

ENERGIA CURA

20-Year Spreads (on 65-Year Designed Pipelines) at 12% ROR

The Fox is sized right, it's smart, it's fast. and it pays back to Alaskans

Case	12" Pipeline & Volumes, North Slope to Interior	mcf/yr	\$ GC/mcf	\$/GC per year	\$ COS/mcf	\$/COS per year	Bundle \$/year	Bundle \$/mcf	Capex/yr	Opex/yr	CRF/yr	Total COS & GC/yr
1	12" from the North Slope to the Interior at 19 Bcf/yr	19,000,000	\$4.22	\$80,180,000	\$5.43882	\$103,337,580	\$183,517,580	\$9.65882	\$95,857,207	\$3,615,458	\$3,865,000	\$183,517,665
1 A	12" from the North Slope to the Interior at 30 Bcf/yr	30,000,000	\$4.22	\$126,600,000	\$3.44459	\$103,337,700	\$229,937,700	\$7.66459	\$95,857,207	\$3,615,458	\$3,865,000	\$229,937,665
Case	18" Pipeline (Hub & Price Collar) with Just Interior Flows	mcf/yr	\$ GC/mcf	\$/GC per year	\$ COS/mcf	\$/COS per year	Bundle \$/year	Bundle \$/mcf	Capex/yr	Opex/yr	CRF/yr	Total COS & GC/yr
2	18" from the North Slope to Livengood Hub at 19 Bcf/yr	19,000,000	\$4.22	\$80,180,000	\$8.04000	\$152,760,000	\$232,940,000	\$12.26000	\$133,909,572	\$6,613,500	\$12,275,000	\$232,978,072
	18" from the North Slope to Livengood Hub at 30 Bcf/yr	30,000,000	\$4.22	\$126,600,000	\$5.09327	\$152,798,072	\$279,398,072	\$9.31327	\$133,909,572	\$6,613,500	\$12,275,000	\$279,398,072
	12" Pipeline from the Livengood Hub to the Interior											
	12" from the Livengood Hub to Interior at 19 Bcf/yr	19,000,000	\$4.22	\$80,180,000	\$1.14182	\$21,694,580	\$101,874,580	\$5.36182	\$19,010,787	\$1,518,750	\$1,165,000	\$101,874,537
	12" from the Livengood Hub to Interior at 30 Bcf/yr	30,000,000	\$4.22	\$126,600,000	\$0.72315	\$21,694,500	\$148,294,500	\$4.94315	\$19,010,787	\$1,518,750	\$1,165,000	\$148,294,537
	Total through 18" and 12" pipelines to Interior at 19 Bcf	19,000,000	\$4.22	\$80,180,000	\$9.18182	\$174,454,580	\$254,634,580	\$13.40182	\$152,920,359	\$8,132,250	\$13,440,000	\$254,672,609
	Total through 18" and 12" pipelines to Interior at 30 Bcf	30,000,000	\$4.22	\$126,600,000	\$5.81642	\$174,492,572	\$301,092,572	\$10.03642	\$152,920,359	\$8,132,250	\$13,440,000	\$301,092,609
Case	18" Pipelines with 102 Bcf/yr Flows to Interior and Cook Inlet	mcf/yr	\$ GC/mcf	\$/GC per year	\$ COS/mcf	\$/COS per year	Bundle \$/year	Bundle \$/mcf	Capex/yr	Opex/yr	CRF/yr	Total COS & GC/yr
2 A	18" from the North Slope to Livengood Hub at 102 Bcf/yr	102,000,000	\$4.22	\$430,440,000	\$1.49802	\$152,798,040	\$583,238,040	\$5.71802	\$133,909,572	\$6,613,500	\$12,275,000	\$583,238,072
	30 Bcf/yr Interior Volume Portion	30,000,000	\$4.22	\$126,600,000	\$1.49802	\$44,940,600	\$171,540,600	\$5.71802	\$39,385,168	\$1,945,147	\$3,610,294	\$171,540,609
	72 Bcf/yr Cook Inlet Volume Portion	72,000,000	\$4.22	\$303,840,000	\$1.49802	\$107,857,440	\$411,697,440	\$5.71802	\$94,524,404	\$4,668,353	\$8,664,706	\$411,697,463
	12" Pipeline from the Livengood Hub to the Interior											
	From the Livengood Hub to Interior at 19 Bcf/yr	19,000,000	\$4.22	\$80,180,000	\$1.14182	\$21,694,580	\$101,874,580	\$5.36182	\$19,010,787	\$1,518,750	\$1,165,000	\$101,874,537
	From the Livengood Hub to Interior at 30 Bcf/yr	30,000,000	\$4.22	\$126,600,000	\$0.72315	\$21,694,500	\$148,294,500	\$4.94315	\$19,010,787	\$1,518,750	\$1,165,000	\$148,294,537
2 A	18" from the Livengood Hub to Cook Inlet at 72 Bcf/yr (with additional compression)	72,000,000	\$4.22	\$303,840,000	\$2.37415	\$170,938,800	\$474,778,800	\$6.59415	\$145,087,433	\$11,217,500	\$14,633,700	\$474,778,633
Case	Summary - The Sum of all Parts All Pipelines with 102 Bcf Instate Flows	mcf/yr	\$ GC/mcf	\$/GC per year	\$ COS/mcf	\$/COS per year	Bundle \$/year	Bundle \$/mcf	Capex/yr	Opex/yr	CRF/yr	Total COS & GC/yr
2 A	18" all the way to Cook Inlet at 102 Bcf/yr (both 18" pipelines)	72,000,000	\$4.22	\$303,840,000	\$3.87217	\$278,796,240	\$582,636,240	\$8.09217	\$239,611,837	\$15,885,853	\$23,298,406	\$582,636,096
2A	18" and 12 " all the way to Interior at 30 Bcf/yr	30,000,000	\$4.22	\$126,600,000	\$2.22117	\$66,635,100	\$193,235,100	\$6.44117	\$58,395,955	\$3,463,897	\$4,775,294	\$193,235,146
									\$298,007,792	\$19,349,750	\$28,073,700	\$775,871,242

