President’s Report

June 25, 2026

ALASKA GASLINE DEVELOPMENT CORP.

Safety Moment – Boating Safely

DID YOU KNOW:

Nearly 85% of those who drown while boating were not wearing a life jacket?

"But I can swim…."

2/3rds of drowning victims are considered good swimmers.

State of Alaska Law

- Every vessel must have a Coast Guard approved Type I, II, or III PFD for every person on board.
- Children 13 and younger are legally required to wear a Coast Guard approved PFD at all times when in an open boat or on the deck of a boat underway.
- Boats 16 feet and longer (except canoes and kayaks) must also carry at least one readily available, throwable floatation device.

Source: NOAA Informational, 2026

Agenda

1. Financial Report
2. Oil and Gas Property Tax Special Session Update
3. Alaska LNG Project Development Update
4. 8 Star Governance Report
5. State Equity Option Program
6. Port Mackenzie Rail Extension (PMRE) Project Closeout

Financial Report

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FY 2026 Financial Report

ALASKA GASLINE DEVELOPMENT CORP.

AGDC Fiscal Year to Date Statement of Activities ($thousands) as of May 31, 2026 Unaudited	
Authorization for Expenditure (AFE) (Rev.1) Expenditures	2,288
AGDC General & Administrative (G&A)	1,900
Total	**4,188**

AFE Expenditures (Program & Commercial)		AGDC General & Administrative (G&A by Function)	
	YTD Costs		YTD Costs
Program Management	1,575	Personnel	1,211
Commercial Management	434	Travel	35
Other Direct Costs	96	Services	623
Permit Fees & Land Lease	183	Commodities	31
Total	**2,288**	**Total**	**1,900**

Oil and Gas Property Tax Special Session Update

(as of June 19, 2026)

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Special Session Update

- Property Tax Work Group Initiative
- Regular Session Outcome
  - No bill passed
- Special Sessions
  - Governor calls special session
    - HB 2001/SB 2001
  - House elects to use HB381
  - House Finance Hearings
  - House passes HB381 by vote of 34-5
  - Senate Finance Hearings
  - Senate passes SCS HB381 12-8
  - Governor calls second special session
  - Conference Committee appointed

HB381 Sectional Groupings

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Utility Buyer Protections

18: Price cap and cost overrun protections

AGDC Provisions

5: AGDC is Fiduciary of State

6: AGDC procurement procedures

7: AGDC JV and disposal limitations

8: Investment options for Municipalities

9: AGDC confidentiality restrictions

10: AGDC confidentiality restrictions

11: AGDC disposal approvals

12: Future State investment options

13: AGDC Open Meetings Act and APA provisions

14: AGDC revenue flow

15: AGDC revenue bond approvals

16: AGDC biannual reporting requirement

17: Notification of ownership change

18: AGDC subsidiary definition

27: AGDC report on effectiveness of Act

30: State investment options notification

Tax and Municipal Impact Provisions

25: Tax abatement and AVT

28: Municipal impact grant fund

31: Conditions to be met

33: Abatement and AVT effective date

Sunset

21: Reverts taxation after sunset

23: Reverts tax holiday after sunset

26: Abatement and AVT sunsets

32: Conditional current law reversion

34: Current law reversion effective date

Technical

1: Findings and Intent

2: Removes from local contribution

3: Removes from municipal property taxation

4: Removes from municipal tax cap

20: Removes from state property taxation

22: Conforming to Section 20

24: Removes from state taxable property

29: Effective dates for AGDC limitations

35: Effective date

Tax Provisions

Sec 25: Alternative Volumetric Tax

- Creates a tax abatement period until volumes hit 500 million cubic feet per day or five years from commercial operations, whichever is first
- After abatement period, creates an alternative volumetric tax (see further detail)
- Establishes eligibility criteria – Fairbanks Spur (see further detail)

How it works:

- [Tax rate] x [component weight] x [throughput]
- Tax rate = $0.06 for pipeline
  $0.13 for gas treatment plant
  $0.13 for liquefaction plant
- Component weights based on capital expenditures of all components calculated at commercial operations date of each major phase
- Throughput is based on each 1,000 cubic feet of natural gas

Sec 25: Eligibility – Fairbanks Spur

Must include a spur line to serve Fairbanks and Fairbanks North Star Borough that is:

- Sized to meet reasonable projected demand
- Scheduled to commence operations within two years of the main pipeline commercial operations
- Designed to connect with local distribution infrastructure
- Designed and operated to deliver gas at lowest reasonable cost
- Allocate costs across all systemwide consumers

Department of Revenue determines if eligibility is met.

