



PRESS RELEASE

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AIDEA Board Approves Pentex Acquisition *Authority to Purchase Pentex Alaska Natural Gas Company, LLC*

(Anchorage) – The Alaska Industrial Development and Export Authority (AIDEA) Board on Thursday approved a Resolution that authorizes AIDEA to purchase Pentex Alaska Natural Gas Company, LLC and its assets, including Fairbanks Natural Gas (FNG), under AIDEA’s Development Finance Program. AIDEA is authorized to invest up to \$54 million in this project, which includes the \$52.5 million purchase price, plus working capital.

“We expect the Pentex acquisition to be a short-term strategic investment that can play a significant role in helping achieve long-term success for the Interior Energy Project,” said AIDEA Executive Director John Springsteen. “This acquisition will promote an integrated gas distribution system that can be built and operated in a more efficient manner for the benefit of Interior Alaska residents and businesses.”

Under AIDEA’s temporary ownership of Pentex, FNG will be in a position to work closely with one or more local control entities in the Fairbanks North Star Borough to integrate the construction and operation of a natural gas distribution system. Integrating these distribution systems avoids duplication between competing utilities, and will reduce Interior customer’s price of delivered natural gas in an expanded system.

“The ultimate goal of this transition will be a single, locally controlled utility serving the Interior,” Springsteen stated.

Because of AIDEA’s lower cost of capital, AIDEA expects to be able to reduce the price of natural gas to existing FNG customers by approximately 13.3%. This will provide energy relief to Interior residents by the winter of 2015-2016.

The Alaska Industrial Development and Export Authority is a public corporation of the state. AIDEA’s purpose is to promote, develop and advance the general prosperity and economic welfare of the people of Alaska.

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