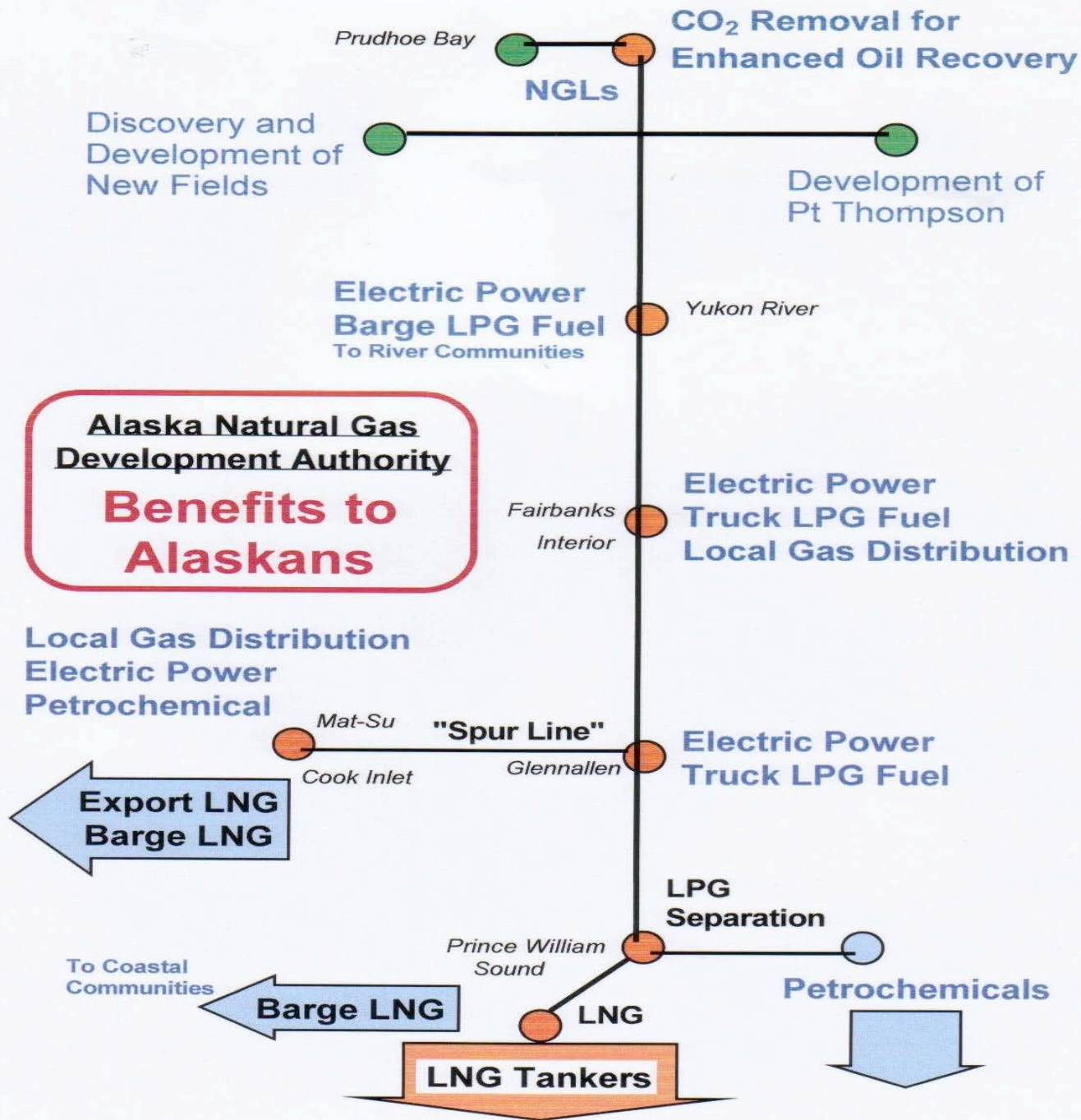


Alaska Natural Gas Development Authority

North Slope Gas to Alaska

R D C Annual Conference

Anchorage --- November 18, 2004



Cost of NS Gas Projects

Port Authority's Y-Line	\$26 B
Producer's Hghwy Line to Chicago	\$19 B
Pipeline's Hghwy Line to Alberta	\$15 B
<i>Yukon Pacific - 2.2 bcfpd LNG</i>	<i>\$12 B</i>
<i>ANGDA LNG – 2 bcfpd LNG</i>	<i>\$10.5 B</i>
<i>ANS Group – 1.1 bcfpd LNG</i>	<i>\$6.7 B</i>
<i>NS to CI Direct “Bullet Line”</i>	<i>\$3 B</i>
<i>Spur Line to Cook Inlet</i>	<i>\$0.5 – 1.0 B</i>

Report to the People

- **Bringing North Slope gas to market thru an LNG project is feasible and competitive with other Pacific Rim LNG projects**
- **Bringing North Slope gas thru the interior to tidewater and to Cook Inlet sets up many potential benefits for Alaska**
- **Is there a viable Alaska sized project that better fits our workforce & gas reserves, is less risky, and is doable in the nearer term**

Recent Federal Legislation

- **Congressional package of gas line loan guarantees, tax incentives, and regulatory streamlining passed in October finishes Federal statutory framework**
- **Positive commitment at national level provides great project momentum & is strengthened by Nov 2nd election results**
- **FERC “open season rules” conference in Alaska on Dec 3 should include access for in-state gas uses**

Cook Inlet Gas Situation

- **Reserves of '60s & '70s running out**
- **More gas to be found, but not cheap**
- **North Slope gas can be delivered to Cook Inlet at close to today's prices**
- **ANGDA will work with Cook Inlet gas users on an implementation plan for a State gas transmission utility to supply them with North Slope gas**

What ANGDA Is Working On

- **Six Requests For Proposals (RFP's) out to Alaska contractors (in by Nov 17)**
 - Apply for Spur Line right of way
 - Understand smaller LNG projects
- **Make sure “benefits” are understood in any Stranded Gas Act “deal”**
- **Defining projects that can be done over the next five years (*ie, pre-build spur*)**

Alaska Natural Gas
Development Authority

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