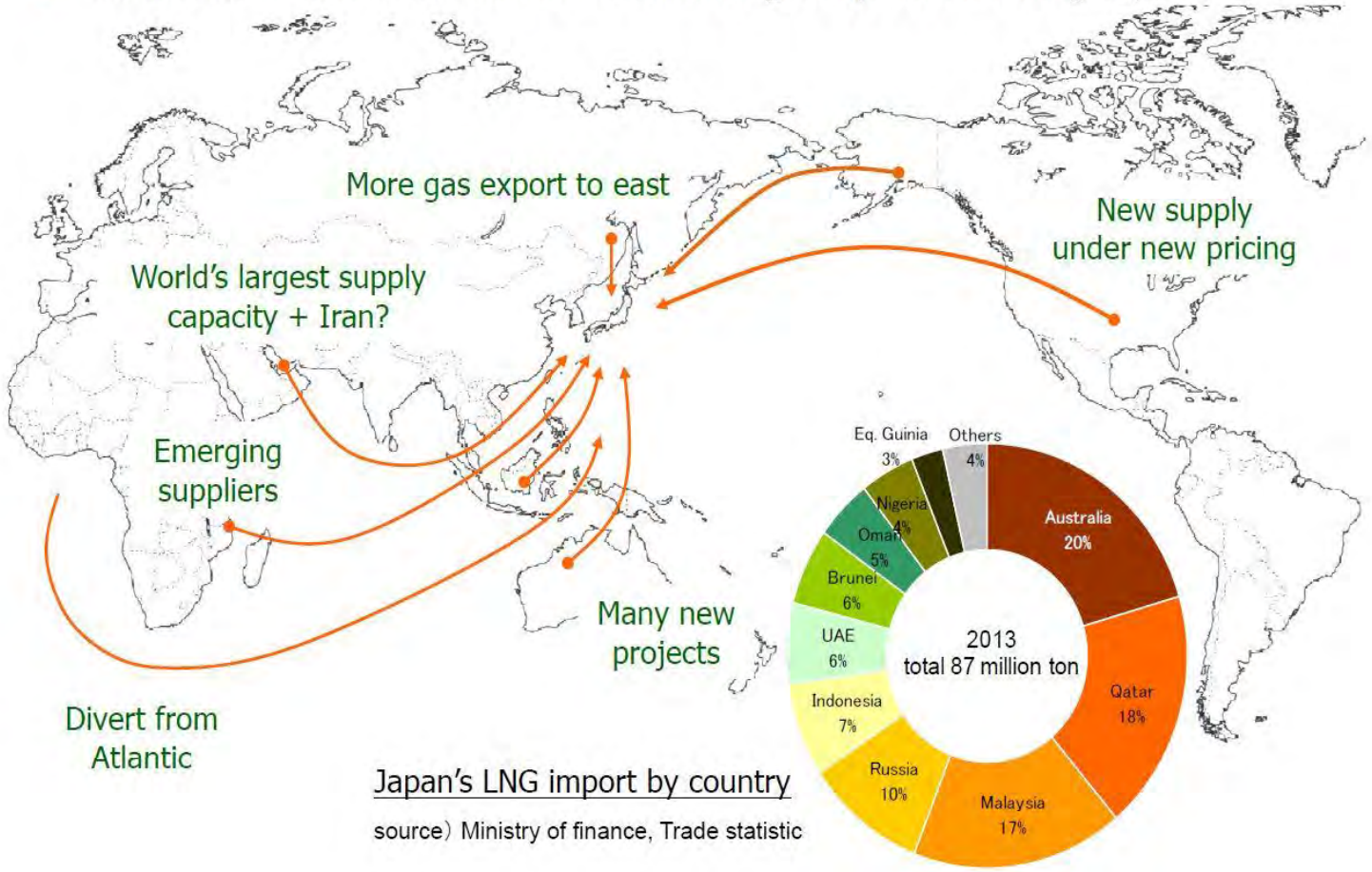


About $13/mmbtu for Feb JLC

Source: “Japan Natural Gas Strategic Policy Review Update”, METI 2014

LNG SOURCES(PRESENT/FUTURE) FOR JAPAN

- Many new liquefaction projects are proceeding.
- 'First-come and first-served' rule is enhancing competition among suppliers.



