



# *WESPAC MIDSTREAM*

## Matanuska-Susitna Borough Cook Inlet LNG Project

August 2014

# WesPac Midstream LLC

- WesPac founded in 1998 to develop, own, and operate energy infrastructure projects
- Project history in tank farms, pipelines, marine terminals , rail offloading, and airport fuel facilities
- Focus on LNG, NGL, and gas processing infrastructure

- WesPac's majority owned by Highstar Capital and Oaktree Capital, a \$86 billion investment firm with deep expertise in energy investing and development, and ownership of companies such as Kinder Morgan G.P., Ports America, and Advanced Disposal Services
- WesPac has reached agreement with Clean Marine Energy (CME) to offer marine financing and conversion technologies



Newark Container Terminal  
Plant



Jaxport Container Terminal



American Ref-Fuel Plant



Kern River Pipeline



Boron LNG Plant

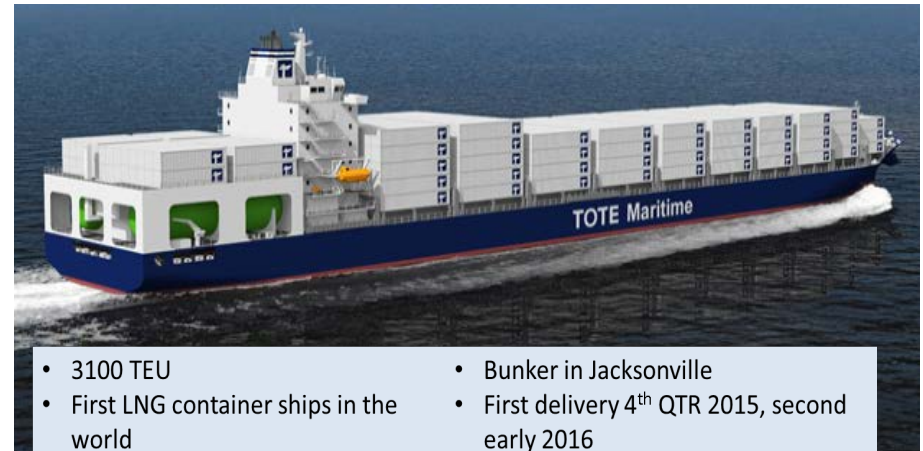


# WesPac Midstream LLC LNG Development Projects

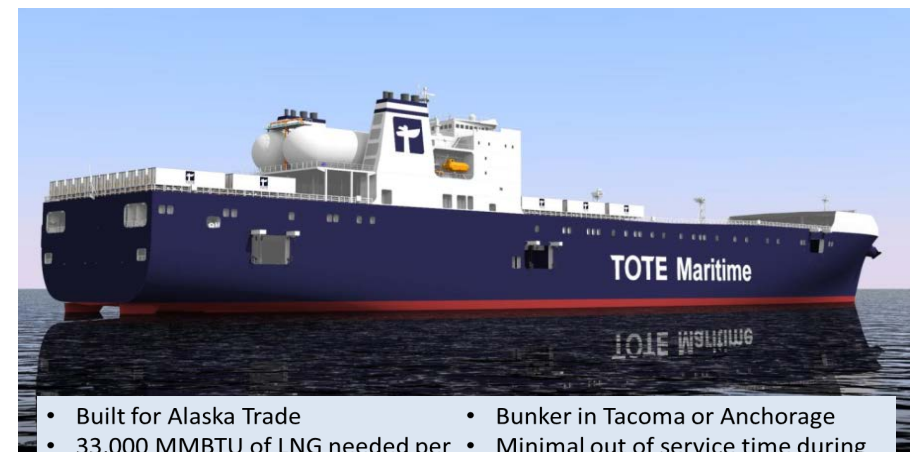


# Recent Developments WesPac and TOTE

- WesPac/AGL developing LNG project for TOTE in Jacksonville, FL
  - 1<sup>st</sup> LNG bunker vessel
  - 1<sup>st</sup> LNG container vessel
  - 1<sup>st</sup> LNG supply dedicated to marine operations
- WesPac working with TOTE in Tacoma, could extend to Alaska

