



PRESS RELEASE

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AIDEA Completes Mustang Oil Field Project Deal

Will Finance North Slope Oil and Gas Production and Processing Facility

(Anchorage) – The Alaska Industrial Development and Export Authority (AIDEA) is pleased to announce that it has completed deal structuring with CES Oil Services Pte. Ltd (CES) to jointly finance and own an oil and gas production and processing facility at the Mustang Field on Alaska’s North Slope. Mustang Operation Center #1 will process up to 15,000 barrels of crude oil per day from the Southern Miluveach Unit (known as the Mustang Field), and transport produced crude to the Trans-Alaska Pipeline System (TAPS) via the Alpine and Kuparuk oil pipelines.

The AIDEA Board in April approved a resolution authorizing the Authority to move forward on completing the deal. AIDEA and CES will own the facility through Mustang Operations Center #1, LLC. Brooks Range Petroleum Corporation will build and operate the facility, which will cost between \$200 million and \$225 million. AIDEA will invest up to \$50 million. AIDEA previously invested \$20 million for the construction of the Mustang road and pad.

“We are pleased to participate in this strategic investment in North Slope oil and gas production and development,” said AIDEA Board Chairman Dana Pruhs. “This project is a reflection of the confidence SB 21 has instilled in the private sector. The Mustang Program has already created more than 100 exploration and construction jobs, with more than 500 direct and indirect jobs still to come with the design/engineering, permitting, construction and operation of this new facility.”

“Our partnership with Brooks Range and CES is a great example of bringing a complex project to fruition,” added AIDEA Project Development and Asset Management Director Jim Hemsath. “This is a model for future partnerships with Alaska’s independent producers.”

Mustang Operation Center #1 will include oil/water/gas separation and gas treatment equipment to produce 7.5 million cubic feet per day of gas for fuel and reinjection. The facility will also have 10 megawatts of electrical production as well as an operations camp and personnel quarters.

“We consider the completion of this deal with AIDEA a significant milestone for the project,” said Brooks Range Petroleum Corporation Chief Executive Officer Bart Armfield. “Brooks Range is eager to move forward on accelerating our field activities toward the common goal of increasing production flow into TAPS.”

AIDEA’s overall \$70 million investment in the Mustang Development Program is estimated to leverage more than \$500 million in private investment. The facility is expected to be flowing oil into TAPS in the first quarter of 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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