Sec 28 Municipal Impact Grants

- Establishes a municipal impact grant fund within the Department of Commerce, Community, and Economic Development for up to $80 million
- Property owner must deposit $40 million into fund before tax abatement provisions take effect
- DCCED will make payments from legislative appropriations to impacted municipalities for verified or reasonably expected costs of impacts
- If DCCED determines that municipal impacts exceed $40 million, property owner must provide additional funds in $10 million increments – up to $80 million
- "Impacted municipality" means the North Slope Borough, Fairbanks North Star Borough, Denali Borough, Municipality of Anchorage, Matanuska-Susitna Borough, and Kenai Peninsula Borough

Sec 31 Conditional Effect

Tax abatement and alternative volumetric tax provisions only take effect if the Commissioner of Revenue determines that:

- Property owner/ Glenfarne has committed to pay an initial $40 million for municipal impact grants
- Property owner commits to negotiate a project labor agreement
- Property owner has committed to construct the spur line

To meet the requirement to commit to build a spur line, property owner shall:

- On or before completing 730 miles of gas pipeline, begin all permit applications and take action on any other regulatory requirements (such as RCA)
- Initiate a tariff proceeding for systemwide tariff treatment for the spur line with an economically viable gas sales contract
- Begin construction on a spur line within one year of receiving all permits and meeting the necessary regulatory requirements

Utility Buyer Protections

Utility Buyer Protections

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Section 19

- Price of gas cannot exceed $16/MMBtu
- This price is adjusted by inflation each year
- Utility customers cannot assume any cost overruns
- Price cannot increase if throughput decreases

AGDC Provisions

AGDC Provisions

Section 5

- AGDC is Fiduciary of State

Section 6

- AGDC procurement procedures in line with Administrative Procedures Act

Section 7

- AGDC JV and disposal limitations

Section 8

- Investment options for Municipalities

Section 9

- AGDC confidentiality restrictions

Section 10

- AGDC confidentiality restrictions

Section 11

- AGDC disposal approvals

Section 12

- Future State investment options

Section 13

- AGDC subject to Administrative Procedures Act with respect to procurement

Section 14

- AGDC revenue flow

Section 15

- AGDC revenue bond approvals

Section 16

- AGDC biannual reporting requirement

Section 17

- Notification of ownership change

Section 18

- AGDC subsidiary definition

Section 27

- AGDC report on effectiveness of Act

Section 30

- State investment options notification

AGDC as Fiduciary

Section 5

- Amends AGDC statutory language to include “and as a fiduciary”
- Amended language will read:

The Alaska Gasline Development Corporation is a public corporation and government instrumentality acting in the best interest *and as a fiduciary* of the state…

AGDC Procurement Procedures

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Section 6

- Requires the board of AGDC to adopt procurement regulations to include:
- Competitive bidding
- Procurement methods to meet emergency and extraordinary circumstances, and
- Comply with five percent preference under AS 36.30.321(a)

Section 13

- Amends AGDC statutes to enact the above

AGDC JV and Disposal Limitations

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Section 11

- The corporation may transfer, sell, or otherwise dispose of an ownership or management interest in a subsidiary of the corporation **only after** the legislature has had the opportunity to disapprove
- The corporation shall notify the presiding officer of each house if the corporation intends to make such a disposal
- The Legislature has 90 days to disapprove

Section 7

- Amends AGDC statutes to require the above

Note

- This is 90 calendar days, not 90 legislative days in order to meet the timelines of a commercial transaction

Investment Options

Section 12

- Adds a new section to AGDC statutes "Involvement in revenue-generating projects"
- If AGDC negotiates with an entity for participation in a project then an option must be negotiated for the state to acquire an interest
- Before being exercised the option must be approved by the legislature by law
- Must allow at least six months to exercise after original notification
- The state may not make an investment unless approved by the legislature
- Department of Revenue must cooperate and assist legislature in the decision
- AGDC and any participating party must assist legislature and provide information

