

Alaska Pipeline Builders Association

July 12, 2010

2010 Membership Gathering

The Alaska Pipeline Builders Association invites you to attend the 2010 membership gathering.

Dinner Meeting — Friday, August 20, 2010

Petroleum Club of Anchorage

3301 C Street

5:00p No Host Cocktails

6:30p Buffet Dinner

7:30p Guest Speaker

8:00p Socializing Resumes

\$25.00/person

An event registration form is included with the newsletter as well as a 2010 membership renewal form. If you are unable to attend we encourage you to renew your membership so we have your most current contact information. Please RSVP no later than August 16, 2010 via mail or by email to Kathy Gallaher at kag@acsalaska.net.

Natural Gas Pipeline Initiatives

Since our last newsletter, all pipeline project priorities have become focused on a "Gas Line" with several significant items taking place over the past several months/years. Both Federal and State Governmental Agencies, and Industry Members have gotten more serious about moving forward with a natural gas pipeline project. There are two schools of thought on the routing to the marketplace; one is an "All Alaskan" route terminating in Valdez with a lateral supply line to Southcentral Alaska for local gas service needs. The second is a routing through Canada, connecting to multiple existing systems in Alberta. This routing also has a lateral spur to Southcentral for local needs.

AGIA

The State of Alaska has become heavily involved in both the North Slope Gas Line Project and ongoing Cook Inlet gas production. The Alaska Legislature

Dinner Meeting Guest Speaker

Mr. Dan Fauske is CEO/ Executive Director of the Alaska Housing Finance Corporation. In May 2010, Mr. Fauske was named President of the Alaska Gasline Development Corporation (AGDC). He became Executive Director/CEO of AHFC in March 2005. He has served on the Governor's Jobs Cabinet and the Millennial Housing Commission. Prior to his career at AHFC, Mr. Fauske worked for the North Slope Borough, serving as the Borough's Chief Financial Officer and Chief Administrative Officer. He holds a master's degree in business administration from Gonzaga University.



Mr. Dan Fauske

passed the Alaska Gasline Inducement Act (AGIA) in 2007 to encourage expedited construction of a natural gas pipeline that facilitates commercialization of North Slope gas resources. The State issued a joint license to TransCanada Alaska Company LLC and Foothills Pipe Lines Ltd (TC Alaska) to receive inducements up to \$500 million to develop a Gas Line Project that would deliver Alaskan natural gas to the marketplace. While very complex in nature the Act provides the incentive to get a natural gas pipeline project moving.

TC Alaska

TransCanada reached an agreement with Exxon in June 2009 to work together on an Alaskan gas pipeline with the North Slope to Alberta route as the primary choice with a possible second choice of a pipeline from the North Slope to Valdez. This project would embrace the creation of a large diameter line (48" - 60") with a (20"-

More on Natural Gas Pipeline Initiatives

24”) line to Southcentral, or a large diameter line directly to Valdez (“the all Alaska route”), also with a spur to Southcentral Alaska. To this end, they started “Open Season” on both routes on April 30, 2010, which will run until July 30, 2010.

Denali

ConocoPhillips and BP formed “Denali—the Alaska Gas Pipeline” in 2008, an entity to design and build a pipeline also to Alberta, et al. It is a large diameter line being designed to deliver 4.5 billion cubic feet of natural gas to North American Markets with a spur line to Southcentral Alaska. The current estimated cost of the project is \$30 billion. Denali announced their open season began July 6 and will end in October 2010.

AGDC

In April of 2010, the Alaska Legislature passed legislation requiring the development of an in-state natural gas pipeline plan to be delivered to the Legislature by July 1, 2011. It provides for a natural gas pipeline to be operational by December 31, 2015. The Act provides for:

1. The creation of a Joint In-State Gasline Development Team in the Alaska Housing Finance Corporation (AHFC) and naming the chief executive officer of AHFC as the chair of the development team; and
2. The creation of a subsidiary corporation for the purpose of

planning, constructing, and financing in-state natural gasline projects or for the purpose of aiding in the planning, construction, and financing of in-state natural gasline projects.

Consistent with the provisions of the Act, on May 14, 2010 the Board of Directors of Alaska Housing Finance Corporation passed a resolution creating a subsidiary corporation named the Alaska Gasline Development Corporation (AGDC).

AGDC recently completed a first-phase cost estimate for the 800 mile, 24” dia in-state gas pipeline saying it would be in the range of \$6.4 billion.

ANGDA

The people of Alaska authorized the Alaska Natural Gas Development Authority (ANGDA) in a 2002 General Election. ANGDA is focused on getting North Slope natural gas to Alaska Communities as well as identifying feasible LNG opportunities for the State of Alaska. ANGDA continues to work to bring economical gas to communities through other transportation means as the gas pipelines are in development.

As one can see, while North Slope, Cook Inlet, and Kenai Peninsula oil production continues to be significant even though in decline, the “new wind blowing”, is definitely Natural Gas.

TAPS Trivia — 40 Years Ago

August 14, 1970

Owners incorporated Alyeska Pipeline Service Company.



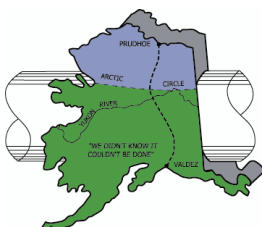
2010 — 2011 APBA Officers

Spence Hochstein — President

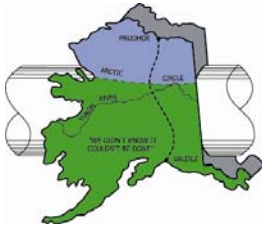
Dave Haugen — Vice President

Jack Laasch — Past President

Kathy Gallaher — Secretary/Treasurer



Alaska Pipeline Builders Association
 200 West 34th Avenue, #1056
 Anchorage, Alaska 99503



ALASKA PIPELINE BUILDERS ASSOCIATION

200 W. 34TH AVENUE # 1056 • ANCHORAGE, AK 99503

2010 Membership Gathering

Registration form

Name _____

Guest name(s) _____

Mailing Address _____

Phone Number _____

Fax Number _____

E-mail Address _____

**Payment must accompany this registration form to
confirm your participation in the Membership Gathering
Registration Deadline-**August 16, 2010****

	Number Attending	
Annual Membership Dues		\$15.00 X _____ = \$ _____
Additional Membership Donation		\$ _____
Dinner		\$25.00 X _____ = \$ _____
	Total Enclosed	\$ _____

Make checks payable to: Alaska Pipeline Builders Association

Mail a copy of this form and payment to:

Alaska Pipeline Builder's Association
200 West 34th Avenue, #1056
Anchorage, AK 99503

