

# Fairbanks Pipeline Company

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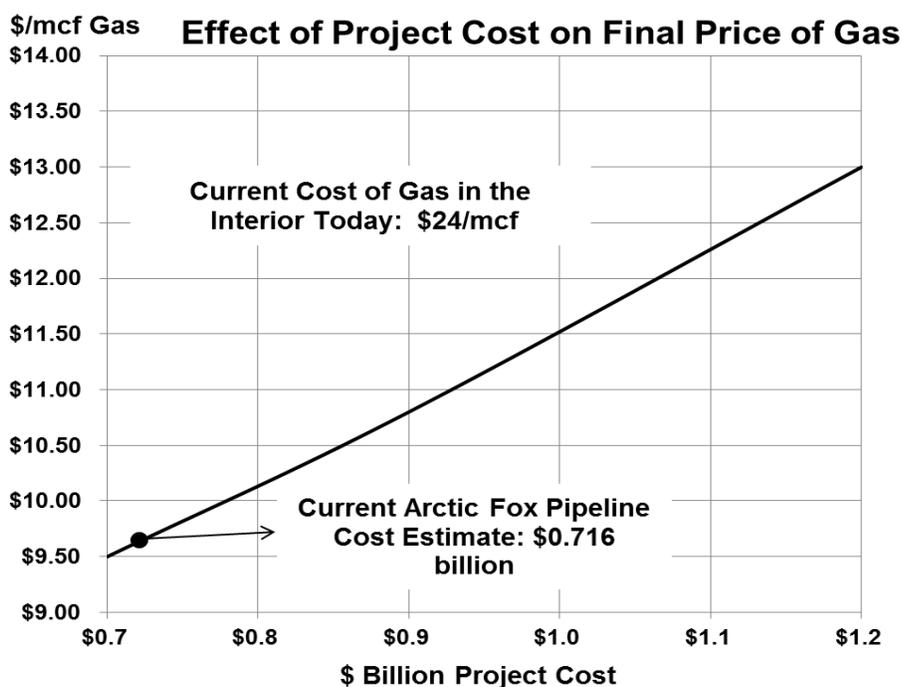
FOR IMMEDIATE RELEASE:

## Company Officials Praise Borough Assembly Decision

*Fairbanks* - The Fairbanks North Star Borough Assembly voted last night to allow voters to decide on further appropriation of public money on the AGPA/FNG trucking project. Alexander Gajdos, co-founder of the Fairbanks Pipeline Company, expressed praise for the Assembly on its decision to allow voters to have a say on an issue of this magnitude.

At the same time, Gajdos cautioned Interior residents to base their votes on credible information. "There are a number of various factors that can ultimately affect the cost of gas" said Gajdos.

For example, the price sensitivity shown below demonstrates the effect that project cost will have on the final price of gas for the Arctic Fox Natural Gas Pipeline.



Further sensitivities and analysis of the Arctic Fox Natural gas pipeline project can be found at [www.fairbankspipelinecompany.com](http://www.fairbankspipelinecompany.com)

Gajdos recommended residents request the same information from the Port Authority prior to casting their vote. In addition, Gajdos urged review of the basic economics of the proposal.

"The current cost of FNG's gas is \$24/mcf based on deliveries from the Cook Inlet over 310 miles of the paved Parks Highway. They process this gas through a plant purchased many years ago in used condition - at a fraction of the cost of what they say they can build a new plant. The Port Authority now claims they can build a new plant on the North Slope and truck North Slope gas 510 miles over Dalton and Elliot Highways at \$9.67/mcf" said Gajdos.

The FNG/Port Authority agreement includes paying FNG's owners \$55 million for a utility with a supply contract that expires in 2012. The average cost of the eight gas utilities sold in the United States since 2007 was \$3,231 per customer. The price for FNG in the FNG/Port Authority agreement is over \$55,000 per meter/customer.