Section 8

- The corporation shall provide an opportunity for municipalities to invest in any portion of an option not exercised by the state
- This can't be a direct interest, rather it will be through an AGDC-managed entity
- AGDC shall use in-state contractors and supplier

Section 30

- Requires AGDC to notify of the existence of any existing options within 30 days of the effective date

AGDC Confidentiality Restrictions

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Section 9

- Add "Subject to the restrictions" to AGDC confidentiality agreement powers

Section 10

- Adds a new subsection to AGDC confidentiality agreement powers
- Provides method to release information related to contract/agreement terms, records, files or terms to the confidentiality agreement itself, if all parties agree
- Allows for information subject to a confidentiality agreement to be shared in legislative committee sessions if parties consent and one or more parties are available to testify
- A confidentiality agreement may not:
  - Prevent compliance with an administrative or court order mandating disclosure
  - Make any terms confidential that could extend to or encumber the state or may lead to a significant fiscal liability, obligation, risk, appropriation or other state funding or in-kind payments to the state
  - Make any terms confidential related to the existence of a state interest option
- Confidentiality agreements may only make project economics or costs confidential to the extent disclosure may not cause commercial or competitive harm
  - In which case they should be summarized to the extent of not causing such harm

AGDC Revenues

Section 14

- Revenues from any subsidiary or resulting from an interest option shall be deposited into separate accounts of the general fund
- Legislature may appropriate the annual estimated balance in the accounts:
    - First for payments associated with bonds issued by AGDC
    - Second for distributions to co-investors
    - Third for AGDC operations

Section 15

- Adds a requirement that AGDC notify the president of the senate, the speaker of the house and the chairs of the finance committees of both houses any time AGDC intends to issue revenue bonds
- The legislature then has 90 days (not legislative days) to disapprove by law
- Does not apply to refunding bonds
- Does not apply if total outstanding bonds of AGDC are less than $5 million

Other AGDC Reporting and Notifying

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Section 16

- By February 15 and August 15 of each year AGDC board shall deliver a report on natural gas pipelines in the state to the Commissioner of Revenue
- Must notify the governor and legislature as well as publish notice on the Alaska Online Public Notice System that the report is available
- Report must provide a qualitative assessment and update of the timeline, budget, and cost containment progress
- Report must also provide a current status of the projects including construction status, projected timeline for completion and description of remaining phases
- Provide an assessment on the effect of the projects on the state labor market

Section 17

- Requires AGDC to notify the president of the senate, speaker of the house and the chairs of each finance committee if an entity in legal relationship with AGDC plans to make a significant change in ownership structure (more than 10%)

Section 27

- AGDC must provide a report before a Phase 2 final investment decision on the effectiveness of this legislation

Fiscal Note

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	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	**FY2027**	**FY2027**	**FY2028**	**FY2029**	**FY2030**	**FY2031**	**FY2032**
Personal Services	275.9		275.9	275.9	275.9	275.9	275.9
Travel	5.2		5.2	5.2	5.2	5.2	5.2
Services	2,767.0		2,618.5	2,418.5	2,268.5	2,118.5	2,118.5
Commodities	10.5		0.5	0.5	0.5	0.5	0.5
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	**3,058.6**	**0.0**	**2,900.1**	**2,700.1**	**2,550.1**	**2,400.1**	**2,400.1**

Contacted Services:

- Outside legal counsel
- Accounting and audit support
- IT management and support
- Legislative Liaison Services
- Marketing and advertising
- Commercial management support
- Increased office space
- Increased insurance due to fiduciary status

Alaska LNG Project Development Update

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Project Update

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- Memorandum of Understanding signed with Alaska labor unions
- Gas sales precedent agreement signed with Conoco Phillips
- Continued negotiations with utilities
  - Letter of Intent signed with Chugach Electric Cooperative
- Continued engagement with FERC
  - Monthly progress reporting
  - Submitting necessary development and compliance plans
- Continued negotiation with contractors on pipeline, early works and camp facilities
- Finalizing negotiations for line pipe order

Alaska LNG Development - Support

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AGDC supports Glenfarne as the Alaska LNG Developer by:

- Participation in the Development Consultation Committee (DCC)
  - AGDC represented on the DCC by two members (Chastain/Kissinger)
  - Most recent meeting held June 11, 2026, prior to the 8 Star Board of Managers meeting
- Direct support with technical expertise
  - Phase 1 interface support (e.g. MLBV-14 relocation)
  - Phase 1 major contract review
  - Phase 2 FEED planning
- Direct support with commercial expertise
  - Alaska utility gas supply negotiations
  - LNG offtake negotiations
  - Commercial modeling

