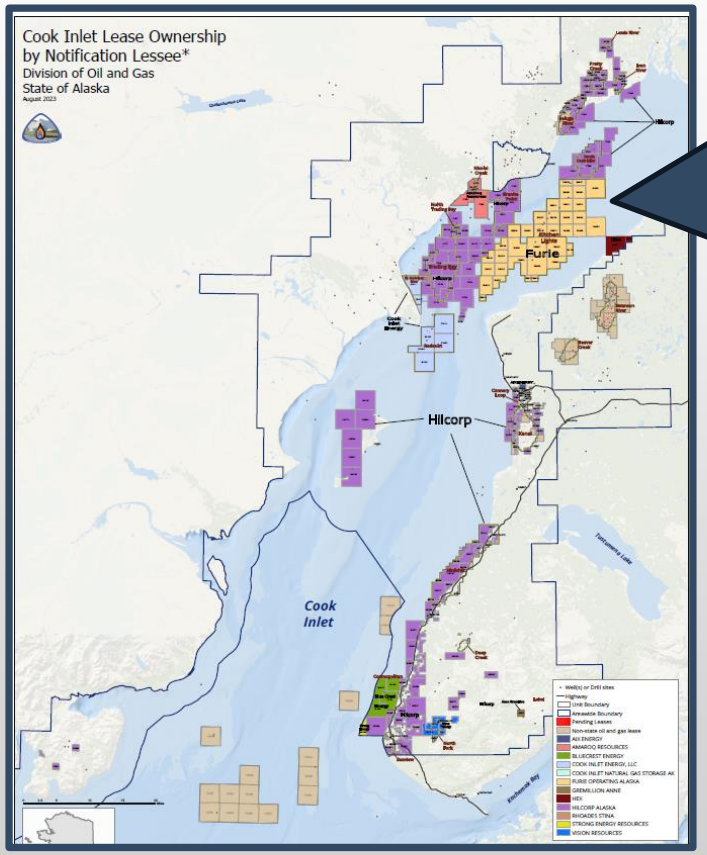
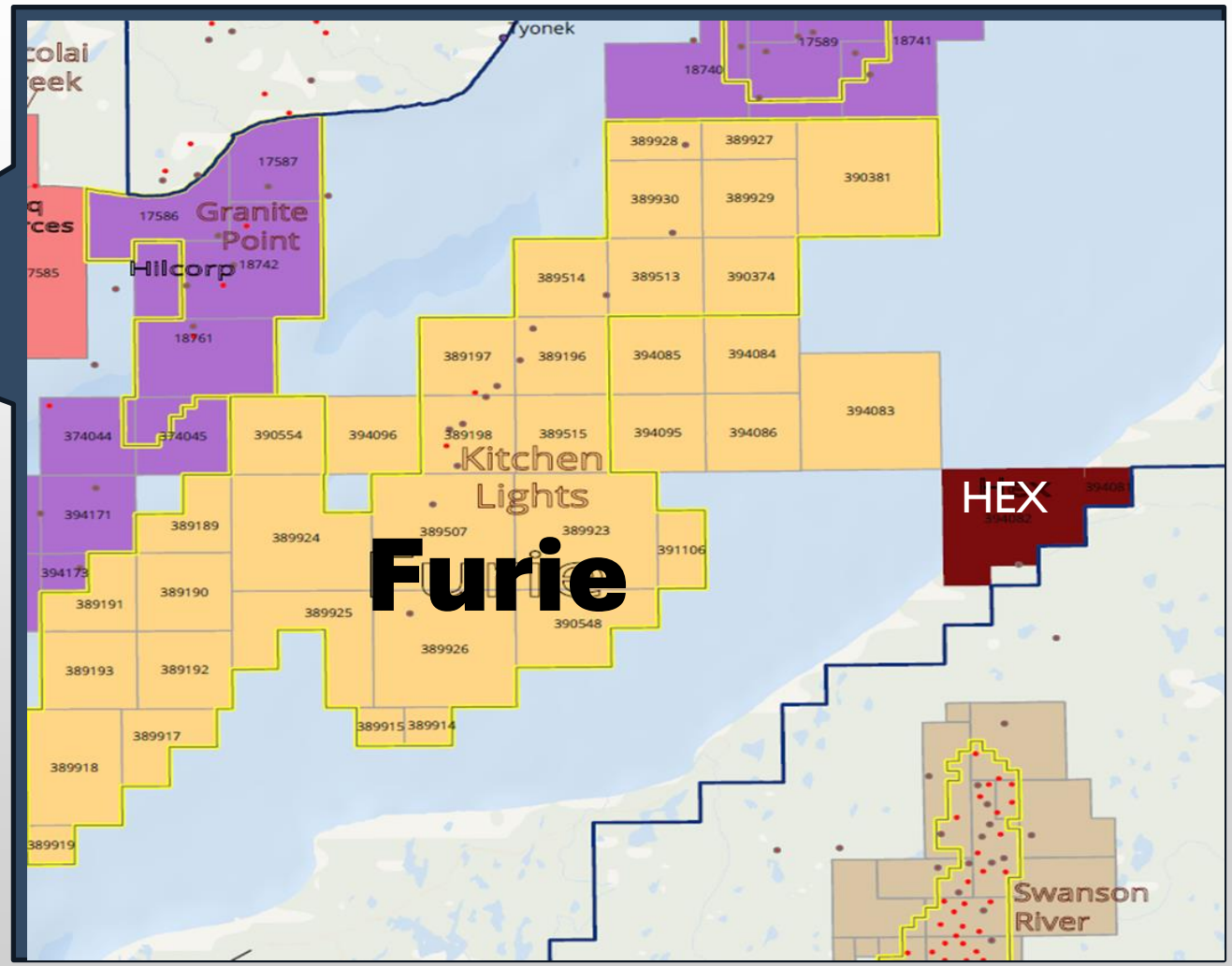
Southcentral Mayors' Energy Coalition