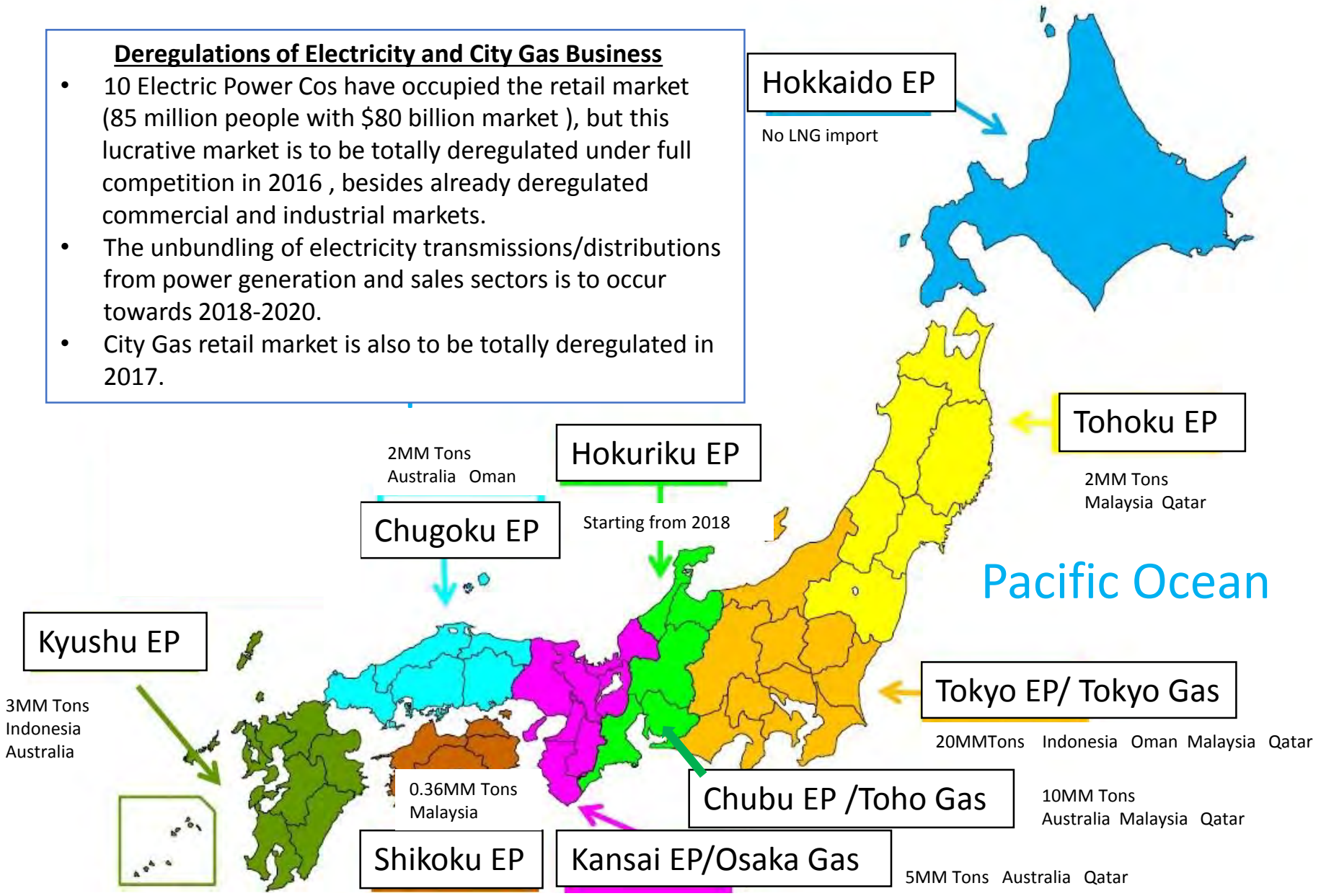
Japan's LNG import by country

source) Ministry of finance, Trade statistic

Japan Electric Power & City Gas

Deregulations of Electricity and City Gas Business

- 10 Electric Power Cos have occupied the retail market (85 million people with $80 billion market), but this lucrative market is to be totally deregulated under full competition in 2016 , besides already deregulated commercial and industrial markets.
- The unbundling of electricity transmissions/distributions from power generation and sales sectors is to occur towards 2018-2020.
- City Gas retail market is also to be totally deregulated in 2017.

