

ANGTL PROPOSES A 80,000 BBL/D GTL PLANT
IN SOUTHCENTRAL TO ANCHOR A GAS LINE

WHY GTLs? WHY SOUTHCENTRAL FIRST?

THINK EXPORT MARKET DEMAND



ALASKA RESOURCE DEVELOPMENT “A LEGACY DECISION FOR ALASKA”

WHY A GTL PROGRAM

1. PRE-BUILD OF ALASKA GAS LINE

2. VALUE ADDED PRODUCTS

3. FEDERAL ECONOMIC SUPPORT

4. MARKET DEMAND IS REAL

MULTIPLE PIPELINE PROPOSALS

THE ALASKA GAS LINE

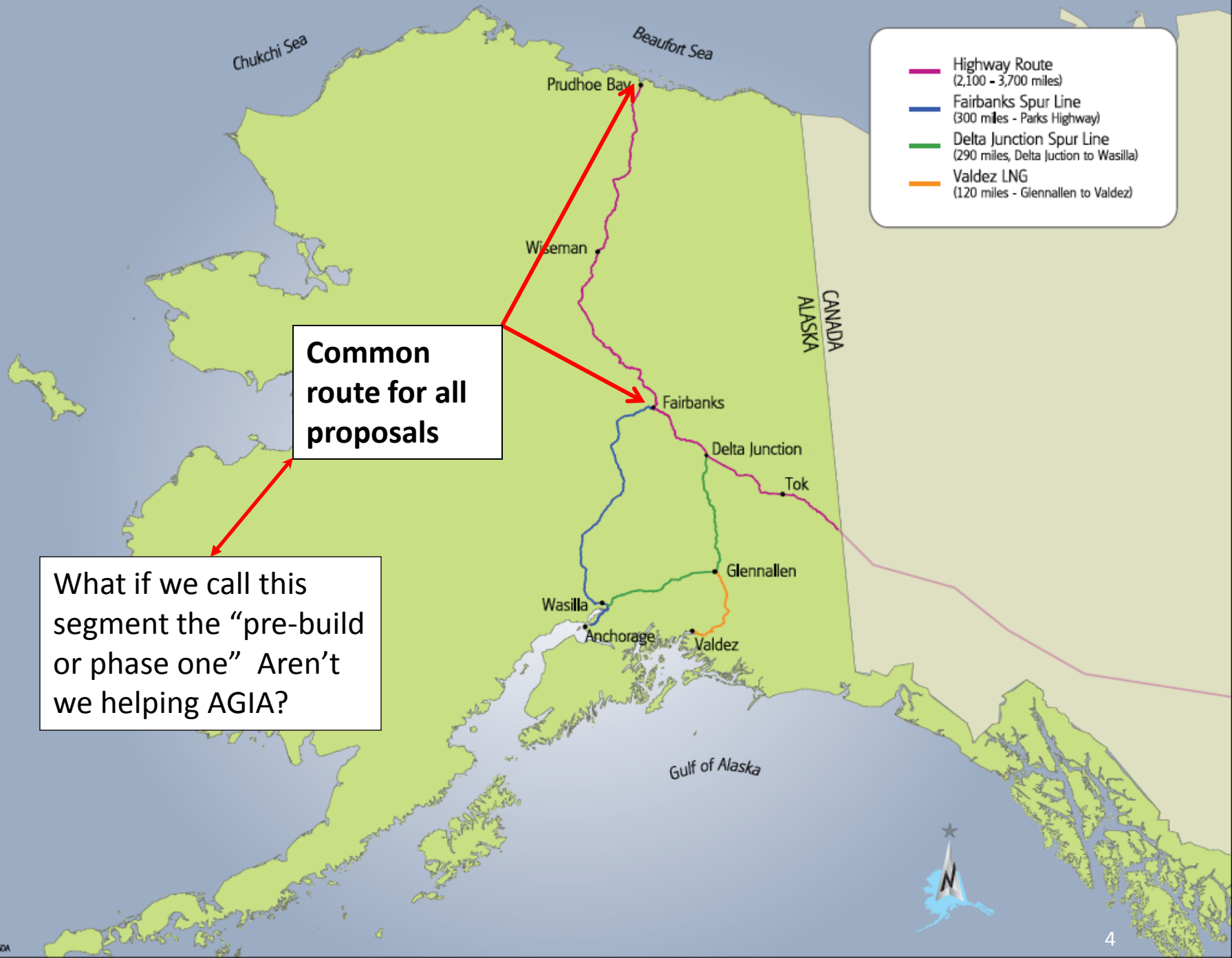
2 - PIPELINE DEVELOPERS
(AGIA – DENALI)

