



WESPAC **MIDSTREAM**

**AIDEA Public Forum
Fairbanks, Alaska**

November 4, 2015

Who is WesPac Midstream?

WesPac founded in 1998 to develop, own, and operate energy infrastructure projects

Historically focused on tank farms, pipelines, marine terminals, rail off-loading, and airport fuel facilities

In the last 5 years, WesPac expanded its focus to include upstream production, LNG, power plants and marine infrastructure

WesPac's majority owner is **Oaktree Capital and Highstar Capital**, with diverse portfolio of assets under management and extensive experience in the energy industry

- Investments include Kinder Morgan GP, EXCO Energy, Ports America, Dynegy, First BanCorp, McDermott, Wells Fargo, Caiman Energy, Wildcat Midstream, Star West Generation and Southern Star Pipeline

Highstar is the infrastructure arm of the fund with deep expertise in energy development, operations, facilities, marine vessel ownership and public private partnership experience

WesPac's minority owner is Clean Marine Energy (CME) which manages and finances the conversion of large ships to LNG and innovative bunkering solutions



Recent Developments



- WesPac Jacksonville (JAX) plant chooses Cosmodyne
- First train will produce 125,000 GPD
- Second train will add additional 125,000 GPD



- Canadian Government grants WesPac 25-year export license
- WesPac to supply LNG to TOTE's "ORCA-class vessels"
- Bunker vessel under construction at Conrad Orange Shipyard



- TOTE commissions two (2) LNG-fueled designs
- WesPac to supply LNG at Tacoma & Jacksonville
- Vessels undergoing sea trials

WesPac's Jacksonville LNG Project



- **The projects' 1st train is essentially identical to our response for the AIDEA IEP RFP**
- 1st bunker barge project in North America
- Up to 300,000 gallons per day LNG facility
- 2MM gallons of storage

WesPac Proposes Two LNG options for Cook Inlet

Port MacKenzie

OR

Pentex/Titan/FNG site

- New 125,000 Gallon per day facilities
- Sites are roughly 12 miles apart
- Both have rail and truck access
- Port Mac better marine & market access
- Pentax/Titan/FNG has lower capital costs



Option One - Port MacKenzie Liquefaction

Initial Build

- In service, 24 months after award
- 125,000 GPD
- 500,000 Gals Storage
- 5.7 Mw on site generation
- Proposed rate \$3.66/mcf

Future Expansion (if required)

- In service 2022
- 100,000 GPD expansion



Option Two – Pentex/Titan/FNG Liquefaction

Initial Build

- In service, 24 months after award
- "Expansion" 125,000 GPD
- 500,000 Gals Storage
- 5.7 Mw on site generation
- Proposed rate \$3.27/mcf

Future Expansion (if required)

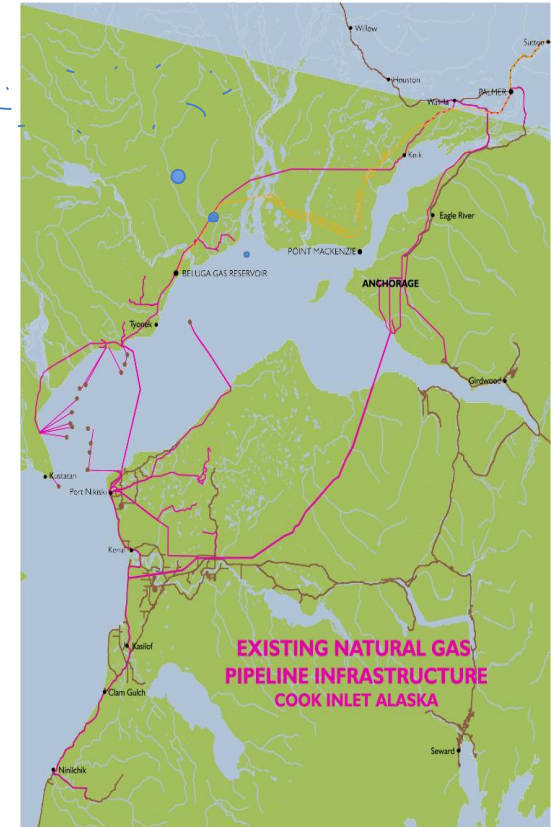
- In service 2022
- 100,000 GPD expansion



Cook Inlet Advantages

An ideal site for LNG production

- Existing port (Port MacKenzie)
- Abundant land
- Proven gas reserves
- No major permitting
- Minimal environmental impact
- Adjacent gas pipeline (Beluga Pipeline)
- Adjacent power transmission (MEA)
- Port MacKenzie Rail access
- Marine access (Port MacKenzie)
- Expansion opportunities
- Federal Railroad Administration recently approved LNG rail transport in Alaska



The WesPac Advantage

WesPac Advantages

Experience: constructing an essentially identical plant in Jacksonville, Florida

Strength: WesPac is owned by financial powerhouse Oaktree Capital

Financing: use of AIDEA's low-cost financing package lowers overall cost to consumers

Development: Mat-Su Borough strongly supports the development

Infrastructure: new customers for Alaska Railroad and recently approved for LNG transport

Proven Gas Reserves: potential Cook Inlet reserves with BlueCrest

Full-logistics chain: If req'd, full value chain logistics expertise and partners

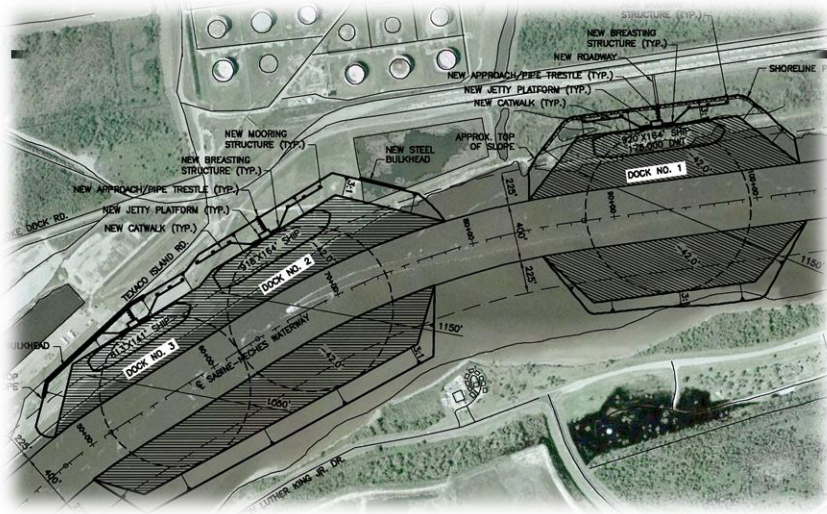
Access to alternative markets: mining, seafood processors, marine

Ancillary infrastructure: as appropriate and necessary

- Ports, rail, shipyards, mining, vessels, reserves, pipeline, storage, power plants

Jobs and economic growth: state wide (infrastructure, O & G, transportation)

Thank You



OAKTREE

HIGHSTAR CAPITAL



WESPAC
MIDSTREAM



CleanMarineEnergy[®]
Solutions for emissions compliance

MID OCEAN
MARINE, LLC

