



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Department of Natural Resources**

COMMISSIONER'S OFFICE

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September 10, 2018

Darlene Gates  
President  
ExxonMobil Alaska Production Inc.  
3700 Centerpoint Drive, Suite 600  
Anchorage, AK 99503

Janet Weiss  
President  
BP Exploration (Alaska) Inc.  
900 E. Benson Boulevard  
Anchorage, AK 99508

Joe Marushack  
President  
ConocoPhillips Alaska, Inc.  
P. O. Box 100360  
Anchorage, AK 99510-0360

Michael H. Leede  
Colt Alaska, LLC  
6400 South Fiddlers Green Circle  
Englewood, CO 80111

Re: Point Thomson Unit Letter Agreement

Dear Mss. Gates and Weiss and Messrs. Marushack and Leede:

The State of Alaska, acting through the Department of Natural Resources ("DNR"), ExxonMobil Alaska Production Inc., Point Thomson Unit ("PTU") Operator and working interest owner and successor in interest to Exxon Mobil Corporation, Chevron U.S.A., Inc., and ExxonMobil Oil Corporation, BP Exploration (Alaska) Inc., ConocoPhillips Alaska, Inc., and Colt Alaska, LLC as successor in interest to Leede Operating Company, L.L.C., are parties to the Settlement Agreement, dated March 29, 2012, regarding the Point Thomson Unit ("Settlement Agreement"). This letter sets forth the agreement by the undersigned parties as to certain matters under the Settlement Agreement. The purpose is to further advance progress of the Alaska LNG Project and to align work commitments and timelines for the Settlement Agreement with that project.

For the purposes of the Settlement Agreement, an Alaska LNG Project means a fully integrated natural gas project consisting of a gas treatment plant, large diameter pipeline, liquefaction facilities, marine terminal, and necessary transmission pipelines and other facilities that are designed and constructed principally for the purpose of liquefying supplies of natural gas from the North Slope of Alaska for export in foreign commerce and for the opportunity to provide natural gas for in-state deliveries that is being advanced by the State, a State owned entity such as the Alaska Gasline Development Corporation, a public corporation and government instrumentality of the State of Alaska organized and existing under AS 31.25, or an entity in which a State owned entity holds a controlling equity share.

To allow the parties to work on progressing an Alaska LNG Project, the undersigned parties agree to suspend dates, deadlines, terms, conditions, undertakings, commitments, submittals, and obligations (whether contingent or otherwise) of a party in the Settlement Agreement

("Extension Period"), as set forth below. Each signatory party waives and shall not seek to enforce any such provision of the Settlement Agreement during the Extension Period.

The Point Thomson Unit Plan of Development, dated June 30, 2017, supplemented on October 12, 2017, and approved by DNR on August 29, 2017 and December 22, 2017 ("PTU POD") will remain in effect during the Extension Period until the earlier of the effective date of an MGS POD, an Expansion Project POD, or December 31, 2019 if an MGS POD or Expansion Project POD has not been submitted. PTU working interest owners' work activities associated with the IPS will continue under the PTU POD; however the PTU working interest owners' work on a Point Thomson Expansion Project and the PTU POD Work Plans for Evaluation and Selection of a Point Thomson Expansion Project will be suspended during the Extension Period. The PTU working interest owners will submit PODs to DNR on a biennial basis (starting for the two-year period of 2020 and 2021) addressing ongoing IPS or other unit exploration, development, and operations, including activities in furtherance of the Alaska LNG Project, as set forth in Paragraph 4.6 of the Settlement Agreement. Until the earlier of the effective date of an MGS POD, an Expansion Project POD, or thirty (30) months from receipt of the Suspension Notice if an MGS POD or Expansion Project POD has not been submitted, DNR may not use approval of a biennial POD to modify the terms of the Settlement Agreement or this letter agreement.

The Extension Period shall continue until DNR provides notice to all parties to the Settlement Agreement that either: (1) there is a Final Investment Decision on an Alaska LNG Project; or (2) work on the Alaska LNG is no longer progressing ("Suspension Notice"). Final Investment Decision of an Alaska LNG Project means a decision by the Alaska LNG Project owners to construct the Alaska LNG Project, following securing the necessary financing arrangements to construct and operate the Alaska LNG Project.