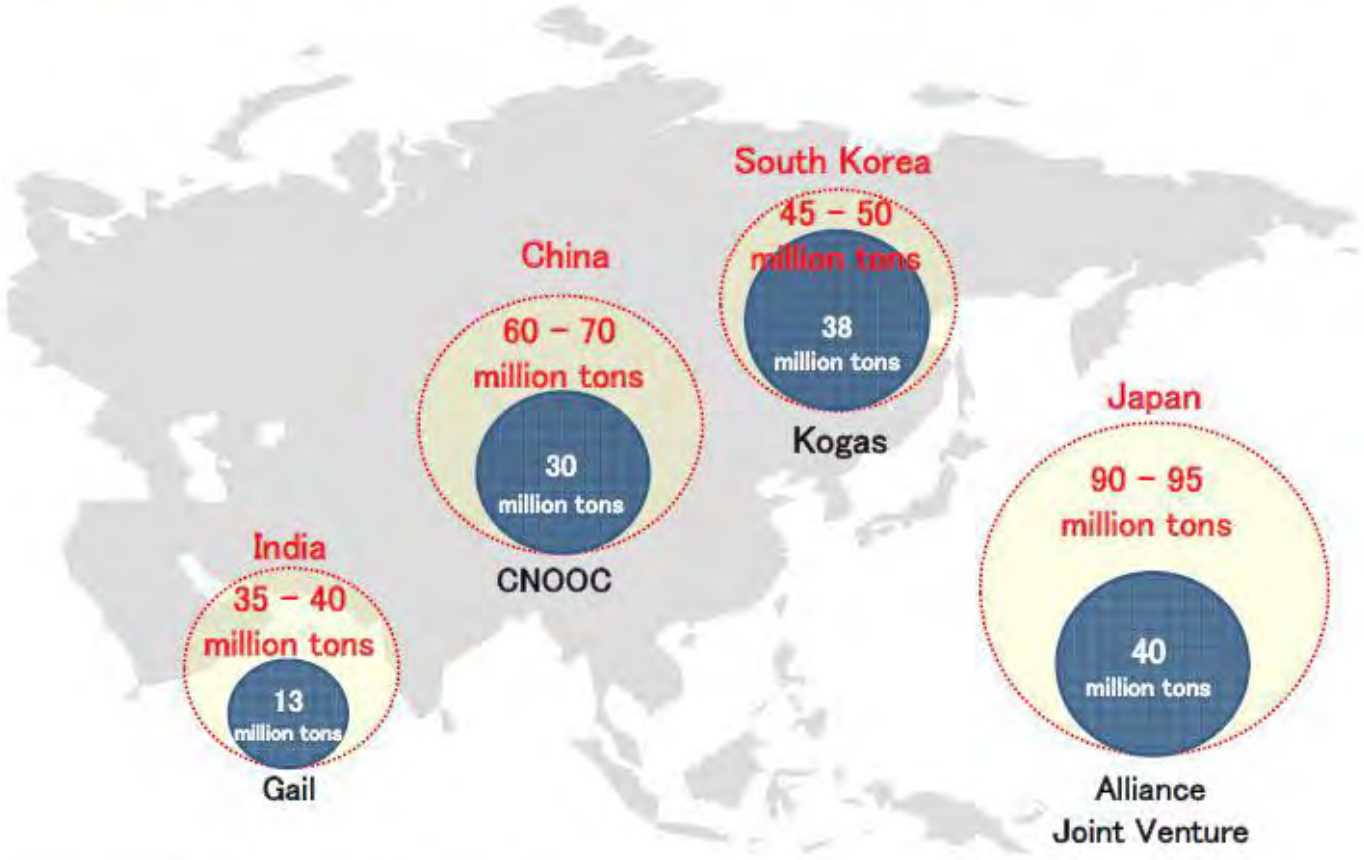


Tokyo Electric and Chubu Electric Sign JVA

Both companies entered into a joint venture agreement to establish a JVA company in April for the realization of the alliance . They plan to execute further agreements to integrate into JVA company their existing fuel business, including LNG spas, LNG receiving terminals and LNG vessels as well as upstream assets.

They will have a combined LNG purchase quantity at around 40MTA and will become the world's largest LNG buyer. Tokyo estimates that in around 2025, share of the new JVA company's LNG imports would be at 45 percent of the Japan's total imports, 90mta.