Notations Used

- GC Treated and Compressed Gas Cost except for 18" Hub to Cook Inlet Line where: GC = Only treated gas cost
- COS Cost of Service (otherwise known as tariff)
- Capex Capital amortization expenses
- Opex Operation expenses
- CRF Capital Reserve Fund
- Bundle Total price of gas, delivered (COS + GC)
- Bcf Billion cubic feet
- mcf Thousand cubic feet

20-Year Spreads (on 65-Year Designed Pipelines) at 12% ROR

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Case	COS & GC Total Revenues @ \$4.22/mcf and 12% ROR	Capex Portion	Opex + CRF Portion		
1	\$183,517,580	\$95,857,207	\$7,480,458	12" From North Slope to Interior at 19 Bcf/yr	\$582,636,240
1A	\$229,937,700	\$95,857,207	\$7,480,458	12" From North Slope to Interior at 30 Bcf/yr	\$193,235,100
2A	\$775,871,242	\$298,007,792	\$47,423,450	The sum of all parts at 102 Bcf/yr (18" and 12")	

(one and the same)

Expenses and Debits on COS		Annual Capex \$/year	Annual Opex \$/year	Capital Reserve Fund \$/year	Dividend Distributions \$/year	Share Buy-Back \$/year	Total Expenses \$/yr
1	19 Bcf/yr all the way to Interior	\$95,857,207	\$3,615,458	\$3,865,000	\$95,857,207	?	\$103,337,665
1A	30 Bcf/yr, all the way to Interior	\$95,857,207	\$3,615,458	\$3,865,000	\$95,857,207	?	\$103,337,665
2A	102 Bcf/yr to Interior and Cook Inlet	\$298,007,792	\$19,349,750	\$28,073,700	\$298,007,792	?	\$345,431,242

Total Margins and/or Liquidity		Average Cash Reserve and/or Share Liquidity Accrual \$/year	Total Cash Reserve and/or Share Liquidity Accrual \$/20 - years	
1	19 Bcf/yr all the way to Interior	\$2,970,500	\$59,410,000	(Under No Share Buy-Back Policy)
1A	30 Bcf/yr, all the way to Interior	\$2,970,500	\$59,410,000	
2A	102 Bcf/yr to Interior and Cook Inlet	\$24,683,238	\$493,664,760	

Notations Used

- GC Treated and Compressed Gas Cost except for 18" Hub to Cook Inlet Line where: GC = Only treated gas cost
- COS Cost of Service (otherwise known as tariff)
- Capex Capital amortization expenses
- Opex Operation expenses
- CRF Capital Reserve Fund
- Bundle Total price of gas, delivered (COS + GC)
- Bcf Billion cubic feet
- mcf Thousand cubic feet

Par Share Distribution and Value

		Number of Par Shares Offered	\$/Share	Total Equity at Par Value
1	19 Bcf/yr all the way to Interior	7,160,000	\$100	\$716,000,000
1A	30 Bcf/yr, all the way to Interior	7,160,000	\$100	\$716,000,000
2A	102 Bcf/yr to Interior and Cook Inlet	22,259,524	\$100	\$2,225,952,400

Flat-Line Share Performance

		No Share Buy-Back Policy Annual Dividend Payments \$/share	No Share Buy-Back Policy Flat Annual Rate of Return	Fixed Share Equity Value
1	19 Bcf/yr all the way to Interior	\$11.07	11.07%	\$100
1A	30 Bcf/yr, all the way to Interior	\$11.07	11.07%	\$100
2A	102 Bcf/yr to Interior and Cook Inlet	\$9.39	9.39%	\$100

Share Performance on Buy-Back

		Shares Bought Back in 20-Years Using 80% of Annual Avg. Liquidity Line (Cash)	Net Outstanding Shares After 20-Years of Buy-Back	Blended Average Dividend Yield %/20-yrs	Share Equity Value After 20-Year Term	Net ROI 20-Years
1	19 Bcf/yr or 30 Bcf/yr, 12" All the way to Interior	5,224,000	1,936,000	17.50%	\$369.93	36.99%

Range of Liquidity Line Held in Bank

(Depending on % Share Buy-Back Policy)		Annual Cash Accrual Under No Share Buy-Back Policy Avg \$/yr	Total Cash Accrual No Shares Bought Back \$/20-years	Annual Cash Accrual Under 80% Buy-Back Policy Avg \$/yr	Shares Bought Back With 80% of Cash Reserves \$/20-yr
1	19 Bcf/yr or 30 Bcf/yr - 12" All the way to Interior	\$2,970,500	\$59,410,000	\$585,155	5,224,000

Bank Share and Dividend Management

(Depending on % Return from Bank on Liquidity Line)		FPC Cash Account No Shares Bought-Back \$/20-years	Bank % Offer for Return on FPC Liquidity Line Under No-Buy-Back Policy	Name of Bank Institution Making Recommendation
1	19 Bcf or 30 Bcf/yr, all the way to Interior	\$59,410,000		
1A				
2A	102 Bcf/yr to Interior and Cook Inlet	\$493,664,760		