



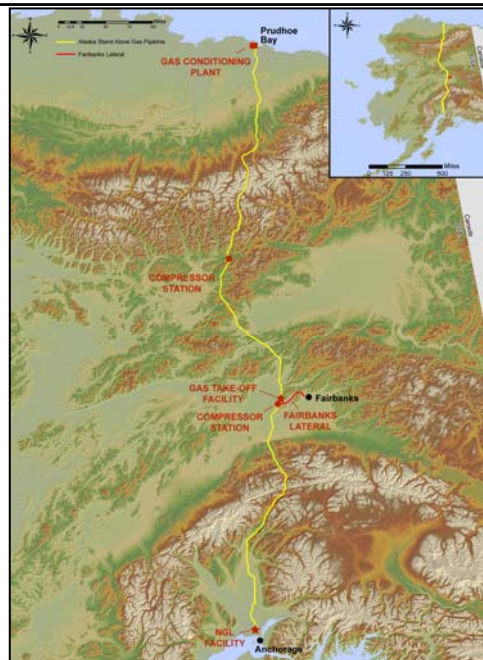
Pipeline Project Overview

Dan Fauske
Alliance Breakfast
October 14, 2010

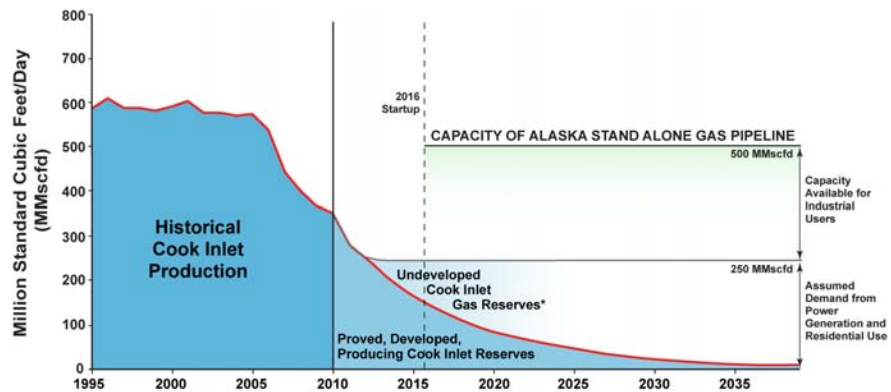
Tel. 907-277-4488 | Fax. 907-277-4484 | www.gasline.us.com

Alaska Stand Alone Gas Pipeline Project

- Why the Need?
- Project Status
- AGDC Organization



Cook Inlet Gas Production vs. Pipeline Capacity



*Undeveloped Cook Inlet Gas Reserves represents increasingly unlikely options for improving production in existing fields and for finding and developing new ones. Assumes production of most conservative reserves volumes first.

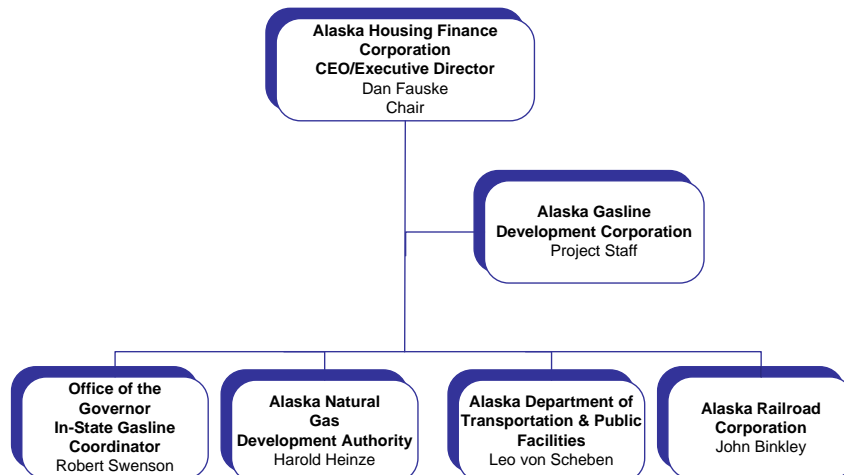
House Bill 369: Project Plan

- Established the mission for the Alaska Gasline Development Corporation (AGDC)
- Produce by July 1, 2011, a project plan for developing an in-state natural gas pipeline
- Plan must cover how an in-state natural gas pipeline can be designed, financed, constructed, and made operational by December 31, 2015