Upon the occurrence of either a Final Investment Decision on an Alaska LNG Project or receipt of Suspension Notice, the Extension Period shall terminate and any suspended or waived date, deadline, term, condition, undertaking, commitment, submittal, or obligation shall be in effect as extended for the period of the Extension Period and as may be extended in the paragraphs below.

A Final Investment Decision on an Alaska LNG Project will be considered and treated as a Sanction of Major Gas Sale under the Settlement Agreement. For example, if Final Investment Decision on an Alaska LNG Project occurs, Paragraphs 4.4.2 and 4.5.1 of the Settlement Agreement will apply, the PTU working interest owners will provide to DNR work plans and project activities to develop Point Thomson Reservoir for Major Gas Sales through the Alaska LNG Project within ninety (90) days of Final Investment Decision as set forth in Paragraph 4.6.1 of the Settlement Agreement, and the parties shall comply with the terms of the Settlement Agreement for an MGS Project.

If a Suspension Notice for an Alaska LNG Project is received, the PTU working interest owners will resume work on the suspended portions of the PTU POD. A party shall be allowed thirty (30) months from the receipt of the Suspension Notice to comply with or perform any deadline, term, condition, undertaking, commitment, submittal, or obligation that had been suspended or waived, during the Extension Period. For example, from the date of the Suspension Notice, the working interest owners will have thirty months to Commit to a Point Thomson Expansion

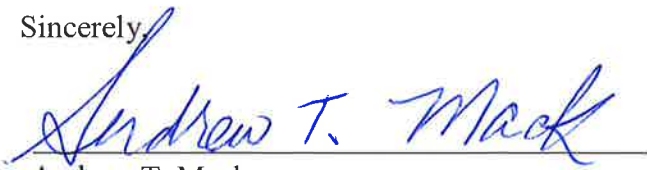
Project or Sanction a Major Gas Sale. Likewise, for example, the date for return to DNR standard administrative processes shall be thirty months after receipt of a Suspension Notice.

The PTU working interest owners understand how important Point Thomson is to Alaska. Point Thomson has opened up a new area of the North Slope. This work has been made possible with Alaskan partners. The PTU working interest owners have invested about \$4 billion in Point Thomson — more than 70 percent of that in Alaska. As additional development activity progresses under terms of this letter agreement, the Alaska Hire terms in paragraph 4.13 of the Settlement Agreement will continue to guide the PTU working interest owners.

The parties confirm that the Point Thomson Unit, the Point Thomson Unit Agreement, and the Point Thomson Unit Operating Agreement have remained in effect since originally approved. The Settlement Agreement shall continue in effect as of the date of and as conditioned by this letter agreement. Any dispute regarding the parties' rights and obligations under this letter agreement shall be subject to Paragraph 5.1 of the Settlement Agreement. The Settlement Agreement as conditioned and extended by this letter agreement shall remain in full force and effect until all obligations have been performed and all rights satisfied.

Each undersigned representative of a party to the Settlement Agreement certifies that he or she is fully authorized to enter into the terms and conditions of this letter agreement and to execute and legally bind such party. The executing parties will be bound by the terms of this letter agreement if the State of Alaska and the PTU working interest owners holding collectively ninety percent (90%) or more of the unit lease ownership execute this letter agreement and it will become effective when executed by PTU working interest owners holding collectively ninety percent (90%) or more of the unit lease ownership.

Sincerely,





Andrew T. Mack  
COMMISSIONER, DEPARTMENT OF  
NATURAL RESOURCES  
STATE OF ALASKA



Jahna Lindemuth  
ATTORNEY GENERAL  
STATE OF ALASKA

ACKNOWLEDGED AND AGREED:

  
Title: President  
For ExxonMobil Alaska Production Inc.  
Date: Sept 10, 2018

  
Title: VICE PRESIDENT  
For BP Exploration (Alaska) Inc.  
Date: SEPT 10, 2018

ACKNOWLEDGED AND AGREED:

\_\_\_\_\_  
Title: \_\_\_\_\_  
For ConocoPhillips Alaska, Inc.  
Date: \_\_\_\_\_

\_\_\_\_\_  
Title: \_\_\_\_\_  
For Colt Alaska, LLC  
Date: \_\_\_\_\_