Stakeholder Engagement

AGDC supporting Alaska LNG stakeholder engagement:

- Alaska Sustainable Energy Conference
- Kenai Peninsula stakeholder and local government meetings:
  - Kenai Peninsula Borough
  - City of Kenai
  - City of Soldotna
  - Regional CODEL Representatives
  - Kenai Peninsula Economic Development District (KPEDD)
  - Kenai Peninsula College (KPC)(University of Alaska)

Alaska LNG "Build the Line" Rallies

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Fairbanks, Anchorage and Kenai Peninsula "Build the Line" Rallies

- Fairbanks held on June 2nd, Anchorage on June 13th, and the Kenai Peninsula on June 16th
- Community events hosted by local communities
- Participation from local government, elected officials, Chambers of Commerce, business and trade organizations, local businesses and community members
- Hundreds of participants at both rallies demonstrating their support for the Alaska LNG project

8 Star Governance Report

AGDC's Role as Minority Owner

AGDC's role as 25% minority owner and represent State of Alaska's interest in Alaska LNG

- Participate in the Board of Managers
  - AGDC represented by one Manager (Richards)
  - Represent State of Alaska's interest in 8 Star and the Alaska LNG Project
- Focus areas:
  - Equity governance
  - Technical and commercial support (through the DCC and Transition Agreement)
  - Ensure adherence to project development agreements, and milestones, and Alaska Advantage Principles
  - Optimization of developer economics through the life of the project
  - Optional State equity investment opportunities, including for Alaskans to invest

JDA Diligent Development Efforts

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"Diligent Development Efforts" means continued, progressive development efforts by the Developer that would be conducted by a prudent developer, which will be evidenced by various activities and outcomes including:

(a) **Not breaching any material obligations** under the Joint Development Agreement;

(b) **Good faith and timely pursuit** of the Project's objectives;

(c) **Continued investment of sufficient resources** (services and capital), time, and effort to achieve FID, subject to Section 3.04 of the Company LLC Agreement, in accordance with the Development Plan;

(d) **Pursuit of commercial progress** on the Project and each Sub-Project through the execution of commercial agreements or technical progress, in each case appropriate for the stage of development as reasonably determined by the Developer consistent with Prudent Industry Practices;

(e) **Pursuit of required permits and approvals** for the Project and each Sub- Project at the appropriate stage of development as reasonably determined by the Developer consistent with Prudent Industry Practices, and maintenance of existing permits and approvals, in each case as may be necessary to achieve an affirmative FID for the applicable Sub-Project, including compliance with conditions and stipulations, applications, re-applications, and renewals, and vigorous defense in the event there are legal challenges;

(f) **Delivery of monthly reports** to AGDC outlining efforts and outcomes of the prior month, and expected outcomes and efforts for the following month; and

(g) **Other development activities that a developer using Prudent Industry Practices** would undertake as necessary to achieve an affirmative FID.

Diligent Development Scorecard

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- ✓ **Upstream Gas Supply**
  - Developer has entered into Gas Sales Precedent Agreements for sufficient supply of Phase 1 Pipeline gas with Pantheon Resources, ExxonMobil, and Hilcorp
- ✓ **Downstream Gas Sales**
  - Developer has entered-into Letters of Intent with Enstar, Chugach Electric, and Donlin Gold
- ✓ **Pre-FID Activities**
  - Developer has completed FEED for the Phase 1 Pipeline and is initiating Phase 2 FEED
- ✓ **Construction Management**
  - Developer has entered-into an Engineering, Procurement, and Construction Management (EPCM) agreement with Worley
- ✓ **Pipeline Construction**
  - Developer has announced conditional awards for EPCs to construct each spread of Phase 1
- ✓ **Line-Pipe Supply**
  - Developer executed preliminary agreements for majority of the line pipe with Corinth Pipeworks S.A. and Europipe GmbH
- ✓ **Financing**
  - Developer is advancing a debt finance structure

