

**ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY**

**RESOLUTION NO. G21-07**

**RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT  
AND EXPORT AUTHORITY APPROVING AMENDMENTS TO  
LOAN AGREEMENT WITH BLUECREST ALASKA OPERATING  
LLC AND CO-BORROWERS**

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**WHEREAS**, in Resolution No. G15-14, adopted on April 30, 2015, the Alaska Industrial Development and Export Authority (the “Authority”) approved a loan of up to \$30 million to BlueCrest Energy, Inc. and its affiliates under the Authority’s development finance program (AS 44.88.172);

**WHEREAS**, on July 24, 2015, the Authority, as Lender, entered into a Loan Agreement with BlueCrest Alaska Operating LLC, as Borrower, and BlueCrest Alaska Oil & Gas LLC, BlueCrest Cosmopolitan, LLC, and BlueCrest Energy, Inc., as Co-Borrowers, under which the Authority agreed to provide a line of credit of up to \$30 million to finance the acquisition, transportation, set up and commissioning of an on-shore drilling rig, associated equipment and a camp facility;

**WHEREAS**, the Authority fully disbursed the \$30 million line of credit and the Borrower and Co-Borrowers used the loan proceeds to acquire the desired drilling rig and camp, both of which have been installed on-site and are in operation;

**WHEREAS**, in Resolution No. G16-14, adopted on December 1, 2016, and in Resolution No. G19-17, adopted June 26, 2019, the Authority approved certain amendments to the Loan Agreement related to the reserve account for the loan;

**WHEREAS**, in Resolution No. G20-09, adopted on March 27, 2020, the Authority approved certain amendments to the Loan Agreement related to principal payments on the loan;

**WHEREAS**, the decrease in oil prices due to the economic downturn from the COVID-19 pandemic has resulted in the Borrower encountering severe cash flow problems, and the sustained recovery of oil prices is uncertain in the immediate future;

**WHEREAS**, as outlined in the board memorandum, staff of the Authority has recommended amending the Loan Agreement again to provide for an extended period of interest-only payments on the loan until July 1, 2021, with principal payments resuming on August 1, 2021; and

**WHEREAS**, the recommended loan amendments are prudent and reasonable in view of the global economic crisis that exists, the amendments have been requested by the Borrower to assist the Borrower in remaining in business until the oil price recovery is sustained, and the amendments are in the best interests of the Authority and the State of Alaska.

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

Section 1. The recommended amendments to the loan agreement between the Authority, as Lender, BlueCrest Alaska Operating LLC, as Borrower, and BlueCrest Alaska Oil & Gas LLC, BlueCrest Cosmopolitan, LLC, and BlueCrest Energy, Inc., are approved. Continuing through July 2021, the Authority shall accept interest-only payments on the loan.

Section 2. The Executive Director is authorized to complete the negotiations with the Borrower regarding the amendments to the loan agreement. The Executive Director is authorized to execute on behalf of the Authority the final amendments to the loan agreement approved in Section 1 above, with any other non-material modifications to loan terms and conditions that the Executive Director determines to be appropriate.

Dated at Anchorage, Alaska, this 3<sup>rd</sup> day of March 2021.



Secretary

Chair