April 18, 2024

HEX & Furie Cook Inlet Leases





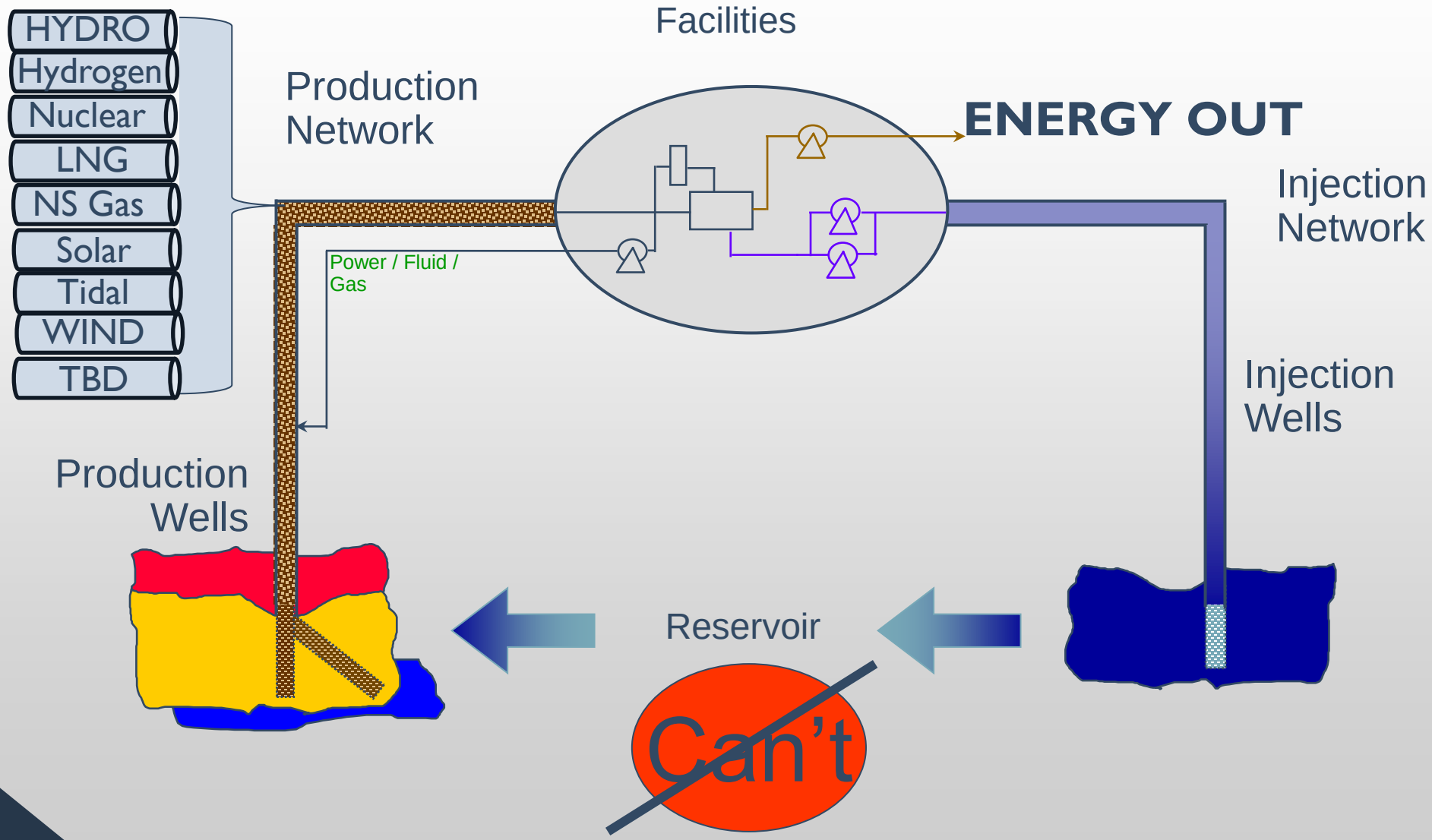
FURIE
OPERATING ALASKA LLC

Kitchen Lights Unit Infrastructure

Julius R Platform → 15-Mile Sub-sea Gathering Line → Nikiski Central Processing Facility

FURIE
OPERATING ALASKA LLC

South Central Energy System Approach



We Need a South Central Energy Choke Model

ENERGY OPPORTUNITES CHOKE MODEL

	Reservoir	Wellwork	Plant	Export	Commercial	Total
Pending	(26)	(120)	(78)	(5)	(5)	(234)
	Pressure Maintenance (8) Other (6) In-fill Well (6) Waterflood Mgt (5) Optimisation (1)	Optimisation (22) Artificial Lift (22) Other (15) Sand Control (10) Water Control (9) Liquid Loading (9) Perforate (8) Scale (6) Completion Limit (6) Testing, Surveillance (4) Stimulation (4) Smart Well Technology (2) Gas Control (1)	Gathering System (20) Gas Compression (11) Other (8) Liquid Handling (8) Maintenance, Integrity, Repair (7) Optimisation (6) Gas Handling (6) Slugging (5) Produced Water Mgt (4) Surveillance (3)	Shipping Pump Constraint (2) Pipeline Pressure Constraint (1) Pipeline Capacity (1) Other (1)	Sales Contract (2) Export Specification (2) Other (1)	
12 month Rate /mboed						
Possibilities	*27.3*	*38.0*	*53.9*	*16.4*	*7.7*	*143.3*
Options	0.6	5.7	7.0	0.0	0.0	13.3
In Plan	0.0	5.1	3.9	0.0	0.0	9.0
