

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G14-01

**RESOLUTION OF THE ALASKA INDUSTRIAL
DEVELOPMENT AND EXPORT AUTHORITY SELECTING
A PRIVATE PARTICIPANT FOR THE DEVELOPMENT OF
THE NORTH SLOPE LNG PLANT OF THE INTERIOR
ENERGY PROJECT**

WHEREAS, in SB 23 the Alaska Legislature authorized the Alaska Industrial Development and Export Authority (the “Authority”) to provide initial financing for the Interior Energy Project, to bring natural gas from the North Slope to Interior Alaska;

WHEREAS, one key component of the Interior Energy Project is the Authority providing financing for the development of a liquefied natural gas (LNG) plant on the North Slope;

WHEREAS, the Authority solicited letters of interest from entities that are willing to participate in the development of the North Slope LNG plant as part of the Interior Energy Project and, based on the responses received, expert analysis, discussions and negotiations, the Authority management narrowed the field of possible Potential Participants to: (1) Spectrum Alaska, LLC; (2) MWH Americas, Inc.; and (3) “Polar LNG, LLC a company formed by Pentex Alaska Natural Gas Company, LLC in conjunction with Fairbanks Natural Gas, LLC (hereinafter collectively referenced as “Pentex”), (each, a “Potential Participant”), with each Potential Participant giving the Authority its “best and final” terms with respect to its participation in the development of the North Slope LNG plant;

WHEREAS, each Potential Participant has been given the opportunity to directly address the Board regarding its respective proposal;

WHEREAS, the staff of the Authority has reported to the Board regarding the respective proposals of each Potential Participant and the staff has made a recommendation to the Board as

to the Potential Participant the staff believes should receive part of the financing made available in SB 23 for the development of an LNG plant on the North Slope as one component of the Interior Energy Project, as well as recommending a Second Preferred Participant and a Third Preferred Participant in the event that the Authority is not able to come to financial terms with the Preferred Participant;

WHEREAS, the Board has considered all the information presented and is now selecting one of the Potential Participants as the Preferred Participant most suitable to receive SB 23 financing as part of the development the North Slope LNG plant in conjunction with the Authority as well as selecting a Second Preferred Participant and a Third Preferred Participant in the event that the negotiations with the Preferred Participant do no succeed; and

WHEREAS, the selection of the Preferred Participant has been made based on the Board's evaluation of the proposals submitted, the best interests of the Authority in providing financing consistent with the terms of SB 23, and the goals of the Interior Energy Project, and the selection is occurring for all of the supporting reasons stated by staff and expressed by the Board in the consideration of the various proposals;

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:

Section 1. MWH Americas, Inc. is selected as the Preferred Participant to join with the Authority in developing the North Slope LNG plant as a part of the Interior Energy Project.

Section 2. Pentex is selected as the Second Preferred Participant to join with the Authority in developing the North Slope LNG plant as a part of the Interior Energy Project in the event that negotiations with the Preferred Participant are not successful.

Section 3. Spectrum Alaska, LLC is selected as the Third Preferred Participant to join with the Authority in developing the North Slope LNG plant as a part of the Interior Energy Project in the event that negotiations with the Preferred Participant and the Second Preferred Participant are not successful.

Section 4. The Executive Director is authorized and directed to conclude the negotiations with, and to make a final agreement or agreements with, the Preferred Participant to proceed with the development of the North Slope LNG plant. The final agreement or agreements shall be generally based on the basic commercial terms and conditions proposed by the Preferred Participant in its final term sheet submitted for consideration at the Board's November 19, 2013 meeting, with such modifications, additions and deviations as the Executive Director in his discretion may determine to be reasonable and appropriate. After obtaining further Board approval, the Executive Director is authorized to execute and deliver the final agreement or agreements with the Preferred Participant in the name of and on behalf of the Authority and to take any and all other actions in the name and on behalf of the Authority as in the Executive Director's judgment are necessary or desirable to carry into effect the transactions contemplated by these resolutions.

Section 5. If the Executive Director is unable to conclude the negotiations and reach a final agreement or agreements with the selected entity to develop the North Slope LNG plant on the terms and conditions the Executive Director finds acceptable, the Executive Director shall promptly commence negotiations for financing the LNG plant with the Second Preferred Participant.

Section 6. If the Executive Director is unable to conclude the negotiations and reach a final agreement or agreements with the Second Preferred Participant to develop the North Slope

LNG plant on the terms and conditions the Executive Director finds acceptable, the Executive Director shall promptly so commence negotiations for financing the LNG plant with the Third Preferred Participant.

Section 7. This Resolution takes effect immediately.


DATED at Anchorage, Alaska on this 14th day of January, 2014.

ALASKA INDUSTRIAL DEVELOPMENT AND
EXPORT AUTHORITY





Chair



Secretary