



Southcentral Alaska Energy Forum

September 2006

Kenai Blue Sky

Project Summary

Agrium

Project Blue Sky



- **Project capitalizes on long-term supply of low cost coal in Alaska.**
- **Abundance of compelling project drivers**
 - Second largest nitrogen manufacturing complex in North America
 - Alaskan market demand for low cost power alternative
 - 13 Cook Inlet oil fields may produce an additional 300 million barrels through CO₂ enhanced oil recovery



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Alaskan Opportunity



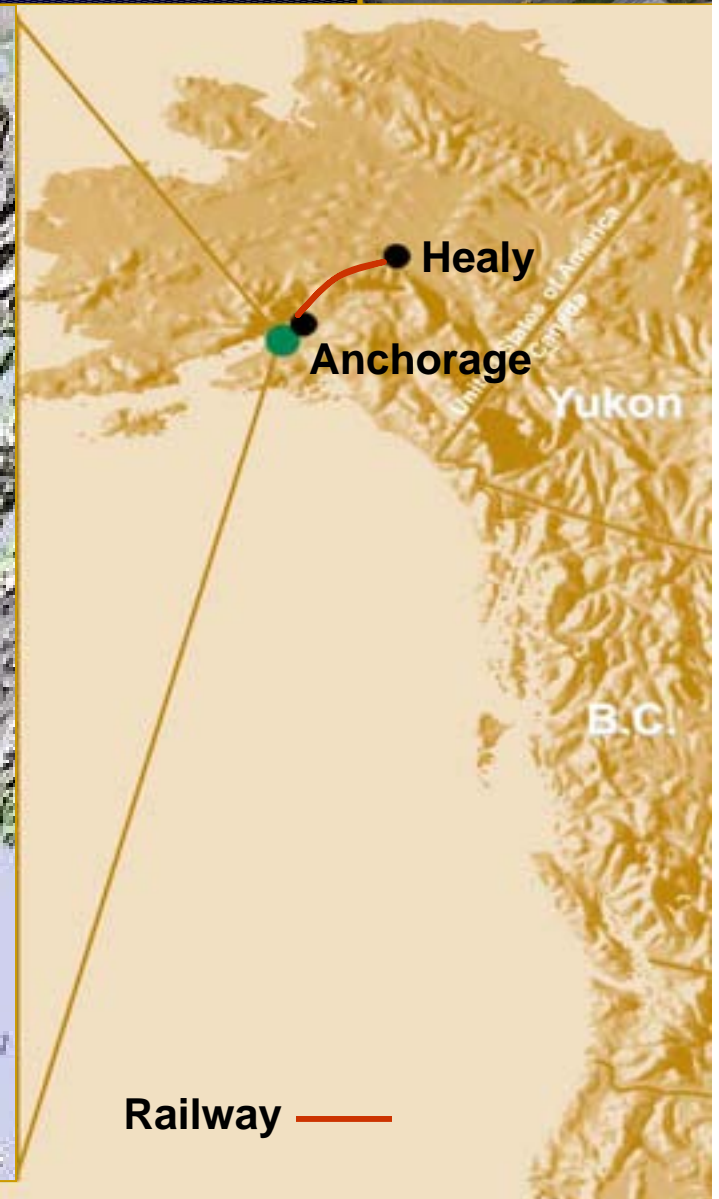
- Retains one of Alaska's largest value added businesses
- Ability to provide alternative low-cost power into high-cost power market
- Opportunity for "showcase" coal gasification facility - integration of power and industrial gasification
- Significant Enhanced Oil Recovery opportunities in Cook Inlet
- Strategic project for Federal and State governments



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Location of Blue Sky Project