1 - BULLET LINE PROPOSAL

2 - SPUR LINE PROPOSALS

1 - LNG PROPOSAL

ALL USE A COMMON ROUTE FROM THE
NORTH SLOPE TO FAIRBANKS

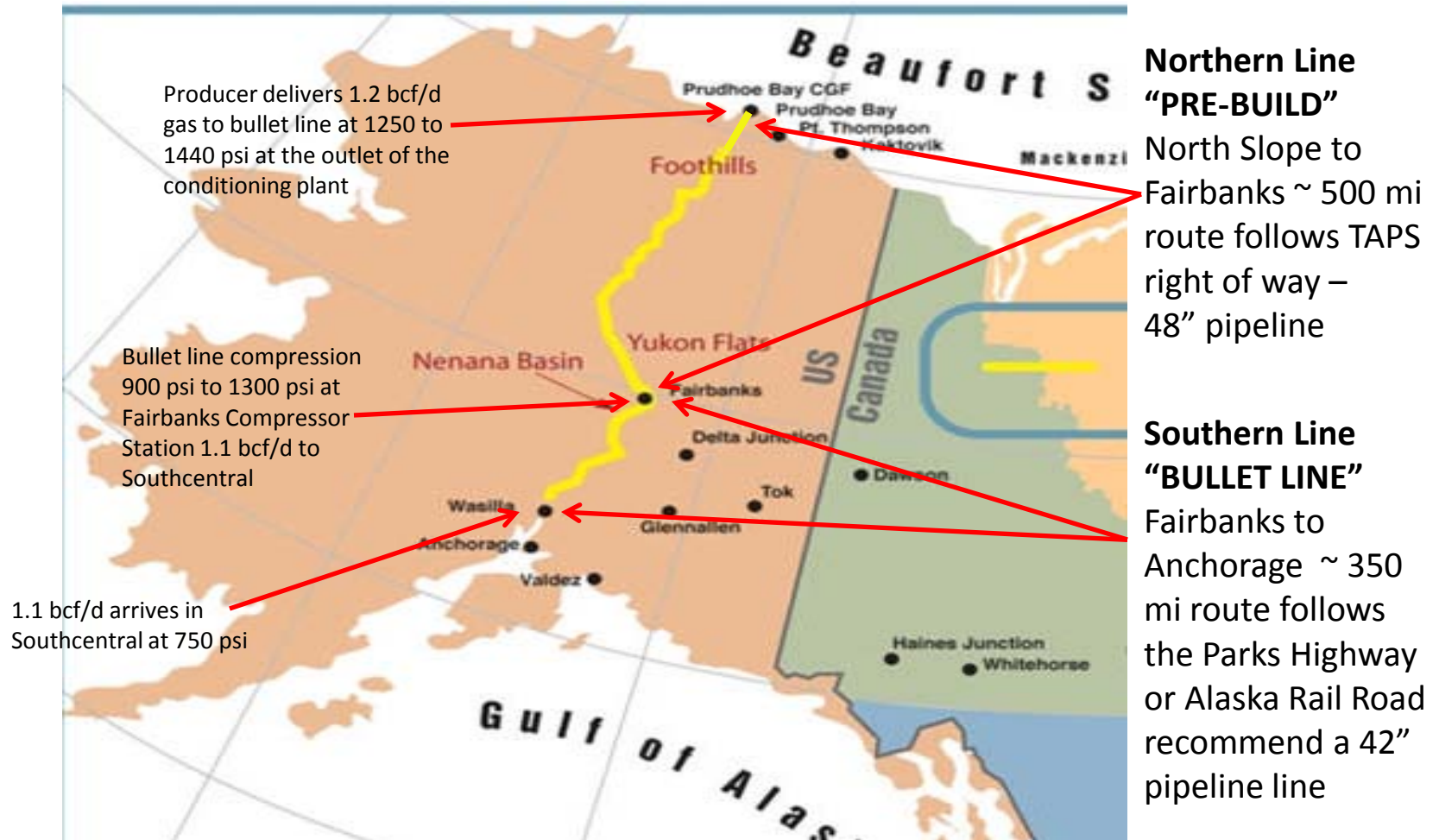


- Highway Route (2,100 - 3,700 miles)
- Fairbanks Spur Line (300 miles - Parks Highway)
- Delta Junction Spur Line (290 miles, Delta Junction to Wasilla)
- Valdez LNG (120 miles - Glennallen to Valdez)