Executed	7.5	7.8	7.2	0.1	0.0	22.6
Count	(1)	(27)	(11)	(1)	(0)	(40)

Barriers to Cook Inlet Gas

- Demand Ceiling holds back additional drilling- Pace – We cannot sell more than 190 mmscfpd
- Opportunists capitalizing on the "Crisis" – sky is falling!
  - Renewables (Grants, Subsidies and Credits)
  - LNG imports (high prices, large price swings, moving our dollars to another country)
  - North Slope gas (Fed. Grants/Subsidies)
  - All have not guaranteed deliveries. How much of the 190/day will they contribute and when?? Every 10% contribution delays decline 5 years.
- Royalties at 12.5% compared to mining at 2%
- Solar System Example $44,765 gross to $4566 Net = to a $10 million well costing $1MM.
  - USDA REAP GRANT (50%) ($22,383)
  - Federal Tax Credit (30%) ($13,430)
  - Net System Cost $ 4,566 net tax USDA REAP
  - + being renewable they can force themselves into System at high prices

Why are we investing in GAS?

FURIE OPERATING ALASKA LLC

Kitchen Lights Unit – Operated by Alaskan Owned Company

- Barriers to Economics controlled by State
  - Royalties at 12.5%
  - ORRI's at 12.5%
  - Potential Capital Carry for new development at 10% waiting on DNR
  - Funding is not the issue currently. We must fix economics before funding
- What is possible for Kitchen Lights Unit?

