



PRESS RELEASE

Karsten Rodvik
External Affairs Officer
907.771.3024

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AIDEA Board Approves Loan for Kitchen Lights Acquisition

Development Project Financing Provided to HEX LLC for Cook Inlet Unit

(Anchorage) – The Alaska Industrial Development and Export Authority (AIDEA) Board on Wednesday unanimously approved a resolution that authorizes AIDEA to provide a loan of up to \$7.5 million to HEX LLC for a natural gas production project in the Kenai Peninsula Borough. The loan to HEX is in support of the company’s bid to acquire the Kitchen Lights offshore unit and related infrastructure out of bankruptcy from Furie Operating Alaska LLC.

“Today’s announcement is another sign that Cook Inlet will be able to supply the energy needs of Southcentral Alaska and beyond for many years to come,” **said Governor Mike Dunleavy**. “I want to thank the AIDEA Board and employees for their hard work and solutions-based approach to keeping the Kitchen Lights Unit operating and the gas flowing. This is another example of AIDEA fulfilling its mission to develop, and advance economic growth and diversification in Alaska.”

“We are very happy to support HEX LLC in their efforts to keep the Kitchen Lights Unit in operation, under Alaska ownership,” **said AIDEA Board Chairman Dana Pruhs**. “This will keep gas flowing to utility customers and will benefit Alaska consumers.”

Funding will be used for acquiring and developing the Beluga and Sterling Formations within the Kitchen Lights Unit, along with existing infrastructure including a 15-mile subsea pipeline, an on-shore production facility, and off-shore production platform.

“For a kid who grew up in Homer and has spent a lifetime working in Alaska oilfields, I believe it is important that Alaskans have the opportunity to compete for this asset. The HEX team is grateful for AIDEA, and thanks them for moving expeditiously to make this happen,” **said HEX LLC President and CEO John Hendrix**. “HEX is committed to Alaska and investing in the communities we live in. We will strive to provide affordable, sustainable energy to Alaskans.”

The HEX acquisition will initially create 15 new jobs in the Kenai Peninsula Borough, with more jobs expected as development of the Kitchen Lights Unit continues to advance. This natural resource development project will also generate millions in revenue annually to both the State and Borough.

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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