Railway —

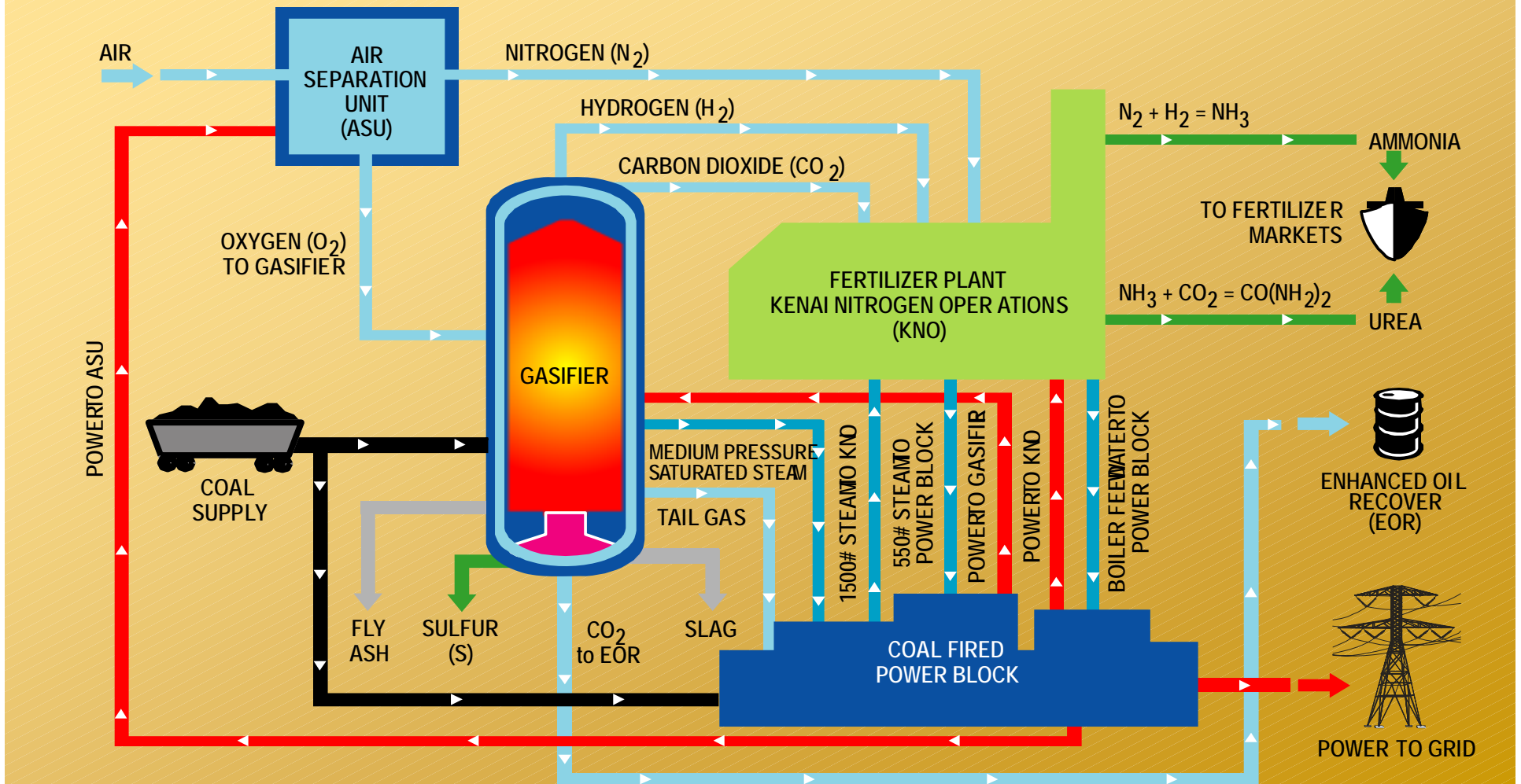
Kenai Industrial Area



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Project Components



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Project Approach



- **Phase 1 Feasibility Study (Complete)**
- **Phase 2 – Front End Engineering Design (FEED) Package and Permitting (18 months)**
- **Phase 3 – Detailed Engineering and Final Permitting**
- **Phase 4 – Construction and Startup**



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Blue Sky Project



Photo Courtesy of Eagle Eye Helicopter, Inc.



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