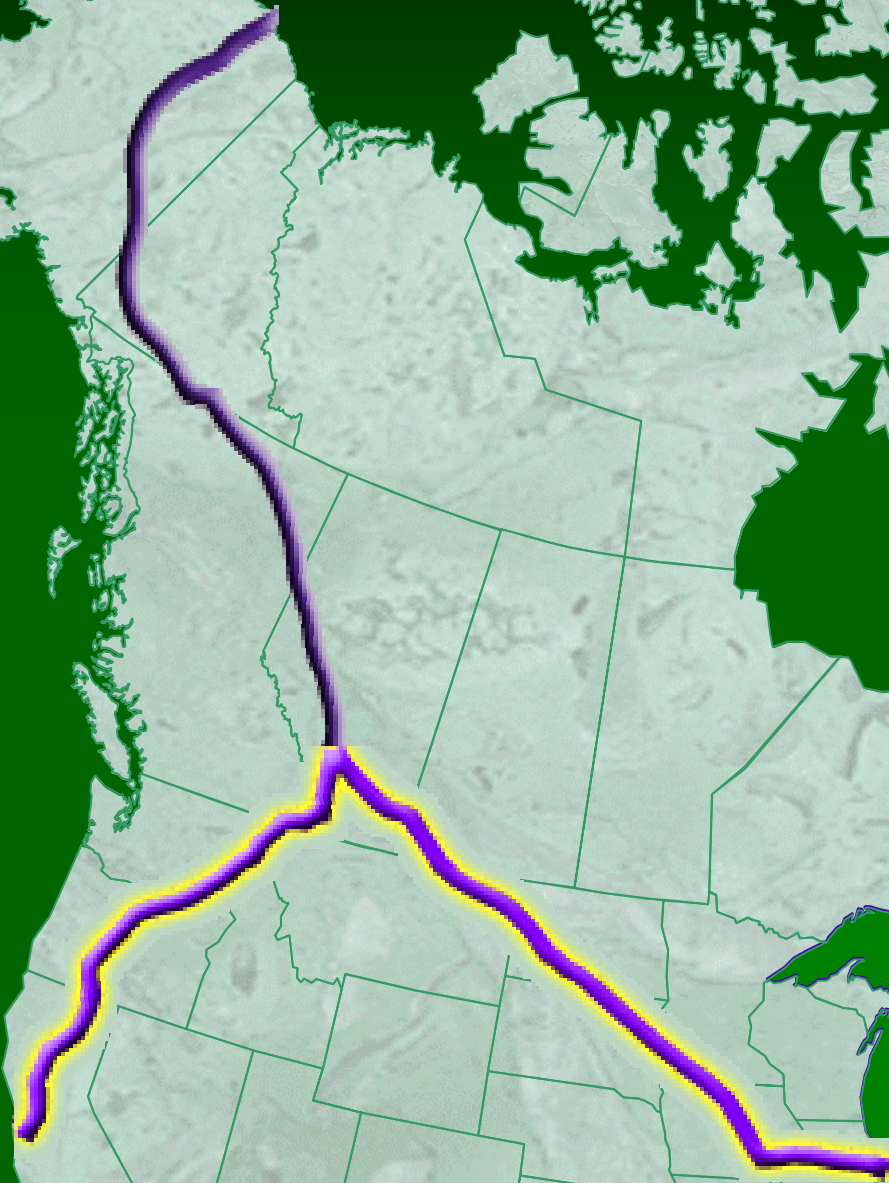


ALASKA HIGHWAY PIPELINE PROJECT



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LONG TERM



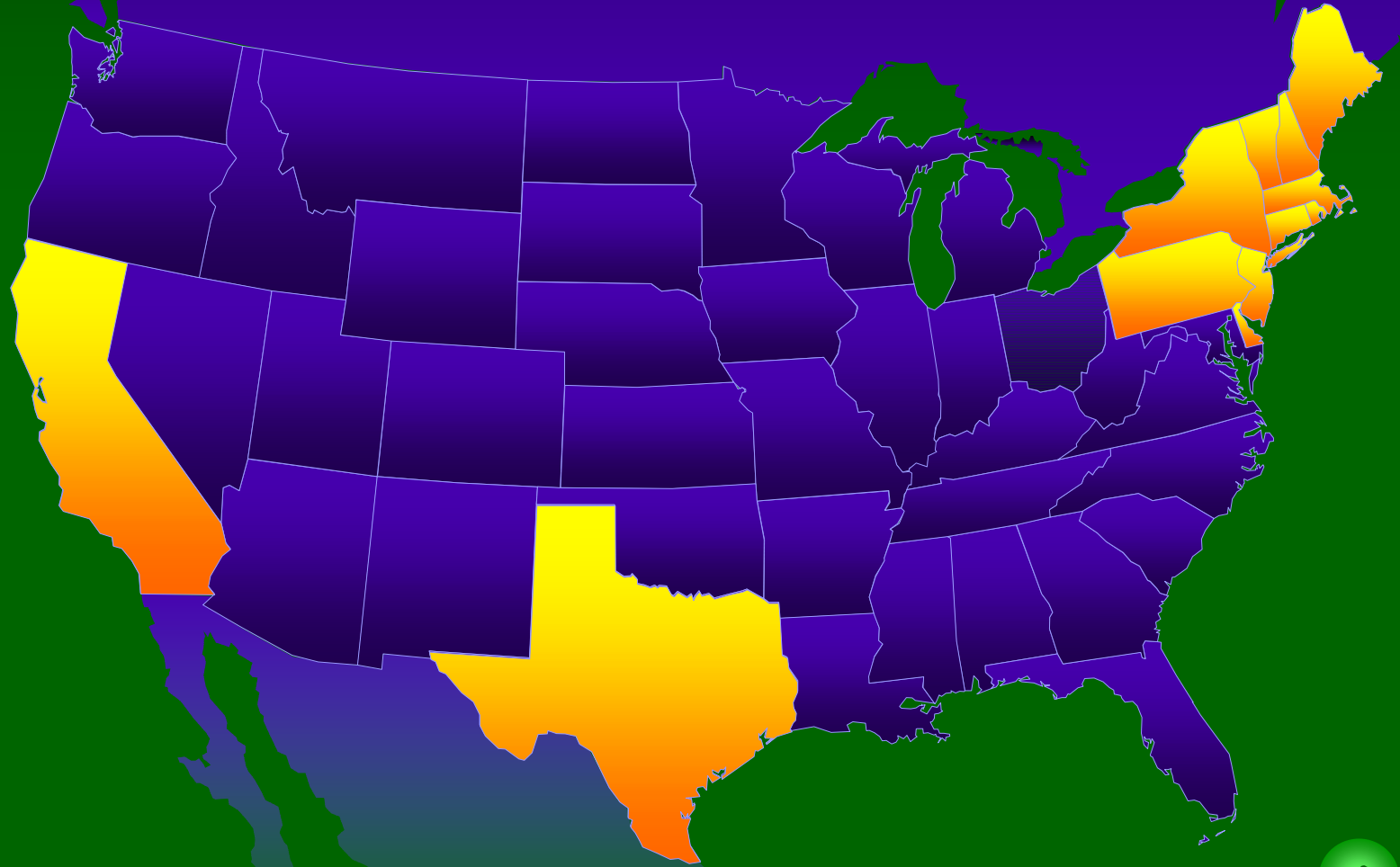
ATFP



8 TCF INCREASED DEMAND



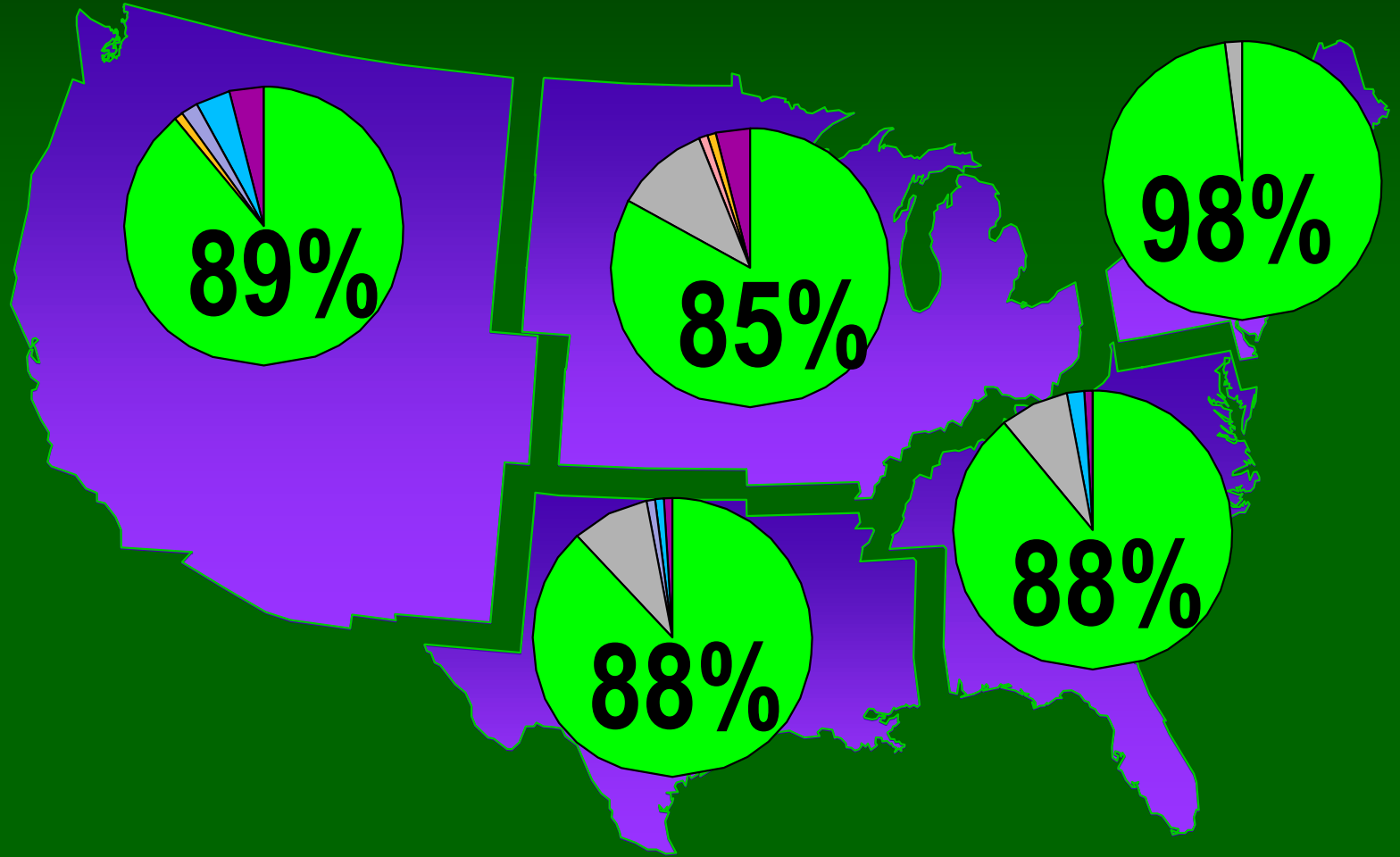
ATFP



NEW NATURAL GAS FIRED DEMAND BY REGION



