

**RENEWAL OF THE
CONDITIONAL RIGHT-OF-WAY LEASE FOR THE
TRANS-ALASKA GAS SYSTEM (TAGS)
(ADL 413342)**

This renewal of the Conditional Right-of-Way Lease (CONDITIONAL LEASE) for the Trans-Alaska Gas System is made and entered into, and becomes effective this 11th day of December, 1998 by and between the State of Alaska acting through the COMMISSIONER of the Department of Natural Resources and Yukon Pacific Company, LP, acting through the President and Chief Executive Officer of Yukon Pacific Corporation.

Whereas, Yukon Pacific Corporation requested renewal of the CONDITIONAL LEASE for the Trans-Alaska Gas System for an additional lease term of ten (10) years pursuant to Section 4(B) of the CONDITIONAL LEASE; and the COMMISSIONER has determined that Yukon Pacific Corporation is in full compliance with the provisions of the CONDITIONAL LEASE and State and Federal laws.

Now, therefore, the parties agree that the CONDITIONAL LEASE is renewed for ten (10) years beginning on December 11, 1998 and expiring at midnight on December 11, 2008.

The parties further agree that Section 4 (B) of the CONDITIONAL LEASE shall be amended effective December 12, 1998 to read as follows:

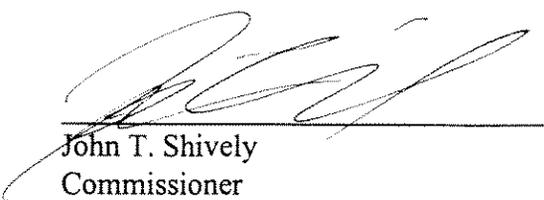
“Upon request of the CONDITIONAL LESSEE, the COMMISSIONER may renew the CONDITIONAL LEASE as long as the CONDITIONAL LESSEE is in full compliance with the provisions of this CONDITIONAL LEASE and State and Federal laws and provided that the CONDITIONAL LESSEE can demonstrate that substantial progress has been made toward a determination that the CONDITIONAL LESSEE is fit, willing and able to perform the transportation or other acts proposed in accordance with the provisions of AS 38.35.100 (a).”

All terms, covenants and conditions to the CONDITIONAL LEASE shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this renewal as of the date first written above.

STATE OF ALASKA

YUKON PACIFIC CORPORATION



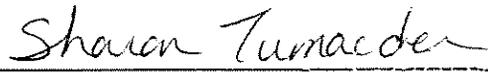
John T. Shively
Commissioner
Department of Natural Resources



Jeff B. Lowenfels
President and Chief Executive Officer
Yukon Pacific Corporation

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

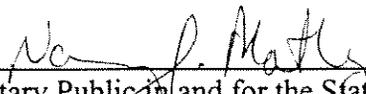
This is to certify that on the 9th day of December, 1998, before me, personally appeared John T. Shively, Commissioner of the Department of Natural Resources of the State of Alaska, who executed the foregoing renewal and acknowledged voluntarily signing the same.



Notary Public in and for the State of Alaska
My Commission expires _____ My Commission Expires:
February 12, 2001

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the 10th day of December, 1998, before me, personally appeared Jeff B. Lowenfels, the President and Chief Executive Officer of Yukon Pacific Corporation, who executed the foregoing renewal and acknowledged voluntarily signing the same.



Notary Public in and for the State of Alaska
My Commission expires Sept 8, 1999