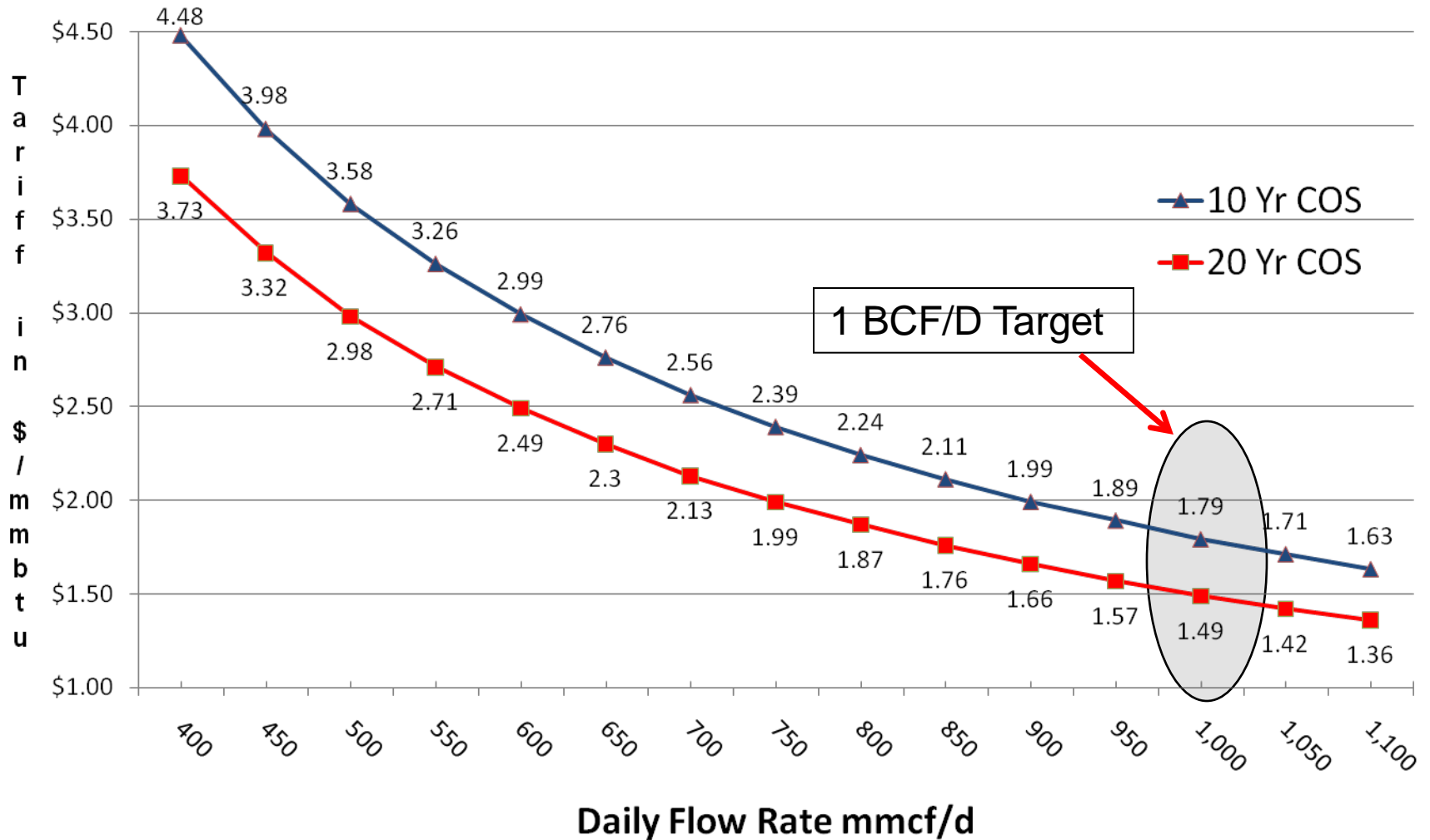
Common route for all proposals

What if we call this segment the “pre-build or phase one” Aren’t we helping AGIA?

PRE-BUILD & BULLET GAS LINE FROM NORTH SLOPE TO SOUTHCENTRAL



Alaska Bullet Line Service Tariffs



Data supplied by Enstar with a 800 + Mile distance Prudhoe Bay to MP 39 Parks Highway with a 24" Pipeline

WHY GTL FUEL's

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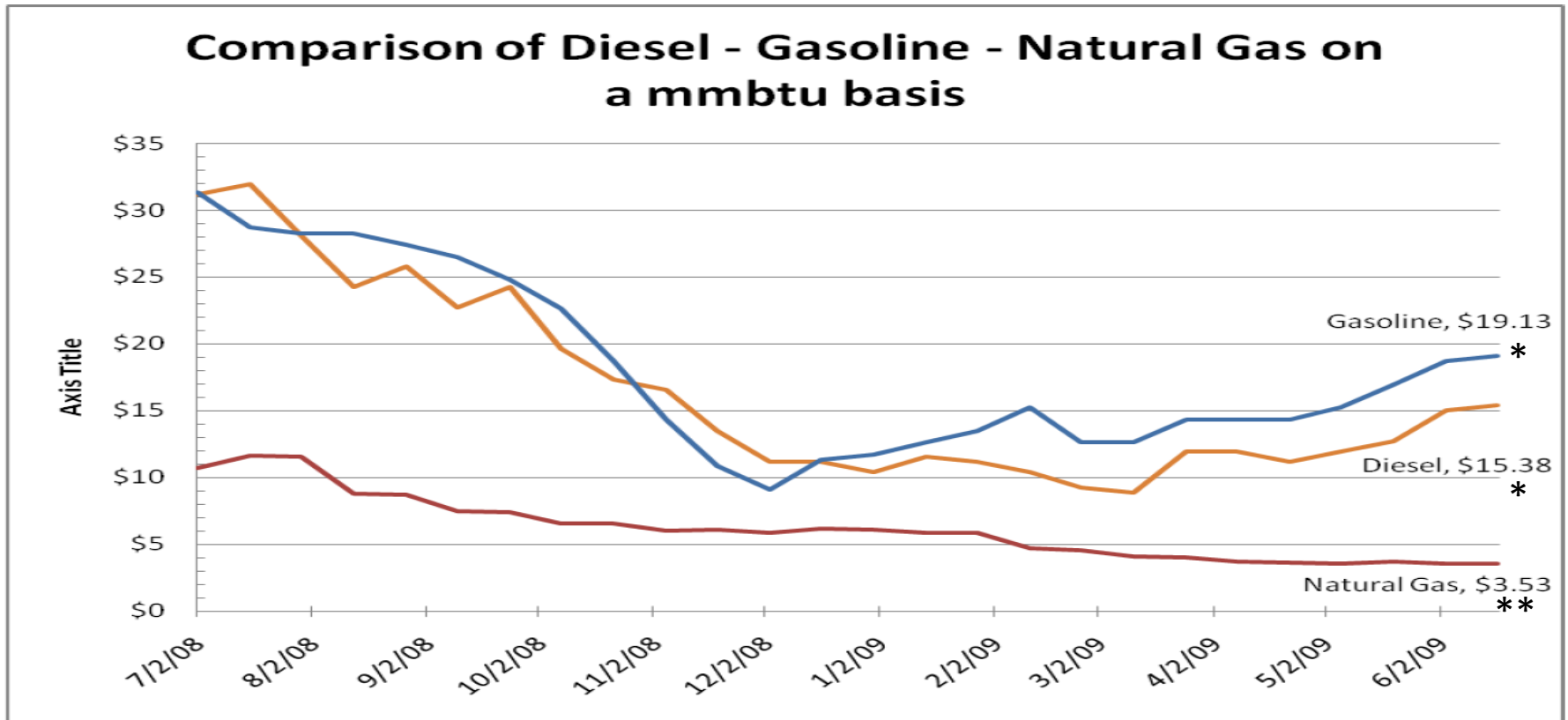
4. MARKET DEMAND IS REAL