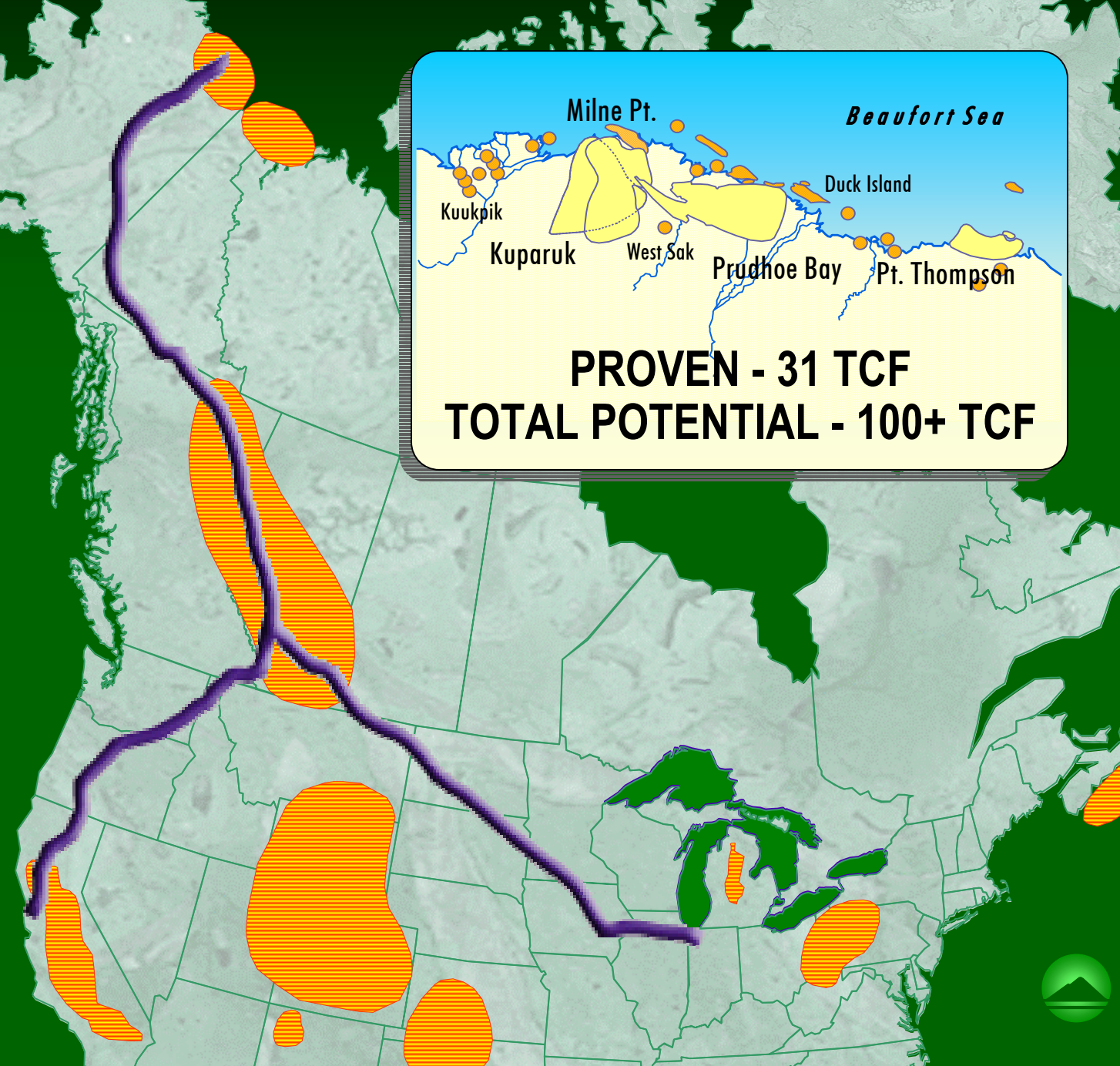
AEP



ALASKA HIGHWAY PIPELINE PROJECT



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Milne Pt. *Beaufort Sea*

Kuukpik Kugaruk West Sak Prudhoe Bay Pt. Thompson Duck Island

PROVEN - 31 TCF
TOTAL POTENTIAL - 100+ TCF



PRESS RELEASE



ALASKA



OFFICE OF THE GOVERNOR
Press Releases



ALASKA IN THE NEWS

November 7, 2000

Release 00-20

KNOWLES RECOMMENDS HIGHWAY ROUTE FOR GASLINE

Southern Route Most Competitive Way to Market North Slope Gas

Saying it is the most economic route to quench the nation's thirst for clean-burning natural gas and meet the demands of Alaskans for jobs and energy, Gov. Tony Knowles today announced that the state favors the route the Alaska Highway route for a pipeline for North Slope natural gas. The route parallels the trans-Alaska oil pipeline to Fairbanks and then follows the Alaska Highway to connect with the Canadian pipeline system that links to markets in the midwestern states.