(Note) Similar alliance is expected to occur among Japanese electric power and city gas utilities such as between Kansai EP and Tokyo Gas.

○Major Asian Countries and Companies Scale of LNG Procurement After 10 Years



Source: prepared using several materials by research agencies

LOCAL GOVERNMENTS' INITIATIVE TO IMPORT LNG FOR THERMAL POWER/INDUSTRY USE AT JAPAN SEA SIDE

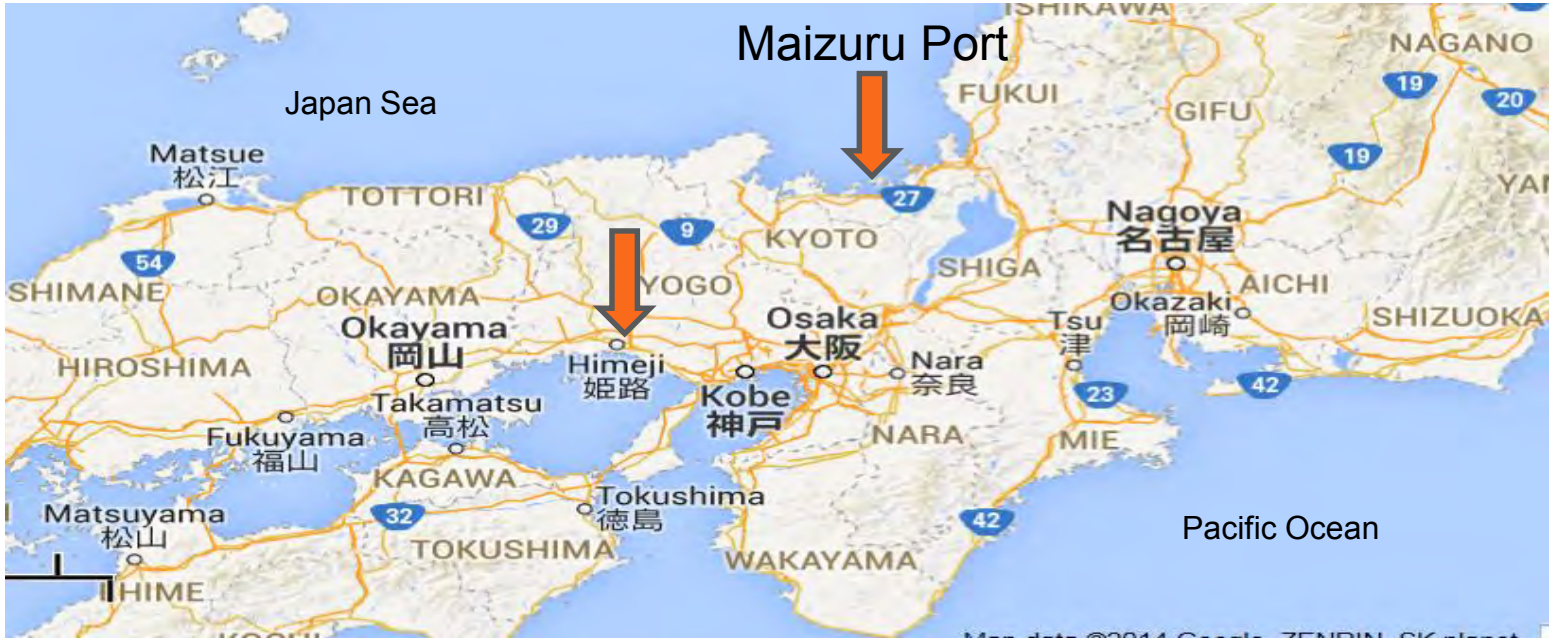
Background

The Deregulation of Electricity and City Gas Business & Sale

- Municipalities & other industries can participate in Power Business, besides the major electric power and city gas companies