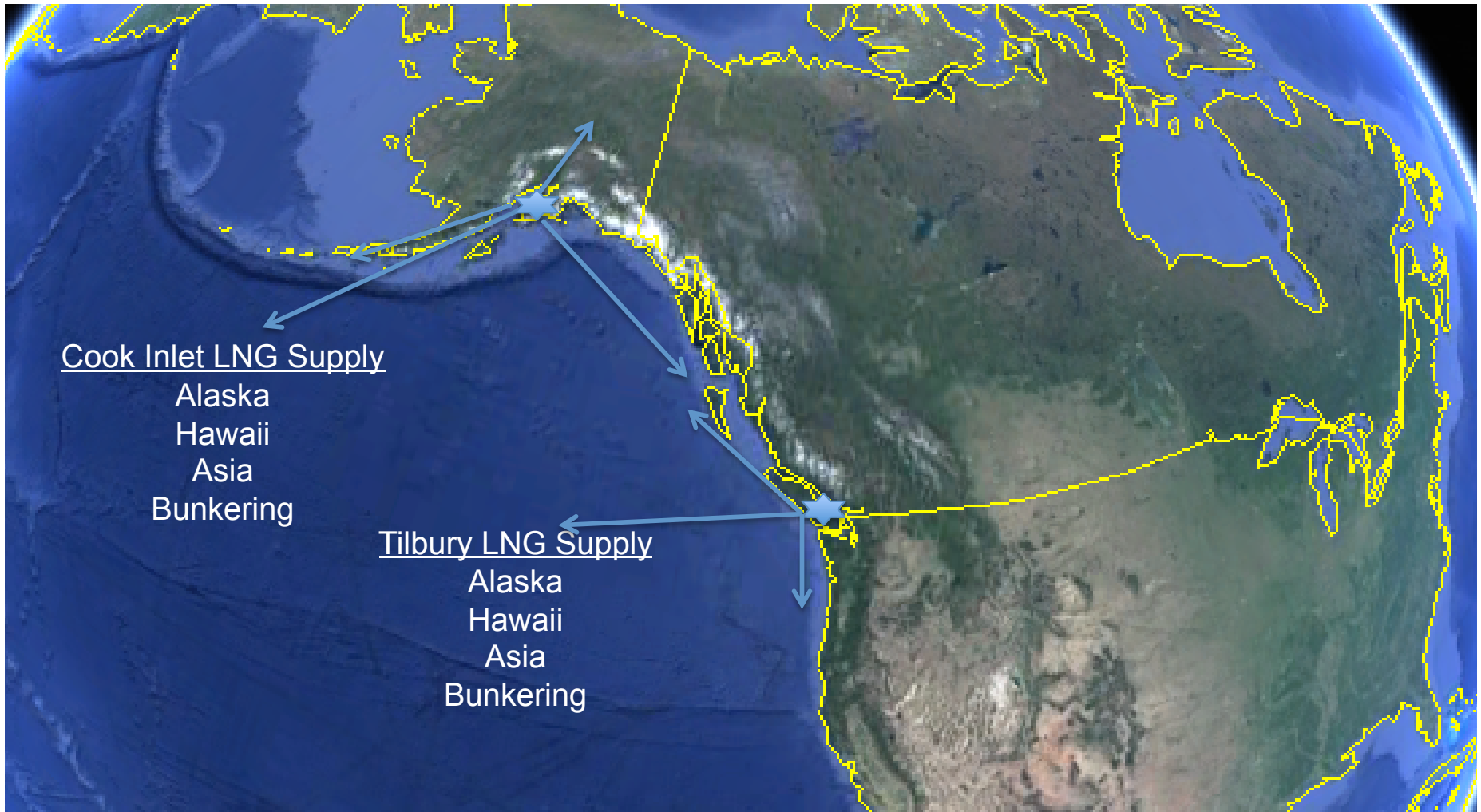


- 3100 TEU
- First LNG container ships in the world
- Dual fuel capable MAN engine
- Bunker in Jacksonville
- First delivery 4<sup>th</sup> QTR 2015, second early 2016



- Built for Alaska Trade
- 33,000 MMBTU of LNG needed per week, per ship
- Dual fuel capable Wartsila engines
- Bunker in Tacoma or Anchorage
- Minimal out of service time during reengining