Gasoline and Diesel Always Sell at a Premium to Natural Gas on a mmbtu Basis in the Lower 48 Market¹



¹ Natural gas is sold \$/mmbtu (million BTUs) based upon the energy content of the natural gas as measured in BTUs or British Thermal Units. Gasoline and diesel are sold on the basis of \$/gallon but each contain a certain amount of BTUs per gallon. When you convert \$/gallon for gasoline or diesel to \$/mmbtu you can directly compare the value of natural gas to gasoline and diesel.



* California wholesale rack price at refinery outlet

** Avg of AECO, Henry Hub, CA City Gate and US wellhead

LNG DELIVERED TO JAPAN



5-year commodity price chart for Natural gas LNG, Japan

DIESEL FUEL MARKET PRICE IN
CALIFORNIA IS THE HIGHEST IN
AMERICA AND THE WORLD
CALIFORNIA DIESEL FUEL QUALITY
DEMANDS LOWEST AROMATIC
LEVELS IN WORLD

F-T DIESEL HAS ZERO AROMATICS
& ZERO SULFUR

WHY GTL FUEL's

1. PRE-BUILD OF ALASKA GAS LINE

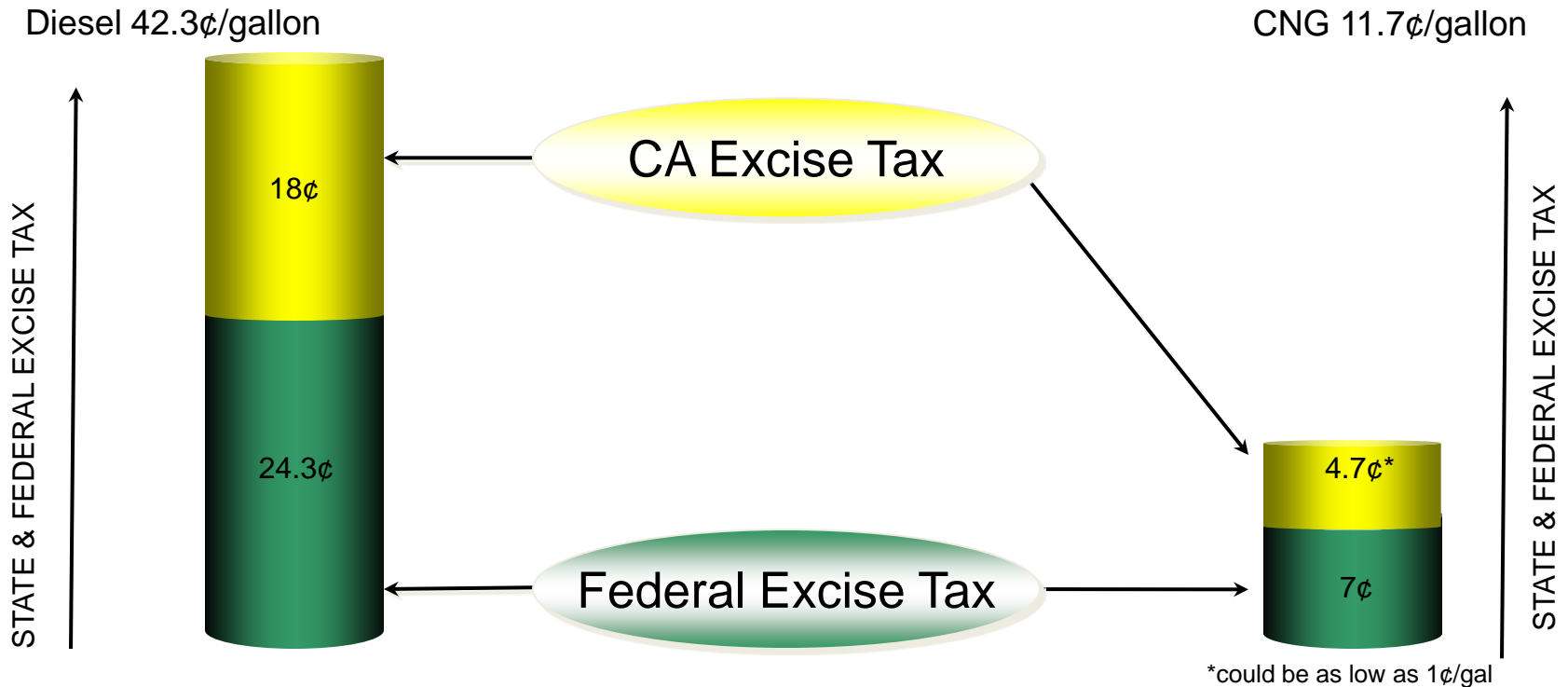
2. VALUE ADDED PRODUCTS

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4. MARKET DEMAND IS REAL

FEDERAL AND STATE (CA) TRANSPORTATION EXCISE TAX RATES FOR PETROLEUM BASED DIESEL AND CNG IN THE SAME VEHICLE

~savings 31¢/gal - \$13/bbl

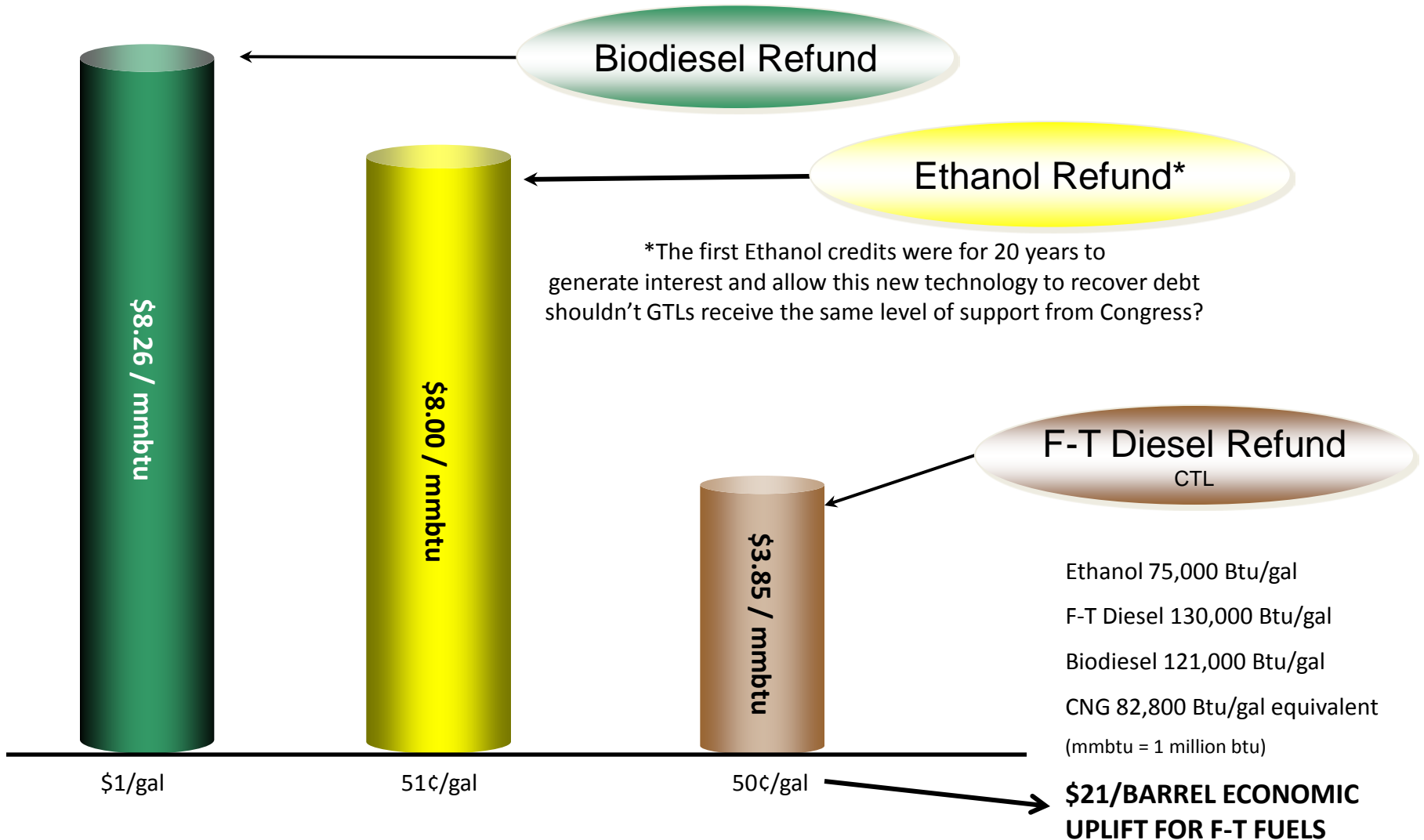


ALL ALTERNATIVE TRANSPORTATION FUELS ARE TAXED AT LOWER RATES THAN CRUDE OIL BASED FUELS

SHOULDN'T GTLs BE TAXED AT THE SAME RATE AS CNG?