Japan National Resilience Planning after Fukushima Disaster

- Importance of Energy Infrastructure(including LNG) at Japan Sea Side
  (Note) 93% of LNG receiving terminals currently at Pacific Ocean side



BASIC BUSINESS MODEL

Form PPP type organization for LNG project

- Maizuru Port: Kyoto Prefecture Government
- Himeji(Hirohata Port): Hyogo Prefecture Government

(Note) Future plan for natural gas pipeline connection between Maizuru and Hirohata.

LNG Receiving Volume:

- 500,000 tons / per year
- 2019～2020 start
- Maizuru 500,000 tons / Hirohata 500,000 tons

Total: 1,000,000 tons

LNG Use and Distribution for Maizuru:

- Local city gas, industrial use : 100,000 tons
- Power Plant (IPP 500 MW) : 400,000 tons

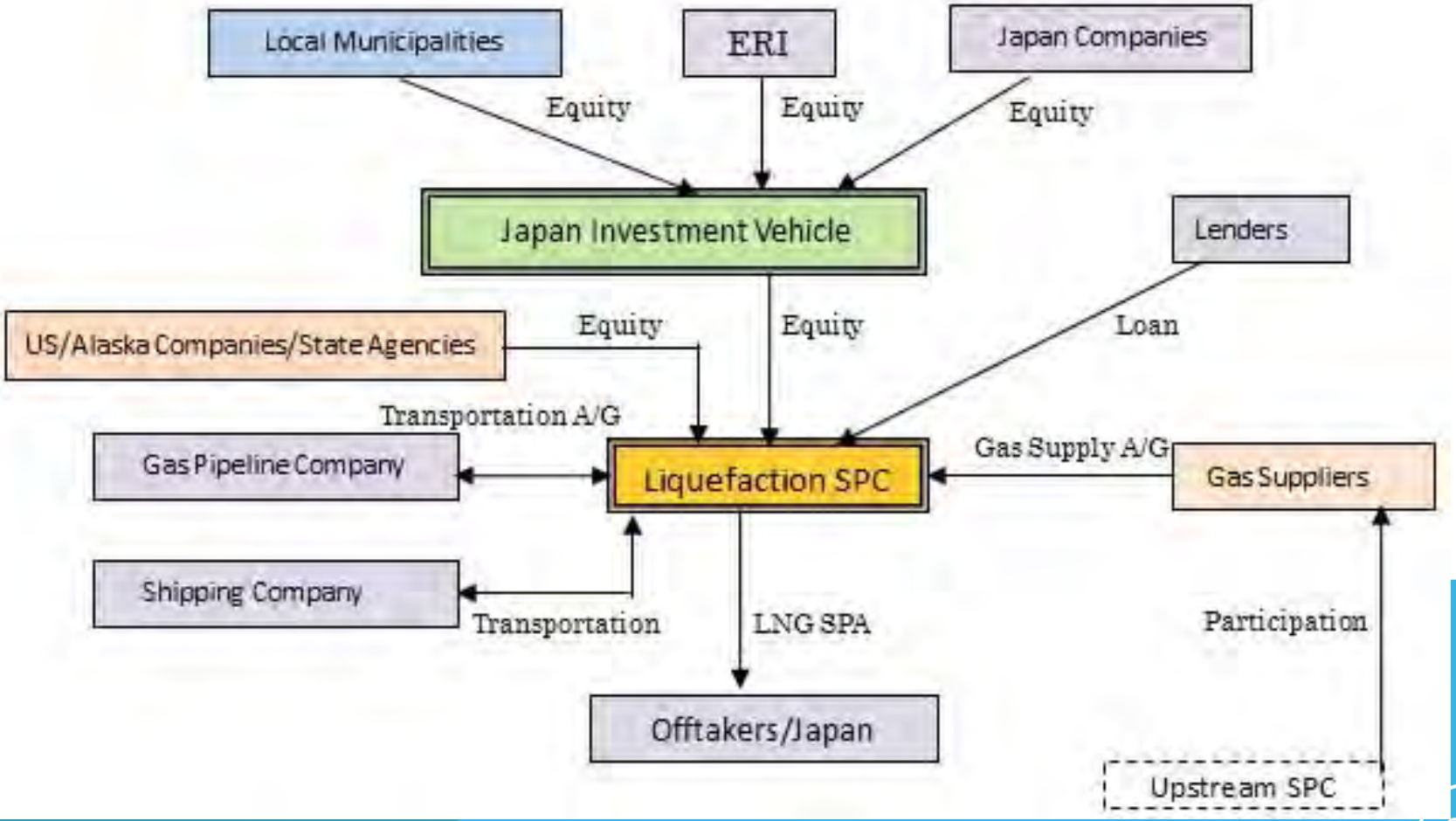
for Hirohata

- Local city gas, industrial use : 400,000 tons
- Power Plant (IPP 100 MW) : 100,000 tons

Size of the business(LNG terminal, Power Plant)

- US$ 700 million ～ 1 billion

PROPOSED PROJECT STRUCTURE



AGREEMENTS IN PLACE, LEGISLATIVE AND REGULATORY CONSIDERATIONS

REGULATORY SCHEDULE

Regulatory Regime Overview

- Satisfying regulatory requirements may require significant investment of time and resources.
- In the United States, Section 3 of the Natural Gas Act ("NGA") governs construction of export facilities and export of LNG.
  - Primary regulatory authority under NGA:
    - FERC: LNG facility siting authority.
    - Department of Energy ("DOE"): Approval for exports of the commodity.

Pipeline governed by Section 7 of the NGA.

- FERC: Regulation of pipelines.

U.S. Energy Secretary Ernest Moniz: "We Won't Be Obstacle to Alaska Gas Exports."

"We want to be very explicit to say that we will treat Alaska differently. The public interest is not an issue for us," Moniz said at the press conference.
In another development, DOE has exempted the Alaska project from new U.S. Dept of Energy rule that LNG export projects complete their environmental reviews before a federal LNG export licenses is issued.