State Equity Program

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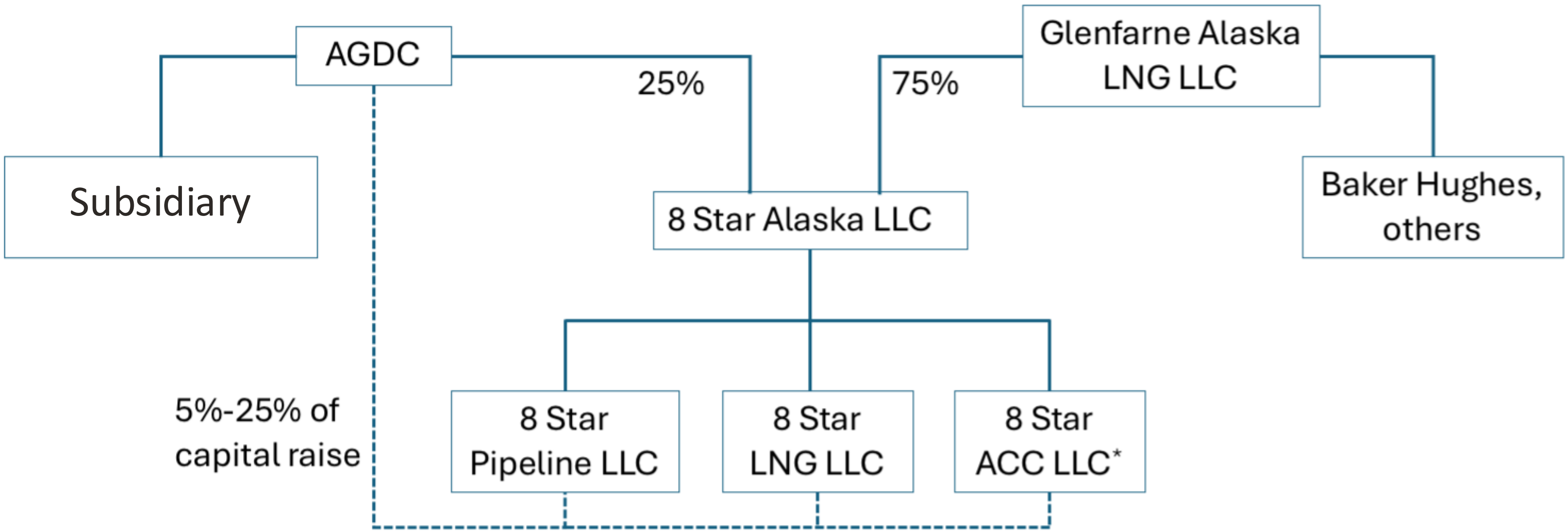
Structure



** 8 Star ACC (Arctic Carbon Capture) is the gas treatment plant on North Slope for preconditioning the produced gas into LNG specifications.*

Investment Opportunities

Investment Waterfall

Development-level Investment

1. Current ownership in 8 Star – available now
Revenues to flow at Phase 1 COD and increase at Phase 2 COD from retained ownership in subsidiaries

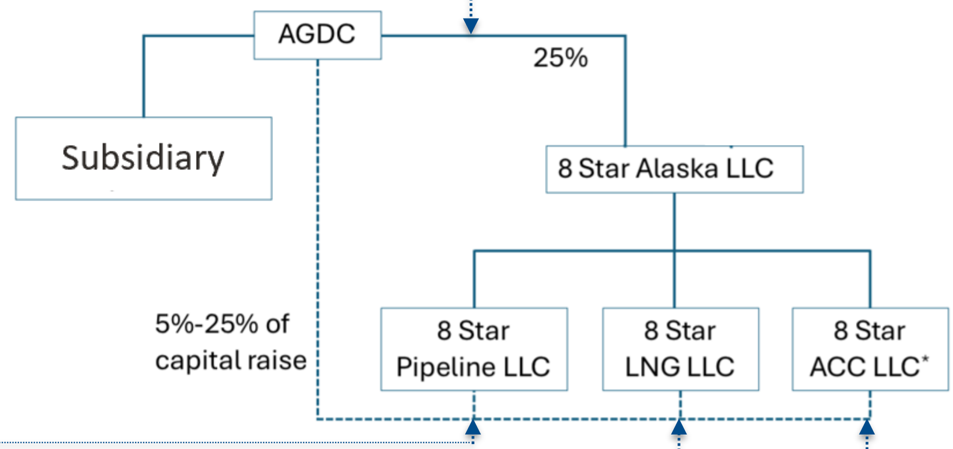
Project-level Investment

2. 8 Star Pipeline LLC Phase 1 – available 2026/2027
Revenues to flow at Phase 1 COD from in-state gas sales beginning in 2029