"Paraphrasing the old political adage, "It's either my way or the highway," my response to the routing question is **my way IS the highway!**" Knowles said in speeches Friday before the Resource Development Council in Anchorage and at Flowline Alaska, an industrial pipe fabrication firm in Fairbanks.

"An Alaska Highway pipeline can be completed sooner than other routes and prove to be the most economical route for the producers and the greatest revenue producer for the State of Alaska," Knowles said. "It is my hope that an Alaska Highway pipeline will be the beginning of a new economy for our state for the next 50 years and longer."

An alternate route that connects North Slope gas fields by a northern route that includes a 400-mile pipeline beneath the Beaufort Sea is somewhat shorter, but has formidable technical, environmental and logistical challenges that may never be satisfactorily addressed. The Alaska Highway pipeline can be built far sooner, Knowles said.

"With all of the permitting, international agreements, and environmental considerations completed from the 1976 federal pipeline act, the Alaska Highway pipeline is clearly poised for immediate action," Knowles said. "As the largest



PROJECT BENEFITS

- * *Maximizing Opportunities*
- * *Protection of Environmental Quality*
- * *Cost-Effective Transportation*
- * *Unique Legislative and Regulatory Regime*
 - * *International Treaty*
 - * *Legislation in both countries*
 - * *Certificates of Public Convenience & Necessity*
 - * *Flexible Framework*

APR



NORTHERN TRANSPORTATION PROJECTS



ATFP



PROJECT BENEFITS

CONTINUED

- * *Timely Delivery*
- * *Established Transportation Corridor*
- * *Extensive Pipeline Experience*



AFFP



FOLLOWING ATIGUN PASS



ATFP

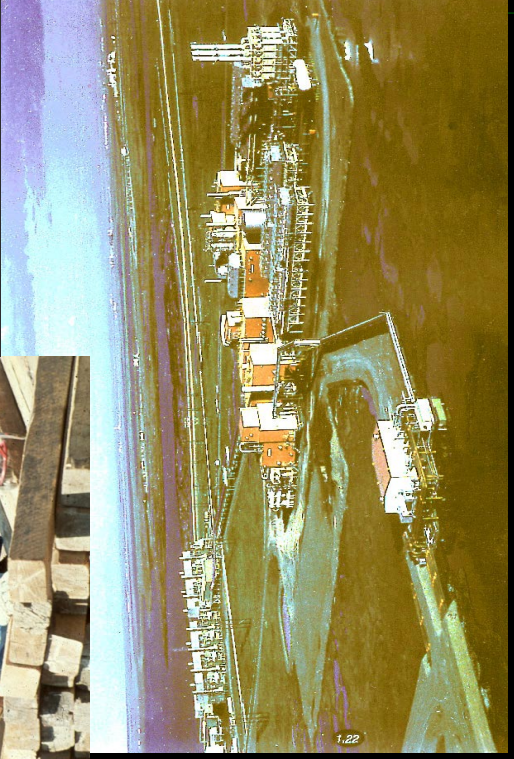
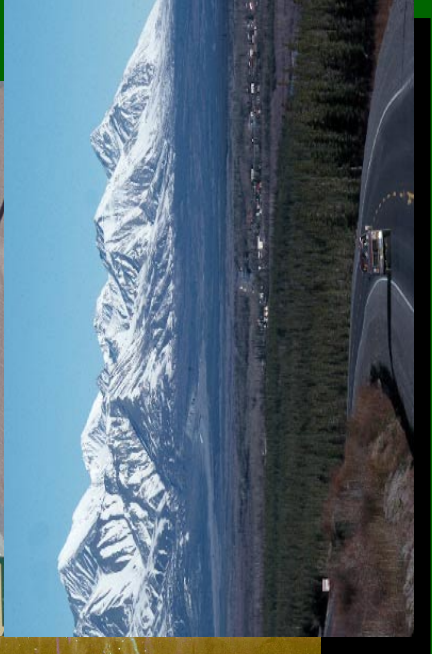