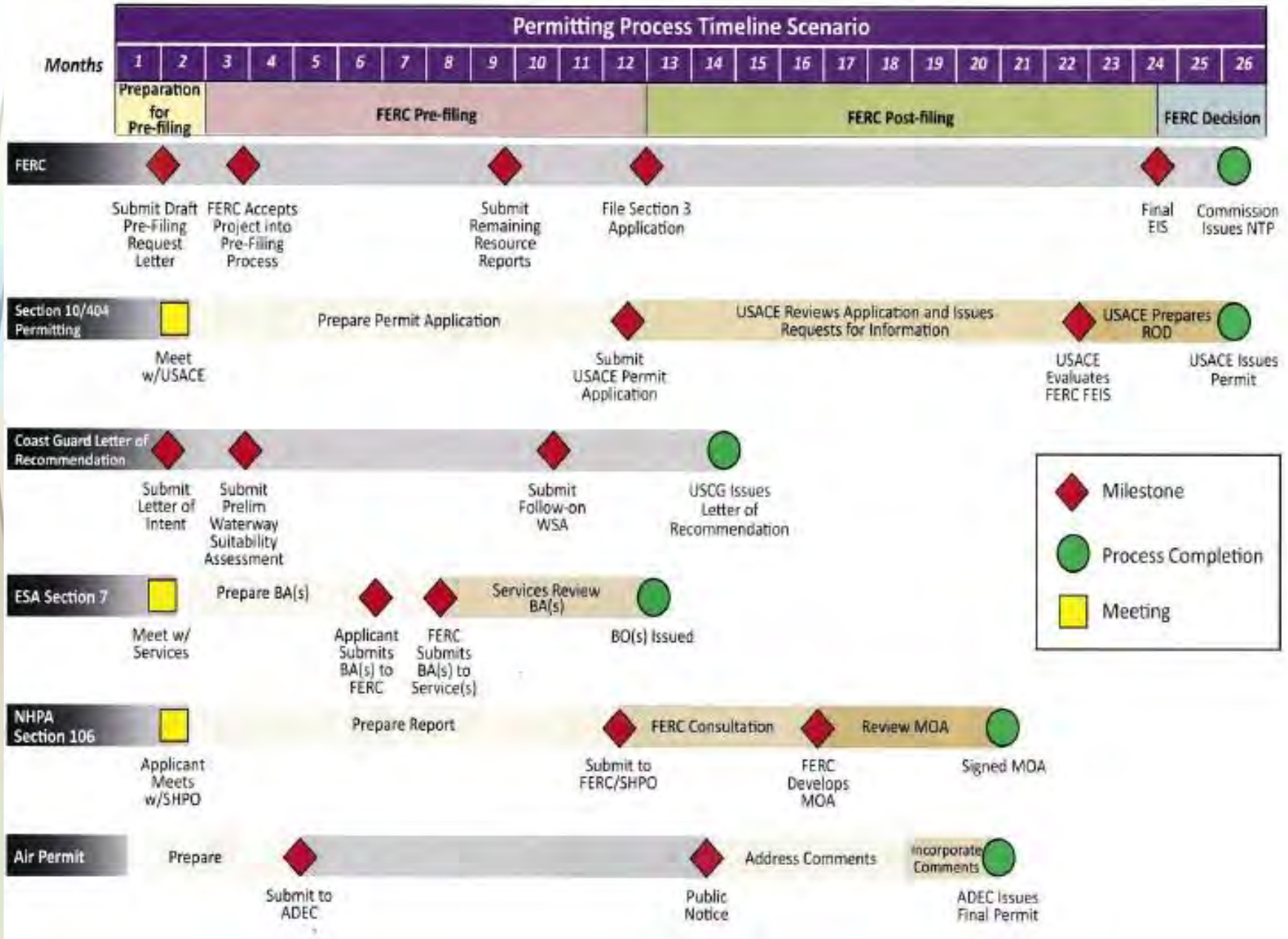
"Getting Alaskan gas monetized is good for the Alaska (economy), good for the country and good for our international security obligations."

Alaska, however, is again to handled separately, Moniz said. A "conditional" export license for Alaska will be granted when the project moves further along in its development.

Moniz says the Obama Administration wants to spur a project to export North Slope natural gas, and he says the No.1 way his department can help is by staying out of the way.

Source: Article by Liz Ruskin for Alaska Public Media and article by Tim Bradner for Alaska Journal of Commerce

HDR Regulatory Schedule



PORT MACKENZIE

TIMELINE AND SCHEDULE

MILESTONES AND NEXT STEPS

Cooperation Agreements with the State of Alaska
- Governor Walker – December 23, 2014
- DNR – December 2013

AIDEA agreements
- Formal Expression of Interest – December 23, 2013
- AIDEA Board Approval of CRA related to the proposed LNG facility of REI – April 24, 2014
- Signed Cost Reimbursement Agreement – April 29, 2014
- AIDEA Board extends term and provides additional money for CRA, December 16, 2014

Business Case and Economic Model
- Completed August 2014

Gas supply for Feedstock
- Reservoir and production analyses completed June/July 2014

LOIs from market in Japan – underway

KBR Study and Cost estimate
- Site plan and layout

Land Acquisition
- Option Agreement in place (valid through December 2015)

DOE and FERC preliminary discussions

Joint Venture Partners - underway

Targets by JUNE 2015:
- FEED to start
- Definitive Consortium/ Market participants
- Definitive Gas Supply
- Financial Arrangement

PROJECT CONTACT INFORMATION

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