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

Gated Process for Project Development

- Concept Selection: $30 Million Per Year
- Pre-FEED: $30 Million Per Month
- Decision to Enter FEED: $30 Million Per Week
- Decision to Build: $30 Million Per Day
- EPC: $30 Million Per Day

“A.R.C.” of Success

- Alignment
- Risk
- Cost

ExxonMobil-sponsored Iditarod since 1973
Point Thomson

Project Overview
• ~8 TCF, lower CO₂ 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
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