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AKCNG Announces Availability of Compressed Natural Gas

Anchorage, AK— August 31, 2022 —Alaska CNG delivers compressed natural gas to fuel cleaner operations on Alaska’s North Slope

New Off Pipeline Distribution service allows remote sites to cut carbon emissions by 50% while saving money

Anchorage, Alaska – Aug. 31, 2022 – Alaska CNG LLC will begin its new Off Pipeline Distribution (OPD) service with first delivery Sept. 1 of compressed natural gas sourced from Prudhoe Bay, to power a development well site along the Dalton Highway.

The CNG will directly replace diesel for well operations, while providing a 50% reduction in carbon emissions.

In addition to cleaner air, AKCNG OPD customers will enjoy cost savings over diesel or gasoline. CNG is sold in units of either Gasoline Gallon Equivalents (GGE) or Diesel Gallon Equivalents (DGE). The current price per GGE is \$2.50 which compares favorably to retail gasoline prices in the area – currently above \$8.00 per gallon.

AKCNG can make delivery of CNG from its facility at Deadhorse to places on the road system, using specialized “tube trailers” towed by one of two heavy duty class 8 tractors (18 wheelers) which are powered by natural gas rather than diesel.

The new service will bring natural gas to locations that are beyond the economic reach of a pipeline and will be offered in addition to the company’s established motor vehicle fuel operation in Deadhorse. Target markets include locations south on the Dalton Highway and west to the Colville River from Deadhorse.

OPD CNG is new to the North Slope, but it is based on proven technology.

“We’re not doing anything new here, we’re doing it new at this location,” said Ray Latchem, AKCNG Chairman and CEO. “It’s done elsewhere in the United States; they call it virtual pipeline service.”

Great Bear Pantheon is AKCNG’s first OPD customer. The company reached a total measured depth of 14,300 feet on its first production well - Alkaid No. 2 - in mid-August. Alkaid is some 16 miles southwest of Deadhorse.

GBP has leased three CNG tube trailers from AKCNG, and it is bringing in a rig for stimulation and completion of its well.

“They gave us time to go out and buy that equipment and get it up here, and that was forward thinking on their part,” Latchem said. “They want to burn more gas than diesel on the pad and they potentially can use it to inject, to stimulate the well.”

“There’s a lot of innovations here that haven’t been done in this state before,” Latchem said. “One is using CNG on a development well program, and second, if we are able to put a deal together to take gas away, that’s a big plus also.”

AKCNG is also excited that Santos Ltd. announced its intention to reduce emissions by using natural gas instead of diesel at its Pikka development west of the central North Slope.

“We think we’ll be able work with them to bring natural gas out to the Pikka site before they’ve even got wells drilled so they can use it for heat, power generation, and other needs.”

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Attached is a photo of a CNG tube trailer, one of the Class 8 tractors, and one of the pickup trucks that run on CNG. Photo taken at the Chena Energy Fair held August 14th at Chena Hot Springs Resort.

More information can be found at www.AKCNG.com. Lauren can be reached at 907-562-5520.