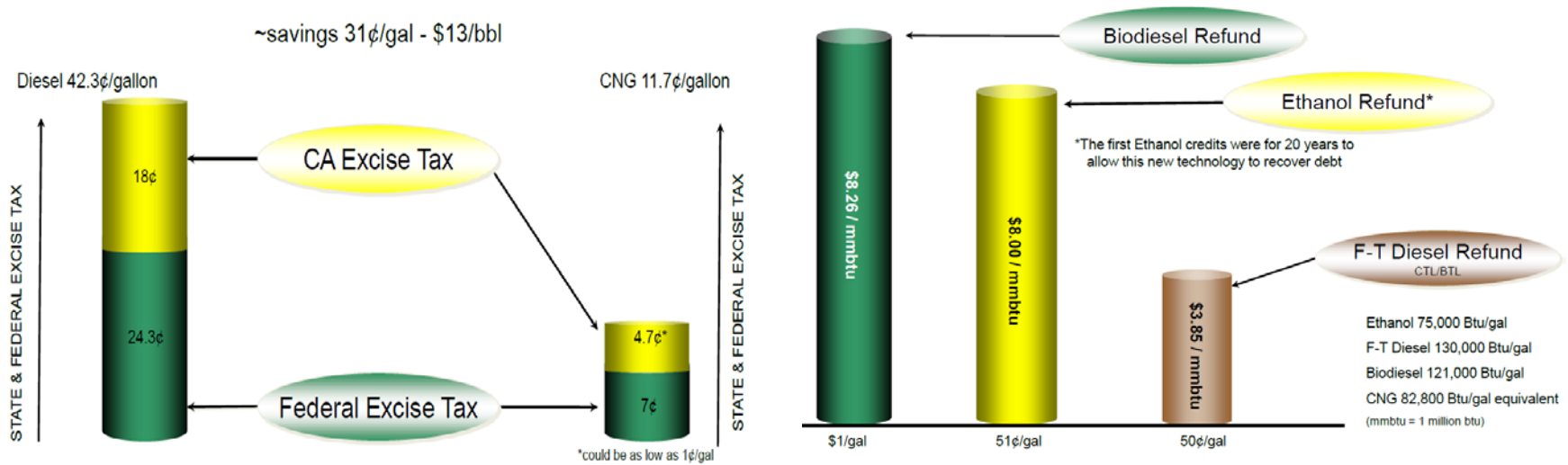
Current Energy Credits for F-T Fuels (CTL) On a \$/million btu basis vs Biodiesel & Ethanol

(At the Federal level only)



Ethanol 75,000 Btu/gal
F-T Diesel 130,000 Btu/gal
Biodiesel 121,000 Btu/gal
CNG 82,800 Btu/gal equivalent
(mmbtu = 1 million btu)

WHAT IS THE VALUE OF THESE TWO ECONOMIC UPLIFTS?



OVER \$4.00 PER MILLION BTU
~ \$700 MILLION/ YR IN
FEDERAL UPLIFT

A GTL Program will reduce
U.S. Oil Imports
Congress Provides Economic Support
for GTL/CTL Fuels

ISN'T IT BETTER THAT 300 MILLION
AMERICANS WILL SUPPORT AN
ALASKA BULLET LINE AND GTL
PROGRAM INSTEAD OF JUST
600,000 ALASKANS

WHY GTL FUEL's

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- 4. MARKET DEMAND IS REAL**

MARKET DEMAND IS REAL

**The US imports 1- 2% of its natural gas needs
but almost 70% of its transportation fuel needs**

**~15 MILLION BARRELS PER DAY
~220 BILLION GALLONS PER YEAR**

**SOUTHCENTRAL GTL PLANT AT 80,000 BBL/D
1 BILLION GALLONS PER YEAR**

CALIFORNIA MARKET 22 BILLION GALLONS PER YR

**In 1980 California imported ~ 2% of its crude oil & transportation fuels
2008 California imported ~ 48% of its crude oil and transportation fuels**

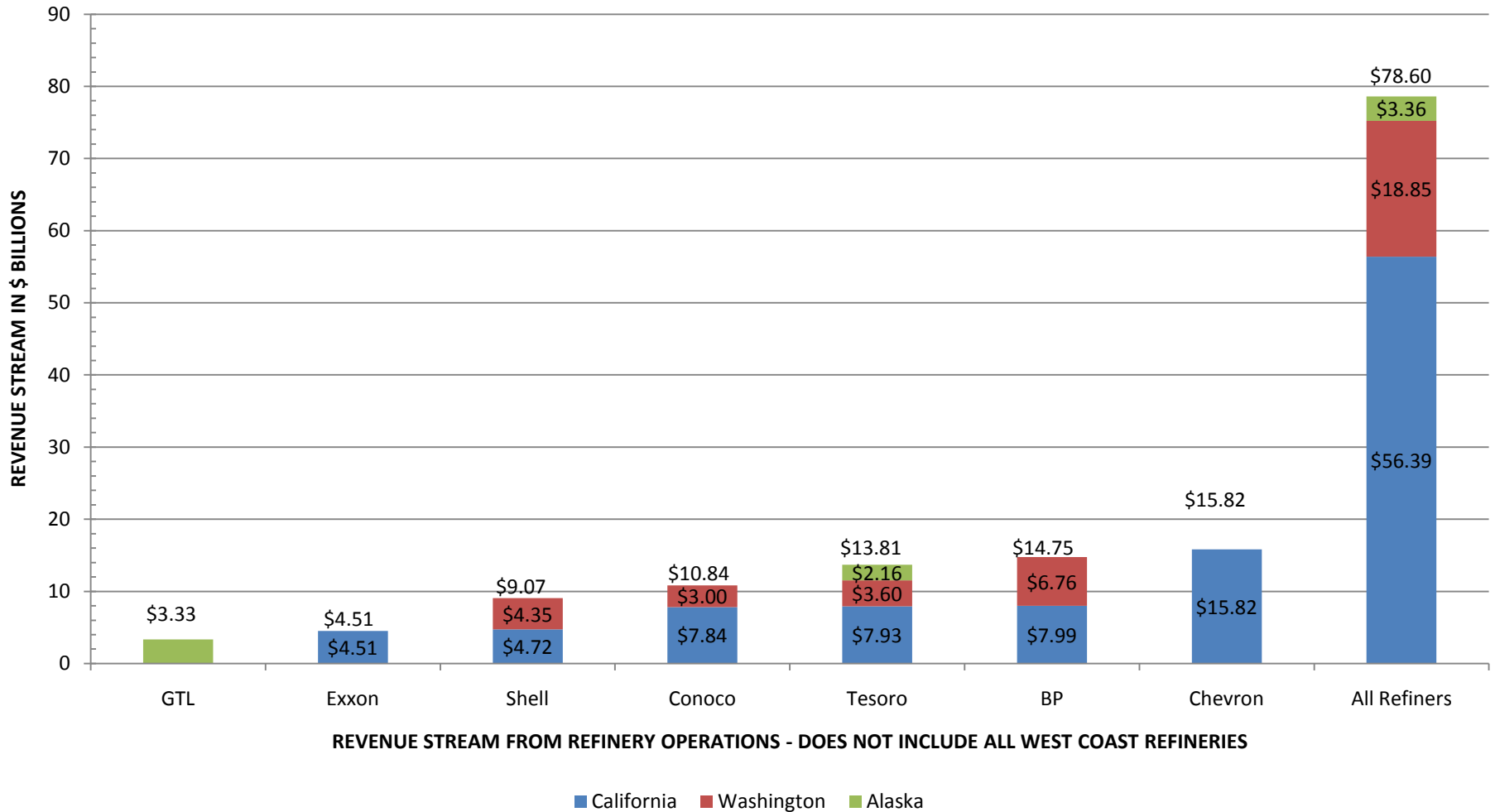
ANCHORAGE JET FUEL MARKET 1 BILLION GAL PER YR

