

The Alaskan Northwest partners believe that this outline fairly summarizes the financing plan concepts, as discussed in our several meetings, and the partners hereby indicate their willingness to present the same to prospective lenders, jointly with producer representatives, as a conceptual basis for a financing decision. The partners reserve for further consideration how the conditioning plant should be included in the

project, whether by integration into the ANGTS or as a certificated transportation facility necessary to the ANGTS.

We will proceed forthwith on the basis of this letter in presentations to financial advisors and institutions, and look forward to our first presentation on May 21 in New York.

Very truly yours,

John G. McMillian

---