

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G20-09

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

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 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, the collapse in oil prices due to actions of foreign governments, exacerbated by the economic downturn from the COVID-19 pandemic, has resulted in the Borrower encountering severe cash flow problems, and oil prices are not expected to recover in the immediate future;

WHEREAS, Staff of the Authority has recommended amending the Loan Agreement again to provide for a one-year period of interest-only payments on the loan and to extend the amortization period and maturity date of the loan for one year; and

WHEREAS, the recommended loan amendments are prudent and reasonable in view of the global economic crisis that exists, the amendments may assist the Borrower in remaining in business until oil prices recover, 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:

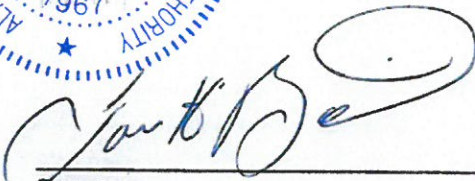
Section 1. The recommended amendments to the loan agreement between the Authority, as Lender, BlueCrest Alaska Operating LLC, as Borrower, and BlueCrest Alaska Oil & Gas LLC, BlueCrest Cosmopolitan, LLC, and BlueCrest Energy, Inc., are approved. Starting with the payment due April 1, 2020 and continuing through March 2021, the Authority shall accept interest-only payments on the loan, and the amortization period and maturity date for the loan shall be extended for one year.


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 27th day of March 2020.




Secretary


Chair