**ANGTL GTL Plant located 5 + miles from Anchorage Airport
MILITARY WANTS 70,000 BBL/D OF A 50-50 F-T FUEL BLEND**

MARKET DEMAND IS REAL
BUT NOT IN ALASKA
ANY MAJOR INDUSTRIAL
CUSTOMER WILL HAVE TO
EXPORT
SHOULD IT BE ASIA?
OR
THE U.S. WEST COAST

COMPARISON OF REVENUE STREAMS

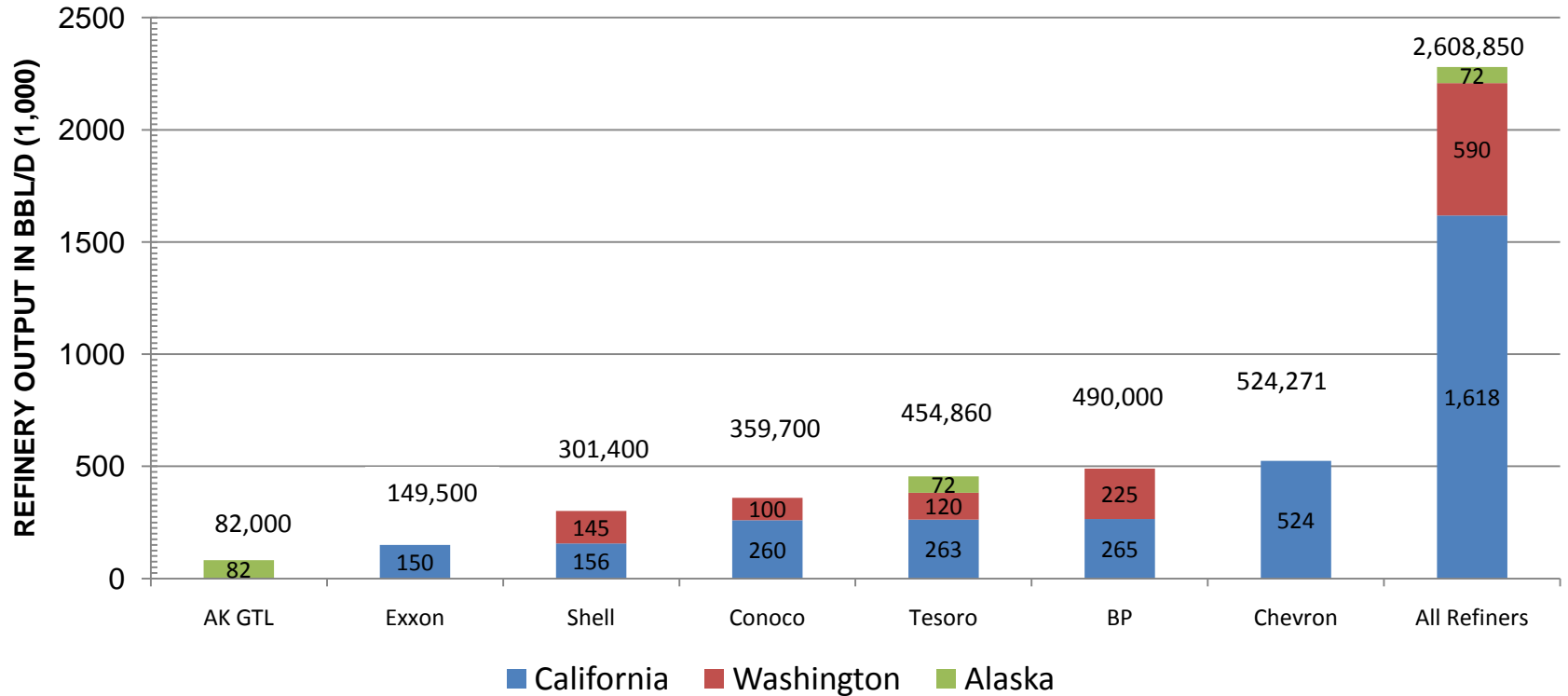
REVENUE STREAMS FOR WEST REFINERS AND ALASKA GTL PLANT



TRANSPORT DIESEL FUEL \$2.05/GAL CA; \$2.04/GAL WA; GAS PIPELINE \$2/MCF TARIFF TRANSPORTING 1 BCF/D

COMPARISON OF REFINERY OUTPUT

NOMINAL REFINERY OUTPUT IN BBL/D FOR WEST COAST REFINERIES AND SOUTHCENTRAL ALASKA GTL PLANT



REFINERY OUTPUT FOR WEST COAST REFINERIES WITH OIL AND GAS OPERATIONS IN ALASKA - DOES NOT INCLUDE ALL WEST COAST REFINERS

F-T FUELS FOR U.S. MILITARY

The U.S. Military is in the final stages of selecting F-T fuels as the fuel of the future for the military. Why, because F-T fuels, primarily diesel can be used in an airplane, helicopter, truck, tank or ship with no modifications. F-T jet fuel is currently approved for a 50-50 blend in all aircraft around the world.

There are no F-T plants currently in the U.S.

The military can not pay a premium fuel but can enter into long term contracts

The military can enter into call contracts to reserve a future call on capacity. This capacity can be airline seats, cargo capacity, container units, fuel tanker all at the market price for said capacity and in the future, an F-T fuel supply.

ANGTL has proposed to the Military a long term call on 35,000 bbl/d of F-T refining capacity at market price.

This 35,000 bbl/d of F-T can be blended with an equal amount of petroleum based fuels to provide 70,000 bbl/d for Pacific Rim military needs.

WHERE ARE THE MAJORS ON GTL's

1. In 2003/04 ConocoPhillips and ExxonMobil signed agreements to build 160,000 bb/day and 150,000 bbl/day GTL plants in Qatar. They would not have made these commitments if they did not believe in GTL's plus possess the skills to build world-scale GTL plants.
2. Shell Oil, has a 15,000 bbl/d GTL plant in Malaysia, is building a 140,000 bbl/d GTL plant in Qatar as well as planning a CTL plant in China.