Atigun Pass

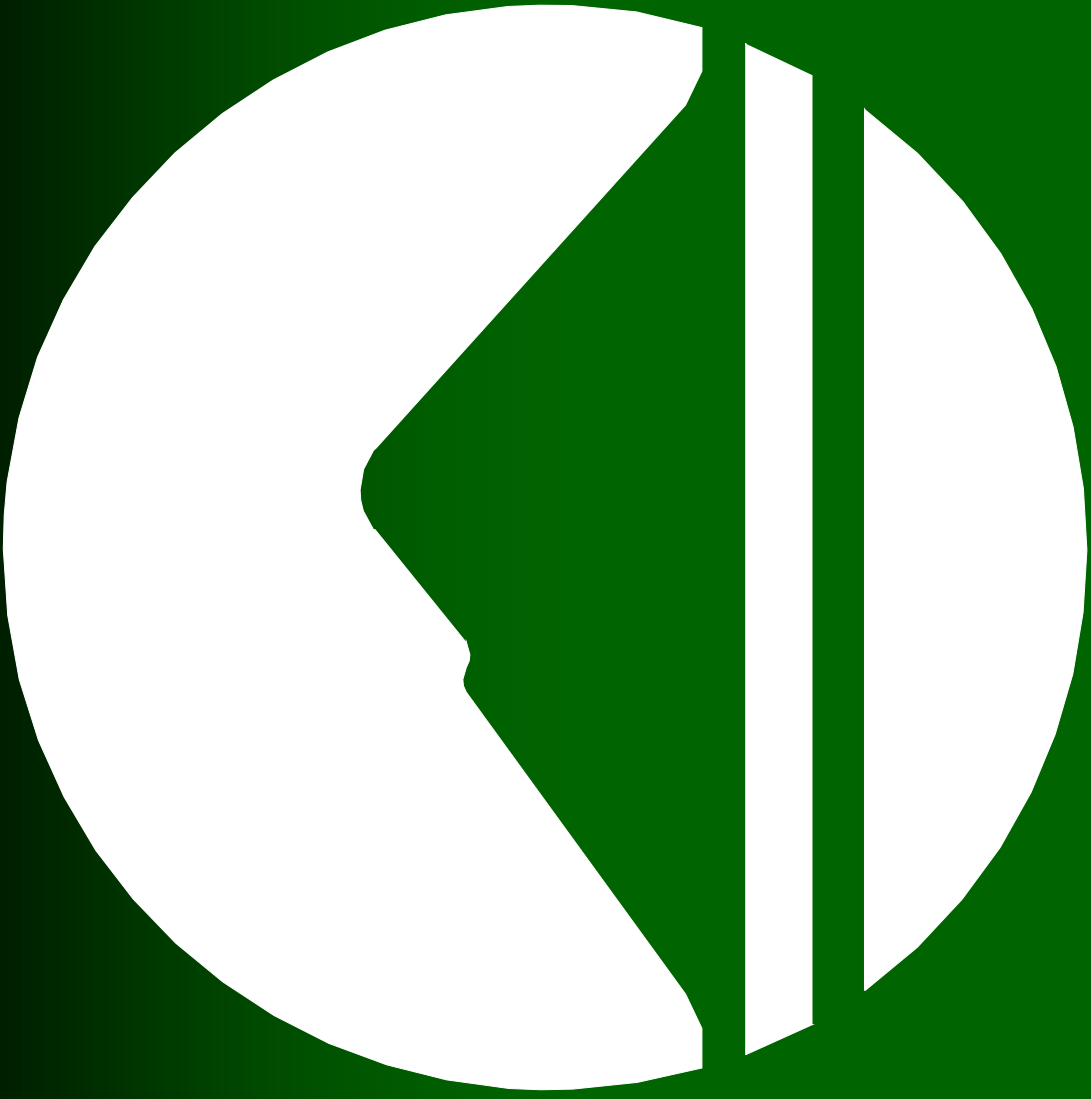
ALASKA HIGHWAY PIPELINE PROJECT

- **\$7.6 Billion**
- **Under \$2.00 / MMBtu
Transportation Cost**
- **In-Service as
early as 2006**





APP



Foothills Pipe Lines