300 Bcf of recoverable gas within 3 mile radius of platform

Some have reported we have 1.3 T's to 3 Ts of Gas

Delays Cook Inlet decline to 2045

Short turn around for delivery 60 days

Infrastructure already… only wells and a few mods. Platform, Gathering line, Processing facility in place and Newest in the Cook Inlet

FURIE
OPERATING ALASKA LLC

Proposed Beluga Drilling Plan (2024-2026)

- Initial wells focused on staying high on structure and close to existing production.
- Largest step-outs in 2026
- Average Gas Recoverable per well of 19BCF to 24BCF based on 160-200 acre drainage (Marginal vs Axial Depositional Position)

☆ 2024

- 1-2 Sidetracks

2025

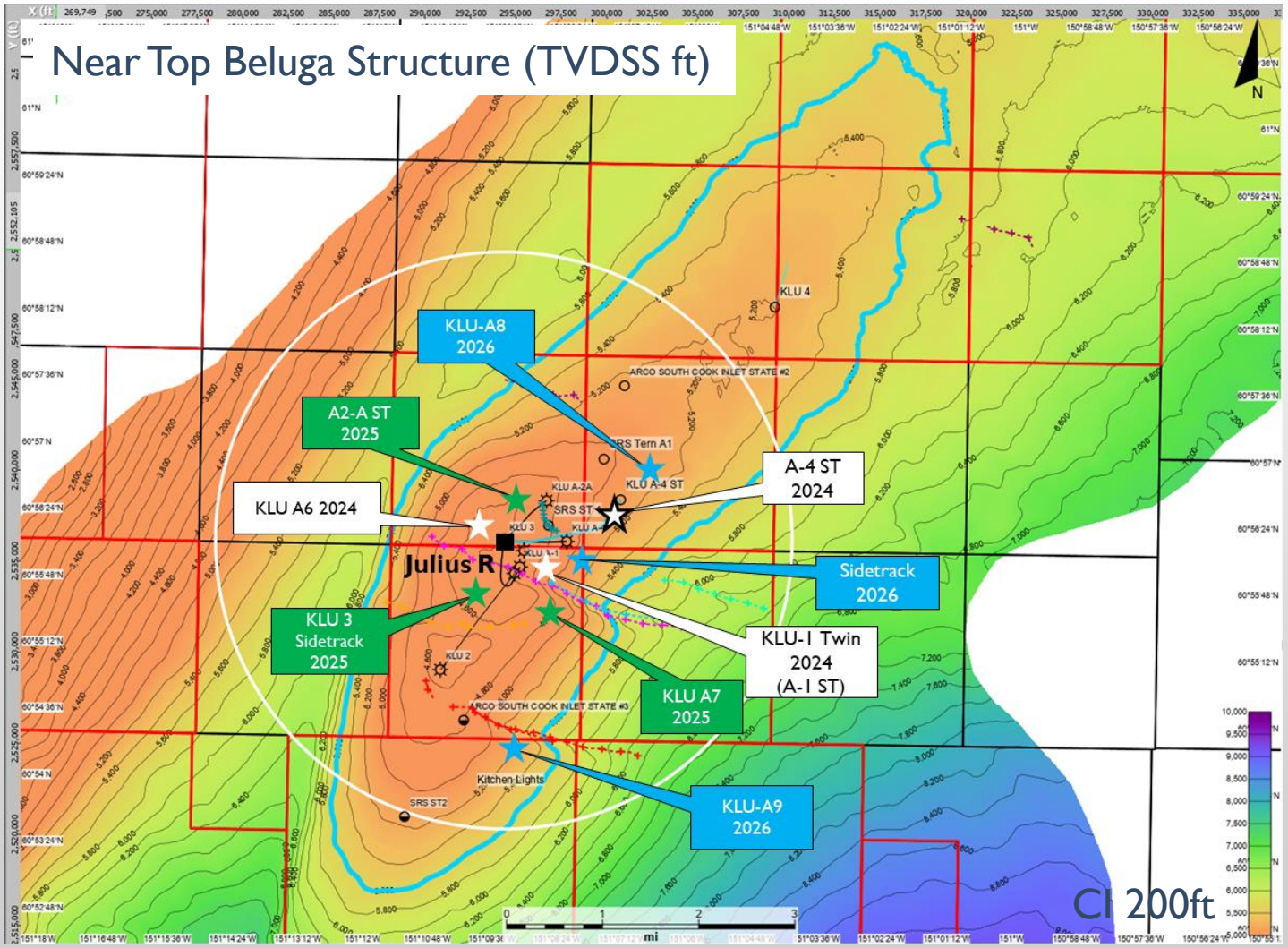
★

- 1 Grass roots well