3. 8 Star Pipeline LLC Phase 2 – available 2027
Revenues to flow at Phase 2 COD in 2031 – Phase 2 will a
as a second pipeline fundraise, not an independent investment vehicle

4. 8 Star LNG LLC – available 2027
Revenues to flow at Phase 2 COD in 2031 from LNG sales

5. 8 Star ACC LLC – available 2027
Revenues to flow at Phase 2 COD in 2031 from gas processing fees



Alaska Investment Offering

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- AGDC has conceptualized a project investment offer to Alaskans that does not expose investors to project risk
- AGDC's option to invest in a minimum 5% up to maximum 25% of the Phase 1 Pipeline will be accommodated through a special purpose subsidiary
    - Minimum overall ADGC option: $200 million
    - Maximum overall AGDC option: $1 billion
- Qualified investors will be offered tokens which represent a unit of Preferred Equity return
    - Offering Period: 90 days
    - Investment Period: Life of project
    - First Year of Distributions: 2029
    - Annual Preferred Return Distributions: 8%
    - Transfer Lockup Period: TBD

Alaska Investor Eligibility

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- This program is a new model for citizen-backed energy ownership, aligning with Alaska’s values of independence, transparency, and shared prosperity
- AGDC has defined eligible investors under the program:
  - AGDC (through legislative appropriation)
  - Alaska Public Corporations (AIDEA and APFC)
  - Alaska Native Corporations
  - Alaska Companies
  - Individual Alaskans
- Strict criteria for eligibility within each category will be provided in the investment offering
- MyAlaska integration will provide validation of Alaska Residents and potentially integrate with PFD investment

Why Tokenization for AGDC?

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- Each token represents an economic stake in the Alaska LNG Project with a defined rate of return that does not expose the investor to project risk
- Fractional ownership through tokens enables small and large investors to participate in a traditionally inaccessible infrastructure project
- Allows Alaska geo-fencing based on AGDC criteria
- Creates an arms-length investment without burdensome direct shareholder administration
- Liquidity and transparency for token trading is on regulated exchanges, with full traceability and governance enabled via blockchain
- Smart contracts automate distributions, compliance, and ownership transfers without affecting project equity agreements

Program Work Streams

- Structuring & Governance

  ACTION: Board Resolution to establish a special purpose subsidiary
- Legal & Regulatory

  Compliance with State statutes, securities laws, and tax treatments
- Financial Design

  Cost of each token, return mechanics, AGDC flow-through, 8 Star investment structure
- Platform & Operations

  Onboarding, KYC, integration with MyAlaska and PFD, payment systems, audit and controls
- Public Communications & Education

  Generating demand for the token through awareness of the program
- Stakeholder Engagement

  Coordination with GoA, DOR, APFC, Native Corporations, Alaska investment funds, etc.
- Risk Management & Safeguards

  Independent oversight, transparency in flow of funds, dispute and claims process
- Implementation & Launch

