PROJECT OVERVIEW

North Slope LNG Plant
Prudhoe Bay, AK

Dalton Highway
Haul Road
509 Miles

Storage and Regasification
Fairbanks, AK

Distribution Systems
Fairbanks, AK and
North Pole, AK

AIDEA FINANCING
+ PRIVATE PARTNER

PRIVATE CONTRACT

AEA + LOCAL DISTRIBUTION COMPANIES
IEP GOALS

Supply natural gas to Interior Alaska:
- At the lowest cost possible
- As many Alaska customers as possible
- As soon as possible

IEP investments compliment alternative sources of gas supply

Use private-sector mechanisms
SB23 FINANCE PACKAGE

$125 Million  SETS Financing

$57.5 Million  Capital Budget Appropriation

$150 Million  AIDEA Bonds

+ Private Sector

+ Municipal Utility

North Slope Liquification Plant

Gas Distribution Systems  Residential / Industrial
Each of these cost components are dependent upon operation and maintenance cost, general and administration cost, depreciation, debt service, and other market influences.

As the IEP develops and contracts are finalized; AIDEA and AEA, in partnership with IEP utilities, will refine the range of costs one may expect when first gas comes to market.
ESTIMATED END USER PRICE RANGE

Production & Transportation

- FEED GAS
- LNG PRODUCTION
- LNG TRANSPORTATION

per McF

- LNG STORAGE & REGASIFICATION
- NATURAL GAS DISTRIBUTION

= Approx. User Price

Data available by accessing the July 2013 Feasibility Report at www.interiorenergyproject.com
Cost Estimate Classification Matrix for the Process Industries

Growth from Estimated Costs Including Contingency (%) vs. Maturity Level of Project Definition Deliverables (%)

Classes:
- Class 1
- Class 2
- Class 3
- Class 4
- Class 5
While the participating entities refine the financial structure, progress is underway.

Efforts include:
- North Slope LNG Plant
- Trucking
- Distribution
- Engineering
- Commercial Negotiations
Pad and access road construction completed on North Slope
All construction permits underway
Concession Agreement reviewed by AIDEA Board and authorized Executive Director to sign if no major changes
FNG Storage Tank Financing (5.25MM gallon tank)

$15MM loan to FNG (2014 build-out)

$8.1MM loan to IGU (Project Development)

29 miles of new FNG pipe installed
  - Additional 15 miles planned for 2015 build-out

IGU build-out modeling in development using AIDEA loan proceeds
MWH working with utilities to develop a trucking & storage consortium

AIDEA may assist the consortium in finding financing

MWH is actively seeking gas purchase agreements with local utilities and other commercial customers
FNG distribution build-out underway

IGU distribution modeling utilizing AIDEA loan proceeds

November 2014

- Class I engineering cost estimate delivered
- Financial model price agreement
- Financial close
NORTH SLOPE PAD CONSTRUCTION

Excavation Efforts

Completed gravel pad
2014 FNG PIPE INSTALLATION EFFORTS

Photos provided courtesy of Fairbanks Natural Gas

Pipe Fusion

Trenching
2014 FNG DISTRIBUTION BUILD-OUT EFFORTS

Distribution pipe build-out along Pike's Landing Road

Distribution pipe pressure testing

Photos provided courtesy of Fairbanks Natural Gas
PROPOSED IGU BUILD-OUT
PHASES 1-2

Phase 1

Phase 2

Photos available at http://www.interiorgas.com/syste/
PROPOSED FULL IGU BUILD-OUT
IGU 2014 FIELD SEASON WORK

ROW core drilling

Wetland mapping
IEP Decision Points

- Working Interest Owners
- Northern Lights, LLC.
  - MWH Global
  - Numileaf Capital
  - Kiewit
  - GVEA
- AIDEA Financing

= $

- LNG Gas
- LNG Production
- LNG Transportation
- LNG Storage & Regasification
- Natural Gas Distribution
- Burner Tip Price
- Local Distribution Companies
  - FNG
  - IGU
- Regulatory Commission of Alaska
Construction of a new LNG plant in South Central

Supplementing North Slope LNG production
QUESTIONS

interiorenergyproject.com