3. Chevron, Sasol's world wide GTL partner, is planning a 34,000 bbl/d GTL plant in Nigeria and planned a 100,000 bbl/d GTL expansion with Sasol and a new 120,000 bbl/d GTL plant both in Qatar.
4. Marathon completed a pre-FEED study for a 120,000 bbl/d GTL plant in Qatar in 2003.
5. BP and Statoil are working on barge mounted GTL plants.

Clearly, the North Slope majors possess all the skills necessary to build GTL plants worldwide including in Alaska. The economics of building in Alaska are there. But North Slope producers are also west coast refiners. Is it possible that they do not want the competition? Is it possible that they do not to reduce U.S. Dependence on imported crude oil?

SUMMARY

- **ALASKA CAN SUPPLY THE U.S. WITH ITS TRANSPORT ENERGY NEEDS**
- **FAIRBANKS NEEDS AN ALTERNATIVE SUPPLY OF NEW ENERGY**
 - THIS ENERGY MUST BE CLEAN BURNING
- **SOUTHCENTRAL NEEDS ADDITIONAL NATURAL GAS SUPPLIES TO**
 - STEM THE LOSS OF INDUSTRY, AND
 - TO PROVIDE RESIDENTIAL AND COMMERCIAL CUSTOMERS WITH LONG TERM WINTER DELIVERABILITY AND RELIABILITY
- **ALASKA'S LARGEST CRUDE OIL REFINERY MAY CLOSE**
 - FLINT HILLS REFINERY A MAJOR FUELS SUPPLIER IN ALASKA IS STRUGGLING,
- **THE U.S. WEST COAST FUELS MARKET EXCEEDS 1.8 MILLION BBL/D**
 - THE ALASKA GTL PLANT ONLY REPRESENTS 3.9% OF THIS EXISTING MARKET
 - PAC-RIM MILITARY SUPPLY IS SEEKING 70,000 BBL/D OF A 50-50 F-T BLEND BY 2018
- **A SOUTHCENTRAL GTL PLANT CAN ANCHOR A 1 BCF/D BULLET GAS LINE**
 - 70 TO 75% OF ALASKA'S POPULATION WILL POSITIVELY DIRECTLY BENEFIT FROM A BULLET GAS LINE AND GTL PLANT – 100% WILL RECEIVE BENEFITS
 - THE ALASKA LEGISLATURE IS PROPOSING A \$470 MILLION STATE TAX CREDIT FOR GTL'S
- **THE MAJORITY OF THE ECONOMIC SUPPORT FOR A BULLET LINE COMES FROM OUTSIDE ALASKA - 300 MILLION AMERICANS WILL SUPPORT THE ALASKA PROGRAM IN EXCHANGE FOR REDUCING U.S. IMPORTS OF CRUDE**
 - IF THE ECONOMIC SUPPORT FOR THE BULLET LINE COMES FROM FEDERAL ALTERNATIVE FUEL PROGRAMS DOES THE PROJECT VIOLATE THE AGIA TERMS - NO