- 2 Sidetracks

2026

★

- 2 Grass roots wells
- 1 Sidetrack

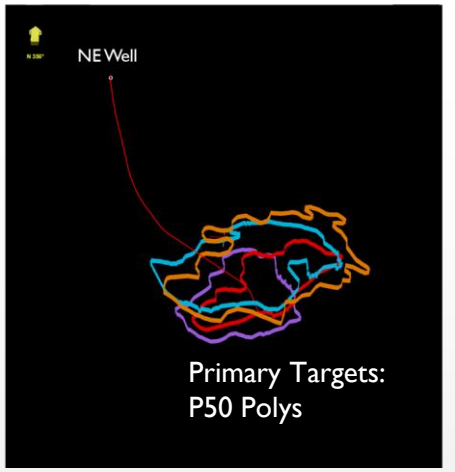


(program following A-4ST contingent upon financing)

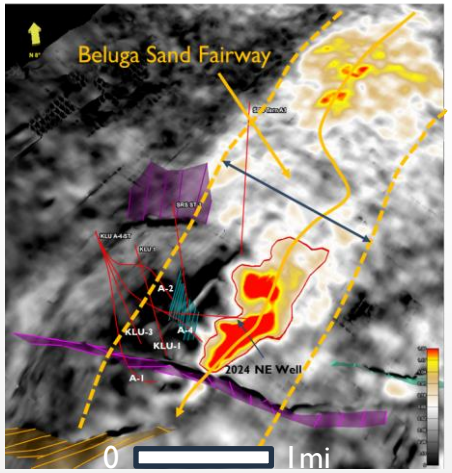
KLU A-4 ST Prospect Summary

- Beluga Resource: 63 BCF (rolled up risked mean), Pg 90%
- Possible Sterling upside
- Targets: 6 primary targets in the Beluga within 4-way structural closure
- Fluvial Sands, interpreted to be more axial relative to KLU A-4, supported by reservoir fairway mapping and geophysical response.
- Charge, Source, Migration, Timing, Closure, Reservoir proven by near-by wells which found pay in each of Beluga intervals. Key risk containment (90%)
- Total depth of Well 7750 TVDSS (ft); 10887 MD (ft)