# Twin Supply – Connected Markets



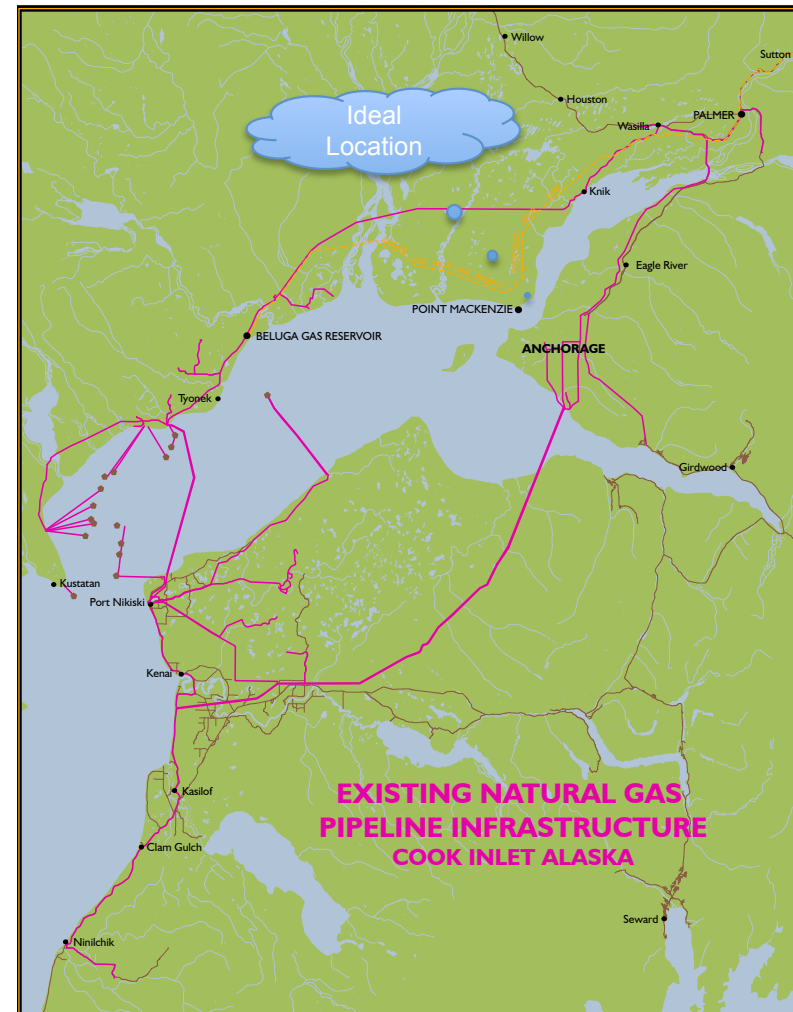
# WesPac's Primary Objectives

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- Build, own and operate a new scalable mid-sized LNG project in the Cook Inlet
- Establish LNG alternative for Fairbanks and Interior markets
- Create new gas markets in rural and coastal Alaska by displacing diesel
- Offer a competitive gas peaking alternative for “railbelt” communities
- Develop in state optionality (LNG by truck, pipe, rail, vessel and “wire”)
- Own and commercialize stranded Cook Inlet gas reserves

# Port MacKenzie Attributes

- Ideal location for LNG
  - Existing port
  - Abundant land
  - No major permitting
  - Minimal impact
  - Gas pipelines
  - Power transmission
  - Rail lines
  - Truck access
  - Marine access
  - Peaking for utilities
  - Growth opportunities



# Project Overview



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- Integrated Project – over \$600 million **w/out State subsidy**
  - Proven Reserves + LNG facility + Rail + Marine
    - Site – 100 acres at Port MacKenzie
    - Gas supply – proven Cook Inlet reserves
    - LNG facility – ~250,000 GPD liquefaction and storage
    - Power plant – 11 MW + on site power
    - Gas pipeline – 8 – 16 inch interconnection to ENSTAR pipeline
    - Truck loading - multiple loading racks
    - Rail loop – extension, siding and laydown
    - Dock – deep water and barge access



# Preferred Site



-  Preferred Option
-  Mat-Su Parcel Boundary



Potential Site Locations  
Point MacKenzie



Figure #:  
**1**



# Port MacKenzie Facility Renderings



# Way Forward

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- WesPac's near term objectives (by October 31, 2014)
  - Obtain site lease
    - Negotiate with 3<sup>rd</sup> party lessees
  - Obtain commitments for offtake
    - Interior communities, including Fairbanks, coastal Alaska, mines, and industrial loads
  - Contract with Alaska Railroad
    - Port MacKenzie and Fairbanks operations
  - Secure access to long term reserves
    - Contract and equity
  - Detailed permitting
    - Remove potential fatal flaws from A - Z
  - Secure financial commitments and guarantees
    - Work with State to ensure project success

# Matanuska-Susitna Borough - Benefits

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- Participate in the State's energy development
- Long term lease with credit worthy tenant
- Competitive and stable revenues
- Economic diversification
- Rail extension
- Jobs and economic growth
- Port expansion (multiple commodities)
- New power plants (potential cogen)
- Direct access to gas pipeline
- Gas peaking capabilities