



# Meet Alaska Conference 2017

*"ExxonMobil and Alaska Gas Development"*



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# Alaska Gas Development

## ExxonMobil Gas Development in Alaska

- Committed to develop / commercialize resource
- Largest owner of discovered gas on North slope
  - 36% of Prudhoe Bay
  - 62% of Point Thomson

## Alaska Gas Development History

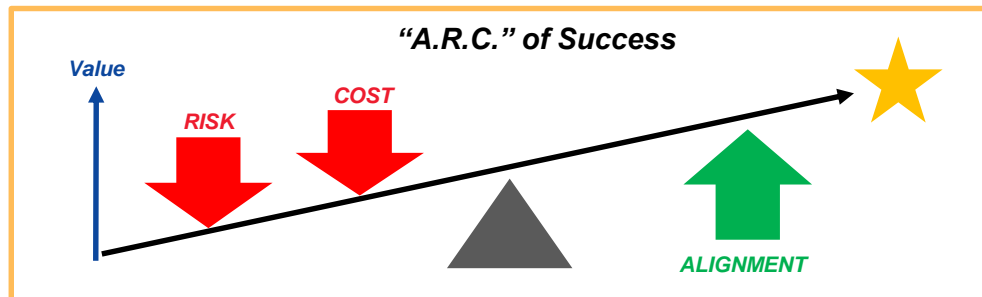
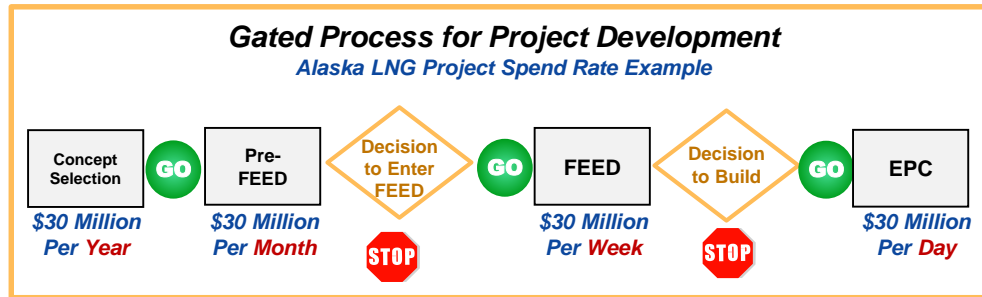
- Stranded Gas Development Act
- Alaska Gas Inducement Act – *Alaska Pipeline Project*
- Senate Bill 138 – *Alaska LNG Project*

## Principles for Success

- Gated process for project development
- Focus on Alignment, Risk and Cost



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# Point Thomson

## Project Overview

- ~8 TCF, lower CO<sub>2</sub> content
- ~200 million barrels condensate
- High pressure reservoir (10,000psi)

## Project Execution Success

- Initial Production System to recycle gas
- Over 15 million safe work hours
- AOGA 'Environmental Project of the Year' award
- Over 100 Alaskan companies involved
- Support from local community
- Completed under budget / on schedule
- ~\$4 billion investment, 62% EM
- *Currently producing 11,000+ barrels per day of condensate, cycling 200+ MCFD of gas*



Point Thomson Safety Meeting



# Alaska LNG Project

## Alaska LNG Background

- JVA Participants – AGDC, BP, ConocoPhillips, ExxonMobil and TransCanada
- Integrated ‘best player plays’ team
  - 130 people with extensive industry experience
  - 600,000+ safe work hours
- Leveraged project management gated process
  - \$100M+ spent on Concept Phase
  - \$500M+ spent on pre-FEED Phase
- EM funded 1/3 cost, provided 2/3 staff



## Key Results

- FTA and non-FTA Export Authorizations
- FERC pre-file Resource Reports (~40,000 pages)
- Integrated project design – 95% reliability
- Reduced execution risks (route, materials, etc.)
- Reduced capital cost estimate by ~20%



# Forward Path

## Current Alaska LNG Project Uncompetitive

- WoodMackenzie data shows costs are too high
- Opportunities to reduce cost of supply

## State Run LNG Project

- Opportunity to reduce cost of supply
  - Tax exempt
  - Low cost financing
- ExxonMobil supports State of Alaska
  - Access to all pre-FEED work at no cost
  - Extensive technical, regulatory handover complete

## Next Steps

- Provide AGDC access to Alaska LNG LLC assets
- Mutually agreed, bi-lateral well-head gas sales
- Durable and predictable terms, including fiscals, to underpin the required upstream investments

## The introduction of State ownership