  Timeline tied to Alaska LNG project milestones, pilot test limited group

Work Plan and Milestones

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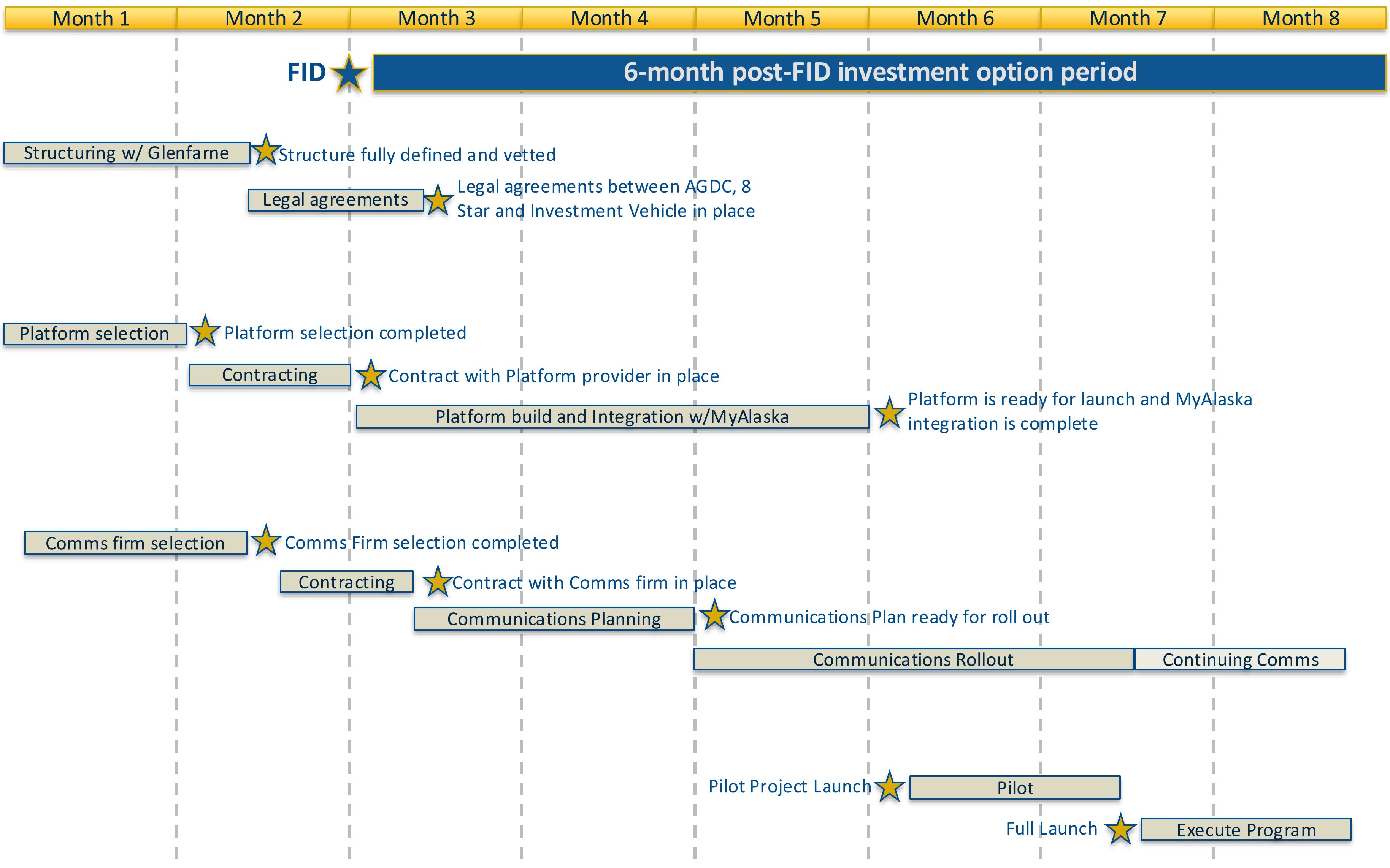

Resources for Full Implementation

Contract Resources Required

- Legal - $700k
- Financial Advisors - $300k
- Platform Provider - $800k
- IT Support - $250k
- Communications Firm - $450k

Total Contract Costs - $2.5 million

State Resources Required

- AGDC
- Department of Law
- Department of Revenue

Fiscal note included in HB381 to cover implementation costs.

Board Resolution

- AGDC staff recommends approval of Resolution 2026-001 authorizing the formation of a new subsidiary for optional Alaska investment in Alaska LNG Pipeline sub-project

Port MacKenzie Rail Extension (PMRE) Project Closeout

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PMRE PDA Status

- Phase 1 Complete
  - Project Development Agreement (PDA) Phase 1 Initial Proposal was delivered by Macquarie/Martinus (AIP) as scheduled on February 20, 2026
  - Phase 1 Fee of $450,000 was dispersed to AIP per the PDA
- AGDC Exit
  - The AIDEA and ARRC Boards of Directors approved funding Phase 2 of the PDA with proposed modification to terms
  - The State Working Group identified AIDEA as the appropriate lead State representative moving forward
  - At AIDEA's request, the Phase 2 Notice to Proceed (NTP) deadline was extended to June 5, 2026, by AGDC and AIP
  - AIDEA was assigned as counterparty to AIP in the PDA on June 5, 2026
  - AGDC initiated project closeout actions, and no further involvement is anticipated

AGDC.us

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