

January 27, 2026

The progress and the future of Alaska LNG project

-About the announcement of FEED completion for the pipeline portion-

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On January 22, 2026, Glenfarne, the U.S. energy infrastructure company developing the Alaska LNG project¹, announced that the Front End Engineering Design (FEED)² for Phase One (739-mile longitudinal pipeline section) by Australian engineering company Worley had been completed by the end of 2025, and that conditional³ orders had been placed with several companies for this pipeline construction, with a view to making a Final Investment Decision (FID) and commencing construction. The pipeline is planned to run across Alaska from Prudhoe Bay, Alaska's largest northern oil field, which is currently producing crude oil and associated gas, to southern Alaska. In the announcement, Glenfarne also stated that it is targeting mechanical completion of the pipeline in 2028 and delivery of first gas in 2029.

In the same announcement, Glenfarne also mentioned that it had executed a Gas Sales Precedent Agreement⁴ for the purchase of raw gas with ExxonMobil, Hilcorp, and ConocoPhillips, which are the investors of Prudhoe Bay. ExxonMobil operates another oil field in northern Alaska, called Point Thomson, which is also currently producing associated gas. In this announcement, Glenfarne stated that Phase One may also include the construction of a short pipeline (63-mile) connecting Point Thomson and Prudhoe Bay. The announcement does not mention the progress or target for Phase Two (the liquefaction and export facility portion).

In the press releases on 11 September 2025, Glenfarne stated that it was targeting to complete the final engineering and FID for the domestic portion of the Alaska LNG pipeline within 2025 and FID for the LNG export components in 2026. The announcement on 22 January 2026 by Glenfarne revealed that the basic design for the pipeline portion was completed as planned within 2025, while the final investment decision for the pipeline portion is behind schedule.

Furthermore, there is no seen the updated cost estimate for the pipeline portion based on the FEED that is said to have been completed. The total cost estimate for the Alaska LNG project prior to the FEED is \$38.7 billion, announced in 2022 (breakdown: \$12.7 billion for the pipeline, \$16.8 billion for the

¹ About the outline of the project, please kindly read my previous article titled “Now and the Future for Alaska LNG Project” on October 10, 2025. <<https://eneken.ieej.or.jp/data/12771.pdf>>

² To be accurate, Glenfarne mentions “engineering work sufficient for a final investment decision”, while Worley refers it as “FEED” in its press release on 23 January.

³ The detail of precedent conditions has not been announced.

⁴ Similarly, the detail of precedent conditions has not been announced.

liquefaction and export facilities, and \$9.2 billion for the raw gas treatment plant⁵), and \$44 billion announced in 2023 (breakdown not disclosed). Given the current inflationary trend, the updated cost estimate for the pipeline portion based on the FEED will be a key factor in predicting the future of the Alaska LNG project.

Regarding the Alaska LNG project, Japanese companies (JERA and Tokyo Gas), as well as Taiwan's CPC and Thailand's PTT, have already signed letters of interest (LOIs) for procurement. In addition, Korea's POSCO International has signed a strategic partnership, including the supply of steel for pipeline construction and the Heads of Agreement (HOA) for LNG offtake. The Alaska LNG project offers benefits to Asian LNG importers, including Japan, by eliminating chokepoints and allowing imports in approximately 10 to 15 days. However, the uncertainty surrounding the total project cost, the risk of potential policy changes (the liquefaction and export facilities are not expected to begin operation until 2030-31 at the earliest, which is after the Trump 2.0 administration), and the lack of concrete, effective U.S. public support measures to address these uncertainties make it difficult to make binding commitments. U.S. majors such as ExxonMobil and ConocoPhillips, which are investors in the Alaska upstream oil and gas fields, had previously considered participating in the pipeline and liquefaction facilities, but have currently suspended their consideration.

Glenfarne's report revealed some progress, with the completion of the FEED for the pipeline portion of the Alaska LNG project. However, the updated cost estimate based on the FEED has not been announced. Japan will need to continue to closely follow the update of the cost estimate and also to consider its involvement, including public-private partnerships in the Alaska LNG project, from the perspective of Japan's energy security.

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⁵ It is for purifying raw natural gas by removing contaminants.