



PRESS RELEASE

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AIDEA Board Approves Mustang Oil Field Project

Financing for Oil and Gas Production and Processing Facility

(Anchorage) – The Alaska Industrial Development and Export Authority (AIDEA) Board on Thursday approved a resolution that authorizes AIDEA to enter into an agreement with CES Oil Services Pte. Ltd to form Mustang Operations Center 1, LLC for the purpose of jointly financing an oil and gas production and processing facility at the Mustang Field on Alaska’s North Slope.

The production facility is estimated to cost between \$200 million and \$225 million. Costs include connecting to the Alpine oil pipeline to transport produced crude oil to the Kuparuk oil pipeline and on to the Trans-Alaska Pipeline System. AIDEA will invest up to \$50 million. The facility is expected to be complete by early 2016.

“We are pleased to move forward with this strategic investment in North Slope oil and gas production and development,” said AIDEA Board Chairman Dana Pruhs. “The Mustang facility supports the development of Alaska’s energy resources, and helps advance Governor Parnell’s objective to increase oil flow through the Trans-Alaska Pipeline.”

The 15,000 barrels per day facility will process crude oil from the Southern Miluveach Unit (known as the Mustang Field). AIDEA and CES Oil Services Pte. Ltd will own the facility through Mustang Operations Center 1, LLC. Brooks Range Petroleum Company is the Mustang Field operator and will build and operate the facility. In late 2012, AIDEA invested \$20 million for the construction of the Mustang road and pad. That project was completed in April 2013.

This project will generate 50 jobs related to design/engineering, environmental permitting and services, 250 construction jobs, 20 to 25 full-time operations positions and up to 200 indirect long-term jobs. AIDEA’s overall \$70 million investment is estimated to leverage more than \$500 million of private investment in Mustang Field development.

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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