NE Well Optimized to Target Axial Prospects

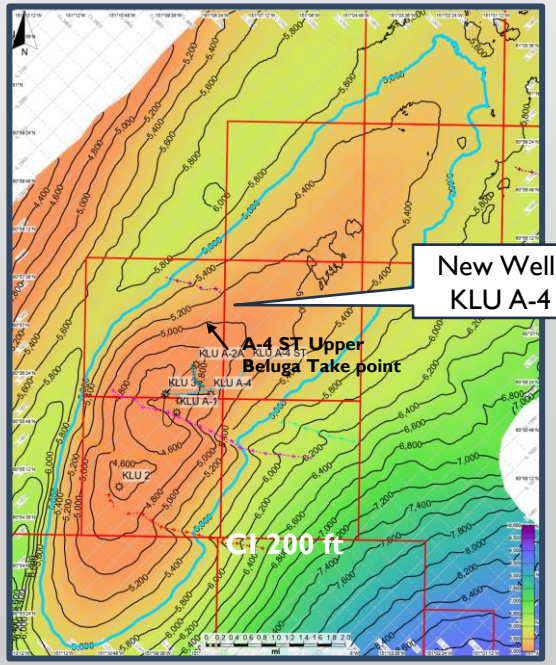


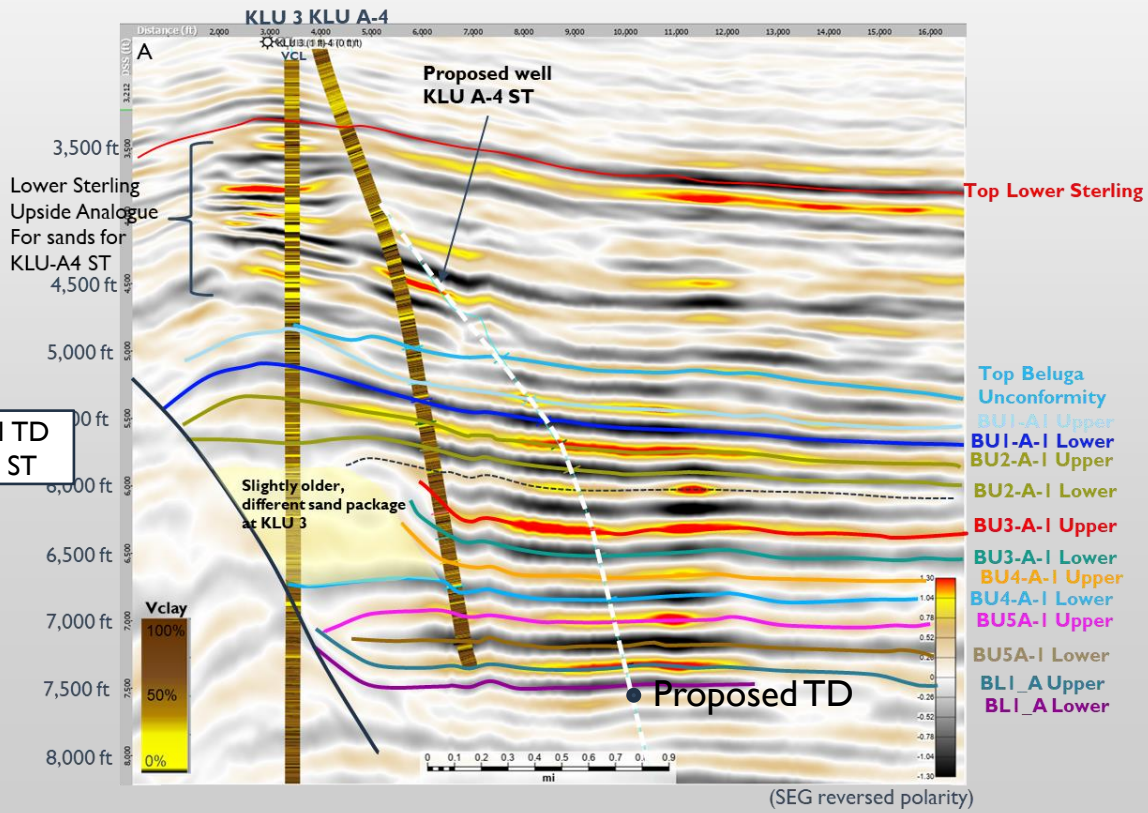
3D View of NE BU3-A Target



NE Well / ST					
Lead Name	Formation	Volume (BCF)			
		P90	P50	Mean	P10
BU1-A	Beluga	1.6	8.6	15.2	40.2
BU2-A	Beluga	1.3	7.5	12.6	33.0
BU3-A	Beluga	0.5	3.9	7.2	19.3
BU4-A	Beluga	0.9	5.2	9.4	24.8
BU5-A	Beluga	0.7	4.8	8.9	23.6
BL1-A	Beluga	1.2	7.3	12.5	32.3
Roll Up: Un-Risked		29.3	61.9	69.6	123.7
Roll Up: Risked		23.9	55.1	62.5	113.2

Near Top Beluga Structure TVDSS ft





FURIE OPERATING ALASKA LLC

Prospect Risk Summary, Pg = 90%

- Source, Timing and Migration – Numerous Coals sourcing gas proven by KLU well results (and nearby at KLU A-4 in each of the prospect intervals).
- Reservoir – Depositional morphologies de-risk reservoir presence and quality. Low side case proven by KLU A-4.
- Closure – All prospects within structural closure
- Containment – Seals proven to work in all nearby producing wells, pay found in each of the Beluga prospect intervals at closest well KLU A-4.

Minimal Risk: Pg= source (1.0) x Reservoir (1.0) x Closure (1.0) x Containment (90%)

Risks based on chance to achieve low side resources, and repeat of KLU A-4 stratigraphy

FURIE OPERATING ALASKA LLC

Summary

- We need a Southcentral Energy Choke Model
- Local Gas should be the 95% solution for next 5 years
- We must make this so operators are willing to invest in Alaska
- KLU burdened by 25% Royalty and ORRI
- Operator Burdened by 10% Carry and Opex/Overhead G&A unlike no other
- It is not a funding issue for us
- We will self fund to drill if we are equalized with competitors

FURIE
OPERATING ALASKA LLC

Hidden Slides