



PRESS RELEASE

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907.771.3024
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AIDEA Approves Key Steps for Exciting New Project Putting North Slope Natural Gas to Work Alongside Alaskans

December 11, 2023 (Anchorage, Alaska) – The Alaska Industrial Development and Export Authority (AIDEA) has approved a cost reimbursement agreement to undertake feasibility activities of Alyeschem, LLC (Alyeschem), the first petrochemical facility in the U.S. Arctic.

Alyeschem is developing a small chemical plant in Prudhoe Bay to make methanol and hydrogen from natural gas, carbon dioxide (CO₂), and water. The hydrogen will then be used to remove sulfur from diesel produced on the North Slope so that it can be used in engines. This will eliminate the cost, risk, and emissions from transporting the two highest-volume imports to the North Slope. Methanol is the simplest chemical made from natural gas, yet it has been imported thousands of miles, daily, for over 40 years.

Alyeschem's project will reduce CO₂ emissions by 93%, or 45,000 tons per year. It will significantly reduce transportation pollution and enable cleaner and cheaper fuel. By eliminating the long supply chain of importing methanol, the project will also reduce wear and congestion on the Dalton Highway along with environmental impacts.

AIDEA is excited to begin the process for potential investment in Alyeschem as the project could lead to 150 jobs and be a catalyst for economic growth in the region along with the environmental benefits.

"I am pleased to support AIDEA's involvement in Alyeschem, an exciting new project addressing a longstanding need in our state for supplying critical chemicals like methanol and utilizing stranded North Slope natural gas. Alyeschem's strategic location on the North Slope creates a unique opportunity to meet the current demand and contribute to Alaska's economic growth and create jobs. This project allows us to keep more of the value from our raw materials within the state and aligns with our goal of maximizing the benefits of our resources. Together, we're harnessing the power of North Slope natural gas to drive prosperity, innovation, and a cleaner, more resilient future for Alaska," Governor Mike Dunleavy.

“Alyeschem already has site control, a gas supply contract, equity investors, major permits, and front-end engineering and design completed. Partnering with AIDEA for potential investment is one more step closer to making this a reality for Alaskans,” said Alyeschem’s CEO, JR Wilcox.

McKinley Alaska Private Investment, LLC through Na’-Nuk Investment Fund, L.P. and BP Energy Partners, LLC through BP Natural Gas Opportunity Partners II, L.P. have invested in Alyeschem and are actively supporting Alyeschem’s effort to achieve final investment decision. “We appreciate AIDEA, the Governor, and Alaska’s support for this important project,” said Logan Birch, Partner at McKinley Alaska Private Investment, LLC.

“The Board of Directors (BOD) and I support Resolution G23-13 to conduct due diligence on a prospective project that has the potential to reduce emissions, create full-time Alaskan jobs, and provide an economic return to Alaskans. The BOD has encouraged AIDEA to explore opportunities that align with the mission. This is a positive first step toward that strategic alignment,” said Dana Pruhs, AIDEA Board of Directors Chairman.

"AIDEA’s mission is to create jobs and enhance economic opportunities within the state. This project uses our stranded natural gas, fosters economic growth, and reduces emissions. We look forward to starting the process to consider investing in this exciting project that will create jobs and economic development in Alaska. These projects are exactly why AIDEA exists and we are excited to consider investing in Alyeschem,” said Randy Ruaro, AIDEA Executive Director.

AIDEA remains steadfast in its commitment to supporting initiatives that enhance energy resilience, create jobs, and contribute to the prosperity of Alaska. For information about AIDEA or any of AIDEA’s projects, please visit www.aidea.org or contact AIDEA at communications@aidea.org.

About AIDEA:

The Alaska Industrial Development and Export Authority is a public corporation of the State of Alaska. AIDEA’s purpose is to promote, develop, and advance the general prosperity and economic welfare of the people of Alaska.

About Alyeschem LLC:

Alyeschem LLC is a local Alaskan company focused on building a chemical manufacturing facility on the North Slope of Alaska, with the goal of supplying critical chemicals to the region and contributing to local economic development.

About McKinley Alaska:

McKinley Alaska Private Investment, LLC offers private equity and venture capital investment opportunities, makes private investments in selected projects, and provides direct lending for qualified businesses. Our experienced team is part of the McKinley Management family of businesses providing integrated investment, lending, and research services. For more information and regulatory disclosure, visit mckinley-

alaska.com.

About BP Energy Partners:

BP Energy Partners is a Dallas, Texas based middle market private equity firm investing in energy and the energy transition. BPEP is focused on investments in energy and energy intensive industries that enable energy security, energy reliability, and "Practical Decarbonization". Originally sponsored by T. Boone Pickens, BPEP was founded in 2013 and manages more than \$600 million in committed capital. For more information, please visit www.bpenergypartners.com.

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