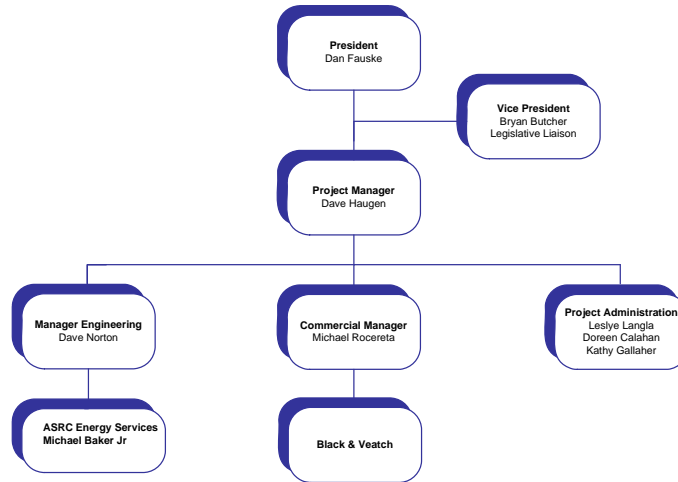
Summary of Legislative Intent

- Evaluate a stand-alone gas pipeline project that transports gas from North Slope to tidewater at the lowest possible cost
- Work in parallel with large-diameter and spur-line efforts to keep all options open
- Reduce risk to in-state gas line projects by acquiring major permits, determining cost of transport, and optimizing economic feasibility
- Prepare permit and project data package to transfer to pipeline developer

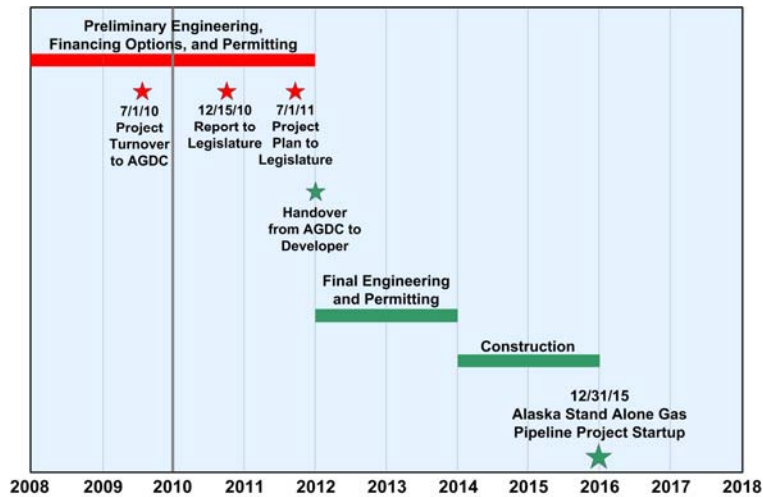
Joint In-State Gasline Development Team



AGDC Project Staff Organization



Project Schedule



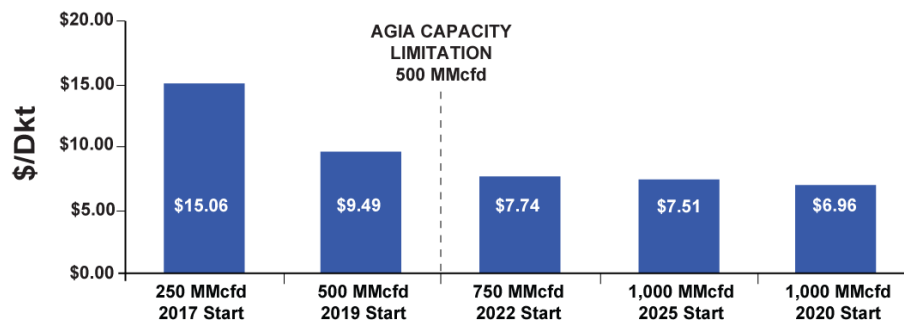
Preliminary Capital Cost Estimates for Pipeline and Facilities (\$ Billion)

Flow Rate (MMcfd)	Base Case	Utility Gas Only	Spiked with NGL
250	\$6.4	\$5.9	\$6.9
500	\$7.8	\$7.0	\$8.4
750	\$9.1	\$7.8	\$9.8
1,000	\$10.9	\$9.1	\$11.8

Costs represent P50 estimates with 40% contingency.

Transportation Tariff Estimates

(Levelized tariff based on P50 capex, excluding cost of gas)



Questions?